

OP&F Pension Fund Report, June 2016

The Fund closed at \$13.7 Billion on June 28, 2016.

OP&F Fund Director John Gallagher reported on the recent drop in our investments by almost a billion dollars and the rebound back to where we are today.

While addressing the retired members attending the board meeting, he expounded on the increased costs of providing a health care plan for our retirees and the difficult decisions with which the trustees are confronted. The Fund is always looking for ideas to make the health care plan more cost effective. Additionally, he also reported on informal conversations with various members of Congress in Washington to discuss the possibility of Medicare eligibility for retired public safety officers at age 55. He also said that OP&F will be sending out a newsletter with details soon.

DISABILITY COMMITTEE

- There were (14) Initial Determination Hearings (IDH) this month. The recommendations were (12) for approval and (2) were denied.
- There were (2) reconsideration hearings. Both were approved
- There were no appeal hearings
- There were (2) Death Benefit Fund consideration hearings this month. One was recommended for approval and one denied. A separate Death Benefit Fund reconsideration was approved.

BENEFITS COMMITTEE

- The Benefits Committee did not meet this month. Beginning July 1st, monthly survivor benefits increase to \$826.10, dependent to \$225.30 and parents to \$340.00

HEALTH CARE COMMITTEE

- The committee charter was approved with no changes along with the August 2016 thru June 2017 committee schedule.
- Jennifer Harville, OP&F Benefits Director, presented the committee with the Ohio Retirement Study Council Health Care Report for 2015. The board approved the report.
- United Healthcare presented the bi-annual tier changes and exclusions for the OP&F Prescription Plan. Letters will be sent to all

affected members. Also presented was the July 2016 Prescription Drug list.

- The 2016 annual change period seminar locations were announced. Single seminar sessions will be held at six locations throughout the State during the month of October.
- Gabriel, Roeder, Smith & Company, the health care consultant retained by OP&F, presented their recommendations to maintain sustainability of OP&F Health Care. After more than 2 hours of discussion and questions, the committee voted to approve the following changes to our health care:

All members

- Increasing retail pharmacy co-pays to \$15/\$50/\$70 from the current \$7/\$25/\$35. Add an additional “4th Tier” to the prescription plan for certain drugs with a 50% cost-share up to \$300 per script retail, 2X mail order.
- Increasing specialty prescription co-pays to \$15/\$50/\$70 from the current \$5/\$18/\$25
- Implement UHC’s/OptumRx’s medical necessity program for both the medical and Rx programs including cardiology and radiology management programs.
- Move retail Rx Benefit offering to Optum’s limited value pharmacy network. Note CVS is not in the network.
- Remove coverage for new enrollees who have access to another group health care plan and any new step-children dependants.
- Reduce eligibility age of dependents from 28 to 26.

Non Medicare members

- Increase the emergency room co-pay from the current \$100 to \$200 per visit, waive if admitted.
- Increase medical plan in-network deductibles to \$750 for individuals/\$1,500 for families. Increase out-of-network deductibles to \$2,250/\$4,500
- *Increase medical plan co-insurance limits to \$2,000 for individuals and \$4,000 for families and out of network to \$10,000/\$20,000.
- Increase specialist co-pay to \$45
- Increase Inpatient hospital co-pay to \$400 per admission

COMMENTARY

*Grandfather status in the Affordable Care Act will be lost and some items will have to be added to the plan. We will wait for additions to our plans.

We were able to keep the current Medicare B reimbursements intact for 2017. A very important item to approximately 14,000 of our over age 65 members.

Thank you to the retirees who attended the committee meeting on Tuesday, your presence and support means a lot to those of us trying to represent our members, and, believe us when we say that the pension board members notice who cares about their decisions. They have a very hard time making these decisions because it will affect them and their families someday.

We raised the issue of increasing the employers' contribution again with little enthusiasm for success from the director, the State FOP, State Firefighters Union and our own lobbyist.

There is not board meeting scheduled for July. The next board meeting is scheduled for August 30-31, 2016.

*Report compiled by:
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OP&F/PFRO Liaisons