



EMPLOYEE BENEFITS PROGRAMS COMMITTEE

Wednesday, October 28, 2020
Roughrider Room, State Capitol
Bismarck, North Dakota

Representative Mike Lefor, Chairman, called the meeting to order at 9:00 a.m.

Members present: Representatives Mike Lefor, Jason Dockter, LaurieBeth Hager, Craig Johnson, Vernon Laning, Austen Schauer; Senators Howard C. Anderson, Jr., Brad Bekkedahl, Dick Dever, Karen K. Krebsbach, Richard Marcellais, Kristin Roers

Member absent: Representative Matthew Ruby

Others present: Senator Tim Mathern, Fargo
See [Appendix A](#) for additional persons present.

It was moved by Representative Laning, seconded by Representative Dockter, and carried on a voice vote that the minutes of the September 9, 2020, meeting be approved as distributed.

REPORT

Chairman Lefor called on Ms. Lisa Kudelka, Chief People Officer, Human Resource Management Services Division, Office of Management and Budget, for a presentation ([Appendix B](#)) of a report, as required under North Dakota Century Code Section 54-06-31, on the implementation, progress, and bonuses provided by state agency programs to provide bonuses to recruit or retain employees in hard-to-fill positions.

ACTUARIAL VALUATIONS

Chairman Lefor called on Ms. Bonnie Wurst, Senior Consultant, and Ms. Abra Hill, Consultant, Gabriel, Roeder, Smith & Company Holdings, Inc., for a presentation ([Appendix C](#)) of an overview of the Public Employees Retirement System (PERS) valuation process and the July 1, 2020, actuarial valuations of the PERS fund, the Highway Patrolmen's retirement system fund, Job Service North Dakota retirement system fund, and Retiree Health Insurance Credit Program fund.

Chairman Lefor called on Ms. Kim Nicholl, Senior Vice President, and Ms. Tatsiana Dybal, Senior Actuary, The Segal Group, Inc., for a presentation ([Appendix D](#)) of an overview of the Teachers' Fund for Retirement (TFFR) valuation process and the July 1, 2020, actuarial valuation of TFFR.

HEALTH BENEFITS REQUEST FOR PROPOSAL

Chairman Lefor called on Ms. Rebecca Fricke, Chief Benefits Officer, Public Employees Retirement System, for a status report of the PERS uniform group insurance health benefits plan request for proposal. Ms. Fricke reviewed the bid timeline and the bid outcome.

PRESCRIPTION DRUG BENEFITS STUDY

The committee reviewed a memorandum entitled [Public Employee Health Benefits - Plan Structure of Neighboring States](#).

CHANGES IN FEDERAL LAW

Chairman Lefor called on Ms. Janilyn Murtha, Deputy Executive Director and Chief Retirement Officer, Retirement and Investment Office, to make a request ([Appendix E](#)) for approval of terminology adopted by the Teachers' Fund for Retirement Board of Trustees to comply with federal requirements pursuant to Section 15-39.1-35.

It was moved by Senator Dever, seconded by Senator Roers, and carried on a roll call vote to approve the requested terminology change adopted by the Teachers' Fund for Retirement Board of Trustees. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

JURISDICTION OF BILL DRAFTS

The committee reviewed, received comments regarding, and determined whether to take jurisdiction over two bill drafts pursuant to Section 54-35-02.4.

Bill Draft No. 233

The committee reviewed Bill Draft No. 233 [[21.0233.01000](#)], which provides for a federal update to the TFFR retirement law.

It was moved by Representative Laning, seconded by Representative Dockter, and carried on a roll call vote that the committee take jurisdiction of Bill Draft No. 233. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

Bill Draft No. 202

The committee reviewed Bill Draft No. 202 [[21.0202.02000](#)], which provides an increase in the employer contribution for the PERS retirement plans and provides for a cash infusion.

It was moved by Senator Anderson, seconded by Representative Dockter, and carried on a roll call vote that the committee take jurisdiction of Bill Draft No. 202. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

ACTUARIAL REVIEW OF BILL DRAFTS

Chairman Lefor called on Ms. Fricke for technical comments and presentation of the actuarial reports on each of the bill drafts over which the committee took jurisdiction under Section 54-35-02.4. Ms. Fricke provided a single presentation ([Appendix F](#)) providing technical comments on the PERS bill drafts.

