

NDPERS BOARD MEETING

Agenda

Bismarck Location:
ND Association of Counties
1661 Capitol Way
Fargo Location:
BCBS, 4510 13th Ave SW

April 17, 2008

Time: 8:30 AM

I. MINUTES

A. March 20, 2008

II. GROUP INSURANCE

- A. NDPhA – Reducing Rx Costs (Information)
- B. Health Dialog, Dependents – BCBS (Information)
- C. Health Plan Benefit Design – BCBS (Information)
- D. Gallagher Benefit Services Renewal – Sparb (Board Action)
- E. HB1433 Update – Sparb (Information)
- F. Prudential Rates – Kathy (Information)
- G. PPO Participation/Discounts – Kathy (Information)

III. DEFERRED COMPENSATION

A. Fidelity Renewal – Sparb (Board Action)

IV. MISCELLANEOUS

- A. PERSLink Contract Amendment – Sparb (Board Action)
- B. Legislation – Sparb (Board Action)
- C. Quarterly Consultant Fees – Jim (Information)
- D. Executive Director Review – Jon (Board Action)
- E. NCPERS – Sparb (Board Action)
- F. SIB Agenda

Any individual requiring an auxiliary aid or service must contact the NDPERS ADA Coordinator at 328-3900, at least 5 business days before the scheduled meeting.



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Memorandum

TO: NDPERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: Reducing Rx Costs

Representatives from the North Dakota Pharmacists Association will be at the meeting in follow-up to their meeting with you in February (attached for your information is the February Board material). At that time the NDPhA indicated they would like to present information on programs they felt could help reduce prescription costs.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: February 13, 2008
SUBJECT: Prescription Drugs

Members of the North Dakota Pharmacists Association will be at the next meeting to discuss pharmacy services in North Dakota. At the Board planning meeting in December we discussed the attached two memos and decided to ask the Pharmacists Association to a future Board meeting to discuss this and other issues.

Also please note the following study resolution relating to this topic that was adopted by the last legislature and was assigned to the IBL committee

1299 § 2 Study the regulation and licensing of pharmacists in this state, including an examination of the State Board of Pharmacy, the board's size, the manner of board membership appointment, and whether the board is representative of commercial and noncommercial pharmacists; the state's demographics and the impact changing demographics in rural areas will have on the ability of small, locally owned pharmacies to remain economically viable and of rural residents to access low-cost pharmaceuticals and pharmacy and pharmacists' services; pharmacy ownership restrictions, the relevance of those restrictions in terms of marketplace competition, and the impact of those restrictions on the price and availability of pharmaceuticals and on pharmacy and pharmacists' services; and statutory interplay between the board and the North Dakota Pharmaceutical Association and whether the regulatory function of the board conflicts with the advocacy function of the association (Industry, Business, and Labor Committee)



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Memorandum

TO: PERS Board
FROM: Bryan
DATE: November 15, 2007
SUBJECT: NDPERS Prescription Drugs Update

The NDPERS Health Plan cost sharing for prescription drugs for the 07-09 biennium is:

Prescription Formulary Generic Drug			
- Copayment	\$5	\$5	\$5
- Co-Insurance	15%	15%	15%
Prescription Formulary Brand-Name Drug			
- Copayment	\$20	\$20	\$20
- Co-Insurance	25%	25%	25%
Prescription Non-Formulary Drug			
- Copayment	\$25	\$25	\$25
- Co-Insurance	50%	50%	50%

The data for the latest year (7/2006 – 6/2007) shows the average charge for a generic drug at \$47.56 and the average charge for a brand name drug at \$165.38 per script. The average amount the NDPERS Health Plan paid was \$18.75 for a generic and \$90.26 for a brand name. There were 495,474 prescriptions during this period. Note that the Medicare part-D claims are no longer processed through the BCBS/Prime system. The NDPERS generic utilization for this period was at 57%.

The new mail order pharmacy had 450 claims for this period (1/10th of 1% of the total). Members that are using the mail order option are getting higher cost drugs. The average charges and paid amounts for mail order were:

	Charges	Paid
Generic:	\$128.90	\$140.39
Brand:	\$623.46	\$358.11

The top five mail order drugs were:

GENNAME	Frequency	Percent	Cumulative Frequency	Cumulative Percent
PROTONIX	21	4.83	21	4.83
ADVAIR DISKUS	16	3.68	37	8.51
AVONEX	16	3.68	53	12.18
CRESTOR	16	3.68	69	15.86
METFORMIN HCL	14	3.22	83	19.08

The top ten drugs for the NDPERS Prescription Drug Plan were:

GENNAME	Frequency	Percent	Cumulative Frequency	Cumulative Percent
LIPITOR	2637	2.01	2637	2.01
LISINOPRIL	2336	1.78	4973	3.79
HYDROCODONE/ACETAMINOPHEN	2304	1.75	7277	5.54
LEVOTHYROXINE SODIUM	2161	1.65	9438	7.19
AZITHROMYCIN	2051	1.56	11489	8.75
AMOXICILLIN	2015	1.53	13504	10.28
HYDROCHLOROTHIAZIDE	2012	1.53	15516	11.82
FLUOXETINE HCL	1730	1.32	17246	13.13
METFORMIN HCL	1705	1.30	18951	14.43
SERTRALINE HCL	1597	1.22	20548	15.65

Some retail stores like Wal-Mart and Target are now offering a 30-day supply of over 360 mostly generic drugs for \$4. This offer is for in-store purchases only except for stores in North Dakota and is not available by mail order. Since this is lower than the NDPERS copayment, these offers would save money for both the NDPERS Health Plan and its members. The following is an analysis from BCBS.

I took a look at NDPERS 2nd Quarter 2007 utilization. I would estimate that NDPERS would have saved approximately \$240,000 if all \$4 qualifying generics were filled at Wal-Mart stores. Members would have saved about the same amount in cost sharing.

For this to actually occur is another matter. The \$4 generic program applies only to prescriptions filled in less than 34 day supplies and picked up in person at a Wal-Mart store. There are no participating Wal-Mart stores in North Dakota. Only about \$7,000 of the savings noted above is attributable to NDPERS members with an out-of-state zipcode.

Tom Christensen, PhD, RPh
 Director of Pharmacy Management

If you have any questions or would like to see any other information, I will be available at the NDPERS Board meeting.



Memorandum

TO: Sparb Collins, NDPERS

FROM: Larry Brooks, BCBSND

DATE: January 8, 2008

SUBJECT: Wal-Mart Drugs

Through an e-mail dated December 10, 2007, you asked the effect on premiums if the Wal-Mart Drug Plan was available in North Dakota. Specifically, how much of a reduction in premiums would be associated with this option.

After reviewing this situation with our Actuarial Department, we would expect savings to NDPERS to be no more than 0.1% to 0.3% of premium, depending on the design of the benefit (for instance, who pays the \$4, if members have a choice, impact on areas without a Wal-Mart, impact of 90-day prescriptions, and so on).

Rob Scheiring of our Actuarial Department will be attending the January 17 Board meeting to address any additional questions you might have.



Memorandum

TO: Sparb Collins, NDPERS

FROM: Larry Brooks, BCBSND

DATE: April 9, 2008

SUBJECT: Disease Management & dependent children

At the March 20 NDPERS Board meeting, a request was made to research how services are provided to dependent children. Representatives of Health Dialog made the statement that children were not included as part of the fee development, opportunity analysis and the care-delivering model. This is the model accepted by BCBSND to offer our clients.

Within the current framework of disease management services offered by Health Dialog, children can be part of the program. However, the parent would need to initiate the in-bound call to a health coach. Normally this is what takes place anyway. Health Dialog would not turn away an in-bound call from a parent regarding the illness of their child. The only Health Dialog "exclusion" to the program, if you will, is that children do not receive targeted outreach.

After talking with representatives of Health Dialog, they could set up the system to provide targeted outreach to children, but only two conditions would be targeted (asthma and diabetes). For the additional fee, the only change that would be noticed is an outbound letter sent to homes having children with these two conditions. The letter would actually be addressed to the parent of the child.

An alternative solution would be to educate parents with children by using newsletter articles, an e-mail blast to employees and maybe a poster for break rooms. Parents should know that they could call a health coach anytime to ask questions about their child's condition. This seems to be the best alternative to paying an additional fee and incurring costs to mail letters to parents of children with asthma and diabetes.

If you have any questions, please let me know.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: Plan Design

As we approach the start of our renewal process this July, Larry Brooks will provide information on the differences between the PERS plan design and the standard BCBS plan design (attached). One difference that has gained attention lately is the benefit BCBS recently added for health club memberships. Larry will review this with you as well. Our office has received many calls and emails from members on this subject since it has been introduced. In addition, the Legislative Employee Benefits Committee has asked for a presentation on this at their April meeting.

The purpose in providing you this information at this time is to ask if you would like us to obtain any additional information on any of these areas for your consideration at the time we draft our renewal request this June or July. Also, please note that the our benefits committee reviewed a similar list this last fall and is recommending that the Plan Design be updated to include all CDC approved immunizations. The committee will again review this in May and we will bring their final recommendations to you this June/July.

Concerning the Plan Design we have started meetings with BCBS on the wellness addition that we discussed at the Board planning meeting.



Memorandum

TO: Sparb Collins, NDPERS

FROM: Larry Brooks, BCBSND

DATE: April 9, 2008

SUBJECT: Benefit Variances

For the April 17 NDPERS Board meeting, you had requested an updated list of product variances. Attached is the list prepared by our Actuarial staff last November 2007. The summary is separated into three (3) sections:

- Those variances, that when added to the plan, will result in an increase to monthly per contract rates.
- Those variances, that when added to the plan, will result in a decrease to monthly per contract rates.
- And a list of variances that are specific to the PERS products

* Please keep in mind that the estimated costs displayed on the attached pages were developed as of November 2007. If it's decided to explore adding any of these variances during the upcoming renewal, the cost items would be re-rated at that time.

Also attached is a report outlining the estimated costs to add the new BCBSND benefit enhancement called the Health Club Credit program.

If you have any questions, please let me know.

NDPERS Variances for 7-07/6-09

Costs/savings are spread over all contracts and assume the 7-07 benefit design.

The following items would be a benefit increase and produce a rate increase:

- 1.) cover routine circumcisions, subject to cost-share = **\$0.16 per contract per month cost increase**
- 2.) the 2007 benefit rewrite for preventive screening would change the "schedule" of preventive benefits to the first \$200 paid at 100% and then anything after that subject to cost-share = **\$5.30 per contract per month cost increase**. Items that have been previously priced separately such as preventive bone density scans, colonoscopies, sigmoidoscopies, etc. would be included in this benefit.
- 3.) * cover HPV immunizations for ages 19-26, paid at 100% = **\$0.32 per contract per month cost increase**
- 4.) * cover Zoster immunizations for ages 60+, paid at 100% = **\$0.28 per contract per month cost increase**
- 5.) * cover Tetanus immunization for age 19+ (and others currently on the list of CDC recommendations) for age 19+, paid at 100% = **\$0.18 per contract per month cost increase**
* Note that adding coverage for Gardasil and Zostavax and Tetanus for ages 19+ will mean they have coverage for all currently recommended CDC immunizations, and that any future recommended immunizations can be added without a cost. Total **cost increase** to enhance immunizations = **\$0.78 per contract per month**
- 6.) allowing the 2001 rewrite benefit for Rehabilitative/Habilitative Therapy = **\$0.30 per contract per month increase**
- 7.) change institutional Emergency Room services from copay then deductible then coinsurance to just copay then coinsurance = **\$1.05 per contract per month cost increase**
- 8.) when a Chiropractic Office Visit and Manipulation are billed on the same day by the same provider, change to apply only one copay instead of two = **\$0.22 per contract per month cost increase**
- 9.) allowing additional benefits for Microprocessor components for prosthetic limbs beyond the \$16,000 Medical Supplies and Equipment maximum benefits allowance = **\$0.26 per contract per month increase**
- 10.) allow one LRD visit per year for the treatment of obesity = **\$0.65 per contract per month increase**
- 11.) allow 7 Well Child Care visits through 12 months age = **\$0.11 per contract per month increase**
- 12.) pay influenza immunizations for ages 19+ at 100% = **\$0.09 per contract per month increase**
- 13.) contraceptive coverage = **\$8.38 per contract per month increase**
- 14.) treatment for hearing loss = **MORE INFORMATION NEEDED.**
- 15.) physician ordered non-prescription drugs = **MORE INFORMATION NEEDED.**
- 16.) health club credit program = **\$2.19 per Active contracts per month increase (please see attached)**

The following items would be a benefit decrease and produce a rate savings:

- 1.) change office visits for well child care from coinsurance to copay then 100% = **\$0.93 per contract per month reduction** (this assumes the Medicare benefits would remain at current benefits)
- 2.) change PT, OT, ST services from deductible then coinsurance to copay then coinsurance = **\$0.97 per contract per month reduction** (this assumes the Medicare benefits would remain at current benefits) (copays assumed are \$20 PPO in-area, \$25 PPO basic plan, \$15 EPO in-network, \$25 EPO self-referral)
- 3.) Maintenance Drugs apply two copays per prescription order or refill for a 35-100 day supply = **\$1.20 per contract per month reduction**

The following are part of the NDPERS general plan design and I did not price them as a variance:

- 1.) Does not use the SPD class
- 2.) Waiving copayment when paying secondary to Medicare
- 3.) PPO has no referral process
- 4.) Waive the deductible for maternity (delivery) related admissions when the member is enrolled in the Prenatal Plus Program
- 5.) Waive the deductible for office services billed by an institutional provider in an office setting
- 6.) PPO/Basic have one deductible level. EPO In-Network and Out-of-Network have varied deductibles
- 7.) Varied copays for office visits, and no coinsurance after the copays
- 8.) Applies OON copayments and coinsurance to OON services, but deductible amount is waived
- 9.) PPO applies OON cost-share to professional anesthesia & DXL services ordered by a network provider, but performed by an OON provider
- 10.) Medicare Part D drugs
- 11.) Diabetic supplies are paid at 85% but other drugs are allowed at 75% or 85% based on Brand/Generic
- 12.) Apply non-network deductible and coinsurance to HME services (except on-site)
- 13.) PPO allows services for OON Diabetic Ed programs. EPO (network product) does not allow this.
- 14.) Allows one dietary nutritional counseling visit when related to pregnancy, waiving cost-share
- 15.) Waives copayment for prenatal vitamins when the member is enrolled in the Prenatal Plus Program
- 16.) PPO/Basic waives the deductible for coinsurance for routine mammograms/pap smears

- 17.) PPO applies OON cost-share to Detoxification services that are provided by Non-PPO providers
- 18.) Allows OON hospice services, subject to OON deductible and coinsurance.
- 19.) Member Bill Audit Program
- 20.) PPO covers OON home infusion therapy subject to OON deductible and coinsurance
- 21.) Allows OON accident care at the OON cost-share level
- 22.) Allows services for OON medical emergency-urgent care at the OON cost-share level
- 23.) Waive the deductible for cardiac and pulmonary rehab services, even if they are OON
- 24.) Allow infertility at a 20% cost-share for all providers
- 25.) PPO allows services for OON diabetic eye exams at the OON cost-share level. EPO allows OON services at the network level.
- 26.) Professional visits for Emergency Room services do not apply a copay
- 27.) Initial accident services (within 48 hours of an accident) at a Non-PPO provider are not paid at the PPO level. EPO pays this situation at the network level.
- 28.) PPO/Basic Outpatient Psych & Substance Abuse, after the first 5 visits, are subject to deductible and 20% coinsurance. EPO applies applicable coinsurance percentages for IN and OON.
- 29.) Unique benefit for smoking cessation program
- 30.) Office Visit copay and coinsurance are waived for pap smears
- 31.) Non-student dependent age limit of 23 (end of month)
- 32.) Does not allow coordination of benefits between two state contracts
- 33.) No waiting periods, except for late enrollees
- 34.) Waives the Inpatient deductible for "initial" care for newborns

**Health Club Credit Program
NDPERS - Active Members
Cost Estimates (For Illustrative Purposes Only)**

Full Annual Credit Participation Rate	6%	10%	15%	20%
Eligible Members*	30,870	30,870	30,870	30,870
Eligible Members with Full Annual Credit Health Club Credit Program (Only)	1,852	3,087	4,631	6,174
Estimated Annual Health Club Credit Expense with Admin Fees**	\$488,928	\$814,968	\$1,222,584	\$1,629,936
Estimated Annual Cost Per Contract Per Month Spread Over All Actives	\$2.19	\$3.65	\$5.47	\$7.30

Estimated costs over 2 years (by percent participation)

	\$977,856.00	\$1,629,936.00	\$2,445,168.00	\$3,259,872.00
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* Active Members as of 1/31/08 - Eligible members include the enrolled Subscriber and enrolled spouse, if any, who are both at least age 18 years of age.

