

NDPERS BOARD MEETING

Bismarck Location:

ND Association of Counties
1661 Capitol Way

Fargo Location:

Sanford Health Plan
1749 38th Street South

Agenda

July 21, 2016

Time: 8:30 AM

I. MINUTES

A. June 16, 2016

II. PRESENTATIONS (Information)

A. Website Update – Bryan and MABU

B. Quarterly Executive Summary – Sanford

C. About the Patient Diabetes Program and Hypertension Pilot Program Reports –
Dr. Wendy Brown

III. GROUP INSURANCE

A. OPEB Report – Nyhart and Bryan (Board Action)

B. Health Plan Renewal – Sparb (Board Action)

C. Dental/Vision/Life Consultant RFP – Bryan (Board Action)

D. Medicare Part D Prescription Limits – Kathy (Board Action)

IV. DEFINED CONTRIBUTION & DEFERRED COMPENSATION

A. Fees – Sharon (Board Action)

V. MISCELLANEOUS

A. Flexcomp Program Survey Results – Bryan (Information)

B. Mobile App Update – Sharon (Information)

C. Board Meeting Agendas – Sparb (Information)

D. Quarterly Consultant Fees – Derrick (Information)

VI. APPEALS

A. Infertility Benefits

Case #335 - #346, #348 - #349 & #355 - #358 (18 cases) – Kathy (Board
Action)

B. Dental Change Effective Date – Kathy (Board Action)

Case #354

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

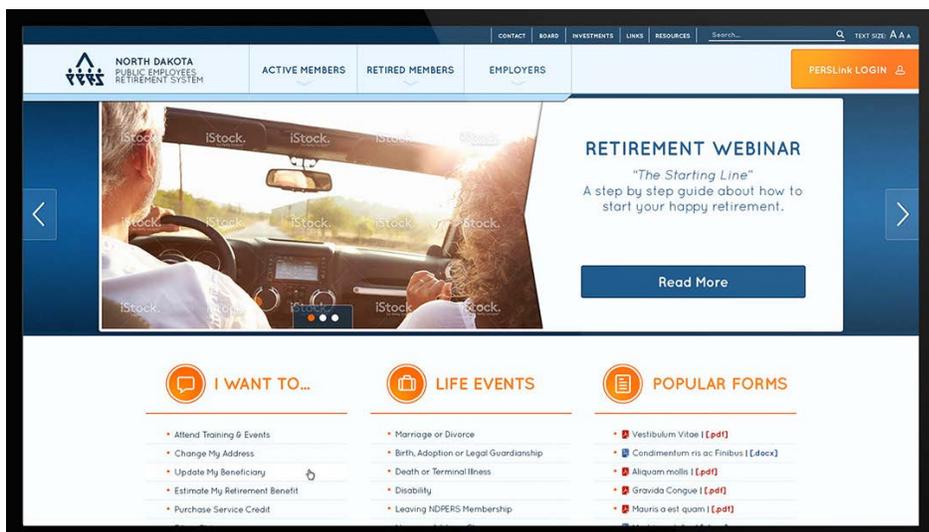
Memorandum

TO: PERS Board
FROM: Bryan
DATE: July 21, 2016
SUBJECT: NDPERS Web Site Update

NDPERS staff and Agency MABU continue to work on the new NDPERS web site. MABU is working on the site development and programming. The NDPERS team has put together the content and web page layout for 120+ pages of information. Once MABU gets access to the development site we will be able to upload and refine web page content. We have a target date of the end of July, then we can start to view, test and refine the web site pages in August. In the meantime, NDPERS is working on updating plan documents (forms, booklets, flyers, etc.).

MABU will be at the NDPERS Board meeting to do a brief presentation of the web site.

If you have any questions, we will be available at the NDPERS Board 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

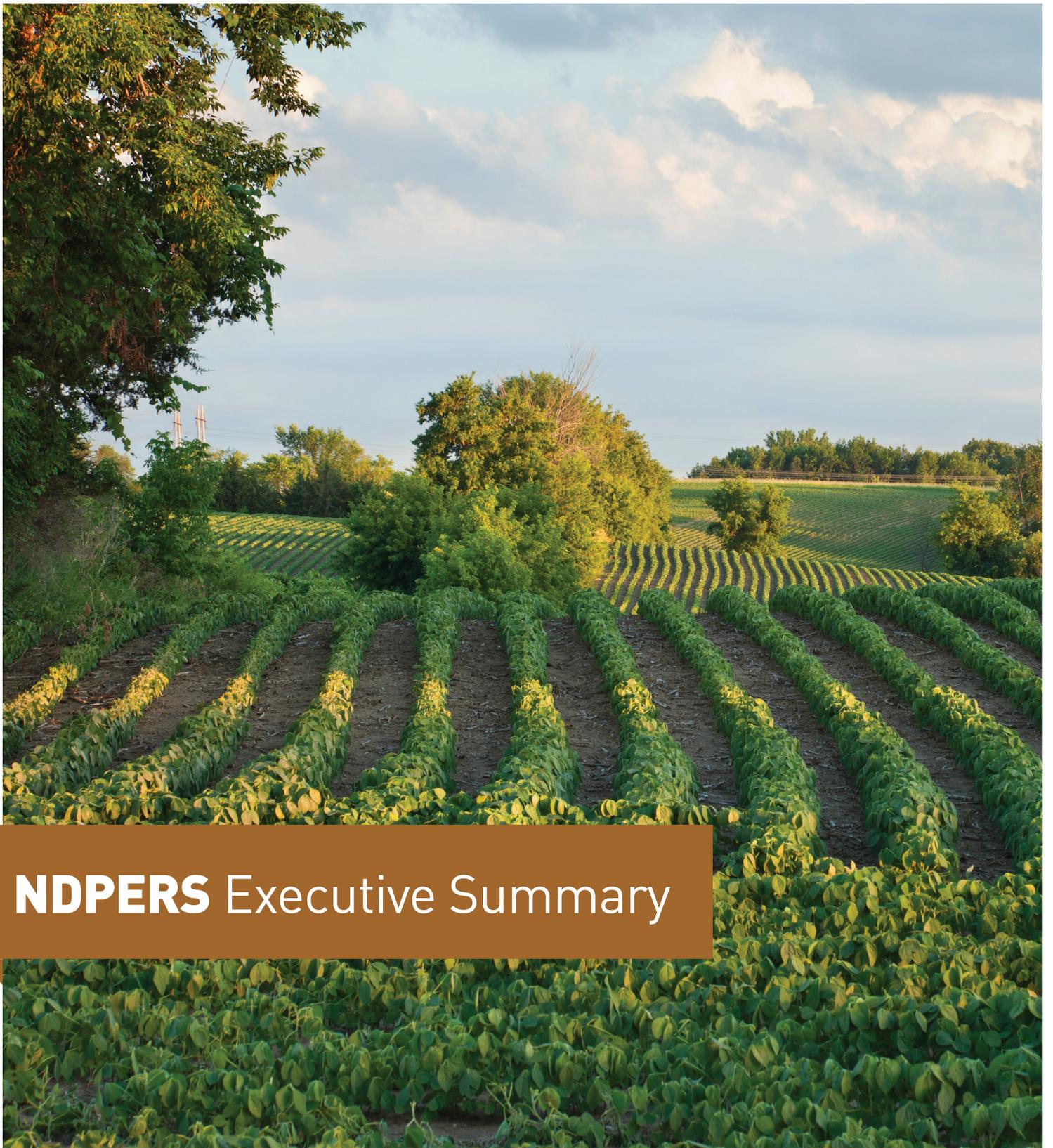
Memorandum

TO: PERS Board
FROM: Sparb
DATE: July 13, 2016
SUBJECT: Quarterly Executive Summary

Attached is the Quarterly Executive Summary for the health plan from Sanford. Representatives of Sanford will be at the next meeting to review this you and answer any questions you may have.

In addition, Sanford will review with the effect of the expiration of the one year provision on maintaining the identical PPO and carrier network.

Also attached is a draft of the table of contents for the Sanford renewal. Please review to insure that it meets your expectations and is inclusive of all the items we discussed over the last several months.



NDPERS Executive Summary

Quarter 1 | 2016

Presented July 2016



NORTH DAKOTA
PUBLIC EMPLOYEES
RETIREMENT SYSTEM

SANFORD
HEALTH PLAN

CONTENTS

3

Summary

5

Summary & Claims Analysis

7

Membership & Utilization

9

High Dollar Cases

11

Prescription Drugs

14

Dakota Wellness Program

16

Performance Standards & Guarantees

ANNUAL MEMBERSHIP SUMMARY

Stable year over year growth:

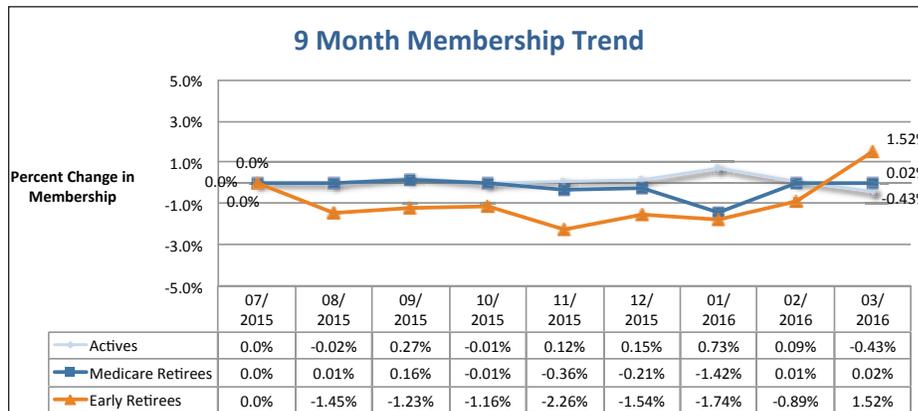
ACTIVES > **+0.8%**
 EARLY RETIREES > **-3.6%**
 MEDICARE RETIREES > **-1.7%**

MEMBERSHIP COMPARISON		
	Q4 2015	Q1 2016
Actives	56,981	57,428
Early Retirees	1,170	1,128
Medicare Retirees	8,674	8,530

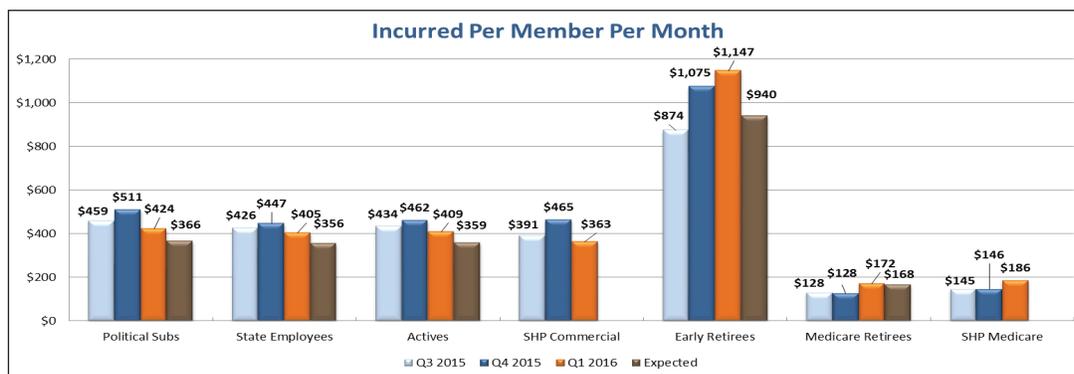
MEMBERSHIP TREND

LARGEST MEMBERSHIP INCREASE > **+1.52%**
 Early Retirees, March 2016

LARGEST MEMBERSHIP DECLINE > **-2.26%**
 Early Retirees, November 2015



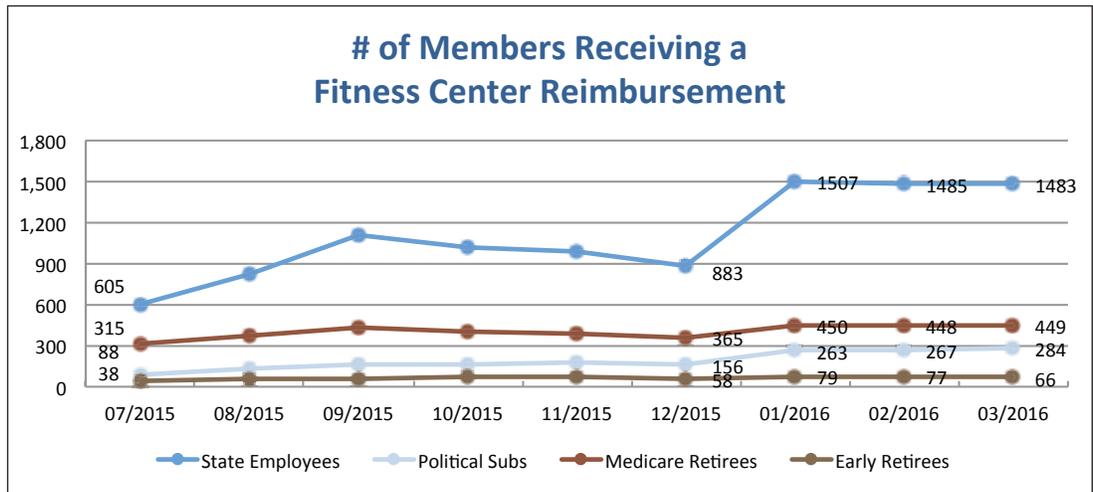
PMPM SUMMARY



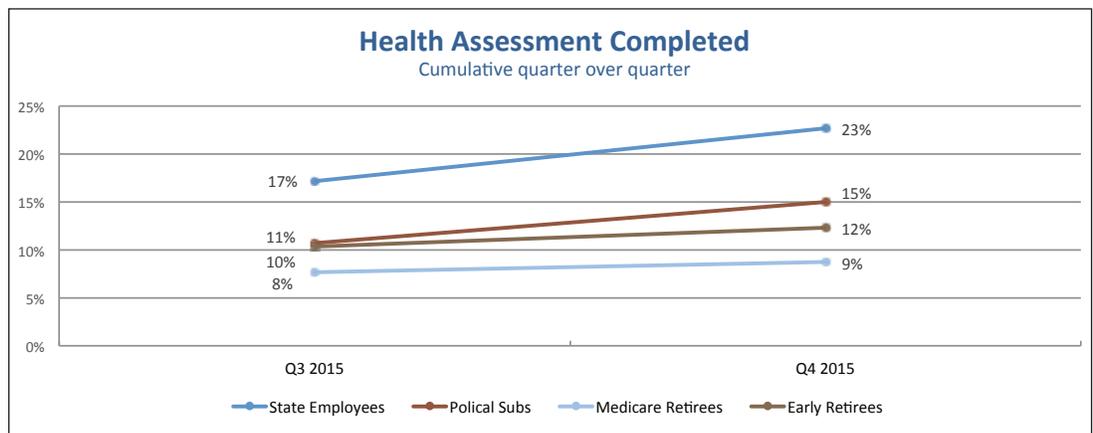
***Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.
 **Historically, 98% of claims will be accounted for within 90 days of the effective date.
 *Medicare Retirees PMPM excludes prescription drug coverage (Medicare Part D).

Summary

FITNESS CENTER REIMBURSEMENT

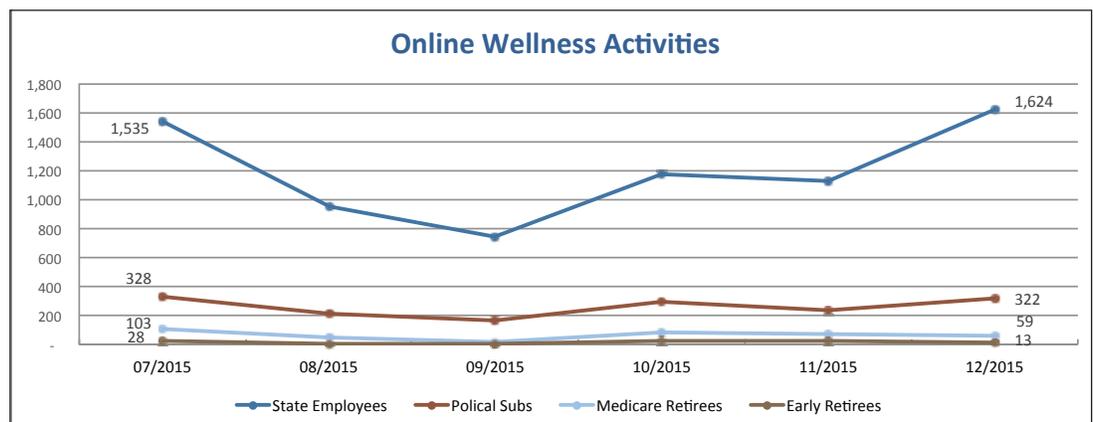


HEALTH ASSESSMENT



*Note: No health assessments or online activities were completed in Q1 2016 due to the new wellness portal being under development

ONLINE WELLNESS ACTIVITIES



*Note: No health assessments or online activities were completed in Q1 2016 due to the new wellness portal being under development

EGWP TOP LINE PERFORMANCE METRICS

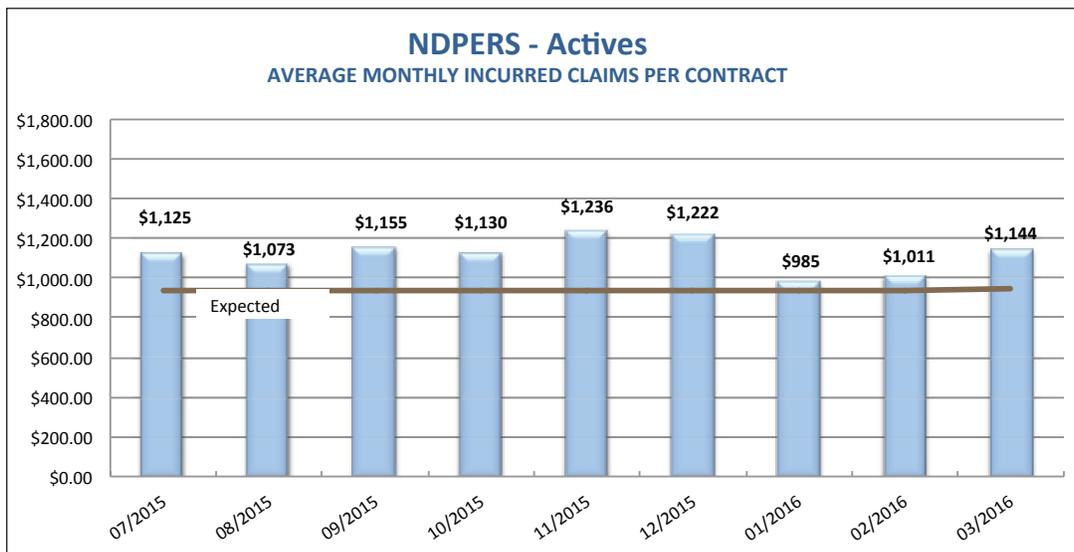
Summary

NDPERS EGWP			
Description	1Q16	1Q15	% Change
Avg Subscribers per Month	8,523	8,393	1.5%
Number of Unique Patients	7,724	7,212	7.1%
Pct Members Utilizing Benefit	90.6%	85.9%	4.7%
Total Days	2,990,712	2,730,387	9.5%
Total Days PMPM	117.0	108.4	7.9%
Total Rxs	66,786	57,400	16.4%
Nbr Rxs PMPM	2.61	2.28	14.6%
Generic Fill Rate	87.4%	85.5%	1.9%
Home Delivery Utilization	1.0%	0.0%	1.0%
Specialty Percent of Rx Volume	0.4%	0.4%	0.0%
Specialty Total Days	6,453	5,887	9.6%
Specialty Days PMPM	0.25	0.23	7.9%

- ****Overall membership increased 1.5%.
- ***Total utilization and specialty utilization has increased 7.9%.
- **Generic fill rate up 1.9% points to 87.4%.
- *This data was prepared by Express Scripts Inc. (ESI)

PAID CLAIMS PER CONTRACT

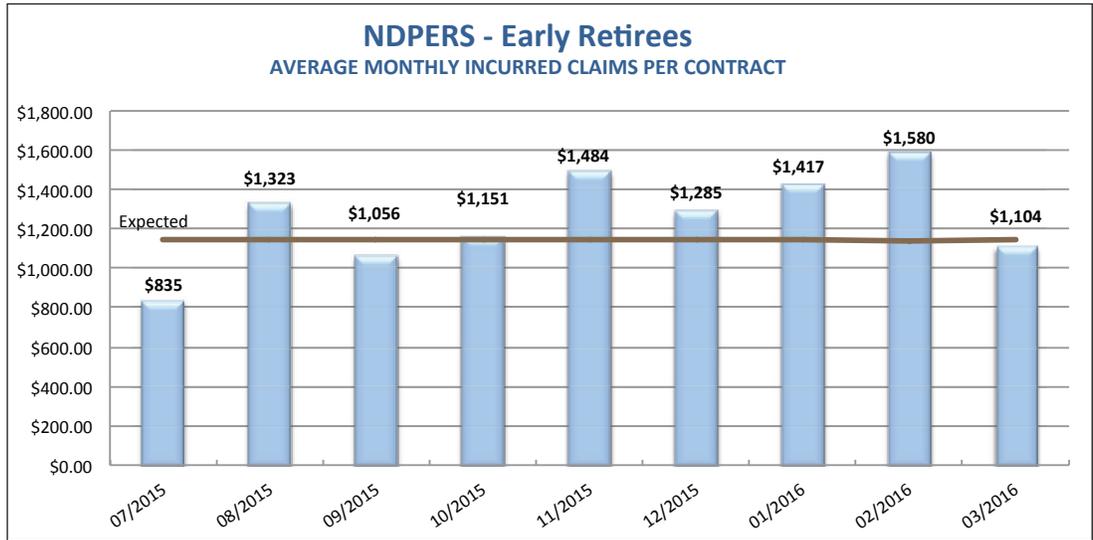
Claims Analysis



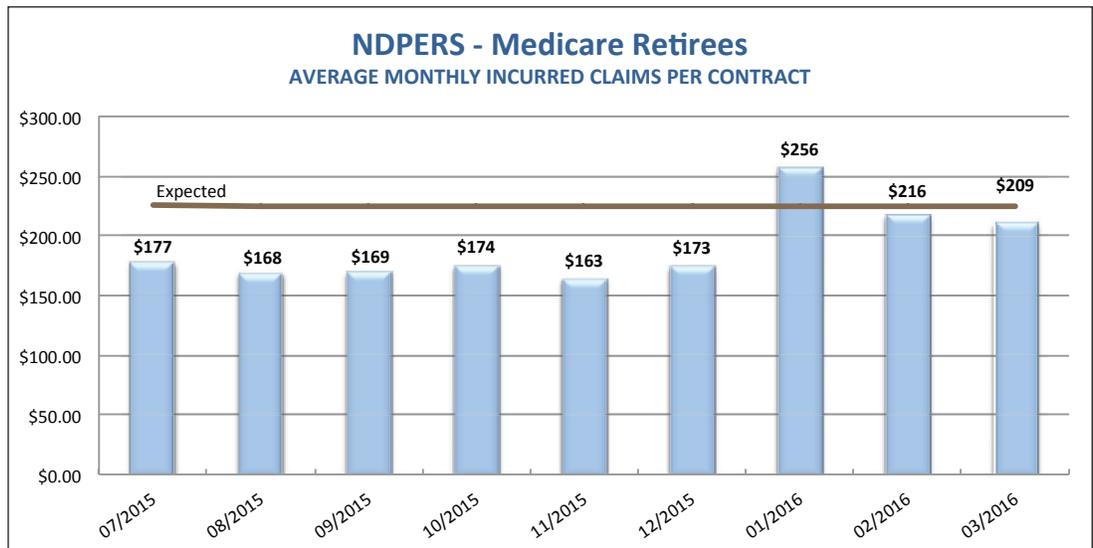
- ***Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.
- **Historically, 98% of claims will be accounted for within 90 days of the effective date.
- *NDPERS Active contracts have approximately 2.59 members per contract.

