

We are OPERS

With over \$99.6 billion in assets, OPERS is the largest public pension fund in Ohio and 12th largest in the United States. Established in 1935 to provide retirement, disability and survivor benefits for public employees, **OPERS serves more than 1 million members. Of that, 209,000 participants are actively participating in OPERS health care.**

While health care coverage is not mandatory, OPERS recognizes the important role health care plays as part of a secure retirement for its members. To be eligible for OPERS health care*, members must be enrolled in the Traditional Pension or Combined plan.



OPERS Health Care Advocacy



Health Reimbursement Arrangement

Supports statutory or regulatory changes clarifying that HRAs used with Medicare are exempt from the ACA's insurance market reforms. This allows all qualifying, eligible OPERS retirees to participate in the OPERS Medicare Connector. See reverse side for details.



Access to biosimilar drugs

Supports legislation and regulations that encourage the development of and improved access to safe and effective biosimilar and interchangeable biological drugs.

Specialty drug spend: 41.3% of total gross cost of OPERS retiree prescription drug costs

- Only 2.2% of specialty drug costs are paid for by the member
- 4.4% of members utilized a specialty drug in 2017 (responsible for 50% of cost)
- 0.9% of prescriptions filled are specialty drugs



Cadillac tax

Opposes the ACA's excise tax on high-cost health care plans (i.e., Cadillac Tax) because it disproportionately impacts retiree-only health care plans and could force OPERS to reduce benefits and shift additional health care costs to OPERS retirees.

Funding and Costs

The main funding sources supporting long range funding stability are employer contributions and investment returns.

Cost containment methods include a strong focus on plan design and health care eligibility.

Driving Factors of Cost, pre-Medicare, self-insured medical plans

- **The OPERS health plan is a retiree-only plan.**

55.7 is the average age of plan participants. This age continues to increase.

The number of participants with chronic or complex conditions continues to grow.

- **23% or about 13K are disability benefit recipients.** Of those, 136 participants[†] have end-stage renal disease, a high-cost factor.

The OPERS Retiree Health Plan

Administered by Medical Mutual

A Preferred Provider Organization (PPO) plan that provides retirees not yet eligible for Medicare access to an extensive list of doctors, hospitals and other health care professionals. The OPERS Retiree Health Plan includes the Medical Mutual PPO plan and Pre-Medicare Re-employed Plan.

The OPERS Medicare Connector**

Eligible participants can use the OPERS Medicare Connector to select and enroll in a medical/prescription drug coverage plan to help cover what is not by Medicare. Enrollment in a plan through the Connector also grants retirees access to a Health Reimbursement Arrangement, or HRA, administered by the Connector vendor. OPERS deposits a monthly allowance amount into the retiree's HRA, which can be used toward reimbursement of qualified medical expenses.

By the Numbers[∞]



Health Care Funded Status: **64.5%**

Health Care Fund Balance: **\$12.9B**



COVERED LIVES

OPERS Medicare Connector: **160,187**

OPERS self-insured group plans: **46,114**

TOTAL SPEND BY CLAIMS

\$508.9M medical claims
(Medical Mutual)

\$163.9M prescription drug
claims (Express Scripts).

 *Of that, **\$67.7M** represents
specialty drug claims*



OPERS DRUG TRENDS

Overall specialty drug spend: **\$67.7M**

Non-specialty brand drugs: **\$21.8M**
*(patents may expire by 2020, which may result
in additional cost savings)*

Generic fill rate: **91.3%**

[∞] By the Numbers statistics: Health Care funded status is as of Dec. 31, 2016; all other statistics are as of Dec. 31, 2017 or Jan. 1, 2018. Covered Lives (OPERS Medicare Connector) are inclusive of retirees and spouses enrolled in a plan; self-insured plan lives reflect pre-Medicare and Medicare plan participants.

* Refer to the Health Care leaflet for health care eligibility criteria, located at opers.org/publications/retirees.

** Refer to opers.org/healthcare/plan-options for OPERS Medicare Connector eligibility requirements.

† End-stage renal disease participant count as of June 30, 2017.