



## Ohio Administrative Code

### Rule 742-7-11 Health reimbursement arrangement and stipend program.

Effective: April 21, 2024

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#### (A) Definitions

As used in this rule and rule 742-7-12 of the Administrative Code:

- (1) "Age and service retiree" means a former member who is receiving a retirement allowance pursuant to division (C) of section 742.37 of the Revised Code.
- (2) "Claims administrator" means the third party administrator selected by OP&F's board of trustees to administer the health reimbursement arrangement.
- (3) "Dependent" means an eligible spouse or child of an eligible benefit recipient.
- (4) "Disability benefit recipient" means a member who is receiving a benefit or allowance pursuant to section 742.38 or former division (C)(2), (C)(3), or (C)(4) of section 742.37 of the Revised Code.
- (5) "Effective date of retirement" shall have the same meaning as rule 742-3-01 of the Administrative Code.
- (6) "Eligible benefit recipient" means an age and service retirant, disability or survivor benefit recipient who is eligible for the health reimbursement arrangement and stipend program.
- (7) "Form" shall mean the form created, approved, and/or provided by OP&F for the administration of benefits found on the OP&F website at [www.op-f.org](http://www.op-f.org).
- (8) "Health reimbursement arrangement" or "HRA" means the non-interest bearing, record keeping arrangement funded by Ohio police and fire pension fund established for an eligible age and service retiree, disability benefit recipient, or survivor benefit recipient from which the reimbursement of qualifying health-related expenses may be made.



(9) "Medicare" is the program administered by the United States government that provides health insurance coverage to individuals who are age sixty-five and older or under the age of sixty-five and permanently physically disabled or have a congenital physical disability or who meet other special criteria set forth by the federal government.

(10) "Qualifying life event" or "QLE" shall have the same meaning as defined in the federal Patient Protection and Affordable Care Act of 2010, 42 U.S.C. 18001 ("ACA"), or its successor provision and applicable regulations thereunder.

(11) "Retiree health exchange" means the individual or family medical and prescription drug plans available for purchase through OP&F's third party administrator.

(12) "Stipend" means the annual health care allowance determined by the board of trustees and allocated to each benefit recipient enrolled in the health reimbursement arrangement program.

(13) "Survivor benefit recipient" means a beneficiary receiving a benefit pursuant to division (D), (E), or (F) of section 742.37 of the Revised Code.

**(B) HRA and stipend**

(1) Effective January 1, 2019, Ohio police and fire pension fund will pay a stipend to the health reimbursement arrangement established for an eligible age and service retiree, disability benefit recipient, or survivor benefit recipient who is enrolled in the HRA program.

(2) The stipend credited to an HRA shall be a flat dollar amount determined by OP&F based on the number of individuals covered under the HRA and the medicare status of such individuals. For each calendar year that an individual is covered under the retiree health exchange, OP&F will credit the full year's stipend to the individual's HRA on the first day of January of that year. If the individual becomes eligible for medicare during the year, the stipend credited to the HRA shall be prorated.

(3) If an eligible age and service retiree or disability benefit recipient purchases an individual medicare medical or prescription drug plan through the retiree health exchange for his or her eligible



spouse or dependents, or enrolls with them in an ACA-accredited qualified health plan that includes the 10-essential benefits, the stipend amount for a calendar year shall be the stipend amount for that year, plus an additional amount determined by the board of trustees. If coverage is terminated for a spouse or dependents, the stipend amount will remain credited to the age and service retiree or disability benefit recipient's HRA, but no further amounts shall be credited to the HRA.

(4) An eligible age and service retiree or disability benefit recipient who enrolls in the HRA and stipend program may receive a stipend for his or her spouse and dependents, as long as the spouse and dependents enroll in a medical or prescription drug plan through the retiree health exchange or enroll in an ACA-accredited qualified health plan that includes the 10-essential benefits and be continuously enrolled thereafter. If an age and service retiree or disability benefit recipient's spouse is also a member of OP&F, retires from OP&F and is eligible to participate in the HRA program, both the age and service retiree or disability benefit recipient and his or her spouse will receive a separate HRA.

(5) The funds in an HRA shall not rollover from one year to the next. Any unused balances by the end of an HRA plan year are forfeited and shall return to OP&F.

