June 30, 2025

Ms. Bethany Rhodes, Director
Ohio Retirement Study Council
30 East Broad Street, 2nd Floor
Columbus, OH 43215-3414

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, 2024, utilizing the new ORSC-approved standard template.

If you have any questions, please contact me.

Sincerely,

Carl Roark

Carl Roark, PhD.
Executive Director
direct dial 614.430.3557
c.roark@ohprs.org

cc: The Honorable Mike DeWine, Governor
The Ohio Retirement Study Council
Director Kimberly Murnieks, Office of Budget and Management
The Honorable Matt Huffman, Speaker of the House
The Honorable Rob McColley, Senate President
The Honorable Adam Bird, Chair, Ohio Retirement Study Council
The Honorable Terry Johnson, Chair, Senate Veterans and Public Safety

State Highway Patrol Retirement System
2024 ORSC Health Care Report
(For period January 1, 2024-December 31, 2024)

(Submitted to ORSC 6/30/2025)

Year in Review-2024

During 2024, HPRS provided health care coverage to 1,545 eligible retirees and dependents at a cost of $8,567,765.

Beginning in 2024, all eligible Pre-Medicare retirees were offered participation in a Health Reimbursement Arrangement (HRA). The monthly HRA allocation is determined by the HPRS Board and is based on each retiree's total service credit and a percentage of the maximum base rate. The maximum monthly HRA allowance is $800, with actual amounts adjusted according to the retiree's service credit. Surviving spouses of Pre-Medicare retirees receive a fixed HRA allocation of $350 per month.

Medicare-eligible retirees also receive a monthly HRA allocation, which can be used to purchase a Medicare Advantage or Medicare Supplement plan through the exchange. For 2024, the HRA allocation was $225 per month (or $2,700 annually) for retirees, and $112.50 per month (or $1,350 annually) for surviving spouses.

Both Pre-Medicare and Medicare-eligible participants may use their HRA funds to cover any qualified medical expenses for themselves or their eligible dependents.

Retirees and spouses are eligible for a bi-annual comprehensive wellness examination at no cost. They were 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 dental plan, administered by Delta Dental, is available to all HPRS benefit recipients and eligible dependents. In 2024, retirees paid a monthly premium of $10.00, spouses and children paid $25.00, and surviving spouses and surviving children paid $10.00. Dental expenses totaled $749,873 for the year.

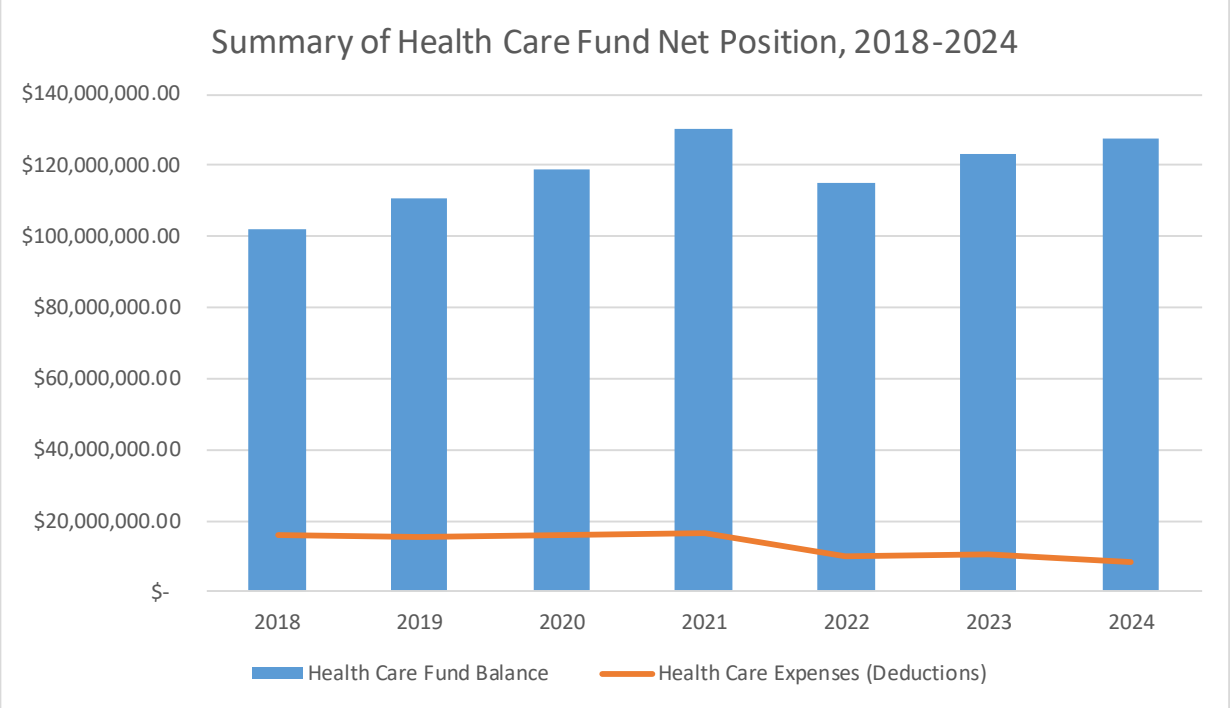
A vision plan, administered by Aetna Vision and EyeMed, is available to all HPRS benefit recipients and eligible dependents. Retirees paid $8 per month, spouses and children paid $10.00, and surviving spouses and surviving children paid $8.00 in 2024. Vision expenses totaled $266,081 for the year.

