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VOLUME XXXXVIII **NO. 40** **OCTOBER 16, 2009**

DATES TO REMEMBER

OCTOBER 23, 2009	**CCAO HUMAN SERVICES & WORKFORCE DEVELOPMENT COMMITTEE, CCAO OFFICES, COLUMBUS**
OCTOBER 23, 2009	**CCC/EAPA REGIONAL MEETING, CCAO OFFICES, COLUMBUS**
OCTOBER 29, 2009	**CCAO COUNTY & LOCAL GOVERNMENT REFORM & COLLABORATION TASK FORCE**
DECEMBER 6-9, 2009	**CCAO/CEAO ANNUAL WINTER CONFERENCE, HYATT REGENCY, COLUMBUS**

ASSOCIATION NEWS

129th CCAO/CEAO ANNUAL WINTER CONFERENCE & TRADE SHOW

Mark your calendars and plan to attend the 129th CCAO/CEAO Annual Winter Conference and Trade Show to be held December 6-9, 2010 at the Hyatt Regency, 350 North High Street, in Columbus. Register for the conference by November 13 to get the pre-registration discount. Everyone attending the conference must register, even if you are attending meetings only. Registration materials and a draft agenda are on the CCAO website at www.ccao.org. Click on the story on the front page.

CCAO/CEAO General Session – Monday afternoon, December 7

- State General Fund & Transportation Budget Challenges: Where Do We Go From Here? *We all know that the economy has impacted both state and county budgets. But where do we go from here? Where are we for the rest of this biennium and what is the outlook for the next state budget? How has the federal stimulus money helped us and what happens when this money and other one-time monies are not longer available? What are the state budget implications to counties?*

CCAO Sessions – Monday, December 7

- Workers' Compensation Options for Counties
- Transition to Law Library Resource Boards
- Counties Facing Financial Challenges: Understanding What Fiscal Emergency Means
- When Bad Things Happen to Good Counties
- Wellness on a Budget
- Local Impact of the State Budget on Human Services
- CCAO Legislative Update

- Area 7 Consortium Meeting

CCAO Sessions – Tuesday, December 8

- OSU Extension Restructuring Update: Dialog with the Director
- Funding the Courts – Seeing it from Both Sides
- Pension Reforms: Proposed Changes in PERS, Age & Service, and Vesting
- CCAO Deferred Comp Plan Updates and Enhancements
- Network of Care™
- Budget Seminar for Small Counties
- CCAO Annual Meeting and Election of Officers

CCAO/CEAO Session – Wednesday, December 9

- Public Records Training

The headquarters hotel is the Hyatt Regency, 350 North High Street, in Columbus. Rate: $139 single/double. Reservation deadline: November 14. To reserve a room call (888) 421-1442, (402) 592-6464 or http://columbusregency.hyatt.com/groupbooking/cmhrc2009ccas.

REQUESTS TO CCAO NOMINATING COMMITTEE DUE NOVEMBER 3

In mid-September, Daniel Troy, Lake County Commissioner and CCAO Nominating Committee Chair, sent each county commissioner a memo detailing CCAO nominating procedures for 2009. A copy of the nominating memo and procedures are located on the CCAO website at www.ccao.org. Click on the story on the front page.

The Committee will nominate individuals for the offices of president, first vice president, second vice president, secretary, and treasurer. It will also recommend eight members to serve two-year terms on the CCAO Board of Trustees in 2010 and 2011. The eight members whose terms to the Board expire this year include: Mike Adelman (Huron), Sam Bassitt (Allen), Nick Kostandaras (Summit), Deborah Lieberman (Montgomery), Joe Moroski (Ashtabula), Richard Myers (Henry), Otto Nicely (Defiance), and Bill Young (Geauga).

The nine members appointed by President Metzger whose one-year term to the Board expires at the end of this year include: Steve Arndt (Ottawa), Thomas Graham (Jefferson), Brian Hill (Muskingum), Peter Lawson Jones (Cuyahoga), Gary Lee (Union), Ann Obrecht (Wayne), Bob Peterson (Fayette), Penny Traina (Columbiana), and Tom Wheaton (Carroll).

Finally, the CCAO Nominating Committee Request Form and Candidate Questionnaire must be submitted by November 3, 2009 to Daniel Troy, Lake County Commissioner, 105 Main Street, PO Box 490, Painesville, OH 44077-0490. In addition, mail a copy to CCAO, 209 E. State Street, Columbus, Ohio 43215, in an envelope marked: NOMINATING COMMITTEE – ATTENTION: KATHY DILLON. If you have any questions, feel free to contact the Nominating Committee Chair Daniel Troy at (440) 350-2745, or CCAO Executive Director Larry Long at (614) 221-5627.

CCAO SERVICE CORPORATION NEWS

CCAOSC NATURAL GAS PROGRAM BOARD ORGANIZES

The organizational meeting of the CCAO Service Corporation (CCAOSC) Natural Gas Program Board of Participants was held on Wednesday, October 7 at the CCAO Offices in Columbus. The following Board of Participants Executive Committee officers were elected: President – Olen Jackson, Morrow County

Commissioner; Vice President - Lenny Eliason, Athens County Commissioner; Secretary - Kim Edwards, Ashland County Commissioner; and Treasurer - Earl Reid, Facilities Director, Lucas County Commissioners.

In addition, the following members were elected to serve on the Executive Committee: Mike Adelman, Huron County Commissioner; Dave Cannon, Delaware County Administrator; Dan Claypool, Ashtabula County Commissioner; Jim Goodenow, Director, Franklin County Public Facilities Management; Ed Ingold, Hancock County Commissioner; Ralph Linne, Facilities Director, Hamilton County Commissioners; James Riepenhoff, Jackson County Commissioner; David Schmenk, Energy Manager, Montgomery County Commissioners; and Kelly Shelton, Ross County Administrator. Seven members were elected to terms expiring on December 31, 2010, while six members were elected to terms expiring on December 31, 2011.

