

# MINUTES

## North Dakota Public Employees Retirement System

ND Association of Counties, Bismarck

BCBS, 4510 13<sup>th</sup> Ave S, Fargo

Friday, April 11, 2014

8:30 A.M.

Members Present: Mr. Mike Sandal  
Ms. Arvy Smith  
Ms. Kim Wassim  
Mr. Thomas Trenbeath

Via Videoconference: Chairman Strinden

Members Absent: Mr. Joan Ehrhardt  
Mr. Howard Sage

Others Present: Mr. Sparb Collins, NDPERS  
Ms. Cheryl Stockert, NDPERS  
Ms. Sharon Schiermeister, NDPERS  
Ms. Kathy Allen, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Ms. MaryJo Steffes, NDPERS  
Ms. Jan Murtha, Attorney General's Office  
Mr. Kevin Schoenborn, BCBSND  
Mr. Alan Person  
Ms. Nancy Kopp, ND Optometric Association

Via Videoconference: Mr. Michael Carlson, BCBSND  
Ms. Rebecca Nichol, BCBSND  
Ms. Onalee Sellheim, BCBSND  
Ms. Stacy Duncan, BCBSND

Chairman Strinden called the meeting to order at 8:30 a.m.

### **MINUTES**

Chairman Strinden called for any questions or comments regarding the minutes of the March 14, 2014 special Board meeting.

**MR. SANDAL MOVED APPROVAL OF THE MARCH 14, 2014 NDPERS BOARD MINUTES. THE MOTION WAS SECONDED BY MR. TRENBEATH. THE MINUTES WERE APPROVED.**

## **RETIREMENT**

### **Retirement Information Request**

Mr. Collins reviewed the Legislative Council request with the Board. Legislative Council, on behalf of the Government Finance Committee, has requested that the consulting actuary hired by Council will need to access confidential employee information relating to PERS plan participants. Ms. Murtha reviewed this request and indicated that retirement benefit member information is confidential under NDCC 54-52-26. Ms. Murtha reviewed information relating to confidentiality and conducting actuarial reviews. She noted that NDPERS may directly provide the contractor any information necessary to conduct the actuarial review and recommended NDPERS be a party to the contract (an information sharing provision). Ms. Murtha further explained that the contract should include language that information could be provided directly from PERS to the actuary, that the actuary would have to abide by restrictions on the information, and that the Legislature would have to acknowledge that they would not have access to the underlying data in order to protect the confidentiality of member information. Ms. Murtha reviewed draft contract language with the Board. The Board discussed this with staff and legal counsel in detail.

**MS. SMITH MOVED THAT NDPERS BE A PARTY TO THE CONTRACT WITH LEGISLATIVE COUNCIL TO CONDUCT AN ACTUARIAL ANALYSIS OF THE RETIREMENT PLANS AND THAT LANGUAGE BE INCLUDED THAT WOULD PROTECT CONFIDENTIAL MEMBER INFORMATION. THE MOTION WAS SECONDED BY MR. SANDAL.**

The Board discussed the motion.

**Ayes:** Mr. Trenbeath, Ms. Wassim, Ms. Smith, Mr. Sandal, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

### **MOTION PASSED**

The Board requested that, prior to executing the contract with Legislative Council, they have an opportunity to review and approve the final contract.

### **Job Service Retirement Plan**

Ms. Allen reviewed information with the Board relating to an internal audit of the Job Service plan where an inconsistency was discovered in the administration of the cost of living adjustment increases under the Uniform Income Option. During the audit, it was discovered that eight members were overpaid as the cost of living adjustment attributed to the Social Security benefit was not reduced and subsequent cost of living adjustments accrued on the higher base benefit payment. Ms. Allen reviewed various options that would address the overpayment issue for current and future members. The Board discussed whether to administer the Job Service plan similar to the PERS plan prospectively, and if this was the decision, the eight members would not have to pay back

the overpayments. The Board discussed this information with staff and determined that additional information is needed before a decision can be made. Mr. Collins indicated staff will do additional research and will bring this information to the Board at the regular April meeting.

## **GROUP INSURANCE**

### **Healthy Blue Authorization**

Mr. Collins indicated this was in follow-up to discussion at the last meeting. Mr. Carlson, BCBSND, reviewed two options with suggested language changes to the Authorization for Release of Information Wellness Programs with the Board. Draft one would remove language relating to what protected health information includes and adds language relating to minimum disclosed information relating to each member. Draft two would clarify that all information shared between BCBSND and the designated wellness vendors would be protected under HIPAA and HITECH regulations and is governed by Business Associate Agreements. Mr. Carlson explained that draft two provides the greatest long term flexibility should NDPERS decide to provide incentives with the various screenings and for targeted health outcomes. He also indicated that in order to participate in Healthy Blue, members must sign this Authorization. The Board discussed the draft versions in detail with BCBSND staff, NDPERS staff and legal counsel with the goal of protecting confidential member information and addressing member concerns.