Claims Analysis

PAID CLAIMS PER CONTRACT



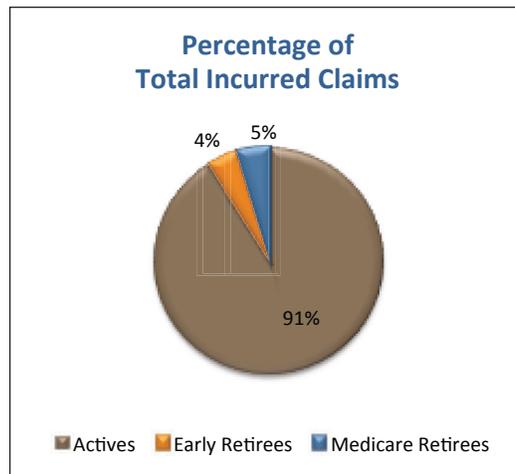
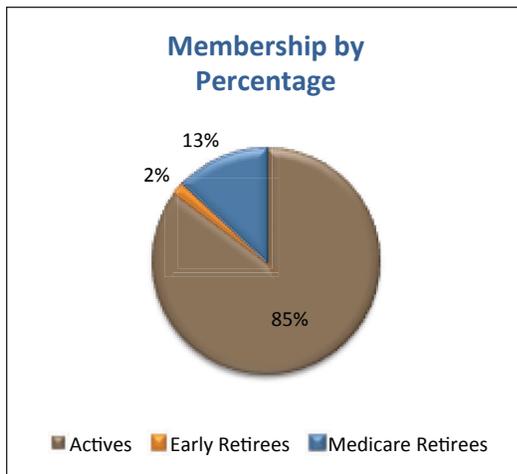
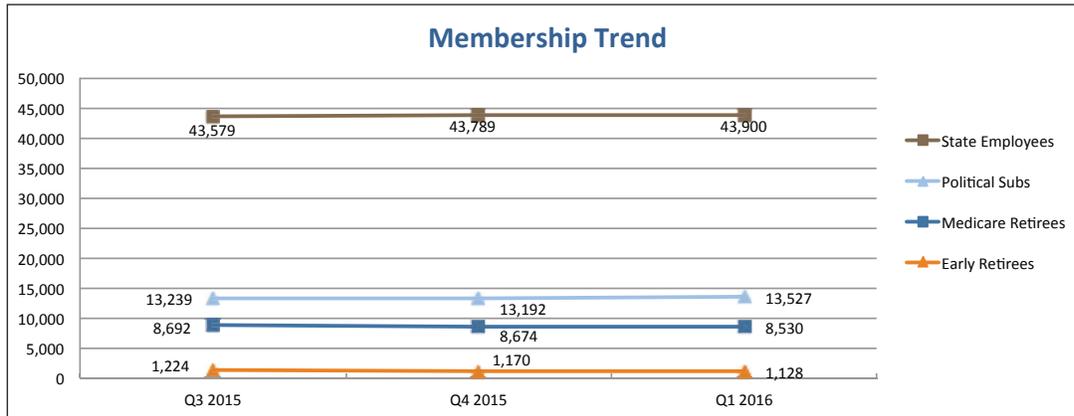
***Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.
 **Historically, 98% of claims will be accounted for within 90 days of the effective date.
 *NDPERS Active contracts have approximately 1.22 members per contract.



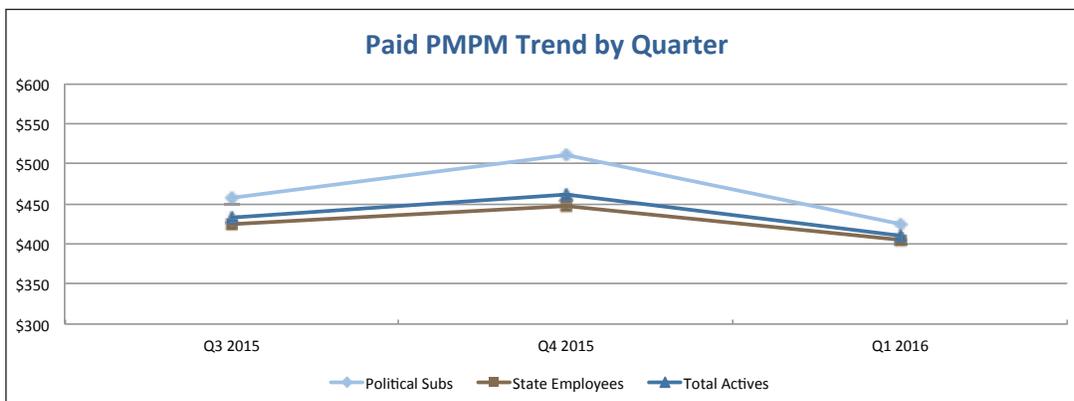
***Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.
 **Historically, 98% of claims will be accounted for within 90 days of the effective date.
 *NDPERS Active contracts have approximately 1.34 members per contract.

MEMBERSHIP PERCENTAGE

Membership & Utilization



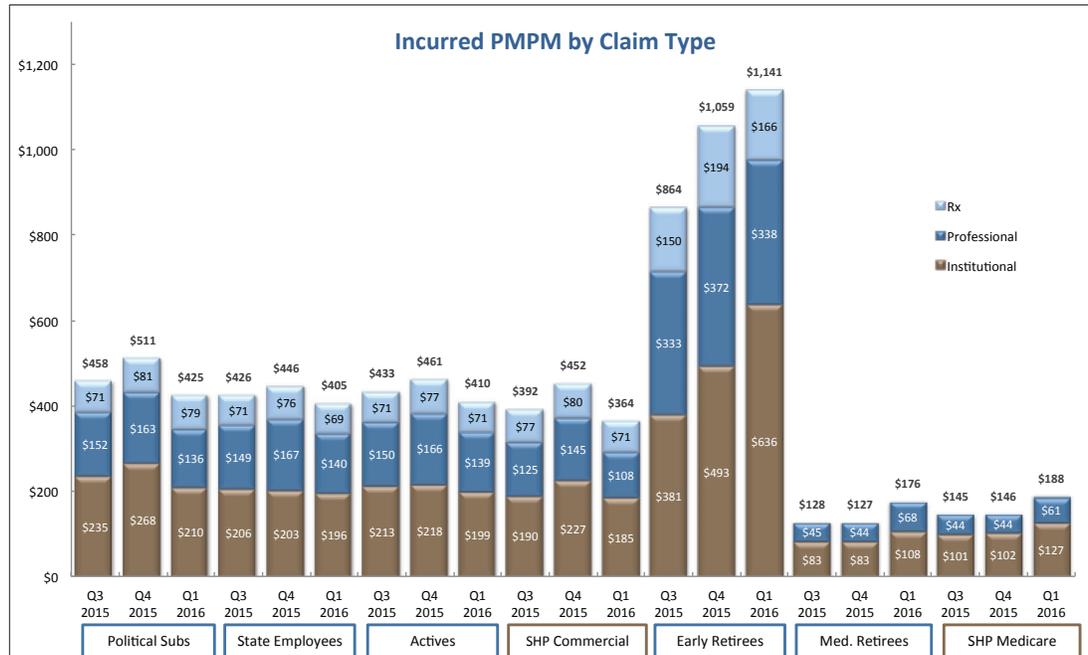
PMPM BY CLAIM TYPE, BY QUARTER



*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.
Includes IBNR for July 2015 through March 2016, as of May 31, 2016.

Membership & Utilization

PMPM BY CLAIM TYPE



*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.

MEMBER RISK PROFILE & UTILIZATION

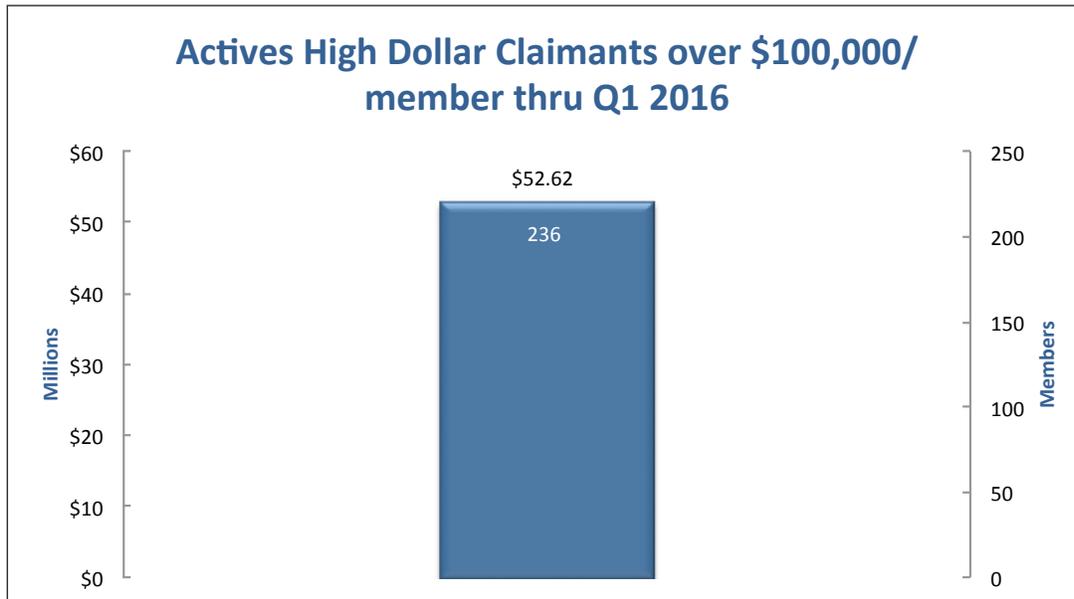
	NDPERS	SHP BoB
Average Age	35.08	33.63
% Male (Current)	49.12	44.69
Average Risk Score	1.23	1.07
Average Care Gap Index	0.30	1.10
Inpatient Days Per 1000	269	277
Total Admissions Per 1000	63	69
ER Visits Per 1000	216	161
Total Office Visits Per 1000	4,206	4,059
Pharmacy Scripts Per 1000	9,034	10,019

*** Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016. Includes IBNR for July 2015 through March 2016, as of May 31, 2016.

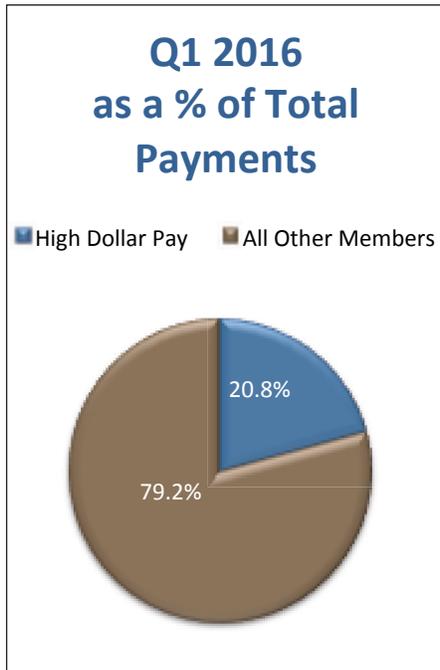
**All data was Normalized using Verisk’s methodologies and algorithms. NDPERS includes Political Subdivisions, Pre-Medicare Retirees and State Employees.

ACTIVES

High Dollar Cases



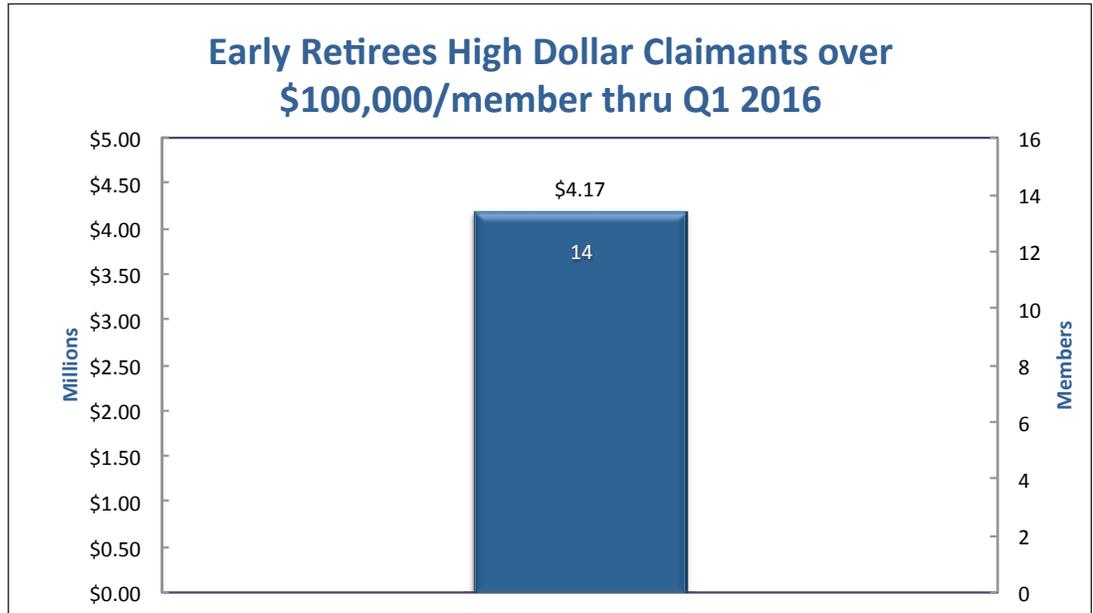
*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.



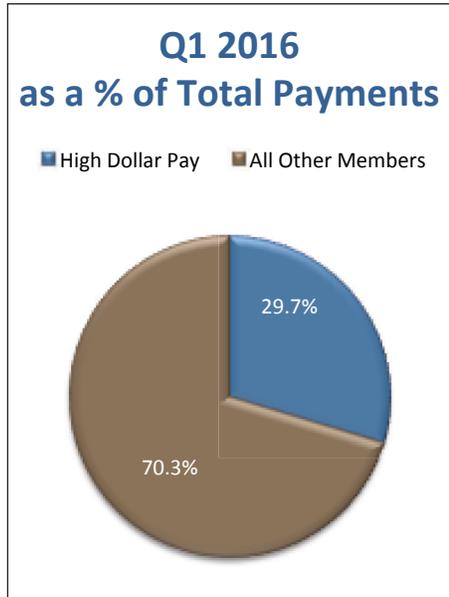
Avg. Paid/Case	\$222,974
% of Total Payments	20.8%

High Dollar Cases

EARLY RETIREES



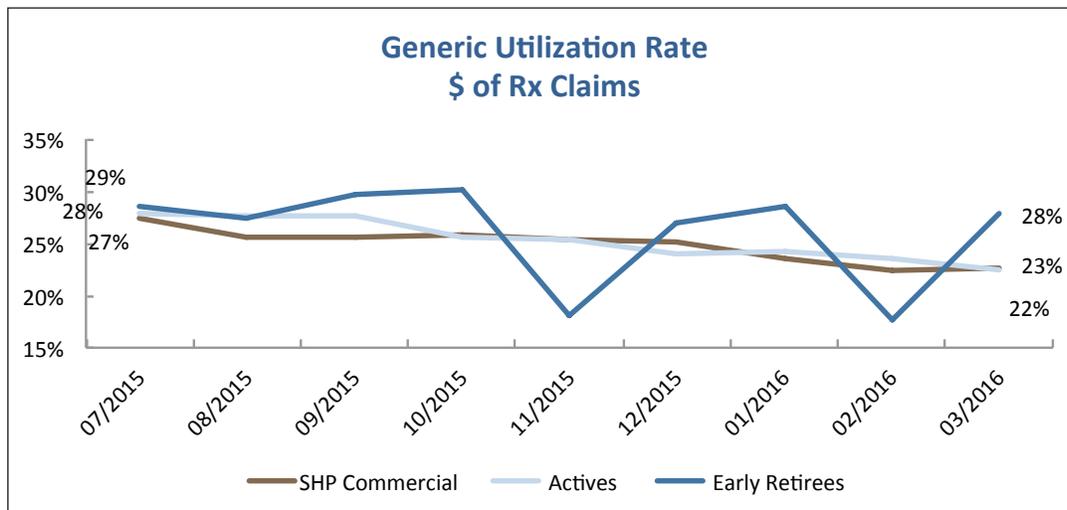
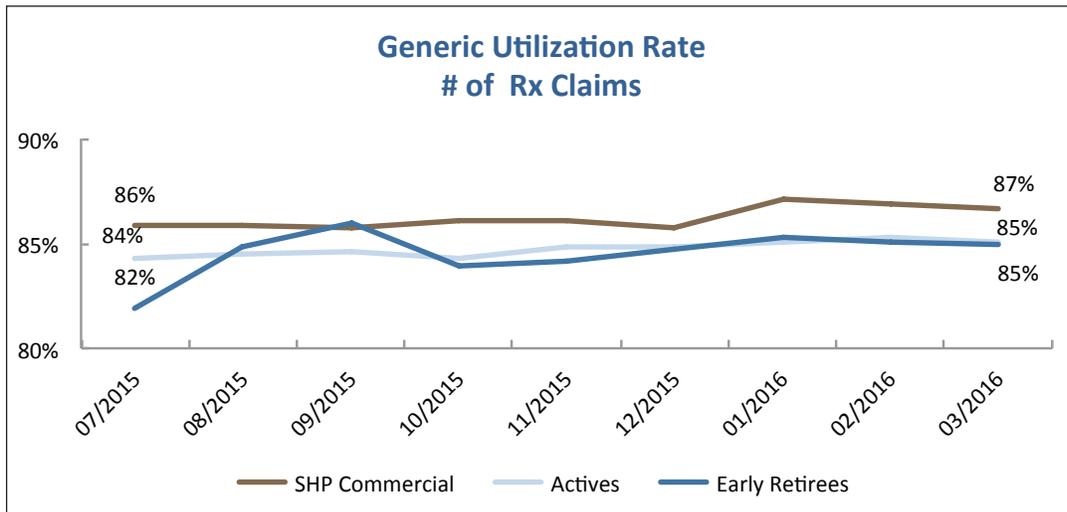
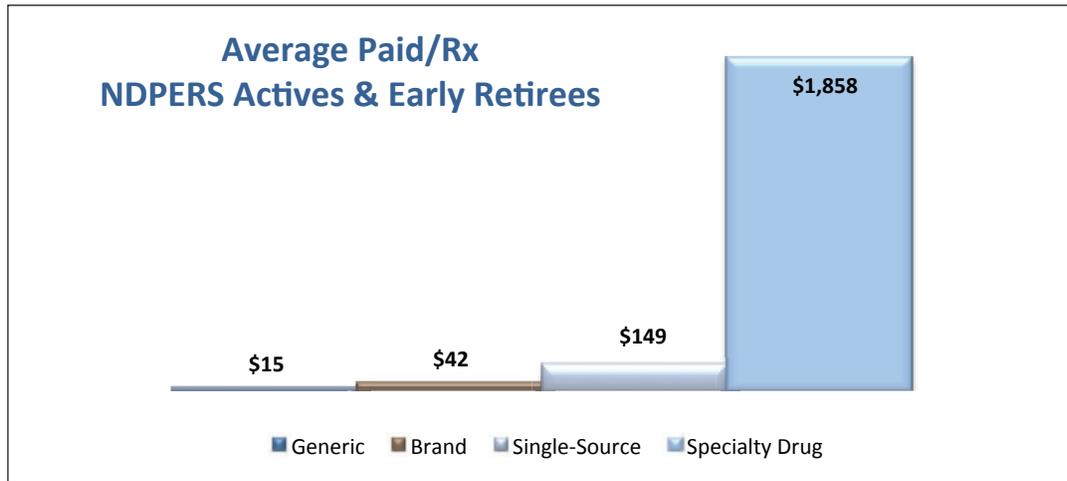
*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.



