

NDPERS BOARD MEETING

Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

February 19, 2009

Time: 8:30 AM

I. MINUTES

A. January 22, 2008

II. RETIREMENT

A. Experience Study – Sparb (Board Action)

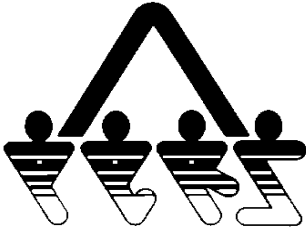
III. GROUP INSURANCE

- A. Diabetes Management Program Update – Jayme Steig (Information)
- B. Minimum Participation/Contribution Survey - Kathy (Information)
- C. PPO Participation – Kathy (Information)
- D. Go Red ND Initiative – Joan Enderle (Information)
- E. Health Plan Update – Sparb (Board Action)
- F. Pre-Medicare 3+ Rate – Sparb (Board Action)
- G. Retiree Plan Design – Sparb (Board Action)
- H. Employee Assistance Program Renewal – Sparb (Board Action)
- I. Surplus/Affordability Update – Bryan (Information)

IV. MISCELLANEOUS

- A. Board Election Committee – Kathy (Board Action)
- B. Legislative Update – Sparb (Information)
- C. PERSLink Quarterly Report – Bryan (Information)
- D. 2008 Business Plan – Sparb (Information)
- E. SIB Agenda

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.



North Dakota
Public Employees Retirement System
400 East Broadway, Suite 505 Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 EMAIL: NDPERS-info@nd.gov www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb
DATE: February 11, 2009
SUBJECT: Experience Study

NDCC section 54-52-04 states:

The board shall arrange for actuarial and medical advisers for the system. The board shall cause a qualified, competent actuary to be retained on a consulting basis. The actuary shall make an annual valuation of the liabilities and reserves of the system and a determination of the contributions required by the system to discharge its liabilities and pay the administrative costs under this chapter, and to recommend to the board rates of employer and employee contributions required, based upon the entry age normal cost method, to maintain the system on an actuarial reserve basis; **once every five years make a general investigation of the actuarial experience under the system including mortality, retirement, employment turnover, and other items required by the board, and recommend actuarial tables for use in valuations and in calculating actuarial equivalent values based on such investigation;** and perform other duties as may be assigned by the board. (Emphasis added)

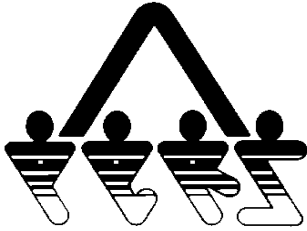
The highlighted section requires us to have an experience study done at least every five years. Our last study was for the five years ending June 30, 2004. Consequently, we should conduct another study at the end of this next valuation in June of 2009. Options for us on this are:

1. Since Segal has one more year to go on their contract before it is bid (the existing contract is through June 30, 2010), we could have them submit an estimate and if it is reasonable, they could do the work. Please note they did the last experience study.
2. We could prepare an RFP, go to market and then select a firm

Please note we will be going to market later this year on the bid for the retirement consulting services for the 2010-2016 period.

Board Action Requested

Determine how to proceed with the experience study.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 EMAIL: NDPERS-info@nd.gov www.nd.gov/ndpers

Memorandum

TO: **NDPERS Board**

FROM: **Kathy & Sparb**

DATE: **February 10, 2009**

SUBJECT: **Diabetes Management Program Update**

Jayme Steig, Clinical Coordinator Provider with Frontier Pharmacy Services, will be at the meeting to present an overview on the clinical data obtained thusfar and its indications with regard to the Diabetes Management Program.

NDPERS Diabetes Program

Program Update & Data Overview As of January 28, 2009

Jayne Steig, PharmD, RPh
Frontier Pharmacy Services, Inc
Clinical Coordinator Provider
1-877-364-3932
jsteig@frontierpharmacyservices.com



Patient Profile

- 282 patients with documentation
 - 706 visits
- Average age = 53.5
 - Range – 10 to 65 years
 - 83% are over age 45
- 53.7% Female
- 5.5 Medical Conditions (range 1-16)
- 9 medications (range 2-31)
- 2.4 drug therapy problems

Drug Therapy Problems

- Needs additional therapy – 36%
- Dosage too low – 21%
- Non-compliance – 18%
- Adverse drug reaction – 11%
- Ineffective drug – 7%
- Dosage too high – 4%
- Unnecessary drug therapy – 3%

Drug Therapy Resolutions

- MD started new therapy – 29%
- Patient educated beyond OBRA – 28%
- MD changed dose – 23%
- MD changed product – 17%
- Patient self-monitoring initiated – 18%
- MD changed interval – 9%
- MD discontinued – 6%

- Note – there can be multiple resolutions per problem, resulting in % total greater than 100%

Drug Therapy Expenses

- Savings (295 encounters)
 - Office visit saved – 46%
 - \$100-200 rx net saved – 9%
 - \$51-100 rx net saved – 7%
 - \$11-25 rx net saved – 4%

