2018 ORSC Health Care Report

(For period Jan. 1-Dec. 31, 2018)

(Submitted to ORSC, June 30, 2019)

TABLE OF CONTENTS

Year in Review, 2018 3
Financial Summary 4
Summary of Health Care Fund Net Positions, 2013-2018 4
Health Care Fund Balance 4
Average Cost Per Participant Paid by OP&F 5
Population of Recipients 5
Non-Medicare Participants 5
Participants Age 65 and Over with Medicare Parts A and B 6
Prescription Drug Plan 6
Health Care Future-2018 7
Statutory Authority for Health Care Benefits 9
Summary of Coverage 10
2018 Health Care Eligibility 11
Participants Eligible for Benefits 13
Accounting, Asset Valuation and Funding Methods 14
Plan Net Assets Available Health Care Benefits 16
Statement of Changes in Plan Net Assets Available for Health Care Benefits 17
Schedule of Changes in Net Assets Available for Health Care Benefits, 2013-18 18
Description significant changes 19
Part B Reimbursements 19

Year in Review-2018

OP&F continued to offer the 2017 health care plan through 2018 with no plan design changes. Staff, the Board of Trustees and its health care administrator, Aon Retiree Health Exchange, partnered to facilitate the major transition from a group-sponsored health care plan with UnitedHealthcare to a new Health Reimbursement Arrangement (HRA) model for Jan. 1, 2019. Although the self-insured model will be ending, the structure of the new 2019 HRA for our Medicare and Non-Medicare members will enable a longer solvency period of our Health Care Stabilization Fund (HCSF). Several targeted mailings were sent out to our Medicare and Non-Medicare populations beginning in June 2018 announcing the new health care transition for Jan. 1, 2019.

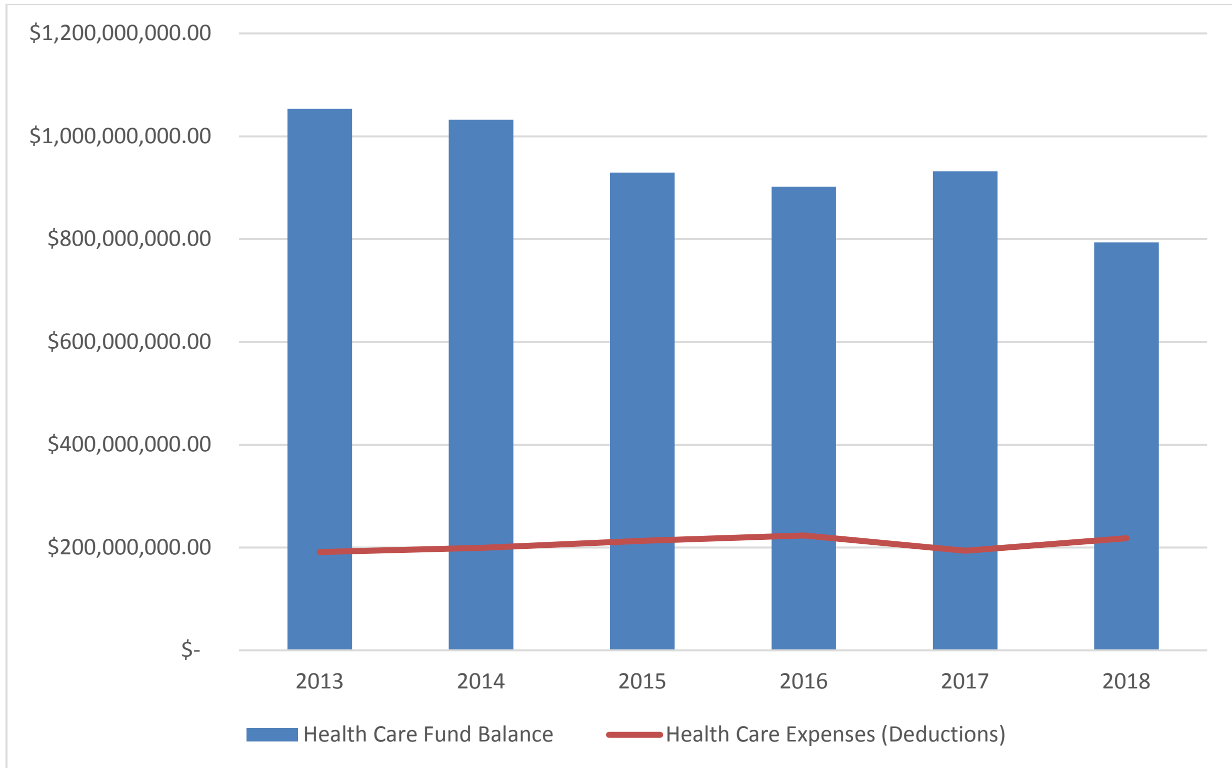
As of Dec. 31, 2018, the HCSF balance was $793,785,996, which represents a decrease in the balance from 2017 of 15 percent or $138,301,793. This was a result of interest generated on the balance of the HCSF along with retiree premium contributions, rebates and recoveries, and employer contributions, expressed as a percentage of payroll (0.5 percent from Jan. 1, 2018 to Dec. 31, 2018). Non-investment earnings generated -$27,637,766 in revenue to fund health care. Benefit recipients contributed 34 percent toward OP&F's overall health care costs through retiree premium contributions. The remaining 66 percent was paid from the HCSF. The specific breakdown of the HCSF over the last six years is shown on the Schedule of Changes in Net Assets Available for Post-Employment Health Care Benefits (Page 18).

