



June 30, 2010

Mr. Aristotle Hutras, Director  
Ohio Retirement Study Council  
88 East Broad Street, Suite 1175  
Columbus, OH 43215-3506

Dear Mr. Hutras:

In accordance with Ohio Revised Code Section 5505.12, I am attaching a full accounting of the revenues and costs of health care by the Highway Patrol Retirement System at December 31, 2009.

If you have any questions, please contact me.

Sincerely,

Dan Weiss, CPA, JD  
*Executive Director/Chief Investment Officer*  
direct dial 614.430.3555  
[dweiss@ohprs.org](mailto:dweiss@ohprs.org)

cc: The Honorable Kevin Coughlin, Chair, Senate Health, Human Services and Aging  
Committee  
The Honorable Bob Gibbs, Chair, Senate Ways and Means and Economic Development  
Committee  
The Honorable Joseph Koziura, Chair, Financial Institutions, Real Estate, and Securities  
Committee



# **Annual Health Care Report**

**Year Ending December 31, 2009**

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# Plan Summary

## General

The Highway Patrol Retirement System is authorized to provide health care benefits according to Ohio Revised Code Section 5505.28. In addition, long-term care insurance is offered pursuant to Section 5505.33.

During 2009, HPRS provided health care coverage to 2,095 eligible retirees and dependents at a net cost of \$8,385,875.

## Medical and Prescription Coverage

Medical and prescription benefits for Non-Medicare and Medicare participants are attached. These benefits are self-insured; however, for 2010, HPRS has contracted for a fully-indemnified Medicare Advantage product for Medicare participants.

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

A tobacco surcharge of \$35.00 monthly is added to the premium cost for any plan participant who has used tobacco products during the past twelve months.

## Medicare B

Upon submitting evidence of coverage, HPRS will reimburse a retiree or surviving spouse for the Medicare Part B premium, up to \$96.40 monthly. During 2009, an average of 582 retirees received reimbursement each month.

## Dental and Vision

Dental and vision coverage is offered to retirees and surviving spouses at no additional premium cost. Dependents pay the full cost of coverage. Changes in dependent coverage must occur during the annual open enrollment period.

## Long-Term Care Insurance

Pursuant to Ohio Revised Code Section 5505.33, HPRS provides access to long-term care insurance for retirees and dependents. Participants pay the full cost of the premiums.

## **Eligibility Requirements**

All retirees, survivors, and dependents are eligible for coverage, subject to the deduction of the applicable premium amount from a benefit payment. Dependent child coverage is available until age 23, provided the dependent is a full-time student.

A retiree or spouse who has medical coverage available through employment must procure that coverage, regardless of cost.

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

## **Eligible Participants**

During 2009, HPRS provided health care coverage to 2,095 eligible retirees.

### Census Data, December 31, 2009

Retirees, non-Medicare	692
Retirees, Medicare	580
Spouses, non-Medicare	368
Spouses, Medicare	267
Dependent Children	165
Surviving Children	23
Total	2,095

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, with 4.50% of employer payroll currently being allocated to health care. The allocation for the actuarial valuation date ending December 31, 2009 has not yet been determined. Based on a continuation of the current allocation to health care of 4.50%, an intermediate assumption (neither optimistic nor pessimistic) yields an estimate of health care solvency until the year 2028.

## **Net Assets**

At December 31, 2009, \$96,623,521 in net assets are available for health care funding.

### **Changes in Net Assets**

The attached schedules of Plan Net Assets and Changes in Plan Net Assets show the history of funding from 2004 through 2009. During 2009, plan participants paid \$902,320 in direct premiums.

### **Plan Changes**

There are no significant changes that would affect the comparability of this report with past reports.

### **ORC Section 5505.28 (B)**

Medicare B premiums in the amount of \$673,450 were reimbursed to plan participants during 2009.

## 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.

<u>Actuarial Valuation Date</u>	<u>Pension Allocation</u>	<u>Health Care Allocation</u>	<u>Total Employer Contribution</u>
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	TBD	TBD	26.50

