

Perspectives

FOR RETIRED
MEMBERS
OF THE
NORTH DAKOTA
PUBLIC
EMPLOYEES
RETIREMENT
SYSTEM

SUMMER 2003 • VOLUME 12, NUMBER 3

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This newsletter is published by the North Dakota Public Employees Retirement System
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Board Members:

Jon Strinden
Chairman
Sandi Tabor

Attorney General Appointee

Dr. Terry L. Dwelle
State Health Officer

Members Elected:

Rosey Sand, Howard G. Sage,
David Gunkel, Weldee Baetsch
Sparb Collins
Executive Director
Kathy M. Allen
Editor

Legislation Expands Eligibility for Retirees in NDPERS Group Insurance Program

Senate Bill 2176, passed during the 2003 state legislative session, allows retirees of certain political subdivisions to participate in the NDPERS Uniform Group Insurance Program. Effective August 1, 2003, political subdivision employees who are receiving or accept a retirement allowance from an employer that participates in the North Dakota Public Employee's Retirement System (PERS) Uniform Group Insurance program may be eligible to continue or start that coverage. To be eligible the retiree

must make the election within 31 days from any one of the following "qualifying events."

1. Date of retirement, defined as either your:

- Last day of active employment if you do not defer your retirement benefit or take a lump-sum refund of your retirement account, or
- Date of first retirement check if you defer your retirement benefit.

(Continued on page 3)

The PERSpectives staff requests your opinion!

We would like to find out how you would prefer to receive your *PERSpectives* newsletter. There are three options from which to choose:

1. Continue to receive your newsletter by mail at your home address,
2. Be notified when the newsletter is available on the NDPERS website for online viewing or downloading, or
3. None.

(See page 2 for your opportunity to choose...)

Howard Sage Re-Elected

Howard Sage was elected to another five-year term on the NDPERS Retirement Board. His term is effective July 1, 2003 and ends June 30, 2008. Howard is employed by the Department of Commerce. The following is a recap of the election results:

NAME	NUMBER OF VOTES	
Howard Sage	1,885	
Invalid Ballots		10
Write-In Ballots		7
Received after Deadline		<u>40</u>
TOTALS	1,885	57
		1,942



Howard Sage

A New Look for the NDPERS Website

Our web site has a new look. If you haven't visited it recently, please take time to familiarize yourself with it. It has many improvements to assist you in learning about your benefits. Review the menu on the left side of our Home Page. You can click on any of these topic areas to obtain information about NDPERS and the programs it administers. You will find summary plan descriptions (SPDs), provider directories, program highlights, benefit schedules, forms, and publications as well as NDPERS current events and links to the sites of various vendors that provide services to PERS.

Distribution of Summary Plan Descriptions

Because the SPDs for the PERS benefit programs can be accessed on our web site, we will no longer be mailing these documents to our members. This includes the following programs:

- NDPERS Retirement Plan
- Highway Patrol Retirement Plan
- Judge's Retirement Plan
- Guard's Retirement Plan
- Deferred Compensation Plan
- Group Life Plan
- Group Dental Plan
- Group Vision Plan

Should you require a hard copy, it will be necessary to make your request to this office. BCBSND will still be mailing out the Certificate of Insurance SPD to all enrolled subscribers.

www.discovernd.com/ndpers

Deferred Compensation Plan QDROs

Senate Bill 2058, passed by the 2003 legislative session, authorizes NDPERS to accept domestic relations orders.

Therefore, effective August 1, 2003, the accounts in the NDPERS 457 Deferred Compensation Plan can be subject to distribution under a Qualified Domestic Relations Order (QDRO). A QDRO is any judgment, decree or order issued by the court which relates to the provision of child support, spousal support or marital property rights to a spouse, former spouse, child or other dependent of a participating member, made pursuant to a North Dakota domestic relations law, and which creates or recognizes the existence of an alternate payee's right to, or assigns to an alternate payee the right to receive

all or a part of the benefits payable to the participating member.

After a domestic relations order is deemed to be qualified, the alternate payee is required to take a lump sum payment of the allocated benefits within 120 days of the later of the board's acceptance of the qualified domestic relations order or the entry of the order by the court. The lump sum payment is taxable to the alternate payee.

Prior to beginning or constructing a domestic relations order, your attorney should contact the NDPERS office to obtain a copy of the QDRO requirements.

The PERSpectives staff requests your opinion!

Continued from cover story...

If you choose option 1, you will continue to receive the newsletter as in the past. Option 2 will remove your name from our mailing list and add it to a list of e-mail addresses to receive an announcement as each newsletter becomes available on the website. With option 3, your name will not be included on any mailing or e-mail distribution list. However, current and previous editions of *PERSpectives* can be viewed on the NDPERS website at any time.

To make your selection, please complete the *PERSpectives* Options ballot below

and send it to the NDPERS office. A copy of the ballot, which can be printed, filled out and sent to the NDPERS office, is also available on the NDPERS website at www.discovernd.com/ndpers under "NDPERS NEWS." Only completed ballots will ensure your name remains on the postal mailing list. You can change your mind at any time by notifying the NDPERS office in writing or by sending an e-mail to www.ndpers@state.us.nd. We will distribute the newsletter based on the preferences on file at the time of each new issue. We hope this will better serve our valued members.