The medical plan for OP&F members not eligible for Medicare, along with the retiree prescription drug plan, is self-funded. OP&F pays the full cost of claims dollars for this program plus an administrative fee to a third party administrator. Members over the age of 65 are offered a fully insured premium based Medicare Supplement program. OP&F's actuary sets rates for the self-funded medical and prescription drug plans and reports annually on the solvency of the HCSF, but performs a full review of all assumptions and methods every five years.

Financial Summary

Additions	Deductions	Fund Balance	Solvency Period	Employer Allocation
$ 107,940,882	$ (217,862,957)	$ 793,785,996	2033	0.5%

Summary of Health Care Fund Net Positions
2013-2018



Health Care Fund Balance
(as graphed above)

	Health Care Fund Balance	Health Care Expenses (Deductions)
2013	$ 1,053,534,068	$ 191,335,859
2014	$ 1,031,941,201	$ 199,594,201
2015	$ 929,362,382	$ 213,235,336
2016	$ 901,653,715	$ 223,535,753
2017	$ 932,087,789	$ 193,595,036
2018	$ 793,785,996	$ 217,862,957

Average Cost Per Participant Paid by OP&F for Medical and RX

Non-Medicare Recipients	Medicare Recipients
$12,710	$5,138

Non-Medicare Recipients include all health care participants who are not yet Medicare-eligible or who do not have both Medicare Part A and B, or who are under age 65 with Medicare Part A and B. Medicare Recipients include all health care participants who are age 65 and older with both Medicare Part A and B.

Population of Recipients

Age and Service	Disability	All Others (Survivors, Beneficiaries, etc.)	Total Recipients	Percent Medicare
10,963	3,960	3,847	18,770	73%

Non-Medicare Participants

Non-Medicare Participant living in a network area. Out of area includes under age 65 with Medicare Parts A & B, Medicare Part A only with Medicare Part B estimated non-Medicare participant under age 65 that lives out of area

	In-Network	Out-of-Network	Out of Area
Deductible	$750/$1,500	$2,250/$4,500	$750/$1500
Out-of-Pocket limit	$2,000/$4,000	$10,000/$20,000	$2,000/$4,000
Lifetime Maximum	No lifetime max	No lifetime Max	No lifetime max
Medical Services (% covered by plan)			
Outpatient	80%	50%	80%
Mental health, In Patient	$400/80%	$400/50%	$400/80%
Mental health, Out Patient	$30 copay/visit/100%	50%	80%
Surgery	$150/80% after deductible	50% after deductible	$150/80% after deductible
Emergency Services			
Emergency Room (ER)	$200/80%	$200/80%	80%
Urgent Care	$50/80%	50%	80%
Preventative Services			
Annual physical	100%	50%	100%
Flu vaccines	100%	50%	100%
EKG, Cholesterol, Blood Sugar, Lipid, Colonoscopy, Sigmoidoscopy, Bone Density Testing	100%	50%	100%

Participants age 65 and over with Medicare Parts A and B

The following charts outline the AARP Medicare Supplement B, F, L plans subsidized by OP&F and the subsidized amounts. OP&F subsidy is based on the premium for the Ohio Plan L Standardized Plan.

