

MINUTES

North Dakota Public Employees Retirement System Tuesday, August 20, 2024 8:30 A.M.

Members Present: Chairman Mike Seminary
Representative Greg Stemen
Representative Jason Dockter
Senator Dick Dever
Mr. Adam Miller
Mr. Tyler Erickson
Mr. Gerald Buck
Mr. Joe Morrissette

Members by Teams: Mr. Jeffry Volk
Ms. Casey Goodhouse
Senator Shawn Vedaa

Other present: Ms. Rebecca Fricke, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Katheryne Korom, NDPERS
Mr. Dean DePountis, Office of Attorney General
Ms. Courtney Meyer, SHP
Mr. Tommy Ibrahim, SHP
Ms. Gretchen Schilling, SHP
Ms. Kim Haug, SHP
Ms. Julie Bodenski, Humana
Mr. Karno Sarkar, Deloitte
Mr. Ford Edgerton, Deloitte
Mr. Dan Plante, Deloitte

Chairman Seminary called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Chairman Seminary called for questions or comments regarding the July 9, 2024, meeting minutes.

SENATOR DEVER MOVED TO APPROVE THE MINUTES OF THE JULY 9, 2024, BOARD MEETING. THE MOTION WAS SECONDED BY MR. ERICKSON AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

CONFLICT OF INTEREST DISCLOSURE CONSIDERATION

No conflicts were reported.

PRESENTATIONS

Health Plan Executive Summary Quarter 1 2024

Ms. Courtney Meyer presented the 2024 Quarter 1 Sanford Health Plan Executive Summary. She discussed annual membership and membership trends, noting the biggest shift is among the political subdivision group. She shared claim type data relative to the height of Humira

utilization, the cost share, and shift to a biosimilar. Utilization, high dollar cases, and pharmacy data were also reviewed. Ms. Julie Bodenski gave an update on Humana data for the retiree Employer Group Waiver Plan (EGWP) portion of the Executive summary.

Ms. Meyer highlighted wellness continuum including monthly wellness themes quarterly wellness challenges, health coaching, and care management engagement.

She concluded the presentation with an overview of the performance guarantees.

DEFINED CONTRIBUTION PLAN IMPLEMENTATION

House Bill 1040 Implementation Update

Ms. Fricke outlined the work efforts and a high level update on progress made for House Bill 1040 implementation since the last reporting at the board meeting. Activities discussed were 401(a) Defined Contribution Plan Document, 457 Plan Document and 457 Companion Plan Documents, presentations given to employer groups, systematic updates being made to PERSLink and Peoplesoft, including status on testing, internal staff training kickoff on August 22, oversight of the Special Election Window process, and receipt of the first employer test file for employer reporting. Everything is on task to meet deadlines for the January 1, 2025 implementation.

DEFERRED COMPENSATION / DEFINED CONTRIBUTION

401(a) Defined Contribution Plan Document (revised)

Ms. Fricke updated the board on revisions to the 401(a) Defined Contribution Plan Document. Staff and legal counsel from the Attorney General's Office and Ice Miller have reviewed and updated the 401(a) Defined Contribution Plan Document to ensure compliance with the provisions of House Bill 1040 and other state and federal law. The board reviewed the updates made to the plan document based on board discussion in July.

MR. VOLK MOVED TO APPROVE THE UPDATED 401(A) DEFINED CONTRIBUTION PLAN DOCUMENT EFFECTIVE JANUARY 1, 2025. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Mr. Morrissette, Senator Dever, Representative Dockter, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Mr. Miller, Mr. Volk, Senator Vedaa, Representative Stemen, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

GROUP INSURANCE / FLEXCOMP

Group Voluntary Dental Plan RFP

The board reviewed a draft of the contract for Group Voluntary Dental PPO Benefits with Delta Dental of Minnesota (Delta Dental) for the January 1, 2025, through December 31, 2026, contract period.

REPRESENTATIVE DOCKTER MOVED TO APPROVE THE CONTRACT AND BOARD CHAIRMAN'S SIGNATURE FOR THE GROUP VOLUNTARY DENTAL PPO BENEFITS WITH DELTA DENTAL OF MINNESOTA (DELTA DENTAL) FOR THE JANUARY 1, 2025, THROUGH DECEMBER 31, 2026, CONTRACT PERIOD. THE MOTION WAS SECONDED BY MR. BUCK.

