



# **Annual Health Care Report**

**Year Ending December 31, 2013**

This page intentionally left blank.

# Table of Contents

Plan Summary.....	5
Health Care Funding History .....	9
Health Care Premiums and Coverage.....	10
Health Care Premium Charts.....	12
Summary of Coverage – Non-Medicare Participants .....	13
Summary of Coverage – Medicare Participants .....	14
Statements of Plan Net Position, 2008-2013 .....	15
Statements of Changes in Plan Net Position, 2008-2013 .....	16
Ohio Revised Code .....	17
Ohio Administrative Code .....	20

This page intentionally left blank.

# Plan Summary

## General

The Highway Patrol Retirement System is authorized to provide health care benefits according to Ohio Revised Code Section 5505.28.

During 2013, HPRS provided health care coverage to 2,356 eligible retirees and dependents at a net cost of \$13,703,605.

## Medical and Prescription Coverage

For 2013, medical and prescription benefits for non-Medicare and Medicare participants are listed herein. Benefit recipients who were not participants in both Medicare Part A and B were covered in self-insured plans provided by Medical Mutual of Ohio (MMO) and Aetna. HPRS contracted for a fully-indemnified Medicare Advantage product through Aetna for those benefit recipients who were participants in both Medicare Part A and B.

HPRS offers creditable Medicare D coverage to its participants and receives a subsidy from the Centers for Medicare and Medicaid Services (CMS).

All benefit recipients and dependents enrolled in any of HPRS's health care programs are eligible for prescription drug coverage through Express Scripts, Inc. at no additional charge.

A tobacco surcharge is added to the monthly premium cost for any plan participant who has used tobacco products during the past twelve months. For 2013, this premium increased to \$50.00 per month.

Retirees and spouses are eligible for a bi-annual comprehensive wellness examination at no cost. They are also eligible for body imaging services every four years at no cost. These services include: CT coronary artery calcium scoring, carotid artery ultrasound screening, abdominal aortic aneurysm ultrasound screening, bone density testing, and CT lung screening for current or former smokers.

A more detailed accounting of benefits and coverage can be found on our website at <https://www.ohprs.org/ohprs/healthBenefits.jsp>. Health care premiums are summarized on page 10 of this report. Increases in premiums occurred for 2014, and are shown on page 11. A restructuring of premiums for the non-Medicare eligible population occurred in early 2014. The new premium structure will be implemented in 2015. The basic structure is shown on page 12.

## **Dental and Vision**

A dental plan, administered by Delta Dental, is available to all HPRS benefit recipients and eligible dependents. In 2013, retirees paid a monthly premium of \$5.00 and other beneficiaries paid \$20.00. Surviving spouses and children paid a monthly premium of \$5.00.

A vision plan, administered by Aetna Vision and EyeMed, is available to all HPRS benefit recipients and eligible dependents. In 2013, all benefit recipients paid a monthly premium of \$5.00.

Changes in coverage must occur during the annual open enrollment period unless a qualifying event occurs.

## **Medicare Part B**

Upon submitting evidence of coverage, HPRS reimburses a retiree or surviving spouse for a portion of the Medicare Part B premium at \$96.40 monthly. In compliance with Ohio Revised Code Section 5505.28(B), Medicare Part B reimbursements in the amount of \$896,970 were distributed to plan participants during 2013. Medicare reimbursements for 2014 were set at \$90.00 monthly.

## **Long-Term Care Insurance**

Ohio Revised Code Section 5505.33 permits HPRS's participation in contracts for long-term care insurance. Participants pay the full cost of the premiums.

## **Eligibility Requirements**

Age and service and disability retirees and dependents may obtain coverage, subject to the deduction of the applicable premium amount from a benefit payment and related co-pays and out-of-pocket maximums. Dependent child coverage is available until age 26, except for eligible disabled children.

A retiree or spouse who has medical coverage available through employment or other retirement system must procure that coverage as primary, regardless of cost. Beginning January 1, 2015, a retiree may secure primary and/or prescription coverage through the employer or HPRS. When eligible, all benefit recipients must enroll in Medicare Part B.

Pursuant to Ohio Revised Code Section 5505.52, participants in the deferred retirement option plan are not eligible for health care benefits.

Ohio Administrative Code Section 5505-7-04, Health Care, has been rewritten in September 2013 and May 2014. The revised Section 5505-7-04 is presented on page 20 of this report.

## Eligible Participants

During 2013, HPRS provided health care coverage to 2,356 eligible participants:

### Census Data, December 31, 2013

Retirees, non-Medicare	603
Retirees, Medicare	553
Spouses, non-Medicare	380
Spouses, Medicare	500
Dependent Children	301
Surviving Children	19
<b>Total</b>	<b>2,356</b>

Dental and vision coverage was provided to 2,425 and 2,428 recipients, respectively. In general, HPRS does not have record of eligible participants unless they sign up for coverage; therefore, the full number of eligible participants is not known.