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

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

Financial Information

Additions	Deductions	Fund Balance	Solvency Period	Employer Allocation
$ 13,236,355.00	$ 8,567,765.00	$ 127,704,622.00	2045	0.00%



Health Care Fund Balance (as graphed above)		
Year	Health Care Fund Balance	Health Care Expenses (Deductions)
2018	$ 101,827,574.00	$ 15,762,478.00
2019	$ 110,986,378.00	$ 15,609,344.00
2020	$ 118,622,893.00	$ 15,725,987.00
2021	$ 130,128,731.00	$ 16,307,426.00
2022	$ 115,135,795.00	$ 10,078,185.00
2023	$ 123,036,032.00	$ 10,718,549.00
2024	$ 127,704,622.00	$ 8,567,765.00

[1]Solvency period based on each system's individual valuation and underlining assumptions.

Average Cost Per Participant Paid by State Highway Patrol Retirement System

Non-Medicare Recipients	Re-employed non-Medicare Recipients	Medicare Recipients
$8,592.14	N/A	$3,291

Non-Medicare Recipients includes retirees and eligible spouses/dependent children who are not yet eligible for Medicare coverage, generally those under 65 years of age.

HPRS has no re-employed non-Medicare recipients.

Medicare Recipients includes retirees and spouses 65 years of age and older and eligible for both Medicare Parts A and B, as well as those under 65 who qualify due to a disabling condition.

Population of Recipients

Age and Service	Disability	All Others (Survivors, Beneficiaries, etc.)	Total Recipients	Percent Medicare
1,264	113	168	1,545	60%

Health Care Plan - HRA

	In-Network	Out-of-Network	Out of Area
Deductible			
Out-of-Pocket limit			
Lifetime Maximum			
Medical Services (% covered by plan)			
Outpatient			
Mental health			
Surgery			
Emergency Services			
Emergency Room			
Urgent Care			
Preventative Services			
Annual physical			
Flu vaccines			
EKG, Cholesterol, Blood Sugar, Lipid, Colonoscopy, Sigmoidoscopy, Bone Density Testing			

Since July 1974, the Highway Patrol Retirement System (HPRS) has offered a health care benefit, although it is not mandated by statute. To promote long-term sustainability, HPRS initiated a multi-year transition to a Health Reimbursement Arrangement (HRA) model.

In January 2022, HPRS successfully completed the transition of the Medicare Exchange Project, providing Medicare-eligible members with access to an HRA. This effort continued with the full transition of the Pre-Medicare, Health Care Service Credit-eligible group to the HRA model in January 2024.