** \$264 (\$240 Annual Health Club Credit plus 10% Admin Fee) per eligible member with full credit.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 10, 2008
SUBJECT: GBS Renewal

It is time for us to consider our renewal with GBS. If we continue with them this would be last of our renewals before going to a general bid in two years. The major efforts we have coming up in the group insurance area in the next two years are:

1. *Our renewal with BCBS.* We rely on our group insurance consultant to review the proposed renewal and advise you as to its reasonableness based upon the underlying claims history. Given some of the initial indications we have had from BCBS this could be a controversial renewal in terms of the cost.
2. *Review of the proposed legislation.* As with last session it is possible that proposals may emerge to expand the membership in the PERS plan to the private sector. Last year Wisconsin considered such an initiative. If proposals are again submitted and if they mirror the previous one or the Wisconsin proposal it could also become very controversial. It is my understanding it did in Wisconsin and was one of the last bills decided by their legislature.
3. *Consulting and assistance with OPEB.* This is the new liability that the Governmental Accounting Standards Board requires employers to report on their financial statements. As we discussed we have an implicit liability that is not funded. Our

proposed legislation will highlight this with our proposed increase in this liability. This will likely raise many questions and increase the visibility of this issue.

4. *General consulting services* relating to the dental, life, LTC and health plans.

As we look back on our relationship with GBS we find the firm has demonstrated some strong attributes including:

1. They are very responsive, calls are returned promptly, information is sent timely and they are generally good to work with.
2. Their fees are very reasonable and they are careful in the number of hours they expend.
3. The lead consultant is very responsive and good to work with.
4. GBS has 4 years experience working with us.
5. They have done a very good job on our bid spec and product reviews for the insurance products.

Some areas that have been more challenging:

1. GBS does not directly employ the health actuaries, they employ another firm called APEX. Consequently we do not have an actuary directly assigned to us on a regular basis.
2. During the Medicare Part D project we transferred the work from GBS to Segal since they seemed to have a more comprehensive understanding of the requirements.
3. The review they did for the last renewal was adequate however it did not have a lot of depth.
4. While they did the initial estimate of the liability for the OPEB they have had difficulty giving us written advice on how the liability should be reported and the implications of limiting the liability by having an expiration date on the legislation. Consequently I have also had Segal and GRS working on the issue. GRS has responded in writing with specific advice.

Based upon the above some observations stand out:

1. GBS's work with us has demonstrated strengths in the area of vendor bids and analysis.
2. GBS has four years experience with us.
3. PERS may be facing some very visible and challenging issues in the next year in areas that have not been strength for GRS (health renewal & OPEB). All of these areas involve actuarial work.

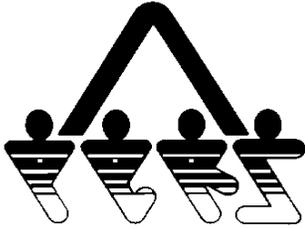
In considering the renewal with GBS and our review of their strengths/weaknesses the following options are available:

1. Renew with GBS and have them do all the group insurance in the next two years as in the past
2. Not renew with GBS and go to bid
3. Renew with GBS for our general consulting for the next two years but consider bidding out certain specific efforts such as the bid renewal, OPEB and certain specific legislative reviews (such as opening up PERS).

Staff will be considering these options and will bring a recommendation to the board meeting for your consideration.

Board Action Requested

To determine how to proceed with the GBS renewal.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: HB 1433 Implementation

Attached is an implementation grid for HB1433. The grid identifies each of the major work areas, decisions relating to each, implementation date and responsible party. I will review this with you at the meeting and each of the decisions that have been made to date. I am seeking your concurrence with those decisions and the direction to date. If there are areas you would like to pursue differently, we can build those into the plan. Several items I would like to point out:

1. At this time the incentive for the program would be to waive the copayment. As you will note, this is what was talked about in the legislative considerations of the bill and is consistent with the expected expenditures that we discussed when the bill was being considered.
2. We were not able to work getting the copayment waived at point of service; therefore, we will need to retrospectively reimburse the member. Should this be added to the health plan in the future, then we will be able to do point of service.
3. We are behind schedule in hiring the consultant to monitor the program. I will send an RFP in the near future when some of the details are finalized.
4. Our goal is still to go live with the project on July 1. This means enrollment will begin in June.

HB 1433 Implementation

Issue	Discussion	Decision	Implementation Date	Responsible Party
Incentive Payment	Differing options have been discussed including: <ol style="list-style-type: none"> 1) Waive copay at POS (point of sale) 2) Apply copay , make retroactive payment to member 3) Annual retroactive lump sum payment See attachment #1 for the full discussion of the method and the pro's/cons of each Still to be determined is how often the payments should be made, process and file layout.	It was decided that the most achievable method was option #2.	July 1, 2008 subject to concurrence by PERS Board	NDPA
Incentives scope	BCBS provided information on the cost of the drugs by class and indicated from an administrative standpoint this would be the most efficient way to administer Three classes were covered:: Diabetic Medications ACE/ARB Statin See attachment #2. It was also discussed if secondary coverage or adjustments should be a part of the program	It was decided to use classes for the incentives. Also to limit it to Diabetic medications and ACE/ARB Decision was to include drug card coverage only	July 1, 2008 subject to concurrence by PERS Board	PERS Decision
Promotion	At the Feb28 meeting PERS asked if BCBS could assist with the promotion of this project as was done for the smoking cessation program. At the	It was decided to have BCBS provide assistance, focus	Develop plan in April, develop material in May	BCBS

Issue	Discussion	Decision	Implementation Date	Responsible Party
	<p>March 17 meeting it was agreed that BCBS would have a proposal ready by March 26 and PERS/BCBS would review it in a conference call on March 27. Attachment #3 is the proposal.</p>	<p>the promotion to those with a diabetes diagnosis, and add a mailing. Much easier to handle, cuts down on phone calls and such. This would be supplemented with emails.</p>	<p>and start campaign subject to concurrence by PERS Board</p>	
<p>Part of the group insurance plan or separate</p>	<p>At the Feb 28 meeting it was discussed if the project was part of the group insurance plan or separate like the smoking cessation program. It was noted that given the timeframe and the requirements it would be difficult to add it to the plan since approvals would need to be obtained from the Insurance Department, changes made to the Certificate of Insurance and mailings would need to go to all the members. The most expeditious method would be to do this the same as the smoking program and if continued then add it to the plan</p>	<p>Given the timeframes it was decided that this would not a part of the group insurance plan</p>	<p>Done subject to concurrence by PERS Board</p>	
<p>List of eligible</p>	<p>It was discussed at the March 17 meeting that a list of eligibles would be necessary. The question was if BCBS would provide the list to NDPHA or if PERS should</p>	<p>PERS would provide the list to the NDPA. BCBS would give the list to PERS.</p>	<p>May</p>	<p>BCBS</p>
<p>Eligibility</p>	<p>It was discussed who should be eligible. It was noted that it would be difficult if not impossible to</p>	<p>It was decided that at this point it</p>	<p>Done subject to concurrence by</p>	<p>NDPA</p>

Issue	Discussion	Decision	Implementation Date	Responsible Party
	get reimbursement information for Medicare Part D members.	would be all members who are on the PERS Rx program. This would exclude Medicare Part D members	PERS Board	
Compliance	Mike Mullen is working on his draft findings relating to HIPAA. When the venter is on board, the NDPA will work out any BAA's if needed.	Review in April		PERS
MOU	It was discussed if MOU's would be necessary for any of all of the parties.	Review in the weeks to come		
Retaining a vendor to reimburse copayments	Since the program is outside the plan we need to retain a separate vendor to reimburse the member copays		April	NDPA
Retain vendor for program and project coordinator	NDPA is retaining the vendor for the program and a clinical coordinator		April	NDPA
Weekly Meeting	It was discussed at the March 17 meeting that weekly meeting should be planned	Agreed		

Rx DM Project Options for Incentives

HB 1433 – Diabetes Disease Management administered by Pharmacists; incentives are required for the member for participation in the pharmacist’s disease management program.

This program is being operated outside the group health plan. This means that the member’s Rx claim history must not be changed or altered for rating and reporting purposes.

In addition, since the program is outside the health plan, there was no consideration of administration fees required for developing and maintaining this program. Providing services already developed (as in rosters of eligible members, claims activity for eligible members and so on) could and would be done for this project. Anything requiring system changes would require a cost estimate and possible reimbursement of expenses.

In prior conversations, it was outlined that the pharmacist’s vender could issue checks based on output files from either data in their system or from BCBSND.

Incentive options include:

1) Waive RX copays at “point of sale” (POS) for members identified as going through the program. This option requires process changes for PTI and BCBSND. It has been determined that Prime can process the waiving of cost share. They would need to manually add a PA (Prior Authorization) code to each eligible member, which tells the system to waive copays. A system enhancement would also be needed to bill back PERS for the waived dollars (or somehow take from reserve account) and to update member history to reflect the appropriate cost share. Since this program is outside the health plan, member’s Rx history should show actual activity for rating and reporting purposes.

Refer to the example. This shows where the differences are comparing the proposed waiving of copays at POS and what the claims system should show after re-processing. The net difference is \$15, member liable.

Pros to waiving copay at POS:

Assuming the pharmacist alerts the member, savings to the member is realized at POS.

Cons to waiving copay at POS:

Member still realizes a payment to pharmacist for coinsurance.

	Waive at POS	Re-Process Claim
Allowed Charge	\$ 100.00	\$ 100.00
Copayment Formulary Drug	\$ -	\$ 20.00
Allowed Charge before Coinsurance	\$ 100.00	\$ 80.00
Coinsurance (25% Coinsurance)	\$ 25.00	\$ 20.00
Plan Payment	\$ 75.00	\$ 60.00
Member Responsibility	\$ 25.00	\$ 40.00

Member pays \$25 at POS

Re-Process Claims:
 During the claims upload to BCBSND history, Prime file shows member paid \$25. The first \$20 will go to Formulary Brand copay.
 That leaves \$5 (of the member paid \$25) that would go to coinsurance.
 System would show the member is short \$15 for coinsurance.

Question:
Where to get the \$15?

Bill the member?

Adjust the formulary coinsurance maximum?

Any other issues?

BCBSND system changes are needed to re-process claims to reflect what plan and member responsibilities actually are.

Prime would need to add PA code to eligible members (Manual process).

Once re-processing of claims is complete, there will be a balance due. How to balance the claim record? Apply PERS reserve dollars to claim record liability to balance? This would also require system changes.

Affect on EOB (explanation of benefits). Not sure what impact might be for flex benefits.

If we were to make changes to allow waiving of the copay at POS, and all of the system changes were made to allow this to happen, then the change would be considered inside the health plan. This brings an entire wave of issues and processes. We would need to set up a new product for this program, new SPD, filed with Insurance Department, new ID cards for eligible members and a multitude of other activities. All this takes time; we know how long a renewal takes when changes like this occur.

Contract with Prime and/or pharmacies might be affected.

All system changes would be charged to PERS.

Very complex option. The cost to implement the system changes and implementing as a new product (outside the health plan) is difficult to assemble in a short timeframe. Any cost to PERS for this implementation reduces the number of people the program could serve. Based on the complexities of this option, it's expected cost to implement would be significant.

2) Provide a lump sum payment after SUCCESSFULLY completing the program. This would involve tracking copayments and claims activity for eligible members during their course of care. Once the determination has been made if a member has completed the program successfully, then reimburse members for the actual amount of copays.

A variation of this option is to reimburse members a predetermined amount (say \$100 or \$150 or so) for SUCCESSFUL completion of the program. This way the number of copayment variable is removed from the picture. You know how many people can be served and roughly how many people will successfully complete the program. Easier to budget, maybe?

3) Another option would be to retrospectively reimburse (cut checks to) members for copayment amounts. Retrospective reimbursement could be done monthly or quarterly.

Not knowing the capabilities of the pharmacist's vender, but could their vender accommodate the reimbursing of incentive dollars? BCBSND could provide a file of copays incurred by eligible member, checks cut based on this information. This file would also be used to determine reimbursement from the PERS reserve account for Finance(?).

This option is ideal (vender to cut checks) as this limits BCBSND involvement to file production. Reminder, BCBSND does not receive admin for any services at this time. Production of data files for member eligibility and copay reimbursement would be done at no charge. Anything requiring significant system changes would be estimated and become PERS liable.

Pros:

Member would receive a check in hand, after paying their coinsurance at POS.

If vender makes payment to member, this provides minimal involvement by BCBSND.

At time of file generation by BCBSND, fund transfer from PERS reserve account can be done.
Process would work smoothly.

Least complex option.

Cons:

Added responsibility for the vender (already being paid to administer the program).

