



Board Meeting Agenda

Location: WSI Board Room, 1600 East Century Avenue, Bismarck ND
By phone: 701.328.0950 Conference ID: 656 843 380#
Date: Tuesday, March 8, 2022
Time: 8:30 A.M.

I. MINUTES

- A. February 8, 2022

II. PRESENTATIONS

- A. Electronic Board Election Demo - Aime

III. RETIREMENT

- A. 457 Companion Plan & 401(a) Plan 4th Quarter 2021 Report – Bryan (Board Action)

IV. GROUP INSURANCE

- A. FlexComp Plan Renewal – Rebecca (Board Action)
- B. Sanford Health Plan 2022 Member Survey – Rebecca (Information)
- C. Dental Plan Renewal – Rebecca (Board Action)
- D. Sanford Health Claims Review – Bryan (Information)
- E. Employee Assistance Program 2021 Utilization Report – Bryan (Information)
- F. Insurance Consultant Request For Proposal – Bryan (Board Action)

V. MISCELLANEOUS

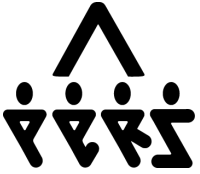
- A. Legislative Management Information Request – Scott (Board Action)
***EXECUTIVE SESSION**
- B. Legislative Relations – Scott (Information)
- C. Contracts Under \$10,000 – Scott (Information)
- D. Proposed Legislation – Scott (Board Action)
- E. Audit Committee Report – Shawna (Information)

VI. MEMBER **EXECUTIVE SESSION

- A. Hardship Withdrawal Case #727 MaryJo (Board Action)

*Executive Session pursuant to N.D.C.C. §44-04-19.2(1), §44-04-19.1(1), §44-04- 19.1(2), and §44-04-19.1(9) for Attorney Consultation.

**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.



Memorandum

TO: NDPERS Board

FROM: Aime

DATE: March 8, 2022

SUBJECT: Electronic Board Election Demo

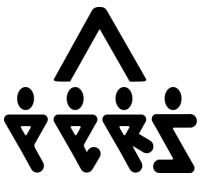
In alignment with the election rules provided in ND Administrative Code 71-01-02-13, the NDPERS Board may allow for a process by which electronic ballots are submitted to elect an active or retiree candidate to the board. As you may recall, during the September meeting last year, the NDPERS Board supported moving forward with further exploration of an electronic board election.

Today, we will demonstrate the new “voting” feature within Member Self Service (MSS). This functionality allows NDPERS to transition from printed ballots to an online election.

The timeline for the 2022 Board Election is as follows:

- April 18: Announce and promote board vacancy to members
- May 6: Deadline to submit nomination petitions
- Week of May 9: Candidates’ nominations are validated by NDPERS staff
- May 16: Deadline for candidate to withdraw from election
- May 17: Announce candidates during board meeting
- May 23: Electronic voting begins
- June 10: Electronic voting closes
- June 13: Election subcommittee meets to canvass election results
- June 14: Election results announced during board meeting

This topic is informational only.



Memorandum

TO: NDPERS Board

FROM: Bryan Reinhardt

DATE: March 8, 2022

SUBJECT: 457 Companion Plan & 401(a) Plan 4th Quarter 2021 Report

Here is the 4th quarter 2021 investment report for the 401(a) & 457 Companion Plans. The reports are available separately on the NDPERS website. The NDPERS Investment Sub-committee reviewed the 4th quarter reports. The two plans have 9,162 participants with \$217.3 million in assets.

Assets in the 401(a) plan increased to \$20.3 million on December 31, 2021. The number of active participants is at 90. The TIAA-CREF Target Date funds have 58% of the plan assets.

Assets in the 457 Companion Plan increased to \$196.9 million on December 31, 2021. The number of active participants is increasing and is now at 6,041. The TIAA-CREF Target Date funds have 70% of the plan assets.

Benchmarks:

Fund returns for the quarter were mixed for the funds in the core lineup. 32 core funds had positive returns for the quarter (5 negative). Core fund performance was mixed when compared to benchmarks. Fund performance in the 3-year & 5-year periods were mostly good. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund / Investment News:

The NDPERS Investment Subcommittee reviewed the 4th quarter 2021 plan review and field activity report with TIAA. Callan gave a market overview and investment performance report. The Subcommittee reviewed the two funds under formal fund review (Templeton Global Bond – TGBAX and Prudential Mid Cap Growth – PEGZX). The investment subcommittee recommends taking action on two funds. Callan reviewed the NDPERS core fund offerings and the investment subcommittee is working on a plan for the core fund offerings for next bid. The next investment subcommittee meeting is scheduled for May 2022.

Investment Subcommittee Recommendation:

The investment subcommittee recommends the NDPERS Board put the Wells Fargo Growth Fund (Allspring Growth fund SGRKX) on Formal Fund Review. The Wells Fargo family of funds was sold to private equity firms GTCR LLC and Reverence Capital Partners, LP. This was completed October 2021. The fund managers have been retained, but there are a lot of questions and uncertainty with this fund now being managed by a smaller private equity firm. The recent fund performance has also been lower than its benchmark. The fund has a ‘2-star’ MorningStar rating.

Plan Performance Monitoring

As of December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Wells Fargo Growth Adm	(0.50%)	7.61%	30.15%	24.44%	17.22%
Russell 3000 Growth Index	10.89%	25.85%	33.21%	24.56%	19.02%

The investment subcommittee recommends the NDPERS Board remove the PGIM Jennison Mid-Cap Growth fund from Formal Fund Review. The fund has been on ‘Watch’ since March 2018. The fund was ranked top 20% in 2019 and top 31% in 2020. Performance dipped to top 62% in 2021 and is at 39% YTD in 2022. As shown below the fund is in line with its benchmark across all periods.

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Mid Cap U.S. Equity					
PGIM Jennison Mid-Cap Growth Z	3.48%	11.70%	29.90%	19.80%	14.04%
Russell MidCap Growth Idx	2.85%	12.73%	27.46%	19.83%	14.92%

When the NDPERS Board puts a fund on Formal Fund Review we mark the fund “On Watch” in all the quarterly financial reports. We also put this announcement on our web site. When we notify TIAA, they will take similar actions on their web site. In addition, the investment subcommittee takes extra time at each quarterly meeting to review the funds on Formal Fund Review.

Board Action:

Put Allspring Growth fund on Formal Fund Review and remove PGIM Jennison Mid-Cap Growth fund from Formal Fund Review.

NDPERS Quarterly Investment Report 4th Quarter 10/1/2021 – 12/31/2021



North Dakota Public Employees Retirement System
1600 East Century Ave, Suite 2
Box 1657
Bismarck, ND 58502

457 & 401(a) Investment Structure

NDPERS 457 DC Plan		
Tier I - Asset Allocation	Tier II - Core	Tier III - Specialty Options
Target Date	Capital Preservation	
TIAA-CREF Lifecycle Retirement 5-Year Increments	Wells Fargo Stable Value J Vanguard Treasury MM Inv	
	Domestic Fixed Income	
	Vanguard Total Bond Index Adm Baird Core Plus Bond Investor MM Premier Infl-Pr and Inc Srvc PGIM High Yield Fund Z Templeton Global Bond Advisor	
	Large Cap U.S. Equity	
	Franklin Growth Fund Advisor Wells Fargo Growth Adm Vanguard Dividend Growth Inv Vanguard Institutional Index Hartford Dividend and Growth R5 T. Rowe Price Equity Income	
	Mid Cap U.S. Equity	
	PGIM Jennison Mid-Cap Growth Z Columbia Mid Cap Index Fund A Virtus Ceredex Mid Cap Value I	
	Small Cap U.S. Equity	
	Brown Small Company Fund Inv DFA U.S. Small Cap Inst'l Northern Small Cap Value Fund	
	International Equity	
	AF New Perspective R4 Vanguard Total Int'l Stock Adm Invesco Developing Markets Y	
		Sector Funds
		Cohen & Steers Realty Shares
		Brokerage Window

Plan Performance Monitoring

As of December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Asset Allocation Funds					
TIAA-CREF Lifecycle Ret. Inc	2.14%	6.84%	10.83%	7.87%	6.41%
LifeCycle Ret Income CB	2.75%	7.56%	11.73%	8.41%	6.76%
Callan Tgt Dt Idx 2010	2.71%	6.97%	10.80%	7.83%	6.31%
TIAA-CREF Lifecycle Ret. 2010	2.08%	6.65%	10.85%	7.98%	6.53%
LifeCycle 2010 CB	2.65%	7.38%	11.70%	8.49%	6.86%
Callan Tgt Dt Idx 2010	2.71%	6.97%	10.80%	7.83%	6.31%
TIAA-CREF Lifecycle Ret. 2015	2.32%	7.43%	11.70%	8.57%	6.98%
LifeCycle 2015 Cust Bnch	2.97%	8.29%	12.58%	9.12%	7.35%
CAI Tgt Dt Idx 2015	2.93%	7.62%	11.40%	8.28%	6.66%
TIAA-CREF Lifecycle Ret. 2020	2.60%	8.22%	12.54%	9.21%	7.48%
LifeCycle 2020 Cust Bnchm	3.28%	9.24%	13.55%	9.84%	7.92%
CAI Tgt Dt Idx 2020	3.23%	8.52%	12.35%	9.02%	7.26%
TIAA-CREF Lifecycle Ret. 2025	2.99%	9.48%	13.90%	10.13%	8.16%
LifeCycle 2025 Cust Bnch	3.74%	10.63%	14.81%	10.74%	8.61%
CAI Tgt Dt Idx 2025	3.83%	10.26%	13.89%	10.10%	8.10%
TIAA-CREF Lifecycle Ret. 2030	3.46%	10.97%	15.30%	11.07%	8.85%
LifeCycle 2030 Cust Bnch	4.24%	12.19%	16.18%	11.70%	9.34%
CAI Tgt Dt Idx 2030	4.46%	12.20%	15.46%	11.19%	8.94%
TIAA-CREF Lifecycle Ret. 2035	3.92%	12.43%	16.68%	11.97%	9.51%
LifeCycle 2035 Cust Bnch	4.75%	13.77%	17.53%	12.63%	10.05%
CAI Tgt Dt Idx 2035	5.14%	14.39%	16.96%	12.17%	9.68%
TIAA-CREF Lifecycle Ret. 2040	4.39%	13.99%	18.06%	12.86%	10.15%
LifeCycle 2040 Cust Bnch	5.27%	15.52%	18.86%	13.54%	10.74%
CAI Tgt Dt Idx 2040	5.66%	16.11%	18.08%	12.89%	10.21%
TIAA-CREF Lifecycle Ret. 2045	4.89%	15.62%	19.36%	13.59%	10.68%
LifeCycle 2045 Cust Bnch	5.79%	17.32%	20.14%	14.29%	11.31%
CAI Tgt Dt Idx 2045	6.02%	17.32%	18.83%	13.34%	10.53%
TIAA-CREF Lifecycle Ret. 2050	5.11%	16.09%	19.63%	13.76%	10.84%
LifeCycle 2050 Cust Bnch	5.99%	17.86%	20.47%	14.50%	11.49%
CAI Tgt Dt Idx 2050	6.18%	17.86%	19.14%	13.53%	10.67%
TIAA-CREF Lifecycle Ret. 2055	5.19%	16.35%	19.82%	13.88%	10.93%
LifeCycle 2055 Cust Bnch	6.07%	18.15%	20.67%	14.64%	11.61%
CAI Tgt Dt Idx 2055	6.24%	18.06%	19.26%	13.61%	10.74%
TIAA-CREF Lifecycle Ret. 2060	5.21%	16.59%	20.01%	14.01%	11.04%
LifeCycle 2060 Cust Bnch	6.15%	18.43%	20.88%	14.78%	11.74%
Callan Tgt Dt Idx 2055	6.24%	18.06%	19.26%	13.61%	10.74%
T. Rowe Capital Appreciation Adv	5.93%	18.22%	20.04%	14.83%	12.38%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%

Plan Performance Monitoring

As of December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Large Cap U.S. Equity					
Franklin Growth Fund Advisor	8.79%	22.10%	28.44%	21.14%	16.42%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Wells Fargo Growth Adm	(0.50%)	7.61%	30.15%	24.44%	17.22%
Russell 3000 Growth Index	10.89%	25.85%	33.21%	24.56%	19.02%
Vanguard Dividend Growth Inv	11.57%	24.84%	22.36%	16.97%	13.43%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Vanguard Institutional Index	11.02%	28.67%	26.05%	18.44%	14.91%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
Hartford Dividend and Growth R5	10.74%	31.25%	21.99%	15.22%	12.64%
S&P 500 Index	11.03%	28.71%	26.07%	18.47%	14.93%
T. Rowe Price Equity Income	7.18%	25.68%	17.25%	11.17%	9.53%
Russell 1000 Value Index	7.77%	25.16%	17.64%	11.16%	9.73%
Mid Cap U.S. Equity					
PGIM Jennison Mid-Cap Growth Z	3.48%	11.70%	29.90%	19.80%	14.04%
Russell MidCap Growth Idx	2.85%	12.73%	27.46%	19.83%	14.92%
Columbia Mid Cap Index Fund A	7.89%	24.20%	20.85%	12.55%	11.29%
S&P Mid Cap 400 Index	8.00%	24.76%	21.41%	13.09%	11.81%
Virtus Ceredex Mid-Cap Value I	10.04%	28.99%	19.26%	11.79%	10.19%
Russell MidCap Value Idx	8.54%	28.34%	19.62%	11.22%	9.96%
Small Cap U.S. Equity					
Brown Small Company Fund Investor	0.75%	(4.17%)	21.62%	18.16%	15.33%
Russell 2000 Growth Index	0.01%	2.83%	21.17%	14.53%	11.66%
DFA U.S. Small Cap Inst'l	7.41%	30.61%	20.91%	11.36%	10.77%
Russell 2000 Index	2.14%	14.82%	20.02%	12.02%	10.76%
Northern Small Cap Value Fund	7.19%	26.37%	14.72%	6.76%	7.80%
Russell 2000 Value Index	4.36%	28.27%	17.99%	9.07%	9.45%
Non-U.S. Equity					
AF New Perspective R4	6.65%	17.70%	26.84%	19.86%	14.95%
MSCI ACWI	6.68%	18.54%	20.38%	14.40%	10.90%
Vanguard Total Int'l Stock Adm	2.11%	8.62%	13.67%	9.90%	7.01%
FTSE GI All Cap ex US Idx	1.76%	8.83%	13.82%	9.92%	7.02%
Invesco Developing Markets Y	(4.09%)	(7.25%)	10.65%	10.02%	5.84%
MSCI EM	(1.31%)	(2.54%)	10.94%	9.88%	6.11%



Knowledge. Experience. Integrity.

Fourth Quarter 2021

Plan Performance Monitoring

As of December 31, 2021

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Fixed Income					
Vanguard Total Bond Index Adm Blmbg:Aggregate Fit Adj	(0.09%) 0.05%	(1.67%) (1.58%)	4.82% 4.91%	3.58% 3.64%	2.98% 3.05%
Baird Core Plus Bond Investor Blmbg:Universal	(0.18%) (0.03%)	(1.23%) (1.10%)	5.57% 5.15%	4.06% 3.84%	3.51% 3.35%
MM Premier Infi-Pr and Inc Srv c Blmbg:TIPS	2.24% 2.36%	6.14% 5.96%	8.45% 8.44%	5.34% 5.34%	4.29% 4.25%
PGIM High Yield Fund Z Blmbg HY Corp 1% Iss Cap	0.61% 0.65%	6.33% 5.16%	9.23% 8.60%	6.75% 6.13%	6.53% 6.04%
Templeton Global Bond Advisor FTSE WGBI	(0.40%) (1.10%)	(4.74%) (6.97%)	(2.71%) 2.75%	(0.84%) 2.94%	(0.28%) 1.80%
Capital Preservation					
Wells Fargo Stable Value J 3-month Treasury Bill	0.30% 0.01%	1.24% 0.05%	1.83% 0.99%	1.60% 1.14%	1.40% 0.87%
Vanguard Treasury MM Inv 3-month Treasury Bill	0.00% 0.01%	0.01% 0.05%	0.87% 0.99%	1.04% 1.14%	0.78% 0.87%
Sector Funds					
Cohen & Steers Realty Shares FTSE NAREIT All Eq Index	16.03% 16.17%	42.61% 41.30%	22.55% 19.93%	13.56% 12.46%	11.14% 10.48%

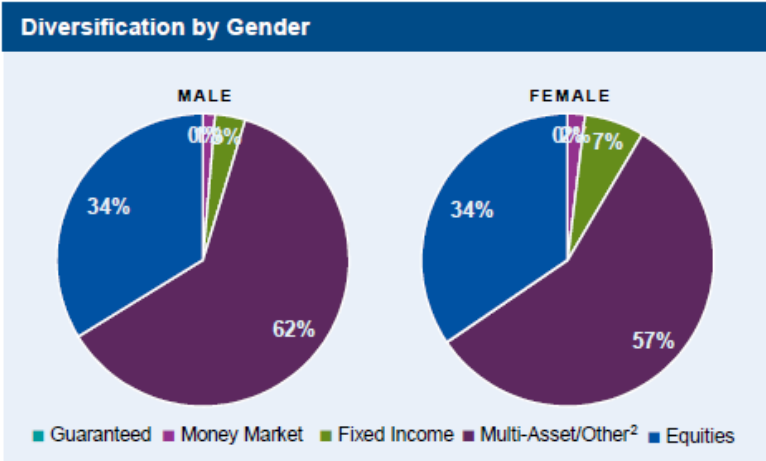
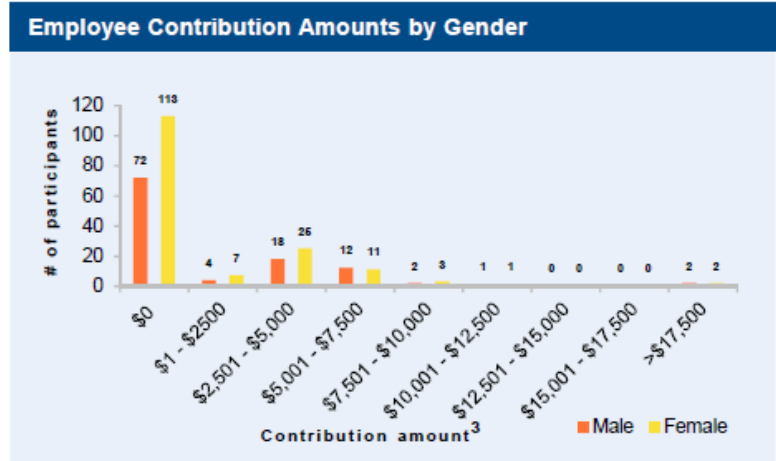
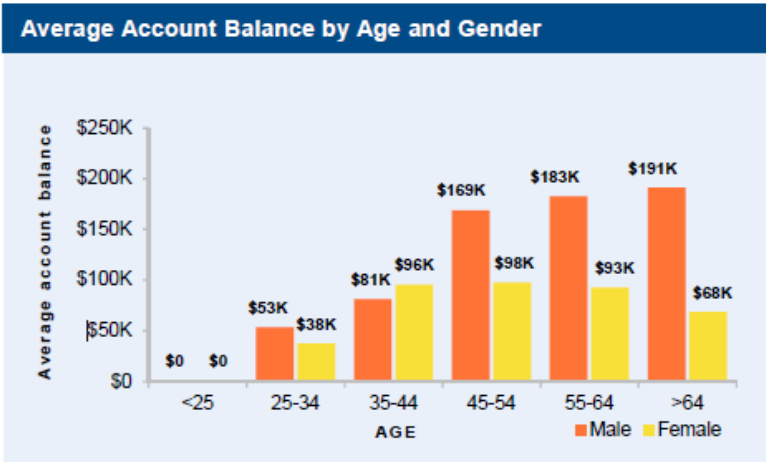
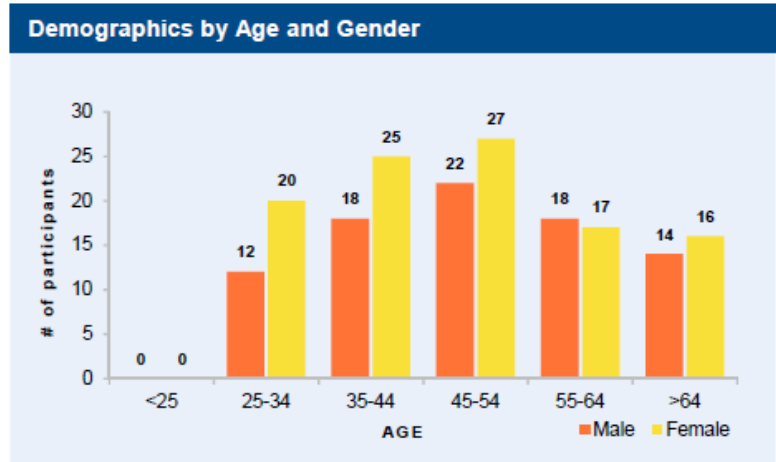
Active Manager Monitoring Summary

As of December 31, 2021

Manager	Above Benchmark			Above Peer Median		Qualitative Assessment					Overall Eval.
	8 Straight Quarters	3-Year Period	5-Year Period	3-Year Period	5-Year Period	Firm	Team	Process	Perf.	Product	
Large U.S. Equity											
Franklin Growth Fund	Yes	Yes	Yes	No	No						Stable
Wells Fargo Growth	Yes	No	No	No	Yes						In Review
Vanguard Dividend Growth	Yes	No	No	No	Yes						Stable
Hartford Dividend and Growth	Yes	No	No	Yes	Yes						Stable
T. Rowe Price Equity Income	Yes	No	Yes	No	No						Stable
Mid U.S. Equity											
PGIM Jennison Mid-Cap Growth	Yes	Yes	No	Yes	No						On Watch
Virtus Ceredex Mid-Cap Value	Yes	No	Yes	Yes	Yes						Stable
Small U.S. Equity											
Brown Small Compay Fund	Yes	Yes	Yes	No	No						Stable
DFA U.S. Small Cap	Yes	Yes	No	No	No						Stable
Northern Small Cap Value Fund	Yes	No	No	No	No						Stable
Global Equity											
AF New Perspective	Yes	Yes	Yes	Yes	Yes						Stable
Invesco Developing Markets	Yes	No	Yes	No	Yes						Stable
Fixed Income											
Baird Core Plus Bond	Yes	Yes	Yes	No	Yes						Stable
MM Premier Inf-Pr and Inc Srvc	Yes	Yes	Yes	Yes	Yes						Stable
PGIM High Yield Fund	Yes	Yes	Yes	Yes	Yes						Stable
Templeton Global Bond	Yes	No	No	No	No						On Watch
Sector Fund											
Cohen & Steers Realty Shares	Yes	Yes	Yes	Yes	Yes						Stable

Assessment	Status and Actions
Stable	Firm, Team, Strategy are performing as expected
In Review	Callan is proposing that the fund be added to the watchlist
On Watch	Staff is reviewing strategy with consultant and scheduling an update meeting with manager
Terminating	Following staff review and consultant recommendation, manager will be terminated following a successful replacement search