If your county has not joined the CCAOSC Natural Gas Program or would like to schedule a consultation please contact either Kirkland Mizerek, Vice President of Palmer Energy at (419) 539-9180 or kmizerek@palmerenergy.com or Tom Strup, CCAO Deputy Director of Operations, at (614) 220-7078 or tstrup@ccao.org.

ROLLOUT OF NEW CCAO SERVICE CORPORATION ENERGY PROGRAM – ELECTRICITY SAVINGS

As you recall, the CCAOSC initiated its natural gas procurement program in 2000 that has collectively saved 29 counties over $7.4 million. Recent modifications in the natural gas program increased the participation to over 40 counties! With the recent modifications of the natural gas program, the one question that was repeatedly asked by the various county commissioners: “Can you do this with electricity?” Based upon recent Public Utilities Commissioner of Ohio (PUCO) rulings and relatively low wholesale electric costs, we can now answer “YES”!

The County Commissioners Association of Ohio Service Corporation (CCAOSC) is forming a new program to assist counties on securing lower cost electricity. The CCAOSC has partnered again with Palmer Energy to help manage this electric program. While we will initially focus on counties located in the FirstEnergy area of the state, we fully expect to include counties served by Columbus & Southern and Duke-Ohio shortly thereafter.

To make this a successful program, we need to start collecting data from all counties. The independent energy professionals of Palmer Energy will collect, evaluate, and determine the most advantageous way to bid the members electricity requirement. Like natural gas, we anticipate that pooling the electricity needs of all participating counties will show greater savings to the entire group.

To get started, each county needs to complete and return a response form that will enable the CCAOSC to secure the necessary electric consumption, demand, cost, and other information, needed to attain quotations from the various potential suppliers. For more information go to www.ccao.org and click on the article on the front page. If you have questions or would like to schedule a consultation please contact either Kirkland Mizerek, Vice President of Palmer Energy at (419) 539-9180 or kmizerek@palmerenergy.com or Tom Strup, CCAO Deputy Director of Operations, at (614) 220-7078 or tstrup@ccao.org.

CCAO AFFILIATE NEWS

FINAL 2009 CCC/EAPA REGIONAL MEETING – OCTOBER 23

The final County Commissioners' Clerks and Engineer's Administrative Professional Association of Ohio (CCC/EAPA) Regional Meeting will be held on Friday, October 23, 2009 from 10:00 a.m. to 2:30 p.m. in the CCAO Offices in Columbus. The purpose of the meeting is to share information and network with other clerks.

CCC/EAPA is comprised of county commissioners and engineers' office staff. All commissioners' clerks and engineers' administrative professionals are welcome to attend.

CCAO/CEAO will sponsor the lunch. Please email suggestions for agenda items to Carolyn Hauenstein, Clerk, Erie County Commissioners at chauenstein@erie-county-ohio.net. Bring any forms to share that may be useful to other counties.

COUNTY ACTIVITIES

LAKE METRO PARKS WIN NATIONAL AWARD

The National Association of County Park and Recreation Officials (NACPRO) selected Lake Metroparks Environmental Learning Center as the best park and recreation facility in the country. This unique project is acknowledged as a national model that will be studied and likely duplicated elsewhere in America. The Environmental Learning Center received the 2009 Awards for Excellence in the Park and Recreation Areas and Facilities – Class I category.

The Lake Metroparks Environmental Learning Center demonstrates, teaches, encourages, and reinforces the national No Child Left Inside initiative. Opened in fall 2008, the building and surrounding land are a laboratory for learning and discovery-based education, in both science and local Ohio history. It is an attraction and an inspirational site for traditional, creative and contemporary technical arts.

A partnership with the Lake County Educational Service Center relocated the award-winning Porter Program for Science and Mathematics to the Environmental Learning Center. In its first year at the new facility, Porter Program staff conducted science programs for 19,225 local third, fourth and fifth grade students. Future partnerships with educational institutions will expand learning opportunities for grades pre-K through 12 along with college level classes, internships and professional development for educators.

The National Association of County Park and Recreation Officials, an independent non-profit organization with membership throughout the United States, is an affiliate of both the National Association of Counties (NACo) and the National Recreation and Park Association (NRPA). The deadline for the 2010 Awards for Excellence applications will be April 10, 2010. Check the NACPRO website (www.nacpro.org) for details after January 15, 2010.

STATE ACTIVITIES

OHIO INSURANCE DEPARTMENT TO HOLD FREE MEDICARE CHECK-UP DAYS ACROSS STATE

The Ohio Department of Insurance – through its Ohio Senior Health Insurance Information Program (OSHIIP) – is traveling the state through the end of the year to help eligible Ohioans, family members, and caregivers understand the different Medicare coverage options, and to provide assistance with plan selection. OSHIIP is conducting free and unbiased "Medicare Check-up Days" in each of Ohio's 88 counties to complement Medicare's annual "coordinated election" period, which starts November 15 and ends December 31. Coverage secured during this open enrollment period will begin January 1, 2010.

During the coordinated election period, people on Medicare can select one of several coverage options: original Medicare for their health coverage needs paired with a stand-alone Part D prescription drug plan; a Medicare Advantage Plan, which provides comprehensive health benefits including drug coverage; or determine if their existing coverage already meets their health insurance needs. Plan benefits may change each year so Ohioans are encouraged to contact OSHIIP for a plan review. In addition, financial assistance is available to those with limited income.

