

NDPERS BOARD MEETING

Agenda

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

December 20, 2012

Time: 8:30 AM

I. MINUTES

- A. November 29, 2012

II. MISCELLANEOUS

- A. Audit Report – Brady Martz (Information)
- B. Legislation Update – Sparb (Information)
- C. Executive Budget Recommendations – Sparb (Information)
- D. SIB Agenda

III. GROUP INSURANCE

- A. Long Term Care Insurance – Sparb/GRS (Information)
- B. Dental/Vision Plans Update – Kathy (Information)
- C. High Deductible Health Plan Update – Kathy (Information)
- D. PDP Contract – Sparb/Kathy (Board Action)
- E. Health Care Reform – Sparb (Information)

IV. RETIREMENT

- A. Contribution Increase Letter – Sparb/Kathy (Information)

V. DEFERRED COMPENSATION

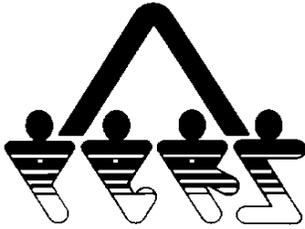
- A. 3rd Quarter Investment Report for 401(a) and 457
Companion Plan – Bryan (Information)
- B. * Hartford Update – Sparb (Information)

VI. FLEXCOMP

- A. Flexcomp Update – Kathy (Information)

*Executive Session Pursuant to North Dakota Century Code §44-04-19.1(2) and (5) and §44-04-19.2, for Attorney Consultation.

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.



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

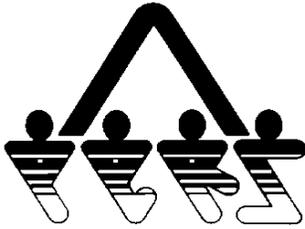
Sparb Collins
Executive Director
(701) 328-3900
1-800-803-7377

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

Memorandum

TO: PERS Board
FROM: Sparb
DATE: December 11, 2012
SUBJECT: 2012 AUDIT REPORT

Included is the 2012 audit report for NDPERS. Mr. John Mongeon and Ms. Robyn Goven from Brady Martz & Associates will be at the Board meeting to review the report with you and answer any questions you may have.



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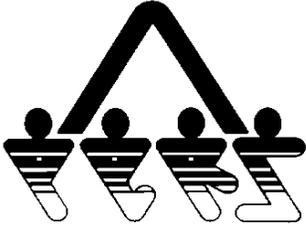
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Memorandum

TO: PERS Board
FROM: Sparb
DATE: December 6, 2012
SUBJECT: Legislation Update

Four PERS Bills were prefiled with the Legislative Council on November 29.
We received confirmation that the Bills were received.



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Memorandum

TO: NDPERS Board

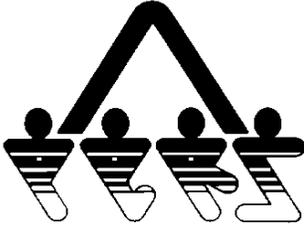
FROM: Sparb

DATE: December 11, 2012

SUBJECT: Executive Budget

On December 5th the Governor outlined the budget for the 2013-15 biennium. The budget included the following PERS proposals:

- A. Funding for the retirement contribution increases for the next biennium as provided in our recovery plan.
- B. Funding for a 10.7% increase in the health insurance premium.
- C. Funding of the agency's base budget request, but not the optional salary equity package that we submitted. Instead, the budget recommendation included funding to address the issue of salaries that are below the Market Policy Point based on a range of 2%-4% per year for employees in the lowest quartile of the pay range and 1% - 2% per year for employees in the second lowest quartile of the pay range.



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Memorandum

TO: NDPERS Board

FROM: Sparb/GRS

DATE: December 6, 2012

SUBJECT: Long Term Care Insurance

Included for your review and comment is the first draft of the group long term care plan RFP prepared by our consultant, GRS. In addition, there is an e-mail from GRS which shares some observations based on a request for information they conducted in the long term care insurance market.

Subject to any comments from the Board, we will amend the RFP accordingly and have a final copy for approval at a future meeting.



North Dakota Public Employees Retirement System

North Dakota Public Employees Retirement
System (NDPERS)
Voluntary Long Term Care
Request for Proposal

RFP # XXXXXXXXXXXXXXXXX

Issue Date: XXXXX

Cover Letter

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NDPERS
Proposal Form

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Intent to Respond

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Section I: General Information

Background

The North Dakota Public Employees Retirement System (NDPERS) is issuing this Request for Proposal (RFP) for Long Term Care Insurance for NDPERS employees, retirees and their spouses. The term “NDPERS” refers to The North Dakota Public Employees Retirement System. NDPERS provides a **participant pay-all** group long term care (LTC) plan to all eligible state and university employees and their dependents. It is possible that participation will be extended in the future to certain political subdivisions eligible to participate in NDPERS. By NDPERS policy, the plan must be competitively bid every 6 years. The LTC plan is currently offered through UNUM. The offeror who is awarded the Contract pursuant to this RFP will be required to provide benefit coverage with an effective date of coverage beginning **DATE**, and begin the necessary implementation immediately upon contract award

NDPERS’s mission is to *design, communicate and efficiently administer a viable employee benefits program within a framework of prudent risk-taking, applicable state and federal laws, and professional and ethical standards so as to provide an employee benefit package that is among the best available from public and private employers in the upper Midwest*. NDPERS currently provides a range of employee benefit plans to approximately 20,695 contributing members and 7,835 retirees and beneficiaries currently receiving benefits. NDPERS is seeking an insurer to provide an equitable, affordable program of insurance for long term care services that proactively addresses the ever-changing and varied needs of its employees. The State of North Dakota has a tax credit up to \$250 for individuals paying premiums on a qualified LTC product. NPERS is seeking an insurer that will provide a LTC product that when combined with the tax credit will be very attractive to our youngest employees.

NDPERS covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. It also covers Supreme and District Court Judges, the National Guard Security Officers and Firefighters, Peace Officers and Correctional Officers employed by political subdivisions.

The current plan design is included and should be duplicated as closely as possible. The current plan has the choice of a 3 or 5 year benefit period. Creative plan designs, which offer lower premium costs yet are sensitive to the demographics of the employee group, are encouraged.

Performance Requirements and Specifications

The successful carrier will provide all services as specified in the RFP and proposal including but not limited to the following:

The successful carrier will be responsible for all enrollment functions associated with plan enrollment. All enrollment applications will be sent directly to the successful carrier who will process the applications. This includes review of the applications, determination of medical evidence of insurability, as required, and all premium calculations.

Enrollment and premium remittance will be accomplished on a decentralized basis. The carrier will be required to receive and process eligibility and premium remittance for active employees in conjunction with **26** different payroll systems. Retirees are on a direct bill premium basis. It is anticipated (but not guaranteed) that the format and process will be able to be largely standardized.

It will be expected that carriers will prepare multiple billings (currently 26 separate monthly billings) and that NO retroactive adjustments will be made for terminated employees.

Premiums will be eligible for salary reduction.

Premiums are to be 100% employee paid.

Unless quotations are Guaranteed Issue (GI), no minimum participation requirements will be allowed.

Eligible employees and retirees are defined as follows:

Permanent employees who are employed by a governmental unit, as that term is defined in Section 54-52-01. "Eligible employee" includes members of the legislative assembly, judges of the supreme court, paid members of the state or political subdivision boards, commissions or associations, elective state officers, as defined by Subsection 2 of Section 54-06-01, and permanent disabled employees who are receiving compensation from the North Dakota workers' compensation fund. As used in this Subsection, "permanent employee" means one whose services are not limited in duration, who is filling an approved and regularly funded position in a governmental unit, and who is employees at least seventeen and one-half hours per weeks and at least five months each year.

Retirees will be eligible for benefits on the following basis:

A retiree who has accepted a retirement allowance from the public employees retirement system, highway patrolmen's retirement system, the Teachers' Insurance and Annuity Association-College Retirement Equities Fund (TIAA-CREF) for service credit earned while employed by North Dakota institutions of higher education, the retirement system established under Chapter 27-17, or the teachers' fund for retirement will be allowed to elect to participate in the group upon initial offering of the program.

North Dakota insurance law provides that "any carrier underwriting any portion of the state's group insurance plan is exempt from paying premium taxes...on that portion of its business representing premiums collected for the group insurance plan". Thus, your responses should not reflect any amounts for premium taxes.

Retirees are allowed to continue coverage under certain specific situations. Please refer to retiree eligibility covered in the Summary Plan Description (SPD).

Attached in Exhibit A is a model contract. Unless you state otherwise it will be assumed that you agree to fully comply with the terms of the contract.

The carrier awarded the NDPERS voluntary LTC contract must be able to administer all current eligibility and coverage continuation provisions. Please refer to the above and applicable pages in the current SPD (Exhibit B), as well as state contract provisions included in Section V: Exhibits.

Additionally, please note the NDPERS will NOT accept any costs billed to NDPERS including costs for program implementation, enrollment, and/or administration either initially or on an on-going basis.

This RFP is being sent both directly to carriers and to agents/brokers.

Timetable

Below is the preliminary timetable for receiving bids, bid analysis, selection, and implementation of the program:

<u>Milestone</u>	<u>DATE</u>
Proposals due	XX/XX/XX
Evaluate Bids	XX/XX/XX
Final Selection Analysis	XX/XX/XX
Notify Successful Carrier	XX/XX/XX
Begin Implementation Meetings and activities	XX/XX/XX
Finalization of communication materials	XX/XX/XX
Effective Date of Coverage	XX/XX/XX

The dates above are subject to change at NDPERS' request.

General Proposal Requirements

Bidders shall agree to the general requirements noted below. The term "NDPERS" refers to The North Dakota Public Employees Retirement System.

1. Award or Rejection: All qualified proposals will be evaluated and the award will be made to the bidding offeror whose proposal is deemed to be in the best interest of NDPERS. NDPERS reserves the right to reject any or all proposals.
2. Decline to offer: Any bidder who receives a copy of the specifications but declines to make an offer is requested to send a written "Decline to Offer" to XXXX.
3. Costs for Proposal Preparation: Any costs incurred by the bidders in preparing or submitting proposals are the bidders' sole responsibility.
4. Oral Explanations: NDPERS will not be bound by oral explanations or instructions given at any time during the bidding process or after the award of the contract.
5. Reference to Other Data: Only information that is received in response to the specifications will be evaluated; reference to information previously submitted or explained will not be considered unless specifically authorized.
6. Time for Acceptance: The bidder agrees to be bound by its proposal for a period of at least 120 days, during which time the NDPERS and/or Gabriel, Roeder, Smith and Company, as NDPERS' benefits consultant, may require clarification or correction of the proposal for the purpose of

evaluation. Amendments or clarifications shall not affect the remainder of the proposal, but only the portion so amended or clarified.

7. **Exceptions:** Any exceptions to terms, conditions or other requirements in any part of these specifications must be clearly pointed out in the appropriate section of the proposal, otherwise it will be considered that all items offered are in compliance with the specifications as set forth in the RFP. The successful bidder will be responsible for compliance. Any exceptions will be part of the evaluation process and may constitute grounds for rejection of the proposal.
8. **Bidder’s Representative:** The proposal must be signed by a legal representative of the bidding firm, who is authorized to bind the firm to a contract in the event of the award.

Plan Design Summary

NDPERS current plan is summarized as follows:

The Plan Choices				
Facility Benefit Duration	3 years or 5 years			
Facility Monthly Benefit Amount	\$3,000			
Plans	Plan 1	Plan 2	Plan 3	Plan 4
Assisted Living Facility	60%	60%	60%	60%
Lifetime Maximum – 3 Years	\$108,000	\$108,000	\$108,000	\$108,000
5 Years	\$180,000	\$180,000	\$180,000	\$180,000
Professional Home Care	50%	50%	50%	50%
Total Home Care – Option	N/A	50%	N/A	50%
Inflation Protection* – Option	N/A	N/A	Simple Capped	Simple Capped

**If the individual selects inflation option, and he or she terminates the inflation option at a future date, the individual can purchase the inflated coverage amount at his or her original age*

A second level offers paid-up non-forfeiture across all four plan options.

Benefit Eligibility

Individuals will be deemed eligible for the plan if they are:

- An active employee who works 20 hours per week for 20 or more weeks and his/her spouse of the Sponsoring Organization
- A retired employee/spouse of the Sponsoring Organization

Claim holders are deemed eligible if they are assessed as suffering a covered loss of functional capacity or cognitive impairment. The claimant must be under the regular care of a doctor according to the condition. A monthly benefit will become payable on the day after the elimination period is completed.

Loss of Functional Capacity: loss of 2 or more activities of daily living (ADLs) because of a physical or mental incapacity resulting from an injury or a sickness or because of advanced age.

Cognitive Impairment: deterioration or loss in intellectual capacity resulting from Alzheimer’s disease or similar forms of irreversible dementia.

Elimination Period: there is an Elimination Period of 90 consecutive days that must be satisfied once in the life of the plan.

Activities of Daily Living: consist of bathing, dressing, toileting, transferring, continence and eating.

NOTE: Activities of Daily Living that the claimant cannot perform without standby assistance on the date the individual becomes insured will not be considered when determining the extent of loss.

Proposal Instructions

Responses to this proposal shall be submitted electronically as a Microsoft Word document, excepting those areas where alternative methods of submission are specified. In addition to the electronic copy, it is necessary that one sealed copy of your proposal be received in the NDPERS office by XXXXXX. The address for the NDPERS office is listed below:

XXXXXXXXXX

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

If your organization chooses not to offer a proposal, please submit a letter to our office indicating this is your intention. Questions regarding this RFP may only be submitted in writing to XXXX on or prior to XXXXX

Section II: Offeror Information

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Please provide the following general information about your company and proposed contact with NDPERS.

I. GENERAL INFORMATION	
Offeror's Legal Name	
Address	
City	
State	
Zip	
Website Address	
Year Operations Began	
Corporate Tax Status	Click to Select One
Federal Employer ID Number	
Ownership/Controlling Interest	

Please identify both the primary contact, who can answer questions related to this RFP, and the account manager, who will have overall responsibility for planning, implementing, supervising and performing account services if the Offeror is awarded this contract.

II. CONTACT INFORMATION	
Primary Contact	
Name	
Title	
Address	
City	
State	
Zip	
Telephone Number	
Cell Phone Number	
Fax Number	
E-mail Address	
Account Manager	
Name	
Title	
Address	
City	
State	
Zip	
Telephone Number	
Cell Phone Number	
Fax Number	
E-mail Address	

Please provide three references (preferably public sector), including one terminated/former reference, to whom your company has provided LTC coverage within the past 5 years.

III. REFERENCES	
First Reference-Current	
Company	
Contract Status	Click to Select One
Contact Person	
Title	
City, State	
Telephone Number	
Fax Number	
E-mail Address	
Second Reference-Current	
Company	
Contract Status	Click to Select One
Contact Person	
Title	
City, State	
Telephone Number	
Fax Number	
E-mail Address	
Third Reference-Terminated/Former	
Company	
Contract Status	Click to Select One
If "terminated or former" please state reason for termination	
Contact Person	
Title	
City, State	
Telephone Number	
Fax Number	
E-mail Address	

Section III: Proposal Questionnaire

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Representations made by the Offeror in this proposal become contractual obligations that must be met during the contract term.

Instructions: Please provide a response to each of the following questions. If a drop-down list is available, please select a response from that list. If a response attachment is required, the attachment can be provided in either Microsoft Word or Excel (preferred) or Adobe pdf format unless specified otherwise.

