

MINUTES

**North Dakota Public Employees Retirement System
Tuesday, May 9, 2023
8:30 A.M.**

Members In Person: Ms. Casey Goodhouse
Ms. Yvonne Smith
Mr. Adam Miller
Mr. Jason Grueneich
Ms. Claire Ness

Members Via Teams: Mr. Dirk Wilke
Rep. Greg Stemen

Members Absent: Rep. Gretchen Dobervich
Chairperson Mona Rindy

Others: Mr. Scott Miller, NDPERS
Mr. Derrick Hohbein, NDPERS
Ms. Rebecca Fricke, NDPERS
Ms. Katheryne Korom, NDPERS
Ms. MaryJo Anderson, NDPERS
Mr. Steve Webster, SHP
Mr. Craig Beers, SHP
Ms. Julie Smith, SHP
Ms. Julie Bodenski, Humana
Ms. Rebekah Ferstadt, Buck Consulting
Mr. Ron Ariel, Buck Consulting

Mr. Adam Miller acted as Chair in the absence of Ms. Mona Rindy. He called the meeting to order at 8:30 A.M. Roll call was taken, and a quorum was present.

Mr. Adam Miller called for questions or comments regarding the April 11, 2023 meeting minutes.

MS. SMITH MOVED TO APPROVE THE MINUTES OF THE APRIL 11, 2023 MEETING. THE MOTION WAS SECONDED BY MS. GOODHOUSE AND CARRIED BY A VOICE VOTE. THE MINUTES WERE APPROVED.

PRESENTATIONS

Health Plan Executive Summary 2022 Quarter 4

Mr. Steve Webster, Sanford Health Plan (SHP), reviewed the annual membership summary. The quarterly membership trend over time has been stable. Per Member Per Month (PMPM) claims analysis information and membership and utilization data were reviewed. The utilization in 2022 was lower than expected. Costs related to COVID continue to decrease. Mr. Webster discussed paid claims by state; in-state costs are lower because of the network and deeper discounts.

Mr. Craig Beers shared information related to generic utilization and prescription drugs, group, high-dollar cases, and prescription drug utilization. SHP is reviewing the formulary on a quarterly basis. Ms. Julie Bodenski, Humana, offered comments about an annual review.

Mr. Webster reported that fitness center reimbursement numbers continue to be an issue and employees are finding ways to get exercise elsewhere. Employees are continuing to complete annual health assessments.

The Executive Summary also included a review of the success of the Lifestyle Medicine Programs, Monthly Wellness Themes, and participation in quarterly wellness challenges. He stated that credit is due to Wellness Coordinators being very giving of their time.

Ms. Julie Smith, Executive Director of Clinical Operations, presented a new report to the board. The Survey Score will be included in the Quarterly Executive Summaries.

RETIREMENT

Public Safety Plan Employer Contribution Rate

Mr. Scott Miller shared information from GRS regarding the employer contribution amount related to the passage of HB 1309. The BCI-specific employer contribution should increase to 20.67% effective August 1, 2023, and then increase to 22.26% on January 1, 2024. State employer-specific contribution rates would be 12.75% effective August 1, 2023, and 14.34% effective January 1, 2024, as a result of the passage of HB 1183.

MS. NESS MOVED TO APPROVE THE PUBLIC SAFETY PLAN EMPLOYER CONTRIBUTION RATE INCREASE. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

GROUP INSURANCE

Vision Insurance Evaluation & Vendor Selection

This agenda item was noticed for Executive Session for the board, staff, and consultants to discuss negotiating strategy with the attorney in a Closed Session.

MS. NESS 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 MR. GRUENEICH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Ness, Representative Stemen, Mr. Wilke, Ms. Goodhouse, and Ms. Smith

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

All members named above, attorney Dean DePountis, representatives from Buck Consultants Rebekah Ferstadt, and Ron Ariel, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Katheryne Korom, Lindsay Schaf, Jan Lund, and Brittany Berreth were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 9:40 A.M. The meeting returned to Open Session at 10:18 A.M.

THE BOARD DIRECTED STAFF ON HOW TO PROCEED WITH THE GROUP VISION INSURANCE PLAN REQUEST FOR PROPOSAL.

THE BOARD TOOK A SHORT BREAK FROM 10:20 A.M. TO 10:30 A.M.