An HRA is an account funded by HPRS that allows retirees, surviving spouses, and eligible dependents to receive tax-free reimbursements for qualified medical expenses. These expenses may include Medicare premiums, monthly post-tax insurance premiums, deductibles, co-insurance, copayments, and other IRS-approved medical costs.

Prescription Plan - None

	Retail Preferred/Home Delivery	Retail/Non-Preferred Network
Annual deductible	None	N/A
Generic	None	N/A
Formulary	None	N/A
Non-formulary Brand	None	N/A
Specialty Drugs	None	N/A

Supplemental Drug List (by request-currently no requests) - None

	Drug name	Formulary Y/N	Plan Design	Notes
Specialty				

	Drug name	Formulary Y/N	Plan Design	Notes
Brand				

	Drug name	Formulary Y/N	Plan Design	Notes
Generic				

Health Care Future-2025

In May 2025, HPRS' actuary, Foster & Foster, presented the preliminary Other Post-Employment Benefits (OPEB) actuarial report as of December 31, 2024. The report projects that the current health care fund will remain solvent through 2045. In alignment with the funding policy adopted by the Board in 2022 and revised in 2024, it is anticipated that no employer contributions will be allocated to the health care fund for the 2025 plan year.

For 2025, the Medicare HRA allocation is expected to remain at $225 per month for retirees and $112.50 per month for surviving spouses. The final determination of the 2025 Medicare HRA allocation will be made by the HPRS Board at its August 2025 meeting.

The pre-Medicare HRA allocation is based on health care service credit, which includes Deferred Retirement Option Plan (DROP) time and purchased interrupted military service. Monthly HRA amounts for retirees range from $488 to $800, while surviving spouses receive a flat monthly amount of $350. The Board will also finalize the 2025 pre-Medicare HRA allocation during its August 2025 meeting.

Supplementary Statutory Requirements

The following is provided in accordance with the requirements of Revised Code section 5505.12(E):

(1) A description of the statutory authority for the benefits provided:

See ORC 5505.28 Health Care Coverage which is attached.

(2) A summary of coverage for 2024:

A summary of coverage for 2024 is located on page 5 and a snapshot of future healthcare is on page 8.

(3) A summary of the eligibility requirements for the benefits:

All age and service retirees of the Ohio Highway Patrol are eligible for HPRS health care benefits upon receiving their pension. An HRA is provided for those qualifying members within the Medicare and pre-Medicare age and premiums are charged for dental and vision coverage for members, spouses, dependents, surviving spouses, and surviving children. Please see attached OAC 5505-7-04 Health Care for additional detail regarding eligibility.

(4) A statement of the number of participants eligible for the benefits:

As of December 31, 2024, there were 1,887 retirees eligible to participate in the health care programs offered by HPRS.

(5) A description of the accounting, asset valuation, and funding method used to provide the benefits:

HPRS's financial statements are prepared using the accrual basis of accounting, under which expenses are recorded when incurred and revenues are recorded when earned and measurable. Income on all investments is recognized on the accrual basis. All investments are recorded at fair value, which is the amount the plan could reasonably expect to receive in a current sale between a willing buyer and willing seller, other than in a forced or liquidation sale.

HPRS is funded with employee and employer contributions. In 2024, the employee contribution rate was 14.0% and the employer rate was 26.5%. Of the 26.5% employer contributions, the HPRS Board allocated 26.5% to pension and 0.0% to healthcare. The allocation for 2025 is to be determined by the Board. No employee contributions are used to fund health care.

(6) A statement of the net assets available for the provision of the benefits as of the last day of the fiscal year:

As of December 31, 2024, the net assets available for the provision of health care benefits were $127,704,622.

(7) A statement of any changes in the net assets available for the provision of benefits, including participant and employer contributions, net investment income, administrative expenses, and benefits provided to participants, as of the last day of the fiscal year:

Please see the attached Statement of Changes in Fiduciary Net Position 2018-2024.