North Dakota Public Employees Retirement System

PERSpective Options

Please indicate your choice: Mail, e-mail or none

NAME _____

E-MAIL _____

Mail E-Mail None

Mail to:

PO Box 1657
Bismarck ND 58502-1657
or DiscoverND.com/ndpers

Health Plan

Summary of Changes Effective July 1, 2003

The following is a brief summary of your plan changes effective July 1, 2003:

Cost Sharing Amounts

The cost sharing amounts have been revised as follows:

Coinsurance Amounts

- BASIC Plan changed from 80% to 75% of allowed charge
- PPO Plan changed from 85% to 80 of allowed charge
- Non-formulary drug benefit is 50% of the allowed charge
- Diagnostic X-ray/lab services are subject to the deductible and coinsurance. The copayment amount no longer applies.

Psychiatric and Substance Abuse Services

Inpatient

- Benefits for psychiatric and substance abuse services have been revised to allow a combined maximum benefit allowance of 45 days per member per benefit period. Preauthorization is required.

Substance Abuse Residential Treatment

- Benefits have been added for substance abuse residential treatment services. Benefits will be subject to a maximum benefit allowance of 60 days per member per benefit period. Preauthorization is required.

Transitional Care Units

Benefits are available for transitional care units. Preauthorization is required.

Long-Term Acute Care Facilities/Rehabilitation

Preauthorization is required for long-term acute care facilities and for an inpatient admission to a rehabilitation facility.

Network Provider Directory Listing

Language has been added advising members that Provider Directories are available by calling the number on the back of the ID card or by visiting the BCB-SND or NDPERS web sites. See related article on this page.

If you have any questions, please call the number listed on the back of your insurance ID card.

New PPO Directory

BCBS will no longer be mailing the provider directory to your home address. To view the directory you can visit the BCBS website at www.bcbsnd.com/cgibin/ntwksearch.cgi or request one by calling the number on the back of you ID card. Following are instructions for navigating the website:

The website will bring you directly to the FIND A DOCTOR page. In the Health Plan space, click on the down arrow and select NDPERS PPO. Then in the Network Affiliation space, click on the down arrow and select NDPERS PPO and click on Search. This will bring up all PPO providers. You can narrow the search by entering the city where you live or are looking for a doctor.

When Visiting the NDPERS Office...

Please make an appointment before stopping by the NDPERS office. Although staff will accommodate walk-ins when possible, an appointment will ensure that someone is available to assist you at the time you arrive. An appointment also allows staff to prepare appropriate benefit information for your individual needs.

Uniform Group Insurance Program

Continued from cover story...

2. Your 65th birthday or eligibility for Medicare;
3. Your spouse's or eligible dependent's 65th birthday or eligibility for Medicare;
4. The loss of coverage in a health plan sponsored or provided by your employer or your spouse's employer, if you are covered through your spouse's employer group plan. This includes loss of coverage due to the death of, or divorce from a spouse as well as completion of COBRA continuation coverage.
5. Marriage
6. Birth, adoption, or appointment of children for legal guardianship.
7. When the political subdivision joins the group insurance plan if the retiree was a member of the former plan.

If the retiree or surviving spouse does not enroll within 31 days of any one of the above qualifying events, you will have forfeited your right to enroll in the plan in the future.

Each retiree or surviving spouse shall pay premiums directly to the PERS board. The PERS board may require documentation that the retiree has accepted a retirement allowance from an eligible employer sponsored retirement plan other than PERS. An employer-sponsored plan is typically created through the assistance of an intermediary.

Eligible plans are defined as follows:

- 401(a) Plan
- 401(k) Plan
- 403(b) Plan
- 457 Deferred Compensation Plan

If you have further questions about these provisions, please contact the Public Employees Retirement System.

Information about Medicare Prescription Drug Proposals

On June 27, the House and Senate each passed legislation to establish a voluntary prescription drug benefit for Medicare beneficiaries. If enacted, it will be the largest ever expansion of benefits. The Senate approved its bill, S.1, by a bipartisan vote of 76-21. The House bill, H.R. 1, passed by a more narrow margin, 216-215. A conference committee will be convened to iron out the differences between the bills after Congress returns from the Fourth of July recess. The information to the right provides the essential information about the bills.

Information provided is from the Senate Finance Committee, House Ways and Means Committee, House Energy and Commerce Committee, and various news reports.

Comparison of Coverage Under Proposed Medicare Prescription Drug Program

	House Version	Senate Version
Deductible	\$250	\$275
Initial Tier of Coverage	\$251 - \$2,000 Beneficiaries pay 20% of drug costs*	\$276 - \$4,500 Beneficiaries pay 50% of drug costs
No Coverage (“Doughnut Hole”)	\$2,001 - \$4,900 Beneficiaries pay 100% of drug costs*	\$4,501 - \$5,813 Beneficiaries pay 100% of drug costs
Catastrophic Tier of Coverage	\$4,900 + Beneficiaries pay 0% of drug costs. Coverage begins when beneficiaries’ out-of-pocket spending on drugs reaches \$3,500.*	\$5,813 + Beneficiaries pay 10% of drug costs. Coverage begins when beneficiaries’ out-of-pocket spending on drugs reaches \$3,700.

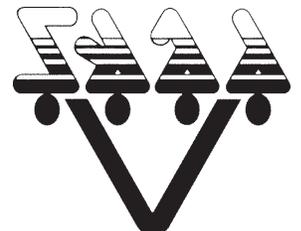
Premium: \$35 per month (estimated) under both bills

Effective Date: 2006 for both bills

The articles and opinions in this publication are for general information only and are not intended to provide specific advice or recommendations for any individual. We suggest that you consult your attorney, accountant, financial or tax advisor with regard to your individual situation. This newsletter is available in alternate formats upon request. Printed on recycled paper.

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North Dakota Public Employees Retirement System



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