



Ohio Legislative Service Commission

Bill Analysis

Amy J. Rinehart

H.B. 442

130th General Assembly
(As Introduced)

Reps. Butler, J. Adams, Bishoff, Blair, Scherer, Terhar

BILL SUMMARY

- Requires the Public Employees Retirement System (PERS), Ohio Police and Fire Pension Fund (OP&F), and State Highway Patrol Retirement System (SHPRS) to provide health care benefits and pay premiums for benefits to the surviving spouse and surviving dependents of a correctional officer, police officer, firefighter, and certain other law enforcement officers killed in the line of duty.
- For a surviving spouse who is eligible for Medicare Parts A and B, requires the PERS Board, OP&F Board, and SHPRS Board to provide additional health care benefits through a Medicare supplement policy and to pay the premium.
- For a surviving spouse who is not eligible for Medicare Part A, requires the PERS Board, OP&F Board, and SHPRS Board to pay the premium to enroll the surviving spouse in Part A or provide coverage equivalent to Part A and pay the premium and provide supplemental coverage for those costs not paid by Medicare Parts A and B.

CONTENT AND OPERATION

Health insurance coverage – surviving spouse and dependents of law enforcement officers and firefighters killed in the line of duty

Under current law, the five public retirement systems are permitted, but not required, to provide health care coverage to individuals receiving retirement, disability, or survivor benefits. (The five public retirement systems are the Public Employees Retirement System, Ohio Police and Fire Pension Fund, State Teachers Retirement System, School Employees Retirement System, and State Highway Patrol Retirement System.) In some cases the coverage supplements Medicare; in others it is the recipient's primary health care coverage. The boards of the retirement systems may contract for the

coverage and may cover all or part of the cost to be paid from appropriate retirement system funds.¹

The bill requires the Public Employees Retirement System (PERS), Ohio Police and Fire Pension Fund (OP&F), and State Highway Patrol Retirement System (SHPRS) to provide health care benefits and pay the premiums for such benefits to the following:

(1) In the case of PERS, to the surviving spouse and surviving dependent of a PERS law enforcement officer or correctional officer killed in the line of duty;

(2) In the case of OP&F, to the surviving spouse and surviving dependent of a police officer or firefighter killed in the line of duty;

(3) In the case of SHPRS, to the surviving spouse and surviving dependent of an employee in the uniform division of the State Highway Patrol or a State Highway Patrol cadet killed in the line of duty.

The bill requires the PERS Board, OP&F Board, and SHPRS Board to enter into agreements with insurance companies, health insuring corporations, or government agencies authorized to do business in Ohio for the issuance of a policy or contract of health, medical, hospital, or surgical benefits, or any combination thereof, for surviving dependents and surviving spouses and to pay any associated premium. The health care benefits provided by the bill must be greater than or equal to any benefits currently provided by the PERS Board, OP&F Board, or SHPRS Board, as applicable.²

Benefits for a surviving dependent are of a limited duration. The bill requires that health care benefits and the premiums for such benefits be paid until the dependent attains age 18 or until age 22 if a full-time student.³ Otherwise, benefits and payments provided under the bill to surviving dependents and surviving spouses cannot be denied for any reason.⁴

¹ R.C. 145.58, 742.45, 3307.39 (not in the bill), 3309.69 (not in the bill), and 5505.28.

² R.C. 145.585(B)(1)(a) and (2), 742.452(B)(1)(a) and (2), and 5505.282(B)(1)(a) and (2).

³ R.C. 145.585(B)(1)(b), 742.452(B)(1)(b), and 5505.282(B)(1)(b).

⁴ R.C. 145.585(B)(1)(a), 742.452(B)(1)(a), and 5505.282(B)(1)(a).



Medicare

The bill

Medicare Part A provides hospital insurance coverage. Medicare Part B covers a variety of medical costs, including doctor visits and hospital outpatient services.⁵

For a surviving spouse who becomes eligible for Medicare Parts A and B, the bill requires the PERS Board, OP&F Board, and SHPRS Board to provide additional health, medical, hospital, and surgical benefits through a Medicare supplement policy and to pay the associated premium.⁶

For a surviving spouse who is not eligible for hospital insurance benefits under Medicare Part A, the PERS Board, OP&F Board, and SHPRS Board must (1) pay the premium required to enroll the surviving spouse in Part A or (2) provide coverage equivalent to the hospital benefits provided under Part A and pay the associated premium. In addition to the benefits provided under the bill for a surviving spouse who is not eligible for Part A, the retirement boards must (1) provide supplemental coverage for those costs not paid by Part A or equivalent coverage and Part B through a Medicare supplement policy or equivalent coverage and (2) pay any associated premium.⁷

For a surviving spouse who is not eligible for Part A, the bill authorizes the PERS Board, OP&F Board, and SHPRS Board to choose a Medicare supplement policy as equivalent coverage for Parts A and B or to use the Medicare supplement as a base for determining equivalent coverage for Parts A and B.⁸

Continuing law

Continuing law (1) requires the PERS Board to make available to a spouse, widow, or widower of a retiree or disability benefit recipient health care coverage substantially equivalent to health care coverage under Medicare Part A if that person is not eligible for Part A and is receiving a monthly PERS benefit or allowance and (2) authorizes the Board to pay a portion of the premium.⁹ These provisions do not exist in the law governing OP&F and SHPRS.

