

MINUTES

North Dakota Public Employees Retirement System Tuesday, November 8, 2022 8:30 A.M.

Members Present: Senator Dick Dever
Ms. Casey Goodhouse
Mr. Jason Grueneich
Chairperson Mona Rindy
Ms. Yvonne Smith

Members Via Teams: Mr. Dirk Wilke
Mr. Adam Miller
Ms. Claire Ness

Absent: Representative Pamela Anderson

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Steve Webster, SHP
Mr. Danny Weiss, SHP
Ms. Courtney Meyer, SHP
Ms. Julie Smith, SHP

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

MINUTES

Chairperson Rindy called for questions or comments regarding the minutes of the September 13, 2022, and October 25, 2022 board meetings.

SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE SEPTEMBER 13 AND OCTOBER 25, 2022 BOARD MEETINGS. THE MOTION WAS SECONDED BY MS. SMITH AND WAS CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Sanford Health Plan Executive Summary Quarter 2 2022 and WebMD Positively Me Diabetes Prevention Program

Mr. Steve Webster reviewed the annual membership summary of the Actives. This group consists of state employees and political subdivisions with the state employees being the more stable portion. There is expected to be a slight dip of about 400 members in political subdivisions; this subgroup accounts for a majority of membership changes to the plan.

Per Member Per Month (PMPM) claims analysis information comparing the first two quarters of 2022 against 2021, indicates a trend lower than anticipated for claims incurred for professional claim type, and the volume and severity of COVID-19 cases have resulted in lower claims for institutional claim type.

Claims in North Dakota versus out-of-state claims are at a normal rate.

Mr. Danny Weiss reported that cancer continues to trend as the largest claims group followed by Heart/Circulatory and GI/GU. Collectively, these equate to half of the total costs in the group of highest-paid diagnoses.

Mr. Weiss discussed the pharmaceutical portion of the report including generic, brand, and specialty utilization data. Mr. Weiss shared insight regarding the FDA approval process of specialty drugs and the impact of television commercials promoting brand-name drugs. He provided information on several specialty drugs -- Aduhelm (Alzheimer's dementia), Trikafta (cystic fibrosis treatment), Humira (rheumatoid arthritis), Remicade (inflammatory bowel disease), and Rituxan (adults with Non-Hodgkin's Lymphoma).

Mr. Webster reported fitness center reimbursement numbers are stubborn to go up after COVID-19 and SHP will miss the performance goal. SHP will work with NDPERS staff to make a change for the next biennium. He reviewed the Lifestyle Medicine Programs, Monthly Wellness Themes for the second quarter, and Performance Standards and Guarantees.

Mr. Webster announced a new diabetes prevention program that was launched in October 2022. *Positively Me by WebMD* is a lifestyle and weight management coaching program. The online program is free to members and complements the two existing diabetes programs, Change Your Weight Diabetes Prevention Program and Exercise is Medicine. Sanford Health Plan is behind schedule in meeting the performance goal for diabetes prevention and with two members already enrolled in the new program, SHP hopes to boost the numbers toward meeting the goal.

Mr. Webster provided information to the board regarding the recent organizational changes at Sanford Health which included some layoffs. The reorganization affected the Wellness team and there was a reduction in force; Alexis and Maggie will be leading the Wellness efforts. Ms. Julie Smith introduced herself as Executive Director overseeing value strategy, clinical operations, and population health. Courtney Meyer introduced herself as Senior Director of Development and Distribution managing client relationships and service offerings including NDPERS.

MS. NESS JOINED THE MEETING AT 8:51 A.M.

Board Self-evaluation

Seven Trustees responded anonymously to the Chief Audit Officer who tabulated the results of the self-assessment survey. Mr. Scott Miller reviewed the results with the

board. The board felt the information was very useful as a self-assessment tool and will continue this exercise every other year.

THE BOARD TOOK A SHORT BREAK FROM 10:30 A.M. TO 10:45 A.M.

