

MINUTES

North Dakota Public Employees Retirement System

WSI Boardroom, Bismarck

WSI Meeting Room, Fargo

Thursday, April 16, 2009

8:30 A.M.

Members Present: Ms. Joan Ehrhardt
Mr. Levi Erdmann
Mr. Mike Sandal
Ms. Arvy Smith
Mr. Thomas Trenbeath

Via Videoconference: Chairman Jon Strinden

Members Absent: Mr. Ron Leingang

Others Present: Ms. Cheryl Stockert, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Kathy Allen, NDPERS
Ms. Deb Knudsen, NDPERS
Ms. Sharmain Dschaak, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Aaron Webb, Attorney Generals Office
Ms. Onalee Sellheim, BCBSND

Via Videoconference: Mr. Sparb Collins, NDPERS
Mr. Kevin Schoenborn, BCBSND
Ms. Jodi Crouse, 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 19, 2009 Board meeting.

MS. EHRHARDT MOVED APPROVAL OF THE MARCH 19, 2009 NDPERS BOARD MINUTES. THE MOTION WAS SECONDED BY MR. SANDAL. THE MINUTES WERE APPROVED.

GROUP INSURANCE

Diabetes Management Program Update

Mr. Jayme Steig, the Clinical Coordinator Provider with Frontier Pharmacy Services, presented a program update on the diabetes management program. A copy of the presentation is available in the PERS office. Board discussion and questions followed.

Disease Management

Mr. Collins reviewed information with the Board relating to the Health Dialog disease management program. The health renewal did not include this program and therefore was not submitted to the Governor. One of the reasons was because BCBS is offering another program called MediQHome Program.

Dr. Rice, BCBS, presented an overview of the MediQHome Program which will be offered through the PERS contract July 1, 2009. This program includes 14 clinical suites of diseases that can be tracked and measured electronically in near real time for multiple diseases with multiple measures. Dr. Rice indicated the goal is to get this program up and running by the middle of the year. The Board had questions of Dr. Rice and discussed this program.

MR. TRENBEATH MOVED TO DISCONTINUE HEALTH DIALOG EFFECTIVE JULY 1, 2009. THE MOTION WAS SECONDED BY MS. EHRHARDT.

Ayes: Ms. Ehrhardt, Mr. Sandal, Ms. Smith, Mr. Trenbeath, Mr. Erdmann, and Chairman Strinden

Nays: None

Absent: Mr. Leingang

MOTION PASSED

BCBSND

Mr. Collins reported that at the last meeting the interim BCBS CEO as well as their board president attended via teleconference and the PERS Board agreed that a letter would be drafted and sent to BCBS outlining issues that have transpired within the last year. A draft letter was reviewed and discussed by the Board and suggestions were made. The Board agreed that a letter should be sent to BCBS which Mr. Collins will do.

COBRA Stimulus Bill Provision Update

Mr. Collins updated the Board relating to this provision. The Attorney General's Office reviewed the law and determined that PERS, as a multiemployer plan, could be viewed as the employer and do the Form 941 filing. Based upon this review, staff believes the most efficient method for our participating employers is for PERS to do the filing instead of trying to bill each employer.

Consultant Services

Mr. Collins reported that the Gallagher Benefit Services renewal for group insurance consultant services expires June 30, 2009. There is one more year under the bid arrangement and they have agreed to not increase their fees for this work effort. Their work effort during the last year has met all expectations. The Board discussed this issue.

MR. SANDAL MOVED APPROVAL OF THE RENEWAL WITH GALLAGHER BENEFIT SERVICES FOR THE PERIOD JULY 1, THROUGH JUNE 30, 2010 FOR GROUP INSURANCE CONSULTANT SERVICES. THE MOTION WAS SECONDED BY MR. ERDMANN.

The Board further discussed the motion and noted that additional information would be necessary before final action is taken and requested this be held over until the May meeting. Based on this discussion, Mr. Sandal and Mr. Erdmann withdrew the motion and it will be included on the May agenda.

BCBS 2008 Claims Review

Mr. Reinhardt reported that on a yearly basis PERS staff review a specific sample of 100 PERS claims. He reviewed the results of this claims audit with the Board. The Board had questions and discussed this report.

Surplus Affordability Update

Mr. Reinhardt presented the February projections to the Board. At this time the projected gain for the 2007-09 biennium is \$0.

DEFERRED COMPENSATION

457 Provider Training

Ms. Knudsen reported to the Board that training is conducted on a yearly basis for the 457 providers. Last year, in an effort to make it more convenient for the provider representatives, PERS utilized the GoToMeeting website which was successful. Since there is no new material to present and PERS will have 187 representatives located in 23 communities throughout the state who will require training, PERS staff is proposing to offer the training via the GoToMeeting and also through the web. Those representatives that elect the option through the web will not receive continuing education credits. The Board discussed this issue and had questions of staff.