Avg. Paid/Case	\$298,167
% of Total Payments	29.7%

GENERIC UTILIZATION

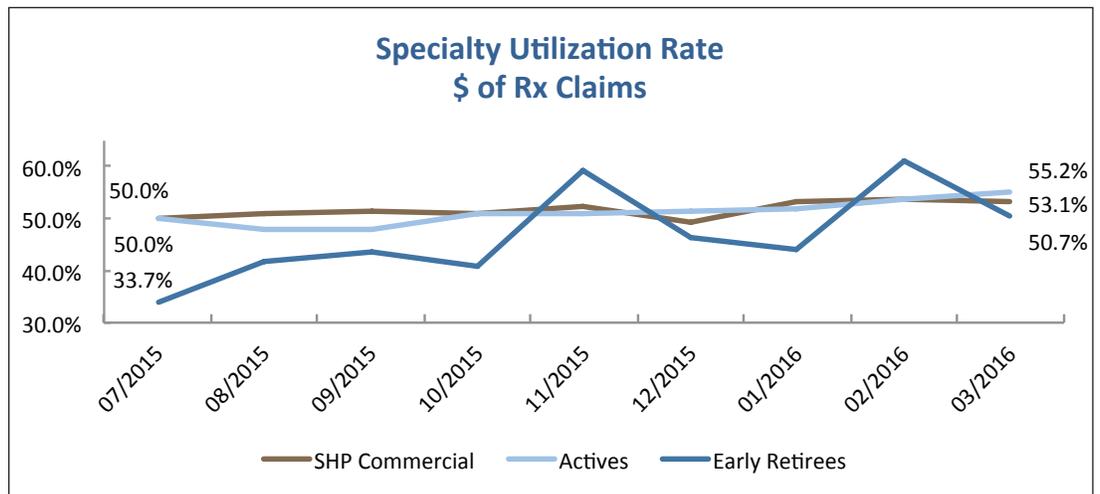
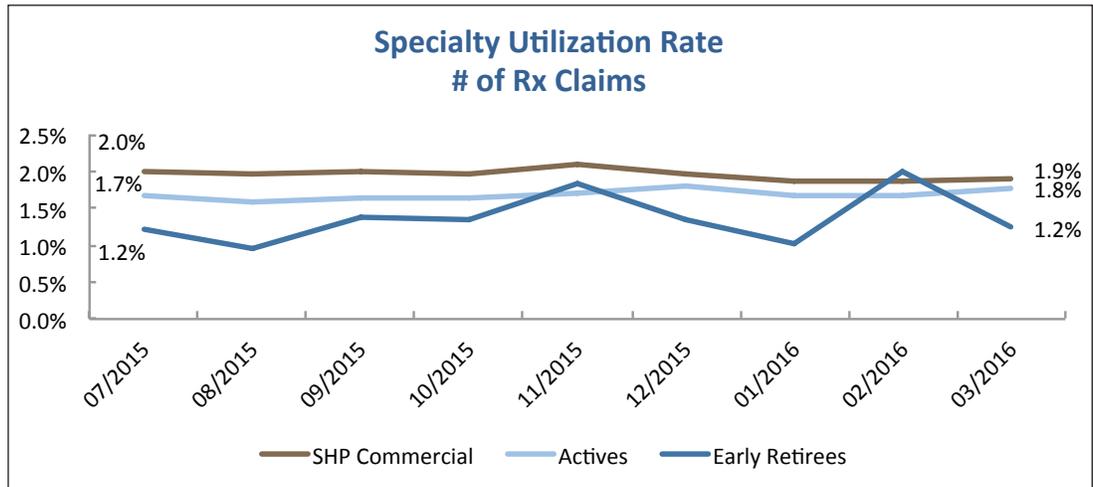
Prescription
Drugs



*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.

Prescription
Drugs

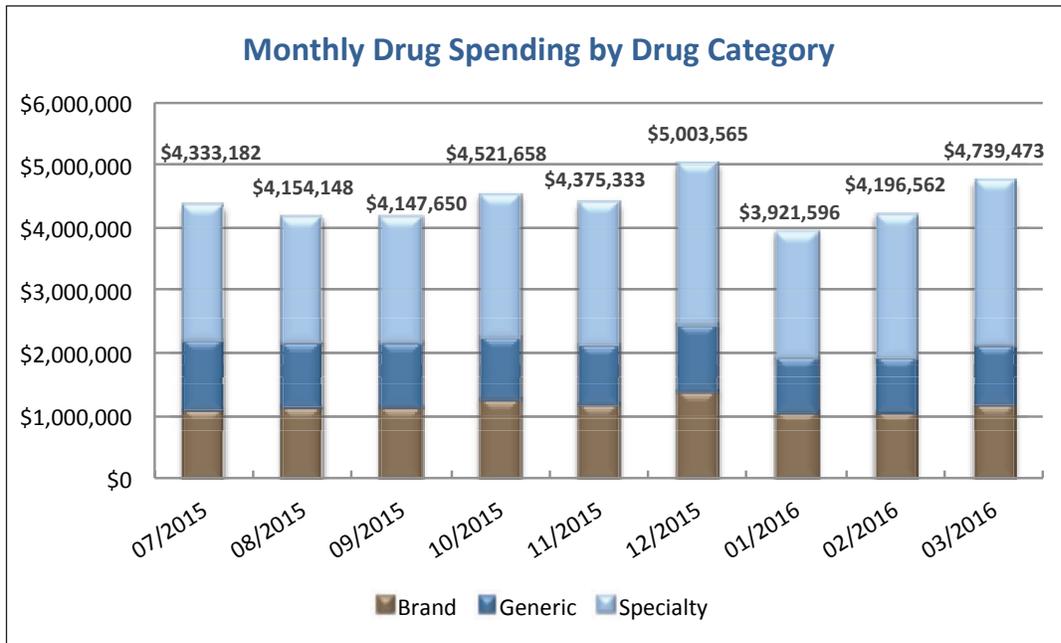
SPECIALTY PHARMACY



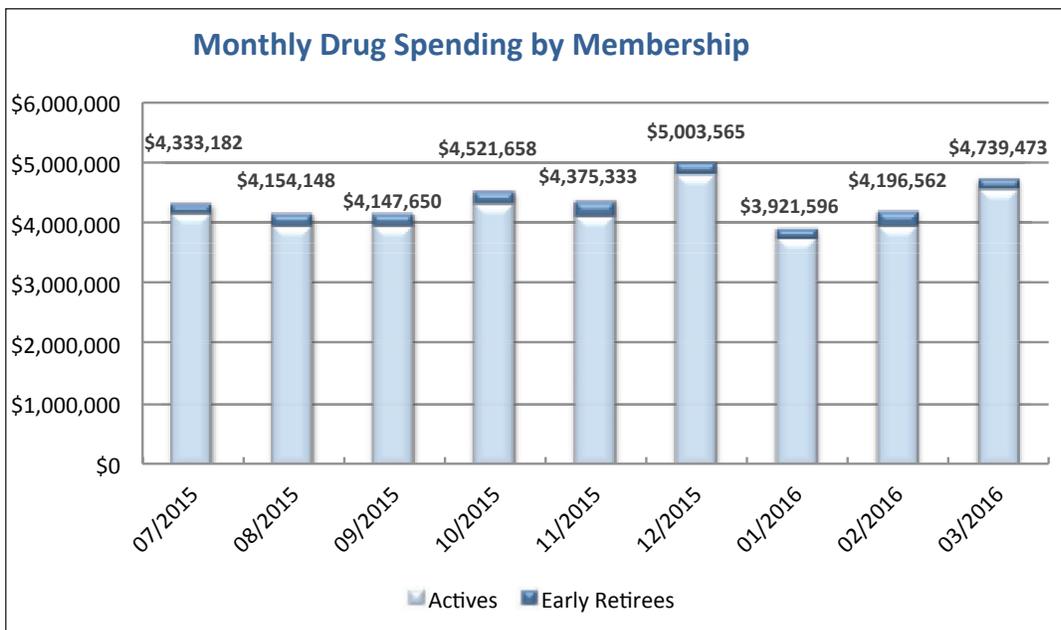
*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.

PHARMACY

Prescription
Drugs



*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.



*Incurred between July 1, 2015 and March 31, 2016 and paid through May 31, 2016.

Dakota Wellness Program

MONTHLY WELLNESS THEMES

Monthly themes keep the wellness program fresh throughout the year and keeps members engaged in their individual wellness pursuit. Newsletters, e-blasts and worksite posters are used to introduce themes.



NEW ONLINE WELLNESS PORTAL
to launch in 2016

Sanford Health Plan is pleased to announce that we are working on a new and improved online wellness portal. This new portal will be ready for you on April 1, 2016.

It will be worth the wait...
Want a personal trainer you can take with you anywhere? Check — it will have it.
Have a fitness device? Check — it will connect to it.
Want to compete with your co-workers for online worksite challenges? Check — got that too.
What does this mean now? We are turning OFF the current online wellness program.
Can you still earn your \$250 wellness benefit? YES!
At work: You can still participate in worksite education and wellness activities. The wellness coordinators will continue to have vouchers to record this activity.
At the gym: You can still receive up to \$20/month if you go to the gym 12 times per month through the Fitness Center Reimbursement Program.
Online: This will be disabled from Jan. 1, 2016 to March 31, 2016.

You will be taking your health assessment on or after April 1
Haven't taken your health assessment yet? No worries — we are temporarily waiving that requirement. You do NOT need to take your health assessment in January to receive your monthly gym reimbursement. However, once the new portal is available in April, you will need to take the health assessment to continue to receive your wellness benefits and redeem points for the remainder of 2016.

Keep watching your email and mailbox for more information!



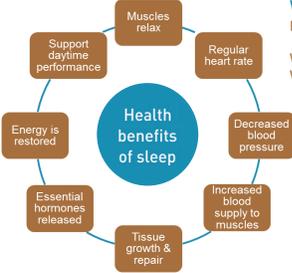
DWP1581 10/15



Dakota Wellness Program



Sleep your way to health



Health benefits of sleep

Wellness Activities
Book Club: "Sleep Solutions" (audio CD)
Webinar: Five Star Sleep
Web Tool: Sleep Cycle app




Dakota Wellness Program



Well-being

Well-being starts by letting others know you are interested in giving your time and talents. Then, set up a regular place and time to volunteer. This could be weekly, monthly or even yearly. You can enrich your volunteer experience by asking friends, family and co-workers to join you.

Take what you value and let it inspire you to start well-being in your community

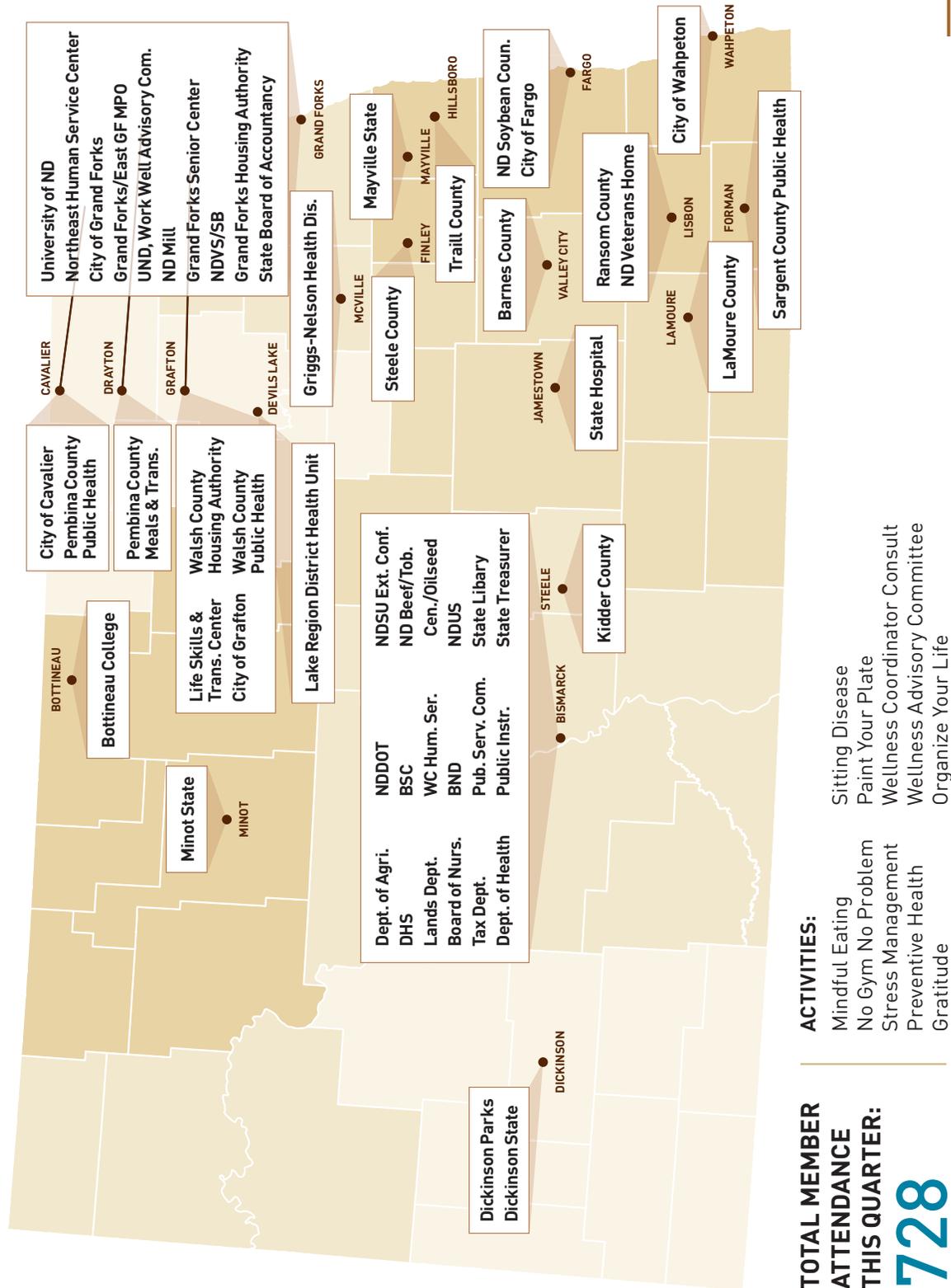
Wellness activities
Book Club: "Doing Good Better: How Effective Altruism Can Help You Make a Difference." by William MacAskill
Webinar: Well-being
Web Tool: Allforgood.org



EVENT ATTENDANCE BY AGENCY

The Sanford Health Plan NDPERS wellness team engages members both offline and online. Wellness educators travel across the state to support agency wellness coordinators and provide worksite education and activities. This map shows where they've been over the last quarter.

Dakota
Wellness
Program



Performance Standards & Guarantees

MEASURE	GOAL	OUTCOME REPORTING DATES	OUTCOME
COST MANAGEMENT:			
Health Risk Assessment	10%	Dec. 31, 2015	17.9%
HEALTH OUTCOMES:			
Medical Home Enrollment	30%	July 1, 2016	36.5%
Breast Cancer Screening Rates	80%	June 30, 2017	-
Cervical Cancer Screening Rates	85%	June 30, 2017	-
Colorectal Cancer Screening Rates	60%	June 30, 2017	-
PROVIDER NETWORK/CONTRACTING:			
NDPERS PPO network - in-state hospitals, MDs and DOs that participate in the Company's Par Network.	Hospital = 85% MDs & DOs = 85%	Dec. 31, 2015	Hospital = 94% MDs & DOs = 87%
Minimum provider discount from in-network providers	30% for Non-Medicare contracts	June 30, 2017	-
Claims Financial Accuracy	99%	June 30, 2017	-
Claims Payment Incidence Accuracy	97%	June 30, 2017	-
Claim Timeliness	99%	June 30, 2017	-
Average Speed of Answer	45 seconds	June 30, 2017	-
Call Abandoned Rate	7% or less	June 30, 2017	-
ANCILLARY ITEMS:			
The interest rate utilized currently is based on the US Treasury Notes quoted by the Wall Street Journal	verification	June 30, 2017	-
Rx rebates passed-through to NDPERS	100%	June 30, 2017	-
HRA WELLNESS SCORE:			
HRA Wellness Score	5% point increase	Dec. 31, 2016	-
bWell Participation	10%	Dec. 31, 2015	10.8%
Health Club Credit	Goal = 1,950	July 1, 2016	1,857*

*Expected three month runout to collect necessary data.



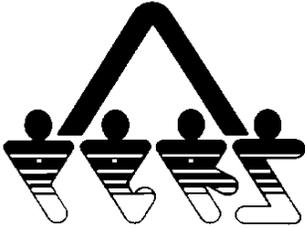
SANFORD
HEALTH PLAN

MDPERS Provider Contracting as of July 14th, 2016

Description	Institutional	Professional
Total in network providers	298	5943
Non-contracted providers (with submitted claims)	3	41

Top Institutional provider types of claims received from non-contracted	Count April	Count May	Count June	Count July	Total Claim Count	Unique Member Count
Dialysis	1	1	1	1	12	3
Skilled Nursing/Home Health	1	0	0	0	0	0
IH S/Military	2	2	2	2	56	14
Total	4	3	3	3	68	17

Top Professional provider types of claims received from non-contracted	Provider Count April	Provider Count May	Provider Count June	Provider Count July	Total Claim Count	Unique Member Count
Chiropractors	33	29	26	25	3587	765
Behavioral Health	6	4	4	2	23	12
Vision	8	7	7	6	143	61
MD/DO/NP/PA	3	4	4	3	47	21
Other	7	5	5	5	106	52
Total	57	49	46	41	3906	911



**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@state.nd.us • discovernd.com/NDPERS

Memorandum

TO: NDPER Board

FROM: Sparb

DATE: July 13, 2016

SUBJECT: About the Patient Program

Dr. Wendy Brown will be at the Board meeting to discuss the About the Patient Program and our Hypertension Pilot Program (refer to attached information). These are programs that we partner with ND pharmacists in offering to our members pursuant to NDCC 54-52.1-16 and 54-52.1-17:

54-52.1-16. Uniform group insurance program - Collaborative drug therapy program - Continuing appropriation.

1. The board may establish a collaborative drug therapy program available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals in identified health populations and to manage health care expenditures.

2. Under the program, the board may involve physicians, pharmacists, and other health professionals to coordinate health care for individuals in identified health populations in order to improve health outcomes and reduce spending on care for the identified health problem. Under the program, pharmacists and other health professionals may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals in the identified health population. To encourage enrollment in the plan, the board may provide incentives to covered individuals in the identified health population which may include waived or reduced copayment for related treatment drugs and supplies.

3. The board may request the assistance of the North Dakota pharmacists association or a specified delegate to implement a formalized disease management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize chronic disease care and improve patient outcomes. This program must facilitate enrollment procedures, provide standards of care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.

4. The board may seek and accept private contributions, gifts, and grants-in-aid from the federal government, private industry, and other sources for a collaborative drug therapy program for identified health populations. Any funds that may become available through contributions, gifts, grants-in-aid, or other sources to the board for a collaborative drug therapy program are appropriated to the board on a continuing basis.

54-52.1-17. Uniform group insurance program - Collaborative drug therapy program - Funding.

1. The board shall establish a collaborative drug therapy program that is to be available to individuals in the medical and hospital benefits coverage group. The purpose of the collaborative drug therapy program is to improve the health of individuals with diabetes and to manage health care expenditures.

2. The board shall involve physicians, pharmacists, and certified diabetes educators to coordinate health care for covered individuals with diabetes in order to improve health outcomes and reduce spending on diabetes care. Under the program, pharmacists and certified diabetes educators may be reimbursed for providing face-to-face collaborative drug therapy services to covered individuals with diabetes. To encourage enrollment in the plan, the board shall provide incentives to covered individuals who have diabetes which may include waived or reduced copayment for diabetes treatment drugs and supplies.

3. The North Dakota pharmacists association or a specified delegate shall implement a formalized diabetes management program with the approval of the prescriptive practices committee established in section 43-15-31.4, which must serve to standardize diabetes care and improve patient outcomes. This program must facilitate enrollment procedures, provide standards of diabetes care, enable consistent documentation of clinical and economic outcomes, and structure an outcomes reporting system.

4. The board shall fund the program from any available funds in the uniform group insurance program and if necessary the fund may add up to a two dollar per month charge on the policy premium for medical and hospital benefits coverage. A state agency shall pay any additional premium from the agency's e



Collaborative Drug Therapy Program Annual Report

June 2015-June 2016

About The Patient— 1641 Capital Way Bismarck, ND 58501
T: 1.888.326.4657 DD: 701.231.6685 E: wbrown@aboutthepatient.net

Executive Summary

The Uniform Group Insurance Program-Collaborative Drug Therapy Program in accordance with section 54-52.1-17 of the North Dakota Century code purpose is to improve the health of individuals with diabetes in order to manage health care expenditures through face-to-face collaborative drug therapy services by pharmacists and certified diabetes educators. For covered individuals waived or reduced co-payment for diabetes treatment drugs and supplies are provided as an incentive for program participation. The North Dakota Pharmacist Association or specified delegate currently About the Patient facilitates patient curriculum based on national standards for diabetes care, enrollment procedures, documentation of clinical encounters, and assess economic/clinical outcomes. Funding of program is through the uniform group insurance program and if necessary an additional charge on the policy premium for medical and hospital benefits coverage may be added up to two dollars per month.

The About The Patient Program has been administering the Diabetes Management Program since July of 2008. A cost analysis of the Diabetes Management Program was conducted by the Center for Health Promotion and Prevention Research, University of North Dakota School of Medicine and Health Sciences in November of 2010. Return on investment calculation demonstrated a \$71.14 pmpm health cost savings (\$2.34 saved for every \$1.00 spent for the program). The diabetes program was included in the 2014 impact of diabetes report to state legislators as part of NDCC 23-01-40 requirement for even-numbered years reporting. Funding and program administration by About The Patient was extended for next biennium July 2015-June 2017.

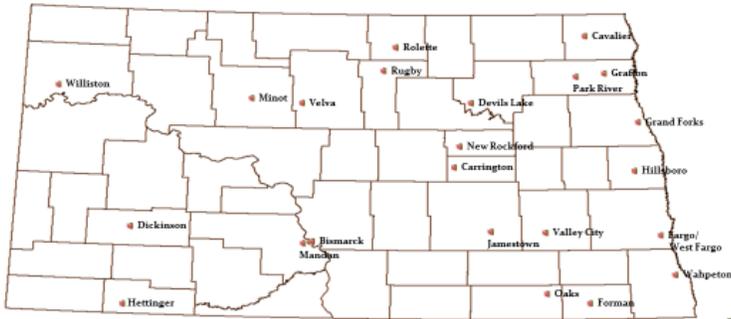
Targeted direct marketing via letter and postcards is done by the About The Patient program to inform eligible beneficiaries about the opt-in program.

CONTENTS

Executive Summary	2
Diabetes Management Program	3
Program Analysis June 2015 – June 2016	3
Pharmacist Interventions	4
Patient Satisfaction with Program	5
Budgeted Level of Service July 2015-June 2017	6

Diabetes Management Program

The Diabetes Management Program is an opt-in program for North Dakota Public Employee Retirement System beneficiaries with diabetes. **On a monthly basis newly eligible patients are sent a letter explaining the program as well as a wellness enrollment form.** The wellness enrollment form allows patients to choose one of 54 community pharmacy locations across North Dakota for face-to-face program participation and/or live secure video conferencing (Telepharmacy) in Edgeley, Glen Ullin, New Salem and all Thrifty White Drug locations in North Dakota.

