



June 26, 2019

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, OH 43215-3414

Dear Ms. Rhodes:

In accordance with Ohio Revised Code Section 5505.12(E), I am attaching a full accounting of the revenues and costs of health care by the Highway Patrol Retirement System at December 31, 2018, utilizing the new ORSC-approved standard template.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink that reads "Mark R. Atkeson".

Mark R. Atkeson
Executive Director
direct dial 614.430.3557
matkeson@ohprs.org

cc: The Honorable Mike DeWine, Governor
The Ohio Retirement Study Council
Director Kimberly Murnieks, Office of Budget and Management
The Honorable Larry Householder, Speaker of the House
The Honorable Larry Obhof, Senate President
The Honorable Kirk Schuring, Chair, Ohio Retirement Study Council
The Honorable Steven Arndt, Chair, House Aging and Long Term Care
The Honorable Joe Uecker, Chair, Senate Local Government Public Safety and Veterans Affairs

**State Highway Patrol Retirement System
2018 ORSC Health Care Report
(For period January 1, 2018-December 31, 2018)**

(Submitted to ORSC 6/26/2019)

Year in Review-2018

During 2018, HPRS provided health care coverage to 2,135 eligible retirees and dependents at a net cost of \$15,762,478.

For 2018, benefit recipients who were not participants in both Medicare Part A and B were covered in a self-insured plan provided by Medical Mutual of Ohio (MMO). 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 2018, this premium was \$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.

Premiums are established per a cost-sharing policy adopted by the Board in 2016. Premiums for 2018 and 2019 are included as an appendix to this report. Premiums are structured to split costs between members and HPRS and are charged by age group.

During 2018, HPRS continued to make adjustments to the plan as recommended by the healthcare consultant hired in 2016. These changes included requiring dependent spouses and children to secure alternative primary coverage if available through an employer, retirement system, or educational institution.

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A dental plan, administered by Delta Dental, is available to all HPRS benefit recipients and eligible dependents. In 2018, retirees paid a monthly premium of \$5.00 and other beneficiaries paid \$20.00. Dental expenses totaled \$690,084 for the year.

A vision plan, administered by Aetna Vision and EyeMed, is available to all HPRS benefit recipients and eligible dependents. All benefit recipients paid a monthly premium of \$5.00 in 2018. Vision expenses totaled \$172,901 for the year.

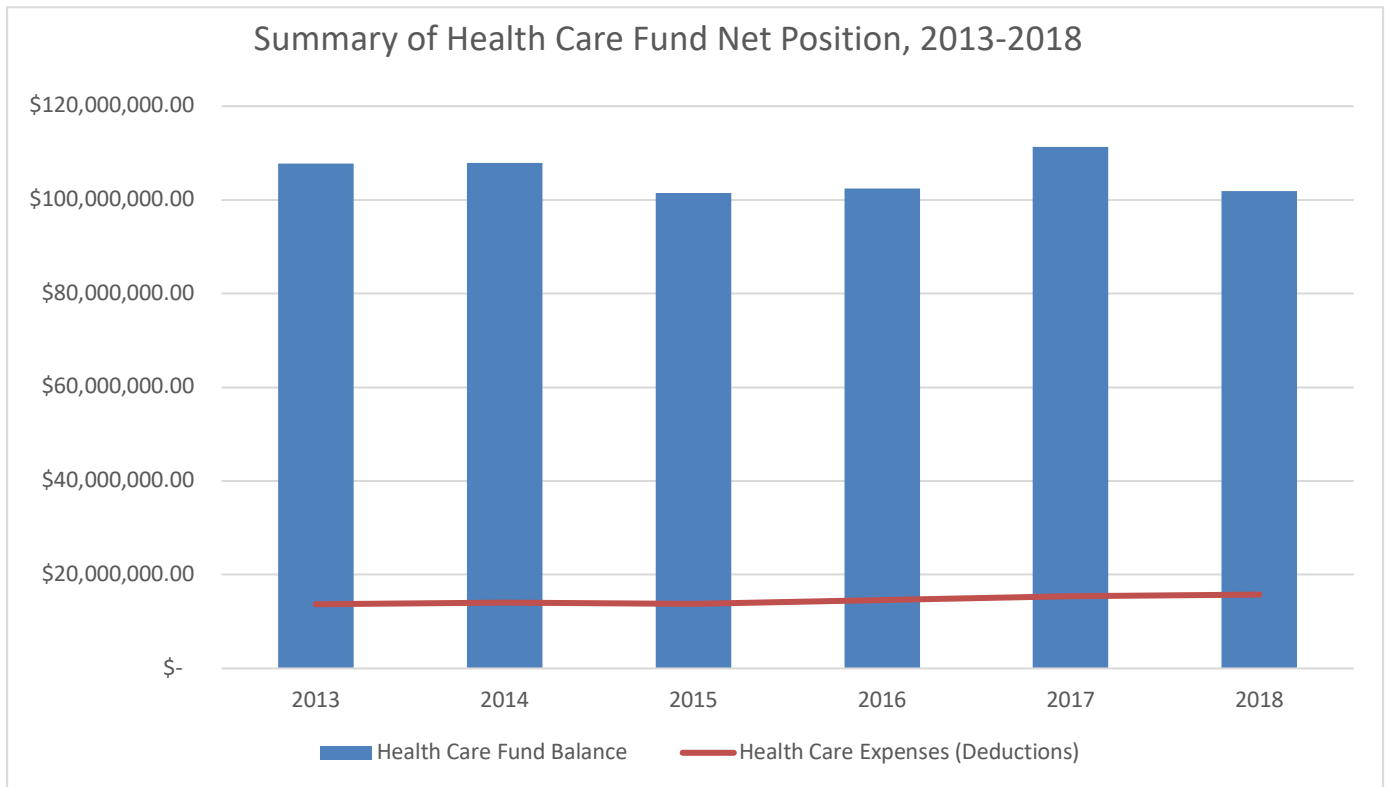
Any changes in coverage must occur during the annual open enrollment period unless a qualifying event occurs.