North Dakota Public Employee Retirement System
Service Dates 1/1/2007 through 12/31/2007

Table 1. Total Copayments for Formulary Medications by Therapeutic Class (N=2,440)*

Drug Class	Total Copay Range	Total Copay Amount	Average Total Copayment
Diabetic Medications	\$0-\$810	\$202,354	\$82.93
ACE/ARB	\$0-\$260	\$70,499	\$28.89
Statin	\$0-\$420	\$58,177	\$23.84
Total	\$0-\$875	\$331,030	\$135.66

* Members had a professional claim with a diagnosis of diabetes from 2006-2007 and drug coverage in January 2008

Table 2. Distribution of Per Member Total Copayment for Diabetic Medications*

Copay Range	Members	Percent	Cumulative Percent
\$0	805	33%	33%
\$1-\$50	612	25%	58%
\$51-\$100	321	13%	71%
\$101-\$150	194	8%	80%
\$151-\$300	350	14%	94%
Over \$300	158	7%	100%
Total	2,440	100%	

*Diabetic medications include oral hypoglycemics and insulin listed on the drug formulary

Table 3. Distribution of Per Member Total Copayments for Diabetic, ACE/ARB & Statin Medications

Copy Range	Members	Percent	Cumulative Percent
\$0	490	20%	20%
\$1-\$50	448	18%	38%
\$51-\$100	387	16%	54%
\$101-\$150	299	12%	67%
\$151-\$300	477	20%	86%
Over \$300	339	14%	100%
Total	2,440	100%	

NDPERS Rx Pharmacy Initiative – Promotional Campaign

Design Preparation and Artwork Search: Graphics: 4 hours @ \$74.64/hr = \$298.56

Poster: 18" x 22" full color – layout and setup
Graphics: 3 hours @ \$74.64/hr = \$223.92
Printing (1,000): @ \$.48 each = \$480.00
Mailing (all 1,000): Freight = \$185.00

Post Card: 4" x 6" full color two sided layout
Graphics: 4 hours @ \$74.64/hr = \$298.56
Printing (3,000): @ \$.105/each = \$315.00
Printing (6,000): @ \$.07/each = \$420.00
Printing (18,000): @ \$.055/each = \$990.00

Mailing (3,000): @ \$.135/each = \$405.00
Mailing (6,000): @ \$.130/each = \$780.00
Mailing (18,000): @ \$.115/each = \$2070.00
**Mailing includes (handling, sorting, inkjetting & preparing files)

Postage est. (3000) @ \$.19/ea = \$570.00
Postage est. (6000) @ \$.19/ea = \$1140.00
Postage est. (18,000) @ \$.19/ea = \$3420

EOB Stuffer: 3.5" x 8.5" full color one sided
Graphics: 3 hours @ \$74.64/hr = \$223.92
Printing (43,000): @ \$.025/ea = \$1075.00

\$



Memorandum

TO: Sparb Collins, NDPERS

FROM: Larry Brooks, BCBSND

DATE: April 9, 2008

SUBJECT: Pharmacy Program – Define Medications

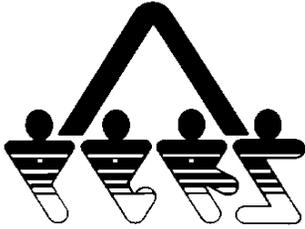
During the past few weeks, we have had many implementation meetings regarding disease the management program outlined in HB 1433. For this project, it was determined there will be two (2) classes of drugs where copayments will be reimbursed to the member. The two classes are diabetic medications and ACE/ARB drugs; approved by Mike Schwab and Dave Olig.

The following are how diabetic medications and ACE/ARB drugs are identified:

- Antidiabetics (Medi-Span GPI 270000*)
- ACE Inhibitors (Medi-Span GPI 361000*)
- Angiotensin II Receptor Antagonist (Medi-Span GPI 361500*)
- ACE Inhibitor & Calcium Blockers (Medi-Span GPI 369915*)
- ACE Inhibitor & Thiazides (Medi-Span GPI 369918*)
- Angiotensin II Receptor Antagonists & Thiazides (Medi-Span GPI 369940*)

For copayment reimbursement to members, the drugs listed above must be on the formulary list.

If you have any questions, please let me know.



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board

FROM: Kathy

DATE: April 9, 2008

SUBJECT: Prudential Renewal – Group Life Plan

At the March meeting, the Board approved the renewal proposal submitted by Prudential. The proposal included a 15% rate reduction for the employee supplemental rates and a 12% reduction in the dependent and spouse supplemental rates. The new rates are guaranteed for 3 years.

Prudential has confirmed its offer and the adjustments to the rate schedules have been made for the July 1, 2008 effective date. The new schedules for the retiree and active groups are included for your information.

Retiree Supplemental Life and Accidental Death and Dismemberment Insurance
 Monthly Premium Amounts - Underwritten by Prudential
 Rates Effective July 1, 2008
 \$1,300 Basic = \$4.32

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$30,000</u>	<u>\$35,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$50,000</u>
Under 25	\$4.52	\$4.79	\$5.06	\$5.33	\$5.60	\$5.87	\$6.14	\$6.41	\$6.68	\$6.95
25 to 29	\$4.52	\$4.79	\$5.06	\$5.33	\$5.60	\$5.87	\$6.14	\$6.41	\$6.68	\$6.95
30 to 34	\$4.58	\$4.93	\$5.28	\$5.63	\$5.98	\$6.33	\$6.68	\$7.03	\$7.38	\$7.73
35 to 39	\$4.65	\$5.09	\$5.53	\$5.97	\$6.41	\$6.85	\$7.29	\$7.73	\$8.17	\$8.61
40 to 44	\$4.77	\$5.38	\$5.99	\$6.60	\$7.21	\$7.82	\$8.43	\$9.04	\$9.65	\$10.26
45 to 49	\$4.90	\$5.68	\$6.46	\$7.24	\$8.02	\$8.80	\$9.58	\$10.36	\$11.14	\$11.92
50 to 54	\$5.15	\$6.27	\$7.39	\$8.51	\$9.63	\$10.75	\$11.87	\$12.99	\$14.11	\$15.23
55 to 59	\$5.90	\$8.04	\$10.18	\$12.32	\$14.46	\$16.60	\$18.74	\$20.88	\$23.02	\$25.16
60 to 64	\$6.72	\$9.96	\$13.20	\$16.44	\$19.68	\$22.92	\$26.16	\$29.40	\$32.64	\$35.88
65 to 69	\$8.86	\$14.99	\$21.12	\$27.25	\$33.38	\$39.51	\$45.64	\$51.77	\$57.90	\$64.03
70+	\$11.69	\$21.65	\$31.61	\$41.57	\$51.53	\$61.49	\$71.45	\$81.41	\$91.37	\$101.33

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$55,000</u>	<u>\$60,000</u>	<u>\$65,000</u>	<u>\$70,000</u>	<u>\$75,000</u>	<u>\$80,000</u>	<u>\$85,000</u>	<u>\$90,000</u>	<u>\$95,000</u>	<u>\$100,000</u>
Under 25	\$7.22	\$7.49	\$7.76	\$8.03	\$8.30	\$8.57	\$8.84	\$9.11	\$9.38	\$9.65
25 to 29	\$7.22	\$7.49	\$7.76	\$8.03	\$8.30	\$8.57	\$8.84	\$9.11	\$9.38	\$9.65
30 to 34	\$8.08	\$8.43	\$8.78	\$9.13	\$9.48	\$9.83	\$10.18	\$10.53	\$10.88	\$11.23
35 to 39	\$9.05	\$9.49	\$9.93	\$10.37	\$10.81	\$11.25	\$11.69	\$12.13	\$12.57	\$13.01
40 to 44	\$10.87	\$11.48	\$12.09	\$12.70	\$13.31	\$13.92	\$14.53	\$15.14	\$15.75	\$16.36
45 to 49	\$12.70	\$13.48	\$14.26	\$15.04	\$15.82	\$16.60	\$17.38	\$18.16	\$18.94	\$19.72
50 to 54	\$16.35	\$17.47	\$18.59	\$19.71	\$20.83	\$21.95	\$23.07	\$24.19	\$25.31	\$26.43
55 to 59	\$27.30	\$29.44	\$31.58	\$33.72	\$35.86	\$38.00	\$40.14	\$42.28	\$44.42	\$46.56
60 to 64	\$39.12	\$42.36	\$45.60	\$48.84	\$52.08	\$55.32	\$58.56	\$61.80	\$65.04	\$68.28
65 to 69	\$70.16	\$76.29	\$82.42	\$88.55	\$94.68	\$100.81	\$106.94	\$113.07	\$119.20	\$125.33
70+	\$111.29	\$121.25	\$131.21	\$141.17	\$151.13	\$161.09	\$171.05	\$181.01	\$190.97	\$200.93

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$105,000</u>	<u>\$110,000</u>	<u>\$115,000</u>	<u>\$120,000</u>	<u>\$125,000</u>	<u>\$130,000</u>	<u>\$135,000</u>	<u>\$140,000</u>	<u>\$145,000</u>	<u>\$150,000</u>
Under 25	\$9.92	\$10.19	\$10.46	\$10.73	\$11.00	\$11.27	\$11.54	\$11.81	\$12.08	\$12.35
25 to 29	\$9.92	\$10.19	\$10.46	\$10.73	\$11.00	\$11.27	\$11.54	\$11.81	\$12.08	\$12.35
30 to 34	\$11.58	\$11.93	\$12.28	\$12.63	\$12.98	\$13.33	\$13.68	\$14.03	\$14.38	\$14.73
35 to 39	\$13.45	\$13.89	\$14.33	\$14.77	\$15.21	\$15.65	\$16.09	\$16.53	\$16.97	\$17.41
40 to 44	\$16.97	\$17.58	\$18.19	\$18.80	\$19.41	\$20.02	\$20.63	\$21.24	\$21.85	\$22.46
45 to 49	\$20.50	\$21.28	\$22.06	\$22.84	\$23.62	\$24.40	\$25.18	\$25.96	\$26.74	\$27.52
50 to 54	\$27.55	\$28.67	\$29.79	\$30.91	\$32.03	\$33.15	\$34.27	\$35.39	\$36.51	\$37.63
55 to 59	\$48.70	\$50.84	\$52.98	\$55.12	\$57.26	\$59.40	\$61.54	\$63.68	\$65.82	\$67.96
60 to 64	\$71.52	\$74.76	\$78.00	\$81.24	\$84.48	\$87.72	\$90.96	\$94.20	\$97.44	\$100.68
65 to 69	\$131.46	\$137.59	\$143.72	\$149.85	\$155.98	\$162.11	\$168.24	\$174.37	\$180.50	\$186.63
70+	\$210.89	\$220.85	\$230.81	\$240.77	\$250.73	\$260.69	\$270.65	\$280.61	\$290.57	\$300.53

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$155,000</u>	<u>\$160,000</u>	<u>\$165,000</u>	<u>\$170,000</u>	<u>\$175,000</u>	<u>\$180,000</u>	<u>\$185,000</u>	<u>\$190,000</u>	<u>\$195,000</u>	<u>\$200,000</u>
Under 25	\$12.62	\$12.89	\$13.16	\$13.43	\$13.70	\$13.97	\$14.24	\$14.51	\$14.78	\$15.05
25 to 29	\$12.62	\$12.89	\$13.16	\$13.43	\$13.70	\$13.97	\$14.24	\$14.51	\$14.78	\$15.05
30 to 34	\$15.08	\$15.43	\$15.78	\$16.13	\$16.48	\$16.83	\$17.18	\$17.53	\$17.88	\$18.23
35 to 39	\$17.85	\$18.29	\$18.73	\$19.17	\$19.61	\$20.05	\$20.49	\$20.93	\$21.37	\$21.81
40 to 44	\$23.07	\$23.68	\$24.29	\$24.90	\$25.51	\$26.12	\$26.73	\$27.34	\$27.95	\$28.56
45 to 49	\$28.30	\$29.08	\$29.86	\$30.64	\$31.42	\$32.20	\$32.98	\$33.76	\$34.54	\$35.32
50 to 54	\$38.75	\$39.87	\$40.99	\$42.11	\$43.23	\$44.35	\$45.47	\$46.59	\$47.71	\$48.83
55 to 59	\$70.10	\$72.24	\$74.38	\$76.52	\$78.66	\$80.80	\$82.94	\$85.08	\$87.22	\$89.36
60 to 64	\$103.92	\$107.16	\$110.40	\$113.64	\$116.88	\$120.12	\$123.36	\$126.60	\$129.84	\$133.08
65 to 69	\$192.76	\$198.89	\$205.02	\$211.15	\$217.28	\$223.41	\$229.54	\$235.67	\$241.80	\$247.93
70+	\$310.49	\$320.45	\$330.41	\$340.37	\$350.33	\$360.29	\$370.25	\$380.21	\$390.17	\$400.13

Dependent Supplemental Life Insurance Premiums
 Monthly Premium Amounts
 Rates Effective July 1, 2008

Employee Age	Total Coverage	
	\$2,000	\$5,000
Under 25	\$0.21	\$0.53
25 to 29	\$0.21	\$0.53
30 to 34	\$0.21	\$0.53
35 to 39	\$0.21	\$0.53
40 to 44	\$0.21	\$0.53
45 to 49	\$0.21	\$0.53
50 to 54	\$0.21	\$0.53
55 to 59	\$0.21	\$0.53
60 to 64	\$0.21	\$0.53
65 to 69	\$0.21	\$0.53
70 to 74	\$0.21	\$0.53
75 to 79	\$0.21	\$0.53
80 to 84	\$0.21	\$0.53
85 to 89	\$0.21	\$0.53
90+	\$0.21	\$0.53

Spouse Supplemental Life Insurance
 Monthly Premium Amounts
 Rates Effective July 1, 2008

Employee's Age	Spouse Total Coverage									
	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
Under 25	\$0.26	\$0.52	\$0.78	\$1.04	\$1.30	\$1.56	\$1.82	\$2.08	\$2.34	\$2.60
25 to 29	\$0.35	\$0.70	\$1.05	\$1.40	\$1.75	\$2.10	\$2.45	\$2.80	\$3.15	\$3.50
30 to 34	\$0.44	\$0.88	\$1.32	\$1.76	\$2.20	\$2.64	\$3.08	\$3.52	\$3.96	\$4.40
35 to 39	\$0.44	\$0.88	\$1.32	\$1.76	\$2.20	\$2.64	\$3.08	\$3.52	\$3.96	\$4.40
40 to 44	\$0.53	\$1.06	\$1.59	\$2.12	\$2.65	\$3.18	\$3.71	\$4.24	\$4.77	\$5.30
45 to 49	\$0.79	\$1.58	\$2.37	\$3.16	\$3.95	\$4.74	\$5.53	\$6.32	\$7.11	\$7.90
50 to 54	\$1.14	\$2.28	\$3.42	\$4.56	\$5.70	\$6.84	\$7.98	\$9.12	\$10.26	\$11.40
55 to 59	\$2.20	\$4.40	\$6.60	\$8.80	\$11.00	\$13.20	\$15.40	\$17.60	\$19.80	\$22.00
60 to 64	\$3.34	\$6.68	\$10.02	\$13.36	\$16.70	\$20.04	\$23.38	\$26.72	\$30.06	\$33.40
65 to 69	\$6.34	\$12.68	\$19.02	\$25.36	\$31.70	\$38.04	\$44.38	\$50.72	\$57.06	\$63.40
70+	\$10.38	\$20.76	\$31.14	\$41.52	\$51.90	\$62.28	\$72.66	\$83.04	\$93.42	\$103.80