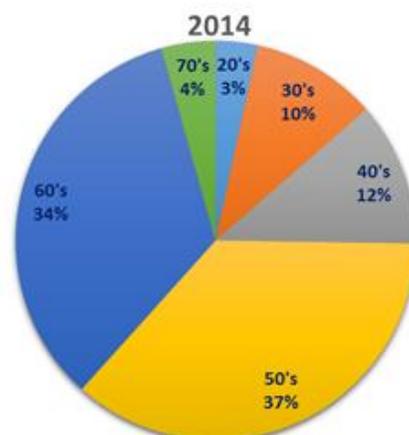
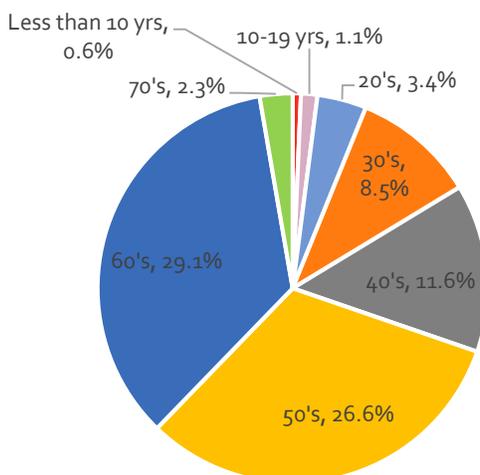


Patients are eligible for three visits within the first year and two visits per year thereafter. **By actively partaking in the program patients receive point of sale reimbursement of co-pays on diabetes medications, ACE inhibitors and testing supplies.** The patient curriculum is based on the seven self-care behaviors identified by the American Association of Diabetes Educators and principles of medication therapy management as outlined by the American Pharmacist Association. Patients are seen by a health professional, currently a community pharmacist, who has completed additional training in diabetes management outside of their terminal degree and must document continuing education in this area on an annual basis. All patient clinical encounters are documented and billed using the North Dakota Pharmacy Services Corporations electronic medical record software MTM Express™.

Program Analysis June 2015 - June 2016

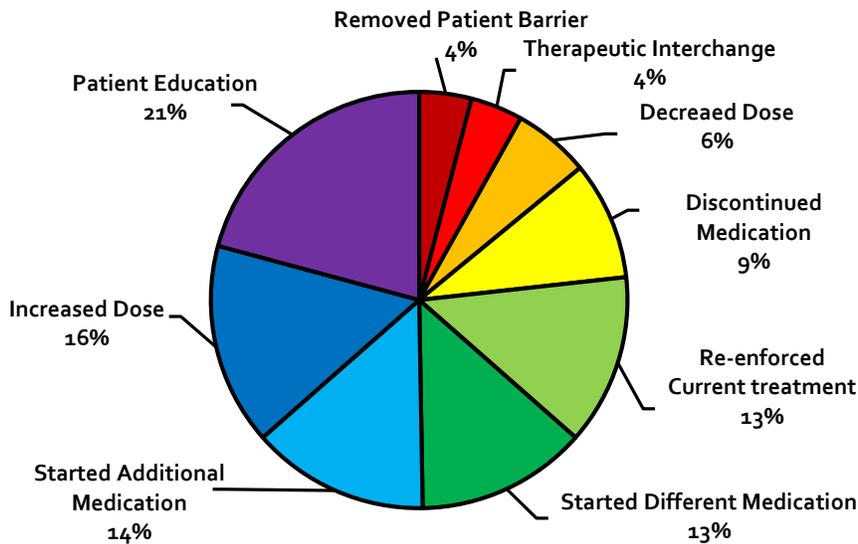
Demographics

The program currently has 294 (2014=207) active patients with signed wellness agreements. Within the active patient's population 57% are male. As of June 2016 there are 2,920 eligible beneficiaries which gives an overall program participation rate of 10%. Waving co-pays at the point of sale and continued marketing has increased patient satisfaction and participation in program.



Pharmacist Interventions

From June 2015-June 2016 **there were 373 interventions made by the pharmacists** in collaboration with the patient and their primary health provider in order to manage diabetes and prevent costly complications.



Of the patient education 40% was related to injectable medications for diabetes control. The majority of the recommendations for increasing medication was to optimize both rapid and basal insulin requirements. The most common medication that the pharmacist provided re-enforced counseling for continued treatment was metformin.

As seen by the chart

Of the patients (n=68) with at least two recorded A1C levels more had a decrease in A1C than those that either remain the same or increased.

Decrease A1C, Maintained A1C, Increase A1C

Average fasting blood glucose 136 (Range 56-300mg/dL). According to the American Diabetes Association (ADA) controlled fasting range 80-130mg/dL.

Average random blood glucose 166 (Range 94-457mg/dL). According to the American Diabetes Association (ADA) controlled random range is less than 180mg/dL.

Age	Gender	Initial A1C	Lastest A1C
30	Male	7.6	7.5
34	Male	5.7	5.5
38	Female	9.1	8.6
39	Female	7.1	6.6
43	Male	5.6	5.5
48	Male	8.7	7.7
53	Male	11	8.3
55	Male	10	7.2
56	Female	8.2	7.8
56	Male	6.7	5.9
56	Male	6.5	6.3
56	Female	7.2	6.7
57	Female	7.7	6.2
57	Female	8.4	8.2
59	Female	9.1	8.9
59	Female	7.5	7.1
60	Female	8.5	7.9
60	Male	9.1	5.5
60	Male	5.9	5.8
61	Female	8.3	7.9
61	Male	9.3	7.4
61	Female	8.2	7.6
61	Male	7.4	6.6
61	Female	6.5	6.3
62	Male	10	8
62	Female	9.9	8.4
63	Male	6.2	6.1
64	Female	8.2	6.8
65	Male	6.4	6
65	Female	7.1	6.1
66	Female	6.3	6.1
66	Male	6.6	6.3
66	Male	7	6.8
69	Male	7.2	6.8
73	Male	8.1	6.4
29	Female	7.4	7.4
38	Male	7	7
44	Female	7	7
54	Male	6.1	6.1
54	Male	5.5	5.5
55	Male	7.1	7.1
58	Female	6.3	6.3
59	Male	7	7
61	Male	6.2	6.2
63	Female	6.3	6.3
26	Male	7.7	8.1
37	Male	5.9	6.4
41	Female	6.3	7.6
49	Female	7	8
52	Male	6.1	6.7
53	Female	7.6	7.8
55	Female	6.5	6.6
56	Female	6.1	6.2
57	Female	6.2	6.7
59	Male	7.3	7.4
58	Female	7.9	8.1
61	Male	7.1	7.3
62	Male	6.7	6.9
62	Male	9.3	10.2
63	Male	7.1	7.6
63	Female	5.7	5.8
64	Female	7	7.1
64	Female	6.6	7.5
64	Female	7.7	8.1
64	Male	7.7	8
64	Female	8.1	8.3
67	Female	7.3	7.7
72	Male	7.1	7.2

Patient Satisfaction with Program

Perception: Diabetes Awareness Survey (1=Strongly Disagree to 5=Strongly Agree)	2014	6/2015-6/2016
1) Ask my pharmacist questions I may have about diabetes	4.1	4.2
2) Take my medications and administer injections as instructed	4.4	4.6
3) Check and record my blood glucose at least 2 times per day or as directed	4.2	4.2
4) Describe the long term complication of uncontrolled diabetes	4.1	4.2
5) Be motivated to keep up with my diabetes self-management	4.2	4.4
6) Voice concerns to my doctor about my diabetes	4.3	4.4
7) Keep my doctor appointments	4.6	4.5

Current active patients are motivated to work with their health providers. Maintain a high level of self-efficacy with a chronic disease.

Patient Satisfaction Survey (1=Strongly Disagree to 5=Strongly Agree)	2014	6/2015-6/2016
1.) Professional appearance of the provider	4.9	5.0
2.) Appearance of the meeting area	4.6	4.9
3.) System for scheduling your appointment	4.7	4.8
4.) The provider's interest in your health	4.8	5.0
5.) How well the provider helps you manage your medications	4.8	5.0
6.) How well the provider explains possible side effects	4.7	4.9
7.) The provider's efforts to solve problems that you have with your medications	4.7	5.0
8.) The responsibility that the provider assumes for your drug therapy	4.7	4.9
9.) Ability of the provider to answer your questions about your medications	4.8	5.0
10.) Ability of the provider to answer your questions about your health problems	4.7	5.0
11.) The provider's efforts to help you improve your health or stay healthy	4.8	5.0
12.) The program services overall	4.7	5.0
13.) Ability of the provider to see you at your scheduled time	4.8	5.0
14.) Courtesy and professionalism of the staff	4.9	5.0
15.) Follow-up after the appointment	4.7	5.0
16.) The educational materials provided	4.7	5.0

Patients continue to be highly satisfied with the diabetes management program.

Budgeted Level of Service July 2015-June 2017

July 2015-June 2017	
Direct Program Cost	
Provider Visits	\$132,000.00
Patient Incentives	\$43,000.00
Subtotal	\$175,000.00

Administration Costs	
Subtotal	\$20,000.00

Marketing Costs	
Direct to consumer mailings	\$5000.00
In-pharmacy marketing	
Subtotal	\$5000.00

TOTAL Biennial Expenses	\$200,000.00
--------------------------------	---------------------

Expense estimates are for serving ~200 patients (~5% participation rate) over the next biennium. Each patient would be eligible to receive a Comprehensive Medication Review (CMR-\$400.00) and up to 2 Targeted Medication Reviews (TMR-\$80.00) the first year and one CMR (\$200.00) and one TMR (\$80.00) in for any subsequent years of participation in the program.

Within the first year of the biennium we have exceeded anticipated enrollment for program.

In-kind from NDPhA and NDSU: Telephone (maintaining toll free direct number for patients), office space, office supplies, Training/Credentialing/Certification of providers, patient curriculum, Clinical Coordinator, Data Analysis

About the Patient



Hypertension-control Inspiration Program

2015-2016

About The Patient— 1641 Capital Way Bismarck, ND 58501
T: 1.888.326.4657 DD: 701.231.6685 E: wbrown@aboutthepatient.net

Executive Summary

The About The Patient program received grant funding through the North Dakota Department of Health to implement a nine month pilot hypertension education program for community pharmacists and NDPERS eligible beneficiaries. Pilot locations were the Bismarck and Fargo metro areas. Three community pharmacies in Fargo/ West Fargo and four in Bismarck/Mandan completed the required education/credentialing to participate in the pilot. A total of 2,651 NDPERS beneficiaries were eligible for program participation from the Active and Medicare groups.

Deliverables	Accountability	9 Month Pilot			
		Months 1	Months 2-4	Months 5-7	Months 8-9
Recruit Patients	Program Director	X	X		
Credential Pharmacists	Clinical Coordinator	X			
Provide education and care to patients	Trained local Pharmacist/ Program Director		X	X	
Collect clinical and humanistic outcomes data	Clinical Coordinator		X	X	X
Data Analysis	Clinical Coordinator			X	X
Dissemination of results	Clinical Coordinator				X

CONTENTS

Executive Summary	2
Hypertension-control Inspiration Program	3
Program Analysis	4
Pharmacist Interventions	4
Patient Satisfaction with Program	6
Proposed Level of Service	6

Hypertension-control Inspiration Program

The Hypertension-control Inspiration Program (HIP) based on Team Up, Pressure Down curriculum is an opt-in program for North Dakota Public Employee Retirement System beneficiaries with elevated blood pressure, hypertension designation or initiation of a hypertensive medication excluding individuals with end-stage renal disease. Eligible patients are sent a letter explaining the program as well as a wellness enrollment form and follow up postcards. The wellness enrollment form allows patients to choose a community pharmacy location in the Bismarck or Fargo areas of North Dakota for face-to-face program participation. Patients are eligible for three visits (One Comprehensive Medication Review (CMR) and two Targeted Medication Reviews (TMRs)) within three months. Patients are seen by a health professional, currently a community pharmacist and pharmacy technician, who have completed additional training in hypertension management outside of their terminal degree. All patient clinical encounters are documented using the North Dakota Pharmacy Services Corporation electronic medical record software MTM Express™.

Patient Activity		Visit 1	Visit 2	Visit 3
Patient Vital Signs	T/P			
Review Comprehensive Health History and Input/Update as Needed in MTM Express	T			
Answer Patient Questions	P			
Repeat Blood Pressure Measurement (If Not at Goal)	P			
With Patient Input Review and Set Medication Action Plan	P			
Provide Patient with update MAP and Personal Medication List (PML)	P			
Document Intervention(s) in MTM Express	P			
Send Necessary Recommendations or Referrals	T			
Schedule Next Appointment	T			

T: Technician Responsibility
P: Pharmacist Responsibility

Patient Activity		Visit 1	Visit 2	Visit 3
Review Immunization History and administer immunization(s) if available	P			
DRAW Tool to assess adherence	P			
Hypertension Awareness Survey	T			
Patient Satisfaction Survey	T			
Hypertension Process	P			
Treatment Options	P			
Adherence	P			
Medication Side Effects	P			
Diet & Sodium Intake	P			
Exercise	P			
Smoking Cessation	P			
Alcohol Use	P			

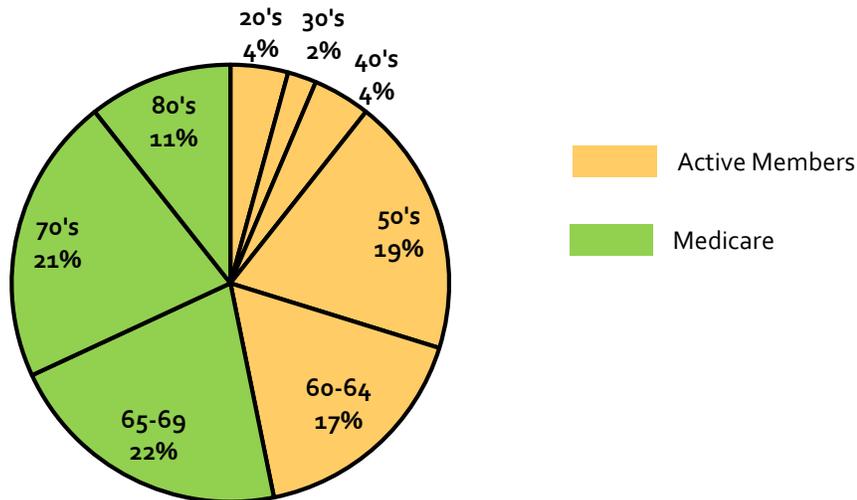
*Refer to the Patient Education Topic Guidance section for a summary of each topic.

T: Technician Responsibility
P: Pharmacist Responsibility

Program Analysis

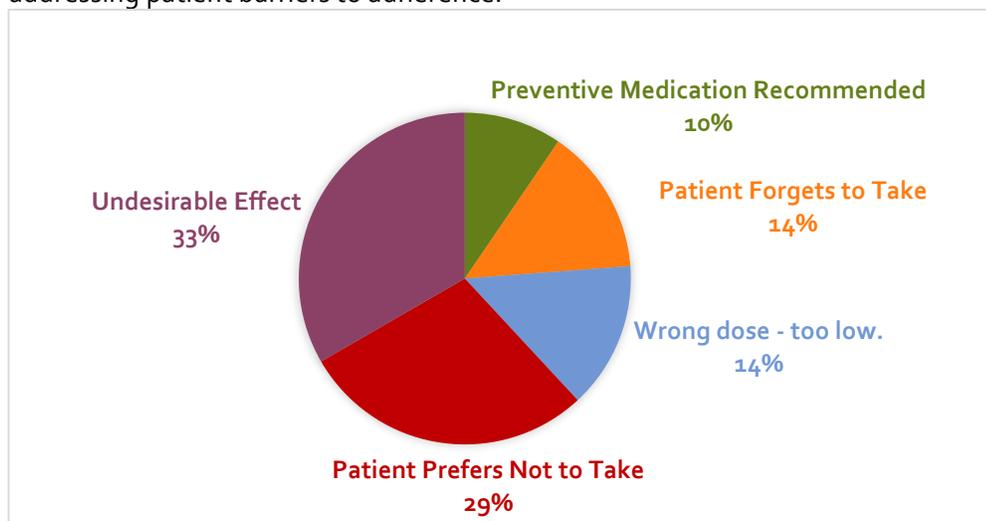
Demographics

The program has 47 patients with signed wellness agreements. Within the patients' population 66% are female. Overall program participation rate is 2%.



Pharmacist Interventions

There were 21 hypertensive medication specific interventions (September 2015-June 2016) made by the pharmacists in collaboration with the patient and when appropriate their primary health provider in order to manage hypertension and prevent costly complications. Of these interventions 76% related to addressing patient barriers to adherence.



Medication Possession Ration (MPR)

	Age	Gender	Medication	Variable MPR
Visit 1	36	Male	Lisinopril/HCTZ	0.99
			Doxazosin	0.94
Visit 1	52	Female	HCTZ	1.02
Visit 1	53	Male	Valsartan/HCTZ	1.00
			Amlodipine	1.00
Visit 1	63	Male	Losartan/HCTZ	0.98
			Metoprolol	1.08
Visit 1	68	Male	Lisinopril	1.02
Visit 1	71	Female	Losartan/HCTZ	1.03
			Diltiazem ER	0.99
Visit 1	72	Female	Amlodipine	0.97
Visit 1	73	Female	Enalapril	1.19
Visit 1	78	Female	Amlodipine	1.01
			HCTZ	0.99

Goal of MPR is to be $\geq 80\%$. Of patients whose MPR could be calculated, possession of medications is high with most filling a 90 day supply. Did not vary by age. Thus access to medications is not a barrier to adherence.

There were 22 patients who completed all three visits. Of these individuals average blood pressures were:

	Average SBP	Range	Average DBP	Range
Visit 1	144	125 - 210	83	72 - 110
Visit 2	137	117 - 160	81	70 - 108
Visit 3	139	122 - 184	81	64 - 109

**Goal blood pressure:
Less than 140/90**

Of the 22 patients 10 are in the Active eligible group. Ages ranged from 29-63.

Of these individuals average blood pressures were:

	Average SBP	Range	SD	Median	Average DBP	Range
Visit 1	141	125- 156	+/- 10	144	86	78 - 110
Visit 2	135	117 - 159	+/- 14	132	80	70 - 108
Visit 3	137	122 - 164	+/-14	134	83	66 - 109

When patients were asked about common barriers to adherence the most common barriers were **concern of potential side effects** followed by experience of a medication side effect or feeling like they have too many medications or too many doses per day. Thus the primary focus for the pharmacist was on counseling, dispelling misconceptions, and recommending methods/tools to incorporate daily medication use. These strategies fostered increased blood pressure control.

Patient Satisfaction with Program

Patient satisfaction with the educational program (n=22) on a 5-point scale (1=very poor, 5=excellent)

1. System for scheduling your appointment	4.8
2. How well the provider helps you manage your medications	4.8
3. How well the provider explains possible side effects	4.7
4. The provider's efforts to solve problems that you have with your medications	4.8
5. The educational materials provided	4.7
6. Ability of the provider to answer your questions about your medications	4.9
7. Ability of the provider to answer your questions about your health problems	4.9
8. The provider's efforts to help you improve your health or stay healthy	4.9
9. The program services overall	4.9
10. Ability of the provider to see you at your scheduled time	4.9

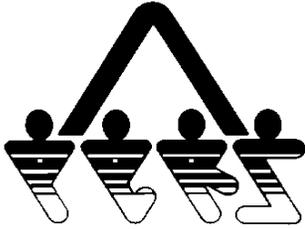
Proposed Level of Service

September 2016 – June 2017

Spread education and credentialing of community pharmacist state wide with North Dakota Department of Health grant. This will include maintaining on-line content as well as live application events. The live courses would be in October during the NDSU homecoming in Fargo and the second to correspond with the pharmacist state convention in Minot on April 2, 2017. As part of the initial credentialing process pharmacies would document 3 patients progress through the 3 visit program. If patients are a NDPERS beneficiary, consider co-pays for hypertension medications would be waived while participating in the program by NDPERS. This would be a good step to determine beneficiary interests and participation in the program state wide.

July 2017 – June 2019

Added benefit to eligible beneficiaries of Active NDPERS group. Eligible individuals would have elevated blood pressure, hypertension designation or initiation of a hypertensive medication excluding individuals with end-stage renal disease. Once enrolled, patients are eligible for three visits (One CMR and two TMRs) within the first year of the program and one CMR and TMR thereafter as long as they find the program beneficial.



**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 & Bryan
DATE: July 21, 2014
SUBJECT: OPEB Valuation Results

Attached is the draft OPEB (GASB 45) Valuation results report. The report was done by Nyhart. Representatives from that firm will join the Board via conference call to review the results and answer any questions you may have.

As you may recall, two sessions ago we proposed HB 1058 which passed and one provision of the bill was that PERS would no longer provide pre-Medicare retiree health insurance (except for Legislators). The OPEB valuation measures the liability to the employer for offering that coverage. As anticipated, those liabilities are decreasing.



***North Dakota Public Employees
Retirement System***

*GASB 45 Actuarial Valuation
As of July 1, 2015*

Prepared by:
Nyhart Actuary & Employee Benefits
8415 Allison Pointe Blvd., Suite 300
Indianapolis, IN 46250
Ph: (317) 845-3500
www.nyhart.com

Table of Contents

	Page
Certification	1
Actuary's Notes	3
Executive Summary	5
GASB Disclosures	
Development of Annual Required Contribution (ARC)	8
Development of Annual OPEB Cost and Net OPEB Obligation	9
Schedule of Funding Progress	10
Schedule of Employer Contributions	10
Historical Annual OPEB Cost	10
Reconciliation of Actuarial Accrued Liability (AAL)	11
Employer Contribution Cash Flow Projections	12
Substantive Plan Provisions	13
Actuarial Methods and Assumptions	16
Summary of Plan Participants	21
Appendix	23
Comparison of Participant Demographic Information	24
Glossary	25
Decrements Exhibit	26
Retirement Rates Exhibit	27
Illustrations of GASB Calculations	28
Definitions	30



July 13, 2016

**Sparb Collins
North Dakota Public Employees Retirement System
400 East Broadway Suite 505
Bismarck, ND 58502**

This report summarizes the GASB actuarial valuation for the North Dakota Public Employees Retirement System (ND PERS) as of July 1, 2015. To the best of our knowledge, the report presents a fair position of the funded status of the plan in accordance with GASB Statement No. 45 (Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions).