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

State Highway Patrol Retirement System
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Financial Information

Additions	Deductions	Fund Balance	Solvency Period ¹	Employer Allocation ²
\$ 6,480,715.00	\$ 15,966,290.00	\$ 101,827,574.00	2030	3.50%



Health Care Fund Balance (as graphed above)		
	Health Care Fund Balance	Health Care Expenses (Deductions)
2013	\$ 107,754,604.00	\$ 13,703,605.00
2014	\$ 107,948,537.00	\$ 14,055,881.00
2015	\$ 101,419,727.00	\$ 13,759,103.00
2016	\$ 102,372,098.00	\$ 14,594,984.00
2017	\$ 111,313,148.00	\$ 15,456,987.00
2018	\$ 101,827,574.00	\$ 15,762,478.00

¹ Solvency period based on each system's individual valuation and underlining assumptions.

² Board set health care allocation at 0.0% for 2019

State Highway Patrol Retirement System
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Average Cost Per Participant Paid by State Highway Patrol Retirement System

Non-Medicare Recipients	Re-employed non-Medicare Recipients	Medicare Recipients
\$738	N/A	\$454

Non-Medicare Recipients includes retirees and eligible spouses/dependent children who are not yet eligible for Medicare coverage, generally those under 65 years of age.

HPRS has no re-employed non-Medicare recipients.

Medicare Recipients includes retirees and spouses 65 years of age and older and eligible for both Medicare Parts A and B, as well as those under 65 who qualify due to a disabling condition.

Population of Recipients

Age and Service	Disability	All Others (Survivors, Beneficiaries, etc.)	Total Recipients	Percent Medicare
1096	95	944	2135	59%

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Medical Mutual of Ohio (Non-Medicare)

	Out of Area Basic Plan	In Network	Out of Network
Deductible	\$750 / person	\$750 / person	\$1,500 / person
Annual OOP Max (does not include deductible)			
Single	\$2,000	\$2,000	\$5,000
Family	\$4,000	\$4,000	\$10,000
Lifetime Max	N/A	N/A	N/A
Member Coinsurance at Plan Level	80%	80%	60%
PCP	80%	\$25.00 copay; 100%	60%
Specialty Care	80%	\$40.00 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%	\$25.00 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 \$100 copay, 80% balance	80% up to \$7,500 \$100 copay, 80% balance	60% up to \$5,000 \$100 copay, 60% balance
Inpatient Surgery	100%	100%	60%
Outpatient Surgery - Institutional Services	80%	80%	60%
Outpatient Surgery - Professional Services	\$200 copay; 80% after deductible	\$200 copay; 80% after deductible	\$200 copay; 60% after deductible
Hospital Admission	80% Professional charges	80% Professional charges	60% Professional charges
ER (Waived if admitted)	\$100 copay, 80% balance	\$100 copay, 100% balance	\$100 copay, 80% balance
Ambulance	80%	80%	60%
Routine Physical	100%	100%	60%
Routine GYN Exam	100%	100%	60%
Routine Mammogram	100%	100%	60%
Prostate Cancer Screening	100%	100%	60%
Chiropractic	80%	\$40 copay, 100%	60%
Skilled Nursing (100 days)	\$100 copay; 100%	\$100 copay; 100%	\$100 copay; 100%
Mental Health			
Inpatient	80%	80%	60%
Outpatient	80%	80%	60%
Substance Abuse			
Inpatient	80%	80%	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