	Plan B	Plan F	Plan L
Hospitalization Co-Insurance	✓	✓	✓
Medical Co-Insurance & Co-Payments	✓	✓	75%
Hospice/Respite Care Co-Insurance	✓	✓	75%
Blood (first 3 pints each year	✓	✓	✓
Skilled Nursing Facility Care		✓	75%
Part A Deductible	✓	✓	75%
Part B Excess charge		✓	
Foreign Travel Emergency Care Co-Insurance		80%	
Annual Out of Pocket Spending Limit			$2,560
Subsidy Eligible	✓	✓	✓

OP&F Subsidy Percentage	2018 OP&F Subsidy	2018 OP&F Premium
75% Retiree	$112.44	$34.56
50% Pre86 Spouse*	$77.88	$69.12
25% Post86 Spouse**	$43.31	$103.69

*Retiree effective date of retirement on or before July 24, 1986

**Retiree effective date of retirement on or after July 25, 1986

Prescription Drug Plan

UnitedHealthcare Prescription Drug Plan for Medicare and Non-Medicare; Retail pharmacies: Value Network, Mail Order: OptumRx; Specialty Pharmacies

	Retail 30	Mail Order 90	Specialty 30
Annual Deductible	$5,150 / $10,300	$5,150 / $10,300	$5,150 / $10,300
Tier 1-Generic	$15	$30	$15
Tier 2-Preferred	$50	$100	$50
Tier 3- Brand	$70	$140	$70
Specialty	50% up to $300	50% up to $600	50% up to $300

Supplemental Drug List (by request)

No requests for 2018

Health Care Future 2018

On March 27, 2018, the OP&F Board of Trustees unanimously approved the implementation date and framework for a new health care model. The cornerstone of this new strategy is a fixed cap stipend earmarked to pay a portion of the retiree's health care costs. The current health care plan will be in place throughout 2018.

Beginning June 2018, OP&F/Aon Retiree Health Exchange mailed announcement letters to all retired Medicare and pre-Medicare members advising of the upcoming 2019 health care transition. Aon Retiree Health Exchange will work directly with OP&F Medicare and pre-Medicare retirees and assist them in choosing an appropriate health care plan from the marketplace to fit their needs. A fixed-cost monthly stipend will be provided to eligible retirees to assist in paying associated medical, prescription, dental and vision costs. The mailings announced Aon Retiree Health Exchange as the administrator of the 2019 health care changes and provided information for the retiree meetings presented across the state of Ohio in September 2018. The communication materials mailed at the beginning of September 2018 provided scheduled telephone appointments for our Medicare members to assist in reviewing the health care and prescription drug plan options available to them.

OP&F mailed newsletters and provided informational articles on the OP&F website to update our members of the upcoming health care changes and HCSF solvency. OP&F explained that with health care costs continuing to escalate, offering a plan, as we previously had in the past was no longer prudent. With the market conditions and our own demographics, OP&F was being forced out of the group-sponsored model. Without change, the health care plan will exhaust the health care fund in a matter of years. Even with these significant changes, current trends in health care and prescription drug costs, health care support beyond a 15-year projection was not foreseeable without a new income stream.

Although the self-insured health care plan will be ending Dec. 31, 2018, the new plan will assist retirees in selecting a health care plan from the marketplace and include a monthly stipend to assist in paying associated costs. The stipend amounts range from $143 to $1,074 monthly, based on Medicare status and the eligibility of dependent family members.

The current eligibility structure was adopted for the new 2019 plan, meaning that to receive a stipend a retiree must not have access to another group health care plan. In addition, if a retiree has waived OP&F coverage in the past, they would not be eligible for the stipend unless a qualifying event occurs (marriage, death, divorce, the involuntary loss of group coverage, or the date of Medicare eligibility).

