

MINUTES

**North Dakota Public Employees Retirement System
VIA MICROSOFT TEAMS
Tuesday, July 13, 2021
8:30 A.M.**

Members Via Phone: Chairperson Mona Rindy
Senator Dick Dever
Representative Pamela Anderson
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
Ms. MaryJo Anderson, NDPERS
Ms. Lindsay Schaf, NDPERS
Mr. Steve Webster, SHP
Mr. Danny Weiss, SHP
Mr. Don Schott, SHP
Mr. Drew Rasmussen, Deloitte Consulting
Mr. Josh Johnson, Deloitte Consulting

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

Chairperson Rindy called for any questions or comments regarding the minutes of the June 8, 2021 meeting.

MS. SMITH MOVED TO APPROVE THE MINUTES OF THE JUNE 8, 2021 BOARD MEETING. THE MOTION WAS SECONDED BY MR. ADAM MILLER AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

New Diabetes Management Tool Offering: Livongo

Mr. Steve Webster (Sanford Health Plan) provided an overview of a new digital self-management program for individuals with Type I and Type II Diabetes. SHP has partnered with Livongo to make this service available to NDPERS health insurance plan participants. The program is a good fit and addresses the needs of those at risk for diabetes as well as those who are currently diagnosed with diabetes. It is a voluntary-based program designed for behavior change, utilizing a personalized, human-centered approach. Mr. Webster described the enrollment process, enrollment incentives, curriculum, and expected outcomes. Ms. Rebecca Fricke emphasized it is a voluntary program, and members can dictate the level of participation in the program. Discussion followed.

RETIREMENT

Highway Patrol Indexing

Staff solicited input and a recommendation from the Highway Patrol leadership regarding an annual increase to the Final Average Salary for deferred members of the Highway Patrol Plan. There are currently 28 members in a deferred status. Ms. MaryJo Anderson indicated that the Board historically has approved an indexing percentage recommended by the Highway Patrol leadership that is the same or slightly lower than the salary increase granted to state employees. Discussion followed.

MS. WASSIM MOVED TO AFFIRM THE RECOMMENDATION OF THE HIGHWAY PATROL LEADERSHIP FOR A 1.5% INCREASE TO THE FINAL AVERAGE SALARY OF THE DEFERRED MEMBERS IN ITS SYSTEM. THE MOTION WAS SECONDED BY MR. WILKE.

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

Nays: None

Absent: None

MOTION PASSED

Retiree Health Insurance Credit (RHIC) Administration Request for Proposal (RFP)

This agenda item was noticed for Executive Session.

MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-17.1(1) AND §44-04-18.4(6)(B) TO DISCUSS EXEMPT VENDOR RESPONSES. THE MOTION WAS SECONDED BY MS. SMITH.

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

Nays: None

Absent: None

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Bryan Reinhardt, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:12 A.M.

The meeting returned to Open Session at 9:29 A.M. No Board Action was taken.

GROUP INSURANCE

Medicare Part D (EGWP) Request for Proposal (RFP)

This agenda item was noticed for Executive Session.

MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-17.1(1) AND §44-04-18.4(6)(B) TO DISCUSS EXEMPT VENDOR RESPONSES. THE MOTION WAS SECONDED BY MS. WASSIM.

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

Nays: None

Absent: None

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Bryan Reinhardt, Lindsay Schaf, Jan Lund, and Mr. Drew Rasmussen and Mr. Josh Johnson from Deloitte Consulting were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:33 A.M.

The meeting returned to Open Session at 10:37 A.M. No Board Action was taken.

The Board took a short break at 10:37 A.M. The Meeting resumed at 10:50 A.M., a quorum was present.

Employee Assistance Program (EAP) Update

Mr. Bryan Reinhardt provided an update of agencies that changed EAP providers during their open enrollment period. Two agencies switched to eni NexGen and two switched to CHI St. Alexius. It was noted that no agencies selected the new provider, Humana.

Wellness Renewal Update

Ms. Rebecca Fricke reported that the renewal of the Employer Based Wellness Program has been completed. The employer participation rate is 79% with 177 out of 223 employers participating. Following is the breakdown of the participating employers: 110 state agencies, universities and district health units, 25 counties, 13 schools, 3 cities, and 6 political subdivisions.

American Rescue Plan Act Update

Ms. Fricke gave an update of activity related to the COBRA Premium Subsidy for health, dental, and vision insurance programs and the FlexComp plan. She provided detail on the process of preparing, communicating, and mailing notices. Over 3,000 notices were sent out; seven individuals have been verified as eligible for the premium subsidy as of June 30th.

Members had an opportunity to modify their FlexComp election for 2021. During the special election period, 159 members enrolled or increased their previous election.

Tobacco Cessation Program

At the June meeting, the Board learned that the funding for the successful Tobacco Cessation program through the Department of Health was not provided by the 67th Legislative Assembly.

Conversations with the Department of Health confirmed that the appropriation has ended. It is estimated that the program cost, including administration and member benefits, is approximately \$80,000 to \$90,000 per biennium. It was noted that the program is available only to active employees and covered dependents of state agencies, district health units, and the Garrison Diversion, not to political subdivisions. Funding options to continue the program were discussed.

The Board discussed the ND Quits programs, eligible participants, and covered medications.