(8) For the last six consecutive fiscal years, a schedule of the net assets available for the benefits, the annual cost of benefits, administrative expenses incurred, and annual employer contributions allocated for the provision of benefits:

Please see the attached Statement of Fiduciary Net Position 2018-2024.

(9) A description of any significant changes that affect the comparability of the report required under this division:

None.

(10) A statement of the amount paid under division (B) of section 5505.28 of the Revised Code:

Medicare Part B reimbursement was eliminated in 2017, therefore HPRS paid $0 in 2024.

2024 Health Care Coverage & HRA

Health Reimbursement Arrangement - Non-Medicare (Contact Via Benefits at 1.800.667.2184)

HPRS Pre-Medicare HRA Allowance for Retirees			
	Base = $800.00		
*Total HCSC	% of Base	Monthly HRA Amount	Annual HRA Amount
20	61%	$488	$5,856
21	64%	$512	$6,144
22	67%	$536	$6,432
23	70%	$560	$6,720
24	73%	$584	$7,008
25	76%	$608	$7,296
26	79%	$632	$7,584
27	82%	$656	$7,872
28	85%	$680	$8,160
29	88%	$704	$8,448
30	91%	$728	$8,736
31	94%	$752	$9,024
32	97%	$776	$9,312
33+	100%	$800	$9,600

* Health Care service credit includes (HCSC): HPRS service credit, DROP participation time, purchased interrupted military service credit, and purchased or transferred OP&F service credit.

Disability Retirees:

- In-the-line-of-duty disability retirees receive 25 HPRS service credit, in addition to other qualifying credits.
- Not-in-the-line-of-duty disability retirees with 20 or less HCSC will receive the minimum HRA amount (61% of Base).

Surviving Spouses receive a HRA in the amount of $350 per month in 2024.

Health Reimbursement Arrangement - Medicare (Contact Via Benefits at 1.833.431.1358)

HPRS Medicare HRA Allowance for Retirees & Surviving Spouses		
	Monthly HRA Amount	Annual HRA Amount
Retiree	$225.00	$2,700.00
Surviving Spouse	$112.50	$1,350.00

Dental & Vision

	Monthly Retiree Premium	Monthly Spouse Premium	Monthly Dependent Child Premium*	Monthly Surviving Spouse Premium	Monthly Surviving Children Premium
Dental	$10	$25	$25	$10	$10
Vision	$8	$10	$10	$8	$8

*A single Dental & Vision premium provides coverage for all dependent children regardless of number.

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Highway Patrol Retirement System
Statement of Fiduciary Net Position
Health Care
2018-2024