## Accounting, Asset Valuation, and Funding Method

HPRS uses the accrual basis of accounting. Assets are stated at fair value. Funding is determined on an actuarial basis. The percentage of employer payroll being allocated to health care was increased by the Board from 1.75% to 3.65% effective January 1, 2013. Based on a continuation of the current allocation to health care of 3.65%, an intermediate assumption (neither optimistic nor pessimistic) yields an estimate of health care solvency until the year 2024. The allocation for the actuarial valuation date ending December 31, 2014 has not yet been determined.

## Net Position

At December 31, 2013, the net position of the health care fund was \$107,754,604, an increase of \$10,330,356 from 2012 year end.

## Changes in Net Position

The schedules of Plan Net Position and Changes in Plan Net Position show the history of funding from 2008 through 2013 and can be seen on pages 15 and 16. During 2013, plan participants paid \$1,570,692 in direct premiums.

## Plan Changes

The following plan changes were introduced in 2013:

- Member dental/vision coverage premium increased from \$1/month to \$5/month.
- Dependent premium increased for dental from \$19/month to \$20/month.

- Dependent premium increased for vision from \$4/month to \$5/month and from \$3/month to \$5/month for children.
- Tobacco surcharge increased from \$39/month to \$50/month.
- Non-Medicare deductible increased from \$250 to \$500 per person.
- Non-Medicare family out-of-pocket maximum increased from \$1,500 to \$3,000.
- Inpatient hospital facility coverage decreased from 100% to 80%.
- Medicare Advantage adopted the steerage PPO plan.
- Medicare Advantage out-of-pocket maximums increased from \$1,500 to \$2,000.
- Medicare Advantage office visit copayment increased from \$20 to \$25.
- Medicare Advantage: \$100 inpatient hospital copayment was added.
- Medicare Advantage: \$50 outpatient surgery copayment was added.
- Prescription formulary list was changed from Prime to High Performance, which is more generic-based.
- Prescription third-tier was closed .
- Percentage of employer contributions dedicated to health care increased from 1.75% to 3.65%.

## Health Care Funding History

Primary funding for health care expenses is based on an allocation of the employer contribution rate, shown as a percentage of total employer payroll.

Actuarial Valuation Date	Pension Allocation	Health Care Allocation	Total Employer Contribution
12/31/1995	19.87	4.13	24.00
12/31/1996	19.87	4.13	24.00
12/31/1997	19.50	4.00	23.50
12/31/1998	19.50	4.00	23.50
12/31/1999	18.75	4.75	23.50
12/31/2000	18.75	4.75	23.50
12/31/2001	18.75	5.75	24.50
12/31/2002	21.00	3.50	24.50
12/31/2003	22.00	3.50	25.50
12/31/2004	22.00	3.50	25.50
12/31/2005	22.00	3.50	25.50
12/31/2006	21.00	4.50	25.50
12/31/2007	21.00	5.50	26.50
12/31/2008	22.00	4.50	26.50
12/31/2009	23.00	3.50	26.50
12/31/2010	23.00	3.50	26.50
12/31/2011	24.75	1.75	26.50
12/31/2012	24.75	1.75	26.50
12/31/2013	22.85	3.65	26.50

## Highway Patrol Retirement System (Eff. 1/1/2013)

### Monthly Premiums

	Retiree	Dependent Spouse	Dependent Children *	Surviving Spouse**	Surviving Children *
Medical/Prescription: Non-Medicare	\$49.00	\$107.00	\$30.00	\$49.00	\$30.00
Medical/Prescription: Secondary	\$39.00	\$97.00	\$30.00	\$39.00	\$30.00
Medical/Prescription: Medicare A & B	\$11.00	\$16.00	\$16.00	\$16.00	\$16.00
Dental	\$5.00	\$20.00	\$20.00	\$5.00	\$5.00
Vision	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Tobacco Surcharge	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00

\* Medical/Prescription premium is based on 15% of the average per member per month cost to HPRS; premium is per child with a maximum of \$90 per family. A single dental or vision premium provides coverage for all children regardless of the number of children.

\*\* Primary coverage not available if surviving spouse has access to coverage through another source/employer.

### Copays, Deductibles, Out-of-Pockets

Medical	Medicare A & B (Aetna)*	Non-Medicare (Medical Mutual)*	
General Copay	\$25.00	\$20.00	
Specialist Copay	\$25.00	\$30.00	
Chiropractor Copay	\$15.00	\$30.00	
Emergency Room Copay	\$50.00	\$50.00	
Urgent Care Copay	\$35.00	\$15.00	
Deductible	None	\$500.00	per person
Out-of-Pocket Maximum	\$2,000.00	\$1,500.00	per person
	per person	\$3,000.00	per family

\* In-network rates; members residing out of the network area (ie out-of-state) will receive service at "in-network" rates

Note: Refer to Plan Description for out-of-network rates

### Prescriptions

Prescriptions	Retail 34-Day Supply	Home Delivery 90-Day Supply
Generic	\$5.00	\$10.00
Brand/Formulary	\$15.00	\$30.00
Brand/Non-Formulary *	Closed	Closed

