

MINUTES

North Dakota Public Employees Retirement System VIA TELECONFERENCE Tuesday, May 12, 2020 8:30 A.M.

Members Via Phone: Chairperson Rindy
Representative Jason Dockter
Senator John Grabinger
Ms. Casey Goodhouse
Mr. Adam Miller
Ms. Kim Wassim
Ms. Mylynn Tufte
Mr. Troy Seibel
Ms. Yvonne Smith

Others Via Phone: Mr. Scott Miller, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Steve Webster, SHP
Mr. Danny Weiss, SHP
Mr. Don Schott, SHP
Mr. Jim Wynstra, SHP

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

Chairperson Rindy announced that the approval of the April meeting minutes will be postponed until the June board meeting.

PRESENTATIONS

Sanford Health Plan Executive Summary Quarter 4

Members of the Sanford Health Plan (SHP) were in attendance to present the 2019 Quarter 4 Executive Summary.

Mr. Steve Webster began the presentation by highlighting annual membership data and trends, fitness center reimbursement, health assessment, and online wellness activities. In comparing Actives, Medicare Retirees and Early Retirees groups, the membership for 2019 has been stable overall with a net change of less than one percent.

Mr. Jim Wynstra reviewed claims analysis information and provided a comparison of Quarter 4 of 2018 to Quarter 4 of 2019 for the Actives, Early Retirees, and Medicare Retiree groups. Looking over a two full-calendar-year comparison, he noted the overall trend is good and the Health Plan is where it should be. In discussing claims, Mr. Wynstra

spoke of the cyclical nature of claims in that the first quarter is generally the lowest cost flowing through and quarter four is always the highest cost flowing through because deductibles generally have been met. He pointed out that COVID-19 will lower costs in 2020 due to social distancing and the underutilization of doctor visits in addition to the cancelling of many elective procedures.

Mr. Danny Weiss provided an overview of high dollar pharmaceutical cases and the highest paid diagnosis groups. Oncology continues to trend as the largest claims; he emphasized the concern is for the best medicine for the patient, rather than a focus on costs.

Mr. Webster shared information about the Dakota Wellness Programs and member participation in fitness center reimbursement, health assessments, online wellness activities and lifestyle medicine programs such as Exercise is Medicine, Diabetes Prevention Program and Omada Health (virtual diabetes prevention program). In 2020, COVID-19 is presenting challenges for fitness center reimbursement; SHP is closely monitoring this and is expecting to see a slow uptick.

Mr. Webster introduced new team members. Alexis Allen and Rachel Iverson are registered dietitians working with the New Lifestyle Medicine program. Rochelle Myers serves as VP of Operations with 23 years of health care experience. Emily Griesse is Senior Executive Director of Population Health and will oversee pharmacy and wellness.

Mr. Webster concluded the Executive Summary presentation with an overview of performance standards and guarantees. The measurements of two health outcomes, breast cancer screening rates and cervical cancer screening rates, continue to be the most challenging in reaching the performance standards. He noted that for 2020, SHP is seeing a decrease in cancer screening due to the social distancing from COVID-19, and that utilization of screenings may continue to dip for that reason.

Discussion followed.

GROUP INSURANCE

Sanford Health Plan Update on Value-Based Arrangement

Mr. Don Schott provided background on the Value Based Arrangement (VBA) which is a contracting mechanism where total cost of care follows the members. The VBA model holds providers accountable for the total cost of care of their attributed members. Currently, there are six provider groups participating in the VBA since July 1, 2019. Mr. Schott reviewed the Total Cost of Care Overlay including financial performance and quality metrics. He noted that COVID-19 has impacted quality measures over recent weeks and has affected utilization of health care and shared risk. Looking ahead, the second performance period begins July 1, 2020 and providers are indicating that they will

continue in their current shared risk category. The SHP team will continue to solicit the participation of CHI St. Alexius.

Mr. Schott reported that the goals set by the Board are being met and value-based results are where they should be. Reports are shared with providers for comparison, but individual groups are not identified.

Discussion followed.