	2024	2023	2022	2021	2020	2019	2018
Assets							
Cash and Short-Term Investments	$ 6,039,620	$ 5,830,968	$ 6,331,612	$ 5,105,603	$ 4,346,579	$ 5,105,603	$ 4,346,579
Receivables							
Contributions							
Employer	-	-	-	-	-	-	-
Employee	-	-	-	-	-	-	-
Accrued Investment Income	313,931	82,770	372,558	332,055	140,085	332,055	140,085
Health Care Receivable	-	59,741	436,169	1,618,909	-	1,618,909	-
Total Receivables	313,931	142,511	808,727	1,950,964	140,085	1,950,964	140,085
Investments, at Fair Value							
Domestic Equity	29,178,879	25,280,585	23,920,986	27,607,350	37,600,691	27,607,350	37,600,691
Fixed Income	2,937,905	6,588,231	9,889,319	17,286,242	23,253,096	17,286,242	23,253,096
International Equity	18,250,729	12,925,444	6,405,751	7,975,339	17,876,937	7,975,339	17,876,937
Real Estate	8,377,205	9,591,307	9,986,410	8,005,118	7,894,383	8,005,118	7,894,383
Private Equity	28,424,764	29,061,903	25,514,529	21,332,896	17,087,078	21,332,896	17,087,078
Hedge Funds	6,463,316	6,857,320	8,246,184	11,380,960	10,700,919	11,380,960	10,700,919
Direct Infrastructure	2,859,287	2,230,793	2,069,730	1,756,017	911,803	1,756,017.00	911,803.00
Global Equity	28,650,480	25,825,973	23,392,396	28,932,428		28,932,428.00	
Total Investments	125,142,565	118,361,556	109,425,305	124,276,350	115,324,907	124,276,350	115,324,907
Prepaid Expense	-	610	-	-	-	-	-
Property and Equipment, Net	526	682	-	-	-	-	-
Net OPEB Asset	87,180	-	147,554	85,656	-	85,656	-
Total Assets	131,583,822	124,336,327	116,713,198	131,418,573	119,811,571	131,418,573	119,811,571
Liabilities							
Accrued Health Care Liabilities	3,792,750	1,275,970	1,354,177	998,281	446,046	998,281	446,046
Accounts Payable	24,047	43,932	28,268	40,635	61,379	40,635	61,379
Accrued Payroll Liabilities	38,459	37,468	40,085	32,175	29,033	32,175	29,033
Net OPEB Liability	43,590	32,594	-	-	667,427.00	-	667,427.00
Total Liabilities	3,898,846	1,389,964	1,422,530	1,071,091	1,203,885	1,071,091	1,203,885
Deferred Outflows of Resources - GASB 75	49,654	110,355	1,683	45,656	113,744.00	45,656.00	113,744.00
Deferred Inflows of Resources - GASB 75	30,008	20,686	156,556	264,408	98,537.00	264,408.00	98,537.00
Net Position - Restricted for Post-Employment Health Care Benefits	**$ 127,704,622**	**$ 123,036,032**	**$ 115,135,795**	**$ 130,128,730**	**$ 118,622,893**	**$ 130,128,730**	**$ 118,622,893**

Highway Patrol Retirement System
Statement of Changes in Fiduciary Net Position
Health Care
2018-2024

	2024	2023	2022	2021	2020	2019	2018
Additions							
Contributions:							
Employer	$ -	$ -	$ 3,890,000	$ -	$ -	$ -	$ 4,623,201
Member	-	-	-	-	-	-	-
Transfer from Other Systems	-	-	-	-	-	-	-
Other Income	1,060,984	2,969,060	4,049,465	10,019,749	7,422,942	6,990,639	7,223,962
Total Contributions	1,060,984	2,969,060	7,939,465	10,019,749	7,422,942	6,990,639	11,847,163
Investment income:							
Net Appreciation in Fair Value of Investments	10,220,820	13,893,421	(14,078,779)	14,807,458	15,159,724	16,855,493	(6,588,526)
Interest & Dividend Income	2,811,762	2,679,844	2,237,283	4,015,470	1,993,333	2,119,472	2,200,723
Real Estate Operating Income, Net	-	-	-	45	2	113	185
	13,032,582	16,573,265	(11,841,496)	18,822,973	17,153,059	18,975,078	(4,387,618)
Less Investment Expense	(857,211)	(923,539)	(1,012,720)	(1,029,458)	(1,012,538)	(968,525)	(978,829)
Net Investment Income	12,175,371	15,649,726	(12,854,216)	17,793,515	16,140,521	18,006,553	(5,366,447)
Total Additions	13,236,355	18,618,786	(4,914,751)	27,813,264	23,563,463	24,997,192	6,480,716
Deductions							
Benefits Paid Directly to Participants	8,358,839	10,462,275	9,900,250	16,181,130	15,725,987	15,609,344	15,762,478
Refunds of Employee Contributions	-	-	-	-	-	-	-
Administrative Expenses	208,926	256,274	177,935	126,296	200,961	229,044	203,812
Transfers to Other Systems	-	-	-	-	-	-	-
Total Deductions	8,567,765	10,718,549	10,078,185	16,307,426	15,926,948	15,838,388	15,966,290
Net Increase (Decrease)	4,668,590	7,900,237	(14,992,936)	11,505,838	7,636,515	9,158,804	(9,485,574)
Restatement - GASB 75	-	-	-	-	-	-	-
Balance at End of Year	**127,704,622**	**123,036,032**	**115,135,795**	**130,128,731**	**118,622,893**	**110,986,378**	**101,827,574**

AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #242954

Ohio Revised Code

Section 5505.28 Health insurance.

