

Perspectives

FOR ACTIVE
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

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IN THIS ISSUE...

- Life Insurance – Increases in Coverage
- Summary of Benefits and Coverage Notice
- Save Money with the FlexComp Plan
- First Time PERSLink MSS Users
- NDPERS Wellness Benefit
- PERSLink MSS Mobile App
- High Deductible Health Insurance Plan
- FlexComp Plan Spending Account Debit Card
- What is Your NDPERS ID?



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Annual Enrollment Season 2017 Plan Year

This special edition newsletter provides you with important updates including:

- The dates for Annual Enrollment Season
- Information on using PERSLink Member Self Service (MSS) Online Portal or the NDPERS Mobile App for making your Annual Enrollment elections
- Summary of Benefits & Coverage Notice
- Information on the High Deductible Health Plan (HDHP) with Health Savings Account (HSA) option
- FlexComp Plan Reminder of various special options through ADP

The NDPERS Annual Enrollment Season is from October 17 through November 4, 2016 and gives employees the opportunity to:

- Enroll in insurance plans for which they are eligible but not currently enrolled.
- Add dependents
- Increase coverage levels
- Enroll in the NDPERS Flexcomp plan

for 2017 (required each year of participation)

Note the effective date for changes made during annual enrollment for health, dental and vision insurance coverage is January 1, 2017.

Annual Enrollment information regarding the NDPERS Flexcomp, Health, Life, Dental and Vision Insurance plans will be available October 17, 2016 on the NDPERS Home Page at www.nd.gov/ndpers. Enrollment can be done through PERSLink Member Self Service (MSS) Online Portal, or the NDPERS Mobile App beginning October 17, or through completion of the applicable enrollment application. If you make your elections through PERSLink MSS Online Portal or the Mobile App, make sure you review them prior to Annual Enrollment closing on November 4 to ensure your benefits appear correctly based on your elections. You can still make changes to your elections through November 4.

NDPERS Board Renews Sanford Contract

The PERS Board reviewed the Sanford Health Plan Renewal proposal for the PERS health plan as directed by North Dakota Century Code § 54-52.1-05 at its August 25, September 8, and September 22 meetings. The Board's statutory obligations required it to consider the carrier's performance and the reasonableness of the proposed renewal amount. The PERS Board renewed its contract with Sanford for the 2017-19 biennium after:

1. Reviewing information from its consultant indicating the proposed renewal amount was reasonable. Specifically, the consultant found:

"Sanford's quoted renewal rates equate to a 16.7% increase overall which falls between the estimated increases calculated by Deloitte under the separate projection methodologies. Sanford's proposed rates fall below our estimated premium increase utilizing Sanford claims experience. Additionally, Sanford's final renewal proposal removes all risk from NDPERS. Based on the final proposal terms and our analysis, we consider Sanford's renewal rates to be reasonable."

(Continued on page 4)

Life Insurance – Increases in Coverage

Employees can increase their coverage in the NDPERS group life insurance plan by \$5,000 without evidence of insurability. Increases in excess of \$5,000 to the employee supplemental coverage require Evidence of Insurability (EOI). Any increase in dependent or spouse supplemental will require EOI. EOIs must be submitted to the NDPERS office for processing. Please remember not to use white-out on your EOI as it will be returned to you. In this case, you will need to complete a new form and resubmit.

Summary of Benefits & Coverage Notice

The Affordable Care Act (ACA) added a new requirement for the disclosure of a Summary of Benefits and Coverage (SBC). The Summary of Benefits & Coverage (SBC) for the various NDPERS group health insurance plans are located on the NDPERS website and can be found under the Active Members/Group Health Plan listing for each plan (PPO/Basic - Grandfathered, PPO/Basic Non-Grandfathered and High Deductible Health Plan (HDHP)). These documents provide a comprehensive resource for the purposes of comparing coverage levels across all plans.

Save Money on Health Care and Child Care with the FlexComp Plan

The FlexComp Plan is a NDPERS benefit that lets you put part of your salary into a special account, before taxes are withheld, to pay for eligible health care and child care expenses. ADP is the Third Party Administrator for the NDPERS FlexComp Plan.

There are three FlexComp options. You can choose to enroll in any of them.

