

OHIO COUNCIL OF HIGHER EDUCATION RETIREES (OCHER) REPORT OF NOVEMBER 15, 2022

Meeting called to order at 9:30 a.m. ZOOM meeting held in case of inclement weather.

The Minutes from September 27, 2022 OCHER meeting were modified by adding to new OCHER members to the attendance list at the September meeting-Barb Bullock (Wright State) and Katherine Lorenz (U of C).

OCHER Treasurer, Jim Lapp (Univ. of Toledo). The current ending balance of the organization is \$5,294.05.

Gerald Newsom (OSU) reported on STRS Board Meeting

Actual Items Pertaining to STRS discussed at Board Meeting:

- **Preliminary** return on investments in September was -5.26%. This dragged down the return for the 1st quarter of FY2023 to -4.13%. It's a "preliminary" return because some of the investments are non-liquid (i.e. actual value of an office building is what a willing buyer will pay for it). These alternative investments usually have a 3-month lag before they are no longer preliminary.
- Cheiron, the Boards' External Actuary has agreed to extend their contract for 3 years.
- The "Dashboard" is a crude way of summarizing many different factors that hopefully indicate the outlook for STRS finances; reduced to a single number. -11 means there's a need to increase contributions and/or cut benefits; +11 means there's a need to reduce contributions and/or increase benefits. Both last year and this year, STRS' Dashboard value remains at -1. The logic indicates that STRS should stay the course for the near future---any justification for resuming COLA's is not there.
- HB512 proposes raising the employer contribution for the **Police and Fire Pension Fund**. There's been talk of increasing the employer contribution for STRS also. However, if it was raised from 14% of salary to 16% the increased income will only be 2.4% which is far too small to have much impact on reinstating COLA's.

General Items Pertaining to the STRS Health Care Fund discussed at Board Meeting:

- The status of STRS' Healthcare Fund is totally different than the Pension Fund. Assets keep going up and liabilities are going down for a number of reasons:
 1. fewer **non-Medicare** retiree participants in the plan (dropping liability by \$95 million)
 2. changes in demographic assumptions (saving \$289 million in projected liability)
 3. drop in Medicare claims (saving \$842 million)

The Healthcare Dashboard went from a +5 last year to a +9 at the end of FY2022. Since the healthcare fund receives no money from employer or employee contributions (only from investment income), the only way to lower the Dashboard is to cut premiums and issue a rebate-leading to the following:

1. Premiums next year (2023) have been reduced to \$77.00/month.
2. A one-time, non-taxable rebate will be sent to enrollees in December 2022. It will be \$50.00 for each month a member was enrolled in CY2022 (\$600.00 for the whole year).

- The above healthcare rebate goes against those critics who claim that STRS is making their finances look worse so as not to reinstate the COLA. However, the abundance in healthcare funds prompted the Board's immediate reaction to get more money to their members.

Greg Nickell (STRS) 2023 Health Care Update:

- With the healthcare rebate going out in December 2022, it looks like a total of \$66 million will be returned to enrollees in plan.
- Beginning in January 2023, STRS will begin collecting data regarding race and ethnicity. The reason for this is that Medicare believes there's a sector of Medicare that is being underserved. Collecting this data is one way of providing the information to Medicare. **Members can decline to give any information.**
- The SaveonSP program (program that maximizes copay assistance for certain specialty medications), has reduced STRS plan costs about \$2.5 million. Unfortunately, there is no provision in this program to reimburse members.
- **Starting in 2024**, STRS is moving from ExpressScripts to CVS for prescriptions and all medical is moving to Aetna. On the prescriptions, there will be a positive impact because some medications will move from a higher tier group to a lower tier group. This will give STRS the ability to lower monthly premiums. CVS will have mail order capability and STRS will have these mail order prescriptions moved from ExpressScripts to CVS (**in 2024**).
- Greg spoke to the concern over Home Health Visits that are offered. Single/widowed women may be afraid to allow someone in their home. STRS is working on a plan where the person could go to the STRS website and call a phone number to ensure this is a legitimate healthcare visit and not a scam. Greg said this is a good program, because even though STRS has a cost associated with this program, there is potential to save on future doctors claims for members.