\* Member will be responsible for the full cost of the prescription unless an exception is granted by Express Scripts

## Highway Patrol Retirement System

(Eff. 1/1/2014)

Board Approved 8/15/2013

### Monthly Premiums

	Retiree	Dependent Spouse	Dependent Children *	Surviving Spouse	Surviving Children *
Medical/Prescription: Non-Medicare	<b>\$59.00</b>	<b>\$117.00</b>	<b>\$50.00</b>	<b>\$59.00</b>	<b>\$50.00</b>
Medical/Prescription: Secondary	\$39.00	\$97.00	\$30.00	\$39.00	\$30.00
Medical/Prescription: Medicare A & B	<b>\$12.00</b>	<b>\$17.00</b>	<b>\$17.00</b>	<b>\$17.00</b>	<b>\$17.00</b>
Dental	\$5.00	\$20.00	\$20.00	\$5.00	\$5.00
Vision	\$5.00	\$5.00	\$5.00	\$5.00	\$5.00
Tobacco Surcharge	<b>\$50.00</b>	<b>\$50.00</b>	<b>\$50.00</b>	<b>\$50.00</b>	<b>\$50.00</b>

\* Premium is per child with a limit of six (6) per family; effective 1/1/15 the family limit will be discontinued.  
A single dental or vision premium provides coverage for all children regardless of the number of children.

### Copays, Deductibles, Out-of-Pockets

Medical	Medicare A & B (Aetna)*	Non-Medicare (Medical Mutual)*
General Copay	\$25.00	\$20.00
Specialist Copay	\$25.00	\$30.00
Chiropractor Copay	\$15.00	\$30.00
Emergency Room Copay	\$50.00	\$50.00
Urgent Care Copay	\$35.00	\$15.00
Deductible	None	\$500.00
Out-of-Pocket Maximum	\$2,000.00	\$1,500.00
	per person	per person
		\$3,000.00
		per family
<b>Medicare B Reimbursement (per month)</b>	<b>\$90.00</b>	

\* In-network rates; members residing out of the network area (ie out-of-state) will receive service at "in-network" rates  
Note: Refer to Plan Description for out-of-network rates

### Prescriptions

Prescriptions	Retail 34-Day Supply	Home Delivery 90-Day Supply
Generic	\$5.00	\$10.00
Brand/Formulary	\$15.00	\$30.00
Brand/Non-Formulary *	Closed	Closed

\* Member will be responsible for the full cost of the prescription unless an exception is granted by Express Scripts

Below is a premium chart that was approved by the Board on April 17, 2014. **These premiums apply to all non-Medicare A & B eligible retirees and spouses, both current and future.** The Board expects 2017 premiums to be as listed, but they may be subject to change based on the status of health care at that time. The Board set the premiums based on a percentage of the actuarially calculated PMPM (per member per month) costs.

**2015**

<b>Retiree Age</b>	<b>Monthly Premium</b>		<b>Spouse Age</b>	<b>Monthly Premium</b>
65+	\$83		65+	\$132
60-64	\$83		60-64	\$132
56-59	\$99		56-59	\$165
52-55	\$132		52-55	\$198
48-51	\$149		<52	\$231

**2016**

<b>Retiree Age</b>	<b>Monthly Premium</b>		<b>Spouse Age</b>	<b>Monthly Premium</b>
65+	\$83		65+	\$149
60-64	\$116		60-64	\$149
56-59	\$149		56-59	\$182
52-55	\$182		52-55	\$215
48-51	\$215		<52	\$248

**2017 as projected, subject to change based on status of Health Care Fund**

<b>Retiree Age</b>	<b>Monthly Premium</b>		<b>Spouse Age</b>	<b>Monthly Premium</b>
65+	\$99		65+	\$165
60-64	\$132		60-64	\$165
56-59	\$182		56-59	\$215
52-55	\$248		52-55	\$297
48-51	\$281		<52	\$330