The information presented herein is based on the actuarial assumptions and substantive plan provisions summarized in this report and participant information furnished to us by the Plan Sponsor. We have reviewed the employee census provided by the Plan Sponsor for reasonableness when compared to the prior information provided but have not audited the information at the source, and therefore do not accept responsibility for the accuracy or the completeness of the data on which the information is based. When relevant data may be missing, we may have made assumptions we feel are neutral or conservative to the purpose of the measurement. We are not aware of any significant issues with and have relied on the data provided.

The discount rate and other economic assumptions have been selected by the Plan Sponsor. Demographic assumptions have been selected by the Plan Sponsor with the concurrence of Nyhart. In our opinion, the actuarial assumptions are individually reasonable and in combination represent our estimate of anticipated experience of the Plan. All calculations have been made in accordance with generally accepted actuarial principles and practice.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following:

- plan experience differing from that anticipated by the economic or demographic assumptions;
- changes in economic or demographic assumptions;
- increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and
- changes in plan provisions or applicable law.

We did not perform an analysis of the potential range of future measurements due to the limited scope of our engagement.

To our knowledge, there have been no significant events prior to the current year's measurement date or as of the date of this report that could materially affect the results contained herein.

Neither Nyhart nor any of its employees has any relationship with the plan or its sponsor that could impair or appear to impair the objectivity of this report. Our professional work is in full compliance with the American Academy of Actuaries "Code of Professional Conduct" Precept 7 regarding conflict of interest. The undersigned meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Should you have any questions please do not hesitate to contact us.



Randy Gomez, FSA, MAAA
Consulting Actuary



Evi Laksana, ASA, MAAA
Valuation Actuary

Several actuarial assumptions have been updated since the last full valuation, which was as of July 1, 2013.

1. Mortality assumption has been updated as shown in the table below. This change caused a slight increase in ND PERS liabilities.

	Prior Valuation	Current Valuation
Healthy Retirees	NDHPRS: RP-2000 Combined Healthy Mortality Table set back one year for males and females All others: RP-2000 Combined Healthy Mortality Table set back three years for males and females	RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females projected generationally using SSA 2014 Intermediate Cost scale from 2014
Disabled Retirees	RP-2000 Disabled Retiree Mortality Table set back one year for males (no set back for females)	RP-2000 Disabled Retiree Mortality Table set back one year for males (no set back for females) multiplied by 125%

2. Health care trend rates and retiree contribution trend rates have been updated as shown in the comparison table below. The net impact of this change is an increase in ND PERS liabilities.

FYE	Health Care Trend Rates		FYE	Retiree Contributions	
	Prior Valuation	Current Valuation		Prior Valuation	Current Valuation
2016	7.0%	8.0%	2016	0.0%	0.0%
2017	6.5%	7.5%	2017	14.0%	16.1%
2018	6.0%	7.0%	2018	0.0%	0.0%
2019	6.0%	6.5%	2019	12.4%	14.0%
2020	6.0%	6.0%	2020	0.0%	0.0%
2021	6.0%	5.5%	2021	12.4%	11.8%
2022+	6.0%	5.0%	2022	0.0%	0.0%
			2023+	12.4%*	10.3%**

* In the prior valuation retiree contributions on / after FYE June 30, 2019 are assumed to increase 12.4% biennially.

** In this year's valuation, retiree contributions on / after FYE June 30, 2023 are assumed to increase 10.3% biennially.

3. In the prior valuation, the same termination, retirement, and health care coverage election assumptions were used for Legislators as employees in the Main System. In this year's valuation, assumptions applicable to active Legislators only have been developed as all non-Legislators active employees are not eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility. Comparison of prior and current assumptions are as shown below.

Prior Valuation					Current Valuation			
Termination			Age		None assumed			
	YOS	<29	30 – 39	40+				
	1	22%	16%	12%				
	2	18%	14%	10%				
	3	16%	12%	10%				
	4	14%	12%	8%				
5	14%	11%	7%					
Retirement	Age	Unreduced	Reduced	YOS	Rates	YOS	Rates	
	51	8%	0%	0 – 3	0%	9 – 11	0%	
	55	8%	2%	4	10%	12	50%	
	60	10%	4%	5 – 7	0%	13 – 15	0%	
	65	30%	N/A	8	20%	16	100%	
	70	20%	N/A					
	75	100%	N/A					
Health Care Coverage Election	YOS	Rate	20% of active Legislators are assumed to elect coverage at retirement.					
	0	0%						
	5	50%						
	10	65%						
	15	80%						
	20	85%						
25+	90%							

Summary of Results

Presented below is the summary of GASB 45 results as of July 1, 2015 and 2016 compared to the last full valuation as shown in the GASB 45 actuarial valuation report as of July 1, 2013.

	<i>As of July 1, 2014¹</i>		<i>As of July 1, 2015</i>		<i>As of July 1, 2016</i>	
Actuarial Accrued Liability	\$	29,912,433	\$	8,900,132	\$	6,947,393
Actuarial Value of Assets	\$	0	\$	0	\$	0
Unfunded Actuarial Accrued Liability	\$	29,912,433	\$	8,900,132	\$	6,947,393
Funded Ratio		0.0%		0.0%		0.0%

	<i>FY 2014/15</i>		<i>FY 2015/16</i>		<i>FY 2016/17</i>	
Annual Required Contribution	\$	2,848,396	\$	686,429	\$	552,665
Annual OPEB Cost	\$	2,395,466	\$	381,091	\$	278,634
Annual Employer Contribution	\$	9,403,467	\$	2,349,994	\$	2,477,402

	<i>As of June 30, 2015</i>		<i>As of June 30, 2016</i>		<i>As of June 30, 2017</i>	
Net OPEB Obligation	\$	11,757,097	\$	9,788,194	\$	7,589,426

	<i>As of July 1, 2013</i>		<i>As of July 1, 2015</i>	
Total Active Participants		29,528		135
Total Retiree Participants		4,921		5,186

The active participants' number above may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

¹ Based on July 1, 2013 Actuarial Accrued Liability actuarially projected to July 1, 2014 on a no gain/loss basis.

Below is a breakdown of total GASB 45 liabilities allocated to past, current, and future service as of July 1, 2015 and 2016 compared to the last full valuation.

	<i>As of July 1, 2014²</i>	<i>As of July 1, 2015</i>	<i>As of July 1, 2016</i>
Present Value of Future Benefits	\$ 34,421,863	\$ 8,975,191	\$ 7,016,836
Active Employees	21,912,289	336,486	311,311
Retired Employees	12,509,574	8,638,705	6,705,525
Actuarial Accrued Liability	\$ 33,849,724	\$ 8,900,132	\$ 6,947,393
Active Employees	21,340,150	261,427	241,868
Retired Employees	12,509,574	8,638,705	6,705,525
Normal Cost	\$ 572,139	\$ 9,792	\$ 10,282
Future Normal Cost	\$ 0	\$ 65,267	\$ 59,161

Present Value of Future Benefits (PVFB) is the amount needed as of July 1, 2015 and 2016 to fully fund ND PERS retiree health care subsidies for existing and future retirees and their dependents assuming all actuarial assumptions are met.

Actuarial Accrued Liability is the portion of PVFB considered to be accrued or earned as of July 1, 2015 and 2016. This amount is a required disclosure in the Required Supplementary Information section.

Normal Cost is the portion of the total liability amount that is attributed and accrued for current year's active employee service by the actuarial cost method.

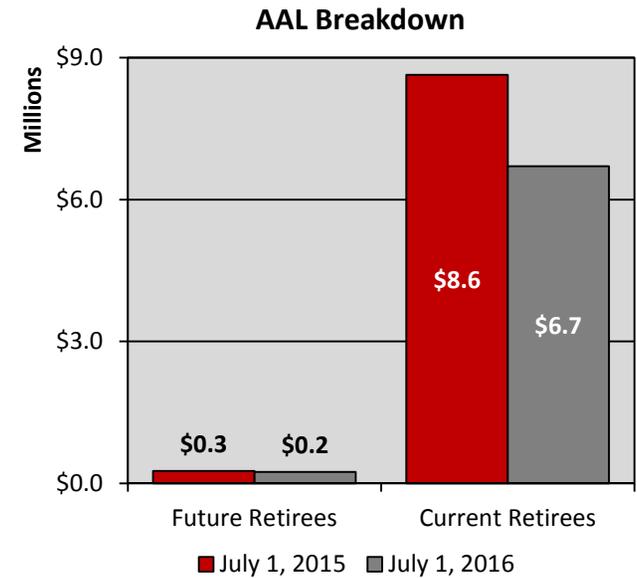
Future Normal Cost is the portion of the total liability amount that is attributed to the future employee service by the actuarial cost method.

² Based on July 1, 2013 Actuarial Accrued Liability actuarially projected to July 1, 2014 on a no gain/loss basis.

Executive Summary

Below is a breakdown of total GASB 45 Actuarial Accrued Liability (AAL) allocated to pre and post Medicare eligibility. The liability shown below includes explicit (if any) and implicit subsidies. Refer to the Substantive Plan Provisions section for complete information on the Plan Sponsor’s GASB subsidies.

Actuarial Accrued Liability (AAL)	As of July 1, 2014 ³	As of July 1, 2015	As of July 1, 2016
Active Pre-Medicare	\$ 21,340,150	\$ 261,427	\$ 241,868
Active Post-Medicare	0	0	0
Total Active AAL	\$ 21,340,150	\$ 261,427	\$ 241,868
Retirees Pre-Medicare	\$ 12,509,574	\$ 8,638,705	\$ 6,705,525
Retirees Post-Medicare	0	0	0
Total Retirees AAL	\$ 12,509,574	\$ 8,638,705	\$ 6,705,525
Total AAL	\$ 33,849,724	\$ 8,900,132	\$ 6,947,393

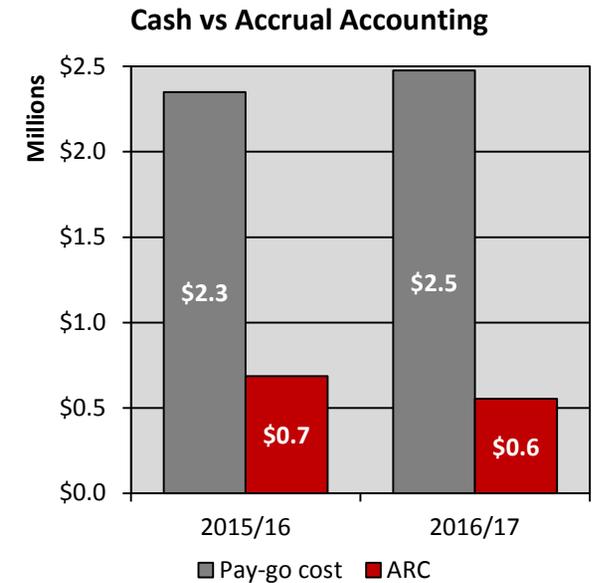


³ Based on July 1, 2013 Actuarial Accrued Liability actuarially projected to July 1, 2014 on a no gain/loss basis.

Development of Annual Required Contribution (ARC)

Required Supplementary Information	FY 2014/15	FY 2015/16	FY 2016/17
Actuarial Accrued Liability as of beginning of year	\$ 29,912,433 ⁴	\$ 8,900,132	\$ 6,947,393
Actuarial Value of Assets as of beginning of year	0	0	0
Unfunded Actuarial Accrued Liability (UAAL)	\$ 29,912,433	\$ 8,900,132	\$ 6,947,393
Covered payroll	\$ N/A	\$ N/A	\$ N/A
UAAL as a % of covered payroll	N/A	N/A	N/A

Annual Required Contribution	FY 2014/15	FY 2015/16	FY 2016/17
Normal cost as of beginning of year	\$ 600,746	\$ 9,792	\$ 10,282
Amortization of the UAAL	2,112,012	643,950	516,066
Total normal cost and amortization payment	\$ 2,712,758	\$ 653,742	\$ 526,348
Interest to end of year	135,638	32,687	26,317
Total Annual Required Contribution (ARC)	\$ 2,848,396	\$ 686,429	\$ 552,665



Annual Required Contribution (ARC) is the annual expense recorded in the income statement under GASB 45 accrual accounting. It replaces the cash basis method of accounting recognition with an accrual method.

⁴ Based on July 1, 2013 Actuarial Accrued Liability actuarially projected to July 1, 2014 on a no gain/loss basis.

Development of Annual OPEB Cost and Net OPEB Obligation

Annual employer contribution for pay-go costs are estimated for 2014/15, 2015/16, and 2016/17.

Net OPEB Obligation (NOO)	FY 2014/15	FY 2015/16	FY 2016/17
ARC as of end of year	\$ 2,848,396	\$ 686,429	\$ 552,665
Interest on NOO to end of year	938,255	587,855	489,410
NOO amortization adjustment to the ARC	(1,391,185)	(893,193)	(763,441)
Annual OPEB cost	\$ 2,395,466	\$ 381,091	\$ 278,634
Annual employer contribution for pay-go cost	(9,403,467)	(2,349,994)	(2,477,402)
Annual employer contribution for pre-funding	0	0	0
Change in NOO	\$ (7,008,001)	\$ (1,968,903)	\$ (2,198,768)
NOO as of beginning of year	18,765,098	11,757,097	9,788,194
NOO as of end of year	\$ 11,757,097	\$ 9,788,194	\$ 7,589,426

Pay-as-you-go Cost is the expected total employer cash cost for the coming period based on all explicit and implicit subsidies. It is also the amount recognized as expense on the Income Statement under pay-as-you-go accounting.

Net OPEB Obligation is the cumulative difference between the annual OPEB cost and employer contributions. This obligation will be created if cash contributions are less than the current year expense under GASB 45 accrual rules.

The net obligation is recorded as a liability on the employer's balance sheet which will reduce the net fund balance.

The value of implicit subsidies is considered as part of cash contributions for the current period. Other cash expenditures that meet certain conditions are also considered as contributions for GASB 45 purposes.

Summary of GASB 45 Financial Results

Presented below is the summary of GASB 45 results for the fiscal year ending June 30, 2016 and prior fiscal years as shown in the State of North Dakota Notes to Financial Statements.

Schedule of Funding Progress

<i>As of</i>	<i>Actuarial Accrued Liability (AAL)</i>	<i>Actuarial Value of Assets (AVA)</i>	<i>Unfunded Actuarial Accrued Liability (UAAL)</i>	<i>Funded Ratio</i>	<i>Covered Payroll</i>	<i>UAAL as % of Covered Payroll</i>
	<i>A</i>	<i>B</i>	<i>C = A - B</i>	<i>D = B / A</i>	<i>E</i>	<i>F = C / E</i>
July 1, 2015	\$ 8,900,132	\$ -	\$ 8,900,132	0.0%	\$ N/A	N/A
July 1, 2014	\$ 29,912,433	\$ -	\$ 29,912,433	0.0%	\$ N/A	N/A
July 1, 2013	\$ 33,849,724	\$ -	\$ 33,849,724	0.0%	\$ N/A	N/A

Schedule of Employer Contributions

<i>FYE</i>	<i>Employer Contributions</i>	<i>Annual Required Contribution (ARC)</i>	<i>% of ARC Contributed</i>
	<i>A</i>	<i>B</i>	<i>C = A / B</i>
June 30, 2016	\$ 2,349,994	\$ 686,429	342.4%
June 30, 2015	\$ 9,403,467	\$ 2,848,396	330.1%
June 30, 2014	\$ 6,080,368	\$ 3,053,866	199.1%

Historical Annual OPEB Cost

<i>As of</i>	<i>Annual OPEB Cost</i>	<i>% of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation</i>
June 30, 2016	\$ 381,091	616.6%	\$ 9,788,194
June 30, 2015	\$ 2,395,466	392.6%	\$ 11,757,097
June 30, 2014	\$ 2,552,933	238.2%	\$ 18,765,098

Reconciliation of Actuarial Accrued Liability

The Actuarial Accrued Liability (AAL) is expected to change on an annual basis as a result of expected and unexpected events. Under normal circumstances, it is generally expected to have a net increase each year. Below is a list of the most common events affecting the AAL and whether they increase or decrease the liability.

Expected Events

- Increases in AAL due to additional benefit accruals as employees continue to earn service each year
- Increases in AAL due to interest as the employees and retirees age
- Decreases in AAL due to benefit payments

Unexpected Events

- Increases in AAL when actual premium rates increase more than expected. A liability decrease occurs when premium rates increase less than expected.
- Increases in AAL when more new retirements occur than expected or fewer terminations occur than anticipated. Liability decreases occur when the opposite outcomes happen.
- Increases or decreases in AAL depending on whether benefit provisions are improved or reduced.

	<i>FY 2014/15</i>	<i>FY 2015/16⁵</i>
Actuarial Accrued Liability as of beginning of year	\$ 29,912,433 ⁶	\$ 8,900,132
Normal cost as of beginning of year	600,746	9,792
Expected benefit payments during the year	(9,403,467)	(2,349,994)
Interest adjustment to end of year	1,293,440	387,463
Expected Actuarial Accrued Liability as of end of year	\$ 22,403,152	\$ 6,947,393
Actuarial (gain) / loss due to experience	(13,819,669)	0
Actuarial (gain) / loss due to provisions changes	0	0
Actuarial (gain) / loss due to assumptions changes	316,649	0
Actual Actuarial Accrued Liability as of end of year	\$ 8,900,132	\$ 6,947,393

Reconciliation of AAL shows what the actuary expects the actuarial accrued liability to be at the beginning of the following fiscal year based on current assumptions and plan provisions. The expected end of year AAL will change as actual plan experience varies from assumptions. Generally, the AAL is expected to have a net increase each year.

⁵ Actuarial Accrued Liability (AAL) as of beginning of year was actuarially projected to the end of the fiscal year on a “no gain/loss” basis.

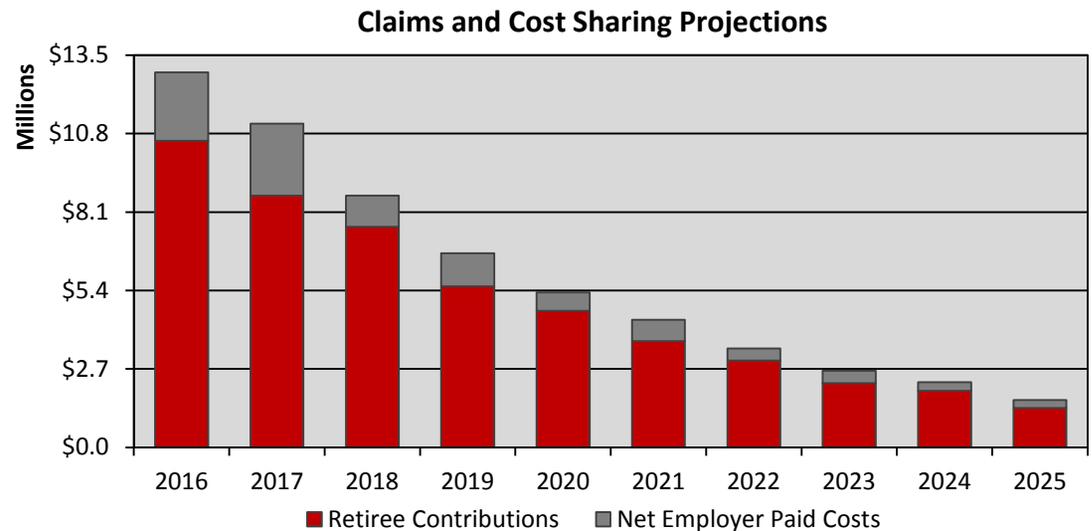
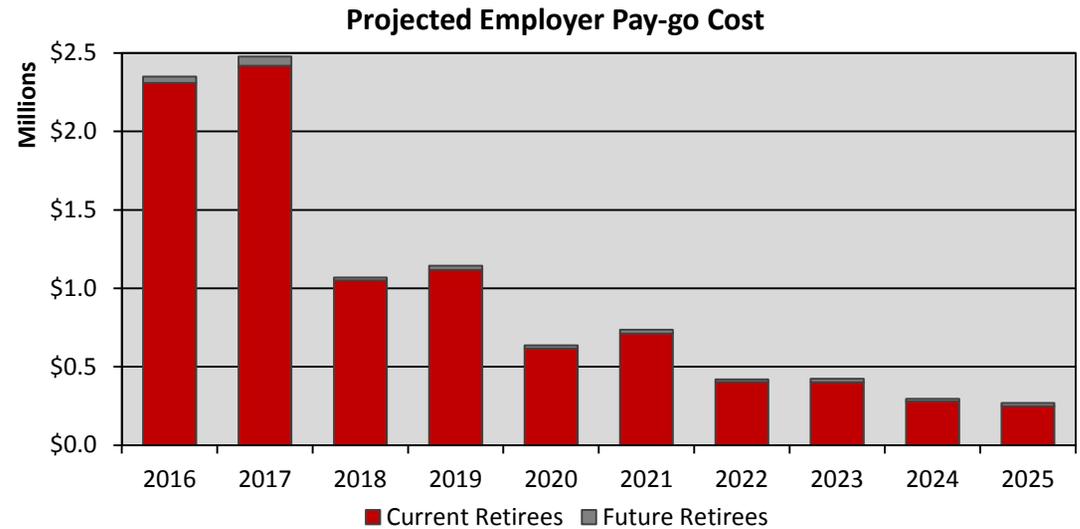
⁶ Based on July 1, 2013 AAL projected to July 1, 2014 on a “no gain/loss” basis.

Employer Contribution Cash Flow Projections

The below projections show the actuarially estimated employer-paid contributions for retiree health benefits for the next ten years. Results are shown separately for current /future retirees and gross claim costs/retiree contributions. These projections include implicit subsidies.

FYE	Current Retirees	Future Retirees ⁷	Total
2016	\$ 2,308,116	\$ 41,878	\$ 2,349,994
2017	\$ 2,418,185	\$ 59,217	\$ 2,477,402
2018	\$ 1,051,118	\$ 17,663	\$ 1,068,781
2019	\$ 1,118,793	\$ 24,487	\$ 1,143,280
2020	\$ 617,339	\$ 19,250	\$ 636,589
2021	\$ 711,763	\$ 24,748	\$ 736,511
2022	\$ 404,322	\$ 15,166	\$ 419,488
2023	\$ 401,817	\$ 21,924	\$ 423,741
2024	\$ 279,702	\$ 16,910	\$ 296,612
2025	\$ 249,812	\$ 19,850	\$ 269,662

FYE	Estimated Claims Costs	Retiree Contributions	Net Employer Paid Costs
2016	\$ 12,906,832	\$ 10,556,838	\$ 2,349,994
2017	\$ 11,146,065	\$ 8,668,663	\$ 2,477,402
2018	\$ 8,665,671	\$ 7,596,890	\$ 1,068,781
2019	\$ 6,686,056	\$ 5,542,776	\$ 1,143,280
2020	\$ 5,337,099	\$ 4,700,510	\$ 636,589
2021	\$ 4,393,515	\$ 3,657,004	\$ 736,511
2022	\$ 3,411,863	\$ 2,992,375	\$ 419,488
2023	\$ 2,634,385	\$ 2,210,644	\$ 423,741
2024	\$ 2,247,996	\$ 1,951,384	\$ 296,612
2025	\$ 1,627,104	\$ 1,357,442	\$ 269,662



⁷ Projections for future retirees do not take into account future new hires.