Employee Assistance Program (EAP) Evaluation & Vendor Selection

Mr. Derrick Hohbein reported 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 Cural Inc. The proposals were reviewed and the staff recommends continuing with the four existing providers.

MR. GRUENEICH MOVED TO APPROVE THE CURRENT EMPLOYEE ASSISTANCE PROGRAM (EAP) VENDORS AS CHOICES FOR THE 2023-2025 BIENNIUM. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

Life Insurance Plan Contract Approval

The 2023-2025 contract for the group life insurance plan was presented for approval. The renewal with Voya Financial was approved at a special meeting in March.

MR. GRUENEICH MOVED TO APPROVE THE CONTRACT FOR THE NDPERS GROUP LIFE INSURANCE PLAN FOR JULY 1, 2023 THROUGH JUNE 30, 2025. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

Final Health Plan Rates and Plan Design

Ms. Rebecca Fricke reviewed legislation passed that affected the NDPERS health insurance plan.

- 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 1/1/2025
- 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. The cost of implementing HB 1095 is unknown.

Final rates for groups that participate in the health plan are based on SHP's renewal proposal. The increase is 15% for active employees and a 1% increase for retirees.

MS. NESS MOVED TO APPROVE THE 2023-2025 GROUP HEALTH INSURANCE RATES. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

MR. GRUENEICH MOVED TO APPROVE THE USE OF HEALTH PLAN RESERVES EFFECTIVE JULY 1, 2023, FOR COVERAGE REQUIRED WITH THE PASSING OF SB 2140 RELATED TO INSULIN AND DIABETIC SUPPLIES. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

About the Patient 2023-2025 Cost Proposal & Agreement

Ms. Rebecca Fricke informed the board that the Pharmacy Association has provided 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. They are not proposing an increase. The contract was reviewed by the legal counsel.

MS. SMITH MOVED TO APPROVE THE ABOUT THE PATIENT DIABETES MANAGEMENT PROGRAM CONTRACT FOR THE 2023-2025 BIENNIUM AND HAVE THE CHAIRPERSON SIGN THE CONTRACT. THE MOTION WAS SECONDED BY MS. GRUENEICH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

Medicare Part D Plan 2024 Premium Projection

Ms. Rebecca Fricke reported that Humana has provided a preliminary projection for the 2024 premium which is a “hold-even” premium of \$69.72 per month. The terms of the contract direct Humana to provide the final premium for the Board’s consideration by August 15. This follows the Center for Medicaid and Medicare Services (CMS) releasing the federal subsidy level for Part D plans in late July. The board discussed deferring a decision to go out to bid until final numbers are available in August.

MS. GOODHOUSE MOVED TO DEFER A BID FOR THE MEDICARE PART D PLAN UNTIL AFTER HUMANA PROVIDES THEIR FINAL RENEWAL PREMIUM IN AUGUST 2023. THE MOTION WAS SECONDED BY MS. NESS.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke, and Representative Stemen

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

MISCELLANEOUS

Prescription Drug Coverage Performance Audit

Ms. Shawna Piatz reported the Audit Committee had completed its review of the audit performed by Myers and Stauffer LLC under the direction of the Office of the State Auditor. She shared a summary of the Audit Committee’s response to 18 audit categories. Mr. Scott Miller provided background related to limitations of scope and prior legislation. The board discussed the Audit Committee’s response and provided direction to staff on how to proceed. Staff will extend an invitation to State Auditor Josh Gallion and ASA Joshua Amundson to attend a future board meeting to discuss the scope of the audit.

Industrial Commission Letter

Mr. Scott Miller provided a document prepared by staff in response to questions asked by the Industrial Commission related to contribution and benefit limits in Internal Revenue Code section 401(a)(17). Mr. Miller reported that a system is now in place to watch for the Internal Revenue Code section 401(a)(17) ceiling.

THE BOARD PROVIDED DIRECTION TO THE EXECUTIVE DIRECTOR ON HOW TO RESPOND.

Legislative Relations

This agenda item was noticed for Executive Session for the board, staff, and consultants to discuss negotiating strategy with the attorney in a Closed Session.