⁵ Medicare.gov, What does Medicare Part A cover?, <http://www.medicare.gov/what-medicare-covers/index.html> (accessed March 15, 2014).

⁶ R.C. 145.585(C), 742.452(C), and 5505.282(C).

⁷ R.C. 145.585(D), 742.452(D), and 5505.282(D).

⁸ R.C. 145.585(E), 742.452(E), and 5505.282(E).

⁹ R.C. 145.584(A).



The public retirement systems generally reimburse monthly Medicare Part B premiums to retirement, disability, and survivor benefit recipients who are eligible for Part B. The amount of the reimbursement varies, depending on the retirement system. Currently, the monthly reimbursement of Part B premiums by PERS, OP&F, and SHPRS is as follows: (1) in the case of PERS, an amount determined by the PERS Board (for calendar year 2014, it is \$96.40),¹⁰ (2) in the case of OP&F, an amount specified by the OP&F Board or determined by a formula established by the Board that is not less than \$96.40,¹¹ and (3) in the case of SHPRS, an amount established in rules adopted by the SHPRS Board not exceeding the basic premium for such coverage (for 2014, it is \$104.90).¹²

Rules

PERS health care eligibility

Current law requires the PERS Board to adopt rules establishing eligibility requirements for health care coverage provided to retirement, disability, and survivor benefit recipients. The bill requires the rules to conform to the benefits provided under the bill to the surviving spouse and surviving dependent of a PERS law enforcement officer or correctional officer killed in the line of duty. The bill maintains the requirement that the rules must base eligibility on years and types of service credit earned by members.¹³

Coordination of coverage

Continuing law requires the boards of the public retirement systems to adopt rules establishing requirements for coordinating health care coverage, payments, or benefits with similar coverage, payments, or benefits made available to the same individual by the other retirement systems. The bill extends this rule-making requirement to the health care benefits provided under the bill.¹⁴

¹⁰ R.C. 145.58(C) and Ohio Administrative Code 145-4-11(A)(2).

¹¹ R.C. 742.45(B).

¹² R.C. 5505.28(B) and Medicare.gov, *Medicare 2014 Costs at a Glance*, <http://www.medicare.gov/your-medicare-costs/costs-at-a-glance/costs-at-a-glance.html#collapse-4809>, (accessed March 14, 2014).

¹³ R.C. 145.58(A).

¹⁴ R.C. 145.58(D), 742.45(C), and 5505.28(C).



Definitions

The bill

The bill defines the following terms:

--"Full-time student" means an individual enrolled in a school in grades kindergarten through 12 or an institution of higher education for at least 12 credit hours or the equivalent per term.

--"Medicare supplement policy" means a group or individual policy of sickness and accident insurance or a subscriber contract of a health insuring corporation or any other issuer that is advertised, marketed, or designed primarily as a supplement to reimbursements under Medicare for the hospital, medical, or surgical expenses of persons eligible for Medicare.

--"Correctional officer" means (1) person who is employed at a correctional institution operated by the Department of Rehabilitation and Correction and whose position consists primarily of duties that require prisoner supervision, direct interaction with prisoners, and responsibility for the safety and security of prisoners and the facility or (2) a county correctional officer whose position consists primarily of duties that require prisoner supervision, direct interaction with prisoners, and responsibility for the safety and security of prisoners and of the facility.

--"Surviving dependent" means the surviving dependent of a PERS law enforcement officer, correctional officer, member of a police department, member of a fire department, any employee in the uniform division of the State Highway Patrol, or any State Highway Patrol cadet, who is killed in the line of duty.

--"Surviving spouse" means the surviving spouse of a PERS law enforcement officer, correctional officer, member of a police department, member of a fire department, any employee in the uniform division of the State Highway Patrol, or any State Highway Patrol cadet, who is killed in the line of duty.¹⁵

Existing law

Existing law defines "PERS law enforcement officer" to mean a sheriff or any of the following whose primary duties are to preserve the peace, protect life and property, and enforce the laws of Ohio: a deputy sheriff, township constable or police officer in a township police department or district, drug agent, Department of Public Safety enforcement agent, natural resources law enforcement staff officer, park officer, forest

¹⁵ R.C. 145.585(A), 742.452(A), and 5505.282(A).



officer, preserve officer, wildlife officer, state watercraft officer, park district police officer, conservancy district officer, Veterans' Home police officer, special police officer for a mental health institution, special police officer for an institution for the developmentally disabled, state university law enforcement officer, municipal police officer, House Sergeant at Arms, Assistant House Sergeant at Arms, regional transit authority police officer, or State Highway Patrol police officer. It also includes a person serving as a municipal public safety director at any time during the period from September 29, 2005, to March 24, 2009, if the duties of that service were to preserve the peace, protect life and property, and enforce the laws of Ohio.¹⁶

HISTORY

ACTION	DATE
Introduced	02-11-14

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¹⁶ R.C. 145.01(VV).

