

MINUTES

**North Dakota Public Employees Retirement System
ND Association of Counties – 1661 Capitol Way, Bismarck
Tuesday, January 8, 2019
1:00 P.M.**

Members Present: Chairman Mark Dosch
Senator Dick Dever
Ms. Casey Goodhouse
Mr. Adam Miller
Ms. Kim Wassim
Ms. Mylynn Tufte
Ms. Yvonne Smith
Mr. Troy Seibel

Others Present: Mr. Scott Miller, NDPERS
Ms. Sharon Schiermeister, NDPERS
Ms. Jan Lund, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. MaryJo Anderson, NDPERS
Ms. Lindsay Schaf, NDPERS
Ms. Aime Miller, NDPERS
Mr. Anders Odegard, Office of Attorney General
Mr. Steve Webster, SHP
Mr. Mike Klepatz, SHP
Mr. Danny Weiss, SHP

Chairman Dosch called the meeting to order at 1:00 p.m.

Chairman Dosch called for any questions or comments regarding the minutes of the December 11, 2018, meeting. Ms. Lund advised the Board of a typographical error that was discovered after the minutes were distributed to the Board.

MS. SMITH MOVED APPROVAL OF THE DECEMBER 11, 2018, MEETING MINUTES AS CORRECTED. THE MOTION WAS SECONDED BY MR. ADAM MILLER AND CARRIED BY VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Defined Contribution Plan Overview

At a previous meeting, the Board had expressed an interest to learn more about the Defined Contribution (DC) plan. Mr. Scott Miller gave a general overview of Defined Benefit (DB) plans and DC plans and provided information about the differences in the plans relating to contribution and benefit payment, oversight, investment and risks. The presentation included a legislative history of the NDPERS retirement plans dating back to 1947. Mr. Miller also shared a handout that is provided to eligible members for their information in considering whether to elect to transfer into the DC plan.

Discussion followed.

RETIREMENT

Contract Renewals

Mr. Scott Miller indicated that two contracts will be up for either renewal or rebid. The contracts discussed were TIAA (second renewal) and ASIFlex Retiree Health Insurance Credit (RHIC) (third renewal). Staff reported that both vendors have indicated there is no anticipated increase in fees for the next biennium.

TIAA member satisfaction survey results were shared with the Board. The Board discussed the availability of TIAA counselors and suggested members should have an option for evening appointments. Staff will follow-up with TIAA regarding the expansion of counselor appointments on a trial basis.

MS. WASSIM MOVED APPROVAL TO RENEW THE TIAA AND ASIFLEX CONTRACTS. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Goodhouse, Mr. Seibel, Ms. Wassim, Mr. Adam Miller, Ms. Tufte, Ms. Smith and Chairman Dosch.

Nays: None

Absent: Senator Dever and Representative Anderson

MOTION PASSED

FLEXCOMP

Transition Update

Mr. Reinhardt reported that the flexcomp vendor transition from Wageworks to ASIFlex for the administration of medical and dependent care flexible spending is complete. Mr. Reinhardt provided information about an issue with the ASIFlex confirmation letters where information provided to member was not correct. The Board was provided with a letter from ASIFlex detailing what occurred and the corrective action taken. No confidential information was erroneously disclosed.

GROUP INSURANCE

Annual Enrollment Update

Ms. Rebeca Fricke reported the results of the fall 2018 annual enrollment. Ms. Fricke provided statistics about member's usage of Member Self Service (MSS) and the Mobile App to complete their enrollment elections. She also provided information about specific plan enrollments including medical spending and dependent care flexible spending, and the dental and vision plans.

She informed the Board that, although Deferred Compensation is not normally included as part of the annual enrollment elections, based upon direction from the Board, an active choice enrollment option for this benefit was added to the MSS application. The purpose was to encourage members to enroll or increase their 457(b) Deferred Compensation contributions. This is the first time this *active choice enrollment marketing approach* has been implemented and analysis of the over 800 actions indicated an increase in the number of members electing to enroll in deferred compensation and an increase in the amount of contribution.

The Board asked questions about the annual enrollment process and were informed about enhancements planned for 2019 regarding the implementation of a unified wizard that will walk participants through the process start to finish for new hires and for annual enrollment.

Long Term Care Termination Update

Ms. Rebecca Fricke reviewed the timeline of activity that occurred to ensure a successful termination of the plan effective December 31, 2018. Ms. Fricke provided information regarding the final outreach to non-responders and the status of the 41 active state employees in the plan.

