

## MINUTES

### North Dakota Public Employees Retirement System Tuesday, May 17, 2022 8:30 A.M.

Members Present: Chairperson Mona Rindy  
Senator Dick Dever  
Ms. Kim Wassim  
Mr. Adam Miller  
Ms. Yvonne Smith

Members Via Teams: Mr. Dirk Wilke  
Ms. Claire Ness  
Ms. Casey Goodhouse

Members Absent: Representative Pamela Anderson

Others: Mr. Scott Miller, NDPERS  
Mr. Derrick Hohbein, NDPERS  
Ms. Rebecca Fricke, NDPERS  
Ms. MaryJo Anderson, NDPERS  
Ms. Lindsay Schaf, NDPERS  
Ms. Aime Miller, NDPERS

Chairperson Mona Rindy called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Mr. Scott Miller introduced the new appointee of the Attorney General, Ms. Claire Ness. Ms. Ness shared information about herself and her work history.

Chairperson Rindy called for questions or comments regarding the minutes of April 12, 2022.

**SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE APRIL 12, 2022, BOARD MEETING. THE MOTION WAS SECONDED BY MR. ADAM MILLER AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.**

### PRESENTATIONS

#### Health Plan Executive Summary 2021 Quarter 4

Mr. Steve Webster reviewed the annual membership and membership trend. The Board discussed NDFIT and the draw of political subdivisions to NDFIT. Steve provided background information about the organization and explained that the state of North Dakota is divided into eight regions. It began with schools, then included public entities. NDFIT moved to offer a self-funded product in that trust. Small entities can afford to be self-insured if they purchase stop loss for risk. Brown and Brown administer the trust for NDFIT.

Steve continued with a review of claims analysis and membership and utilization. Costs related to a COVID diagnosis were lower in 2021 compared to 2020. The cases are less severe with lesser critical care required. With the lower severity of COVID, patients improve more rapidly with shorter hospitalization. Vaccinations are a contributing factor to the change in COVID costs. Three percent of the pharmacy utilization for NDPERS was the COVID vaccine.

Mr. Danny Weiss stated that cancer has consistently been the largest claims group at nearly 30 percent of claims followed by heart/circulatory at just over 17%. There is little cost management with a cancer diagnosis.

Mr. Weiss discussed the generic utilization of prescription drugs. He gave examples of the impact of advertising on patient demand for a brand-name drug. Humira biosimilars are coming to market in 2023, and as a result, advertising has disappeared for Humira. To keep the market share, Rinvoq is being promoted instead.

Mr. Webster reviewed the Lifestyle Medicine Programs and stated that the programs are effective and have good outcomes. Wellness program attendance and engagement saw an increase during Quarter 4 of 2021. There are concerns with 4 areas in the Performance Standards and Guarantees.

## **GROUP INSURANCE**

### Draft Health Plan Request for Proposal

Mr. Derrick Hohbein presented a proposed timeline and draft Request for Proposal in the event the Board goes out to bid for the Group Health Plan later this year. The topic was for information only.

### Contract Amendment for Dental Plan

Ms. Rebecca Fricke recapped the discussion from the March meeting when the Board approved the contract renewal with Delta Dental for the group dental plan. Ms. Fricke presented the contract amendment for the January 1, 2023, through December 31, 2024 contract period. The amendment was drafted by legal counsel and approved by Delta Dental.

**MS. SMITH MOVED TO APPROVE THE CONTRACT AMENDMENT FOR THE NDPERS GROUP DENTAL INSURANCE PLAN FOR THE JANUARY 1, 2023 THROUGH DECEMBER 31, 2024 CONTRACT PERIOD. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Ness, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson

**MOTION PASSED**

Medicare Part D Plan 2023 Premium Projection

Ms. Fricke reported that Humana provided a preliminary projection for the 2023 premium for the Medicare Part D Plan. The projected premium of \$69.72 per month is lower than the premium that was guaranteed as a premium cap in the 2021 bid process.

Humana will finalize the premium for the upcoming plan year after the Centers for Medicare and Medicaid Services (CMS) releases the federal subsidy level for Part D plans in the latter part of July. After Humana determines whether they need to adjust premiums based on the subsidy amount and the experience of the plan, Humana will provide the final premium for the Board's consideration.

If the final renewal premium exceeds the projected premium and the Board does not wish to renew, a final Medicare Part D RFP will be prepared for the August Board meeting for approval and an immediate release. Discussion followed.

Ms. Ness left the meeting at 9:55 A.M.

**SENATOR DEVER MOVED TO APPROVE THE STAFF RECOMMENDATION TO DEFER A BID FOR THE MEDICARE PART D UNTIL AFTER HUMANA PROVIDES ITS FINAL RENEWAL PREMIUM IN AUGUST 2022. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

**MISCELLANEOUS**

Board Election Update

Ms. Aime Miller provided an updated timeline for the board election.

Budget

Mr. Derrick Hohbein summarized Governor Burgum's budget guidelines for the 2023-25 biennium and the agency appropriation authority for the current biennium. He recapped the discussion from the November 2021 Board Planning Meeting regarding several initiatives with budget implications. The Board discussed staffing and a request for three full-time equivalent (FTE) staff, an equity package for the classified staff and the Executive Director, a one-time funding request to continue the additional Sagitec Developer for the PERSLink Business System, and staffing considerations in the event the Defined Benefit Plan is closed or the Health Insurance Plan and/or pharmacy benefits become self-funded.