- The FlexComp Medical Spending Account is used to pay for out-of-pocket medical expenses not paid by insurance. The annual limit is \$2,550.
- The FlexComp Dependent Care Account is used to pay for child or elder care expenses including day care, before/after-school care, and summer day camp. The annual limit is \$5,000 if you are married and file a joint return or are single.
- Pretax Premium Plan is used to pay for eligible insurance premium expenses on a pretax basis. The first \$50,000 of life insurance is automatically pretaxed unless you decline this action.

COMMON ELIGIBLE EXPENSES

FlexComp Medical Spending Account

- Copays, deductibles, and coinsurance for medical, dental and vision plans
- Prescriptions
- Eyeglasses
- Contacts
- First aid supplies
- Smoking cessation products (prescription only)
- Braces
- Laser eye surgery
- Chiropractic care
- And much more!

*FlexComp Dependent Care Account**

- Daycare
- Before-/after-school care
- Summer day camp

How Much Should I Contribute to FlexComp?

That's up to you. Contributions are unique to your health care and dependent care situation. Look at what you typically spend each year on out-of-pocket health care and day care. Visit www.SpendingAccounts.info and click "See Your Savings" to help you estimate the amount that's right for you. Keep in mind that your elections are for the calendar year and can only be modified if you have an IRS Qualified Change in Status.

How Do I Enroll?

Enroll during NDPERS benefits Annual Enrollment period. Once you have determined your annual election amount, NDPERS deducts the amount from your

pay in equal amounts throughout the year, before taxes are taken out. Remember, even if you enrolled last year, you must enroll again this year.

How Do I Use FlexComp Medical Spending Account?

When you enroll in a FlexComp Medical Spending Account, you will automatically receive a Spending Account Debit Card.

The Spending Account Card:

- Is used to pay for eligible health care purchases directly from your FlexComp account;
- Reduces the number of reimbursement claims to file; and
- Gives you immediate access to FlexComp Medical Spending Account funds.

**The Spending Account Card is not available for the dependent care expenses.*

How to Use Your FlexComp Debit Card

- Watch for your Card Welcome Kit in the mail.
- Before you use your card, activate it by calling the number on the front of the card.
- Use your card at eligible healthcare providers, like your doctor, optometrist, pharmacist, dentist and even for certain over-the-counter expenses.
- Swipe your card like you do with your bank card.

- Keep your receipts. You may be required to show proof that your purchase was for an eligible healthcare expense.
- Your receipt must include date, patient name, service(s) rendered, provider and amount.
- If expense eligibility must be confirmed, you will receive an e-mail requesting the receipt. Mail, fax or scan and e-mail your receipt – whichever is easiest for you.

IMPORTANT! The use of the FlexComp debit card provides you with immediate access to your health care spending account funds, but does not guarantee that ADP can validate that the expense was for eligible health care item(s) without your help. Because the Internal Revenue Service (IRS) requires that each expense be validated, it is important that you only spend your funds on eligible items and keep all receipts.

Where can I learn more?

Visit www.SpendingAccounts.info for more information about flexible spending accounts, including a list of eligible expenses and an interactive contribution and tax-savings calculator. You can also call 1-800-336-1881 to speak with a FlexComp Plan specialist.

I PREFER TO SEND IN AS FEW RECEIPTS AS POSSIBLE

If you want to minimize the number of times ADP asks for a receipt, then:

- Use your card only for copays associated with health, dental, vision or prescription coverage provided by your employer.
- Use your card for over-the-counter items only at locations that have an IAS in place. A list of IAS retailers is available at www.sigis.com* under “IAS Merchant List.”
- Do not use your card to pay out-of-pocket coinsurance expenses or balances due on billing statements.
- Do not use your card to pay out-of-pocket expenses at your health, dental or vision provider if you are **NOT ENROLLED** in your employer’s respective benefit plan.

I PREFER TO USE MY CARD WHENEVER POSSIBLE

You will be required to send in receipts to validate your expenses for certain transactions:

- If you use your card for any copays associated with health, dental, vision or prescription coverage, without regard to whether the coverage is provided by your employer.
- If you use your card for over-the-counter (OTC) expenses at either IAS retailers or eligible “90% Merchants.” A list of these retailers is available at www.sigis.com under “90% Rule Merchant List.”
- If you use your card to pay for expenses at your health, dental or vision provider even if you are not enrolled in your employer’s respective plans.
- If you use your card to pay out-of-pocket coinsurance expenses or balances due on billing statements.

