



# Board Meeting Agenda

**Location:** WSI Board Room, 1600 East Century Avenue, Bismarck ND  
By phone: 701.328.0950 Conference ID: 618 133 974#  
**Date:** Tuesday, May 9, 2023  
**Time:** 8:30 A.M.

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## I. MINUTES

- A. April 11, 2023

## II. PRESENTATIONS

- A. Health Plan Executive Summary 2022 Quarter 4

## III. RETIREMENT

- A. Public Safety Plan Employer Contribution Rate – Scott (Board Action)

## IV. GROUP INSURANCE

- A. Vision Insurance Evaluation & Vendor Selection – Katheryne (Board Action)  
**\*EXECUTIVE SESSION**
- B. Employee Assistance Program (EAP) Evaluation & Vendor Selection – Katheryne (Board Action) **\*EXECUTIVE SESSION**
- C. Life Insurance Plan Contract Approval – Katheryne (Board Action)
- D. Final Health Plan Rates and Plan Design – Rebecca (Board Action)
- E. About the Patient 2023-2025 Cost Proposal & Agreement – Rebecca (Board Action)
- F. Medicare Part D Plan 2024 Premium Projection – Rebecca (Board Action)

## V. MISCELLANEOUS

- A. Prescription Drug Coverage Performance Audit – Shawna (Board Action)  
**\*\*EXECUTIVE SESSION**
- B. Industrial Commission Letter – Scott (Information) **\*\*\*EXECUTIVE SESSION**
- C. Legislative Relations – Scott (Board Action) **\*\*EXECUTIVE SESSION**
- D. Board Election Update – Aime (Information)
- E. November Board Planning Meeting – Scott (Board Action)
- F. Executive Director Review Recommendations – Committee Chair (Board Action)

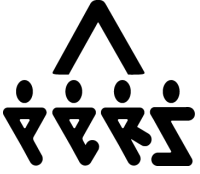
## VI. MEMBER **\*\*\*EXECUTIVE SESSION**

- A. Retirement Benefit Appeal Case #801 – MaryJo (Board Action)

\*Executive Session pursuant to N.D.C.C. §44-04-19.1(9) and §44-04-19.2) to discuss negotiating strategy or provide negotiating instructions to its attorney or other negotiator.

\*\*Executive Session pursuant to N.D.C.C. §44-04-19.1(2) & (5) 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.



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               May 9, 2023

**SUBJECT:**           SHP 2022 Quarter 4 Executive Summary

Sanford Health Plan (SHP) will be at the meeting to review the 2022 Quarter 4 Executive Summary (Attachment 1) and answer any questions you may have. Representatives from Humana are also on to discuss any questions related to the Medicare Part D Plan information, labeled as NDPERS EGWP, found on page 15 of the summary.

This item is informational and does not require any action by the Board.

# NDPERS Executive Summary



Quarter 4 | 2022

Presented May 2023



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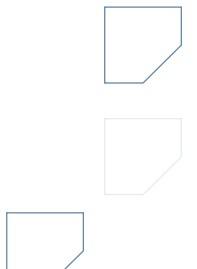
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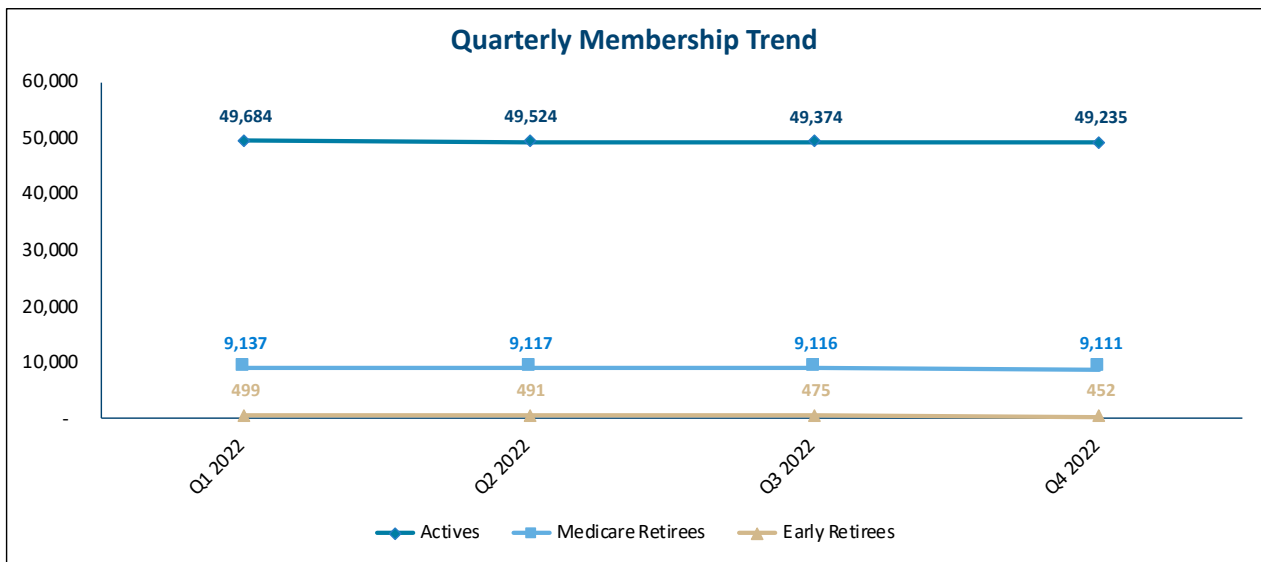


Summary

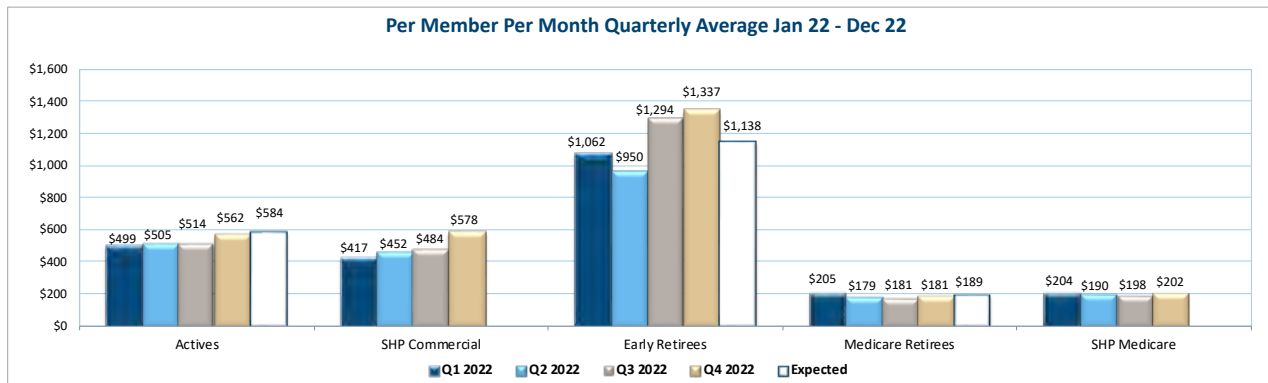
# ANNUAL MEMBERSHIP SUMMARY

MEMBERSHIP COMPARISON						PERCENT CHANGE
	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q4 2021 - Q4 2022
Actives	48,836	49,684	49,524	49,374	49,235	0.8%
Medicare Retirees	9,264	9,137	9,117	9,116	9,111	-1.6%
Early Retirees	525	499	491	475	452	-13.9%

## MEMBERSHIP TREND



## PMPM SUMMARY

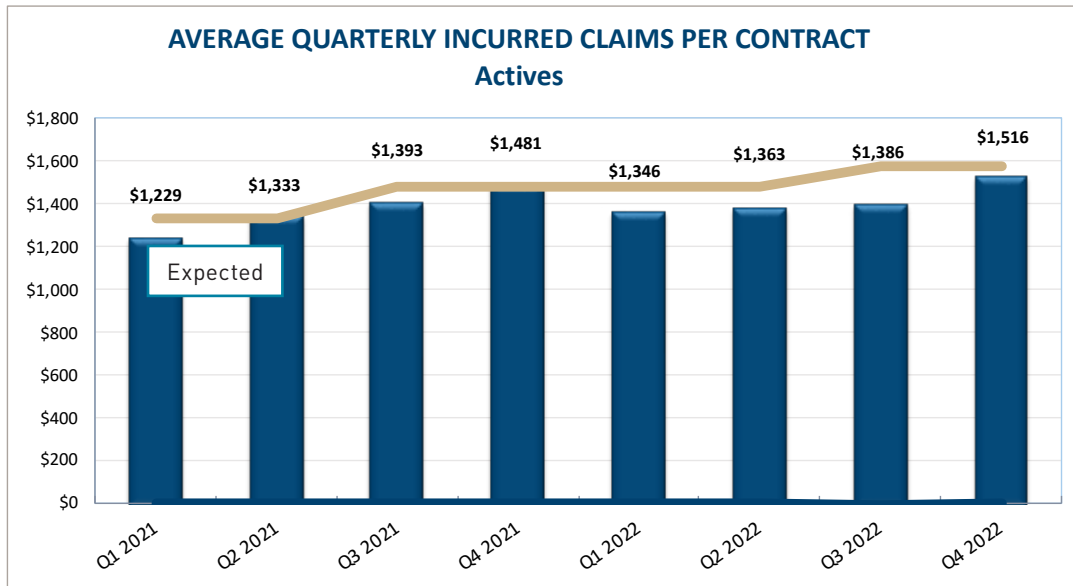


\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

\*Medicare Retirees PMPM excludes prescription drug coverage (Medicare Part D).

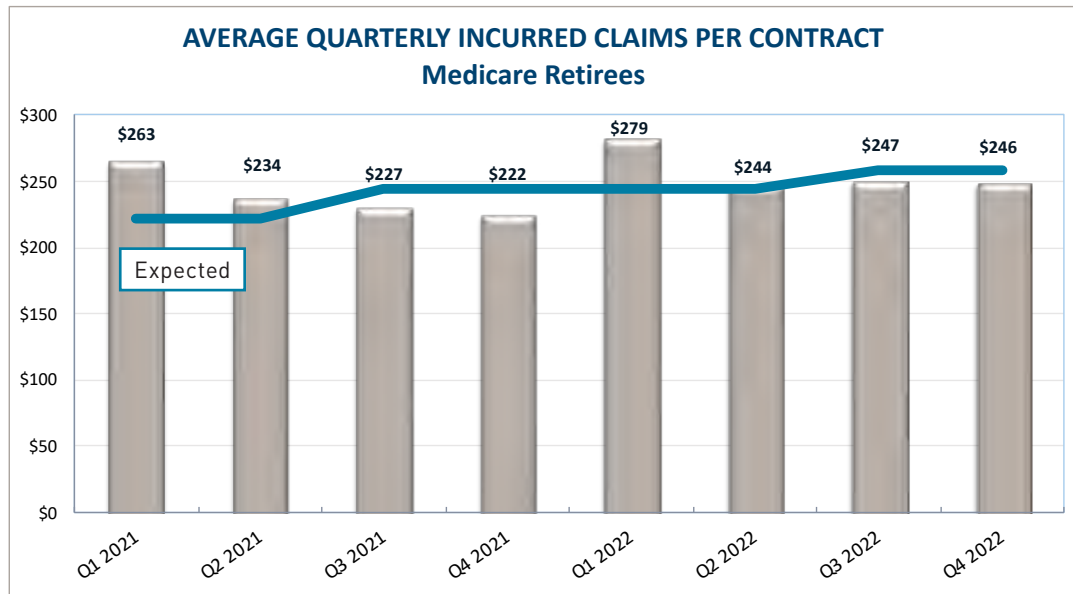
\*Expected is January 1, 2022 - December 31, 2022.

# PAID CLAIMS PER CONTRACT PER MONTH



\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

\*NDPERS Active contracts have approximately 2.70 members per contract.

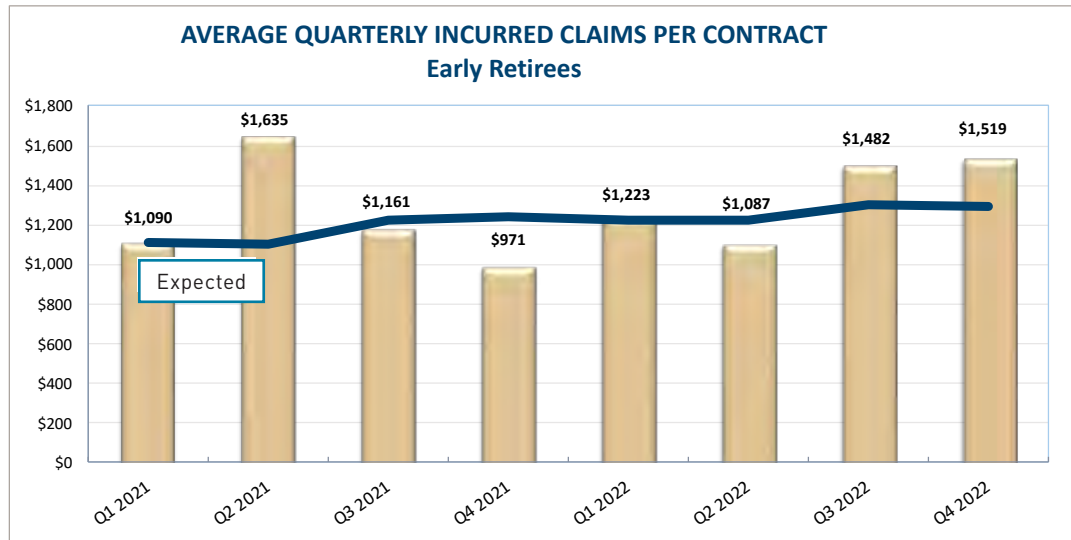


\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

\*NDPERS Medicare Retirees contracts have approximately 1.36 members per contract.

Claims Analysis

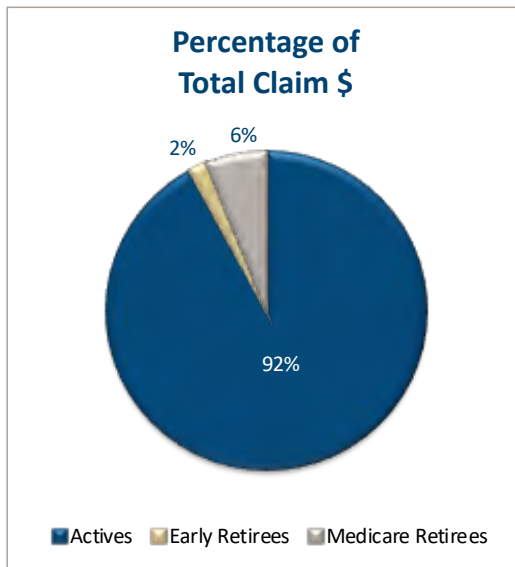
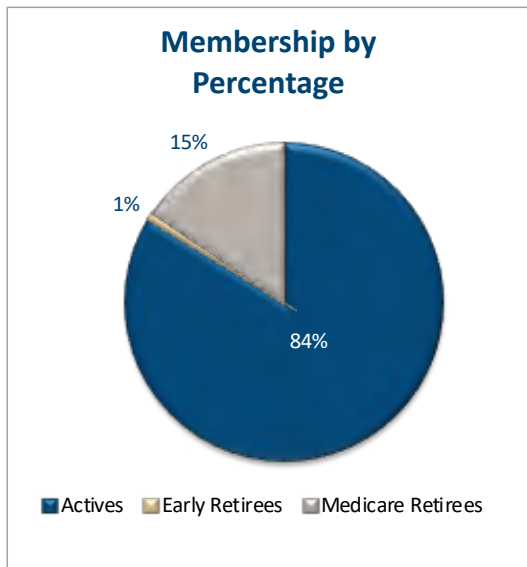
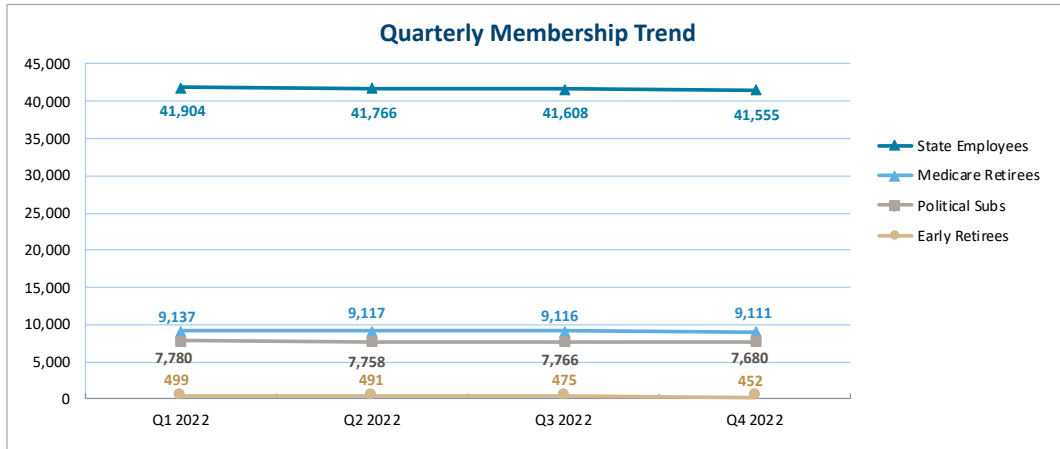
## PAID CLAIMS PER CONTRACT PER MONTH



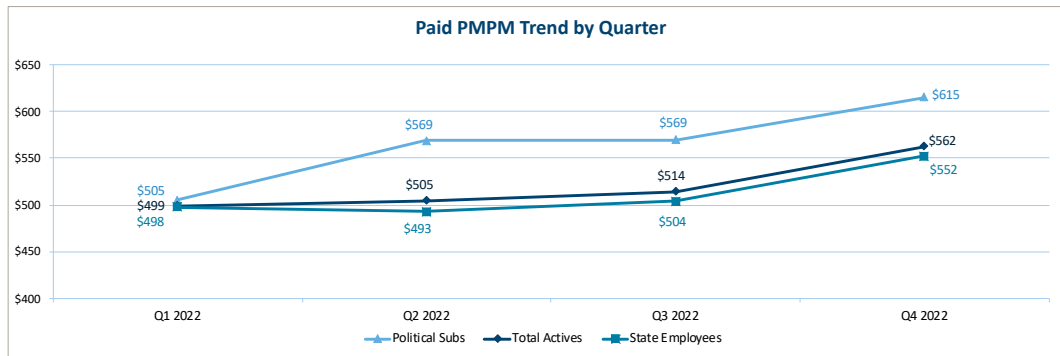
\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

\*NDPERS Early Retirees contracts have approximately 1.14 members per contract.

## MEMBERSHIP PERCENTAGE



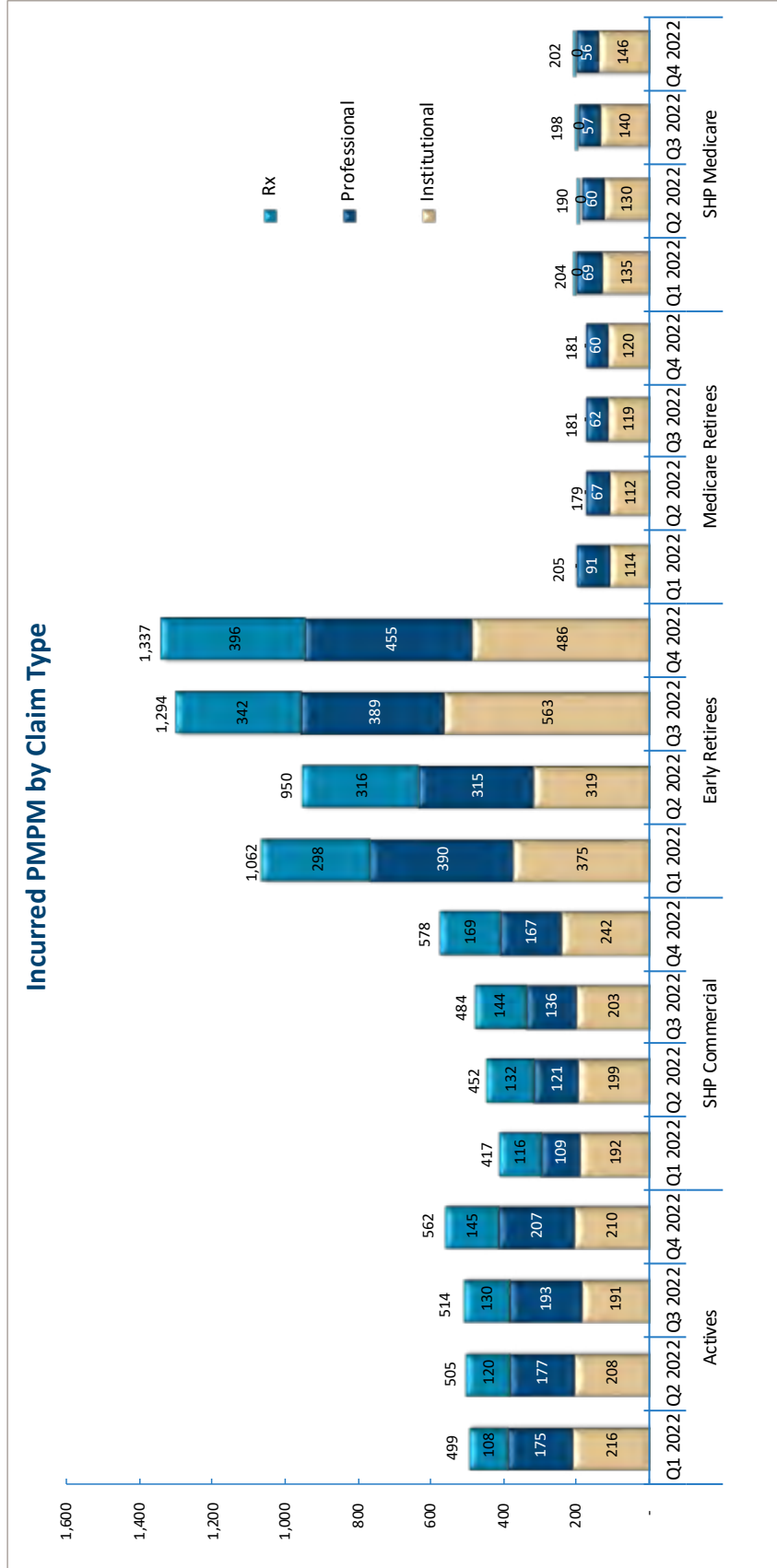
## PAID PMPM TREND BY QUARTER



\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

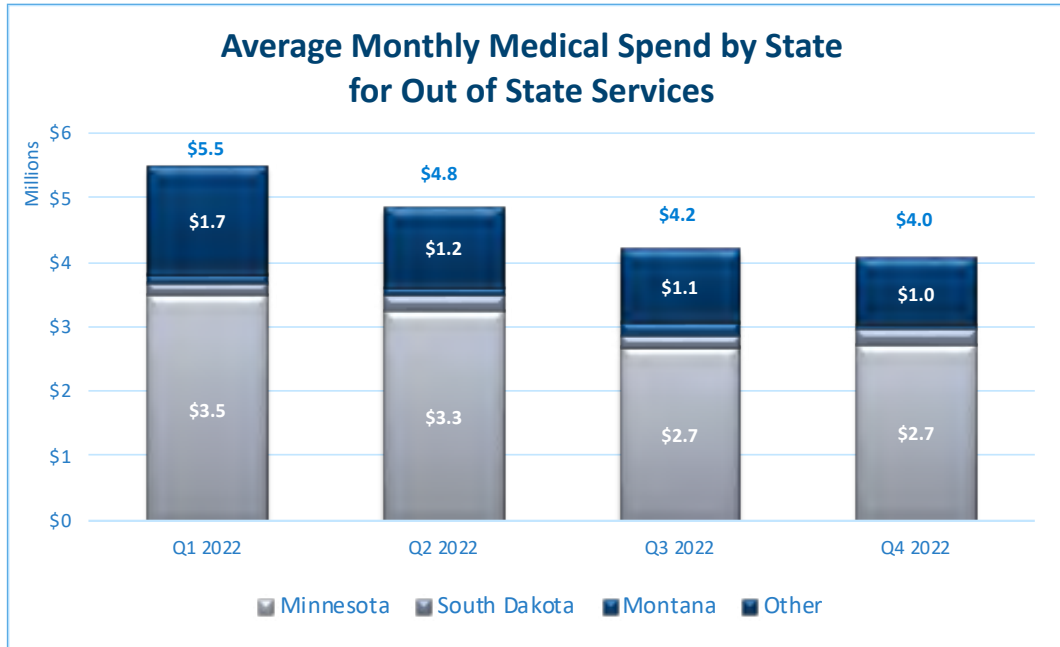


Membership & Utilization

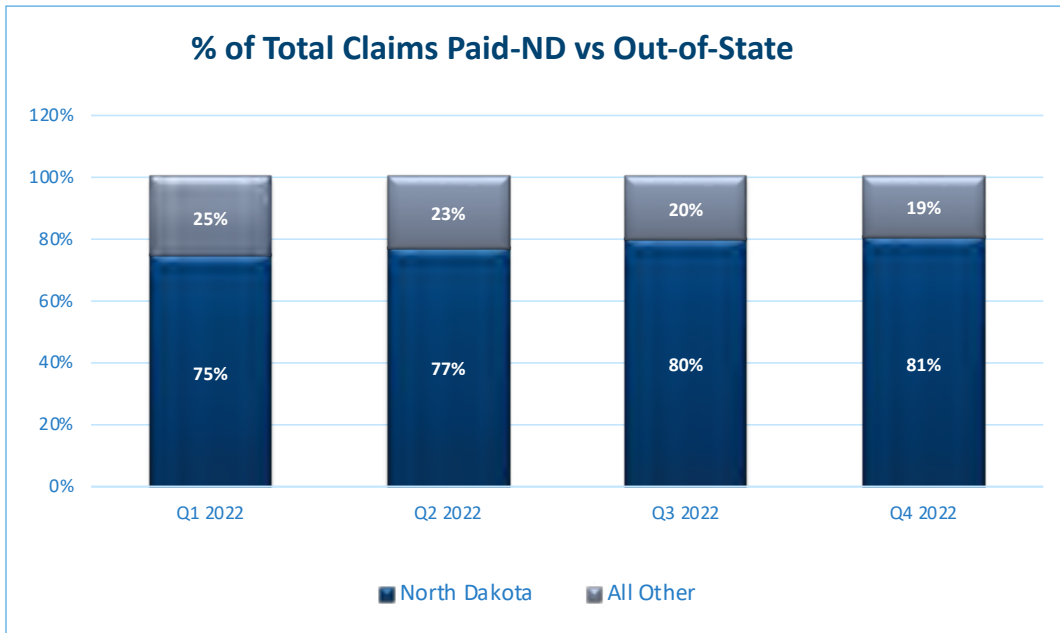


\*Incurred between January 1, 2022 and December 31, 2022. Includes IBNR for January 1, 2022 through December 31, 2022, as of February 28, 2023.