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Aetna Medicare Advantage

	In Network	Out of Network
Deductible	\$250	\$250
Annual OOP Max (includes deductible)	\$2,000	\$2,500
Lifetime Max	N/A	N/A
Member Coinsurance at Plan Level	N/A	30% after deductible
PCP	\$25 copay	30% after deductible
Specialty Care	\$40 copay	30% after deductible
Office visits for surgery	\$25 copay	30% after deductible
Allergy Testing/Treatment	\$25 copay	30% after deductible
X-Rays/Lab Tests	\$25 x-ray, no copay lab	30% after deductible
Complex Radiology	\$25 copay	30% after deductible
Radiation Therapy	\$25 copay	30% after deductible
Outpatient Kidney Dialysis	No copay	100% after deductible
Therapy (Phys, Occup, Speech)	\$25 copay	30% after deductible
Home Health Services	No copay	30% after deductible
Hospice	Covered by Medicare in certified facility	
Durable Medical Equipment (DME)	100%, after deductible	30% after deductible
Outpatient Surgery	\$75 copay	30% after deductible
Hospital Admission	\$200 copay	30% after deductible
ER (Waived if admitted)	\$75 copay	\$75 copay
Urgent Care	\$35 copay	\$35 copay
	20%, after deductible (deductible waived for emergency)	30%, after deductible (deductible waived for emergency)
Ambulance	No copay	30% after deductible
Routine Physical	No copay	30% after deductible
Routine Eye	No copay	30% after deductible
Routine GYN Exam	No copay	30% after deductible
Routine Mammogram	No copay	30% after deductible
Bone Mass Measurement	No copay	30% after deductible
Colorectal Screening	No copay	30% after deductible
Prostate Cancer Screening	No copay	30% after deductible
Immunizations-Medicare covered	No copay	No copay
Routine Hearing Exam	No copay	30% after deductible
Diabetic - Monitor/Supplies	No copay	30% after deductible
Chiropractic	\$15 copay	30% after deductible
Podiatry (limited to covered services)	\$40 copay	30% after deductible
Skilled Nursing (100 days)-medically necessary	0% per day, days 1-100, after deductible	30% after deductible, days 1-100
Inpatient	\$200 copay	30% after deductible
OP Mental Health	\$40 copay	30% after deductible
OP Substance Abuse	\$40 copay	30% after deductible
Healthy Lifestyle Coaching	Included Up to \$2,000 every 36 mo. (both ears)	not covered Up to \$2,000 every 36 mo. (both ears)
Hearing Aid Reimbursement	\$40 copay	30% after deductible
Dental- Medicare covered (non-routine)	Lens Discounts	N/A
Prescription Lens Reimbursement		

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Express Scripts Commercial (Non-Medicare)

	Retail Preferred/Home Delivery	Retail/Non-Preferred Network
Annual deductible	None	N/A
Generic	\$15/\$30 (34/90 day supply)	N/A
Formulary	\$30/\$60 (34/90 day supply)	N/A
Non-formulary Brand	Not covered	N/A
Specialty Drugs	Subject to prior authorization	N/A

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Express Scripts EGWP – Medicare PDP

	Retail Preferred/Home Delivery	Retail/Non-Preferred Network
Annual deductible	None	N/A
Generic	\$15/\$30 (34/90 day supply)	N/A
Formulary	\$30/\$60 (34/90 day supply)	N/A
Non-formulary Brand	Not covered	N/A
Specialty Drugs	Subject to prior authorization	N/A

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Supplemental Drug List (by request-currently no requests)

	Drug name	Formulary Y/N	Plan Design	Notes
Specialty				

	Drug name	Formulary Y/N	Plan Design	Notes
Brand				

	Drug name	Formulary Y/N	Plan Design	Notes
Generic				

Health Care Future-2019

HPRS' actuary, GRS Consulting, delivered its preliminary December 31, 2018 actuarial valuation in June 2019 which estimated the current health care fund to be solvent until 2030. In compliance with the funding policy adopted by the board in early 2019, no employer contributions will be allocated to the health care fund for 2019. No eligibility or benefit changes were made to the plans for 2019 or 2020.