Employee's Age	Spouse Total Coverage									
	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000
Under 25	\$2.86	\$3.12	\$3.38	\$3.64	\$3.90	\$4.16	\$4.42	\$4.68	\$4.94	\$5.20
25 to 29	\$3.85	\$4.20	\$4.55	\$4.90	\$5.25	\$5.60	\$5.95	\$6.30	\$6.65	\$7.00
30 to 34	\$4.84	\$5.28	\$5.72	\$6.16	\$6.60	\$7.04	\$7.48	\$7.92	\$8.36	\$8.80
35 to 39	\$4.84	\$5.28	\$5.72	\$6.16	\$6.60	\$7.04	\$7.48	\$7.92	\$8.36	\$8.80
40 to 44	\$5.83	\$6.36	\$6.89	\$7.42	\$7.95	\$8.48	\$9.01	\$9.54	\$10.07	\$10.60
45 to 49	\$8.69	\$9.48	\$10.27	\$11.06	\$11.85	\$12.64	\$13.43	\$14.22	\$15.01	\$15.80
50 to 54	\$12.54	\$13.68	\$14.82	\$15.96	\$17.10	\$18.24	\$19.38	\$20.52	\$21.66	\$22.80
55 to 59	\$24.20	\$26.40	\$28.60	\$30.80	\$33.00	\$35.20	\$37.40	\$39.60	\$41.80	\$44.00
60 to 64	\$36.74	\$40.08	\$43.42	\$46.76	\$50.10	\$53.44	\$56.78	\$60.12	\$63.46	\$66.80
65 to 69	\$69.74	\$76.08	\$82.42	\$88.76	\$95.10	\$101.44	\$107.78	\$114.12	\$120.46	\$126.80
70+	\$114.18	\$124.56	\$134.94	\$145.32	\$155.70	\$166.08	\$176.46	\$186.84	\$197.22	\$207.60

Supplemental Life and Accidental Death and Dismemberment Insurance
 Monthly Premium Amounts - Underwritten by Prudential
 Rates Effective July 1, 2008

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$5,000</u>	<u>\$10,000</u>	<u>\$15,000</u>	<u>\$20,000</u>	<u>\$25,000</u>	<u>\$30,000</u>	<u>\$35,000</u>	<u>\$40,000</u>	<u>\$45,000</u>	<u>\$50,000</u>
Under 25	\$0.20	\$0.47	\$0.74	\$1.01	\$1.28	\$1.55	\$1.82	\$2.09	\$2.36	\$2.63
25 to 29	\$0.20	\$0.47	\$0.74	\$1.01	\$1.28	\$1.55	\$1.82	\$2.09	\$2.36	\$2.63
30 to 34	\$0.26	\$0.61	\$0.96	\$1.31	\$1.66	\$2.01	\$2.36	\$2.71	\$3.06	\$3.41
35 to 39	\$0.33	\$0.77	\$1.21	\$1.65	\$2.09	\$2.53	\$2.97	\$3.41	\$3.85	\$4.29
40 to 44	\$0.45	\$1.06	\$1.67	\$2.28	\$2.89	\$3.50	\$4.11	\$4.72	\$5.33	\$5.94
45 to 49	\$0.58	\$1.36	\$2.14	\$2.92	\$3.70	\$4.48	\$5.26	\$6.04	\$6.82	\$7.60
50 to 54	\$0.83	\$1.95	\$3.07	\$4.19	\$5.31	\$6.43	\$7.55	\$8.67	\$9.79	\$10.91
55 to 59	\$1.58	\$3.72	\$5.86	\$8.00	\$10.14	\$12.28	\$14.42	\$16.56	\$18.70	\$20.84
60 to 64	\$2.40	\$5.64	\$8.88	\$12.12	\$15.36	\$18.60	\$21.84	\$25.08	\$28.32	\$31.56
65 to 69	\$4.54	\$10.67	\$16.80	\$22.93	\$29.06	\$35.19	\$41.32	\$47.45	\$53.58	\$59.71
70+	\$7.37	\$17.33	\$27.29	\$37.25	\$47.21	\$57.17	\$67.13	\$77.09	\$87.05	\$97.01

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$55,000</u>	<u>\$60,000</u>	<u>\$65,000</u>	<u>\$70,000</u>	<u>\$75,000</u>	<u>\$80,000</u>	<u>\$85,000</u>	<u>\$90,000</u>	<u>\$95,000</u>	<u>\$100,000</u>
Under 25	\$2.90	\$3.17	\$3.44	\$3.71	\$3.98	\$4.25	\$4.52	\$4.79	\$5.06	\$5.33
25 to 29	\$2.90	\$3.17	\$3.44	\$3.71	\$3.98	\$4.25	\$4.52	\$4.79	\$5.06	\$5.33
30 to 34	\$3.76	\$4.11	\$4.46	\$4.81	\$5.16	\$5.51	\$5.86	\$6.21	\$6.56	\$6.91
35 to 39	\$4.73	\$5.17	\$5.61	\$6.05	\$6.49	\$6.93	\$7.37	\$7.81	\$8.25	\$8.69
40 to 44	\$6.55	\$7.16	\$7.77	\$8.38	\$8.99	\$9.60	\$10.21	\$10.82	\$11.43	\$12.04
45 to 49	\$8.38	\$9.16	\$9.94	\$10.72	\$11.50	\$12.28	\$13.06	\$13.84	\$14.62	\$15.40
50 to 54	\$12.03	\$13.15	\$14.27	\$15.39	\$16.51	\$17.63	\$18.75	\$19.87	\$20.99	\$22.11
55 to 59	\$22.98	\$25.12	\$27.26	\$29.40	\$31.54	\$33.68	\$35.82	\$37.96	\$40.10	\$42.24
60 to 64	\$34.80	\$38.04	\$41.28	\$44.52	\$47.76	\$51.00	\$54.24	\$57.48	\$60.72	\$63.96
65 to 69	\$65.84	\$71.97	\$78.10	\$84.23	\$90.36	\$96.49	\$102.62	\$108.75	\$114.88	\$121.01
70+	\$106.97	\$116.93	\$126.89	\$136.85	\$146.81	\$156.77	\$166.73	\$176.69	\$186.65	\$196.61

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$105,000</u>	<u>\$110,000</u>	<u>\$115,000</u>	<u>\$120,000</u>	<u>\$125,000</u>	<u>\$130,000</u>	<u>\$135,000</u>	<u>\$140,000</u>	<u>\$145,000</u>	<u>\$150,000</u>
Under 25	\$5.60	\$5.87	\$6.14	\$6.41	\$6.68	\$6.95	\$7.22	\$7.49	\$7.76	\$8.03
25 to 29	\$5.60	\$5.87	\$6.14	\$6.41	\$6.68	\$6.95	\$7.22	\$7.49	\$7.76	\$8.03
30 to 34	\$7.26	\$7.61	\$7.96	\$8.31	\$8.66	\$9.01	\$9.36	\$9.71	\$10.06	\$10.41
35 to 39	\$9.13	\$9.57	\$10.01	\$10.45	\$10.89	\$11.33	\$11.77	\$12.21	\$12.65	\$13.09
40 to 44	\$12.65	\$13.26	\$13.87	\$14.48	\$15.09	\$15.70	\$16.31	\$16.92	\$17.53	\$18.14
45 to 49	\$16.18	\$16.96	\$17.74	\$18.52	\$19.30	\$20.08	\$20.86	\$21.64	\$22.42	\$23.20
50 to 54	\$23.23	\$24.35	\$25.47	\$26.59	\$27.71	\$28.83	\$29.95	\$31.07	\$32.19	\$33.31
55 to 59	\$44.38	\$46.52	\$48.66	\$50.80	\$52.94	\$55.08	\$57.22	\$59.36	\$61.50	\$63.64
60 to 64	\$67.20	\$70.44	\$73.68	\$76.92	\$80.16	\$83.40	\$86.64	\$89.88	\$93.12	\$96.36
65 to 69	\$127.14	\$133.27	\$139.40	\$145.53	\$151.66	\$157.79	\$163.92	\$170.05	\$176.18	\$182.31
70+	\$206.57	\$216.53	\$226.49	\$236.45	\$246.41	\$256.37	\$266.33	\$276.29	\$286.25	\$296.21

Employee Total Coverage (Including Basic)

<u>Employee's Age</u>	<u>\$155,000</u>	<u>\$160,000</u>	<u>\$165,000</u>	<u>\$170,000</u>	<u>\$175,000</u>	<u>\$180,000</u>	<u>\$185,000</u>	<u>\$190,000</u>	<u>\$195,000</u>	<u>\$200,000</u>
Under 25	\$8.30	\$8.57	\$8.84	\$9.11	\$9.38	\$9.65	\$9.92	\$10.19	\$10.46	\$10.73
25 to 29	\$8.30	\$8.57	\$8.84	\$9.11	\$9.38	\$9.65	\$9.92	\$10.19	\$10.46	\$10.73
30 to 34	\$10.76	\$11.11	\$11.46	\$11.81	\$12.16	\$12.51	\$12.86	\$13.21	\$13.56	\$13.91
35 to 39	\$13.53	\$13.97	\$14.41	\$14.85	\$15.29	\$15.73	\$16.17	\$16.61	\$17.05	\$17.49
40 to 44	\$18.75	\$19.36	\$19.97	\$20.58	\$21.19	\$21.80	\$22.41	\$23.02	\$23.63	\$24.24
45 to 49	\$23.98	\$24.76	\$25.54	\$26.32	\$27.10	\$27.88	\$28.66	\$29.44	\$30.22	\$31.00
50 to 54	\$34.43	\$35.55	\$36.67	\$37.79	\$38.91	\$40.03	\$41.15	\$42.27	\$43.39	\$44.51
55 to 59	\$65.78	\$67.92	\$70.06	\$72.20	\$74.34	\$76.48	\$78.62	\$80.76	\$82.90	\$85.04
60 to 64	\$99.60	\$102.84	\$106.08	\$109.32	\$112.56	\$115.80	\$119.04	\$122.28	\$125.52	\$128.76
65 to 69	\$188.44	\$194.57	\$200.70	\$206.83	\$212.96	\$219.09	\$225.22	\$231.35	\$237.48	\$243.61

Dependent Supplemental Life Insurance Premiums
 Monthly Premium Amounts
 Rates Effective July 1, 2008

Employee Age	Total Coverage	
	\$2,000	\$5,000
Under 25	\$0.21	\$0.53
25 to 29	\$0.21	\$0.53
30 to 34	\$0.21	\$0.53
35 to 39	\$0.21	\$0.53
40 to 44	\$0.21	\$0.53
45 to 49	\$0.21	\$0.53
50 to 54	\$0.21	\$0.53
55 to 59	\$0.21	\$0.53
60 to 64	\$0.21	\$0.53
65 to 69	\$0.21	\$0.53
70 to 74	\$0.21	\$0.53
75 to 79	\$0.21	\$0.53
80 to 84	\$0.21	\$0.53
85 to 89	\$0.21	\$0.53
90+	\$0.21	\$0.53

Spouse Supplemental Life Insurance
 Monthly Premium Amounts
 Rates Effective July 1, 2008

Employee's Age	Spouse Total Coverage									
	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000	\$35,000	\$40,000	\$45,000	\$50,000
Under 25	\$0.26	\$0.52	\$0.78	\$1.04	\$1.30	\$1.56	\$1.82	\$2.08	\$2.34	\$2.60
25 to 29	\$0.35	\$0.70	\$1.05	\$1.40	\$1.75	\$2.10	\$2.45	\$2.80	\$3.15	\$3.50
30 to 34	\$0.44	\$0.88	\$1.32	\$1.76	\$2.20	\$2.64	\$3.08	\$3.52	\$3.96	\$4.40
35 to 39	\$0.44	\$0.88	\$1.32	\$1.76	\$2.20	\$2.64	\$3.08	\$3.52	\$3.96	\$4.40
40 to 44	\$0.53	\$1.06	\$1.59	\$2.12	\$2.65	\$3.18	\$3.71	\$4.24	\$4.77	\$5.30
45 to 49	\$0.79	\$1.58	\$2.37	\$3.16	\$3.95	\$4.74	\$5.53	\$6.32	\$7.11	\$7.90
50 to 54	\$1.14	\$2.28	\$3.42	\$4.56	\$5.70	\$6.84	\$7.98	\$9.12	\$10.26	\$11.40
55 to 59	\$2.20	\$4.40	\$6.60	\$8.80	\$11.00	\$13.20	\$15.40	\$17.60	\$19.80	\$22.00
60 to 64	\$3.34	\$6.68	\$10.02	\$13.36	\$16.70	\$20.04	\$23.38	\$26.72	\$30.06	\$33.40
65 to 69	\$6.34	\$12.68	\$19.02	\$25.36	\$31.70	\$38.04	\$44.38	\$50.72	\$57.06	\$63.40
70+	\$10.38	\$20.76	\$31.14	\$41.52	\$51.90	\$62.28	\$72.66	\$83.04	\$93.42	\$103.80

Employee's Age	Spouse Total Coverage									
	\$55,000	\$60,000	\$65,000	\$70,000	\$75,000	\$80,000	\$85,000	\$90,000	\$95,000	\$100,000
Under 25	\$2.86	\$3.12	\$3.38	\$3.64	\$3.90	\$4.16	\$4.42	\$4.68	\$4.94	\$5.20
25 to 29	\$3.85	\$4.20	\$4.55	\$4.90	\$5.25	\$5.60	\$5.95	\$6.30	\$6.65	\$7.00
30 to 34	\$4.84	\$5.28	\$5.72	\$6.16	\$6.60	\$7.04	\$7.48	\$7.92	\$8.36	\$8.80
35 to 39	\$4.84	\$5.28	\$5.72	\$6.16	\$6.60	\$7.04	\$7.48	\$7.92	\$8.36	\$8.80
40 to 44	\$5.83	\$6.36	\$6.89	\$7.42	\$7.95	\$8.48	\$9.01	\$9.54	\$10.07	\$10.60
45 to 49	\$8.69	\$9.48	\$10.27	\$11.06	\$11.85	\$12.64	\$13.43	\$14.22	\$15.01	\$15.80
50 to 54	\$12.54	\$13.68	\$14.82	\$15.96	\$17.10	\$18.24	\$19.38	\$20.52	\$21.66	\$22.80
55 to 59	\$24.20	\$26.40	\$28.60	\$30.80	\$33.00	\$35.20	\$37.40	\$39.60	\$41.80	\$44.00
60 to 64	\$36.74	\$40.08	\$43.42	\$46.76	\$50.10	\$53.44	\$56.78	\$60.12	\$63.46	\$66.80
65 to 69	\$69.74	\$76.08	\$82.42	\$88.76	\$95.10	\$101.44	\$107.78	\$114.12	\$120.46	\$126.80
70+	\$114.18	\$124.56	\$134.94	\$145.32	\$155.70	\$166.08	\$176.46	\$186.84	\$197.22	\$207.60



**North Dakota
Public Employees Retirement System**
400 East Broadway, Suite 505 • Box 1657
Bismarck, North Dakota 58502-1657

Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: NDPERS Board
FROM: Kathy & Bryan
DATE: April 8, 2008
SUBJECT: PPO Participation/Discounts

Annually, PERS requests BCBS to provide us with an update regarding the activity relative to additions to our PPO network. In 2007, 928 professional pins were issued and 14 facilities and 17 institutions providers were added to our directory.

The total PPO discount for last year was \$2.43 million. The discount is only for the professional providers. Since the EPO is no longer capitated or targeted, the discount is applied. The following report from BCBS breaks down the discounts based on PPO and EPO membership.

