

# MINUTES

## North Dakota Public Employees Retirement System

Tuesday, August 29, 2006  
ND Association of Counties, Bismarck  
BCBS, 4510 13<sup>th</sup> Ave SW, Fargo  
1:30 P.M.

Members Present: Ms. Joan Ehrhardt  
Mr. Ron Leingang  
Mr. Howard Sage  
Ms. Sandi Tabor

Via Video Conference: Ms. Rosey Sand  
Chairman Jon Strinden

Member Absent: Ms. Arvy Smith

Others Present: Mr. Sparb Collins, Executive Director, NDPERS  
Ms. Cheryl Stockert, NDPERS  
Ms. Kathy Allen, NDPERS  
Mr. Bryan Reinhardt, NDPERS  
Ms. Cheryle Masset-Martz, NDPERS  
Mr. Bill Robinson, Gallagher Benefit Services  
Cigna Representatives  
Delta Dental Representatives

Via Video Conference Mr. Larry Brooks, BCBSND

Chairman Jon Strinden called the meeting to order at 8:35 a.m.

### **Segal Update**

Mr. Collins reported that since the last Board meeting Ms. Leslie Thompson, our assigned actuary from Segal, has resigned and has taken a position with Gabriel Roeder Smith in Denver. Segal has assigned Mr. Michael Moehle, the lead principal consulting actuary, to PERS. Mr. Moehle will assume all the duties Leslie did and therefore he will be presenting the valuation information to the legislative Employee Benefits Committee this fall.

### **Interview of Two Group Dental Insurance Providers**

Mr. Collins reported that Cigna and Delta Dental were the two dental insurance providers selected to present to the Board. Representatives from Cigna and Delta Dental presented information relating to their respective dental plan coverage's, benefits, service model, and communication strategy. Copies of the presentations are available at the PERS office. In addition to presenting their proposal, Cigna provided the following clarifications:

- Their proposed rates would be 1% lower than quoted in the bid.
- The rates are guaranteed for two years (1/1/2007 – 12/31/2008).
- Rate cap on year 3 of 9%.
- R&C can be moved to 90<sup>th</sup> percentile with no rate impact.
- The quoted plan design does not include \$10 copay.
- The quoted plan design does not include initial waiting periods that are in the current plan mainly Type II of 6 months, Type III Major Treatment of 1 year, and Type IV Orthodontics Treatment of 2 years.
- Missing tooth limitation waived for all initial enrollees.
- Orthodontic treatment extended for adult and children.
- Waived enrollment caveat of +/- 10%.
- \$5,000 communication fund (these are dollars that can be used at the client's discretion to off-set any additional costs). This does not include CIGNA Dental's communication that we proposed directly to the dentists of North Dakota. These and other expenses would be CIGNA's responsibility.
- Performance guarantees of \$32,000 at risk. These dollars may be allocated at NDPERS discretion for implementation and ongoing service.

The Board asked questions of both providers, with a wrap up session immediately following.

Mr. Bill Robinson, Gallagher Benefit Services, provided an analysis and comparison regarding the strengths and weaknesses of Cigna and Delta Dental.

Board discussion followed the presentations from Cigna and Delta Dental and the analysis by Gallagher Benefit Services. The discussion focused on the issue of network providers versus not having a network, the plan design, premiums, administrative issues, rate guarantees and enrollment. The Board felt the lower rates and broader benefits offered by Cigna represented a better value to employees.

**MR. SAGE MOVED TO AWARD THE VOLUNTARY DENTAL INSURANCE PLAN TO CIGNA. THE MOTION WAS SECONDED BY MS. TABOR.**

**Ayes:** Mr. Leingang, Mr. Sage, Ms. Sand, Ms. Tabor, Ms. Ehrhardt, and Chairman Strinden.

**Nays:** None

**ABSENT:** Ms. Smith

**MOTION PASSED**

**MS. SAND MOVED THAT DELTA DENTAL BE CONSIDERED AS THE SECOND CHOICE IF CIGNA DOES NOT COMPLY WITH NDPERS ADMINISTRATIVE REQUIREMENTS. THE MOTION WAS SECONDED BY MS. TABOR.**

**Ayes:** Mr. Leingang, Mr. Sage, Ms. Sand, Ms. Tabor, Ms. Ehrhardt, and Chairman Strinden.

**Nays:** None

**ABSENT:** Ms. Smith

**MOTION PASSED**

Mr. Collins indicated that staff will meet with Cigna to go over the details of the administrative requirements and that the goal is to offer a new dental insurance package during open enrollment.

The meeting adjourned at 11:20 a.m.

Prepared by,

Cheryl Stockert  
Secretary to the NDPERS Board