

June 15, 2021

The Honorable Gary D. Bishop  
Richland County Prosecuting Attorney  
38 South Park Street, Second Floor  
Mansfield, Ohio 44902

SYLLABUS: 2021-014

When a city provides health care coverage to municipal court employees and judges through a self-insurance program, a county satisfies its duty, pursuant to R.C. 1901.111 and 1901.312, to pay a two-fifths share of the “costs, premiums, or charges” for the group health care coverage by paying two-fifths of the employer share of premiums or funding levels established by the city.



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OPINION NO. 2021-014

The Honorable Gary D. Bishop  
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38 South Park Street, Second Floor  
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Dear Prosecutor Bishop:

You have requested an opinion regarding the cost of health care for municipal court judges and employees. Specifically, you ask:

Does a Board of County Commissioners paying 40% of the employer share of premiums or funding levels established by a City for its healthcare self-insurance program satisfy the County's duty to pay a two-fifths share of the "costs, premiums, or charges for the group health care coverage" for designated officials and employees pursuant to Ohio Revised Code Sections 1901.111(C)(2) and 1901.312(C)(2)?

I conclude that it does.

I

The county and city in which a municipal court is located jointly pay for healthcare coverage for certain municipal-court judges and employees. *See* R.C. 1901.312(B); R.C. 1901.03(B). If the city already provides healthcare coverage for its other employees, the city shall (if possible) provide the same coverage to the municipal-court employees. R.C. 1901.312(B). After the employees have paid their portion of the

“costs, premiums, or charges” of the group healthcare coverage, the remainder is divided between the city and the county. The city pays three-fifths of the “costs, premiums, or charges”; the county pays two-fifths. R.C. 1901.312(C). R.C. 1901.111 contains materially identical provisions regarding healthcare coverage for municipal-court judges. For convenience, this opinion will refer to both municipal-court-judges and municipal-court-employees as “employees.” For further discussion regarding the provision of health care coverage to municipal-court-employees, *see generally* 2016 Op. Att’y Gen. No. 2016-020, 2014 Op. Att’y Gen. No. 2014-036.

If a city obtains health insurance for the municipal-court-employees from a third-party health-insurance provider, the division of costs is relatively straightforward. In that situation, the employees pay their portion of the cost of the coverage charged by the health-insurance provider, the city pays three-fifths of the remainder, and the county pays the remaining two-fifths. 2016 Op. Att’y Gen. No. 2016-020, Slip Op. at 14-15; 2-216 to 2-217.

You report, however, that the City of Mansfield operates a self-insurance fund for its employees. In other words, Mansfield does not purchase health insurance from a third-party provider. Rather, Mansfield pays its employees’ claims directly from its own self-funded pool.

You report that Mansfield has established different plans available to each of its employees such as “Individual” or “Individual + Family.” For each plan available, there is a premium set by the City. The City pays the majority of the premium or funding level, and the employee is responsible for a fractional minority of the premium or funding level. You report that the City of Mansfield and Richland County refer to these payments differently: the city calls them “funding levels” and the county calls them “premiums.” Mansfield reports the funding levels or premiums in

the employee's I.R.S. W-2 tax form with code "DD." Code "DD" is used to report the cost of employer-sponsored health coverage. I.R.S. Notice 2012-9, 2012-1 C.B. 315, 2012 IRB LEXIS 2, at \*17. It generally includes self-insured plans, and includes both the cost paid by the employer and the employee. *Id.* at \*23-24. In essence, whether called "premiums" or "funding levels," the cumulative amount is the amount paid into the system on each employee's behalf for insurance coverage.

The City of Mansfield provides employees of the Mansfield Municipal Court with the same self-insurance coverage that it provides to its own employees. Richland County has no control over what premiums or funding levels are charged to the municipal-court employees. Richland also has no control over what benefits are provided to the municipal-court employees, and no control over what claims are ultimately paid out.

You report that in the past, Mansfield has charged Richland County two-fifths of the actual *claims* that Mansfield has paid out for municipal-court-employees. You ask if Richland would meet its obligation to pay two-fifths of the "costs, premiums, or charges" of the employer-share of the health care coverage if Richland pays two-fifths of the employer share of the premiums ("funding levels") established by the City.

## II

Nothing in R.C. 1901.111 or 1901.312 explicitly authorizes a city to provide healthcare coverage to municipal-court-employees through a self-insured fund. *Compare* R.C. 1901.381 (statute, created by the same bill that created 1901.111 and 1901.312, requiring that cities and counties obtain liability coverage for municipal court clerks, and explicitly allowing the coverage to be provided through a self-insurance pool.) Nonetheless, I will assume that the statutes do allow for self-insured funds. Under that

assumption, I conclude that a county may meet its statutory obligation to pay two-fifths of the “costs, premiums, or charges” of the healthcare coverage by paying two-fifths of the employers’ share of the premiums or funding levels.

I begin and end with the text. When R.C. 1901.111 and R.C. 1901.312 refer to “costs, premiums, or charges,” they are referring to the “costs, premiums, or charges *for the group health care coverage.*” R.C. 1901.111(C) (emphasis added); *accord* R.C. 1901.312(C). The costs (or premiums or charges) for coverage are the costs one must pay to obtain coverage—not the costs associated with *providing* coverage. This is especially clear when one keeps in mind the fact that R.C. 1901.111 and R.C. 1901.312 are generally applied to third-party healthcare coverage. The *costs* of healthcare coverage in that context include the costs needed to obtain the coverage from the insurance company, not the costs the insurance company incurs in paying claims. It would be most unnatural for an insured person to describe medical bills paid on his behalf as “costs of coverage.”

This interpretation is supported by the fact that both statutes refer to “costs, *premiums*, or charges.” R.C. 1901.111(C) (emphasis added); *accord* R.C. 1901.312(C). A premium is the “amount paid at designated intervals for insurance.” *Black’s Law Dictionary* 1430 (11th Ed.2019). In other words, the word “premiums” relates to the money expended getting coverage, not the money expended by the insurer on *providing* coverage. This supports my reading of “costs.” Under the doctrine of *noscitur a sociis*, the meaning of an unclear word may be derived from the meaning of accompanying words.” *Sunoco, Inc. (R&M) v. Toledo Edison Co.*, 129 Ohio St.3d 397, 2011-Ohio-2720, 953 N.E.2d 285, ¶43. Because the General Assembly paired “costs” with “premiums,” the ordinary reader would interpret both words to relate to the same sort of payments: payments needed *to obtain* healthcare coverage.

In a self-insurance plan, the “costs” of *obtaining* coverage are the costs paid into the system in exchange for coverage, *not* the cost of covering actual claims. Therefore, I conclude that when a city chooses to provide health care coverage to municipal-court-employees and judges through a self-insurance program, a county may fulfill its duty of paying two-fifths the “costs, premiums, or charges” of the health care coverage by paying two-fifths of the employers’ share of the premiums or funding levels established by the city.

Conclusion

Accordingly, it is my opinion, and you are hereby advised that:

When a city provides health care coverage to municipal court employees and judges through a self-insurance program, a county satisfies its duty, pursuant to R.C. 1901.111 and R.C. 1901.312, to pay a two-fifths share of the “costs, premiums, or charges” for the group health care coverage by paying two-fifths of the employer share of premiums or funding levels established by the city.

Respectfully,



DAVE YOST  
Ohio Attorney General