

**OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER)
MEETING OF SEPTEMBER 16, 2014**

President Nancy Wardwell called the meeting to order at 9:30 a.m., after which the minutes of the previous meeting and the treasurer's report were accepted. As usual the really important part of the meeting began with the several reports by Dick Hill (OSU). In his report on Legislative/Pension and Health Care Updates, he reported on the following:

-Ohio House Bill 162, which would add perjury and extortion to the list of criminal offenses that could result in the forfeiture of a public pension and would also add the federal crimes of racketeering, theft, or bribery concerning programs receiving federal funds, interference with commerce by threats or violence/robbery, extortion or mail fraud.

-Hospital Acquired Conditions - The federal government has quietly stopped publicly reporting on the rate of many hospital-acquired conditions, justifying their action that these are rare events that should never happen in hospitals.

-Alzheimer's - One in three cases may be preventable according to latest research. BBC reported that researchers found that the main risk factors for Alzheimer's disease include diabetes, mid-life hypertension, mid-life obesity, physical inactivity, depression, smoking and low educational attainment.

-New efforts are being made to publish health care costs online.

-Reports that Avastin costs \$55 per treatment, while Lucentis costs \$2,023 per treatment to treat wet macular degeneration and diabetic macular edema.

-Ohio is one of only 13 states that does not require Social Security.

-Preliminary results show that STRS Ohio's total fund return was +16.8% for the year ending June 30, 2014. The estimated value of investment assets as of June 30, 2014 was \$74.8 billion.

-About 62% of higher education faculty elected STRS Ohio with the remaining 38% electing an Alternative Retirement Plan (ARP)

Greg Nickell gave an update on the STRS Health Care. He again told us of some of the coming changes: some improved benefits for in-network Aetna enrollees such as reduced co-payment from \$20 to \$15; deductible reduced from \$300 to \$150, both to be in effect January 2015. Many out-of network changes will cost more. He said that after 2016, only the Aetna Basic Plan will be available. No flu card this year; still no cost with approved providers.

Marla Bump, STRS, Director of Governmental Relations reported that there is little likelihood of state legislation this year related to STRS or OPERS because the legislature will not be in session

much for the rest of the year and because there will be so many new members with the new session, beginning in 2015. She also said all of us must do more outreach work with these new members. Bump reported that discussion on the mitigating rate was in limbo and that there was very little talk about GASB. A final point she made related to STRS financial stability which is 66+%, with 80% considered well funded.

Gordon Gatien and Jason Davis, from the Government Relations Office of OPERS, addressed matters related to OPERS changes. Gatien said there is little political activity this summer, so few changes are expected beyond those already passed. He also indicated that OPERS now has 140,000 members, with assets of \$89 billion as of December 31, 2013. And 2014 should improve those assets. Davis talked primarily about the important change regarding health care, including the connector, which will go into effect in 2016. He said an allowance will be given to each member to purchase health care from several providers OPERS will select. Most retirees will receive, on average, \$337.00 to purchase, a plan for \$180.00, on average. Spousal supplements will be gradually reduced starting in 2016 and will be eliminated in 2018. A Health Reimbursement Account will be introduced and from October to December 2015, each member will receive their allotment to be used beginning in January 2016. Davis, in response to a few questions, promised the staff will be well trained, will speak good English and will be senior sensitive. One could apply online or by phone; they cannot solicit you. The process should take 1-2 hours. I have several pieces of literature relating to OPERS and the connector health care plan that you may already have or will receive shortly.

Respectfully submitted,

George D. Beelen