



AN OPERS DISABILITY PROGRAM PRIMER

The OPERS disability program has been undergoing a process re-design over the past two years. During that timeframe, the Government Relations staff has received a number of calls from legislative staff concerning disability cases at various stages in the process. Therefore, we thought that it would be helpful to you to explain the process in detail.

The disability program is an important part of the OPERS retirement plan. For eligible members who become disabled, to the extent that they are unable to perform the duties of their job, OPERS administers two disability plans - **the original plan** and the **revised plan**. All employees hired after July 29, 1992, are covered only under the revised plan.

Based on medical information provided by the member and an OPERS-appointed medical examiner, an eligible member may qualify for a disability benefit. In 2010, OPERS paid out more than \$556 million in disability benefits and an additional \$425 million in health care benefits for disabled workers and their dependents. Final 2011 numbers are not yet available.

Who is eligible?

A member must have at least five years of contributing service credit unless they are covered under the law enforcement division and become disabled due to an on-duty illness or injury. Under the original plan, a member must file a disability application before age 60; under the revised plan, they may apply at any age.

The member must be removed from the payroll because of a presumably permanent disabling condition, either mental or physical, which prevents the member from performing their current job duties. A disability benefit cannot be given due to a temporary illness or temporary disability. The disability does not have to have occurred on the job - a majority of the persons receiving an OPERS disability benefit became disabled as the result of a disease or an "off-the-job" accident. To apply, no more than two years may have passed since a member's contributing service terminated.

Application process for disability benefits

OPERS' disability process consists of three separate forms that are filled out by different people. Each form must be completed and sent to OPERS when a member applies for a

disability benefit. Proof of date of birth must be furnished before payment may be issued, assuming that the application is approved by the Retirement Board.

1. *The Application for a Disability Benefit (DR-1)* must be completed by the member and notarized.
2. *The Report of Attending Physician (DR-3)* is to be completed by the member's attending physician. It must describe in detail the disability on which the application is based.
3. *Application for Disability Retirement Report by Head of Department (DR-4)* is to be completed by the member's employer and the employer's payroll officer. The employer may certify either an exact final date of compensation, or that the member will terminate within 90 days.

Today, disability applications are subject to great scrutiny. The advent of industry accepted medical practices and standards have resulted in higher quality reviews and stronger clinical decisions.

The *Report of Medical Examination (DR-5)* is sent to the member after the DR-1, DR-3 and DR-4 have been reviewed by OPERS. This form includes the name and address of the physician selected by the Retirement Board to conduct the medical examination. Although the member is required to arrange personally for the examination, the physician's fee will be paid by the retirement system.

Upon approval of the Board, the disability benefit becomes effective the first day of the month following service termination. Members may be required to have medical examinations at least once a year to determine if the disability is ongoing. If it is determined the member is no longer disabled, benefits will be terminated within three months. The benefit payable is set forth in statute and is based on final average salary (FAS) and years of service.

A disability benefit terminates if the member is no longer disabled, if they return to public service, if they choose to begin receiving an age and service pension, at their death, or at their request. If a member receives disability benefits for less than five years, OPERS will certify to their previous employer they are no longer incapable of returning to work. The employer should restore the member to their previous, or a similar, position and salary unless they were dismissed or resigned in lieu of dismissal for dishonesty, misfeasance, malfeasance or conviction of a felony.

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How does a member appeal if their disability application is denied or their benefit is terminated?

Members who wish to appeal the Board's decision can utilize the "Disability Benefits Appeal Request Form." This form is mailed to members with the letter of denial or termination explaining the decision. Failure of a member to submit an appeal request timely will render the Board's action final.

Appeal requests must be received by the Retirement Board no later than thirty days from the date of the notice of denial or termination must include additional objective medical evidence. Such additional evidence must be current medical evidence documented by a licensed physician specially trained in the field of medicine covering the illness or injury for which the disability is claimed. This evidence cannot have been submitted previously.

Failure to provide the additional medical evidence within forty-five days of the member's appeal request will render the Retirement Board's action final unless an extension for submission of such evidence has been requested and granted within the forty-five days. Only one extension, not to exceed forty-five days, may be granted. All medical costs of physicians selected by the member and incident to the appeal will be borne by the member.

All evidence is reviewed by the Board's medical consultant(s) who will recommend action for concurrence by the Board – either to overturn the denial or termination or to uphold it. The member will be notified by regular mail of the Board's decision.

Recent disability program changes

In August 2009, the Board directed staff to pursue identified changes to the disability program, including statutory changes and policy direction. The purpose of the changes was to refine the disability program to preserve our ability to provide and deliver benefits to those who truly need them.



The benefits of using a third party administrator include: alignment with industry best practices, applications are clinically triaged to the appropriate medical specialists, more effective examinations by specialists, and coordination with members in scheduling their independent medical examinations (members previously have been responsible for scheduling their own appointments).

In addition, the third party administrator performs medical outreach to the member's attending physician to gain further insight to the disabling condition. This further insight will be considered in the recommendation of the member's case. They also provide OPERS with more clinical professional expertise and experience in the medical review process.

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These changes are just one component of the three-prong plan adopted by the Board. A main component of the plan includes fundamental changes in the disability program aimed at modernizing the program. These changes were part of the bigger package of proposed plan design changes that the Board submitted to the General Assembly. If legislation is passed, the third prong of the plan will be the implementation of a case management program designed to assist members who are able to return to work to do so in a timely manner.



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The Ohio Public Employees Retirement System (OPERS) is the largest public pension fund in Ohio and the 11th largest public pension fund in the U.S. In operation since 1935, OPERS serves nearly 954,000 members, including more than 176,000 retirees and beneficiaries.