For a complete listing of available Part D and Medicare Advantage plans, visit www.medicare.gov. Those with Medicare questions and those who need enrollment assistance (starting November 15) and/or information about financial assistance programs can call OSHIIP at 1-800-686-1578 Monday through Friday, 7:30 a.m. to 5:00 p.m., or Medicare at (800) 633-4227, 24 hours-a-day, seven days-a-week. A listing of Medicare Check-Up Days is available on the Department's web site at www.insurance.ohio.gov.

COSHOCTON, MEIGS & ROSS COUNTIES RECEIVE WATER & SEWER SANITARY SEWER PROGRAM GRANTS

Ohio Department of Development Director Lisa Patt-McDaniel announced that three counties - Coshocton, Meigs and Ross - will share in $1.7 million in federal grants to enhance water and sanitary sewer systems. "Addressing unsanitary conditions such as untreated waste, faulty septic systems, and E.coli bacteria is essential to the health and safety of our residents," the director said. "The Water and Sanitary Sewer Program grants will help improve living conditions for Ohioans." Coshocton and Ross counties will each receive $600,000 and Meigs County will get $500,000.

2010 COUNTY HOLIDAY SCHEDULE

HOLIDAY	**LEGAL HOLIDAY**
New Year's Day	January 1
Martin Luther King Day	January 18
President's Day	February 15
Memorial Day	May 31
Independence Day	July 5
Labor Day	September 6
Columbus Day	October 11
Veteran's Day	November 11
Thanksgiving Day	November 25
Christmas Day	December 24

OHIO SUPREME COURT UPHOLDS PUBLIC ENTITY TORT CAP

The Supreme Court of Ohio has upheld as constitutional a state law that places a $250,000 cap on the amount of non-economic damages that an injured party may recover from a county or other political subdivision of the state in a civil lawsuit. The Court's 5-2 majority opinion, authored by Chief Justice Thomas J. Moyer, reversed a decision of the 8th District Court of Appeals. *Oliver v. Cleveland Indians Baseball Co. Ltd. Partnership*, Slip Opinion No. 2009-Ohio-5030.

R.C. 2744.05(C)(1), a provision of Ohio's "sovereign immunity" statute adopted as part of tort reform legislation, provides that except in wrongful death cases, a plaintiff in a civil lawsuit may not recover more than

$250,000 in non-economic damages from a city or other political subdivision of the state, even if a jury should award damages in excess of that amount.

Writing for the Majority, Chief Justice Moyer states that the limit on non-economic damages in R.C. 2744.05(C)(1) does not unconstitutionally restrict the right to a jury trial under Section 5, Article I of the Ohio Constitution or the Seventh Amendment to the United States Constitution.

The opinion goes on to state that the tort cap passes constitutional muster under the equal protection clauses of the Ohio and U. S. Constitutions because it is rationally related to a legitimate government purpose. A limit on the damages for which a political subdivision may be liable is rationally related to the purpose of preserving the financial integrity of political subdivisions. Therefore, R.C. 2744.05(C)(1) is rationally related to a legitimate government interest.

FEDERAL ACTIVITIES

FEDERAL HEALTHCARE BILL TO INCREASE DEPENDENT COVERAGE

On Tuesday, United States House Speaking Nancy Pelosi (D – CA), along with Reps. Chris Van Hollen (D – MD) and Kathy Dahlkemper (D- PA), announced a provision that would cover young adults under their parents' health insurance until age 27. The three congressional members made this announcment alongside youth advocacy group representatives from Young Invincibles and Campus Progress.

"Young adults are the most uninsured group in the country. They often lose coverage at age 19 when they graduate from high school or a few years later when they graduate from college. Once they enter the workforce, they face new obstacles to getting insurance," Pelosi said. "Now with this legislation that takes them to their 27th birthday, we take them a long way down the path of some independence, some liberation to follow their aspirations right out of school."

As you know, Ohio in HB 1 (biennial budget bill) enacted a similar provision for dependents up to age 28 (*see separate story in Statehouse Report*). Some 20 states also already have eligibility extensions for adult dependents to at least age 25. But, placing this requirement in a federal bill would take the issue out of the hands of states who have not given parents of young adults the option.

NACo ACTIVITIES

RURAL ROAD SAFETY RESOURCE CENTER

In the past decade, rural local roads, which account for more than half of the 4 million miles of roadways in the U.S., has the highest rate of fatalities per vehicle-mile traveled of all types of roadways – over twice that of urban interstates. Improving the safety of rural roads has long been a priority of county officials.

The Rural Roads Safety Resource Center contains links, PDF files of useful rural road safety publications, Power Point presentations, and resources to assist counties in reducing traffic fatalities on our nation's rural roads. Visit the resource center at www.naco.org/rural_roads/contents.html. This resource center was developed in partnership with the Federal Highway Administration/Office of Safety and the National Association of County Engineers. For more information, contact James Davenport, AICP, Project Manager, at (292) 661-8807, or jdavenport@naco.org.

COUNTY HEALTH DEPARTMENT JOB LOSSES ACCELERATE

Local health departments sustained accelerated job losses during the first half of 2009, a new survey shows. Because of budget-related cuts, county, city and other local health departments eliminated 8,000 staff positions between January and June, according to a survey conducted by the National Association of County and City Health Officials (NACCHO). To access the survey results online, visit www.naccho.org/advocacy/lhdbudget.cfm, where you can also find selected state-by-state data.

The losses hit the field just as local health departments have been gearing up for what may be their most intense flu season in recent history. Beginning this month, departments will support, coordinate and conduct community-wide immunization campaigns against the highly contagious H1N1 virus, while also immunizing residents against seasonal flu.

A NACo affiliate, NACCHO is the national organization representing local health departments. It supports efforts that protect and improve the health of all people and all communities by promoting national policy, developing resources and programs, seeking health equity, and supporting effective local public health practice and systems.

