

OP&F Pension Fund Report, November 2015

The Fund closed at \$13.9 Billion on November 17, 2015.

OP&F Fund Director John Gallagher recapped his appearance at the ORSC earlier this month, informing the council that the fund had achieved the mandated 30-year funding. He also commented that the Fund had approved a contract with United Healthcare to extend their administration of the Fund's health care plan.

DISABILITY COMMITTEE

- Staff updated the committee concerning the four disability benefit recipients who have as yet failed to submit their 2014 Annual Earnings Statements. Their benefits will be suspended effective January 1, 2016, if their statements have not been received by December 4th.
- There were 13 Initial Determination Hearings (IDH) this month. The recommendations were 13 for approval.
- There were no reconsideration hearings.
- There were 3 Death Benefit Fund consideration hearings this month. The recommendation was 1 for approval and 2 for disapproval.
- There were 4 appeal hearings.
- There was 1 dependent disabled child case that the committee recommended for approval.

BENEFITS COMMITTEE

The Benefits Committee did not meet this month.

HEALTH CARE COMMITTEE

- Staff reported on the "3rd Quarter 2015 Health Care Stabilization Fund." The memo shows that the HCSF had a balance at the beginning of 2015 of \$1,013,665,781 and had decreased to \$929,392,527 at the end of September. Of note on the report was the investment income for the year at -2.53%. Also noted in the report

was the year-to-year increase in prescription drug claims. In 2011, through September, that total was about \$50 million. Through September this year, the total stands at \$63.5 million.

- UHC representative Geoff Rensi presented a memo detailing the Prescription Drug List changes that will be effective January 1, 2016. These included 4 up-tiers, 2 down-tiers, 17 continued exclusions and 11 new exclusions. Members negatively affected by the changes will be sent letters notifying them of any increases or exclusions and also providing alternative medications.
- Geoff Rensi also recapped the Annual Change Period. There were 428 attendees at the meetings held throughout the state. There were 2,472 ACP forms received that requested coverage changes for the coming year.
- Geoff Rensi updated the committee on the movement of some members from the OptumRx specialty pharmacy to the Briova Rx specialty pharmacy. These changes will occur over a period of several months depending on the type of specialty medication.

COMMENTARY

The next board meeting is scheduled for December 15-16.

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OP&F/PFRO Liaisons