\$53,866,086 (total PPO and EPO members)

\$29,750,093 (just PPO members)

~ \$9,401,784 (institutional)

~ \$15,713,128 (professional) of this PPO Discount = \$1,378,965

~ \$4,635,181 (Rx drugs)

\$24,116,619 (just EPO members)

~ \$7,530,236 (institutional)

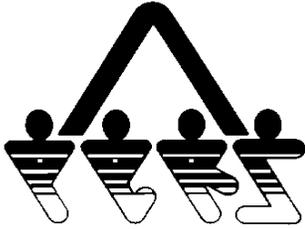
~ \$13,035,202 (professional) of this EPO Discount = \$1,054,620

~ \$3,551,181 (Rx drugs)

Total PPO Discount \$2,433,585

Note: Institutional Discounts are built into the fee schedule so are not reported as discount.

We are available to answer any questions.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: Fidelity Renewal

The Investment Subcommittee met on April 8th and reviewed the proposed renewal with Fidelity. The committee heard a presentation from Fidelity and reviewed the attached material. After consideration the committee is recommending that PERS renew with Fidelity for the next two years. Please note this will be the last interim renewal. The plan will go out for a general bid in 2010. The committee also felt the following deserved further consideration and will be reporting back its findings in the months to come:

1. The participant fee structure in the 401(a) plan and 457 Companion Plan should be reviewed.
2. Consider an annual increase program for the expedited enrollment option.
3. Consider allowing brokers the opportunity to participate in the Companion Plan.
4. Increase the minimum required contribution for the expedited enrollment option to \$50 from \$25 or change to a % of compensation enrollment, i.e. 1%, 2%.
5. Cashing out inactive accounts with a balance below \$1,000

Board Action Requested:

To approve the renewal with Fidelity

MEMORANDUM

TO: NDPERS Board
FROM: Sharon and Sparb
DATE: April 10, 2008
SUBJECT: **Sagitec Contract Amendment**

As we have progressed into the PERSLink project, we have noted further clarification of the System Agreement contract with Sagitec on the timing of the release of the 20% fee withholding is needed. Consequently an amendment to Section 6.4 and Attachment B of the contract is being proposed. Attached is the amendment that has been drafted by Aaron Webb.

Board Action Requested

Approve the contract amendment

Attachment

**AMENDMENT TO SYSTEM AGREEMENT BETWEEN
NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
AND
SAGITEC SOLUTIONS LLC**

This Amendment is entered into between North Dakota Public Employees Retirement System (NDPERS) and Sagitec Solutions LLC (VENDOR) to amend the Agreement between North Dakota Public Employees Retirement System and Sagitec Solutions LLC (AGREEMENT). The parties agree to the following terms and conditions and expressly agree that if any of the following terms and conditions are in conflict with any other terms and conditions between the parties, the following terms and conditions will control the rights and obligations of the parties. All other terms and conditions between the parties that will be directly affected by the following terms and conditions shall be interpreted and modified in such a way that is consistent with the following terms and conditions.

The Parties agree to amend the AGREEMENT to replace Section 6.4 with the following:

For all fees and approved invoices identified in this Section 6, NDPERS shall remit payment less twenty percent (20%) in accordance with the policies and procedures of NDPERS and as set forth in the RFP. There will be no retention or hold-back with respect to Performance Bond fees, license fees or costs of Third Party Software or Third Party Equipment. Upon Acceptance of phase 4 of the System, VENDOR may submit an invoice for one-half of the sum of all holdback amounts related to that phase, plus one-fourth of the sum of the holdback amounts for Phase 1, 2 and 3. The remaining one-half of the holdback amounts for Phase 4 plus an additional one-fourth of the sum of the holdback amounts for Phase 1, 2, and 3 may be invoiced upon successful completion of the phase 4 Warranty Period. Upon Acceptance of phase 5 of the System, VENDOR may submit an invoice for one-half of the sum of all holdback amounts related to that phase, plus one-fourth of the sum of the holdback amounts for Phase 1, 2 and 3. The remaining one-half of the holdback amounts for Phase 5 plus the remaining one-fourth of the sum of the holdback amounts for Phase 1, 2, and 3 may be invoiced upon successful completion of the phase 5 Warranty Period.

The remaining provisions of the AGREEMENT remain in full force and effect.

Sagitec Solutions LLC (VENDOR): _____

By: _____

Title: _____

Date: _____

North Dakota Public Employees Retirement System (NDPERS):

By: _____

Title: _____

Date: _____



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: Legislation

Our proposed legislation was submitted to the Legislative Employee Benefits Committee on March 26th. Attached, for your information, is a side by side of the bill and a discussion of the proposal for each section.

We will put a copy of this on the Board web site for your reference. The Employee Benefits Committee meets on April 22, attached is the meeting notice.

March 20, 2008

MEETING NOTICE

Representative Bette Grande, Chairman, has called a meeting of the **EMPLOYEE BENEFITS PROGRAMS COMMITTEE**.

Date: Tuesday, April 22, 2008

Time: 9:00 a.m.

Place: Harvest Room, State Capitol, Bismarck

Agenda: Presentation of proposals for legislation relating to retirement programs, health programs, and retiree health programs; and receive and discuss information relating to the study of employee benefits provided by state agencies which are not specifically authorized by law or if authorized by law are not consistent among agencies

Special Note: Anyone who plans to attend the meeting and needs assistance because of a disability should contact the Legislative Council staff as soon as possible.

Committee Members: Representatives Bette Grande, Eliot Glassheim, Jim Kasper, Matthew M. Klein, Joe Kroeber; Senators Ralph L. Kilzer, Karen K. Krebsbach, Curtis Olafson, Harvey D. Tallackson

Staff Contact: Jeffrey N. Nelson, Counsel

Any member who is unable to attend this meeting is asked to please notify this office as soon as possible.

Sincerely,

Jim W. Smith
Director

JWS/AC

**Sixty First Legislative Session
2009**

NDPERS Bill #1

LC #

Bill Provisions	Explanation	
<p>A BILL for an Act to amend and reenact subsection 1 of section 54-52.1-03.2 and subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code, relating to the retiree health benefits fund.</p>	<p>This bill increases the retiree health credit and the employer contribution to pay for the increase</p>	
<p>SECTION 1. AMENDMENT. Section 54-52.1-03.2 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-03.2. Retiree health benefits fund - Appropriation.</p> <p>1. The board shall establish a retiree health benefits fund account with the Bank of North Dakota for the purpose of prefunding and providing hospital benefits coverage and medical benefits coverage under the uniform group insurance program for retired eligible employees or surviving spouses of retired eligible employees and their dependents as provided in this chapter. The state shall contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries and wages of all participating members of the highway patrolmen's retirement system under chapter 39-03.1, and one <u>and fifteen hundredths</u> percent of the monthly salaries of all supreme or district court judges who are participating members of the public employees retirement system under chapter 54-52. Each governmental unit that contributes to the public employees retirement system fund under section 54-52-06 or the</p>	<p>This section increases the employer contribution for the retiree health credit program by .15% to pay for the increase in the credit in the next section</p>	

Bill Provisions	Explanation	
<p>retirement plan under chapter 54-52.6 shall contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries or wages of all participating members of the public employees retirement system under chapter 54-52 or chapter 54-52.6, except for nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13 and employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14. For nonteaching employees of the superintendent of public instruction who elect to participate in the public employees retirement system pursuant to section 54-52-02.13, the superintendent of public instruction shall contribute monthly to the retiree health benefits fund an amount equal to three and one-tenth <u>one-quarter</u> percent of the monthly salaries or wages of those nonteaching employee members, beginning on the first of the month following the transfer under section 54-52-02.13 and continuing thereafter for a period of eight years, after which time the superintendent of public instruction shall contribute one <u>and fifteen hundredths</u> percent of the monthly salary or wages of those nonteaching employee members. For employees of the state board for career and technical education who elect to participate in the public employees retirement system pursuant to section 54-52-02.14, the state board for career and technical education shall contribute monthly to the retiree health benefits fund an amount equal to two and eighty-</p>		

Bill Provisions	Explanation	
<p> five hundredths <u>three</u> percent of the monthly salary or wages of those employee members, beginning on the first of the month following the transfer under section 54-52-02.14 and continuing thereafter for a period of eight years, after which time the state board for career and technical education shall contribute one <u>and fifteen hundredths</u> percent of the monthly salary or wages of those employee members. The employer of a national guard security officer or firefighter shall contribute monthly to the retiree health benefits fund an amount equal to one <u>and fifteen hundredths</u> percent of the monthly salaries or wages of all national guard security officers or firefighters participating in the public employees retirement system under chapter 54-52. Job service North Dakota shall reimburse monthly the retiree health benefits fund for credit received under section 54-52.1-03.3 by members of the retirement program established by job service North Dakota under section 52-11-01. The board, as trustee of the fund and in exclusive control of its administration, shall: </p> <ul style="list-style-type: none"> a. Provide for the investment and disbursement of moneys of the retiree health benefits fund and administrative expenditures in the same manner as moneys of the public employees retirement system are invested, disbursed, or expended. b. Adopt rules necessary for the proper administration of the retiree health benefits fund, including enrollment procedures. 		

Bill Provisions	Explanation	
<p>SECTION 2. AMENDMENT. Subsection 2 of section 54-52.1-03.3 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>2. The board shall calculate the allowable monthly credit toward hospital and medical benefits coverage for a person eligible under subsection 1 in an amount equal to four <u>five</u> dollars and fifty cents multiplied by the member's or deceased member's number of years of credited service under the highway patrolmen's retirement system, the public employees retirement system, the retirement program established by job service North Dakota under section 52-11-01, or the judges retirement program established under chapter 27-17. For a member of the public employees retirement system receiving an early retirement benefit or the surviving spouse of that member, or a former participating member of the defined contribution retirement plan who is receiving a periodic distribution and would not meet the normal retirement provisions of the public employees retirement system, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent shall apply for each year the member terminates employment prior to attaining the age of sixty-four. For a member of the highway patrolmen's retirement system receiving an early retirement benefit or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of fifty-five and an additional reduction factor of six percent shall apply for each</p>	<p>This section increases the credit from \$4.50 to \$5</p>	

Bill Provisions	Explanation	
<p>year the member terminates employment prior to attaining the age of fifty-four. For a member of the retirement program established by job service North Dakota under section 52-11-01 receiving an early retirement benefit or a discontinued service annuity under the plan provisions of that retirement program or the surviving spouse of that member, the allowable monthly credit must be reduced by three percent if the member terminates employment within one year prior to attaining the age of sixty-five and an additional reduction factor of six percent applies for each year the member terminates employment prior to attaining the age of sixty-four.</p>		

Sixty First Legislative Session 2009

NDPERS Bill #2

LC #

Bill Provisions	Explanation	
<p>A BILL for an Act to create and enact subsection 3 of section 39-03.1-09, and subsection 4 of section 54-52-05, of the North Dakota Century Code, relating to payment of employee contributions under the highway patrolmen's retirement plan and public employees retirement system; to amend and reenact subsection 1 of section 21-10-01, 39-03.1-08.2, subsections 8 and 9 of section 39-03.1-11, 39-03.1-11.2, subsections 6 and 9 of section 54-52-17, subsection 6 of section 54-52-17.4, 54-52-28, subsection 7 of section 54-52.1-03, and 54-52.1-03.4 of the North Dakota Century Code, relating to membership on state investment board, purchase of service credit, member benefit options, Internal Revenue Code compliance, and board elections under the highway patrolmen's retirement plan and public employees retirement system, and participation and employer payments under uniform group insurance program.</p>	<p>This bill proposes numerous technical and administrative changes for the PERS and HP retirement plans</p>	
<p>SECTION 1. AMENDMENT. Subsection 1 of section 21-10-01 of the North Dakota Century Code is amended and reenacted as follows:</p> <ol style="list-style-type: none"> 1. The North Dakota state investment board consists of the governor, the state treasurer, the commissioner of university and school lands, the director of workforce safety and insurance, the insurance commissioner, three members of the teachers' fund for retirement board or the board's designees who need not be members of the fund as selected by that board, and three <u>two</u> of the elected members 	<p>This section proposes to modify the PERS membership on the State Investment Board to allow a non elected member of the PERS Board to serve if appointed by the PERS Board</p>	

Bill Provisions	Explanation	
<p>of the public employees retirement system board as selected by that board, <u>and one member of the public employees retirement system board as selected by that board.</u> The director of workforce safety and insurance may appoint a designee, subject to approval by the workforce safety and insurance board of directors, to attend the meetings, participate, and vote when the director is unable to attend. The teachers' fund for retirement board may appoint an alternate designee with full voting privileges to attend meetings of the state investment board when a selected member is unable to attend. The public employees retirement system board may appoint an alternate designee with full voting privileges from the public employees retirement system board to attend meetings of the state investment board when a selected member is unable to attend. The members of the state investment board, except elected and appointed officials and the director of workforce safety and insurance or the director's designee, are entitled to receive as compensation sixty-two dollars and fifty cents per day and necessary mileage and travel expenses as provided in sections 44-08-04 and 54-06-09 for attending meetings of the state investment board.</p>		
<p>SECTION 2. AMENDMENT. Section 39-03.1-08.2 of the North Dakota Century Code is amended and reenacted as follows:</p> <ol style="list-style-type: none"> 1. The fund may accept rollovers from other eligible plans under rules adopted by the board for the purchase of additional service 		

Bill Provisions	Explanation	
<p><u>qualify for retirement benefits from another retirement system:</u></p> <p>a. <u>Except as provided in subsection 3 of section 39-03.1-10.1, up to four years of credit for active employment in the armed forces of the United States.</u></p> <p>b. <u>Employment as a permanent employee by a public employer either within or outside the state of North Dakota.</u></p> <p>c. <u>Employment as a permanent employee by the federal government.</u></p> <p>4. <u>A contributor may elect to purchase credit for the following absences for which the participating contributor is not receiving service credit:</u></p> <p>a. <u>Employer-approved leave of absence;</u> <u>or</u></p> <p>b. <u>Months away from work while participating as a seasonal employee.</u></p> <p>5. The contributor may purchase credit under this section by paying to the board an amount equal to the actuarial cost to the fund of providing the credit. The board shall adopt rules governing the purchase of additional credit under this section.</p> <p>6. The board may establish individual retirement accounts and individual retirement annuities as permitted under section 408(q) of the Internal Revenue Code to allow employees to make voluntary employee contributions. The board may adopt appropriate rules as may be necessary to implement and administer the accounts and annuities under this section.</p> <p>7. In addition to service credit identified in this section, a contributor may purchase up to five <u>ten</u> years of service credit <u>unrelated to any</u></p>	<p>This change allows a member to purchase up to ten years of service credit however the additional 5</p>	

Bill Provisions	Explanation	
<p><u>other eligible service. Up to a maximum of five years of purchased service credit under this subsection will be recognized as service credit for the purpose of computing retirement dates under section 39-03.1-11.</u></p> <p>8. Pursuant to rules adopted by the board, the board may allow a contributor to purchase service credit with either pretax or aftertax moneys, at the board's discretion. If a contributor elects to purchase service credit using pretax moneys, the requirements and restrictions in subsection 2 of section 39-03.1-09 apply to the purchase arrangement.</p>	<p>years would not be eligible credit toward meeting the rule of 80</p>	
<p>SECTION 3. Subsection 3 to section 39-03.1-09 of the North Dakota Century Code is created and enacted as follows:</p> <p>3. <u>For compensation earned after August 1, 2009, all employee contributions required under subsection 1, and not otherwise paid under subsection 2, shall be paid by the state in lieu of contributions by the member. All contributions paid by the state under this subsection must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the state under this subsection must not be included as gross income of the member in determining tax treatment under this code and the Internal Revenue Code until they are distributed or made available. Contributions paid by the state in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made</u></p>	<p>This section would authorize the payment of employee contributions to the HP plan to be paid on a pretax basis instead of an after tax basis</p>	