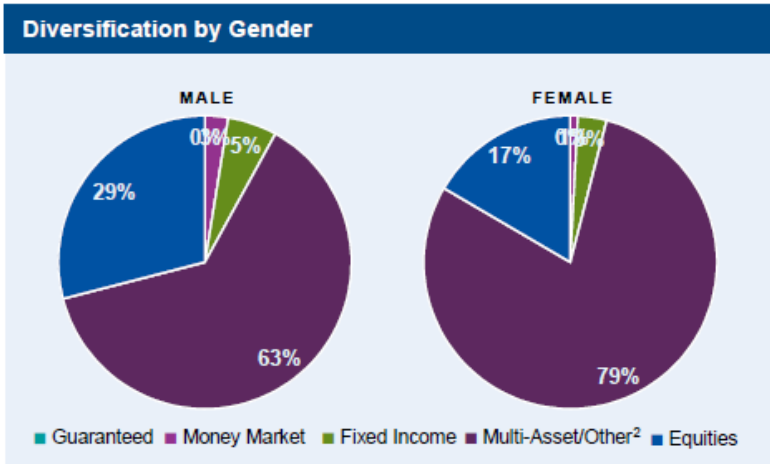
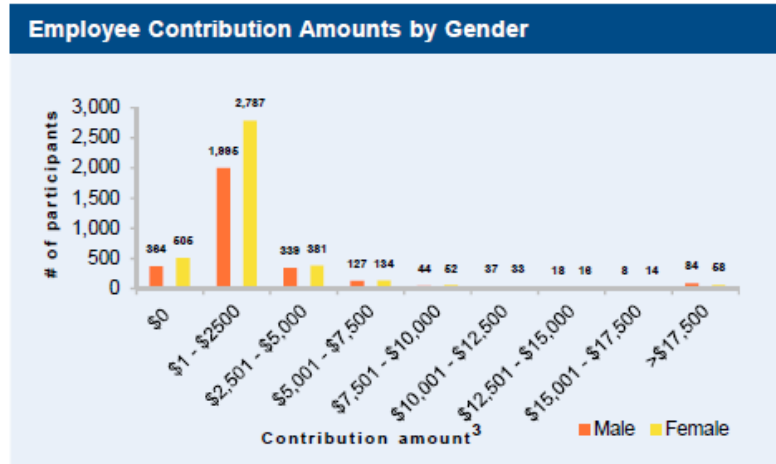
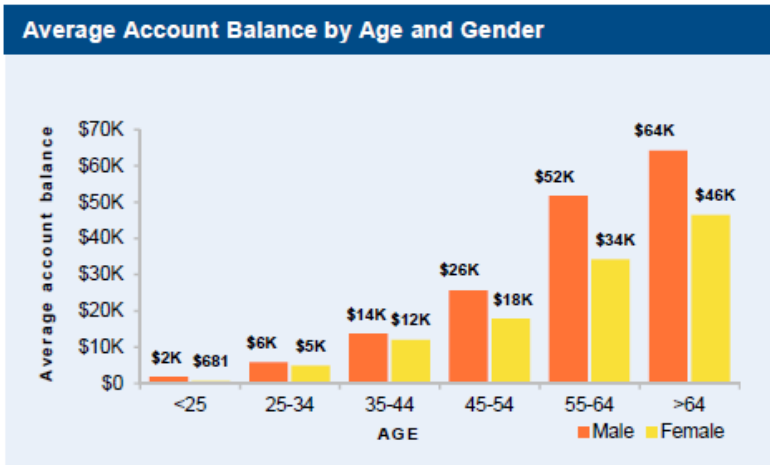
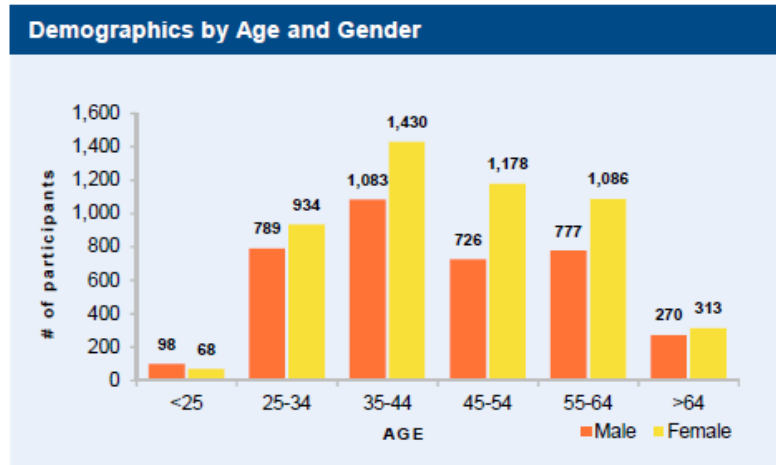
Employee summary: Gender and age¹



This report is as of the period ending 12/31/2021 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 2 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

Employee summary: Gender and age¹



This report is as of the period ending 12/31/2021 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans. 1. Data reflected is for all participant statuses except Employee Contribution Amounts by Gender which includes only active or leave status. Does not include 279 participants with no age or gender on file. 2. Multi-Asset/Other includes Lifecycle, Real Estate, and Brokerage. 3. Contribution data reflects the trailing 12 months of data.

Active participants: Average account balance by age



This report is as of the period ending 12/31/2021 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM COMPANION PLAN

Active participants: Average account balance by age



This report is as of the period ending 12/31/2021 and reflects the trailing 12 months of activity unless otherwise noted. The report includes all TIAA plans except 457(f), 457(b) Private, Nonqualified Deferred Compensation, and Retirement Healthcare plans.



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: March 8, 2022

SUBJECT: FlexComp Plan Renewal

Effective January 1, 2019, ASIFlex was awarded the bid for the FlexComp plan. Attachment 1 is ASIFlex's renewal rate confirmation for the January 1, 2023 through December 31, 2024 plan years. This time period represents the 3rd and final two-year period available for contracting as part of the bid process.

As indicated on the renewal rate confirmation (Attachment 1), ASIFlex has proposed the same program services and fee structure as current with no changes for the January 1, 2023 through December 31, 2024 plan years.

As reported to the Board during the February 2022 meeting, participation in the FlexComp plan increased in both participation and contribution for dependent care spending accounts and slightly decreased in both categories for medical spending accounts for the 2022 plan year. The Member 2022 Survey (Attachment 2) responses indicate overall satisfaction with the plan and the services being provided by ASIFlex.

Staff recommends that we amend the current contract to renew with ASIFlex for the January 1, 2023 through December 31, 2024 contract period.

Board Action Requested

Approve staff's recommendation to amend the current contract to continue with ASIFlex for the January 1, 2023 through December 31, 2024 contract period.



Attachment 1

February 17, 2022

Ms. Rebecca Fricke
North Dakota Public Employees Retirement System
PO Box 1657
Bismarck, ND 58502-1657

Dear Rebecca:

On behalf of ASIFlex, I am pleased to inform you of the January 1, 2023 through December 31, 2024 renewal conditions for the NDPERS FlexComp program.

For the two year period of January 1, 2023 through December 31, 2024, ASIFlex will renew the current program services and fee structures with no changes. We appreciate the opportunity to work with the State, and we value our continued partnership.

Please let me know if you have any questions or need further information.

Sincerely,

A handwritten signature in blue ink that reads 'Jan L. Jackson'.

Jan L. Jackson
Vice President and General Counsel

ASIFLEX FLEXIBLE SPENDING ACCOUNT ADMINISTRATION

Overview of Service Features and Fee Schedule for NDPERS FlexComp Plan

Service Features for FSA

- Health Care (general-purpose and limited-purpose, if needed) and Dependent Care Flexible Spending Accounts
- Rapid claim processing within one to three business days
- Payment by check or direct deposit to bank account
- Account statement included with payment and online 24/7
- Superior service with quick and easy access to customer service representatives
- Extended customer service hours Monday through Saturday – Live Help!
 - 7 a.m.– 7 p.m. Central Time weekdays
 - 9 a.m.– 1 p.m. Central Time Saturday
- Email and Text Alerts of account activity
- Multiple Claim Submission and Payment Options
 - ASIFlex Mobile Application to file claims and access account
 - ASIFlex Card for health care FSA (can be cobranded)
 - ASIFlex Online claim filing
 - Innovative FlexMinder Service (for integrated carriers)
 - Direct Provider Payment option
 - Carrier Claim File Interfaces
 - Claims by Toll-Free Fax
 - USPS Mailed Claims
- ASIFlex Card educational website
- Full-service web portal FSA plan participants and for employer
- Standard management reports; ad hoc or custom reporting provided at no cost
- Compliance assistance with Plan Documents/summary descriptions, non-discrimination testing, annual reporting as needed
- PDF of Employee communication material, online video library, assistance with WebEx or on-site meetings
- Easy online enrollment services
- Enrollment Confirmation Letter sent to enrollees

Fee Schedule for FSA

Set-Up Fee

Initial Plan Year	FREE
Renewal Plan Year	FREE

Monthly Administration per Participant per Month

Go Green Pricing-For those signed up for electronic communications and direct deposit	\$2.25
All Other Participants	\$2.35

ASIFlex Card per Health Care Participant per Month

Replacement or additional card sets	FREE
-------------------------------------	------

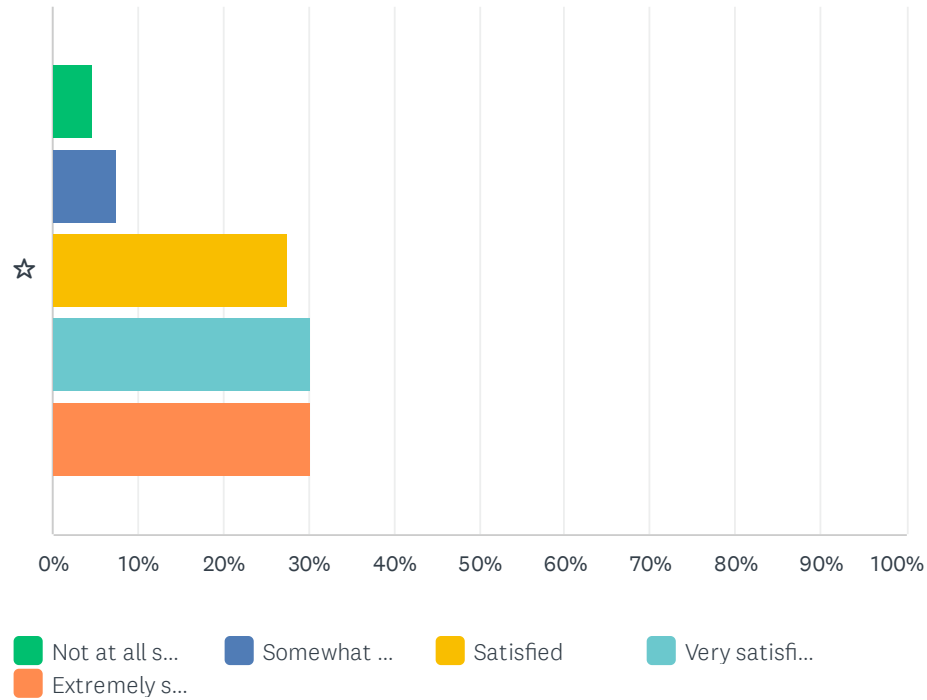
Employee Communication

PDF documents	No Charge
WebEx Group Meetings	No Charge
Onsite Enrollment Meetings	\$250 per day, plus travel

Note: Onsite based on availability and schedule

Q1 Rate your overall satisfaction with ASIFlex as the NDPERS FlexComp claims administrator.

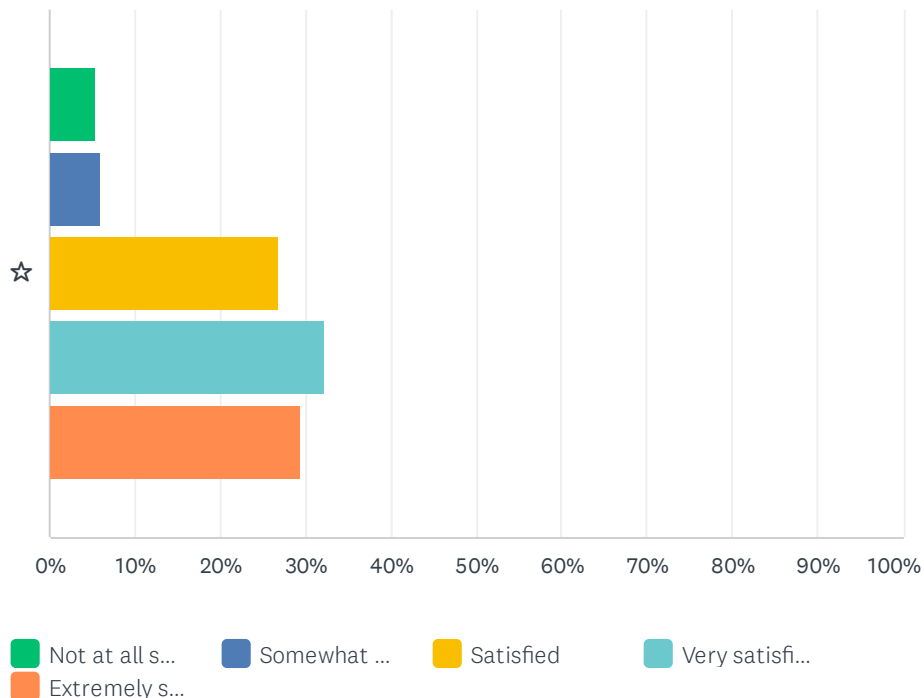
Answered: 149 Skipped: 0



	NOT AT ALL SATISFIED	SOMEWHAT DISSATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	4.70% 7	7.38% 11	27.52% 41	30.20% 45	30.20% 45	149	3.74

Q2 Rate your overall satisfaction with the availability of information regarding the medical and dependent care flexible spending account program.

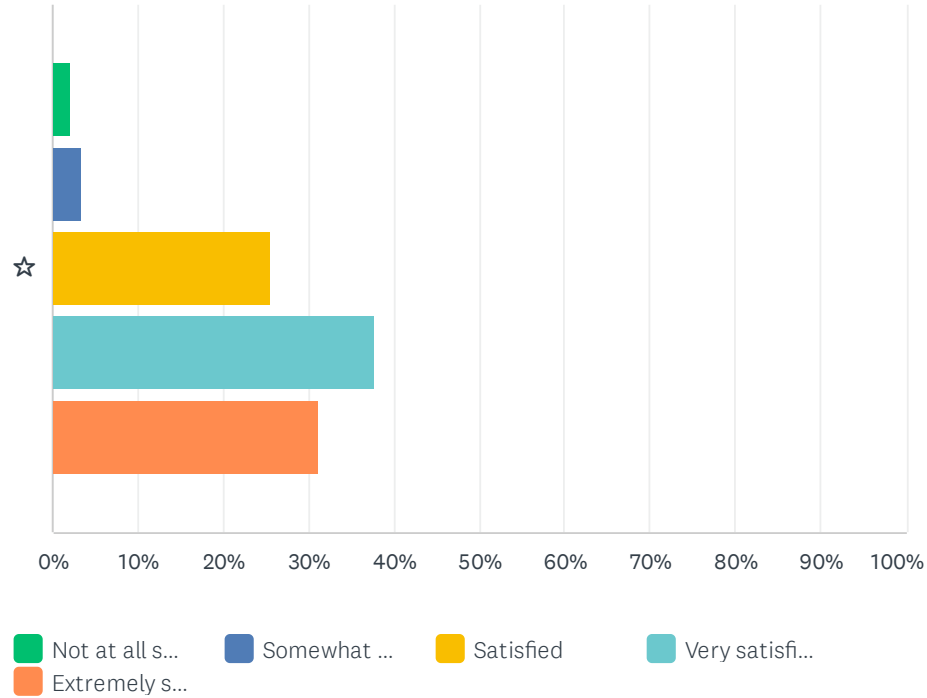
Answered: 149 Skipped: 0



	NOT AT ALL SATISFIED	SOMEWHAT SATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	5.37% 8	6.04% 9	26.85% 40	32.21% 48	29.53% 44	149	3.74

Q3 Rate your satisfaction with the NDPERS FlexComp enrollment process.

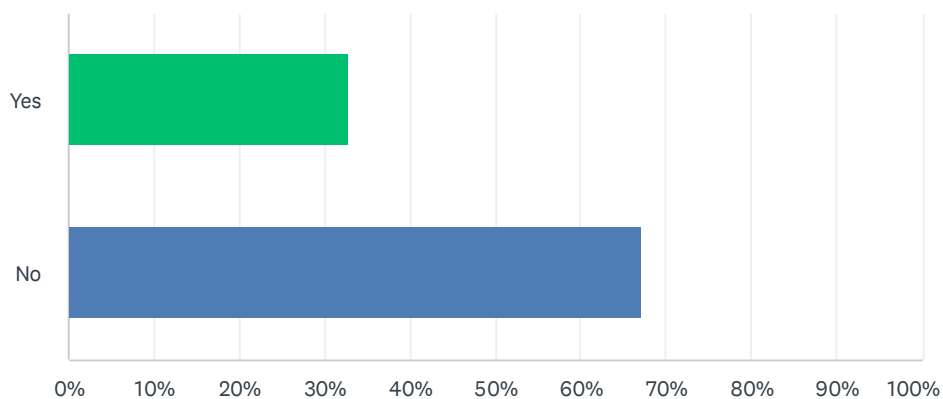
Answered: 148 Skipped: 1



	NOT AT ALL SATISFIED	SOMEWHAT DISSATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	2.03% 3	3.38% 5	25.68% 38	37.84% 56	31.08% 46	148	3.93

Q4 Have you called the ASIFlex customer service center during 2021?

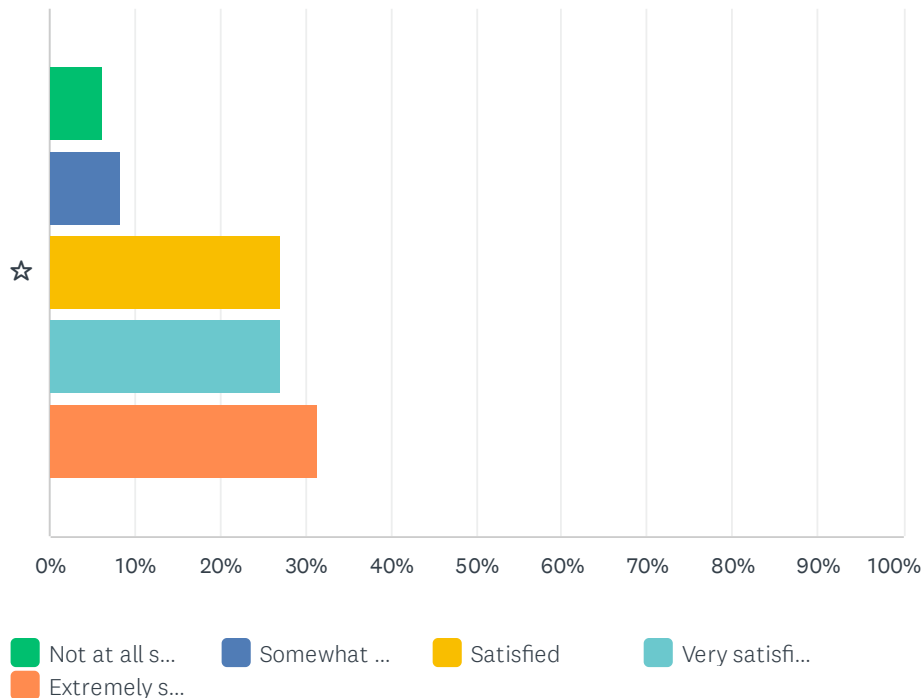
Answered: 149 Skipped: 0



ANSWER CHOICES	RESPONSES	
Yes	32.89%	49
No	67.11%	100
TOTAL		149

Q5 How would you rate your satisfaction with the ASIFlex representative in terms of being courteous and professional?

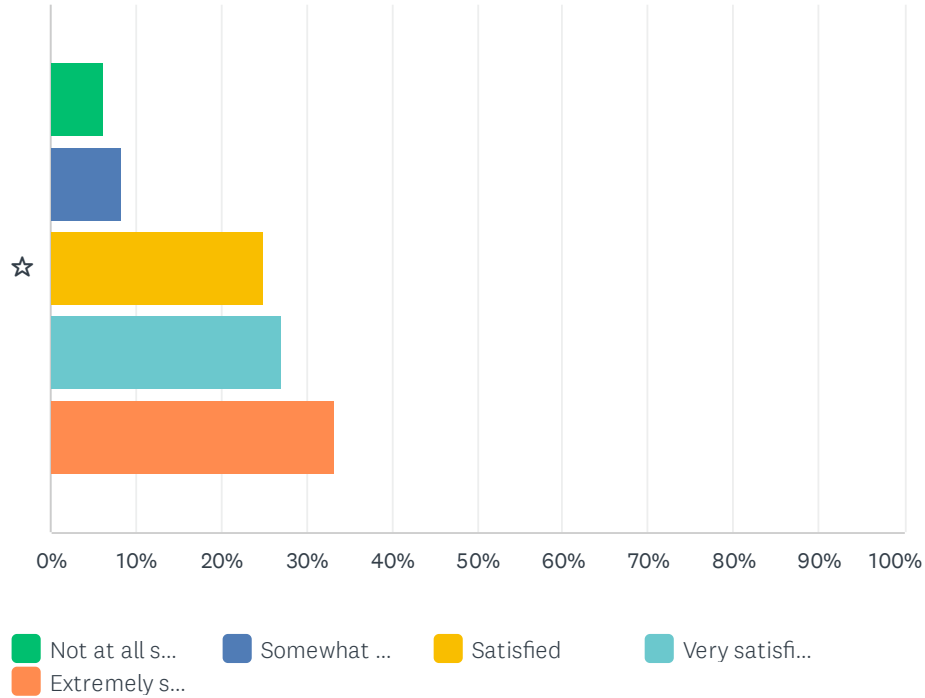
Answered: 48 Skipped: 101



	NOT AT ALL SATISFIED	SOMEWHAT DISSATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	6.25% 3	8.33% 4	27.08% 13	27.08% 13	31.25% 15	48	3.69

Q6 How would you rate your satisfaction with the ASIFlex representative in terms of showing knowledge about the FlexComp program and offering advice that is helpful to you?

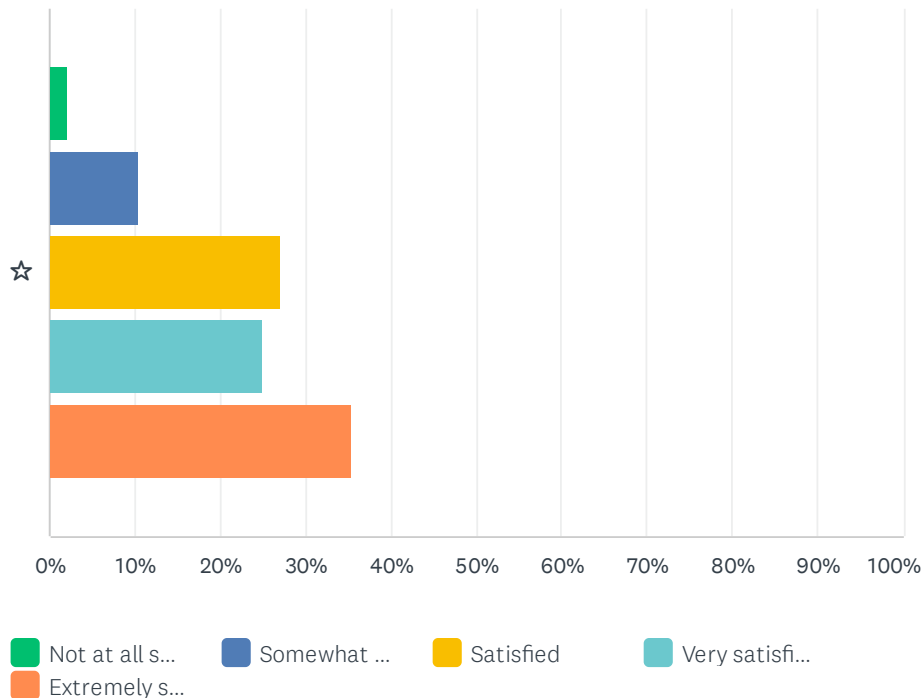
Answered: 48 Skipped: 101



	NOT AT ALL SATISFIED	SOMEWHAT DISSATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	6.25% 3	8.33% 4	25.00% 12	27.08% 13	33.33% 16	48	3.73

Q7 How would you rate your satisfaction with the speed at which ASIFlex answered the phone?