Ayes: Mr. Morrissette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Senator Vedaa, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

FlexComp Contract

The board reviewed a draft of the contract FlexComp Plan with ASIFlex for the January 1, 2025, through December 31, 2026, contract period.

MR. BUCK MOVED TO APPROVE THE CONTRACT AND EXECUTIVE DIRECTOR'S SIGNATURE FOR THE FLEXCOMP PLAN WITH ASIFLEX FOR THE JANUARY 1, 2025, THROUGH DECEMBER 31, 2026, CONTRACT PERIOD. THE MOTION WAS SECONDED BY MR. ERICKSON.

Ayes: Mr. Morrissette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Senator Vedaa, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

FlexComp Voluntary Insurance Products

Ms. Fricke reported that staff has completed the annual review of vendors for the voluntary insurance products approved for pretax premiums under the Section 125 FlexComp Plan. All five current vendors replied with confirmation that the products they offer are eligible to be a pretax product. AFLAC, Central United, Colonial Life, Total Dental Administrators (TDA), and USABLE will be included for state pre-tax payroll deductions in the flex plan at Annual Enrollment.

REPRESENTATIVE STEMEN MOVED TO APPROVE THE INCLUSION OF THE PRODUCTS ELIGIBLE TO BE PRE-TAXED FOR THE FLEXCOMP PLAN FOR THE 2025 PLAN YEAR. THE MOTION WAS SECONDED BY MR. MILLER.

Ayes: Senator Dever, Mr. Morrissette, Mr. Volk, Senator Vedaa, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, Ms. Goodhouse, Mr. Miller, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

Medicare Part D Premium Renewal or RFP

Ms. Fricke reported that Humana submitted its final renewal premium for the 2025 plan year. The final premium is \$60.74 which is a decrease of \$3.98 to the current premium. Humana has indicated the decrease is due to the benchmarks that were released by the Center for Medicare and Medicaid Services (CMS) for 2025, and were favorable when applied to the NDPERS plan. Discussion followed.

MR. ERICKSON MOVED APPROVAL TO AMEND THE CURRENT CONTRACT TO CONTINUE WITH HUMANA AS THE MEDICARE PART D PLAN VENDOR FOR THE JANUARY 1, 2025 THROUGH DECEMBER 31, 2025 CONTRACT PERIOD. IF RENEWED, APPROVE THE UPDATED PERFORMANCE GUARANTEES PROVIDED BY HUMANA FOR 2025. THE MOTION WAS SECONDED BY REPRESENTATIVE STEMEN.

Ayes: Senator Dever, Mr. Morrissette, Mr. Volk, Senator Vedaa, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, Ms. Goodhouse, Mr. Miller, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

Insulin/Diabetic Supplies Bill, Report, and Recommendation

Ms. Fricke recapped discussion from the July meeting regarding SB 2140 requiring a monthly cap of \$25/month for insulin and diabetic supplies within the NDPERS group health insurance active plan. SB 2140 requires the NDPERS Board to submit a bill in the upcoming Legislative Session that would roll this coverage out to the commercial market in North Dakota, to provide a report of cost and utilization, and to make a recommendation whether the coverage should be continued. The board materials included details about the cost to the plan and member cost-share, utilization adherence, types of insulin, and experience from other states where the insulin cap was implemented. Sanford Health Plan and Deloitte contributed to putting the material together. Draft Bill #118 was prepared and submitted to the Employee Benefits Programs Committee. The Committee took jurisdiction of the bill at their April meeting.

The board discussed and provided direction to staff about the Board's obligation to provide a report and recommendation related to SB 2140 (passed in 2023 session) related to the \$25/month insulin and diabetic supplies cap that is currently a PERS pilot program.

REPRESENTATIVE STEMEN MOVED TO 1) INCLUDE ALL INFORMATION IN THE REPORT THAT WAS PRESENTED TODAY REGARDING THE EFFECT OF THE INSULIN DRUG AND SUPPLIES BENEFITS REQUIREMENT ON THE SYSTEM'S HEALTH INSURANCE PROGRAMS, AND PROVIDE AN OVERALL SUMMARY; 2) INCLUDE INFORMATION RELATED TO UTILIZATION AND COSTS IN THE REPORT; AND 3) PROVIDE THE RECOMMENDATION THAT THE COVERAGE BE CONTINUED. THE MOTION WAS SECONDED BY MR. MORRISSETTE.

