

Perspectives

FOR RETIRED
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

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NDPERS Board Selects Sanford Health Plan

Decision Overview

The North Dakota Public Employees Retirement System (PERS) awarded the group health plan contract to Sanford Health Plan on a fully-insured basis at its February 19th meeting. The plan has been fully insured with Blue Cross Blue Shield (BCBS) since 1989 and immediately before that it was self-insured. The overall increase in premiums for 2015-2017 proposed by Sanford was approximately 15% compared to the Blue Cross Blue Shield of North Dakota (BCBS) bid which proposed an approximate 20% increase for a fully insured plan for the next two years. Both bids were to maintain the existing plan design for the next two years (deductibles, co-insurance and copayments). For Medicare eligible retirees, the full insured bid proposed by Sanford for the next two years was 9.9% compared to the BCBS bid of 13.8%. The MedicareBlue Rx prescription drug plan

(PDP) will remain with BCBS through December 2015.

The Board also reviewed self insuring the plan but determined that fully insuring the plan was a more financially beneficial arrangement and was less of a financial risk. When a plan is self-insured, the risk of loss is transferred from the insurance company to the PERS or the State. When a plan is fully insured, the risk of loss stays with the insurance company. This risk on a self-insured plan can be best understood by looking back to the last time PERS was self insured in the 80's. The plan ran out of reserves and did not have enough cash flow to pay medical claims and it required over a 40% increase in premiums to get the plan on a sustainable course after 1989. The loss of reserves and cash flow issues are avoided under a fully insured plan.

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Frequently Asked Questions About the Transition to Sanford Health

The following are Frequently Asked Questions related to the upcoming health insurance carrier change. A complete listing of questions and answers is available at [http://www.nd.gov/ndpers/insurance-plans/docs/sanford health/faq.pdf](http://www.nd.gov/ndpers/insurance-plans/docs/sanford%20health/faq.pdf)

PROVIDER NETWORK

Will I be required to seek services only from Sanford Health doctors and hospitals when my insurance changes to Sanford Health Plan on July 1st?

No. The Sanford Health Plan network of over 18,000 providers includes Sanford Health practitioners and providers as well as providers with other system affiliations and those in independent practice. We also have nationwide networks to ensure all members have provider access, even those living or traveling outside of the service area. An online, searchable provider directory is available at sanfordhealthplan.com/ndpers.

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RHIC Portability Coming Soon!

The North Dakota Public Employees Retirement System (NDPERS) Retiree Health Insurance Credit (RHIC) Program becomes portable effective July 1, 2015. The contract for administering this change to the health premium reimbursement program has been awarded to ASIFlex.

All NDPERS retirees receiving an ongoing retirement benefit at least annually from NDPERS are eligible for the RHIC benefit. If a retiree is married and elects a joint and survivor benefit option, the surviving spouse may also receive an ongoing monthly RHIC.

Currently, retirees are required to enroll in the NDPERS health insurance plan in order have this RHIC benefit automatically apply to your monthly premium. Now, with the benefit becoming portable, RHIC funds may be used for any health insurance and/or prescription drug plan for which retirees incur an eligible premium expense. In addition, the RHIC credit can also be applied toward NDPERS administered dental, vision, and long term care plan premium expenses.

If you are a NDPERS retiree and currently have NDPERS health insurance coverage, there will be a change in the processing of your RHIC benefit reimbursements each month. If you are a NDPERS retiree and do not currently have health insurance coverage with NDPERS, RHIC portability now allows you to utilize you credit! Effective July 1, 2015, your monthly RHIC benefit amount will be available for you to receive reimbursement for eligible premium expenses.

More details will be released as they become available over the next few months. Watch your mail for information about the new administrative processes that will go into effect July 1, 2015.

NDPERS Selects Sanford Health Plan

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Specifically the PERS Board based its decision on the following:

1. North Dakota State law directs the Board to select a fully-insured plan unless it is determined by the Board that a self-insured plan is less costly than the lowest bid submitted by a carrier for underwriting the plan with equivalent contract benefits.
2. The BCBS self-insured bid proposals were not as financially beneficial due to the overall risk at the various claims levels including the claims estimates.
3. The lowest cost fully-insured proposal was submitted by Sanford Health. This decision is the result of an extensive assessment by the Board, its staff and consultants which included:

July 9, 2014 – Fully-insured bid issued.

August 13th – Self-insured bid issued (medical and prescription drug plans).

September 4th – Fully-insured proposals due.

October 10th – Self-insured proposals due.

October 21st – Staff interview with BCBS and Sanford (fully-insured).