The HPRS board recognizes the rising costs of providing quality health care to its retirees and is exploring available options to extend the solvency of the fund. The Health Care Funding Committee listened to presentations from both Aetna, its current Medicare Advantage provider, regarding changes to the prescription drug plan, as well as two consultants regarding the adoption of an exchange product for the Medicare population.

During its June 20, 2019 meeting, the board authorized HPRS staff to issue a Request for Proposal (RFP) for a Medicare exchange product. It is currently estimated that such an RFP can be issued by the end of 2019, or the beginning of 2020. An implementation of a Medicare exchange product would occur no earlier than January 1, 2021.

Supplementary Statutory Requirements

The following is provided in accordance with the requirements of Revised Code section 5505.12(E):

(1) A description of the statutory authority for the benefits provided:

See ORC 5505.28 Health Care Coverage which is attached.

(2) A summary of coverage for 2018:

A summary of coverage for both non-Medicare and Medicare for 2018 are included on pages 5 and 6 of this Health Care Report.

(3) A summary of the eligibility requirements for the benefits:

All age and service retirees of the Ohio Highway Patrol are eligible for HPRS health care benefits upon retirement. Premiums charged depend on age. Spouses and dependent children are eligible for coverage only if they do not have access to health care benefits through other means, i.e., another retirement system, employer, or educational institution. Please see attached OAC 5505-7-04 Health Care for additional detail regarding eligibility.

(4) A statement of the number of participants eligible for the benefits:

As of December 31, 2018, there were 1,388 retirees eligible to participate in the health care programs offered by HPRS.

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits:

HPRS's financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when incurred and revenues are recorded when earned and measurable. Income on all investments is recognized on the accrual basis. All investments are recorded at fair value, which is the amount the plan could reasonably expect to receive in a current sale between a willing buyer and willing seller, other than in a forced or liquidation sale.

HPRS is funded with employee and employer contributions. In 2018, the employee contribution rate was 12.5% and the employer rate was 26.5%. Of the 26.5% employer contributions, the HPRS Board allocated 23.0% to pension and 3.5% to healthcare. The allocation for 2019 is 0%. No employee contributions are used to fund health care.

(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year:

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2018 ORSC Health Care Report

As of December 31, 2018, the net assets available for the provision of health care benefits were \$101,827,574.

- (7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year:**

Please see the attached Statement of Changes in Fiduciary Net Position 2013-2018.

- (8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits:**

Please see the attached Statement of Fiduciary Net Position 2013-2018.

- (9) A description of any significant changes that affect the comparability of the report required under this division:**

None.

- (10) A statement of the amount paid under division (B) of section 5505.28 of the Revised Code:**

Medicare Part B reimbursement was eliminated in 2017, therefore HPRS paid \$0 in 2018.

2018 Healthcare Premiums



Non-Medicare Medical/Prescription (Medical Mutual of Ohio/Express Scripts)

Retiree or Surviving Spouse Age	Monthly Premium	Spouse Age	Monthly Premium
60+	\$135	60+	\$185
56-59	\$185	56-59	\$235
52-55	\$345	52-55	\$395
<52	\$594	<52	\$644

The chart above represents premiums for HPRS health care coverage whether HPRS is primary or secondary.

	Monthly Premium
Dependent* or Surviving Children	\$130 each
Tobacco Surcharge	\$50 each user

*Dependent children 18 and over must take coverage through employment, parent or step-parent employment, spouse employment, military service or a college or university, if it is available.

Disability Retirees: In-the-line-of-duty are charged at the 60+ rate. Not In the line of duty (Off-duty) are charged at the rate based on actual age. Once a retiree/spouse turns 52, 56 and 60, the lower premiums become effective.

