

**West Virginia  
Public Employees Insurance Agency (PEIA) &  
Retiree Health Benefit Trust Fund (RHBT)  
Finance Board Meeting**

**Thursday, December 7, 2023, 1:00 p.m.**

**Canaan Valley Conference Room  
601 57th Street, SE, Charleston, WV 25304**



# Agenda

- Roll Call
- Call to Order
- Approval of October 19, 2023 Meeting Minutes
- Financial Statements Update
- Financial Plan Update
- Discussion – FY25 Plan and Public Hearings
- Public Comments
- Old Business
- New Business
- Next Meeting – TBD

# Roll Call

## Members:

- ☐ Mark Scott, Chairman
- ☐ Geoff Christian
- ☐ Amanda Meadows
- ☐ William “Bill” Milam
- ☐ Jason L. Myers
- ☐ Jared Robertson
- ☐ Michael T. Smith
- ☐ Damita Johnson
- ☐ Michael Cook
- ☐ Hugh Murray
- ☐ Doug Coffman

# Approval of Minutes

**October 19, 2023**



# Financial Statements

Jason Haught, CFO (PEIA)



West Virginia Public Employees Insurance Agency

Statement of Net Position

Tuesday, October 31, 2023

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

**Assets**

Current assets:

|                                                            | CURRENT YR | PRIOR YR | VARIANCE |        |
|------------------------------------------------------------|------------|----------|----------|--------|
|                                                            |            |          | \$       | %      |
| Cash and cash equivalents                                  | \$22,370   | \$21,074 | \$1,296  | 6%     |
| Equity position in internal investment pool                | 53,276     | 40,035   | 13,241   | 33%    |
| Accounts receivable:                                       |            |          |          |        |
| Premium, less allowance for doubtful accounts              | 1,925      | 7,486    | (5,561)  | (74%)  |
| Due From RHBT                                              | 12,870     | 19,503   | (6,633)  | (34%)  |
| Prescription rebates, less allowance for doubtful accounts | 47,931     | 34,938   | 12,993   | 37%    |
| Appropriations due from State of West Virginia             |            | 17,333   | (17,333) | (100%) |
| Other                                                      | 5,072      | 1,638    | 3,434    | 210%   |
| Total current assets                                       | 143,444    | 142,007  | 1,437    | 1%     |

Noncurrent assets:

|                                                          |         |         |         |        |
|----------------------------------------------------------|---------|---------|---------|--------|
| Equity position in internal investment pools             | 129,085 | 134,742 | (5,657) | (4%)   |
| Equity position in internal investment pool – restricted | 3,716   | 784     | 2,932   | 374%   |
| Capital assets, net of accumulated depreciation          |         |         |         |        |
| Right to use                                             | 157     | 451     | (294)   | (65%)  |
| Furniture, equipment, and other                          | 39      | 42      | (3)     | (7%)   |
| Postemployment Benefits- Pension & OPEB                  | (177)   | 933     | (1,110) | (119%) |
| Total noncurrent assets                                  | 132,820 | 136,952 | (4,132) | (3%)   |

**Total assets** **276,264** **278,959** **(2,695)** **(1%)**

Deferred outflows of resources related to pension & OPEB 495 586 (91) (16%)

**Liabilities**

Current liabilities:

|                                   |         |         |          |        |
|-----------------------------------|---------|---------|----------|--------|
| Incurred but not reported reserve | 99,300  | 94,820  | 4,480    | 5%     |
| Current claims payable            | 6,464   | 4,411   | 2,053    | 47%    |
| Premium deficiency reserve        |         | 58,649  | (58,649) | (100%) |
| Accounts payable                  | 5,117   | 7,272   | (2,155)  | (30%)  |
| Unearned revenue                  | 11,888  | 5,742   | 6,146    | 107%   |
| Other accrued liabilities         | 2,286   | 2,775   | (489)    | (18%)  |
| Total current liabilities         | 125,055 | 173,669 | (48,614) | (28%)  |