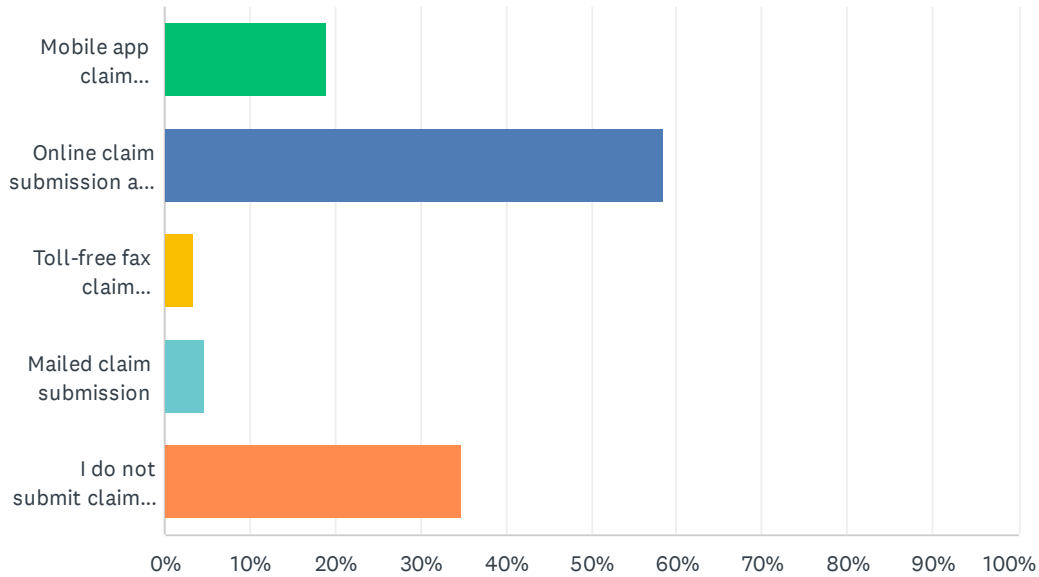
Answered: 48 Skipped: 101



	NOT AT ALL SATISFIED	SOMEWHAT SATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	2.08% 1	10.42% 5	27.08% 13	25.00% 12	35.42% 17	48	3.81

Q8 Which method of submitting claims do you like best and utilize most often? Check all that apply.

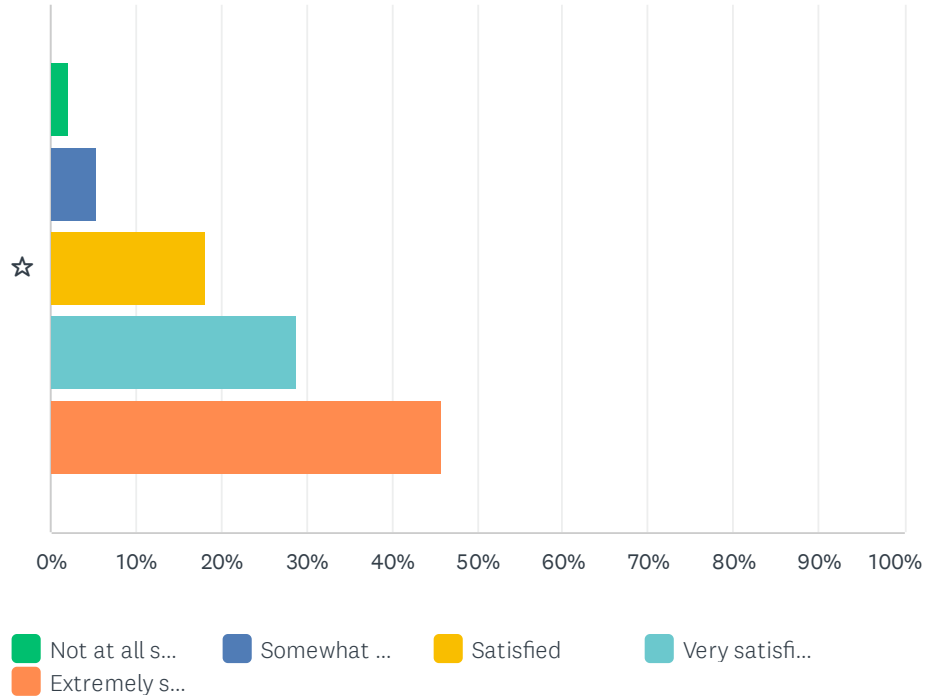
Answered: 147 Skipped: 2



ANSWER CHOICES	RESPONSES	
Mobile app claim submission	19.05%	28
Online claim submission at asiflex.com	58.50%	86
Toll-free fax claim submission	3.40%	5
Mailed claim submission	4.76%	7
I do not submit claims. I use the ASIFlex debit card.	34.69%	51
Total Respondents: 147		

Q9 Over the past year, how would you rate your satisfaction with the speed at which your claim was processed?

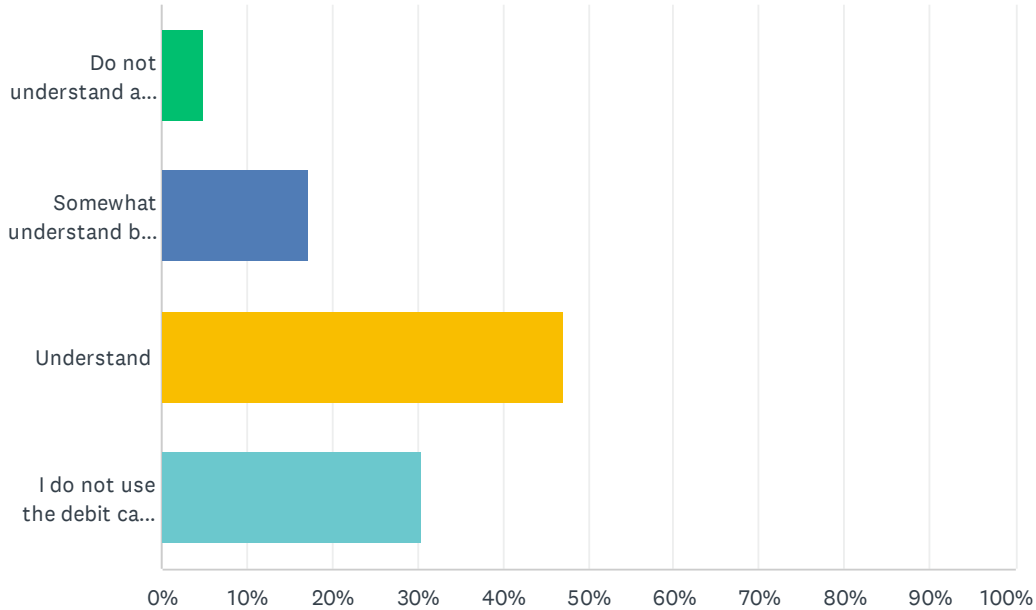
Answered: 94 Skipped: 55



	NOT AT ALL SATISFIED	SOMEWHAT DISSATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	2.13% 2	5.32% 5	18.09% 17	28.72% 27	45.74% 43	94	4.11

Q10 If using the ASIFlex debit card for health care expenses how well do you feel you understand the IRS requirements regarding submission of backup documentation for certain card transactions?

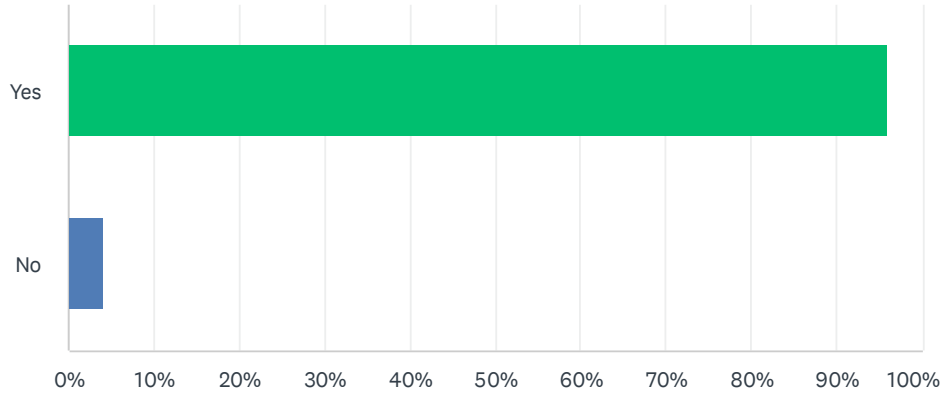
Answered: 144 Skipped: 5



ANSWER CHOICES	RESPONSES	
Do not understand at all	4.86%	7
Somewhat understand but it is confusing	17.36%	25
Understand	47.22%	68
I do not use the debit card. I submit claims.	30.56%	44
TOTAL		144

Q11 Did you register at asiflex.com to gain access to your personal account statement, balance information and secure messages?

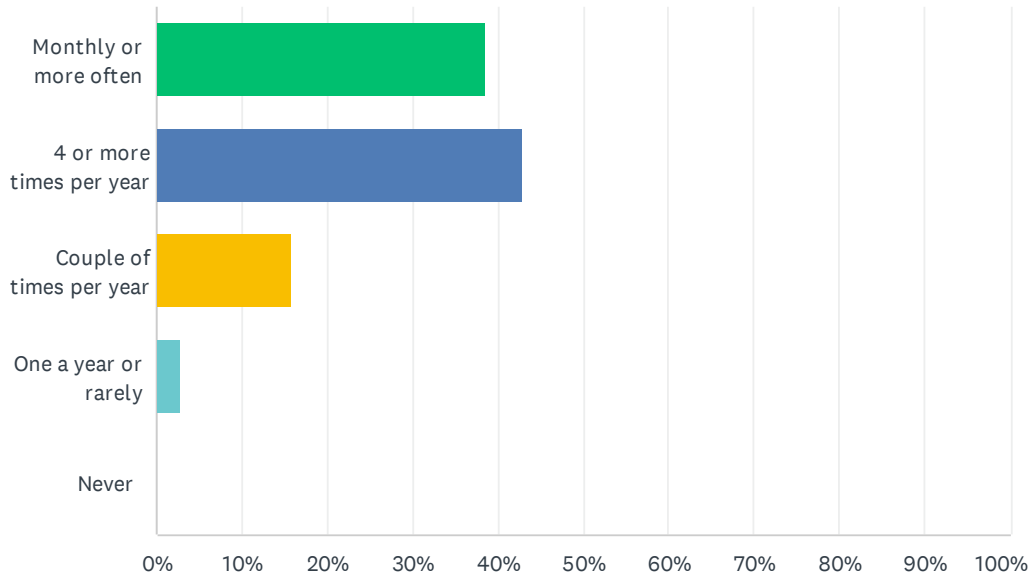
Answered: 146 Skipped: 3



ANSWER CHOICES	RESPONSES	
Yes	95.89%	140
No	4.11%	6
TOTAL		146

Q12 How often do you review your account statement and messages at asiflex.com?

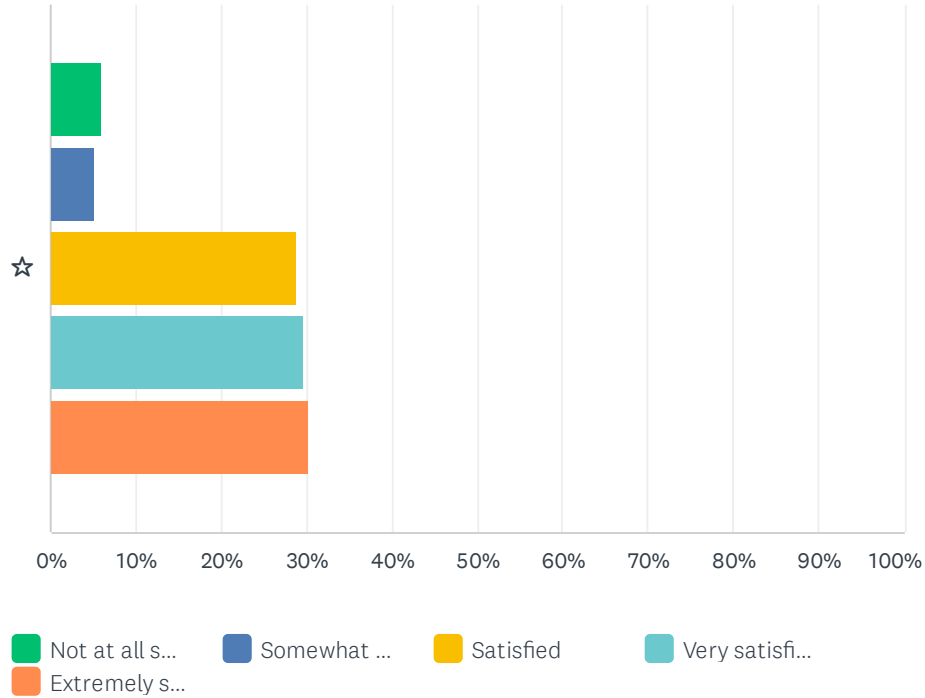
Answered: 140 Skipped: 9



ANSWER CHOICES	RESPONSES	
Monthly or more often	38.57%	54
4 or more times per year	42.86%	60
Couple of times per year	15.71%	22
One a year or rarely	2.86%	4
Never	0.00%	0
TOTAL		140

Q13 How would you rate your satisfaction with your online account statement at asiflex.com as far as providing sufficient account information and clear communications through the secure messages?

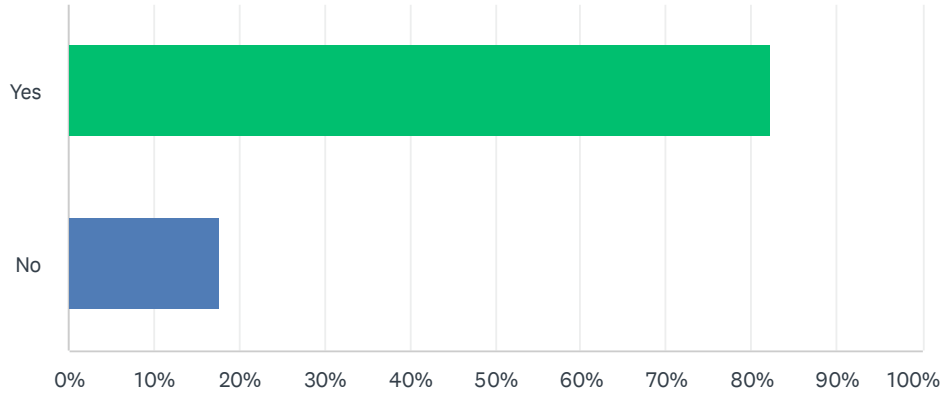
Answered: 135 Skipped: 14



	NOT AT ALL SATISFIED	SOMEWHAT SATISFIED	SATISFIED	VERY SATISFIED	EXTREMELY SATISFIED	TOTAL	WEIGHTED AVERAGE
☆	5.93% 8	5.19% 7	28.89% 39	29.63% 40	30.37% 41	135	3.73

Q14 Have you signed up for to receive electronic communications by email and/or text alert?

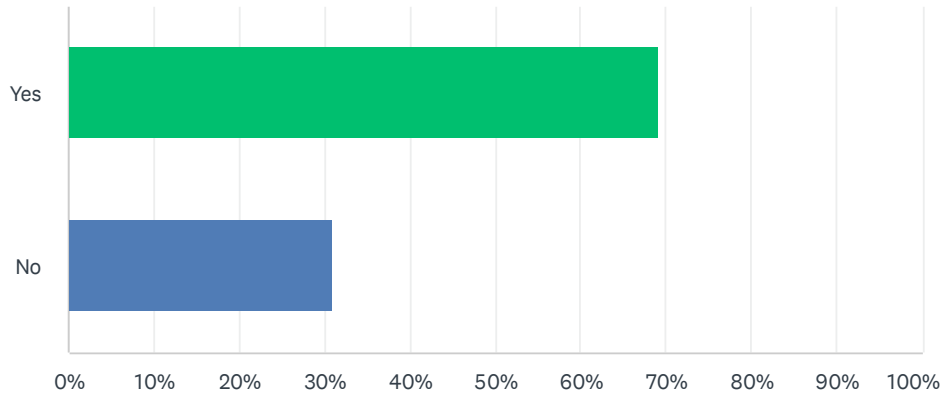
Answered: 142 Skipped: 7



ANSWER CHOICES	RESPONSES	
Yes	82.39%	117
No	17.61%	25
TOTAL		142

Q15 Have you signed up to receive claim reimbursements direct to your bank account?

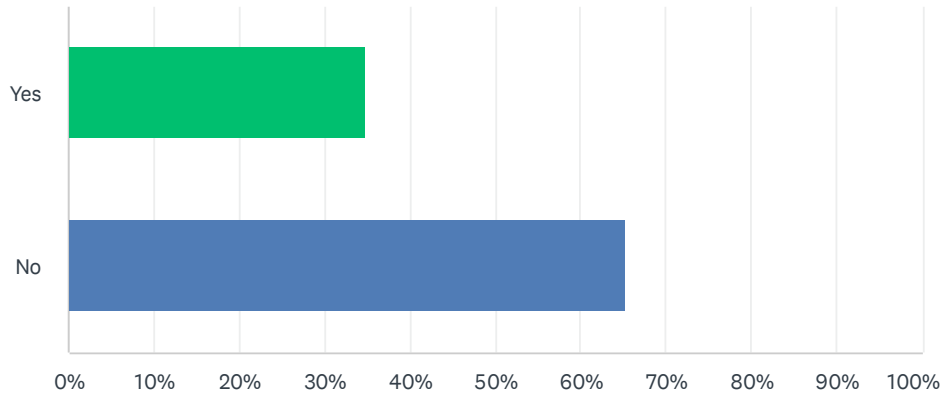
Answered: 142 Skipped: 7



ANSWER CHOICES	RESPONSES	
Yes	69.01%	98
No	30.99%	44
TOTAL		142

Q16 Have you downloaded the ASIFlex Mobile app from Google Play or the App Store?

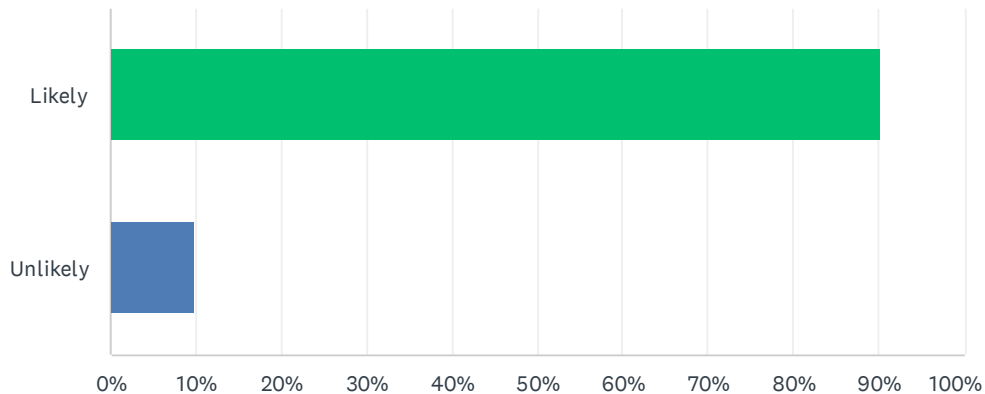
Answered: 144 Skipped: 5



ANSWER CHOICES	RESPONSES	
Yes	34.72%	50
No	65.28%	94
TOTAL		144

Q17 How likely are you to participate in the FlexComp flexible spending account program in future years?

Answered: 143 Skipped: 6

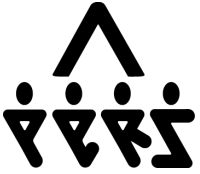


ANSWER CHOICES	RESPONSES	
Likely	90.21%	129
Unlikely	9.79%	14
TOTAL		143

Q18 If you would like a member of ASIFlex's senior leadership team to contact you, please provide your contact information here.

Answered: 12 Skipped: 137

ANSWER CHOICES	RESPONSES	
Name	100.00%	12
Company	0.00%	0
Address	0.00%	0
Address 2	0.00%	0
City/Town	0.00%	0
State/Province	0.00%	0
ZIP/Postal Code	0.00%	0
Country	0.00%	0
Email Address	91.67%	11
Phone Number	91.67%	11



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax: (701) 328-3920 Email ndpers-info@nd.gov Website <https://ndpers.nd.gov>

Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: March 8, 2022

SUBJECT: Sanford Health Plan 2022 Member Experience Survey

Sanford Health Plan (SHP) is preparing to distribute its 2022 Member Experience Survey. This survey is distributed each odd-numbered calendar year prior to the renewal to gauge our membership's satisfaction with the services provided by SHP in relation to our health insurance plan. The survey was previously developed with input from NDPERS staff and has remained consistent so that results can be compared against previous survey responses.

Please find the following attachments:

- 1) A memo from SHP outlining the survey goals, targets, questions, and timelines
- 2) The cover letter that accompanies the survey
- 3) The sample survey.

Representatives from SHP will be available to answer any questions you have regarding the upcoming survey.

Memo

To: Rebecca Fricke

From: Steve Webster

Date: February 14, 2022

Re: 2022 NDPERS Member Experience Survey

The North Dakota Public Employees Retirement System (NDPERS) and Sanford Health Plan (SHP) are preparing the 2022 Member experience survey. The following sections outline key survey details.

SURVEY GOALS

- **Are NDPERS members satisfied with the customer service provided by Sanford Health Plan?** Gather perceptions related to benefit communications, claims processing and the member services call center.
- **What improvements can be made to increase overall satisfaction with Dakota Plan Health customer service?** Gather high-level satisfaction and utilization metrics, along with basic demographic information, to determine areas that are most likely to improve customer service and member satisfaction.

SURVEY TARGETS AND SAMPLING

- **Survey Population:** All NDPERS policy holders
- **Completion Target:** Gather 750-900 completed survey responses, including 250-300 members who have called the member services call center in the past 6 months (approximate margin of error +/-4%).
- **Survey Lists:** SHP will provide a list of all policy holders, including last name, first name, complete mailing address, and the line of business group).
- **Random Sample:** A simple random sample will identify 7,500 members who will be invited to complete the survey.
- **Estimated Response Rate:** Response rates are conservatively estimated at 12%.
- **Participants:** Instructions will note that the survey is to be completed by the healthcare decision maker.

SURVEY DISTRIBUTION AND RESPONSE COLLECTION

- **Mail Distribution:** All members will receive paper surveys with pre-paid return envelopes.
- **Digital Option:** Members will be given an option to complete the survey online instead of returning the paper survey.
- **Collaborative Effort:** A cover letter explaining the survey will be included in the mailing. The letter will be co-branded and co-signed by NDPERS and Sanford Health Plan.
- **Unique Survey ID:** To track responses, variable data printing will be used to assign each survey a unique ID number.
- **Confidentiality:** Four confidentiality protections will be communicated to NDPERS members, including: 1) Survey results will be combined for reporting purposes; 2) No personally identifiable information will be reported; 3) Completing the survey is optional and will not affect benefits; and 4) The survey ID number is used only to track survey completion and avoid follow-up reminders.
- **Mailing Envelopes:** Outgoing mail envelopes will be NDPERS-branded; reply envelopes will direct responses to Sanford Health Plan.
- **Survey Reminder:** A reminder postcard will be developed and deployed if needed.

SURVEY QUESTIONS

- **Core Questions:** Questions 1-9 are considered core NDPERS member survey questions, gathering information about benefit utilization and satisfaction, along with high level member experience metrics.
- **Demographic Questions:** Questions 10-14 are basic demographic questions, allowing Sanford Health Plan to determine the representative nature of the results.
- **Call Center Questions:** Questions 15-23 provide feedback on the Sanford Health Plan member services call center.
- **Survey Length:** The survey instrument is estimated to take 5-7 minutes to complete all questions.