Question		Response
I. ORGANIZATION INFORMATION		
Q-1	a) Describe the Offeror's experience in providing Long Term Care Insurance.	
	b) Please describe your experience with North Dakota based clients.	
Q-2	Please provide a brief history of the organization, its growth on a national level, and its ownership structure.	
Q-3	a) How many years has the Offeror administered Long Term Care Insurance?	
	b) How many years has the Offeror administered Long Term Care Insurance to North Dakota based clients?	
Q-4	a) Please state the name(s) of the LTC insurance product(s) you are proposing to NDPERS.	
	b) Is/Are the product(s) approved under the North Dakota Long-Term Care Partnership Program?	Click to Select One
Q-5	a) Will your organization be involved in any acquisitions or mergers within the next 12 months?	Click to Select One
	If yes, please describe.	
	b) Has your organization been involved in any recent acquisitions or mergers?	
	♦ Within the last year?	Click to Select One
	♦ 1-2 years ago?	Click to Select One
	♦ 2-5 years ago?	Click to Select One
	♦ None in the last five years	Click to Select One
If yes, please describe.		
Q-6	Because the policy will be issued in the state of North Dakota, the insurance policy must be in full accord with the laws of that jurisdiction. It will be the responsibility of the underwriting carrier to include all provisions	Click to Select One

Question		Response
	required by the laws of the jurisdiction in which the contract is issued. Are you currently able to fulfill this requirement?	
Q-7	Confirm that your organization has the following insurance coverage:	
	a) Worker's Compensation	Please submit a copy of your certificate(s) of insurance indicating coverage. Label as " Response Attachment Q-7a: Certificate of Insurance ".
	b) Errors & Omissions	Please submit a copy of your certificate(s) of insurance indicating coverage. Label as " Response Attachment Q-7b: Certificate of Insurance ".
	c) Commercial General Liability	Please submit a copy of your certificate(s) of insurance indicating coverage. Label as " Response Attachment Q-7c: Certificate of Insurance ".
Q-8	Please attach a copy of the company's two most recent annual reports.	Please submit a copy of your two most recent annual reports. Label as " Response Attachment Q-8: Annual Reports ".
Q-9	a) Please provide a copy of the last two (2) year end audited financial statements or best available equivalent report and an analysis of those financial statements/reports (independently audited preferred).	Please submit a copy of your two most recent audited financial statements. Label as " Response Attachment Q-9a: Audited Financial Reports ".
	b) Abbreviated profit and loss statements and abbreviated balance sheets for the last two (2) years.	and Please submit abbreviated profit and loss statements and abbreviated balance sheets for the last two (2) years. Label as " Response Attachment Q-9b: Profit and loss statements and abbreviated balance sheets ".
Q-10	Provide a copy of your most recent financial ratings and complete the following table.	Please submit a copy of your two most recent financial ratings. Label as " Response Attachment Q-10: Financial Ratings ".
	A.M. Best	
	◆ Current Financial Rating	
	◆ Date of Rating	
	◆ Prior Financial Rating	
	◆ Date of rating	
	Standard & Poor's	
	◆ Current Financial Rating	
	◆ Date of Rating	
	◆ Prior Financial Rating	
	◆ Date of rating	
	Fitch	
	◆ Current Financial Rating	
	◆ Date of Rating	
	◆ Prior Financial Rating	

Question		Response
	♦ Date of rating	
	Weiss	
	♦ Current Financial Rating	
	♦ Date of Rating	
	♦ Prior Financial Rating	
	♦ Date of rating	
	Moody's	
	♦ Current Financial Rating	
	♦ Date of Rating	
	♦ Prior Financial Rating	
	♦ Date of rating	
Q-11	Describe any litigation and/or government action taken, proposed or pending against your company or any entities of your company during the most recent five (5) years. This information shall include notice whether the Offeror's organization has had its registration and/or certification suspended or revoked in any jurisdiction within the last 5 years, along with an explanation.	
Q-12	In the event of contract termination, describe the process by which persons who are insured may continue coverage.	
Q-13	What key features distinguishes your LTC insurance product from your competitors and what do you perceive as your competitive advantages?	
Q-14	Provide the following enrollment history metrics as of January 1st of each year.	
	2010	
	Number of covered lives:	
	Number of employer clients:	
	Number of statewide public entity clients:	
	2011	
	Number of covered lives:	
	Number of employer clients:	
	Number of statewide public entity clients:	
	2012	

Question		Response
	Number of covered lives:	
	Number of employer clients:	
	Number of statewide public entity clients:	
II. CLAIMS PROCESSING		
Q-15	a) What is the location (city/state) of the claims processing center the Offeror will be utilizing for the NDPERS Plan? (Please note that this location cannot be offshore.)	
	b) What is the annual claims volume for this location?	
	c) How many years has this location been in operation?	
	d) What is the turnover rate of claims processors for this location?	
Q-16	a) Please identify any secondary claims processing location(s).	
	b) Describe how these additional location(s) will support the primary location.	
Q-17	Describe the claims processing unit (organization, staffing and services) that would handle the NDPERS account.	
Q-18	Please provide the following statistics for each calendar year.	
	2010	
	Number of appeals	
	Average number of days between initial receipt and final resolution	
	2011	
	Number of appeals	
	Average number of days between initial receipt and final resolution	
	2012 (January through October)	
	Number of appeals	
Average number of days between initial receipt and final resolution		
Q-19	Do you expect to make major changes to the service organization (e.g. moving to a different location, merging units, etc)?	Click to Select One

Question		Response
	If yes, please describe the changes and the expected timing.	
Q-20	Describe the internal auditing protocols for your claims processing area.	
III. CUSTOMER SERVICE AND ACCOUNT MANAGEMENT		
Q-21	a) What is the location (city/state) of the customer service call center the Offeror will be utilizing for the NDPERS Plan? (Please note that this location cannot be offshore.)	
	b) Would a dedicated toll-free customer service line be available to NDPERS?	Click to Select One
	c) How many years has this location been in operation?	
	d) What is the turnover rate of CSRs for this location?	
Q-22	a) Please identify any secondary customer service call center location(s).	
	b) Describe how these additional location(s) will support the primary location.	
Q-23	Describe the customer service unit (organization, staffing and services) that would handle the NDPERS account.	
Q-24	Briefly describe the training program in general as well as the specific training that each associate receives to prepare to manage the NDPERS benefit. Include length of time it takes to go from training to CSR.	
Q-25	What are the hours of operation for the customer service department?	
Q-26	How do you track and monitor phone service on an account-specific basis?	
Q-27	a) Is there an available opt-out to a live representative at any time during an automated voice response?	Click to Select One
	b) Does the automated voice response system provide the estimated wait time until the live operator will pick up the call?	Click to Select One
Q-28	Provide your phone service standard versus actual results for 2010, 2011 and January through October 2012 for the primary customer service center proposed for this contract.	

Question		Response
Average speed to answer		
	Phone service standard	
	2010 Actual	
	2011 Actual	
	2012 Actual (January – October)	
Call abandonment rate		
	Phone service standard	
	2010 Actual	
	2011 Actual	
	2012 Actual (January – October)	
Percent of calls resolved on the first contact		
	Phone service standard	
	2010 Actual	
	2011 Actual	
	2012 Actual (January – October)	
Q-29	Provide an outline of your proposed communication plan. Please provide samples of communication materials (including any electronic media) to be distributed by the Contractor to all eligible participants informing them of the opportunity to purchase Long Term Care insurance including, but not limited to, education about the need for LTC insurance, the coverages available, and procedure for enrolling.	Label as "Response Attachment Q-29: Proposed Communication Plan and Sample Communication Materials" .
Q-30	Please provide copies of your application forms and any health statements that would be required for each participant.	Label as "Response Attachment Q-30: Application Forms and Health Statements" .
Q-31	How does your customer service system support and provide access to individuals with disabilities and individuals with limited English speaking abilities?	
Q-32	Do you expect to make major changes to the service organization (e.g. moving to a different location, merging units, etc)? If yes, please describe the changes and the expected timing.	Click to Select One
Q-33	Will plan members have access to a State dedicated website, which contains the following:	

Question		Response
	a) Access to Member Services;	Click to Select One
	b) Access to plan benefit information;	Click to Select One
	c) Access to self-help information;	Click to Select One
	d) Plan inquiries;	Click to Select One
	e) Other (please specify)	
Q-34	Please describe current services available to Plan Sponsors on your website.	
Q-35	Please describe current services available to Plan participants on your website.	
Q-36	How do you maintain a secure environment for communicating through your website? Please describe.	
Q-37	Do you expect to make major changes to the products being offered by your organization?	Click to Select One
	If yes, please describe the changes and the expected timing.	
Q-38	Provide your standard turnaround time in Business Days to Process an Application for Insurance	
	Guaranteed Issue Application	
	Inside State of North Dakota	
	Outside State of North Dakota	
	Underwritten Application	
	Inside State of North Dakota	
	Outside State of North Dakota	
Q-39	NDPERS may require modification or creation of new reports. Please provide samples of your standard reports.	Label as " Response Attachment Q-39: Standard Reports ".
Q-40	a) Provide a copy of the latest customer satisfaction survey your organization has conducted, including results.	Label as " Response Attachment Q-40: Customer Satisfaction Survey ".
	b) How was the survey instrument developed?	
	c) Do you use an independent outside vendor to conduct the survey? If so, who?	
	d) How are recipients to the survey selected?	
Q-41	Describe the organization and structure of the account services team that will support NDPERS. Include how this structure is particularly responsive to NDPERS' needs	

Question		Response
Q-42	Please provide the following information for the Proposed Account Manager identified in Section II, Offeror Information.	
	a) Where will the account manager be located?	
	b) What percentage of this person's time will be dedicated to the NDPERS account?	
	c) Please provide an organizational chart identifying the names, functions and reporting relationships of key personnel directly responsible for account support services to NDPERS.	Label as " Response Attachment Q-42c: Account Management Team Organizational Chart ".
IV. QUALITY IMPROVEMENT MANAGEMENT		
Q-43	Please indicate whether your organization's Quality Improvement (QI) work plan, or schedule of activities, includes the following:	
	a) Objectives, scope, and planned projects or activities for the year.	Click to Select One
	b) Planned monitoring of previously identified issues, including tracking of issues over time.	Click to Select One
	c) Planned evaluation of the QI program.	Click to Select One
V. PLAN PROVISIONS AND COVERAGE		
Q-44	Do you provide coverage at no additional charge for services in addition to the following: coverage for licensed skilled, intermediate or custodial nursing homes; home health and adult day care services; in-patient and at-home hospice care; assisted living facilities; personal care nursing, habilitation and rehabilitation; social services, case management and other assistive technology; and respite care services?	Click to Select One
	If yes, please list and describe the additional services covered.	
Q-45	Regarding all classes of eligible participants, is there an age limit for those applying for coverage?	
Q-46	What are the underwriting requirements for each classification of participant?	
Q-47	Is "Short-form" underwriting available for eligible participants requiring underwriting?	Click to Select One
Q-48	Under what conditions will you accept	

Question		Response
	participants from NDPERS' current plan?	
Q-49	Explain how your coverage works for those participants who are working or residing outside of the United States.	
Q-50	a) Do you allow family members to continue coverage if the employee terminates coverage or employment?	Click to Select One
	b) Will family members continue to pay current rates?	Click to Select One
Q-51	Describe your lifetime maximum formula with examples. Provide an example of how the lifetime benefit is calculated when the policy includes an inflation protector. If the maximum lifetime benefit does not apply to all covered services, which services are limited?	
Q-52	Describe your elimination period in detail. How are the days counted? Do they have to be consecutive? What documentation is required? Are days of service/expense required? What documentation will the participant receive?	
Q-53	a) If your plan includes a pre-existing condition exclusion/limitation, provide details on how pre-existing conditions are treated in the policy, including information regarding satisfaction of the elimination period as it relates to the pre-existing condition.	
	b) Can pre-existing conditions be covered at any time if the claim begins during the pre-existing period?	Click to Select One
	c) How is the beginning of the claim determined for purposes of the pre-existing condition clause?	
Q-54	Describe your plan's non-forfeiture provision.	
Q-55	Describe your plan's compound automatic inflation option benefit. Include in your description how this benefit works while a participant is in claim status.	
Q-56	Does your plan include a periodic inflation benefit?	Click to Select One
	If so, please describe, including underwriting requirements.	

Question		Response
Q-57	Does your plan include coverage for services provided by a continuing care or life-care retirement community?	Click to Select One
Q-58	Does your plan include a premium "grace period" for direct billed participants?	Click to Select One
	If so, please describe in detail.	
Q-59	Does your plan include an appeals process if benefits are denied?	Click to Select One
	If so, please describe in detail.	
Q-60	Does your plan include a Restoration of Benefits provision?	Click to Select One
	If so, please describe in detail.	
Q-61	Does your plan include a Return of Premium upon death benefit?	Click to Select One
	If so, please describe in detail.	
Q-62	Does your plan include a Transition of Care benefit?	Click to Select One
	If so, please describe in detail.	
Q-63	Does your plan include an Alternate Plan of Care benefit?	Click to Select One
	If so, please describe in detail.	
Q-64	Does your plan include an Information and Referral Services benefit?	Click to Select One
	If so, please describe in detail.	
Q-65	Does your plan include a Waiver of Premium provision?	Click to Select One
	If so, please provide details on how your waiver of premium provision is administered.	
Q-66	Please describe your plan's portability feature.	
Q-67	a) Describe all policy exclusions in detail.	
	b) Are there policy exclusions for employees who may become disabled due to countries in civil conflict, war or through acts of terrorism?	
Q-68	Is your plan guaranteed renewable?	Click to Select One
Q-69	a) What are the criteria for determining benefit eligibility? Please address functional and cognitive impairment separately.	
	b) What information is required by the	

	Question	Response
	attending physician, and what assessments are required by your organization, and at whose expense? c) What is the particular skill level required to complete the assessment (e.g., geriatrician)?	
Q-70	Describe the process used to determine ability or inability to perform each ADL.	
Q-71	a) What criteria are used to measure the need for supervision and monitoring of people with cognitive and other mental impairments? b) How do you measure the service needs of people with cognitive and other impairments?	
Q-72	a) Does your plan provide coverage for informal caregivers, e.g., family members? b) Please explain how the use of informal caregivers may be covered.	Click to Select One
Q-73	When benefits are approved, how often is re-certification required?	
Q-74	What is your acceptance rate for underwritten applications?	
Q-75	Describe your appeals process including time frames for rejected applicants.	
Q-76	Describe your process for making up missed payroll deductions.	
Q-77	a) Describe the process for transferring an insured from the payroll deducted group plan to a direct-billed plan. b) Are there any circumstances in which a participant would not be able to retain coverage on an individual basis? If so, please describe.	Click to Select One
Q-78	a) Describe the process of how an insured applies for benefits. b) Are physical exams or interviews normally required? c) If so, who conducts the exam or interviews, and at whose expense? d) Is there a maximum time period claimants are allowed to submit a claim from the date of occurrence?	Click to Select One

Question		Response
	e) If so, what is the time period?	
Q-79	Please provide copies of all required forms the insured, physician and/or facility needs to complete to file a claim.	Label as " Response Attachment Q-79: Plan Forms ".
Q-80	What is the average turnaround time for the approval of a claim?	
Q-81	a) Are benefit payments made directly to the insured/patient, or can they be assigned to a family member or provider?	
	b) What circumstances would allow benefit payments to be made to a family member?	
Q-82	a) Do you offer case management?	Click to Select One
	If so, please describe.	
	b) Is it voluntary or mandatory?	Click to Select One
	c) Does your organization or another entity provide the case management services?	
	d) What are the qualifications of your case managers?	
	e) What training do they undergo?	
Q-83	Under what conditions may a participant increase or decrease their daily or monthly benefit levels?	
Q-84	Under what conditions can a participant add a nonforfeiture benefit after coverage is in effect?	
Q-85	Under what conditions may a participant increase or decrease their lifetime maximum duration?	
Q-86	What performance standards do you currently monitor?	
Q-87	a) Describe your process for handling complaints and requests for customer service.	
	b) How quickly do you respond to complaints and to requests from participants?	
VI. HIPAA COMPLIANCE		
Q-88	Is the organization compliant with all applicable HIPAA administrative simplification rules?	Click to Select One
Q-89	a) What practices and policies have you implemented to ensure the confidentiality	