Legislative Report, Marla Bump, Director of Government Relations for STRS Ohio

- After November's election, Republicans maintained/increased their majorities.
- Marla reported that legislation is in lame duck session. Trying to clean up any Bills still outstanding since any Bills not passed at the end of the year are dead. Marla said STRS is not pursuing any type of legislative action during lame duck period.
- 3 Bills still outstanding and being monitored by the Ohio pension systems: **HB539** public broadcasting of State Retirement Systems Board meetings; **HB540** Retirement systems must disclose all alternative investments; **HB541** regarding claims for benefits, compensation or assistance by certain public safety employees.
- HB512 deals with raising **employer** contributions to Ohio Police and Fire Pension Fund. This Bill is being voted on tomorrow (11/16/2022). However this turns out might indicate how STRS will proceed with increasing the **employer** contribution.
- Increasing STRS **employer** contributions can cause many ramifications.
- STRS is just under 81% funded.

Legislative Report, Gordon Gatiem, Director of External Relations for OPERS

OPERS PENSION FUND:

- OPERS is watching HB512 closely because the Bill includes 1st responders (in the Police and Fire Pension Fund), but OPERS also has some 1st responders under their system.
- Gordon talked about HB 82 dealing with the full repeal of WEP (Windfall Elimination Provision) and GPO (Government Pension Offset). Full repeal would cost Social Security \$150 billion (just too costly). The day before the bill was headed to the House floor for a vote, a hearing was held which actually killed the Bill.
- Two other partial repeal Bills are still intact, but there's only 6 weeks left for any action.

OPERS HEALTH CARE FUND:

- Medicare Open Enrollment runs from October 15-December 7, 2022.
- Pre-Medicare Open Enrollment runs from November 1-December 15, 2022.
- OPERS is changing its vision coverage administrator to MetLife which currently administers OPERS dental coverage.
- Ohio insurance carriers are expected to increase their coverage rates by 8-10% next year, following the general inflation trend in the U.S.
- Nine carriers currently offer coverage in Ohio and have indicated that they don't plan to reduce their offerings in 2023.

CAMPUS AND ASSOCIATION REPORTS FROM OCHER MEMBER UNIVERSITIES

Miami University

- Celebrating 50-year Anniversary of relationship with Miami Tribe for whom the campus is named.
- Launched ambitious fund-raising campaign of \$1 billion with more than \$500 million raised already—four cornerstones of scholarships, digital innovation and technology, business and entrepreneurship and clinical health science (started nursing in Oxford and new PA program).
- University is searching for new Provost.
- Rankings include 46th in U.S. amongst public universities.
- 19,000 undergraduate and graduate students.
- Applications for FY2024 are up 24% so far.

- During the pandemic, their Retiree Association started monthly retiree newsletters.
- Developed a holiday cookbook and provided printed copy to participants and on-line copy to all.
- Holding first event since pandemic—the popular Holiday Dinner.

University of Cincinnati:

- Their Emeriti Association is surging back into action after pandemic with cultural events on their agenda.

Kent State University:

- Kent State's Diversity commitment recognized for 10th consecutive year.

- Kent State's overall student athlete academic performance is consistently among the highest in the Mid-America Conference. Last Spring, 70% of the student athletes recorded GPA's of 3.0 or higher, with 51 at a perfect 4.0.
- The new Athletic Director Randale Richmond announced a program—Ready FLASH (For Life After Sport Holistically). It will help student athletes to successfully transition into life after sports and support degree completion.
- Campus enrollment for Fall 2022 is down about 4.6%. The regional campuses are down considerably more but Kent campus is down about 2%.
- Kent Campus = 25,077; 8 Regional Campuses = 33,209
- KSURA has returned to in-person meetings this Fall.
- Their annual June picnic was well attended. Special guest speaker was Sundance (Muskogee Nation), Director of the Cleveland Indian Movement. (He was pleased with the name change to the Guardians for Cleveland).
- Their big accomplishment was establishing an Endowed Scholarship Fund.
- Monthly meetings have included diverse guests and topics including COVID concerns, labor law, civil rights issues, Ukraine and The Tree Lady of Cleveland who is leading organizations in increased tree plantings in the city.
- In December will hold an in-person holiday luncheon at Roses Run Country Club.

OCHER Advocacy Committee:

- Dave Larson and Peggy Bott resigned from OCHER so only Roger Govea remains on the Advocacy Committee. He would like 2 more people to join him. OCHER's President, Dan Scheffer asked for members to send him an email if they were interested in serving.

New Business:

- OCHER would like to plan Regional Meetings in different areas of the State. The Board would like to host STRS, OPERS and Alternative Retirement members to these meetings and have various speakers from STRS, PERS, etc. It would be a full day event. University of Akron is looking into hosting a meeting in the near future.

Next Meeting:

Tuesday, March 21, 2023 (ZOOM Meeting because of uncertain weather conditions)

Respectively submitted by
Marianne Anderson