

## **OP&F Pension Fund Report, February 2019**

**The Fund closed at \$15.5 Billion on February 26, 2019.**

Director Gallagher commented on the Fund's valuation. It had actually recovered to \$15.5 Billion following the year end valuation of \$14.6 Billion.

### **DISABILITY COMMITTEE**

- There were (13) Initial Determination Hearings (IDH) this month. The recommendations were (11) for approval and (2) for denial.
- There were (0) reconsideration hearings this month.
- There were (3) appeal hearings this month.
- There were (5) Death Benefit fund cases. All were recommended for approval.
- Staff presented the 2018 Disability Exam Satisfaction Survey for the second half of the year.

### **BENEFITS COMMITTEE**

The Benefits Committee did not meet this month.

### **HEALTH CARE COMMITTEE**

- Staff presented the Health Care Stabilization Fund 2018 Year End Report. The year-end balance was reported to be just over \$790 Million. This was well below the projected 2018 budget balance of \$901 Million. The discrepancy was almost totally related to the investment return for the year accounting for an almost \$100 Million difference between the actual and budgeted figures.
- Aon representatives Mark Chandler and Mat Burkley addressed the board with an update of the health care transition. Among the items discussed were:
  - 98% of the Medicare eligible members have engaged. 95% of the pre-Medicare members have engaged.
  - Certified letters had previously gone out to all of the non-engaged members and there is still no response from about 700 members. Aon is continuing efforts to try and contact these members.
  - Inbound calls to Aon have decreased to a range of 100-200 calls per day in February.
  - About 57,000 claims have been processed since January 1<sup>st</sup> with a payout of about \$10 Million.

- Among the improvements made are adding Medicare Part A as an eligible expense, simplifying the on-line claim form and adding proof of payment to the micro site.
- Some of the changes being discussed for the future are:
  - Allowance for members to use the stipend for COBRA payment
  - Working on expanding the choices to include PPO markets
  - Possibly allowing pre-Medicare members to go outside of Aon to choose a carrier, but this may require the member to sign a waiver making the member responsible for their choices or resultant mistakes.
- Aon will staff an office at OP&F, 140 E. Town St., to assist members with their health care questions and enrollments. The office is expected to be open within a few months.

## **COMMENTARY**

Many active and retired members from throughout the State again attended the board meeting this month. Several registered to address the full board following the formal meeting to make comments and question the board about the health care transition.

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*OP&F/PFRO Liaisons*