RETIREMENT

Retirement Plan Contribution Increases

The board discussed several factors affecting the funded status of the NDPERS retirement plans. The change in the assumed rate of return caused hits to all plans in addition to the volatile market. The potential \$50 million per biennium cash infusion is not included yet but equates to a one percent contribution increase. Two bills are proposed in an effort to close the Defined Benefit (DB) plan. Mr. Scott Miller reported on his discussion with Highway Patrol leadership and shared a bill draft with increases for the Highway Patrol and the NDPERS main plan. Discussion followed.

NO ACTION WAS TAKEN; IT WAS THE CONSENSUS OF THE BOARD TO NOT SUBMIT PROPOSED LEGISLATION FOR CONTRIBUTION INCREASES.

Mid Dakota Clinic/Essentia Health Business Associate Agreement

At the October meeting, the board approved the revised medical consulting agreement with Mid Dakota Clinic after it was acquired by Essentia Health. A Business Associate Agreement is necessary in order to share member medical information. Legal counsel worked with the legal staff at Essentia/Innovis Health to prepare a BAA. When it has been finalized, the Executive Director will sign the agreement.

GROUP INSURANCE

Life Insurance Request For Proposal (RFP) Update

Mr. Derrick Hohbein reported that the RFP was issued on November 1, 2022. Key dates for the proposal process were shared with the board. The contract is scheduled to be awarded in March 2023.

Vision Insurance Request For Proposal (RFP) Update

Mr. Derrick Hohbein reported that the staff is working with the consultant to prepare the RFP for the vision Insurance plan. A proposed timeline was shared, the RFP is scheduled to be issued on February 1, 2023, and the contract awarded in August 2023.

MISCELLANEOUS

Legislative Relations

Mr. Scott Miller briefed the board about several bills that the Employee Benefits Programs Committee has taken jurisdiction over at the October 25 committee meeting. Mr. Miller also reported on the committee's action to give previously considered bills a favorable or unfavorable recommendation or defer that action. The board also discussed two bills from the Legislative Retirement Committee to close the Defined

Benefit Plan. The difference in the bills is the effective dates of January 1, 2024, and January 1, 2025. Mr. Miller will provide the board members with a link to both bill drafts.

Proposed Legislation

Mr. Scott Miller summarized a bill that NDPERS submitted to the Employee Benefits Programs Committee that was designed to remove the older Final Average Salary (FAS) calculation. The new calculation is designed to remove the impact of a three-paycheck month for members who are paid on a bi-weekly basis. Since submitting the bill, staff continued to monitor and found that 16 percent of members had a higher FAS using the old calculation. After further discussion, the board chose not to submit the bill to the 2023 Legislative Assembly.

Board Meeting Dates for 2023

The board reviewed a list of proposed dates for the 2023 calendar year. The board will meet monthly on the second Tuesday. The exceptions are August 15 (3rd Tuesday) and two regular meetings in October (2nd and 4th Tuesday). Discussion followed.

MR. GRUENEICH MOVED TO APPROVE THE PROPOSED SCHEDULE OF BOARD MEETING DATES FOR THE 2023 CALENDAR YEAR. THE MOTION WAS SECONDED BY SENATOR DEVER.

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

Nays: None

Absent: Representative Anderson

MOTION PASSED

MEMBER

This portion of the agenda was noticed for Executive Session to hear confidential member information.

Retirement Benefit Appeal Case #764

Mr. Scott Miller informed the board that appeal case #764 was withdrawn.

Hardship Withdrawal Case #756

MS. GOODHOUSE 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 CASE #756. THE MOTION WAS SECONDED BY MR. GRUENEICH.

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

Nays: None

Absent: Representative Anderson

MOTION PASSED

All members named above, attorney Dean DePountis, and NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, Laurie Enzi, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:45 A.M. The member was present by phone. The meeting returned to Open Session at 11:57 A.M.

SENATOR DEVER MOVED TO APPROVE THE APPLICANT'S REQUEST FOR A HARDSHIP WITHDRAWAL FROM THE 457 ACCOUNT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: None

Absent: Representative Anderson

MOTION PASSED

Chairperson Rindy called for any other business or comments. With no further business, the meeting was adjourned at 12:01 P.M.

Prepared by,

Jan Lund
Assistant to the Board