MS. WASSIM MOVED TO UTILIZE THE ND QUILTS PROGRAM THROUGH THE CURRENT BIENNIUM AND NOT USE HEALTH INSURANCE PLAN RESERVES TO FUND THE TOBACCO CESSATION PROGRAM THROUGH THE DEPARTMENT OF HEALTH. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

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

Nays: Representative Anderson

Absent: None

MOTION PASSED

Value Based Care Arrangement

Mr. Scott Miller summarized discussion from the June meeting. Mr. Don Schott provided an explanation of the impact of risks, dollars, and losses to providers. There is now one year of history available for analysis of the program's impact. Mr. Schott discussed proposed modifications; however, the Board determined the proposed changes are not clear enough to decide at this time. The topic will be brought back for further discussion at the August Board Meeting

Mr. Adam Miller left the meeting at 12:00 P.M.

MISCELLANEOUS

Legislative Implementation

Ms. Fricke reviewed work efforts involved to implement four bills that impact NDPERS benefits; three of the bills have an effective date of August 1, 2021.

HB 1041: A policy for how NDPERS will administer the employer penalty was approved at the June meeting. Staff is updating communication with employers relative to the new policy.

HB 1435: Staff worked with SHP on the process to track the required premiums against reserves for health coverage for survivors of first responders who die in the line of duty. At this time there are 6 families that may be eligible for coverage.

SB 2043: Staff is working on implementation of contribution increases for Highway Patrol members effective January 1, 2022.

SB: 2044: The Required Minimum Distribution federal law changed the age from 70½ to 72 year of age; materials have been updated to reflect the change. A new process has been implemented to change the determination of "lost members" from a 2-year period to a 1-year period.

Discussion followed.

Audit Committee Report

Ms. Shawna Piatz presented the approved minutes from the February Audit Committee meeting. The next Audit Committee meeting will be held as a virtual meeting on August 16 at 3:00 P.M.

Contracts Under \$10,000

Mr. Scott Miller shared information about four routine contracts under \$10,000 that he has signed since the last Board Meeting.

Quarterly Consultant Fees

Mr. Derrick Hohbein reviewed a quarterly report showing fees for consulting, investment and administrative fees for the period ending June 30, 2021.

Office Relocation Update

Mr. Hohbein provided an update of activities related to the office relocation. He highlighted some moving costs that have come in under budget. Two expenses related to the new location were presented for the Board's consideration. A quote of \$85 for the installation of vinyl lettering in the reception area to display the name of the agency was discussed. The Department of Commerce previously had a tourism-type display to fill the large wall space. Laptop stands to allow for proper cooling was overlooked when putting together the IT equipment costs. A quote of \$431.06 for 14 stands was presented for the Board's consideration.

To date, no funds have been committed towards the \$20,000 ceiling the Board approved. Currently, staff does not anticipate needing to use contingency funding for the office relocation.

A table summarizing estimated versus actual costs of ongoing moving-related activities was included in the Board Meeting materials. Staff shared a photo collage of activities marking the progress made over the past six months at the old location and at the new office space in the WSI building.

MS. SMITH MOVED TO APPROVE THE COST PROPOSAL OF \$431.06 TO PURCHASE LAPTOP STANDS AND \$85 TO ADD THE AGENCY NAME IN VINYL LETTERING TO THE WALL IN THE RECEPTION AREA. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Representative Anderson, Mr. Wilke, Ms. Wassim, Ms. Goodhouse, Mr. Seibel, Senator Dever, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Mr. Adam Miller

MOTION PASSED

Operations Update

Mr. Hohbein presented an operational update of work done and progress made on projects since last reporting at the November 2020 Board Meeting. He briefly discussed the office move, website changes and YouTube functionality, virtual seminars, System and Organization Controls (SOC) Reports, 457 provider administrative changes, the discontinuance of the Mainframe, enhancements to the Business System incidence reporting system, work efforts relative to the American Rescue Plan Act, and completion of the Debit ACH project.

Mr. Hohbein reviewed projects the staff is currently working on including Member Self Service (MSS) enhancements, archiving obsolete data tables in PERSLink, enhancements to the nightly batch processing, enhancements to enclosures within PERSLink member correspondence, and several IT enhancements.

Mr. Hohbein outlined goals and initiatives the staff will be working towards.

Discussion followed. The Board thanked staff for their efforts and Derrick for his very informative report.

Board Assignments

With two new legislative appointees on the Board, it was an appropriate time to consider subcommittee appointments. Scott Miller presented a list of the current committee members and vacancies. Discussion followed.

Chairperson Rindy appointed Senator Dever to the Audit and Benefits Committees, Representative Anderson to the Investment and the Retiree Subcommittees, and Ms. Wassim to the Retiree Subcommittee.

MEMBER

Retiree Health Insurance Credit (RHIC) Member Appeal Case # 686

This agenda item was noticed for Executive Session.

MS. WASSIM MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C §44-04-19.2 AND §44-04-19.2 (1) AND/OR §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION FOR MEMBER APPEAL CASE 686. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Senator Dever, Ms. Goodhouse, Ms. Wassim, Mr. Wilke, Representative Anderson, Mr. Seibel, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Mr. Adam Miller

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 12:45 P.M. The member was present via phone.

Senator Dever left the meeting at 12:57 P.M. during Closed Session. The meeting returned to Open Session at 1:11 P.M., a quorum was present.

MS WASSIM MOVED TO AFFIRM THE DECISION TO DENY THE MEMBER'S REQUEST DUE TO LACK OF TIMELINESS. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Seibel, Representative Anderson, Mr. Wilke, Ms. Wassim, Ms. Goodhouse, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Senator Dever and Mr. Adam Miller

MOTION PASSED

Chairperson Rindy called for any other business or comments.

Mr. Scott Miller reminded the Board that the August meeting will be held in-person in the WSI Board Room.

With no further business, the meeting was adjourned at 1:15 P.M.

Prepared by,

Jan Lund
Assistant to the Board