Eligibility

Former Legislators are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility if they have continuous coverage under the health plan. For all other employees, only those retiring prior to July 1, 2015 are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility. All employees are allowed to enroll in ND PERS health plans once they are eligible for Medicare (including those who retire on/after July 1, 2015).

Eligibility requirements for retiree health benefits are as follows:

1. Main System (ND PERS) / Judges – earlier of:
 - a. Age 55 and vested (early retirement)
 - b. Rule of 85 (normal retirement)
 - c. Age 65 (normal retirement)
2. National Guard / Law Enforcement – earlier of:
 - a. Age 50 and vested (early retirement)
 - b. Rule of 85 (normal retirement) – for Law Enforcement only
 - c. Age 55 with 3 years of service (normal retirement)
3. Highway Patrol (NDHPRS) – earlier of:
 - a. Age 50 and vested (early retirement)
 - b. Rule of 80 (normal retirement)
 - c. Age 55 (normal retirement)

Additionally, the following members are also eligible for retiree health benefits:

- Those receiving retirement benefits from North Dakota Teacher’s Fund for Retirement (TFFR) or TIAA-CREF (North Dakota University System only).
- Certain political subdivisions members if enrolled in the Dakota Plan as an active employee and receiving a “retirement allowance” from NDPERS Board approved employer sponsored retirement plan.

Vesting requirements for the different retirement systems are as follows:

- 3 years of service for Main System, National Guard, and Law Enforcement
- 5 years of service for Judges
- 10 years of service for Highway Patrol

Deferred vested employees are eligible to receive retiree health benefits once they start receiving their pension benefits.

Disability Benefit

All future disabled employees are assumed to be eligible for Medicare. No liabilities have been valued for them.

Spouse Benefit

Retiree health coverage continues to surviving spouse upon death of retirees or active employees eligible to retire provided they are receiving a beneficiary benefit from the retirement plans. Surviving spouses of active employees who are not eligible to retire are eligible for COBRA benefits only.

Explicit Subsidy

None

Retiree Cost Sharing

Retirees contribute 102% of the active rates during COBRA period (called COBRA rates below) and 150% of the active rates afterwards (called retiree rates below). Monthly COBRA and retiree rates effective on January 1, 2016 are as shown below.

COBRA Rates	1/2016 – 6/2017		7/2016 – 6/2017	
	Single	Family	Single	Family
State Agencies PPO	\$ 555.16	\$ 1,337.96	N/A	N/A
State Agencies HDHP	\$ 483.82	\$ 1,165.34	N/A	N/A
Political Subdivisions PPO	Single	Family	Single	Family
Enrolled < 7/1/2015 Grandfathered	\$ 593.10	\$ 1,432.94	N/A	N/A
Enrolled < 7/1/2015 Non-Grandfathered	\$ 602.12	\$ 1,454.72	N/A	N/A
Enrolled ≥ 7/1/2015 Grandfathered	N/A	N/A	\$ 608.46	\$ 1,468.78
Enrolled ≥ 7/1/2015 Non-Grandfathered	N/A	N/A	\$ 617.72	\$ 1,492.38
Political Subdivisions HDHP	Single	Family	Single	Family
Enrolled < 7/1/2015 Non-Grandfathered	\$ 531.52	\$ 1,284.16	N/A	N/A
Enrolled ≥ 7/1/2015 Non-Grandfathered	N/A	N/A	\$ 544.80	\$ 1,316.26
Retiree Rates	1/2016 – 6/2017		7/2016 – 6/2017	
	Retiree	Ret/Sp	Retiree	Ret/Sp
Non-Medicare	\$ 816.42	\$ 1,632.84	\$ 816.42	\$ 1,632.84
Medicare retirees enrolled < 7/1/2015	\$ 265.76	\$ 528.42	N/A	N/A
Medicare retirees enrolled ≥ 7/1/2015	N/A	N/A	\$ 268.10	\$ 533.08

Medical Benefit

Same benefit options are available to retirees as active employees. The health plans are fully-insured and partially experience rated. Monthly active premium rates effective on January 1, 2016 are as shown below.

Active Rates	With Wellness		Without Wellness	
	Single	Family	Single	Family
State Agencies PPO and HDHP	\$ 1,130.22	\$ 1,130.22	\$ 1,141.52	\$ 1,141.52
Political Subdivision enrolled < 7/1/2015				
Rates effective 1/2016 – 6/2017	Single	Family	Single	Family
Grandfathered PPO	\$ 581.48	\$ 1,404.84	\$ 587.28	\$ 1,418.88
Non-Grandfathered PPO	\$ 590.32	\$ 1,426.20	\$ 595.52	\$ 1,438.78
Non-Grandfathered HDHP	\$ 521.10	\$ 1,258.98	\$ 526.30	\$ 1,271.56
Political Subdivision enrolled ≥ 7/1/2015				
Rates effective 7/2016 – 6/2017	Single	Family	Single	Family
Grandfathered PPO	\$ 596.54	\$ 1,439.98	\$ 602.50	\$ 1,454.38
Non-Grandfathered PPO	\$ 605.62	\$ 1,463.12	\$ 610.96	\$ 1,476.02
Non-Grandfathered HDHP	\$ 534.12	\$ 1,290.46	\$ 539.46	\$ 1,303.36

Post-Medicare Liability

There is no post-Medicare GASB liabilities as retirees pay the full cost of coverage.

The actuarial assumptions used in this report represent a reasonable long-term expectation of future OPEB outcomes. As national economic and North Dakota PERS experience change over time, the assumptions will be tested for ongoing reasonableness and, if necessary, updated.

There are changes to the actuarial methods and assumptions since the last GASB valuation, which was as of July 1, 2013. Refer to Actuary's Notes section for complete information on these changes. For the current year GASB valuation, we have also updated the per capita costs. We expect to update health care trend rates and per capita costs again in the next full GASB valuation, which will be as of July 1, 2017.

Measurement Date	July 1, 2015
Discount Rate	5.0%
Payroll Growth	4.5% per year
Inflation Rate	3.5% per year
Cost Method	Projected Unit Credit with linear proration to decrement
Amortization	Level dollar over a closed 30-year period beginning on July 1, 2007. The remaining amortization period as of July 1, 2015 is 22 years.
Census Data	Census information was provided by ND PERS in May 2016. We have reviewed it for reasonableness and no material modifications were made to the census data.
Employer Funding Policy	Pay-as-you-go cash basis
Mortality	Healthy retirees: RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females projected generationally using SSA 2014 Intermediate Cost scale from 2014. Disabled Retirees: RP-2000 Disabled Mortality Table set back one year for male (no set back for females) multiplied by 125%.
Turnover Rate	Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. For active Legislators who are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility, no termination is assumed. This assumption is not applicable to all other employees in this year's valuation since only those who retire prior to July 1, 2015 are eligible for retiree health benefits.
Disability	None

Retirement Rate

This assumption is only applicable for active Legislators:

YOS	Rates
0 – 3	0%
4	10%
5 – 7	0%
8	20%
9 – 11	0%
12	50%
13 – 15	0%
16	100%

Health Care Coverage Election Rate

100% of inactive employees who currently have coverage are assumed to continue coverage in the future.
0% of inactive employees who currently have no coverage are assumed to elect coverage in the future.

20% of active Legislators who currently have coverage are assumed to elect coverage at retirement.
0% of active Legislators who currently have no coverage are assumed to elect coverage at retirement.

Health care coverage election rate assumption is not applicable to non-Legislators future retirees or deferred vested employees since only those who retired prior to July 1, 2015 are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility.

Spousal Coverage

Spousal coverage for current retirees is based on actual data. 80% of male Legislators and 65% of female Legislators are assumed to elect spousal coverage at retirement. Husbands are assumed to be three years older than wives.

This assumption is not applicable to non-Legislators future retirees since only those who retired prior to July 1, 2015 are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility.

Health Care Trend Rates

FYE	Trends	FYE	Trends
2016	8.0%	2020	6.0%
2017	7.5%	2021	5.5%
2018	7.0%	2022+	5.0%
2019	6.5%		

The initial trend rate was based on a combination of employer history, national trend surveys, and professional judgment.

The ultimate trend rate was selected based on historical medical CPI information.

Retiree Contributions

Retiree contribution are assumed to increase according to the table below.

FYE	Trends	FYE	Trends
2016	0.0%	2020	0.0%
2017	16.1%	2021	11.8%
2018	0.0%	2022	0.0%
2019	14.0%	2023+	10.3%*

* Retiree contributions on or after FYE June 30, 2023 are assumed to increase 10.3% biennially.

Per Capita Costs

Annual per capita costs were calculated based on a weighted average of the 36-month ending June 30, 2015 claims experience projected to 2015/16 plan year plus administrative expenses, actuarially increased using health index factors and current enrollment. The costs are assumed to increase with health care trend rates. Sample monthly per capita costs are as shown below:

Age	Costs
40	\$ 442
45	\$ 515
50	\$ 600
55	\$ 720
60	\$ 867
64	\$ 1,014
65	\$ N/A

The per capita costs represent the cost of coverage for a retiree-only population.

Actuarial standards require the recognition of higher inherent costs for a retired population versus an active population.

Age 65 Claims Cost	7/1/2013	7/1/2015	% increase
Per member	\$ 1,002.40	\$ 1,054.99	5.2%

Explicit Subsidy

The difference between (a) the premium rate and (b) the retiree contribution. Below is an example of the monthly explicit subsidies for a State Agency retiree enrolled in the PPO plan during and after the COBRA periods.

During COBRA Period	COBRA Rates	Retiree Contribution	Explicit Subsidy
	A	B	C = A – B
Retiree	\$ 555	\$ 555	\$ 0
Spouse	\$ 783	\$ 783	\$ 0

After COBRA Period	Retiree Rates	Retiree Contribution	Explicit Subsidy
	A	B	C = A – B
Retiree	\$ 816	\$ 816	\$ 0
Spouse	\$ 816	\$ 816	\$ 0

Implicit Subsidy

The difference between (a) the per capita cost and (b) the premium rate. Below is an example of the monthly implicit subsidies for a State Agency retiree age 60 with spouse of the same age during and after the COBRA periods.

During COBRA Period	Per Capita Cost	COBRA Rates	Implicit Subsidy
	A	B	C = A – B
Retiree	\$ 867	\$ 555	\$ 312
Spouse	\$ 867	\$ 783	\$ 84

After COBRA Period	Per Capita Cost	Retiree Rates	Implicit Subsidy
	A	B	C = A – B
Retiree	\$ 867	\$ 816	\$ 51
Spouse	\$ 867	\$ 816	\$ 51

All employers that utilize premium rates based on blended active/retiree claims experience will have an implicit subsidy. There is an exception for Medicare plans using a true community-rated premium rate.

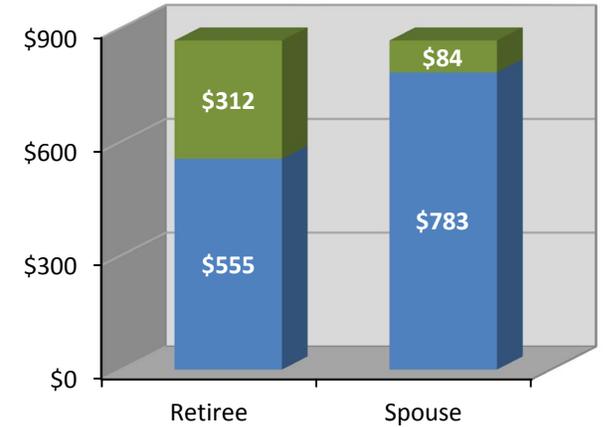
GASB Subsidy Breakdown

Below is a breakdown of the GASB 45 monthly total cost for a State Agency retiree age 60 and his/her spouse of the same age enrolled in the PPO plan during and after the COBRA periods.

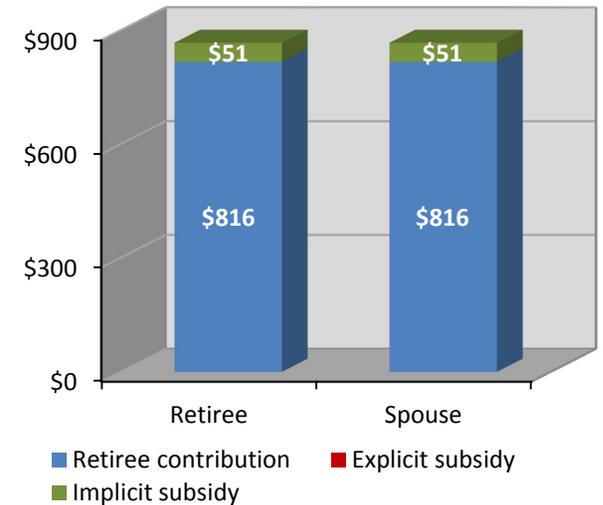
During COBRA		Retiree	Spouse
Retiree contribution	\$	555	\$ 783
Explicit subsidy	\$	0	\$ 0
Implicit subsidy	\$	312	\$ 84
Total monthly cost	\$	867	\$ 867

After COBRA		Retiree	Spouse
Retiree contribution	\$	816	\$ 816
Explicit subsidy	\$	0	\$ 0
Implicit subsidy	\$	51	\$ 51
Total monthly cost	\$	867	\$ 867

GASB Subsidy Breakdown (During COBRA)



GASB Subsidy Breakdown (After COBRA)



Summary of Plan Participants

<i>Active Legislators with coverage</i>	<i>Single</i>	<i>Family</i>	<i>Total</i>	<i>Avg. Age</i>	<i>Avg. Svc</i>	<i>Salary</i>
Dakota Plan	23	112	135	58.5	22.5	N/A
Total with coverage	23	112	135	58.5	22.5	N/A

There are currently no active Legislators who decline health coverage.

For non-Legislators, only employees who retired prior to July 1, 2015 are eligible for continuation of health coverage after COBRA prior to Medicare eligibility, therefore, only existing retirees who retired prior to July 1, 2015 are included in this year's valuation.

<i>Retirees with coverage</i>	<i>Single</i>	<i>Family</i>	<i>Total</i>	<i>Avg. Age</i>
Dakota Plan under 65	500	383	883	61.0
Dakota Plan over 65	2,538	1,765	4,303	74.3
Total retirees with coverage	3,038	2,148	5,186	72.0

There is no liabilities for retirees over 65 as they pay the full cost of coverage.

Active Age-Service Distribution

Includes active Legislators who are eligible for continuation of health coverage after COBRA prior to Medicare eligibility only.

Age	Years of Service										Total
	< 1	1 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 to 29	30 to 34	35 to 39	40 & up	
Under 25	1										1
25 to 29	6										6
30 to 34	6										6
35 to 39	4	2									6
40 to 44			4								4
45 to 49				3							3
50 to 54	1			3	10						14
55 to 59		2			4	18					24
60 to 64						4	21				25
65 to 69							4	18			22
70 & up			1					4	11	8	24
Total	18	4	5	6	14	22	25	22	11	8	135

APPENDIX

Comparison of Participant Demographic Information

The active participants' number below may include active employees who currently have no health care coverage. Refer to Summary of Participants section for an accurate breakdown of active employees with and without coverage.

	<i>As of July 1, 2013</i>	<i>As of July 1, 2015</i>
Active Participants	29,528	135 ⁸
Retired Participants	4,921	5,186
Averages for Active		
Age	45.9	58.5
Service	9.9	22.5
Averages for Inactive		
Age	72.0	72.0

⁸ Only active Legislators are eligible for continuation of health coverage beyond COBRA prior to Medicare eligibility if they have continuous coverage under the health plan.

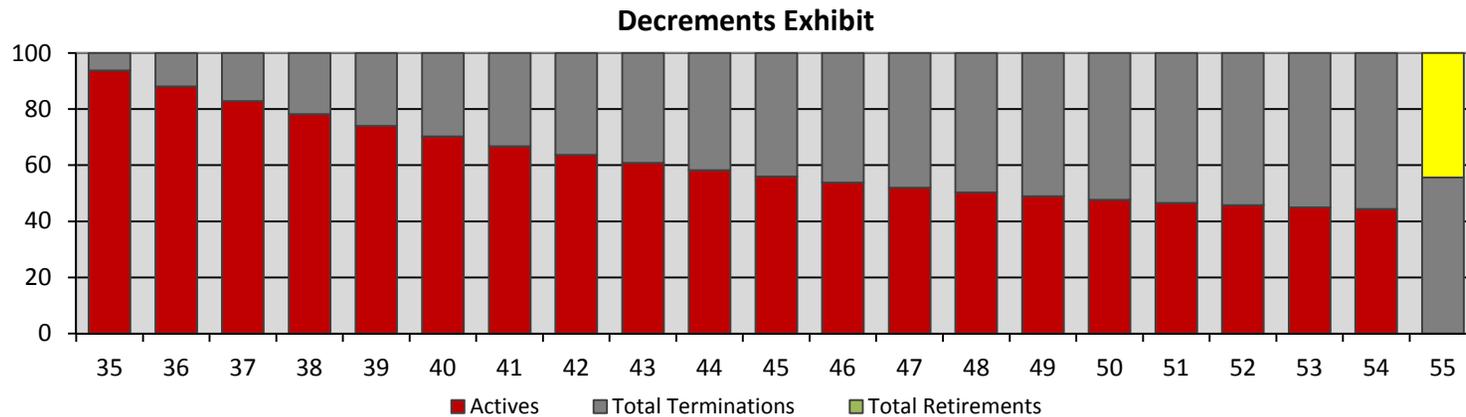
GLOSSARY

Decrements Exhibit

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. Starting with 100 employees at age 35, the illustrated actuarial assumptions show that 44.430 employees out of the original 100 are expected to retire and could elect retiree health benefits at age 55.

Age	# Remaining Employees	# of Terminations per Year*	# of Retirements per Year*	Total Decrements
35	100.000	6.276	0.000	6.276
36	93.724	5.677	0.000	5.677
37	88.047	5.136	0.000	5.136
38	82.911	4.648	0.000	4.648
39	78.262	4.209	0.000	4.209
40	74.053	3.814	0.000	3.814
41	70.239	3.456	0.000	3.456
42	66.783	3.131	0.000	3.131
43	63.652	2.835	0.000	2.835
44	60.817	2.564	0.000	2.564
45	58.253	2.316	0.000	2.316

Age	# Remaining Employees	# of Terminations per Year*	# of Retirements per Year*	Total Decrements
46	55.938	2.085	0.000	2.085
47	53.853	1.866	0.000	1.866
48	51.987	1.656	0.000	1.656
49	50.331	1.452	0.000	1.452
50	48.880	1.253	0.000	1.253
51	47.627	1.060	0.000	1.060
52	46.567	0.877	0.000	0.877
53	45.690	0.707	0.000	0.707
54	44.983	0.553	0.000	0.553
55	44.430	0.000	44.430	44.430

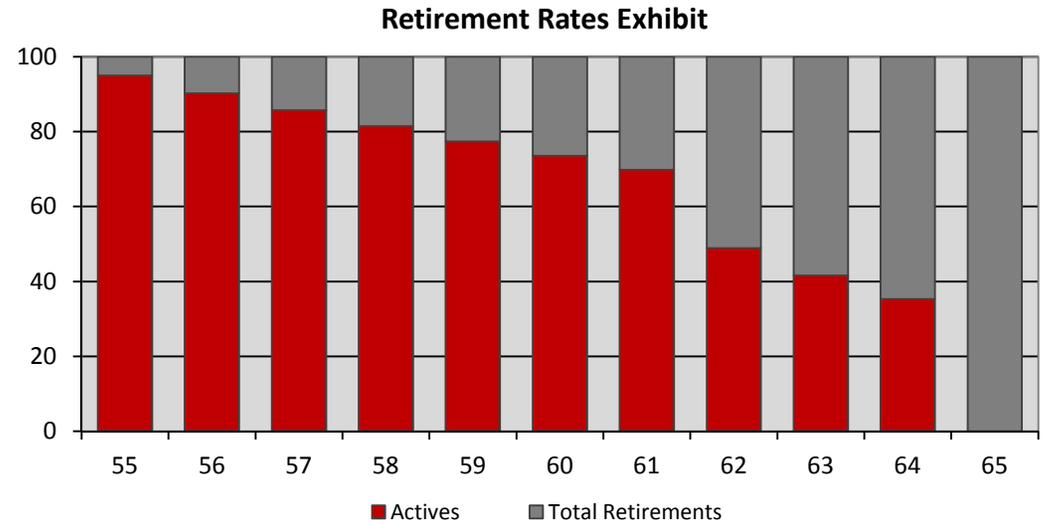


* The above rates are illustrative rates and are not used in our GASB calculations.

Retirement Rates Exhibit

The table below illustrates how actuarial assumptions can affect a long-term projection of future liabilities. The illustrated retirement rates show the number of employees who are assumed to retire annually based on 100 employees age 55 who are eligible for retiree health care coverage. The average age at retirement is 62.0.

Age	Active Employees BOY	Annual Retirement Rates*	# Retirements per Year	Active Employees EOY
55	100.000	5.0%	5.000	95.000
56	95.000	5.0%	4.750	90.250
57	90.250	5.0%	4.513	85.738
58	85.738	5.0%	4.287	81.451
59	81.451	5.0%	4.073	77.378
60	77.378	5.0%	3.869	73.509
61	73.509	5.0%	3.675	69.834
62	69.834	30.0%	20.950	48.884
63	48.884	15.0%	7.333	41.551
64	41.551	15.0%	6.233	35.318
65	35.318	100.0%	35.318	0.000



* The above rates are illustrative rates and are not used in our GASB calculations.

Illustration of GASB Calculations

The purpose of the illustration is to familiarize non-actuaries with the GASB 45 actuarial calculation process.