Noncurrent liabilities:

|                                              |       |       |       |       |
|----------------------------------------------|-------|-------|-------|-------|
| Life Insurance premium stabilization reserve | 4,165 | 4,111 | 54    | 1%    |
| Long term lease liability                    | 164   | 470   | (306) | (65%) |

**Total liabilities** **129,384** **178,250** **(48,866)** **(27%)**

Deferred inflows of resources related to pension & OPEB 240 1,662 (1,422) (86%)

**Net position**

Invested in capital assets 196 493 (297) (60%)

Unrestricted 146,938 99,140 47,798 48%

**Total net position** **147,134** **99,633** **47,501** **48%**

**West Virginia Public Employees Insurance Agency**  
**Statement of Changes in Plan Net Position**  
**For the Four Months Ending Tuesday, October 31, 2023**

(Dollars in Thousands)  
(Unaudited-For Internal Use Only)

| ACTUAL           | BUDGET           | PRIOR YR        |                                           | BUDGET VARIANCE | PRIOR YR VARIANCE |                 |               |
|------------------|------------------|-----------------|-------------------------------------------|-----------------|-------------------|-----------------|---------------|
|                  |                  |                 |                                           | \$              | %                 | \$              | %             |
|                  |                  |                 | <b>OPERATING REVENUE</b>                  |                 |                   |                 |               |
|                  |                  |                 | <b>Premium Revenue</b>                    |                 |                   |                 |               |
| \$199,772        | \$196,919        | \$145,708       | Health Insurance - State Gov. - Employers | \$2,853         | 1%                | \$54,064        | 37%           |
| 49,497           | 49,191           | 39,703          | Health Insurance - State Gov. - Employees | 306             | 1%                | 9,794           | 25%           |
| 54,405           | 55,520           | 47,078          | Health Insurance - Local Gov. - All       | (1,115)         | (2%)              | 7,327           | 16%           |
| 1,540            | 1,592            | 1,549           | Administrative Fees, Net of Refunds       | (52)            | (3%)              | (9)             | (1%)          |
| 757              | 921              | 707             | Other Premium Revenue                     | (164)           | (18%)             | 50              | 7%            |
| <b>305,971</b>   | <b>304,143</b>   | <b>234,745</b>  | <b>Total Operating Revenue</b>            | <b>1,828</b>    | <b>1%</b>         | <b>71,226</b>   | <b>30%</b>    |
|                  |                  |                 | <b>NON-OPERATING REVENUE</b>              |                 |                   |                 |               |
| 779              | 702              | 683             | Life Insurance                            | 77              | 11%               | 96              | 14%           |
