



# **Annual Health Care Report**

**Year Ending December 31, 2016**

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# Plan Summary

## General

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

During 2016, HPRS provided health care coverage to 2,396 eligible retirees and dependents at a net cost of \$14,594,984.

## Medical and Prescription Coverage

For 2016, 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 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 2016, 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.

A more detailed accounting of benefits and coverage can be found on our website at <https://www.ohprs.org/ohprs/healthBenefits.jsp>. Health care premiums are summarized on page 10 of this report. Increases in premiums occurred for 2017, and are shown on page 11. A restructuring of premiums for the non-Medicare eligible population occurred in early 2014 and for the Medicare eligible population in late 2014. The new premium structures were implemented in 2015. The basic structures are shown on page 12. Premiums will be calculated pursuant to a new cost sharing policy beginning in 2018, which is projected to add several years of solvency to the health care fund.

## **Dental and Vision**

A dental plan, administered by Delta Dental, is available to all HPRS benefit recipients and eligible dependents. In 2016, retirees paid a monthly premium of \$5.00 and other beneficiaries paid \$20.00. Surviving spouses and children paid a monthly premium of \$5.00.

A vision plan, administered by Aetna Vision and EyeMed, is available to all HPRS benefit recipients and eligible dependents. In 2016, all benefit recipients paid a monthly premium of \$5.00.

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

## **Medicare Part B**

Upon submitting evidence of coverage, in 2016, HPRS reimbursed a retiree or surviving spouse for a portion of the Medicare Part B premium at \$30.00 a month. In compliance with Ohio Revised Code Section 5505.28(B), Medicare Part B reimbursements in the amount of \$311,820 were distributed to plan participants during 2016. Medicare B reimbursements have been phased out beginning in 2017.

## **Long-Term Care Insurance**

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

## **Eligibility Requirements**

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

Beginning January 1, 2015, a retiree may secure primary and/or prescription coverage through his or her employer or HPRS; however, selecting primary coverage through HPRS results in a higher premium. 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, was revised and became effective September 12, 2016. The revised Section 5505-7-04 is presented on page 20 of this report.

## **Eligible Participants**

During 2016, HPRS provided health care coverage to 2,396 eligible participants:

### Census Data, December 31, 2016

Retirees, non-Medicare	596
Retirees, Medicare	650
Spouses, non-Medicare	329
Spouses, Medicare	553
Dependent Children	250
Surviving Children	18
<b>Total</b>	<b>2,396</b>

Dental and vision coverage was provided to 2,411 and 2,424 recipients, respectively. In general, HPRS does not have record of eligible participants unless they sign up for coverage; therefore, the full number of eligible participants is not known.

## **Accounting, Asset Valuation, and Funding Method**

HPRS uses the accrual basis of accounting. Assets are stated at fair value. Funding is determined on an actuarial basis. The percentage of employer payroll being allocated to health care remained at 4.00% for 2016. Based on a 0.00% contribution to health care going forward, an intermediate assumption (neither optimistic nor pessimistic) yields an estimate of health care solvency until the year 2026. This is a decrease of three (3) years from last year's report and is due to the reduction in the percentage of employer payroll being allocated to healthcare.

This was a direct result of actuarial assumption changes adopted by the Board, stemming from the most recent 5-year actuarial experience study. The allocation for the actuarial valuation date ending December 31, 2017 has not yet been determined.

## **Net Position**

At December 31, 2016, the net position of the health care fund was \$102,372,098, an increase of \$952,371 from 2015 year end.

## **Changes in Net Position**

The statements of Fiduciary Net Position and Changes in Fiduciary Net Position show the history of funding from 2011 through 2016 and can be seen on pages 15 and 16. During 2016, plan participants paid \$2,918,533 in direct premiums.

## **Plan Changes**

The following plan changes were introduced in 2016:

- Non-Medicare medical premium range increased from \$83-\$149/month to \$83-\$215/month.
- Non-Medicare spouse medical premium range increased from \$132-\$231/month to \$149-\$248/month.
- Non-Medicare surviving spouse medical premium range increased from \$83-\$149/month to \$83-\$215/month.
- Medicare Advantage medical premium increased from \$15/month to \$20/month.
- Medicare Advantage spouse medical premium increased from \$50/month to \$100/month.
- Medicare Advantage surviving spouse medical premium increased from \$20/month to \$46/month.
- The Medicare Part B reimbursement was reduced from \$60/month to \$30/month. This will be phased out completely in 2017.



