

Legislative News



State Teachers Retirement System of Ohio | 275 E. Broad St., Columbus, OH 43215-3771 | 888-227-7877 | www.strsoh.org

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House seats new members; Governmental Relations staff visits continue

As noted in a previous report, Gov. Mike DeWine tapped former state senator Randy Gardner (R-Bowling Green) to serve as the Chancellor of the Ohio Department of Higher Education. Replacing him in the Senate is Theresa Gavarone, also a Republican from Bowling Green. Sen. Gavarone had been a member of the Ohio House of Representatives, so her Senate appointment opened up a seat in the House which was recently filled by Haraz Ghanbari, a Republican from Perrysburg.

Joining Rep. Ghanbari as a newly appointed member of the House is Rep. Adam Holmes (R-Nashport). Holmes is replacing Brian Hill, who had been selected to serve in the Senate seat previously held by Congressman Troy Balderson (R-Zanesville). Hill has since resigned from the Senate to take a position in the private sector. As with all new members of the legislature, STRS Ohio Governmental Relations staff will request a meeting in an effort to introduce the system to the new legislators and acquaint them with who the system covers. Staff also explains the benefits afforded to members and shares information about the economic footprint STRS Ohio makes throughout the state, making more than \$7 billion per year in benefit payments and more than \$500 million a year in associated health care coverage for retirees and dependents who utilize the system's health care program.

To date, STRS Ohio Governmental Relations staff has met with the vast majority of new legislators.

ORSC Ohio Retirement Study Council holds brief April meeting

The Ohio Retirement Study Council met on April 11 and reviewed the statutorily required Adequacy of the Contribution Rates report on the Ohio Police & Fire Pension Fund (OP&F). The Council's actuary, William Fornia, presented his report dated June 5, 2018, and provided a supplemental update. Fornia concluded that based on the system's Jan. 1, 2017, actuarial report, OP&F's funding period is within the state of Ohio's 30-year funding target. He cautioned that based on subpar investment market returns in calendar year 2018, OP&F's funding period will likely be outside of the 30-year requirement when its next valuation report is completed.

The Council is scheduled to meet next on May 9.

Public Sector Health Care Roundtable comments on rebate proposal

The Public Sector Health Care Roundtable recently provided comments on a rule proposed by the U.S. Department of Health and Human Services relative to rebates negotiated by pharmacy benefit managers. STRS Ohio was a founding member of the Public Sector Health Care Roundtable and continues to be a member of the organization. Below is an excerpt of the Roundtable letter.

The Public Sector HealthCare Roundtable appreciates the opportunity to make the following comments to the HHS OIG proposed rule which would eliminate the safe harbor in the federal anti-kickback law for rebates negotiated by pharmacy benefit managers (PBMs) on behalf of Medicare Part D plans and Medicaid managed care plans. The Roundtable is extremely concerned that, if finalized, the proposal would lead to substantially higher costs in Medicare Part D for public sector retirees and their families. Therefore, we strongly recommend that the OIG leave in place the existing safe harbor for rebates negotiated between drug manufacturers and PBMs contracting with Medicare Part D plans.