GRANTS

2010 LITTER CLEANUP GRANT APPLICATION PACKAGE IS NOW AVAILABLE

The Ohio Department of Natural Resources – Division of Recycling and Litter Prevention is now accepting grant proposals for community programs that would improve local environments through litter prevention, beautification and waste reduction. The 2010 Litter Cleanup Grant funding is targeted at Ohio counties, municipal corporations, townships, villages, Solid Waste Management Districts or Authorities, Soil & Water Conservation Districts, Keep Ohio Beautiful affiliates, and any agencies of the state as defined in Chapter 119 of the Ohio Revised Code.

The Division of Recycling and Litter Prevention would grant competitive awards of up to $2,000 for clean-up activities that involve volunteer work. Projects must take place during March, April or May 2010 and grant recipients must incorporate Keep Ohio Beautiful Month programming into their community awareness and promotional activities. All proposals must contain an actual litter collection component. No cash match is required, but financial or in-kind contributions are encouraged.

Both the written and electronic applications must be U.S. postmarked or delivered to the division by no later than November 6, 2009. For more information, contact Marti Kolb, Department of Natural Resources – Division of Recycling, (614) 265-6376, marti.kolb@dnr.state.oh.us or www.ohiodnr.com/Default.aspx?alias=www.ohiodnr.com/recycling.

WORKSHOP

NW OHIO PLANNING & ZONING WORKSHOP – NOVEMBER 6

The NW Ohio Planning (NWOP), a local section of the American Planning Association of Ohio (APA-OH) will be holding its annual Planning & Zoning Workshop on Friday, November 6th from 9:00 a.m. to 3:30p.m. The event will be held at the Dana Conference Center on the University of Toledo Medical Campus, 3100 Glendale Avenue, in Toledo.

The workshop topics range from traditional planning & zoning topics to more specialized topics like art districts, art fairs & artists as urban pioneers; film production in Michigan and local film producers; development of NW

Ohio as an intermodal hub; community gardens; know your bugs & weeds - the ITree program; and services of soil conservation and OSU Extension. The keynote speaker will be U.S. Congresswoman Marcy Kaptur, who will discuss various planning aspects based on her experience.

Registration fee: $45 – OPC member; $50 – non-OPC member; and $30 – students. Registration deadline: October 29, 2009. For more information please contact Steve Brown, Fulton County Regional Planning, 152 South Fulton Street – Suite 230, Wauseon, OH 43567, (419) 337-9214, fax (419) 337-9297 or sbrown@fultoncountyoh.com.

Ohio Department of Insurance

Ted Strickland, Governor
Mary Jo Hudson, Director

50 West Town Street
Third Floor – Suite 300
Columbus, OH 43215
(614) 644-2658
www.insurance.ohio.gov

FAQs – H.B. 1 Health Care Reform Provisions: Cost to Businesses
August 3, 2009

Under Ohio's recently enacted state budget (Am. Sub. H.B. 1), new requirements for insurance companies and businesses could help more than 100,000 now uninsured adults obtain coverage. The first page of this document is a summary of the changes. The following pages are answers to frequently asked health care reform questions received by the Ohio Department of Insurance. Anyone with questions about health insurance should call the Department's consumer hotline at 1-800-686-1526 and visit www.insurance.ohio.gov for information.

Under the new law:

- **Continuation of Coverage for Unmarried Adult Children:** Insurers, health insuring corporations and public employee benefit plans must offer parents with employer-sponsored health insurance the opportunity to purchase coverage for their children up to age 28.
    - Group insurance policies and health insuring corporation contracts issued or renewed and plans established or modified on or after July 1, 2010, must provide for this new benefit.
    - A total of 20,000 estimated additional Ohioans will have access to health insurance.
- **Section 125 (Cafeteria) Plans:** Employers with 10 or more employees must offer uninsured employees the opportunity to purchase coverage with pre-tax dollars, saving about 40 percent off the cost of premiums by reducing the income taxes employees pay.
    - Although many Ohio businesses currently offer Section 125 plans, this requirement will begin to be phased in for some employers starting on January 1, 2011.
    - A total of 37,000 estimated additional Ohioans will have access to health insurance.
- **Open Enrollment Program:** Insurers will be limited in how much they can charge people with diabetes, cancer and other pre-existing or chronic conditions who purchase **individual** health policies through open enrollment. Following a phased-in approach, the cap will eventually be 1 1/2 times the lowest rate charged to a person of similar age and gender. This change is eventually expected to reduce open enrollment premiums by at least 50 percent. The cap applies only to the open enrollment coverage purchased in the individual health-insurance market, including non-employer groups. The changes to the Open Enrollment program do not apply to employer group plans.
    - These new rate limitations will affect policies issued or renewed on or after January 1, 2010.
    - Quotas for the number of individuals each insurance company will be required to offer coverage to will be phased in over several years, resulting in an eventual total of 52,000 estimated additional Ohioans able to purchase health insurance through open enrollment.
- **State Continuation Coverage:** Also referred to as Ohio's "mini-COBRA" program, state continuation coverage was permanently extended from 6 to 12 months so that employees of small businesses (less than 20 employees) who lose their jobs can maintain health insurance coverage for themselves and their families at their own cost. This change became effective for policies and contracts issued, delivered or renewed on or after April 1, 2009.

- **The Health Care Coverage and Quality Council**: A group representing diverse health insurance and health care constituencies, has been formed to advise the Governor and General Assembly on issues related to Ohio’s health care system. The Council will work to encourage and advance strategies throughout the public and private sectors that contain cost, enhance quality, and improve health.

The Department of Insurance has created the following FAQs to help Ohio businesses understand how these changes to Ohio law may impact them:

Continuation of Coverage for Unmarried Adult Children

Q: What has changed?