PROPOSED TIMELINES

- February - Survey plan presented to NDPERS board.
- March - Updated survey plan presented to NDPERS board, as needed.
- April - Survey distribution begins.
- April - Survey reminder sent to NDPERS members, as needed.
- May - Survey collection closes (*may occur sooner if upper-end target of 900 completed surveys reached*)
- July - Final report provided to NDPERS and Sanford Health Plan; results to Board thereafter

NDPERS

MEMBER SURVEY



April 2022

Dear NDPERS Dakota Plan Health Benefits Member,

The North Dakota Public Employees Retirement System (NDPERS) and Sanford Health Plan are dedicated to ensuring our members receive the highest quality of service. In order to achieve this, we need a little help from you.

We encourage you to answer a few questions about your health plan benefits and specifically about the customer service you receive. We value your opinion, please take 5-7 minutes to complete the survey before **May 25th** to ensure inclusion.

You may complete the survey in one of two ways:

- 1. Complete the paper survey included with this letter and return it in the business-reply envelope, also included with the letter.
- 2. Complete the survey online at **surveyNDPERS.com**
 - a. You will be asked for a password to enter the survey. The password is: Dakota
 - b. Use this survey ID number to access the survey: XXXXXX
 - c. After you enter the survey ID number, click the ">>" to begin the survey
 - d. If you complete the survey online, DO NOT fill out the paper copy

This survey is optional and will not impact the benefits you receive. All responses will be combined for our reporting purposes and no personally identifiable information will be included.

The unique survey ID number printed on your invitation letter and your survey is used to track survey completion, avoid duplicate survey responses and ensure we don't send you additional reminders to complete the survey.

We appreciate your cooperation and assistance in helping us ensure we are providing the best service possible. If you have any questions or concerns, call (701) 417-6500.

Sincerely,

Rebecca Fricke
Chief Benefits Officer
North Dakota Public Employees Retirement System

NDPERS

MEMBER SURVEY



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

SANFORD
HEALTH PLAN

1. When was the last time you received health services that led to a health insurance claim?

Consider any service that impacts your individual or family deductible or coinsurance. Examples include services provided by physicians, hospitals, laboratories or pharmacies. Place a (V) next to one of the options below.

- Within the last 30 days
- 1 to 2 months ago
- 3 to 4 months ago
- 5 to 6 months ago
- More than 6 months ago
- N/A — Neither I nor my family have used any services that led to a health insurance claim

2. Which health prevention or health screening services do you use?

Place a (V) next to every prevention or screening service used by you or any member of your family.

- Annual physical examination
- Immunizations, such as flu shots
- Well Child Care services
- Cancer screening services, such as breast cancer or colon cancer screenings
- Other (please specify) _____
- N/A — Neither I nor my family use prevention or screening services

3. Which NDPERS Dakota Wellness Program benefits do you use?

Place a (V) next to every NDPERS Dakota Wellness Program benefit used by you or any member of your family.

- Worksite education or wellness activities (newsletters, book clubs, wellness challenges)
- Fitness Center Reimbursement Program
- Diabetes Management or Healthy Pregnancy programs
- The Wellness Portal powered by WebMD
- Other (please specify) _____
- N/A — Neither I nor my family use NDPERS Dakota Wellness Program benefits

4. How satisfied are you with your NDPERS Dakota Plan Health Benefits?

Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied." Place a (V) beneath one number.

Not at All Satisfied										Extremely Satisfied
1	2	3	4	5	6	7	8	9	10	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

5. Why did you give your NDPERS Dakota Plan Health Benefits that rating?

In the previous question, you rated your satisfaction with NDPERS Dakota Plan Health Benefits. Use the space below to briefly explain your satisfaction with your NDPERS Dakota Health Plan benefits.

PLEASE TELL US MORE ABOUT YOUR EXPERIENCE AS A PLAN MEMBER.

For the next 4 questions, read each statement and rate your experience. Use the 4-point scale to tell us your opinion; 1 is “Strongly Disagree” and 4 is “Strongly Agree.” If the statement doesn’t apply to you, choose the N/A option.

6. Printed materials or internet resources help you understand how your health plan works.

Consider any information about your benefits provided by Sanford Health Plan, which may include written materials or information available on Sanford Health Plan’s website. Place a (V) below one of the options below. If you have not read any printed materials or internet resources, please choose the “N/A” option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

7. Explanation of Benefits (EOB) documents are easy to understand.

Place a (V) below one of the options below. If you have not received an explanation of benefits, please choose the “N/A” option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

8. Health insurance claims are processed in a timely manner.

Place a (V) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the “N/A” option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

9. Health insurance claims are processed accurately.

Place a (V) below one of the options below. If you have not received any services that generated a health insurance claim, please choose the “N/A” option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE TELL US MORE ABOUT YOURSELF.

The next 6 questions ask for basic information about you and the coverage you receive. Answering these questions helps us better serve you.

10. How do you or your family qualify for NDPERS Dakota Plan Health Benefits?

If you are not the policy holder, please select the option that best reflects the policy holder’s eligibility. Place a (V) next to one of the options below.

- As an active employee of the State of North Dakota
- As an active employee of a political subdivision (city, county, school, etc.)
- As a retiree
- As a COBRA participant

11. During the past 12-months, approximately how often did you use your health care benefits?

Place a (V) next to one of the options below.

- Never
- 1-2 times
- 3-4 times
- 5-6 times
- 7+

12. What is your zip code?

Use the space to write in your five-digit zip code: _____

13. Which health insurance plan do you have?

Place a (V) next to one of the options below.

- NDPERS PPO/Basic Plan
- NDPERS High Deductible Health Plan (HDHP)
- NDPERS Dakota Retiree Plan (Medicare)
- Don't Know / Unsure

14. How many people in your household are covered by your NDPERS Dakota Plan Health Benefits?

Place a (V) next to one of the options below.

- 1
- 2
- 3
- 4 or more

15. How old are you?

Place a (V) next to one of the options below.

- Under 25 years old
- 25 to 34 years old
- 35 to 44 years old
- 45 to 54 years old
- 55 to 64 years old
- 65 years or older

PLEASE PROVIDE YOUR FEEDBACK ON THE MEMBER SERVICES CALL CENTER.

The next set of questions relate to your experience with the Sanford Health Plan member services call center. If you have called the member services center more than once within the last 6 months, please answer the questions based upon the most recent time you called the member services department.

16. Have you called the Sanford Health Plan member services center in the past 6 months?

Place a (V) next to one of answers below.

- No → Please skip to Question 25.
- Yes → Please continue to Question 17.

17. How satisfied were you with the service you received when you called member services?

Use the 10-point scale below to tell us your opinion; 1 is "Not At All Satisfied" and 10 is "Extremely Satisfied." Place a (V) beneath one number.

Not at All Satisfied									Extremely Satisfied
1	2	3	4	5	6	7	8	9	10
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. Why did you call the member services call center?

Place a (V) next to one of the options below.

- To get information about coverage or benefits
- To ask a question about a health insurance claim or explanation of benefits (EOB)
- To discuss or obtain prior authorization
- To check provider participation status
- To initiate an appeal
- Other (please specify) _____

19. How long did it take the representative to provide the information or help you needed?

Place a (V) next to one of the options below.

- The issue was addressed during the initial call
- Less than 24 hours
- Less than 1 week
- 1 to 2 weeks
- 3 or more weeks
- The issue was not resolved

20. How long did you have to wait before you were able to talk to a customer service representative?

Place a (V) next to one of the options below.

- The call was answered immediately by a representative
- Less than 1 minute
- 1 to 2 minutes
- Longer than 2 minutes
- I hung up before talking to a customer service representative
- Don't Know / Don't Remember

PLEASE SHARE YOUR FEEDBACK ABOUT THE REPRESENTATIVE YOU TALKED WITH.

For the next 4 questions, read each statement and rate the service representative. Use the 4-point scale to tell us your opinion; 1 is “Strongly Disagree” and 4 is “Strongly Agree.” If the statement doesn’t apply to you, choose the N/A option.

21. The customer service representative treated you with courtesy and respect.

Place a (V) below one of the options below.

Strongly Disagree				Strongly Agree
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. The customer service representative was knowledgeable.

Place a (V) below one of the options below.

Strongly Disagree				Strongly Agree
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

23. The customer service representative answered my questions clearly and completely.

Place a (V) below one of the options below.

Strongly Disagree				Strongly Agree
1	2	3	4	
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

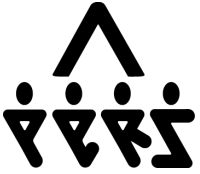
24. The customer service representative completed any follow-up that was promised.

Place a (V) below one of the options below. If your call did not require follow-up, please choose the “N/A” option.

Strongly Disagree				Strongly Agree	N/A
1	2	3	4		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

25. Do you have any additional feedback you would like to provide?

Please enter your comments in the space provided.



Memorandum

TO: NDPERS Board

FROM: Rebecca

DATE: March 8, 2022

SUBJECT: Dental Insurance Plan Renewal

Effective January 1, 2019, Delta Dental was awarded the bid for the group dental insurance plan. Attachment 1 is Delta Dental's renewal rate proposal for the January 1, 2023 through December 31, 2024 plan years. This time period represents the 3rd and final two-year period available for contracting as part of the bid process.

As you may recall as part of their bid, Delta Dental:

- 1) Was the vendor for the January 1, 2013 through December 31, 2018 period;
- 2) Held premiums at the previous biennium rate for the first contract period January 1, 2019 through December 31, 2020. Also, please note that Delta Dental had held these premiums at the current rate since January 1, 2015;
- 3) Provided a 3% premium rate cap guarantee to the first renewal rates, even though member utilization indicated a 4.25% increase was warranted.
- 4) Guaranteed no more than a 3% premium rate cap guarantee for the January 1, 2023 through December 31, 2024 contract period.

Also included is Attachment 2, which is the Renewal Overview prepared by Delta Dental that provides information about utilization, the Delta Dental network and performance measures.

Attachment 1 indicates the needed increase in premium based upon claims and trend would be 8.30%. However, due to the 3% premium rate cap guarantee, the following are the current and proposed renewal rates:

	Current	Renewal
Emp Only	\$ 39.80	\$ 41.00
Emp + Spouse	\$ 76.82	\$ 79.12
Emp + Child(ren)	\$ 89.18	\$ 91.86
Emp + Family	\$127.00	\$130.82

As reported to the Board during the February 2022 meeting, participation in the dental plan increased during annual enrollment for the 2022 plan year by 233 members with a total of 12,440 participants. As outlined on page 10 of Attachment 2, with this increase in membership, our plan continues to trend above the “national normative” for the number of claims processed and cost per employee. Our demographics trend older, which also influences the cost per employee, number of claims per employee, and preventive claims utilization.

In addition, based upon page 14 of Attachment 2, Delta Dental continues to meet our performance guarantees on a regular basis. The survey results included on page 15 of Attachment 2 continue to show members appear to be satisfied with the services provided by Delta Dental.

Staff recommends that we amend the current contract to renew with Delta Dental for the January 1, 2023 through December 31, 2024 contract period.

Board Action Requested

Approve staff’s recommendation to amend the current contract to continue with Delta Dental for the January 1, 2023 through December 31, 2024 contract period.



Delta Dental of Minnesota

February 18, 2022

Scott Miller
North Dakota Public Employees Retirement System
400 E. Bdwy
Suite 505
Bismarck, ND 58501

RE: Dental Plan Contract Renewal
Renewal Period: January 1, 2023 - December 31, 2024, Client Number: 537482

Dear Scott Miller,

Thank you for choosing Delta Dental of Minnesota. We are pleased to be your partner in your employees' wellness. As the nation's leading dental benefits provider, we know that good oral health is crucial to overall health. North Dakota Public Employees Retirement System's contract is scheduled to renew on January 1, 2023. We have completed a comprehensive review of your dental plan premiums and are pleased to offer your contract renewal with the rates below.

Rates per subscriber per month	Current Rate(s) January 1, 2021 through December 31, 2022	Renewal Rate(s) January 1, 2023 through December 31, 2024
Subscriber only	\$39.80	\$41.00
Subscriber and spouse	\$76.82	\$79.12
Subscriber and child(ren)	\$89.18	\$91.86
Subscriber, spouse and child(ren)	\$127.00	\$130.82

We consider your payment of the new rates as consent to renew your Delta Dental contract. Renewal of your contract is based on the assumption that your group continues to meet Delta Dental's underwriting guidelines. No action is required from you at this time unless you wish to change or cancel your coverage. Please contact us if you would like to make any changes to your plan designs and we can provide a comprehensive analysis of how any changes would affect your premiums.

Delta Dental appreciates your ongoing business and we look forward to continuing our commitment to excellent service and quality dental benefits for you and your employees. If you have any questions, please contact your Delta Dental Representative, Sean Anderson, at (612) 224-3523, sanderson@deltadentalmn.org.

Sincerely,

Andrea Allred
Vice President, Account Management and Client Services

Stephanie A. Albert
Assistant Secretary



**RENEWAL CALCULATION
24 MONTH CONTRACT**

Group Name	North Dakota Public Employees Retirement System		
Group Number	537482		
Renewal Period:	January 1, 2023	through	December 31, 2024
Experience Period:	January 1, 2021	through	December 31, 2021

Earned Premium \$11,404,762

Incurred Claims \$10,449,409

Estimated Unpaid Claim Liability*: \$49,933

* EUCL has already been added to the incurred claim total

Average Experience Period Enrollment:	Employee	4,884
	Ee + Sp	3,383
	Ee + Ch (n)	1,045
	Family	3,173
	Total	12,485

Trend Factor: 3.77%

Trend is calculated from the mid-point of the experience period to the midpoint of the renewal period.

Current Corporate Trend: 6.00%

Benefit Adjustment Factor (BAF): 0.00%

BAF is needed if any benefit changes are proposed for the upcoming contract period.

Projected Incurred Claims: \$10,843,351

Needed Increase: 8.30%

Proposed Increase: 3.00%

Rates:		<u>Current</u>	<u>Renewal</u>
	Employee	\$39.80	\$41.00
	Employee+Sp	\$76.82	\$79.12
	Employee+Ch(n)	\$89.18	\$91.86
	Family	\$127.00	\$130.82

A 3% rate cap applies to the renewal period 1/1/2023 through 12/31/2024.

Delta Dental reserves the right to re-evaluate the rates/fees and restrict funding options if during the contract period:

*** the number of enrolled employees deviates from the above enrollment by 10% or more**

*** any changes are made to the plan design, contractual benefits or networks that are utilized**

This renewal is valid only if the contract is issued in the state of North Dakota.

91.62% Experience Loss Ratio

90.72% Target Loss Ratio

N/A Broker Commission

jcd

2/15/22

Note: Our rates include all applicable taxes and fees.

A DELTA DENTAL CONVERSATION WITH **North Dakota Public Employees Retirement System**

2023 Premium Rate Proposal & Utilization Review





Our Mission

To promote healthier lives.



Our Vision

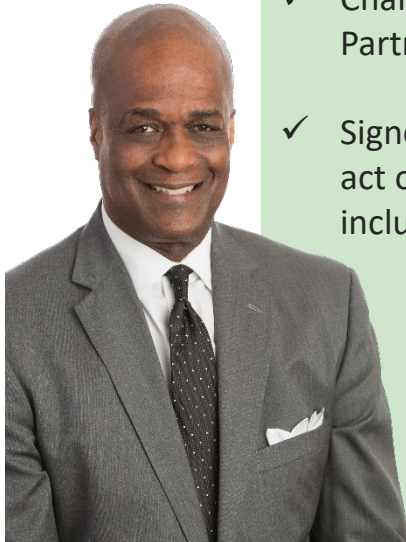
To partner to advance health and community well-being by improving access, quality and innovation.



Diversity, Equity & Inclusion (DE&I)

Our Commitment

Rodney Young CEO & President



- ✓ Chair of Minnesota Business Partnership DEI Committee
- ✓ Signed CEO Action Pledge to act on supporting a more inclusive workplace

Social Change Council

Together we will actively cultivate, promote, and advance a more equitable community

- ✓ Social Awareness
- ✓ Attract and Retain a Diverse Workforce
- ✓ Supplier Diversity Program
- ✓ Social Community Impact

Inclusive Workforce

We are committed to an inclusive work culture that engages each individual, while encouraging growth and individual professional development.



Recognized as an Inclusive Workforce Employer (I-WE) as a result of our commitment to an inclusive work culture that engages each individual, while encouraging growth and individual professional development and allocating resources to support and sustain an inclusive and equitable workplace.



The DEI Cultural Excellence Award recognizes organizations who have shown a commitment to prioritizing Diversity, Equity and Inclusion (DEI) practices that include maintaining a welcoming and inclusive culture throughout all levels of the company.

“For organizations to effectively commit to DE&I, it requires establishing and operating with the principles of respect and acceptance of each individual’s differences, as well as appreciating each individual’s uniqueness.”

March 2022 Board Book Page 51 of 140

Rob Young, CEO & President

2023 Premium Rate Proposal

NDPERS dental plan utilization allows us the opportunity to offer NDPERS the following renewal proposal:

- ✓ A capped 3% premium rate increase for 24-months effective January 1, 2023.

Why do more than 4.3 million people trust Delta Dental of Minnesota with their smiles?



Extensive savings to employers
and members



Best-in-class customer service with
96.9 percent customer satisfaction

**At Delta Dental, we live
and breathe Oral Health
– it's our #1 priority.**

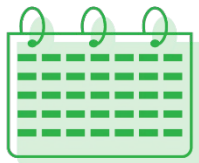
At Delta Dental, we believe everyone deserves a healthy smile.



9,109 clients

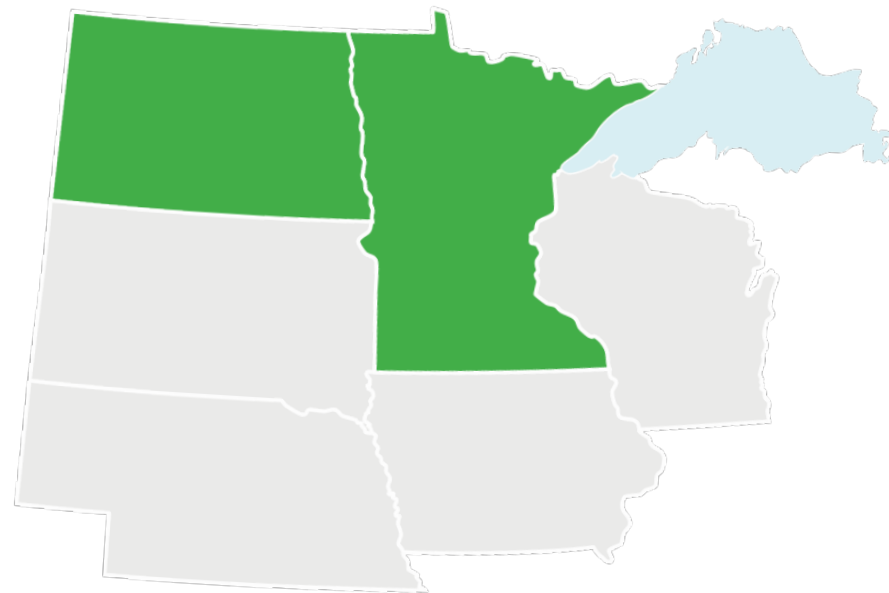
Including 13 of 18 Minnesota-based Fortune 500 companies

A



53 years

Minnesota's hometown dental expert



About the Delta Dental Plans Association



39 Delta Dental member companies



83 million members nationwide



Delta Dental serves 487 of the Fortune 1,000 companies nationally



152,000+
Clients nationwide



91.9 percent
Client retention nationwide



Over 111,000,000
Dental claims annually

Utilization Review

Key Findings of Plan Utilization

- Your dental plan experienced an increase in enrollment followed by an increase in paid claims.
- Your dental plan continues to trend above the “national normative” for the number of claims processed and cost per employee.
- Age demographics continue to trend older; influencing such factors as overall cost per employee, number of claims per employee and preventive claims utilization.

NDPERS	2021	2020	Change
Average enrolled	12,484	11,928	4.7%
Cost per claim	\$188.25	\$183.40	2.6%
EOBs per employee	4.46	4.04	10.4%

2021 Delta Dental Book of Business Data

Cost per claim	\$188.72
EOBs per employee	3.81
Cost per claim employee	\$719.01

Coverage Type	Average Number of Employees	Percent of Total Enrolled
Employee	4,884	39%
Employee + Spouse	3,383	27%
Employee + Child(ren)	1,045	8%
Family	3,173	25%

Age Bands by Paid Claim Totals

AGE BANDS	AVG # OF MALES	% OF TOTAL	PAID CLAIMS PMPM	AVG # OF FEMALES	% OF TOTAL	PAID CLAIMS PMPM	TOTAL AVG MEMBERS	TOTAL %	TOTAL PAID CLAIMS*
0-13	2,233	8.05%	\$27.44	2,161	7.79%	\$28.38	4,394	15.84%	\$1,470,872.59
14-24	2,245	8.09%	\$27.35	2,206	7.95%	\$30.10	4,451	16.05%	\$1,533,414.53
25-34	1,207	4.35%	\$22.28	1,501	5.41%	\$29.08	2,708	9.76%	\$846,352.14
35-44	1,780	6.42%	\$27.51	2,057	7.42%	\$32.91	3,837	13.84%	\$1,399,875.09
45-54	1,576	5.68%	\$27.68	1,759	6.34%	\$33.54	3,335	12.02%	\$1,231,252.20
55-64	1,643	5.92%	\$32.62	2,080	7.50%	\$37.56	3,723	13.42%	\$1,580,248.63
65+	2,367	8.53%	\$38.35	2,920	10.53%	\$38.64	5,287	19.06%	\$2,421,882.86

March 2022 Board Book Page 59 of 140



Benefit	NDPERS	Normative
Preventive & Diagnostic	55.7%	46.7%
Basic Restorative (fillings)	13.3%	12.7%
Major Restorative (crowns)	11.7%	11.6%
Oral Surgery (extractions)	4.6%	7.1%
Endodontics (root canals)	4.0%	4.5%

65%

of members received at least one preventive cleaning.