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

<b>BENEFIT COVERAGE</b>	<b>OUT-OF-AREA BASIC PLAN</b>	<b>NETWORK BENEFITS</b>	<b>OUT-OF-NETWORK BENEFITS</b>
<b>MAJOR PLAN FEATURES</b>			
Health Providers	Use any Provider	Use Network Provider	Use any Provider
Deductible (Per Plan Year)	\$100 per person	\$100 per person	\$1,000 per person
Out of Pocket (Per Plan Year)	\$ 750 Single \$1,500 Family	\$ 750 Single \$1,500 Family	\$5,000 Single \$10,000 Family
Lifetime Maximum	\$2,000,000	\$2,000,000	\$2,000,000
Claim Forms	Yes	No	Yes
Pre-Certification/ Utilization Review	Patients Responsibility	Provider (Automatic)	Patients Responsibility
Pre-Certification Penalty			
*Inpatient	\$200 per admission (no coverage if not medically necessary)	None	\$300 per admission (no coverage if not medically necessary)
*Outpatient	\$100 (no coverage if not medically necessary)	None	\$100 (no coverage if not medically necessary)
*Managed Second Opinion Selected Procedures	\$100	None	\$100
<b>PLAN BENEFITS</b>			
<b>Physicians Services</b>			
*Office Visits	80% UCR	100% after	60% UCR
Primary Care		\$15 copay	
Specialist Physician		\$25 copay	
*Diagnostic x-ray/lab	80% UCR	80%	60% UCR
*Surgeon/Consultation	80% UCR	80%	60% UCR
*Specialist not Generally Available in Network	80% UCR	80%	80% UCR
*Surgeons/Surgery Fees	80% UCR	80%	60% UCR
*OB/Maternity Visits & Delivery	80% UCR	80%	60% UCR
<b>Hospital Services</b>			
*Admission Deductible	\$100	\$100	\$100 copay
*Inpatient Coinsurance	100%	100%	60%
*Outpatient Coinsurance			
Pre-Admission Testing	100%	100%	60%
Surgery	100%	100%	60%
All Other Medical Services	80%	80%	60%
Emergency Room (copay waived if admitted to hospital)	\$50 facility copay 80% for remaining charges	\$50 facility copay 80% for remaining charges	\$50 facility copay 80% remaining charges
<b>Mental Health</b>			
*Inpatient			
Mental/Nervous	100%	100%	60%
Alcoholism	100%	100%	60%
*Outpatient			
Mental/Nervous	80%	80%	60%
Alcoholism	80% annual maximum \$550	80% annual maximum \$550	60% annual maximum \$550



BENEFIT COVERAGE	OUT-OF-AREA BASIC PLAN	NETWORK BENEFITS	OUT-OF-NETWORK BENEFITS
Preventive Care			
*Routine Physical Exams+	80% to \$200 annual	80% to \$200 annual	80% to \$200 annual
*Well Baby/Child Care	80% to Age 9	80% to age 9	60% to age 9
*Prostatic Specific Antigen (PSA) Testing+	80% UCR;\$100 maximum per calendar year	\$10 copay Physician 80% for lab; \$100 maximum per calendar year	60% UCR;\$100 maximum per calendar year
*Routine Pap Smears+	80% UCR; maximum of one per calendar year	\$10 copay Physician 80% for lab; maximum one per calendar year	60% UCR; maximum of one per calendar year
*Routine Mammographies+	80% UCR;\$100 maximum per calendar year	\$10 copay Physician 80% for lab; \$100 maximum per calendar year	60% UCR;\$100 maximum per calendar year
Other Covered Expenses			
*Chiropractors & Physical Therapists	80% UCR	80%	60% UCR
*Acupuncturists	80% UCR in lieu of anesthesiologist	80% in lieu of anesthesiologists	60% UCR in lieu anesthesiologist
*Experimental Benefit (Determined By Carrier)	80% Medical/100% hospital up to \$10,000 lifetime maximum	\$10 copay Physician 80% other medical 100% hospital up to \$10,000 lifetime max	60% medical/80% hospital; up to \$10,000 lifetime maximum
*Private Duty Nurse, Durable Medical Equipment	80%	80%	60% UCR if available in network
*Ambulance	80%	80%	80%
*Home Health Care	100% for 100 visits 80% for remaining plan year	100% for 100 visits 80% for remaining plan year	90% for 100 visits 60% for remaining plan year
*Skilled Nursing Facility	100% for 365 days	100% for 365 days	90% for 365 days
*Hospice Care			
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
*Hearing Aids	80% maximum \$1,000 every 3 yrs	80% maximum \$1,000 every 3 yrs	60% maximum \$1,000 every 3 yrs

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Rx Drugs

Basic Plan Design for all Benefit Recipients and Covered Dependents

1. Express Scripts (ESI) Retail Pharmacy Program (Maximum of a 34 day supply or 100 units)  
(mandatory mail for maintenance medications after two prescriptions)

  Generic: \$5.00 copay

  Brand/formulary: \$10.00 copay

  Brand/non-formulary: \$30.00 copay

2. ESI by Mail - Home Delivery (Maximum 90 day supply)

  Generic: \$10.00 copay

  Brand/formulary: \$20.00 copay

  Brand/non-formulary: \$60.00 copay

3. Remit paid claims for 60% reimbursement

Additional Notes

\* Percentage benefits apply after deductible.

