

## **OP&F Pension Fund Report, June 2015**

### **The Fund closed at \$14.75 Billion on June 23, 2015.**

The seats of board members Daniel Desmond and Jeffrey Moore were uncontested in last month's election and both began new terms this month. Trustee William Deighton, the retired firefighter representative, won re-election, and newly elected Timothy Patton, an active police representative, also began their four-year terms effective June 1<sup>st</sup>.

Director Gallagher reminded those in attendance that survivor benefits will be increasing in July. The new amounts will be:

Surviving spouse - \$809.60/month

Student - \$220.80/month

Dependent Parent - \$147.20/month

Further information can be found in the Fund's "Members' Guide to: Survivor Benefits."

Ohio State Treasurer Josh Mandel addressed the full board about his "Transparency Project" and website, [www.ohiocheckbook.com](http://www.ohiocheckbook.com). He asked the board to consider making OP&F an active participant in the project.

### **DISABILITY COMMITTEE**

- The Disability Committee voted to recommend that the full board approve the 2015-2016 Disability Committee Charter with no changes.
- There were 10 Initial Determination Hearings (IDH) this month. The recommendations were 9 for approval, 1 was denied.
- There were 2 reconsideration hearings. The committee recommended that both remain the same.
- There were 2 Death Benefit Fund consideration hearings this month. The recommendation was for approval for both.
- The committee was informed by staff that the "2014 Annual Earnings Statement" mailing was made in June.

## **BENEFITS COMMITTEE**

- The Benefits Committee voted to recommend that the full board approve the 2015-2016 Benefits Committee Charter with no changes.
- Staff presented the committee the 2015 Pre-Retirement Seminar meeting schedule for review. The meeting dates and locations are available on the Fund's website, [www.op-f.org](http://www.op-f.org), under the Members tab. Click on "Plan 4 Your Retirement," then "Pre-Retirement Seminars" in order to register.

## **FINANCE COMMITTEE**

- The Finance Committee voted to approve the 2015-2016 Finance Committee Charter with no changes.
- Staff presented to the committee the "Status of Past Due Employers Report."

## **HEALTH CARE COMMITTEE**

- The Health Care Committee voted to recommend that the full board approve the 2015-2016 Health Care Committee Charter with no changes.
- Staff presented to the committee the "2014 OP&F Health Care Report to the ORSC." The committee voted to recommend that the full board approve the report.
- Staff presented to the committee a "Health Care Strategy Timeline." The purpose is to assist the committee and the full board to coordinate efforts to implement any necessary changes into the future. The timeline began with items discussed at the board's retreat earlier this year.
- UHC representative Geoff Rensi presented the committee with a list of prescription drug list changes to take effect July 1<sup>st</sup>. Among other items the list includes 9 drugs that are up-tiered, 4 that are down-tiered and 14 new exclusions. Members experiencing a change due to an up-tier will be mailed notification letters. Excluded drugs are offered lower-cost option drugs. The changes, if approved, are expected to save the HCSF \$978,400 annually.
- Geoff Rensi also presented a list of the 2016 Annual Change Period Meetings. The meeting dates are October 5<sup>th</sup> in Toledo, October 7<sup>th</sup> in Cleveland, October 8<sup>th</sup> in Akron/Canton, October 12<sup>th</sup> in Cincinnati,

October 14<sup>th</sup> in Dayton and October 15<sup>th</sup> in Columbus. Each location will feature a single session this year instead of the double sessions seen in previous years.

- AARP representative JoAnn Sheckler and Geoff Rensi addressed the committee with a presentation about Healthcare Exchanges offered by UHC for both pre-65 and post-65 groups.
- UHC representative Mark Ceculski presented a report highlighting the spends and trends in the prescription plan during the period 2011-2014. The report shows a continued upward trend in costs and lists some of the main driving factors.
- Buck Consultants followed up last month's presentation of the "Development of 2016 Health Care Costs and Contributions" with some additional information. The committee discussed several options in the presentation and ultimately voted for minimal increases in member contributions for those in the non-Medicare and non-AARP medical plans, and member contributions for those in the prescription plan. This option also incorporates minimal increases in the member co-pays for tier 1, tier 2 and tier 3 drugs. Additional information regarding the increases will be disseminated by the Fund shortly in an upcoming newsletter and during the fall Annual Change Period.
- Buck Consultants also addressed the committee about some cost projections for the Health Care Stabilization Fund. Employer contributions to the HCSF would have to increase by 2% to extend the longevity of the HCSF for an additional 3 years out to 2027.

## **COMMENTARY**

The board is continuing to gather more information regarding its options to maintain health care coverage for the members and planning well into the future. We encourage members to thoroughly read all of the newsletters coming their way from OP&F and the retiree associations' to keep you apprised of any developments.

The other options considered by the health care committee included a combination of larger increases in premiums, medical and prescription, or heftier increases to drug co-pays. Following much discussion over the past couple of months, the committee and board ultimately decided on the chosen option.

There is no board meeting scheduled for July. The next board meeting is scheduled for August 25-26.

*Report compiled by:*

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