October 23rd – Board rejects fully-insured bids, and issues a new RFP.

October 29th – Fully-insured RFP released.

November 19th – Fully-insured proposals due.

November 24th – Staff interview with BCBS and Sanford (self-insured).

November 25th – Staff interview of PBM vendors.

December 4th – Approved sending PBM contracts.

December 18th – PERS Board reviewed the health plan bids.

January 2, 2015 – Best and Final Offer (BAFO) responses due.

January 5th – PERS Board Interviews BCBS and Sanford.

January 15th – PERS Board interviews PBM vendors.

January 19th – PERS Board members and staff conduct a site visit of Sanford Health Plan.

February 5th – PERS Board reviews proposals (fully-insured, self-insured, Rx).

February 13th – PERS Board continues its review of proposals (fully-insured, self-insured, Rx).

February 19th – PERS Board awards bid to Sanford Health Plan.

Redeem your HealthyBlue Points by June 30

BCBSND has been honored to serve NDPERS for almost four decades, and we remain committed to excellent customer service as we support the transition of NDPERS members to a new carrier. Please redeem your HealthyBlue points by June 30. BCBSND's Health Club Credit program will continue without change through June 30.

FAQs

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Are retirees on the Dakota Retiree Plan (Medicare retirees) now required to go to a Sanford Health Plan network provider?

No. Just as they do today, Dakota Retiree Plan members must utilize a Medicare-participating provider.

Are out-of-state providers covered for members and their dependents?

You are covered if your provider is a part of Sanford Health Plan's national network. If your provider is not currently part of the network, submit a provider nomination form and Sanford will contact them. For emergency and urgent care, overseas and in the U.S., you are always covered at the in network level.

What if I don't see my provider in the directory?

We understand that the relationship with your provider is very important. We are in the process of replicating the current PPO network. We are offering contracts to the providers in North Dakota who participate in NDPERS but are not currently in our network. Sanford Health Plan has already contracted with more than 90 percent of the providers participating in NDPERS. Our searchable provider directory is updated daily. We anticipate that this will be completed by July 1, 2015.

If you don't see your provider in our directory, you can nominate your provider to be in our network. Visit sanfordhealthplan.com/ndpers to complete and submit a "Provider Nomination Form."

Is Mayo in the network?

Yes. Highly specialized services available only at University Medical Centers, the Mayo Clinic and other facilities around the country will continue to be covered as part of the plan. Prior to accessing this higher level of care, Sanford Health Plan has a process in place for advance notification. This process ensures members receive effective case management, improves continuity of care and avoids duplication of medical tests.

Will Essentia Health be added to the network?

The Board did discuss this with Sanford and Sanford has already contacted them about joining the Sanford network and getting an arrangement in place before July 1, 2015.

BENEFITS

Do I need preapproval for procedures or referrals to in-network specialty physicians?

No.

Will my premium be changing?

Consistent with established practice, NDPERS will provide written notice of the premium rate changes that will take effect on July 1, 2015. Retirees will receive notification in writing at their home address on file at NDPERS. These letters are typically sent by the end of May.

Will I have to re-enroll for coverage due to the carrier change?

No. You will not have to re-enroll due to the carrier change. NDPERS will be sending Sanford Health Plan a secure eligibility file that will provide information regarding all covered members and their eligible dependents enrolled in the plan at the time of transition.

Will I see any changes to my copays, deductible or coinsurance when NDPERS changes to Sanford Health Plan?

No, there will be no changes to these cost sharing amounts. The Request for Proposal specified that bidders must submit a proposal based on the current plan design. This plan design is customized for the NDPERS group and will differ from other employer group plans administered or made available by Sanford Health Plan.

Will any costs that I have incurred this year carry-over or be credited to Sanford Health Plan?

Yes. All cost-sharing from January 1, 2015 – June 30, 2015 will be credited to Sanford Health Plan. This includes your copays, deductible and coinsurance amounts.

Is anything changing with my prescription drug coverage?

The drug benefit design will remain the same and you can continue to use your current pharmacy.

For our Dakota Retiree Plan members, your Medicare Part D prescription drug plan will remain unchanged and continue to be administered through MedicareBlue Rx through December 31, 2015.

Will I still have a wellness program?

Yes. Sanford Health Plan will be administering your \$250 employee wellness incentive the same as it is today. The components of the employee wellness incentive will include the health club credit and an online employee wellness portal where employees can track activity and receive incentives as they do today. More information on your wellness program will be presented at member meetings and in future mailings.