**MS. SMITH MOVED APPROVAL OF DRAFT TWO OF THE AUTHORIZATION, NOTING ADDITIONAL SUGGESTED CHANGES. THE MOTION WAS SECONDED BY MS. WASSIM.**

The Board discussed other changes to this Authorization document.

**MS. SMITH AMENDED THE MOTION TO INCLUDE THE REQUIREMENT THAT THE NDPERS BOARD WOULD REVIEW THE REVISED AUTHORIZATION FOR RELEASE OF INFORMATION BEFORE FINAL APPROVAL. THE AMENDED MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Sandal, Ms. Smith, Mr. Trenbeath, Ms. Wassim, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

### **Life Insurance Renewal**

Ms. Allen reported that the rate guarantee with ING expires June 30, 2014. ING has proposed no premium increase for the next two year period ending June 30, 2016.

**MR. TRENBEATH MOVED APPROVAL OF THE RENEWAL WITH ING FOR TWO YEARS ENDING JUNE 30, 2016. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Ms. Smith, Ms. Wassim, Mr. Trenbeath, Mr. Sandal and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

**Sanford Heart of America**

Ms. Allen reported that Sanford Heart of America Health Plan has requested to offer its health plan to state and participating political subdivision employees in its Rugby service area for the period July 1, 2014 through June 30, 2015.

**MR. SANDAL MOVED TO RENEW SANFORD HEART OF AMERICA HEALTH PLAN FOR THE PERIOD JULY 1, 2014 THROUGH JUNE 20, 2015. THE MOTION WAS SECONDED BY MR. TRENBEATH.**

**Ayes:** Ms. Wassim, Mr. Sandal, Mr. Trenbeath, Ms. Smith, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

**Political Subdivision Participation**

Mr. Collins reported that at the last meeting the Board reviewed the participation by the political subdivisions that are non-grandfathered. Mr. Schoenborn reported that letters were sent to 13 political subdivisions informing them they would be removed from the PERS health plan effective July 1, 2014. He further explained to the Board that in December BCBS decided to comply with the original ACA requirements because there were already many groups in the state who were doing the same and for BCBS to change the direction would have caused a great financial impact.

**Superior Vision**

Ms. Allen reviewed the Superior Vision rate renewal notification for the period January 1, 2015 through December 31, 2016 plan years with the Board. The proposed rates represent a 27% increase over current rates which is the first increase in premiums since 2011. Mr. Collins reported that they inquired of Deloitte and the estimated cost of their review of the vision plan renewal projections would be approximately \$2,500. The Board discussed this information with staff.

**MR. SANDAL MOVED THAT IT WOULD BE PRUDENT TO HAVE DELOITTE REVIEW THE PROPOSED PREMIUM RENEWAL INCREASES AND REPORT BACK TO THE BOARD. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Trenbeath, Ms. Wassim, Mr. Sandal, Ms. Smith, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

**Board Election**

Ms. Allen reviewed the Board election schedule for 2014 with the Board.

**Retirement Disability Appeal**

Ms. Allen reported to the Board that the member was appealing the denial of disability benefits and that the member would be available by teleconference to join in the meeting.

**MR. SANDAL MOVED THAT THE BOARD ENTER INTO EXECUTIVE SESSION PURSUANT TO NDCC 44-04-19.2(1) AND 54-52-26 TO DISCUSS CONFIDENTIAL MEMBER INFORMATION. THE MOTION WAS SECONDED BY MS. WASSIM.**

**Ayes:** Mr. Sandal, Ms. Smith, Mr. Trenbeath, Ms. Wassim, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

All members named above were in attendance for the Executive Session (closed meeting, electronically recorded) which began at 10:00 a.m.

**MS. SMITH MOVED THAT THE BOARD RETURN TO OPEN SESSION. THE MOTION WAS SECONDED BY MR. TRENBEATH.**

**Ayes:** Mr. Sandal, Ms. Smith, Mr. Trenbeath, Ms. Wassim, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

The Board returned to open session at 10:15 a.m.

**MR. TRENBEATH MOVED TO DENY THE RETIREMENT DISABILITY APPEAL. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Sandal, Mr. Trenbeath, Ms. Smith, Ms. Wassim, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

**MOTION PASSED**

**Hardship Case #182**

Ms. Allen presented detailed information to the Board relating to a deferred compensation hardship withdrawal request in the amount of \$11,688.82 to cover expenses incurred to repair damage due to flooding of the home. The Board discussed this financial hardship request.

**MR. SANDAL MOVED TO APPROVE THE FINANCIAL HARDSHIP REQUEST. THE MOTION WAS SECONDED BY MS. SMITH.**

**Ayes:** Mr. Trenbeath, Ms. Wassim, Ms. Smith, Mr. Sandal, and Chairman Strinden

**Nays:** None

**Absent:** Ms. Ehrhardt and Mr. Sage

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 10:30 a.m.

Prepared by,

Cheryl Stockert  
Assistant to the Board