Medicare A & B Medical/Prescription (Aetna Medicare Advantage/ Express Scripts)

	Monthly Premium
Retiree	\$30
Spouse	\$170
Surviving Spouse	\$95

Dental & Vision

	Monthly Retiree Premium	Monthly Spouse Premium	Monthly Dependent Child Premium*	Monthly Surviving Spouse Premium	Monthly Surviving Children Premium
Dental	\$5	\$20	\$20	\$5	\$5
Vision	\$5	\$5	\$5	\$5	\$5

*A single Dental & Vision premium provides coverage for all dependent children regardless of number.

Coverage Overview

Medical	Medicare A & B (Aetna)	Non-Medicare (Medical Mutual of Ohio)
General Copay	\$25	\$25
Specialist Copay	\$40	\$40
Chiropractor Copay	\$15	\$40
Emergency Room Copay	\$75	\$100
Urgent Care Copay	\$35	\$15
Deductible (per person)	\$250	\$750
Out of Pocket Maximum (per person/family)	\$2000/N/A	\$2000/\$4000

Prescription Drug	Retail (up to 34 day supply)	Home Delivery (90 day supply)
Generic	\$15	\$30
Brand/Formulary	\$30	\$60
Brand/Non-Formulary	Not covered	Not covered



2019 Health Care Premiums

Non-Medicare Medical/Prescription (Medical Mutual of Ohio/Express Scripts)

Retiree or Surviving Spouse Age	Monthly Premium	Spouse Age	Monthly Premium
60 +	\$145	60 +	\$195
56 – 59	\$205	56 – 59	\$255
52 – 55	\$400	52 – 55	\$450
< 52	\$628	< 52	\$678

The chart above represents premiums for HPRS health care coverage whether HPRS is primary or secondary.

	Monthly Premium
Dependent* or Surviving Children	\$138 each
Tobacco Surcharge	\$50 each user

* Dependent children 18 and over must take coverage through employment, parent or step-parent employment, spouse employment, military service or a college or university, if it is available.

Disability Retirees: In-the-line-of-duty are charged at the 60+ rate. Not-in-the-line-of-duty (off-duty) are charged at the rate based on actual age. Once a retiree/spouse turns 52, 56 and 60, the lower premiums become effective.

Medicare A & B Medical/Prescription (Aetna Medicare Advantage/ Express Scripts)

	Monthly Premium
Retiree	\$35
Spouse	\$175
Surviving Spouse	\$100

Dental & Vision

	Monthly Retiree Premium	Monthly Spouse Premium	Monthly Dependent Child Premium*	Monthly Surviving Spouse Premium	Monthly Surviving Children Premium
Dental	\$5	\$20	\$20	\$5	\$5
Vision	\$5	\$5	\$5	\$5	\$5

*A single Dental & Vision premium provides coverage for all dependent children regardless of number.

Coverage Overview

Medical	Medicare A & B (Aetna)	Non-Medicare (Medical Mutual of Ohio)
General Copay	\$25	\$25
Specialist Copay	\$40	\$40
Chiropractor Copay	\$15	\$40
Emergency Room Copay	\$75	\$100
Urgent Care Copay	\$35	\$15
Deductible (per person)	\$250	\$750
Out of Pocket Maximum (per person/family)	\$2,000 / N/A	\$2,000 / \$4,000

Prescription Drug	Retail (up to 34 day supply)	Home Delivery (90 day supply)
Generic	\$15	\$30
Brand/Formulary	\$30	\$60
Brand / Non-Formulary	Not covered	Not covered

