

MINUTES

North Dakota Public Employees Retirement System

ND Association of Counties, Bismarck

BCBS, 4510 13th Ave SW, Fargo

Thursday, January 20, 2011

8:30 A.M.

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

Via Videoconference: Chairman Jon Strinden

Others Present: Mr. Sparb Collins, NDPERS
Ms. Cheryl Stockert, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Kathy Allen, NDPERS
Ms. Deb Knudsen, NDPERS
Mr. Mathew Sagsveen, Attorney Generals Office
Mr. Kevin Schoenborn, BCBSND
Mr. Casey Martin, Prime Therapeutics
Mr. Ron Leingang

Via Videoconference: Ms. Nancy Vogeltanz-Holm, UND
Ms. Onalee Sellheim, BCBSND
Ms. Jodi Crouse, BCBSND
Mr. Brent Solseng, BCBSND
Mr. Jayme Steig, NDPSC

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 December 21, 2010 Board meeting.

MR. SAGE MOVED APPROVAL OF THE DECEMBER 21, 2010 NDPERS BOARD MINUTES. THE MOTION WAS SECONDED BY MS. SMITH. THE MINUTES WERE APPROVED.

GROUP INSURANCE

Prime Therapeutics Response to PBM Audit

Mr. Martin from Prime Therapeutics presented an update to the Board on the audit performed by Tricast. He reported that the audit was done in a very collaborative working relationship with Tricast. They reviewed the networks, rebates, and claims. The results of the audit were positive overall. There was no impact analysis needed to be run or benefit setup changes required which was a good outcome.

UND Diabetes Study

Ms. Vogeltanz-Holm reviewed a cost/benefit analysis of the North Dakota Diabetes Management Program with the Board that was done by her office. Information provided included the research and design methods used, the primary and secondary analyses, and conclusions of the program. The Board had questions regarding the results of the analyses. Mr. Collins indicated that Mr. Steig with Frontier Pharmacy Services will be at the next Board meeting to discuss the program and the findings which will be needed prior to the Board making its final decision on whether or not to continue this program.

BCBS

Mr. Schoenborn with BCBSND presented a proposal on an optional settlement agreement to the Board. The current settlement arrangement indicated if there is a gain, BCBS keeps 50% of the first \$3M; if there is a loss, BCBS loses 50% of first \$6M and 100% of the remainder. The proposed optional settlement would be if there is a gain, BCBS keeps nothing; if there is a loss, BCBS loses nothing for the first \$3M and PERS and BCBS would share 50% of next \$4M and 100% of any remaining loss would be the responsibility of BCBS. Mr. Schoenborn also discussed with the Board the Performance Standards and Guarantees as delegated in the RFP Section 6.11, specifically relating to the incentives and forfeiture values. The Board discussed this issue and had questions of BCBS. Mr. Collins indicated that Deloitte and BCBS will be at a future meeting to provide the Board with additional information.

Vision Enrollment Update

Ms. Allen provided the Board with an update on the enrollment activity with the new vision carrier – Superior Vision. There was a 35% increase in the vision plan as a result of annual enrollment.

Heart of America Health Plan

Ms. Allen reviewed with the Board the request for Heart of America Health Plan in Rugby to continue to offer its health plan to state and participating political subdivision employees in the Rugby service area. The Board had questions of staff relating to this request.

MR. ERDMANN MOVED TO ACCEPT THE HEART OF AMERICA PROPOSAL FOR THE PERIOD JULY 1, 2011 THROUGH JUNE 30, 2012. THE MOTION WAS SECONDED BY MS. EHRHARDT.

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

Nays: None

MOTION PASSED

RETIREMENT

Segal Contract

Mr. Collins reviewed with the Board the Segal proposal to extend the contract for one more year. Segal provided two proposals – the first proposed a one year fee arrangement and the second proposed a two year fee arrangement. The Board discussed the Segal extension and the proposed rates.

MR. TRENBEATH MOVED TO PROPOSE TO SEGAL AN EXTENSION FOR ONE YEAR WITH THE FEES PROPOSED IN YEAR ONE OF SEGAL'S TWO YEAR PROPOSAL. IF SEGAL DOES NOT ACCEPT THIS, PERS WOULD GO OUT TO BID. THE MOTION WAS SECONDED BY MR. SANDAL.

The Board discussed this motion.

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

Nays: None

Absent: Mr. Sage

MOTION PASSED

MISCELLANEOUS

Executive Director Policies

Mr. Collins reviewed with the Board the policies of the Board relating to the delegation of duties to the Executive Director. The Board discussed these policies and concurred that the policies would remain in place with no changes at this time. Mr. Collins indicated he would periodically bring these policies to the Board for review.

Attorney General Update

Mr. Sagsveen reported that Mr. Aaron Webb is no longer with the Attorney General's Office. Mr. Sagsveen will represent PERS as legal counsel until the position is filled. He also reported they are in the process of recruiting.

Comprehensive Annual Financial Report

Mr. Collins reported that the 2010 Comprehensive Annual Financial Report has been completed and is available on the PERS website. An email notice was sent to each participating employer and the report was submitted to the Government Finance Officers

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Association with an application for the GFOA Certificate of Excellence in Financial Reporting.

Chairman Strinden called for any other business or comments. Hearing none, the meeting adjourned at 10:32 a.m.

Prepared by,

Cheryl Stockert
Secretary to the Board