OP&F also adopted a similar poverty-level stipend model, to give assistance to families who qualify. Aon Retiree Health Exchange will assist retirees in choosing an appropriate health care plan for their needs. Access to Aon's services will be for all retired members and dependents, whether they are eligible for the stipend or not.

Aon launched a dedicated website and toll free phone number for OP&F members to answer any questions members may have. The OP&F website has a link on its home page to the new Aon page set up for OP&F members. OP&F will conduct actuarial analysis to ensure that the HCSF continues to be solvent for 15 years which may warrant future changes to the eligibility and stipend (HRA) plan model.

Supplementary Statutory Requirements

1. Statutory Authority for Health Care Benefits

§ 742.45. Deduction from benefit payment for group health insurance

(A) The Board of Trustees of the Ohio police and fire pension fund 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 individuals receiving service or disability pensions or survivor benefits 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 eligible 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 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 Ohio police and fire pension fund. The cost paid from the funds of the Ohio police and fire pension fund shall be included in the employer's contribution rates provided by sections 742.33 and 742.34 of the Revised Code.

The Board may provide for self-insurance of risk or level of risk as set forth in the contract with the companies, corporations, or agencies, and may provide through the self-insurance method specific benefits as authorized by the rules of the Board.

(B) Except as otherwise provided in this division, the Board shall, beginning the month following receipt of satisfactory evidence of the payment for coverage, pay monthly to each recipient of service, disability, or survivor benefits under the Ohio police and fire pension fund who is eligible for coverage under part B of the Medicare program established under Title XVIII of "The Social Security Amendments of 1965," 79 Stat. 301, 42 U.S.C.A. 1395j, as amended, an amount specified by the Board or determined pursuant to a formula established by the Board that is not less than ninety-six dollars and forty cents, for such coverage, except that the Board shall not pay an amount that exceeds the amount paid by the recipient for the coverage.

The Board shall pay not more than one monthly premium under this division to an eligible benefit recipient even if the recipient is receiving more than one monthly benefit from the fund. The Board shall not pay a monthly premium under this division to an eligible benefit recipient who is receiving reimbursement for the premium from any other source.

(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, state teachers retirement system, school employees retirement system, or state highway patrol retirement system.

(D) The Board shall make all other necessary rules pursuant to the purpose and intent of this section.

2. Summary of Coverage

Members enrolled in this plan are subject to medical necessity, which requires prior authorization of certain services.

	Network	Non-Network	Out-of-Area***
Annual Deductible			
Individual / family	$750 / $1,500	$2,250 / $4,500	$750 / $1,500
Co-Insurance limit	$2,000 / $4,000	$10,000 / $20,000	$2,000 / $4,000
Co-Insurance	80%	50%	80%
Physician Services			
Office visit	$30 / 100%	50%	80%
Specialist office visit	$45 / 100%	50%	80%
Emergency Care			
Emergency department*	$200 / 80%	$200 / 80%**	80%**
Non-emergency services rendered in emergency	$200 / 50%	$200 / 50%**	50%**
Urgent care	$50 / 80%	50%	80%
Hospital In-Patient Services			
Prior admission testing	80%	50%	80%
Scheduled in-patient admit	$400 / 80%	$400 / 50% **	$400 / 80%
Emergency in-patient admit *	$400 / 80%	$400 / 80%	$400 / 80%**
Ambulatory Services			
Diagnostic lab / x-ray	80%	50%	80%
Ambulatory surgery center	$150 / 80%	50%**	$150 / 80%**
Mental Health and Substance Abuse			
Scheduled in-patient admit	$400 / 80%	$400 / 50% **	$400 / 80%
Emergency in-patient admit *	$400 / 80%	$400 / 80%	$400 / 80%**
Out-patient mental / drug /alcohol	$30 co-pay/visit/100%	50%	80%
Preventive Care			
Physician office visit	100%	50%	100%
Other Services			
Rehab therapies	$45 co-pay/visit/80%	50%	$30 co-pay/visit/80%
Chiropractor	$45 co-pay/visit/80%	50%	$30 co-pay/visit/80%
Durable medical equipment	80%	50%**	80%**
Home health care services	80%	50%**	80%**
Private duty nursing	80%	50%**	80% (20 visits/year)
Skilled nursing facility	$400 / 80%	$400 / 50%**	$400 / 80%
Sub-acute rehabilitation center	$400 / 80%	$400 / 50%**	$400 / 80%
Ambulance	80%	50%**	80%**
Hospice (in-patient/out-patient)	100%	50%	100%

* Participants must contact carrier within 48 hours of an emergency admission to an out -of–network hospital; emergency department co–pay not applied if admitted to hospital.