## 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>
12/31/1997	19.50	4.00	23.50
12/31/1998	19.50	4.00	23.50
12/31/1999	18.75	4.75	23.50
12/31/2000	18.75	4.75	23.50
12/31/2001	18.75	5.75	24.50
12/31/2002	21.00	3.50	24.50
12/31/2003	22.00	3.50	25.50
12/31/2004	22.00	3.50	25.50
12/31/2005	22.00	3.50	25.50
12/31/2006	21.00	4.50	25.50
12/31/2007	21.00	5.50	26.50
12/31/2008	22.00	4.50	26.50
12/31/2009	23.00	3.50	26.50
12/31/2010	23.00	3.50	26.50
12/31/2011	24.75	1.75	26.50
12/31/2012	24.75	1.75	26.50
12/31/2013	22.85	3.65	26.50
12/31/2014	22.20	4.30	26.50
12/31/2015	22.50	4.00	26.50
12/31/2016	22.50	4.00	26.50

# 2016 Healthcare Premiums



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

Retiree or Surviving Spouse Age	Monthly Premium	Spouse Age	Monthly Premium
65+	\$83	65+	\$149
60-64	\$116	60-64	\$149
56-59	\$149	56-59	\$182
52-55	\$182	52-55	\$215
<52	\$215	<52	\$248
Secondary	\$39	Secondary	\$97

Re-employed retirees without Medicare A & B who have HPRS as their primary medical/prescription insurer will be charged a monthly premium of \$330, unless an exemption is submitted and accepted.

	Monthly Premium
Dependent or Surviving Children	Primary \$50 each Secondary \$30 each
Tobacco Surcharge	\$50 each user

### Disability Retirees

In-the-line-of-duty are charged at the 60-64 rate. Not In the line of duty (Off-duty) are charged at the rate based on actual age. Once a retirant/spouse turns 52, 56 and 60, the lower premiums become effective.

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

The premiums below are for primary coverage only. If HPRS is secondary, please refer to the above chart.

	Monthly Premium
Retiree	\$20
Spouse	\$100
Surviving Spouse	\$46

The 2016 monthly Medicare B reimbursement is set at \$30.00.

## 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 children regardless of number.

## Coverage Overview

Medical	Medicare A & B (Aetna)	Non-Medicare (Medical Mutual of Ohio)
General Copay	\$25	\$20
Specialist Copay	\$25	\$30
Chiropractor Copay	\$15	\$30
Emergency Room Copay	\$50	\$50
Urgent Care Copay	\$35	\$15
Deductible (per person)	\$0	\$500
Out of Pocket Maximum (per person/family)	\$2000/N/A	\$1500/\$3000

Prescription Drug	Retail (up to 34 day supply)	Home Delivery (90 day supply)
Generic	\$5	\$10
Brand/Formulary	\$15	\$30
Brand/Non-Formulary	Not covered	Not covered

# 2017 Healthcare Premiums



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

Retiree or Surviving Spouse Age	Monthly Premium	Spouse Age	Monthly Premium
65+	\$99	65+	\$165
60-64	\$132	60-64	\$165
56-59	\$182	56-59	\$215
52-55	\$248	52-55	\$297
<52	\$281	<52	\$330

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

Re-employed retirees without Medicare A & B who have HPRS as their primary medical/prescription insurer will be charged a monthly premium of \$400, unless an exemption is submitted and accepted.

	Monthly Premium
Dependent or Surviving Children	\$100 each
Tobacco Surcharge	\$50 each user

### Disability Retirees

In-the-line-of-duty are charged at the 60-64 rate. Not In the line of duty (Off-duty) are charged at the rate based on actual age. Once a retireant/spouse turns 52, 56 and 60, the lower premiums become effective.