| 0                | 0                | 17,333          | Direct Transfer                           | 0               | 0%                | (17,333)        | (100%)        |
| (2,291)          | 2,805            | (3,323)         | Interest and Investment Income            | (5,096)         | (182%)            | 1,032           | (31%)         |
| 0                | 0                | 19,753          | WV RHBT Pay Go Premiums                   | 0               | 0%                | (19,753)        | (100%)        |
| <b>(1,512)</b>   | <b>3,507</b>     | <b>34,446</b>   | <b>Total Non-Operating Revenue</b>        | <b>(5,019)</b>  | <b>(143%)</b>     | <b>(35,958)</b> | <b>(104%)</b> |
| <b>304,459</b>   | <b>307,650</b>   | <b>269,191</b>  | <b>TOTAL REVENUE</b>                      | <b>(3,191)</b>  | <b>(1%)</b>       | <b>35,268</b>   | <b>13%</b>    |
|                  |                  |                 | <b>EXPENSES</b>                           |                 |                   |                 |               |
| 180,742          | 182,957          | 160,948         | Claims Expense - Medical                  | 2,215           | 1%                | (19,794)        | (12%)         |
| 70,351           | 104,395          | 55,134          | Claims Expense - Drugs                    | 34,044          | 33%               | (15,217)        | (28%)         |
| 21,200           | 22,583           | 18,098          | Payments to Managed Care Org.             | 1,383           | 6%                | (3,102)         | (17%)         |
| 6,982            | 7,757            | 6,526           | Administrative Service Fees               | 775             | 10%               | (456)           | (7%)          |
| 154              | 31               | 12              | Wellness and Disease Management           | (123)           | (397%)            | (142)           | (1,183%)      |
| 1,886            | 1,849            | 1,601           | Other Operating Expenses                  | (37)            | (2%)              | (285)           | (18%)         |
| 610              | 727              | 751             | Life Insurance Expense                    | 117             | 16%               | 141             | 19%           |
| 155              | 159              | 160             | ACA Comparative Effectiveness Fee         | 4               | 3%                | 5               | 3%            |
| 0                | 0                | 19,753          | WV RHBT Pay Go Premiums                   | 0               | 0%                | 19,753          | 100%          |
| <b>282,080</b>   | <b>320,458</b>   | <b>262,983</b>  | <b>TOTAL EXPENSES</b>                     | <b>38,378</b>   | <b>12%</b>        | <b>(19,097)</b> | <b>(7%)</b>   |
| <b>22,304</b>    | <b>(12,808)</b>  | <b>6,208</b>    | <b>YTD Surplus (Deficit)</b>              | <b>35,112</b>   | <b>(274%)</b>     | <b>16,096</b>   | <b>259%</b>   |
| 124,830          | 124,830          | 93,425          | Total Net Position, Beginning of Period   | 0               | 0%                | 31,405          | 34%           |
| <b>\$147,134</b> | <b>\$112,022</b> | <b>\$99,633</b> | <b>Total Net Position, End of Period</b>  | <b>\$35,112</b> | <b>31%</b>        | <b>\$47,501</b> | <b>48%</b>    |

