



Ohio Administrative Code

Rule 123:1-71-02 Administration of the fund.

Effective: July 30, 2017

(A) The director shall enter into a contract with an administrator to administer the portion of the fund set aside to provide benefits specified in division (A) of section 124.82 of the Revised Code.

Determination as to the qualifications of the administrator shall be made by the director in consultation with the superintendent of insurance, and in consideration of the following factors:

(1) Cost of providing required administrative service;

(2) Claim service capability, including location of claim office, nature of claim processing system, claim payment turn-around time, and productivity of claim processors;

(3) Evidence of the effective exercise of claim control and cost containment capability;

(4) Experience with other large groups;

(5) Financial strength;

(6) Non-claim service provided; and

(7) The availability and cost of stop-loss coverage for the state.

(B) The state employee health benefit fund shall be available without fiscal year limitation for the payment of benefits, premiums, subscription charges, and administrative costs as specified in section 124.87 of the Revised Code. The fund shall be under the custody and supervision of the director, who shall be responsible, under approved bonds, for all monies coming into and paid out of the fund in accordance with section 124.87 of the Revised Code, and shall ensure that the fund is actuarially sound.

(C) The following accounts shall be maintained within the state employee health benefit fund:



(1) Administrative special account in the department of administrative services into which all contributions and other income shall be credited and from which administrative costs, premiums, subscription charges, amounts available for investment or claims for benefits may be paid;

(2) Investment trust account to be maintained by the treasurer of state in the manner provided in paragraph (F) of this rule; and

(3) A claims payment account in the department of administrative services or in a financial institution or with the administrator from which claims for benefits may be paid by the director or by the administrator and from which the administrator may deduct appropriate administrative fees.

(D) The director shall transfer monies among the various accounts and shall instruct the treasurer of state to make investments in the manner provided for in paragraph (F) of this rule.

(E) Contributions shall be credited to and constitute the state employee health benefit fund. Any amounts remaining in the state employee health benefit fund after all premiums, subscription charges, and other expenses have been paid shall be retained in the fund as a special reserve for adverse claim fluctuation.

(F) Any amounts held by the state employee health benefit fund that are available for investment shall be invested by the treasurer of the state. The amount in the investment trust account shall be invested for a period not to exceed one year, for credit only to the state employee health benefit fund. Investments shall be subject to the terms, conditions, limitations, and restrictions imposed under Chapter 3907. of the Revised Code upon domestic life insurance companies in the investment of their capital, surplus, and accumulations.

(G) All income derived from investments shall accrue to the fund. When monies are paid to the treasurer of state, the director shall submit an estimate of the date such monies are no longer available for investment. When the director wishes to withdraw monies from the trust account, the director shall submit a request for the withdrawal in writing to the treasurer of state, and such funds shall be available to the director within thirty days after the treasurer's receipt of the request.



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(H) Any necessary and reasonable cost incurred by the treasurer of state or the department of administrative services in administering these rules shall be charged against the administrative special account established under paragraph (C)(1) of this rule.