



Ohio Revised Code

Section 124.87 State employee health benefit fund.

Effective: June 30, 2006

Legislation: House Bill 530 - 126th General Assembly

(A) There is hereby established in the state treasury the state employee health benefit fund for the sole purpose of enabling the department of administrative services to provide state employees with any benefits specified in division (A) of section 124.82 of the Revised Code.

(B) The fund shall be under the supervision of the department. The department shall be responsible, under approved bonds, for all moneys coming into, and paid out of, the fund in accordance with this section and shall ensure that the fund is actuarially sound. Amounts from the fund may be used to pay direct and indirect costs that are attributable to consultants or third-party administrators and that are necessary to administer this section.

(C) In carrying out its duties and responsibilities, the department shall do the following:

(1) Adopt rules with regard to the administration of the fund;

(2) With respect to benefits specified in division (A) of section 124.82 of the Revised Code, enter into a contract with a company authorized to do the business of sickness and accident insurance under Title XXXIX of the Revised Code or a professional claim administrator, to serve as administrator of that portion of the fund set aside to provide those benefits. As used in this division, a "professional claim administrator" means any person that has experience in the handling of insurance claims and has been determined by the department to be fully qualified, financially sound, and capable of meeting all of the service requirements of the contract of administration under such criteria as may be established by rules adopted by the department. With respect to the benefits specified in division (A) of section 124.82 of the Revised Code, if the fund is the secondary payor of these benefits, the amount the professional claim administrator may pay is limited to an amount that will yield a benefit no greater than the amount that would have been paid if the fund were the primary payor of these benefits.

(3) Adopt rules governing the conditions under which an employee may participate in or withdraw



from the fund, and the procedure by which the employee is to contribute to the fund;

(4) Adopt rules to ensure that the fund is actuarially sound;

(5) Adopt rules to ensure the integrity of the fund, and to ensure that the fund be used solely for the purpose specified in division (A) of this section.

The department shall adopt all rules pursuant to this section in accordance with Chapter 119. of the Revised Code.

(D) Amounts withheld from employees, amounts contributed by the state or from federal funds, and all amounts contributed by any state authority, shall be credited to the fund. All other income, including the income derived from any dividends and distributions, interest earned, premium rate adjustments, or other refunds, shall also be credited to the fund. Any amounts remaining in the fund after all premiums or subscription charges, and other expenses have been paid, shall be retained in the fund as a special reserve for adverse fluctuation.

(E) All income derived from the investment of the fund shall accrue to the fund.

(F) The department shall have prepared every year, by a competent actuary familiar with health and life insurance, a report showing a complete actuarial evaluation of the fund and the adequacy of the rates of contribution, which report shall contain recommendations the actuary considers advisable. The department at any time may request the actuary to make any studies or evaluations to determine the adequacy of the rates of contribution, and those rates may be adjusted by the department, as recommended by the actuary, effective as of the first of any fiscal year thereafter.