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF PLAN NET POSITION**  
**Tuesday, October 31, 2023**  
**In Thousands**

|                                                   | CURRENT YR         | PRIOR YR           | VARIANCE         |              |
|---------------------------------------------------|--------------------|--------------------|------------------|--------------|
|                                                   |                    |                    | \$               | %            |
| <b>ASSETS</b>                                     |                    |                    |                  |              |
| Cash - Operating Fund                             | \$13,975           | \$51,053           | (\$37,078)       | (73%)        |
| <b>INVESTMENTS</b>                                |                    |                    |                  |              |
| WV Board of Treasury Investments                  | 47,690             | 109,663            | (61,973)         | (57%)        |
| WV Investment Management Board                    | 1,689,937          | 1,492,008          | 197,929          | 13%          |
| Total Investments                                 | 1,737,627          | 1,601,671          | 135,956          | 8%           |
| Due From / (To) WV PEIA                           | (12,870)           | (19,503)           | 6,633            | (34%)        |
| <b>PREMIUM ACCOUNTS RECEIVABLE</b>                |                    |                    |                  |              |
| Premium Accounts Receivable                       | 647                | 901                | (254)            | (28%)        |
| Less: Allowance for Doubtful Accounts             | (548)              | (500)              | (48)             | 10%          |
| Net - Premium Accounts Receivable                 | 99                 | 401                | (302)            | (75%)        |
| Other Receivables                                 | 11,734             | 11,049             | 685              | 6%           |
| <b>TOTAL ASSETS</b>                               | <b>1,750,565</b>   | <b>1,644,671</b>   | <b>105,894</b>   | <b>6%</b>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                    |                    |                  |              |
| Deferred Outflows of Resources Related to Pension | 218                | 243                | (25)             | (10%)        |
| Deferred Outflows of Resources Related to OPEB    | 45                 | 67                 | (22)             | (33%)        |
| <b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>       | <b>263</b>         | <b>310</b>         | <b>(47)</b>      | <b>(15%)</b> |
| <b>LIABILITIES</b>                                |                    |                    |                  |              |
| Claims payable                                    | 10,620             | 9,630              | (990)            | (10%)        |
| Accounts payable                                  | 5                  | 7                  | 2                | 29%          |
| Accrued Liabilities                               | 7,347              | 10,758             | 3,411            | 32%          |
| <b>TOTAL LIABILITIES</b>                          | <b>17,972</b>      | <b>20,395</b>      | <b>2,423</b>     | <b>12%</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                    |                    |                  |              |
| Deferred Inflows of Resources Related to Pension  | 2                  | 646                | 644              | 100%         |
| Deferred Inflows of Resources Related to OPEB     | 128                | 249                | 121              | 49%          |
| <b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>        | <b>130</b>         | <b>895</b>         | <b>765</b>       | <b>85%</b>   |
| Net Position- PSR                                 | 282,107            | 282,107            | -                | 0%           |
| Net Position- Restricted                          | 1,450,619          | 1,341,584          | 109,035          | 8%           |
| <b>NET POSITION RESTRICTED</b>                    |                    |                    |                  |              |
| <b>FOR POST EMPLOYMENT BENEFITS</b>               | <b>\$1,732,726</b> | <b>\$1,623,691</b> | <b>\$109,035</b> | <b>7%</b>    |