**2013 Summary of Coverage - Non - Medicare Participants**

	<b>Out of Area Basic Plan</b>	<b>In Network</b>	<b>Out of Network</b>
Deductible	\$500 / person	\$500 / person	\$1,000 / person
Annual OOP Max (does not include deductible)			
Single	\$1,500	\$1,500	\$5,000
Family	\$3,000	\$3,000	\$10,000
Lifetime Max	N/A	N/A	N/A
Member Coinsurance at Plan Level	80%	80%	60%
PCP	80%	\$20.00 copay; 100%	60%
Specialty Care	80%	\$30.00 copay; 100%	60%
Office visits for surgery	80%	\$30.00 copay; 100%	60%
Routine X-Rays/Lab Tests	100%	100%	60%
Therapy (Phys, Occup, Speech)	80%	\$20.00 copay; 100%	60%
Home Health Services	100% for 100 visits 80% balance	100% for 100 visits 80% balance	90% for 100 visits 60% balance
Hospice			
Inpatient	100% up to 30 days	100% up to 30 days	80% up to 30 days
Outpatient	80% up to \$7,500	80% up to \$7,500	60% up to \$5,000
Inpatient Surgery	\$100 copay, 80% balance	\$100 copay, 80% balance	\$100 copay, 60% balance
Outpatient Surgery -Institutional Services	100%	100%	60%
Outpatient Surgery -Professional Services	80%	80%	60%
Hospital Admission	\$100 copay, facility 100% 80% Professional charges	\$100 copay, facility 100% 80% Professional charges	\$100 copay, facility 100% 60% Professional charges
ER (Waived if admitted)	\$50 copay, 80% balance	\$50 copay, 80% balance	\$50 copay, 80% balance
Ambulance	80%	80%	80%
Routine Physical	100%	100%	60%
Routine GYN Exam	100%	100%	60%
Routine Mammogram	100%	100%	60%
Prostate Cancer Screening	100%	100%	60%
Chiropractic	80%	\$30 copay, 100%	60%
Skilled Nursing (100 days)	100%	100%	90%
Mental Health			
Inpatient	100%	100%	60%
Outpatient	80%	80%	60%
Substance Abuse			
Inpatient	100%	100%	60%
Outpatient	80%	80%	60%
Hearing Aids	80%, max \$1,000 every 3 years per aid	80%, max \$1,000 every 3 years per aid	80%, max \$1,000 every 3 years per aid

**2013 Summary of Coverage - Medicare Participants**

	<b>In Network</b>	<b>Out of Network</b>
Deductible	0	0
Annual OOP Max (includes deductible)	\$2,000	\$2,500
Lifetime Max	N/A	N/A
Member Coinsurance at Plan Level	N/A	30%
PCP	\$25 copay	30%
Specialty Care	\$25 copay	30%
Office visits for surgery	\$25 copay	30%
Allergy Testing/Treatment	\$25 copay	30%
X-Rays/Lab Tests	\$25 x-ray, no copay lab	30%
Complex Radiology	\$25 copay	30%
Radiation Therapy	\$25 copay	30%
Outpatient Kidney Dialysis	\$25 copay	\$25 copay
Therapy (Phys, Occup, Speech)	\$25 copay	30%
Home Health Services	No copay	30%
Hospice	Covered by Medicare in certified facility	
Durable Medical Equipment (DME)	100%	30%
Outpatient Surgery	\$50 copay	30%
Hospital Admission	\$100 copay	30%
ER (Waived if admitted)	\$50 copay	\$50 copay
Urgent Care	\$35 copay	\$35 copay
Ambulance	20%	30%
Routine Physical	No copay	30%
Routine Eye	No copay	30%
Routine GYN Exam	No copay	30%
Routine Mammogram	No copay	30%
Bone Mass Measurement	No copay	30%
Colorectal Screening	No copay	30%
Prostate Cancer Screening	No copay	30%
Immunizations-medicare covered	No copay	No copay
Routine Hearing Exam	No copay	30%
Diabetic - Monitor/Supplies	No copay	30%
Chiropractic	\$15 copay	25%
Podiatry (limited to covered services)	\$25 copay	30%
Skilled Nursing (100 days)-medically necessary	0% per day, days 1-100	30%
Inpatient	\$100 copay	30%
OP Mental Health	\$25 copay	30%
OP Substance Abuse	\$25 copay	30%
Healthy Lifestyle Coaching	Included	not covered
Hearing Aid Reimbursement	Up to \$2,000 every 36 mo. (both ears)	N/A
Dental Benefit	Not included	N/A
Prescription Lens Reimbursement	Lens Discounts	N/A