Bill Draft No. 49

Chairman Lefor called on Ms. Fricke for technical comments and to present the actuarial report ([Appendix G](#)) on Bill Draft No. 49 [[21.0049.01000](#)], which provides requirements for health insurance policies if the federal Affordable Care Act is repealed.

Chairman Lefor called on Senator Mathern for comments regarding the bill draft. Senator Mathern said the actuarial report raises possible changes that could be made to the bill draft before introduction.

It was moved by Representative Dockter, seconded by Senator Roers, and carried on a voice vote that the committee delay making a recommendation on Bill Draft No. 49 to allow the sponsor to revise the bill draft.

Bill Draft No. 93

Chairman Lefor called on Ms. Fricke for technical comments and to present the actuarial report ([Appendix H](#)) on Bill Draft No. 93 [[21.0093.01000](#)], which provides an exception for PERS Medicare Part D pharmacy benefits requirements.

It was moved by Representative Laning, seconded by Senator Krebsbach, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 93. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

Bill Draft No. 135

Chairman Lefor called on Ms. Fricke for technical comments on Bill Draft No. 135 [[21.0135.01000](#)], which provides for continued eligibility for health benefits following separation from employment in certain circumstances.

It was moved by Senator Bekkedahl, seconded by Representative Dockter, and carried on a voice vote that the committee delay making a recommendation on Bill Draft No. 135 to allow the sponsor to revise the bill draft.

Bill Draft No. 148

Chairman Lefor called on Ms. Fricke for technical comments and to present the actuarial report ([Appendix I](#)) on Bill Draft No. 148 [[21.0148.02000](#)], which provides the Employee Benefits Programs Committee makes contract determinations for PERS uniform group insurance plans.

It was moved by Senator Roers, seconded by Senator Dever, and carried on a roll call vote that the committee give an unfavorable recommendation on Bill Draft No. 148. Representatives Lefor, Dockter, Johnson, Laning, and Schauer and Senators Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." Representative Hager and Senator Anderson voted "nay."

Bill Draft No. 170

Chairman Lefor called on Ms. Fricke for technical comments and to present the actuarial report ([Appendix J](#)) on Bill Draft No. 170 [[21.0170.01000](#)], which provides for broader discretion for stop-loss coverage for a PERS self-insurance health plan.

It was moved by Senator Anderson, seconded by Representative Laning, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 170. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

Bill Draft No. 183

Chairman Lefor called on Ms. Fricke for technical comments on Bill Draft No. 183 [[21.0183.01000](#)], which provides maximum out-of-pocket costs for diabetes drugs and supplies for health insurance policies. Because the actuarial report was not finalized in time for the committee meeting, the committee will reschedule review of this bill draft at a future meeting.

Bill Draft No. 233

Chairman Lefor called on Ms. Murtha to present the actuarial report ([Appendix K](#)) on Bill Draft No. 233 [[21.0233.01000](#)], which provides for a federal update to the TFFR retirement law.

It was moved by Senator Krebsbach, seconded by Representative Dockter, and carried on a roll call vote that the committee give a favorable recommendation on Bill Draft No. 233. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

COMMITTEE WORK

It was moved by Representative Dockter, seconded by Senator Dever, and carried on a roll call vote that for the 2021 legislative session, the Chairman, in consultation with the Vice Chairman, be granted authority to determine whether a legislative measure affects the retirement system or PERS health benefits. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

It was moved by Senator Anderson, seconded by Representative Dockter, and carried on a roll call vote that the bill draft relating to broader discretion for stop-loss coverage for a PERS self-insurance health plan be approved and recommended to the Legislative Management. Representatives Lefor, Dockter, Hager, Johnson, Laning, and Schauer and Senators Anderson, Bekkedahl, Dever, Krebsbach, Marcellais, and Roers voted "aye." No negative votes were cast.

It was moved by Senator Dever, seconded by Senator Bekkedahl, and carried on a voice vote that the Chairman and the Legislative Council staff be requested to prepare a report and the bill draft recommended by the committee, and to present the report and recommended bill draft to the Legislative Management.

No further business appearing, Chairman Lefor adjourned the meeting at 2:15 p.m.

Jennifer S. N. Clark
Counsel

ATTACH:11