## PAID CLAIMS BY STATE

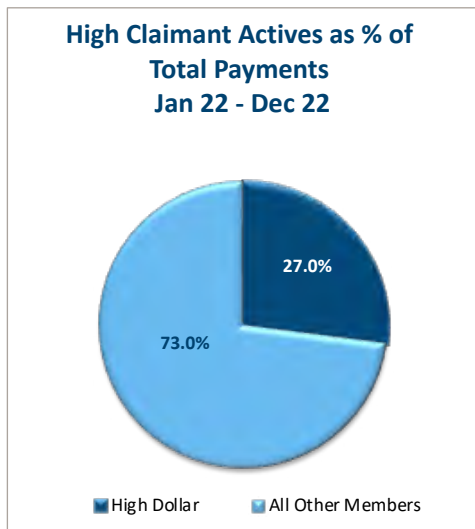
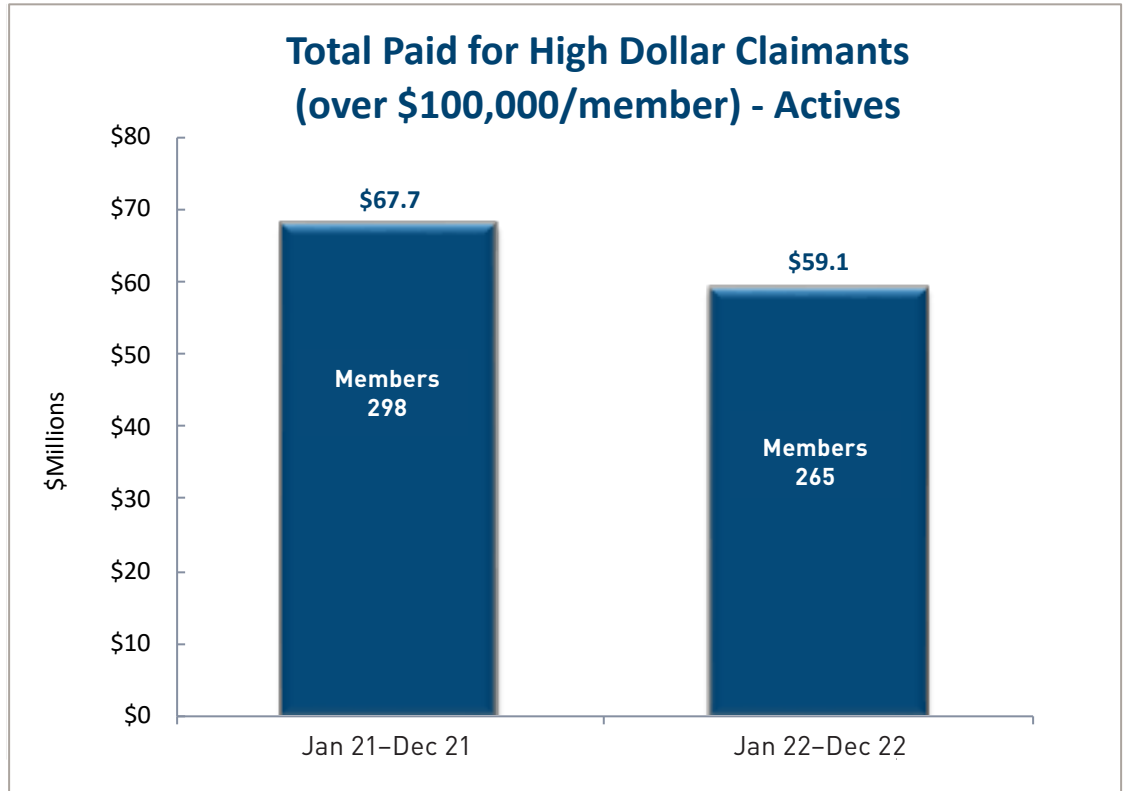


\*Paid Claims by State charts include both active and retiree membership.



High Dollar Cases

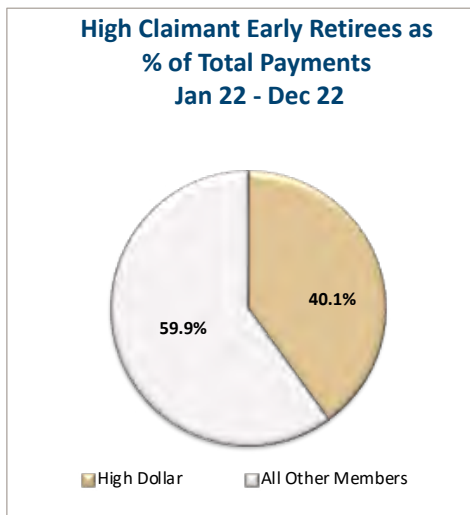
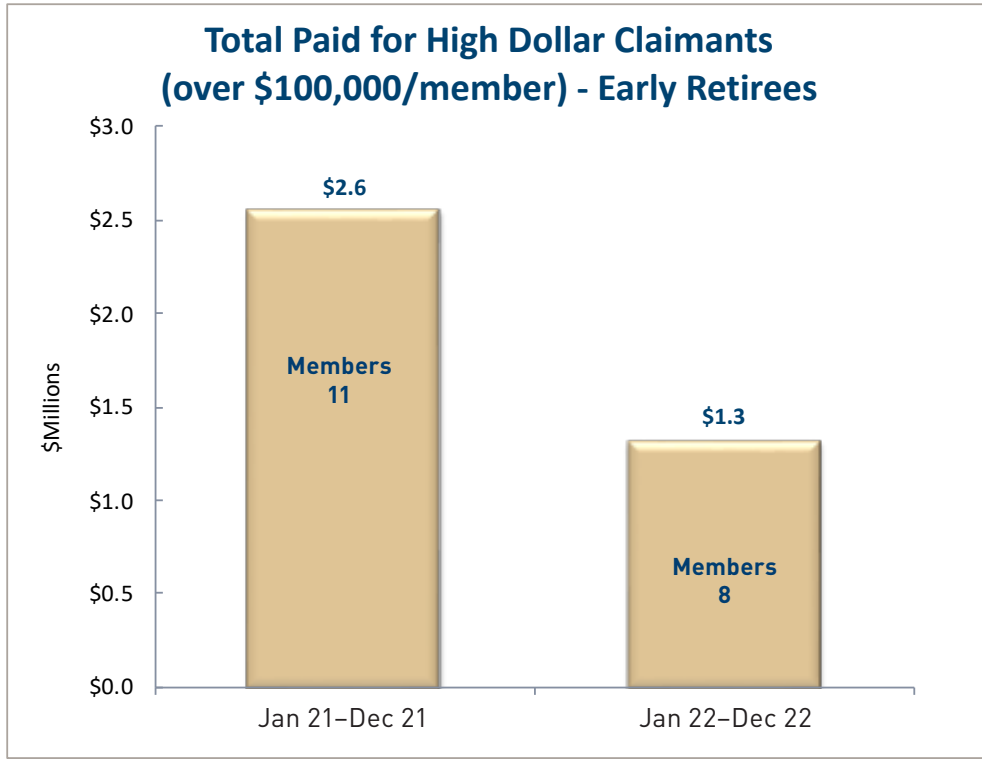
ACTIVES



Avg. Paid/Claimant	\$222,857
% of Total Payments	27.0%

## EARLY RETIREES

High Dollar Cases

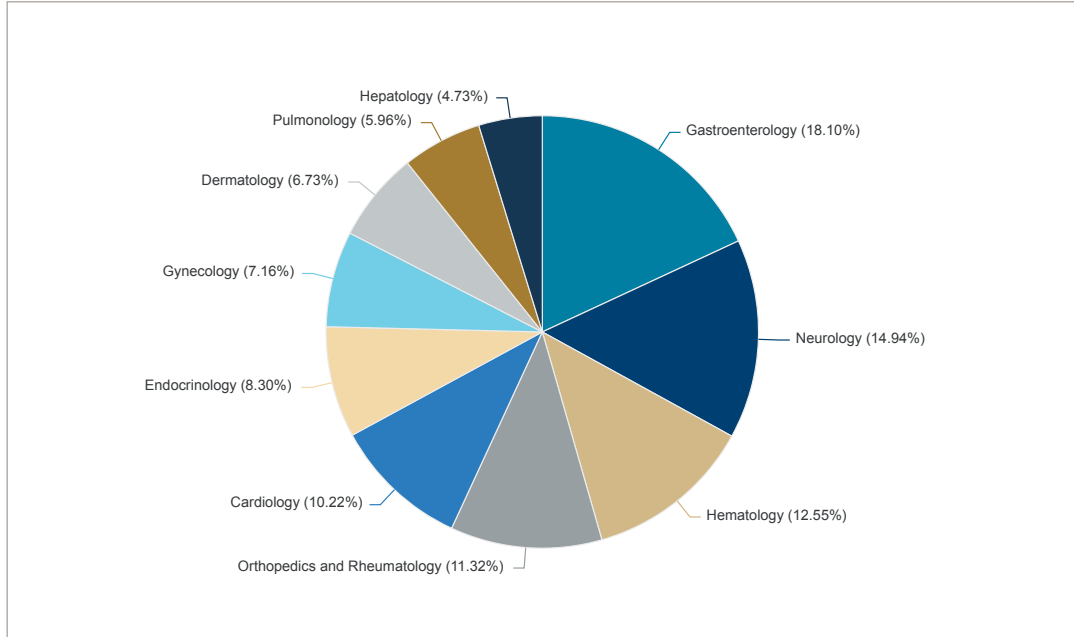


Avg. Paid/Claimant	\$164,629
% of Total Payments	40.1%

High Dollar Cases

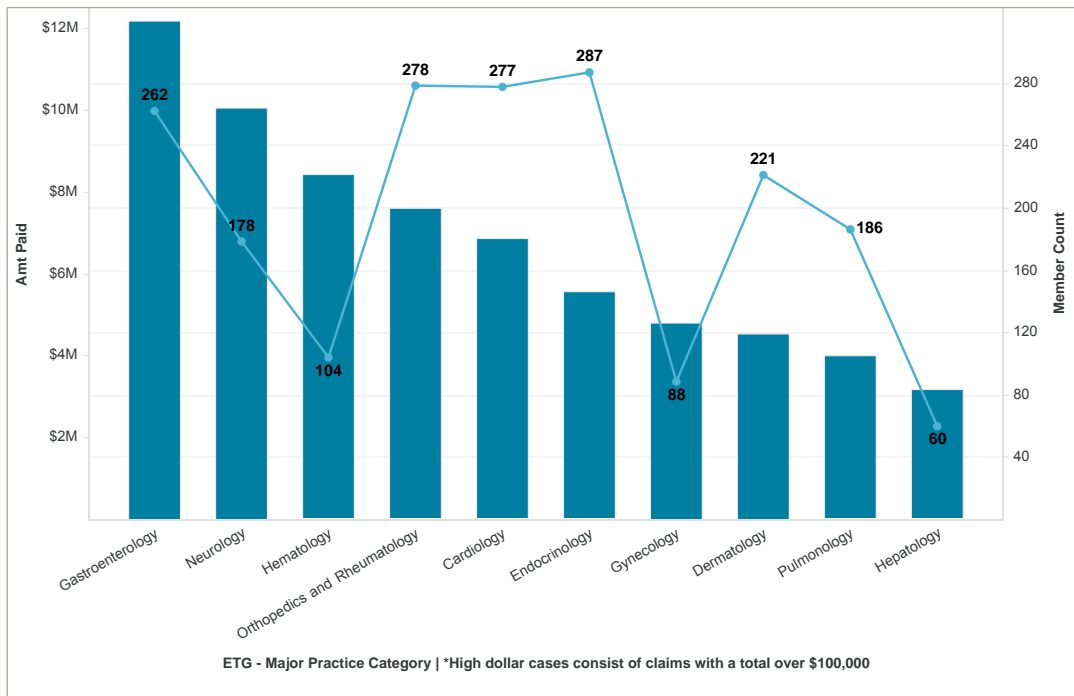
# PRIMARY DIAGNOSIS

Highest Paid Diagnosis Group  
Jan 22 – Dec 22



\*The remaining 6.2% represent 7 diagnosis groups accounting for less than 2% each.

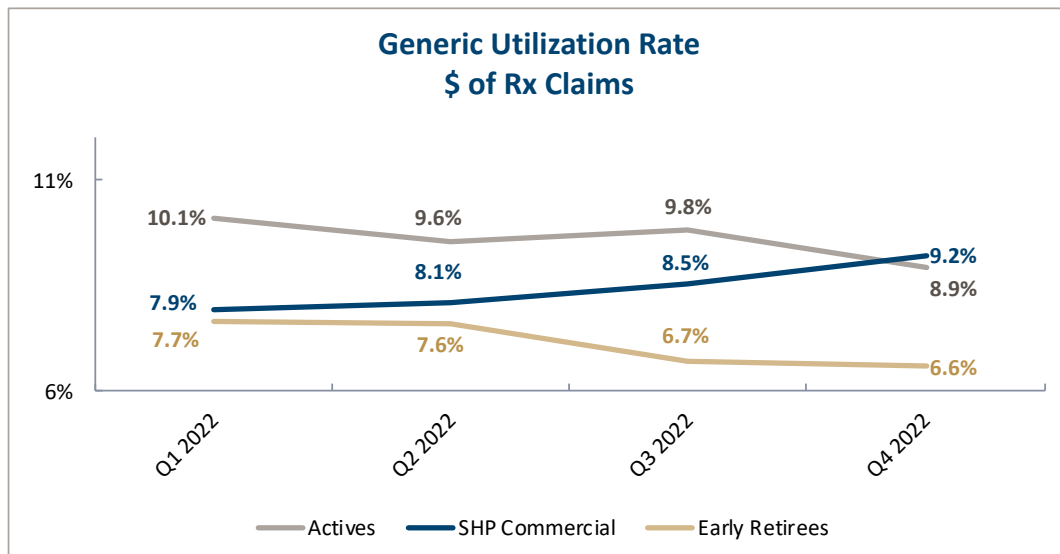
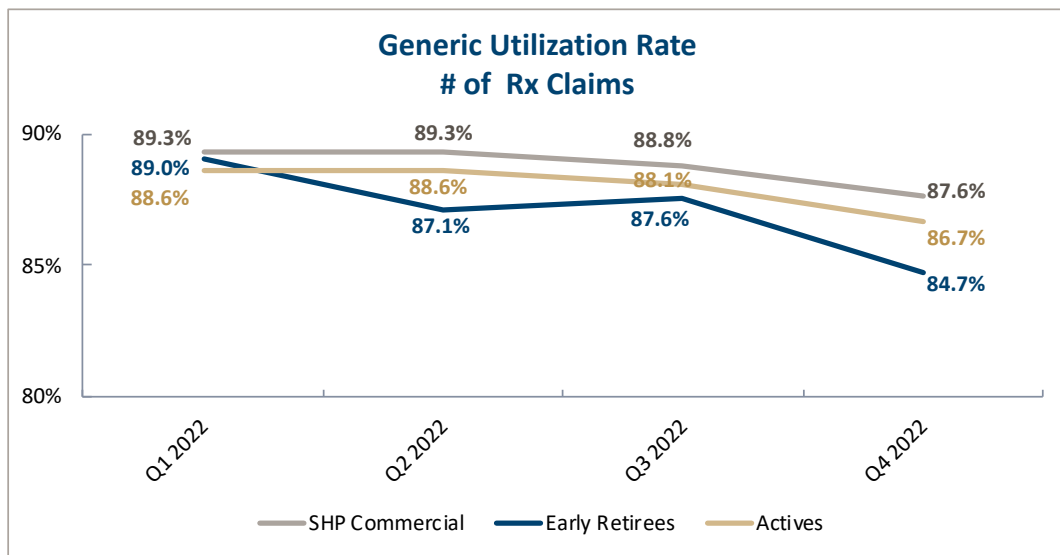
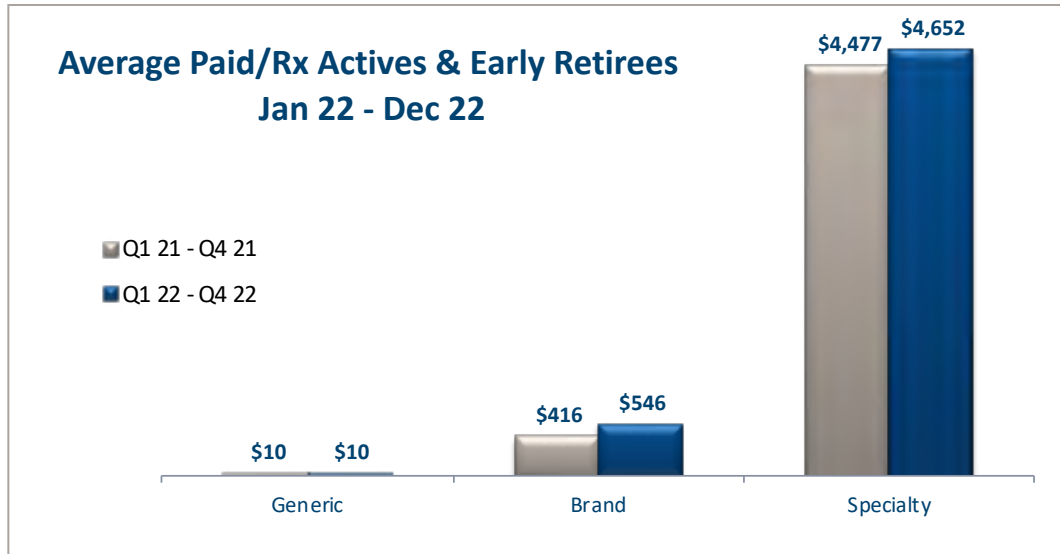
Highest Paid Diagnosis with Member Count  
Jan 22 – Dec 22



\*High dollar cases consist of claims with a total over \$100,000.

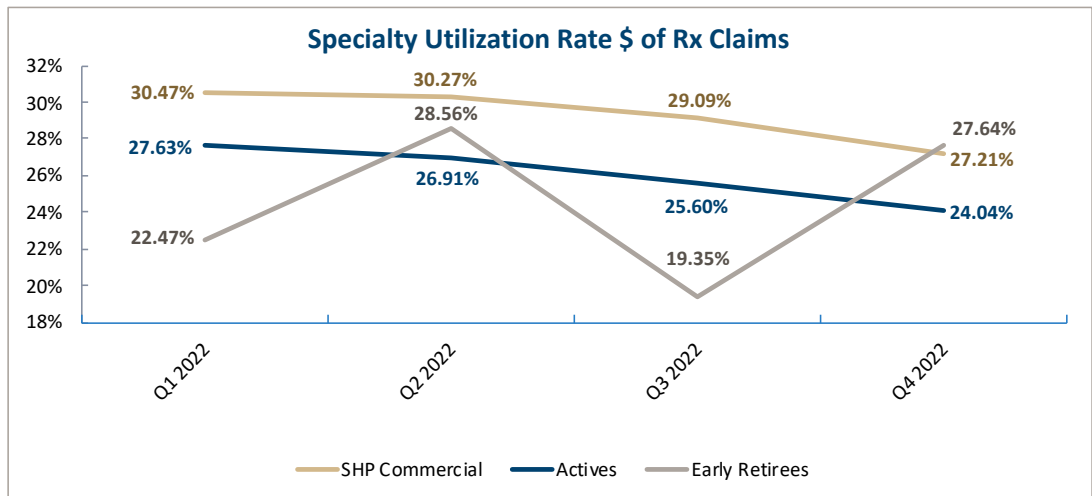
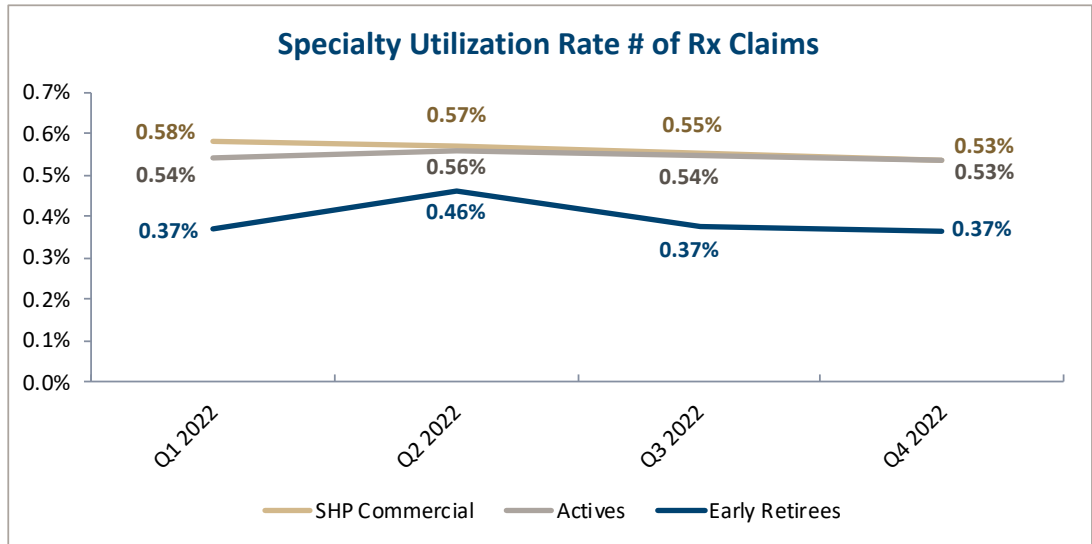
# GENERIC UTILIZATION

Prescription  
Drugs



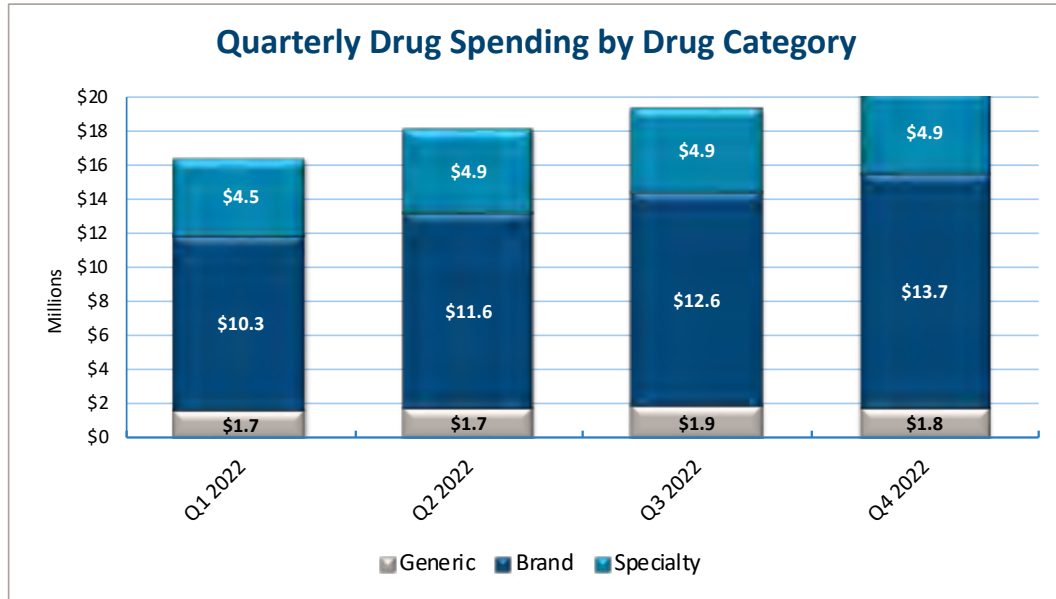
Prescription  
Drugs

# SPECIALTY PHARMACY



# PHARMACY

Prescription  
Drugs



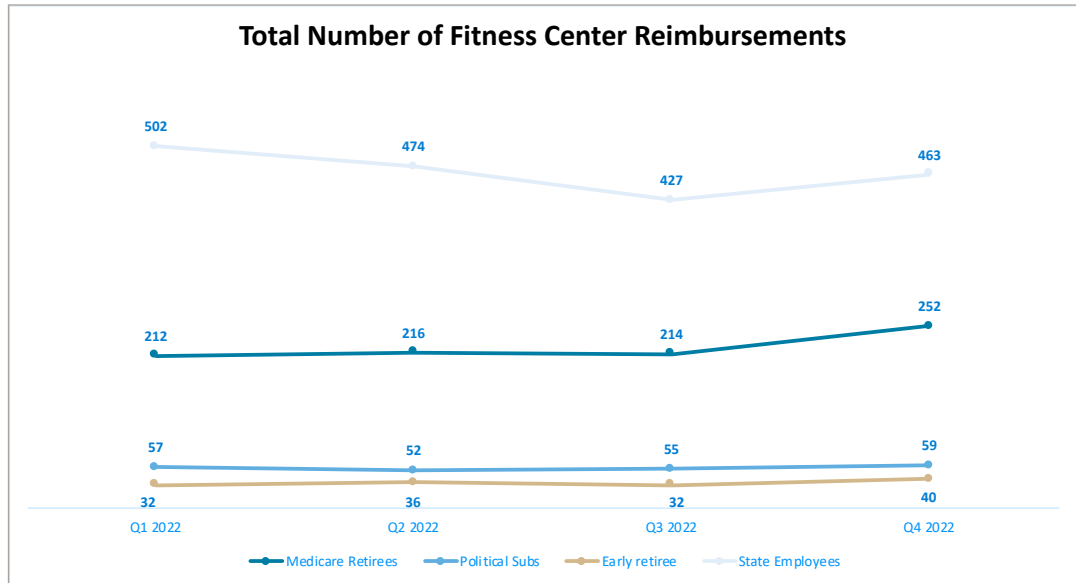
Sanford Health Plan – NDPERS EGWP			
Description	Q4 2021	Q4 2022	Change
Avg Subscribers per Month	9,185	9,112	-0.8%
Avg Members per Month	9,185	9,112	-0.8%
Number of Unique Patients	9,102	8,669	-4.8%
Pct Members Utilizing Benefit	99.1%	95.1%	-4.0%
Total Days	14,244,668	14,335,846	0.6%
Total Adjusted Rx's	514,155	477,862	-7.1%
Average Member Age	75.8	76.6	1.1%
Nbr Adjusted Rx's PMPM	4.66	4.27	-8.4%
Generic Fill Rate	92.2%	90.5%	-1.8%
90 Day Utilization	66.8%	52.2%	-21.9%
Retail - Maintenance 90 Utilization	64.8%	51.0%	-21.3%
Home Delivery Utilization	2.0%	1.2%	-40.0%

\*Q4 2021 provided by ESI

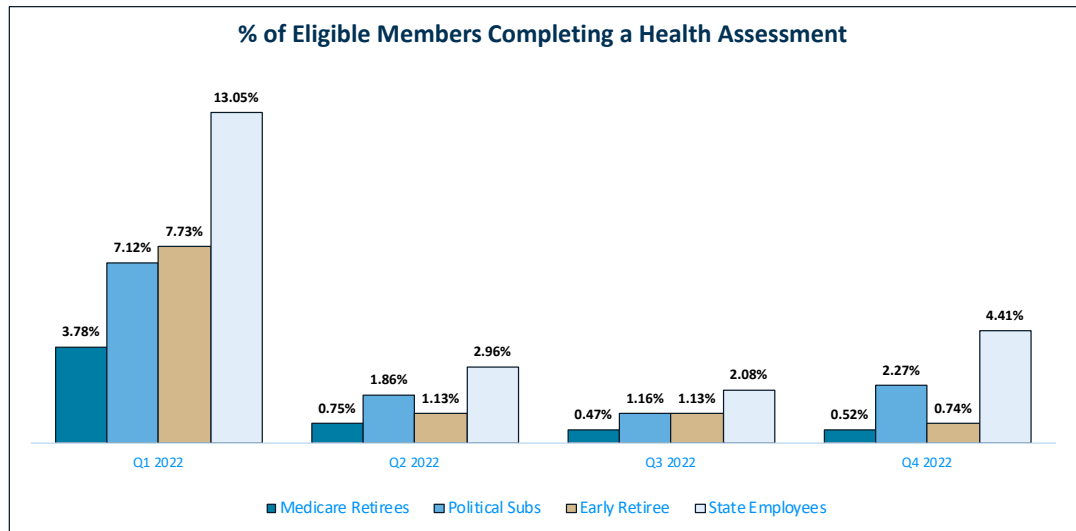
\*Q4 2022 provided by Humana



## FITNESS CENTER REIMBURSEMENT



## HEALTH ASSESSMENT



## LIFESTYLE MEDICINE PROGRAMS






### Center for Lifestyle Medicine

NDPERS members with qualifying conditions have access to ongoing visits with a Lifestyle Medicine Specialist to create an individualized Lifestyle Medicine plan.

