

OP&F Board Retreat Health Care Recap

Board trustees and staff members at the Ohio Police & Fire Pension Fund's retreat discussed aspects of the transition from the self-funded health care plan for half of the day on Thursday, March 1st. The Fund's actuary presented HCSF (Health Care Stabilization Fund) solvency projections based on the balance in the fund as of January 2017. This amount is about \$900 million. The only monies that augment this balance are the remaining 0.5% of the employers' contribution to the fund and investment income which is projected to be about 8% per year.

If the Fund were to continue with the self-funded health care plan as is, the HCSF is projected to run out of money in less than 10 years. With the impending transition to the market-place, the actuary suggested stipend levels for the members that would prolong some type of funding for 15-year solvency, 25-year solvency, 30-year solvency and finally, a long-term solvency plan that would leave the current \$900 million dollar balance untouched while still providing limited stipends to the members, spouses, dependents and survivors well into the future.

The suggested stipend levels were listed for coverages in categories of retirees only, retiree and spouse, retiree and dependent, full family and for surviving spouses. These were also broken down further into Medicare and non-Medicare categories. Necessarily, if stipend levels were raised in one of the categories, some type of reduction would have to be made in one of the other categories. At this point these are still suggested stipend levels. The current range of the suggested stipends are between \$263 and \$488 depending upon a particular category.

Gabriel, Roeder and Smith, the consultant firm retained by the fund to make recommendations to the Board, also made a presentation to the attendees displaying market-place choices at the low and high cost levels, as well as choices that were very close to our current health care plan.

The Board is expected to choose a solvency plan and finalize stipend levels at the March board meeting later this month. Once these decisions are made, members will receive a mailing outlining the stipend levels and a schedule of events that will assist the members in choosing a health care plan for 2019. Meetings throughout the state will be held beginning around September to inform our members. In addition to the meetings, there will also be teleconferences and webinars available for those members who are unable to attend an actual meeting. Members will be meeting one-on-one with an AON representative and should be well-informed prior to the open enrollment periods which commence around October 15th.

Gary Monto, PFRO President

Paul Hillenbrand, PFRO Trustee