Question		Response
	of all confidential information, including protected health information as defined by the HIPAA privacy rule, member information, or other sensitive information of NDPERS and its plan participants?	
	b) How often do you update your HIPAA policies and procedures?	
Q-90	Please identify and describe all breaches of HIPAA privacy and security provisions within the last 18 months.	Label as " Response Attachment Q-90: HIPAA Privacy and Security Breaches ".
VIII. ELIGIBILITY		
Q-91	Please describe the eligibility system that will be used to keep track of NDPERS' eligibility files, including:	
	a) System "trade name"	
	b) System organization	
	c) Date eligibility system was put in place	
	d) Number of system upgrades since inception	
	e) Annual budget and planned system improvements for the hardware and software used in providing the services.	
IX. IMPLEMENTATION PROGRAM / COMMUNICATION		
Q-92	Please discuss your procedures and processes for handling the following during the transition period:	
	a) Transition of care	
	b) Employee communications regarding change in administrators	
Q-93	Implementation Plan	
	a) Name of the person with overall responsibility for planning, supervising and implementing the program for NDPERS.	
	b) Title	
	c) What other duties, if any, will this person have during implementation? Please include the number and size of other accounts for which this person will be responsible during the same time period.	
	d) What percentage of this person's time will be devoted to the NDPERS account during	

	Question	Response
	<p>the implementation process?</p> <p>e) Please provide an organizational chart identifying the names, area of expertise, functions, and reporting relationships of key people directly responsible for implementing the NDPERS account. In addition, resumes of these individuals should be included.</p> <p>f) Provide a detailed implementation plan that clearly demonstrates the Offeror's ability to meet NDPERS' requirements to have a fully functioning program in place and operable on XXX. This implementation plan should include a list of specific implementation tasks/transition protocols, primary party responsible for each step and a time-table for initiation and completion of such tasks, beginning with the contract award and continuing through the effective date of operation. The implementation plan should be specific about requirements for information transfer as well as any services or assistance required during implementation.</p>	<p>Label as "Response Attachment Q-93e: Implementation Team Organizational Chart".</p> <p>Label as "Response Attachment Q-93f: Implementation Plan".</p>
Q-94	Will representatives of your organization meet with participants and/or NDPERS staff to explain how the program works?	Click to Select One
Q-95	<p>Do you anticipate any major transition issues during implementation?</p> <p>If yes, please describe.</p>	Click to Select One

Section IV: Premium Quotation Forms

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Complete the tables on the following pages with premium rates that will be offered to the NDPERS participants. Please quote based on the following:

The Plan Choices – A Group				
Plans	Plan 1A	Plan 2A	Plan 3A	Plan 4A
Facility Benefit Duration	3 Years or 5 Years			
Facility Monthly Benefit Amount	\$3,000	\$3,000	\$3,000	\$3,000
Assisted Living Facility	60%	60%	60%	60%
Lifetime Maximum – 3 Years	\$108,000	\$108,000	\$108,000	\$108,000
5 Years	\$180,000	\$180,000	\$180,000	\$180,000
Professional Home Care	50%	50%	50%	50%
Total Home Care – Option	N/A	50%	N/A	50%
Inflation Protection* – Option	N/A	N/A	Simple Capped	Simple Capped

**If the individual selects inflation option, and he or she terminates the inflation option at a future date, the individual can purchase the inflated coverage amount at his or her original age*

The Plan Choices – B Group				
Plans	Plan 1B	Plan 2B	Plan 3B	Plan 4B
Facility Benefit Duration	3 Years or 5 Years			
Facility Monthly Benefit Amount	\$3,000	\$3,000	\$3,000	\$3,000
Assisted Living Facility	60%	60%	60%	60%
Lifetime Maximum – 3 Years	\$108,000	\$108,000	\$108,000	\$108,000
5 Years	\$180,000	\$180,000	\$180,000	\$180,000
Non-Forfeiture	Paid Up	Paid Up	Paid Up	Paid Up
Professional Home Care	50%	50%	50%	50%
Total Home Care – Option	N/A	50%	N/A	50%
Inflation Protection* – Option	N/A	N/A	Simple Capped	Simple Capped

Elimination Period: 90 days for all plans
Medical Underwriting: Yes
Pre-Existing Condition Provision: Yes
Alternative Plan Design: Alternative plan designs can be proposed. Specify in detail how benefits and contract provisions differ from existing plans.

Waiver of Premium:

Yes; included in all plans. (May exclude for respite care benefits only.)

Table A:

3 Year Benefit Period

Age	Plan 1A	Plan 2A	Plan 3A	Plan 4A
30	\$	\$	\$	\$
35	\$	\$	\$	\$
40	\$	\$	\$	\$
45	\$	\$	\$	\$
50	\$	\$	\$	\$
55	\$	\$	\$	\$
60	\$	\$	\$	\$
65	\$	\$	\$	\$
70	\$	\$	\$	\$
75	\$	\$	\$	\$
80	\$	\$	\$	\$

Table B:

3 Year Benefit Period

Age	Plan 1B	Plan 2B	Plan 3B	Plan 4B
30	\$	\$	\$	\$
35	\$	\$	\$	\$
40	\$	\$	\$	\$
45	\$	\$	\$	\$
50	\$	\$	\$	\$
55	\$	\$	\$	\$
60	\$	\$	\$	\$
65	\$	\$	\$	\$
70	\$	\$	\$	\$
75	\$	\$	\$	\$
80	\$	\$	\$	\$

Table C:

5 Year Benefit Period

Age	Plan 1A	Plan 2A	Plan 3A	Plan 4A
30	\$	\$	\$	\$
35	\$	\$	\$	\$
40	\$	\$	\$	\$
45	\$	\$	\$	\$
50	\$	\$	\$	\$
55	\$	\$	\$	\$
60	\$	\$	\$	\$
65	\$	\$	\$	\$
70	\$	\$	\$	\$

75	\$	\$	\$	\$
80	\$	\$	\$	\$

Table D:

5 Year Benefit Period

Age	Plan 1B	Plan 2B	Plan 3B	Plan 4B
30	\$	\$	\$	\$
35	\$	\$	\$	\$
40	\$	\$	\$	\$
45	\$	\$	\$	\$
50	\$	\$	\$	\$
55	\$	\$	\$	\$
60	\$	\$	\$	\$
65	\$	\$	\$	\$
70	\$	\$	\$	\$
75	\$	\$	\$	\$
80	\$	\$	\$	\$

The offeror may choose to propose alternative plan designs. Alternative plan designs should be based upon 3 and 5 year benefit periods, but other design elements can be proposed. Please complete the below Alternative Plan Choice(s) table below, using the “other benefit” space if there are additional elements you wish to offer. Please use Table E to price your alternative plan(s) for a 3 year benefit period; please use Table F to price your alternative plan(s) for a 5 year benefit period:

Proposed-Alternative Plan Option(s)		
Facility Benefit Duration	3 years or 5 years	
Facility Monthly Benefit Amount		
Plans	Plan 1	Plan 2
Assisted Living Facility		
Lifetime Maximum – 3 Years 5 Years		
Professional Home Care		
Total Home Care – Option		
Inflation Protection* – Option		
Other Benefit:		
Other Benefit:		

Table E:

3 Year Benefit Period

Age	Alternative Plan 1	Alternative Plan 2
30	\$	\$
35	\$	\$
40	\$	\$
45	\$	\$
50	\$	\$
55	\$	\$
60	\$	\$
65	\$	\$
70	\$	\$
75	\$	\$
80	\$	\$

Table F:

5 Year Benefit Period

Age	Alternative Plan 1	Alternative Plan 2
30	\$	\$
35	\$	\$
40	\$	\$
45	\$	\$
50	\$	\$
55	\$	\$
60	\$	\$
65	\$	\$
70	\$	\$
75	\$	\$
80	\$	\$

Section V: Exhibits

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Exhibit B – Current Summary Plan Description

Double-Click below to open full Plan Description as a PDF

DRAFT



Unum Life Insurance Company of America
2211 Congress Street
Portland, Maine 04122
(207) 575-2211

**LONG TERM CARE INSURANCE
OUTLINE OF COVERAGE**
For the Employees of

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM
(the Sponsoring Organization)

Group Master Summary of Benefits Form Number 510487

NOTICE TO BUYER: This plan may not cover all costs associated with long term care incurred by the buyer during the period of coverage. The buyer is advised to review carefully all plan limitations.

Caution: If you must complete an Application for Long Term Care Insurance which includes evidence of insurability, the issuance of a long term care insurance certificate will be based on your responses to the questions in your application. A copy of your Application for Long Term Care Insurance was retained by you when you applied. If your answers are incorrect or untrue, Unum has the right to deny benefits or rescind your coverage. The best time to clear up any questions is now, before a claim arises! If, for any reason, any of your answers are incorrect, contact Unum at this address: Unum Life Insurance Company of America, 2211 Congress Street, Portland, Maine 04122.

1. The Summary of Benefits is delivered in and is governed by the laws of the governing jurisdiction of **Maine** and to the extent applicable by the Employee Retirement Income Security Act of 1974.

The Summary of Benefits is a part of the Select Group Insurance Trust situated in Maine. Fleet Bank of Maine is the Trustee.

2. **PURPOSE OF OUTLINE OF COVERAGE**

This outline of coverage provides a very brief description of the important features of the plan. You should compare this outline of coverage to outlines of coverage for other plans available to you. This is not an insurance contract, but only a summary of coverage.

Only the Summary of Benefits contains governing contractual provisions. This means that the Summary of Benefits sets forth in detail the rights and obligations of both you and us (Unum Life Insurance Company of America). Therefore, if you purchase this coverage, or any other coverage, it is important that you **READ YOUR CERTIFICATE CAREFULLY!**

B.OOC (11/01)

Exhibit C – Employee Census

Suggest census information including age be included for 1. Current enrollees and 2. All eligibles

DRAFT

From: bill.hickman@gabrielroeder.com [<mailto:bill.hickman@gabrielroeder.com>]

Sent: Friday, November 09, 2012 12:59 PM

To: Collins, J. Sparb

Cc: amy.cohen@gabrielroeder.com; skappel@managedcareadvisors.com

Subject: LTC Draft

Sparb,

Please see the attached draft. I've delayed sending this pending responses to a Request for Information conducted by another state client. That client has been with Prudential and currently covers over 10,000 participants in its group long term care plan. In response to the RFI, no company indicated that it will be willing to submit a proposal if the state issues an RFP. We can go ahead with your solicitation; however it is unlikely that any company will respond.

Please let us know how you want to proceed.

Thanks,

Bill



**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: December 12, 2012

SUBJECT: Dental/Vision Plans Update

Annual enrollment was conducted from October 22 through November 9, 2012. Following is the breakdown in the participation prior to and following open enrollment (OE).

<u>Dental Plan</u>	<u>Prior to OE</u>	<u>Post OE</u>	<u>Change</u>
Employee	3,070	3,254	+184
Employee & Spouse	1,611	1,721	+110
Employee & Child(ren)	494	513	+ 19
Family	<u>1,550</u>	<u>1,723</u>	<u>+173</u>
Total	6,725	7,211	+486

Vision Plan

Employee	2,844	2,945	+101
Employee & Spouse	2,049	2,135	+ 86
Employee & Child(ren)	574	605	+ 31
Family	<u>1,981</u>	<u>2,182</u>	<u>+201</u>
Total	7,448	7,867	+419

Our two-year Agreement for Services with Superior Vision expires December 31, 2012. As such, it will be necessary to execute a new agreement for the period January 1, 2013 through December 31, 2014 which will take us through the 4-year rate guarantee period.

A copy of the agreement is included for your information. It has been reviewed by legal counsel and updated accordingly.

Board Action Required

Approve the Agreement for Services with Superior Vision for the period January 1, 2013 through December 31, 2014.

AGREEMENT FOR SERVICES

The parties to this contract are the State of North Dakota, acting through its North Dakota Public Employees Retirement System (STATE) and Superior Vision Services (CONTRACTOR);

SCOPE OF SERVICE

CONTRACTOR, in exchange for the compensation paid by STATE under this contract, agrees to provide the following services: Underwrite and offer to the employees and retirees a voluntary, fully insured vision benefit program.

TERM OF CONTRACT

The term of this contract begins January 1, 2013 and ends on December 31, 2014.

COMPENSATION

STATE will pay for the services provided by CONTRACTOR under this contract an amount not to exceed the following rates:

Emp Only	\$4.92
Emp + Spouse	\$9.84
Emp + Child(ren)	\$8.96
Emp + Family	\$13.88

TERMINATION OF CONTRACT

- a. Termination without cause. This contract may be terminated by mutual consent of both parties.

- b. Termination for lack of funding or authority. STATE by written notice of default to CONTRACTOR, may terminate the whole or any part of this contract, under any of the following conditions:
 - (1) If funding from federal, state, or other sources is not obtained and continued at levels sufficient to allow for purchase of the services or supplies in the indicated quantities or term.

 - (2) If federal or state laws or rules are modified or interpreted in a way that the services are no longer allowable or appropriate for purchase under this contract or are no longer eligible for the funding proposed for payments authorized by this contract.

 - (3) If any license, permit, or certificate required by law or rule, or by the terms of this contract, is for any reason denied, revoked, suspended, or not renewed.

Termination of this contract under this subsection is without prejudice to any obligations or liabilities of either party already accrued prior to termination.

- c. Termination for cause. STATE may terminate this contract effective upon delivery of written notice to CONTRACTOR, or any later date stated in the notice:
- (1) If CONTRACTOR fails to provide services required by this contract within the time specified or any extension agreed to by STATE; or
 - (2) If CONTRACTOR fails to perform any of the other provisions of this contract, or so fails to pursue the work as to endanger performance of this contract in accordance with its terms.

The rights and remedies of STATE provided in this subsection are not exclusive and are in addition to any other rights and remedies provided by law or under this contract.

FORCE MAJEURE

CONTRACTOR shall not be held responsible for delay or default caused by fire, flood, riot, acts of God or war if the event is beyond CONTRACTOR'S reasonable control and CONTRACTOR gives notice to STATE immediately upon occurrence of the event causing the delay or default or that is reasonably expected to cause a delay or default.

RENEWAL

This contract will not automatically renew. If STATE desires to renew, STATE will provide written notice to CONTRACTOR of its intent to renew this contract at least 60 days before the scheduled termination date.

MERGER AND MODIFICATION

This contract constitutes the entire agreement between the parties. There are no understandings, agreements, or representations, oral or written, not specified within this contract. This contract may not be modified, supplemented or amended, in any manner, except by written agreement signed by both parties.

SEVERABILITY

If any term of this contract is declared by a court having jurisdiction to be illegal or unenforceable, the validity of the remaining terms is unaffected, and, if possible, the rights and obligations of the parties are to be construed and enforced as if the contract did not contain that term.

ASSIGNMENT AND SUBCONTRACTS

CONTRACTOR may not assign or otherwise transfer or delegate any right or duty without STATE'S express written consent. However, CONTRACTOR may enter into subcontracts provided that any subcontract acknowledges the binding nature of this contract and incorporates this contract, including any attachments. CONTRACTOR is solely responsible for the performance of any subcontractor. CONTRACTOR does not have authority to contract for or incur obligations on behalf of STATE.

NOTICE

All notices or other communications required under this contract must be given by registered or certified mail and are complete on the date mailed when addressed to the parties at the following addresses:

Sparb Collins, Executive Director
ND Public Employees retirement System
400 East Broadway, Suite 505
PO Box 1657
Bismarck, ND 58502-1657

Ron Kemper
Superior Vision
11101 White Rock Td Ste #150
Rancho Cordova CA 95670

Notice provided under this provision does not meet the notice requirements for monetary claims against the State found at N.D.C.C. § 32-12.2-04.

APPLICABLE LAW AND VENUE

This contract is governed by and construed in accordance with the laws of the State of North Dakota. Any action to enforce this contract must be adjudicated exclusively in the State District Court of Burleigh County, North Dakota.

SPOILIATION – NOTICE OF POTENTIAL CLAIMS

CONTRACTOR shall promptly notify STATE of all potential claims that arise or result from this contract. CONTRACTOR shall also take all reasonable steps to preserve all physical evidence and information that may be relevant to the circumstances surrounding a potential claim, while maintaining public safety, and grants to STATE the opportunity to review and inspect the evidence, including the scene of an accident.

INDEMNITY

The STATE and CONTRACTOR each agrees to assume its own liability for any and all claims of any nature including all costs, expenses and attorneys' fees which may in any manner result from or arise out of this agreement.

