

MINUTES

North Dakota Public Employees Retirement System

Thursday, January 18, 2007
ND Association of Counties, Bismarck
BCBS, 4510 13th Ave SW, Fargo
8:30 A.M.

Members Present: Ms. Joan Ehrhardt
Mr. Ron Leingang
Mr. Howard Sage
Mr. Thomas Trenbeath

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
Ms. Deb Knudsen, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Sharmain Dschaak, NDPERS
Mr. Aaron Webb, Attorney General's Office
Mr. Kevin Schoenborn, BCBSND
Ms. Onalee Sellheim, BCBSND
Ms. Gisele Thorson, NDPEA, AFT
Ms. Laurie Sterioti Hammeren, HRMS
Mr. Weldee Baetsch

Via Video Conference Mr. Larry Brooks, BCBSND

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

MINUTES

Chairman Strinden called for any comments or corrections to the December 21, 2006 Board meeting minutes.

THERE BEING NONE, MS. EHRHARDT MOVED APPROVAL OF THE DECEMBER 21, 2006 BOARD MEETING MINUTES. MR. SAGE SECONDED THE MOTION. THE MINUTES WERE APPROVED.

LASR UPDATE

Ms. Knudsen presented the monthly LASR status report through December 31, 2006 to the Board. The deadline for submission of proposals was Tuesday, January 16, 2007 and Ms. Knudsen reported that the procurement process was on track and staff were ready to begin the evaluation process. Mr. Collins indicated that since NDPERS is in the procurement phase of the project, the Board may wish to discuss strategy. Pursuant to NDCC 44-04-19.2, the Board discussed whether to proceed into executive session.

MS. SAND MOVED TO GO INTO EXECUTIVE SESSION TO DISCUSS STRATEGY RELATING TO THIS PROCUREMENT. THE MOTION WAS SECONDED BY MS. EHRHARDT.

MOTION PASSED

The Board proceeded into executive session at 8:45 a.m.

MS. EHRHARDT MOVED TO RETURN TO OPEN SESSION. THE MOTION WAS SECONDED BY MR. TRENBEATH.

MOTION PASSED

Executive session closed at 8:55 a.m. The public was invited back into the Board meeting.

LEGISLATIVE UPDATE

Mr. Collins stated that hearings have been held regarding the PERS bills and provided an update. Mr. Collins explained that, relating to engrossed Senate Bill 2050, there had been an oversight in the bill. He noted that while the bill provided an increase in the employer contribution of .15%, the bill as proposed did not provide for a similar increase for temporary employees and employees that purchase service. Mr. Collins noted the bill was amended in committee to make the contribution for this group equivalent. Mr. Collins indicated that relating to House Bill 1244 issues have been raised regarding confidentiality of the pharmacy benefit manager. Pursuant to NDCC 44-04-19.2 and because of the confidential information assertion raised by BCBSND relating to the pharmacy benefit manager, the Board discussed whether to proceed into executive session.

MR. LEINGANG MOVED TO GO INTO EXECUTIVE SESSION TO DISCUSS HOUSE BILL 1244. THE MOTION WAS SECONDED BY MS. EHRHARDT.

MOTION PASSED

The Board proceeded into executive session at 9:05 a.m.

MR. TRENBEATH MOVED TO RETURN TO OPEN SESSION. THE MOTION WAS SECONDED BY MR. SAGE.

MOTION PASSED

Executive session closed at 9:15 a.m. The public was invited back into the Board meeting.

GROUP INSURANCE

ANNUAL NDPERS UTILIZATION STUDY

Mr. Schoenborn, BCBSND, presented information to the Board relating to the NDPERS Annual Management Information System Study. The study included information relating to claims incurred, annual, membership and discount comparisons, demographics, high dollar claims, prescription drug information, member education, wellness benefit programs update, smoking cessation program, health dialog update, and projects in progress.

DENTAL ENROLLMENT

Ms. Knudsen provided information to the Board relating to the dental enrollment with the new dental insurance provider CIGNA. There was an increase of 551 contracts for the active group.

HEART OF AMERICA HEALTH PLAN

Ms. Knudsen stated that Heart of America in Rugby has requested to continue to offer its health plan membership to state employees in the Rugby service area for the period July 1, 2007 through June 30, 2008.

MR. SAGE MOVED TO ACCEPT THE HEART OF AMERICA REQUEST TO CONTINUE TO OFFER ITS HEALTH PLAN TO PERS MEMBERSHIP IN THE RUGBY SERVICE AREA. THE MOTION WAS SECONDED BY MR. LEINGANG.

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

Nays: None

Absent: Ms. Smith

MOTION PASSED

SURPLUS/AFFORDABILITY UPDATE

Mr. Reinhardt presented the surplus/affordability update for November and reviewed the estimated surplus projection figures with the Board.

FINANCIAL HARDSHIP PRESENTATION

Ms. Walker, Segal Company, presented information relating to the state of North Dakota 457 deferred compensation plan, specifically relating to interpretation of the regulations relating to unforeseeable emergency distributions.

PROVIDER TRAINING COMPLIANCE

Ms. Allen stated that the provider training compliance issue has been resolved; therefore, no Board action was necessary.

MISCELLANEOUS

BOARD ELECTION

Chairman Strinden indicated that the Board must appoint a committee of three to be on the election committee as the term of Board member Rosey Sand expires on June 30, 2007. Mr. Sage, Ms. Ehrhardt, and Mr. Leingang volunteered to serve on the committee. Mr. Sage will chair this committee. The Board discussed the need to review the current election rules as reviewed by legal counsel for possible updates.

MR. SAGE MOVED TO APPOINT MS. EHRHARDT, MR. LEINGANG AND MR. SAGE TO THE ELECTION COMMITTEE, WITH MR. SAGE ACTING AS CHAIR. THE MOTION WAS SECONDED BY MS. EHRHARDT.

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

Nays: None

Absent: Ms. Smith

MOTION PASSED

2006 ANNUAL REPORT

The 2006 Comprehensive Annual Financial Report was provided to the Board for information. A copy of this report is available on the NDPERS website at <http://www.nd.gov/ndpers/>

The meeting adjourned at 10:15 a.m.

Prepared by,

Cheryl Stockert
Secretary to the NDPERS Board