\* Copays do not count toward calendar year deductible or out-of-pocket limit.

\* Deductible does not apply to out-of-pocket limit.

\* No penalty of benefits if service is not available "in-network."

\* The basic plan is in effect for out-of-area residents who use non-network providers.

\* Co-insurance paid at usual, customary & reasonable after deductible.

\* Precertification penalty does not apply to deductible or co-insurance.

+ Not subject to calendar year deductible

HPRS offers a free comprehensive, physical examination every two years to retirees and dependents covered under the HPRS medical plan. WorkHealth provides the examination services in Columbus, Ohio. For an appointment, contact Georgia Miller at 1-614-544-4630. The cost of this examination is covered by the annual health and wellness benefit every two years. Do not show your medical ID card as they will bill HPRS directly.

## Summary of Coverage - Medicare Participants

	In Network	Out of Network
Deductible	N/A	N/A
Annual OOP Max (includes deductible)	1,500.00	1,500.00
Lifetime Max	N/A	N/A
Member Coinsurance at Plan Level	N/A	N/A
PCP	20.00	20.00
Specialty Care	20.00	20.00
Office visits for surgery	20.00	20.00
Allergy Testing/Treatment	20.00	20.00
X-Rays/Lab Tests	20 x-ray, no copay lab	20 x-ray, no copay lab
Complex Radiology	20.00	20.00
Radiation Therapy	20.00	20.00
Outpatient Kidney Dialysis	0%	0%
Therapy (Phys, Occup, Speech)	20.00	20.00
Home Health Services	No copay	No copay
Hospice	Covered by Medicare in certified facility	
DME/Prosthetics	0%	100%
Outpatient Surgery	50 copay	50 copay
Hospital Admission	100 copay	100 copay
ER (Waived if admitted)	50 copay	50 copay
Urgent Care	35.00	35.00
Ambulance	20%	20%
Routine Physical	No copay	No copay
Routine Eye	No copay	No copay
Routine GYN Exam	No copay	No copay
Routine Mammogram	No copay	No copay
Bone Mass Measurement	No copay	No copay
Colorectal Screening	No copay	No copay
Prostate Cancer Screening	No copay	No copay
Immunizations	No copay	No copay
Routine Hearing Exam	No copay	No copay
Diabetic - Monitor/Supplies	No copay	No copay
Chiropractic	35.00	35.00
Non-Routine Podiatry	Not covered	Not covered
Skilled Nursing (100 days)	0% per day, days 1-120	0% per day, days 1-120
Inpatient	100 copay	100 copay
OP Mental Health	20.00	20.00
OP Substance Abuse	20.00	20.00
Wellness Benefits	Included	Included
Hearing Aid Reimbursement	up to \$2,000 every 36 mo.	up to \$2,000 every 36 mo.
Dental Benefit	Not included	Not included
Prescription Lens Reimbursement	Lens Discounts	Lens Discounts