A: Insurers and public employee benefit plans must offer parents with employer-sponsored health insurance the opportunity to purchase coverage for their children up to age 28.

Q: When is the effective date?

A: Insurance policies issued or renewed and plans established or modified on or after July 1, 2010, must provide for this new benefit.

Q: Will employers be required to share the increased cost of insurance for unmarried children up to age 28?

A: No. The employer could share in the additional cost of the premium or it could be the sole responsibility of the covered parent. Businesses are not required to pay for the continued coverage to age 28, but a business can pay for the coverage at its discretion.

Q: Why was coverage continued for unmarried older children up to age 28?

A: Younger adults have one of the highest uninsured rates, often because they are just entering the job market and insurance is either unavailable or unaffordable. Offering this option can provide coverage to this group at no cost to an employer, and can serve as a transition to subsequent coverage.

Q: What type of policies will the new continuation coverage apply to?

A: It applies to all group policies of sickness and accident coverage issued by insurance companies along with group coverage provided by MEWAs, public employee benefit plans and Health Insuring Corporations (HICS), also referred to as Health Maintenance Organizations (HMOs).

Q: Must an employer who does not currently offer coverage to dependents offer coverage to unmarried adult children as a result of this change in the law?

A: No, an employer who does not currently offer coverage to dependents is not required to do so as a result of this continuation of coverage law.

Q: How will the child's coverage be continued?

A: Once the child has reached the limiting age for dependent children in the policy, upon the request of the insured, the insurer, the health insuring corporation (or public employee benefit plan) shall offer to cover any unmarried child until the child attains the age of 28.

Q: **What children will be eligible for continued coverage?**

A: To receive benefits up to the age of 28, the unmarried child must be: (1) the natural child, stepchild, or adopted child of the employee; (2) a resident of this state or a full-time student at an accredited public or private institution of higher education; (3), not employed by an employer that offers any health benefit plan under which the child is eligible for coverage, and (4) not eligible for coverage under Medicaid or Medicare.

Q. **Can the insurer apply a pre-existing condition exclusion period to an eligible child who has had a break in continuous coverage?**

A. Yes. The terms of coverage for the child who has previously reached the maximum age are the same as the terms of coverage for any other person covered under the policy. Limits on pre-existing condition exclusions apply to older age children the same as they apply to any other insured.

Q. **Will a child be allowed to terminate individual coverage in order to receive coverage under a parent's coverage?**

A. Yes. As long as the child otherwise meets the eligibility criteria outlined above.

Q. **Will a child who previously reached the maximum age for coverage under the policy and elected COBRA continuation coverage be eligible for continued coverage under the parent's policy after July 1, 2010, when these changes become effective?**

A. Yes. As long as the child meets the eligibility criteria stated above.

Q. **Must the child have been continuously covered under the parent's policy in order to be eligible for continued coverage after reaching the limiting age for coverage under the policy?**

A. No. The child need not have been continuously covered under the parent's policy. The child must meet the eligibility criteria.

Q: **If the adult child does not meet the income and support limits to be classified as a dependent under federal tax law, what are the tax implications to the parent of the employer offering this coverage?**

A: For purposes of state tax law, the older adult child will be treated as a dependent even if they don't meet the income and support limitations under federal law and the benefit will not be included in the parent's adjusted gross income under state tax laws. Consult your tax advisor to determine the federal tax implications.

Section 125 (Cafeteria) Plans

Q: What has changed?

A: Employers with 10 or more employees must offer uninsured employees the opportunity to purchase coverage with pre-tax dollars, saving about 40 percent off the cost of premiums by reducing the income taxes employees pay.

Q: When will this requirement become effective?

A: The requirement will be phased-in based on employer size. When fully implemented, all employers who employ 10 or more employees must adopt and maintain a cafeteria plan that allows the employer's employees to pay for health insurance coverage by a salary reduction arrangement as permitted under Section 125 of the Internal Revenue Code.

The Department of Insurance will need to work with the Internal Revenue Service and the Department of Labor to develop rules to implement the Section 125 plan requirement in accordance with federal law. Prior to adopting rules and implementing this new requirement placed upon employers, the Department must receive approval from the appropriate federal agencies.

Employers with more than 500 employees must comply with the requirement by no later than January 1, 2011, or six months after the superintendent of insurance adopts rules to implement and enforce this requirement, whichever is later. Employers that employ 150 to 500 employees must meet the requirement by no later than July 1, 2011, or 12 months after the superintendent adopts rules, whichever is later. Employers that employ 10 to 149 employees must be in compliance by January 1, 2012, or 18 months after the superintendent adopts rules.

Q: Will all employers be required to offer Section 125 plans?

A: No. This requirement will not apply to businesses with less than 10 employees.

Q: What is an "employer" and who is an "employee" under this law?

A: An "employer" is any person who has one or more employees; this includes an agent of an employer, the state or any agency or instrumentality of the state, and any municipal corporation, county, township, school district, or other political subdivision or any agency or instrumentality of those.

An "employee" is an individual employed for consideration who works twenty-five or more hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment; however, a public employee employed by a township or municipal corporation is an individual hired with the expectation that the employee will work more than one thousand five hundred hours in any year unless full time employment is defined differently in an applicable collective bargaining agreement.

Q: Will companies have any flexibility in complying with this requirement?

A: Yes. Employers can comply with this requirement by offering a Section 125 plan to workers, offering health coverage, reimbursing for health insurance coverage, or providing employees with opportunities to pay for health insurance with pre-tax dollars through other salary reduction arrangements.

Q: How can the Department of Insurance be a resource to businesses and consumers implementing and considering these plans?