Effective: January 7, 2013
Legislation: Senate Bill 345 - 129th General Assembly

(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 coverage under part B of the medicare program established under Title XVIII of "The Social Security Amendments of 1965," 79 Stat. 301 (1965), 42 U.S.C.A. 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.

AUTHENTICATED,
OHIO LEGISLATIVE SERVICE
COMMISSION
DOCUMENT #315291

Ohio Administrative Code

Rule 5505-7-04 Health care.

Effective: February 19, 2024

(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 that qualifies for health care coverage pursuant to paragraph (D) of this rule. Benefit recipient does not include a member participating in the "Deferred Retirement Option Plan."

(3) "Dependent" shall mean a spouse as defined in this rule.

(4) "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.

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

(6) "Health care service credit" shall include:

(a) Credit earned as an employee as defined by division (A) of section 5505.01 of the Revised Code;

(b) Military service credit purchased pursuant to division (D) of section 5505.16 of the Revised Code;

(c) Credit granted under section 5505.201 of the Revised Code; and

(d) Years of participation in the deferred retirement option plan pursuant to section 5505.51 of the

Revised Code.

(7) "Health reimbursement arrangement plan" or "HRA" shall mean the HPRS Amended and Restated Health Reimbursement Arrangement Plan, effective November 1, 2023, from which the reimbursement of qualifying medical expenses may be made. The HRA may have component plans as determined by the HPRS board. The text of the HPRS health reimbursement arrangement plan shall not be incorporated into this or any other rule of the Administrative Code.

(8) "Member" shall have the same meaning as division (I) of section 5505.01 of the Revised Code.

(9) "Monthly health care allowance" or "monthly allowance" shall mean the monthly amount that is allocated to each individual enrolled in the health reimbursement arrangement plan. The monthly allowance shall be determined by the board and offered in the form of a notional credit to the health reimbursement arrangement consistent with the provisions of the plan.

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

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

(B) Except as provided in this rule, the rights of an individual participating in the health reimbursement arrangement plan to a monthly allowance or to reimbursement, including eligibility and coordination of coverage, shall be governed exclusively by the provisions of the HPRS health reimbursement arrangement plan.

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

(2) The board may implement cost control measures as it deems necessary.

(C) 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 coverage.

(D) The following benefit recipients shall be eligible for health care:

(1) Except as provided in paragraph (D)(3) of this rule, a benefit recipient that began receiving a pension pursuant to division (A)(1) of section 5505.17 of the Revised Code, or deferred retirement under section 5505.16 of the Revised Code, or elected to participate in the deferred retirement option plan pursuant to section 5505.51 of the Revised Code before November 1, 2023;

(2) Except as provided in paragraph (D)(3) of this rule, a benefit recipient that began receiving a pension pursuant to division (A)(1) of section 5505.17 of the Revised Code or elected to participate in the deferred retirement option plan pursuant to section 5505.51 of the Revised Code on or after November 1, 2023 shall be eligible for health care coverage only if he or she has twenty or more years of health care service credit;

(3) A benefit recipient granted a disability pursuant to section 5505.18 of the Revised Code.

(E) 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.

(F) After the death of a retirant or member, dependents may become eligible for health care coverage, subject to the following conditions:

(1)

(a) If the retirant or member was or was eligible to be a benefit recipient, and was eligible for health care coverage under paragraph (D) of this rule, at the time of death; or

(b) If the retirant or member was not eligible to be a benefit recipient at the time of death, the dependent becomes eligible the date on which the member would have been eligible to enroll pursuant to paragraph (D) of this rule.

(G) 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) The reimbursement amount for calendar year 2017 and each year thereafter shall be zero.

(H) Any person eligible to receive a monthly allowance or reimbursement under the health reimbursement arrangement plan shall inform the retirement system, in writing, not later than thirty days after the person no longer meets the requirements of the health reimbursement arrangement plan.