



June 17, 2013

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
88 East Broad Street, Suite 1175
Columbus, OH 43215-3506

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, 2012.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Mark R. Atkeson".

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

cc: The Honorable John Kasich, Governor
The Ohio Retirement Study Council
The Honorable William G. Batchelder, Speaker of the House
The Honorable Keith Faber, Senate President
The Honorable Lynn R. Wachtmann, Chair, Ohio Retirement Study Council and House Health and Aging Committee
The Honorable Kevin R. Bacon, Chair, Senate Commerce and Labor Committee
The Honorable Jim Hughes, Chair, Senate Insurance and Financial Institutions Committee



Annual Health Care Report

Year Ending December 31, 2012

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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 2012, HPRS provided health care coverage to 2,310 eligible retirees and dependents at a net cost of \$12,302,980.

Medical and Prescription Coverage

For 2012, 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 2012, this premium remained at \$39.00 per month.

Retirees and spouses are eligible for a biannual comprehensive wellness examination at no cost. Beginning in late 2013, they also will be eligible for body imaging services every four years at no cost. These services will 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 7 of this report. Increases in premiums and reduction of benefits were introduced for 2013. These changes will be noted in next year's report.

Dental and Vision

A dental plan, administered by Delta Dental, is available to all HPRS benefit recipients and eligible dependents. In 2012, retirees paid a monthly premium of \$1.00 and other beneficiaries paid \$19.00. Surviving spouses and children paid no premium.

A vision plan, administered by Aetna Vision and EyeMed, is available to all HPRS benefit recipients and eligible dependents. In 2012, retirees paid a monthly premium of \$1.00, spouses paid \$4.00, dependent children paid \$3.00, and surviving spouses and children paid no premium.

Changes in coverage must occur during the annual open enrollment period unless a qualifying event occurs. Significant increases to premiums were introduced for 2013. These changes will be noted in next year's report.

Medicare Part B

Upon submitting evidence of coverage, HPRS reimburses a retiree or surviving spouse for the Medicare Part B premium of \$96.40 monthly. In compliance with Ohio Revised Code Section 5505.28(B), Medicare Part B premiums in the amount of \$839,451 were reimbursed to plan participants during 2012.

Long-Term Care Insurance

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

Eligibility Requirements

Age and service and disability retirees, survivors, 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. 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, is in the process of being completely rewritten and is expected to be submitted to the ORSC and JCARR in July 2013. Changes in eligibility requirements will be noted in next year's report.

Eligible Participants

During 2012, HPRS provided health care coverage to 2,310 eligible participants:

Census Data, December 31, 2012

Retirees, non-Medicare	631
Retirees, Medicare	509
Spouses, non-Medicare	404
Spouses, Medicare	463
Dependent Children	279
Surviving Children	24
Total	2,310

Dental and vision coverage was provided to 2,357 and 2,361 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, with 1.75% of employer payroll currently being allocated to health care. Based on a continuation of the current allocation to health care of 1.75%, an intermediate assumption (neither optimistic nor pessimistic) yields an estimate of health care solvency until the year 2022.

Net Position

At December 31, 2012, the net position of the health care fund was \$97,424,248, an increase of \$1,588,949 from 2011 year end.

Changes in Net Position

The schedules of Plan Net Position and Changes in Plan Net Position show the history of funding from 2007 through 2012 and can be seen on pages 11 and 12. During 2012, plan participants paid \$1,283,866 in direct premiums.

Plan Changes

No plan changes were introduced in 2012, but significant changes were introduced for 2013. These changes will be noted in next year's report. Additionally, the Board approved the adoption of a health care premium scale for those who retire on or after January 1, 2015. This scale can be seen on page 8 of this report.

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 <u>Date</u>	Pension <u>Allocation</u>	Health Care <u>Allocation</u>	Total Employer <u>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	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

2011 & 2012 Monthly Health Care Premiums

HPRS Members	Retiree	Dependent Spouse	Dependent Children *	Surviving Spouse	Surviving Children *
Non-Medicare	\$39.00	\$97.00	\$22.00	44.00	\$22.00
Medicare A & B	\$10.00	\$15.00	\$15.00	15.00	\$15.00
Dental	\$1.00	\$19.00	\$19.00	-	-
Vision	\$1.00	\$4.00	\$3.00	-	-
Tobacco Surcharge	\$39.00	\$39.00	\$39.00	\$39.00	\$39.00

* Both dependent and surviving children will have premiums in the amount of \$22 per child with a maximum of \$44 per month.