About the Patient Diabetes Program Update

Ms. Fricke reviewed changes to the enrollment process, reimbursement incentive requirements and the discontinuance of the 2-year participation limit for the About the Patient Diabetes Program. She also provided information about the communication plan developed by NDPERS and the Pharmacy Association for providing written information to impacted individuals. It was noted that the Pharmacy Association has also updated their website to reflect the new program enhancements and enrollment process.

Sanford Health Plan Pharmacy Benefit Manager (PBM) Change Update

Danny Weiss and Steve Webster updated the Board regarding the January 1, 2019 PBM change from Express Scripts Incorporated to OptumRx for Dakota Plan participants. SHP discussed some issues with Pharmacy errors in the initial set up and indicated that most have been resolved. SHP is optimistic that benefits and cost sharing is going through as intended. SHP is pleased with the transparency and collaboration with OptumRx and reports that OptumRx was proactive in looking at all contracts after the initial communication of issues.

SHP also provided details specific to the 30-day and 90-day fill network.

Discussion followed.

MISCELLANEOUS

Quarterly Consultant Fees

Mr. Derrick Hohbein pointed out that the consultant fees for legislative analysis charges are beginning to come through and are noted on the quarterly report. Statute requires NDPERS to provide these analyses.

Comprehensive Annual Financial Report (CAFR)

Mr. Hohbein informed the Board that the 2018 CAFR has been completed. The report contains detailed financial, investment, actuarial and statistical information for the plans administered by NDPERS and can be viewed on the NDPERS website. In addition, a notice was emailed to each participating employer notifying them that the annual report is available on the website.

Legislative Update

Mr. Scott Miller provided an overview of seven bills filed with the Legislative assembly that would directly affect NDPERS if passed.

The NDPERS appropriation bill, SB 2023, was heard in committee this morning and was referred to a subcommittee for further consideration.

The Board discussed the following proposed legislation: SB 2045 – PERS Technical Corrections Bill, SB 2046 – PERS RHIC Change, SB 2047 – PERS Benefit Multiplier, SB 2048 – PERS Fourth Year of Recovery Plan and SB 2049 – PERS FAS Calculation and HB 1028. HB 1028 is the Health Care Reform Review Committee self-funded health insurance bill which would put NDPERS administration of a self-insured health plan under the authority of the Insurance Department.

Mr. Miller stated that NDPERS was asked to provide a fiscal note for SB 2132. The bill proposes that state employees pay the difference between the single premium and family coverage, the difference being approximately \$950.

Proposed Administrative Rules

Ms. Sharon Schiermeister updated the Board on the status of the rule-making process to change the interest rate specified in NDAC 71-02-08-02, which relates to the withdrawal liability calculation for an employer who is discontinuing participation. The Public Hearing was held on December 17th in the NDPERS Conference Room with one comment received. No additional written comments were received by the December 27th deadline.

The next step is to submit the proposed rules change package to the Office of Attorney General for legal review and then to Legislative Council to be placed on the Rules Committee calendar. An updated timeline was included in the Board materials. Ms. Schiermeister stated that everything is on track for potentially an April 1st effective date.

MS. TUFTE MOVED APPROVAL TO AUTHORIZE STAFF TO SUBMIT REQUIRED MATERIALS TO THE OFFICE OF ATTORNEY GENERAL AND LEGISLATIVE COUNCIL. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Mr. Seibel, Ms. Wassim, Mr. Adam Miller, Senator Dever, Ms. Tufte, Ms. Smith and Chairman Dosch.

Nays: None

Absent: Representative Anderson

MOTION PASSED

Emergency Notification Testing

Mr. Scott Miller provided background on staff's efforts regarding disaster recovery, continuation of government, and emergency notification. Mr. Miller reported Assurance NM is a tool available to staff to send out emergency communication and that the tool is tested on a quarterly basis. Communication with the Board in an emergency is also imperative.

A test message was sent to the Board Members at 3:07 pm to ensure that everyone is connected to the Assurance NM system and that the Trustees know what to expect in the event of an emergency. Staff will follow-up with members who may have experienced problems with the test message.

Chairman Dosch called for any other business or comments. Hearing none the meeting was adjourned at 3:10 p.m.

Prepared by,

Jan Lund
Assistant to the Board