**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For Four Months Ending October 31, 2023**  
**In Thousands**

| ACTUAL                                               | BUDGET      | PRIOR YR    |                                         | BUDGET VARIANCE |        | PRIOR YR VARIANCE |        |
|------------------------------------------------------|-------------|-------------|-----------------------------------------|-----------------|--------|-------------------|--------|
|                                                      |             |             |                                         | \$              | %      | \$                | %      |
| ADDITIONS                                            |             |             |                                         |                 |        |                   |        |
| Employer Premiums:                                   |             |             |                                         |                 |        |                   |        |
| \$673                                                | \$659       | \$680       | Health premiums - Non Par               | \$14            | 2%     | (\$7)             | (1%)   |
| 2,646                                                | 2,721       | 3,148       | Health Premiums - RLC Health, Life      | (75)            | (3%)   | (502)             | (16%)  |
| -                                                    | -           | 19,753      | Pay Go Premiums                         | -               | 0%     | (19,753)          | (100%) |
| 10,000                                               | 10,000      | 10,000      | State appropriation - OPEB              | -               | 0%     | -                 | 0%     |
| 13,319                                               | 13,380      | 33,581      | Total Employer Premiums                 | (61)            | (0%)   | (20,262)          | (60%)  |
| Other Additions:                                     |             |             |                                         |                 |        |                   |        |
| 167                                                  | 333         | 267         | Retiree Drug Subsidy                    | (166)           | (50%)  | (100)             | (37%)  |
| (51,963)                                             | 41,359      | (15,418)    | Investment Income                       | (93,322)        | (226%) | (36,545)          | 237%   |
| (38,477)                                             | 55,072      | 18,430      | TOTAL ADDITIONS                         | (93,549)        | (170%) | (56,907)          | (309%) |
| DEDUCTIONS                                           |             |             |                                         |                 |        |                   |        |
| 16,746                                               | 17,438      | 14,500      | Payments to Managed Care Org.           | 692             | 4%     | (2,246)           | (15%)  |
| 8,791                                                | 9,210       | 8,771       | Life Insurance Expense                  | 419             | 5%     | (20)              | (0%)   |
| 15,845                                               | 20,038      | 16,059      | Medical Claims Expense                  | 4,193           | 21%    | 214               | 1%     |
| 9,322                                                | 8,735       | 7,572       | Pharmacy Claims Expense                 | (587)           | (7%)   | (1,750)           | (23%)  |
| 1,053                                                | 608         | 529         | Administrative Service Fees (External)  | (445)           | (73%)  | (524)             | (99%)  |
| (19,433)                                             | (19,706)    | (19,611)    | Member Health premiums                  | (273)           | 1%     | (178)             | 1%     |
| (8,804)                                              | (9,234)     | (8,794)     | Member Life Insurance Premiums          | (430)           | 5%     | 10                | (0%)   |
| 943                                                  | 714         | 685         | Other Operating Expenses                | (229)           | (32%)  | (258)             | (38%)  |
| 24,463                                               | 27,803      | 19,711      | TOTAL DEDUCTIONS                        | 3,340           | 12%    | (4,752)           | (24%)  |
| (62,940)                                             | 27,269      | (1,281)     | NET POSITION INCREASE (DECREASE)        | (90,209)        | (331%) | (61,659)          | 4,813% |
| Net Position Restricted for Post Employment Benefits |             |             |                                         |                 |        |                   |        |
| 1,795,666                                            | 1,795,666   | 1,624,972   | Beginning of Period Total Net Position  | -               | 0%     | 170,694           | 11%    |
| 1,450,619                                            | 1,540,828   | 1,341,584   | End of Period Net Position - Restricted | (90,209)        | (6%)   | 109,035           | 8%     |
| 282,107                                              | 282,107     | 282,107     | End of Period Net Position - PSR        | -               | 0%     | -                 | 0%     |
| \$1,732,726                                          | \$1,822,935 | \$1,623,691 | End of Period Total Net Position        | (\$90,209)      | (5%)   | \$109,035         | 7%     |