** If no prior authorization and service is medically necessary, then a $200 penalty applies

*** Benefits for Medicare Part B services will be estimated to pay secondary to Medicare Part B regardless if you have you have Medicare Part B or not

3. 2018 Health Care Eligibility

Retirees, survivors who are receiving the statutory survivor benefit, and dependents, may qualify to participate in the OP&F-sponsored health care coverage if they are determined to be eligible according to the terms of the health care plan.

Benefit recipient eligibility guidelines

Generally, a benefit recipient is defined as an OP&F member who is receiving a service retirement or disability benefit, a surviving spouse, a surviving child/orphan, or dependent parent who is receiving statutory survivor benefits from OP&F.

Retiree

An OP&F member who is receiving a service retirement or disability benefit from OP&F is eligible to participate in health care and or prescription drug coverage on the effective date of their retirement or the first day of the month following their effective date of retirement unless they have access to another group health care plan. The required paperwork must be filed with UnitedHealthcare within 60 days of receiving a service or disability pension benefit payment.

Surviving spouse

Upon the effective date of the statutory survivor benefits, a surviving spouse who receives a statutory survivor benefit from OP&F is eligible to participate in the OP&F-sponsored health care plan except when the following apply.

- The surviving spouse is participating in or waived health care coverage through another Ohio retirement system;
- The surviving spouse has access to another group health care plan;
- The surviving spouse was not legally separated from an OP&F member on or after Jan. 1, 2004, unless they have access to another group health care plan; or
- OP&F does not receive The Survivor Health Care Eligibility and Enrollment form within 90 days.

Once enrolled, the health care coverage for an eligible surviving spouse continues without interruption. If the surviving spouse remarries, the new spouse and any child born to the surviving spouse after the OP&F member’s death are not eligible for coverage, unless the OP&F member is the child’s parent.

Surviving child/orphan

A child who is eligible and is receiving a statutory survivor benefit from OP&F is eligible for the OP&F-sponsored health care coverage unless the statutory survivor has access to another group health care plan. Children may be covered on their own or under the surviving spouse as a dependent.

Dependent Eligibility Guidelines

Spouse

A spouse who is not eligible for health care coverage through another Ohio retirement system is eligible as a dependent under the OP&F-sponsored health care coverage unless they have access to another group health care plan, but a spouse who is legally separated on or after Jan. 1, 2004 is not an eligible dependent.

Child

A dependent child is eligible to participate if he or she meets the following criteria:

- The benefit recipient must be the child's natural parent or have legally adopted the child in order for the child to be eligible for the OP&F-sponsored health care coverage (the legal adoption provision does not apply to children added to coverage prior to Jan. 1, 2004 and has had continuous coverage);
- Stepchildren if they were covered under the OP&F-sponsored health care coverage prior to Jan. 1, 2017; or
- A dependent child who is 18 up to 26 years of age, who is not eligible to enroll in an employer-sponsored health plan (as described by law) is eligible to enroll in the OP&F-sponsored health care coverage. A dependent application must be completed and approved by UnitedHealth and the following criteria are met:
    - The child is the natural child or adopted child of the Benefit Recipient.
    - The child is not employed by an employer offering any health benefit plan under which the child is eligible for coverage. (being offered any type of health care through an employer makes the dependent ineligible for participation in any health care through OP&F).

Dependent parent

An eligible dependent parent as described in the Ohio Revised Code Section 742, may be eligible for OP&F sponsored health care coverage.

Dependent only eligibility

If the member did not enroll in the OP&F-sponsored health care plan, his or her dependents cannot enroll unless the member enrolls in other group coverage and the dependents are not eligible and have no access to coverage on their own. Written proof that the dependents do not have access to coverage is required. Dependent-only coverage may be required by a qualified medical child support order.