2022 NDPERS Q4 Participants: 43

Total NDPERS Participants that have completed the program: **56**

#### Outcomes among all program graduates

-  **4%** (4.5%) decrease in BMI (38.4278 to 36.6885) in patients with an obesity diagnosis
-  Graduates increased their physical activity from 112 to 200 minutes of physical activity minutes increased by **79%**
-  Those with a diagnosis of DM II reduced their Blood glucose by **60** points



### Exercise is Medicine (EIM)

Exercise has endless benefits to our health, including reducing obesity, improving sleep and our emotional well-being while reducing and reversing heart disease, diabetes, and high blood pressure.

Sanford Health patients who have a diagnosis of a BMI of 30 or greater, hypertension, hyperlipidemia, pre-diabetes, type 2 diabetes, metabolic syndrome or depression are eligible for this 12 week group exercise program. The goal of EIM is to increase confidence when it comes to making exercise a habit.

Q4  
**6**  
Completed the full program

ALL TIME  
**175**  
Completed the full program

Pre Program Cardiovascular Minutes (N=319)	Post Program	6 Month Post Program Cardiovascular Minutes (N=122)
Average 67 minutes per week	Average 137 minutes per week	Average 106 minutes per week
<b>104%</b>	increase in moderate intensity physical activity minute post program	
<b>58%</b>	increase in moderate intensity physical activity minutes 6 months post program	



### Diabetes Prevention Program (DPP)

We offer virtual programming for DPP.

**Weight loss %**  
4.79%

**Number of Participants**  
249

# MONTHLY WELLNESS THEMES

Monthly themes keep the wellness program fresh throughout the year and keeps members engaged in their individual wellness pursuit. Newsletters, e-blasts and worksite posters are used to introduce themes.



**Dakota Wellness Program**

### Kids Health

As parents and role models, we want the children in our lives to be healthy and take care of their bodies. However, we often overlook the importance of how we talk about health.

**Here are some tips to keep in mind when you talk about what it means to be healthy:**

- BE OBJECTIVE**  
Instead of, "Ice cream is bad" or "Exercise is good for you" try, "Ice cream gives you fast energy and helps your bones" or "Exercise can give you energy."
- ASK QUESTIONS**  
If your child asks you, "Is ice cream healthy?" or "My friend at school says \_\_\_\_ is unhealthy," Ask your child questions to help them think critically. "What do YOU think it means to be healthy?" or "How does your body FEEL when you eat ice cream?"
- USE POSITIVITY TO MOTIVATE, NOT FEAR**  
Teach your child what they can look for with healthy behaviors, instead of instilling fear of a negative outcome. "I love riding bike with you, it gives us a good time to tell stories!" instead of "We should exercise otherwise we won't be healthy."

Learn more in the **Dakota Wellness Program Newsletter.**




**Dakota Wellness Program**


### Positive Thinking

We may not realize the impact that positive thinking can have on our overall health and well-being. We may also not realize how our environment sometimes pre-determines us to think more negatively. By trying to think more positively, you can lower your stress, preventing chronic disease long-term.

**Here are a few ways to change your perspective to become more realistically positive.**

- Change your thought process from "I have to do this" to "I get to do this."**  
When things start to feel less like a chore and more like an opportunity, or something you are excited to do, you will likely have more positive feelings surrounding that activity.
- Allow yourself to experience negative emotions for a short amount of time. Then, try to counter it with a positive thought, or a "silver lining."**  
This allows you to be realistic about your emotions (It is normal to have positive and negative emotions as a human being!) while also building resiliency.

Learn more in the **Dakota Wellness Program Newsletter.**

**Dakota Wellness Program**


### Productivity at Work

There are many methods for being productive at work, but perhaps the most important is the ability to set healthy boundaries. Healthy boundaries around workload, breaks and leaving work at work when you go home for the day are especially important in maintaining an efficient workload.

**Here are some tips for setting healthy boundaries at work:**

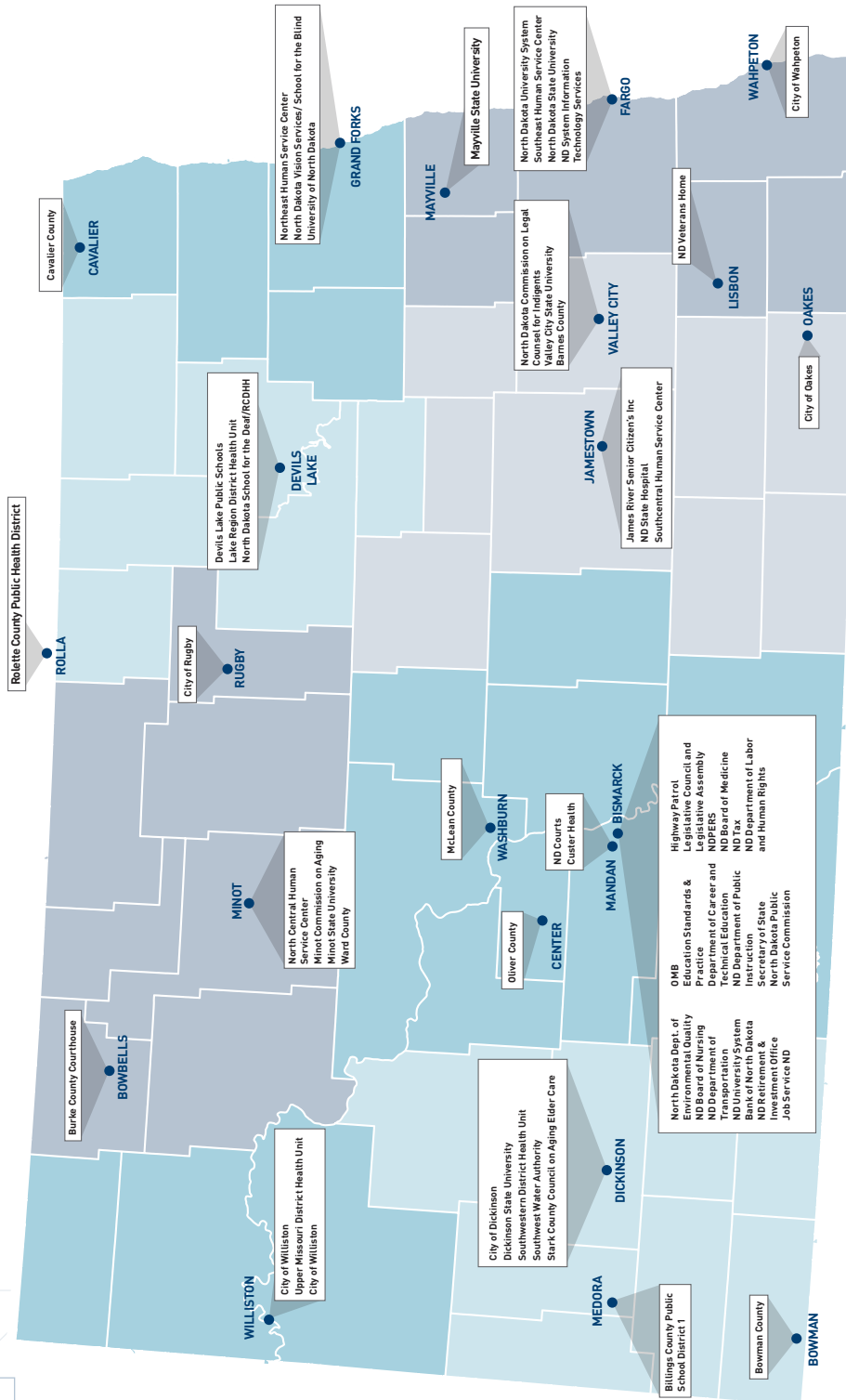
- TAKE REGULAR LUNCH BREAKS**  
Individuals who take their lunch breaks regularly tend to be more productive and more satisfied with their job.
- ENGAGE IN COMMUNAL LUNCHESES**  
Having lunch with others can increase social well-being and reduce tension in the office.
- TAKE A WALK OVER LUNCH**  
Exercising during the workday, not only improves well-being, it can also improve one's time management and workload completed on days when exercised.

Learn more in the **Dakota Wellness Program Newsletter.**



# EVENT ATTENDANCE BY AGENCY

The Sanford Health Plan NDPERS wellness team continues to engage members across the state, despite pandemic-related in-person restrictions. Wellness educators support agency wellness coordinators and provide worksite education and activities in a virtual format. This map shows where participants are from.



**TOTAL NUMBER OF AGENCIES VISITED (UNDUPLICATED)**

**56**

**PRESENTATIONS/EVENTS:**

- Healthy meals in a hurry
- Working from home that works
- Body mechanics
- Gratitude
- Promoting healthy behavior with positivity
- Financial flourishing
- Make it happen
- Nutrition and Hydration
- Overcoming stress
- Love your job
- Dakota wellness program

**TOTAL MEMBER ATTENDANCE THIS QUARTER:**

**2835**

- Oct Member Webinar: Healthy conversations, healthy kids
- Nov Member Webinar: Productivity at Work
- Dec Member Webinar: Realistic Productivity
- Oct Coordinator Webinar
- Nov Coordinator Webinar
- Dec Coordinator Webinar
- Sleep Challenge
- Discount and Funding Application Workshops
- Mindful eating

## Special Events

### 2022 Discount and Funding Application Workshops

#### Free Virtual meetings in November and December

Sanford Health Plan wellness team invited wellness agencies to take a deep dive into best practices for the discount and funding applications/wellness programming. Participants could ask questions in real time and fill out your own application ahead of the February 28th deadline.

Three sessions in November and December of 2022 were available, along with one-on-one planning sessions, and application review. This is the second year of providing this workshop to wellness coordinators.

- **27** agencies represented

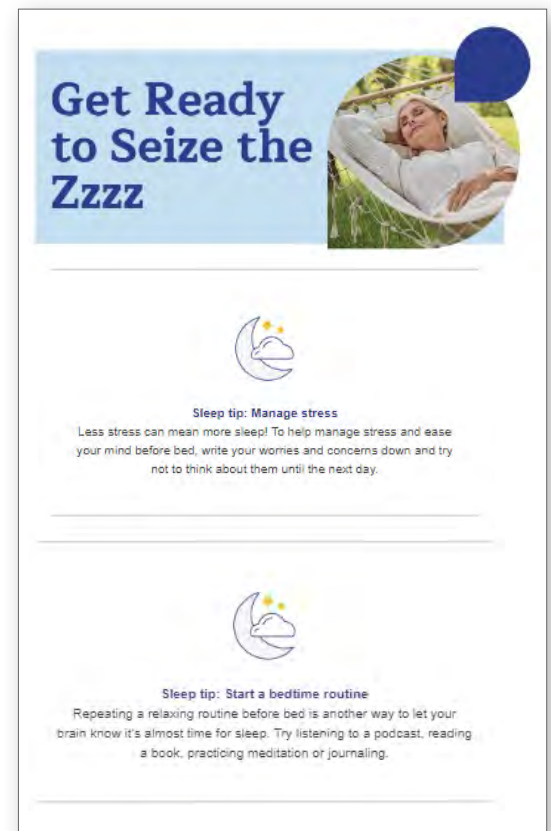
### Q4 Quarterly Wellness Challenge

#### Seize the Zzzz — Sleep challenge

Members tracked their sleep for 21 of 28 days between Nov. 16 and Dec. 13. If they got a good night's rest for 14 days, they earned 1,500 points towards their annual wellness benefit.

Members received weekly emails with tips to improve sleep habits.

- Total participation: **1,587**
- **20%** of challenge-eligible users

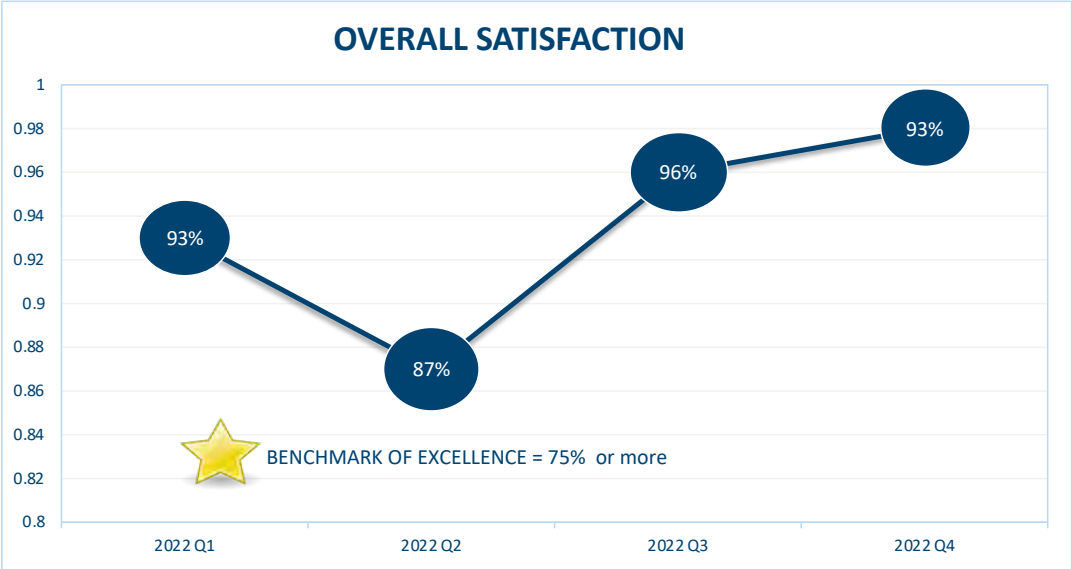


MEASURE	GOAL	OUTCOME REPORTING DATES	CURRENT
<b>WELLNESS:</b>			
Health risk assessment completion	17%	Mar. 31, 2023	17.51%
Worksite interventions agency participation	75%	Mar. 31, 2023	72.4%
Fitness center reimbursement participation	5%	Mar. 31, 2023	2.16%
Wellness redemption center payments	\$800,000	Mar. 31, 2023	\$129,564.00
Wellness redemption center rate	8%	Mar. 31, 2023	1.76%
<b>HEALTH OUTCOMES:</b>			
Healthy Pregnancy Program	27.98%	Mar. 31, 2023	26.7%
Diabetes Prevention Program	3%	Mar. 31, 2023	On Track
Exercise is Medicine Program	3%	Mar. 31, 2023	6.4%
Breast cancer screening rates	80%	Mar. 31, 2023	81.1%
Cervical cancer screening rates	85%	Mar. 31, 2023	78.5%
Colorectal cancer screening rates	60%	Mar. 31, 2023	59.6%
<b>PROVIDER NETWORK/CONTRACTING:</b>			
PPO network participation rate	Hospital, MDs & DOs: 92%	As of Dec. 31, 2022	100% Hospital 97% MD/DO
Par medical network minimum discount	30%	As of Dec. 31, 2022	43.64%
<b>CUSTOMER SERVICE &amp; CLAIMS:</b>			
Claims financial accuracy	99%	Mar. 31, 2023	99.99%
Claims payment accuracy	98%	Mar. 31, 2023	99.92%
Claim timeliness	99%	Mar. 31, 2023	99%
Claims procedural accuracy	95%	Mar. 31, 2023	99.64%
Average speed of answer	30 seconds	Mar. 31, 2023	31 seconds
Call abandoned rate	5% or less	Mar. 31, 2023	0.54%
First call resolution	95%	Mar. 31, 2023	96.19%
Written inquiry response time	95%	Mar. 31, 2023	99.17%
<b>PHARMACY &amp; FINANCIAL:</b>			
Prescription drug turnaround times	98%	Mar. 31, 2023	100%
About the patient program payment	5 days	Mar. 31, 2023	100%
Interest rate corrections	5 days	Mar. 31, 2023	100%

Performance Standards & Guarantees

2021-2023

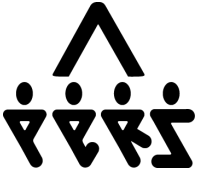
Survey Score



CASE MANAGEMENT				
JAN. 1, 2022 – DEC. 31, 2022				
Offered	Responded		Engaged	
2,319	1,227	52.90%	406	33.10%
Performance Metrics	Pre-enrollment	Post-enrollment	Difference	% Change
PMPM Medical Claims	\$6,408	\$3,649	\$2,759	43%
PMPM Pharmacy Claims	\$805	\$700	\$105	13%
Inpatient Visits/1000	714/1000	171/1000	543/1000	76%
Emergency Room Visits/1000	613/1000	472/1000	141/1000	23%







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Bismarck, North Dakota 58502-1657

**Scott A. Miller**  
Executive Director  
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Fax (701) 328-3920    Email [ndpers-info@nd.gov](mailto:ndpers-info@nd.gov)    Website [www.ndpers.nd.gov](http://www.ndpers.nd.gov)

# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               May 9, 2023

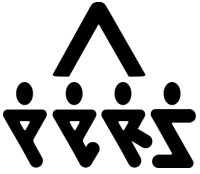
**SUBJECT:**           Public Safety Plan Employer Contribution Rate

Last October the Board approved employer contribution increases for the Public Safety plans. That memo is attached.

With the passage of HB 1309 (and, we presume, the necessary amendments to actually increase the multiplier to 3%), we need BCI-specific employer contribution rates. According to Bonnie Wurst from GRS, the BCI employer contribution should increase to 20.67% effective August 1, 2023, and then increase to 22.26% on January 1, 2024.

Further, with the passage of HB 1183, we need state-employer-specific employer contribution rates. Bonnie Wurst stated that the employer rate as a result of HB 1183 would be 12.75% effective August 1, 2023, and 14.34% effective January 1, 2024.

**Board Action Requested:** Approve the above employer contribution rate increases.



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

**Attachment**

**Scott A. Miller**  
Executive Director  
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1-800-803-7377

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# Memorandum

**TO:** NDPERS Board

**FROM:** Scott

**DATE:** October 25, 2022

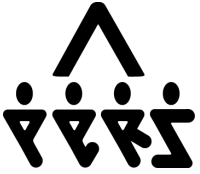
**SUBJECT:** Public Safety Plans Employer Contribution Rates

Most of the retirement plan contribution rates are set in statute by the Legislative Assembly. The two exceptions to that general rule are for our political subdivision Public Safety Plan (which is split into two plans, one for members with prior PERS service and one for members without) and our Bureau of Criminal Investigation/National Guard Public Safety plan. The employer contribution amounts for those plans is set by the Board at “an amount determined by the board to be actuarially required to support the level of benefits specified in section 54-52-17.” NDCC sections 54-52-06.3 (Political Subdivision Public Safety) and 54-52-06.4 (BCI/National Guard Public Safety).

Those amounts were originally set in 2015 and 2016, and have not needed adjustment since that time. However, in the draft valuation materials we received from GRS for the 7/1/22 valuation, it appears the employer contribution amount will need to be increased. While we will get the final numbers during the meeting, the draft materials indicate the employer contributions need to go up to 11.40% for the BCI/National Guard plan and the Public Safety with prior service plan (up from the current 9.81%), and up to 9.16% for the Public Safety without prior service plan (up from the current 7.93%).

Section 71-02-06-07 of the North Dakota Administrative Code provides guidance on the timeline for the Board to set these contributions: “The board shall set the employer's contribution rate on a biennial basis, but may adjust that rate if it is actuarially necessary to maintain appropriate funding levels.” The Attorney General's office will need to obtain the budgetary authority to pay these increased contributions for its BCI agents. As such, the earliest we could make the increase effective is July 1, 2023. However, because of Federal restrictions on contributions, it would be preferable to have any increase effective on January 1, 2024.

**Board Action Requested:** Approve the proposed increases for the three plans effective January 1, 2024.



# Memorandum

**TO:** NDPERS Board

**FROM:** Katheryne Korom

**DATE:** May 9, 2023

**SUBJECT:** Group Voluntary Vision Benefits Plan Request for Proposal (RFP)

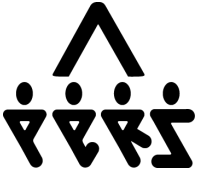
Rebekah Ferstadt and the team at Buck have completed their proposal review process. They will be available at the NDPERS Board meeting to review their findings and answer any questions.

Following are the key dates for the proposal process:

Date	Activity
February 1, 2023	RFP is issued.
February 24, 2023	Written questions regarding proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
March 10, 2023	NDPERS posts responses to all questions received.
March 31, 2023	Proposals must be received by NDPERS no later than 5:00 p.m. (CDT).
May 2023	NDPERS Board review of proposals.
June 2023	Finalist interviews and Best and Final Offers due, if deemed necessary by the NDPERS Board
End of August 2023	Selection and award of contract by NDPERS.

If you have any questions regarding the Group Voluntary Vision Benefits Plan Request for Proposal (RFP), we will be available at the NDPERS Board Meeting.

**Board Action Requested:** Select the vendors to interview at the June Board meeting.



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Katheryne Korom

**DATE:**               May 9, 2023

**SUBJECT:**           Employee Assistance Program (EAP)

There were six responses to the NDPERS EAP Request for Proposal (RFP). Four were existing providers: CHI St. Alexius Health, The Village, eni NexGen, and Live Well Solutions. There are also two new vendors that submitted a proposal: ComPsych and CuraLinc.

NDPERS staff reviewed the RFP proposals and recommend continuing with the four existing providers. Our recommendations on the two new proposals are below:

The ComPsych proposal requires a minimum of 250 covered employees per year with a minimum of 1 per agency for on-site employee orientation, on-site seminars, off-site seminars, and management training. Therefore, we found the ComPsych proposal does not meet the RFP requirements.

The CuraLinc proposal limits on-site employee orientation, on-site seminars, off-site seminars, and management training to a bank of 60 on-site service hours. CuraLinc also requested several contract language modifications and did not sign the required agreements. Therefore, we found the CuraLinc proposal does not meet the RFP requirements.

Attached is the summary minimum requirements matrix from each of the RFP responses.

As you recall, we use an agency-based approach for the EAP. Each state agency will select a single vendor for the 2023-2025 biennium.

Staff will send out the EAP information to the providers and agencies after the NDPERS Board meeting. NDPERS will work with the vendors to present their program information on the NDPERS website.

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

**Board Action Requested:**

Approve the EAP vendors as agency choices for the 2023-2025 biennium.

Attachment

EAP Features	Minimum	Vendor
EAP Established	1 year	The CHI St. Alexius Health Employee Assistance Program (EAP) was established in 1982.
Number of Annual Sessions Per Individual	6	The CHI St. Alexius Health EAP will continue to exceed the minimum number of annual sessions. We will provide up to eight (8) sessions per individual, per year, per assessed issue. When couple or family sessions are provided, participation in these sessions will be counted towards the individual eligibility of each participant.
Number of Annual Sessions Per Incident	6 (Full Individual Minimum)	Should the same plan member return to the EAP based on another incident, a second counseling intervention would be provided to the plan member based on this new incident. For each incident, assuming the incidents are different and unrelated from previous incidents, based on professional assessment, the plan member could be eligible to receive eight additional sessions.
Coverage	Employee and Dependents	We provide coverage for employee spouses and/or dependent children under age 26, living either in home or out-of-home as defined by statute. Retirees are covered during 3 months post retirement. Employees impacted by Reduction in Force (RIF) are covered during 3 months post RIF separation from agency.  *Per email – all children are covered as specified in the RFP.
Staffing	Licensed Social Workers	All of the EAP clinical staff exceed the minimum licensing requirements. All EAP clinicians are fully licensed by the Board of Counseling, Social Work or Addiction. Some of the clinicians are licensed by more than one Board. All North Dakota state licensure standards are met.

EAP Features	Minimum	Vendor
Appointment Timing	Within 72 hours	Within 24-48 hours.
Emergency Appointments	Within 24 hours	Within 16 hours.
Weekend/Holiday Appointments	Emergency	Emergency
1-800 number	Minimum one line	The CHI St. Alexius Health EAP 1-800 line is a dedicated "T-1" line. This line has 24 incoming channels which could be accessed simultaneously by individuals calling in to the program.
Phone Counseling	Minimum one staffed line	Phone counseling is available 24 hours a day and seven days a week, holidays included. The phone counseling is staffed by the EAP clinicians.
24 hour Crisis 'Hot' Line Staffing	Minimum one staffed line by LSW	This minimum requirement is exceeded. All EAP clinicians who staff the Crisis 'Hot' Line are fully licensed by the Board of Counseling, Social Work or Addiction. Some of the clinicians are licensed by more than one Board. All North Dakota state licensure standards are met.
On-site Employee Orientation	1 per year (Smaller groups may be combined)	1 per quarter if requested. Will continue to fill all agency requests.
On-site Seminars	None, except as noted in IV, A, 1, c & d	All seminar requests will be encouraged and considered. In addition, we will participate in all NDPERS functions as noted in NDPERS EAP RFP, IV, A,1,c & d.
Off-site Seminars	None, except as noted in IV, A,1, c & d	The CHI St. Alexius Health EAP provides "Enhancing Excellence in the Workplace" series consisting of leadership training and all staff educational presentations. The trainings and presentations are offered three times per year using convenient webinar technology. The trainings and presentations are offered as a courtesy to the agency or personnel who participate. In addition, we will participate in all NDPERS functions as noted in NDPERS EAP RFP, IV, A,1,c & d.
Management Training	Minimum Requirements: Stress, Conflict, Crisis, Change Management	The CHI St. Alexius Health EAP provides management training through the "Enhancing Excellence in the Workplace" and offers onsite training on an as requested or as needed basis. Additional management training topics are available as well.



EAP Features	Minimum	Vendor
Management Consulting	Available to all supervisory/management staff	The CHI St. Alexius Health EAP provides extensive management consultation to all agencies covered by the program. The EAP staff is experienced in dealing with challenging work site problems and includes these services as an integrated component available to all administrators, managers and supervisors. Consultations can be done over the phone, in face-to-face sessions or via email.
Additional/Specialty Services Available	@ Additional Cost	At additional cost with authorization from agency designee.
Employee Newsletters Supervisory Newsletters Internal Marketing Material (i.e., payroll stuffers, posters, etc.)	Quarterly Biannually As needed	All minimums exceeded. Six times a year the email publication Health @ Work is provided to all agencies and it employees provided that access to emails has been provided. This publication will include Professional and Supervisory Updates, Occupational and Wellness information and calendar of pertinent medical events. Informational brochures, posters and wallet cards are distributed. Additional informational materials are available as requested.
Agency Reporting - Utilization	Quarterly with Annual to Date	All minimums exceeded. Customized utilization reports will continue to be made available to the agencies as requested.  *Per email – A survey will be used to gauge customer satisfaction.
Price	\$1.54 Maximum	\$1.54
OTHER UNIQUE FEATURES		ZOOM a HIPAA compliant internet based, counseling is offered for the convenience of all employees. All EAP clinicians providing ZOOM counseling services are fully licensed by the Board of Counseling, Social Work or Addiction. All employees have access to helpful resources via the CHI St. Alexius Health EAP website at <a href="https://www.chistalexiushealth.org/bismarck/facilities/employee-assistance-program">https://www.chistalexiushealth.org/bismarck/facilities/employee-assistance-program</a>  EAP is part of the Company Care Network providing access to other services related to occupational medicine, ergonomic, wellness, and physical therapy. These related services are provided at additional

EAP Features	Minimum	Vendor
		costs to the agency. Some ergonomic services may be partially covered by WSI programs working in conjunction with Company Care Physical Therapists.