A: There will be minimal cost to business to set up and maintain the withholding mechanism for Section 125 Plans. The Department of Insurance will educate, assist, and conduct outreach to employers to simplify administrative processes for businesses with respect to creating and maintaining cafeteria plans, including, but not limited to, providing employers with model cafeteria plan documents and technical assistance with creating and maintaining cafeteria plans that conform to state and federal law. The Department will also educate, assist, and conduct outreach to employees with respect to finding, selecting, and purchasing a health insurance plan to be paid for through their employer's cafeteria plan.

Q: How many people do you anticipate this will impact?

A: A total of 37,000 estimated additional Ohioans will have access to health insurance.

Open Enrollment Program

Q: What has changed?

A: Insurers will be limited in how much they can charge people with diabetes, cancer and other pre-existing or chronic conditions who purchase individual health policies through open enrollment. Following a phased-in approach, the cap will eventually be 1 1/2 times the lowest rate charged to a person of similar age and gender. This change is eventually expected to reduce open enrollment premiums by at least 50 percent. The cap applies only to the open enrollment coverage purchased in the individual health-insurance market, including nonemployer groups, but does not apply to employer group plans.

Q: When is the effective date?

A: These new rate limitations affect policies issued or renewed on or after January 1, 2010.

Q: Does the new open enrollment law change Ohio group insurance plans?

A: No. This law change will only affect the individual insurance market, not group plans. Some individual coverage has been made available through nonemployer groups, such as associations or other entities, but is still individual coverage.

Mini – COBRA (State) Extension

Q: What were the permanent changes to Ohio's Mini-COBRA?

A: The new law extends state continuation coverage (Ohio's "mini-COBRA" program) from 6 to 12 months permanently so that employees of small businesses who lose their jobs can maintain health insurance coverage for themselves and their families at their own cost. In addition, entitlement to unemployment compensation is no longer required. To be eligible for mini-COBRA, employees must be involuntarily terminated, other than for gross misconduct. In addition, the continuation coverage must include prescription drug coverage if it is included in the group coverage.

Q: When is the effective date?

A: The changes became effective for policies and contracts issued, delivered or renewed on or after April 1, 2009.

Q: What size businesses are affected by this change?

A: State Mini-Cobra, the state continuation coverage law, applies to small businesses with less than 20 full-time employees as counted under the COBRA rules.

Q: Why was the Mini-COBRA timeframe extended?

A: The timeframe for eligibility under Ohio's "mini-COBRA" law had temporarily been changed from 6 to 12 months in early 2009 to allow Ohioans to take full advantage of federal stimulus premium assistance funds. The revised law makes the change permanent.

Q: Do small employers in Ohio have to notify employees at the time they are involuntarily terminated of their right to continuation of coverage?

A: Yes, Ohio law requires small employers and non-ERISA public and private employer self-insurance plans to notify the employee of the right to continuation of coverage at the time the employee is notified of the termination of employment. Public self-funded plans with 20 or more employees are subject to federal COBRA continuation requirements.

For further information on COBRA or Mini-COBRA see www.insurance.ohio.gov/Consumer/Pages/Cobra.aspx.

Federal Health Care Reform

Q: How will the reforms being discussed at the federal level affect these changes?

A: The Department is tracking federal reform proposals as they develop, but specific impacts cannot be determined until legislation is enacted. The reform proposals will allow for implementation to occur over several years, while the state reforms are taking affect more immediately to assist those without insurance. Also, we anticipate that the states will be very involved as federal reform activities move from planning to implementation, and Ohio's initiatives will position us to transition efficiently.

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FAQs – H.B. 1 Health Care Reform Provisions: Impact on Ohio Insurance Consumers
Revised October 8, 2009

Under Ohio's recently enacted state budget (Am. Sub. H.B. 1), new requirements for insurance companies and businesses could help more than 100,000 now uninsured adults obtain coverage. The first page of this document is a summary of the changes. The following pages are answers to frequently asked health care reform questions received by the Ohio Department of Insurance. Anyone with questions about health insurance should call the Department's consumer hotline at 1-800-686-1526 and visit www.insurance.ohio.gov for information.

Under the new law:

- **Open Enrollment Program:** Insurers will be limited in how much they can charge people with diabetes, cancer and other pre-existing or chronic conditions who purchase individual health policies through open enrollment. Following a phased-in approach, the cap will eventually be 1 1/2 times the lowest rate charged to a person of similar age and gender. This change is eventually expected to reduce open enrollment premiums by at least 50 percent. The cap applies only to the open enrollment coverage purchased in the individual health-insurance market, including non-employer groups, but does not apply to employer group plans.
    - These new rate limitations will affect policies issued or renewed on or after January 1, 2010.
    - Quotas for company coverage will be phased in with monitoring by the Department, resulting in an eventual total of 52,000 estimated additional Ohioans able to purchase health insurance through open enrollment.

- **Continuation of Coverage for Unmarried Children Age Change:** Insurers, health insuring corporations and public employee benefit plans must offer parents the opportunity to purchase coverage for their children up to age 28.
    - Insurance policies and health insuring corporation contracts issued or renewed and plans established or modified on or after July 1, 2010, must provide for this new benefit.
    - A total of 20,000 estimated additional Ohioans will have access to health insurance.

- **Section 125 (Cafeteria) Plans:** Employers with 10 or more employees must offer uninsured employees the opportunity to purchase coverage with pre-tax dollars, saving about 40 percent off the cost of premiums by reducing the income taxes employees pay.
    - Although many Ohio businesses currently offer Section 125 plans, this requirement will begin to be phased in for some employers starting on January 1, 2011.
    - A total of 37,000 estimated additional Ohioans will have access to health insurance.

- **State Continuation Coverage:** Also referred to as Ohio's "mini-COBRA" program, state continuation coverage was permanently extended from 6 to 12 months so that employees of small businesses (less than 20 employees) who lose their jobs can maintain health insurance coverage for themselves and their families at their own cost. This change became effective for policies and contracts issued, delivered or renewed on or after April 1, 2009.