For the remainder of the 2021-2023 budget, staff currently do not anticipate the need to transfer any other contingency funds unless there are unforeseen initiatives, retirements, or mandates over the next year.

It was the consensus of the Board for the Executive Director Performance Review and Compensation Committee to work on an equity package for both the Executive Director and classified staff.

The Board also discussed funding for a review of the Internal Audit Division which would include a self-evaluation and an external peer review. This item will be added to the continued budget discussion at the June Board Meeting.

#### HR Policy Manual

Mr. Scott Miller presented three proposed revisions to the HR Policy Manual that warrant a timely update. Staff will complete a full review at a later date. The Board discussed updates to Chapter 2.8 Dress Policy, Chapter 18.7 Education and Training, and Chapter 22 Disciplinary Procedures.

#### **MR. ADAM MILLER MOVED TO APPROVE THE HUMAN RESOURCE POLICY REVISIONS AS PRESENTED. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

#### **MOTION PASSED**

#### **THE BOARD TOOK A SHORT BREAK FROM 10:27 A.M. TO 10:35 A.M.**

#### Legislative Update

Mr. Scott Miller summarized eight bills that were considered by the Employee Benefits Programs Committee. The Committee took jurisdiction over the bills at the May 3<sup>rd</sup> Committee meeting.

The Board discussed the recent activity of the Interim Retirement Committee relative to closing the Defined Benefit Plan.

#### Legislative Relations

There was no board discussion on this topic.

#### Contracts Under \$10,000

A list of contracts signed by the Executive Director was provided for information only.

#### Executive Director Compensation Recommendation

Ms. Kim Wassim, Committee Chair, reviewed the results of the performance review of the Executive Director. The Committee recommends a 2% salary increase in line with the

salary increases granted by the Legislative Assembly for the second year of the 2021-2023 biennium, to be distributed on a performance basis.

**SENATOR DEVER MOVED TO APPROVE THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR PERFORMANCE REVIEW AND COMPENSATION COMMITTEE TO INCREASE THE SALARY OF THE EXECUTIVE DIRECTOR BY TWO PERCENT EFFECTIVE JULY 1, 2022. THE MOTION WAS SECONDED BY MR. WILKE.**

**Ayes:** Mr. Wilke, Ms. Smith, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

**MEMBER**

Retiree Health Insurance Credit (RHIC) Appeal Case #739

This agenda item was noticed for Executive Session.

**MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.2, §44-04-19.2(1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR APPEAL CASE NUMBER 739. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:06 A.M. The member and caretaker were present. The meeting returned to Open Session at 11:43 A.M.

**SENATOR DEVER MOVED TO AFFIRM ASIFLEX DENIAL OF THE RHIC BENEFIT PAYMENT FOR CASE NUMBER 739. THE MOTION WAS SECONDED BY MS. GOODHOUSE.**

**Ayes:** Mr. Wilke, Senator Dever, Mr. Adam Miller, Ms. Smith, and Ms. Wassim, Ms. Goodhouse, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

Retiree Health Insurance Credit (RHIC) Appeal Case #738

This agenda item was noticed for Executive Session.

**MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.2, §44-04-19.2(1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR APPEAL CASE NUMBER 738. THE MOTION WAS SECONDED BY MR. ADAM MILLER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:49 A.M. The member attended by phone. The meeting returned to Open Session at 12:03 P.M.

**MS. WASSIM MOVED TO AFFIRM ASIFLEX DENIAL OF THE RHIC BENEFIT PAYMENT FOR CASE NUMBER 738. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

Retiree Health Insurance Credit (RHIC) Appeal Case #737

This agenda item was noticed for Executive Session.

**MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.2, §44-04-19.2(1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR APPEAL CASE NUMBER 737. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 12:07 P.M. The meeting returned to Open Session at 12:17 P.M.

**MS. WASSIM MOVED TO AFFIRM ASIFLEX DENIAL OF THE RHIC BENEFIT PAYMENT FOR CASE NUMBER 737. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

Insurance Appeal Case #733

This agenda item was noticed for Executive Session.

**MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.2, §44-04-19.2(1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR APPEAL CASE NUMBER 737. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Wassim, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Lindsay Schaff, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 12:19 P.M. The meeting returned to Open Session at 12:35 P.M.

**MS. WASSIM MOVED TO AFFIRM THE DENIAL OF THE LATE ENROLLMENT REQUEST FOR HEALTH INSURANCE AND PART D COVERAGE EFFECTIVE DECEMBER 1, 2021, FOR CASE NUMBER 733. THE MOTION WAS SECONDED BY SENATOR DEVER.**

**Ayes:** Mr. Wilke, Senator Dever, Ms. Goodhouse, Mr. Adam Miller, Ms. Smith, Ms. Wassim, and Chairperson Rindy

**Nays:** None

**Absent:** Representative Anderson and Ms. Ness

**MOTION PASSED**

Chairperson Rindy called on Adam Miller and Yvonne Smith to provide information regarding their experience representing the NDPERS Board on the State Investment Board (SIB) and subcommittees of the SIB. Ms. Wassim announced her intention to step down from the position of alternate representative on the SIB. The Board will consider appointments to the SIB at the June 14, 2022 Board Meeting.

Chairperson Rindy called for any other business or comments.

The Board recognized Scott Miller for receiving the Friend of Public Employees Award from North Dakota United and Rebecca Fricke for receiving the 2022 Benefit Manager of the Year award from the State and Local Government Benefits Association (SALGBA).

With no further business, the meeting was adjourned at 12:45 P.M.

Prepared by,

Jan Lund  
Assistant to the Board