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PERFORMANCE ITEM	GUARANTEE	RESULTS
Claim Turnaround Time Number of days between receipt of claim and adjudication.	90% in 14 calendar days 99% in 30 calendar days	99.5% 100%
Claims Financial Accuracy Percent of claim dollars paid (or denied) accurately.	99% of dollars paid accurately	99.93%
Claims Processing Accuracy Percent of claims processed (or denied) accurately.	98% of claims processed accurately	99.72%

PERFORMANCE ITEM	GUARANTEE	RESULTS
<p>Phone Average Speed of Answer (ASA) Average number of seconds for Customer Service to answer phone.</p>	25 seconds or less ASA	16 seconds
<p>Phone Abandonment Rate Percent of callers who hang up prior to the call being answered by a Customer Service Representative (CSR).</p>	3% or less	0.5%
<p>Employee Satisfaction Percent of subscribers satisfied with our overall quality of service.</p>	85% satisfied	96.9%

Provider Network



Network Size



National



Delta Dental PPO™



Delta Dental Premier®



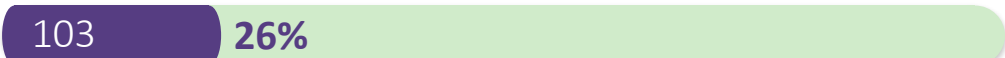
Delta Dental PPO™



Delta Dental Premier®



Delta Dental PPO™



Minnesota

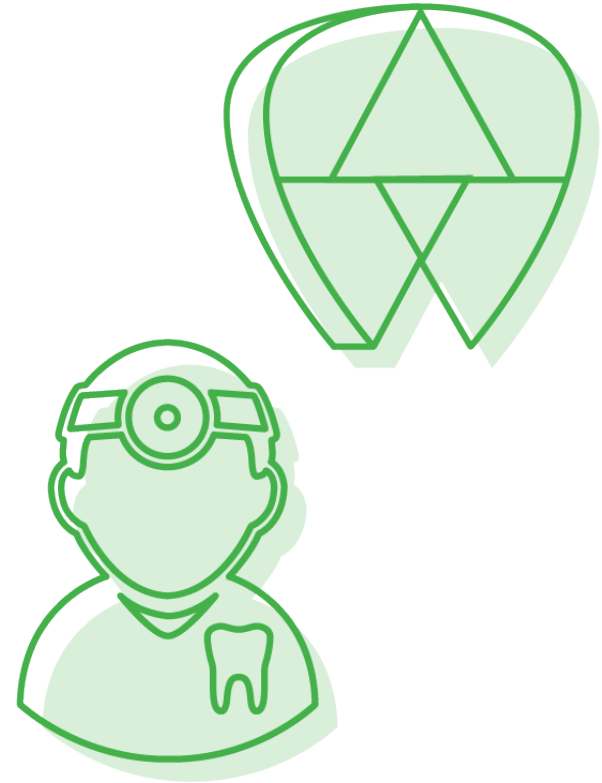


North Dakota



You Can Count on Our Network Numbers

- At Delta Dental, we do not lease our networks. Our local staff members foster relationships directly with dentists
 - Have dentists retired?
 - Have dentists reduced their workload?
 - Have dentists moved?
- At Delta Dental, we:
 - Regularly validate and update network numbers
 - Rely on third-party resource to analyze data
 - Provide clients and members with an accurate assessment



Network Savings



Average Network Discounts

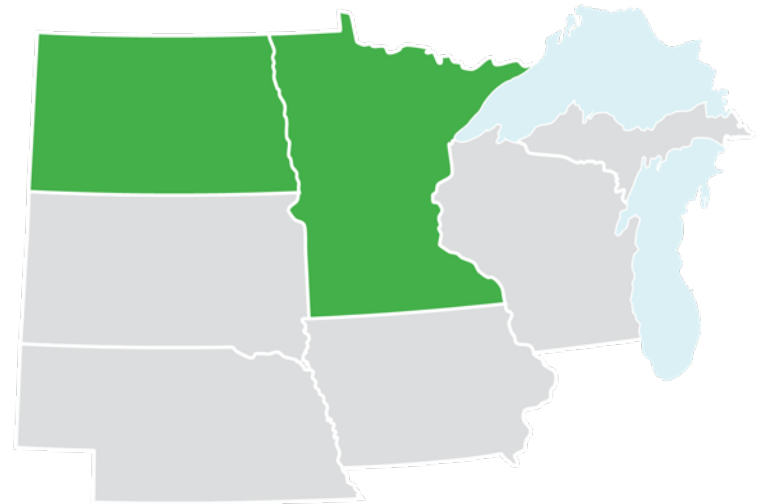
Minnesota Based Providers

Delta Dental PPO™ = 26.9 percent

Delta Dental Premier® = 25.8 percent

North Dakota Based Providers

Delta Dental PPO Plus Premier™ = 19.3 – 19.6 percent*



What are Network Savings?

Claims represent 91% of your dental plan expenses.

NDPERS experiences network savings when employees have consistent and strong in-network utilization!

Utilization of Networks	CY'20 and '21 Average
Delta Dental PPO™	22%
Delta Dental Premier®	<u>55%</u>
	77%
Normative	77%



Top 10 States by Paid Claims

State	Dollars Paid	Percent of Total
North Dakota	\$9,538,622	91%
Minnesota	\$577,386	6%
Arizona	\$66,991	<1%
South Dakota	\$42,466	<1%
Colorado	\$32,368	<1%
Washington	\$20,660	<1%
Montana	\$20,238	<1%
Florida	\$19,941	<1%
Texas	\$16,361	<1%
California	\$12,963	<1%
Total Paid Claims	\$10,484,287	100%



NDPERS and Network Savings



Networks

Delta Dental PPO™	\$1,099,386
Delta Dental Premier®	\$2,587,731

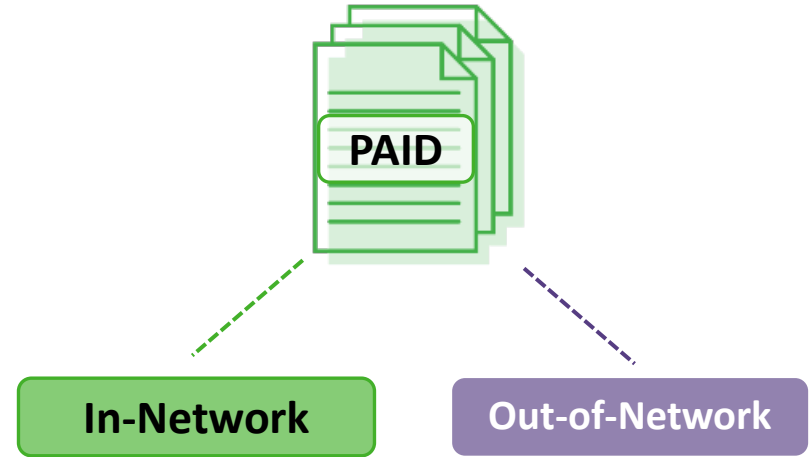
Total network savings:
\$3.7 million

Effective Discounts



Defining Effective Discount

- **PPO discount** for using a Delta Dental PPO™ dentist
- **Premier discount** for using a Delta Dental Premier® dentist
- **Fee discount** for using an out-of-network dentist



Delivering the Best Effective Discount

1 Larger network size

- Largest network nationwide
- More than 154,000 unique dentists

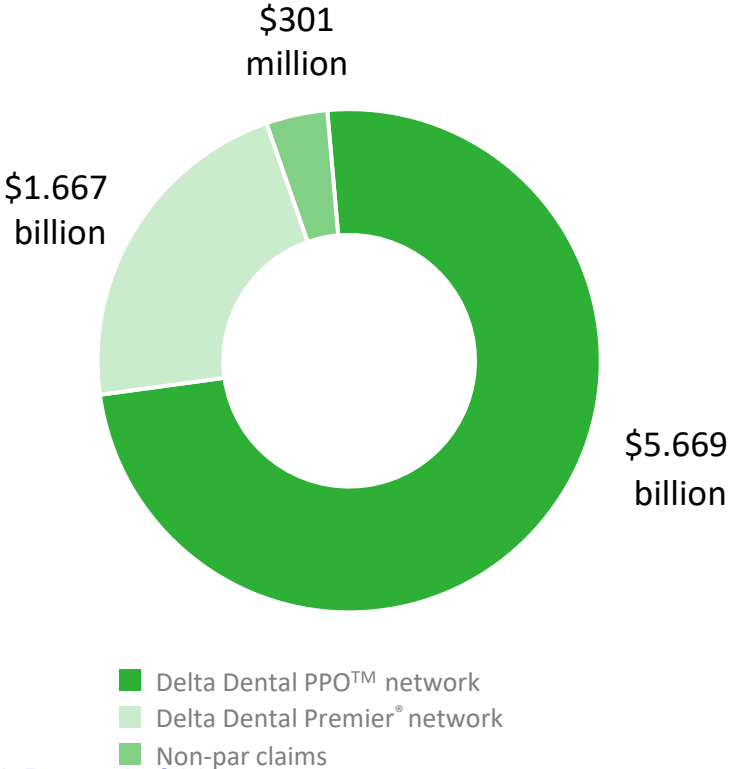
2 High network utilization

- Delta Dental's PPO Plus Premier™ average network utilization rate of 93 percent
- Competitor average is 64 percent

3 Direct network approach

- Never lease networks
- Local staff member foster relationship
- Establish fair reimbursement rates
- Maintain network stability

Effective Discount = Savings!



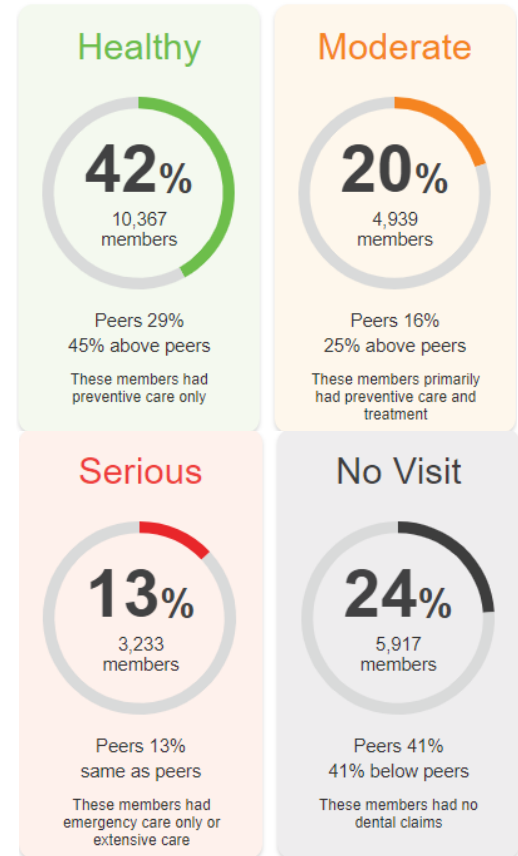
Dental Trends / Dental Action Report

Topics That Continue To Be A Trend In 2022

- Oral health and overall health
- Opioid's in dentistry and the opioid crisis
 - Teledentistry
 - Dental office redesign
- Human Papillomavirus (HPV)
- Vaping
- Sleep Apnea
- Xerostomia (Dry Mouth)
- Do it yourself (DIY) Orthodontics

Dental Action Report

- Unique only to Delta Dental
- Two full years of experience is required for this report
- Members are placed in categories based on utilization
- Identifies behavior patterns to help improve results
- Opens discussion for plan enhancements targeting members needs
- Creates opportunities for oral health education and engagement
- Gives insight beyond paid claims data



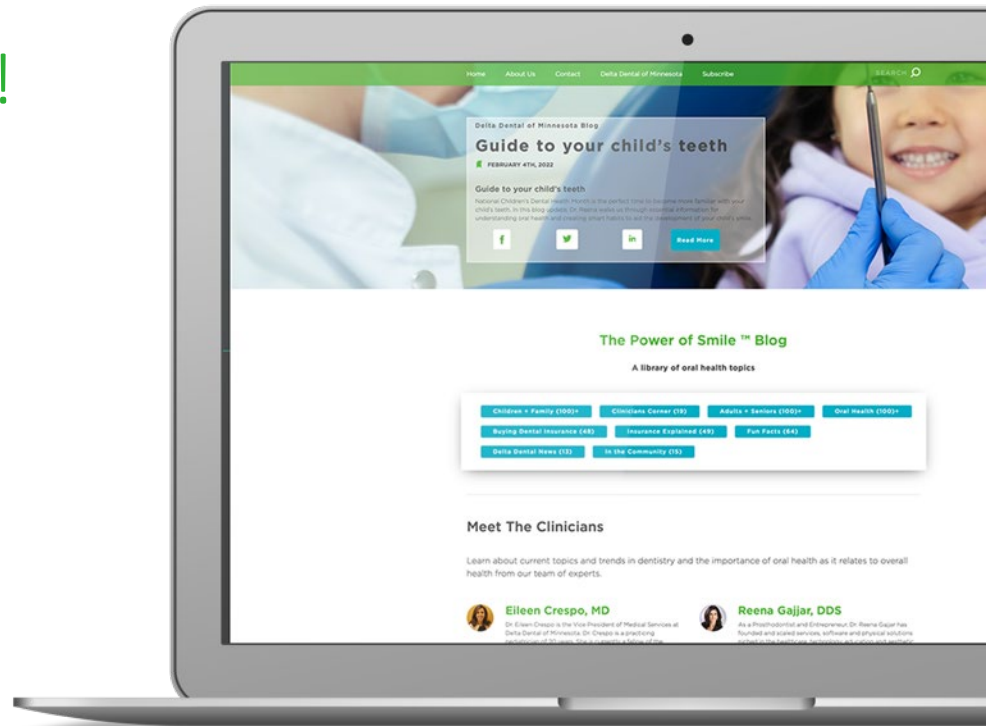
Find Us Online



Keep up with our latest blog posts on DeltaDentalMN.org!

Features:

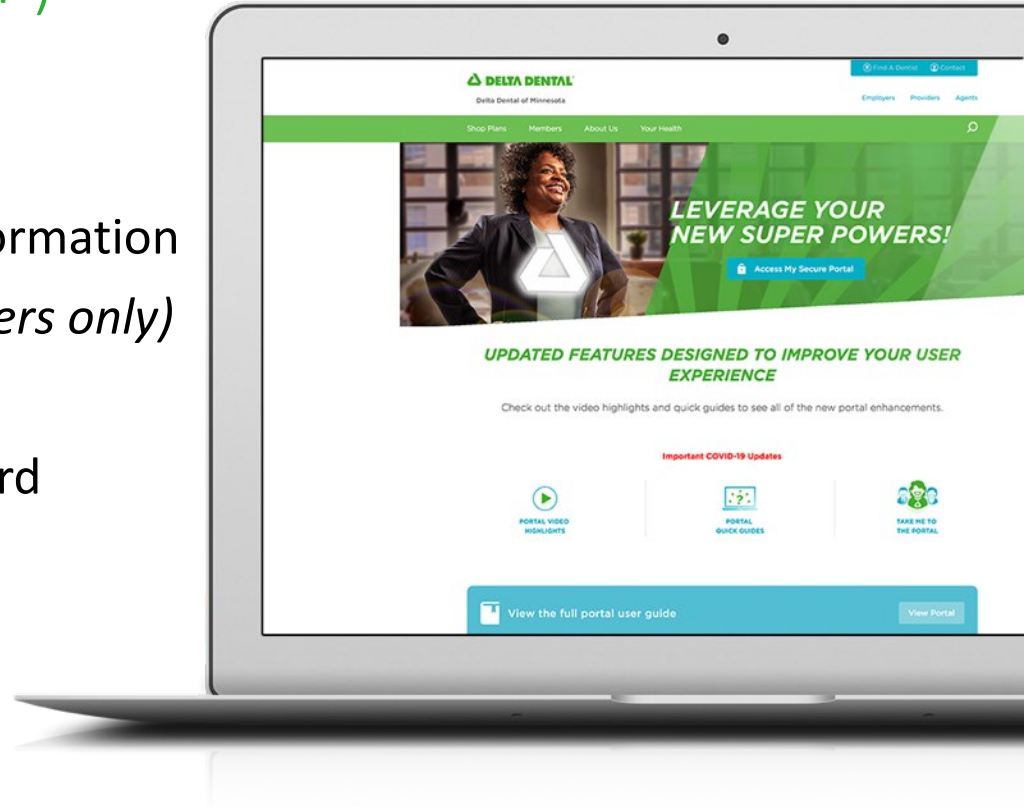
- Extensive library of topics
- Easy subscription sign up
- Quick filters and search capabilities



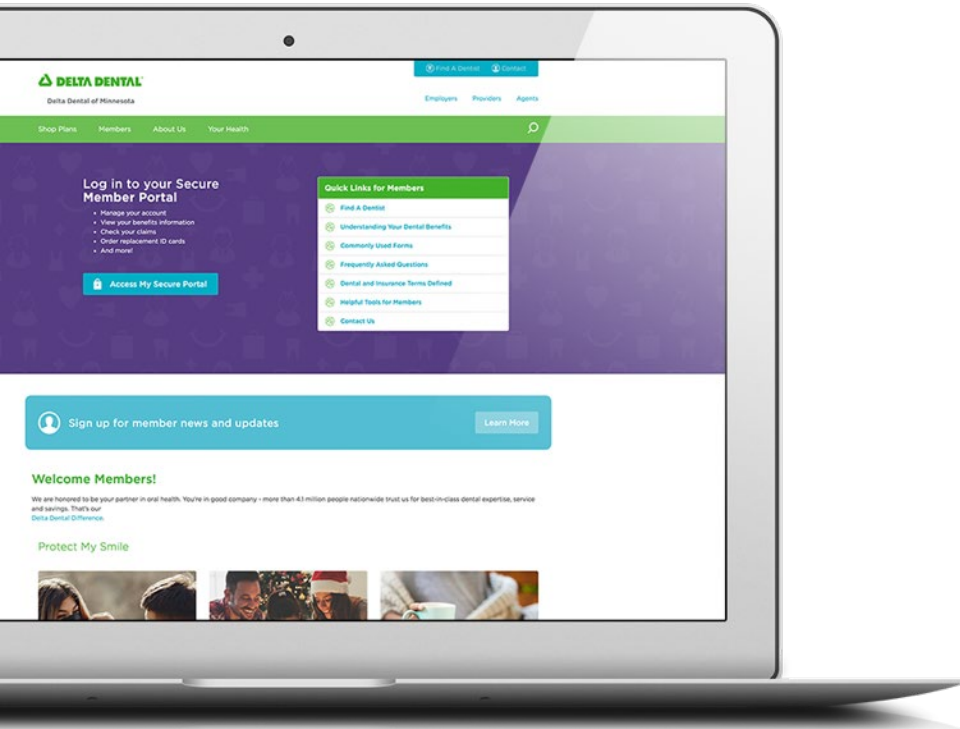
Employer Service Portal (ESP)

- Manage enrollment
- View detailed billing and benefit information
- Manage access (*Delegated Super Users only*)
- View custom client reports
- Print or request a replacement ID card

[Visit the ESP](#)



Member Self-Service



- View claims history
- View coverage/benefits
- View and print ID cards
- Update email address
- Find A Dentist tool
- Simplified search functions
- Enhanced member portal!

[Click here to watch our new Member Portal video](#)

Find A Dentist Tool

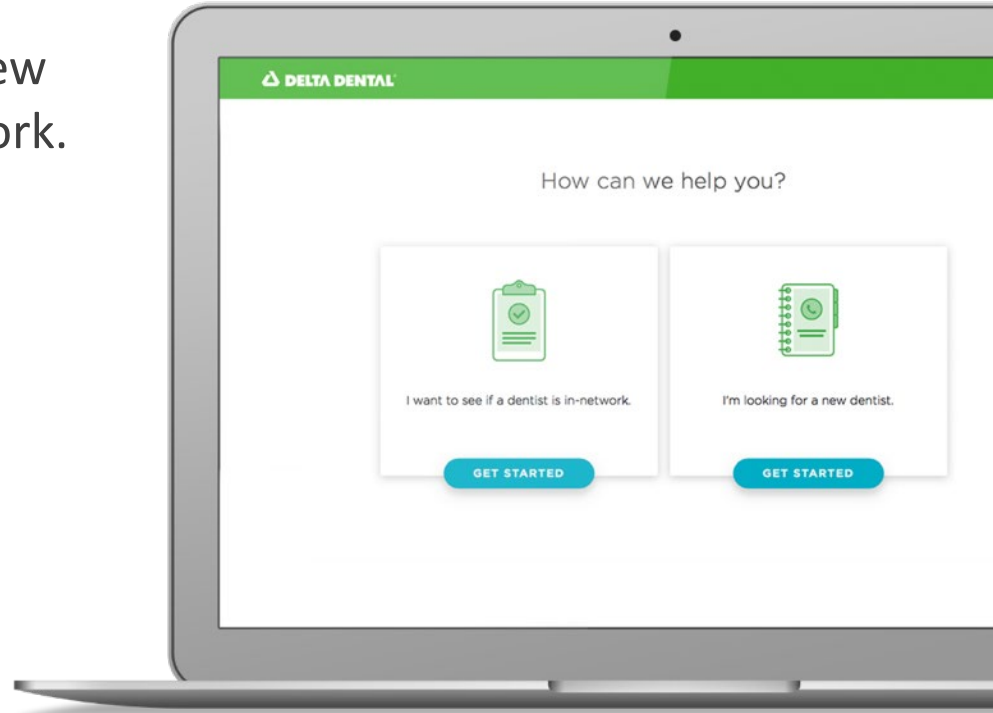
Users have the option to search for a new dentist or see if their dentist is in-network.

start by telling us a little bit about what you're looking for:

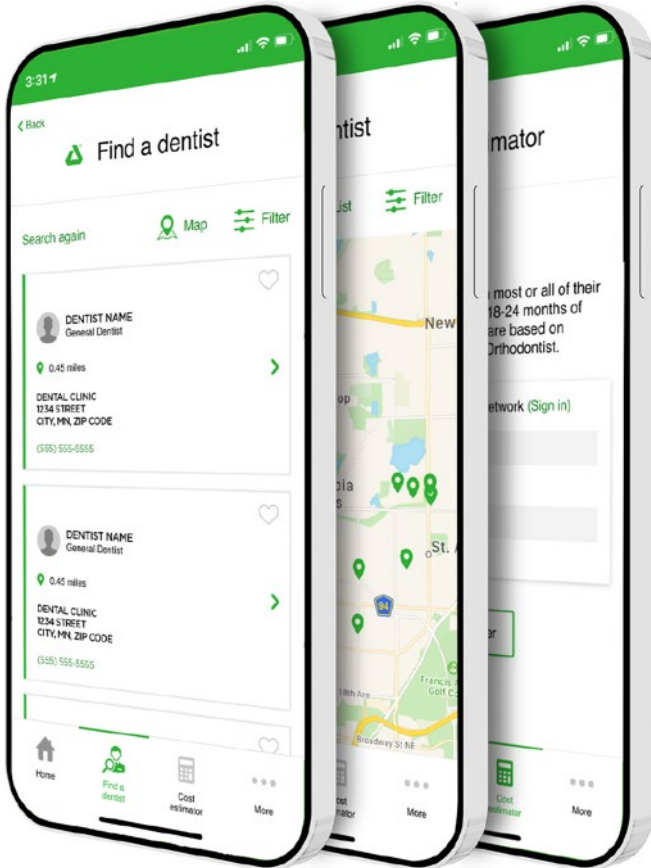
Show me providers named last name
within **10 miles** of address or zip
covered under **PPOSM & Premier[®] Networks**

SEARCH

[Click here for the Find A Dentist Tool](#)



Mobile App



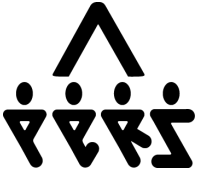
Thank you!

Thank you for choosing Delta Dental of Minnesota as your partner in maintaining good oral health. We appreciate your ongoing business and we look forward to continuing our commitment to excellent service and quality dental benefits for you and your employees.



Delta Dental of Minnesota

March 2022 Board Book Page 84 of 140



Memorandum

TO: NDPERS Board

FROM: Bryan Reinhardt

DATE: March 8, 2022

SUBJECT: 2021 Sanford Claims Review

Each year we conduct an audit to check the accuracy of the health plan claims processing. On January 13th, Shawna Piatz and I were at the Sanford corporate office in Fargo to review a sample of 100 NDPERS claims. A list of the claim specifications is attached. Note that this is not a random sample of all claims, but a select sample from specific areas that we felt needed to be looked at. We focused on claims incurred in the year 2021. Sanford did a good job of having everything ready for us and having staff available to answer questions and explain the claims payment process.

This year there were few errors in the audit sample. The findings are detailed below:

Review Errors/Findings/Observations:

There are some changes in place due to the COVID-19 pandemic. COVID testing is not going to the wellness \$200 annual benefit. Telehealth visits are being processed with no cost share (no office visit copayment). Covering Covid treatment at zero cost-share ended on 9/30/2021.

A WSI-related claim for a CT scan reading was paid by the plan in the amount of \$68.89. Sanford uses an outside company, Optum, to review COB claims related to WSI. There is a \$100 billed amount threshold before sending the claim to Optum for third-party liability investigation. This claim fell under that amount. We are having Sanford research the reason for the limit. This claim should have not been paid by the NDPERS Health Plan.