Bill Provisions	Explanation	
<p>section 401(a)(31) of the Internal Revenue Code in effect on August 1, 2007 2009, as it applies for governmental plans. <u>The defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as approved by the legislature, shall be adjusted under section 415(d) of the Internal Revenue Code, effective January 1 of each year following a legislative session. The adjustment of the defined benefit dollar limitation under section 415(d) shall apply to participating members who have had a separation from employment, but such member's benefit payments shall not reflect the adjusted limit prior to January 1 of the calendar year in which the adjustment applies. In the event a participating member's benefit is increased by plan amendment after the commencement of benefit payments, the member's annual benefit must not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as adjusted under section 415(d) for the calendar year in which the increased benefit is payable. If a participating member is, or ever has been, a participant in another defined benefit plan maintained by the employer, the sum of the participant's annual benefits from all such plans may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code. Where the participating member's employer-provided benefits under all such defined benefit plans would exceed the defined benefit dollar limitation, the benefit must be reduced to comply with section 415 of the Internal Revenue Code. Such reduction will be made pro rata between the plans, in proportion to the participating member's service in each plan.</u></p>		
<p>SECTION 6. AMENDMENT. Subsection 4 of section 54-52-03 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>4) Three board members must be elected by and</p>	<p>This change allows a members of the HP plan, the</p>	

Bill Provisions	Explanation	
<p>from among the active participating members, <u>members of the retirement plan established under chapter 54-52.6, members of the retirement plan established under 39-03.1, and members of the job service North Dakota retirement plan.</u> Employees who have terminated their employment for whatever reason are not eligible to serve as elected members of the board under this subsection. Board members must be elected to a five-year term pursuant to an election called by the board. Notice of board elections must be given to all active participating members. The time spent in performing duties as a board member may not be charged against any employee's accumulated annual or any other type of leave.</p>	<p>Job Service retirement plan or the defined contribution plan to run for the PERS Board.</p>	
<p>SECTION 7. Subsection 4 to section 54-52-05 of the North Dakota Century Code is created and enacted as follows:</p> <p>4. <u>For compensation earned after August 1, 2009, all employee contributions required under sections 54-52-06.1 and the job service of North Dakota retirement plan, and not otherwise paid under subsection 3, shall be paid by the employer in lieu of contributions by the member. All contributions paid by the employer under this subsection must be treated as employer contributions in determining tax treatment under this code and the federal Internal Revenue Code. Contributions paid by the employer under this subsection must not be included as gross income of the member in determining tax treatment under this code and the Internal</u></p>	<p>This change will allow members of the judges retirement plan to pay the employee contributions on a pretax basis instead of an after tax basis.</p>	

Bill Provisions	Explanation	
<p><u>Revenue Code until they are distributed or made available. Contributions paid by the employer in accordance with this subsection must be treated for the purposes of this chapter in the same manner and to the same extent as member contributions made prior to the date the contributions were assumed by the employer. The employer shall pay these member contributions from the same source of funds used in paying compensation to the employee. The employer shall pay these contributions by effecting an equal cash reduction in the gross salary of the employee. The employer shall continue making payments under this section unless otherwise specifically provided for under the agency's biennial appropriation, or by amendment to law.</u></p>		
<p>SECTION 8. AMENDMENT. Subsections 6, 8, and 9 of section 54-52-17 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>6. If before retiring a member dies after completing three years of eligible employment, except for supreme and district court judges, who must have completed five years of eligible employment, the board shall pay the member's account balance to the member's designated beneficiary as provided in this subsection. If the member has designated an alternate beneficiary with the surviving spouse's written consent, the board shall pay the member's account balance to the named beneficiary. If the member has named more than one primary beneficiary, the board shall pay the member's account balance to the named primary beneficiaries in the</p>		

Bill Provisions	Explanation	
<p>percentages designated by the member or, if the member has not designated a percentage for the beneficiaries, in equal percentages. If one or more of the primary beneficiaries has predeceased the member, the board shall pay the predeceased beneficiary's share to the remaining primary beneficiaries. If there are no remaining primary beneficiaries, the board shall pay the member's account balance to the contingent beneficiaries in the same manner. If there are no remaining designated beneficiaries, the board shall pay the member's account balance to the member's estate. If the member has not designated an alternate beneficiary or the surviving spouse is the beneficiary, the surviving spouse of the member may select a form of payment as follows:</p> <p>a. If the member was a supreme or district court judge, the surviving spouse may select one of the following optional forms of payment:</p> <p>(1) A lump sum payment of the member's retirement account as of the date of death.</p> <p>(2) Payments as calculated for the deceased member as if the member was of normal retirement age at the date of death, payable until the spouse dies.</p> <p>b. The surviving spouse of all other members may select one of the following options:</p> <p>(1) A lump sum payment of the member's retirement account as</p>		

Bill Provisions	Explanation	
<p>of the date of death.</p> <p>(2) Payments for sixty months as calculated for the deceased member as if the member was of normal retirement age at the date of death.</p> <p>(3) Payment of a monthly retirement benefit equal to fifty percent of the deceased member's accrued single life retirement benefits until the spouse dies.</p> <p>(4) (3) If the member dies on or after the member's normal retirement date, the payment of a monthly retirement benefit equal to an amount that would have been paid to the surviving spouse if the member had retired on the day of the member's death and had selected a one hundred percent joint and survivor annuity, payable until the spouse dies. A surviving spouse who received a benefit under this subsection as of July 31, 1995, is entitled to the higher of that person's existing benefit or the equivalent of the accrued benefit available under the one hundred percent joint and survivor provision as if the deceased member were of normal retirement age, with the increase payable beginning August 1, 1995.</p> <p>8. The surviving spouse of a member receiving</p>	<p>This change eliminates the sixty month option for the surviving spouse. It is a benefit that is little used.</p>	

Bill Provisions	Explanation	
<p>security option, which is available only to members who retire prior to attaining the age at which they may begin to receive unreduced social security benefits.</p> <p>d. Actuarially equivalent life with ten-year or twenty-year certain options.</p> <p>e. An actuarially equivalent partial lump sum distribution option with a twelve-month maximum lump sum distribution.</p> <p>f. <u>An actuarial equivalent graduated benefit option with either a one or two percent increase.</u></p>	<p>This change adds a new optional method for receiving a benefit. It will allow a member to spread their benefit payments so they increase over time at a 1% or 2% rate.</p>	
<p>SECTION 9. Subsection 6 of section 54-52-17.4 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>6. In addition to service credit identified in this section, a vested participating member may purchase up to five <u>ten</u> years of service credit unrelated to any other eligible service. <u>Up to a maximum of five years of purchased service credit under this subsection will be recognized as service credit for the purpose of computing retirement dates under section 54-52-17.</u></p>	<p>This change will allow member to purchase an additional 5 years of service credit however it would not be counted toward eligibility for the rule of 85.</p>	
<p>SECTION 10. AMENDMENT. Section 54-52-28 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52-28. Internal Revenue Code compliance. The board shall administer the plan in compliance with section 415, section 401(a)(9), section 401(a)(17), and section 401(a)(31) of the Internal Revenue Code in effect on August 1, 2007 <u>2009</u>, as it applies for governmental plans. <u>The</u></p>	<p>This section updates the federal compliance provisions for PERS and addresses federal requirements for dual plans</p>	

Bill Provisions	Explanation	
<p><u>defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as approved by the legislature, shall be adjusted under section 415(d) of the Internal Revenue Code, effective January 1 of each year following a legislative session. The adjustment of the defined benefit dollar limitation under section 415(d) shall apply to participating members who have had a separation from employment, but such member's benefit payments shall not reflect the adjusted limit prior to January 1 of the calendar year in which the adjustment applies. In the event a participating member's benefit is increased by plan amendment after the commencement of benefit payments, the member's annual benefit must not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code, as adjusted under section 415(d) for the calendar year in which the increased benefit is payable.</u></p> <p><u>If a participating member is, or ever has been, a participant in another defined benefit plan maintained by the employer, the sum of the participant's annual benefits from all such plans may not exceed the defined benefit dollar limitation under section 415(b)(1)(A) of the Internal Revenue Code. Where the participating member's employer-provided benefits under all such defined benefit plans would exceed the defined benefit dollar limitation, the benefit must be reduced to comply with section 415 of the Internal Revenue Code. Such reduction will be made pro rata between the plans, in proportion to the participating member's service in each plan.</u></p>		
<p>SECTION 11. AMENDMENT. Subsection 7 of section 54-52.1-03 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>7. If the participating employee is a teacher <u>faculty member</u> in a state charitable, penal, or educational institution who receives a salary or</p>	<p>This section applies to the PERS health plan and clarifies the meaning of teacher and that a contract can be less than 12 months instead of 9 months.</p>	

Bill Provisions	Explanation	
<p>wages on a nine-month <u>less than a twelve-month</u> basis and has signed a contract to teach for the next ensuing school year, the agency shall make arrangements to include that employee in the insurance program on a twelve-month basis and make the contribution authorized by this section for each month of the twelve-month period.</p>		
<p>SECTION 12. AMENDMENT. Section 54-52.1-03.4 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-03.4 Participation by employees of certain political subdivisions and temporary <u>Temporary employees and employees on unpaid leave of absence.</u> An employee of a county, city, school district, district health unit, or park district that is not participating in the uniform group insurance program pursuant to section 54-52.1-03.1 and is not eligible for any other employee group health plan may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements established by the board. The board may use risk-adjusted premiums for individual insurance contracts to implement the provisions of this section allowing employees of a county, city, school district, district health unit, or park district to participate in the uniform group insurance program. The county, city, school district, district health unit, or park district employee participating in the uniform group insurance program under this section shall pay monthly to the board the premiums in effect for the coverage being provided. A temporary employee employed before August 1, 2007, may elect to participate in the uniform group insurance program by completing the necessary enrollment forms and qualifying under the medical underwriting requirements of the program. A temporary employee</p>	<p>This change deletes the provision that allows employees of employers that do not participate in PERS to join the health insurance plan. It is our understanding that HIPAA does not allow us to underwrite these individuals and therefore this could present opportunities for significant adverse selection against the plan.</p>	

Bill Provisions	Explanation	
<p>employed on or after August 1, 2007, is only eligible to participate in the uniform group insurance program if the employee is employed at least twenty hours per week and at least twenty weeks each year of employment. The temporary employee or the temporary employee's employer shall pay monthly to the board the premiums in effect for the coverage being provided. <u>An employer shall also have the option of paying health or life insurance premiums for a permanent employee on an unpaid leave of absence.</u> A political subdivision, department, board, or agency may make a contribution for coverage under this section.</p>	<p>This would allow an employer to make health insurance payments for an employee on an approved leave of absence.</p>	

**Sixty First Legislative Session
2009**

LC #

NDPERS Bill #3

Bill Provisions	Explanation	
<p>A BILL for an Act to create and enact subsection 7 of section 54-52-17.4 of the North Dakota Century Code, relating to purchase of service credit under the public employees retirement system; to amend and reenact section 39-03.1-10, subsection 9 of section 39-03.1-11, sections 39-03.1-11.3, 54-52-06, 54-52-17.5, 54-52-17.11, 54-52-17.13, and subsection 2 of section 54-52.6-09 of the North Dakota Century Code, relating to employer contributions, cost of living adjustments and supplemental retiree payments under the highway patrolmen's retirement system and public employees retirement system.</p>	<p>This bill provides adjustments to retirees in the PERS and HP retirement plans. Two adjustments are proposed. The first is a 13th check that would be paid if the plans rate of return and funded status reach certain benchmarks. The second is a 2% cost of living adjustment in 2011 that would be paid for by a one time, one biennium increase in employer contributions. Participation by political subdivisions in this second provision is optional.</p> <p>This bill also sets the standard HP benefit to include a 100% J&S benefit</p>	
<p>SECTION 1. AMENDMENT. Section 39-03.1-10 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>39-03.1-10. Contributions by the state. The state shall contribute to the fund a sum equal to sixteen and seventy-hundredths percent of the monthly salary or wage of a participating member. <u>State contributions set out under this section shall increase to an amount equal to twenty-two percent from July 1, 2009, through June 30, 2011.</u> If the member's contribution is paid by the state under subsection 2 of section 39-03.1-09, the state shall contribute, in addition, an amount equal to the required member's contribution. The state shall pay the associated employer contribution for those members who elect to exercise their rights under subsection 3 of section 39-03.1-10.1.</p>	<p>This change increases the employer contributions to the HP plan from 16.7% to 22% on a one time basis for two years to pay for a 2% increase in retirement benefits is Section 3 of the bill.</p>	

<p>SECTION 2. AMENDMENT. Subsection 9 to section 39-03.1-11 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>9. The board shall adopt rules providing for the receipt of retirement benefits in the following optional forms:</p> <ol style="list-style-type: none"> a. An actuarially equivalent joint and survivor one hundred percent option. b. An actuarially equivalent life with ten-year or twenty-year certain options. c. An actuarially equivalent partial lump sum distribution option with a twelve-month maximum lump sum distribution. <p>Unless a contributor requests that the contributor receive benefits according to one of these options at the time of applying for retirement, all retirement benefits must be in the form of a lifetime monthly pension, with a <u>fifty one hundred</u> percent option to the surviving spouse.</p>	<p>This change increases the HP standard benefit to include a 100% J&S benefit. Presently the plan standard benefit includes an 50% JS benefit</p>	
<p>SECTION 3. AMENDMENT. Section 39-03.1-11.3 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>39-03.1-11.3. Supplemental retiree benefit payment. If the board determines that the fund has obtained a total return on investments of nine and six hundredths percent or higher for the fiscal year ending June 30, 2007, or June 30, 2008, the <u>The board shall authorize an additional increase the monthly payment equal to seventy-five percent of the January retirement allowance following the fiscal yearend to each eligible retiree in pay status as of that January, including joint and survivor and term certain beneficiaries, under this chapter. The board may only make one payment under this section. individual or the individual's beneficiary receiving benefit payments</u></p>	<p>This section authorizes two increases for HP retirees.</p> <p>The first increase is a 13th check for members of the HP plan in January of 2010. If the market reaches certain thresholds, then the amount varies as follows:</p> <ul style="list-style-type: none"> • The check will be 50% if the return is greater than 8% and the funded status at market is at least 105% • The check will be 75% if the return is greater than 9% and the funded status at market is at 	

under this chapter by two percent of the individual's present benefits with the increase payable beginning January, 2011. The board shall also authorize a one time supplemental retiree benefit to each eligible retiree in pay status as of January 1, 2010, including joint and survivor and term certain beneficiaries, based on the one of the following options:

1. No additional payment if the board determines that the fund has obtained a total return on investments equal to, or less than, eight percent for the fiscal year ending June 30, 2009, or the highway patrolmen's retirement system funding ratio is equal to or less than a market value of one hundred and five percent.
2. An additional payment equal to fifty percent of the January retirement allowance following the fiscal year end if the board determines that the fund has obtained a total return on investments greater than eight percent for the fiscal year ending June 30, 2009, and the highway patrolmen's retirement system funding ratio is greater than a market value of one hundred and five percent.
3. An additional payment equal to seventy-five percent of the January retirement allowance following the fiscal year end if the board determines that the fund has obtained a total return on investments greater than nine percent for the fiscal year ending June 30, 2009, and the highway patrolmen's retirement system funding ratio is greater than a market value of one hundred and ten percent.
4. An additional payment equal to one hundred percent of the January retirement allowance following the fiscal year end if the board determines that the fund has obtained a total return on investments greater than ten percent

least 110%

- The check will be 100% if the return is greater than 10% and the funded status is at least 115%
- No 13th check will be paid if the return is less than 8% or the funded status is less than 105%

The bill also authorizes a 2% increase for HP retirees in January of 2011 which is paid for by a one time, two year increase in contributions.