- **State Income Tax Benefits for “qualifying relatives:”** Individuals with employer sponsored health insurance can receive favorable state tax treatment for the coverage of “qualifying relatives” and members of the tax payer’s household, without regards to income and support. This new provision is found in the Ohio Revised Code Section 5747.01(11) (c) and (d).

- **The Health Care Coverage and Quality Council**: A group representing diverse health insurance and health care constituencies, has been formed to advise the Governor and General Assembly on issues related to Ohio’s health care system. The Council will work to encourage and advance strategies throughout the public and private sectors that contain cost, enhance quality, and improve health.

The Department of Insurance has created the following FAQs to help Ohio insurance consumers understand how these changes to Ohio law may impact them:

Open Enrollment Program

Q: What has changed?

A: Insurers will be limited in how much they can charge people with diabetes, cancer and other pre-existing or chronic conditions who purchase individual health policies through open enrollment. Following a phased-in approach, the cap will eventually be 1 1/2 times the lowest rate charged to a person of similar age and gender. This change is eventually expected to reduce open enrollment premiums by at least 50 percent. The cap applies only to open enrollment coverage purchased in the individual health insurance market, it does not apply to employer group plans.

Q: When is the effective date?

A: These new rate limitations affect policies issued or renewed on or after January 1, 2010.

Q: How many people do you anticipate this will impact?

A: We have estimated that a total of 52,000 additional Ohioans will have access to health insurance because of this change. Insurers will have coverage quotas that will be phased in over a period of several years, with the Department monitoring and reporting on the impact of the open enrollment changes on the individual market.

Q: Does the new open enrollment law change Ohio group insurance plans?

A: No. This law change will only affect the individual insurance market, not group plans.

Q: How do I enroll in coverage during the open enrollment process?

A: A good starting point is to contact the Ohio Department of Insurance at 1-800-686-1526 or visit www.insurance.ohio.gov for a list of Ohio-licensed health insurers and contact information. The companies will hold their open enrollment beginning in January of 2010. Once you have chosen the plan that best fits your needs, apply early as applications are taken on a first come basis. You may request that an application be mailed to your home address. You do not need to apply in person. The Department will be issuing rules on how companies must notify the public about open enrollment. Once these rules are complete, the Department will post them on our website.

Q. Do the new premium rate limitations apply to in-force policies?

A. Yes. The rate limitations will apply to new and existing individual open enrollment policies. Existing open enrollment policies will be subject to the new rating restrictions upon renewal of the policy.

Q. What factors can be considered in setting open enrollment rates?

A. Ohio law continues to allow rates to take into account the age, gender and place of residence of insureds. Insurers are required to set open enrollment rates based on average costs of each identified category.

Coverage Continuation for Unmarried Adult Children

Q: What has changed?

A: Insurers and public employee benefit plans must offer parents the opportunity to purchase coverage for their children up to age 28.

Q: When is the effective date?

A: Insurance policies issued or renewed and plans established or modified on or after July 1, 2010, must provide for this new benefit.

Q: How many people do you anticipate this will impact?

A: A total of 20,000 estimated additional Ohioans will have access to health insurance.

Q: Why was coverage continued for unmarried older children up to age 28?

A: Younger adults have one of the highest uninsured rates, often because they are just entering the job market and insurance is either unavailable or unaffordable. Offering this option can provide coverage to this group at no cost to an employer, and can serve as a transition to subsequent coverage.

Q: How will I get my child's coverage continued?

A: Once the child has reached the limiting age for dependent children in the policy, upon the request of the insured, the insurer, the health insuring corporation (or public employee benefit plan) shall offer to cover any unmarried child until the child attains the age of 28.

Q: What type of policies will the new continuation coverage apply to?

A: It applies to all group and individual policies of sickness and accident coverage issued by insurance companies along with coverage provided by MEWAs, public employee benefit plans and Health Insuring Corporations (HICS), also referred to as Health Maintenance Organizations (HMOs).

Q: What children will be eligible for continued coverage?

A: To receive benefits up to the age of 28, the unmarried child must be: (1) the natural child, stepchild, or adopted child of the employee; (2) a resident of this state or a full-time student at an accredited public or private institution of higher education; (3), not employed by an employer that offers any health benefit plan under which the child is eligible for coverage, and (4) not eligible for coverage under Medicaid or Medicare.

Q: **Will a child be allowed to terminate individual coverage in order to receive coverage under a parent's coverage?**

A: Yes. As long as the child otherwise meets the eligibility criteria outlined above.

Q: Will employers be required to share the increased cost of insurance for unmarried children up to age 28?

A: No. The employer could share in the additional cost of the premium or it could be the sole responsibility of the covered parent. Businesses are not required to pay for the continued coverage to age 28, but a business can pay for the coverage at its discretion.

Q: Will a child who previously reached the maximum age for coverage under the policy and elected COBRA continuation coverage be eligible for continued coverage under the parent's policy after July 1, 2010, when these changes become effective?

A: Yes. As long as the child meets the eligibility criteria stated above.

Q: **Can the insurer apply a pre-existing condition exclusion period to an eligible child who had had a break in continuous coverage?**

A: Yes. The terms of coverage for the child who has previously reached the maximum age are the same as the terms of coverage for any other person covered under the policy. Limits on pre-existing condition exclusions apply to older age children the same as they apply to any other insured.

Q: Must the child have been continuously covered under the parent's policy in order to be eligible for continued coverage after reaching the limiting age for coverage under the policy?

A: No. The child need not have been continuously covered under the parent's policy. The child must meet the eligibility criteria.

Q: Is the definition of dependent under Ohio tax law the same as in the federal tax code?