I. Facts

1. The employer provides subsidized retiree health coverage worth \$100,000 to employees retiring at age 55 with 25 years of service. The employer funds for retiree health coverage on a pay-as-you-go basis.
2. Employee X is age 50 and has worked 20 years with the employer.
3. Retiree health subsidies are paid from the general fund assets which are expected to earn 4.5% per year on a long-term basis.
4. Based on Employee X's age and sex he has a 98.0% probability of living to age 55 and a 95.0% probability of continuing to work to age 55.

II. Calculation of Present Value of Future Benefits

Present Value of Future Benefits represents the cost to finance benefits payable in the future to current and future retirees and beneficiaries, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.

	Value	Description
A.	\$100,000	Projected benefit at retirement
B.	80.2%	Interest discount for five years = $(1 / 1.045)^5$
C.	98.0%	Probability of living to retirement age
D.	95.0%	Probability of continuing to work to retirement age
E.	\$74,666	Present value of projected retirement benefit measured at employee's current age = A x B x C x D

Illustration of GASB Calculations (continued)

III. Calculation of Actuarial Accrued Liability

Actuarial Accrued Liability represents the portion of the Present Value of Future Benefits which has been accrued recognizing the employee's past service with the employer. The Actuarial Accrued Liability is a required disclosure in the Required Supplementary Information section of the employer's financial statement.

	Value	Description
A.	\$74,666	Present value of projected retirement benefit measured at employee's current age
B.	20	Current years of service with employer
C.	25	Projected years of service with employer at retirement
D.	\$59,733	Actuarial accrued liability measured at employee's current age = $A \times B / C$

IV. Calculation of Normal Cost

Normal Cost represents the portion of the Present Value of Future Benefits allocated to the current year.

	Value	Description
A.	\$74,666	Present value of projected retirement benefit measured at employee's current age
B.	25	Projected years of service with employer at retirement
C.	\$2,987	Normal cost measured at employee's current age = A / B

V. Calculation of Annual Required Contribution

Annual Required Contribution is the total expense for the current year to be shown in the employer's income statement.

	Value	Description
A.	\$2,987	Normal Cost for the current year
B.	\$3,509	30-year amortization (level dollar method) of Unfunded Actuarial Accrued Liability using a 4.5% interest rate discount factor
C.	\$292	Interest adjustment = $4.5\% \times (A + B)$
D.	\$6,788	Annual Required Contribution = $A + B + C$

Definitions

GASB 45 defines several unique terms not commonly employed in the funding of pension and retiree health plans. The definitions of the terms used in the GASB actuarial valuations are noted below.

1. **Actuarial Accrued Liability** – That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of plan benefits and expenses which is not provided for by the future Normal Costs.
2. **Actuarial Assumptions** – Assumptions as to the occurrence of future events affecting health care costs, such as: mortality, withdrawal, disablement and retirement; changes in compensation and Government provided health care benefits; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets; characteristics of future entrants for Open Group Actuarial Cost Methods; and other relevant items.
3. **Actuarial Cost Method** – A procedure for determining the Actuarial Present Value of future benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.
4. **Actuarial Present Value** – The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. For purposes of this standard, each such amount or series of amounts is:
 - a) adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, Social Security, marital status, etc.);
 - b) multiplied by the probability of the occurrence of an event (such as survival, death, disability, termination of employment, etc.) on which the payment is conditioned; and
 - c) discounted according to an assumed rate (or rates) of return to reflect the time value of money.
5. **Annual OPEB Cost** – An accrual-basis measure of the periodic cost of an employer's participation in a defined benefit OPEB plan.
6. **Annual Required Contribution (ARC)** – The employer's periodic required contributions to a defined benefit OPEB plan, calculated in accordance with the parameters.
7. **Explicit Subsidy** – The difference between (a) the amounts required to be contributed by the retirees based on the premium rates and (b) actual cash contribution made by the employer.
8. **Funded Ratio** – The actuarial value of assets expressed as a percentage of the actuarial accrued liability.
9. **Healthcare Cost Trend Rate** – The rate of change in the per capita health claims costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.

Definitions (continued)

10. **Implicit Subsidy** – In an experience-rated healthcare plan that includes both active employees and retirees with blended premium rates for all plan members, the difference between (a) the age-adjusted premiums approximating claim costs for retirees in the group (which, because of the effect of age on claim costs, generally will be higher than the blended premium rates for all group members) and (b) the amounts required to be contributed by the retirees.
11. **Net OPEB Obligation** – The cumulative difference since the effective date of this Statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB-related debt.
12. **Normal Cost** – The portion of the Actuarial Present Value of plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.
13. **Pay-as-you-go** – A method of financing a benefit plan under which the contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.
14. **Per Capita Costs** – The current cost of providing postretirement health care benefits for one year at each age from the youngest age to the oldest age at which plan participants are expected to receive benefits under the plan.
15. **Present Value of Future Benefits** – Total projected benefits include all benefits estimated to be payable to plan members (retirees and beneficiaries, terminated employees entitled to benefits but not yet receiving them, and current active members) as a result of their service through the valuation date and their expected future service. The actuarial present value of total projected benefits as of the valuation date is the present value of the cost to finance benefits payable in the future, discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment. Expressed another way, it is the amount that would have to be invested on the valuation date so that the amount invested plus investment earnings will provide sufficient assets to pay total projected benefits when due.
16. **Select and Ultimate Rates** – Actuarial assumptions that contemplate different rates for successive years. Instead of a single assumed rate with respect to, for example, the investment return assumption, the actuary may apply different rates for the early years of a projection and a single rate for all subsequent years. For example, if an actuary applies an assumed investment return of 8% for year 20W0, then 7.5% for 20W1, and 7% for 20W2 and thereafter, then 8% and 7.5% select rates, and 7% is the ultimate rate.
17. **Substantive Plan** – The terms of an OPEB plan as understood by the employer(s) and plan members.



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: July 14, 2016
SUBJECT: Health Plan Renewal

Staff is continuing its work with Deloitte on the Health RFP should you decide to go out to bid this fall. Three sections we would like the benefit of your review and comments at this point.

First is the timeline:

Activity	Date/Time (All Times in CT)
NDPERS publishes Request for Proposal (RFP)	October 3, 2016
Vendor Conference*	October 24, 2016
Vendor questions (in writing) due	October 28, 2016 (5 pm)
NDPERS distributes answers to Vendors' questions	November 10, 2016
Proposals due	December 2, 2016 (5 pm)
Finalist presentations (if requested)	Jan 2017
NDPERS notifies finalist of intent to negotiate	Jan 2017
Contractor and NDPERS complete negotiations	TBD Feb/March 2017
Contractor and NDPERS begin implementation	March 2017
Contractor(s) begins providing services	July 1, 2017

This timeline recognizes the statutory guidelines. At this point we want to confirm with you that it meets your expectations as well.

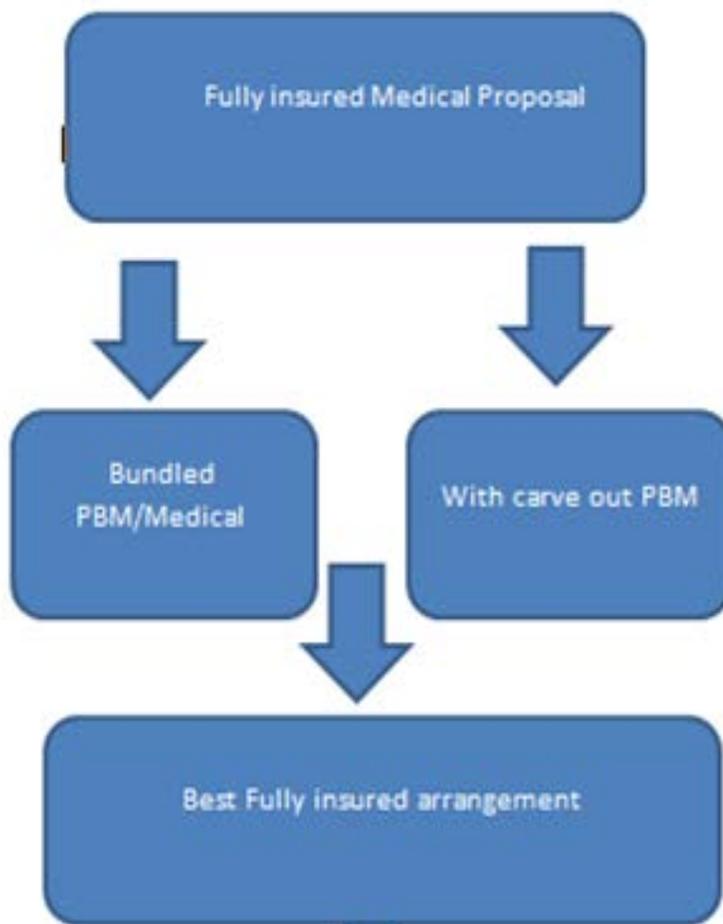
Second is the review process:

The following is the description of the review process for the RFP:

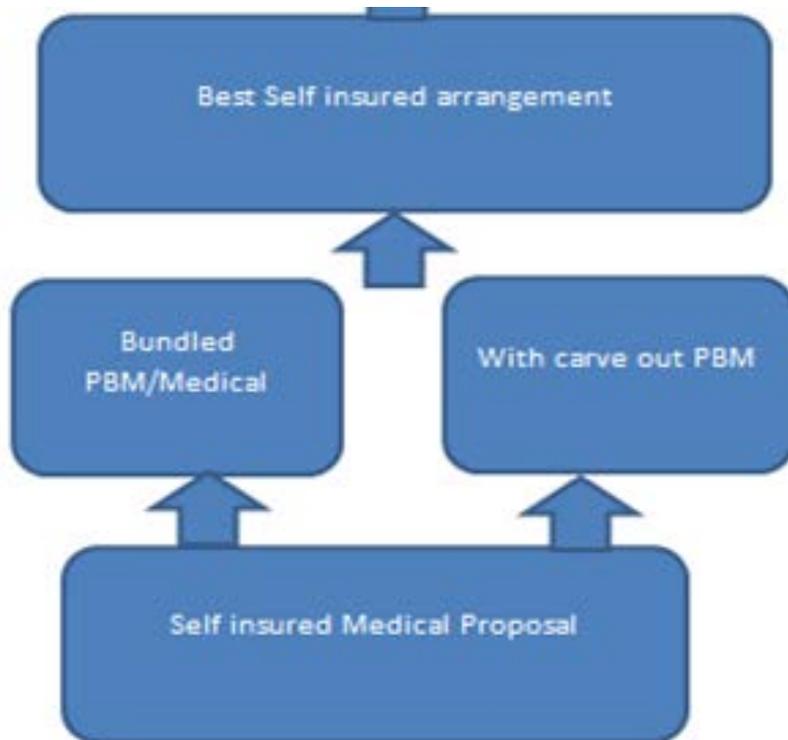
NDPERS is soliciting bids on a fully insured bundled and unbundled basis in this RFP. We are also soliciting self insured services on a bundled and unbundled basis. Bundled RFP would be for medical and RX whereas unbundled would be submitted separately and independently for medical or Rx, see the following

- *Fully insured medical and pharmacy (carved-in pharmacy)*
- *Fully insured medical only*
- *Self-insured medical only*
- *Self-insured pharmacy only (carve-out)*

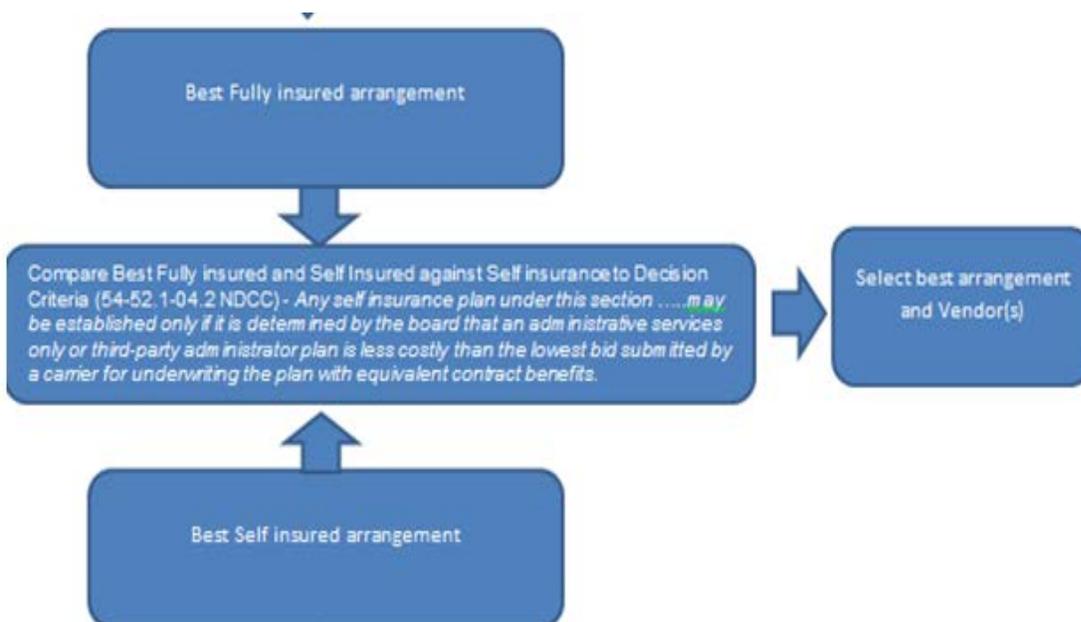
The analysis process that will be used by NDPERS is to review the fully insured proposals to determine the best fully insured offered.



We will concurrently review the self insured offers to determine the best offer.



Once the above evaluations have been completed NDPERS will review the best fully insured offer to the best self funded offer.



The board will then determine if self insured is an option and if so determine which arrangement and vendor.

Does the above reflect the process as you expect to move through the review?

Third is the review criteria:

The following is the review criteria in the RFP:

Phase I Preliminary Review Criteria

Proposals will initially be evaluated to determine if they comply with the following minimum requirements:

- *Completeness of proposal, including minimum vendor requirements, unique content requirements, and general requirements as outlined in Section III., Proposal Content, and submitted in the format designated in Appendix xxx.*
- *Completeness and quality of responses to questionnaire provided in Appendix xxx and completeness of cost proposal provided in Appendix xxx.*
- *Extensive statewide provider network which provides access to key population areas within the State.*

Phase II Evaluation Criteria

Proposals that have met the minimum requirements criteria listed above will then be reviewed based on the factors contained in the table below:

Phase II Evaluation Criteria
<i>1. Ability to comply with terms outlined in the RFP and Board evaluation criteria</i>
<i>2. Equivalent Contract Benefits (Appendix xxx) including the following.</i> <i>2a. Organizational experience and staff qualifications/experience</i> <ul style="list-style-type: none">– <i>Dedicated unit comprised of account management team, customer service, provider relations, and provider contracting</i>– <i>Access to senior leadership team</i>– <i>Ability to respond to unique challenges with solution-focused flexibility and innovation</i>– <i>Client references</i>– <i>Financial stability and solvency</i> <i>2b. Plan Design</i> <i>2c. Provider network capabilities</i> <ul style="list-style-type: none">– <i>Similar or greater number of providers in contract network</i>– <i>Similar or greater level of discounts</i>– <i>State-specific contracts</i>– <i>Quality initiatives</i>– <i>Contractual terms</i>– <i>Increase number of network providers</i>

Phase II Evaluation Criteria

- 2d. *Quality and comprehensiveness of health population, disease management, and health education and wellness programs*
 - *Utilization/case management capabilities*
 - *Quality initiatives*
 - *Ability to present appropriate innovative cost control strategies*
 - *Ability to support NDPERS employer based wellness program and employee wellness initiatives*
 - *Dedicated staff member for wellness program*
- 2e. *Cost of requested services and return on investment*
 - *Value of provider reimbursement discounts*
 - *Administrative fees / insured rates*
 - *Care, disease management, and health improvement programs*
 - *Rx rebates*

3. General Statutory Criteria (NDCC 54-52.1-04)

- *The economy to be affected.*
- *The ease of administration.*
- *The adequacy of the coverages.*
- *The financial position and experience of the carrier, with special emphasis as to its solvency.*
- *The reputation of the carrier and any other information that is available tending to show past experience with the carrier in matters of claim settlement, underwriting, and services*

4. Specific Statutory Criteria (NDCC 54-52.1-04.3 & 54-52.1-04.3)*

- *The board may establish a self-insured plan only if it is determined to be less costly than the lowest bid submitted by a carrier for underwriting the plan with equivalent contract benefits (Appendix xxx will be one key source used in making this assessment)*
- *In determining cost for self-insurance the board is required in statute to establish a plan to fund the reserve requirements in 54-52.1-04.3 within sixty months*

*** Self insurance Reserve Requirement (54-52.1-04.3 NDCC)**

1. *The board shall establish under a self-insurance plan a contingency reserve fund to provide for adverse fluctuations in future charges, claims, costs, or expenses of the uniform group insurance program.*
2. *The board shall determine the amount necessary to provide a balance in the contingency reserve fund between one and one-half months and three months of claims paid based on the average monthly claims paid during the twelve-month period immediately preceding March first of each year.*
3. *The board also shall determine the amount necessary to provide an additional balance in the contingency reserve fund between one month and one and one-half months for claims incurred but not yet reported.*
4. *The board may arrange for the services of an actuarial consultant to assist the board in making these determinations*
5. *Upon the initial changeover from a contract for insurance pursuant to section 54-52.1-04 to a self-insurance plan pursuant to section 54-52.1-04.2, the board must have a plan in place which is reasonably calculated to meet the funding requirements of this chapter within sixty months.*

Phase IV. Board Evaluation and Decision

1. *The Board will review the staff evaluation of proposals.*
2. *The Board may elect to interview the proposers*
3. *The Board may also consider additional information*
4. *The Board will make the final decision on the award of the contract.*

Preference Criteria

Preference Criteria will be applied by the board in the final evaluation of proposals as determined by the board.

PBM

NDPERS is interested in evaluating financial arrangements based on the traditional approach to PBM pricing and pricing under a pass through arrangement. “Traditional” financial proposals should include guaranteed effective rate discounts, as well as specific fees and guaranteed rebate dollar amounts. “Pass through” for purposes of this Request for Proposal is defined as a full pass through to NDPERS of all monies paid to the PBM arising from all contracted arrangements. When answering questions and completing exhibits related to your financial proposal, please indicate if your answer would differ under a pass through or a traditional pricing arrangement.

*Proposals will be accepted from PBMs on a stand-alone basis (i.e. response to the medical portion is not required). The questionnaire and cost proposals must be completed as they are applicable to the PBM. A questionnaire specific to the pharmacy benefit can be found in **Appendix xxxx** in a separate attachment.*

Included in this RFP is the pharmacy benefit contract NDPERS will use as the basis for the agreement. Vendors will be expected to review the proposed contract and provide requested pricing terms and guarantees in that contract.

Does the above capture the review criteria you will be applying to the decision process?

DRAFT TABLE OF CONTENTS

Sanford Health Plan Intro

Transition

Performance

Access

Affordability

Sustainability

Closing



**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: Sparb & Kathy

DATE: July 13, 2016

SUBJECT: ESI – EGWP Prescription Limits

Currently Express Script's programming has limits to prevent accumulation of medication. The policy is that Part D members may only refill their prescriptions within 7 days toward the end of their current supply. If they try to fill earlier, the claim is rejected. This has caused a negative impact for members as they are required to return to the pharmacy another time to have the prescriptions filled. This is particularly a problem for individuals in rural areas who may have to travel some distance and then are faced with the inconvenience of having to again return at a later time to have the prescription refilled.

We have been working on this issue with the SHP Director of Pharmacy Benefits, Daniel Weiss, and he recommended we request ESI to adapt their programming to allow up to a 14-day period within which subscribers in the EGWP plan can refill prescriptions. The recommendation was made based on the following:

1. Reduce negative impacts to the member, but still protect the plan from excessive stockpiling of medications.
2. For members that fill 90-days at a time, the typical refill limits are set upon completion of 75%-85% of the last prescription fill. On a 90-day fill, this allows refills near day 70. This still allows members to get their medication when their supply dwindles and provides more flexibility to plan when travel is required.

Because the EGWP is our plan, we must provide ESI the administrative authority to make a change to its programming from the 7-day limit to the 14-day refill limit.

Staff Recommendation

Authorize ESI to make a change to allow for a 14-day refill limit.

Board Action Requested



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: Sharon Schiermeister

DATE: July 14, 2016

SUBJECT: Fees

Staff is seeking direction from the Board on two situations relating to fees that are part of our agreement with TIAA for the 457 Companion Plan and 401(a) Defined Contribution Plan.

457 Companion Plan

As part of our agreement with TIAA, they offer a revenue sharing feature for both the 457 Companion Plan and the 401(a) Defined Contribution Plan. The revenue sharing occurs when the recordkeeping fees that TIAA receives from the participating mutual funds exceed TIAA's administrative expenses. If the difference exceeds \$5,000 per plan in a calendar year, it becomes available to NDPERS. The revenue sharing can then either be distributed to the participants in the plan or used by NDPERS to cover administrative expenses.

In March 2012, we reviewed with the Board our authority relating to accepting and expending these funds for the 457 and 401(a) plans and determined the following:

457 Deferred Compensation Plan. It was determined that NDPERS did not have statutory authority to accept and expend these fees. At that time, the Board action was to credit the member accounts with the funds from TIAA and move forward with legislation that would allow NDPERS to use those dollars for administrative purposes. Legislation was submitted and passed in the 2013 session which would allow NDPERS to retain these fees to fund administrative expenses. NDCC 54-52-04 (11) now states:

The board shall fund the administrative expenses of chapter 54-52.2 from funds collected under chapters 54-52, 54-52.1, and 54-52.3 and from fines and fees collected from deferred compensation services providers, subject to appropriation by the legislative assembly.

401(a) Defined Contribution Plan. Participants in this plan are charged 6 basis points for NDPERS administration, which is taken out of their accounts quarterly. At that time, the Board action was to continue charging the administrative fees to the participants in the same manner and credit the member accounts with the funds from TIAA.

Since 2012, these revenue sharing fees were distributed back to participant accounts three times for the 457 plan and twice for the 401(a) plan. The fees were distributed proportionately to each participant based on their account balance.