<b>EAP Features</b>	<b>Minimum</b>	<b>Vendor</b>
EAP Established	1 year	40+ Years
Number of Annual Sessions Per Individual	6	8 Session Model
Number of Annual Sessions Per Incident	6 (Full Individual Minimum)	8 sessions per incident
Coverage	Employee and Dependents	Employees, their dependents, and immediate family members.
Staffing	Licensed Social Workers	LSW, MSW, LMSW, LPC, Marriage and Family Therapists, DOT SAP, and many more
Appointment Timing	Within 72 hours	Appointments are made within 24-72 hours of initial contact. Depending on the service and schedule of the individual will determine when the appointment occurs.
Emergency Appointments	Within 24 hours	Emergency appointments are handled in the moment or within 24 hours.
Weekend/Holiday Appointments	Emergency	Yes, we offer weekend/holiday appointments and outreach, the same is for emergency contact during holidays and weekends.
1-800 number	Minimum one line	Yes, we provide a dedicated 800 number.
Phone Counseling	Minimum one staffed line	Yes, we offer phone counseling, and our Life Service Navigators are able to provide in the moment support if it is needed.
24-hour Crisis 'Hot' Line Staffing	Minimum one staffed line by LSW	Yes, our staff line is always open and LSW readily available to assist callers.
On-site Employee Orientation	1 per year (Smaller groups may be combined)	Yes, we will provide on-site employee orientation; additionally, we offer virtual orientations.
On-site Seminars	None, except as noted in IV, A, 1, c & d	Yes, we offer on-site seminars at an additional cost; additionally, we offer virtual seminars.
Off-site Seminars	None, except as noted in IV, A, 1, c & d	Yes, we offer off-site seminars at as an additional service at an additional fee.
Management Training	Minimum Requirements: Stress, Conflict, Crisis, Change Management	Our MLS system has virtual management training, and we can

		offer orientations throughout the year at no additional cost. Additional management training is an additional/optional service.
Management Consulting	Available to all supervisory/management staff	Yes, management consulting is available to all supervisory/management staff.
Additional/Specialty Services Available	@ Additional Cost	Additional Grief and Trauma Response CISD - \$375/hour Organizational Training Sessions - \$375/hour DOT-SAP Management - \$850 – 2 EAP Sessions Telehealth - \$3.00 PEPM Mediation Services - \$350/hour Mindfulness Leadership Institute – Pricing available upon request.
Employee Newsletters Supervisory Newsletters Internal Marketing Material (i.e., payroll stuffers, posters, etc.)	Quarterly Biannually As needed	Yes, eni provides a monthly wellness newsletter that is available to all employees and supervisors; this can be provided as needed.
Agency/NDPERS Reporting - Utilization - Survey	Agency Quarterly with Annual to Date Aggregate annual report on utilization and member satisfaction to NDPERS.	Yes, eni provides quarterly and annual utilization reports and satisfaction reports.
Price	\$1.54 Maximum	\$1.40 PEPM
OTHER UNIQUE FEATURES		800# Web and Mobile access Members can now Self-Scheduling Platform <b>NEW!</b>  Self-Guided Tools and Resources Our Pathways to Self-Care allow access to over 5,000 tools and resources for those members who want to journey on their own specific mental wellbeing challenges. <b>NEW!</b>  Behavioral Life Coaching is our newest enhancement and can connect members to one-on-one coaching by Telephone and Video usually with 24-72 hours. Clinical Therapists continue to be available F to F, Telephonically, and Video. <b>NEW!</b>



# LIVE WELL SOLUTIONS

EAP Features	Minimum	Vendor
EAP Established	1 year	Exceeds Live Well Solutions was formed in 2008.
Number of Annual Sessions Per Individual	6	Exceeds Live Well Solutions agrees to provide 6 sessions. Additional session models are available at client's request.
Number of Annual Sessions Per Incident	6 (Full Individual Minimum)	Meets/Exceeds Live Well Solutions agrees to provide 6 sessions per incident. Additional session models are available at client's request.
Coverage	Employee and Dependents	Meets/Exceeds Live Well Solutions is willing to extend services to all household members.
Staffing	Licensed Social Workers	Meets/Exceeds Staff is either Licensed Social Workers, Licensed Clinical Counselor or PHD level Licensed Psychologists
Appointment Timing	Within 72 hours	Meets/Exceeds
Emergency Appointments	Within 24 hours	Meets/Exceeds
Weekend/Holiday Appointments	Emergency	Meets/Exceeds
1-800 number	Minimum one line	Meets/Exceeds
Phone Counseling	Minimum one staffed line	Meets/Exceeds Live Well Solutions provides 24/7 access to Master's level counselors for "in the moment" support when ever needed.
24 hour Crisis 'Hot' Line Staffing	Minimum one staffed line by LSW	Meets/Exceeds Live Well Solutions provides 24/7 access to Master's level counselors for "in the moment" crisis support whenever needed.
On-site Employee Orientation	1 per year (Smaller groups may be combined)	Meets/Exceeds Live Well Solutions will provide annual employee orientations.
On-site Seminars	None, except as noted in IV, A, 1, c & d	Meets/Exceeds Live Well Solutions is offering 4 bundled hours to be used for additional training.

EAP Features	Minimum	Vendor
Off-site Seminars	None, except as noted in IV, A,1, c & d	Meets/Exceeds Live Well Solutions is offering 4 bundled hours to be used for additional training.
Management Training	Minimum Requirements: Stress, Conflict, Crisis, Change Management	Meets/Exceeds In addition to annual management training, Live Well Solutions is offering 4 bundled hours to be used for additional training.
Management Consulting	Available to all supervisory/management staff	Meets/Exceeds
Additional/Specialty Services Available	@ Additional Cost	24 Hour Nurseline \$.41 pepm. Healthy Workplace Wellness Program \$.95 pepm. CISD Services \$350 per hour. Additional Training \$200 per hour
Employee Newsletters Supervisory Newsletters Internal Marketing Material (i.e., payroll stuffers, posters, etc.)	Quarterly Biannually As needed	Meets/Exceeds Live Well Solutions provides monthly tip sheets and webinar posters to all customer contacts.
Agency Reporting - Utilization	Quarterly with Annual to Date	Meets/Exceeds *Per email – satisfaction surveys for clients will be utilized.
Price	\$1.54 Maximum	\$1.54
OTHER UNIQUE FEATURES		Live Well Solutions provides work/life legal, financial, child care, elder care and daily living referrals and support. In addition, Live Well Solutions provides monthly webinars that coincide with the monthly topical tip sheets provided. Webinars are available on the Live Well Solutions EAP website for 5 years; which equates to a minimum of 60 webinar topics available on demand.  Live Well Solutions' VP Kyle Agre brings 24 years of EAP experience serving customers, assisting leadership teams and supporting critical incident scenarios, when time is at a premium.



# EMPLOYEE ASSISTANCE PROGRAM

EAP Features	Minimum	Vendor
EAP Established	1 year	1972
Number of Annual Sessions Per Individual	6	Minimum of 8 sessions per household and a total of four sessions per household member. The number of sessions are combined to be used as needed within the scope of EAP (for example, a household of four would have 16 sessions and one person could use all 16 if needed)
Number of Annual Sessions Per Incident	6 (Full Individual Minimum)	No household will have fewer than 8 sessions (in office or web-based sessions)
Coverage	Employee and Dependents	All employees, employee dependents, and employee household members
Staffing	Licensed Social Workers	Master's degree in a human services field, licensed in the state they practice and meet requirements to be an approved Village network provider
Appointment Timing	Within 72 hours	Within 72 hours
Emergency Appointments	Within 24 hours	Within 24 hours
Weekend/Holiday Appointments	Emergency	Emergency
1-800 number	Minimum one line	23 Lines
Phone Counseling	Minimum one staffed line	7 staffed for emergencies-mental health  3 staffed for Financial counseling  Law phone also staffed
24 hour Crisis 'Hot' Line Staffing	Minimum one staffed line by LSW	7 staffed lines by Master's level LSW mental health professionals
On-site Employee Orientation	1 per year (Smaller groups may be combined)	1 minimum, also as necessary throughout the year
On-site Seminars	None, except as noted in IV, A, 1, c & d	All as noted in IV,A, 1, c & d  <b>IN-PERSON On-site</b> orientations for employees & supervisors <b>PLUS:</b>  -1 hour of <b>web-based on-demand</b> training from the Village training library per agency per year, 1 additional hour for every 500 FTE per agency.  -VBI employs multiple professional trainers  -Participate when requested in organizational on-site Health Fairs
Off-site Seminars	None, except as noted in IV, A,1, c & d	None, except as noted in IV, A,1, c & d



EAP Features	Minimum	Vendor
Management Training	Minimum Requirements: Stress, Conflict, Crisis, Change Management	Stress, Conflict, Crisis, Change Management See unique features below or visit: TheVillageFamily.org/Training
Management Consulting	Available to all supervisory/management staff	Supervisor Help-Line available to all Supervisor/Management Staff
Additional/Specialty Services Available	@ Additional Cost	Formal Referrals for DFWP or Performance Issues, Crisis Service Management, Mediation, Investigations, Human Resources Services Consulting, Job Coaching, Leadership Coaching, Employee Engagement Surveys. All services at a reduced NDPERS EAP rate.
Employee Newsletters Supervisory Newsletters Internal Marketing Material (i.e., payroll stuffers, posters, etc.)	Quarterly Biannually As needed	Monthly (electronic) Quarterly (electronic) Payroll Stuffers/Internal Ads (electronic) Supervisor Guide (electronic) Posters - Minimum annual - As Needed (electronic)
Agency/NDPERS Reporting - Utilization - Survey	Agency Quarterly with Annual to Date Aggregate annual report on utilization and member satisfaction to NDPERS.	Quarterly with Annual Date -100% ongoing currently  - Utilization numbers are based on direct services to clients, face-to-face counseling sessions, complete financial assessment, conversation with an attorney, and education class attended.
Price	\$1.54 Maximum	\$1.54
OTHER UNIQUE FEATURES		1 step access, Statewide service network, Accredited by Council on Accreditation; Wellness offerings – Health Risk Assessment, Nutrition Counseling, Web-Based Counseling Available in ND

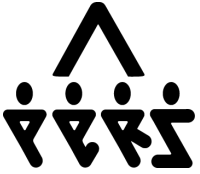
## OTHER UNIQUE FEATURES

1. The Village Business Institute EAP is a full-service, comprehensive employee assistance program. Access to VBI EAP services features a one-step access to our statewide network of Village offices and affiliate providers through our professional intake staff using our toll-free line 800-627-8220. All clinical, mental health counseling

staff providing EAP services in Village offices are Master's level mental health professionals, far exceeding the LSW requirements of the RFP. The 24-hour crisis staff also carries these credentials. The Village Family Service Center staff includes over 100 mental health professionals.



2. We offer a barrier-free intake process to make appointments for EAP services. Highest confidentiality standards are in place. We are in full compliance with all Federal Health Insurance Portability and Accountability Act. (HIPAA). A counselor is available 24 hours a day, 365 days a year. No matter when a client calls a counselor is available to speak with them.
  3. We are licensed in the state of North Dakota to deliver web-based counseling services as an option for our clients.
  4. The Village Business Institute's EAP offers a full range of financial counseling for all employees and their household members through our Financial Resource Center. Financial counseling may be accessed face-to-face, via the internet, or telephone. All financial counselors are Certified Consumer Credit Counselors under the National Foundation for Credit Counseling (NFCC), the highest certifying board of the credit counseling industry.
  5. Individual wellness programs and educational workshops are available to employees and their household members. The Village Business Institute's EAP plans are designed with wellness and productivity in mind. Employees and their household members access services by request. Identified problems are not required to obtain services. EAP services are available to assist employees in improving their wellbeing and reduce the potential of problems occurring or worsening. Examples of these individual wellness education classes are: Stress Management, Anger Management, Parenting the Love & Logic Way, Relationships 101, Mindfulness, Drug & Alcohol Education, Money Control. VBI also offers a Health Risk Assessment in addition to nutrition counseling.
  6. We also offer an EAP website - VillageEAP.com (case-sensitive password: VillageEAP) that is a resource for many areas of wellness. This site offers a variety of assistance and resources for employees, employers, and affiliates. The website is very comprehensive with an archive of VBI newsletters and provides the user the opportunity to contact The Village Business Institute's EAP with questions, comments, and feedback.
  7. The Village Business Institute EAP will provide organizational support services. The Village Business Institute EAP staff will be available for intervention, assessment, referrals, consultations, and case management with supervisors or employees regarding problems in the work place. This staff stands ready to work with agencies in areas of alternative dispute resolution, harassment, and violence in the workplace, critical incidents, work performance, and change in management.
  8. Management consultation through the Supervisory Help Line is unlimited under The Village Employee Assistance Program. Issues related to supervision, management, human resources, human behavior, etc. can all be addressed with our Help Line staff. We also offer a team of consultants for investigations, mediation and management coaching. Again, on-site supervisor orientation is included in the program. Other supervisor/employee training is available, and includes one hour of on-demand training for each agency, and an additional on-demand web based one hour per 500 covered employees per agency. Check out the VBI training link for additional information: [TheVillageFamily.org/Training](http://TheVillageFamily.org/Training). Additional training hours can be purchased from VBI for a reduced EAP rate.
- Topics include but are not limited to:
- Team Training & Development – Conflict Resolution; Effective Communication; Team Building; Intergenerational Teams; Dealing with Difficult Personalities; Workplace Diversity; Unintended Bias
  - Supervisory Training & Development – Supervisor Basics; Leading Effective Teams; Developing the Leader in You; Creating a Culture of Accountability; Performance Management
  - Compliance Training – Drug-Free Workplace; Reasonable Suspicion; Preventing Harassment; Handling Harassment Complaints; Workplace Violence; Bullying
  - Employee Training & Development – Overcoming Negative Attitudes; Understanding Your Communication Style; Serving the Difficult Customer; Providing Exceptional Customer Service; Emotional Intelligence
  - Wellness Training – Stress Management; Handling Personal Change; Work/Life Balance; Money Management; Mindfulness; Compassion Fatigue/Burnout; Sleep Wellness



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Katheryne Korom

**DATE:**               May 9, 2023

**SUBJECT:**           Life Insurance Plan Contract

At the March Special meeting, the Board approved the contract for the NDPERS group life insurance plan with Voya Financial. The renewal was approved for July 1, 2023, through June 30, 2025 contract period. The attached contract was drafted by NDPERS legal staff and approved by representatives from ReliaStar Life Insurance Company. ReliaStar Life Insurance Company is the contracting entity for Voya Financial.

**Board Action Requested:** Approve the contract for the NDPERS group life insurance plan for July 1, 2023, through June 30, 2025 contract period.

Attachment

# EXHIBIT A

An Insurance Proposal for:

## North Dakota Public Employees Retirement

December 15, 2022



### Presented To:

Direct - No Broker

### Presented By:

Adam Bessette

Ryan Stow

Voya Employee Benefits

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# A Proposal for North Dakota Public Employees Retirement

## By Your Side

At Voya Financial®, our mission is to make a secure financial future possible for all Americans — one person, one family, one institution at a time. Accomplishing this mission means helping individuals both save for and mitigate risk so that they can protect their retirement assets, now and in the future. As part of this vision, Voya Employee Benefits offers group and voluntary insurance options that can offer employees and their families' financial protection. Insurance is provided by ReliaStar Life Insurance Company, a member of the Voya® family of companies.

## Why work with Voya Employee Benefits

Our focus on superior customer service can be seen in the flexible approach we take when building solutions. With Voya Employee Benefits, you don't have to try to make a product fit your needs. Instead, we'll start tailoring a solution for you.

## Our Products and Services

### Stop Loss Insurance

- Individual Excess Risk
- Aggregate Excess Risk

### Supplemental Health Insurance

- Critical Illness/Specified Disease
- Accident
- Hospital Indemnity

These are limited benefit policies. They are not health insurance and do not satisfy the requirement of minimum essential coverage under the Affordable Care Act.

### Life Insurance

- Group Term Life
- Whole Life

### Disability Income Insurance

- Voluntary Short Term Disability
- Short Term Disability Income Insurance
- Long Term Disability Income Insurance

### Value Added Services\*

- Employee Assistance Program
- Voya Travel Assistance
- Funeral Planning, Will Prep and Concierge Services
- HealthChampion® Plus

\*Services and availability may vary by product and state.

This is a summary only. The policy, certificate and riders should be reviewed for complete provisions, conditions on benefit determination, exclusions and limitations. Insurance is provided by ReliaStar Life Insurance Company (Minneapolis, MN), a member of the Voya® family of companies. Product availability and specific provisions may vary by state.

### Leave Management Services

- Voya Leave Management

### Health Savings and Spending Accounts

- Health Savings Account
- Health Flexible Spending Account (FSA)
- Limited Purpose FSA
- Dependent Care FSA
- Commuter Benefit Accounts
- COBRA Administration
- Direct Billing

### myHealthMoney

- Product-agnostic decision support tool

Voya Leave Management services are provided in part by Disability Reinsurance Management Services, Inc.

Employee Assistance Program (EAP) services and HealthChampion® Plus are provided by ComPsych® Corporation, Chicago, IL.

Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD.

Funeral Planning, Will Prep and Concierge Services are provided by Everest Funeral Package, LLC, Houston, TX.

Health Savings and Spending Accounts, including Health Savings Accounts, Flexible Spending Accounts, Commuter Benefits, Health Reimbursement Arrangements, and COBRA Administration offered by Voya Benefits Company, LLC (in New York, doing business as Voya BC, LLC). Administration services provided by WEX Health, Inc., and Benefit Strategies, LLC.

This highlights some of the benefits of these accounts. If there is a discrepancy between this material and the plan documents, the plan documents will govern. WEX Health, Inc. reserves the right to amend or modify the services at any time.

The amount saved in taxes will vary depending on the amount set aside in the account, annual earnings, whether or not Social Security taxes are paid, the number of exemptions and deductions claimed, tax bracket and state and local tax regulations. Check with a tax advisor for information on whether your participation will affect tax savings. None of the information provided should be considered tax or legal advice.

Voya is making available to you the myHealthMoney software offered by SAVVI Financial, LLC (“SAVVI”). Voya Financial, the parent company of Voya, and a number of other Voya Financial affiliates, have financial and business relationships with SAVVI which create an incentive for Voya to promote SAVVI’s products and services. You should access and read SAVVI’s Firm Brochure which is available at this link: <https://www.savvifi.com/legal/form-adv>. It contains general information about SAVVI’s business, including conflicts of interest.

A Life Insurance Proposal for:

# North Dakota Public Employees Retirement

December 15, 2022



## Presented To:

Direct - No Broker

## Presented By:

Adam Bessette

Ryan Stow

Voya Employee Benefits

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Outline of Benefits

This is a summary of certain benefit and rating features associated with this proposal. More detailed information about our products and benefits is available upon request.

This proposal assumes that our term life product is being offered as a stand-alone supplemental life product. If any other supplemental life product is offered in conjunction with this term life product, underwriting parameters and issue limits are subject to change.

### 7/1/2023 Life Renewal

#### Basic Life and Accidental Death and Dismemberment (AD&D) Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees</b>		
Life	A flat amount of \$7,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Basic Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
<b>Retirees</b>		
Life	A flat amount of \$1,300.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Basic Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.

#### Supplemental Life and Accidental Death and Dismemberment (AD&D) Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees</b>		
Life	First increment \$3,000 (for a total of \$10,000 with Basic Life), then \$5,000 increments to a combined Basic/Supplemental maximum of \$400,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Supplemental Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.



# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Retirees		
Life	First increment \$3,700 (for a total of \$5,000 with Basic Life), then \$5,000 increments to a combined Basic/Supplemental maximum of \$400,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Supplemental Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.

### Supplemental Spouse Life Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees and Retirees</b>		
Life	50% of the employee's Supplemental Life insurance amount, not to exceed \$200,000.	No Reductions. Coverage terminates when the spouse is no longer eligible.

### Supplemental Family Life Insurance

	Option 1	Option 2
Spouse	\$2,000	\$5,000
Children Live birth to age 26	\$2,000	\$5,000
No Reductions. Coverage terminates at retirement unless retiree coverage is provided. Spouse and child coverage terminates when the spouse or child is no longer eligible.		

### Supplemental Family Life Insurance

	Option 3	Option 4
Spouse	\$7,000	\$10,000
Children Live birth to age 26	\$7,000	\$10,000
No Reductions. Coverage terminates at retirement unless retiree coverage is provided. Spouse and child coverage terminates when the spouse or child is no longer eligible.		

### Combined Basic and Supplemental Life Maximum(s)

Classification	Combined Maximum(s)
Active Employees	\$400,000
Retirees	\$400,000

### Combined Basic and Supplemental Accidental Death and Dismemberment (AD&D) Maximum(s)

Classification	Combined Maximum(s)
Active Employees	\$400,000
Retirees	\$400,000

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Eligibility		
Classification	Eligibility Waiting Period	Eligibility Definition
Active Employees	End of the month in which you begin active employment	20 Hours/Week
Retirees	None.	None.

Rider form numbers (may vary by state):

Spouse Life Insurance Rider form #: LR14GP-SPR-2

Children's Life Insurance Rider form #: LR14GP-CHR-2

Accidental Death & Dismemberment Rider form #: LR14GP-ADD-2

Accelerated Death Benefit Rider form #: LR14GP-ABR

Portability Rider form #: LR14GP-PTS-2

Waiver of Premium Rider form #: LR14GP-WOP-2

Continuation of Insurance Rider form #: LR14GP-CNT-2

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Estimated Monthly Cost

#### 7/1/2023 Life Renewal

#### Basic Life and AD&D Insurance and Added Services

Coverage	Cost/Employee	Units	Monthly Cost
Basic Life Actives	\$0.245 *	18,946	\$4,641.77
Basic Life Retirees	\$4.300	3,305	\$14,211.50
AD&D Actives	\$0.035	18,946	\$663.11
AD&D Retirees	\$0.020	3,305	\$66.10
<b>Total Estimated Monthly Cost</b>			<b>\$19,582.48</b>

\* Cost includes Basic Life and the following non-insurance services: Voya Travel Assistance, and Funeral Planning, Will Prep, and Concierge Services.

#### Supplemental Life Insurance

Age	Employee Rates/\$1,000	Spouse Rates/\$1,000
Under 20	\$0.02	\$0.03
20-24	\$0.02	\$0.03
25-29	\$0.02	\$0.03
30-34	\$0.03	\$0.04
35-39	\$0.05	\$0.06
40-44	\$0.07	\$0.09
45-49	\$0.09	\$0.11
50-54	\$0.15	\$0.17
55-59	\$0.32	\$0.33
60-64	\$0.50	\$0.51
65-69	\$0.97	\$0.98
70+	\$1.61	\$1.61

#### Supplemental AD&D Insurance

Coverage	Rates/\$1,000
Actives & Retirees	\$0.01

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Supplemental Life Insurance

Coverage	Rates/Unit per Month
Option 1 Spouse and Children	\$0.20
Option 2 Spouse and Children	\$0.50
Option 3 Spouse and Children	\$0.70
Option 4 Spouse and Children	\$1.00

For individuals who choose to port their coverage, a different rate schedule will apply.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Account Assumptions

#### 7/1/2023 Life Renewal

	Basic Life and AD&D	Supplemental Life and AD&D
Effective Date	July 1, 2023	
Proposal Expiration Date	June 30, 2023	
Situs State	North Dakota	
	Basic Life and AD&D	Supplemental Life and AD&D
Commissions	Basic Life: Net AD&D: Net	Supplemental Life: Net AD&D: Net
Eligible Employees	18,946	18,946
Retired Eligible Employees	3,305	3,305
Accelerated Death Benefit	Included for all employee Basic and Supplemental Life Coverage	
Life Expectancy	12 months	
Continuous Confinement	Included	
Minimum Benefit	\$10,000	
Maximum Benefit	\$200,000	
% of Face Amount	75%	
Portability	Included	Included
	Maximum total coverage eligible to be ported is the lesser of \$750,000 or 5 times Basic Yearly Earnings. Coverage must be ported prior to age 70.	
Continuity of Coverage (Change of Insurance Carrier)	Included	Included
Conversion	Included	Included
Funding	Pooled	Pooled
Rate Guarantee	24 months	24 months
Administration	Employer	Employer
Employer Contribution	100%	0%
Employee Participation	100%	0%
Minimum Participation Required	100%	20% covered employees required to establish a Supplemental Life Plan. See Evidence of Insurability page for further participation requirements.
Suicide Exclusion	N/A	1 year on contributory Employee, Spouse, and Children Life

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Waiver of Premium	Included for Employee Coverage	Included for Employee Coverage
Waiver Waiting Period	9 months. However, the waiting period will be waived when we begin paying an LTD or ADB claim.	9 months. However, the waiting period will be waived when we begin paying an LTD or ADB claim.
Waiver Age at Disability	Must be totally disabled prior to age 60 to qualify	Must be totally disabled prior to age 60 to qualify
Waiver Termination	Earlier of employee's age 65, the date of recovery, or the date the employee does not provide proof of total disability as requested.	Earlier of employee's age 65, the date of recovery, or the date the employee does not provide proof of total disability as requested.
Voya Travel Assistance	Included	
Funeral Planning, Will Prep, and Concierge Services	Included: Level 1 Employee, Spouse & Children	
AD&D	24-hour Coverage	
AD&D Enhancements for Basic and Supplemental AD&D	<b>Included</b> Airbag use Coma Exposure and Disappearance Safety Belt use Transportation/Repatriation	<b>Included (Employee Only)</b> Child education Child Care Line of duty Occupational assault Spouse education

This is a summary of certain benefit and rating features associated with this offer. A complete description of benefits, limitations, exclusions and termination of coverage will be provided in the certificate of insurance and riders. All coverage is subject to the terms and conditions of the group policy. If there is any discrepancy between this document and the group policy documents, the policy documents will govern. To keep coverage in force, premiums are payable up to the date of coverage termination. Group Term Life Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, Minnesota), a member of the Voya® family of companies. Policy form #: LP14GP, Certificate form #: LC14GP-2. Form numbers, provisions and availability may vary by state.