**Highway Patrol Retirement System**  
**Combining Statements of Plan Net Assets**  
**Health Care**  
**2004-2009**

	2009	2008	2007	2006	2005	2004
<b>Assets</b>						
Cash and Short-Term Investments	\$3,728,083	\$2,039,274	\$1,690,433	\$6,252,744	\$1,210,221	\$1,541,368
Receivables						
Contributions						
Employer	291,909	296,156	272,780	177,006	177,189	110,873
Member	0	0	0	0	0	0
Accrued Investment Income	153,359	75,527	89,058	176,657	150,563	398,050
Health Care Receivable	513,658	317,498	0	0	0	0
Tenant Rent Receivable	0	0	11,834	18,591	13,945	9,393
<b>Total Receivables</b>	<b>958,926</b>	<b>689,181</b>	<b>373,672</b>	<b>372,254</b>	<b>341,697</b>	<b>518,316</b>
Investments, at Fair Value						
Domestic Equity	39,232,638	31,055,773	50,189,610	55,643,930	56,782,876	53,103,188
Fixed Income	19,394,890	17,418,699	17,574,385	17,820,703	20,844,717	20,394,968
International Equity	15,633,008	11,853,697	21,697,796	14,262,634	16,248,753	14,414,449
Real Estate	1,242,226	1,320,400	7,066,698	6,655,231	5,258,005	7,551,209
Private Equity	9,067,807	8,012,999	1,113,036	322,533	0	0
Hedge Funds	8,660,806	6,741,092	7,866,076	4,182,365	0	0
Global Tactical Asset Allocation	0	1,712,316	8,874,780	5,613,741	0	0
Collateral on Loaned Securities	2,121,882	5,084,976	13,087,886	19,429,541	26,344,906	29,443,877
<b>Total Investments</b>	<b>95,353,257</b>	<b>83,199,952</b>	<b>127,470,267</b>	<b>123,930,678</b>	<b>125,479,257</b>	<b>124,907,691</b>
Prepaid Expense	957	546	0	0	0	821
Property and Equipment, Net	1,298	822	1,395	2,525	4,401	4,370
<b>Total Assets</b>	<b>100,042,521</b>	<b>85,929,775</b>	<b>129,535,767</b>	<b>130,558,201</b>	<b>127,035,576</b>	<b>126,972,566</b>
<b>Liabilities</b>						
Accrued Health Care Liabilities	537,405	844,299	1,205,547	876,496	1,266,148	698,681
Accounts Payable	164,124	137,103	184,273	190,161	174,257	166,077
Other Liabilities	9,108	4,329	98,079	5,729	6,659	6,694
Accrued Payroll Liabilities	37,929	37,932	35,023	210,689	21,340	20,232
Obligations under Securities Lending	2,670,434	5,084,976	13,087,886	19,429,542	26,344,906	29,443,877
<b>Total Liabilities</b>	<b>3,419,000</b>	<b>6,108,639</b>	<b>14,610,808</b>	<b>20,712,617</b>	<b>27,813,310</b>	<b>30,335,561</b>
<b>Net Assets Held in Trust for Postemployment Health Care Benefits</b>	<b>\$96,623,521</b>	<b>\$79,821,136</b>	<b>\$114,924,959</b>	<b>\$109,845,584</b>	<b>\$99,222,266</b>	<b>\$96,637,005</b>

**Highway Patrol Retirement System**  
**Combining Statements of Changes in Plan New Assets**  
**Health Care**  
**2004-2009**

	2009	2008	2007	2006	2005	2004
<b>Additions</b>						
Contributions:						
Employer	\$4,281,052	\$4,350,474	\$4,276,436	\$3,064,718	\$3,006,385	\$2,867,602
Member	0	0	0	0	0	0
Transfer from Other Systems	0	0	0	0	0	0
<b>Total Contributions</b>	<b>4,281,052</b>	<b>4,350,474</b>	<b>4,276,436</b>	<b>3,064,718</b>	<b>3,006,385</b>	<b>2,867,602</b>
<b>Investment income:</b>						
Net Appreciation in Fair Value of Investments	20,333,247	(31,736,978)	11,224,656	14,691,644	7,787,741	10,114,097
Interest & Dividend Income	1,905,082	1,497,681	686,533	1,392,371	1,611,890	2,376,002
Security Lending Income	(536,162)	59,262	42,141	35,241	39,716	27,477
Real Estate Operating Income, Net	(31,813)	16,684	6,806	20,121	26,223	27,296
	21,670,354	(30,163,351)	11,960,136	16,139,377	9,465,570	12,544,872
Less Investment Expense	639,936	646,201	706,090	507,193	467,500	492,911
<b>Net Investment Income</b>	<b>21,030,418</b>	<b>(30,809,552)</b>	<b>11,254,046</b>	<b>15,632,184</b>	<b>8,998,070</b>	<b>12,051,961</b>
<b>Total Additions</b>	<b>25,311,470</b>	<b>(26,459,078)</b>	<b>15,530,482</b>	<b>18,696,902</b>	<b>12,004,455</b>	<b>14,919,563</b>
<b>Deductions</b>						
Benefits Paid Directly to Participants	8,385,875	8,546,663	10,354,006	7,980,823	8,932,259	6,948,650
Refunds of Employee Contributions	0	0	0	0	0	0
Administrative Expenses	123,210	98,082	97,101	92,761	92,344	86,031
Transfers to Other Systems	0	0	0	0	0	0
<b>Total Deductions</b>	<b>8,509,085</b>	<b>8,644,745</b>	<b>10,451,107</b>	<b>8,073,584</b>	<b>9,024,603</b>	<b>7,034,681</b>
<b>Net Increase</b>	<b>16,802,385</b>	<b>(35,103,823)</b>	<b>5,079,375</b>	<b>10,623,318</b>	<b>2,979,852</b>	<b>7,884,882</b>
<b>Prior Period Adjustment</b>					<b>(394,591)</b>	
<b>Balance at End of Year</b>	<b>\$96,623,521</b>	<b>\$79,821,136</b>	<b>\$114,924,959</b>	<b>\$109,845,584</b>	<b>\$99,222,266</b>	<b>\$96,637,005</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) Eligible benefit recipients and 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 shall be determined by the board prior to the annual open enrollment period.