**Highway Patrol Retirement System**  
**Combining Statements of Plan Net Assets**  
**Health Care**  
**2008-2013**

	2013	2012	2011	2010	2009	2008
<b>Assets</b>						
Cash and Short-Term Investments	\$1,611,666	\$1,718,053	\$1,530,168	\$2,251,450	\$3,728,083	\$2,039,274
Receivables						
Contributions						
Employer	168,625	71,817	63,465	115,108	291,909	296,156
Employee	0	0	0	0	0	0
Accrued Investment Income	118,775	162,012	64,198	146,371	153,359	75,527
Health Care Receivable	0	0	0	180,492	513,658	317,498
Tenant Rent Receivable	0	0	0	0	0	0
<b>Total Receivables</b>	287,400	233,829	127,663	441,971	958,926	689,181
Investments, at Fair Value						
Domestic Equity	38,206,009	36,355,916	32,896,093	45,528,948	39,232,638	31,055,773
Fixed Income	21,566,823	21,426,264	23,728,345	17,690,974	19,394,890	17,418,699
International Equity	23,220,246	16,053,383	16,030,076	20,032,549	15,633,008	11,853,697
Real Estate	4,689,672	4,084,919	4,446,948	3,259,771	1,242,226	1,320,400
Private Equity	10,519,427	9,972,289	10,102,207	10,701,600	9,067,807	8,012,999
Hedge Funds	8,601,523	8,334,560	7,570,141	8,500,912	8,660,806	6,741,092
Global Tactical Asset Allocation	0	0	0	0	0	1,712,316
Collateral on Loaned Securities	0	0	0	0	2,121,882	5,084,976
<b>Total Investments</b>	106,803,700	96,227,331	94,773,810	105,714,754	95,353,257	83,199,952
Prepaid Expense	7,060	7,224	7,308	1,600	957	546
Property and Equipment, Net	3,003	2,421	2,270	2,936	1,298	822
<b>Total Assets</b>	108,712,829	98,188,858	96,441,219	108,412,711	100,042,521	85,929,775
<b>Liabilities</b>						
Accrued Health Care Liabilities	817,154	667,327	484,400	807,107	537,405	844,299
Accounts Payable	110,492	68,268	84,834	159,396	164,124	137,103
Other Liabilities	9,797	11,361	7,778	9,780	9,108	4,329
Accrued Payroll Liabilities	20,782	17,654	28,908	21,681	37,929	37,932
Obligations under Securities Lending	0	0	0	0	2,670,434	5,084,976
<b>Total Liabilities</b>	958,225	764,610	605,920	997,964	3,419,000	6,108,639
<b>Net Assets Held in Trust for Postemployment Health Care Benefits</b>	<b>\$107,754,604</b>	<b>\$97,424,248</b>	<b>\$95,835,299</b>	<b>\$107,414,747</b>	<b>\$96,623,521</b>	<b>\$79,821,136</b>

**Highway Patrol Retirement System**  
**Combining Statements of Changes in Plan Net Assets**  
**Health Care**  
**2008-2013**

	2013	2012	2011	2010	2009	2008
<b>Additions</b>						
Contributions:						
Employer	\$3,658,189	\$1,679,422	\$1,622,889	\$3,227,905	\$4,281,052	\$4,350,474
Member	0	0	0	0	0	0
Transfer from Other Systems	0	0	0	0	0	0
Other Income	2,631,154	2,157,467	2,069,860	1,382,985		
<b>Total Contributions</b>	<b>6,289,343</b>	<b>3,836,889</b>	<b>3,692,749</b>	<b>4,610,890</b>	<b>4,281,052</b>	<b>4,350,474</b>
Investment income:						
Net Appreciation in Fair Value of Investments	15,884,853	8,804,514	(3,716,169)	17,205,090	20,333,247	(31,736,978)
Interest & Dividend Income	2,745,374	1,986,430	1,659,904	1,269,217	1,905,082	1,497,681
Security Lending Income	0	0	0	(53,913)	(536,162)	59,262
Real Estate Operating Income, Net	15,830	11,136	22,004	18,112	(31,813)	16,684
	18,646,057	10,802,080	(2,034,261)	18,438,506	21,670,354	(30,163,351)
Less Investment Expense	(760,763)	(609,097)	(717,748)	(704,090)	639,936	646,201
<b>Net Investment Income</b>	<b>17,885,294</b>	<b>10,192,983</b>	<b>(2,752,009)</b>	<b>17,734,416</b>	<b>21,030,418</b>	<b>(30,809,552)</b>
<b>Total Additions</b>	<b>24,174,637</b>	<b>14,029,872</b>	<b>940,740</b>	<b>22,345,306</b>	<b>25,311,470</b>	<b>(26,459,078)</b>
<b>Deductions</b>						
Benefits Paid Directly to Participants	13,703,605	12,302,980	12,360,917	11,447,630	8,385,875	8,546,663
Refunds of Employee Contributions	0	0	0	0	0	0
Administrative Expenses	140,676	137,943	159,271	106,450	123,210	98,082
Transfers to Other Systems	0	0	0	0	0	0
<b>Total Deductions</b>	<b>13,844,281</b>	<b>12,440,923</b>	<b>12,520,188</b>	<b>11,554,080</b>	<b>8,509,085</b>	<b>8,644,745</b>
<b>Net Increase</b>	<b>10,330,356</b>	<b>1,588,949</b>	<b>(11,579,448)</b>	<b>10,791,226</b>	<b>16,802,385</b>	<b>(35,103,823)</b>
Prior Period Adjustment						
<b>Balance at End of Year</b>	<b>\$107,754,604</b>	<b>\$97,424,248</b>	<b>\$95,835,299</b>	<b>\$107,414,747</b>	<b>\$96,623,521</b>	<b>\$79,821,136</b>

# Ohio Revised Code

## **5505.28 Health insurance.**

(A) The state highway patrol retirement board may enter into an agreement with insurance companies, health insuring 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 pensions and subscribing to the plan. Notwithstanding any other provision of this chapter, the policy or contract may also include coverage for any eligible individual's spouse and dependent children and for any of the individual's sponsored dependents as the board considers appropriate.

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

The board may contract for coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the state highway patrol retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate as provided by section 5505.15 of the Revised Code.

(B) The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of a pension under the state highway patrol retirement system who is eligible for medical insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 1395j, as amended, an amount established by board rule not exceeding the basic premium for such coverage.