Note: Non-insurance services included in this proposal: Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD. Funeral Planning, Will Prep, and Concierge Services are provided by Everest Funeral Package, LLC, Houston, TX.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Assumptions and Exclusions

#### 7/1/2023 Life Renewal

#### Group Term Life Product Assumptions

- Rates may be adjusted with enrollment shifts of 15% or more.
- Any changes may require an adjustment to the Life and AD&D rates.
- All claims are paid in U.S. dollars.
- Individuals who are U.S. Citizens and are assigned outside of the U.S., or Foreign Nationals, will not be covered by this policy.
- For any grandfathered coverage, a listing of current participants including name, DOB, and amount of insurance must be provided and approved.
- This proposal assumes our standard contract language.
- Spouse coverage includes domestic partners as defined.
- This proposal assumes pricing of basic and supplemental coverage together. Underwriting approval would be required for a quote of either coverage separately.
- Retirees are not eligible for Voya Travel Assistance.
- Retirees are not eligible for Funeral Planning and Concierge Services.
- If included, commission for Supplemental Spouse Life, Children Life, and AD&D coverage match the commissions for Employee Supplemental Life and AD&D.
- Implementation fees may be paid for reasonable costs directly associated with the initial implementation of our products. All fees must be requested and approved during the proposal process. Prior to any system work beginning, an estimate of hours and cost for the work to add our products must be provided to us for review and approval to cover the associated fees. We cannot guarantee fees will be covered without this estimate being provided and approved. We will only remit payment directly to the selected vendor providing services, and will not provide payment to an employer. We do not pay fees on behalf of the employer that the employer would have otherwise incurred unrelated to our products, nor will we issue credits against premiums for implementation fees.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### AD&D Exclusions (may vary by state)

Benefits are not payable for any loss caused or contributed to by any of the following:

- Suicide or attempted suicide, or intentionally self-inflicted injury, regardless of mental capacity.
- Disease or infirmity of mind or body, or medical and surgical treatment for such disease or infirmity.
- An infection, other than an infection that is a direct result or consequence of an Accidental Injury.
- War or any act of war, whether declared or undeclared, other than acts of terrorism.
- Accidental Injury that occurs while on full-time active duty as a member of the armed forces of any country or subdivision thereof. We will refund, upon written notice of such service, any Premium that has been accepted under this rider for any period not covered as a result of this exclusion.
- Active participation in a riot, insurrection or terrorist activity.
- Committing or attempting to commit a felony.
- Participation in an illegal occupation or activity.
- Intoxication as defined by the jurisdiction where the accident occurred.
- Voluntary intake or use by any means of any drug, other than those prescribed or administered by a Doctor and taken in accordance with the Doctor's instructions or an over-the counter drug taken in accordance with the manufacturer's instructions.
- Voluntary intake or use by any means of poison, gas or fumes, unless a direct result of an occupational accident.
- Travel in or descent from an aircraft, if the Covered Person acted in a capacity other than as a passenger.

Benefits for safety belt use and airbag use are not payable if the death was caused or contributed to by any use of intoxicating liquors, marijuana, narcotic drugs, depressants or similar substances, whether or not prescribed by a doctor, by the covered person or by the driver of the automobile in which the covered person was riding.

- Travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere.
- Riding in or driving an air, land or water vehicle in a race, speed or endurance contest.



# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Evidence of Insurability

Evidence of Insurability is required for any elected increase or any coverage amount above the limits described below.

#### 7/1/2023 Life Renewal

Basic Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum
Supplemental Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or \$400,000
Initial eligibility under the Employer's plan for supplemental coverage on or after the Policy effective date	Any amount exceeding \$200,000
Enrollment for supplemental coverage on the Policy effective date, for employees who had supplemental coverage under the Employer's prior Policy	All increased amounts
Enrollment for supplemental coverage on the Policy effective date, for employees who had no supplemental coverage under the Employer's prior Policy	All amounts
Enrollment at a scheduled annual enrollment period after the Policy effective date for an increase to existing supplemental coverage	Any amount of total Supplemental Life Insurance exceeding \$25,000
Enrollment at a scheduled annual enrollment period after the Policy effective date for initial supplemental coverage	All amounts
Any new or increased supplemental coverage not described above, including enrollments more than 31 days after initial eligibility	All increased amounts
Supplemental Dependent Family Spouse Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic spouse coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum
Supplemental Dependent Family Children's Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic children's coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Supplemental Spouse Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for supplemental spouse coverage on or after the Policy effective date	Any amount exceeding \$50,000
Enrollment for supplemental spouse coverage on the Policy effective date, for employees who had supplemental spouse coverage under the Employer's prior Policy	All increased amounts
Enrollment for supplemental spouse coverage on the Policy effective date, for employees who had no supplemental spouse coverage under the Employer's prior Policy	All amounts
Any new or increased supplemental spouse coverage not described above, including enrollments more than 31 days after initial eligibility	All increased amounts
* If employee participation in the supplemental plan falls below or does not achieve 20%, Evidence of Insurability may be required for all future supplemental, spouse, or child coverage issued.	

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### 7/1/2023 Life Renewal - Alternate

#### Basic Life and Accidental Death and Dismemberment (AD&D) Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees - Alternate</b>		
Life	A flat amount of \$10,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Basic Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
<b>Retirees - Alternate</b>		
Life	A flat amount of \$1,500.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Basic Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.

#### Supplemental Life and Accidental Death and Dismemberment (AD&D) Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees - Alternate</b>		
Life	First increment \$3,000 (for a total of \$13,000 with Basic Life), then \$5,000 increments to a combined Basic/Supplemental maximum of \$600,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Supplemental Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
<b>Retirees - Alternate</b>		
Life	First increment \$3,500 (for a total of \$5,000 with Basic Life), then \$5,000 increments to a combined Basic/Supplemental maximum of \$400,000.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.
AD&D	Equal to the amount of Supplemental Employee Life Insurance.	No Reductions. Coverage terminates at retirement unless retiree coverage is provided.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Supplemental Spouse Life Insurance

	Benefit Amount	Reduction Schedule
<b>Active Employees - Alternate</b>		
Life	50% of the employee's Supplemental Life insurance amount, not to exceed \$300,000.	No Reductions. Coverage terminates when the spouse is no longer eligible.
<b>Retirees - Alternate</b>		
Life	50% of the employee's Supplemental Life insurance amount, not to exceed \$200,000.	No Reductions. Coverage terminates when the spouse is no longer eligible.

### Supplemental Family Life Insurance

	Option 1	Option 2
Spouse	\$2,000	\$5,000
Children Live birth to age 26	\$2,000	\$5,000

No Reductions. Coverage terminates at retirement unless retiree coverage is provided. Spouse and child coverage terminates when the spouse or child is no longer eligible.

### Supplemental Family Life Insurance

	Option 3	Option 4
Spouse	\$7,000	\$10,000
Children Live birth to age 26	\$7,000	\$10,000

No Reductions. Coverage terminates at retirement unless retiree coverage is provided. Spouse and child coverage terminates when the spouse or child is no longer eligible.

### Combined Basic and Supplemental Life Maximum(s)

Classification	Combined Maximum(s)
Active Employees - Alternate	\$600,000
Retirees - Alternate	\$400,000

### Combined Basic and Supplemental Accidental Death and Dismemberment (AD&D) Maximum(s)

Classification	Combined Maximum(s)
Active Employees - Alternate	\$600,000
Retirees - Alternate	\$400,000

### Eligibility

Classification	Eligibility Waiting Period	Eligibility Definition
Active Employees - Alternate	End of the month in which you begin active employment	20 Hours/Week
Retirees - Alternate	None.	None.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Rider form numbers (may vary by state):

Spouse Life Insurance Rider form #: LR14GP-SPR-2

Children's Life Insurance Rider form #: LR14GP-CHR-2

Accidental Death & Dismemberment Rider form #: LR14GP-ADD-2

Accelerated Death Benefit Rider form #: LR14GP-ABR

Portability Rider form #: LR14GP-PTS-2

Waiver of Premium Rider form #: LR14GP-WOP-2

Continuation of Insurance Rider form #: LR14GP-CNT-2

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Estimated Monthly Cost

#### 7/1/2023 Life Renewal - Alternate

##### Basic Life and AD&D Insurance and Added Services

Coverage	Cost/Employee	Units	Monthly Cost
Basic Life Active EE's	\$0.245 *	18,946	\$4,641.77
Basic Life Retirees	\$4.300	3,305	\$14,211.50
AD&D	\$0.035	18,946	\$663.11
AD&D Retirees	\$0.020	3,305	\$66.10
<b>Total Estimated Monthly Cost</b>			<b>\$19,582.48</b>

\* Cost includes Basic Life and the following non-insurance services: Voya Travel Assistance, and Funeral Planning, Will Prep, and Concierge Services.

#### Supplemental Life Insurance

Age	Employee Rates/\$1,000	Spouse Rates/\$1,000
Under 20	\$0.02	\$0.03
20-24	\$0.02	\$0.03
25-29	\$0.02	\$0.03
30-34	\$0.03	\$0.04
35-39	\$0.05	\$0.06
40-44	\$0.07	\$0.09
45-49	\$0.09	\$0.11
50-54	\$0.15	\$0.17
55-59	\$0.32	\$0.33
60-64	\$0.50	\$0.51
65-69	\$0.97	\$0.98
70+	\$1.61	\$1.61

#### Supplemental AD&D Insurance

Coverage	Rates/\$1,000
Actives & Retirees	\$0.01

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Supplemental Life Insurance

Coverage	Rates/Unit per Month
Option 1 Spouse and Children	\$0.20
Option 2 Spouse and Children	\$0.50
Option 3 Spouse and Children	\$0.70
Option 4 Spouse and Children	\$1.00

For individuals who choose to port their coverage, a different rate schedule will apply.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Account Assumptions

#### 7/1/2023 Life Renewal - Alternate

	Basic Life and AD&D	Supplemental Life and AD&D
Effective Date	July 1, 2023	
Proposal Expiration Date	June 30, 2023	
Situs State	North Dakota	
Commissions	Basic Life: Net AD&D: Net	Supplemental Life: Net AD&D: Net
Eligible Employees	18,946	18,946
Retired Eligible Employees	3,305	3,305
Accelerated Death Benefit	Included for all employee Basic and Supplemental Life Coverage	
Life Expectancy	12 months	
Continuous Confinement	Included	
Minimum Benefit	\$10,000	
Maximum Benefit	\$200,000	
% of Face Amount	75%	
Portability	Included	Included
	Maximum total coverage eligible to be ported is the lesser of \$750,000 or 5 times Basic Yearly Earnings. Coverage must be ported prior to age 70.	
Continuity of Coverage (Change of Insurance Carrier)	Included	Included
Conversion	Included	Included
Funding	Pooled	Pooled
Rate Guarantee	24 months	24 months
Administration	Employer	Employer
Employer Contribution	100%	0%
Employee Participation	100%	0%
Minimum Participation Required	100%	20% covered employees required to establish a Supplemental Life Plan. See Evidence of Insurability page for further participation requirements.
Suicide Exclusion	N/A	1 year on contributory Employee, Spouse, and Children Life



# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Waiver of Premium	Included for Employee Coverage	Included for Employee Coverage
Waiver Waiting Period	9 months. However, the waiting period will be waived when we begin paying an LTD or ADB claim.	9 months. However, the waiting period will be waived when we begin paying an LTD or ADB claim.
Waiver Age at Disability	Must be totally disabled prior to age 60 to qualify	Must be totally disabled prior to age 60 to qualify
Waiver Termination	Earlier of employee's age 65, the date of recovery, or the date the employee does not provide proof of total disability as requested.	Earlier of employee's age 65, the date of recovery, or the date the employee does not provide proof of total disability as requested.
Voya Travel Assistance	Included	
Funeral Planning, Will Prep, and Concierge Services	Included: Level 1 Employee, Spouse & Children	
AD&D	24-hour Coverage	
AD&D Enhancements for Basic and Supplemental AD&D	<b>Included</b> Airbag use Coma Exposure and Disappearance Safety Belt use Transportation/Repatriation	<b>Included (Employee Only)</b> Child education Child Care Line of duty Occupational assault Spouse education

This is a summary of certain benefit and rating features associated with this offer. A complete description of benefits, limitations, exclusions and termination of coverage will be provided in the certificate of insurance and riders. All coverage is subject to the terms and conditions of the group policy. If there is any discrepancy between this document and the group policy documents, the policy documents will govern. To keep coverage in force, premiums are payable up to the date of coverage termination. Group Term Life Insurance is underwritten by ReliaStar Life Insurance Company (Minneapolis, Minnesota), a member of the Voya® family of companies. Policy form #: LP14GP, Certificate form #: LC14GP-2. Form numbers, provisions and availability may vary by state.

Note: Non-insurance services included in this proposal: Voya Travel Assistance services are provided by Europ Assistance USA, Bethesda, MD. Funeral Planning, Will Prep, and Concierge Services are provided by Everest Funeral Package, LLC, Houston, TX.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Assumptions and Exclusions

#### 7/1/2023 Life Renewal - Alternate

#### Group Term Life Product Assumptions

- Rates may be adjusted with enrollment shifts of 15% or more.
- Any changes may require an adjustment to the Life and AD&D rates.
- All claims are paid in U.S. dollars.
- Individuals who are U.S. Citizens and are assigned outside of the U.S., or Foreign Nationals, will not be covered by this policy.
- For any grandfathered coverage, a listing of current participants including name, DOB, and amount of insurance must be provided and approved.
- This proposal assumes our standard contract language.
- Spouse coverage includes domestic partners as defined.
- This proposal assumes pricing of basic and supplemental coverage together. Underwriting approval would be required for a quote of either coverage separately.
- Retirees are not eligible for Voya Travel Assistance.
- Retirees are not eligible for Funeral Planning and Concierge Services.
- If included, commission for Supplemental Spouse Life, Children Life, and AD&D coverage match the commissions for Employee Supplemental Life and AD&D.
- Implementation fees may be paid for reasonable costs directly associated with the initial implementation of our products. All fees must be requested and approved during the proposal process. Prior to any system work beginning, an estimate of hours and cost for the work to add our products must be provided to us for review and approval to cover the associated fees. We cannot guarantee fees will be covered without this estimate being provided and approved. We will only remit payment directly to the selected vendor providing services, and will not provide payment to an employer. We do not pay fees on behalf of the employer that the employer would have otherwise incurred unrelated to our products, nor will we issue credits against premiums for implementation fees.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### AD&D Exclusions (may vary by state)

Benefits are not payable for any loss caused or contributed to by any of the following:

- Suicide or attempted suicide, or intentionally self-inflicted injury, regardless of mental capacity.
- Disease or infirmity of mind or body, or medical and surgical treatment for such disease or infirmity.
- An infection, other than an infection that is a direct result or consequence of an Accidental Injury.
- War or any act of war, whether declared or undeclared, other than acts of terrorism.
- Accidental Injury that occurs while on full-time active duty as a member of the armed forces of any country or subdivision thereof. We will refund, upon written notice of such service, any Premium that has been accepted under this rider for any period not covered as a result of this exclusion.
- Active participation in a riot, insurrection or terrorist activity.
- Committing or attempting to commit a felony.
- Participation in an illegal occupation or activity.
- Intoxication as defined by the jurisdiction where the accident occurred.
- Voluntary intake or use by any means of any drug, other than those prescribed or administered by a Doctor and taken in accordance with the Doctor's instructions or an over-the counter drug taken in accordance with the manufacturer's instructions.
- Voluntary intake or use by any means of poison, gas or fumes, unless a direct result of an occupational accident.
- Travel in or descent from an aircraft, if the Covered Person acted in a capacity other than as a passenger.

Benefits for safety belt use and airbag use are not payable if the death was caused or contributed to by any use of intoxicating liquors, marijuana, narcotic drugs, depressants or similar substances, whether or not prescribed by a doctor, by the covered person or by the driver of the automobile in which the covered person was riding.

- Travel in an aircraft or device used for testing or experimental purposes, used by or for any military authority, used for travel beyond the earth's atmosphere.
- Riding in or driving an air, land or water vehicle in a race, speed or endurance contest.

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

### Evidence of Insurability

Evidence of Insurability is required for any elected increase or any coverage amount above the limits described below.

#### 7/1/2023 Life Renewal - Alternate

Basic Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum
Supplemental Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or \$400,000
Initial eligibility under the Employer's plan for supplemental coverage on or after the Policy effective date	Any amount exceeding \$200,000
Enrollment for supplemental coverage on the Policy effective date, for employees who had supplemental coverage under the Employer's prior Policy	All increased amounts
Enrollment for supplemental coverage on the Policy effective date, for employees who had no supplemental coverage under the Employer's prior Policy	All amounts
Enrollment at a scheduled annual enrollment period after the Policy effective date for an increase to existing supplemental coverage	Any amount of total Supplemental Life Insurance exceeding \$25,000
Enrollment at a scheduled annual enrollment period after the Policy effective date for initial supplemental coverage	All amounts
Any new or increased supplemental coverage not described above, including enrollments more than 31 days after initial eligibility	All increased amounts
Supplemental Dependent Family Spouse Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic spouse coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum
Supplemental Dependent Family Children's Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for basic children's coverage on or after the Policy effective date	Evidence is not required for any amount less than or equal to the plan maximum

# A Proposal for North Dakota Public Employees Retirement

## Life Insurance Benefits and Cost Representation

Supplemental Spouse Life Insurance	Evidence Required
Coverage on the Policy effective date continued from the Employer's prior Policy	Any amount exceeding the lesser of the most recent coverage from the Employer's prior Policy or the plan maximum
Initial eligibility under the Employer's plan for supplemental spouse coverage on or after the Policy effective date	Any amount exceeding \$50,000
Enrollment for supplemental spouse coverage on the Policy effective date, for employees who had supplemental spouse coverage under the Employer's prior Policy	All increased amounts
Enrollment for supplemental spouse coverage on the Policy effective date, for employees who had no supplemental spouse coverage under the Employer's prior Policy	All amounts
Any new or increased supplemental spouse coverage not described above, including enrollments more than 31 days after initial eligibility	All increased amounts
* If employee participation in the supplemental plan falls below or does not achieve 20%, Evidence of Insurability may be required for all future supplemental, spouse, or child coverage issued.	

## **MUTUAL CONFIDENTIALITY AND NON-DISCLOSURE AGREEMENT**

This Mutual Confidentiality and Non-Disclosure Agreement (“Agreement”) is entered into and is effective this 2nd day of May, 2023 between North Dakota Public Employees Retirement System, organized under the laws of North Dakota (“you”, “your” and related terms) and ReliaStar Life Insurance Company or ReliaStar Life Insurance Company of New York (the “Company”, “we” or “us”) and its affiliates. The Parties are or will be discussing a potential business transaction (the “Relevant Matter”). In the course of our discussions in connection with the Relevant Matter, we and our affiliates, on the one hand, and you and your affiliates, on the other hand, have furnished and will furnish each other with certain information that the disclosing party considers non-public, confidential or proprietary in nature. The party disclosing such information, or whose affiliates disclose such information, is referred to herein as the “Disclosing Party” and the party receiving such information, or whose affiliates receive such information, is referred to herein as the “Receiving Party”. All such information, whether written or oral, furnished to a Receiving Party or its directors, officers, partners, members, principals, employees, agents, affiliates, attorneys, accountants or consultants (collectively, “Representatives”) by or on behalf of a Disclosing Party before, on or after the date of this Agreement, and all notes, analyses, compilations, studies, copies and other documents, whether prepared by a Disclosing Party or others, which contain or otherwise reflect such information, the fact that the parties are in discussions relating to the Relevant Matter, and any potential terms and conditions thereof are hereinafter referred to as the “Confidential Information”.

In consideration of the parties furnishing each other with the Confidential Information, the parties agree that:

1. Nondisclosure of Confidential Information. The Receiving Party will keep the Confidential Information confidential and will not disclose the Confidential Information to any person whatsoever, *provided* that the Confidential Information may be disclosed by the Receiving Party (a) to any of its Representatives who need to know the Confidential Information in connection with our discussions regarding the Relevant Matter, as long as such Representatives are informed of the confidential nature of the Confidential Information and are instructed to maintain its confidentiality in accordance with the terms of this Agreement or (b) with the Disclosing Party’s prior written consent. The Receiving Party agrees to be responsible for any actions by its Representatives to whom it or the Disclosing Party discloses Confidential Information which are not in accordance with this Agreement, and that any breach by them of the terms hereof shall be considered a breach by the Receiving Party; provided, that the foregoing will not apply to any Representative who has executed a confidentiality agreement substantially comparable to this Agreement in favor of the Disclosing Party and its affiliates.

2. Use of Confidential Information. The Receiving Party will use the Confidential Information solely in connection with our discussions relating to the Relevant Matter. Without limiting the foregoing, each party acknowledges its obligation under the U.S. federal securities laws not to trade in any security while in possession of material non-public information with respect to such security.

3. Exceptions to Confidential Information. Notwithstanding anything to the contrary contained herein, “Confidential Information” does not include any information that (a) was or becomes generally available to the public (other than as a result of disclosure or actions by the Receiving Party or its Representatives in violation of this Agreement) (b) was or becomes available to the Receiving Party or its Representatives from a source (other than the Disclosing Party or its Representatives) which to the knowledge of the Receiving Party is not prohibited from disclosing such information to the Receiving Party

by a contractual, legal or fiduciary obligation to the Disclosing Party or any of its Representatives, (c) was in the possession of the Receiving Party or its Representatives prior to the commencement of discussions with the Disclosing Party regarding the Relevant Matter and was obtained from a source (other than the Disclosing Party or its Representatives) that to the knowledge of the Receiving Party was not prohibited by a contractual, legal or fiduciary obligation to the Disclosing Party from disclosing such information to the Receiving Party, (d) is independently derived by the Receiving Party or its Representatives without reference to the Confidential Information or (e) is approved by the Disclosing Party in writing for disclosure without restriction.

4. Return or Destruction of Confidential Information. Upon the written request of the Disclosing Party, the Receiving Party and its Representatives shall destroy or return all Confidential Information in its and their control or possession. Upon written request by the Disclosing Party, such return or destruction shall be verified by a certification in writing by one of its duly authorized officers. Notwithstanding anything in this Agreement to the contrary, the Receiving Party may retain such copies as it is required to maintain by applicable law, regulation or internal document retention policy.

5. Compelled Disclosures. In the event that the Receiving Party or any of its Representatives receives a subpoena, interrogatory, request under North Dakota open records law, or other request for Confidential Information or reasonably believes that it is required or legally compelled to disclose any of the Confidential Information to a third party, including a governmental or other regulatory body to whose jurisdiction it is subject, the Receiving Party will (unless prohibited by law) provide the Disclosing Party with prompt notice as soon as practicable (and, to the extent possible, before such disclosure has occurred), so that the Disclosing Party or any of its affiliates may seek a protective order or other appropriate remedy. The Receiving Party will (in the absence of any conflicting interest as advised by counsel) act reasonably to cooperate with the Disclosing Party and its affiliates to obtain such protective order or other remedy. Even in the event of a conflict of interest as advised by counsel, the Receiving Party will not object to efforts by the Disclosing Party or its affiliates to obtain such protective order or other remedy. In the event that such a protective order or other protective remedy is not obtained, the Receiving Party will furnish only that portion of the Confidential Information that is requested or demanded, or that is legally required in the opinion of counsel, as applicable, and in each case, shall use reasonable efforts to cause confidential treatment to be accorded to such Confidential Information. Notwithstanding anything to the contrary in this Agreement, Receiving Party and its Representatives may disclose any Confidential Information to an applicable regulatory authority at such authority's request or requirement (whether pursuant to an audit, exam, or otherwise) without obligation to notify hereunder to the extent that any such request or requirement does not specifically mention the Disclosing Party, or specifically address or call for the Confidential Information.

6. No Representation or Warranty; No Obligation to Proceed with Potential Transactions. Neither party nor its affiliates, nor any of its or their Representatives makes any representation or warranty as to the accuracy or completeness of the Confidential Information. The Receiving Party agrees that neither the Disclosing Party nor its affiliates, nor its or their Representatives, shall have any liability hereunder resulting from the Receiving Party's or its Representatives' use of the Confidential Information. This Agreement does not constitute a commitment by the Company to enter into a transaction regarding the Relevant Matter. The Company and its affiliates shall have no obligation to pursue or consummate the Relevant Matter, unless and until it and/or they enter into definitive transaction documents relating thereto.

7. No License. The parties acknowledge and agree that under this Agreement neither the Disclosing Party nor any of its Representatives grants any license or other property right or interest in, by implication or otherwise, any copyright, patent, trademark or other intellectual or intangible property or

proprietary information disclosed, embodied, fixed, comprised or contained in any Confidential Information.

8. Expiration of this Agreement. This Agreement and all obligations hereunder, except for Sections 4, 6, 7, 9 and 10 hereof, will terminate on the date falling 2 (two) years after the date first set forth above.

9. Remedies. Each party agrees that money damages may not be a sufficient remedy for any breach of this Agreement by it or its Representatives and that the other party and its affiliates may be irreparably harmed in the event of such a breach. Accordingly, each party and its affiliates shall be entitled, in addition to any other remedies or money damages, to seek specific performance and injunctive or other equitable relief as a remedy for any such breach.

10. Miscellaneous. The agreements set forth herein may only be modified by an agreement in writing signed on behalf of the parties hereto. The application of a provision may not be waived except in writing by the party against whom such waiver is claimed to be effective. This Agreement shall be governed by the laws of the State of North Dakota without regard to the conflict of laws provisions thereof. In the event of any litigation arising hereunder or in connection with the matters contemplated hereby, each party agrees to submit to the exclusive jurisdiction of courts of the State of North Dakota. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and all of such counterparts taken together shall be deemed to constitute one and the same instrument. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. This Agreement may not be assigned or delegated by either party without the prior written consent of the other party, which consent shall be granted or not according to the sole discretion of the party whose consent is sought. In case any provision of this Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions of the Agreement shall not in any way be affected or impaired thereby. No failure or delay by either party in exercising any right, power or privilege hereunder will operate as a waiver thereof, nor will any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder. This Agreement represents the entire agreement between the parties hereto regarding the subject matter hereof. The headings in this Agreement are provided for convenience only and shall not be construed to affect the meaning, construction or effect of this Agreement.

11. IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date set forth above.

**RELIASTAR LIFE INSURANCE COMPANY  
RELIASTAR LIFE INSURANCE COMPANY  
OF NEW YORK**

**North Dakota Public Employees  
Retirement System**

By: Mona Zielke  
Name: Mona Zielke  
Title: Vice President

By: \_\_\_\_\_  
Name:  
Title:



## PROTECTED HEALTH INFORMATION CONFIDENTIALITY AGREEMENT

This Protected Health Information Confidentiality Agreement (the “Agreement”) is entered into as of May 3, 2023 (the “Agreement Effective Date”) by and between ReliaStar Life Insurance Company or its affiliate ReliaStar Life Insurance Company of New York (the “Company”), and North Dakota Public Employees Retirement System (the “Employer”). Employer shall be referred to herein as a “Disclosing Party”.

### RECITALS

- A. The Employer is seeking to purchase or has purchased a group life insurance policy, which includes Accidental Death and Dismemberment coverage (the “Policy”) from the Company to cover employees.
- B. The Disclosing Party may provide or disclose Protected Health Information (as defined below) to the Company in connection with the underwriting or payment of claims under the Policy.
- C. The purpose of this agreement is to limit the use and disclosure of PHI by the Company to the purposes provided for herein and to provide reasonable assurances to Disclosing Party that the Company will maintain appropriate safeguards to protect PHI from any use or disclosure contrary to this Agreement and the Privacy Rule and Security Rule to the extent applicable (each as defined below).

### SECTION 1: DEFINITIONS

1.1 Breach. “Breach” shall have the same meaning given to such term in 45 C.F.R. § 164.402, as may be amended from time to time.

1.2 Data Aggregation. “Data Aggregation” shall mean, with respect to Protected Health Information received by the Company, the combining of such Protected Health Information with Protected health information received by the Company under other stop-loss policy or policies, to permit data analyses as they relate to Health Care Operations.

1.3 Designated Record Set. “Designated Record Set” shall have the same meaning as the term “designated record set” in 45 C.F.R § 164.501, as may be amended from time to time.

1.4 Electronic Protected Health Information. “Electronic Protected Health Information” shall have the same meaning as “electronic protected health information” in 45 C.F.R. § 160.103, as may be amended from time to time.

1.5 Health Care. “Health Care” shall have the same meaning as the term “health care” in 45 C.F.R. § 160.103, as may be amended from time to time.

1.6 Health Care Operations. “Health Care Operations” shall have the same meaning as the term “health care operations” in 45 C.F.R. § 164.501, as may be amended from time to time and shall include, but not be limited to, underwriting of the Policy including activities of the Company for the reinsurance of the Policy.