(2) The benefit recipient shall pay the excess premium cost of an additional plan option.

(3) Open enrollment for any additional plan option shall be established, as necessary by the board.

(4) A retirant who has access to medical coverage through employment must secure it as primary coverage, regardless of cost. In the board's discretion, this provision may be waived if the board deems that cost to be excessive. If the retirant has medical coverage through employment, the retirement system's medical coverage may be secondary; however, the retirement system will still offer primary dental and vision coverage.

(B) The spouse and dependent children of a retirant who is receiving a monthly benefit, are eligible for health care, subject to the following conditions:

(1) A spouse is a wife or husband as set forth in a statutorily-valid certificate of marriage or as recognized by judgment of a court establishing a common-law relationship.

(2) Health care will not be provided to a spouse who is receiving pension benefits from another public retirement system if the spouse has at one time received health care benefits from the other public retirement system.

(3) Dependent children are step-children that are residing in the same household as the retirant, natural children, or adopted children.

(4) The board may require documented proof of marriage or parenthood before approving spouse or dependent coverage.

(5) A spouse who has access to medical coverage through employment must secure it as primary coverage, regardless of cost. In the board's discretion, this provision may be waived if the board deems the cost to be excessive. If the spouse has medical coverage through employment, the retirement system's medical coverage may be secondary; however, the retirement system will still offer primary dental and vision coverage.



(6) The board reserves the right to deny coverage for failure to provide satisfactory proof of eligibility.

(7) Eligibility for dependent health care coverage is independent of eligibility for survivor benefits.

(C) Upon the death of a retirant or member, the surviving spouse, dependent children, and step-children are eligible for health care coverage, subject to the following conditions:

(1) A spouse is a wife or husband as set forth in a statutorily-valid certificate of marriage or as recognized by judgment of a court establishing a common-law relationship.

(2) Dependent children are natural or adopted children.

(3) Dependent step-children, residing in the same household as the retirant or member, who had coverage at the time of the retirant's or member's death, may continue coverage, provided the surviving spouse elects to continue coverage.

(4) In the event a surviving spouse remarries, health care coverage eligibility shall continue for the surviving spouse or any dependent step-children only if coverage existed prior to the remarriage.

(D) Only benefit recipients and covered dependents who are enrolled under one of the health care plans are eligible for prescription drug coverage.

(E) Nothing shall prohibit the board from implementing cost control measures as may be deemed necessary.

(F) Health care eligibility for dependent children of a deceased member or retirant shall terminate when pension benefit eligibility terminates.

(G) Health care eligibility for the spouse, dependent children, and step-children shall terminate under the following conditions:

(1) At the end of the month in which the spouse is no longer married to the benefit recipient.

(2) At the end of the month in which the child or step-child (a) is no longer a dependent of the retirant, (b) is no longer a full-time student, (c) marries, or (d) attains age twenty-three, whichever occurs first.

(H) Retirants and benefit recipients who are receiving benefits in accordance with sections 5505.16, 5505.17, and 5505.18 of the Revised Code and are insured under medicare part B will be reimbursed upon the receipt of evidence of coverage, for the lesser of the cost of coverage or an amount established by the board.

(1) Evidence shall consist of a copy of the health insurance card or other verification provided by the social security administration.

(2) The reimbursement amount for the following year shall be established by the board no later than the December meeting

(3) Reimbursement shall become effective no later than the first full month following receipt of evidence, and will be paid as a monthly addition to the pension checks.

(4) Reimbursement will not be made to benefit recipients who are eligible to receive reimbursement from another entity (e.g., employer, other public retirement system, etc.)

(I) Anyone who is eligible but who does not enroll for medicare part B coverage will have reduced coverage. Medical claims that would have been covered by medicare part B will not be covered.

(J) Anyone who is eligible for a benefit based only on an election in accordance with section 5505.162 of the Revised Code shall not be eligible for health care coverage or medicare part B reimbursement.

(K) An alternative payee under section 5505.261 of the Revised Code shall not be eligible for health care coverage or medicare part B reimbursement.

(L) A benefit recipient can not be covered by more than one public retirement system.

(M) If the cost of coverage through an employer, pursuant to paragraphs (A)(4) or (B)(5), exceeds twenty-five percent of gross wages, the retirant may apply for a hardship exemption on a form prescribed by the board.

(N) All provisions of this rule are subject to the current health care contracts and amendments.

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