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

	Monthly Premium
Retiree	\$25
Spouse	\$165
Surviving Spouse	\$91

## 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 children regardless of number.

## Coverage Overview

Medical	Medicare A & B (Aetna)	Non-Medicare (Medical Mutual of Ohio)
General Copay	\$25	\$20
Specialist Copay	\$25	\$30
Chiropractor Copay	\$15	\$30
Emergency Room Copay	\$50	\$50
Urgent Care Copay	\$35	\$15
Deductible (per person)	\$0	\$500
Out of Pocket Maximum (per person/family)	\$2000/N/A	\$1500/\$3000

Prescription Drug	Retail (up to 34 day supply)	Home Delivery (90 day supply)
Generic	\$5	\$10
Brand/Formulary	\$15	\$30
Brand/Non-Formulary	Not covered	Not covered

## HPRS Health Care Premium Charts

Below is a premium chart that was approved by the Board on April 17, 2014. These premiums apply to all non-Medicare A & B eligible retirees and spouses, both current and future. The premium chart for Medicare eligible recipients was passed by the Board on August 21, 2014. The Board set the premiums based on a percentage of the actuarially calculated PMPM (per member per month) costs.

### 2015 Non-Medicare Eligible

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

### 2016 Non-Medicare Eligible

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

### 2017 Non-Medicare Eligible

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

### 2015 – 2017 Medicare Eligible Recipients' Premiums

Premium			
Year	Retiree	Surviving Spouse	Spouse
2015	\$15	\$20	\$50
2016	\$20	\$46	\$100
2017	\$25	\$91	\$165

**2016 Summary of Coverage - Non - Medicare Participants**

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

**2016 Summary of Coverage - Medicare Participants**

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

**Highway Patrol Retirement System  
Statement of Fiduciary Net Position  
Health Care  
2011-2016**

	2016	2015	2014	2013	2012	2011
<b>Assets</b>						
Cash and Short-Term Investments	\$2,196,443	\$1,711,001	\$1,592,100	\$1,611,666	\$1,718,053	\$1,530,168
Receivables						
Contributions						
Employer	263,102	213,803	214,185	168,625	71,817	63,465
Employee	0	0	0	0	0	0
Accrued Investment Income	746,988	164,532	405,531	118,775	162,012	64,198
Health Care Receivable	0	0	0	0	0	0
<b>Total Receivables</b>	<b>1,010,090</b>	<b>378,335</b>	<b>619,716</b>	<b>287,400</b>	<b>233,829</b>	<b>127,663</b>
Investments, at Fair Value						
Domestic Equity	31,741,153	34,784,964	39,973,751	38,206,009	36,355,916	32,896,093
Fixed Income	20,492,390	20,164,321	20,074,372	23,220,246	21,426,264	23,728,345
International Equity	18,146,844	20,160,375	21,605,737	21,566,823	16,053,383	16,030,076
Real Estate	3,814,020	4,006,043	4,369,284	4,689,672	4,084,919	4,446,948
Private Equity	13,518,746	10,738,378	11,040,374	10,519,427	9,972,289	10,102,207
Hedge Funds	7,571,051	6,426,056	9,587,269	8,601,523	8,334,560	7,570,141
Global Tactical Asset Allocation	4,168,905	3,960,656	0	0	0	0
<b>Total Investments</b>	<b>99,453,109</b>	<b>100,240,793</b>	<b>106,650,787</b>	<b>106,803,700</b>	<b>96,227,331</b>	<b>94,773,810</b>
Prepaid Expense	1,400	1,417	1,471	7,060	7,224	7,308
Property and Equipment, Net	8,283	11,321	7,611	3,003	2,421	2,270
<b>Total Assets</b>	<b>102,669,325</b>	<b>102,342,867</b>	<b>108,871,685</b>	<b>108,712,829</b>	<b>98,188,858</b>	<b>96,441,219</b>
<b>Liabilities</b>						
Accrued Health Care Liabilities	181,201	806,306	799,798	817,154	667,327	484,400
Accounts Payable	85,141	87,642	91,635	110,492	68,268	84,834
Other Liabilities	0	0	4,685	9,797	11,361	7,778
Accrued Payroll Liabilities	30,885	29,192	27,030	20,782	17,654	28,908
Obligations under Securities Lending	0	0	0	0	0	0
<b>Total Liabilities</b>	<b>297,227</b>	<b>923,140</b>	<b>923,148</b>	<b>958,225</b>	<b>764,610</b>	<b>605,920</b>
<b>Net Position - Restricted for Post-Employment Health Care Benefits</b>	<b>\$102,372,098</b>	<b>\$101,419,727</b>	<b>\$107,948,537</b>	<b>\$107,754,604</b>	<b>\$97,424,248</b>	<b>\$95,835,299</b>