INSURANCE

CONTRACTOR shall secure and keep in force during the term of this agreement, from insurance companies, government self-insurance pools or government self-retention funds, authorized to do business in North Dakota, the following insurance coverages:

- 1) Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$250,000 per person and \$1,000,000 per occurrence.
- 2) Professional errors and omissions with minimum limits of \$1,000,000 per occurrence and in the aggregate, Contractor shall continuously maintain such coverage during the contact period and for three years thereafter. In the event of a change or cancellation of coverage, Contractor shall purchase an extended reporting period to meet the time periods required in this section.

- 3) Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$250,000 per person and \$500,000 per occurrence.
- 4) Workers compensation coverage meeting all statutory requirements.

The insurance coverages listed above must meet the following additional requirements:

- 1) Any deductible or self-insured retention amount or other similar obligation under the policies shall be the sole responsibility of the Contractor. The amount of any deductible or self retention is subject to approval by the State.
- 2) This insurance may be in policy or policies of insurance, primary and excess, including the so-called umbrella or catastrophe form and must be placed with insurers rated "A-" or better by A.M. Best Company, Inc., provided any excess policy follows form for coverage. Less than an "A-" rating must be approved by the State. The policies shall be in form and terms approved by the State.
- 3) The insurance required in this agreement, through a policy or endorsement, shall include a provision that the policy and endorsements may not be canceled or modified without thirty (30) days' prior written notice to the undersigned State representative.
- 4) The Contractor shall furnish a certificate of insurance to the undersigned State representative prior to commencement of this agreement.
- 5) Failure to provide insurance as required in this agreement is a material breach of contract entitling State to terminate this agreement immediately.

ATTORNEY FEES

In the event a lawsuit is instituted by STATE to obtain performance due under this contract, and STATE is the prevailing party, CONTRACTOR shall, except when prohibited by N.D.C.C. § 28-26-04, pay STATE'S reasonable attorney fees and costs in connection with the lawsuit.

ALTERNATIVE DISPUTE RESOLUTION – JURY TRIAL

STATE does not agree to any form of binding arbitration, mediation, or other forms of mandatory alternative dispute resolution. The parties have the right to enforce their rights and remedies in judicial proceedings. STATE does not waive any right to a jury trial.

CONFIDENTIALITY

CONTRACTOR shall not use or disclose any information it receives from STATE under this contract that STATE has previously identified as confidential or exempt from mandatory public disclosure except as necessary to carry out the purposes of this contract or as authorized in advance by STATE. STATE shall not disclose any information it receives from CONTRACTOR that CONTRACTOR has previously identified as confidential and that STATE determines in its sole discretion is protected from mandatory public disclosure under a specific exception to the North Dakota open records law, N.D.C.C. ch. 44-04. The duty of STATE and CONTRACTOR to maintain confidentiality of information under this section continues beyond the term of this contract.

COMPLIANCE WITH PUBLIC RECORDS LAW

CONTRACTOR understands that, except for disclosures prohibited in this contract, STATE must disclose to the public upon request any records it receives from CONTRACTOR. CONTRACTOR further understands that any records that are obtained or generated by CONTRACTOR under this contract, except for records that are confidential under this contract, may, under certain circumstances, be open to the public upon request under the North Dakota open records law. STATE retains ownership of all work product, equipment or materials created or purchased under this contract. CONTRACTOR agrees to contact STATE immediately upon receiving a request for information under the open records law and to comply with STATE'S instructions on how to respond to the request.

WORK PRODUCT, EQUIPMENT AND MATERIALS

All work product, equipment or materials created or purchased under this contract belong to STATE and must be delivered to STATE at STATE'S request upon termination of this contract. CONTRACTOR agrees that all materials prepared under this contract are "works for hire" within the meaning of the copyright laws of the United States and assigns to STATE all rights and interests CONTRACTOR may have in the materials it prepares under this contract, including any right to derivative use of the material. CONTRACTOR shall execute all necessary documents to enable STATE to protect its rights under this section.

INDEPENDENT ENTITY

CONTRACTOR is an independent entity under this contract and is not a STATE employee for any purpose, including the application of the Social Security Act, the Fair Labor Standards Act, the Federal Insurance Contribution Act, the North Dakota Unemployment Compensation Law and the North Dakota Workforce Safety and Insurance Act. CONTRACTOR retains sole and absolute discretion in the manner and means of carrying out CONTRACTOR'S activities and responsibilities under this contract, except to the extent specified in this contract.

NONDISCRIMINATION AND COMPLIANCE WITH LAWS

CONTRACTOR agrees to comply with all laws, rules, and policies, including those relating to nondiscrimination, accessibility and civil rights. CONTRACTOR agrees to timely file all required reports, make required payroll deductions, and timely pay all taxes and premiums owed, including sales and use taxes and unemployment compensation and workers' compensation premiums. CONTRACTOR shall have and keep current at all times during the term of this contract all licenses and permits required by law.

STATE AUDIT

All records, regardless of physical form, and the accounting practices and procedures of CONTRACTOR relevant to this contract are subject to examination by the North Dakota State Auditor or the Auditor's designee. CONTRACTOR shall maintain all such records for at least three years following completion of this contract.

PREPAYMENT

STATE will not make any advance payments before performance by CONTRACTOR under this contract.

TAXPAYER ID

CONTRACTOR'S federal employer ID number is: 30-0493780.

PAYMENT OF TAXES BY STATE

State is not responsible for and will not pay local, state, or federal taxes. State sales tax exemption number is E-2001, and certificates will be furnished upon request by the purchasing agency.

EFFECTIVENESS OF CONTRACT

This contract is not effective until fully executed by both parties.

SUPERIOR VISION

STATE OF NORTH DAKOTA

Acting through its

ND Public Employees Retirement System

By: _____

By: _____

Title: _____

Title: _____

Date: _____

Date: _____

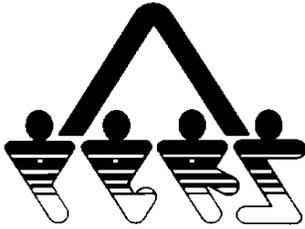
Delta Dental of Minnesota						
State of North Dakota						
Effective 01-01-2013						
DD = Delta Dental G = Group						
Task #	TASK	STATUS	START	END	RESOURCE	COMMENT
<u>CUSTOMER/GROUP/SUBGROUP SET UP</u>						
1	Determine final plan designs	Completed	9/5/12	9/5/12	DD, G	
2	Finalize new plan design	Completed	9/5/12	9/19/12	DD, G	Review plan design on Master Application
3	Determine account structure	Completed	9/5/12	9/5/12	DD, G	
4	Finalize account structure	Completed	9/5/12	9/14/12	DD, G	
5	Release final account structure	Completed	10/1/12	9/19/12	DD, G	At time of set up
6	Complete New Customer Checklist	Completed	9/5/12	9/19/12	DD, G	Approve once billing and electronic file questions are answered
7	Complete Master Dental Contract Application	Completed	9/5/12	9/19/12	DD, G	fix rates to be divisible by 2-sent update on 10/1. Recd revised signed Master App
8	Submit GSM to start group set up	Completed	9/28/12	10/8/12	DD	
9	System set up complete	Completed	10/1/12	10/18/12	DD	
10	Audit system set up	Completed	10/12/12	10/31/12	DD	Lisa Kubasch confirmed audit is complete
<u>BENEFITS</u>						
11	Obtain copy of current SPD	Completed	9/5/12	9/5/12	DD, G	
12	Determine plan design changes	Completed	9/5/12	9/12/12	DD, G	
13	Determine if comparison grid is needed	Completed	9/5/12	9/12/12	DD, G	Will submit changes contained in RFP
14	Complete benefit grid	Completed	9/5/12	9/28/12	DD, G	
15	Load benefits in system	Completed	10/1/12	10/22/12	DD	
16	Test benefit set up	Completed	10/15/12	10/31/12	DD	Lisa Kubasch confirmed this audit is complete
<u>OPEN ENROLLMENT (OE)</u>						
17	Determine OE dates	Completed	9/5/12	9/5/12	DD, G	Oct. 21-Nov. 9
18	Determine OE materials needed	Completed	9/5/12	9/14/12	DD, G	Newsletter
19	Prepare OE materials	Completed	9/5/12	9/14/12	DD, G	9/13 provided information for newsletter-10/1 sent updated benefit summary with correct name and rates
20	Approve OE materials		9/5/12	9/20/12	DD, G	N/A
21	Provide OE materials to Customer Service	Completed	9/5/12	10/9/12	DD	
<u>ENROLLMENT</u>						
22	Determine requirements of file format	Completed	9/5/12	9/13/12	DD, G	
23	Complete Electronic Enrollment Requirements Document	Completed	9/6/12	9/11/12	DD, G	
24	Review 834 Companion Guide	Completed	9/6/12	9/13/12	DD, G	
25	Determine any manual processes needed	Completed	9/13/12	9/13/12	DD, G	
26	Define termination rule	Completed	9/13/12	9/13/12	DD, G	
27	Define coverage: Domestic Partner/FTS/Disabled	Completed	9/13/12	9/13/12	DD, G	
28	Define Cobra rules and source of data	Completed	9/13/12	9/13/12	DD, G	
29	Determine unique enrollment requirements	Completed	9/13/12	9/13/12	DD, G	
30	Finalize file format/structure	Completed	9/13/12	9/13/12	DD, G	

Task #	TASK	STATUS	START	END	RESOURCE	COMMENT
31	Test file - full population	Completed	10/15/12	10/23/12	DD, G	10/17 expected date to send test file to DDMN
32	Test file - changes/termination	Completed	10/15/12	10/23/12	DD, G	Good base line file sent on 10/23
33	Receive production file		12/11/12	12/12/12	DD	First production file expected on 12/11-was received. File will be loaded 12/12
34	Load production file in test system		12/12/12	12/12/12	DD	
35	Load production file in production system		12/12/12	12/12/12	DD	
36	Error reports	Completed	10/15/12	12/12/12		NDPERS can determine who they want to receive error reports. Ruth will check on who the contact is in enrollment to receive errors for correction. Sharon will contact Kevin to see if he sent names of people to receive error report. 11/14 Enrollment contacts: Stacy Breczinski and Teresa McCauley.
37	Online enrollment - view only		11/26/12	12/21/12		Completed online forms received and forwarded to enrollment department. Once enrollment file is loaded, enrollment will set up online users. Will schedule online training week of 12/17
	<u>BILLING/BANKING ARRANGEMENTS</u>					
38	Determine method of payment	Completed	9/5/12	9/18/12	DD, G	Conference call on 9/18. Method is customer initiated EFT
39	Complete paperwork for method of payment	Completed	9/5/12	9/21/12	DD, G	Self-bill agreement sent to Sharon and Cathy
40	Determine method of bill distribution	Completed	9/5/12	9/21/12	DD, G	Invoice & subscriber listing - we will not send these reports
41	Complete paperwork for bill distribution	Completed	9/5/12	9/28/12	DD, G	Self bill agreement signed by NDPERS & DDMN was sent to NDPERS
42	Identify billing contacts	Completed	9/5/12	9/13/12	DD, G	
43	Separate monthly payment file		9/13/12	12/31/12	DD, G	5010 test file was sent. NDPERS needs to know what extent are there changes that need to be made to the file. Need update from Jim/Jessica by 11/6. Per Jessica, the file looks good and can be used as a comparison 11/8. Jessica will be reviewing the monthly file. Jaime L set it up to be received.
	<u>ID CARDS</u>					
44	Determine ID card format	Completed	9/5/12	9/5/12	DD, G	

Task #	TASK	STATUS	START	END	RESOURCE	COMMENT
45	Define quantity needed		9/5/12	12/11/12	DD	Pending enrollment #s
46	Determine welcome letter needs				DD, G	N/A
47	Finalize welcome letter				DD, G	N/A
48	Determine distribution date of ID Card	Completed	10/1/12	12/18/12	DD, G	
49	Order ID cards	Completed	11/1/12	11/21/12	DD	
50	Print ID cards		12/17/12	12/18/12	DD	
51	Mail ID cards to employees		12/18/12	12/19/12	DD	
	<u>SUMMARY PLAN DESCRIPTION</u>					
52	Prepare SPD draft	Completed	10/15/12	11/1/12	DD	
53	Review SPD draft	Completed	10/10/12	11/30/12	G	12/3 revised SPD draft sent. (Missing tooth clause - 24 month waiting period in place for new hires. Waiting period waived for initial enrollees. Pending approval
54	Finalize SPD	Completed	11/16/12	12/3/12	G	SPD approved. PDF only - no printed copies
	<u>CUSTOMER SERVICE</u>					
55	Train Customer Service staff	Completed	9/5/12	10/12/12	DD	Supervisor will provide materials to reps at 10/12 training meeting
56	Determine appeal process and procedures	Completed	9/5/12	9/5/12	DD, G	
	<u>CONTRACT</u>					
57	Draft contract and issue to group	Completed	11/1/12	11/1/12	DD	Sample contract draft provided 9/21
58	Review contract draft	Completed	11/1/12	11/16/12	G	Revised draft sent
59	Revise and approve contract		11/16/12	12/14/12	G	Board will review on 11/29. Board approved contract 11/29. Kathy will forward to chairman for signature and will return to DDMN
60	Send final contract to group		11/30/12	12/17/12	DD	
61	Return final signed contract to DDMN		12/15/12	12/31/12	G	
62	Business Associate Agreement-send to Ruth	Completed	10/17/12	11/2/12		11/29 rec'd revised agreement. 11/30 sent to Kathy for review. 11/30 rec'd signed copy from NDPERS. Will get signature from DDMN. 12/5 final copy of signed agreement returned to Kathy.
	<u>CLAIMS</u>					
63	Treatment in progress - determine methodology (i.e. ortho)	Completed	9/5/12	9/5/12	DD, G	Excel spreadsheet
64	Determine timing and format of Ortho accumulator load from prior carrier	Completed	9/5/12	9/5/12	DD, G	Request end of December
65	Send request to prior carrier	Completed	10/30/12	11/9/12	G	
66	Receive history file from prior carrier		1/10/13	1/10/13	DD	Deadline to receive ortho history-discuss further during call on 11/14
67	Load history file from prior carrier		1/11/13	1/18/13	DD	

Task #	TASK	STATUS	START	END	RESOURCE	COMMENT
	REPORTS					
68	Determine standard reports	Completed	11/1/12	11/7/2012	DD, G	Quarterly reports - 1) Claims vs. premium; 2) Enrollment #s. Mark will check on report available that shows loss ratio. 11/7 Mark sent sample reports
69	Provide sample reports required	Completed	11/1/12	11/7/2012	DD, G	
70	Determine report formats	Completed	11/1/12	12/5/2012	DD, G	Reviewed - NDPERS would like sample of gain/loss ratio . Sample report sent 11/29
71	Validate account structure supports reporting	Completed	11/1/12	12/5/2012	DD, G	
72	Determine distribution of standard reports		11/1/12	12/31/2012	DD, G	Quarterly - confirm who should receive reports?
	RECRUITMENT					
73	Mailing to all dentists	Completed	9/12/12	11/2/12	DD	Recruitment letter has been mailed out
74	Monthly report from Julia		9/12/12	12/31/12	DD	Update from Mark- follow up calls from mailing. 4 in process now. Mark will email list of new dentists as of 1-1-2012.
	CREDIT					
75	\$10,000 premium credit	Completed	9/19/2012	12/7/2012	DD-Dave	11/7 received email from Sharon - 4 vendors listed - 4 checks to be made -mail all 4 checks to Sharon for delivery to vendors. NDPERS would like all checks by 11/30 to pay vendors. Dave is following up. Need vendor address and Tax ID number for DDMN Accounting to publish checks. Received necessary information. Checks have been issued and given to Dave.
	FSA					
76	File set up		12/3/2012	12/31/2012		Confirmation-ADP made contact with DDMN. There is a system request in place for developers to set file. We work with ADP on several other FSA files and they are aware of this new file that we are expecting to receive.

Task #	TASK	STATUS	START	END	RESOURCE	COMMENT
77	CONTACT LIST		12/5/2012	12/12/2012	DD	Mark & Ruth will put together contact list for NDPERS



**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

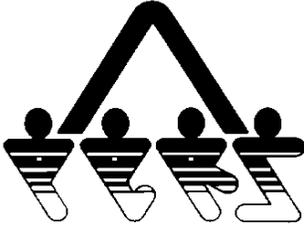
Memorandum

TO: NDPERS Board
FROM: Kathy
DATE: December 10, 2012
SUBJECT: HDHP Plan Update

Annual enrollment was conducted from October 22 through November 9, 2012. Following is the participation prior to and following open enrollment (OE).

