

NDPERS RETIREE BENEFITS COMMITTEE

July 20, 2015

MINUTES

* - Present

BOARD MEMBERS: *Yvonne Smith

STAFF: *Sparb Collins, *Bryan Reinhardt, *Kathy Allen, *Rebecca Fricke,
*MaryJo Steffes, *Sharon Schiermeister

Guests: *David Zimmerman – Insurance Department

Interest Groups: Bill Kalanek - AFPE/NASW, Stuart Savelkohl - NDPEA

Membership Representatives:

*Dave Zentner, *Weldee Baetsch, *David Gunkel, *Bill Lardy,
Ron Leingang Howard Sage, Denae Kautzman

Minutes

1:10 – Sparb thanked everyone for coming. The purpose of the meeting was to look at the Medicare Part-D coverage in the NDPERS Retiree Health Plan. Sparb covered the PowerPoint presentation. The NDPERS Retiree Health Plan is bundled in that a member must take the medical and the Part-D prescription drug coverage. Could NDPERS do both? Would it attract a broader cross-section of people or lead to adverse selection? There are really three options:

1. Continue to offer coverage as we do now.
2. Allow members to take the NDPERS Part-D coverage or not (medical portion only).
3. Drop Part-D coverage and only offer the medical portion.

Dave Zimmerman from the insurance department covered handouts of an overview of the Part-D process in North Dakota. The “Donut Hole” is being phased out by 2020. Medicare plans do change in both coverage and cost. A person can make a change to a 5-star plan once a year (best plans). Some people with special conditions can enroll more often. Mr. Gunkel asked about the late enrollment penalty. It was noted that the credible coverage rule applies and NDPERS does fit this. It was noted that there are currently no plans w/o the donut hole. There was discussion about the NDPERS plan. The BCBS Medicare Blue RX plan is a 5-star plan, and the NDPERS plan might also be. The plan now through Sanford might be different. It might be the same plan design, but the formulary is different. There is no ESI plan in ND to compare to. The group discussed varying premiums for Part-D plans. After guaranteed issue, there are underwriting options for plans.

2:00 – There has been a reduction in plans offered in the last 5 years (42 to about 32). Sanford Health Plan is an unknown. The group discussed if there is sufficient time to educate the members. Enrollment is October 15 to December 7 for coverage effective January 1st. It was noted that the timing to unbundle is good if the NDPERS Board decides to go that direction. The group felt unbundling would be the first step to get out of the Part-D business due to likely adverse selection.

The group felt there was not sufficient time to completely drop the Part-D coverage. Some discussion continued and some of the group felt there was sufficient time, but overall the group thought it would be best to phase in any change.

The group felt there was time to offer an unbundled option. This would require NDPERS system changes, but staff felt this could be done. The group felt this should be explored with the provider. Could this be done w/o a change to the rates? This would be a first step and give time to study if NDPERS should stop offering this coverage.

Staff will go to the NDPERS Board with the three options and the recommendations from the committee. Sparb noted that the retiree committee will likely meet again sometime around October to discuss other issues.

2:35 – Adjourn