**Highway Patrol Retirement System
Statement of Fiduciary Net Position
Health Care
2013-2018**

	2018	2017	2016	2015	2014	2013
Assets						
Cash and Short-Term Investments	\$ 1,302,689	\$ 1,803,546	\$ 2,196,443	\$ 1,711,001	\$ 1,592,100	\$ 1,611,666
Receivables						
Contributions						
Employer	246,391	280,459	263,102	213,803	214,185	168,625
Employee	-	-	-	-	-	-
Accrued Investment Income	222,168	838,042	746,988	164,532	405,531	118,775
Health Care Receivable	-	-	-	-	-	-
Total Receivables	468,559	1,118,501	1,010,090	378,335	619,716	287,400
Investments, at Fair Value						
Domestic Equity	33,175,927	36,442,682	31,741,153	34,784,964	39,973,751	38,206,009
Fixed Income	20,523,994	19,916,227	20,492,390	20,164,321	20,074,372	23,220,246
International Equity	18,104,606	24,631,888	18,146,844	20,160,375	21,605,737	21,566,823
Real Estate	5,893,279	4,267,416	3,814,020	4,006,043	4,369,284	4,689,672
Private Equity	14,639,381	13,528,848	13,518,746	10,738,378	11,040,374	10,519,427
Hedge Funds	6,582,115	7,957,064	7,571,051	6,426,056	9,587,269	8,601,523
Global Tactical Asset Allocation	1,948,536	2,565,858	4,168,905	3,960,656	-	-
Direct Infrastructure	650,038	373,453	-	-	-	-
Total Investments	101,517,876	109,683,436	99,453,109	100,240,793	106,650,787	106,803,700
Prepaid Expense	-	-	1,400	1,417	1,471	7,060
Property and Equipment, Net	4,411	7,781	8,283	11,321	7,611	3,003
Total Assets	103,293,535	112,613,264	102,669,325	102,342,867	108,871,685	108,712,829
Liabilities						
Accrued Health Care Liabilities	838,025	683,429	181,201	806,306	799,798	817,154
Accounts Payable	70,567	96,310	85,141	87,642	91,635	110,492
Other Liabilities	-	-	-	-	4,685	9,797
Accrued Payroll Liabilities	34,673	34,649	30,885	29,192	27,030	20,782
Net OPEB Liability	522,224	-	-	-	-	-
Total Liabilities	1,465,489	814,388	297,227	923,140	923,148	958,225
Deferred Outflows of Resources - GASB 75	38,430	-	-	-	-	-
Deferred Inflows of Resources - GASB 75	38,902	-	-	-	-	-
Net Position - Restricted for Post-Employment Health Care Benefits	\$ 101,827,574	\$ 111,798,876	\$ 102,372,098	\$ 101,419,727	\$ 107,948,537	\$ 107,754,604

Highway Patrol Retirement System
Statement of Changes in Fiduciary Net Position
Health Care
2013-2018

	2018	2017	2016	2015	2014	2013
Additions						
Contributions:						
Employer	\$ 4,623,201	\$ 4,640,177	\$ 4,511,127	\$ 4,068,887	\$ 4,325,434	\$ 3,658,189
Member	-	-	-	-	-	-
Transfer from Other Systems	-	-	-	-	-	-
Other Income	7,223,962	6,023,242	4,352,022	3,965,786	3,290,003	2,631,154
Total Contributions	11,847,163	10,663,419	8,863,149	8,034,673	7,615,437	6,289,343
Investment income:						
Net Appreciation in Fair Value of Investments	(6,588,526)	13,068,917	5,810,217	(1,820,114)	5,004,506	15,884,853
Interest & Dividend Income	2,200,723	2,150,188	1,826,380	1,843,042	2,582,800	2,745,374
Security Lending Income	-	-	-	-	-	-
Real Estate Operating Income, Net	185	114	(4,517)	(5,859)	9,079	15,830
	(4,387,618)	15,219,219	7,632,080	17,069	7,596,385	18,646,057
Less Investment Expense	(978,829)	(794,730)	(754,473)	(664,299)	(805,832)	(760,763)
Net Investment Income	(5,366,447)	14,424,489	6,877,607	(647,230)	6,790,553	17,885,294
Total Additions	6,480,716	25,087,908	15,740,756	7,387,443	14,405,990	24,174,637
Deductions						
Benefits Paid Directly to Participants	15,762,478	15,456,987	14,594,984	13,759,103	14,055,881	13,703,605
Refunds of Employee Contributions	-	-	-	-	-	-
Administrative Expenses	203,812	204,143	193,401	157,150	156,176	140,676
Transfers to Other Systems	-	-	-	-	-	-
Total Deductions	15,966,290	15,661,130	14,788,385	13,916,253	14,212,057	13,844,281
Net Increase	(9,485,574)	9,426,778	952,371	(6,528,810)	193,933	10,330,356
Restatement - GASB 75	-	(485,728)	-	-	-	-
Balance at End of Year	101,827,574	111,313,148	102,372,098	101,419,727	107,948,537	107,754,604

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 coverage under part B of the medicare program established under Title XVIII of "The Social Security Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 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.

Amended by 129th General Assembly File No.149, SB 345, §1, eff. 1/7/2013.

Effective Date: 10-01-2002 .

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 that qualifies for health care coverage pursuant to paragraph (C) of this rule. Benefit recipient does not include a member participating in the "Deferred Retirement Option Program."

(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 (D) or (E) 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.