<u>Prior to OE</u>	<u>After OE</u>	<u>Change</u>
96	110	+14

We are available to answer any questions.



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Memorandum

TO: NDPERS Board
FROM: Kathy & Sparb
DATE: December 12, 2012
SUBJECT: Part D PDP Contract

Included for your information is the PDP contract for the period January 1, through December 31, 2013. BCBS has provided its annotations to those areas that have been changed or added. The contract has been reviewed by Jan Murtha and she has included the following suggestions:

It is my understanding that there is little room to change the items contained in this contract due to the need to maintain consistency and compliance with Federal law. That said I only suggested specific changes to four items under the miscellaneous provisions for sections 6.8, 6.9, 6.11, and 6.13. I suggested changing the governing law of the contract from Minnesota to North Dakota in sections 6.9 and 6.13. In addition I suggested that the assignment and record maintenance obligations imposed by 6.8 and 6.11 be made mutual as opposed to only applying to NDPERS.

I did also note that this contract lacks many standard state contract terms for items such as confidentiality, indemnity or insurance. I suggested that given that this contract is with BCBS, and NDPERS already has multiple contracts with BCBS, that the PDP contract be entitled an Addendum to another contract such as the Administrative Services agreement, so that the standard state clauses from the Administrative Services agreement would also apply to the addendum and would not need to be restated in the PDP contract itself. Accordingly I added a header to the PDP contract that indicates it is Addendum A to (fill in the blank).

Note that it is the NDPERS Agreement for Services with BCBS that contains all of the standard state clauses, and that the Administrative Services agreement incorporates the Agreement for Services by reference in Section 11.2.

The above suggestions were forwarded to BCBS for response.

Board Action Requested

Approve the Part D PDP contract for the period January 1 through December 31, 2013.

Group MedicareBlueSM Rx Retiree Prescription Drug Plan

Master Contract

Issued to: *<Account/Contractholder/Plan Sponsor/Plan Administrator>*, hereinafter “Group.”

Address: *<Address Line 1>*
<Address Line 2>
<Address Line 3>
<Address Line 4>
<Address Line 5>

Effective Date: *<Plan Effective Date>*

Issued By: *<Insert Plan Name>*

RECITALS

WHEREAS, Group MedicareBlue Rx is a Medicare Prescription Drug Plan providing Medicare Part D Prescription Drug Coverage through only one of the following plans: Wellmark Blue Cross and Blue Shield of Iowa, Blue Cross and Blue Shield of Minnesota, Blue Cross and Blue Shield of Montana, Blue Cross and Blue Shield of Nebraska, Blue Cross Blue Shield of North Dakota, Wellmark Blue Cross and Blue Shield of South Dakota, and Blue Cross Blue Shield of Wyoming;

WHEREAS, Group wants to offer Medicare Part D Prescription Drug Coverage and certain Supplemental Drug Coverage to its eligible Medicare beneficiaries under the terms of this Contract;

WHEREAS, Group must comply with Medicare restrictions in order to obtain Medicare Part D Prescription Drug Coverage; and

WHEREAS, BCBS offers Medicare Part D Prescription Drug Coverage through Group MedicareBlue Rx and certain Supplemental Drug Coverage and is willing to provide Group’s eligible Medicare beneficiaries such coverage as described in this Contract.

NOW THEREFORE it is hereby agreed as follows:

ARTICLE I

DEFINITIONS

1.1 Defined Terms. Capitalized terms used in this Group MedicareBlue Rx Retiree Prescription Drug Plan Master Contract (the “**Contract**”) are defined herein or have the meaning set forth in the Medicare Part D Rules (42 C.F.R. Part 423).

Comment [CAH1]: PDBM Ch 12, 10.1 – “... PDP sponsors offering employer group plans must comply with all Part D requirements unless those requirements have been specifically waived or modified...”

[Addendum A to](#)

- 1.2 **“Accretion”** is the confirmation by CMS that the retiree meets the federal requirements to be enrolled in the specified plan.
- 1.3 **“Annual Notice of Change”** is a CMS required material that outlines coverage information and changes related to an Enrollee’s Medicare health plan. CMS requires this document to be in the beneficiary’s hands at least fifteen days prior to the Annual Coordinated Election Period.
- 1.4 **“Annual Coordinated Election Period”** is the annual period during which Medicare eligible individuals can enroll in a Medicare health plan or change their Medicare coverage. The Annual Coordinated Election Period occurs each year from October 15 – December 7, with a January 1 effective date.
- 1.5 **“BCBS”** is the independent licensee of the Blue Cross and Blue Shield Association, named above, that insurance coverage under this Contract is issued by.
- 1.6 **“CMS”** is the Centers for Medicare and Medicaid Services, the federal agency responsible for administering the Medicare program.
- 1.7 **“CMS Contract”** is the contract between BCBS and CMS pursuant to which BCBS offers Group MedicareBlue Rx coverage.
- 1.8 **“Enrollee”** is a retired person (not an active employee) who (a) is eligible for Group’s retiree benefit plan, (b) is entitled to Medicare benefits under Medicare Part A or enrolled in Medicare Part B, (c) lives in the United States, and (d) is enrolled in MedicareBlue Rx under the procedures established in this Contract. “Enrollee” may also be a dependent or spouse of an Enrollee described above, provided that the dependent or spouse (a) is eligible for Group’s retiree benefit plan, (b) is entitled to Medicare benefits under Medicare Part A or enrolled in Medicare Part B, (c) lives in the United States, and (d) is enrolled in MedicareBlue Rx under the procedures established in this Contract.
- 1.9 **“Evidence of Coverage”** or **“EOC”** is the document that must be provided to Medicare members each year that describes how the Group gets coverage from BCBS. The Schedule of Copays and Limitations (defined below in Section 1.19) is considered a part of the EOC for purposes of this Contract.
- 1.10 **“Group”** is the employer, union, or other plan sponsor, named above, that insurance coverage under this Contract is issued to.
- 1.11 **“Group MedicareBlue Rx”** means the stand-alone Medicare Prescription Drug Plan sponsored by Group and issued by BCBS pursuant to this Contract.
- 1.12 **“Group MedicareBlue Rx Formulary”** is the list of Part D prescription drugs covered by MedicareBlue Rx. The Group MedicareBlue Rx Formulary is also referred to as the “List of Covered Drugs” or “Drug List.”

- 1.13 **“Group Termination”** is a termination that is requested by the Group rather than the Enrollee. For example, the Group may terminate an Enrollee who no longer meets the Group’s eligibility criteria or who fails to pay premium.
- 1.14 **“Late Enrollment Penalty”** is an amount assessed by CMS and added to an Enrollee’s Part D premium when there is a period of sixty-three (63) or more consecutive days in which the Enrollee does not have Part D or other creditable prescription drug coverage.
- 1.15 **“Low Income Subsidy”** or **“LIS”** is the Medicare Part D subsidy for which low-income Medicare beneficiaries are eligible under Subpart P of 42 C.F.R. Part 423.
- 1.16 **“Medicare Part D Prescription Drug Coverage”** means coverage provided under Group MedicareBlue Rx for prescription drugs that can be covered under Medicare Part D and are listed on the Group MedicareBlue Rx Formulary.
- 1.17 **“Medicare Prescription Drug Plan”** means a stand-alone Part D prescription drug plan offered by a Plan Sponsor pursuant to a contract with CMS.
- 1.18 **“Plan Sponsor”** is an entity that sponsors a health plan. This can be an employer, a union, or some other entity.
- 1.19 **“Schedule of Copays and Limitations”** is the document that accompanies the Evidence of Coverage and describes how the Enrollee gets coverage from a selected plan option
- 1.20 **“Supplemental Drugs”** means drugs that are not normally covered in a Medicare Prescription Drug Plan or are excluded from coverage under Medicare Part D and that are listed on the **“Supplemental Drug List”** / **“Supplemental Plus Drug List”** attached at the end of or provided in connection with the Group MedicareBlue Rx Formulary.
- 1.21 **“Supplemental Drug Coverage”** means the drug coverage offered by BCBS to Group pursuant to this Contract that is in excess of Medicare’s standard prescription drug coverage, including, but not limited to, any coverage of Supplemental Drugs.

ARTICLE II

PROVISION OF DRUG COVERAGE

- 2.1 **Insurance Coverage.** BCBS shall provide Enrollees insurance coverage for prescribed drugs in accordance with the Evidence of Coverage, Schedule of Copays and Limitations, and the Group MedicareBlue Rx Formulary (along with any attachments/supplements thereto). The Group and BCBS shall comply with the terms of this Contract with respect to this coverage, except as otherwise required by rules or guidance issued by CMS, or as otherwise required by the CMS Contract.
- 2.2 **Evidence of Coverage.** BCBS shall provide Enrollees an Evidence of Coverage describing benefits, exclusions, and appeal rights.

Comment [CAH2]: PDBM Ch 12, 10.1 – “... PDP sponsors offering employer group plans must comply with all Part D requirements unless those requirements have been specifically waived or modified...”

Comment [CAH3]: PDBM Ch 12, 20.3.2.1 “In general, dissemination [of] materials for employer/union sponsored enrollees in... “800 series” plans... are subject to all applicable Medicare dissemination regulatory requirements (42 CFR 423.128) and sub-regulatory guidance (including any requirements related to the timing and content of these materials) unless waived or modified as outlined below. This also includes all of the dissemination requirements contained in the Medicare Marketing Guidelines unless those requirements have been explicitly waived or modified.”

Medicare Marketing Guidelines (MMG) 30.9 - Required Materials for New and Renewing Members at Time of Enrollment and Thereafter, “Annual Notice Of Change /Evidence Of Coverage (ANOC/EOC) or EOC as applicable...”

2.3 **Plan Effective Date.** The effective date of this Contract is 12:00 a.m. Central Time on the Effective Date listed on page 1. Each Contract month thereafter will begin on the first day of each calendar month and end on the first day of the next succeeding calendar month. This Contract must be renewed annually by January 1.

ARTICLE III

GROUP RESPONSIBILITIES

3.1 **Billing of Premium.** Under this Contract, the billing arrangements are as follows:

<Instruction: Please use the section that applies and delete those sections not applicable>

<Group Billing. The Group will be responsible for payment of the “Premium Amount” (defined below in Section 3.2) for each Enrollee. The “Premium Amount” may be less for Enrollees who qualify for Low Income Subsidy. **The Group may elect to pay the Late Enrollment Penalty charges assessed by CMS on behalf of its Enrollees or instead pass those charges on to the Enrollees.** The first bill is payable on the Effective Date of this Contract. Monthly bills are payable on the first day of each following month during the time this Contract is in effect.>

Comment [CAH4]: PDBM Ch 12, 20.12.1 “... EGWP Part D sponsors are responsible for identifying employer/union group health plan LIS Part D eligibles and passing through the low-income premium subsidy amount payments made by CMS on behalf of these Part D eligibles to reduce their premium contributions...”

<Direct Billing. Each Enrollee will be billed individually for the applicable “Premium Amount” (defined below in Section 3.2). The bill amount will be equal to the “Total Monthly Premium per Enrollee,” (defined below in Section 3.2) unless the Enrollee qualifies for Low Income Subsidy as defined by CMS. **The Enrollee will also be responsible for any Late Enrollment Penalty charge assessed by CMS.** The first bill is payable on the effective date of the Enrollee’s certificate. Thereafter, bills are payable monthly. All bills are payable to BCBS by the Enrollee on the due date given.>

Comment [CAH5]: PDBM Ch 4, 50.4 “In cases where an employer or union sponsors prescription drug coverage for its members through the Part D plan sponsor, and the employer or union elects to pay the LEP on behalf of its members...”

PDBM Ch 4, 60.1 “In accordance with 42 CFR §§423.286(d)(3) and 423.293(a)(1), the LEP is part of the Part D premium. Therefore, the Part D plan sponsor shall bill and collect it in the same manner it does the non-LEP portion of its member’s premium once it receives information from CMS about the amount...”

Comment [CAH6]: Same as CAH4

Comment [CAH7]: Same as CAH5

<Split Billing. The Group will be responsible for payment of that portion of the “Premium Amount” (defined below in Section 3.2) for each Enrollee per the direction provided by the Group on the vendor setup form. Each Enrollee will then be direct billed for any remainder of the “Premium Amount.” Any Enrollee Low Income Subsidy will be applied to the Enrollee portion of the Premium Amount to reduce the Enrollee’s premium. Any Enrollee Late Enrollment Penalty will be billed either to the Group or to the Enrollee per the direction provided by the Group on the vendor setup form.>

Comment [CAH8]: Same as CAH4

Comment [CAH9]: Same as CAH5

Group billed portion of “Premium Amount” -- The first bill is payable on the Effective Date of this Contract. Monthly bills are payable on the first day of each following month during the time this Contract is in effect.

Enrollee direct billed portion of the “Premium Amount” -- The first bill is payable on the effective date of the Enrollee’s certificate. Thereafter, bills are payable monthly. All bills are payable to BCBS by the Enrollee on the due date given.>

<Instruction: If Group Billing or Split Billing is chosen and EFT will be used, include the following paragraph:>

<Electronic Funds Transfer (EFT). The Group has authorized EFT payments effective MM/DD/YYYY against its account at the financial institution referenced in the EFT agreement with BCBS. An EFT will be completed according to the terms of the Group's EFT agreement for an amount equal to the total of the "Premium Amount" (defined below in Section 3.2) for all Enrollees.>

3.2 Premium Amount. Under this Contract, all "Premium Amounts" are for a full month. The "Premium Amount" as agreed to by the Group and BCBS for each Enrollee is determined as follows:

Total Monthly Premium per Enrollee: <Insert Premium Agreed to by Group>;

Less any **Low Income Subsidy** applicable to the Enrollee, as determined by CMS;

Comment [CAH10]: Same as CAH4

Plus any **Late Enrollment Penalty** applicable to the Enrollee, as determined by CMS.

Comment [CAH11]: Same as CAH5

3.3 Retroactive Premium Adjustments. The monthly charge will be determined from BCBS' records by the number of Enrollees who have been confirmed through the CMS Accretion process. Retroactive adjustments will be made for additions and terminations of Enrollees and for Enrollees who have been confirmed through the CMS Accretion process after the initial billing statement. **<Instruction—Keep this section in for Group billing:** For Groups that use the Group Billing option, any refund that is owed to an Enrollee must come from the Group. BCBS will only adjust the amount due of a Group and will not refund premium(s) paid to an Enrollee.>

Comment [CAH12]: PDBM Ch 3, 60.7 "Upon receipt of a TRR, PDP sponsors must update their records to accurately reflect each individual's enrollment status..."

Comment [CAH13]: PDBM Ch 3, 60.5.1 "The effective date may be retroactive up to, but not exceeding, 90 days from the date the PDP received the request (which was completed prior to the effective date) from the employer or union group..."

3.4 Uniform Premium Requirement. The Group may determine how much, if any, of an Enrollee's premium it will subsidize. The Group may subsidize different amounts for different classes of Enrollees, provided that classes are reasonable and based on objective business criteria, such as years of service, business location, job category, and nature of compensation (e.g. salaried versus hourly). Enrollee classes may not be based on eligibility for the Medicare Low Income Subsidy. Any such premium subsidy may not vary for Enrollees within a class of Enrollees. The Group may not require any Enrollee to pay more each month than the Total Monthly Premium per Enrollee listed above in Section 3.2. Groups that choose to subsidize different amounts for different classes of Enrollees must use the Group Billing option described in Section 3.1 above, rather than Split Billing or Direct Billing.

PDBM Ch 3 60.5.2 "The PDP sponsor must submit a retroactive disenrollment request to CMS (or its designee) if an EGHP does not provide the PDP sponsor with timely notification of a member's requested disenrollment. Up to a 90-day retroactive payment adjustment is possible in such a case to conform to the adjustments in payment described under 42 CFR 422.250(b)..."

3.5 Benefit of Medicare Low Income Subsidy Premium. Any premium received through the Low Income Subsidy must be applied first to the eligible Enrollee's share of premium. The Group may not benefit from any premium received through the Low Income Subsidy until the eligible Enrollee's premium is reduced to zero (\$0.00).

