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Sec. 3309.69. (A) As used in this section, "ineligible individual" means all of the following:

(1) A former member receiving benefits pursuant to section 3309.34, 3309.35, 3309.36, ~~or~~ 3309.38, OR 3309.381 of the Revised Code for whom eligibility is established more than five years after June 13, 1981, and who, at the time of establishing eligibility, has accrued less than ten years of service credit, exclusive of credit obtained after January 29, 1981, pursuant to sections 3309.021, 3309.301, 3309.31, and 3309.33 of the Revised Code;

(2) The spouse of such former member;

(3) The beneficiary of such former member receiving benefits pursuant to section 3309.46 of the Revised Code.

(B) The school employees retirement board 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, RETIREMENT, OR A disability, or survivor ~~benefits~~ BENEFIT subscribing to such plan and their eligible dependents.

If all or any portion of the policy or contract premium is to be paid by any person receiving a service, RETIREMENT, OR A disability, or survivor benefit, such person shall, by written authorization, instruct the board to deduct ~~from his benefit~~ the premiums agreed to be paid by him to such companies, corporations, or agencies.

The board may contract for such coverage on the basis of part or all of the cost of the coverage to be paid from appropriate funds of the school employees retirement system. The cost paid from the funds of the system shall be included in the employer's contribution rate provided by section 3309.49 of the Revised Code. The board shall not pay or reimburse the cost for health care under this section or section 3309.375 of the Revised Code for any ineligible individual.

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.

(C) 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.

(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.

(D) The board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, make a monthly payment to each recipient of service, RETIREMENT, OR A disability, or survivor ~~benefits~~ BENEFIT under the school employees retirement system who is eligible for insurance coverage under part B of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, except that the board shall make no such payment to any ineligible individual. The amount of the payment shall be the lesser of an amount equal to the basic premium for such coverage, or an amount equal to the basic premium in effect on January 1, 1988.

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

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