

NDPERS RETIREE BENEFITS COMMITTEE

September 11, 2015

MINUTES

* - Present

BOARD MEMBERS: *Yvonne Smith

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

Guests:

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, *Deb Arnold

Minutes

1:05 – Kathy thanked everyone for coming. The purpose of the meeting was to look at the Medicare Part-D coverage in the NDPERS Retiree Health Plan. Kathy reviewed the plan history and the discussion at the last meeting. The prior recommendation was to unbundle the Part-D from the Medical Plan. The proposed Sanford/ESI increase is \$128.40 from the current \$77.90 per person. This is a large increase. Kathy noted that NDPERS received an unsolicited bid from BCBS for \$80.10 per contract. There is a special NDPERS Board meeting next Wednesday to decide on this issue.

1:20 – Bill asked if the BCBS plan would require a change in providers and if the BCBS formulary was the same. Kathy noted that she expected the same product and no change in vendors. Sharon shared that system enhancements are needed if the plan is bundled or unbundled. It was noted that the ESI bid is unbundled and the BCBS bid is not. The group felt the \$100 increase (couple) per month would cause the low RX users to leave the plan. Deb noted that insurance counselors from the insurance department are already booked and it would be a lot of disruption to take on a load of 6,500 NDPERS retirees. Denae felt the less disruption the better. The group is very interested in the BCBS bid. The question if this would be OK with Sanford is undetermined. Staff noted that Jan at the A.G.'s office is looking at this issue. Bill noted that he helps retirees at the Mandan Golden Age and has seen a decrease in people needing help with Part-D enrollment. It could be due to people going to their pharmacist. This could be an issue if a provider does not participate in all the plans. It was noted that this large increase would be looked at negatively along with the recent change to Sanford.

1:45 – Rebecca shared a draft of the communication plan. The group felt a change with a full year would be best. Denae noted that filing a claim for RHIC was an issue and maybe a check should just be sent. Staff noted that this was an IRS issue to keep the tax status of the plan. Deb asked if email could be used for communications. Staff felt this is an option, but the members are not required to file an email address or keep it current. Discussion followed if the plan should unbundle or continue. Kathy passed out a draft of the unbundling notice and asked for feedback if the Board goes in that direction. Weldee asked if the military members under Tricast will be affected if the plan is unbundled or changes occur.

2:05 – The group suggested BCBS bundled plan for one year, then change. If not, unbundle is needed, so the retirees have an option.

2:15 – The group continued to discuss the bid process.

2:25 – It was noted that new data was being sent to ESI to review their bid. Sharon asked what was the number that would make the difference. What if it was cut in half? The group felt a 10-15% increase would be good. It was noted that the premium should be less than \$100. Over \$100 is too much. \$100 is a 28% increase.

2:30 – Adjourn

2:35 – Adjourn