**Highway Patrol Retirement System**  
**Statement of Changes in Fiduciary Net Position**  
**Health Care**  
**2011-2016**

	2016	2015	2014	2013	2012	2011
<b>Additions</b>						
Contributions:						
Employer	\$4,511,127	\$4,068,887	\$4,325,434	\$3,658,189	\$1,679,422	\$1,622,889
Member	0	0	0	0	0	0
Transfer from Other Systems	0	0	0	0	0	0
Other Income	4,352,022	3,965,786	3,290,003	2,631,154	2,157,467	2,069,860
<b>Total Contributions</b>	8,863,149	8,034,673	7,615,437	6,289,343	3,836,889	3,692,749
Investment income:						
Net Appreciation in Fair Value of Investments	5,810,217	(1,820,114)	5,004,506	15,884,853	8,804,514	(3,716,169)
Interest & Dividend Income	1,826,380	1,843,042	2,582,800	2,745,374	1,986,430	1,659,904
Security Lending Income	0	0	0	0	0	0
Real Estate Operating Income, Net	(4,517)	(5,859)	9,079	15,830	11,136	22,004
	7,632,080	17,069	7,596,385	18,646,057	10,802,080	(2,034,261)
Less Investment Expense	(754,473)	(664,299)	(805,832)	(760,763)	(609,097)	(717,748)
<b>Net Investment Income</b>	6,877,607	(647,230)	6,790,553	17,885,294	10,192,983	(2,752,009)
<b>Total Additions</b>	15,740,756	7,387,443	14,405,990	24,174,637	14,029,872	940,740
<b>Deductions</b>						
Benefits Paid Directly to Participants	14,594,984	13,759,103	14,055,881	13,703,605	12,302,980	12,360,917
Refunds of Employee Contributions	0	0	0	0	0	0
Administrative Expenses	193,401	157,150	156,176	140,676	137,943	159,271
Transfers to Other Systems	0	0	0	0	0	0
<b>Total Deductions</b>	14,788,385	13,916,253	14,212,057	13,844,281	12,440,923	12,520,188
<b>Net Increase</b>	952,371	(6,528,810)	193,933	10,330,356	1,588,949	(11,579,448)
<b>Balance at End of Year</b>	<b>\$102,372,098</b>	<b>\$101,419,727</b>	<b>\$107,948,537</b>	<b>\$107,754,604</b>	<b>\$97,424,248</b>	<b>\$95,835,299</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 may 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 may adopt rules in accordance with section [111.15](#) of the Revised Code governing the program. Any rules adopted by the board shall establish methods of payment for participation under this section, which may include establishment of a payroll deduction plan under section [5505.203](#) of the Revised Code, deduction of the full premium charged from a person's service or disability pension or survivor benefit, or any other method of payment considered appropriate by the board. If the program is established jointly with one or more of the other retirement systems, the rules also shall establish the terms and conditions of such joint participation.

Effective Date: 06-04-1997

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

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

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

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

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

Effective Date: 06-15-2006

# Ohio Administrative Code

## 5505-7-04 Health care.

(A) For the purpose of this rule:

(1) "Age and service retirant" shall mean a former member that applied for and was granted retirement benefits as described in section [5505.16](#) of the Revised Code.

(2) "Benefit recipient" shall mean an age and service retirant or disability retirant that is receiving a pension benefit as described in division (A)(1) of section [5505.17](#) of the Revised Code.

(3) "Child" shall mean a biological child, lawfully adopted child, child placed for adoption or stepchild of a benefit recipient or member provided that such child has not yet attained age twenty-six. "Child" shall also mean a child for whom a benefit recipient or member has been legally appointed as guardian, provided that such child has not yet attained age eighteen.

(4) "Dependent" shall mean the spouse or child as defined in this rule.

(5) "Disability retirant" shall mean a former member that applied for and was granted retirement benefits as described in section [5505.18](#) of the Revised Code.

