

MINUTES

North Dakota Public Employees Retirement System VIA TELECONFERENCE Tuesday, May 11, 2021 8:30 A.M.

Members Via Phone: Chairperson Mona Rindy
Senator Tim Mathern
Representative Jason Dockter
Mr. Adam Miller
Ms. Casey Goodhouse
Mr. Dirk Wilke
Ms. Kim Wassim
Mr. Troy Seibel
Ms. Yvonne Smith

Others Via Phone: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Steve Webster, SHP
Mr. Danny Weiss, SHP

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. The meeting was held by teleconference; roll call was taken, and a quorum was present.

Chairperson Rindy called for any questions or comments regarding the minutes of the April 13, 2021 meeting.

MS. SMITH MOVED TO APPROVE THE MINUTES OF THE APRIL 13, 2021 BOARD MEETING. THE MOTION WAS SECONDED BY MR. WILKE AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Sanford Health Plan 2020 Quarter 4 Executive Summary

Mr. Steve Webster took a moment to express gratitude for the service of the Board and staff during the legislative process. Staff represented NDPERS very well.

Mr. Webster provided an overview of the annual membership summary showing a moderate increase for Actives. In looking at membership trends, he noted that 700 contracts will be leaving the plan on January 1, 2022. Mr. Webster reviewed Per Member Per Month (PMPM) information for Quarter 4. The pandemic caused an overall drop in utilization beginning in Quarter 2 of 2020. Numbers rebounded in late 2020 for Actives. There was not the same rebound effect on Retirees.

Mr. Webster shared claims analysis information and pointed to the fluctuation in claim types that dipped from Quarter 1 to Quarter 2 due to the impact of COVID and trended upward during Quarters 3 and 4. Pharmacy claims remained consistently high during that period.

There has been a slight increase in out-of-state claims in 2020 compared to 2019. The pandemic had a significant effect on total office visits; there were fewer cases, but a higher acuity.

Mr. Danny Weiss reviewed high dollar pharmaceutical cases and highest paid diagnosis groups. Oncology continues to trend as the largest claims group. He discussed generic utilization versus brand and specialty drugs. He spoke about the effect of inflation and drug price increases, and the effect it will have on premium rates. He pointed out an increase in diabetes care due to the scare of COVID and how it took a pandemic to address the importance of diabetic care.

Mr. Webster presented information about member participation in fitness center reimbursement, health assessments, online wellness activities, and lifestyle medicine programs. COVID-19 continued to cause a decline in participation in wellness programs through Quarter 4. In response to the decline, SHP sent communications in October 2020 about the December 2020 deadline to complete wellness activities in order to earn wellness program incentives.

He also reviewed the Center for Lifestyle Medicine, the Exercise is Medicine, the Diabetes Prevention Programs, and the monthly wellness themes for the last quarter of 2020.

The highly successful Tobacco Cessation Program was discussed. Mr. Webster closed the Executive Report with a summary of Performance and Standards Guarantees for 2019-2021.

The Board had questions about financial ramifications if SHP falls short on its goals. Staff will investigate and report back at the next meeting.

GROUP INSURANCE

Final Rates and Health Plan Design

Ms. Fricke reviewed the final rates for groups that participate in the Health Plan. At the November 2020 meeting, the Board approved applying a \$12 million retention credit to be spread to both the Actives and Retirees groups; and to hold a premium increase at .14% and 3% respectively. The .14% rate increase for active employees is in line with the Governors' budget recommendation.

Ms. Fricke explained that an appropriation was not provided to fund the health insurance coverage of survivors of emergency responders who die in the line of duty in the passing of House Bill 1435. This will result in the cost being paid from the health insurance plan reserves.

Ms. Fricke discussed a SHP plan design benefit change that would enhance coverage at no additional cost to the plan as recommended by SHP as part of the bid process last year. Contraceptive coverage can be added to the grandfathered plan when member cost share is applied. If approved, the coverage would be effective July 1, 2021.

Discussion followed.

MS. SMITH MOVED TO APPROVE THE GROUP HEALTH INSURANCE RATES AS PRESENTED, AND TO ADOPT THE PLAN DESIGN BENEFIT ENHANCEMENT TO ALLOW CONTRACEPTIVE COVERAGE AT NO ADDITIONAL COST TO THE PLAN SUBJECT TO MEMBER COST SHARE AMOUNTS. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

About the Patient Contract

The contract for the 2021-2023 biennium was approved at the April Board Meeting. The contract was reviewed by legal counsel and the North Dakota Pharmacy Services Corporation, who is the contracting authority for the North Dakota Pharmacists Association.

Discussion followed.

MS. GOODHOUSE MOVED TO APPROVE THE ABOUT THE PATIENT DIABETES MANAGEMENT PROGRAM CONTRACT, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE AGREEMENT. THE MOTION WAS SECONDED BY MR. WILKE.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

FlexComp Member Survey

Ms. Fricke shared results of the 2020 member survey conducted by ASIFlex, the third-party administrator for the FlexComp Plan. She included results of the 2019 survey for comparison. The survey indicates positive member satisfaction.