First Time PERSLink MSS Users

All of the 2017 Annual Enrollment elections need to be completed electronically using your PERSLink Member Self Service (MSS) Online Portal or Mobile App with the exception of the Group Life Insurance Evidence of Insurability.

Notice, if this is the first time you are accessing PERSLink MSS, you will need to setup your login information to access your benefits and begin your Annual Enrollment elections. We encourage you to obtain your ND Login ID and use the Register Now option on PERSLink MSS Online Portal. This will facilitate the Annual Enrollment process.

Follow these steps to set up your NDPERS PERSLink MSS Login Information.

1. Access the NDPERS Website at www.nd.gov/ndpers.
2. Click on the icon labeled NDPERS PERSLink Member Self Service.
3. Follow the Instructions for Logging into PERSLink MSS Online.
4. Once your PERSLink MSS login information has been successfully set up and authenticated, click on Access PERSLink Member Self Service (MSS) at anytime or use your preferred Samsung or Apple mobile device to access your online Benefit Information.

If you are unable to complete your annual enrollment elections online or on the mobile app, please call NDPERS at 1-800-803-7377.

NDPERS Wellness Benefit

The IRS has recently clarified that wellness programs, such as the \$250 Wellness Benefit available through the Dakota Plan and Dakota Retiree Plan, are taxable. This applies to benefits earned through the Fitness Center Reimbursement or the Novu online wellness portal. At this time, NDPERS is studying this ruling and will provide you with more information as it becomes available.



NDPERS has joined the Facebook community.

Keep up-to-date with the latest information on NDPERS benefits.

To find us, enter *North Dakota Public Employees Retirement System* into your Facebook search bar.

Like us today!

Sanford Contract (Continued from front cover)

2. Reviewing a survey of over 7,000 of the PERS membership, and observing the surveys showed sound levels of satisfaction for the transition year to a new health carrier.

3. Considering the results of a claims processing and performance standards review by Deloitte Consulting for the first year of the contract. The results are indicated in the chart below:

4. Noting that as a cost savings measure, Sanford offered to assume all risk for losses for the health plan for the 2017-19 biennium while continuing to offer NDPERS the same return of premium provisions if premiums exceed expenses.

5. Noting that Sanford agreed to increase its reserve requirement by \$32 million for 2017-19 biennium.

6. Noting that Sanford agreed to limit any increase in administrative expenses to growth in CPI if the plan is renewed for the 2019-21 biennium.

7. Noting that Sanford's efforts relating to wellness and prevention met or exceeded Board expectations.

8. Noting that the review undertaken and factors considered by the Board is consistent with its past practice in considering renewals for the group insurance program.

For further details, refer to the NDPERS website at www.nd.gov/ndpers.

Measurement	Review Result	NDPERS Performance Guarantee	Industry Benchmark
Claims Accuracy			
Financial Accuracy	99.7%	99%	99%
Payment Accuracy	97.7%	97%	99%
Procedural Accuracy	97.3%	–	95%
Claims Turnaround Time*			
Average Days to Process	5.0 days	–	–
% within 30 Calendar Days	95.0%	99%	–
Average Days to Payment	11.1 days	–	–
% within 30 Calendar Days	92.7%	–	98%

PERSLink Member Self Service (MSS) Mobile Application

To start, download the app onto a mobile device.



- For Apple IOS 8 & 9
- Access App Store
 - Search for PERSLink or NDPERS
 - Download for free



- For Android 5 & 6
- Access Play Store
 - Search for PERSLink NDPERS
 - Download for free

This mobile app is not available for Windows mobile devices at this time.

A PERSLink MSS Mobile App Quick Instruction Guide is available on the NDPERS website.

High Deductible Health Insurance Plan

Annual Enrollment Season is an opportunity for permanent state, district health unit and university system employees to elect or discontinue participation in the NDPERS High Deductible Health Plan and Health Savings Account (HDHP/HSA). The HDHP is underwritten by Sanford Health Plan, who also provides the HSA services. The HDHP/HSA has higher annual deductibles and therefore, you will have higher out-of-pocket costs for medical services. However, the higher initial out-of-pocket costs are partially offset by an employer contribution to an HSA created in your name. The NDPERS HDHP/HSA has a cap on how much you will pay out-of-pocket during a year, and covers preventive services (as designated by the Affordable Care Act (ACA) with no out-of-pocket costs to you.

