

MINUTES

North Dakota Public Employees Retirement System

Attorney General's Office Conference Room

Friday, September 12, 2014

8:30 a.m.

Members Present: Ms. Casey Goodhouse
Mr. Mike Sandal
Ms. Arvy Smith
Ms. Yvonne Smith
Mr. Thomas Trenbeath
Ms. Kim Wassim

Member Absent: Chairman Strinden

Others Present: Mr. Sparb Collins, NDPERS
Ms. Cheryl Stockert, NDPERS
Ms. Kathy Allen, NDPERS
Ms. Sharon Schiermeister, NDPERS
Ms. Deb Knudsen, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. MaryJo Steffes, NDPERS
Ms. Jan Murtha, Attorney General's Office

Via Conference Call: Mr. Pat Pechacek, Deloitte
Mr. Josh Anderson, Deloitte
Ms. Linda Cahn, Pharmacy Benefit Consultants
Mr. Kevin Schoenborn, BCBSND
Ms. Onalee Sellheim, BCBSND
Mr. Jim Wynstra, BCBSND

Acting Chairman Sandal called the meeting to order at 8:30 a.m.

Mr. Trenbeath moved approval of the agenda. The motion was seconded by Ms. A. Smith. The agenda was approved.

Pharmacy Benefit Manager

Mr. Collins indicated that Ms. Cahn with Pharmacy Benefit Consultants was available via conference call to share her expertise with the Board. The PBM is included in the request for proposals which can be bid as a separate option. Pharmacy Benefit Consultants would be able to do a quick assessment of PERS prescription drug claims to determine what opportunities may be available to us as we move forward with contracting.

Ms. Cahn presented information relating to PBM's, specifically being able to obtain potential savings from bidding out a self-insured contract during the proposal process in order to carve out and obtain self-insured prescription coverage. She reviewed specific PBM contracting implications with the Board and staff. The Board discussed the PBM contracting with Ms. Cahn.

MR. TRENBEATH MOVED THAT NDPERS CONTRACT WITH PHARMACY BENEFIT CONSULTANTS (MS. CAHN) TO REVIEW THE PHARMACY CLAIMS TO DETERMINE ANY OPPORTUNITIES FOR POTENTIAL SAVINGS FROM BIDDING OUT A SELF-INSURED CONTRACT. THE MOTION WAS SECONDED BY MS. A.SMITH.

The Board discussed the motion.

Ayes: Ms. Goodhouse, Ms. A. Smith, Ms. Y. Smith, Mr. Trenbeath, Ms. Wassim, and Mr. Sandal.

Nays: None

Absent: Chairman Strinden

MOTION PASSED

Medicare Blue Rx Rate Renewal

Mr. Collins reported that at the last meeting the Board received the rate renewal for Medicare Part D product from BCBS. Mr. Johnson, Deloitte, reviewed with the Board their review of the proposed rate increase. They reviewed the monthly claims information for January 2013 through July 2014 and the trend assumption was reasonable and in line with industry trends and Deloitte's experience with health plan clients. The Board discussed this further with Deloitte and BCBSND indicated they were using the correct model based on CMS guidelines. The Board determined that it would be helpful to have BCBSND review this further and be prepared to give PERS their best and final rate offer at the regular September meeting.

Health Bid

Mr. Collins updated the Board on the fully insured and self insured group health insurance bids. Mr. Collins reported that we received two proposals for the fully insured bid and information will be shared in executive session at the regular September meeting. A bidders' conference was held for the self insured bid. Regarding the self insured bid, state law requires that the bids must be opened at a public meeting of the board, which will necessitate a special meeting of the Board in October.

Legislation

Mr. Collins shared the testimony presented to the Government Finance Committee relating to the draft defined contribution plan bill. Amendments are being drafted for the PERS bills. The amended bills and the testimony will be presented to the Legislative Employee Benefits Committee on September 18. Also, Gallagher will review their findings on the defined contribution plan proposal with the Employee Benefits Committee.

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The meeting adjourned at 9:45 a.m.

Prepared by,

Cheryl Stockert
Assistant to the Board