Sanford Health Plan Update on COVID-19

SHP representatives were on the call to provide an update related to COVID-19 and the impact on the NDPERS health insurance plan. Member out-of-pocket expenses have been eliminated for the testing of COVID-19, including related Office and ER visits. All virtual care is paid at 100%, as is all medical treatment of COVID-19, including outpatient and inpatient hospital stays through May 31, 2020. Prior authorizations for medications have been extended an extra 90 days for all existing maintenance prescription with prior authorizations set to expire in 90 days or fewer. The SHP team also updated the Board on the Dakota Wellness program and medical and pharmacy utilization trends for the month of March affected by the onset of COVID-19. Early projections indicate the peak months of March-May might have reduced costs of 5% to 20% due to social distancing.

Discussion followed.

THE BOARD TOOK A BRIEF BREAK FROM 9:53 A.M. TO 9:58 A.M.

The Meeting resumed at 9:58; roll call was taken, and a quorum was present.

Health Plan Request for Proposal Approval

Mr. Bryan Reinhardt reported that staff have nearly completed the work on the Request for Proposal (RFP) for the Health Plan. A proposed timeline was presented, and other than minor fine-tuning, the RFP is on track for a June 1st release.

MS. WASSIM MOVED TO APPROVE THE RELEASE OF THE HEALTH PLAN REQUEST FOR PROPOSAL ON JUNE 1ST AND FOR STAFF TO MAKE THE APPROPRIATE EDITS TO THE PROPOSAL. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Ms. Tufte, Ms. Smith, and Chairperson Rindy.

Nays: None

Absent: None

MOTION PASSED

Medicare Part D Plan Update

Ms. Rebecca Fricke reported that Express Scripts Inc. (ESI) has provided a preliminary projection for the 2021 premium which is a slight increase in monthly premium compared to the current premium of \$86.26. A finalized premium rate will be available in August after the Center for Medicaid and Medicare Services (CMS) releases federal subsidy information for Part D plans. Information on the final premium will be brought to the August Board meeting.

MS. SMITH MOVED TO APPROVE THE DEFERRAL OF A BID FOR THE MEDICARE PART D PLAN UNTIL ESI PROVIDES THEIR FINAL RENEWAL PREMIUM IN AUGUST 2020. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Mr. Seibel, Ms. Tufte, Ms. Smith, and Chairperson Rindy.

Nays: None

Absent: None

MOTION PASSED

MISCELLANEOUS

Budget

Mr. Derrick Hohbein recapped the Governor's budget guidelines for the 2021-2023 biennium. Staff has been evaluating options to reprioritize 5 percent of the current budget to strategically reinvest in high-impact areas. Mr. Hohbein outlined several options to accommodate a 5 percent allocation.

Discussion followed.

IT WAS THE CONSENSUS OF THE BOARD TO DIRECT STAFF TO MOVE FORWARD WITH DEVELOPING THE FOLLOWING INITIATIVES IN PREPARATION OF THE BUDGET REQUEST.

Full Time Equivalent (FTE) Staff.

- One (1) Accounting FTE – As part of the new organizational structure, two FTE have been transitioned from the operational side of the business to the benefits side of business (one FTE in accounting was used to hire an insurance administrator and one FTE in the IT area was used to hire a third counselor). One FTE in accounting is necessary to keep the level of service the same and create the depth needed within the division.
- One (1) Administrative Services FTE – this would allow the creation of a true call center concept and provide for three dedicated member service representatives to handle the incoming calls which would reduce the volume of calls transferred to additional staff.

Website Platform Upgrade.

- Currently NDIT hosts the NDPERS website. They also can maintain our website and offer a more robust product than we have today. This would also fall in line with the Governor's vision of creating a unified look and feel to agency websites and would allow us to move away from the maintenance MABU currently performs on our website.

System Updates.

- Upgrade the base system to Business Process Management (BPM). BPM is a redesign of how users interact with the system and ensures the system is "driven" as intended. The end results are more accuracy in processing, less user frustration, and savings on the ability to quickly and more easily analyze where processes fail.
- One (1) additional developer dedicated to developing comprehensive new hire and annual enrollment wizards.
- One (1) additional developer dedicated to addressing the backlog of system enhancements that users have identified but have not been resolved. When system defects are identified, we concentrate on focusing attention to fixing issues that are external facing, or that interrupt essential business processes. This leaves a gap of staff-identified issues and a reliance on workarounds to accommodate staff's daily work.