Plan Design

Medical Coverage	Medicare A & B Aetna	Non-Medicare Medical Mutual
General Copay	\$20.00	\$20.00
Specialist Copay	\$30.00	\$30.00
Urgent Care	\$35.00	\$15.00
Chiropractor Copay (no modalities)	\$15.00	\$30.00
Physical Therapy	\$20.00	\$20.00
Deductible	-	\$250.00
Out-of- Pocket Maximum	\$1,500.00	\$1,500.00
	Retail (30 day supply)	Home Delivery (90 day supply)
Prescriptions		
Generic	\$5.00	\$10.00
Brand/Formulary	\$15.00	\$30.00
Brand/Non-Formulary*	\$45.00	\$90.00

*Where there is a generic available, a surcharge will equal the difference between the ingredient cost of the non-formulary and the generic, less the difference on the copays.

**Ohio Highway Patrol Retirement System
Health Care Premium Contributions
Approved By HPRS Board 10/25/2012**

Health Care Premium Contribution Scale - Effective 1/1/15

Retirees Prior to 1/1/15

HCS Value *	% of PMPM Cost Paid by HPRS - Member	% of PMPM Cost Paid by HPRS - Spouse	Non-Medicare Monthly Premium		
			Year	Member	Spouse
89	85.0%	75.0%	2013	\$49	\$107
88	83.5%	73.5%	2014	\$59	\$117
87	82.0%	72.0%	2015	\$69	\$127
86	80.5%	70.5%	2016	\$79	\$137
85	79.0%	69.0%	2017	15% PMPM	25% PMPM
84	77.5%	67.5%			
83	76.0%	66.0%			
82	74.5%	64.5%			
81	73.0%	63.0%			
80	71.5%	61.5%			
79	70.0%	60.0%			
78	68.5%	58.5%			
77	67.0%	57.0%			
76	65.5%	55.5%			
75	64.0%	54.0%			
74	62.5%	52.5%			
73	61.0%	51.0%			
<73	1.5% less per point value				

Medicare A&B Eligible Monthly Premium

Year	Member	Spouse
2013	\$11	\$16
2014	\$12	\$17
2015	\$13	\$18
2016	\$14	\$19
2017	\$15	\$20

Notes:

Health Care Subsidy (HCS) Value = years of service, plus age at time of enrollment (or secondary employment with primary health care benefits)

ceases (i.e., including DROP service), rounded to the next whole number for members that retire or enter DROP on or after January 1, 2015

Per member per month (PMPM) cost will be adjusted annually, using smoothed trailing three-year data, to be certified by Board in August.

Tobacco surcharge of \$39/mo will continue.

Dependant premium 15% of true PMPM effective 1/1/13, maximum premium of 3 dependents per family.

Maximum (85%/75%) subsidy will apply to in the line-of-duty disability beneficiaries, as well as spouses & dependents of deceased members.

Re-employed retirees (and spouses) who by Board Rule must obtain primary coverage through their employer shall pay \$39/mo for member and \$97/mo for spouse for secondary coverage until 2017, then to be announced.

Dental - \$5/mo retiree and surviving spouse, \$20/mo spouse and dependents effective 1/13; Vision - \$5/mo for all effective 1/13

2012 Summary of Coverage - Non - Medicare Participants

	Out of Area Basic Plan	In Network	Out of Network
	\$250 / person	\$250 / person	\$1,000 / person
Deductible			
Annual OOP Max (does not include deductible)			
Single	\$1,500	\$1,500	\$5,000
Family	\$1,500	\$1,500	\$10,000
Lifetime Max	N/A	N/A	N/A
Member Coinsurance at Plan Level			
PCP	80%	80%	60%
Specialty Care	80%	\$20.00 copay; 100%	60%
Office visits for surgery	80%	\$30.00 copay; 100%	60%
Routine X-Rays/Lab Tests	100%	\$30.00 copay; 100%	60%
Therapy (Phys, Occup, Speech)	80%	100%	60%
Home Health Services	100% for 100 visits 80% balance	\$20.00 copay; 100% 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
Outpatient Surgery	\$100 copay, 100% balance	\$100 copay, 100% balance	\$100 copay, 60% balance
Hospital Admission	\$100 copay, facility 100%	\$100 copay, facility 100%	\$100 copay, facility 100%
ER (Waived if admitted)	80% Professional charges	80% Professional charges	60% Professional charges
Ambulance	\$50 copay, 80% balance	\$50 copay, 80% balance	\$50 copay, 80% balance
Routine Physical	80%	80%	80%
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