<p><u>for the fiscal year ending June 30, 2009, and the highway patrolmen's retirement system funding ratio is greater than a market value of one hundred and fifteen percent.</u></p>		
<p>SECTION 4. AMENDMENT. Section 54-52-06 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52-06. Employer's contribution to retirement plan. Each governmental unit shall contribute an amount equal to four and twelve-hundredths percent of the monthly salary or wage of a participating member. <u>Employer contributions set out under this section shall increase to an amount equal to five and twenty-five hundredths percent from July 1, 2009, through June 30, 2011.</u> For those members who elect to exercise their rights under section 54-52-17.14, the employing governmental unit, or in the case of a member not presently under covered employment the most recent employing governmental unit, shall pay the associated employer contribution. If the employee's contribution is paid by the governmental unit under subsection 3 of section 54-52-05, the employer unit shall contribute, in addition, an amount equal to the required employee's contribution. Each governmental unit shall pay the contribution monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, into the retirement fund from its funds appropriated for payroll and salary or any other funds available for these purposes. Any <u>A</u> governmental unit failing to pay the contributions monthly, or in the case of an election made pursuant to section 54-52-17.14 a lump sum, is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due. In lieu of assessing a civil penalty or one percent per month, or both, interest at the actuarial rate of return may be assessed for each month the contributions are delinquent. If contributions are paid within ninety days of</p>	<p>\</p> <p>This change increases the employer contributions to the HP plan from 4.12% to 5.25% on a one time basis for two years to pay for a 2% increase in retirement benefits is Section 5 of the bill.</p>	

<p>the date they became due, penalty and interest to be paid on delinquent contributions may be waived. An employer is required to submit contributions for any past eligible employee who was employed after July 1, 1977, for which contributions were not made if the employee would have been eligible to become vested had the employee participated and if the employee elects to join the public employees retirement system. Employer contributions may not be assessed for eligible service that an employee has waived pursuant to subsection 1 of section 54-52-05. The board shall report to each session of the legislative assembly the contributions necessary, as determined by the actuarial study, to maintain the fund's actuarial soundness.</p>		
<p>SECTION 5. AMENDMENT. Subsection 7 to section 54-52-17.4 of the North Dakota Century Code is created and enacted as follows:</p> <p><u>7. Any member who possesses vested employer contributions in accordance with 54-52-11.1 may purchase one month of service credit for each year of vested employer contributions at termination of employment. The employee shall pay nine and twelve hundredths percent of salary for a purchase made under this subsection. Purchases under this subsection shall be limited to two years of service credit. Service credit purchased under this subsection will not be recognized as service credit for the purpose of computing retirement dates under section 54-52-17.</u></p>	<p>This provision allows a member who has engaged in supplemental retirement savings to purchase service in PERS at a fixed rate of 9.12%. The amount to be purchased is limited to 2 years and does not apply to eligibility for the rule of 85.</p> <p>The purpose of this provision is provide an additional incentive for employees to save for retirement.</p>	
<p>SECTION 6. AMENDMENT. Section 54-52-17.5 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52-17.5. Postretirement adjustments. An individual or the individual's beneficiary who, on July 31, 2004 <u>January 1, 2011</u>, is receiving retirement benefits under</p>	<p>This section increases retiree benefits on January</p>	

<p>subdivision a, c, d, or e of subsection 4 of section 54-52-17 is entitled to receive an increase in benefits equal to six <u>two</u> percent of the individual's present benefits with the increase payable beginning August 1, 2004 <u>January, 2011</u>. <u>Participation by political subdivision employers under this section shall be optional, at the discretion of each political subdivision. If a political subdivision employer chooses not to participate under this section, the employer contribution will not increase during the period from July 1, 2009, through June 30, 2011, as provided under 54-52-06, and the retirees and beneficiaries of the political subdivision will not receive increased benefits under this section. A political subdivision employer election to participate under this section must be made on or before July 1, 2009, if no election is made by the above referenced date, the employer will be presumed to have made an election to not participate.</u></p>	<p>of 2011 by 2% and allows political subdivisions participating in PERS to determine if they want to increase their contributions for 2 years to pay for an increase for their retirees. If they choose not to participate their retirees will not get the 2% adjustment.</p>	
<p>SECTION 7. AMENDMENT. Section 54-52-17.11 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52-17.11. Judges postretirement adjustments. A supreme or district court judge or that person's beneficiary who, on December 31, 2007 <u>January 1, 2011</u>, is receiving retirement benefits under subdivision b of subsection 4 of section 54-52-17, is entitled to receive an increase in benefits equal to two percent of the individual's present benefits with the increase payable beginning January 1, 2008. A supreme or district court judge or that person's beneficiary who, on December 31, 2008, is receiving retirement benefits under subdivision b of subsection 4 of section 54-52-17, is entitled to receive an increase in benefits equal to two percent of the individual's present benefits with the increase payable beginning January 1, 2009 <u>January, 2011</u>. The increases allowed by this section may only be given if the public employees retirement board determines there is actuarial margin sufficient to pay the</p>	<p>This section allows judges to get a 2% increase in benefits in January 2011 if there is sufficient margin in the system to pay for the increase</p>	

increases.

SECTION 8. AMENDMENT. Section 54-52-17.11 of the North Dakota Century Code is amended and reenacted as follows:

54-52-17.13 Supplemental retiree benefit payment. ~~If the board determines that the fund has obtained a total return on investments of nine and six hundredths percent or higher for the fiscal year ending June 30, 2007, or June 30, 2008, the board shall authorize an additional payment equal to seventy-five percent of the January retirement allowance following the fiscal yearend to each eligible retiree in pay status as of that January, excluding judicial retirees and beneficiaries, but including joint and survivor and term certain beneficiaries, under this chapter. The board may only make one payment to each retiree under this section. The board shall authorize a one time supplemental retiree benefit to each eligible retiree in pay status as of January 1, 2010, including judicial retirees and beneficiaries, and also including joint and survivor and term certain beneficiaries, based on the one of the following options:~~

1. No additional payment if the board determines that the fund has obtained a total return on investments equal to, or less than, eight percent for the fiscal year ending June 30, 2009, or the public employees retirement system funding ratio is equal to or less than a market value of one hundred and five percent.
2. An additional payment equal to fifty percent of the January retirement allowance following the fiscal yearend if the board determines that the fund has obtained a total return on investments greater than eight percent for the fiscal year ending June 30, 2009, and the public employees retirement system funding ratio is greater than a market value of one hundred and five percent.

The section authorizes a 13th check for members of the PERS plan in January of 2010. If the market reaches certain thresholds, the amount varies as follows:

- The check will be 50% if the return is greater than 8% and the funded status at market is at least 105%
- The check will be 75% if the return is greater than 9% and the funded status at market is at least 110%
- The check will be 100% if the return is greater than 10% and the funded status is at least 115%
- No 13th check will be paid if the return is less than 8% or the funded status is less than 105%

<p>3. <u>An additional payment equal to seventy-five percent of the January retirement allowance following the fiscal yearend if the board determines that the fund has obtained a total return on investments greater than nine percent for the fiscal year ending June 30, 2009, and the public employees retirement system funding ratio is greater than a market value of one hundred and ten percent.</u></p> <p>4. <u>An additional payment equal to one hundred percent of the January retirement allowance following the fiscal yearend if the board determines that the fund has obtained a total return on investments greater than ten percent for the fiscal year ending June 30, 2009, and the public employees retirement system funding ratio is greater than a market value of one hundred and fifteen percent.</u></p>		
<p>SECTION 9. AMENDMENT. Subsection 2 of section 54-52.6-09 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>2. The employer shall contribute an amount equal to four and twelve hundredths percent of the monthly salary or wage of a participating member. <u>Employer contributions set out under this section shall increase to an amount equal to five and twenty-five hundredths percent from July 1, 2009, through June 30, 2011.</u> If the employee's contribution is paid by the employer under subsection 3, the employer shall contribute, in addition, an amount equal to the required employee's contribution. The employer shall pay monthly such contribution into the participating member's account from its funds appropriated for payroll and salary or any other funds available for such purposes. If</p>	<p>This section authorizes the same increase in employer contributions for members of the defined contribution plan also as a one time, two year adjustment.</p>	

the employer fails to pay the contributions monthly, it is subject to a civil penalty of fifty dollars and, as interest, one percent of the amount due for each month of delay or fraction thereof after the payment became due.

Sixty First Legislative Session 2009

NDPERS Bill #4

LC #

Bill Provisions	Explanation	
<p>A BILL for an Act to amend and reenact section 54-52.1-02 of the North Dakota Century Code, relating to non-Medicare retiree insurance rates.</p>		
<p>SECTION 1. AMENDMENT. Section 54-52.1-02 of the North Dakota Century Code is amended and reenacted as follows:</p> <p>54-52.1-02. Uniform group insurance program created – Formation into subgroups. In order to promote the economy and efficiency of employment in the state's service, reduce personnel turnover, and offer an incentive to high-grade men and women to enter and remain in the service of state employment, there is hereby created a uniform group insurance program. The uniform group must be composed of eligible and retired employees and be formed to provide hospital benefits coverage, medical benefits coverage, and life insurance benefits coverage in the manner set forth in this chapter. The uniform group may be divided into the following subgroups at the discretion of the board:</p> <ol style="list-style-type: none"> 1. Medical and hospital benefits coverage group consisting of active eligible employees and retired employees not eligible for Medicare. In determining premiums for coverage under this subsection for retired employees not eligible for Medicare, the rate for a non-Medicare retiree single plan is one hundred fifty <u>twenty-five</u> percent of the active member single plan rate, the rate for a non-Medicare retiree family 	<p>The proposed change in this section reduces the rate for premedicare retirees by changing the difference in the premedicare single to active single from 150% to 125%. This change also reduces the premedicare family rate.</p>	

<p>plan of two people is twice the non-Medicare retiree single plan rate, and the rate for a non-Medicare retiree family plan of three or more persons is two and one-half times the non-Medicare retiree single plan rate.</p> <ol style="list-style-type: none"> 2. Retired Medicare-eligible employee group medical and hospital benefits coverage. 3. Active eligible employee life insurance benefits coverage. 4. Retired employee life insurance benefits coverage. 5. Terminated employee continuation group medical and hospital benefits coverage. 6. Terminated employee conversion group medical and hospital benefits coverage. 7. Dental benefits coverage. 8. Vision benefits coverage. 9. Long-term care benefits coverage. 10. Employee assistance benefits coverage. 11. Retired Medicare-eligible employee group prescription drug coverage. 		
<p>SECTION 2. EXPIRATION DATE - SUSPENSION. This Act is effective through June 30, 2011, and after that date is ineffective. North Dakota Century Code section 54-52.1-02 is suspended from the effective date of this act through June 30, 2011. Section 54-52.1-02 as it existed on the day before the effective date of this Act will become effective as of July 1, 2011.</p>	<p>This provision set an expiration date which means if this bill is passed it would only be effective for one biennium.</p>	



North Dakota
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Sparb Collins
Executive Director
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1-800-803-7377

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MEMORANDUM

TO: NDPERS Board
FROM: Jim Smrcka
DATE: April 7, 2008
SUBJECT: Consultant Fees

Attached is a report showing the consulting, investment and administrative fees paid during the quarter ended March 31, 2008 Please let me know if you have any questions on the report.

Attachment

North Dakota Public Employees Retirement System
Consulting/Investment/Administrative Fees
For the Quarter ended March 31, 2008

Program/Project		Fee Type	Jan-08	Feb-08	Mar-08	Fees Paid During The Quarter	Fees Paid Year-To-Date
Actuary/Consulting Fees:							
Gallagher Benefit Services, Inc	Insurance	Fixed Fee	-	-	-	-	0
Gallagher Benefit Services, Inc	Ongoing consulting	Time charges	10,362	-	-	10,362	10,362
Gallagher Benefit Services, Inc	Travel Expenses	Actual	-	-	-	-	0
LR Wechsler, LTD	IT Project	Fixed Fee	9,613	27,144	11,988	48,745	48,745
LR Wechsler, LTD	Travel Expenses	Actual	3,328	2,182	4,131	9,641	9,641
Mid Dakota Clinic	Retirement Disability	Time charges	200	240	-	440	440
The Segal Company	Retirement (DB)	Fixed Fee	12,825	-	-	12,825	12,825
The Segal Company	Ret Health Credit	Fixed Fee	2,475	-	-	2,475	2,475
The Segal Company	FlexComp	Fixed Fee	2,700	-	-	2,700	2,700
The Segal Company	Job Service	Fixed Fee	3,600	-	-	3,600	3,600
The Segal Company	QDRO/Compliance	Time charges	406	1,463	5,363	7,231	7,231
The Segal Company	Legislation	Time charges	7,838	1,856	12,513	22,206	22,206
The Segal Company	Retirement (DC)	Time charges	-	-	-	-	0
The Segal Company	Deferred Comp	Time charges	-	-	275	275	275
The Segal Company	Travel Expenses	Actual	-	-	-	-	0
			\$ 53,347	\$ 32,884	\$ 34,269	\$ 120,500	\$120,500
Audit Fees:							
Brady Martz	Annual audit & CAFR	Fixed Fee	5,475	-	-	5,475	\$5,475
Legal Fees:							
ICEMILLER LLP	IT Project	Time charges	70	-	-	70	\$70
ND Attorney General	Administrative	Time charges	2,253	2,652	2,476	7,381	\$7,381
Calhoun Law Group	Administrative	Time charges	-	-	-	-	\$0
Investment Fees:							
SIB - Investment Fees	Retirement (DB)	% Allocation	1,117,775	485,991	1,285,197	2,888,963	2,888,963
SIB - Investment Fees	Ret Health Credit	% Allocation	33,031	461	325	33,817	33,817
SIB - Investment Fees	Insurance	% Allocation	191	26	29	246	246
SIB - Administrative Fees	Retirement (DB)	% Allocation	12,663	14,164	15,596	42,423	42,423
						\$ 2,965,449	\$2,965,449
Administrative Fee:							
Blue Cross Blue Shield	Health Plan	Fixed fee	734,553	735,121	737,155	2,206,829	\$2,206,829



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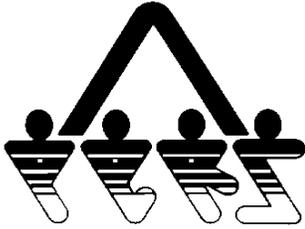
Memorandum

TO: PERS Board
FROM: Jon Strinden
DATE: April 10, 2008
SUBJECT: Executive Director Review

It is time for us to do our annual review of the Executive Director. I am asking for several Board members (2 to 3) to coordinate the review and prepare a recommendation for the Board's consideration on salary by the June meeting. This will mean that all of us will need to complete our review and have them back to the committee by June 1st. If acceptable to everyone, we will use the same review document as we have previously (attached). It is my understanding our budget has approved an average of 4% adjustments for staff. As in the past, I will meet with Sparb to discuss the review.