- Note – rx net savings are per 90 days

Drug Therapy Expenses

- Expenses (263 total encounters)
 - \$11-25 Rx preventative cost – 21%
 - \$26-50 Rx preventative cost – 21%
 - \$10 or less Rx preventative cost – 18%
 - \$51-100 Rx preventative cost – 18%

- Note – rx net costs are per 90 days

Change in Health Status

- 40% of patients' conditions, which were not at recommended goals of therapy when the patient began the program, were recorded as improved on follow-up visits

Health Care Costs

- Costs avoided - as documented by providers
 - 165 clinic visits avoided
 - 22 lab services avoided
 - 12 specialty office visits avoided
 - 12 ER/Urgent Care visits avoided
- Costs Incurred – as documented by providers
 - 11 clinic visits
 - 43 laboratory service

Lab value changes

- A1C
 - 47% of patients initial A1C was above recommended value of 7.0
 - Average of 8.23
 - Average value for these patients is now 7.61
 - 34% of those out of range are now in range

Lab value changes

- Blood Pressure

- Systolic

- 41% initially not at recommended range
 - 20% of those are now at goal

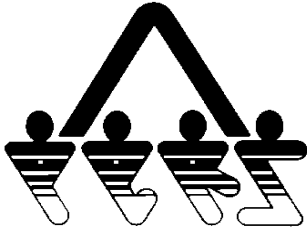
- Diastolic

- 40% initially not at recommended range
 - 35% of those are now at goal

Lab value changes

○ Cholesterol

- Total - 13% initially not at goal
 - 53% of those are now at goal
- LDL - 27% initially not at goal
 - 30% of those are now at goal
- HDL – 38% initially not at goal
 - 16% of those are now at goal
- TG – 29% initially not at goal
 - 16% of those are now at goal



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920

EMAIL: NDPERS-INFO@ND.GOV

www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

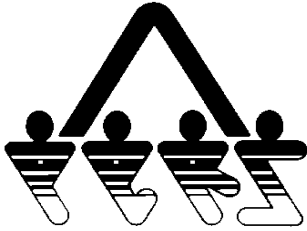
FROM: Kathy

DATE: February 10, 2009

SUBJECT: Minimum Participation & Contribution Requirements

BCBS completed its annual compliance review of our participating employers for the 2008 calendar year. Of the participating groups that responded, we have 100% compliance. One employer group, the City of Lamoure, has not responded to the questionnaire. BCBS has sent 2 requests and left 4 messages in an attempt to make contact. Efforts will continue in an attempt to make contact and we will report the outcome at such time as the issue is resolved.

Representatives of BCBS will be available to respond to any questions.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 EMAIL: NDPERS-info@nd.gov www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

FROM: Kathy & Bryan

DATE: February 10, 2009

SUBJECT: PPO Participation/Discounts

Annually, PERS requests BCBS to provide us with an update regarding the activity relative to additions to our PPO network. In 2008, 454 professional pins were issued and 38 facilities and 11 institutional providers were added to our directory.

The total PPO discount for last year was \$2.64 million. The discount is only for the professional providers. Since the EPO is no longer capitated or targeted, the discount is applied. The following report from BCBS breaks down the discounts based on PPO and EPO membership.

\$62,038,376 (total PPO and EPO members)

\$27,523,942 (just PPO members)

~ \$ 8,912,560 (institutional)

~ \$14,206,189 (professional) of this PPO Discount = \$1,513,783

~ \$ 4,405,193 (Rx drugs)

\$34,514,434 (just EPO members)

~ \$10,938,107 (institutional)

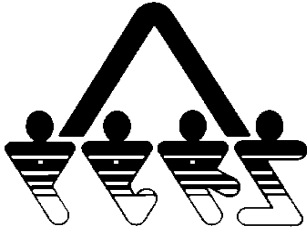
~ \$17,225,237 (professional) of this EPO Discount = \$1,124,369

~ \$ 6,351,090 (Rx drugs)

Total PPO Discount \$2,637,152

Note: Institutional Discounts are built into the fee schedule so are not reported as discount.

We are available to answer any questions.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 EMAIL: NDPERS-INFO@ND.GOV www.nd.gov/ndpers

Memorandum

TO: **PERS Board**

FROM: **Rebecca**

DATE: **February 6, 2009**

SUBJECT: **Go Red ND Project**

During the past two years, PERS has been pleased to have partnered with the American Heart Association and their Go Red Project in North Dakota. Through this partnership, we have been able to offer those employers participating in the wellness program the opportunity to relay to their employees information and programs offered through the American Heart Association.

We have also been able to offer special services funded through the Go Red ND project to three of our wellness employers. The three employers that are participating in these special services are:

- North Dakota State University
- Workforce Safety & Insurance
- Morton County

Here with us today is Joan Enderle, the director of the Go Red North Dakota project. Joan is going to share an overview of the project and services that are being provided to our PERS employers through this partnership.