(6) "Eligible dependent" shall mean a dependent that qualifies for health care coverage pursuant to paragraph (C) of this rule.

(7) "Member" shall have the same meaning as division (J) of section [5505.01](#) of the Revised Code.

(8) "Retirant" shall mean an age and service retirant or disability retirant.

(9) "Spouse" shall mean a wife or husband of a retirant or member as set forth in a statutorily-valid certificate.

(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.

(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 dependents of a benefit recipient are eligible for health care, subject to the following conditions:

(1) The benefit recipient is enrolled in the HPRS medical and prescription plans.

(2) A child for whom the benefit recipient has been appointed as guardian is eligible for healthcare if the child is unmarried, chiefly dependent on the benefit recipient, and lives in the same household as the benefit recipient.

(3) The board may require documented proof of marriage, guardianship, or parenthood. The board reserves the right to deny or cancel coverage if the benefit recipient or dependent does not comply with the board's request for documents.

(D) Upon death of a retirant, or member, dependents are eligible for health care coverage, subject to the following conditions:

(1) The dependent, except as provided in paragraph (D)(2) of this rule, would have qualified as an eligible dependent had the retirant or member been a benefit recipient at the time of death.

(2) A child for whom a retirant or member has been legally appointed as guardian, who would have been eligible for coverage at the time of the retirant's or member's death had the retirant or member been a benefit recipient, may obtain or continue coverage, provided the spouse elects to continue coverage, the spouse is appointed guardian of the child within ninety days of the retirant or member's death, and the child is chiefly dependent on the spouse and lives in the same household as the spouse.

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

Notwithstanding the forgoing, a spouse who has access to medical and/or prescription coverage through his or her new spouse must secure it as primary coverage, regardless of cost; secondary coverage may be maintained.

(E) Open enrollment for all health care options will be November first through November thirtieth each year.

(1) Eligible benefit recipients and dependents may enroll in 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.

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

(1) Health care coverage for eligible dependents shall terminate under the following conditions:

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

(b) At the end of the month in which the child attains the age of twenty-six except in the case of a legal guardianship which shall be when the child is no longer eligible as defined by paragraph (D)(2) of this rule.

(c) At the end of the month in which the benefit recipient terminates coverage.

(2) Health care eligibility of a child of a deceased member or retirant will terminate at age twenty-six except in the case of a legal guardianship which shall be when the child is no longer eligible as defined by paragraph (D)(2) of this rule.

(G)

(1) Notwithstanding the provisions of paragraphs (F)(1)(b) and (F)(2) of this rule, health care coverage will continue for a disabled child who meets all of the following:

(a) Is unmarried,

(b) Is mentally or physically incapable of earning his or her own living,

(c) Became so incapable prior to the attainment of the limiting age for coverage of children, and

(d) Is chiefly dependent upon the retirant for support and maintenance.

(e) A disabled child that qualifies for coverage beyond age twenty-six under this section that has access to other medical and/or prescription coverage must secure the other coverage as primary coverage, regardless of cost.

(2) To determine whether a disabled dependent child qualifies for coverage under this section, the retirement board may require -

(a) A physician's statement,

- (b) An independent medical examination,
- (c) Two years of federal tax returns from both the parents and the dependent child, and
- (d) Any other information that the board deems relevant.

(H)

(1) Effective January 1, 2015, a benefit recipient who is employed at least thirty hours each week may secure primary medical and/or prescription coverage through the employer or the state highway patrol retirement system. Alternatively, the benefit recipient may elect to secure primary coverage through a spouse's employment.

(a) If the benefit recipient is employed and secures primary coverage through the state highway patrol retirement system, he or she shall pay a premium set by the Board pursuant to paragraph (B)(1) of this rule. The premium will apply sixty days after employment commences except as detailed in this rule.

(b) If the benefit recipient is employed less than thirty hours per week, the benefit recipient may apply to the board for an exemption. The request for exemption must be accompanied with either:

(i) certification from the benefit recipient's employer that the benefit recipient will not exceed an average of thirty work hours over four consecutive pay periods; or

(ii) evidence of four consecutive pay periods showing that the benefit recipient worked on average less than thirty hours per pay period. No refunds of past premiums will be made.