2012 Summary of Coverage - Medicare Participants

	In Network	Out of Network
Deductible	0	N/A
Annual OOP Max (includes deductible)	\$1,500	N/A
Lifetime Max	N/A	N/A
Member Coinsurance at Plan Level	N/A	N/A
PCP	\$20 copay	N/A
Specialty Care	\$20 copay	N/A
Office visits for surgery	\$20 copay	N/A
Allergy Testing/Treatment	\$20 copay	N/A
X-Rays/Lab Tests	\$20 x-ray, no copay lab	N/A
Complex Radiology	\$20 copay	N/A
Radiation Therapy	\$20 copay	N/A
Outpatient Kidney Dialysis	0%	N/A
Therapy (Phys, Occup, Speech)	\$20 copay	N/A
Home Health Services	No copay	N/A
Hospice	Covered by Medicare in certified facility	
Durable Medical Equipment (DME)	100%	N/A
Outpatient Surgery	\$50 copay	N/A
Hospital Admission	\$100 copay	N/A
ER (Waived if admitted)	\$50 copay	N/A
Urgent Care	\$35 copay	N/A
Ambulance	20%	N/A
Routine Physical	No copay	N/A
Routine Eye	No copay	N/A
Routine GYN Exam	No copay	N/A
Routine Mammogram	No copay	N/A
Bone Mass Measurement	No copay	N/A
Colorectal Screening	No copay	N/A
Prostate Cancer Screening	No copay	N/A
Immunizations	No copay	N/A
Routine Hearing Exam	No copay	N/A
Diabetic - Monitor/Supplies	No copay	N/A
Chiropractic	15.00	N/A
Non-Routine Podiatry	Not covered	N/A
Skilled Nursing (100 days)-medically necessary	0% per day, days 1-120	N/A
Inpatient	\$100 copay	N/A
OP Mental Health	\$20 copay	N/A
OP Substance Abuse	\$20 copay	N/A
Wellness Benefits	Included	N/A
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 Position
Health Care
2007-2012

	2012	2011	2010	2009	2008	2007
Assets						
Cash and Short-Term Investments	\$1,718,053	\$1,530,168	\$2,251,450	\$3,728,083	\$2,039,274	\$1,690,433
Receivables						
Contributions						
Employer	71,817	63,465	115,108	291,909	296,156	272,780
Employee	0	0	0	0	0	0
Accrued Investment Income	162,012	64,198	146,371	153,359	75,527	89,058
Health Care Receivable	0	0	180,492	513,658	317,498	0
Tenant Rent Receivable	0	0	0	0	0	11,834
Total Receivables	233,829	127,663	441,971	958,926	689,181	373,672
Investments, at Fair Value						
Domestic Equity	36,355,916	32,896,093	45,528,948	39,232,638	31,055,773	50,189,610
Fixed Income	21,426,264	23,728,345	17,690,974	19,394,890	17,418,699	17,574,385
International Equity	16,053,383	16,030,076	20,032,549	15,633,008	11,853,697	21,697,796
Real Estate	4,084,919	4,446,948	3,259,771	1,242,226	1,320,400	7,066,698
Private Equity	9,972,289	10,102,207	10,701,600	9,067,807	8,012,999	1,113,036
Hedge Funds	8,334,560	7,570,141	8,500,912	8,660,806	6,741,092	7,866,076
Global Tactical Asset Allocation	0	0	0	0	1,712,316	8,874,780
Collateral on Loaned Securities	0	0	0	2,121,882	5,084,976	13,087,886
Total Investments	96,227,331	94,773,810	105,714,754	95,353,257	83,199,952	127,470,267
Prepaid Expense	7,224	7,308	1,600	957	546	0
Property and Equipment, Net	2,421	2,270	2,936	1,298	822	1,395
Total Assets	98,188,858	96,441,219	108,412,711	100,042,521	85,929,775	129,535,767
Liabilities						
Accrued Health Care Liabilities	667,327	484,400	807,107	537,405	844,299	1,205,547
Accounts Payable	68,268	84,834	159,396	164,124	137,103	184,273
Other Liabilities	11,361	7,778	9,780	9,108	4,329	98,079
Accrued Payroll Liabilities	17,654	28,908	21,681	37,929	37,932	35,023
Obligations under Securities Lending	0	0	0	2,670,434	5,084,976	13,087,886
Total Liabilities	764,610	605,920	997,964	3,419,000	6,108,639	14,610,808
Net Position Held in Trust for Postemployment Health Care Benefits	\$97,424,248	\$95,835,299	\$107,414,747	\$96,623,521	\$79,821,136	\$114,924,959

Highway Patrol Retirement System
Combining Statements of Changes in Plan Net Assets
Health Care
2007-2012