A professional out-of-network claim had \$110 in charges with \$22 discounted. The full \$110 went to the member's deductible when only the \$88 should have. This was a manual processing error only on this claim and no other claims/members were affected.

Coinsurance for Non-formulary RX does not apply to the \$1,200 coinsurance maximum. This is being processed correctly, but the COI needs to define this better.

The changes made to allow A1C tests to apply to the \$200 wellness screening benefit and to remove the PSA coinsurance were implemented July 1, 2020 and are processed correctly. Contraception claims coverage as of 7/1/2021 is processing correctly.

Note that physical therapy and chiropractic have a \$25 copayment versus a \$30 copayment for office visits. NDPERS also does not have a limit on chiropractic visits whereas most plans have a 20 visit limit. It is rare to have an unlimited plan like ours with varying copayments. Any reduction to these benefits would affect the plan's grandfathered status, so it is something to keep in mind for future changes.

The NDPERS plan does have a \$ 20,000-lifetime infertility benefit. Many plans do not cover these services. We noticed a couple of interesting processing details from the audit. Infertility coinsurance does not apply to the member coinsurance maximum or the out-of-pocket maximum. Pregnancy testing does not go toward the infertility benefit maximum even if it is part of an infertility office visit.

All the screening & immunization audit claims were properly adjudicated:
PAP 3/3, Mammogram 3/3, Fecal Occult 3/3, Cholesterol 3/3, A1C 3/3, Blood sugar 3/3, PSA 4/4, Colonoscopy 3/3, Influenza vaccine 2/2.

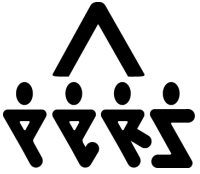
There do still appear to be coding issues with preventative screenings during routine physical exams and the \$200 screening benefit. We did encounter complete blood count tests (CBC 85025) that did not go toward the \$200 screening benefit while the other screenings on the claims did due to the coding by the provider.

If you have any questions, I will be available at the Board meeting.

NDPERS 2021 Audit of 1/2021 – present Sanford Claims Processing

1. Professional Chiropractic (1 claim)
2. Institutional COB (3 claims)
3. Institutional COB (2 with Medicare Member age 65+)
4. Institutional COB (2 with Medicare Member age <65)
5. Institutional COB (5 with Workers Compensation)
6. Professional COB (3 claims Other Insurance Plan)
7. Professional COB (2 with Medicare)
8. Professional COB (5 with Workers Compensation)
9. Institutional Psych (2 claims)
10. Professional Psych (2 claims)
11. Institutional CDU (2 claims)
12. Professional CDU (2 claims)
13. Professional PAP (3 claims) (No COB)
14. Professional Mammograms (3 claims) (No COB)
15. Professional Fecal Occult Test (3 claims) (No COB)
16. Professional Cholesterol Screening (3 claims) (No COB)
17. Professional A1C Screening (3 claims) (No COB)
18. Professional Blood Sugar Testing (3 claims) (No COB)
19. Professional PSA Testing (4 claims) (No COB) (2 under age 50 & 2 over age 50)
20. Professional Colonoscopy (3 claims) Include Institutional and Lab components (No COB)
21. Prescription Drug Formulary (3 claims)
22. Prescription Drug Non-Formulary (3 claims)
23. Prescription Drug Contraception (5 claims)
24. Prescription Drug for Flu Vaccine (2 claims) (No COB)
25. Prescription Drug for COVID-19 Vaccine (3 claims) (No COB)
26. Prescription Drug Medicare Part-D claims (5 claims)
27. Institutional 'Denied Experimental' (1 claim)
28. Professional Physical Therapy (2 claims) (No COB)
29. Claims for Durable Medical Equipment (2 claims)
30. Professional from HDHP member (3 claims)
31. Institutional from HDHP member (2 claims)
32. Prescription Drug 2021 history for one HDHP member
33. Office Visit for Infertility (5 claims)
34. Adult Routine Diagnosis Physical Office Visit with Screenings (2 claims)
35. Out-Of-State Out-Of-Network Professional Claims (4 claims)
36. Institutional Delivery Claim on Healthy Pregnancy Program (1 claim)

Total 100 Claims



Memorandum

TO: NDPERs Board
FROM: Bryan Reinhardt
DATE: March 8, 2022
SUBJECT: 2021 EAP Utilization

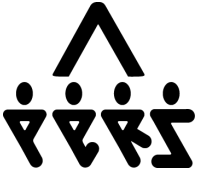
The following table shows the self-reported 2021 utilization from the NDPERs Employee Assistance Program (EAP) providers. The overall EAP utilization rate is at 6.1%. This is about the same as reported since 2015, but lower than the 8-9% reported rate in the years prior to 2015.

NDPERs Employee Assistance Program – 2021

	NDPERs TOTAL	Live Well	ENI	The Village	St. Alexius
Contracts	15347	172	652	7464	7059
Cases*	929	15	97	541	276
%	6.1%	8.7%	14.9%	7.2%	3.9%
Sessions	3749	78	97	2020	1554
%	24.4%	45.3%	14.9%	27.1%	22.0%
Case Types:					
Psychiatric	668	6	80	342	154
Family/Personal	241	6	11	134	90
Work Problems	54	1	0	25	28
Financial/Legal	59	2	5	24	0
Drugs/Alcohol	14	0	0	11	4
Other/Unknown	6	0	1	5	0

* - Note that family members are also eligible for the EAP.

If you have any questions or need more information, I will be available at the NDPERs Board meeting.



**North Dakota
Public Employees Retirement System**
1600 East Century Avenue, Suite 2 • PO Box 1657
Bismarck, North Dakota 58502-1657

Scott A. Miller
Executive Director
(701) 328-3900
1-800-803-7377

Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Bryan Reinhardt

DATE: March 8, 2022

SUBJECT: Insurance Consultant RFP

Attached is a request for proposal for a consultant to conduct the Life, Dental and Vision insurance program RFPs. The RFP is an update to the one we used six years ago. The analysis for this will be done in-house. The prior work effort was done by Jim Schaffer at Buck/Conduent. He is no longer working with them, so we will likely have a new firm for these efforts.

We have a question if the NDPERS Board would like the consultant to attend the Board meetings in person when there are vendor interviews for the three RFPs.

Here is the proposed timeline:

The following is a sequence of activities for this RFP:

April 1, 2022	RFP issued.
April 15, 2022	Deadline for RFP Questions
April 22, 2022	Answers to RFP Questions posted to NDPERS Website
May 2, 2022	RFPs Due 5:00 pm CDT
June 14, 2022	NDPERS Board Reviews Bids
July 1, 2022	Contractor begins work effort

If you have any questions, I will be available at the NDPERS Board meeting.

Board Action:
Approve the insurance consultant RFP.

ATTACHMENT

REQUEST FOR PROPOSAL

DRAFT

**North Dakota
Public Employees Retirement System**

**Uniform Group Insurance
Request for Proposal for Consulting Services for Dental, Life and
Vision Insurance**

April 2022

Prepared by:

**North Dakota Public Employees Retirement System
1600 E Century Ave, Suite 2
P.O. Box 1657
Bismarck, ND 58502-1657**

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SECTION 1 – INTRODUCTION

This Request for Proposal (RFP) is issued for RFP consulting assistance for the period July, 2022 through December, 2024.

The following is a sequence of activities for this RFP:

April 1, 2022	RFP issued.
April 15, 2022	Deadline for RFP Questions
April 22, 2022	Answers to RFP Questions posted to NDPERS Website
May 2, 2022	RFPs Due 5:00 pm CDT
June 14, 2022	NDPERS Board Reviews Bids
July 1, 2022	Contractor begins work effort

The Board is seeking fixed fee bids for the following anticipated efforts:

1. Development and issuance of an RFP for the life plan, and a review of the subsequent proposals. (effective 7/1/2023)
2. Development and issuance of an RFP for a vision plan, and a review of the subsequent proposals. (effective 1/1/2024)
3. Development and issuance of an RFP for a dental plan, and a review of the subsequent proposals (effective 1/1/2025)

Based on its review, the successful bidder must also be prepared to make a recommendation to the NDPERS Board for each of the above efforts.

Following is a sequence of major activities.

August, 2022	Begin work on life RFP. The consultant and PERS will meet to discuss the upcoming work schedule.
October, 2022	Submit life RFP to PERS Board for approval. Begin work on vision RFP.
November, 2022	Issue life RFP.
January, 2023	Submit vision RFP to PERS Board for approval. Receive & begin evaluation of life RFP proposals.
February, 2023	Issue vision RFP. Submit life evaluation to NDPERS Board. The consultant should plan to attend this NDPERS meeting via conference call.
March, 2023	Interview and select life vendor. The consultant should plan to attend this NDPERS meeting.

April, 2023	Receive and begin evaluation of vision RFP proposals.
May/June, 2023	Submit vision evaluation to NDPERS Board. The consultant should plan to attend this NDPERS meeting via conference call.
June/July, 2023	Interview and select vision vendor. The consultant should plan to attend this NDPERS meeting.
October, 2023	Begin work on dental RFP.
January, 2024	Submit dental RFP to PERS Board for approval. Consultant should be available either by teleconference or video conference to review and answer questions for the Board.
February, 2024	Issue dental RFP.
April, 2024	Receive and begin evaluation of dental RFP proposals.
May/June, 2024	Submit dental evaluation to NDPERS Board. The consultant should plan to attend this NDPERS meeting via conference call.
June/July, 2024	Interview and select dental vendor. The consultant should plan to attend this NDPERS meeting. <Does Board want consultant at interviews?>

SECTION 2 - BACKGROUND

A. The Agency:

The North Dakota Public Employees Retirement System is responsible for the administration of the State's retirement, health, life, dental, vision, deferred compensation, flex comp, retiree health insurance credit, and EAP programs. This proposal is for assistance in the life, vision, and dental areas.

PERS is managed by a Board comprised of nine members:

- 1-Chairman appointed by the Governor
- 1-Member appointed by the Attorney General
- 1-Member elected by retirees
- 3-Members elected by active employees
- 1-State Health Officer or designee
- 2-Members appointed by Legislative Management

PERS is a separate agency created under North Dakota state statute and, while subject to state budgetary controls and procedures as are all state agencies, is not a state agency subject to direct executive control.

B. Group , Life, Dental, and Vision Insurance:

1. Group Life:

The Uniform Group Life Insurance Plan is a fully insured plan underwritten by Voya. All state employees are covered under the plan, including the professional staff at colleges and universities. Political subdivisions may participate in the life plan at their option. Premiums collected for the past fiscal year totaled approximately \$4,000,000.

The Uniform Group Insurance programs are under chapter 54-52.1 of the North Dakota Century Code (NDCC).

2. Dental:

The Uniform Group Dental Plan is fully insured by Delta Dental. As of January 2022 there were 8,900 active contracts and 4,000 retired contracts. All premiums are paid by the employee. Premiums collected for the past fiscal year were approximately \$11,000,000.

3. Vision:

The Uniform Group Vision Plan is fully insured by Superior Vision. As of January 2022 there were 9,300 active contracts and 3,800 retired contracts. All premiums are paid by the employee. Premiums collected for the past fiscal year were approximately \$1,900,000.

SECTION 3 - SCOPE OF SERVICES

This Section outlines the scope of services.

A. Bid Solicitation and Evaluation for the, Life, Dental, and Vision Programs

The consultant will be expected to take a lead role in developing and issuing RFPs, and analyzing any proposals for the group dental, vision, and life insurance plans. Three anticipated fixed fee bids are requested (note that it is possible one or more of these efforts may be delayed or not given approval by the NDPERS Board):

1. The first fixed fee bid is for RFP development, solicitation and evaluation for the life insurance plan.
2. The second fixed fee bid is for RFP development, solicitation and evaluation for the vision insurance plan.
3. The third fixed fee bid is for the RFP development, solicitation and evaluation for the dental insurance plan.

These are major and significant tasks for PERS as the proper placement of these programs is critical. The consultant must provide the following service for all of the above efforts:

1. Sections 54-52.1-04 and 54-52.1-04.2 NDCC requires that the PERS Board solicit bids for the insurance programs. The consultant must prepare draft requests for proposals pursuant to the schedule outlined. The consultant will be also responsible for developing a list of firms to be solicited. This list will be supplemented by requests PERS has received and those additional requests that come in as a result of a notice appearing in local newspapers in North Dakota.
2. The Board and staff will review draft RFPs pursuant to the schedule outlined.
3. The consultant shall review all bids within the timeframes outlined. The analysis shall include the following:
 - a) Confirm that all bidders meet the minimum requirements and eliminate any non-qualified bidders.
 - b) Evaluate the financial implications of each bid (quantitative factors). Section 54-52.1-04 of NDCC requires the Board to give consideration to the following:
 - (1) The economy to be effected
 - (2) The ease of administration
 - (3) The adequacy of the coverage
 - (4) The financial position of the carrier, with special emphasis as to its solvency
 - (5) The reputation of the carrier and such other information as is available tending to show past experience with the carrier in matters of claim settlement, underwriting and services.

4. Review the technical aspects of each proposal (qualitative factors).
5. Present findings to the Board pursuant to the schedule previously outlined.
6. The consultant shall assist in developing contracts with the successful bidder.

B. Consultant Services for the, Life, Dental, and Vision Programs

NDPERS may need expertise consulting services for the group dental, vision, and life insurance plans. Federal and State mandates along with proposals and studies may require NDPERS to seek analysis and recommendations from the consultant. These special work efforts would be performed as needed on an hourly basis.

SECTION 4 - INFORMATION REQUESTS

The proposal must comply with the format as set forth below and contain your organization's response to the requested information. The request must be restated followed by your response.

Part I - Executive Summary

Discuss your view of the entire project as requested in this RFP and provide a flow chart depicting your understanding of the major work efforts and timeframes for beginning and completing tasks.

Part II - Minimum Requirements

The successful vendor must have a multidisciplinary staff including an insurance actuary with experience in the work requirements outlined herein. The firm must also have demonstrated experience in doing the work outlined herein. In this section you will summarize your staffing and experience. The individuals/firm shall also summarize any potential conflicts of interest here as well.

Part III – Proposal

1) Technical Approach.

- a) Fixed Fee Work efforts
 1. Life Insurance Plan
 - (a) Generally discuss your understanding of the work requested
 - (b) Timeline – discuss your understanding of the timeline for this effort
 - (c) Approach- discuss your project plan for this effort, identify major steps, timeframes and products
 - (d) Exceptions- identify any exceptions or variations in your proposal from the work
 - (e) Outline the product PERS will receive from you
 2. Vision Plan
 - (a) Generally discuss your understanding of the work requested
 - (b) Timeline – discuss your understanding of the timeline for this effort
 - (c) Approach- discuss your project plan for this effort, identify major steps, timeframes and products
 - (d) Exceptions- identify any exceptions or variations in your proposal from the work effort identified in this RFP
 - (e) Outline the product PERS will receive from you
 3. Dental Plan
 - (a) Generally discuss your understanding of the work requested.
 - (b) Timeline – discuss your understanding of the timeline for this effort
 - (c) Approach- discuss your project plan for this effort, identify major steps, timeframes and products
 - (d) Exceptions- identify any exceptions or variations in your proposal from the work effort identified in this RFP
 - (e) Outline the product PERS will receive from you

2) Experience.

- a) General firm experience - a brief description of the size, structure and services provided by your organization.
- b) Describe your organization's approach to actuarial/benefit consulting for life, vision and dental insurance programs.
- c) For the fixed efforts:
 1. Detail your experience preparing, issuing and analyzing RFPs for each of the efforts in the fixed fee area (dental, vision, life)
 2. Discuss what you find are the primary considerations for doing these efforts and special considerations of doing it in the public sector
 3. Based upon your experience, detail the expected level of analysis your firm will conduct for each of the fixed efforts, what distinguishes your firm's approach from others, and any special insights your experience will bring to the proposed efforts
 4. Provide a summary of public and private sector clients for whom your organization provides group vision, life and dental insurance program consulting and actuarial services. Provide 3-5 references identifying the appropriate contact person(s), addresses and telephone numbers.
 5. Discuss your firm's responsibilities in similar projects with other public or private clients. Discuss your understanding of the difference between a public bid process versus a private bid process

3) Staffing.

- a) This Section should include individual resumes for the personnel who are to be assigned to the project and should indicate the proposed project role or assignment of each individual. The project team should include staff with experience in developing RFPs of the type requested herein, evaluating responses, doing the required actuarial analysis and assisting with implementation.
- b) The offeror shall provide a schedule at the beginning of this Section that shows the number of hours that each person is assigned to each of the fixed fee projects.
- c) Resume information should identify not only educational and work history but also specific information on what clients the individual has worked for and in what role. Please note we may use this information to contact past clients to gather information on the individual.

Please note that it is critical that the information presented in this section is specific enough for us to understand who is being assigned to each major effort proposed in the RFP and that their role, responsibility and experience demonstrates their ability to successfully complete the required tasks.

4) Additional Information.

- a) This section is optional and can include any additional information the offeror deems relevant to this procurement and the satisfaction of the Board's objectives.

5) Conflicts of interest.

- a) In this Section the offeror shall identify and discuss any potential conflicts of interest. The contractor cannot receive any other compensation relating to this work effort except as provided in the cost proposal. Any other arrangements/relationships/contracts the offeror may have with vendors that could be a part of this solicitation must be identified herein and may serve as cause to disqualify the offeror.

6) Company Literature (if applicable).

- a) If company literature or other material is intended to respond to any RFP requirement, it must be included in this section. The offeror's responses in previous sections of the proposal must include reference to the document by name and page citation.

SECTION 5 – COST PROPOSAL - FEES/HOURS

THE COST PROPOSAL MUST BE UNDER SEPARATE COVER AND NOT PART OF THE RESPONSES TO THE OTHER INFORMATION REQUESTS.

Your proposal for fees for the consulting and actuarial services requested must be made as identified below. All services discussed in Section 3 are to be provided on a fixed fee.

Vision Plan
Fixed Fee \$ _____

Staff Assigned	Estimated Hours

Dental Plan
Fixed Fee \$ _____

Staff Assigned	Estimated Hours

Life Plan
Fixed Fee

\$ _____

Staff Assigned	Estimated Hours

Please identify hourly rates for services requested that are not part of the fixed fee (note all such services must have the prior approval of the NDPERS Executive Director):

Fees:

SECTION 6 - SUBMISSION OF PROPOSAL

1. Proposals should be prepared in a straightforward manner to satisfy the requirements of this RFP. Emphasis should be on completeness and clarity of content. Costs for developing proposals are entirely the responsibility of the proposer and shall not be chargeable to PERS.
2. Section 8 – Offer, should be signed by a partner or principal of the firm and included with your proposal. If changes are proposed they should be added and then a signed offer included. Each modification shall be identified along with the reason why.

Address or deliver the RFP to: Mr. Bryan Reinhardt
North Dakota Public Employees Retirement System
1600 E Century Ave, Suite 2
PO Box 1657
Bismarck, ND 58502

Questions concerning the RFP shall be directed, in writing, to the above individual or email to breinhar@nd.gov, by 5:00 p.m. CST on June 13, 2022. Responses will be posted on the PERS website (www.nd.gov/ndpers) by June 17, 2022 under “Request for Proposals”.

3. Seven (7) copies and one (1) electronic copy of the proposal must be received at the above listed location by **5:00 p.m. CST on June 24, 2022**. The package the proposal is delivered in must be plainly marked **“PROPOSAL TO PROVIDE CONSULTING SERVICES”**. Include an electronic version of your entire proposal.

A proposal shall be considered late and will be rejected if received at any time after the exact time specified for return of proposals.

- A. The policy of the PERS Board is to solicit proposals with a bona fide intent to award a contract. This policy will not affect the right of the PERS Board to reject any or all proposals.
- B. The PERS Board may request that representatives of your organization appear before them for interviewing purposes. Travel expenses and related costs will be the responsibility of the organization being interviewed.
- C. In evaluating the proposals, price will not be the sole factor.
- D. The failure to meet all procurement policy requirements shall not automatically invalidate a proposal or procurement. The final decision rests with the Board.

SECTION 7 – REVIEW PROCESS

Proposals will be evaluated in a three-step approach. The first step will be done by a review team composed of PERS staff and will be an initial screening of each proposal to determine if it is sufficiently responsive to the RFP to permit a valid comparison and meets the minimum qualifications of having completed past projects similar to the efforts requested herein. The qualifying factor will be on a Yes/No basis. The proposal will be dropped from consideration if a majority of reviewers respond “No”.

The proposals that pass the initial screening will then be reviewed by the same review team. Each individual will review the proposal for all areas but price. For the fixed fee efforts each proposal will be awarded points for specified areas by the reviewers. Points for price are awarded automatically. Following is the weighting factor for each area:

- Project Summary (4.1.0) 10 Points
- Technical Approach (4.3.1) 30 Points
- Prior Experience (4.3.2) 15 points
- Staffing/Organization (4.3.3) 15 Points
- Pricing (5.0) 30 points

Please note the Board may award the entire bid to one bidder or may award the fee for service efforts separate from the fixed fee efforts. The Board may also consider awarding the fixed fee efforts separately if the responses warrant such consideration. Please note in the cost proposal any conditions that would limit such consideration by the PERS Board.

The final step will be a review by the PERS Board. The PERS Board will use any and all information in making its determination and will use the staff’s review as a guide but is not bound by that review. The NDPERS Board may also request an interview/presentation from the bidder to better understand the services they are offering.

SECTION 8 – OFFER

AGREEMENT FOR SERVICES BETWEEN (Name of Contractor) AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

VENDOR (hereinafter CONTRACTOR) has offered to provide services to the State of North Dakota acting through its Public Employees Retirement System (hereinafter NDPERS). The terms of this Contract shall constitute the services agreement (“Agreement”).

CONTRACTOR and NDPERS agree to the following:

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the service(s) as specified in the 2022 bid document and VENDOR proposal (attached hereto and incorporated by reference Exhibit A).
- 2) **TERM:** The term of this contract shall commence **July 1, 2022**.
- 3) **FEES:** NDPERS shall only pay pursuant to the terms in Exhibit A.
- 4) **BILLINGS:** NDPERS will pay for the services provided by CONTRACTOR under this contract pursuant to Exhibit A.
- 5) **TERMINATION:** Either party may terminate this agreement with thirty (30) days written notice mailed to the other party, or as mutually agreed to by the parties. Upon any termination the CONTRACTOR shall be compensated as described in Exhibit A for services performed up to the date of termination.

In addition, NDPERS by written notice to CONTRACTOR may terminate the whole or any part of this Agreement under any of the following conditions:

- 1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.
- 2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this Agreement or are no longer eligible for the funding proposed for payments authorized by this Agreement.
- 3) If any license, permit, or certificate required by law or rule, or by the terms of this Agreement, is for any reason denied, revoked, suspended, or not renewed.

Termination of this Agreement under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

In addition, NDPERS may terminate this Agreement effective upon thirty (30) days prior written notice to CONTRACTOR, or any later date stated in the notice:

- 1) If CONTRACTOR fails to provide services required by this Agreement within the time specified or any extension agreed to by NDPERS; **or**
- 2) If CONTRACTOR fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms.

The rights and remedies of NDPERS provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

6) **ASSIGNMENT AND SUBCONTRACTS:**

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE's express written consent, provided, however, that CONTRACTOR may assign its rights and obligations hereunder in the event of a change of control or sale of all or substantially all of its assets related to this Contract, whether by merger, reorganization, operation of law, or otherwise. Should Assignee be a business or entity with whom STATE is prohibited from conducting business, STATE shall have the right to terminate without cause.

CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this Contract and incorporates this Contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor with whom CONTRACTOR contracts. CONTRACTOR does not have authority to contract for or incur obligations on behalf of NDPERS.

