HEALTH CARE
AND THE PUBLIC SAFETY RETIREE
ABOUT OP&F

▷ Serving the state’s police and fire personnel for 50 years
▷ Funded at 70.8%
▷ In compliance with Ohio’s funding requirements
PRIORITY ON PENSION FUNDING

PENSION REFORM LEGISLATION PASSED IN 2012

- Increased employee contributions
- Increased minimum retirement age
- Significant COLA changes
- Pension formula change
- DROP adjustments
PRIORITIZATION ON PENSION FUNDING

- Contributions to health care were reduced to 0.5% of employer contributions
- Likely to be eliminated to help ensure long-term pension funding
$3.2 BILLION
REDUCTION IN UNFUNDED LIABILITIES
OP&F AND RETIREE HEALTH CARE

- Optional plan available since 1974
- 2004 - first significant changes to sustain plan
- Funding:
  - A portion of employer contributions
  - Participant contributions
  - Investment returns
OP&F AND RETIREE HEALTH CARE

NEW IN 2017

- New co-pays, deductibles and out-of-pocket maximums
- New prior authorization rules
- A new co-pay tier of prescription drugs
- New eligibility guidelines
  - If not covered prior to 1/2017, not eligible if another group plan is available
OP&F AND RETIREE HEALTH CARE

2016

- Solvency for health care fund down to 9 years
- Additional changes made to stem the tide
- Buys time to explore options
LOOKING FORWARD
LOOKING FORWARD

RESOURCES NEEDED TO KEEP PENSION FUNDING STRONG

- Withdraw from the self-insured model
- Assist retirees in enrolling in individual Medicare Marketplace plans
- Elimination of Med B reimbursement
ASSIST WITH HEALTH CARE OPTION UNTIL MEMBERS REACH MEDICARE ELIGIBILITY

- Average retirement: 54 (disability retiree: 46)
- Medicare eligibility: 65
- Health care needed for at least 11 years
NUMBERS TO CONSIDER

OP&F HEALTH CARE EXPENSES, 2005-2015
NUMBERS TO CONSIDER

OP&F COST PER COVERED LIFE, 2005-2015
NUMBERS TO CONSIDER

OP&F HEALTH CARE ENROLLMENT, PRE-MEDICARE, 2008-2016
TOP 3 DISEASES PAID BY OP&F PLAN (UNDER 65)

- Diabetes ($3.1 million)
- Oncology ($1.6 million)
- Cholesterol ($1.5 million)
OUR PROPOSAL
OUR PROPOSAL

OPEN MEDICARE TO PUBLIC SAFETY OFFICERS AT AGE 55

- Economic impact
  - Allowing younger demographic into the system may actuarially benefit Medicare

- How does ACA fit in?

- Building support
OUR PROPOSAL

- Medicare health care costs increase 1.5% less than self insured plans
- This can be accomplished
  - Age 55 Medicare a part of original ACA
  - This version was just two votes short of passing
OUR PROPOSAL

- A high-stress, physically demanding profession
- First responders deserve a dignified retirement - with quality health care
- Job prospects limited for disabled public safety officers
- Recruiting becoming more difficult
WHEN YOU COME TO A FORK IN THE ROAD, TAKE IT.
LAME-DUCK SESSION

THREE POSSIBLE SCENARIOS
(THERE ARE OTHERS)

- Clinton win, Senate flips to D, House GOP
- Clinton win, Senate and House remain GOP
- Trump win, Senate and House remain GOP
2017 - 2018

- New Congress (115th)
- New President
- Agenda
BIPARTISANSHIP NEEDED

- Tax Reform (ultimate catch-all tax bill)
- Social Security reform/modernization
- ACA Reform
EARLY AVENUE TO MEDICARE

- Congressional champions
- Identifying allies and coalition building
- Executive Branch
- Legislative vehicle
QUESTIONS?