1.7 Individual. “Individual” shall have the same meaning as the term “individual” in 45 C.F.R § 160.103 and shall include a person’s personal representative who is treated as the Individual in accordance with 45 C.F.R § 164.502(g), as each may be amended from time to time.

1.8 Limited Data Set. “Limited Data Set” shall have the same meaning as the term “limited data set” in 45 C.F.R. § 164.514(e), as may be amended from time to time.

1.9 Payment. "Payment" shall mean the same meaning as payment in 45 C.F.R. § 164.501, as may be amended from time to time, and shall include activities for the purpose of obtaining payment under the Policy and shall include, but not be limited to, Policy claim review, assessing primary and secondary coverage as between the Policy and the Group Health Plan under coordination of benefit provisions, pursuing subrogation claims and rights and submission of claim information under reinsurance policies or treaties between the Company and an insurance company that provides reinsurance benefits to the Company with respect to the Policy.

1.10 Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 C.F.R part 160 and part 164, subparts A and E, as may be amended from time to time, as applied to the Company's use and disclosure of PHI provided for in this Agreement.

1.11 Protected Health Information ("PHI"). "Protected Health Information" shall have the same meaning as the term "protected health information" in 45 C.F.R § 160.103, as may be amended from time to time, limited to the information received by the Company from any Disclosing Party.

1.12 Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 C.F.R § 164.103, as many be amended from time to time.

1.13 Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.

1.14 Security Rule. "Security Rule" shall mean the Security Standards at 45 C.F.R. Parts 160 and Part 164, Subparts A and C, as may be amended from time to time, as applied to the Company's use and disclosure of PHI provided for in this Agreement.

1.15 Transactions. "Transactions" shall have the same meaning as the term "transactions" in 45 C.F.R. § 164.103, as may be amended from time to time.

1.16 Unsecured PHI. "Unsecured PHI" shall have the same meaning given to such term under 45 C.F.R. § 402), as may be amended from time to time.

## **SECTION 2: LIMITED DATA SET - PERMITTED USES AND DISCLOSURES**

2.1 Permitted Uses and Disclosures. The Company may use PHI provided to it in the form of a Limited Data Set solely for the underwriting of the Policy. Except as provided for in Section 3 of this Agreement, the Company shall not use or disclose PHI under this Section for any other purpose.

2.2 Identification. The Company agrees not to undertake any action during the underwriting process and the placement of the Policy which may cause the PHI, including the Limited Data Set, to identify any Individual, nor shall the Company knowingly contact any Individual whose PHI is included in the Limited Data Set.

2.3 Policy Not Issued. Upon conclusion or termination of the underwriting process in which the Policy is not issued by the Company, the Company shall destroy any property received from any party which may be in the Company's possession including all PHI, confidential information, products, materials, memoranda, notes, records, reports, or other documents or photocopies of the same, including without limitation any of the foregoing recorded on any computer or any machine readable medium.

## **SECTION 3: PHI – PERMITTED USES AND DISCLOSURES**

3.1 Purpose of PHI Disclosure. The Disclosing Party may provide and disclose PHI to the Company for underwriting of the Policy.

3.2 Permitted Uses. The Company may use PHI received from the Disclosing Party solely for the purpose for which it is provided as specified in Section 3.1 of this Agreement.

3.3 Permitted Disclosures. The Company may disclose PHI for underwriting and the payment of claims under the Policy provided that the Company obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as Required by Law or for the purpose for which it was disclosed to the person (which purpose must be consistent with the limitations imposed upon the Company pursuant to this Agreement) and the person agrees to notify the Company of any use or disclosure of PHI of which it becomes aware in which the confidentiality of the information has been breached.

3.4 Required by Law. The Company may disclose the PHI if and to the extent that such disclosure is Required by Law.

3.5 Data Aggregation. The Company may use PHI to provide Data Aggregation services, including use of PHI for statistical compilations, reports, research and all other purposes allowed under applicable law.

3.6 De-identified Data. The Company may create de-identified PHI in accordance with the standards set forth in 45 C.F.R. § 164.514(b), as may be amended from time to time, and may use or disclose such de-identified data for any purpose.

#### **SECTION 4: OBLIGATIONS OF THE COMPANY**

4.1 Privacy of PHI. The Company will maintain appropriate safeguards to reasonably protect PHI from any intentional or unintentional use or disclosure contrary to this Agreement and the Privacy Rule.

4.2 Security of PHI. The Company shall ensure that its information security programs include appropriate administrative, physical and technical safeguards designed to prevent the use or disclosure of confidential information, such as the PHI received by the Company, contrary to this Agreement and the Security Rule.

4.3 Notification of Disclosures. The Company will report to the Disclosing Party any use or disclosure of PHI not provided for by this Agreement of which it becomes aware.

4.4 Notification of Breach. The Company will notify the Disclosing Party of any Breach of Unsecured PHI as soon as practicable, and no later than 30 days after discovery of such Breach. The Company's notification of a Breach will include: (a) the identification of each Individual whose Unsecured PHI has been, or is reasonably believed by the Company to have been, accessed, acquired or disclosed during the Breach; and (b) any particulars regarding the Breach that the Employer would need to include in its notification, as such particulars are identified in 45 C.F.R. § 164.404, as may be amended from time to time.

4.5 Mitigation. To the extent practicable, the Company will cooperate with the Disclosing Party's efforts to mitigate a harmful effect that is known to the Company of a use or disclosure of PHI not provided for in this Agreement.

4.6 HIPAA Compliance Support. The Company agrees to make internal practices, books, and records, including policies and procedures of its information security program, relating to the use and disclosure of confidential information, such as the PHI received by the Company, available to the Secretary, as requested by the Employer, or designated by the Secretary, for purposes of the Secretary determining the Employer's compliance with the Privacy Rule.

#### **SECTION 5: OBLIGATIONS OF THE DISCLOSING PARTIES**

5.1 Privacy Practices. The Employer will notify the Company of any changes to the limitation(s) in the Employer's notice of privacy practices in accordance with 45 C.F.R. § 164.520, as amended from time to time, to the extent that such a limitation may affect the Company's use or disclosure of PHI under this Agreement. The Employer will provide such notice no later than 15 days prior to the effective date of the limitation. The Employer confirms that the its privacy notice discloses the use and disclosure of PHI for Health Care Operations and Payments as permitted by this Agreement.

5.2. Minimum Necessary. Disclosing Party shall limit PHI to the minimum necessary to accomplish the permitted uses and disclosures of the Company provided for in this Agreement when providing or disclosing PHI to the Company in accordance with 45 C.F.R. § 164.502(b) and 45 C.F.R. § 164.514(d), as each may be amended from time to time.

5.3. Payment and Health Care Operations Standards. Disclosing Party shall ensure that the use and disclosure of PHI by the Company complies with the standards of 45 C.F.R. § 164.506, as may be amended from time to time.

5.4 Electronic PHI. Disclosing Party shall not provide Electronic PHI to the Company in the form of "unsecured protected health information" as defined in 45 C.F.R. § 164.402, as may be amended from time to time.

## **6. TERM AND TERMINATION**

6.1 Term. This Agreement will commence as of the Agreement Effective Date and will terminate in accordance with Section 2.3 or upon the termination of the Policy.

6.2 Termination for Cause. Upon either party's knowledge of a material breach by the other party of this Agreement, such party will provide written notice to the breaching party detailing the nature of the breach and providing an opportunity to cure the breach within 30 business days. Upon the expiration of such 30 day cure period, the non-breaching party may terminate this Agreement and, at its election, the Policy, if cure is not possible.

6.3 Effect of Termination. Upon termination of this Agreement or the Policy, the Company will: (a) extend the protections of this Agreement to all PHI retained by Company; (b) limit further uses and disclosures of such PHI to those purposes provided for in this Agreement for so long as the Company maintains such PHI; and (c) where possible, only disclose such PHI to a third party if the information has been de-identified in accordance with the standards set forth in 45 C.F.R. § 164.514(b), as may be amended from time to time. The parties acknowledge and agree that it is not feasible for the Company to return or destroy all PHI received by the Company under this Agreement; provided, however, that the Company's retention of PHI upon the termination of the Agreement or the Policy shall be solely for the purposes of complying with state record retention and insurance regulatory requirements applicable to the Policy and the Company as a licensed insurance company and for the Company's reinsurance obligations under reinsurance policies or treaties covering the Policy.

## **SECTION 7: SURVIVAL**

The respective rights and obligations of the parties under Section 6.3 of this Agreement will survive the termination of this Agreement and the Policy.

## **SECTION 8: GENERAL**

8.1 Relationship of the Parties under HIPAA. Disclosing Party agrees and acknowledges that the Company does not perform any function or service on behalf of any Group Health Plan and this Agreement should not be construed and does not establish any contractual relationship for services. The Company is not an agent or sub-contractor of any Disclosing Party or any Group Health Plan. Each Disclosing Party

acknowledges and agrees that the Company does not provide Health Care to or for any Individual either directly or indirectly on behalf of any Group Health Plan. The Company does not conduct Transactions with any Group Health Plan or any Disclosing Party on behalf of any Group Health Plan and any Electronic PHI provided to the Company for the purposes of this Agreement shall not be subject to the administrative requirements of 45 C.F.R. § 162, as may be amended from time to time. Disclosing Party does not intend for the Company to maintain any PHI in a Designated Record Set.

8.2. Governing Law. This Agreement is governed by, and will be construed in accordance with, the laws of the state in which the Policy is issued.

8.3. Legal Actions. Any action relating to this Agreement must be commenced within one year after the date upon which the cause of action accrued.

8.4. Successors and Assigns. This Agreement and each party's obligations hereunder will be binding on the representatives, assigns, and successors of such party and will inure to the benefit of the assigns and successors of such party. No party may assign this Agreement without the prior written consent of Company, which will not be unreasonably withheld.

8.5. Severability. If any part of a provision of this Agreement is found illegal or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the remainder of that provision and all other provisions of this Agreement will not be affected.

8.6. Notices. All notices relating to the parties' legal rights and remedies under this Agreement will be provided in writing to a party, will be sent to its address set forth in the Policy, or to such other address as may be designated by that party by notice to the sending party, and will reference this Agreement.

8.7. Amendment and Waiver. This Agreement may be modified, or any rights under it waived, only by a written document executed by the authorized representatives of the parties. Nothing in this Agreement will confer any right, remedy, or obligation upon anyone other than the Disclosing Parties and the Company.

8.8. Entire Agreement. This Agreement is the complete and exclusive agreement between the parties with respect to the subject matter hereof, superseding and replacing all prior agreements, communications, and understandings (written and oral) regarding its subject matter.

8.9. Headings and Captions. The headings and captions of the various subdivisions of this Agreement are for convenience of reference only and will in no way modify, or affect the meaning or construction of any of the terms or provisions hereof.

8.10. Counterparts. This Agreement may be signed in counterparts, which together will constitute one agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed by their duly authorized representatives or officers, effective as of the Agreement Effective Date.

<p><b>ReliaStar Life Insurance Company and its affiliate ReliaStar Life Insurance Company of New York</b></p> <hr/> <p><b>Address:</b> 250 S Marquette Ave, Suite 900 Minneapolis, Minnesota 55401</p>	<p><b>EMPLOYER</b> North Dakota Public Employees Retirement System</p> <hr/> <p><b>Address:</b></p>
<p> <b>Signed</b></p> <hr/> <p>Mona Zielke</p> <hr/> <p><b>Name</b></p> <hr/> <p>Vice President</p> <hr/> <p><b>Title</b></p> <hr/> <p>5/3/2023</p> <hr/> <p><b>Date</b></p>	<hr/> <p><b>Signed</b></p> <hr/> <p><b>Name</b></p> <hr/> <p><b>Title</b></p> <hr/> <p><b>Date</b></p>

**Appendix A – Agreements**  
**AGREEMENT FOR SERVICES BETWEEN RELIASTAR LIFE**  
**INSURANCE COMPANY AND NORTH DAKOTA PUBLIC EMPLOYEES**  
**RETIREMENT SYSTEM**

ReliaStar Life Insurance Company (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, 2023 and terminates on June 30, 2025, except as provided in the Termination provision below.
- 3) **FEES:** NDPERS agrees to pay and CONTRACTOR agrees to receive compensation for performance of its services under this Agreement pursuant to the terms in Exhibit A to this Agreement.
- 4) **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.

5) **ASSIGNMENT AND SUBCONTRACTS:**

Neither party may assign its rights or delegate its obligations under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, CONTRACTOR may subcontract certain administrative services in the performance of its obligations under this Agreement.

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.

6) **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. Notwithstanding the foregoing, parties may retain such copies of Confidential Information that have become part of its business records to the extent required by applicable law, regulation or aimed at legal, corporate governance or regulatory compliance.

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 promptly 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.

- 7) **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 North Dakota. Each party consents to the exclusive jurisdiction of such court and waives any claim of lack of jurisdiction or *forum non conveniens*.
- 8) **MERGER AND MODIFICATION:** This Agreement, including the following documents and exhibits, constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this Agreement. Any matters of this Agreement may be modified from time to time by the written consent of all parties without, in any way, affecting the remainder. The CONTRACTOR acknowledges that NDPERS employees have not authority to modify this Agreement except as expressly provided in this Agreement.

If there is any inconsistency between the terms of this Agreement without its exhibits and the terms of the exhibits, then the inconsistency will be resolved by giving precedence to the terms of this Agreement without its exhibits, and then to the terms of the exhibits. Notwithstanding the foregoing, the parties understand and acknowledge that any insurance obligations owed to NDPERS or its employee participants will be governed solely by the terms of the insurance policies issued by the CONTRACTOR under the terms of this Agreement. 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.

- 9) **INDEMNITY:** Each Party to this Agreement shall be responsible for any liability, claim, loss, damage, or expenses, including without limitation, reasonable attorney fees, arising from its negligent acts or omissions in connection with, and limited to, its performance of this Agreement, or its failure to comply with the terms of this Agreement, as determined by a court of the State of North Dakota. Nothing in this section shall be construed as an obligation of NDPERS to defend, hold harmless, or indemnify any other party, entity, or individual, even for claims that are the result of negligent acts or omissions of NDPERS.
- 10) **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 \$2,000,000 per occurrence.
- 2) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 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 \$2,000,000 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.
  - 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.
- 11) 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 provide the administrative services, as set forth in the Administration Agreement attached as Exhibit B "Administration Agreement" and incorporated herein by this reference for the policies and services set forth in Exhibit in this Agreement. 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:**

ReliaStar Life Insurance  
250 Marquette Avenue, Suite 900  
Minneapolis, MN 55401

**VENDOR**

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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. For the avoidance of doubt, such records will be limited to financial and administrative records directly related to the insurance Policies issued to NDPERS and will not include any employee personal health information or other information to which access is limited by applicable law, nor will it include any onsite audits

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

- 21) **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.

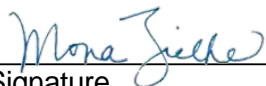
**NORTH DAKOTA PUBLIC  
EMPLOYEES RETIREMENT SYSTEM**

\_\_\_\_\_  
Executive Director

ND Public Employees Retirement System

\_\_\_\_\_  
Date

**CONTRACTOR**

  
\_\_\_\_\_  
Signature

Mona Zielke  
\_\_\_\_\_  
Printed Name

Vice President  
\_\_\_\_\_  
Title

5/3/2023  
\_\_\_\_\_  
Date

**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, 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 according to the Agreement, 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: Mona Jielke \_\_\_\_\_

Its: Vice President \_\_\_\_\_

Date: 5/3/2023 \_\_\_\_\_

Attach Contractor Records Retention Policy



**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

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

# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               May 9, 2023

**SUBJECT:**           Final Health Insurance Plan Design and Rates

Now that the legislative session has concluded, it is time to finalize the health insurance plan design and rates for the 2023-2025 biennium based upon the renewal proposal offered by Sanford Health Plan (SHP) and action taken by the Legislative Assembly.

## **Legislative Plan Design Changes**

Legislation that passed related to the NDPERS health insurance plan include:

- HB 1411: Coverage for the repair and replacement of prosthetics
- SB 2140: Cap of \$25 per month on the cost of insulin and diabetic supplies. Medicare Part D was exempted from this cap.
- HB 1095: Comprehensive medication management program effective January 1, 2025

The Legislative Assembly and Office of Management and Budget did not provide funding for any of the above legislation. Staff will be negotiating the cost of providing coverage required under HB 1411 and SB 2140 based upon the cost analysis prepared by Deloitte and the cost will be paid from the health insurance plan reserves. HB 1411 had an emergency clause attached that met the necessary votes and, therefore, is effective with the July 1, 2023 plan

design. SB 2140 had an emergency clause that failed and, therefore, would be effective August 1, 2023. However, since reserves are being used and to align with the plan renewal of July 1, 2023, staff would request that the Board approve the use of reserves to provide this coverage as part of the July 1, 2023 plan design.

The cost of implementing HB 1095 is not known at this time so Sanford Health Plan will be determining a cost at a future date. Once that is known, this will be brought back to the Board to approve the use of reserves to pay for this program for the January 1, 2025 effective date.

### **Final Health Plan Rates**

Staff are finalizing the final rates for the various groups that participate in the plan and will have the final rates available at the meeting for the Board's approval.

The increase in premiums are based upon SHP's renewal proposal, which provided for a 15% increase for active employees and 1% increase for retirees.

Upon approval of the rates, staff will notify employers of the premium changes effective July 1, 2023. Notice will also be sent by the end of May to retirees and individuals continuing coverage under COBRA provisions. In addition, the new rates will be incorporated into our business system.

### **Board Action Requested**

Approve the 2023-2025 group health insurance rates.

Deny or approve the use of reserves effective July 1, 2023 for coverage required with the passing of SB 2140 related to insulin and diabetic supplies.



# Attachment

JULY 2023 NDPERS Health Rates			
Rate Structure A			
For Anyone Enrolled Prior to July 1, 2023			
Rates for July 1, 2023 - June 30, 2025			
Code	Struct	Description	(9) (7)+(8) NDPERS Billing Rate
<b>Medicare Retiree</b>			
41	11	1 Medicare only	\$287.08
42	11	2 Medicare only	\$571.30
50	11	3 Medicare only	\$855.24
51	11	4 Medicare only	\$1,139.48
43	11	1 Medicare+Others	\$862.16
49	11	2 Medicare+Others	\$1,146.48
55	11	3 Medicare+Others	\$1,430.40
58	11	4 Medicare+Others	\$1,714.64
44	11	Part A Single	\$615.76
<b>Grandfathered Rates</b>			
42	14	2 Medicare only	\$571.00
50	14	3 Medicare only	\$667.06
51	14	4 Medicare only	\$558.92
<b>Medicare Retirees COBRA (for Non-Medicare dependents of Medicare Retirees)</b>			
30	11	Single	\$586.68
31	11	Family	\$828.80
<b>Non-Medicare Retiree</b>			
21	11	Single	\$1,184.62
22	11	Family	\$2,366.00
23	11	Family (3+)	\$2,956.70
<b>COBRA</b>			
24	11	Single	\$1,208.32
25	11	Family	\$2,413.30
26	11	Family (3+)	\$3,015.84

JULY 2023 NDPERS Health Rates			
Rate Structure B			
New Subscribers or Groups as of July 1, 2023 and After			
Rates for July 1, 2023 - June 30, 2024			
Code	Struct	Description	(8) (6)+(7)+(4) NDPERS Billing Rate
<b>Medicare Retiree</b>			
41	12	1 Medicare only	\$284.30
42	12	2 Medicare only	\$565.72
50	12	3 Medicare only	\$846.88
51	12	4 Medicare only	\$1,128.34
43	12	1 Medicare+Others	\$844.42
49	12	2 Medicare+Others	\$1,125.94
55	12	3 Medicare+Others	\$1,407.08
58	12	4 Medicare+Others	\$1,688.54
<b>Medicare Retirees COBRA (for Non-Medicare dependents of Medicare Retirees)</b>			
30	12	Single	\$571.72
31	12	Family	\$807.66
<b>Non-Medicare Retiree</b>			
21	12	Single	\$1,184.62
22	12	Family	\$2,366.00
23	12	Family (3+)	\$2,956.70
<b>COBRA</b>			
24	12	Single	\$1,208.32
25	12	Family	\$2,413.30
26	12	Family (3+)	\$3,015.84

JULY 2023 NDPERS Health Rates			
Rate Structure B			
New Subscribers or Groups as of July 1, 2023 and After			
Rates for July 1, 2024 - June 30, 2025			
Code	Struct	Description	(8) *Not used in first year (6)+(7)+(4) NDPERS Billing Rate
<b>Medicare Retiree</b>			
41	12	1 Medicare only	\$289.86
42	12	2 Medicare only	\$576.88
50	12	3 Medicare only	\$863.60
51	12	4 Medicare only	\$1,150.62
43	12	1 Medicare+Others	\$879.90
49	12	2 Medicare+Others	\$1,167.02
55	12	3 Medicare+Others	\$1,453.72
58	12	4 Medicare+Others	\$1,740.74
<b>Medicare Retirees COBRA (for Non-Medicare dependents of Medicare Retirees)</b>			
30	12	Single	\$601.64
31	12	Family	\$849.94
<b>Non-Medicare Retiree</b>			
21	12	Single	\$1,184.62
22	12	Family	\$2,366.00
23	12	Family (3+)	\$2,956.70
<b>COBRA</b>			
24	12	Single	\$1,208.32
25	12	Family	\$2,413.30
26	12	Family (3+)	\$3,015.84

**State Contracts with Wellness Program**

Active			
1-3	2	S/F/Dual	\$1,643.08
COBRA			
4	2	Single	\$806.62
5	2	Family	\$1,945.26
Part-Time/Temporary/LOA			
6	2	Single	\$790.82
7	2	Family	\$1,907.12
Active HDHP			
1-3	17	S/F/Dual	\$1,643.08
COBRA HDHP			
4	17	Single	\$702.86
5	17	Family	\$1,694.16
LOA HDHP			
6	17	Single	\$689.08
7	17	Family	\$1,660.96

**State Contracts w/o Wellness Program**

Active			
1-3	1	S/F/Dual	\$1,659.50
COBRA			
4	1	Single	\$806.62
5	1	Family	\$1,945.26
Part-Time/Temporary/LOA			
6	1	Single	\$798.72
7	1	Family	\$1,926.18
Active HDHP			
1-3	16	S/F/Dual	\$1,659.50
COBRA HDHP			
4	16	Single	\$702.86
5	16	Family	\$1,694.16
LOA HDHP			
6	16	Single	\$695.96
7	16	Family	\$1,677.56

Political Subdivision Rates with Wellness Program			
Active			
1	4	Single	\$844.94
2	4	Family	\$2,042.52
COBRA			
4	4	Single	\$861.82
5	4	Family	\$2,083.36
Temps			
6	4	Single	\$844.94
7	4	Family	\$2,042.52
Political Subdivision Rates w/o Wellness Program			
Active			
1	3	Single	\$853.38
2	3	Family	\$2,062.94
COBRA			
4	3	Single	\$861.82
5	3	Family	\$2,083.36
Temps			
6	3	Single	\$853.38
7	3	Family	\$2,062.94

Political Subdivision Rates with Wellness Program			
Active			
1	8	Single	\$823.06
2	8	Family	\$1,989.50
COBRA			
4	8	Single	\$839.50
5	8	Family	\$2,029.30
Temps			
6	8	Single	\$823.06
7	8	Family	\$1,989.50
Political Subdivision Rates w/o Wellness Program			
Active			
1	7	Single	\$831.30
2	7	Family	\$2,009.40
COBRA			
4	7	Single	\$839.50
5	7	Family	\$2,029.30
Temps			
6	7	Single	\$831.30
7	7	Family	\$2,009.40

Political Subdivision Rates with Wellness Program			
Active			
1	8	Single	\$866.82
2	8	Family	\$2,095.54
COBRA			
4	8	Single	\$884.14
5	8	Family	\$2,137.42
Temps			
6	8	Single	\$866.82
7	8	Family	\$2,095.54
Political Subdivision Rates w/o Wellness Program			
Active			
1	7	Single	\$875.46
2	7	Family	\$2,116.48
COBRA			
4	7	Single	\$884.14
5	7	Family	\$2,137.42
Temps			
6	7	Single	\$875.46
7	7	Family	\$2,116.48

NGF Political Subdivision Rates with Wellness Program			
Active			
1	24	Single	\$857.76
2	24	Family	\$2,073.60
COBRA			
4	24	Single	\$874.92
5	24	Family	\$2,115.06
Temps			
6	24	Single	\$857.76
7	24	Family	\$2,073.60
Active HDHP			
1	26	Single	\$757.10
2	26	Family	\$1,830.34
COBRA HDHP			
4	26	Single	\$772.24
5	26	Family	\$1,866.94
Temps HDHP			
6	26	Single	\$757.10
7	26	Family	\$1,830.34
NGF Political Subdivision Rates w/o Wellness Program			
Active			
1	23	Single	\$866.34
2	23	Family	\$2,094.32
COBRA			
4	23	Single	\$874.92
5	23	Family	\$2,115.06
Temps			
6	23	Single	\$866.34
7	23	Family	\$2,094.32
Active HDHP			
1	25	Single	\$764.66
2	25	Family	\$1,848.66
COBRA HDHP			
4	25	Single	\$772.24
5	25	Family	\$1,866.94
Temps HDHP			
6	25	Single	\$764.66
7	25	Family	\$1,848.66

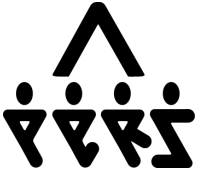
NGF Political Subdivision Rates with Wellness Program			
Active			
1	28	Single	\$835.54
2	28	Family	\$2,019.76
COBRA			
4	28	Single	\$852.24
5	28	Family	\$2,060.14
Temps			
6	28	Single	\$835.54
7	28	Family	\$2,019.76
Active HDHP			
1	30	Single	\$737.50
2	30	Family	\$1,782.86
COBRA HDHP			
4	30	Single	\$752.24
5	30	Family	\$1,818.50
Temps HDHP			
6	30	Single	\$737.50
7	30	Family	\$1,782.86
NGF Political Subdivision Rates w/o Wellness Program			
Active			
1	27	Single	\$843.90
2	27	Family	\$2,039.94
COBRA			
4	27	Single	\$852.24
5	27	Family	\$2,060.14
Temps			
6	27	Single	\$843.90
7	27	Family	\$2,039.94
Active HDHP			
1	29	Single	\$744.86
2	29	Family	\$1,800.68
COBRA HDHP			
4	29	Single	\$752.24
5	29	Family	\$1,818.50
Temps HDHP			
6	29	Single	\$744.86
7	29	Family	\$1,800.68

NGF Political Subdivision Rates with Wellness Program			
Active			
1	28	Single	\$879.98
2	28	Family	\$2,127.44
COBRA			
4	28	Single	\$897.60
5	28	Family	\$2,169.98
Temps			
6	28	Single	\$879.98
7	28	Family	\$2,127.44
Active HDHP			
1	30	Single	\$776.70
2	30	Family	\$1,877.82
COBRA HDHP			
4	30	Single	\$792.24
5	30	Family	\$1,915.38
Temps HDHP			
6	30	Single	\$776.70
7	30	Family	\$1,877.82
NGF Political Subdivision Rates w/o Wellness Program			
Active			
1	27	Single	\$888.78
2	27	Family	\$2,148.70
COBRA			
4	27	Single	\$897.60
5	27	Family	\$2,169.98
Temps			
6	27	Single	\$888.78
7	27	Family	\$2,148.70
Active HDHP			
1	29	Single	\$784.46
2	29	Family	\$1,896.64
COBRA HDHP			
4	29	Single	\$792.24
5	29	Family	\$1,915.38
Temps HDHP			
6	29	Single	\$784.46
7	29	Family	\$1,896.64

<b>Health, RX &amp; HMO Insurance Plans:</b>			
Medicare Retiree (NonMedicare Split Rate)			
98	11	Single NM Dependents with GF Status	<b>\$575.16</b>
99	11	Family NM Dependents with GF Status	<b>\$575.16</b>
Pre-Medicare			
98	14	Single NM Dependents with GF Status	<b>\$245.94</b>
99	14	Family NM Dependents with GF Status	<b>\$245.94</b>
GAP Coverage			
61	11	GAP Single	<b>\$1,184.62</b>
62	11	GAP Family	<b>\$2,366.00</b>
63	11	GAP Family (3+)	<b>\$2,956.70</b>
64	11	GAP 1 Medicare + Others	<b>\$862.16</b>
65	11	GAP 2 Medicare + Others	<b>\$1,146.48</b>
66	11	GAP 3 Medicare + Others	<b>\$1,430.40</b>
67	11	GAP 4 Medicare + Others	<b>\$1,714.64</b>

GAP Coverage			
61	12	GAP Single	<b>\$1,153.92</b>
62	12	GAP Family	<b>\$2,304.56</b>
63	12	GAP Family (3+)	<b>\$2,879.90</b>
64	12	GAP 1 Medicare + Others	<b>\$844.42</b>
65	12	GAP 2 Medicare + Others	<b>\$1,125.94</b>
66	12	GAP 3 Medicare + Others	<b>\$1,407.08</b>
67	12	GAP 4 Medicare + Others	<b>\$1,688.54</b>

GAP Coverage			
61	12	GAP Single	<b>\$1,215.32</b>
62	12	GAP Family	<b>\$2,427.44</b>
63	12	GAP Family (3+)	<b>\$3,033.50</b>
64	12	GAP 1 Medicare + Others	<b>\$879.90</b>
65	12	GAP 2 Medicare + Others	<b>\$1,167.02</b>
66	12	GAP 3 Medicare + Others	<b>\$1,453.72</b>
67	12	GAP 4 Medicare + Others	<b>\$1,740.74</b>



**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

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

# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               May 9, 2023

**SUBJECT:**           About the Patient Diabetes Management Program Contract

At the April meeting, the Board was presented with the 2022 About the Patient Diabetes Management Program Annual Report by the Pharmacy Association. At this time, we are seeking the Board's approval of the proposed cost to continue the program for the 2023-2025 biennium per the requirements of NDCC 54-52.1-16 and NDCC 54-52.1-17. We are also seeking approval of the attached contract for the upcoming biennium. The Pharmacy Association has confirmed that Exhibit A of the contract is their proposed cost, which is the same as the current biennium cost. Therefore, they are not proposing a change in cost.