4. Participants Eligible for Benefits

As of Dec. 31, 2018, OP&F had 28,197 benefit recipients whom were eligible for health care coverage. Benefit recipients include retirees, orphans and survivors. Of those, approximately 68 percent participated in the OP&F medical program and 61 percent participated in the OP&F prescription drug program.

5. Accounting, Asset Valuation and Funding Methods

1. Summary of Significant Accounting Policies

The following are the significant accounting policies followed by OP&F.

Basis of Accounting:

OP&F's financial statements have been prepared using the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when a liability is incurred.

Investments:

Investment purchases and sales are recorded on a trade date basis. Dividend income is recognized on the dividend date, while interest and rental income is recognized when earned. Investments are reported at fair value. Securities traded on a national or international exchange, are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal payments discounted at prevailing interest rates for similar instruments. The fair value of real estate and timber are based on independent appraisals and internal valuations. Investments that do not have an established market are reported at estimated fair value. Private equity limited partnership interest is based on values established by each partnership's valuation committees.

Net appreciation is determined by calculating the change in the fair value of investments between the end of the year and the beginning of the year, less the cost of investments purchased, plus sales of investments at fair value. Investment expense consists of administrative expenses directly related to OP&F's investment operations and a proportional amount of all other administrative expenses allocated based on the ratio of OP&F's investment staff to total OP&F staff. OP&F has no individual investment that exceeds five percent of net assets available for benefits.

Federal Income Tax Status:

OP&F was determined to be a trust under section 401(a) of the Internal Revenue Code that is exempt from federal income taxes under section 501(a) of the Internal Revenue Code. OP&F's DROP plan was also determined to be part of the 401(a) trust.

Property and Equipment:

Property and equipment are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. The range of estimated useful lives is as follows:

Buildings and improvements .... 40 years
Furniture and equipment.................................. 3 to 10 years
Computer software and hardware .... 2 to 10 years

Contributions and Benefits:
Employer and Member contributions are recognized when due or in the period the related member salaries are earned. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

2. Asset Valuation Method
The difference between actual market value and expected market value is recognized over five years (20 percent per year). The actuarial value is the market value adjusted by the total unrecognized gains or losses incurred during the five year period.

3. Funding Method
Health care benefits are funded on a pay-as-you-go basis. This fund is credited with a portion of employer contributions equal to 0.5 percent of active member payroll from Jan. 1, 2018 to Dec. 31, 2018; all benefit recipient health care contributions, as well as an equal share of investment income to the balance of the HCSF. The HCSF is charged with all health care expenses and administrative costs. As of Dec. 31, 2018, the balance in the HCSF was $793,785,996.

6. Plan Net Assets Available for Post-Employment Health Care Benefits

as of Dec. 31, 2018 (un-audited)

Assets:	Cash and Short-term Investments	**$52,371,295**
Receivables:	Employers' Contributions	$1,203,351
	Accrued Investment Income	2,276,523
	Investment Sales Proceeds	5,532,696
	TOTAL RECEIVABLES	**$9,012,570**
Investments, at fair value:	Bonds – Domestic	$ 175,257,539
	Bonds – International	2,493,369
	Mortgage/Asset Backed Securities	29,302,272
	Stocks – Domestic	157,405,108
	Stocks – International	135,960,446
	Real Estate	98,311,910
	Commercial Mortgage Funds	1,997,871
	Private Debt	26,773,357
	Private Equity	68,700,542
	Timber	21,029,931
	Master Limited Partnerships	45,608,394
	Derivatives – Domestic	124,318
	Derivatives – International	(108,583)
	TOTAL INVESTMENTS	**$762,856,474**
	Collateral on Loaned Securities	$40,749,964
	TOTAL ASSETS	**$864,990,303**
	Health Care Payable	$19,086,965
Liabilities:	Investment Commitments Payable	11,367,378
	Obligations Under Securities Lending	40,749,964
	TOTAL LIABILITIES	**$71,204,307**
NET ASSETS HELD IN TRUST FOR POST-EMPLOYMENT HEALTH CARE BENEFITS:		**$793,785,996**

7. Statement of Changes in Plan Net Assets Available for Post-Employment Health Care Benefits

(Year ending Dec. 31, 2018)