Based upon this guidance staff will develop a specific budget proposal for the Board's consideration at the June 9 meeting.

Executive Director Evaluation Report/Recommendations

This agenda item was carried over from the April Board Meeting.

MS. WASSIM MOVED TO ACCEPT THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR REVIEW COMMITTEE AND AWARD A 2.5% INCREASE TO THE EXECUTIVE DIRECTOR'S SALARY BASED ON PERFORMANCE. ADDITIONALLY, TO AWARD THE STAFF AN INCREASE BASED ON PERFORMANCE AS PROVIDED BY THE LEGISLATIVE ASSEMBLY. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Goodhouse, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy.

Nays: Representative Dockter and Mr. Seibel

Absent: Ms. Tufte

MOTION PASSED

Board Vote Requirement Clarification

Mr. Scott Miller shared information that provides clarification to the vote on a motion made at the April Board Meeting. The vote was 4-3 and the question arose whether that was enough to pass the motion. Discussion followed.

MS. WASSIM MOVED TO ACCEPT THE INTERPRETATION OF THE VOTING REQUIREMENT IN NDCC § 54-52-03(8) AS THE MAJORITY OF THE QUORUM PRESENT IS NECESSARY TO PASS A MOTION. THE MOTION WAS SECONDED BY SENATOR GRABINGER.

Ayes: Ms. Goodhouse, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Representative Dockter, Ms. Smith, and Chairperson Rindy.

Nays: None

Absent: Ms. Tufte and Mr. Seibel

MOTION PASSED

RETIREMENT

Provider Fiduciary Language Amendment Update

It was no longer necessary for this agenda item to be discussed.

MEMBER

Group Insurance Appeal Case #625

Mr. Scott Miller indicated this agenda item was noticed for Executive Session.

MS. SMITH MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC §44-04-19.2, §44-04-19.2(1) AND §54-52-26 TO DISCUSS CONFIDENTIAL RECORDS OR CONFIDENTIAL MEMBER INFORMATION. THE MOTION WAS SECONDED BY MS. WASSIM.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy

Nays: None

Absent: Mr. Seibel and Ms. Tufte

MOTION PASSED

All members named above, PERS staff, the attorney, and the member were in attendance by telephone for the Executive Session (closed meeting, electronically recorded) which began at 11:52 P.M.

The Board returned to open session at 12:10 P.M.; roll call was taken; a quorum was present.

MS. SMITH MOVED TO APPROVE THE MEMBER'S REQUEST FOR APPEAL BASED ON NDAC 71-03-05-09(2)(A) WHICH GIVES THE NDPERS BOARD THE AUTHORITY TO RELEASE A PERSON FROM LIABILITY TO REPAY AN UNDERPAYMENT, IN

WHOLE OR IN PART, IF IT DETERMINES THE UNDERPAYMENT IS NOT THE FAULT OF THE RECIPIENT. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy.

Nays: None

Absent: Mr. Seibel and Ms. Tufte.

MOTION PASSED

Ms. Rebecca Fricke reported that monthly a mismatch report is run for the health insurance plan to catch these types of coverage discrepancies. The monthly queries have been expanded to include the dental and vision plans to ensure that similar discrepancies are caught and corrected timely. Seven additional members were identified.

MS. WASSIM MOVED TO APPROVE THE ADDITIONAL SEVEN INDIVIDUALS IDENTIFIED BE RELEASED FROM LIABILITY TO REPAY AN UNDERPAYMENT OF INSURANCE PREMIUM, IN WHOLE OR IN PART, IF IT IS DETERMINED THE UNDERPAYMENT IS NOT THE FAULT OF THE RECIPIENT. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Goodhouse, Representative Dockter, Ms. Wassim, Senator Grabinger, Mr. Adam Miller, Ms. Smith, and Chairperson Rindy.

Nays: None

Absent: Mr. Seibel and Ms. Tufte.

MOTION PASSED

Chairperson Rindy called for any other business or comments. Hearing none the meeting was adjourned at 12:25 P.M.

Prepared by,

Jan Lund
Assistant to the Board