Employee Assistance Program (EAP) Vendor Selection

Mr. Bryan Reinhardt reported that seven responses were received. Four of the proposals were from existing EAP providers and are all still qualified. Three proposals were received from new vendors: ComPsych, Humana, and TeleHelp. The proposals were reviewed by staff. The TeleHelp proposal was incomplete, the proposal from ComPsych had a minimum \$2,500 monthly requirement, and Humana meets the RFP requirements, however, they have a 51-employee minimum requirement.

MS. SMITH MOVED TO APPROVE THE EXISTING VENDORS, CHI ST. ALEXIUS HEALTH, THE VILLAGE, LIVE WELL SOLUTIONS AND ENI NEXGEN, AND ALLOW HUMANA FOR

AGENCIES WITH OVER 50 EMPLOYEES. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

MISCELLANEOUS

Office Relocation Update

Mr. Hohbein gave an update on activity related to the office relocation. He reported that the cost of the DIRTT walls for the visitor meeting rooms will be \$700 less than expected because PERS will be able to take possession of the office space earlier than expected. He presented several items for the Board's consideration and approval. Items discussed were an upgrade to a multi-function printer, adding film on windows in the hoteling area, the addition of sliding doors to the hoteling area, cost to customize some office space, and a quote for remaining costs for essential items not to exceed \$20,000. Details of the five items discussed were provided in the board materials. After discussing the proposals, the Board chose to separate the quotes for consideration of board action.

SENATOR MATHERN MOVED TO APPROVE THE COST PROPOSALS FOR ITEMS 1, 2, 4, AND 5, AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE QUOTES. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Representative Dockter, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

MS. WASSIM MOVED TO APPROVE THE COST TO PROCURE 8 SLIDING DOORS FOR THE HOTELING AREA AND TO AUTHORIZE THE EXECUTIVE DIRECTOR TO SIGN THE QUOTES. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Wassim, Ms. Smith, and Chairperson Rindy

Nays: Ms. Goodhouse, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, and Representative Dockter

Absent: None

MOTION FAILED

The Board took a brief break from 10:08 A.M. TO 10:20 A.M. The Meeting resumed at 10:20 A.M., a quorum was present.

November Board Planning Meeting

The Board discussed options to hold an in-person Board Planning Meeting. The Planning Meeting may happen in place of the November regular Board Meeting and the same agenda format may be followed from two years ago.

Virtual Board Meetings

The Board discussed options for returning to in-person monthly Board Meetings. The topic will be brought back to the June meeting for further discussion.

Legislation

Mr. Scott Miller summarized the legislative bills that staff had been tracking during Legislative Session. HB 1209 was the employer contribution bill that was hog-housed into a study of the closing the Defined Benefit Plan and moving to a Defined Contribution Plan. SB 2046 proposed to split the Main PERS Plan into separate plans for state employees and political subdivision employees. HB 1380 is a legacy fund streams bill which is a revenue stream into the Main PERS retirement plan. HB 1465, HB 1004, and HB 1233 related to Pharmacy Benefit Manager audit transparency requirements. HB 1023 was the favorable NDPERS agency budget bill. HB 1032 was amended to a study. HB 1041 allows for penalties to employers for inaccurate contributions. HB 1435 provides for health care coverage for surviving spouses and eligible dependents for first responders who die in the line of duty. There was no appropriation provided in the legislation so the premium will be paid from reserves. SB 2043 was a contribution increase for the Highway Patrol Plan. SB 2341 allows for the sharing of confidential data with political subdivisions on a protected basis.

The Board was very complimentary of staff's hard work during Legislative Session. The Board discussed concern about legislative behavior and the treatment of people providing testimony.

Executive Director Performance Review and Compensation Committee Report and Recommendation

Ms. Wassim chaired the Performance Review Committee and shared the committee's recommendation. She stated that Mr. Miller's overall rating was a 2.3 on a scale of 3; and recommends a 1.5% increase as provided by the 67th Legislative Assembly. This equates to a salary increase of \$220.89 per month. The Committee wishes to continue to work together for the purpose of reviewing comparable salaries on a national basis. Ms. Wassim will continue to chair the committee.

MS. WASSIM MOVED TO APPROVE THE RECOMMENDATION OF THE COMMITTEE TO INCREASE THE SALARY OF THE EXECUTIVE DIRECTOR BY \$220.89 PER MONTH, WHICH IS 1.5% AS PROVIDED BY THE LEGISLATIVE ASSEMBLY. THE MOTION WAS SECONDED BY MR. ADAM MILLER.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Mathern, Mr. Adam Miller, Mr. Seibel, Mr. Wilke, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: None

MOTION PASSED

Ms. Rebecca Fricke shared an announcement regarding a former employee.

Mr. Scott Miller announced that the June agenda will include a presentation from Mr. Hank Kim, National Conference on Public Employee Retirement Systems (NCPERS) and Ms. Bridget Early with the National Public Pension Coalition. They will update the Board on the national public pension scene.

Chairperson Rindy called for any other business or comments. Hearing none, the meeting was adjourned at 11:32 A.M.

Prepared by,

Jan Lund
Assistant to the Board

A large, light blue, stylized signature or watermark graphic is positioned diagonally across the lower half of the page. It appears to be a cursive signature, possibly reading 'Jan Lund', but is rendered in a very light, semi-transparent blue color.