Comment [CAH14]: PDBM Ch 12, 20.4 "...an employer/union sponsor can subsidize different amounts for different classes of enrollees in a plan provided such classes are reasonable and based on objective business criteria, such as years of service, date of retirement, business location, job category, and nature of compensation (e.g., salaried vs. hourly)..."

<Instruction—Keep this section in for Group billing: The Group agrees to be responsible for reducing up-front the premium contribution required for its Group MedicareBlue Rx (PDP) Enrollees that are eligible for the Low-Income Subsidy. In an instance where the Group is not able to reduce up-front the premiums paid by the Enrollee, the Group must directly refund to the Enrollee the amount of the Low-Income Subsidy up to the monthly premium contribution previously collected. The Group is required to complete the refund of the Low-Income Subsidy amount payment for the Low-Income Subsidy eligible Enrollee within fifteen (15) days of receipt of the Group MedicareBlue Rx (PDP) monthly invoice.

Note that in some cases the LIS beneficiary may not be the retiree/employee, but the spouse or dependent of the retiree/employee. In these instances, where the Group refunds Low Income Subsidy amounts to LIS Enrollees, it may refund such amounts directly to the retiree/employee on behalf of a spouse or dependent who is an LIS-eligible beneficiary.>

Comment [CAH15]: Same as CAH4

3.6 Agreement to Premium Requirements. The Group understands all premium requirements and obligations set forth in this Contract. By signing this Contract or acknowledging receipt of this Contract, the Group acknowledges and agrees to such requirements and obligations.

<Instruction—Keep this section in for Group billing: Requirement to Obtain and Provide Written Documentation. As a condition of this Contract, CMS requires that BCBS enter into written agreements with groups which require the Group to comply with the above requirements and to retain and provide documents upon request to BCBS evidencing the Group's adherence to such requirements. This includes the requirement that any Low-Income Subsidy amount paid to the Group on behalf of an LIS Enrollee is first used to reduce any portion of the monthly premium paid for by the Enrollee. Also, if the Group assumes responsibility for either reducing up-front LIS Enrollees' monthly premiums or refunding to LIS Enrollees their monthly premium contributions, the written agreement will reflect the Group's assumption of these duties consistent with the above requirements. BCBS is required to retain all of these written agreements with groups and must provide access to these written agreements for inspection or audit by CMS (or its designee) in accordance with 42 CFR 422.504(d) & (e) and 423.505(d) & (e).>

Comment [CAH16]: Same as CAH2 and CAH4

ARTICLE IV

CANCELLATION

4.1 BCBS Initiated Cancellation. This Contract is guaranteed renewable and cannot be cancelled as a result of the claims experience or health status of your Group. BCBS can, however, cancel or fail to renew this Contract for the following reasons:

1. for nonpayment of the Group bill;

Addendum A to

2. for fraud or misrepresentation by the Group with respect to eligibility for coverage or any other material fact;
3. when the Group has failed to comply with a material plan provision relating to employer contribution or Group participation rules;
4. BCBS discontinues offering this product or all products in its service area;
5. termination or non-renewal of the CMS Contract;
6. there is no longer any Enrollee who lives or resides in the service area.

4.2 CMS or BCBS-Initiated Cancellation of CMS Contract. CMS requires BCBS to terminate this Contract upon termination or non-renewal of the CMS Contract. BCBS will provide the Group ninety (90) days' notice before BCBS non-renews the CMS Contract and thereby terminates this Contract. BCBS will provide the Group as much notice as reasonably practical in the event of CMS's termination or non-renewal of the CMS Contract. The notice will include the termination date for this Contract.

Comment [CAH17]: 423.507(b)

4.3 Group-Initiated Cancellation. The Group may cancel this Contract at the end of any Contract month by written notice received by BCBS at least sixty (60) days prior to the effective date of cancellation, unless BCBS has initiated Contract cancellation. In the event of a Group-initiated cancellation, the Group must comply with the Enrollee notification requirements for Group Termination of Enrollee Coverage, described in Section 5.4, below.

Comment [CAH18]: PDBM Ch. 3 50.4.1 - Voluntary Disenrollments "After receipt of a completed disenrollment request from an enrollee, the PDP sponsor is responsible for submitting disenrollment transactions to CMS in a timely, accurate fashion. ..."

ARTICLE V

GROUP RESPONSIBILITIES

5.1 Timeliness of Enrollment Transactions. The Group must provide enrollment and disenrollment requests promptly upon receipt of the request by the individual.

Comment [CAH19]: PDBM Ch 3 20 "In general, an individual is eligible to enroll in a Medicare prescription drug plan (PDP) if...The individual permanently resides in the service area of a PDP. An individual who is living abroad or is incarcerated is not eligible for Part D as he or she cannot meet the requirement of permanently residing in the service area of a Part D plan..."

5.2 Residency Requirement for Retirees. Retirees' permanent residence must be in the United States in order to be eligible for Group MedicareBlue Rx.

PDBM Ch 12 20.1.1 "...in order for a beneficiary to be eligible to enroll in an employer-sponsored individual PDP or EGWP, he/she must permanently reside in the defined service area of the individual PDP or EGWP..."

5.3 Disclosure Standards. Group shall provide Enrollees information about its Medicare Part D Prescription Drug Coverage and any Supplemental Drug Coverage offered by Group such that Group complies with all applicable disclosure standards and requirements under federal and state laws, including, if applicable to Group, the Employee Retirement Income Security Act ("ERISA"). At a minimum, Group shall ensure that Enrollees receive an Evidence of Coverage (including the Schedule of Copays and Limitations) describing benefits, exclusions, and appeal rights.

Comment [CAH20]: PDBM Ch 12 20.3.2.2 "...CMS has waived the specific dissemination requirements of 42 CFR 423.128 for employer/union group health plan beneficiaries when the employer/union sponsor is subject to alternative dissemination requirements (e.g., those required by the Employee Retirement Income Security Act of 1974 ("ERISA")), and the employer/union sponsor complies with such alternative requirements. However, these alternative dissemination materials (including summary plan descriptions and all other beneficiary communications that provide descriptions of the Medicare benefit offerings) must be provided by the Direct Contract PDP or the PDP sponsor offering the "800 series" plan or employer-sponsored individual PDP to beneficiaries on a timely basis..."

5.4 Group Termination of Enrollee Coverage.

1. **BCBS Notification:** The Group agrees to report to Group MedicareBlue Rx any Group Termination of an Enrollee's coverage (e.g. if the Group determines an

Enrollee is no longer eligible to participate in Group MedicareBlue Rx). The notification sent by the Group to Group MedicareBlue Rx must be received no later than three (3) business days after the effective date of termination and include information used to identify the correct Enrollee, the requested date of disenrollment, the designation that the disenrollment is a Group Termination, and the contact information and signature of the Group administrator sending the request. **<(Instruction: Keep this section in if the Group uses electronic enrollment)>**Groups that use the electronic enrollment process must ensure that disenrollments (a) are sent on the electronic file prior to termination date, (b) explain the disenrollment is due to a Group Termination, and (c) include any other required file information.>

2. **Enrollee Notification:** The Group must provide the affected Enrollee with advance notice of a Group Termination at least twenty-one (21) calendar days prior to the effective date of disenrollment. The notification must include all of the following components:
- A. notification of the termination;
 - B. notice of other insurance options available through the Group;
 - C. reason for the termination;
 - D. information on other individual plan options the beneficiary may choose and how to request enrollment;
 - E. notification that the disenrollment means that the individual will not have Medicare drug coverage and the potential for Late Enrollment Penalties in the future;
 - F. an explanation of how to contact Medicare for more information about other Medicare Part D plan options that might be available to the individual.

5.5 **Voluntary Enrollee Disenrollment.** **<(Instruction: Use this section if the Group uses Paper enrollment)>**The Group must inform Enrollees that if they wish to voluntarily disenroll from coverage, the Enrollee must complete a disenrollment form or other written request and submit the form or request prior to the requested effective date of disenrollment.> **<(Instruction: Use this section if the Group uses electronic enrollment)>**For Groups that use the electronic enrollment process, the Group must notify Group MedicareBlue Rx of Enrollees who wish to voluntarily disenroll from coverage. The disenrollment information must accurately reflect the Group's record of disenrollment made by each individual, according to the process the Group has in place.>

5.6 **<(Instruction: Keep this section in if the Group uses electronic enrollment)>Group Enrollment.** The Group is responsible for maintaining all enrollment records in a manner that can be easily, accurately and quickly reproduced. The Group must provide

Comment [CAH21]: PDBM Ch 3 50.6 "...when the...employer/union determines that a beneficiary is no longer eligible to participate in the employer/union sponsored plan, the PDP sponsor has the option to follow one of two procedures to disenroll beneficiaries from the current employer/union sponsored PDP plan in which the individual is enrolled:
For both of these options, the PDP sponsor must ensure that the employer/union agrees to the following:
- The employer/union will provide the PDP sponsor with timely notice of contract termination or the ineligibility of the individual to participate in the employer/union group. Such notice must be prospective, not retroactive..."

Comment [CAH22]: PDBM Ch 3 50.6 "...The employer/union must provide a prospective notice to its members alerting them of the termination event and of other insurance options that may be available to them through their employer/union..."

Comment [CAH23]: PDBM Ch 3 50.1 Voluntary Disenrollment by an Individual "...The member may disenroll by...Giving or faxing a signed written notice to the PDP sponsor, or through the member's employer/union group, where applicable..."

Comment [CAH24]: PDBM Ch 3 50.6.1 "...CMS will allow and employer or union group to disenroll its retirees from a PDP using a group disenrollment process... The employer or union group must have and provide all the information required for the PDP sponsor to submit a complete disenrollment request transaction to CMS as described in this and other CMS Part D systems guidance..."

BCBS all required data elements for each Enrollee, including retirees who become eligible for coverage under a Group MedicareBlue Rx plan after the Effective Date.>

5.7 <(Instruction: Keep this section in if the Group uses a group enrollment mechanism in which the enrollees may affirmatively opt out of coverage) **Optional Group Enrollment Mechanism.** At least twenty-one (21) days prior to the date each Enrollee's coverage is effective, the Group must provide the Enrollee:

1. notification that the Group intends to enroll the individual in a Group MedicareBlue Rx plan that the Group is offering;
2. notification that the individual may affirmatively opt out of the enrollment, the process to opt-out, and any consequences of opting out under the Group's eligibility guidelines;>
3. the summary of benefits, an explanation of how to get more information on the Group MedicareBlue Rx plan, and an explanation on how to contact Medicare for information on other Medicare Part D options that may be available to the individual; and
4. disclaimers required by the Centers for Medicare and Medicaid Services.

As the Group has new retirees or newly eligible retirees, the Group agrees to follow the above notification requirements. >

Comment [CAH25]: PDBM Ch 3 60.8 - Storage of Enrollment and Disenrollment Request Records
"PDP sponsors are required to retain records of enrollment and disenrollment requests (i.e. copies of enrollment forms, etc.) for the current contract period and 10 (ten) prior periods..."

Comment [CAH26]: PDBM Ch 3 40.1.6 - Group Enrollment Mechanism for Employer/Union Sponsored PDPs

ARTICLE VI

MISCELLANEOUS PROVISIONS

- 6.1** **Application of State Insurance Law.** State Insurance laws, such as laws guaranteeing renewability of insurance contracts, generally do not apply to this Contract. Such laws are preempted by the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, Pub. L. 108-173, 117 Stat. 2066. See Social Security Act § 1860D-12(g) (42 U.S.C. § 1395w-112(g)); accord, 42 C.F.R. §§ 422.402, 423.440(a). The terms of this Contract and Group MedicareBlue Rx coverage are therefore regulated primarily by federal law.
- 6.2** **Medicare Secondary Payer.** Federal law requires BCBS to identify other payers that are responsible for Enrollees' medical, prescription drug, and other costs covered by Group MedicareBlue Rx and that are primary to Medicare, identify amounts payable by those payers, and coordinate benefits with those payers. BCBS may bill such payers or authorize providers to bill such payers and, to the extent an Enrollee has been paid for MedicareBlue Rx-covered goods or services by another payer, BCBS may bill the Enrollee. Upon request, Group shall provide BCBS and CMS information that Group has on Enrollees' other insurance coverage for purposes of this coordination of benefits. Federal law preempts State laws and contractual provisions that interfere with Group MedicareBlue Rx's ability to coordinate benefits in accordance with CMS guidelines. Group agrees to indemnify Blue Cross for any losses related to Group's failure to provide

Blue Cross any information required by CMS to comply with the Medicare Secondary Payer law. See 42 C.F.R. §§ 422.108, 422.402, 423.462, 423.440(a).

Comment [CAH27]: Generally see PDBM Ch 14 COB

- 6.3 Enrollee Communications.** BCBS may send CMS required Enrollee communications without the consent of the Group. BCBS shall provide Enrollees with the applicable Annual Notice Of Change and Evidence of Coverage no later than fifteen (15) calendar days before the beginning of the Annual Coordinated Election Period which is based on the Group open enrollment period, provided that Group provides BCBS with at least thirty (30) days' prior notice of the open enrollment period date(s). Samples of all required materials can be made available to Group for informational purposes.
- 6.4 Contract Interpretation.** BCBS has discretionary authority to determine Enrollees' eligibility for benefits and to construe the provisions of the Group Evidence of Coverage and this Contract.
- 6.5 Prohibited Claim Payments.** BCBS does not pay claims for items or services furnished or prescribed by a person or entity that has been (i) excluded or debarred (or is currently under threat of exclusion, debarment or suspension) from participation in the Medicare program or any other federal health care program, or (ii) convicted of a criminal offense related to that person's/entity's involvement in any federal health care program. Further, BCBS does not pay claims for services received in countries that are sanctioned by the United States Department of Treasury's Office of Foreign Assets Control (OFAC), except, as applicable, for medical emergency services when payment of such services is authorized by OFAC.
- 6.6 Acceptance of the Contract.** This Contract is agreed to and accepted by Group and BCBS, by their authorized representatives set forth below. In the event that this Contract is not signed by the Group, payment to BCBS by Group (either by direct check or EFT) or by any Enrollee (under Direct Billing) will be deemed to signify Group's acceptance of all terms, conditions, and obligations of this Contract, as of the Effective Date of this Contract as stated on page 1.
- 6.7 Entire Agreement.** This Contract and the Evidence of Coverage make up the entire Contract of coverage. The Group on behalf of itself and its Enrollees hereby expressly acknowledges its understanding that this Contract constitutes a contract solely between Group, in its capacities as Plan Sponsor, plan administrator, and as agent on behalf of Group MedicareBlue Rx and BCBS, that BCBS is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans, (the "**Association**") permitting BCBS to use the Blue Cross and/or Blue Shield Service Marks, and that BCBS is not contracting as the agent of the Association. The Group further acknowledges and agrees that it has not entered into this Contract based upon representations by any person other than BCBS and that no person, entity, or organization other than BCBS shall be held accountable or liable to the Group for any of BCBS's obligations to the Group created under this Contract. This paragraph shall not create any additional obligations whatsoever on the part of BCBS other than those obligations created under this Contract.

Addendum A to

6.8 Assignment. Neither Group nor BCBS shall ~~not~~ assign this Contract, or any part of it, without the prior written consent of ~~BCBS~~ of the other party.

6.9 Governing Law. This Contract shall be governed and construed in all respects in accordance with the laws of the State of ~~Minnesota~~ North Dakota].

6.10 Entire Agreement. This Contract constitutes the entire agreement of the parties hereto and supersedes all prior agreements, representations, proposals, discussions, and communications, whether oral or in writing with respect to the subject matter hereof, including. This Contract may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

6.11 Record Maintenance and Inspection. [To the extent required by applicable law, during the term of this Contract and until ten (10) years from the later of this Contract's expiration or termination date or the completion of the U.S. Department of Health and Human Services' or the Comptroller General's final audit, unless otherwise required by applicable law, both Group and BCBS shall maintain all records and books of account relating to this Contract, consistent with books and records maintained in the ordinary course of business, and shall permit HHS, the Comptroller General, the North Dakota State Auditor, or their designees, to inspect, evaluate, and audit any of Group's or BCBS records and books of account pertaining to any transaction related to this Contract. This right to inspect, evaluate, and audit shall extend ten (10) years from the later of the expiration or termination of this Contract or completion of final audit, unless otherwise required by applicable law.]

