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Sec. 742.45. (A) The board of trustees of the police and firemen's disability and pension fund may enter into an agreement with insurance companies, medical or health care corporations, health maintenance organizations, 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 considers 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, corporation, or agency.

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 may provide for self-insurance of risk or level of risk as set forth in the contract with such companies, corporations, or agencies, and may provide through the self-insurance method specific benefits as authorized by the rules of the board.

- (B) If the board provides health, medical, hospital, or surgical benefits through any means other than a health maintenance organization, it shall offer to each person eligible for such benefits the alternative of receiving benefits through enrollment in a health maintenance organization, if ALL OF THE FOLLOWING APPLY:
- (1) The health maintenance organization provides services in the geographical area in which the person lives.
- (2) The eligible person was receiving health care benefits through a health maintenance organization before retirement and;
- (3) The rate and coverage provided by the health maintenance organization to eligible persons is comparable to that currently provided by the board under division (A) of this section. If the rate or coverage provided by the health maintenance organization is not comparable to that currently provided by the board under division (A) of this section, the board may deduct the additional cost from the eligible person's monthly benefit.

The health maintenance organization shall accept as an enrollee any eligible person who requests enrollment.

The board shall permit each eligible person to change from one plan to another at least once a year at a time determined by the board.

(C) The board shall, upon BEGINNING THE MONTH FOLLOW-ING 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.

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

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