MS. EHRHARDT MOVED TO APPROVE THE CHANGES THIS YEAR TO ALLOW THE 457 PROVIDER REPRESENTATIVES AN OPPORTUNITY TO TAKE THE REQUIRED TRAINING EITHER THROUGH GOTOMEETING OR THE WEB. THE MOTION WAS SECONDED BY MR. TRENBEATH.

Ayes: Ms. Ehrhardt, Mr. Sandal, Ms. Smith, Mr. Trenbeath, Mr. Erdmann, and Chairman Strinden

Nays: None

Absent: Mr. Leingang

MOTION PASSED

RETIREMENT

Other Post Employment Benefit Plans (OPEB) Valuation

Mr. Collins reported to the Board that the annual OPEB reporting is due for the fiscal year ended June 30, 2009. Gallagher Benefit Services had completed the previous valuation and the Board needed to determine if it should go out for bid or obtain an estimate from GBS. Mr. Collins indicated that PERS will go out to bid on the experience study in the next couple of weeks. The Board discussed this issue.

MR. TRENBEATH MOVED TO GO OUT TO BID FOR THIS VALUATION AND TO INCLUDE IT WITH THE EXPERIENCE STUDY BID OFFERING AS A SEPARATE ITEM. THE MOTION WAS SECONDED BY MR. SANDAL.

Ayes: Ms. Ehrhardt, Mr. Sandal, Ms. Smith, Mr. Trenbeath, Mr. Erdmann, and Chairman Strinden

Nays: None

Absent: Mr. Leingang

MOTION PASSED

MISCELLANEOUS

Legislative Update

Mr. Collins reviewed with the Board the legislative status of PERS bills. He indicated that the retiree health credit bill has passed the House and will go back to the Senate for signature.

Quarterly Consultant Fees

The report of consultant fees paid during the quarter ending March 31, 2009 was presented to the Board for their information.

Executive Director Review

Chairman Strinden asked the Board for volunteers to serve to coordinate the annual review of the Executive Director and to prepare a salary adjustment recommendation. Mr. Sandal and Mr. Erdmann offered to be on the committee. Chairman Strinden will ask Mr. Leingang, who was not in attendance, if he would be willing to serve.

MR. TRENBEATH MOVED TO APPROVE MR. ERDMANN AND MR. SANDAL TO SERVE ON THE COMMITTEE AND TO CONTACT MR. LEINGANG TO SERVE. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Ehrhardt, Mr. Sandal, Ms. Smith, Mr. Trenbeath, Mr. Erdmann, and Chairman Strinden

Nays: None

Absent: Mr. Leingang

MOTION PASSED

IFEBP

Mr. Collins reported that he serves on the Public Employees Board of the International Foundation of Employee Benefit Plans for the past 6 years and was recently elected to serve as an officer for the Public Employees Board. Next year he will be secretary, then vice chair, then chair. All expenses for attending the meetings are paid by the Foundation. Mr. Collins seeks approval for the Foundation to pay expenses (per policy).

MS. SMITH MOVED TO APPROVE THE PAYMENT OF EXPENSES BY THE FOUNDATION FOR MR. COLLINS. THE MOTION WAS SECONDED BY MS. EHRHARDT.

Ayes: Ms. Ehrhardt, Mr. Sandal, Ms. Smith, Mr. Trenbeath, Mr. Erdmann, and Chairman Strinden

Nays: None

Absent: Mr. Leingang

MOTION PASSED

Financial Hardship #2009-001DC

Ms. Allen presented detailed information to the Board relating to a participant requesting a hardship withdrawal to cover unpaid expenses for the unexpected vehicle repairs that were not covered by warranty. The Board discussed this hardship withdrawal case.

MR. TRENBEATH MOVED TO APPROVE THE HARDSHIP REQUEST. THE MOTION WAS SECONDED BY MS. SMITH.

Ayes: Ms. Ehrhardt, Ms. Smith, Mr. Trenbeath, and Mr. Erdmann

Nays: Mr. Sandal and Chairman Strinden

Absent: Mr. Leingang

MOTION PASSED

Mr. Erdmann reported that a couple of weeks ago he attended an employee benefits conference for public plans put on by the International Foundation and he was impressed that the sessions were very focused and relevant to his work as an NDPERS trustee.

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 9:55 a.m.

Prepared by,

Cheryl Stockert
Secretary to the Board