(C) The board shall establish by rule requirements for the coordination of any coverage, payment, or benefit provided under this section with any similar coverage, payment, or benefit made available to the same individual by the public employees retirement system, Ohio police and fire pension fund, state teachers retirement system, or school employees retirement system.

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

Effective Date: 10-01-2002

### **5505.33 Long-term care insurance programs.**

(A) As used in this section:

(1) “Long-term care insurance” has the same meaning as in section 3923.41 of the Revised Code.

(2) “Retirement systems” has the same meaning as in division (A) of section 145.581 of the Revised Code.

(B) The state highway patrol retirement board shall establish a program under which members of the retirement system, employers on behalf of members, and persons receiving service or disability pensions or survivor benefits are permitted to participate in contracts for long-term care insurance. Participation may include dependents and family members. If a participant in a contract for long-term care insurance leaves employment, the person and the person’s dependents and family members may, at their election, continue to participate in a program established under this section in the same manner as if the person had not left employment, except that no part of the cost of the insurance shall be paid by the person’s former employer. Such program may be established independently or jointly with one or more of the retirement systems.

(C) The board may enter into an agreement with insurance companies, health insuring corporations, or government agencies authorized to do business in the state for issuance of a long-term care insurance policy or contract. However, prior to entering into such an agreement with an insurance company or health insuring corporation, the board shall request the superintendent of insurance to certify the financial condition of the company or corporation. The board shall not enter into the agreement if, according to that certification, the company or corporation is insolvent, is determined by the superintendent to be potentially unable to fulfill its contractual obligations, or is placed under an order of rehabilitation or conservation by a court of competent jurisdiction or under an order of supervision by the superintendent.

(D) The board shall adopt rules in accordance with section 111.15 of the Revised Code governing the program. The rules shall establish methods of payment for participation under this section, which may include establishment of a payroll deduction plan under section 5505.203 of the Revised Code, deduction of the full premium charged from a person’s service or disability pension or survivor benefit, or any other method of payment considered appropriate by the board. If the program is established jointly with one or more of the other retirement systems, the rules also shall establish the terms and conditions of such joint participation.

Effective Date: 06-04-1997

## **5505.52 Plan members ineligible for service credit or health benefits.**

(A) A member who makes an election under section 5505.51 of the Revised Code shall continue in the active service of the state highway patrol but shall not earn service credit under this chapter for employment after the election's effective date. While the member is in the active service of the state highway patrol, the member shall contribute, and the state shall contribute and report, to the state highway patrol retirement system in accordance with section 5505.15 of the Revised Code.

On and after the effective date of the member's election to participate in the deferred retirement option plan, the member is ineligible to purchase service credit under this chapter.

Neither the member nor the member's spouse and dependents are eligible for any benefit under section 5505.28 of the Revised Code while the member is participating in the deferred retirement option plan.

(B) A member participating in the deferred retirement option plan is eligible to vote in elections for the retirant members of the state highway patrol retirement system board, but not eligible to vote in elections for the employee members of the board.

Effective Date: 06-15-2006

# Ohio Administrative Code

## 5505-7-04 Health care.

(A) For the purpose of this rule:

- (1) “Age and service retirant” shall mean a former member that applied for and was granted retirement benefits as described in section 5505.16 of the Revised Code.
- (2) “Benefit recipient” shall mean an age and service retirant or disability retirant that is receiving a pension benefit as described in division (A)(1) of section 5505.17 of the Revised Code.
- (3) “Child” shall mean a biological child, lawfully adopted child, child placed for adoption or stepchild of a benefit recipient or member provided that such child has not yet attained age twenty-six. “Child” shall also mean a child for whom a benefit recipient or member has been legally appointed as guardian, provided that such child has not yet attained age eighteen.
- (4) “Dependent” shall mean the spouse or child as defined in this rule.
- (5) “Disability retirant” shall mean a former member that applied for and was granted retirement benefits as described in section 5505.18 of the Revised Code.
- (6) “Eligible dependent” shall mean a dependent that qualifies for health care coverage pursuant to paragraph (C) of this rule.
- (7) “Member” shall have the same meaning as division (J) of section 5505.01 of the Revised Code.
- (8) “Retirant” shall mean an age and service retirant or disability retirant.
- (9) “Spouse” shall mean a wife or husband of a retirant or member as set forth in a statutorily-valid certificate.

(B) Benefit recipients and eligible dependents may enroll in any plan offered pursuant to section 5505.28 of the Revised Code.

- (1) The annual premium cost for each category of coverage will be determined by the board prior to the annual open enrollment period.
- (2) All provisions of this rule are subject to current health care contracts and amendments.
- (3) The board may implement cost control measures as it deems necessary.
- (4) Only benefit recipients and eligible dependents who are enrolled under state highway patrol retirement system medical coverage are eligible for prescription drug coverage.