# Financial Plan Updates

Chris Borcik, Continuing Care Actuaries



## West Virginia Public Employee Insurance Agency

|                                   | Fiscal Year 2024 (millions) |                 |                 | Fiscal Year 2025 (millions) |                   |                 |
|-----------------------------------|-----------------------------|-----------------|-----------------|-----------------------------|-------------------|-----------------|
|                                   | Initial                     | Dec-23          |                 | March                       | Dec-23            |                 |
|                                   | Financial                   | Update          | Change          | Financial                   | Update            | Change          |
|                                   | Plan                        |                 |                 | Plan                        |                   |                 |
| <b>Revenue</b>                    |                             |                 |                 |                             |                   |                 |
| Premiums                          | \$ 912.3                    | \$ 913.3        | \$ 1.0          | \$ 1,010.8                  | \$ 1,011.8        | \$ 1.0          |
| Investment Income                 | 8.7                         | 4.3             | (4.3)           | 9.6                         | 9.6               | (0.1)           |
| Direct Transfers                  | -                           | -               | -               | -                           | -                 | -               |
| Other                             | 7.0                         | 7.0             | (0.1)           | 7.1                         | 7.1               | (0.1)           |
| <b>Total</b>                      | <b>\$ 928.0</b>             | <b>\$ 924.6</b> | <b>\$ (3.4)</b> | <b>\$ 1,027.5</b>           | <b>\$ 1,028.4</b> | <b>\$ 0.9</b>   |
| <b>Expenses</b>                   |                             |                 |                 |                             |                   |                 |
| Medical Claims                    | \$ 598.6                    | \$ 598.9        | \$ 0.3          | \$ 643.1                    | \$ 643.2          | \$ 0.1          |
| Gross Drug Claims                 | 327.9                       | 352.9           | 24.9            | 375.2                       | 398.8             | 23.6            |
| Drug Rebates                      | (120.3)                     | (146.8)         | (26.5)          | (126.3)                     | (154.1)           | (27.8)          |
| Capitations                       | 63.5                        | 63.6            | 0.1             | 67.3                        | 67.4              | 0.1             |
| Administration & Wellness         | 39.5                        | 39.1            | (0.5)           | 40.7                        | 40.2              | (0.5)           |
| WV RHBT Pay Go Premiums           | -                           | -               | -               | 29.0                        | 29.0              | -               |
| ACA Expenses                      | 0.5                         | 0.5             | (0.0)           | 0.5                         | 0.5               | (0.0)           |
| Other Expenses                    | 3.6                         | 3.7             | 0.0             | 4.0                         | 4.0               | 0.0             |
| <b>Total</b>                      | <b>\$ 913.4</b>             | <b>\$ 911.8</b> | <b>\$ (1.6)</b> | <b>\$ 1,033.5</b>           | <b>\$ 1,029.0</b> | <b>\$ (4.5)</b> |
| Fiscal Year Results               | \$ 14.6                     | \$ 12.8         | \$ (1.8)        | \$ (5.9)                    | \$ (0.6)          | \$ 5.3          |
| Ending Fund Balance               | \$ 139.4                    | \$ 137.6        | \$ (1.8)        | \$ 133.5                    | \$ 137.1          | \$ 3.6          |
| <b>Actuarial Required Reserve</b> | <b>\$ 111.5</b>             | <b>\$ 111.3</b> | <b>\$ (0.2)</b> | <b>\$ 122.8</b>             | <b>\$ 122.2</b>   | <b>\$ (0.6)</b> |
| <b>Surplus/(Shortfall)</b>        | <b>\$ 27.9</b>              | <b>\$ 26.3</b>  | <b>\$ (1.6)</b> | <b>\$ 10.7</b>              | <b>\$ 14.8</b>    | <b>\$ 4.1</b>   |