Does Sanford Health Plan require preauthorization? What is the preapproval process?

Yes. Prior to accessing certain services and higher levels of care, Sanford Health Plan has a process in place for advance notification (prior authorization). This process improves the experience and outcomes for members.

Sanford Health Plan's process for prior notification (pre-authorization) is consistent with that used by Blue Cross Blue Shield of North Dakota (BCBSND) for NDPERS health plan members seeking certain services. Sanford Health Plan has committed to honoring services and treatment plans for NDPERS members that received prior approval and preauthorization from BCBSND prior to July 1, 2015.

UTILIZATION MANAGEMENT

I already have an appointment or covered procedure scheduled after July 1, 2015. Is there anything I need to do?

- If the provider or facility is already in the Sanford Health Plan network, no further action is required by you. We will honor any authorizations, treatment programs or referrals that were approved by the previous insurance company.

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FAQs

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- If you don't see your provider in our directory, you can nominate your provider to be in our network. Visit sanfordhealthplan.com/ndpers to complete and submit a "Provider Nomination Form."

MORE TO COME

- Sanford Health Plan and NDPERS will be hosting informational member meetings at local, convenient locations statewide in upcoming months.
- All members will receive new ID cards prior to July 1, 2015.
- All members will receive a welcome packet of detailed information regarding your health insurance coverage prior to July 1, 2015.
- All members will have access to our online personalized benefit portal, myHealthPlan.

FOR ADDITIONAL INFORMATION

Website: sanfordhealthplan.com/NDPERS
Local Number: (701) 751-4125
Toll Free Number: (800) 499-3416

Silver Sneakers Survey Results

BCBS recently distributed a survey to NDPERS retirees on the Dakota Retiree Plan. The survey requested input from these retirees regarding interest in adding the Silver Sneakers program to the plan design. BCBS received 2,427 responses to survey. The total mailed were 6,382, which means the survey had a 38% response rate.

The following provides the question asked and the response received:

Question 1: Would you participate in Silver Sneakers?

- Yes – 25%
- No – 73%
- No Answer – 2%

Question 2: Would you be willing to have \$3.25 added to your premium each month to gain Silver Sneakers access?

All NDPERS members would receive the premium increase, even those who do not use the program.

- Yes – 24%
- No – 73%
- No Answer – 3%

Based on the response to the survey, the NDPERS Board has opted not to add the Silver Sneakers Program to the Dakota Retiree Plan at this time.

Notice Regarding Potential Data Breach - Anthem

NDPERS received notice from Blue Cross Blue Shield of North Dakota regarding a data breach of a computer network used by Anthem health insurance, a fellow but separate Blue Cross Blue Shield family of companies. If any Blue Cross Blue Shield of North Dakota members were affected, it could have happened if they received medical services in any of the states where Anthem operates. Anthem provides coverage in states including California, Colorado, Connecticut, Georgia, Indiana, Kentucky, Maine, Missouri, Nevada, New Hampshire, New York Ohio, Virginia, and Wisconsin.

Potential information stolen by computer hackers included birthdates, addresses and Social Security numbers, but doesn't appear to include medical information or financial details. BCBS is still assessing whether any North Dakota members were impacted. If any individuals are affected, Anthem will send an official notification letter via the United States Postal Service.

PLEASE NOTE: The letter will be sent directly from Anthem, and not BCBSND. For real-time updates about the Anthem breach, please go to www.AnthemFacts.com.

Notice Regarding Potential Cyber Attack - Premera

NDPERS received notice from Blue Cross Blue Shield of North Dakota regarding a cyber attack of a computer network system used by Premera health insurance, a fellow but separate Blue Cross Blue Shield family of companies. If any Blue Cross Blue Shield of North Dakota members were affected, it could have happened if they received medical services in any of the states where Premera operates. Premera provides coverage in states including Washington, Alaska, and Oregon.

Potential information breached included member names, dates of birth, Social Security numbers, mailing addresses, email addresses, telephone numbers, member identification numbers, and/or claims information. The investigation has not determined that any such data was removed from Premera's systems. Premera also has no evidence to date that such data has been used inappropriately.

BCBS is still assessing whether any North Dakota members were impacted. If any individuals are affected, Premera will send an official notification letter via the United States Postal Service.

PLEASE NOTE: The letter will be sent directly from Premera, and not BCBSND. For more information, the news release can be found at <http://www.nd.gov/ndpers/insurance-plans/docs/bcbs-cyber-attack.pdf>. To get the most current up-to-date information, you can visit Premera's site at www.premeraupdate.com.