(10) "Eligible Plan" shall mean:

(a) For a benefit recipient or eligible dependent that is enrolled in medicare part A and medicare part B, a medicare advantage plan.

(b) For those benefit recipients or eligible dependents other than those described in paragraphs (A)(10)(a) and (A)(10)(c) of this rule, any medical or prescription drug plan, other than a medicare advantage plan, offered pursuant to section [5505.28](#) of the Revised Code.

(c) Eligible plan does not include any dental or vision plan.

(11) "Service Credit" shall include:

(a) Credit earned as an employee as defined by division (A) of section [5505.01](#) of the Revised Code;

(b) Military service credit purchased pursuant to division (D) of section [5505.16](#) of the Revised Code; and

(c) Credit granted under section [5505.201](#) of the Revised Code.

(B) Benefit recipients and eligible dependents may enroll an eligible 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.
 - (5) Notwithstanding any other provision of this rule, any benefit recipient or eligible dependent that is or becomes employed by the state highway patrol in any capacity shall be ineligible for health care or prescription drug coverage.
- (C) The following benefit recipients shall be eligible for health care:
- (1) Except as provided in paragraph (C)(3) of this rule, a benefit recipient that began receiving a pension pursuant to division (A)(1) of section [5505.17](#) of the Revised Code or elects to participate in the deferred retirement option plan pursuant to section [5505.51](#) of the Revised Code before January 1, 2020;
 - (2) Except as provided in paragraph (C)(3) for this rule, a benefit recipient that began receiving a pension pursuant to division (A)(1) of section [5505.17](#) of the Revised Code or elects to participate in the deferred retirement option plan pursuant to section [5505.51](#) of the Revised Code on or after January 1, 2020 shall be eligible for health care coverage only if he or she has twenty or more years of service credit;
 - (3) A benefit recipient granted a disability pursuant to section [5505.18](#) of the Revised Code.
- (D) 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) Effective January 1, 2018, a child who is eighteen up to twenty-six years of age is not an eligible dependent if he or she has access to any medical and/ or prescription coverage through employment, a biological or step-parent, a spouse, military service, or a college or university regardless of cost. For the purpose of this division, access to medical and/or prescription coverage includes receiving a payment, stipend, or other remuneration of any kind.
 - (b) 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.
- (E) After the death of a retirant or member, dependents are eligible or become eligible for health care coverage, subject to the following conditions:
- (1)
 - (a) The retirant or member was eligible to be a benefit recipient at the time of death;

(b) If the retirant or member was not eligible to be a benefit recipient at the time of death, the date in which the member would have been eligible to enroll pursuant to paragraph (C) of this rule; and

(c) the dependent is eligible to enroll pursuant to paragraph (D) of this rule.

(2) A child for whom a retirant or member has been legally appointed as guardian, who would have been eligible to enroll pursuant to paragraph (C) of this rule, may obtain or continue coverage, provided the spouse elects to continue coverage if:

(a) 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; and

(b) The child would be eligible pursuant to paragraph (D) of this rule.

(3) In the event a spouse remarries, health care eligibility shall continue.

Notwithstanding the foregoing, 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.

(4) The service credit requirements included in paragraph (C)(2) of this rule do not apply to the dependent of a member killed in the line of duty.

(F) 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 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. Coverage may be terminated at any time.

(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.

(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.
- (G) 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.
- (H)
- (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 disabled prior to the attainment of the limiting age for coverage of children,
- (d) The child met the eligibility requirements included in paragraph (D) of this rule at the time the disability occurred; and
- (e) Is chiefly dependent upon the retirant for support and maintenance.
- (f) A disabled child that qualifies for coverage beyond age twenty-six under this rule 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 rule, 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,
- (d) Proof that the disabled child applied for medicare insurance, and
- (e) Any other information that the board deems relevant.

(I)

(1) 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.

(2) 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.

(3) Paragraphs (I)(1) and (I)(2) of this rule will not apply to a dependent who enrolled in both medicare part A and medicare part B coverage prior to January 1, 2018.

(4) If the cost of primary coverage pursuant to paragraph (H)(1) or (H)(2) 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.

(J) An individual who receives benefits in accordance with section [5505.16](#), [5505.17](#), or [5505.18](#) of the Revised Code may 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 calendar year 2017 and each year thereafter shall be zero.

(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) 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.

(K) 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.

(L) 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.

(M) 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.

(N) 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.

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Five Year Review (FYR) Dates: 7/20/2022

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