This contract has been reviewed by representatives of the ND Pharmacy Services Corporation and NDPERS legal counsel. The ND Pharmacy Services Corporation is the contracting authority for the ND Pharmacists Association.

Staff are seeking approval of the contract, including Exhibit A detailing the cost proposal of the program, for the 2023-2025 biennium.

**BOARD ACTION REQUESTED:**

Approve the About the Patient Diabetes Management Program contract for the 2023-2025 biennium.

## AGREEMENT FOR SERVICES BETWEEN NORTH DAKOTA PHARMACY SERVICES CORPORATION AND NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM

This Agreement is between the North Dakota Pharmacy Services Corporation (hereinafter CONTRACTOR) and the State of North Dakota, acting through its Public Employees Retirement System (hereinafter NDPERS).

CONTRACTOR and NDPERS agree to the following:

- 1) **SCOPE OF SERVICES:** CONTRACTOR agrees to provide the accepted services as specified in the proposal (attached hereto and incorporated by reference as Exhibit A). Additionally, the parties agree to be bound by the terms contained in the Business Associate Agreement and the Memorandum of Understanding.
- 2) **TERM:** The term of this contract shall commence July 1, 2023 and end on June 30, 2025.
- 3) **FEES & BILLING:** STATE will pay for the services provided by CONTRACTOR under this contract an amount not to exceed \$354,000 as set forth in Exhibit A.
- 4) **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. However, the State expressly consents to CONTRACTOR entering into (i) subcontracts with its affiliates located in the United States, and (ii) third-party subcontracts provided that any such third-party 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 to the same extent as if such performance were done by CONTRACTOR. 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 PERS 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) **OWNERSHIP OF WORK PRODUCT:** All work products of the CONTRACTOR, including but not limited to, data, documents, drawings, estimates and actuarial calculations which are provided to STATE under this agreement are the exclusive property of STATE. Any medical records and related individually identifiable health information created or obtained by the CONTRACTOR in the course of providing services under this contract are the property of STATE, but disclosure of protected health information to STATE is subject to the applicable requirements of the HIPAA privacy rule and any other applicable State or Federal law.
- 9) **APPLICABLE LAW AND VENUE:** This agreement shall be 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.
- 10) **MERGER AND MODIFICATION:** This Agreement shall constitute the entire agreement between the parties. 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.
- 11) **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.

12) **INSURANCE**: CONTRACTOR shall secure and keep in force during the term of this Agreement, from insurance companies, government self-insurance pools or government self-retention funds, 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 \$2,000,000 per occurrence.
- 2) Professional errors and omissions with minimum liability limits of \$1,000,000 per occurrence and in the aggregate. CONTRACTOR shall continuously maintain such coverage during the contract 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.
- 3) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$500,000 per person and \$2,000,000 per occurrence.
- 4) Workers compensation coverage meeting all statutory requirements.

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.
- 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.
- 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 CONTRACTOR.

- 5) The insurance required in this Agreement, through a policy or endorsement, shall include:
  - a) "Waiver of Subrogation" waiving any right to recovery the insurance company may have against the State;
  - b) a provision that CONTRACTOR's insurance coverage shall be primary (i.e. pay first) as respects any insurance, self-insurance or self-retention maintained by the State and that any insurance, self-insurance or self-retention maintained by the State shall be in excess of the CONTRACTOR's insurance and shall not contribute with it;
  - c) cross liability/severability of interest for all policies and endorsements;
  - d) The legal defense provided to the State under the policy and any endorsements must be free of any conflicts of interest, even if retention of separate legal counsel for the State is necessary;
  - e) The insolvency or bankruptcy of the insured CONTRACTOR shall not release the insurer from payment under the policy, even when such insolvency or bankruptcy prevents the insured CONTRACTOR from meeting the retention limit under the policy.
- 6) CONTRACTOR shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this Agreement.
- 7) Failure to provide insurance as required in this Agreement is a material breach of contract entitling 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.
- 13) **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.
- 14) **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.

- 15) **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.
- 16) **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.
- 17) **ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL:** NDPERS does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. NDPERS does not waive any right to a jury trial.
- 18) **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 E Century Ave Ste 2  
PO Box 1657  
Bismarck, ND 58502-1657

**ND Pharmacy Service Corporation:**

Michael D. Schwab  
Executive Vice-President  
ND Pharmacy Service Corporation  
1641 Capitol Way  
Bismarck, ND 58501-2195

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.

- 19) **NONDISCRIMINATION AND COMPLIANCE WITH LAWS:** CONTRACTOR agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights, as are applicable to CONTRACTOR. CONTRACTOR agrees to timely file all legally required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including 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.
- 20) **STATE AUDIT:** All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this Agreement are subject to examination by the North Dakota State Auditor, the Auditor's designee, or Federal auditors. CONTRACTOR shall maintain all of these records for at least three (3) years following completion of this Agreement and be able to provide them at any reasonable time. State, State Auditor, or Auditor's designee shall provide reasonable notice.
- 21) **TAXPAYER ID:** CONTRACTOR'S federal employer ID number is: 450392168.
- 22) **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.
- 23) **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.
- 24) **SPOILIATION – NOTICE OF POTENTIAL CLAIMS:**  
CONTRACTOR shall promptly notify STATE of all potential claims that arise or result from this contract. CONTRACTOR shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to STATE the opportunity to review and inspect the evidence, including the scene of an accident.
- 25) **RENEWAL:**  
This contract will not automatically renew. If STATE desires to renew, STATE will provide written notice to CONTRACTOR of its intent to renew this contract at least 60 days before the scheduled termination date.
- 26) **PREPAYMENT:**  
STATE will not make any advance payments before performance by CONTRACTOR under this contract.

**NORTH DAKOTA PUBLIC EMPLOYEES  
RETIREMENT SYSTEM**

**ND Pharmacy Service Corporation**

Executive Director  
ND Public Employees Retirement System

Signature 

Mike Schwab  
Printed Name

EVP  
Title

5-1-23  
Date

\_\_\_\_\_  
Date  
Appendix B – Data Agreement

MEMORANDUM OF UNDERSTANDING BETWEEN THE  
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM  
AND **<ND PHARMACY SERVICE CORPORATION >**  
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 **<ND PHARMACY SERVICE CORPORATION >** relating to maintenance and destruction of NDPERS Confidential Information held by **<ND PHARMACY SERVICE CORPORATION >** and its subsidiaries.

WHEREAS, NDPERS has previously entered into contracts with **<ND PHARMACY SERVICE CORPORATION >** to provide services related to administration of the NDPERS About The Patient program.

WHEREAS, the services provided by **<ND PHARMACY SERVICE CORPORATION >** under these Contracts required the exchange of information between the parties that is confidential under North Dakota Century Code §§ CHANGE ACCORDING TO PROGRAM 54-52.1-11 and 54-52.1-12 (Confidential Information).

WHEREAS, the parties acknowledge that these Contracts, including the Business Associate Agreements between the parties, required **<ND PHARMACY SERVICE CORPORATION >** 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 **<ND PHARMACY SERVICE CORPORATION >** 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, **<ND PHARMACY SERVICE CORPORATION >** has provided and NDPERS has reviewed the **<ND PHARMACY SERVICE CORPORATION >** records retention policy (Policy) applicable to the Confidential Information and **<ND PHARMACY SERVICE CORPORATION >** 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. **<ND PHARMACY SERVICE CORPORATION >** 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, **<ND PHARMACY SERVICE CORPORATION >** shall confirm the destruction of Confidential Information under its Policy.
3. Upon the request of NDPERS, **<ND PHARMACY SERVICE CORPORATION >** shall provide NDPERS a copy of any change to the Policy provided NDPERS on **<July 1 2023>**.

4. NDPERS agrees these actions are consistent with **<ND PHARMACY SERVICE CORPORATION >** obligations under these Contracts.
5. This Memorandum of Understanding will terminate upon notice to NDPERS by **<ND PHARMACY SERVICE CORPORATION >** that all Confidential Information has either been returned to NDPERS or destroyed, or earlier, upon thirty (30) days' notice by NDPERS to **<ND PHARMACY SERVICE CORPORATION >** 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: \_\_\_\_\_

**<ND PHARMACY SERVICE CORPORATION >**

BY: Mike Schwab

Its: EUP

Date: 5-1-23

Attach Vendor Records Retention Policy



## Appendix C – 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 ND PHARMACY SERVICE CORPORATION.

### 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 ND PHARMACY SERVICE CORPORATION.
- c. Covered Entity. “Covered Entity” means the North Dakota Public Employees Retirement System.
- 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, **Diabetes Services** – 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.
- 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.

#### 4.3. 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 July 1, 2023, 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 ND PHARMACY SERVICE CORPORATION [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:

\_\_\_\_\_  
 Executive Director  
 ND Public Employees Retirement System

\_\_\_\_\_  
 Date

For Business Associate:

*Mike Schwab*  
 \_\_\_\_\_  
 Signature

*Mike Schwab*  
 \_\_\_\_\_  
 Printed Name

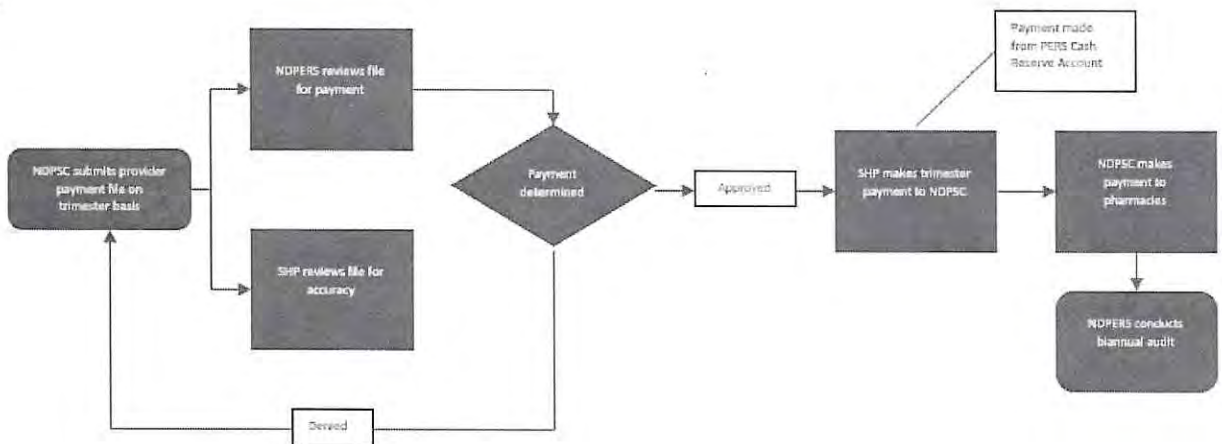
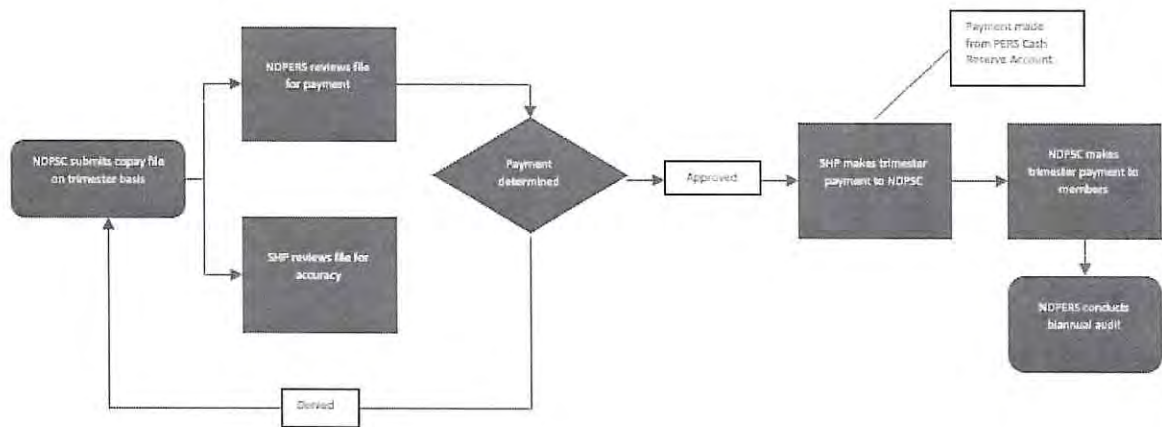
*EVP*  
 \_\_\_\_\_  
 Title

*5-1-23*  
 \_\_\_\_\_  
 Date

# Exhibit A

## BIENNIUM BUDGET

COPAY	
INCENTIVES	\$197,000
PROVIDER	
VISITS	\$132,000
ADMIN FEE	\$20,000
MARKETING	\$5,000
TOTAL COST	\$354,000





**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](mailto:ndpers-info@nd.gov)    Website <https://ndpers.nd.gov>

# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Rebecca

**DATE:**               May 9, 2023

**SUBJECT:**           Medicare Part D Plan 2024 Premium Projection

Per the terms of the contract with Humana for the Employer Group Waiver Plan (EGWP), referred to as the Medicare Part D product, we have received a preliminary projection for the 2024 premium.

Humana's preliminary projection for the 2024 premium is a "hold-even" premium of \$69.72 per month, which is the current premium for 2023. The information provided by Humana as part of their preliminary projection is provided in the Attachment.

The normal process for renewal is that Humana will finalize the premium for the upcoming plan year after the Center for Medicaid and Medicare Services (CMS) releases the federal subsidy level for Part D plans. This occurs in late July each year. Humana then determines if they need to adjust premiums accordingly based on the subsidy amount and the experience of the plan. Per the terms of the contract, Humana must provide the final premium for the Board's consideration by August 15.

Based upon the premium projection supplied by Humana for the 2024 calendar year, the overall ease of administration of the product for NDPERS processes, the minimal disruption our members continue to experience with Humana, and the responsiveness of Humana when questions regarding NDPERS processes or members have been raised, staff recommend that the Board defer a decision on whether to bid the Medicare Part D Plan in order to consider the final renewal premium offered by Humana in August. Should the Board approve, staff will continue to review the information provided by Humana to confirm consistent plan design to the current plan year and will also work with Humana on 2024 Performance Guarantees. If staff have questions, we will work with Humana to have these resolved prior to the final decision by the Board in August.

If in August the final renewal premium exceeds the projected premium and is a rate that the Board does not wish to renew, then staff will have the final Medicare Part D RFP prepared for the August Board meeting so that it can be approved for immediate release.

If the Board does not agree to the staff recommendation, then staff will move forward with finalizing the draft RFP so that it can be approved by the Board at the June meeting and released shortly thereafter.

**Board Action Requested:**

Provide direction on whether to defer a bid for the Medicare Part D Plan until after Humana provides their final renewal premium in August 2023.



April 28, 2023

North Dakota Public Employees Retirement System  
Rebecca Fricke, Chief Benefits Officer  
Scott Miller, Executive Director  
1600 E Century Ave, Suite 2  
Bismarck, ND 58503

**RE: Humana 2024 Group Medicare Part D Prescription Drug Plan Renewal for North Dakota Public Employees Retirement System**

Dear Rebecca and Scott:

On behalf of Humana, I am pleased to submit the 2024 Group Medicare Part D Prescription Drug Plan (PDP) renewal for North Dakota Public Employees Retirement System (NDPERS). Humana has over 30 years of experience working with Medicare and nearly 2 years working with NDPERS. We are especially proud of our strong reputation for providing excellent customer service to our Group Medicare clients and helping them preserve benefits while containing costs. We are excited to continue our relationship with NDPERS and look forward to providing outstanding service and support to NDPERS and its retirees in 2024.

**A Trusted Partnership**

When organizations choose a Group Medicare plan partner for their retirees, we know they want a carrier with a strong team of people who are knowledgeable, innovative, easy to work with and highly responsive. That is the type of partnership Humana provides to our Group Medicare clients and will continue to provide to NDPERS and your retirees.

We believe the qualities below are the foundation for the trust and highly productive partnerships we have built with our Group Medicare clients and retirees and are some of the components that comprise the Humana difference:

- **Retiree and Employer Experience:** One of Humana's key enterprise initiatives continues to be providing a "Perfect Experience" for our members and clients. A critical factor for success is understanding the unique needs of the Medicare-eligible population and being equipped to provide the necessary support when administrating their benefits. To ensure this, Humana has a dedicated Group Medicare Operations team that services only our Group Medicare clients and their retirees. This team, together with our account management team, provides support to the retirees and NDPERS. NDPERS will continue to have a designated account installation manager who oversees the operational aspects of the plan. Retirees have a toll-free number to ask questions and receive direct support from Humana. The Customer Care specialists for NDPERS are a team specialized in Group Medicare and are primarily located in Louisville, Kentucky. An additional layer of support we continue to provide a designated account concierge specialist (ACS) for NDPERS. The ACS is available



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to address routine questions from NDPERS and retirees and gives us the ability to respond quickly and effectively to issues that require special attention or handling. Having these additional resources enables us to expedite answering any questions that may arise.

- **Long-term sustainability:** Humana uses several methods to appropriately mitigate the cost of care while improving the well-being of retirees. These include early identification tools (predictive modeling, health assessments), clinical integration and guidance (outreach to members, alerts to providers, clinical and disease management programs), health and wellness programs, preventive screening reminders, efficient hospital, provider and pharmacy contracting, as well as a number of claims cost management programs (audits, billing review software, fraud detection, etc.). While a number of these tools apply MA plan members, this provides an overview of what goes into these methods to provide NDPERS and your retirees with the stability to ensure long-term sustainability.
- **Expertise, Quality, and Choice:** As our track record proves, quality is inherent in Humana's Medicare plans. Humana is committed to helping our members achieve lifelong well-being, a goal achieved through a variety of resources. In addition, we are continually enhancing our standard care management programs, wellness tools and resources, and supplemental benefits to offer the best member experience. Humana is dedicated to supporting members, providing vital guidance and service to thousands of our sickest and most costly members, helping them with drug safety, effectiveness and cost savings through our Medication Therapy Management program. We remain committed to all the retirees we serve and we aim to ensure Humana remains a premium choice for high quality, value and efficient Medicare coverage.
- **Provider partnership:** Humana believes it is also important to engage and collaborate with pharmacies and providers across the communities we serve. In support of our goal of an integrated care delivery model, we continue to work with providers to move away from the more traditional fee-for-service (FFS) reimbursement methodology towards a deeper partnership rooted in value-based arrangements that reward better health outcomes.
- **Our Track Record:** We are proud to be among the oldest and largest companies continuously operating private Medicare plans. This experience provides Humana with a long and successful track record of being able to understand the nuances of retiree benefits, provide retirees with a positive experience, and simultaneously provide the necessary support for clients. Throughout the year, we aim to create meaningful and impactful connections with members, while also valuing the client's level of interaction they desire from Humana.

## Medicare Part D Prescription Drug Plan Renewal

The 2024 renewal includes the following information:

- Renewal Exhibit – with required rate development per the Contract, Section 4.2, Renewals
- 2024 Rate Sheet with plan highlights
- 2024 Product Design Exhibit with plan details
- 2024 Performance Guarantee Agreement

## Rating Factors

In developing the Medicare Part D Prescription Drug Plan 2024 renewal, several factors will be influencing the rate:

- Claims experience
- CMS reimbursements
- Pharmacy trends



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- Plan change adjustments
  - o Plan changes under the Inflation Reduction Act
- Enrollment demographics

Taking into consideration all rating components provided in the 2024 PDP rate development (Renewal Exhibit), the premium projection results in an increase of \$70.15 PMPM, an increase of \$0.43 PMPM from the current 2023 rate of \$69.72 PMPM:

- Humana is applying a business decision and is not applying the premium impact. We are pleased to deliver a Rate Hold for 2024.

**Humana is delivering the 2024 PDP rate of \$69.72 PMPM, a Rate Hold of the current 2023 of \$69.72 PMPM.**

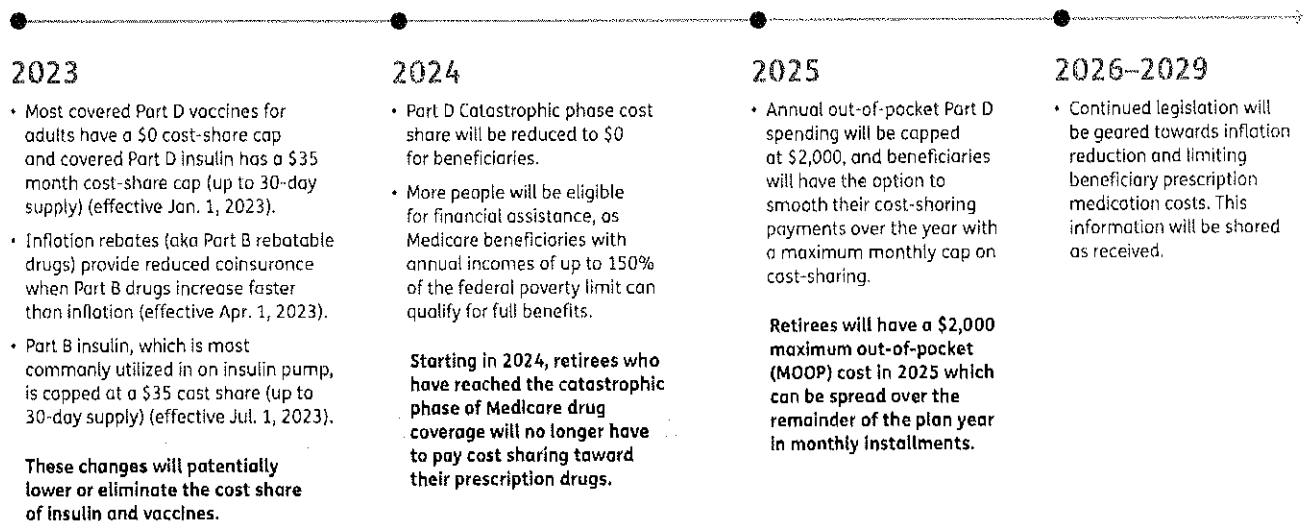
### Benefit and Plan Updates for 2024

With each year there are updates and changes that CMS directs carriers to follow.

For 2024, CMS has updated the Part D Standard cost share limits. Humana tracks the drug phases as a CMS requirement, which also affects reimbursement. The applicable limits are applied to the NDPERS Plan for 2024 and includes changes to the Part D Catastrophic phase applied under the Inflation Reduction Act (IRA). In 2024, members will have \$0 member cost share in the Catastrophic phase.

Stage	2023	2024
Deductible	\$505	\$545
Initial Coverage Limit (ICL)	\$4,660	\$5,030
TrOOP	\$7,400	\$8,000
Catastrophic	Greater of \$4.15 (Generics), \$10.35 (Brands), or 5%	\$0

The Inflation Reduction Act aims, in part, to reduce prescription medication costs for some popular drugs. Here are some of the notable changes:



Source:

1. Juliette Cubanski, Meredith Freed, and Tricia Neuman, "What Are the Prescription Drug Provisions in the Inflation Reduction Act?," Kaiser Family Foundation, last accessed Dec. 14, 2022, [www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/](http://www.kff.org/slideshow/what-are-the-prescription-drug-provisions-in-the-inflation-reduction-act/).



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**Value Added Items and Services (VAIS):**

- The VAIS discount program is included with the Humana Part D Prescription Drug Plan. Members receive the VAIS discount information post-enrollment. Humana is adding two new programs for the 2024 coverage year:



**Truthbrush**

- Smart Teeth brushing trackers to improve oral healthcare
- 20% off devices
- Free App



**balanced**

- Online exercise portal geared towards seniors
- 55% off monthly subscription fee of \$20

- The full listing of VAIS discounts are noted on page 3 of the PDP Plan Design Exhibit enclosed.

Humana places tremendous value on our relationship with the NDPERS. We will continue to explore ways to stabilize costs while providing the value and service that NDPERS and its retirees expect and deserve. We appreciate the trust and confidence you have placed in Humana and look forward to our continued partnership.