There are currently revenue sharing fees of \$5,018.45 available for distribution in the 457 plan. Since we now have statutory authority to use fees from deferred compensation service providers to fund our administrative expenses for the 457 plan, we are seeking direction from the Board whether to continue to distribute the revenue sharing fees to participants or retain the fees to pay for plan administrative expenses. Currently, we are funding the administrative expenses of the deferred comp plan through transfers from the Group Insurance plan, Retirement plan assets, and FICA tax savings from the FlexComp plan.

Board Action Requested:

- 1. Determine whether revenue credit fees for the 457 plan should be returned to NDPERS to fund administrative expenses or continue to be distributed to participants in the plan.**

401(a) Defined Contribution Plan

The recordkeeping agreement with TIAA for the 457 Companion Plan and the 401(a) Defined Contribution Plan was amended in July 2013 to include a Service Level Agreement (SLA). There are several service level guarantees relating to availability, transaction timeliness, issue resolution, reporting, satisfaction and consulting/financial planning service. If the agreed upon measurement criteria is not met, there is a penalty for non-compliance. To date, TIAA has been assessed penalties totaling \$2,950; \$1300 for the 401(a) plan and \$1650 for the 457 plan. The penalties received by each plan are being held in accounts with TIAA.

We are currently in the process of requesting that the penalties be disbursed to NDPERS so they can be used to fund the administrative expenses for each of the plans. As part of this process, we found that NDCC 54-52-04(11) provides authority to use fines collected from deferred compensation services providers to fund the administrative expenses of the deferred compensation plan. There is not similar authority for the Defined Contribution Plan. Until we have this authority, we are not able to use these penalties to offset our administrative expenses.

One option for the Board's consideration would be to add language in our proposed technical corrections bill to provide authority for fines received from service providers to be available to fund the administrative expenses of the Defined Contribution Plan. Another option would be to wait until the 2019 session to address this.

Board Action Requested:

Determine whether or not to submit legislation to allow fines to be used to fund the administrative expenses of the Defined Contribution Plan.



**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 & Bryan
DATE: July 21, 2016
SUBJECT: Flex Participant Survey

Here are the results of the 2016 NDPERS Flexcomp participant survey. Attachment #1 is a similar survey we did in 2013. Note some of the questions are different. The demographics of the surveys are similar and there is some improvement in the responses to the same questions from 2013 to 2016. Here is a summary of some of the same questions:

Are you satisfied with the NDPERS Flexcomp enrollment process?
2013 - 90% Yes to 2016 – 93% Yes

Are you satisfied with the availability of Flexcomp plan information?
2013 - 85% Yes to 2016 – 93% Yes

Do you plan to participate in the Flexcomp plan next year?
2013 - 90% Yes to 2016 – 96% Yes

I am satisfied with the claim submission options available from ADP.
2013 - 64% Agree (slightly to strongly) to 2016 – 82% Agree (slightly to strongly)

I am satisfied with the customer service provided by ADP.
2013 - 47% Agree (slightly to strongly) to 2016 – 55% Agree (slightly to strongly)

I am satisfied with the Flexcomp service provided by the NDPERS office.
2013 - 78% Agree (slightly to strongly) to 2016 – 78% Agree (slightly to strongly)

I would recommend the NDPERS Flexcomp plan to other employees.
2013 - 85% Agree (slightly to strongly) to 2016 – 93% Agree (slightly to strongly)

We are typing up the written responses.

We will be available at the NDPERS Board meeting for any questions.

NDPERS 2016 Flexcomp Plan Survey – 454 Responses (30%)

1. Which Flexcomp program(s) do you participate in?	93% Medical 17% Dependent 51% Pre-Tax
2. Are you satisfied with the NDPERS Flexcomp enrollment process?	93% Yes 6% No
3. Are you satisfied with the availability of Flexcomp plan information?	93% Yes 6% No
4. Have you contacted ADP customer service?	55% Yes 44% No
5. Have you participated in the Flexcomp program before this year?	96% Yes 3% No
6. Do you plan to participate in the Flexcomp plan next year?	96% Yes 3% No

Please mark the box with how much you agree/disagree with the following statements. Use "N/A" if you have not used the service or don't know.	Answer %						
	Strongly disagree	Disagree	Slightly Disagree	Slightly Agree	Agree	Strongly Agree	N/A
7. I understand the NDPERS Flexcomp program.	1	1	0	3	49	45	0
8. I am satisfied with the claim submission options available from ADP.	5	4	7	11	40	31	1
9. I am satisfied with the online Web Services available from ADP.	5	4	6	12	41	25	6
10. I am satisfied with the Debit Card option available from ADP.	4	4	4	7	21	29	30
11. I am satisfied with the online claims submission option available from ADP.	4	4	5	10	35	27	15
12. I am satisfied with the Mobile App option available from ADP.	2	1	1	3	6	3	84
13. I am satisfied with the Automatic Claim Reimbursement option available from ADP.	4	4	3	6	26	21	37
14. I am satisfied with the customer service provided by ADP.	6	5	4	10	30	15	28
15. I am satisfied with the Flexcomp service provided by the NDPERS office.	2	2	3	7	41	30	15
16. I plan to enroll in the Flexcomp plan next year.	2	0	0	2	28	65	1
17. I would recommend the NDPERS Flexcomp plan to other employees.	2	0	2	6	35	52	3

18. Years of Service with the state	19. Age at last birthday	20. Marital Status	
17.9 Average Years	50.3 Average Years	18% Single	82% Married
21. Did you defer/contribute more than \$1,000 to your Flexcomp account? 77% Yes 23% No			

Additional Comments?

THANK YOU!
 Please return this survey in the postage-paid envelope by:
 July 10, 2016



**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: Sharon Schiermeister

DATE: July 14, 2016

SUBJECT: PERSLink Mobile App Update

At the December meeting, the Board approved moving forward with a mobile app that ties in with PERSLink Member Self Service. Work on this project has been completed and the app became available to our members on July 12, 2016. The app can be accessed using an Apple or Android device and is available through the Apple Store and Google Play. Links to the play stores are on the homepage of the NDPERS website. The attached PERSLink Mobile App Quick Instruction Guide is also available on the website.

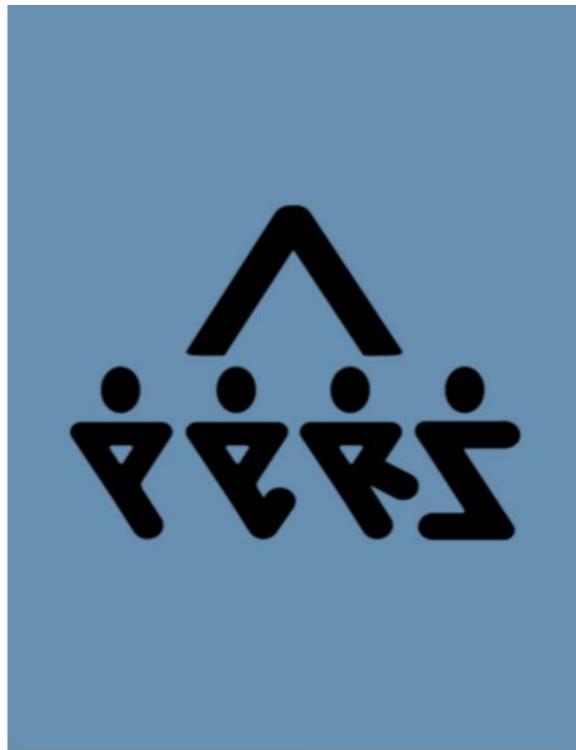
An email notification announcing the mobile app was sent out to all participating employers on July 12, with the request to share the information with their employees. There will also be an article announcing the launch of the mobile app in the PERSpectives newsletter which will be mailed to active and retired members later this month.

We had 150 users download and log into the mobile app on the 1st day. We will continue to monitor the number of members who download and sign in to the mobile app, as our annual licensing fees are based on the number of registrations.

If you have questions on the mobile app, I will be available at the Board meeting, or you can contact Sharmain Dschaak.

PERSLink Member Self Service Mobile App

Quick Instruction Guide



Access and manage your Benefits from any location on your new Mobile App!

Active Employees

- Stay updated with your retirement planning by using the benefit estimate & service purchase calculators
- View your retirement account balance
- Update your profile information
- View your designated beneficiaries & covered dependents
- View your insurance level of coverage
- Update your benefit elections during Annual Enrollment

Retirees

- View Your NDPERS retirement payment(s) and related details
- Insurance coverage(s), premiums paid , and other related details
- Update your Federal & North Dakota State income tax withholding
- Update your address
- View your designated beneficiaries & covered dependents

How to download?

MSS Mobile App is available in the following versions:

1. Apple IOS 8 & 9

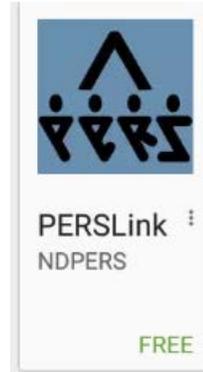
To find

- Access App Store
- Search for PERSLink or NDPERS
- Download for free

2. Android 5 & 6

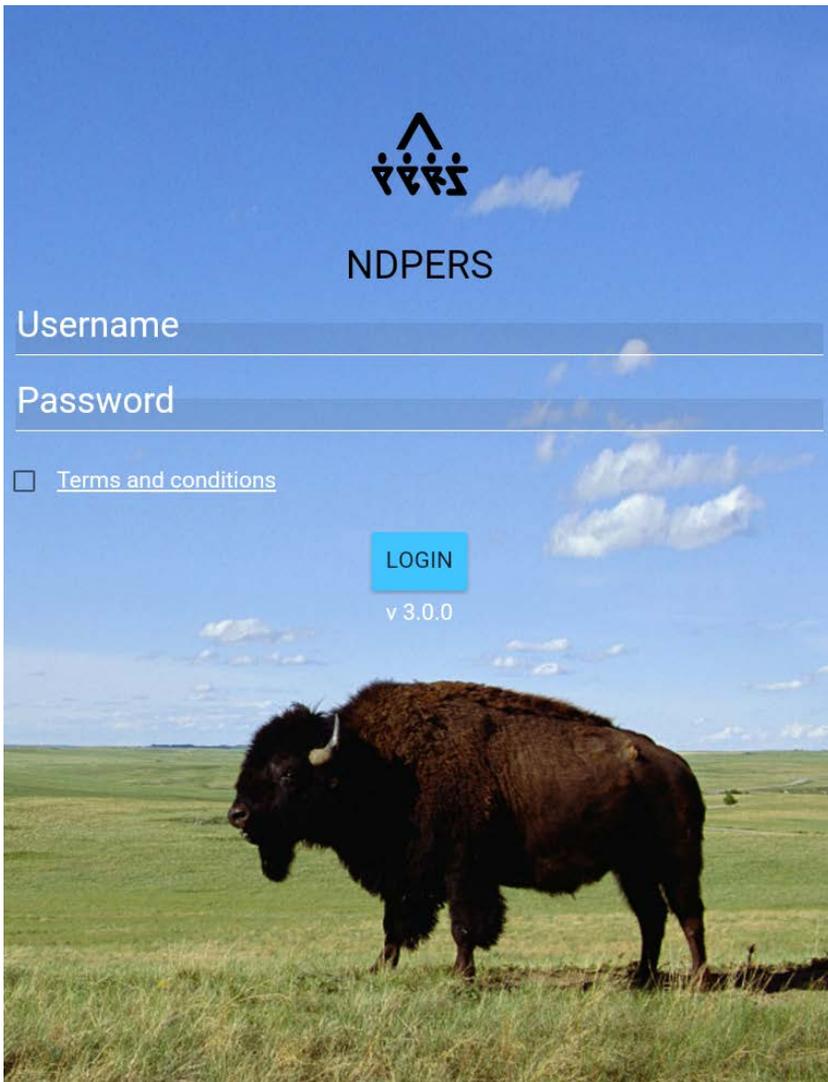
To find

- Access Play Store
- Search for PERSLink or NDPERS
- Download for free



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

Login Page



*Log in using your PERSLink
Member Self Service
ND Login ID.*

*Accept the terms and
conditions.*

Homepage

Welcome to NDPERS Mobile

2116
Retiree Demo

Employee Assistance Program
Status: Enrolled

Retiree

Main Retirement
Status: Processed
Benefit Sub Type: Regular Refund

Highway Patrol Retirement
Status: Receiving
Benefit Sub Type: Normal Retirement

Health Insurance
Status: Enrolled

Life Insurance
Status: Enrolled

Welcome to NDPE

11100
Active Demo

Active

Main Retirement
Status: Enrolled

Health Insurance
Status: Enrolled

Dental Insurance
Status: Enrolled

Vision Insurance
Status: Enrolled

Life Insurance
Status: Enrolled

Employee Assistance Program
Status: Enrolled

FlexComp
Status: Enrolled

- Profile
- Spouse/Contact Info
- Messages
- Contact Us
- Logout

Quick Links

Select a Plan for more options. Example on next page.

Specific Plan Information Example - Active

The left menu displays more menu options.

The Annual Enrollment option is available during annual enrollment season

The screenshot shows the NDPER Mobile app interface. The left menu is expanded, showing options: Home, Annual Enrollment, Spouse/Contact I..., Profile, Messages, Contact Us, Feedback, and Logout. The main content area displays enrollment status for various plans:

Plan	Status	Action Required
Health	Enrolled	Action Required Request Status
Life	Enrolled	Action Required Request Status
Dental	Eligible	Action Required Request Status
Vision	Enrolled	Action Required Request Status

The right panel shows the user's profile and enrollment status for various plans:

Plan	Status
Main Retirement	Enrolled
Other 457/403(b)	Enrolled
Health Insurance	Enrolled
Vision Insurance	Enrolled
Life Insurance	Enrolled

Specific Plan Information Example - Retiree

The left menu displays more menu options.

Retiree	Account Information	
Home	Highway Patrol Retirement Plan	
Other NDPERS Pla...	Jan 01, 2015	Retirement Benefit Type
Direct Deposit	Retirement Date	100% Joint & Survivor
Tax Withholding	\$276,011.96	Benefit Option
Payment History	Original Minimum Guarantee	\$193,744.94
Spouse/Contact I...		Remaining Minimum Guarantee
Profile	Standard RHIC	\$127.50
Messages	RHIC Option	RHIC Amount
Contact Us	Minimum Guarantee: "NDPERS is a "defined benefit" plan, which allows members to compute their retirement benefits based on a mathematical formula. You or your beneficiaries are guaranteed to receive no less than your member account balance. When you retired, this amount is known as your Minimum Guarantee.	
Feedback	Monthly / Lumpsum Benefit Info	
Logout	Jun 01, 2016	

New Icons

Plus Sign

Active	Benefit Estimate	
	Main	
Home	83702 Benefit Calculation ID	Retirement Benefit Account Type
NDPERS Plans		
Annual Enroll	Jul 01, 2060 Retirement Date	\$6,074.56 Final Monthly Benefit
Service Purchase		
Benefit Calculator		
Spouse/Contact I...		
Profile		
Messages		
Contact Us		
Feedback		
Logout		



This icon means "create new" or "add new".

Multiple Pages

Retiree

- Home
- Other NDPERS Pla...
- Direct Deposit
- Tax Withholding
- Payment History
- Spouse/Contact I...

← **Payment History Detail**

Jan - 2016
⋮

\$4,570.39 Gross Benefit	\$4,460.70 Taxable Amount
\$109.69 Non-Taxable Amount	(\$434.71) Federal Tax
(\$36.24) State Tax	N/A Other Deductions

Payment Method
X

Us Bank Na Bank Name	\$4,099.44 Net Amount
ACH Payment Method	N/A Check #

CANCEL

(\$36.19) State Tax	N/A Other Deductions
Processed	\$4,099.93

This means results continue on another page. Swipe left to view more results.



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: July 12, 2016
SUBJECT: Board Meeting Agendas

At a recent meeting it was suggested that we may want to consider full day meetings so we would have additional time for Board education or discussion of other informational items. In discussing this, it may be helpful to recognize how some of the Board's work is presently allocated in addition to the monthly Board meeting.

Other Board Activities

The Investment Committee spends time reviewing issues relating to our Defined Benefit Plan investing, the defined contribution plan and the 457 plan. For example, the Investment committee spent several meetings working on the Asset Liability study before it was presented at the two Board meetings. Presently we have 4 Board members on this committee. In the last 16 months this committee met on 12/19/14, 2/20/15, 5/12/15, 8/11/15, 11/16/15, 2/23/16 and 5/18/16.

The Audit Committee meets 4 times a year and focuses on internal operations. Each of the meetings usually runs about 3 hours. We presently have three Board members on this committee.

The Benefits Committee meets about three times per biennium. This committee looks at the various programs administered by PERS and makes recommendations to the Board on changes. We have three Board members on this committee.

The Retiree Committee meets a couple of times each year and like the benefits committee reviews PERS program efforts relating to retirees and makes recommendations to the Board. We have one Board member on this committee.

Three PERS Board members served on the State Investment Board (SIB). The SIB meets almost every month and its meetings generally run about 4 hours.

The PERS Election Committee starts its work every February before a Board election. It usually has three Board members on it and is responsible for overseeing and certifying Board elections. Usually the committee meets several times.

The Executive Director Review Committee meets annually to conduct the evaluation of the Executive Director and after evaluating the reviews makes recommendations to the Board concerning the Executive Director and salary.

Special Board Meetings are to conduct required PERS business that must be completed before the next regularly scheduled meeting. In 2014 there were 8 special meetings and in 2015 there were 11 special meetings. The reason for scheduling the special meetings was that pertinent information was not available in time for the regularly scheduled meetings.

Observations

1. Presently the Board has subcommittee's that specialize in various aspects of the agency.
2. For some Board members the amount of time spent serving on these other committee's is two to three times the amount of time spent in PERS Board meetings.
3. Participation on one or more of these subcommittee's provides Board members a more detailed understanding of those areas of the agency for the committee is responsibility.
4. Presently the committee will work in detail on some Board efforts for the Board and report their findings. For example, with the recent asset liability study it was assigned to the Investment Committee. The committee had two meetings with Callan, PERS and RIO staff going over the report and discussing it in detail. When the committee concluded its work, it was forwarded to the PERS Board and was presented to the Board at one meeting and was placed on the agenda of a second meeting for Board action (generally for major decisions the item

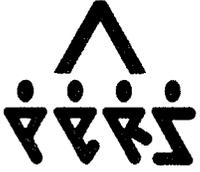
will appear on two Board agendas – the first for presentation and discussion and the second for Board action).

Concepts for Additional Board Education

1. As mentioned one concept would be to extend our meetings to full day. If so, we may want to change the way the work is allocated to our committees.
2. Since a lot of background information about the agency and its programs are discussed at the committee level, we could add those PERS Board members that are not assigned to that committee to our mailing list so they get notice of the date and time of each these meetings as well as copies of the agenda. This would facilitate other Board members being able to attend the committee meetings so they can benefit from the discussion if it is a topic they would be interested in.
3. We could set up several educational meetings each year that are separate from the regular PERS Board meeting. We would not have any Board action items on this agenda and it would be educational only. This would allow Board members who have an interest in the topic to attend and for those who are already familiar with the topic they would not need to attend. Staff would put together some topics and times for these educational meetings in a memo to the Board. The Board could then select topics for further education and we would then put together the programs. This approach is developed in recognition of one of the challenges with Board education which is the varying level of familiarity each member already has with a topic. For Board members who have served on the Board for several years, they may find certain topics a repeat. For Board members who serve on specific committee some topics that would be of interest to other Board members would be a repeat for them since they already work with the topic by serving on the committee.

Board Action Requested

Provide guidance to the staff on how to proceed.



**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: Derrick Hohbein, CPA

DATE: July 5, 2016

SUBJECT: Consultant Fees for the Quarter Ended June 2016

Attached is a quarterly report showing the consulting, investment, and administrative fees paid during the quarter ended June 2016.

Attachment

**North Dakota Public Employees Retirement System
Consulting/Investment/Administrative Fees
For the Quarter ended June 30, 2016**

Program/Project	Fee Type	Apr-16	May-16	Jun-16	Fees Paid During The Quarter	Fees Paid Fiscal Year-To-Date
Actuary/Consulting Fees:						
Deloitte Consulting	Fully insured RFP			1,898	1,898	1,898
Deloitte Consulting	Self insured RFP					0
Deloitte Consulting	Hourly billings regular rates					0
Deloitte Consulting	Hourly billings Composite rates			6,435	6,435	14,527
Deloitte Consulting	General Consulting			1,500	2,250	28,365
Mid Dakota Clinic	Retirement Disability		750			8,300
Ice Miller	Legal fees ACA					5,158
Ice Miller	Legal fees Employee benefit matters			288	288	3,061
Callan & Associates	Assumption Analysis / Travel Exp	2,342		968	3,310	3,310
Nyhart	GASB 45 Disclosure			9,000	9,000	9,000
The Segal Company	Retirement (DB)	18,625			18,625	60,669
The Segal Company	Retirement (DB)	11,136			11,136	23,010
The Segal Company	Ret Health Credit	3,425			3,425	10,275
The Segal Company	FlexComp			369	369	17,996
The Segal Company	Job Service	4,875			4,875	14,625
The Segal Company	QDRO/Compliance		1,033	10,694	11,726	18,944
The Segal Company	Legislation					0
The Segal Company	Retirement (DC)		28,305		28,305	29,928
The Segal Company	Def comp					5,870
The Segal Company	GSAB 67 disclosures	18,954			18,954	74,488
The Segal Company	Deferred Comp Plan Docs			221	221	3,055
The Segal Company	Health savings accounts					0
The Segal Company	115 Trust					0
The Segal Company	Plan Transfers					4,056
The Segal Company	RHIC RFP					2,260
The Segal Company	Travel Expenses					0
					\$ 120,817	338,794
Audit Fees:						
Brady Martz	GASB 68 Review					38,613
Clifton Larson Allen	Annual Audit Fee					103,700
Website Redesign						
MABU	Website Redesign	7,501	7,107	2,855	17,463	27,878
Legal Fees:						
ND Attorney General	Administrative	\$ 8,138	\$ 3,620		11,758	46,943
Investment Fees:						
SIB - Investment Fees	Retirement (DB)	424,314	738,036	520,032	1,682,382	8,107,240
SIB - Investment Fees	Ret Health Credit	68,448	4,906	68,519	141,873	295,649
SIB - Investment Fees	Insurance	363	1,109	395	1,867	19,898
SIB - Administrative Fees	Retirement (DB)	33,944	25,285	29,750	88,979	337,782
					1,915,101	8,760,569
Administrative Fee:						
Sanford Health Plan	Health Plan	1,969,134	1,969,247	*	3,938,380	21,560,118