- 7) **ACCESS TO RECORDS AND CONFIDENTIALITY:** The parties agree that all participation by NDPERS members and their dependents in programs administered by NDPERS is confidential under North Dakota law. CONTRACTOR may request and NDPERS shall provide directly to CONTRACTOR upon such request, confidential information necessary for CONTRACTOR to provide the services described in Exhibit A. CONTRACTOR shall keep confidential all NDPERS information obtained in the course of delivering services. Failure of CONTRACTOR to maintain the confidentiality of such information may be considered a material breach of the contract and may constitute the basis for additional civil and criminal penalties under North Dakota law. CONTRACTOR has exclusive control over the direction and guidance of the persons rendering services under this Agreement. Upon termination of this Agreement, for any reason, CONTRACTOR shall return or destroy all confidential information received from NDPERS, or created or received by CONTRACTOR on behalf of NDPERS. This provision applies to confidential information that may be in the possession of subcontractors or agents of CONTRACTOR. CONTRACTOR shall retain no copies of the confidential information. In the event that CONTRACTOR asserts that returning or destroying the confidential information is not feasible, CONTRACTOR shall provide to NDPERS notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of NDPERS that return or destruction of confidential information is not feasible, CONTRACTOR shall extend the protections of this Agreement to that confidential information and limit further uses and disclosures of any such confidential information to those purposes that make the return or destruction infeasible, for so long as CONTRACTOR maintains the confidential information. CONTRACTOR shall not use or disclose any information it receives from NDPERS under this Agreement that NDPERS has previously identified as confidential or exempt

from mandatory public disclosure except as necessary to carry out the purposes of this Agreement or as authorized in advance by NDPERS. NDPERS shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that NDPERS determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota public records law, N.D.C.C. ch. 44-04. The duty of NDPERS and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this Agreement.

CONTRACTOR understands that, except for disclosures prohibited in this Agreement, NDPERS must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records that are obtained or generated by CONTRACTOR under this Agreement, except for records that are confidential under this Agreement, may, under certain circumstances, be open to the public upon request under the North Dakota public records law. CONTRACTOR agrees to contact NDPERS immediately upon receiving a request for information under the public records law and to comply with NDPERS's instructions on how to respond to the request.

- 8) **APPLICABLE LAW AND VENUE:** This Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this Contract must be adjudicated exclusively in the state District Court of Burleigh County, North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.

- 9) **MERGER AND MODIFICATION:** This Agreement, including the following documents, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. This Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

Notwithstanding anything herein to the contrary, in the event of any inconsistency or conflict among the documents making up this Agreement, the documents must control in this order of precedence: First – the terms of this Agreement, as may be amended and Second - the state's Request for Proposal (attached in Exhibit A) and Third – CONTRACTOR's Proposal (attached in Exhibit A). No waiver, consent, modification or change of terms of this Agreement shall bind either party unless in writing and signed by both parties. Such waiver, consent, modification or change, if made, shall be effective only in the specific instances and for the specific purpose given. There are no understandings, agreements, or representations, oral or written, not specified herein regarding this Agreement.

- 10) **INDEMNITY:** CONTRACTOR agrees to defend, indemnify, and hold harmless the state of North Dakota, its agencies, officers and employees (State), from and against claims based on the vicarious liability of the State or its agents, but not against claims based on the State's contributory negligence, comparative and/or contributory negligence or fault, sole negligence, or intentional misconduct. This obligation to defend, indemnify, and hold harmless does not extend to professional liability claims arising

from professional errors and omissions. The legal defense provided by CONTRACTOR to the State under this provision must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary. Any attorney appointed to represent the State must first qualify as and be appointed by the North Dakota Attorney General as a Special Assistant Attorney General as required under N.D.C.C. § 54-12-08. CONTRACTOR also agrees to defend, indemnify, and hold the State harmless for all costs, expenses and attorneys' fees incurred if the State prevails in an action against CONTRACTOR in establishing and litigating the indemnification coverage provided herein. This obligation shall continue after the termination of this Agreement.

11) **INSURANCE**

Contractor shall secure and keep in force during the term of this agreement and Contractor shall require all subcontractors, prior to commencement of an agreement between Contractor and the subcontractor, to secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$1,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 3) Workers compensation coverage meeting all statutory requirements. The policy shall provide coverage for all states of operation that apply to the performance of this contract.
- 4) Employer's liability or "stop gap" insurance of not less than \$1,000,000 as an endorsement on the workers compensation or commercial general liability insurance.
- 5) Professional errors and omissions with minimum limits of \$1,000,000 per claim and in the aggregate, Contractor shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. The amount of any deductible or self-retention is subject to approval by the State.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- 3) The duty to defend, indemnify, and hold harmless the State under this agreement shall not be limited by the insurance required in this agreement.

4) The state of North Dakota and its agencies, officers, and employees (State) shall be endorsed on the commercial general liability policy, including any excess policies (to the extent applicable), as additional insured. The State shall have all the benefits, rights and coverages of an additional insured under these policies that shall not be limited to the minimum limits of insurance required by this agreement or by the contractual indemnity obligations of the Contractor.

5) A "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State.

6) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement. All endorsements shall be provided as soon as practicable.

7) Failure to provide insurance as required in this agreement is a material breach of contract entitling the State to terminate this agreement immediately.

8) Contractor shall provide at least 30 day notice of any cancellation or material change to the policies or endorsements. Contractor shall provide on an ongoing basis, current certificates of insurance during the term of the contract. A renewal certificate will be provided 10 days prior to coverage expiration.

- 12) **SEVERABILITY:** If any term in this Agreement is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms must not be affected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the Agreement did not contain that term.
- 13) **INDEPENDENT ENTITY:** CONTRACTOR is an independent entity under this Agreement and is not a State employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this Agreement, except to the extent specified in this Agreement.
- 14) **NDPERS RESPONSIBILITIES:** NDPERS shall cooperate with the CONTRACTOR hereunder, including, without limitation, providing the CONTRACTOR with reasonable and timely access to data, information and personnel of NDPERS. NDPERS shall be responsible for the performance of its personnel and agents and for the accuracy and completeness of data and information provided to the CONTRACTOR for purposes of the performance of the Services.
- 15) **FORCE MAJEURE:** Neither party shall be held responsible for delay or default caused by fire, riot, terrorism, acts of God or war if the event is beyond the party's reasonable control and the affected party gives notice to the other party immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.
- 16) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** By entering into this

Contract, NDPERS does not agree to binding arbitration, mediation, or any other form of mandatory Alternative Dispute Resolution. The parties may enforce the rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

- 17) **NOTICE:** All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

NDPERS:

Scott Miller, Executive Director
ND Public Employees Retirement System
1600 East Century Ave, Suite 2
PO Box 1657
Bismarck, ND 58502-1657

CONTRACTOR:

VENDOR

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

- 18) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all applicable federal and state laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. (See N.D.C.C. Title 34 – Labor and Employment, specifically N.D.C.C. ch. 34-06.1 Equal Pay for Men and Women.) CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes, unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the Term of this Contract all licenses and permits required by law.

CONTRACTOR's failure to comply with this section may be deemed a material breach by CONTRACTOR entitling STATE to terminate in accordance with the Termination for Cause section of this Contract.

- 19) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Contract are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors, if required. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Contract and be able to provide them upon reasonable notice. STATE, State Auditor, or Auditor's designee shall provide reasonable notice to CONTRACTOR prior to conducting examination.

- 20) **TAXPAYER ID:** CONTRACTOR'S federal employer ID number is: _____.

- 21) **PAYMENT OF TAXES BY STATE:** State is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the NDPERS.

- 22) **EFFECTIVENESS OF CONTRACT:** This Agreement is not effective until fully executed by both parties.

IN WITNESS WHEREOF, CONTRACTOR and NDPERS have executed this Agreement as of the date first written above.

**NORTH DAKOTA PUBLIC
EMPLOYEES RETIREMENT SYSTEM**

CONTRACTOR

Executive Director
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

SECTION 9 – BUSINESS ASSOCIATE AGREEMENT

Business Associate Agreement

This Business Associate Agreement, which is an addendum to the underlying contract, is entered into by and between, the North Dakota Public Employees Retirement System (“NDPERS”) and the **ENTER BUSINESS ASSOCIATE NAME, ADDRESS OF ASSOCIATE.**

1. Definitions

- a. Terms used, but not otherwise defined, in this Agreement have the same meaning as those terms in the HIPAA Privacy Rule, 45 C.F.R. Part 160 and Part 164, Subparts A and E, and the HIPAA Security rule, 45 C.F.R., pt. 164, subpart C.
- b. Business Associate. “Business Associate” means the **ENTER BUSINESS ASSOCIATE NAME.**
- c. Covered Entity. “Covered Entity” means the **North Dakota Public Employees Retirement System Health Plans.**
- d. PHI and ePHI. “PHI” means Protected Health Information; “ePHI” means Electronic Protected Health Information.

2. Obligations of Business Associate.

2.1. The Business Associate agrees:

- a. To use or disclose PHI and ePHI only as permitted or required by this Agreement or as Required by Law.
- b. To use appropriate safeguards and security measures to prevent use or disclosure of the PHI and ePHI other than as provided for by this Agreement, and to comply with all security requirements of the HIPAA Security rule.
- c. To implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of ePHI that it creates, receives, maintains or transmits on behalf of the Covered Entity as required by the HIPAA Security rule.
- d. To mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI or ePHI by Business Associate in violation of the requirements of this Agreement.
- e. To report to Covered Entity (1) any use or disclosure of the PHI not provided for by this Agreement, and (2) any “security incident” as defined in 45 C.F.R. § 164.304 involving ePHI, of which it becomes aware without unreasonable delay and in any case within thirty (30) days from the date after discovery and provide the Covered Entity with a written notification that complies with 45 C.F.R. § 164.410 which shall include the following information:
 - i. to the extent possible, the identification of each individual whose Unsecured Protected Health Information has been, or is reasonably believed by the

- Business Associate to have been, accessed, acquired or disclosed during the breach;
- ii. a brief description of what happened;
 - iii. the date of discovery of the breach and date of the breach;
 - iv. the nature of the Protected Health Information that was involved;
 - v. identify of any person who received the non-permitted Protected Health Information;
 - vi. any steps individuals should take to protect themselves from potential harm resulting from the breach;
 - vii. a brief description of what the Business Associate is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and
 - viii. any other available information that the Covered Entity is required to include in notification to an individual under 45 C.F.R. § 164.404(c) at the time of the notification to the State required by this subsection or promptly thereafter as information becomes available.
- f. With respect to any use or disclosure of Unsecured Protected Health Information not permitted by the Privacy Rule that is caused by the Business Associate's failure to comply with one or more of its obligations under this Agreement, the Business Associate agrees to pay its reasonable share of cost-based fees associated with activities the Covered Entity must undertake to meet its notification obligations under the HIPAA Rules and any other security breach notification laws;
 - g. Ensure that any agent or subcontractor that creates, receives, maintains, or transmits electronic PHI on behalf of the Business Associate agree to comply with the same restrictions and conditions that apply through this Agreement to the Business Associate.
 - h. To make available to the Secretary of Health and Human Services the Business Associate's internal practices, books, and records, including policies and procedures relating to the use and disclosure of PHI and ePHI received from, or created or received by Business Associate on behalf of Covered Entity, for the purpose of determining the Covered Entity's compliance with the HIPAA Privacy Rule, subject to any applicable legal privileges.
 - i. To document the disclosure of PHI related to any disclosure of PHI as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
 - j. To provide to Covered Entity within 15 days of a written notice from Covered Entity, information necessary to permit the Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 C.F.R. § 164.528.
 - k. To provide, within 10 days of receiving a written request, information necessary for the Covered Entity to respond to an Individual's request for access to PHI about himself or herself, in the event that PHI in the Business Associate's possession constitutes a Designated Record Set.
 - l. Make amendments(s) to PHI in a designated record set as directed or agreed by the Covered Entity pursuant to 45 C.F.R. § 164.526 or take other measures as necessary to satisfy the covered entity's obligations under that section of law.

3. Permitted Uses and Disclosures by Business Associate

3.1. General Use and Disclosure Provisions

Except as otherwise limited in this Agreement, Business Associate may Use or Disclose PHI and ePHI to perform functions, activities, or services for, or on behalf of, Covered Entity, specifically, **ENTER DATA PROVIDED AND FOR WHAT PURPOSE** – provided that such use or disclosure would not violate the Privacy Rule or the Security Rule if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity.

3.2. Specific Use and Disclosure Provisions

Except as otherwise limited in this Agreement, Business Associate may use PHI and ePHI:

- a. For the proper management and administration of the Business Associate, provided that disclosures are Required By Law, or Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- b. To provide Data Aggregation services to Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B), but Business Associate may not disclose the PHI or ePHI of the Covered Entity to any other client of the Business Associate without the written authorization of the covered entity Covered Entity.
- c. To report violations of law to appropriate Federal and State authorities, consistent with 45 C.F.R. §§ 164.304 and 164.502(j)(1).

4. Obligations of Covered Entity

4.1. Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions

Covered Entity shall notify Business Associate of:

- a. Any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 C.F.R. § 164.520, to the extent that any such limitation may affect Business Associate's use or disclosure of PHI.
- b. Any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that any such changes may affect Business Associate's use or disclosure of PHI.
- c. Any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent that any such restriction may affect Business Associate's use or disclosure of PHI.

4.2. Additional Obligations of Covered Entity. Covered Entity agrees that it:

- a. Has included, and will include, in the Covered Entity's Notice of Privacy Practices required by the Privacy Rule that the Covered Entity may disclose PHI for Health Care Operations purposes.
- b. Has obtained, and will obtain, from Individuals any consents, authorizations and other permissions necessary or required by laws applicable to the Covered Entity for Business Associate and the Covered Entity to fulfill their obligations under the Underlying Agreement and this Agreement.
- c. Will promptly notify Business Associate in writing of any restrictions on the Use and Disclosure of PHI about Individuals that the Covered Entity has agreed to that may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Agreement.
- d. Will promptly notify Business Associate in writing of any change in, or revocation of, permission by an Individual to Use or Disclose PHI, if the change or revocation may affect Business Associate's ability to perform its obligations under the Underlying Agreement or this Agreement.

4.2. Permissible Requests by Covered Entity

Covered Entity may not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule or the Security Rule if done by Covered Entity, except that the Business Associate may use or disclose PHI and ePHI for management and administrative activities of Business Associate.

5. Term and Termination

- a. Term. The Term of this Agreement shall be effective as of 08/01/2022, and shall terminate when all of the PHI and ePHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy PHI and ePHI, protections are extended to any such information, in accordance with the termination provisions in this Section.
- b. Automatic Termination. This Agreement will automatically terminate upon the termination or expiration of the Underlying Agreement.
- c. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall either:
 - 1. Provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement and the Underlying Agreement if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - 2. Immediately terminate this Agreement and the Underlying Agreement if Business Associate has breached a material term of this Agreement and cure is not possible; or
 - 3. If neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

d. Effect of Termination.

1. Except as provided in paragraph (2) of this subsection, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI and ePHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI or ePHI.
2. In the event that Business Associate determines that returning or destroying the PHI or ePHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon explicit written agreement of Covered Entity that return or destruction of PHI or ePHI is not feasible, Business Associate shall extend the protections of this Agreement to that PHI and ePHI and limit further uses and disclosures of any such PHI and ePHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains that PHI or ePHI.

6. Miscellaneous

- a. Regulatory References. A reference in this Agreement to a section in the HIPAA Privacy or Security Rule means the section as in effect or as amended.
- b. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Rule, and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.
- c. Survival. The respective rights and obligations of Business Associate under Section 5.c, related to "Effect of Termination," of this Agreement shall survive the termination of this Agreement.
- d. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy and Security Rules.
- e. No Third Party Beneficiaries. Nothing express or implied in this Agreement is intended to confer, nor shall anything this Agreement confer, upon any person other than the parties and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.
- f. Applicable Law and Venue. This Business Associate Agreement is governed by and construed in accordance with the laws of the State of North Dakota. Any action commenced to enforce this Contract must be brought in the District Court of Burleigh County, North Dakota.
- g. Business Associate agrees to comply with all the requirements imposed on a business associate under Title XIII of the American Recovery and Reinvestment Act of 2009, the Health Information Technology for Economic and Clinical Health (HI-TECH) Act, and, at the request of NDPERS, to agree to any reasonable modification of this agreement required to conform the agreement to any Model Business Associate Agreement published by the Department of Health and Human Services.

7. Entire Agreement

This Agreement contains all of the agreements and understandings between the parties with respect to the subject matter of this Agreement. No agreement or other understanding in any way modifying the terms of this Agreement will be binding unless made in writing as a modification or amendment to this Agreement and executed by both parties.

IN WITNESS OF THIS, **NDPERS** [CE] and **ENTER BUSINESS ASSOCIATE NAME** [BA] agree to and intend to be legally bound by all terms and conditions set forth above and hereby execute this Agreement as of the effective date set forth above.

For Covered Entity:

For Business Associate:

Scott Miller, Executive Director
ND Public Employees Retirement System

Signature

Printed Name

Title

Date

Date

SECTION 10 – DATA AGREEMENT

MEMORANDUM OF UNDERSTANDING BETWEEN THE NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM AND **VENDOR** RELATING TO MAINTAINING CONFIDENTIAL INFORMATION

This Memorandum of Understanding is between the State of North Dakota acting through its North Dakota Public Employees Retirement System (NDPERS) and **VENDOR** relating to maintenance and destruction of NDPERS Confidential Information held by **VENDOR** and its subsidiaries.

WHEREAS, NDPERS has previously entered into contracts with **VENDOR** to provide services related to administration of the NDPERS **RFP** (Contracts).

WHEREAS, the services provided by **VENDOR** under these Contracts required the exchange of information between the parties that is confidential under North Dakota Century Code §§ **54-52-26 and 54-52.1-11, 54-52.1-12** (Confidential Information).

WHEREAS, the parties acknowledge that these Contracts, including the Business Associate Agreements between the parties, required **VENDOR** to return or destroy Confidential Information subsequent to the termination of the applicable Contract, or if return or destruction of this information was infeasible to maintain its confidentiality.

WHEREAS, these Contracts have terminated and **VENDOR** has asserted and NDPERS agrees that member service, applicable audit, record keeping, and other required functions make the return or destruction of all Confidential Information infeasible at this time.

WHEREAS, **VENDOR** has provided and NDPERS has reviewed the **VENDOR** records retention policy (Policy) applicable to the Confidential Information and **VENDOR** has affirmed that it will maintain the confidentiality of NDPERS information pursuant to this Policy until such time as the information is destroyed in a manner designated by this Policy.

NOW THEREFORE, in consideration of the foregoing premises and in furtherance of the aforementioned contractual obligations, the parties agree as follows:

1. **VENDOR** shall continue to maintain the confidentiality of Confidential Information which it still possesses, in accordance with its Policy in a manner that is at least as secure and diligent as was done during the term of the applicable Contract, until such time as the Confidential Information is destroyed or returned.
2. Upon the request of NDPERS, **VENDOR** shall confirm the destruction of Confidential Information under its Policy.
3. Upon the request of NDPERS, **VENDOR** shall provide NDPERS a copy of any change to the Policy provided NDPERS on **DATE**.
4. NDPERS agrees these actions are consistent with **VENDOR** obligations under these Contracts.

5. This Memorandum of Understanding will terminate upon notice to NDPERS by **VENDOR** that all Confidential Information has either been returned to NDPERS or destroyed, or earlier, upon thirty (30) days' notice by NDPERS to **VENDOR** if NDPERS determines that the Policy has been modified in a manner that is inconsistent with state or federal law.
6. This Memorandum of Understanding shall be governed by, and construed in accordance with, the laws of the State of North Dakota.

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

BY: _____

Executive Director

Date: _____

VENDOR

BY: _____

Its: _____

Date: _____

Attach Contractor Records Retention Policy



**North Dakota
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Executive Director
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Fax (701) 328-3920 Email ndpers-info@nd.gov Website www.ndpers.nd.gov

Memorandum

TO: NDPERS Board

FROM: Scott

DATE: March 8, 2022

SUBJECT: Legislative Management Information Request

As you are aware, the Legislative Interim Retirement Committee is studying closing the Main PERS DB/Hybrid plan and having all new employees as of January 1, 2024, go into the Defined Contribution plan. The Committee has appropriately retained the services of an actuarial firm (Milliman) to help with its analysis of the cost of doing so, as well as options going forward. That actuarial firm has asked us for a great deal of information for its analysis, which I would expect. That list is below:

- An Excel spreadsheet with the census data that was used for the most recent funding valuation, including a unique identifier and all relevant historical data fields
- A detailed description of each of the data fields
- Any non-standard assumption tables that are not fully described in the valuation report
- A breakdown of the Accrued Liability and Normal Cost by group and decrement
- Any additional information that will be helpful to Milliman in their replication of the valuation
- Contact information for personnel that Milliman may contact if they have questions

Unfortunately, NDCC section 54-52-26 arguably prohibits us from giving the census data they request. That section provides:

All records relating to the retirement benefits of a member or a beneficiary under this chapter, chapter 54-52.2, and chapter 54-52.6 are confidential and are not public records. Information and records may be disclosed, under rules adopted by the board, only to:

None of the exceptions provided in that statute appear to be applicable in this case. The only one that seems close is, “11. Any person if the board determines disclosure is necessary for treatment, operational, or payment purposes, including the completion of necessary documents.” That exception requires a Board decision. I do not know that the Board has ever applied that exception.

Legislative Council has pointed us to NDCC section 54-35-03, which provides:

Each department, board, commission, agency, officer, or employee in the state government shall furnish such information and render such assistance to the legislative council and to the legislative management as the legislative council or the legislative management or its committees may from time to time request.

We have had Dean DePountis review this section in relation to the NDPERS confidentiality requirements. It is his position that the Legislative Council provision is general, and the NDPERS requirements are specific. Specific laws generally overrule general laws. As such, the NDPERS confidentiality requirements apply.

When staff considered the confidentiality issue last November, we researched how NDPERS was able to provide this information in 2014, which is the last time the Legislature performed a similar analysis. At that time, NDPERS was a party to the contract with the actuary. Since we can share information with a vendor with which we contract, we did not have a confidentiality issue. We advised Legislative Council of that work-around.

Unfortunately, per Dean’s guidance, we are not able to agree to the terms in this contract between Legislative Management and Milliman; there are at least two provisions with which we cannot agree, including a limitation of liability and mandatory arbitration. As such, that avenue seems to be difficult.

We have also considered whether we can de-identify the required information to a point where someone who received that information would not be able to use it to connect it with any specific person. We asked GRS for a list of the minimum information it believed Milliman would need to perform the requested analysis. That list is attached. In my review of the information, I was not comfortable that someone who obtained that list would not be able to connect the information with a particular person, especially for retirees.

The options I see at this point are:

1. Board application of NDCC section 54-52-26(11);
2. Board application of NDCC section 54-35-03;
3. Board determination that release of the attached list (perhaps with modifications) does not violate NDCC section 54-52-26;
4. Board request that we continue to request to be added to the contract between Legislative Management and Milliman with terms to which we can agree;
5. If we are not added to the contract with Milliman, Board affirmation that we cannot share the requested information because of NDCC section 54-52-26.

We have noticed this topic for executive session to discuss this situation with the Board's legal counsel, Dean DePountis.

Board Action Requested: Provide guidance on how to proceed with Legislative Council's information request.

