

Q1. Which employee groups are covered by the fund? Hourly, salary, collectively bargained, retirees, surviving spouses, disabled, and other dependents?

A1. Employees eligible for health care benefits are permanent full-time or permanent part-time employee, which includes established-term regular, established-term irregular, a judge or other elected or appointed official. More information on eligibility can be found at <http://das.ohio.gov/Divisions/HumanResources/BenefitsAdministration/EligibilityRequirements/tabid/524/Default.aspx>

Q2. What are the eligibility requirements? Age, years of service, hours requirements, entry dates?

A2. Eligible employees may enroll to participate in the Plan during the first 30 days of employment. Examples of Employees NOT Eligible for Coverage: Temporary, Seasonal, Intermittent, Interim, Student or college intern. More information on employee eligibility can be found at <http://das.ohio.gov/Divisions/HumanResources/BenefitsAdministration/EligibilityRequirements/tabid/524/Default.aspx>

Q3. What types of investments are held by the fund? Is there an investment custodian? Is the fund involved in a securities lending arrangement?

A3. The fund assets are managed and invested by the Ohio Treasurer of State, and are invested in various funds held in the U.S. Treasury and the State Treasury Asset Reserve of Ohio. Valuation of these investments is outside the scope of this engagement, although information will be provided for consideration and may be incorporation into the notes of the final report.

Q4. Does the State of Ohio use an outside service organization for payroll processing or investment management? If so, whom?

A4. No, the State of Ohio does not use an outside service organization for payroll processing or investment management.

Q5. How is the payroll deductions from plan participants determined?

A5. Rates are set annually based on data provided by the Plan actuarial consultants.

Q6. Are there separate accounts maintained for participants? Such as health savings accounts, health reimbursement accounts? If so, does the fund use a third party administrator to handle the recordkeeping? If so, whom?

A6. There is one Plan fund, which does not include a health savings account or health reimbursement account.

Q7. Does the fund have other obligations such as incurred but not reported or post-employment benefits not computed by an actuary?

A7. No, the fund does not have other obligations such as incurred but not reported or post-employment benefits not computed by an actuary.

Q8. Were there any transactions made from outside the fund (e.g. contributions, benefit payments made directly from the State to the provider and not paid through the fund)?

A8. There were no transactions made from outside the fund.

Q9. Were there any significant transactions outside the normal course of business (for the fund) and any new agreements that could have accounting or disclosure requirements?

A9. There have not been any significant transactions outside the normal course of business, or any new agreements that could have accounting or disclosure requirements. If there have been they would have been adjusted to reflect fund activity.

Q10. Were there any significant events that occurred during the years that would affect the fund (e.g. changes in benefit structures, changes in the number of participants, changes in types of investments, changes in the funding (fully insured, self-insured, partially self insured, etc.))?

A10. Since the FY2004 and FY2005 audits the Plan has -

- Transitioned from some self-funding and some fully-insured products, to all self-insured plans including dental and vision;
- Transitioned from monthly advanced participant contribution payments to current contribution payment;
- There were plan design changes that added deductible and co-insurance to the EPO plans effective 7/1/2009,
- A dependent audit that resulted in dropping over 6,000 dependents effective 12/1/200;
- Transitioned in 2005 to one pharmacy plan for all health vendors; and
- Creation of a communications surcharge that is outside the scope of this Fund audit.

Q11. Have there been participant complaints about errors, problems or timing of transactions related to the Fund?

A11. There have been no significant participant complaints related to the Fund.

Q12. Did the fund use or consult with an internal or external attorney related to the fund during the years under audit (whether paid by the fund or the State of Ohio)? If yes, what was the nature of the services they provided? (e.g. fund amendments and restatement, pending or threatened litigation, etc.)

A12. There has been no engagement of outside legal counsel related to the fund during the years since the last audit of fiscal years 2004 and 2005.

Q13. Are there any deposits held at any of the service providers (many service providers require a prepayment or deposit be maintained – especially for claims processors)? Are these amounts included in the fund's financial statements? If not, please explain why.

A13. Yes, there are amounts held for claims, and these are reflected in the fund's financial statements.

Q14. Does the fund receive any rebates (pharmacy/drug/prescription, medical, experience rated adjustments, etc.) from the providers? Are these amounts included in the fund's financial statements? If not, please explain why.

A14. The fund does account for rebates and/or performance credits, which are accounted for in the fund's financial statements.