MS. GOODHOUSE MOVED TO ENTER INTO EXECUTIVE SESSION PURSUANT TO N.D.C.C. §44-04-19.1(2) & (5) FOR ATTORNEY CONSULTATION. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Ness, Representative Stemen, Mr. Wilke, Ms. Goodhouse, and Ms. Smith

Nays: None

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, Katheryne Korom, Lindsay Schaf, Robin Mistelski, MaryJo Anderson, and Jan Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 11:37 A.M. The meeting returned to Open Session at 12:21 P.M.

MR. GRUENEICH MOVED APPROVAL OF LITIGATION IN RESPONSE TO SENATE BILL 2015 WHICH MODIFIES THE STRUCTURE OF THE NDPERS BOARD OF TRUSTEES. THE MOTION WAS SECONDED BY MS. GOODHOUSE.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith

Nays: Ms. Ness, Mr. Wilke, and Representative Stemen

Absent: Representative Dobervich and Chairperson Rindy

MOTION PASSED

THE BOARD TOOK A SHORT BREAK FROM 12:21 P.M. TO 12:28 P.M.

REPRESENTATIVE STEMEN LEFT THE MEETING AT 12:35 P.M.

Board Election Update

Ms. Jan Lund shared an update on the active member election. Six candidates filed their nomination petitions with NDPERS and met the signature requirement. The Election Committee met on May 8th to validate the nomination petitions received for the

active vacancy on the NDPERS Board and approve their names to be placed on the ballot.

November Board Planning Meeting

This topic will be brought back for discussion at the June meeting.

Executive Director Review Recommendations

The recommendation from the committee was presented by Ms. Casey Goodhouse, the committee chairperson.

- Equity increase from \$15,245 per month to \$17,256 per month (Effective 6/1/2023)
- 6% legislative performance increase (Effective 7/1/2023)
- Increase Annual Leave accrual from 10 to 16 hours per month (Effective 6/1/2023)

MS. NESS MOVED TO ACCEPT THE RECOMMENDATION OF THE EXECUTIVE DIRECTOR PERFORMANCE AND COMPENSATION SUBCOMMITTEE TO 1) PROVIDE AN EQUITY INCREASE FROM \$15,245 PER MONTH TO \$17,256 PER MONTH EFFECTIVE 6/1/2023; 2) PROVIDE A SALARY INCREASE OF 6% LEGISLATIVE PERFORMANCE INCREASE, EFFECTIVE 7/1/2023; AND 3) INCREASE THE EXECUTIVE DIRECTOR'S ANNUAL LEAVE ACCRUAL FROM 10 HOURS TO 16 HOURS PER MONTH EFFECTIVE 6/1/2023. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Goodhouse, Ms. Smith, Ms. Ness, Mr. Wilke

Nays: None

Absent: Representative Stemen, Representative Dobervich, and Chairperson Rindy

MOTION PASSED

MEMBER

Retirement Benefit Appeal Case #801

This agenda item was noticed for Executive Session.

MS. NESS MOVED TO ENTER INTO 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. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Ness, Mr. Wilke, Ms. Goodhouse, and Ms. Smith

Nays: None

Absent: Representative Dobervich, Representative Stemen, and Chairperson Rindy

MOTION PASSED

All members named above, attorney Dean DePountis, NDPERS staff members Scott Miller, Rebecca Fricke, Derrick Hohbein, MaryJo Anderson, Shawna Platz, and Jan

Lund were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 12:44 P.M. The meeting returned to Open Session at 12:50 P.M.

MS. NESS MOVED TO AGREE TO THE SETTLEMENT AS NEGOTIATED BY ATTORNEY DEAN DEPOUNTIS. THE MOTION WAS SECONDED BY MR. GRUENEICH.

Ayes: Mr. Grueneich, Mr. Adam Miller, Ms. Ness, Mr. Wilke, Ms. Goodhouse, and Ms. Smith

Nays: None

Absent: Representative Dobervich, Representative Stemen, and Chairperson Rindy

MOTION PASSED

Acting chair, Mr. Adam Miller, called for any other business.

Jan Lund thanked the board on behalf of the staff at NDPERS for the breakfast and kind words provided in recognition of National Employee Benefits Day.

With no further business, the meeting was adjourned at 12:55 P.M.

Prepared by,

Jan Lund
Assistant to the Board