\*The annual Medical Trend through October was 9.1%. The FY24 plan assumption is 7.5%

\*The annual Gross Drug Trend through October was 8.7%. The FY24 plan assumption is 14.5%

**PEIA/RHBT Finance Board Meeting**

## West Virginia Retiree Health Benefit Trust

|                                             | Fiscal Year 2024 (millions)  |                   |                  | Fiscal Year 2025 (millions) |                   |                  |
|---------------------------------------------|------------------------------|-------------------|------------------|-----------------------------|-------------------|------------------|
|                                             | Initial<br>Financial<br>Plan | Dec-23<br>Update  | Change           | March<br>Financial<br>Plan  | Dec-23<br>Update  | Change           |
| <b>Revenue</b>                              |                              |                   |                  |                             |                   |                  |
| Premiums                                    | \$ 70.6                      | \$ 70.2           | \$ (0.5)         | \$ 101.2                    | \$ 100.4          | \$ (0.7)         |
| Annual Required Contributions               | -                            | -                 | -                | -                           | -                 | -                |
| Life Insurance                              | 26.4                         | 26.4              | 0.0              | 27.7                        | 27.7              | 0.0              |
| Investment Income                           | 130.1                        | 66.8              | (63.3)           | 136.5                       | 135.8             | (0.6)            |
| Transfer from Premium Stabilization Reserve | 74.2                         | 67.9              | (6.3)            | 59.8                        | 53.2              | (6.6)            |
| General Revenue Transfer                    | 30.0                         | 30.0              | -                | 30.0                        | 30.0              | -                |
| <b>Total</b>                                | <b>\$ 331.3</b>              | <b>\$ 261.2</b>   | <b>\$ (70.1)</b> | <b>\$ 355.2</b>             | <b>\$ 347.3</b>   | <b>\$ (7.9)</b>  |
| <b>Expenses</b>                             |                              |                   |                  |                             |                   |                  |
| Medical Claims                              | \$ 61.4                      | \$ 57.9           | \$ (3.4)         | \$ 66.6                     | \$ 62.9           | \$ (3.7)         |
| Gross Drug Claims                           | 41.5                         | 41.5              | 0.0              | 47.8                        | 47.9              | 0.0              |
| Drug Rebates                                | (15.9)                       | (19.2)            | (3.3)            | (16.7)                      | (20.2)            | (3.5)            |
| Capitations                                 | 50.5                         | 50.2              | (0.2)            | 55.6                        | 55.4              | (0.3)            |
| Administration & Wellness                   | 6.1                          | 6.0               | (0.1)            | 6.3                         | 6.1               | (0.1)            |
| Life Insurance                              | 26.0                         | 26.4              | 0.3              | 27.3                        | 27.7              | 0.3              |
| Retiree Assistance Program                  | 1.4                          | 1.4               | (0.0)            | 1.5                         | 1.5               | (0.0)            |
| ACA Expenses                                | 0.0                          | 0.0               | (0.0)            | 0.0                         | 0.0               | (0.0)            |
| Other Expenses                              | 0.2                          | 0.2               | (0.0)            | 0.2                         | 0.2               | (0.0)            |
| <b>Total</b>                                | <b>\$ 171.2</b>              | <b>\$ 164.4</b>   | <b>\$ (6.8)</b>  | <b>\$ 188.7</b>             | <b>\$ 181.4</b>   | <b>\$ (7.3)</b>  |
| <b>Fiscal Year Results</b>                  | <b>\$ 160.1</b>              | <b>\$ 96.8</b>    | <b>\$ (63.3)</b> | <b>\$ 166.5</b>             | <b>\$ 165.8</b>   | <b>\$ (0.6)</b>  |
| <b>Ending Restricted Fund Balance</b>       | <b>\$ 1,673.6</b>            | <b>\$ 1,610.4</b> | <b>\$ (63.3)</b> | <b>\$ 1,840.1</b>           | <b>\$ 1,776.2</b> | <b>\$ (63.9)</b> |
| <b>Ending PSR Fund Balance</b>              | <b>\$ 207.9</b>              | <b>\$ 214.2</b>   | <b>\$ 6.3</b>    | <b>\$ 148.1</b>             | <b>\$ 161.0</b>   | <b>\$ 12.9</b>   |
| <b>Ending Total Fund Balance</b>            | <b>\$ 1,881.6</b>            | <b>\$ 1,824.6</b> | <b>\$ (56.9)</b> | <b>\$ 1,988.2</b>           | <b>\$ 1,937.2</b> | <b>\$ (51.0)</b> |

