



## OPERS ROLLS OUT CONNECTOR READINESS KITS

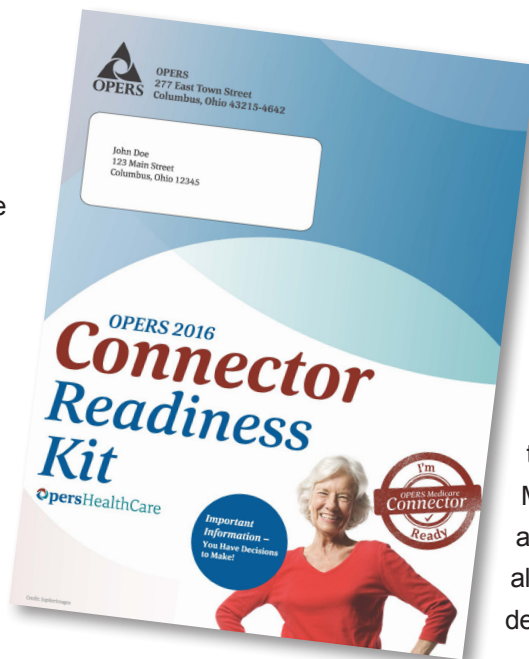
In January 2016, the Ohio Public Employees Retirement System (OPERS) will transition to a Medicare Connector for our Medicare retirees enrolled in Medicare Parts A and B. We are now in the process of informing and preparing our members for the upcoming enrollment season between October and December when OPERS will transition its Medicare-eligible retiree population from the current group health care plan to the new OPERS Medicare Connector.

Beginning this fall, retirees will have the opportunity to select a Medigap (Medicare Supplement) or Medicare Advantage plan and a Medicare D prescription drug plan on the individual Medicare market that best suits their personal needs, with individual coverage going into effect Jan. 1, 2016. OPERS will provide eligible retirees with an allowance, based on years of service at retirement and age at first enrollment in the health care program, to use toward the purchase of those plans. There are many affordable plans available on the individual market and the Medicare Connector will allow OPERS retirees access to more plan choices than ever before.

As a result, OPERS will spend much of this year educating eligible retirees about the OPERS Medicare Connector. The preparation started in January, with the mailing of our Connector Readiness Kit.

The kit was sent first to Medicare-eligible retirees. In it they'll find:

- A *Health Reimbursement Arrangement* (HRA) allowance statement: This is the monthly amount that OPERS will give each retiree to purchase medical and prescription drug coverage on a reimbursement basis;
- A calendar of key dates during 2015;
- An activities page that will test their knowledge of Medicare;
- A brochure that defines key Medicare terms; and
- A refrigerator magnet with tips for avoiding Medicare fraud.



Connector kits are also being sent to other segments of our population (i.e., members currently receiving revised disability benefits, as well as members/spouses who are eligible for early Medicare).

In order to enroll in a medical plan through the Connector, retirees must be enrolled in Medicare Parts A and B. They'll need to select a plan through the Connector to receive their allowance, but they can still choose to enroll in dental and vision coverage through OPERS.

More information on the Connector can be found on our website ([www.opers.org](http://www.opers.org)). There are several videos and blog articles to help explain the upcoming changes for our retirees.

## OPERS SUPPORTS THE DEVELOPMENT OF A BIOSIMILAR DRUG PATHWAY TO HELP CONTROL COSTS AND PRESERVE RETIREE HEALTH CARE

The Ohio Public Employees Retirement System (OPERS) provides comprehensive health care coverage, including prescription drug coverage, to almost 230,000 retirees and their dependents. In 2014, the total prescription drug cost for OPERS' Non-Medicare population was \$183.7 million.

Of this, prescription drug spending on specialty drugs for the OPERS Non-Medicare population accounted for \$53 million of the total expense. Specialty drugs represent one of the fastest-growing segments of our annual drug costs – increasing at an average of 20 percent per year – despite the fact that only three percent of current OPERS Retiree Health Care program participants utilize specialty drugs. In fact, OPERS anticipates that our Non-Medicare specialty drug spending will increase to \$345 million by 2024. The availability and accessibility of biosimilar drugs, which compete against brand biologic drugs, is an integral strategy to keep prescription drug costs affordable for the OPERS health care plan and our plan participants.

In 2009, Congress took an important first step toward ensuring a competitive marketplace for biologic drugs with the passage of the Biologics Price Competition and Innovation Act (BPCIA). This legislation established an abbreviated licensure pathway for the approval of biosimilar and interchangeable biosimilar products.

The Federal Drug Administration (FDA) has now begun the process of implementing the BPCIA. OPERS has participated each step of the way by submitting comment letters on behalf of our members and the OPERS health care plan. These letters are available on the Health Care and Government Relations sections of OPERS' website (<https://www.opers.org/about/government/index.shtml>). But our efforts will not stop there.

We need on-going legislative, regulatory and legal support to ensure that biosimilar drugs can become a viable alternative in the marketplace. To that end, OPERS is seeking the following:

- Support from Congress to pass legislation that reinforces a successful biosimilar market. For example, reducing the biologic drug market exclusivity time period from 12 to a maximum of 7 years.
- Legislative, regulatory and legal support against drug manufacturers' anti-competitive tactics that threaten increased biosimilar competition at both the state and federal level.
- Regulatory support from the FDA to create a biosimilar pathway in 2015 that encourages efficient development of safe biosimilars and supports a two-step approval process for interchangeable biosimilar products.

OPERS, as well as state and local governments, plan sponsors and consumers (payors) need biosimilar competition and streamlined administrative policies and procedures in order to reduce unnecessary spending on specialty drugs due to current price levels and unsustainable price inflation. OPERS is projected to save more than \$129 million if just eleven biosimilar drugs enter the market within the next ten years (2015-2024). We look forward to working the state and federal officials in the coming years to address these important concerns.

We appreciate the support of the Congressional delegation as we address important health care issues.

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With \$88.6 billion in assets, OPERS is the largest public pension fund in Ohio and the 11th-largest public pension fund in the United States. OPERS provides retirement, disability and survivor benefits for more than 1 million public employees. OPERS can be found on the web at [OPERS.org](http://OPERS.org).