Sec. 742.45. (A) The police and firemen's disability and pension board may enter into an agreement with insurance companies, hospital service associations, medical or health care corporations, or government agencies authorized to do business in the state for issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for those persons receiving service or disability pensions or survivor benefits subscribing to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible person's spouse and dependent children and for such of his sponsored dependents as the board deems appropriate.

If all or any portion of the policy or contract premium is to be paid by any person receiving a service, disability, or survivor pension or benefit, the person shall, by written authorization, instruct the board to deduct from his benefit the premium agreed to be paid by him to the company, association, corporation, or agency.

Effective January 1, 1974, the board may contract for such coverage on the basis of part or all of the cost of the premium for the coverage to be paid from appropriate funds of the police and firemen's disability and pension fund. The cost paid from the funds of the police and firemen's disability and pension fund shall be included in the employer's contribution rate provided by sections 742.33 and 742.34 of the Revised Code.

The board shall make all necessary rules pursuant to the purpose and intent of this section.

THE BOARD MAY PROVIDE FOR SELF INSURANCE OF RISK OR LEVEL OF RISK AS SET FORTH IN THE CONTRACT WITH SUCH COMPANIES, ASSOCIATIONS, CORPORATIONS, OR AGENCIES, AND MAY PROVIDE THROUGH THE SELF INSURANCE METHOD SPECIFIC BENEFITS AS AUTHORIZED BY THE RULES OF THE BOARD.

(B) On and after January 1, 1977, the board shall upon receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service, disability, or survivor benefits under the police and firemen's disability and pension fund who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount equal to the basic premiums for such coverage.

SECTION 4. This act is hereby declared to be an emergency measure necessary for the immediate preservation of the public peace, health, and safety. The reason for such necessity lies in the fact that the benefit increases provided for in the act are to become effective July 1, 1981 and should be included in payments made by PERS and SERS for the month of July. Therefore, this act shall go into immediate effect.

Effective June 13, 1981 Energency.