- (C) The dependents of a benefit recipient are eligible for health care, subject to the following conditions:
- (1) The benefit recipient is enrolled in the HPRS medical and prescription plans.
  - (2) A child for whom the benefit recipient has been appointed as guardian is eligible for healthcare if the child is unmarried, chiefly dependent on the benefit recipient, and lives in the same household as the benefit recipient.
  - (3) The board may require documented proof of marriage, guardianship, or parenthood. The board reserves the right to deny or cancel coverage if the benefit recipient or dependent does not comply with the board's request for documents.
- (D) Upon death of a retirant, or member, dependents are eligible for health care coverage, subject to the following conditions:
- (1) The dependent, except as provided in paragraph (D)(2) of this rule, would have qualified as an eligible dependent had the retirant or member been a benefit recipient at the time of death.
  - (2) A child for whom a retirant or member has been legally appointed as guardian, who would have been eligible for coverage at the time of the retirant's or member's death had the retirant or member been a benefit recipient, may obtain or continue coverage, provided the spouse elects to continue coverage, the spouse is appointed guardian of the child within ninety days of the retirant or member's death, and the child is chiefly dependent on the spouse and lives in the same household as the spouse.
  - (3) In the event a spouse remarries, health care eligibility shall continue. Notwithstanding the forgoing, a spouse who has access to medical and/or prescription coverage through his or her new spouse must secure it as primary coverage, regardless of cost; secondary coverage may be maintained.
- (E) Open enrollment for all health care options will be November first through November thirtieth each year.
- (1) Eligible benefit recipients and dependents may enroll in or delete coverage only during open enrollment, except to the extent of (a) a qualifying event that affects that individual's eligibility for health benefits; (b) a medicare rule; or (c) a newly retired member may enroll up to sixty days after his or her retirement effective date.
  - (2) Qualifying events include -
    - (a) Marriage,
    - (b) Birth, adoption, placement for adoption or legal guardianship of a child,
    - (c) Change in employment status,
    - (d) Divorce, annulment, or dissolution,

- (e) Legal separation,
  - (f) Involuntary termination of other group coverage, or
  - (g) Death.
- (3) The effective date of coverage will be -
- (a) January first for an addition during open enrollment. Deletions during open enrollment shall be effective December thirty-first.
  - (b) The beginning of the month following the receipt of an enrollment form based on a qualifying event.
  - (c) The date of marriage for the addition of a new spouse or stepchild.
  - (d) The date of birth for the addition of a newborn.
  - (e) The adoption date for the addition of a newly-adopted child or the date the child is placed for adoption.
  - (f) The date the legal guardianship becomes effective.
- (4) Upon request, a benefit recipient or eligible dependent may designate an effective date of coverage that is the beginning of a month no later than two months after the effective date under paragraph (E)(3) of this rule.
- (5) To qualify for coverage, an enrollment form based upon a qualifying event must be received by the retirement system no later than sixty days after the event.
- (F) A termination of coverage will be effective at the end of the month during which an enrollment change form is received.
- (1) Health care coverage for eligible dependents shall terminate under the following conditions:
- (a) At the end of the month in which the spouse is no longer married to the benefit recipient.
  - (b) At the end of the month in which the child attains the age of twenty-six except in the case of a legal guardianship which shall be when the child is no longer eligible as defined by paragraph (D)(2) of this rule.
  - (c) At the end of the month in which the benefit recipient terminates coverage.
- (2) Health care eligibility of a child of a deceased member or retirant will terminate at age twenty-six except in the case of a legal guardianship which shall be when the child is no longer eligible as defined by paragraph (D)(2) of this rule.

(G)

- (1) Notwithstanding the provisions of paragraphs (F)(1)(b) and (F)(2) of this rule, health care coverage will continue for a disabled child who meets all of the following:
  - (a) Is unmarried,
  - (b) Is mentally or physically incapable of earning his or her own living,
  - (c) Became so incapable prior to the attainment of the limiting age for coverage of children, and
  - (d) Is chiefly dependent upon the retirant for support and maintenance.
  - (e) A disabled child that qualifies for coverage beyond age twenty-six under this section that has access to other medical and/or prescription coverage must secure the other coverage as primary coverage, regardless of cost.
- (2) To determine whether a disabled dependent child qualifies for coverage under this section, the retirement board may require -
  - (a) A physician's statement,
  - (b) An independent medical examination,
  - (c) Two years of federal tax returns from both the parents and the dependent child, and
  - (d) Any other information that the board deems relevant.

(H)

- (1) Effective January 1, 2015, a benefit recipient who is employed at least thirty hours each week may secure primary medical and/or prescription coverage through the employer or the state highway patrol retirement system. Alternatively, the benefit recipient may elect to secure primary coverage through a spouse's employment.
  - (a) If the benefit recipient is employed and secures primary coverage through the state highway patrol retirement system, he or she shall pay a premium set by the Board pursuant to paragraph (B)(1) of this rule. The premium will apply sixty days after employment commences except as detailed in this rule.
  - (b) If the benefit recipient is employed less than thirty hours per week, the benefit recipient may apply to the board for an exemption. The request for exemption must be accompanied with either: (i) certification from the benefit recipient's employer that the benefit recipient will not exceed an average of thirty work hours over four consecutive pay periods; or (ii) evidence of four consecutive pay periods showing that the benefit recipient worked on average less than thirty hours per pay period. No refunds of past premiums will be made.