Ayes: Senator Dever, Mr. Morrissette, Mr. Volk, Senator Vedaa, Mr. Erickson, Mr. Buck, Representative Dockter, Representative Stemen, Ms. Goodhouse, Mr. Miller, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

The Board took a short break from 10:26 A.M. to 10:36 A.M.

Sanford Health Plan Member Survey Results

Ms. Courtney Meyer presented a summary of the results of the Sanford Health Plan 2024 Member Survey. The survey was distributed by mail and email to a random sample of participating members of the plan. SHP received 1,100 survey responses.

Overall, member satisfaction is high and continues to improve. Satisfaction with benefits is high (90%) and continues to increase. Satisfaction with the member service center is also high (85%) and continues to increase.

Ms. Meyer reviewed three top opportunities for improvement: 1) Improved coverage of services, 2) Cost transparency and lower out-of-pocket expenses, and 3) Provide clear and complete answers to member inquiries. The full report was provided in the board materials.

Health Insurance Plan Renewal:

Ms. Fricke recapped discussion from the February board meeting about the statutory requirements regarding the health insurance renewal process.

To summarize:

- 1) The Board must have its consultant independently prepare a renewal estimate for the Board to use in determining the reasonableness of the proposed premium;
- 2) The Board must review the carrier's relevant performance measures and use them to determine the Board's satisfaction with the carrier's performance;
- 3) The Board must consider other relevant information, including:
 - a. The economy to be effected.
 - b. The ease of administration.
 - c. The adequacy of the coverages.
 - d. The financial position of the carrier, with special emphasis on the solvency of the carrier.

- e. The reputation of the carrier and any other information available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services.

Sanford Health Plan Renewal Presentation

Ms. Fricke introduced members of the Sanford Health Plan team who gave their renewal presentation and provided a proposed renewal premium.

Sanford Health Plan Renewal Discussion (NDPERS Board and Deloitte)

This agenda item was noticed for Executive Session.

MR. ERICKSON MOVED TO ENTER INTO 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. THE MOTION WAS SECONDED BY SENATOR DEVER.

Ayes: Mr. Morrissette, Mr. Miller, Senator Dever, Mr. Volk, Ms. Goodhouse, Mr. Erickson, Mr. Buck, Representative Dockter, Senator Vedaa, Representative Stemen, and Chairman Seminary

Nays: None

Absent: None

MOTION PASSED

All members named above, attorney Dean DePountis, Deloitte Consulting staff members Karno Sarkar, Ford Edgerton, Dan Plante, NDPERS staff members Rebecca Fricke, Derrick Hohbein, Lindsay Schaf, Katheryne Korom, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:52 A.M. The meeting returned to Open Session at 12:59 P.M.

Sanford Health Plan Renewal Discussion (open discussion)

The board provided guidance to staff about negotiating strategy with Sanford Health Plan for a possible renewal.

LEGISLATION / ADMINISTRATIVE RULES

Proposed Administrative Rules

Ms. Fricke gave a report on the status of the proposed Administrative Rules. Staff has received initial comments on the review of the proposed administrative rules by the Attorney General's Office. The comments include clarifying questions and suggestions on some of the proposed rules. Staff are reviewing these comments and working closely with the Assistant Attorney General assigned to perform the review.

Rebecca will be appearing before the Administrative Rules Committee at the September 4th meeting to discuss questions about the proposed rules.

A final version of the rules will be provided at a future meeting. The rules promulgation process is still on track to meet the October 31 deadline for submission to Legislative Council.

OPERATIONS / ADMINISTRATIVE

Budget Status

Mr. Derrick Hohbein provided an update on the status of the budget as of June 30, 2024. He noted that PERS received \$4,500 in both funding and appropriation authority for the internship program. There is \$161,673 of salary appropriation available through the Vacant FTE pool that can be accessed in March 2025, if needed.

Contracts Under \$10,000

The board was provided a list of the contracts under \$10,000 that have been signed by the Executive Director since the last update.

The next regular meeting of the NDPERS board is September 10, 2024.

The meeting was adjourned at 1:00 P.M.

Submitted by:

Jan Lund
Assistant to the NDPERS Board