Sincerely,

Julie Bodenski  
Account Executive  
Humana Group Medicare

CC: Stephanie Heller – Director, Account Management

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Humana Medicare Group Plan – Premium Information

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM - PDP

Date: 5/1/2023
Humana Medicare Group Plan
Plan Names: Custom PDP
Rx Formulary: Group Plus Formulary - TBD
Additional Medication Buy-Ups: Coughs and Colds, EDs Enhanced

Table with 2 columns: Plan Year, Final Billed Premium (Per Member Per Month). Row 1: 1/1/2024 - 12/31/2024, \$69.72

PDP 037 161 Rx Benefit Overview

Prescription Drugs (Retail 30 day supply)

Custom Rx \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 50% coinsurance/\$25 copay plus 50% coinsurance from \$0 to ICL; \$5 copay plus 15% coinsurance/\$15 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance/\$25 copay plus 25% coinsurance from ICL to Catastrophic

\*\*\*See attached sheet for rating assumptions and stipulations. The benefits presented above are a high-level summary. Please consult the Plan Design Exhibit for a more detailed list of covered services, member cost shares, services subject to deductibles and any plan limitations.\*\*\*

**HUMANA MEDICARE EMPLOYER PDP PLAN**

2024 PDP for North Dakota Public Employees Retirement System Plan 037 Option 161

Group Plus Formulary - PDG 49

With Package(s): 2 (Cough/Cold) & 7 (Erectile Dysfunction)

Effective Date: 01/01/2024 - 12/31/2024

**30 Day Supplies**

PDP Option Number	30 Day Standard Retail from \$0 to ICL (1)				30 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

PDP Option Number	30 Day Standard Mail Order from \$0 to ICL (1)				30 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				30 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	30 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

Plan covered insulin products will not exceed \$35 for a one-month supply no matter what cost-sharing tier it's on

\*Tier 1: Generic or Preferred Generic - Generic or brand drugs that are available at the lowest cost share for this plan.

Tier 2: Preferred Brand - Generic or brand drugs that Humana offers at a lower cost than Tier 3 Non-Preferred Drug.

Tier 3: Non-Preferred Drug - Generic or brand drugs that Humana offered at a higher cost than Tier 2 Preferred Brand drugs.

Tier 4: Specialty Tier - Some injectables and other higher-cost drugs.

90 Day Supplies

PDP Option Number	90 Day Standard Retail (4) from \$0 to ICL (1)				90 Day Standard Retail from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Retail Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Retail Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

PDP Option Number	90 Day Standard Mail Order (4) from \$0 to ICL (1)				90 Day Standard Mail Order from ICL to Catastrophic (2) "Coverage Gap"				90 Day Standard Mail Order Cost Sharing from Catastrophic to Unlimited	Out-of-Pocket that triggers Catastrophic	90 Day Standard Mail Order Home Infusion Drugs (3)			
	Tier 1*	Tier 2	Tier 3	Tier 4	Tier 1*	Tier 2	Tier 3	Tier 4			Tier 1*	Tier 2	Tier 3	Tier 4
PDP 157	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 50% coinsurance of remaining cost share	N/A	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A	\$0 copay	\$8,000	\$5 copayment; 15% coinsurance of remaining cost share	\$15 copayment; 25% coinsurance of remaining cost share	\$25 copayment; 25% coinsurance of remaining cost share	N/A

Note: Part D vaccines recommended by the Advisory Committee on Immunization Practices (ACIP) for adults may be available at no cost.

**Footnotes:**

- 1 ICL (Initial Coverage Limit): When total drug cost (the amount the member pays plus the amount Humana pays) reaches \$5,030.
- 2 Catastrophic: When a member's True Out-of-Pocket (TrOOP) cost reaches \$8,000.
- 3 Home Infusion Drugs: After the deductible has been met, these drugs will be covered at the specified cost shares in the Coverage Gap.
- 4 Retail and Mail Order: The benefit for a 90-day supply is limited to Rx formulary Tiers 1-2 and most drugs on Tier 3. Regardless of tier placement, Specialty drugs are limited to a 30-day supply.

**Out of Network: Emergency Situations**

- When a member purchases a drug at an out-of-network pharmacy in an emergency situation:
- a. the member will pay the same coinsurance as would have applied at a network pharmacy, but at the out-of-network pharmacy price, and/or,
  - b. the member will pay the same copayment as would have applied at a network pharmacy, plus the difference between the out-of-network pharmacy price and the network pharmacy price.

Extra Services

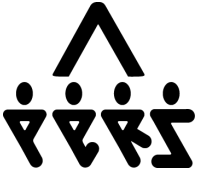
The benefit and discount information presented here are current as of the date of this document. If a change should occur prior to implementation, Humana will clarify any change and notify the group sponsor. The products and services described below are neither offered nor guaranteed under our contract with the Medicare program. In addition, they are not subject to the Medicare appeals process. Any disputes regarding these products and services should be addressed with Customer Care by calling the number on the back of the member's Humana membership card. CMS does not permit discussing the below services with potential enrollees prior to enrollment.

*Complementary and Alternative Medicine and Weight Management Discount (Trivity) - Not available in Puerto Rico	Members receive discounts for complementary alternative medicine and weight management services including discounted rates for: specialists, Nutrisystem, The Vitamin Shoppe, Fitbit, and United Pet Care. Services must be received from participating Trivity Health providers.
* Dental Discount (HumanaDental) - Not available in Florida or Puerto Rico	Members can receive discounts on dental services when services are received from participating HumanaDental providers.
* Dental Discount (Florida GoldPlus) - Available in Florida only	Members can receive discounts on dental services when services are received from participating Florida GoldPlus providers.
* HearMy Hearing Discount (HearUSA) - Available in Florida only	Discounts on hearing aids, accessories and hearing assistance products.
* Hearing Discount (TruHearing) - Not available in Florida or Puerto Rico	Hearing aid discounts are available to members who purchase hearing aids at any TruHearing Hearing Center. Members must schedule appointments with TruHearing before seeing a clinician.
* Personal Emergency Response System (Lifeline® Medical Alert Systems)	Discounts available to members when purchasing Lifeline medical alert systems and medication dispensers.
* Meal Delivery Discount (Mom's Meals)	Members receive discounts on home delivered meals to help support nutritional needs.
* Prescription Medication Discount	Lifeline may help members live independently with a peace of mind. Personal emergency response services connect members to caregivers and emergency services when an incident occurs. Wireless or landline options available.
* Bill Management Service (Silver Bills)	Members can receive a discount on monthly bill management services.
* Dental Health (Truthbrush)	Discounts on toothbrush tracking devices that monitors dental habits and performance through the use of an app.
* Digital Fitness Program Discount	Discounts on monthly online subscription that provides access to fitness classes through live workouts and on-demand videos specially developed for seniors.
* Vision Discount (EyeMed)	Discounts from participating EyeMed Vision Care Select network providers on routine vision services such as: Exam, contact lens fitting and follow-up, lenses, frames and laser vision correction. Discounts are taken at point of sale. Discount and funded benefits cannot be utilized within the same transaction.

This information is not a complete description of benefits. Contact the plan for more information. Limitations, copayments and restrictions may apply. Benefits, premiums and/or member cost-share may change each year. Part D benefit parameters, regulated by the Centers for Medicare and Medicaid Services (CMS), can impact Part D benefits on an annual basis. The formulary and pharmacy network may change at any time. The member will receive notices when necessary. Please refer to the Evidence of Coverage for additional information regarding covered services and limitations or any other contractual conditions. For a complete description of benefits, exclusions and limitations please refer to the actual Evidence of Coverage. If a discrepancy arises between this information and the actual Evidence of Coverage, the Evidence of Coverage will prevail in all instances.

Humana is a Medicare Employer Prescription Drug plan with a Medicare contract. Enrollment in this Humana plan depends on contract renewal.





# Memorandum

**TO:** NDPERS Board

**FROM:** Shawna Piatz

**DATE:** May 9, 2023

**SUBJECT:** PERS Prescription Drug Coverage Performance Audit

The Audit Committee has completed their review of the PERS Prescription Drug Coverage Performance Audit completed by Myers and Stauffer LLC. There were 18 audit or analysis categories requested by the State Auditor for this performance audit as summarized in the table at the end of this report. Note that item #17 was not noted in the summary but was noted in the body of the report. The Audit Committee reviewed each of these items by the type of observation reported and is recommending the following responses.

Observation categories:

1. No issues noted (Items 1, 8, 9, 10 & 14)
  - a. AC Response: No issues to note.
2. Recommendations made for consideration (Items 15, 16 & 17)
  - a. AC Response: Reviewed and taking for future consideration.
3. Flaws in analysis methodology (Items 2 & 3)
  - a. There is a difference in methodology between SHP/Optum and Myers and Stauffer and we are unable to determine if there are any issues and what action should be taken at this time.
4. Flaws in analysis methodology & immaterial variances noted (Items 4 & 5)
  - a. There is a difference in methodology between SHP/Optum and Myers and Stauffer and we are unable to determine if there are any issues and what action should be taken at this time.
  - b. We acknowledge the immaterial variances noted.
5. Scope limitations (Items 6, 7, 11, 12 & 13)
  - a. There are conflicting legal opinions regarding the audit's scope.
6. Clawbacks (Item 18)
  - a. This has been reviewed.

## Review Summary

Audit Category	Observation	Summary
1	Average Wholesale Price Pricing Errors	No discrepancies observed.
2	Average Annual Dispensing Fees Brand Drugs	Plan Year 2021 demonstrated an increase.
3	Average Annual Dispensing Fees Generic Drugs	Plan Year 2021 demonstrated an increase.
		2021 under the transparent model (with the exception of mail order claims).
4	Average Annual Brand Ingredient Costs by NDC	NADAC price basis comparison.  Several claims had MONY codes mis-applied.
		A NADAC assigned price basis would have resulted in lower drug costs in all categories except mail order in all three plan years.  Medi-Span MONY codes were not applied in limited instances.
5	Average Annual Generic Ingredient Costs by NDC	NADAC price basis comparison.  Several claims had MONY codes mis-applied.
		A NADAC assigned price basis would have resulted in lower drug costs in all categories.  Medi-Span MONY codes were not applied in limited instances.
6	Administrative Fees Invoiced	Full Remittance advices not provided.  30 claims sampled for administrative fees in 2021.
		Remittance advices were not provided for 2019 and 2020 claims. As a result, the administrative fees in the paid prescription claims data were unable to be reconciled to 2019 and 2020 remittance advices.  2021 claims records sampled did not have administrative fees associated with the claims. Market comparison could not be made based on claims.
7	Additional Fees Invoiced	Full Remittance advices not provided.  30 claims sampled for administrative fees in 2021.
		Remittance advices were not provided for 2019 and 2020 claims. As a result, the additional fees in the paid prescription claims data were unable to be reconciled to 2019 and 2020 remittance advices.  2021 claims records sampled did not have additional fees associated with the claims. Market comparison could not be made based on claims.

## Review Summary

Audit Category	Observation	Summary
8 PA Drugs Implemented in 2021	16 new PA drugs observed.	No changes recommended to PA drugs.
9 ST Drugs Implemented in 2021	18 new ST drugs observed.	No changes recommended to ST drugs.
10 QL drugs Implemented in 2021	3 new QL drugs observed.	No changes recommended to QL drugs.
11 Spread Pricing: Retail Pharmacy	Remittance advices not provided.	The potential spread pricing for claims filled at retail pharmacies during 2019 and 2020 were unable to be examined as SHP and OptumRx did not provide prescription remittance advices.
12 Retail Pharmacy Reimbursements	Remittance advices not provided.	Remittance advices were not provided for 2019 and 2020 claims. As a result, the drug costs reimbursed to retail pharmacies were unable to be reconciled to the paid claims data for each retail pharmacy for 2019 and 2020.
13 Mail Order and Specialty Reimbursements	Remittance advices not provided.	Remittance advices were not provided for 2019 and 2020 claims. As a result, the drug costs reimbursed to retail pharmacies could not be compared to the drug costs reimbursed to mail order and specialty pharmacies.
14 Excluded Drugs	No discrepancies observed.	No issues were observed in the review for delays in updating excluded drugs that would affect reimbursements to pharmacies.
15 DAW 9 Dispensed Drugs	DAW9 assigned drugs were costlier to the plan.	DAW9 assigned drugs demonstrated a higher cost to the plan compared to their equivalents.
16 Rebate Evaluation	Guaranteed rebate dollars levels were achieved.	Rebate guarantee levels were exceeded in plan years 2019 – 2021.
18 Clawback Evaluation	Network pharmacy surveys indicated clawback payments.	Network pharmacies indicated clawbacks to claims from the 2019 – 2021 plan years.



STATE OF NORTH DAKOTA  
OFFICE OF ATTORNEY GENERAL  
www.attorneygeneral.nd.gov  
(701) 328-2210

Attachment

Drew H. Wrigley  
ATTORNEY GENERAL

April 18, 2023

Dean DePountis  
Assistant Attorney General  
North Dakota Office of Attorney General  
600 E. Boulevard Ave., Dept. 125  
Bismarck, ND 58505-0040  
Attorney for NDPERS Board

RE: *North Dakota Office of the State Auditor / North Dakota PERS Board*

Dear Assistant Attorney General DePountis:

I am the Assistant Attorney General assigned to the North Dakota Office of the State Auditor. On April 30, 2021, state lawmakers passed House Bill 1004 which required the Auditor's Office to hire a third-party contractor to conduct an audit on the prescription drug coverage of NDPERS. The Auditor's Office selected the contractor Myers and Stauffer because of their extensive experience in auditing the medical field. Myers and Stauffer conducted this audit in conjunction with staff at the Auditor's Office. The final audit report was shared with the NDPERS Board on February 3, 2023.

Myers and Stauffer required data to conduct this legislatively mandated audit. Both Sanford Health, and the Pharmacy Benefits Manager (PBM), Optum Rx, refused to provide the data necessary for the audit to be accurately conducted.

Due to the refusal of Sanford Health and Optum Rx to provide the essential data for this audit, Myers and Stauffer were unable to do their work and complete the audit. This resulted in a scope limitation being issued in the report along with five findings.

This appears to be a disregard of their contractual obligations with the State of North Dakota. Both contracts had language that Sanford Health and Optum Rx should comply with governmental audits, as pointed out to them in a letter from Assistant Attorney General Karpinski dated September 14, 2022. Additionally, two sections of North Dakota Century Code §§ 54-52.1-04.16 and 54-10-19 should have compelled them to turn over the data for an audit.

Dean DePountis

Page 2

April 18, 2023

The North Dakota State Auditor would ask the NDPERS Board to review the contractual obligations and see if they were followed. If there are any questions, the North Dakota State Auditor would look forward to a meeting with the NDPERS Board to discuss the Auditor's Office's serious concerns.

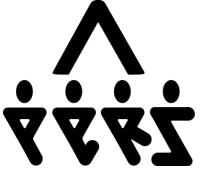
Sincerely,



Joshua Amundson

Assistant Attorney General

cc: Joshua Gallion, State Auditor, North Dakota Office of the State Auditor



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               May 9, 2023

**SUBJECT:**           Industrial Commission Letter

Attached is the proposed response to the letter you all received from the Industrial Commission regarding the contribution and benefit limits in Internal Revenue Code section 401(a)(17).

**Board Action Requested:** Approve or modify the proposed response.

## Response to Industrial Commission on 401(a)(17) limits

1. When were the Section 401 (a)(17) annual compensation limits adopted and when, how, and with what frequency was this information communicated to state agency payroll administrators and participants that are enrolled in the NDPERS Defined Benefit Retirement Plan?

We do not know when the federal government enacted the section 401(a)(17) limits.

In 2022, we had our IRS consultant review our annual limit and bonus reporting policies. After the discussions with our consultant on best practices, we put additional restrictions on the ability for members to generate a benefit estimate in Member Self Service (MSS). This process has been in place for other identified members in MSS (members with bonus spreads, duals, etc.) if they may have a salary impacted or be over the IRS annual compensation threshold that will need a manual review/calculation by PERS staff. The calculations in MSS are restricted so inaccurate estimates are not provided online, and staff must review the reported monthly wages for accuracy. In these cases, the member must contact our office to process benefit estimates and service purchase calculations.

The State Mill is the only employer to whom this information needs to be communicated. PERS staff administers this effort on PeopleSoft for all other agencies.

2. When employees were provided the option to change from the NDPERS Defined Contribution Plan to the NDPERS Defined Benefit Plan, were the Section 401 (a)(17) annual compensation limits identified, communicated, and factored into the estimated benefit information provided to employees by NDPERS at that time?

The NDPERS Defined Contribution Plan and the NDPERS Defined Benefit Plan both fall under the Section 401(a)(17) annual compensation limits, so this would apply to both plans. NDPERS had an actuary review the DC to DB comparison spreadsheets prior to their distribution to update the worksheets for any limits that may apply. As such, this was factored into the estimates provided to employees.

3. When employees have purchased years of service, have the Section 401(a)(17) annual compensation limits been factored into the calculation of Final Average Salary that is used to determine the cost of the purchase by NDPERS?

Since 2022, Yes. A review was done for all purchases that may not have factored in 401(a)(17) limits in September 2022, and affected members were contacted and the necessary corrections made.

4. If years of service have been purchased based on inaccurate information and calculations that resulted in an overpayment by a plan participant, how have these transactions been corrected?

The employee would be notified of any overpayment or underpayment for the purchased service. If an overpayment should occur, NDPERS would return the funds in the same manner in which these funds were received (issued back to the member or issued back to the rollover company).

5. When, how, and with what frequency has NDPERS communicated with non-central payroll agencies regarding 401(a)(17) limits to facilitate systems and procedural compliance?

For state payroll agencies, the 401(a) limits are already incorporated into the PeopleSoft system. The Mill & Elevator is the only non-PeopleSoft state entity impacted by the 401(a) limit, and we only recently found out about the issue which is why we reached out to the Mill & Elevator last December to seek resolution. Limitations would need to be applied on the Mill's end prior to submitting payroll information to NDPERS for accuracy in the current year. If limits are not applied prior to submitting payroll to NDPERS, a correction of any over or underpayments would not take place until the member's retirement.

6. It would appear that in the first half of 2021, leading up to the retirement of a former Industrial Commission agency executive, NDPERS was aware of a procedure condition that could result in over-contributions to the Defined Benefit plan. What communication was provided to the Industrial Commission and the agency payroll administrator at that time regarding the 401(a)(17) limits, as the issue could reasonably be expected to continue to impact the employing Industrial Commission agency and the retiree's successor?

NDPERS became aware of the 401(a)(17) limit concerns in May 2021 and later became aware of the differences with payroll reporting between central payroll and non-central payroll employers (Mill and Elevator) in December of 2022. After an internal review of who was impacted, communication was sent to the Mill and Elevator in January 2023 seeking resolution for the coming calendar year.

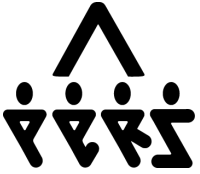
7. In general terms, how did NDPERS correct this issue for the executive that has retired?

If this is regarding a specific individual, this individual's accounts would require NDPERS review and we cannot share confidential member information with the employer. If corrections are made to a member's account, you'd see a payroll header in ESS and any credits or charges you and/or the member would be entitled to or would owe would be reflected in that invoice.



8. To the extent over-contributions were repaid to the retired executive and the Industrial Commission agency, how and by whom were those calculations determined?

If this is regarding a specific individual, this individual's accounts would require NDPERS review and we cannot share confidential member information with the employer. However, it is NDPERS' policy that accounts that may be affected by the 401(a)(17) limits be reviewed by NDPERS Benefits and Internal Audit staff prior to being released to a member.



# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

**DATE:**               May 9, 2023

**SUBJECT:**           Legislative Relations

Attached is our final internal tracking list for legislation. We'll go over some of that list and discuss other Legislative topics.

One of the topics we need to discuss is the passage of House Bill 1040, and how to address the apparent violation of NDCC section 54-35-02.4. The applicable subsections are below:

6. Any amendment made during a legislative session to a legislative measure affecting a public employees retirement program, public employees health insurance program, or public employee retiree health insurance program may not be considered by a standing committee unless it is accompanied by a report from the employee benefits programs committee.

7. Any legislation enacted in contravention of this section is invalid and of no force and effect, and any benefits provided under such legislation must be reduced to the level current prior to enactment.

Representative Weisz introduced an amendment to the House Appropriations Committee on February 13, 2023. That amendment introduced an incentive for current members of the DB plan to move into the DC plan.

No effort was made to have the Employee Benefits Programs Committee (EBPC) take jurisdiction of the bill or to perform an evaluation of the amendment at that time. The House Appropriations Committee adopted the amendment on February 17, 2023. The full House approved the amendment on February 22, 2023. The House then passed HB 1040 on February 22, 2023. Both of those actions seem to violate the above statutory provisions.

The EBPC took jurisdiction of the amendments to HB 1040 on March 3, 2023 and requested that we have an analysis performed. I provided Legislative Council the GRS analysis on March 13, 2023. The EBPC reviewed the analysis at a meeting on March 13, 2023 – 24 days after the House Appropriations Committee took action on the amendment, and 19 days after the House approved the amendment and passed HB 1040.

The amendments to HB 1040 and 1183 presented in SB 2015 on the last day of session may also be subject to an argument that they were adopted in violation of 54-35-02.4. HB 1183 is the bill that moved all state-employed peace officers into the Public Safety Plan. Interestingly, the Legislative Assembly was aware of this issue at that time:

18        **SECTION 59. EXEMPTION - EMPLOYEE BENEFITS PROGRAMS COMMITTEE.**

19        Sections 36 through 50 and sections 56 and 57 of this Act are exempt from the requirements of  
20        section 54-35-02.4.

SB 2015 also modifies the structure of the NDPERS Board, increasing the number of legislators to four, increasing the number of Governor appointees to four, and removing all remaining Board members except the three active elected members. This seems to be a potential violation of the North Dakota Constitution, specifically the Separation of Powers doctrine.

I should also mention that we have begun 1040 implementation efforts. The possibility that we could be ready by 1/1/24 is fairly remote. We do not get the authority to hire a programmer until July 1, and we anticipate work on our own system will be a six-month process. Only then can our political subdivisions begin the work on their systems – they will need to wait to see what ours looks like so they can do the appropriate modifications.

We also don't get the authority to hire the three additional FTEs until July 1, including the DC Plan Manager and an additional counselor to help with member awareness. We have begun the process, however, so should be able to get that done quickly once we get the authority.

Further, HB 1040 requires us to promulgate rules for the administration of the new provisions. Rulemaking is typically a 9-12 month process. Right now we are aiming for an April, 2024 Administrative Rules Committee hearing.

Finally, we are at the beginning stages of an RFP for the third party administrator of both DC plans and the Companion Plan. That contract will begin July 1, 2024.

Dean will be at the Board meeting, and the topic is noticed for executive session in the event the Board would like to discuss this with its counsel.

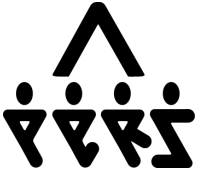
**Board Action Requested:** Determine how to proceed with the above information.

## INDEX OF BILLS:

<b>Bill #</b>	<b>Description</b>	<b>Status</b>
HB 1039	DB Closure with 1/1/24 effective date	Failed House
HB 1040	DB Closure with 1/1/25 effective date	Signed by Governor
HB 1088	State Investment Board (SIB) Make-up – amended	Passed Both
HB 1095	Comprehensive Medication Management Program	Signed by Governor
HB 1146	Infertility Benefits	Failed House
HB 1150	TFFR membership – military exception	Signed by Governor
HB 1183	Changes definition of Peace Officer, retirement eligibility	Signed by Governor
HB 1219	TFFR Technical Corrections – monitor for RTW provisions	Signed by Governor
HB 1271	TFFR RTW – opt to pay or not pay EE contributions	Failed House
HB 1278	Requires contracts to include written support of fossil fuels & ag	Failed Senate
HB 1309	BCI benefit change, vesting change	Signed by Governor
HB 1321	NDPERS Board Make-up/Contracting for health insurance (Kasper)	Failed Senate
HB 1345	Priority to companies that support energy & ag in ND	Failed Senate
HB 1368	Prohibits contracts with companies that boycott Israel	Signed by Governor
HB 1379	Legacy interest fund/earnings fund	Passed Both/Emergency Clause Passed
HB 1411	Prosthetic devices	Signed by Governor/Emergency Clause Passed
HB 1413	Cost sharing & payments made by 3 <sup>rd</sup> party/Changed to a study	Passed Both
HB 1416	Freedom of provider choice	Veto Over-ridden by both Chambers
HB 1429	Contract restrictions	Passed House
HB 1442	State Employee Personal Information	Failed House
HB 1469	Public Funds – Investment	Failed House
HB 1486	DB Closure with 1/1/25 effective Date, split ADEC	Failed House
HB 1501	Soybean Council Privatization	Passed Both
HB 1539	Eliminates EBPC and has PERS bills reviewed by Legislative Management	Passed Both
SB 2023	NDPERS Budget	Passed Both
SB 2031	Canadian Drug Reference Pricing	Failed Senate
SB 2130	Peace Officer Definition	Signed by Governor
SB 2135	Dental Benefit Assignment	Signed by Governor

SB 2140	Insulin Cap	Signed by Governor/Emergency Clause Failed
SB 2158	CHAND Study	Signed by Governor
SB 2160	Telehealth parity	Failed Senate
SB 2164	NDPERS Board Make-up (Legislator from each chamber)	Failed Senate
SB 2171	Governor's 3 <sup>rd</sup> Health Plan Option	Failed House
SB 2239	ADEC Cont, 1% EE Cont, DB Remain Open, DC option	Failed House
SB 2258	TFFR RTW, critical demand	Failed House
SB 2378	Clinician-administered drugs	Signed by Governor
SB 2389	Prior Authorization/Changed to a study	Signed by Governor

Highlight are those bills that failed OR that we are monitoring but not currently testifying at.



# Memorandum

**TO:** NDPERS Board

**FROM:** Aime

**DATE:** May 9, 2023

**SUBJECT:** Board Election Update

The Election Committee met on May 8 to validate the nomination petitions received for the active vacancy on the NDPERS Board.

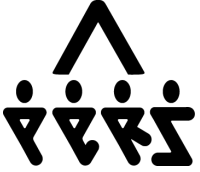
Six candidates filed their nomination petitions with NDPERS and met the signature requirement.

The names of the six candidates will be on the next electronic election ballot.

Kayla Trzpuc	Health & Human Services
Brendan Joyce	Health & Human Services
Rachel Iverson Schafer	Health & Human Services
Steven Denn	Health & Human Services
Jason Grueneich	Department of Transportation
Tyler Erickson	Insurance Department

The last day for members to withdraw their candidacy is Monday, May 15.

This is informational only.



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# Memorandum

**TO:**                   NDPERS Board

**FROM:**               Scott

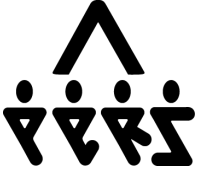
**DATE:**               May 9, 2023

**SUBJECT:**           November Board Planning Meeting

I'd like to begin the conversation regarding what the Board would like to do for its biennial Planning Meeting. As those of you who were here will remember, at the November 2021 Board Planning Meeting we had the following agenda:

- I. BOARD PLANNING** – Agenda:
  - A. Plan, Budget and Operations Review
  - B. Legislative Proposals
  - C. SWOT Review
  - D. Strategic Planning

We could certainly do a similar set of activities this November, or we could mix it up and try something else. We'll chat about those possibilities and get some initial input from you at the May meeting, and we can continue the conversation in June if necessary.



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# Memorandum

**TO:** NDPERS Board

**FROM:** Casey Goodhouse

**DATE:** May 9, 2023

**SUBJECT:** Executive Director Review Recommendations

The Compensation Committee has met twice regarding Scott's annual review. Unfortunately, all state agencies are trying to learn what happened with the final version of OMB's budget bill, SB 2015, and what last-minute changes mean for raises going forward. Since we do not yet have this information, the Committee was not yet comfortable making a firm recommendation to the Board regarding a specific raise for Scott. We will meet again once we have clarification, and intend to call a special Board meeting before the end of May to finalize Scott's salary for next fiscal year.



## **VI. MEMBER**

### **A. Retirement Benefit Appeal Case #801**

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