A: No. For purposes of state tax law, the older adult child can be treated as a dependent even if they don't meet the income and support limitations required under federal law. Consult your tax advisor to determine the federal tax implications.

State income tax benefits for “qualifying relatives:”

Q: What has changed?

A: Individuals with employer sponsored health insurance can receive favorable state tax treatment for the coverage of “qualifying relatives” including members of the household without regards to income and support.

Q: Who are “qualifying relatives”?

A: They include:

(a) a child or a descendent of a child;
(b) a brother, sister, stepbrother, or stepsister;
(c) the father or mother, or an ancestor of either;
(d) a stepfather or stepmother;
(e) a son or daughter of a brother or sister of the taxpayer;
(f) a brother or sister of the father or mother of the taxpayer
(g) a son-in-law, daughter-in-law, father-in-law, mother in law, brother-in-law, or sister-in-law; and
(h) an individual other than a spouse who, for the taxable year of the taxpayer, has the same principal place of abode as the taxpayer and is a member of the household, which may include a domestic partner.

Q: “Does state law require my employer to offer coverage to all qualifying relatives?

A: No. It only provides favorable tax treatment to employees who have qualifying relatives receiving benefits from employers who do offer this coverage.

Q: When is the effective date?

A: This will be effective for the 2010 tax year.

Section 125 (Cafeteria) Plans

Q: What has changed?

A: Employers with 10 or more employees must offer uninsured employees the opportunity to purchase coverage with pre-tax dollars, saving about 40 percent off the cost of premiums by reducing the income taxes employees pay.

Q: When will this requirement become effective?

A: The requirement will be phased-in based on employer size. When fully implemented, all employers who employ 10 or more employees must adopt and maintain a cafeteria plan that allows the employer's employees to pay for health insurance coverage through a salary reduction arrangement as permitted under Section 125 of the Internal Revenue Code.

The Department of Insurance will need to work with the Internal Revenue Service and the Department of Labor to develop rules to implement the Section 125 plan requirement in accordance with federal law. Prior to adopting rules and implementing this new requirement placed upon employers, the Department must receive approval from the appropriate federal agencies.

Employers with more than 500 employees must comply with the requirement by no later than January 1, 2011, or six months after the superintendent of insurance adopts rules to implement and enforce this requirement, whichever is later. Employers who employ 150 to 500 employees must meet the requirement by no later than July 1, 2011, or 12 months after the superintendent adopts rules, whichever is later. Employers who employ 10 to 149 employees must be in compliance by January 1, 2012, or 18 months after the superintendent adopts rules.

Q: How many people do you anticipate this will impact?

A: A total of 37,000 estimated additional Ohioans will have access to health insurance.

Q: Will all employers be required to offer Section 125 plans?

A: No. This requirement will not apply to businesses with less than 10 employees.

Q: What is an "employer" and who is an "employee" under this law?

A: An "employer" is any person who has one or more employees; this includes an agent of an employer, the state or any agency or instrumentality of the state, and any municipal corporation, county, township, school district, or other political subdivision or any agency or instrumentality of those.

An "employee" is an individual employed for consideration who works twenty-five or more hours per week, or who renders any other standard of service generally accepted by custom or specified by contract as full-time employment; however, a public employee employed by a township or municipal corporation is an individual hired with the expectation that the employee will work more than one thousand five hundred hours in any year unless full time employment is defined differently in an applicable collective bargaining agreement.

Q: Will companies have any flexibility in complying with this requirement?

A: Yes. Employers can comply with this requirement by offering a Section 125 plan to workers, offering health coverage, reimbursing for health insurance coverage, or providing employees with opportunities to pay for health insurance with pre-tax dollars through other salary reduction arrangements.

Q: How can the Department of Insurance be a resource to businesses and consumers implementing and considering these plans?

A: There will be minimal cost to business to set up and maintain the withholding mechanism for Section 125 Plans. The Department of Insurance will educate, assist, and conduct outreach to employers to simplify administrative processes for businesses with respect to creating and maintaining cafeteria plans, including, but not limited to, providing employers with model cafeteria plan documents and technical assistance with creating and maintaining cafeteria plans that conform to state and federal law. The Department will also educate, assist, and conduct outreach to employees with respect to finding, selecting, and purchasing a health insurance plan to be paid for through their employer's cafeteria plan.

Mini – COBRA (State) Extension

Q: What were the permanent changes to Ohio's Mini-COBRA?

A: The new law extends state continuation coverage (Ohio's "mini-COBRA" program) from 6 to 12 months in permanent law so that employees of small businesses (less than 20 employees) who lose their jobs can maintain health insurance coverage for themselves and their families at their own cost. In addition, entitlement to unemployment compensation is no longer required. To be eligible for mini-COBRA, employees must be involuntarily terminated, other than for gross misconduct. In addition, the continuation coverage must include prescription drug coverage if it is included in the group coverage.

Q: When is the effective date?

A: The changes became effective for policies and contracts issued, delivered or renewed on or after April 1, 2009.

Q: Why was the Mini-COBRA timeframe extended?

A: The timeframe for eligibility under Ohio's "mini-COBRA" law had temporarily been changed from 6 to 12 months in early 2009 to allow Ohioans to take full advantage of federal stimulus premium assistance funds. The revised law makes the change permanent.

Q: How do I enroll in state continuation coverage?

A: An employee should check the terms of the employer's group insurance coverage to determine what continuation benefits the employee is entitled to and also ask the employer's human relations staff.

Q: Do small employers in Ohio have to notify employees at the time they are involuntarily terminated of their right to continuation of coverage?

A: Yes, Ohio law requires small employers and non-ERISA public and private employer self-insurance plans to notify the employee of the right to continuation of coverage at the time the employee is notified of the termination of employment. Public self-funded plans with 20 or more employees are subject to federal COBRA continuation requirements.

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