

**OHIO PUBLIC EMPLOYEES RETIREMENT SYSTEM**  
**277 East Town Street, Columbus, Ohio 43215**  
**1-800-222-PERS (7377)**  
**www.opers.org**

**MEMORANDUM**

**DATE:** March 9, 2007

**TO:** OPERS Retirement Board Members

**FROM:** Tom Sherman, Director – Government Relations  
Scott Streator, Director – Health Care  
Julie E. Becker, General Counsel  
Lauren Gresh, Associate Counsel

**RE: IV. Action Items:**  
**B. Administrative Code Amendments to Rule 145-4-13**

Action requested: \_\_\_\_\_moved, \_\_\_\_\_seconded, to approve Rule 145-4-13 for submission as an emergency to the Joint Committee on Agency Rule Review (JCARR) and the Legislative Service Commission (LSC), as set forth in this memorandum.

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As part of the Health Care Preservation Plan, Administrative Code 145-4-13 was amended effective January 1, 2007, to provide for the termination and grandfathering of the health care waiver program between OPERS and the other Ohio retirement systems. The amendments to Rule 145-4-13(D) will open a limited window for benefit recipients of other Ohio retirement systems to be enrolled OPERS health care coverage.

**145-4-13      Waiver program grandfathered**

- (A) This rule applies to a benefit recipient who irrevocably waived health care coverage under the version of rule 145-4-04 of the Administrative Code in effect prior to January 1, 2007, and an individual who irrevocably waived health care coverage in another Ohio retirement system prior to January 1, 2007.
- (B)
  - (1) In the event that an eligible benefit recipient of this system who also was an eligible benefit recipient of another Ohio retirement system irrevocably waived health care coverage under rule 145-4-04 of the Administrative Code in order to be covered by the other Ohio retirement system, this system shall transfer to the other system annually for covered benefit recipients and dependents for each month covered an amount equal to the sum of:
    - (a) The lesser of this system's average monthly medical cost including health maintenance organization cost per benefit recipient less the cost paid by the benefit recipient, or the other system's average monthly medical cost including health maintenance organization cost per benefit recipient.
    - (b) The lesser of this system's average monthly cost of the prescription drug program per benefit recipient, or the other system's average monthly cost of the prescription drug program per benefit recipient.
    - (c) The lesser of the monthly cost of the medicare part B premium that would be reimbursed by this system for the benefit recipient, or the monthly cost of the medicare part B premium that would be reimbursed by the other system for the benefit recipient.
  - (2) This system shall transfer the amounts due pursuant to paragraph (B)(1) of this rule no later than the last business day of February each year for the preceding calendar year after the following occur:
    - (a) This system receives from the other system a list containing the names of benefit recipients and the number of months during which the recipients were covered by the other system for the preceding calendar year; and
    - (b) This system prepares an itemized accounting of the amount transferred for each such benefit recipient.
- (C) Where an eligible benefit recipient or dependent of an eligible benefit recipient of this system has waived health care coverage in another Ohio retirement system prior to the effective date of this rule, this system shall be responsible to provide health care coverage only if the other Ohio retirement system pays annually to this system for covered benefit recipients and dependents for each month covered, an amount equal to the sum of:

145-4-13 (continued)

- (1) The lesser of this system's average monthly medical including health maintenance organization cost per benefit recipient less the cost paid by the benefit recipient, or the other system's average monthly medical including health maintenance organization cost per benefit recipient.
- (2) The lesser of this system's average monthly cost of the prescription drug program per benefit recipient, or the other system's average monthly cost of the prescription drug program per benefit recipient.
- (3) The lesser of the monthly cost of the medicare part B premium that would be reimbursed by this system for the benefit recipient, or the monthly cost of the medicare part B premium that would be reimbursed by the other system for the benefit recipient.

(D) Notwithstanding rule 145-4-14 of the Administrative Code, an eligible benefit recipient of this retirement system may enroll in health care coverage provided by this system an eligible dependent who is a benefit recipient of another Ohio retirement system if all of the following apply:

- (1) The benefit recipient of this retirement system was eligible to retire in this retirement system on or before January 1, 2007;
- (2) The benefit recipient of this retirement system and the eligible dependent retire from their respective retirement systems with an effective date of retirement on or before December 1, 2007;
- (3) The benefit recipient of this retirement system enrolls the eligible dependent in health care coverage provided by this system on or before January 1, 2008.

Promulgated Under: 111.15.

Statutory Authority: 145.09, 145.58.

Rule Amplifies: 145.325, 145.58.

Rule Review Date: 9/29/08.

Replaces: 145-4-05.

Effective Date History: 1/1/07; 1/1/03; 2/3/00;  
8/1/98.