Board Action Requested

To appoint a committee of 2 to 3 Board members to coordinate the annual review for the Executive Director and to prepare a salary adjustment recommendation.



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Memorandum

TO: PERS Board
FROM: Sparb
DATE: April 9, 2008
SUBJECT: NCPERS

The annual National Conference of Public Employees Retirement Systems conference is in May. We have sent a Board member to this meeting the last several years and one of the members is interested in attending this year. I am seeking the Board's approval to send a member.

Board Action Requested

To approve a Board members attendance to the NCPERS annual conference.



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M E M O R A N D U M

TO: NDPERS BOARD
SPARB COLLINS, NDPERS
KATHY ALLEN, NDPERS

FROM: *BTR*
BRYAN T. REINHARDT

DATE: April 10, 2008

SUBJECT: GROUP MEDICAL PLAN - SURPLUS/AFFORDABILITY UPDATE

Here is the March surplus projection and affordability analysis for the NDPERS group medical plan. The plan made it through the 2005-2007 biennium and is nine months into the 2007-2009 biennium.

Net premium sent to BCBS in July 2007 was \$13,406,858. In July 2005 it was \$10,853,370. There are now 24,657 contracts on the NDPERS Health Plan. The NDPERS health plan ended up with 23,580 contracts in June, 2005. There were 22,947 contracts in June, 2003, and 21,792 in July 2001.

The 2003 - 2005 biennium settlement is on account at BCBS with a balance of over \$2,045,000. The remaining \$14.3 million was used to buy down premiums for the 05-07 biennium. This amount is at BCBS and receiving interest.

The projection for the 2005 - 2007 biennium shows total surplus at \$5.0 million. We share 50/50 in the first \$3.0 million surplus with BCBS, so the June 30, 2007 NDPERS estimated gain is \$3.5 million. BCBS has the IBNR estimate for this projection at \$0.

The projection for the 2007 - 2009 biennium shows total surplus at - \$3.7 million. If there is a surplus, we share 50/50 in the first \$3.0 million surplus with BCBS. This will make future growth in the gain for NDPERS difficult. The plan is fully insured by BCBS, so the June 30, 2009 NDPERS estimated gain is \$0. BCBS has the IBNR estimate for this projection at \$18.5 million, which is conservative with a \$1.0 million margin built in.

If you have any questions or you should need anymore information, please contact me.

-
- | | | |
|------------------------------------|----------------------------------|-----------------------------------|
| • FlexComp Program | • Retirement Programs | • Retiree Health Insurance Credit |
| • Employee Health & Life Insurance | - Public Employees | • Deferred Compensation Program |
| • Dental | - Highway Patrol | • Long Term Care Program |
| • Vision | - National Guard/Law Enforcement | |
| | - Judges | |
| | - Prior Service | |
| | - Job Service | |

NDPERS - ESTIMATED SURPLUS PROJECTION: 2005-2007 BIENNIUM

March, 2008

The following exhibit summarizes the estimated surplus for the NDPERS group medical plan at the end of the 2005-2007 biennium. The estimate has been updated to include account activity through March, 2008.

1) Preliminary Underwriting Gain for the 2005-2007 Biennium	(\$10,620,000)
2) Cash Balance Interest Accumulation	\$1,402,473
3) Estimated Underwriting Gain for the 2005-2007 Biennium	(\$9,217,527)
5) Refunds and Settlements	
07/01/05 - 6/30/07 Perform Rebates (Included as claim rebates)	\$3,310,733
EPO Settlement Payments 7/05 - 6/06 (Included as rebates & paid)	\$1,277,000
EPO Settlement Payments 7/06 - 6/07 (Included as rebates & paid)	\$1,412,085
6) Cash Reserve Account Balance	\$15,666,912
2003-2005 Settlement Cash Out:	(\$1,439,151)
Future Interest:	\$0
Total	\$14,227,761
7) Total Estimated Surplus Held by BCBS	\$5,010,234
8) BCBS Portion of Surplus (50% upto \$1,500,000)	\$1,500,000
9) PERS Portion of Surplus Held by BCBS	\$3,510,234
10) NDPERS Wellness Accounts	
My Health Connection	\$0
Employer Based Wellness	\$0
Wellness Benefit Program	\$0
SubTotal	\$0
Total Adjusted for Usage	\$0
11) Total Estimated Funds Available to PERS on June 30, 2007	\$3,510,234
12) Transferred to 2007-2009 Biennium	\$0
13) Estimated Funds Available to PERS on June 30, 2007	\$3,510,234

NDPERS - Projected Underwritten Experience for the 2005-2007 Biennium

March, 2008

MONTH	NET PREMIUM COLLECTED	PREMIUM ADJUSTMENT	TOTAL PREMIUM INCOME	ADMIN EXPENSE \$26.98/CON	NET PREMIUM	CLAIMS INCURRED & PAID TO DATE	ESTIMATED IBNR CLAIMS	TOTAL INCURRED CLAIMS (1)	ESTIMATED GAIN / LOSS
Jul-05	\$11,491,070	(\$2,387)	\$11,488,683	\$637,699	\$10,850,984	\$10,937,229	\$0	\$10,937,229	(\$86,245)
Aug-05	\$11,486,984	\$0	\$11,486,984	\$635,676	\$10,851,308	\$10,786,640	\$0	\$10,786,640	\$64,668
Sep-05	\$11,592,130	\$0	\$11,592,130	\$641,396	\$10,950,735	\$9,699,745	\$0	\$9,699,745	\$1,250,990
Oct-05	\$11,564,639	(\$995)	\$11,563,644	\$640,748	\$10,922,896	\$10,047,394	\$0	\$10,047,394	\$875,502
Nov-05	\$11,565,139	\$1,417	\$11,566,556	\$640,478	\$10,926,078	\$11,384,753	\$0	\$11,384,753	(\$458,675)
Dec-05	\$11,575,731	\$7,675	\$11,583,406	\$640,829	\$10,942,577	\$11,753,753	\$0	\$11,753,753	(\$811,176)
Jan-06	\$11,053,969	\$332	\$11,054,300	\$644,606	\$10,409,694	\$10,007,424	\$0	\$10,007,424	\$402,270
Feb-06	\$11,053,628	\$0	\$11,053,628	\$645,308	\$10,408,320	\$9,713,202	\$0	\$9,713,202	\$695,118
Mar-06	\$11,049,994	(\$26,775)	\$11,023,218	\$645,146	\$10,378,073	\$12,100,171	\$0	\$12,100,171	(\$1,722,098)
Apr-06	\$11,066,004	(\$36,321)	\$11,029,683	\$645,820	\$10,383,862	\$10,978,299	\$0	\$10,978,299	(\$594,437)
May-06	\$11,064,390	\$3,501	\$11,067,891	\$646,198	\$10,421,693	\$11,086,285	\$0	\$11,086,285	(\$664,592)
Jun-06	\$11,076,821	\$0	\$11,076,821	\$647,385	\$10,429,436	\$11,679,599	\$0	\$11,679,599	(\$1,250,163)
Jul-06	\$11,056,557	\$0	\$11,056,557	\$646,495	\$10,410,063	\$10,362,949	\$0	\$10,362,949	\$47,114
Aug-06	\$11,052,995	\$0	\$11,052,995	\$646,414	\$10,406,581	\$11,483,449	\$0	\$11,483,449	(\$1,076,868)
Sep-06	\$11,153,014	\$0	\$11,153,014	\$650,785	\$10,502,229	\$10,119,074	\$0	\$10,119,074	\$383,155
Oct-06	\$11,116,487	\$6,351	\$11,122,838	\$650,515	\$10,472,323	\$11,317,444	\$0	\$11,317,444	(\$845,121)
Nov-06	\$11,146,017	(\$8,222)	\$11,137,795	\$652,916	\$10,484,879	\$11,271,922	\$0	\$11,271,922	(\$787,043)
Dec-06	\$11,130,343	(\$12,813)	\$11,117,530	\$651,972	\$10,465,558	\$11,529,312	\$0	\$11,529,312	(\$1,063,754)
Jan-07	\$11,173,395	(\$5,016)	\$11,168,379	\$654,643	\$10,513,737	\$11,640,956	\$0	\$11,640,956	(\$1,127,219)
Feb-07	\$11,192,661	\$1,098	\$11,193,759	\$658,177	\$10,535,582	\$9,870,887	\$0	\$9,870,887	\$664,695
Mar-07	\$11,192,066	\$4,290	\$11,196,356	\$656,154	\$10,540,202	\$12,115,668	\$0	\$12,115,668	(\$1,575,466)
Apr-07	\$11,212,566	\$6,117	\$11,218,683	\$657,017	\$10,561,666	\$11,217,794	\$0	\$11,217,794	(\$656,128)
May-07	\$11,213,832	\$6,568	\$11,220,400	\$656,909	\$10,563,491	\$12,220,080	\$0	\$12,220,080	(\$1,656,589)
Jun-07	\$11,210,872	\$4,950	\$11,215,822	\$657,125	\$10,558,697	\$11,186,648	\$0	\$11,186,648	(\$627,951)
BIENNIAL									
TOTAL	\$269,491,302	(\$50,231)	\$269,441,072	\$15,550,409	\$253,890,663	\$264,510,677	\$0	\$264,510,677	(\$10,620,014)

(1) Future Months are Estimated based on Projection from NDPERS.

NDPERS - ESTIMATED SURPLUS PROJECTION: 2007-2009 BIENNIUM

March, 2008

The following exhibit summarizes the estimated surplus for the NDPERS group medical plan at the end of the 2007-2009 biennium. The estimate has been updated to include account activity through March, 2008.

1) Preliminary Underwriting Gain/Loss for the 2007-2009 Biennium		(\$5,774,400)
2) Wellness Program Expenses		\$0
3) Estimated Underwriting Gain/Loss for the 2007-2009 Biennium		(\$5,774,400)
4) Projected Interest Accumulation (adjusted for usage as premium)		\$0
5) Refunds and Settlements		
11/30/07 Perform Rebate	(Included as claim rebates)	\$340,034
02/29/08 Perform Rebate	(Included as claim rebates)	\$385,151
04/30/08 Perform Rebate		\$350,000
08/31/08 Perform Rebate		\$350,000
10/31/08 Perform Rebate		\$350,000
01/31/09 Perform Rebate		\$350,000
04/30/09 Perform Rebate		\$350,000
06/30/09 Perform Rebate		\$350,000
EPO Settlement Payments 7/07 - 6/08	(No target settlements)	\$0
6) Total Estimated Surplus Held by BCBS		(\$3,674,400)
7) BCBS Portion of Surplus (Half upto \$1,500,000)		\$0
8) PERS Portion of Surplus Held by BCBS		(\$3,674,400)
9) Cash Reserve Account Balance		\$0
Future Contributions:		\$0
Future Interest:		\$0
Total		\$0
10) NDPERS Wellness Accounts		
My Health Connection		\$203,467
Employer Based Wellness		\$13,987
Wellness Benefit Program		\$62,030
SubTotal		\$279,483
Total Adjusted for Usage		\$0
11) Total Estimated Funds Available to PERS on June 30, 2009		\$0

NDPERS - Projected Underwritten Experience for the 2007-2009 Biennium

March, 2008

MONTH	PREMIUM COLLECTED	PREMIUM ADJUSTMENT	TOTAL PREMIUM INCOME	ADMIN EXPENSE \$29.90/Con	NET PREMIUM	INTEREST ON CASH	CLAIMS INCURRED & PAID TO DATE	ESTIMATED IBNR CLAIMS	TOTAL INCURRED CLAIMS(1)	ESTIMATED GAIN / LOSS
Jul-07	\$13,406,857	\$0	\$13,406,857	\$725,404	\$12,681,453	\$0	\$11,140,422	\$30,000	\$11,170,422	\$1,511,031
Aug-07	\$13,465,027	\$308	\$13,465,336	\$728,334	\$12,737,002	\$8,720	\$12,156,121	\$280,000	\$12,436,121	\$309,601
Sep-07	\$13,608,834	\$6,878	\$13,615,713	\$736,018	\$12,879,695	\$32,149	\$10,888,856	\$290,000	\$11,178,856	\$1,732,988
Oct-07	\$13,577,219	\$7,321	\$13,584,540	\$734,822	\$12,849,718	\$44,159	\$12,888,895	\$400,000	\$13,288,895	(\$395,018)
Nov-07	\$13,584,631	(\$6,547)	\$13,578,084	\$735,480	\$12,842,604	\$38,392	\$12,873,699	\$550,000	\$13,423,699	(\$542,703)
Dec-07	\$13,568,728	\$5,601	\$13,574,329	\$734,553	\$12,839,776	\$40,841	\$11,914,156	\$1,000,000	\$12,914,156	(\$33,539)
Jan-08	\$13,582,515	\$3,071	\$13,585,586	\$735,121	\$12,850,465	\$39,733	\$12,258,595	\$1,700,000	\$13,958,595	(\$1,068,397)
Feb-08	\$13,622,093	\$1,733	\$13,623,826	\$737,155	\$12,886,671	\$33,024	\$8,982,075	\$4,100,000	\$13,082,075	(\$162,380)
Mar-08	\$13,620,486	(\$2,685)	\$13,617,801	\$737,125	\$12,880,676	\$25,258	\$3,172,988	\$10,150,000	\$13,322,988	(\$417,054)
Apr-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,717	\$0	\$0	\$12,918,327	(\$9,368)
May-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,869	\$0	\$0	\$12,980,678	(\$71,566)
Jun-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,940	\$0	\$0	\$13,043,028	(\$133,846)
Jul-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,927	\$0	\$0	\$13,105,378	(\$196,209)
Aug-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,833	\$0	\$0	\$13,167,728	(\$258,654)
Sep-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,655	\$0	\$0	\$13,230,078	(\$321,181)
Oct-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,395	\$0	\$0	\$13,292,429	(\$383,791)
Nov-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$25,052	\$0	\$0	\$13,354,779	(\$446,485)
Dec-08	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$24,626	\$0	\$0	\$13,417,129	(\$509,261)
Jan-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$24,117	\$0	\$0	\$13,479,479	(\$572,120)
Feb-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$23,525	\$0	\$0	\$13,541,829	(\$635,062)
Mar-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$22,850	\$0	\$0	\$13,604,180	(\$698,088)
Apr-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$22,091	\$0	\$0	\$13,666,530	(\$761,197)
May-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$21,249	\$0	\$0	\$13,728,880	(\$824,390)
Jun-09	\$13,620,486	\$0	\$13,620,486	\$737,244	\$12,883,242	\$20,323	\$0	\$0	\$13,791,230	(\$887,666)
BIENNIAL										
TOTAL	\$326,343,685	\$15,680	\$326,359,365	\$17,662,676	\$308,696,688	\$626,447	\$96,275,807	\$18,500,000	\$315,097,490	(\$5,774,355)

(1) Future Months are Estimated based on Projection from NDPERS.