

**OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER)
MEETING OF MARCH 25, 2014**

After the usual reports from the secretary and treasurer, we heard the Legislative Update reports from Dick Hill. He reported on national and state matters:

- Affordable Health Care (ACA) seems unlikely to reach six million by March 31.
- A Gallup Poll suggests that two-thirds of Americans are satisfied with how the health system works for them presently (before ACA).
- A hardship clause may exempt millions from ACA's individual mandate. The vaguely worded hardship exception could include homeless people or homeowners who have been foreclosed, those who have had their utilities shut off, people who have suffered domestic violence or who have had a recent death in the family. It could also include those whose policies are canceled because their coverage does not comply with ACA guidelines if they find other options to be more expensive and are able to purchase catastrophic coverage. This hardship exemption will continue until October 1, 2016.
- There is still considerable discussion as to how STRS will get to the 30-year funding mark. The STRS Board thought we were getting close but after an error by the Segal Company, it was revealed we are still around the 40-year mark. Several "fix-it" plans have been recommended; the one that will probably be implemented will be to shift funds from the flush health care fund for an indefinite period of time.
- Medicare Advantage Plan is still under fire. It will take a hit in the months and years ahead.
- There are reports that state and local public sectors are cutting employee hours to avoid ACA coverage requirements. Those employers will be asked to swear to the IRS that they did not lay off workers to so qualify.
- A five-year plan would settle how physicians are reimbursed by Medicare. Under the plan, Medicare would increase the amount it pays physicians by 0.5% each year for the next five years. The new bill would also offer bonuses to health-care providers that agree to have their reimbursements based more on outcomes than on the volume of services they provide.
- The 130th General Assembly has expressed support for Ohio's Public Retirement System.
- Market value of STRS as of February 28, 2014 is nearly \$73 billion, up 17.5% for the calendar year 2013.

OCHER President Nancy Wardwell announced that Bowling Green University will direct OCHER's web site instead of Alice Wohl as suggested at the last meeting. Wohl will be paid for her initial work to date and will be used as a consultant on an as need basis.

Michelle Hobbs, in her report, indicated the market value of OPERS is \$88.6 billion and that it is the largest of the Ohio public pension plans and the 11th largest in the nation. She said that OPERS serves more than a million members, active and inactive members. She reported that the OPERS website is being redesigned to increase the focus on health care changes taking place by January 1, 2015.

OPERS is currently starting a process of selecting a health care connector model vendor. Apparently, OPERS wants to get out of the health care business, instead giving a certain amount of money and participants can spend it as they see fit. Michelle is a retiree and not an employee of OPERS, whom we have been trying to get to speak at OCHER meetings. The problem is OPERS Board meets on the same day that OCHER meets; thus we will probably change our meeting dates to accommodate OPERS.

Greg Nickell gave his usual health care update. He reported that the fund has experienced improved funding and decreased costs recently. As reported above, it appears we will lose the 1% funding from the pension fund for the next few years (that is, 1% of the 14% that employers pay into pension fund). Greg reports that Aetna/Medicare is the cornerstone policy for STRS; in the so-called "STARS" program, Aetna is the best at 4½ stars. Our health plans are moving toward some increased negatives for out-of-network doctors and some new benefits for in-network. He also says that specialty drug costs are skyrocketing and that co-pays will increase soon.

I reported on a number of events at YSU, including the sad tale of Randy Dunn. In other reports from Ohio universities, I learned that Akron's president is leaving after 15 years of service; Kent's president is retiring on July 1, 2014 and their search process is a totally secretive one; OSU is searching for a new president; and Cincinnati appointed a president last year within a search process of only a few weeks. Other nuggets from our colleagues: by 2016, second-year students at OSU must live on campus; the number of part-time faculty has increased, at the expense of full time at Ohio University; Wright State reports that the withdrawal and drop rates are very high in on-line courses; several of the universities are losing enrollment and several say they are experiencing low attendance at retirement group functions.

Respectfully submitted,

George D. Beelen