	2012	2011	2010	2009	2008	2007
Additions						
Contributions:						
Employer	\$1,679,422	\$1,622,889	\$3,227,905	\$4,281,052	\$4,350,474	\$4,276,436
Member	0	0	0	0	0	0
Transfer from Other Systems	0	0	0	0	0	0
Other Income	2,157,467	2,069,860	1,382,985			
Total Contributions	3,836,889	3,692,749	4,610,890	4,281,052	4,350,474	4,276,436
Investment income:						
Net Appreciation in Fair Value of Investments	8,804,514	(3,716,169)	17,205,090	20,333,247	(31,736,978)	11,224,656
Interest & Dividend Income	1,986,430	1,659,904	1,269,217	1,905,082	1,497,681	686,533
Security Lending Income	0	0	(53,913)	(536,162)	59,262	42,141
Real Estate Operating Income, Net	11,136	22,004	18,112	(31,813)	16,684	6,806
	10,802,080	(2,034,261)	18,438,506	21,670,354	(30,163,351)	11,960,136
Less Investment Expense	(609,097)	(717,748)	(704,090)	639,936	646,201	706,090
Net Investment Income	10,192,983	(2,752,009)	17,734,416	21,030,418	(30,809,552)	11,254,046
Total Additions	14,029,872	940,740	22,345,306	25,311,470	(26,459,078)	15,530,482
Deductions						
Benefits Paid Directly to Participants	12,302,980	12,360,917	11,447,630	8,385,875	8,546,663	10,354,006
Refunds of Employee Contributions	0	0	0	0	0	0
Administrative Expenses	137,943	159,271	106,450	123,210	98,082	97,101
Transfers to Other Systems	0	0	0	0	0	0
Total Deductions	12,440,923	12,520,188	11,554,080	8,509,085	8,644,745	10,451,107
Net Increase	1,588,949	(11,579,448)	10,791,226	16,802,385	(35,103,823)	5,079,375
Prior Period Adjustment						
Balance at End of Year	\$97,424,248	\$95,835,299	\$107,414,747	\$96,623,521	\$79,821,136	\$114,924,959

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) 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 dependents who are enrolled under highway patrol retirement system medical coverage are eligible for prescription drug 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) Dependent children are stepchildren who are residing in the same household as the retirant, natural children, or adopted children.

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

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

(1) The surviving 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 stepchildren, 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 that the surviving spouse elects to continue coverage.

(3) In the event that a surviving spouse remarries, health care eligibility shall continue only to the extent that coverage existed prior to the remarriage.

(D) Open enrollment for all health care options will be November 1 through November 30 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 or (b) a medicare rule.

(2) Qualifying events include -

- (a) Change in marital status,
- (b) Birth or adoption of a child,
- (c) Change in employment status, or
- (d) Death.

(3) The effective date of coverage will be -

- (a) January 1 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.

(4) Upon request, an eligible benefit recipient or 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 (D)(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.

(E) A termination of coverage will be effective at the end of the month during which an enrollment change form is received.

(1) Health care eligibility for the spouse and dependent children 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 (i) is no longer a dependent of the retirant, (ii) gains access to medical coverage through employment, regardless of cost, (iii) marries, or (iv) attains the age of twenty-six.

(2) Health care eligibility of a dependent child of a deceased member or retirant will terminate at age twenty-six.

(F)

(1) Notwithstanding the provisions of paragraph (E)(1)(b) of this rule, health care coverage will continue for a disabled dependent child who -

(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.

(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.

(G)

(1) 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 highway patrol retirement system. The requirement that primary prescription coverage be obtained through an employer is effective for pension benefits payable beginning after December 31,2010.

(2) A dependent who has access to medical and/or prescription coverage through employment must secure it as primary coverage, regardless of cost. Alternatively, the dependent may elect to secure primary coverage through a parent's employment.

Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the highway patrol retirement system.

(3) A dependent 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. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the highway patrol retirement system. A dependent who had coverage through the highway patrol retirement system prior to January 1, 2011 may continue that coverage until it is interrupted.

(4) Paragraphs (G)(1), (G)(2), and (G)(3) of this rule will not apply to a participant who has both medicare part A and medicare part B coverage.

(5) If the cost of primary coverage pursuant to paragraph (G)(1), (G)(2), or (G)(3) of this rule exceeds twenty-five per cent of the gross income provided by the source of primary coverage, the benefit recipient may apply for a hardship exemption on a form prescribed by the board.

(H) 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 will have reduced coverage. Medical claims that would have been covered by medicare part B will not be covered.

(6) To the extent that a participant becomes eligible for medicare part B, from that date forward, the participant must purchase medicare part B coverage in order to have the full benefit of coverage. A benefit recipient is not required to purchase retroactive medicare part B coverage in order to qualify for full benefits.

(7) The board reserves the right terminate medical and prescription coverage of an individual who does not maintain medicare part B coverage.

(I) 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.

(J) Anyone who is eligible for a benefit based only on (1) an election in accordance with section 5505.162 of the Revised Code or (2) being an alternate payee under section 5505.261 of the Revised Code is not eligible for health care coverage or medicare part B reimbursement.

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