- (c) A benefit recipient must inform the state highway patrol retirement system within sixty days of commencing any employment. If a benefit recipient fails to inform the state highway patrol retirement system pursuant to this section, premiums may be payable pursuant to paragraph (H)(1)(a) of this rule effective sixty days after employment originally commenced unless the benefit recipient would have been eligible for an exemption pursuant to paragraph (H)(1)(b) of this rule.
  - (d) Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system.
- (2) Prior to January 1, 2015, a benefit recipient who has access to medical and/or prescription coverage through employment must secure it as primary coverage, regardless of cost. Alternatively, the benefit recipient may elect to secure primary coverage through a spouse's employment. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system. The requirement that primary prescription coverage be obtained through an employer is effective for pension benefits payable on or after January 1, 2011.
  - (3) A spouse who has access to medical and/or prescription coverage through employment must secure it as primary coverage, regardless of cost. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system.
  - (4) A spouse who has access, as a benefit recipient of another retirement system or pension plan, to medical and/or prescription coverage must secure it as primary coverage, regardless of cost. Further, a spouse that receives a payment, stipend, or other remuneration of any kind from another retirement system or pension plan for the purpose of obtaining medical and/or prescription coverage may not elect state highway patrol retirement system coverage as primary coverage. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system. A dependent who had coverage through the state highway patrol retirement system prior to January 1, 2011 may continue that coverage until it is interrupted.
  - (5) Paragraphs (H)(1), (H)(2), (H)(3), and (H)(4) of this rule will not apply to a participant who has both medicare part A and medicare part B coverage.
  - (6) If the cost of primary coverage pursuant to paragraph (H)(1), (H)(2), (H)(3) or (H)(4) of this rule less any payment, stipend or other remuneration received for the purpose of securing medical and/or prescription coverage exceeds fifty per cent of the gross income provided by the employer, retirement system, or pension plan, the benefit recipient or spouse, if the benefit recipient is deceased, may apply for a hardship exemption to the board.
- (I) An individual who receives benefits in accordance with section 5505.16, 5505.17, or 5505.18 of the Revised Code will be reimbursed for medicare part B premiums upon the receipt of evidence of coverage, up to a maximum amount established by the board.

- (1) Evidence will consist of a medicare HIC number or other verification provided by the social security administration.
  - (2) The reimbursement amount for the following year will be established by the board no later than the December meeting.
  - (3) Reimbursement will be effective the month following receipt of evidence of coverage and will be added to each monthly pension payment.
  - (4) Reimbursement will not be due to a benefit recipient who is eligible to receive reimbursement from an employer, another retirement plan, or any other entity.
  - (5) An individual who is eligible for medicare part B coverage who does not enroll within thirty days after the individual's eligibility date shall be ineligible for HPRS medical and prescription coverage.
  - (6) To the extent an individual becomes eligible for medicare part B, from that date forward, the individual must purchase medicare part B. An individual that fails to enroll in medicare part B within thirty days of the eligibility date shall immediately become ineligible for HPRS medical and prescription coverage. A benefit recipient is not required to purchase retroactive medicare part B coverage in order to qualify for full benefits.
- (J) If it is available at no cost, a participant is required to enroll in medicare part A. The board reserves the right to terminate medical and prescription coverage of an individual who does not maintain medicare part A coverage that is available at no cost.
- (K) Anyone who is eligible for a benefit based only on (1) an election in accordance with section 5505.162 of the Revised Code, (2) divisions (A)(2) to (A)(9) of section 5505.17 of the Revised Code, or (3) being an alternate payee under section 5505.261 of the Revised Code is not eligible for health care coverage or medicare part B reimbursement.
- (L) An enrolled benefit recipient's coverage shall be rescinded if the benefit recipient performs an act, practice or omission that constitutes fraud or makes an intentional misrepresentation of material fact regarding the health care coverage. The effective date of the termination of coverage shall be the date of the act, practice or omission that constitutes fraud or an intentional misrepresentation of material fact, unless otherwise limited by Ohio law. The retirement system shall notify the benefit recipient of the rescission at least thirty days prior to processing the rescission. The rescission applies to all enrolled dependents and all coverage options.
- (M) The executive director is authorized to deny or cancel coverage if the benefit recipient or dependent does not comply with a request for documents or information the executive director deems necessary to carry-out the requirements of this rule.

Effective: 05/16/2014

R.C. 119.032 review dates: 05/16/2019

Promulgated Under: 111.15

Statutory Authority: 5505.28

Rule Amplifies: 5505.28

Prior Effective Dates: 1/1/1987, 2/1/1990, 11/1/1990, 2/1/1992, 3/15/1992, 12/1/1994, 6/1/1996, 10/1/1996,  
10/21/2005, 9/28/2010, 8/8/2011, 6/28/13(Emer), 9/16/2013