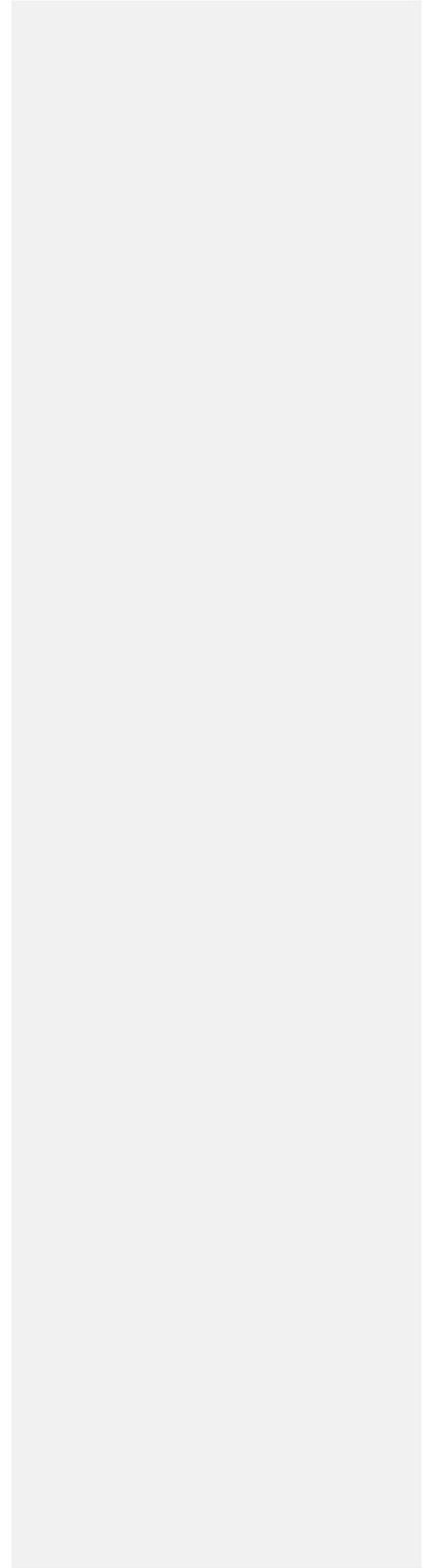
6.12 Use of Marks. Blue Cross' names, trademarks and/or service marks shall not be used on materials issued by or on behalf of Group in connection with this Contract or otherwise, without first obtaining the written consent of Blue Cross, which consent may be withheld in Blue Cross' sole discretion. Group hereby expressly acknowledges its understanding that this Contract constitutes a contract between Group and Blue Cross, that Blue Cross is an independent corporation operating under a license from the Blue Cross and Blue Shield Association, an association of independent Blue Cross and Blue Shield Plans (the "Association"), permitting Blue Cross to use the Blue Cross and Blue Shield Service Marks in its designated service area, and that Blue Cross is not contracting as the agent of the Association. Group further acknowledges and agrees that it has not entered into this Contract based upon representation by any person other than Blue Cross and that no person, entity, or organization other than Blue Cross will be held accountable or liable to Group for any of Blue Cross' obligations to Group created under this Contract. This paragraph will not create any additional obligations whatsoever on the part of Blue Cross other than those obligations created under other provisions of this Contract.

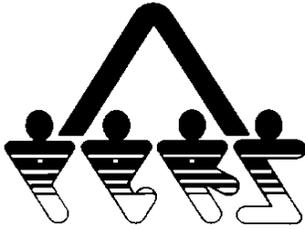
6.13 Determinations. Blue Cross has discretionary authority to make Group eligibility and benefits determinations and to construe the terms of the group certificate(s) and this Contract consistent with ~~Minnesota~~ North Dakota] law.

Comment [CAH28]: 42 CFR 423.505 – Contract Provisions

| [Addendum A to](#) _____

Signature page follows.





**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: NDPER Board

FROM: Sparb & Kathy

DATE: December 7, 2012

SUBJECT: Health Care Reform

Beginning in 2014, provisions contained in the Affordable Care Act (ACA) will become effective. Employers will be faced with many factors that will impact future health insurance planning including:

- Grandfathered status,
- Premium subsidies,
- Insurance exchanges, and
- Penalties.

Representatives from BCBSND will be at the meeting to discuss a financial impact analysis tool they have available to help employers in their development of post-reform benefits strategies.



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Memorandum

TO: NDPERS Board

FROM: Kathy

DATE: December 7, 2012

SUBJECT: Contribution Increase

As provided in SB 2108 passed by the 2011 legislature, an increase in retirement contributions for the systems administered by PERS will go into effect January 1, 2013.

For your information, included is a copy of the memo that was sent to the home addresses of all members notifying them of the upcoming increase. The memo includes a matrix that shows the employer and employee increase for each of the systems.

We are available to answer any questions.



Memorandum

To: PERS Retirement Plan Members
From: NDPERS
Date: December 2012
Subject: Retirement Contribution Increase

Senate Bill 2108 was passed by the 2011 Legislature and signed by the Governor. The bill provides for both the employer and the employee contribution to be increased by 1% each for the Public Employees Retirement System(Main System), Judges Retirement System, Highway Patrol Retirement System, and the Defined Contribution Retirement Plan effective January 2012 and again in January 2013. The Law Enforcement Retirement System was approved for an increase of 0.5% each for both the employer and employee contribution.

This increase is to address the funding challenge facing the PERS retirement plans as a result of the downturn in the financial markets. For a full review of that challenge, refer to the *PERS Retirement Plan Financial Update* articles in the fall 2009, spring 2010, fall 2010, spring 2011, winter 2011 and spring 2012 PERSpectives newsletters on the PERS web site at <http://www.nd.gov/ndpers/forms-and-publications/perspectives-archive.html>.

The following shows the contribution increases as they apply to both employers and employees effective January 1, 2013:

Plan	Employer Contribution	Employee Contribution
<i>Highway Patrol</i>	1% increase 2013	1% increase 2013
<i>Main System</i>	1% increase 2013	1% increase 2013
<i>Main System – Temporary Employees</i>		2% increase 2013
<i>Judges</i>	1% increase in 2013	1% increase in 2013

<i>Law Enforcement - Political Subdivision</i>	.5% increase in 2013	.5% increase in 2013
<i>BCI Law Enforcement - State Employees</i>	1% increase in 2013	1% increase in 2013
<i>Defined Contribution Plan</i>	1% increase in 2013	1% increase in 2013
<i>Defined Contribution Plan - Temporary Employees</i>		2% increase in 2013

Retirement contributions are collected by your employer through the payroll process. The above increase will be added to the existing contributions for wages reported to PERS for January. You will notice the additional employee contribution being deducted from your pay unless your employer has indicated to you that they will be picking it up. If you have specific questions how this may impact your net pay and when, please contact your payroll office.

The actions of the Legislature and the Governor in approving SB 2108, as amended, accomplished two of the goals for the systems: 1) the downward trend has been stopped, and 2) the plans have been stabilized. Looking forward to the next session we will still need to address the third goal, putting the plans on a positive trend to improve their funded status over time. In order to achieve this goal NDPERS is proposing a new bill in the upcoming legislative session which includes a 2% increase in employee and a 2% increase in employer contributions phased in over 2 years effective for January 2014 and January 2015. NDPERS will have a web video posted on our website by January 1, 2013 that discusses the challenges facing the retirement plan and proposed legislation to face these challenges.



Memo

To: NDPERS Board
From: Bryan T. Reinhardt
Date: 12/17/2012
Re: 457 Companion Plan & 401(a) plan 3rd Quarter 2012 Reports

Here is the 3rd quarter 2012 investment report for the 401(a) & 457 Companion Plan. The reports are available separately on the NDPERS web site. The NDPERS Investment Sub-committee reviewed the 3rd quarter report.

Assets in the 401(a) plan increased to \$23.9 million as of Sept 30, 2012. The number of participants is at 278, about the same as when the plan started. The largest funds are the TIAA-CREF Lifecycle funds with 70% of assets and the Wells Fargo Stable Value funds with 4% of the assets.

Assets in the 457 Companion Plan increased to \$42.7 million as of Sept 30, 2012. The number of participants is increasing and is now at 3,985. The largest funds are the TIAA-CREF Lifecycle funds with 74% of assets.

Benchmarks:

Fund returns for the quarter were all positive except the Cohen & Steers Realty Fund – CSRSX. The difference between 3-year, and 5-year returns show the market volatility with a market downturn in 2008 and bull market in 2009. Most of the core funds performed well compared to their benchmarks and peer funds. Note that index funds are expected to slightly underperform their benchmarks because of fund administration fees.

Fund / Investment News:

The NDPERS Investment Sub-Committee reviewed a 3rd quarter market overview with TIAA-CREF and plan statistics. The Investment Sub-Committee did not mark any funds as underperforming for the quarter.

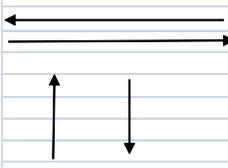
The Vanguard Prime Money Market Fund - VMMXX and the Vanguard Dividend Growth Fund – VDIGX (Replaced the Nuveen Tradewinds Value Fund – NVORX) are now available in the 457 Companion Plan and 401(a) Plan core investment options.

NDPERS
Quarterly Investment Report
3rd Quarter
7/1/2012 – 9/30/2012



North Dakota Public Employees Retirement System
400 E Bdwy, Suite 505
Box 1657
Bismarck, ND 58502

NDPERS 401(a) Defined Contribution Plan & 457 Companion Plan - TIAA-CREF

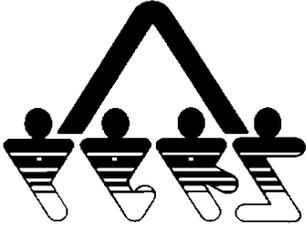
INITIAL OFFERING:			
	Hartford Dividend & Growth T.Rowe Price Equity Income	Vanguard 500 Index Signal Nuveen Tradewinds Value Oppt	Franklin Growth Adv Wells Fargo Adv Growth Adm
			LARGE
	RidgeWorth Mid Cap Value Equity I	ASTON/Fairpointe Mid Cap I Columbia Mid Cap Index A	Prudential Jennison Mid Cap Growth Z
			MEDIUM
	Allianz NFJ Small Cap Value	Parnassus Small Cap	Brown Capital Mgmt Small Co Inv
			SMALL
	VALUE	BLEND	GROWTH
BALANCED FUND:	T.Rowe Price Capital Appreciation		
INCOME FUNDS:	Wells Fargo Stable Value Fund J		
BOND FUNDS:	PIMCO Total Return Bond Fund	Prudential High Yield Z	
	PIMCO Real Return Admin Bond Fund	Templeton Global Bond	
REAL ESTATE:	Cohen & Steers Realty Shares		
INTERNATIONAL FUNDS:	Mutual Global Discovery Z	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y
LIFESTYLE FUNDS:	TIAA-CREF Lifecycle Ret Income	TIAA-CREF Lifecycle 2025	TIAA-CREF Lifecycle 2045
	TIAA-CREF Lifecycle 2010	TIAA-CREF Lifecycle 2030	TIAA-CREF Lifecycle 2050
	TIAA-CREF Lifecycle 2015	TIAA-CREF Lifecycle 2035	TIAA-CREF Lifecycle 2055
	TIAA-CREF Lifecycle 2020	TIAA-CREF Lifecycle 2040	
FUND STYLE CHANGES:			
	Nuveen Tradewinds Value Oppt		
			LARGE
			MEDIUM
			SMALL
	VALUE	BLEND	GROWTH
OTHER FUNDS:			
CURRENT LINEUP:			
	Hartford Dividend & Growth T.Rowe Price Equity Income Nuveen Tradewinds Value Oppt	Vanguard 500 Index Signal	Franklin Growth Adv Wells Fargo Adv Growth Adm
			LARGE
	RidgeWorth Mid Cap Value Equity I	ASTON/Fairpointe Mid Cap I Columbia Mid Cap Index A	Prudential Jennison Mid Cap Growth Z
			MEDIUM
	Allianz NFJ Small Cap Value	Parnassus Small Cap	Brown Capital Mgmt Small Co Inv
			SMALL
	VALUE	BLEND	GROWTH
BALANCED FUND:	T.Rowe Price Capital Appreciation		
INCOME FUNDS:	Wells Fargo Stable Value Fund J		
BOND FUNDS:	PIMCO Total Return Bond Fund	Prudential High Yield Z	
	PIMCO Real Return Admin Bond Fund	Templeton Global Bond	
REAL ESTATE:	Cohen & Steers Realty Shares		
INTERNATIONAL FUNDS:	Mutual Global Discovery Z	Vanguard Total Intl Stock Index	Oppenheimer Developing Markets Y
LIFESTYLE FUNDS:	TIAA-CREF Lifecycle Ret Income	TIAA-CREF Lifecycle 2025	TIAA-CREF Lifecycle 2045
	TIAA-CREF Lifecycle 2010	TIAA-CREF Lifecycle 2030	TIAA-CREF Lifecycle 2050
	TIAA-CREF Lifecycle 2015	TIAA-CREF Lifecycle 2035	TIAA-CREF Lifecycle 2055
	TIAA-CREF Lifecycle 2020	TIAA-CREF Lifecycle 2040	

NDPERS Investment Benchmarks - 3rd Quarter 2012

	<u>Quarter</u>	<u>Y-T-D</u>	<u>1-Year</u>	<u>3-Year</u>	<u>5-Year</u>
<u>Stable Value / Money Market Fund</u>					
Vanguard Prime Money Market - VMMXX	0.01%	0.03%	0.04%	0.06%	0.93%
Wells Fargo Stable Return Fund J - WFSJ#	0.29%	0.93%	1.29%	1.79%	2.42%
3 Month T-Bill Index	0.02%	0.05%	0.05%	0.09%	0.64%
<u>Fixed Income Fund</u>					
PIMCO Real Return Admin - PARRX	2.51%	7.97%	10.75%	9.69%	8.52%
PIMCO Total Return Bond Fund - PTRAX	3.09%	8.88%	11.23%	7.42%	8.65%
Barclays Aggregate Bond Index	1.58%	3.99%	5.16%	6.19%	6.53%
Taxable Bond Fund Universe	2.86%	6.85%	9.07%	7.26%	5.87%
Prudential High Yield Z - PHYZX	4.13%	10.82%	17.59%	12.54%	8.85%
ML High Yield Bond Fund Index	4.59%	11.97%	18.89%	12.60%	9.07%
High Yield Bond Fund Universe	4.34%	11.28%	17.63%	11.40%	7.06%
Templeton Global Bond Adv - TGBAX	5.40%	11.87%	13.25%	8.30%	9.75%
Citi World Govt Bond Index	2.99%	3.41%	3.29%	4.29%	6.45%
World Bond Fund Universe	4.08%	7.03%	7.44%	5.80%	6.18%
<u>Real Estate Fund</u>					
Cohen & Steers Realty Shares - CSRSX	-0.04%	13.41%	29.76%	18.59%	2.50%
FTSE NAREIT All Equity REITs Index	1.03%	16.09%	33.81%	20.73%	2.28%
Real Estate Fund Universe	0.61%	14.92%	31.89%	19.74%	1.64%
<u>Balanced Fund</u>					
T.Rowe Price Capital Appreciation - PACLX	5.25%	12.38%	23.47%	11.33%	4.52%
60% Large Cap Value Univ & 40% Taxable Bond Universe	4.73%	10.83%	19.94%	9.16%	1.82%
60% Russell 1000 Value & 40% Agg Bond Index	4.54%	11.05%	20.62%	9.58%	2.07%
<u>Large Cap Equities - Value</u>					
Hartford Dividend & Growth - HDGTX	5.27%	12.90%	26.63%	11.10%	1.22%
T.Rowe Price Equity Income - PRFDX	6.32%	15.04%	28.90%	11.48%	0.55%
Russell 1000 Value Index	6.51%	15.75%	30.92%	11.84%	-0.90%
Large Cap Value Fund Universe	5.98%	13.49%	27.19%	10.42%	-0.88%
<u>Large Cap Equities - Blend</u>					
Vanguard 500 Index Signal - VIFSX	6.34%	16.42%	30.17%	13.19%	1.07%
Nuveen Tradewinds Value Oppt I - NVORX <Under Watch>	6.18%	-0.16%	5.27%	7.24%	3.60%
S&P 500 Index	6.35%	16.44%	30.20%	13.20%	1.05%
Large Cap Blend Fund Universe	6.08%	14.28%	27.07%	10.89%	-0.03%
<u>Large Cap Equities - Growth</u>					
Wells Fargo Adv Growth Adm - SGRKX	7.41%	19.77%	31.66%	22.03%	7.91%
Russell 3000 Growth Index	6.01%	16.59%	29.35%	14.69%	3.22%
Franklin Growth Adv - FCGAX	4.60%	12.52%	25.04%	12.12%	2.49%
Russell 1000 Growth Index	6.11%	16.80%	29.19%	14.73%	3.24%
Large Cap Growth Fund Universe	6.14%	15.96%	26.84%	11.91%	1.10%
<u>Mid Cap Equities - Value</u>					
RidgeWorth Mid Cap Value Equity I - SMVTX	6.76%	14.87%	32.69%	12.60%	4.33%
Russell Mid Cap Value	5.80%	14.03%	29.28%	13.86%	1.73%
Mid Cap Value Fund Universe	5.54%	12.90%	27.21%	11.45%	1.10%
<u>Mid Cap Equities - Blend</u>					
Columbia Mid Cap Index A - NTIAX	5.30%	13.38%	27.97%	13.85%	3.46%
S&P Mid Cap 400	5.44%	13.77%	28.54%	14.33%	3.83%
ASTON/Fairpointe Mid Cap I - ABMIX	6.41%	13.48%	33.06%	13.61%	4.71%
Wilshire 4500 Index	5.24%	14.47%	29.20%	13.88%	2.64%
Mid Cap Blend Fund Universe	5.33%	12.11%	26.16%	11.28%	0.83%
<u>Mid Cap Equities - Growth</u>					
Prudential Jennison Mid Cap Growth Z - PEGZX	4.80%	16.08%	28.54%	15.00%	4.91%
Russell Mid Cap Growth	5.35%	13.88%	26.69%	14.73%	2.54%
Mid Cap Growth Fund Universe	4.63%	12.49%	24.40%	12.74%	1.34%
Fund Returns in RED do not meet both benchmarks. Fund Returns in BLACK meet both benchmarks.					