PERS – Proposed Data Fields for Replication

Active

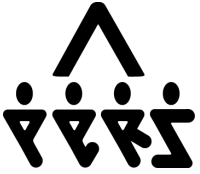
1. Group (Main, Judges, etc.)
2. Gender
3. Year of Birth
4. Entry Date (year and month)
5. Benefit Service
6. Vesting Service
7. Accumulated Employee Contributions
8. FY 2021 Annualized Pay
9. State Employee Indicator
10. PEP Elig Indicator
11. Vested ER Amount

Retiree

1. Group (Main, Judges, etc.)
2. Status
3. Gender
4. Year of Birth
5. Beneficiary Gender
6. Year of Beneficiary Birth
7. Retirement Date (year and month)
8. Annual Benefit
9. Option Factor
10. PopUp Benefit
11. SS Level Income Benefit
12. SSLevelIncomeDate (year and month)
13. Benefit Form Provided
14. Benefit Form
15. J&S Percent
16. Years Certain
17. Option COLA

Term Vested

1. Group (Main, Judges, etc.)
2. Status
3. Gender
4. Year of Birth
5. Entry Date (year and month)
6. Benefit Service
7. Vesting Service
8. Accumulated Employee Contributions
9. Annual Deferred Benefit



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: March 8, 2022

SUBJECT: Legislative Relations

This is a placeholder for us to discuss any Legislative topics that have arisen the past month.



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Memorandum

TO: NDPERS Board

FROM: Scott Miller

DATE: March 8, 2022

SUBJECT: Contracts under \$10,000

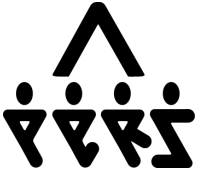
Attached is a document that shows the contracts under \$10,000 that I have signed this calendar year. Please let me know if you have any questions on any of these contracts.

This topic is informational only.

Attachment

Vendor	Amount	Frequency Incurred
TIAA	\$ -	MOU to reduce DC participant fees
*Inter Office	\$ 1,947.36	Two chairs for our training room
*Inter Office	\$ 486.26	Tackboards for IT & Training Room

*Newly signed agreements since last board meeting



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Memorandum

TO: NDPERS Board

FROM: Scott

DATE: March 8, 2022

SUBJECT: Proposed Legislation

At the November Board Planning Meeting, the Board decided to only submit one piece of legislation for the Employee Benefits Programs Committee's consideration – a bill to modify the calculation of final average salary (FAS). That bill is attached.

Note we only removed the dual calculation requirement, eliminating calculations using the earlier FAS calculation using the highest 36 months out of the past 15 years. That leaves the revised FAS we proposed in 2019 of using the three highest 12 consecutive month salaries.

We are continuing to monitor FAS calculations to ensure we no longer have higher FAS calculations using the earlier method. We will continue to monitor those calculations over 2022. If we continue to have higher FAS calculations using the earlier method, we will suggest that we not submit the bill for Legislative consideration next session.

Board Action Requested: Approve the proposed bill for submission to the Employee Benefits Programs Committee

Attachment - Final Average Salary

Introduced by

A BILL for an Act to amend and reenact subsection 2 of section 39-03.1-11 and subsection 2 of section 54-52-17 of the North Dakota Century Code, relating to the computation of final average salary.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

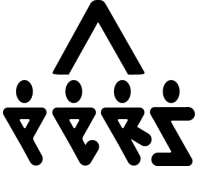
SECTION 1. AMENDMENT. Subsection 2 of section 39-03.1-11 of the North Dakota Century Code is amended and reenacted as follows:

2. Retirement benefits are based on the contributor's final average salary. Final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred twenty months of employment. For contributors who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the contributor for any thirty-six months employed during the last one hundred eighty months of employment. For contributors who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the board has appropriate and accurate salary records on its electronic database, but that period may not be more than the last one hundred eighty months of employment. For members who terminate employment after December 31, 2019, final average salary is ~~the higher of the final average salary calculated on December 31, 2019, or~~ the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. Months without earnings are excluded for the purpose of computing an average. If the contributor has worked for less than thirty-six

months at the postponed retirement date, the final average salary is the average salary for all months of employment.

SECTION 2. AMENDMENT. Subsection 2 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:

2. Retirement benefits are calculated from the participating member's final average salary, which is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred twenty months of employment. For members who terminate employment on or after August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the last one hundred eighty months of employment. For members who terminate employment between July 31, 2005, and August 1, 2010, final average salary is the average of the highest salary received by the member for any thirty-six months employed during the period for which the board has appropriate and accurate salary records on its electronic database, but that period may not be more than the last one hundred eighty months of employment. For members who terminate employment after December 31, 2019, final average salary is ~~the higher of the final average salary calculated on December 31, 2019,~~ or the average salary earned in the three highest periods of twelve consecutive months employed during the last one hundred eighty months of employment. Months without earnings are excluded for the purpose of computing an average. If the participating member has worked for less than thirty-six months at the normal retirement date, the final average salary is the average salary for the total months of employment.



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Memorandum

TO: NDPERS Board

FROM: Shawna Piatz

DATE: March 8, 2022

SUBJECT: Audit Committee Minutes and Charter Matrix

Attached are the approved minutes for the November 16, 2021 meeting. The minutes may also be viewed on the NDPERS web site at www.nd.gov/ndpers.

The Audit Committee Charter states that it will “confirm annually all responsibilities outlined in this charter have been carried out.” To meet this requirement the Audit Committee Charter Matrix was updated to reflect activities for the calendar year 2021 to ensure that the Audit Committee has met its responsibilities. The Audit Committee Charter Matrix was approved by the Audit Committee at the February 2022 meeting and is attached for your information.

The next audit committee meeting is scheduled virtually and in person for May 16, 2022 at 3:00 p.m. This is for your information.

Attachments

MEMORANDUM

TO: Audit Committee
Mona Rindy
Adam Miller
Julie Dahle
Dirk Wilke
Senator Dick Dever

FROM: Shawna Piatz, Chief Audit Officer

DATE: November 16, 2021

SUBJECT: **November 16, 2021 Audit Committee Meeting**

In Attendance:

Mona Rindy
Adam Miller
Dirk Wilke
Senator Dick Dever
Shawna Piatz
Scott Miller
Derrick Hohbein
Rebecca Fricke
Sarah Marsh
Jason Ostroski (CLA)

The meeting was called to order at 3:04 p.m. by Ms. Rindy. The committee began the meeting with approving the prior Audit Committee minutes.

I. Presentations

- A. CliftonLarsonAllen External Audit Presentation - Jason Ostroski from CliftonLarsonAllen (CLA) presented the preliminary audit report to the Audit Committee. No items of significance were noted and CLA expects to issue an unmodified opinion for FY 2021 financials. CLA will attend the December Board meeting to present the final report.

II. August 16, 2021 Audit Committee Minutes

- A. The Audit Committee minutes were examined. Senator Dever moved approval of the minutes. The motion was seconded by Mr. Wilke. This was followed and approved by voice vote.

III. Internal Audit Reports

- A. Quarterly Audit Plan Status Report – A summary of the Internal Audit staff time spent for the past quarter along with a status update on each area of the 2020 – 2021 Audit Plan was included with the Audit Committee materials. Of the total hours reported, 50.82% was spent in audit, 23.49% in consulting, and 25.69% in administrative hours. The audit hours were spent on the monthly retirement program audit, the Sanford Interest Calculation Report audit and the deferred compensation plan audit. The consulting hours were attributable to Internal Audit's assistance with the external audit, Internal Revenue Code sections 401(a)(17) and 415 annual limits, policies related to bonus spreads where there are leave of absences and missed deposits, an employer historical payroll adjustment issue, microfiche project, and various reviews and reconciliations for the Benefits and Accounting divisions.
- B. Retirement Benefit Payment Status Report – Information was provided to the Audit Committee, which summarizes the accuracy percentages of the new monthly retirement benefit and refund payments. The report shows the number of new retirees or refunds each month, the total number of new retirees or refunds audited and whether issues identified were procedure, system, compliance, or employer issues. Fiscal year to date, a total of 216 new retirees out of the 498 were audited, which equates to \$824,388.84 of the \$1,984,192.95. An accuracy rate of 99.07% was achieved fiscal YTD as of November 2022 for new retirement benefit payments, which is above the 97% goal. Fiscal year to date, a total of 28 retirement refunds of the 809 were audited, which equates to \$1,135,689.65 of the \$6,794,762.21. An accuracy rate of 100% was achieved fiscal YTD as of November 2022 for retirement refunds, which is above our 97% goal. However, a limited number of retirement refunds were audited and a portion of the sample was focused on those refunds in which a known system issue may have occurred.
- C. Benefit/Premium Adjustments Report – The quarterly benefit adjustment report was provided to the Audit Committee. The report is in several sections, each representing the type of corrections. The dollar amount slightly increased however the number of errors did show a decline from the prior quarter with only four adjustments being new in the previous quarter and the remainder being updates on previously reported adjustments, most of which have now been completed.
- D. Outstanding Issues Status Report – As stated in the Audit Policy #103, the Internal Audit Division is to report quarterly to management and to the Audit Committee, the status of the open audit recommendations of the external auditors, as well as any found by the Internal Auditor. The report has been updated to reflect what has been accomplished August 1, 2021 through October 31, 2021. There was one existing recommendation and 6 new recommendations added to this report. Staff reviewed the new recommendations with the committee, which primarily were related to the Deferred Compensation audit completed by Internal Audit. Two items were closed from the prior quarter. Staff have been proactive about addressing recommendations as they are made in which case they would not be included on this report.

- E. Deferred Compensation Audit – Internal Audit has completed the audit of the Deferred Compensation program. Internal Audit reviewed the final audit report, including the scope, audit procedures, recommendations and management’s responses to the recommendations with the Audit Committee.

IV. Administrative

- A. Audit Committee Meeting Dates & Times – The Audit Committee reviewed the 2022 Audit Committee meeting dates. The next meeting is scheduled for Monday, February 7, 2022 at 3:00 p.m. The following are the additional proposed Audit Committee meeting dates: May 16, 2022; August 15, 2022; and November 7, 2022. Senator Dever moved approval of the proposed Audit Committee meeting dates and times. The motion was seconded by Mr. Wilke. This was followed and approved by voice vote.
- B. External Audit Updates – CliftonLarsonAllen has completed most of the field work with the assistance of internal audit due to the remote work environment. NDPERS staff worked to provide supporting documentation for all items needed, as CLA was not able to obtain remote network access. Jason Ostroski from CLA presented the preliminary audit report to the Audit Committee at the beginning of the meeting and will attend the December Board meeting to present the final report.

V. Miscellaneous

- A. Travel Expenditures – The out-of-state travel expenditures incurred by the Executive Director for the period August 1, 2021 through October 31, 2021 were provided for the committee’s review. No out of state travel expenses were incurred by the board for the period August 1, 2021 through October 31, 2021.
- B. Risk Management Report – Updates were presented to the Audit Committee related to the Loss Control Committee activities. The Audit Committee was provided the minutes from the Loss Control Committee’s June 22, 2021 meeting and the agenda for the September 28, 2021 meeting. The Loss Control Committee reviewed a number of action items for the previous quarter including that disaster recovery testing has been completed for 2021, AED training was held for office staff, and incident reports from the previous quarter were reviewed.
- C. Report on Consultant Fees – According to the Audit Committee Charter, the Audit Committee should “Periodically review a report of all costs and payments to the external financial statement auditor. The listing should separately disclose the costs of the financial statement audit, other attest projects, agreed-upon-procedures and any non-audit services provided.” A copy of the report showing the consulting, investment and administrative fees paid during the quarter ended September 2021 was provided for the Audit Committee's information.

- D. CPEs and Webinars – A report on the continuing professional education webinars, luncheon meetings and seminars Internal Audit participated in for the period August 1, 2021 through October 31, 2021 was provided to the committee. The Chief Audit Executive attended an APPFA Summer Series.

The meeting adjourned at 4:19 p.m, by Ms. Rindy.

Audit Committee Charter Objective	Status
STRUCTURE	
1. The Audit Committee will consist of two to five members with the majority of the members selected from the Board of Directors, and one may be selected from outside the organization. The Board or its nominating committee will appoint committee members and the committee chair.	The Audit Committee had one new member over the past year. The legislative representative was replaced by the member holding the respective position on the NDPERS Board in 2021. All other committee members remained the same.
2. The Board should attempt to appoint committee members who are knowledgeable and experienced in financial matters, including the review of financial statements.	At least one member has knowledgeable experience in financial matters.
MEETINGS	
3. The Audit Committee will meet as often as it determines is appropriate, but not less frequently than quarterly.	Meeting minutes for February, May, August, and November 2021 were prepared and presented for approval at the next quarterly meeting. These minutes are made available on the NDPERS web site after approval. The approved minutes are provided to the Board at the next Board meeting.
4. All committee members are expected to attend each meeting, in person or via tele- or video-conference, with a minimum of two required for a quorum.	Audit Committee member attendance was noted in the respective meeting minutes. A quorum was met for all meetings.
5. The committee periodically will hold individual meetings with management, the internal auditor and the external auditor.	An individual meeting with the Internal Auditor was not needed in 2021.
6. The Audit Committee may invite any officer or employee of the agency, the external auditor, the agency's outside counsel, or others to attend meetings and provide pertinent information.	The Executive Director, Chief Operating Officer/Chief Financial Officer, Chief Benefits Officer and Attorney General representative are invited to each of the Audit Committee meetings. The Benefit Program Development and Research Manager is invited to one meeting each year to provide an update on the recent Loss Control Committee activities.
7. Meeting agendas will be prepared by the Chief Audit Officer (CAO) and provided in advance to members, along with appropriate briefing materials.	Meeting agendas are typically provided to Audit Committee 7 days prior to meeting.
8. Minutes will be kept by a member of the Audit Committee or a person designated by the Audit Committee.	One of the Internal Audit staff takes notes and prepares minutes. These minutes are provided to the Audit Committee at the next quarterly meeting for their approval. See #3.
9. Members of the Audit Committee will be compensated for attendance at committee meetings in accordance with NDPERS' policy for compensation in effect at the time for Board members. Audit Committee members who are not NDPERS board members will be compensated at the same rate.	A memo was provided to Payroll Administrator following each meeting with required information.
AUTHORITY	
10. The Audit Committee has authority to conduct or authorize examinations into any matters within its scope of responsibility. It is empowered to: <ul style="list-style-type: none"> ➤ Seek any information it requires from NDPERS employees, external auditors, consultants, and external parties. All parties are directed by the Board to cooperate with the Committee's requests. 	No information requested.

Audit Committee Charter Objective	Status
<ul style="list-style-type: none"> ➤ Oversee the work of all external auditors employed by the organization. ➤ Assist in resolving any disagreements between management and the external auditors regarding financial reporting, if necessary. ➤ Oversee the retention of independent counsel, accountants or others to advise or assist the Committee in the performance of its responsibilities. ➤ Approve the consultants, or others retained by the organization to assist in the conduct of an audit, review, and/or a special investigation. ➤ Meet with management, external and internal auditors, or outside counsel as necessary. 	<p>The Chief Financial Officer assisted the external auditors with their financial statement requirements, Internal Audit assisted with all other information.</p> <p>There were no disagreements between management and the external auditors.</p> <p>The need for outside counsel has not been necessary.</p> <p>No consultants were necessary as the external auditors are also the external auditors for RIO.</p> <p>Met with the external auditors in November 2021.</p>
RESPONSIBILITIES	
<p>1) Financial Reporting:</p> <ul style="list-style-type: none"> a. Obtain information and/or training to enhance the committee members' expertise in financial reporting standards and processes so the committee may adequately oversee financial reporting. b. Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, recent professional and regulatory pronouncements, and understand their impact on the financial statements. c. Review with management, the external auditors, and the internal auditors the results of the external audit, significant adjustments or revisions to the financial statements, including attestation on the effectiveness of the internal control structure and procedures for financial reporting and any difficulties encountered. d. Inquire as to the external auditors' independent judgment about the appropriateness, not just the acceptability, of the accounting principles adopted by the organization and clarity of financial statements. e. Review the annual financial statements, consider whether they are complete, consistent with information known to the Committee, and reflect appropriate accounting principles. 	<p>External auditors met with the Audit Committee and presented the financial statements and associated reports in November 2021. The external auditors discussed with staff and the Audit Committee significant accounting and reporting issues and provided a management letter with recommendations discussed with management and management's responses.</p> <p>Staff reviewed the annual financial statements for completeness, consistency of information and accounting principles.</p> <p>A report of all external audit recommendations is provided to the Audit Committee quarterly, with a progress update for each audit issue. There are no outstanding audit issues at this time.</p>

Audit Committee Charter Objective	Status
<ul style="list-style-type: none"> f. Review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards. g. Review the responsiveness and timeliness of management's actions to address findings and recommendations resulting from the financial statement audit or internal audits. h. Review with the General Counsel the status of legal matters that may have an effect on the financial statements, as deemed appropriate. 	
<p>2) Risk Management</p> <ul style="list-style-type: none"> a. Obtain information and/or training to enhance the Committee's understanding of organization and its related risk management processes. b. Review the adequacy of the organization's policy on risk management. c. Review the effectiveness of the organization's system for assessing, monitoring, and controlling significant risks or exposures. d. Review management's reports on risks and related risk mitigations. e. Hire outside experts and consultants in risk management, as necessary, subject to full board approval. 	<p>Articles, publications, etc. relating to risk management are provided as they become available.</p> <p>It is required by Risk Management of OMB to have a Loss Control Committee. A presentation on the activities is provided to the Audit Committee quarterly.</p> <p>Internal Audit worked with management to update the agency risk assessments in October 2021. An outside vendor performed penetration testing and an internal vulnerability assessment in early 2020.</p>
<p>3) Internal Control</p> <ul style="list-style-type: none"> a. Obtain information and/or training to enhance the Committee's understanding of the organization's system of internal control. b. Consider the effectiveness of the organization's internal control system, including information technology security and control. c. Understand the scope of the external auditor's review of the organization's internal control over financial reporting. d. Review internal and external audit findings and recommendations, together with management's responses. 	<p>There have been a number of staffing changes in FY 2019 & FY 2020 due to the COVID pandemic. The majority of staff worked from home in 2020 but most have transitioned back to a hybrid home/office working schedule in 2021. PERS also moved to a new office location in 2021. Internal Audit considered how these staffing and location changes may have impacted current internal controls and continues to monitor on an on-going basis.</p> <p>Internal audit includes a review of internal controls as part of each audit, consulting project, and/or special examination.</p> <p>External auditors conduct a review of internal accounting controls annually. There have been no areas of concern as a result of these reviews.</p> <p>The Outstanding Audit Issues report was reviewed at all Audit Committee meetings in 2021.</p>

Audit Committee Charter Objective	Status
<p>4) Internal Audit</p> <ul style="list-style-type: none"> a. Obtain information and/or training to enhance the Committee's understanding of the internal audit function. b. Periodically review and approve the Internal Audit Division Charter. c. Concur in the appointment, replacement, or dismissal of the CAO. d. Review the performance of the CAO and the internal audit function annually. e. Review and confirm, through organizational structure and/or by other means, the independence of the internal audit function annually. f. Review with management and the CAO the charter, objectives, plans, activities, and organizational structure of the internal audit function. g. Review and approve the risk-based internal audit annual plan. h. Review internal audit reports provided to the Audit Committee. i. Review the responsiveness and timeliness of management's follow-up activities pertaining to any reported findings and recommendations. j. Bring to the attention of the Board any internal audit issues the Committee determines significant and appropriate for consideration by the Board. k. On a regular basis, meet separately with the CAO to discuss any matters the committee or internal audit believes should be discussed privately (subject to open meeting laws). l. Designate the CAO as the primary point of contact for handling all matters related to audits, examinations, investigations or inquiries of the state auditor and other state or federal agencies. 	<p>Relevant articles are provided to Audit Committee when available.</p> <p>The Internal Audit charter is reviewed annually.</p> <p>The CAO reports functionally to the Audit Committee and administratively to the Executive Director. Structure is in accordance with best practices. There were no changes to the CAO in 2021. A performance review for the CAO will be presented at the February 2022 Audit Committee meeting for discussion and approval.</p> <p>Updates to the Internal Audit plan will be presented to Audit Committee at the May 2021 meeting.</p> <p>Completed audit reports were reviewed at each Audit Committee meeting and a report of all audit recommendations was provided to the Audit Committee quarterly, with a progress update for each audit issue.</p> <p>Audit Committee Chair is always available if needed.</p> <p>An individual meeting with the CAO was not held in 2020.</p> <p>The Internal Audit Division is the primary contact for the external auditors, and assisted as needed in matters related to the 2021 financial audits.</p>
<p>5) Engagement of External Auditors</p> <ul style="list-style-type: none"> a. Obtain the information and/or training to enhance the Committee's understanding of the organization's financial statements audit and the role of external auditors. b. Review the performance of the external financial statement audit firm, and review the State Auditor's recommendation for the final approval on the request for proposal for, and the appointment, retention or discharge of the 	<p>Internal Audit provided input and an RFP was issued for a contract for the fiscal years ending June 2021 through June 2023.</p> <p>The Audit Committee met with the external auditors in November 2021. The external audit firm reported there were no issues between them and management during the most recent audit.</p>

Audit Committee Charter Objective	Status
<p>audit firm. Obtain input from the CAO, management and other parties as appropriate.</p> <p>c. Review the external auditor's audit scope and approach, including coordination of efforts with internal audit.</p> <p>d. Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the organization for all audit and non-audit services.</p> <p>e. On a regular basis, meet separately with the external financial statement audit firm to discuss any matters the committee or auditors believe should be discussed privately (subject to open meeting laws).</p>	<p>Quarterly consultant reports were provided to the Audit Committee when available.</p>
<p>6) Compliance</p> <p>a. Review the effectiveness of the organization's system for monitoring compliance with laws and regulations, contracts, and policies and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.</p> <p>b. Review the findings of any examinations by regulatory agencies, any auditor observations related to compliance, and the responsiveness and timeliness of management's actions to address the findings/observations.</p> <p>c. Obtain updates from management and organization legal counsel regarding compliance matters, as needed.</p>	<p>Compliance with laws and regulations are reviewed for each specific audit by the internal auditors. Any concerns will be brought before management, the Audit Committee and/or board as necessary.</p>
<p>7) Special Investigations and Whistleblower Process</p> <p>a. Institute and oversee special investigations, as needed.</p> <p>b. Ensure the creation and maintenance of an appropriate whistleblower mechanism for reporting any fraud, noncompliance, and/or inappropriate activities.</p> <p>c. Retain independent counsel, accountants, or other specialist to advise the Committee or assist in the conduct of an investigation, subject to full board approval.</p>	<p>The CAO is the point of contact for any staff concerns of fraud or abuse.</p>
<p>8) Other Responsibilities</p> <p>a. Report at least annually to the Board of Directors the Audit Committee activities, audit issues, and related recommendations.</p> <p>b. Confirm annually all responsibilities outlined in this charter have been carried out. Review and assess periodically the adequacy of the Audit</p>	<p>Copies of the Audit Committee minutes are provided to the board after the Audit Committee 's approval of the minutes.</p> <p>An annual review of the Audit Committee charter was conducted in January 2022 and will be reported to the Audit Committee at the</p>

Audit Committee Charter Objective	Status
Committee charter, request Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.	February 2022 Audit Committee meeting, and to the Board at the March 2022 meeting.
c. Evaluate the Audit Committee’s performance and report the results of the evaluation to the Board annually.	A self-assessment was not performed by Audit Committee members in 2021.
d. Provide an open avenue of communication between the internal auditors, external auditors, management and the Board.	The external auditors met with the Audit Committee in November 2021, and the Board in December 2021.
e. Avoid conflicts of interest, paying strict attention to board matters.	NDPERS’ policy is to have staff review and sign off annually on an ethics/code of conduct policy during their annual performance evaluations.
f. Perform other activities related to this Charter as requested by the Board.	

VI. MEMBER **EXECUTIVE SESSION
A. Hardship Withdrawal Case #727

**Board material for the Executive Session
will be sent under separate cover.**