

MINUTES

North Dakota Public Employees Retirement System

Bank of North Dakota

Wednesday, September 16, 2015

8:30 a.m.

Members Present: Representative Anderson
Senator Dever
Mr. Mike Sandal
Ms. Arvy Smith
Ms. Yvonne Smith
Mr. Thomas Trenbeath

Via Conference Call: Chairman Strinden

Members Absent: Ms. Casey Goodhouse
Ms. Kim Wassim

Others Present: Mr. Sparb Collins, NDPERS
Ms. Kim Humann, NDPERS
Ms. Sharon Schiermeister, NDPERS
Ms. Rebecca Fricke, NDPERS
Mr. Bryan Reinhardt, NDPERS
Ms. Jan Murtha, Attorney General's Office
Mr. Mike Klepatz, Sanford Health Plan
Mr. Jason Hubers, Sanford Health Plan
Ms. Lisa Carlson, Sanford Health Plan
Mr. Tim Rave, Sanford Health Plan
Mr. Jeff Sandene, Sanford Health Plan

Chairman Strinden called the meeting to order at 8:48 a.m.

FINALIZE EXPERIENCE STUDY

Mr. Collins indicated that Segal reviewed the Experience Study with the Board at the last meeting. We requested an update on the charts which are referenced as attachment 2. Staff recommends accepting the changes recommended by Segal except not to lower the payroll growth assumption, because historically PERS has exceeded that. Also, staff recommends not to change the return assumption at this time and to monitor it over the next five year period. Both Segal and Mr. Hunter from RIO indicated that the current assumptions for Investment Rate of Return at 8% and Payroll Growth (4.5% for PERS) are reasonable. The valuations received in October will be based on the new assumptions. The Board discussed and had questions.

MS. Y. SMITH MOVED TO APPROVE SEGAL'S RECOMMENDATIONS, EXCEPT TO MAINTAIN THE CURRENT INVESTMENT RATE OF RETURN AT 8 PERCENT AND PAYROLL GROWTH AT 4.5%. THE MOTION WAS SECONDED BY MR. TRENBEATH.

Ayes: Representative Anderson, Senator Dever, Mr. Sandal, Ms. A. Smith, Ms. Y. Smith, Mr. Trenbeath and Chairman Strinden

Nays: None

Absent: Ms. Goodhouse and Ms. Wassim

MOTION PASSED

MEDICARE PART D PROGRAM

Mr. Collins referred the Board to previous information shared relating to the Medicare Part D program renewal. He reviewed renewal history of this program with the Board. He reported he received an unsolicited renewal for a bundled product from BCBS that he shared with the Board which was based on updated data. Mr. Sandene, Sanford Health Plan, indicated they will obtain a new rate from ESI (based on updated data) in the next few days. Mr. Collins reported that we would want to review the latest renewal information with ESI and discuss at the Board meeting next week.

Mr. Collins reported that the Retiree Subcommittee met last week to review the Part D renewal. They are interested in accepting a reasonable rate increase and that we remain bundled. Concern was expressed that if the product was unbundled at this time it would be too much to communicate and a burden for the retirees to deal with in a short time frame. Going forward, they indicated that unbundling could be an option as well as eliminating offering the Part D plan in the future. This needs to be part of a larger communications process.

Mr. Collins indicated that staff also met with the State Insurance Department and they have advisors throughout the state to assist the retirees during the open enrollment period for the PDP products if the plan was to become unbundled. They can prepare worksheets comparing one Medicare Part D product to another. Mr. Collins reviewed the history of the Medicare Part D plan with the Board. The Board discussed further and concurred that no decision will be made until updated renewal information is received by Sanford Health Plan/ESI.

The meeting adjourned at 9:37 a.m.

Prepared by,

Cheryl Stockert
Assistant to the Board