NDPERS Investment Benchmarks - 3rd Quarter 2012

	Quarter	Y-T-D	1-Year	3-Year	5-Year
Small Cap Equities - Value					
Allianz NFJ Small Cap Value - PVADX	5.84%	7.60%	21.61%	13.37%	3.91%
Russell 2000 Value Index	5.67%	14.37%	32.63%	11.72%	1.35%
Small Value Fund Universe	4.96%	11.83%	29.25%	11.49%	2.04%
Small Cap Equities - Blend					
Parnassus Small Cap - PARSX	3.82%	12.78%	24.65%	10.55%	5.58%
Russell 2000 Index	5.25%	14.23%	31.91%	12.99%	2.21%
Small Blend Fund Universe	5.37%	12.51%	29.94%	12.49%	1.46%
Small Cap Equities - Growth					
Brown Capital Mgmt Small Co Inv - BCSIX	4.61%	14.60%	25.52%	14.18%	7.83%
Russell 2000 Growth Index	4.84%	14.08%	31.18%	14.19%	2.96%
Small Growth Fund Universe	5.15%	13.24%	28.57%	13.47%	1.74%
International Equity Funds					
Mutual Global Discovery Z - MDISX	5.75%	10.91%	21.46%	7.32%	1.25%
Vanguard Total Intl Stock Index Inv - VGTSX	6.92%	10.80%	15.44%	N/A	N/A
MSCI EAFE	6.92%	10.08%	13.75%	2.12%	-5.24%
International Stock Fund Universe	6.65%	11.52%	16.71%	4.34%	-3.91%
Oppenheimer Developing Markets Y - ODVYX	7.18%	15.95%	20.59%	9.86%	3.67%
MSCI Emerging Markets Index	7.74%	11.98%	16.93%	5.63%	-1.28%
Diversified Emerging Mkts Universe	6.76%	11.28%	15.94%	4.61%	-2.72%
Asset Allocation Funds:					
TIAA-CREF Lifecycle Ret Income - TLIRX	4.14%	9.66%	14.88%	8.18%	N/A
Income Benchmark	3.63%	8.59%	14.30%	7.92%	3.46%
TIAA-CREF Lifecycle 2010 - TCLEX	4.43%	10.38%	16.56%	8.67%	2.77%
2010 Benchmark	3.96%	9.30%	15.68%	8.25%	3.03%
TIAA-CREF Lifecycle 2015 - TCLIX	4.80%	11.23%	18.05%	8.95%	2.21%
2015 Benchmark	4.26%	9.93%	16.91%	8.53%	2.63%
TIAA-CREF Lifecycle 2020 - TCLTX	5.12%	11.95%	19.68%	9.19%	1.55%
2020 Benchmark	4.61%	10.69%	18.40%	8.87%	2.15%
TIAA-CREF Lifecycle 2025 - TCLFX	5.47%	12.77%	21.33%	9.44%	0.90%
2025 Benchmark	4.96%	11.45%	19.88%	9.20%	1.67%
TIAA-CREF Lifecycle 2030 - TCLNX	5.83%	13.62%	22.86%	9.61%	0.20%
2030 Benchmark	5.33%	12.26%	21.47%	9.54%	1.15%
TIAA-CREF Lifecycle 2035 - TCLRX	6.11%	14.14%	24.22%	9.71%	-0.09%
2035 Benchmark	5.71%	13.10%	23.12%	9.88%	0.60%
TIAA-CREF Lifecycle 2040 - TCLOX	6.19%	14.43%	24.71%	9.77%	-0.05%
2040 Benchmark	5.87%	13.43%	23.79%	10.01%	0.39%
TIAA-CREF Lifecycle 2045 - TTFRX	6.18%	14.34%	24.62%	9.65%	N/A
2045 Benchmark	5.87%	13.43%	23.79%	10.01%	0.39%
TIAA-CREF Lifecycle 2050 - TLFRX	6.21%	14.40%	24.70%	9.75%	N/A
2050 Benchmark	5.87%	13.43%	23.79%	10.01%	0.39%
TIAA-CREF Lifecycle 2055 - TTRLX	6.22%	14.43%	24.94%	N/A	N/A
2055 Benchmark	5.87%	13.43%	23.79%	10.01%	0.39%
Income Benchmark is comprised of 30% Wilshire 5000, 10% MSCI EAFE, 40% LB Agg, 10% ML HY Bond, 10% 3 Month T-Bill					
2010 Benchmark is comprised of 36% Wilshire 5000, 12% MSCI EAFE, 38.4% LB Agg, 6.8% ML HY Bond, 6.8% 3 Month T-Bill					
2015 Benchmark is comprised of 41.1% Wilshire 5000, 13.7% MSCI EAFE, 35.6% LB Agg, 4.8% ML HY Bond, 4.8% 3 Month T-Bill					
2020 Benchmark is comprised of 47.1% Wilshire 5000, 15.7% MSCI EAFE, 31.6% LB Agg, 2.8% ML HY Bond, 2.8% 3 Month T-Bill					
2025 Benchmark is comprised of 53.1% Wilshire 5000, 17.7% MSCI EAFE, 27.6% LB Agg, .8% ML HY Bond, .8% 3 Month T-Bill					
2030 Benchmark is comprised of 59.1% Wilshire 5000, 19.7% MSCI EAFE, 21.2% LB Agg					
2035 Benchmark is comprised of 65.1% Wilshire 5000, 21.7% MSCI EAFE, 13.2% LB Agg					
2040 Benchmark is comprised of 67.5% Wilshire 5000, 22.5% MSCI EAFE, 10% LB Agg					
2045 Benchmark is comprised of 67.5% Wilshire 5000, 22.5% MSCI EAFE, 10% LB Agg					
2050 Benchmark is comprised of 67.5% Wilshire 5000, 22.5% MSCI EAFE, 10% LB Agg					
2055 Benchmark is comprised of 67.5% Wilshire 5000, 22.5% MSCI EAFE, 10% LB Agg					
Wilshire 5000 Index	6.15%	15.95%	29.89%	13.21%	1.35%
MSCI EAFE	6.92%	10.08%	13.75%	2.12%	-5.24%
Barclays Aggregate Bond Index	1.58%	3.99%	5.16%	6.19%	6.53%
ML High Yield Bond Fund Index	4.59%	11.97%	18.89%	12.60%	9.07%
3 Month T-Bill Index	0.02%	0.05%	0.05%	0.09%	0.64%
Fund Returns in RED do not meet both benchmarks. Fund Returns in BLACK meet both benchmarks.					



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

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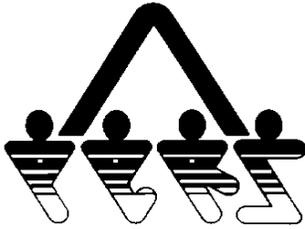
FAX: (701) 328-3920 • EMAIL: NDPERS-info@nd.gov • www.nd.gov/ndpers

Memorandum

TO: PERS Board
FROM: Sparb
DATE: December 12, 2012
SUBJECT: Hartford Update

An update on Hartford/MassMutual will be provided at the Board meeting.

Attached is a letter sent to Una Morabito, Vice President of MassMutual Retirement Services, on December 6, in response to their email and letter of November 30.



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Memorandum

TO: NDPERS Board
FROM: Kathy
DATE: December 10, 2012
SUBJECT: FlexComp Plan Update

Annual enrollment was conducted from October 22 through November 9, 2012. Following is the participation prior to and following open enrollment (OE).

<u>FlexComp Plan</u>	<u>Prior to OE</u>	<u>After OE</u>
Medical Spending	2,650	2,593
Dependent Care	<u>448</u>	<u>411</u>
Total	3,098	2,729

Attached is the implementation plan for ADP, our new plan vendor. All tasks are on schedule for the January 1 effective date.



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NDPERS FSA IMPLEMENTATION WEEKLY PROJECT STATUS MEETING AGENDA

DATE: Tues., Dec. 11, 2012

CALL-IN NUMBER: 800-377-0237

TIME: 10:30 AM to 11:30 AM CT

ACCESS: 5675511#

NDPERS	ADP
Kathy Allen, Benefits Division Manager	Lori Brewer, Director of Implementation
Tina M. Bauer, Payroll Manager	Brenda Embry, Implementation Analyst
Sparb Collins, Executive Director	John Erxleben, Client Relationship Manager
Sharon L Schiermeister, COO IT	Mac Feely, District Sales Manager
	Ed Gagnon, V. P. of Implementation
	Kevin Rowe, Corporate Sales Manager
	Julieann Stettmeier, Project Manager
	Kim Wright, Client Service Manager

PROJECT MILESTONES

SOW Signoff	CRD Signoff	Open Enrollment	OE Signoff	FSA/CoPay Files	Debit Card Issuance (Delivery by 1/15/13)	GO LIVE
9/28/12	11/20/12	10/22/12 – 11/9/12	12/7/12	FSA Elig/CoPay MP – 12/1/12 FSA Deposit – 12/7/12	12/7/12 12/11/12	1/1/13
100%	100%	100%	100%	67%	0%	0%

AGENDA TOPICS

1. Action Items (last week)

- a. Load FSA Eligibility file to Production – B. Embry / S. Schiermeister (ADP / NDPERS)
- b. Final review of changes to letter(s) for Appeals– K. Allen (NDPERS)
- c. Send a few participants’ info via secure email for 2012/2013 transfer balances – S. Schiermeister (ADP)

Upcoming:

- a. Provide payroll calendar for files coming 1st & 10th and 1st & 15th by 12/15 – S. Schiermeister (NDPERS)
- b. Client invoicing checklist to be due 12/15 – S. Schiermeister (ADP)

2. Issues/Risks - Any risk of delay in loading FSA Eligibility on 12/11 to sending out debit cards?

3. Action Items (this week)

4. Decisions

- a. Put ADP Link on the ND State PeopleSoft Portal; users will need to register on ADP site
- b. Enrollment Eligibility Files: Files will be full, weekly
- c. NDPERS to handle appeals
- d. Daily ACH 3% pre-fund



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NDPERS FSA IMPLEMENTATION WEEKLY PROJECT STATUS MEETING AGENDA

- e. Enrollment to be sent by NDPERS to ADP in mid-December; communication to participants that cards will arrive by 1/15/13
- f. Transition of 2012 Balances: 3-5 day ADP process once file received from NDPERS; Available 1/18/13 to participants
- g. Call Center to be available for Open Enrollment period
- h. Call Center Call Flow Approved 10/2/12
- i. Transition Plan
 - i. Last Day of Claims – 1/4/13
 - ii. NDPERS ensures all claims processed & 2012 contributions posted and received – 1/5/13 – 1/13/13
 - iii. NDPERS provides file of account balances only to ADP – 1/14/13 (can send it sooner if possible)
- j. Sharon Schiermeister OOO – 11/26 -11/30; 12/26/12 – 1/11/13
- k. ADP Link (<http://www.spendingaccounts.info>) to be put on NDPERS portal for OE
- l. HR Access will be setup
- m. NDPERS can send full eligibility files weekly in December, after the initial enrollment data is loaded into Production.
- n. Blackout Periods (no funds available during transition) – 1/4/13 – 1/18/13. Note: NDPERS will try to get file to ADP earlier than 1/14/13.
- o. Back of debit card approved.
- p. Escheatment report to be provided by ADP on the 20th of each month to S. Schiermeister
- q. Keep weekly project status meetings through end of January 2013, then re-assess for transition out.

NDPERS File Listing & Details



IN THE BUSINESS OF YOUR SUCCESSSM

**NDPERS FSA IMPLEMENTATION
WEEKLY PROJECT STATUS MEETING AGENDA**

File Name	Development	Testing/ Review	Production	Notes
FSA Files				
<ul style="list-style-type: none"> Eligibility 	NDPERS: 11/9/12 1 st file received; feedback provided; NDPERS working file 2 nd file received and loaded successfully COMPLETE	ADP: Target: 12/1/12 COMPLETE Final Deadline: 12/14/12	ADP: Target: 12/7/12 Final Deadline: 12/21/12	NOTE: If 12/7/12 Production date met, then debit cards will be issued by 1/1/13. If enrollment data coming mid-December, cards to be issued by 1/15/13 after file loaded to Production. Web, IVR, manual processing begins 1/1/13
<ul style="list-style-type: none"> Payroll Deposits 	NDPERS: 11/12/12 11/26/12 COMPLETE	ADP: 12/7/12 COMPLETE	After 1 st Payroll of 2013	
CoPay Files				
<ul style="list-style-type: none"> Plan <ol style="list-style-type: none"> ADP: Send Plan file to NDPERS NDPERS: Send generated file (ADP) 	ADP: 9/24/12 NDPERS: 10/19/12 COMPLETE	ADP: 12/7/12 COMPLETE	ADP: 1/1/13	<ol style="list-style-type: none"> COMPLETE COMPLETE
<ul style="list-style-type: none"> Monthly Participant 	NDPERS: 11/9/12 COMPLETE	ADP: 12/7/12 COMPLETE	ADP: 1/1/13	This file will be part of the FSA Eligibility File
2012/2013 Transfer Balances File				
<ul style="list-style-type: none"> File Format/Data Testing 	NDPERS: 11/30/12 12/14/12	ADP: 12/31/12	See PRODUCTION PLAN below	
<ul style="list-style-type: none"> PRODUCTION PLAN <ol style="list-style-type: none"> Last Day of Claims Confirm Contributions/ Post Final Claims Send Final File to ADP 	NDPERS: 1/4/13 1/5/13 – 1/13/13 1/14/13	N/A	ADP: 1/18/13	The transfer file can be loaded any time after the 2013 Plan is setup. Blackout Period (no funds available during transition) : 1/4/13 – 1/18/13 Note: NDPERS will try to get file to ADP earlier than 1/14/13.



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**NDPERS FSA IMPLEMENTATION
WEEKLY PROJECT STATUS MEETING AGENDA**