(c) A benefit recipient must inform the state highway patrol retirement system within sixty days of commencing any employment. If a benefit recipient fails to inform the state highway patrol retirement system pursuant to this section, premiums may be payable pursuant to paragraph (H)(1)(a) of this rule effective sixty days after employment originally commenced unless the benefit recipient would have been eligible for an exemption pursuant to paragraph (H)(1)(b) of this rule.

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

(2) Prior to January 1, 2015, a benefit recipient who has access to medical and/or prescription coverage through employment must secure it as primary coverage, regardless of cost. Alternatively, the benefit recipient may elect to secure primary coverage through a spouse's employment. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system. The requirement that primary prescription coverage be obtained through an employer is effective for pension benefits payable on or after January 1, 2011.



(3) A spouse who has access to medical and/or prescription coverage through employment must secure it as primary coverage, regardless of cost. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system.

(4) A spouse who has access, as a benefit recipient of another retirement system or pension plan, to medical and/or prescription coverage must secure it as primary coverage, regardless of cost. Further, a spouse that receives a payment, stipend, or other remuneration of any kind from another retirement system or pension plan for the purpose of obtaining medical and/or prescription coverage may not elect state highway patrol retirement system coverage as primary coverage. Notwithstanding this provision, primary dental and vision coverage and secondary medical and prescription coverage may be elected through the state highway patrol retirement system. A dependent who had coverage through the state highway patrol retirement system prior to January 1, 2011 may continue that coverage until it is interrupted.

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

(6) If the cost of primary coverage pursuant to paragraph (H)(1), (H)(2), (H)(3) or (H)(4) of this rule less any payment, stipend or other remuneration received for the purpose of securing medical and/or prescription coverage exceeds fifty per cent of the gross income provided by the employer, retirement system, or pension plan, the benefit recipient or spouse, if the benefit recipient is deceased, may apply for a hardship exemption to the board.

(I) An individual who receives benefits in accordance with section [5505.16](#), [5505.17](#), or [5505.18](#) of the Revised Code 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, if any, for the following year will be established by the board no later than the December meeting.

(3) Reimbursement will be effective the month following receipt of evidence of coverage and will be added to each monthly pension payment.

(4) Reimbursement will not be due to a benefit recipient who is eligible to receive reimbursement from an employer, another retirement plan, or any other entity.

(5) An individual who is eligible for medicare part B coverage who does not enroll within thirty days after the individual's eligibility date shall be ineligible for HPRS medical and prescription coverage.

(6) To the extent an individual becomes eligible for medicare part B, from that date forward, the individual must purchase medicare part B. An individual that fails to enroll in medicare part B

within thirty days of the eligibility date shall immediately become ineligible for HPRS medical and prescription coverage. A benefit recipient is not required to purchase retroactive medicare part B coverage in order to qualify for full benefits.

(J) If it is available at no cost, a participant is required to enroll in medicare part A. The board reserves the right to terminate medical and prescription coverage of an individual who does not maintain medicare part A coverage that is available at no cost.

(K) Anyone who is eligible for a benefit based only on (1) an election in accordance with section [5505.162](#) of the Revised Code, (2) divisions (A)(2) to (A)(9) of section [5505.17](#) of the Revised Code, or (3) being an alternate payee under section [5505.261](#) of the Revised Code is not eligible for health care coverage or medicare part B reimbursement.

(L) An enrolled benefit recipient's coverage shall be rescinded if the benefit recipient performs an act, practice or omission that constitutes fraud or makes an intentional misrepresentation of material fact regarding the health care coverage. The effective date of the termination of coverage shall be the date of the act, practice or omission that constitutes fraud or an intentional misrepresentation of material fact, unless otherwise limited by Ohio law. The retirement system shall notify the benefit recipient of the rescission at least thirty days prior to processing the rescission. The rescission applies to all enrolled dependents and all coverage options.

(M) The executive director is authorized to deny or cancel coverage if the benefit recipient or dependent does not comply with a request for documents or information the executive director deems necessary to carry-out the requirements of this rule.

Effective: 9/12/2016

Five Year Review (FYR) Dates: 06/28/2016 and 09/12/2021

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Statutory Authority: [5505.28](#)

Rule Amplifies: [5505.28](#)

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