Additions:	*From Contributions:*	
	Employers	$11,337,852
	Member Health Care Premiums	73,156,768
	TOTAL CONTRIBUTIONS	**$84,494,620**
	From Investment Income:	
	Net Appreciation (Depreciation) of Fair Value of	$(53,271,134)
	Investments	7,201,500
	Bond Interest	6,441,475
	Dividends	8,914,305
	Alternative Investment Income	-
	Repurchase Agreement Interest	4,338,870
	Master Limited Partnerships Income	1,338,120
	Other Investment Income (Loss)	(2,917,451)
	Less Investment Expenses	**$(27,954,315)**
	NET INVESTMENT INCOME/(LOSS)	
	From Securities Lending Activities:	$1,328,647
	Securities Lending Income	(1,012,098)
	Securities Lending Expense:	**$316,549**
	NET INCOME FROM SECURITIES LENDING	
		$23,446,262
	Other Income	**$80,303,116**
	TOTAL ADDITIONS	
Deductions:	*Benefits:*	
	Health Care	$ 217,862,957
	Administrative Expenses	741,952
	TOTAL DEDUCTIONS	**$218,604,909**
	NET INCREASE (DECREASE)	**$(138,301,793)**
NET ASSETS HELD IN TRUST FOR POST-EMPLOYMENT HEALTH CARE BENEFITS:		
BALANCE, BEGINNING OF YEAR		**$932,087,789**
BALANCE, END OF YEAR		**$793,785,996**

8. Schedule of Changes in Net Assets Available for Post-Employment Health Care Benefits, 2013–2018

	2018	2017	2016	2015	2014	2013
Beginning balance	**$932,087,789**	**$901,653,715**	**$929,362,382**	**$1,031,941,201**	**$1,053,534,068**	**$935,605,451**
COSTS						
Utilization costs	(185,806,369)	(170,161,268)	(200,358,471)	(190,844,057)	(177,766,920)	(170,202,078)
Administrative fees	(4,845,076)	(4,487,298)	(4,624,957)	(4,421,696)	(4,308,059)	(4,074,317)
Health care stipend	(7,480,000)					
Med Part B reimbursement	(19,731,512)	(18,946,470)	(18,552,325)	(17,969,583)	(17,519,222)	(17,059,464)
Health care costs	**(217,862,957)**	**(193,595,036)**	**(223,535,753)**	**(213,235,336)**	**(199,594,201)**	**(191,335,859)**
CONTRIBUTIONS						
Retiree premium contributions	73,156,768	74,450,891	73,161,967	71,187,555	69,965,747	66,564,696
Rebates and recoveries	23,446,262	24,105,358	27,855,789	23,266,521	18,009,774	15,565,559
Health care contributions	**96,603,030**	**98,556,249**	**101,017,756**	**94,454,076**	**87,975,521**	**82,130,255**
Net health care	**$(121,259,927)**	**$(95,038,787)**	**$(122,517,997)**	**$(118,781,260)**	**$(111,618,680)**	**$(109,205,604)**
ALLOCATIONS						
Employer contribution allocation	11,337,852	10,871,479	10,708,739	10,211,724	9,895,274	68,720,879
Investment return allocation	(27,637,766)	115,417,359	84,898,901	6,673,634	80,862,561	159,124,197
Administrative expense allocation	(741,952)	(815,977)	(798,310)	(682,917)	(732,022)	(710,855)
Net allocations	**$(17,041,866)**	**$125,472,861**	**$94,809,330**	**$16,202,441**	**$90,025,813**	**$227,134,221**
Ending balance	**$793,785,996**	**$932,087,789**	**$901,653,715**	**$929,362,382**	**$1,031,941,201**	**$1,053,534,068**

9. Description significant changes affecting the comparability of the report required under this division

There were no significant changes from plan year 2017 to plan year 2018.

10. Part B Reimbursements

Upon eligibility for Medicare Part B, benefit recipients are eligible for reimbursement of the Medicare Part B premium through OP&F (as required by ORC Section 742.45 (B), if they are not receiving reimbursement from another source.

In 2018, OP&F paid more than $19.7 million in Medicare B reimbursements, on average, 15,367 participants received $107 per member, per month.