The HSA helps cover medical expenses until your annual deductible and copayment are met. NDPERS will contribute to your HSA for each month you participate as follows:

	Month	Annual
Single	\$69.94	\$839.28
Family	\$169.24	\$2,030.88

In addition, a participant can contribute after-tax contributions by personal payment to Sanford Health Plan and receive favorable tax treatment through the IRS on these contributions. The IRS allows the participant to claim the after-tax contributions as an adjustment to gross income on their federal tax return. There are IRS annual limits on the total amount of contributions that can be made to a HSA (including both employer and employee contributions), which for 2017 are \$3,400 for single coverage and \$6,750 for family coverage. Note that NDPERS submits the employer contribution to Sanford Health Plan on a delayed monthly cycle. For example, the contribution for January coverage is submitted to Sanford Health Plan in late February.

The plan is offered as an option to the Dakota PPO/Basic plan and a change in participation will become effective January 1, 2017. For more information about the plan, please visit our webpage <http://www.nd.gov/ndpers/insurance-plans/group-health-hdhp-shp.html>.

FlexComp Plan Spending Account Debit Card Acceptance at Retail Merchants

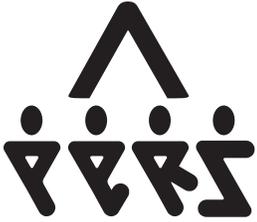
The Internal Revenue Service (IRS) requires that retail merchants and pharmacies utilize a specific point-of sale technology to be eligible to accept spending account debit cards. This technology is commonly referred to as Inventory Information Approval System (IIAS) and it detects which products are eligible for spending accounts at the merchant's checkout terminal. The IRS requires not only that merchants implement this technology for their checkout terminals, but that they also maintain an ongoing IIAS certification to accept spending account debit cards. ADP has been informed that a few hundred merchants, comprised of smaller and/or independent retailers and pharmacies, have not maintained their IIAS certification and are no longer eligible to accept spending account debit cards.

Please remember that the decision to implement IIAS technology and to retain the appropriate certification lies solely with the individual merchant. ADP has no influence on any merchant's decisions regarding their business practices.

What does this mean for you?

- This change may impact you if you participate in a Health Care or Limited Flexible Spending Account (FSA) or a Health Savings Account (HSA).
- You may experience card denials at locations where your card had been previously accepted, including pharmacy counters.
- If your card is declined and you have an available account balance, you may pay out-of-pocket and submit claims for reimbursement of eligible expenses.
- Although no list of ineligible merchants/pharmacies can be provided, you can locate IRS-approved merchants/pharmacies in your area under the "Store Locator" section at <https://sig-is.org>.

If you have any additional questions about card-eligible merchants, please visit <https://sig-is.org>. If you have questions about your spending account, please log into your account on the ADP Spending Account website. ADP and the ADP logo are registered trademarks of ADP, LLC. ADP – A more human resource – is a service mark of ADP, LLC.



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What is Your NDPERS Member ID?

If you have called the NDPERS office or completed any NDPERS forms, you have been asked for your PERSLink member ID number. We receive many questions related to “What is my member ID number?” or “How do I find out what my member ID is?”

We launched our business system – PERSLink – “Your Online Guide to Benefits Administered by NDPERS” in 2010. This system assigns each member a unique NDPERS Member ID. This ID is the primary identifier to access your personal and confidential information.

As a member, all documents you receive from NDPERS will contain this unique Member ID in lieu of your social security number.

If you were an active member prior to the PERSLink system going live in October of 2010 or you became a new hire since

that time, you were sent a letter with your personal NDPERS Member ID number.

If you do not have it and wish to obtain your NDPERS Member ID, there are a couple of easy options.

1. Access the NDPERS website and follow the instructions Member Self Service Employee Guide. This option is for active and retired members.
2. Contact your Payroll/Human Resource Department. Your employer can view it through PERSLink Employer Self Service. This option only applies to active members.
3. Look for any NDPERS correspondence at home. The NDPERS Member ID is printed on the upper right area of the page.

For further assistance, call the NDPERS office toll free at 1-800-803-7377.