(6) Eligible expenses that do not exceed the balance of the HRA can be reimbursed if the expenses are incurred during the time of participation in the HRA. Expenses are eligible only to the extent that they are not paid for by the individual's existing health care coverage.

(7) OP&F shall have the right to terminate, cancel, or discontinue the HRA and stipend program at any time and for any reason.

#### (C) Eligibility

(1) An age and service retiree, disability benefit recipient, or survivor benefit recipient is eligible to enroll in the health reimbursement arrangement program funded by a stipend from OP&F if such individual:

(a) Is enrolled in the group healthcare plan sponsored by OP&F ceasing on December 31, 2018, and is either enrolled in medicare part A or part B or is not eligible for medicare due to disability;



(b) Is not enrolled in both medicare part A and part B and is enrolled in the group healthcare plan sponsored by OP&F ceasing on June 30, 2019;

(c) Is not enrolled in, or opted out of, the group healthcare plan sponsored by OP&F, but is eligible to enroll in the future. Such individual may enroll outside of his or her initial eligibility period upon experiencing a qualified life event.

(2) An age and service retiree, disability benefit recipient, or survivor benefit recipient is not eligible for an HRA or receive a stipend if such individual:

(a) Is eligible for medicare and is not enrolled in medicare part A and part B, or is enrolled in one Part but not the other;

(b) Is a re-employed retiree under section 742.26 of the Revised Code;

(c) Is pre-Medicare eligible, but enrolled in a plan that does not meet minimum essential coverage, as defined in the federal Patient Protection and Affordable Care Act of 2010, 42 U.S.C. 18001, or its successor provision and applicable regulations thereunder;

(d) Has access to any other group health care or prescription drug coverage through his or her own employment, retirement, or other program;

(e) Is already enrolled prior to January 1, 2019 in any non-medical or non-prescription drug individual policy through the retiree health exchange.

(D) Enrollment

(1) To participate in the HRA and receive a stipend from OP&F, an eligible age and service retiree, disability benefit recipient, or survivor benefit recipient shall do all of the following:

(a) Enroll in a medicare medical or prescription drug plan through the retiree health exchange or in an eligible individual or family qualified health plan that includes that 10-essential benefits within



sixty days after his or her effective date of retirement or a qualifying life event and be continuously enrolled thereafter.

(b) File a health care stipend eligibility form with OP&F in the form provided by OP&F.

(c) Enroll in medicare part A and medicare part B at his or her first eligibility date.

(2) If an age and service retiree, disability benefit recipient or survivor benefit recipient does not enroll in medicare medical and/or prescription drug coverage through the retiree health exchange or in an individual or family qualified health plan that includes the 10-essential benefits within the timeframes prescribed in this rule, the age and service retiree, disability benefit recipient or survivor benefit recipient will be deemed to have waived participation in the HRA and stipend program and will not receive a stipend from OP&F.

(E) Termination of participation in HRA and stipend program

(1) An individual's participation in the HRA program ends on the earliest of the following dates on which:

(a) The individual dies;

(b) The individual loses eligibility for the HRA for any reason;

(c) The individual is no longer enrolled in a medicare plan through the retiree health exchange or an individual or family qualified health plan that includes the 10-essential benefits;

(d) The HRA is terminated.

(2) If participation in the HRA and stipend program is terminated, an age and service retiree, disability benefit recipient or survivor benefit recipient can only become eligible to participate again upon the occurrence of a qualifying life event.

(3) If an enrolled individual terminates his or her medical or prescription drug coverage that was



purchased through the retiree health exchange, any stipend amount remaining in the HRA after any eligible expenses are reimbursed shall be forfeited.

(4) If an individual enrolled in the HRA program dies and does not have a surviving spouse, any stipend amount remaining in the HRA shall be forfeited, except that an estate may, within six months following the date of death, file a request for reimbursement of eligible health care expenses that were incurred prior to the individual's death.

If the deceased individual has an eligible surviving spouse who is participating in the HRA, the surviving spouse shall become the holder of the HRA as long as he or she continues to meet the eligibility requirements until his or her death or the termination of the program. The surviving spouse, as holder of the HRA, may receive an increased stipend amount for an eligible surviving child until the end of the calendar year. The increased stipend amount for a child will cease and he or she will cease to be eligible to participate in the HRA program when the surviving spouse dies or ceases to be eligible for an HRA. A surviving child shall not be permitted to become the holder of the HRA.