\*The annual Non-Med Medical Trend through October was 5.6%. The FY24 plan assumption is 7.5%

\*The annual Non-Med Gross Drug Trend through October was 7.3%. The FY24 plan assumption is 14.5%

# Review and Discussion - FY 2025 Plan and Public Hearings





# PEIA Public Hearings for FY 2025 (July 2024 – June 2025)

November 2023



## PEIA/RHBT FINANCE BOARD MEMBERS

Chairman Mark Scott

William “Bill” Milam

Mike Smith

Geoff Christian

Damita Johnson

Hugh Murray

Amanda Meadows

Jason Myers

Jared Robertson

Michael Cook

Doug Coffman

PEIA FY 2025 PLAN  
DISCUSSION  
STATE FUND

- State Fund Employees
  - 10.5% premium increase
  - No benefit changes

PEIA FY 2025 PLAN  
DISCUSSION  
LOCAL/NON STATE  
EMPLOYER FUND

- Local/Non-State Employer Fund
  - 13% premium increase
  - Eligible spouse surcharge implementation, approximate average of \$147

PEIA FY 2025 PLAN  
DISCUSSION  
MEDICARE RETIREE  
FUND

- Medicare Retiree
  - No changes in premium
  - No changes in benefit

PEIA FY 2025 PLAN  
DISCUSSION  
NON-MEDICARE  
RETIREE FUND

- **Non-Medicare Retiree**
  - 10% Premium Increase
  - No Changes in Benefit

# **PEIA FIVE-YEAR PLAN**

**PLAN YEARS  
2024-2028**

|                                                            |          |             |                |               |               |               |
|------------------------------------------------------------|----------|-------------|----------------|---------------|---------------|---------------|
|                                                            | INCREASE | 22.47%      | 19.37%         | 19.17%        | 12.47%        | 11.47%        |
| Local Fund Premium Increase                                | \$       | 22,500,000  | \$ 19,900,000  | \$ 16,500,000 | \$ 27,000,000 | \$ 25,000,000 |
|                                                            | Increase | 16.0%       | 13.0%          | 9.0%          | 13.5%         | 11.0%         |
| Employee Premium                                           | \$       | 28,900,000  | \$ 15,700,000  | \$ 16,800,000 | \$ 22,600,000 | \$ 23,400,000 |
|                                                            | Increase | 24.2%       | 10.5%          | 10.2%         | 12.4%         | 11.5%         |
| State Direct Transfer (State Budget Appropriations)        | \$       | -           | \$ -           | \$ -          | \$ -          | \$ -          |
| State Direct Transfer (PEIA Rainy Day Fund)                | \$       | -           | \$ -           | \$ -          | \$ -          | \$ -          |
| Board Decision Benefit Reduce/(Add) - Active State Medical | \$       | -           | \$ -           | \$ -          | \$ -          | \$ -          |
| Board Decision Benefit Reduce/(Add) - Active State Drugs   | \$       | -           | \$ -           | \$ -          | \$ -          | \$ -          |
| Board Decision Benefit Reduce/(Add) - Active Local Medical | \$       | -           | \$ (2,600,000) | \$ -          | \$ -          | \$ -          |
|                                                            |          |             | -2%            |               |               |               |
| Board Decision Benefit Reduce/(Add) - Active Local Drugs   | \$       | -           | \$ (1,500,000) | \$ -          | \$ -          | \$ -          |
|                                                            |          |             | -2%            |               |               |               |
| ACA PCORI Fees (Cost)                                      | \$       | (480,000)   | \$ (480,080)   | \$ (480,080)  | \$ (480,080)  | \$ (480,080)  |
| Pay Go Premium Transfer                                    | \$       | -           | \$ 29,000,000  | \$ 10,000,000 | \$ 10,000,000 | \$ -          |
| <b>Total Fund</b>                                          |          | <b>2024</b> | <b>2025</b>    | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   |
| Beginning Reserve                                          |          | 124,829,933 | 139,407,609    | 133,493,803   | 137,049,924   | 152,950,564   |
| Fiscal Year Results                                        |          | 14,577,676  | (5,913,806)    | 3,556,120     | 15,900,640    | 18,587,946    |
| Ending Reserve                                             |          | 139,407,609 | 133,493,803    | 137,049,924   | 152,950,564   | 171,538,510   |
| Minimum Actuarial Reserve Required                         |          | 111,539,290 | 122,791,537    | 136,467,943   | 152,439,116   | 171,158,128   |
| PEIA Expenses                                              |          | 913,372,954 | 1,004,459,226  | 1,114,944,644 | 1,243,845,122 | 1,394,788,408 |
| Reserve as a Percent of Expenses                           |          | 15.3%       | 13.3%          | 12.3%         | 12.3%         | 12.3%         |
| <b>State Fund</b>                                          |          | <b>2024</b> | <b>2025</b>    | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   |
| Beginning Reserve                                          |          | 97,585,833  | 113,348,277    | 108,079,041   | 112,025,638   | 124,759,974   |
| Fiscal Year Results                                        |          | 15,762,444  | (5,269,236)    | 3,946,597     | 12,734,336    | 15,596,814    |
| Ending Reserve                                             |          | 113,348,277 | 108,079,041    | 112,025,638   | 124,759,974   | 140,356,789   |
| Minimum Actuarial Reserve Required                         |          | 90,945,876  | 100,515,125    | 111,679,900   | 124,714,378   | 140,009,865   |
| PEIA Expenses                                              |          | 745,858,725 | 823,352,792    | 913,620,866   | 1,018,897,490 | 1,142,315,980 |
| Reserve as a Percent of Expenses                           |          | 15.2%       | 13.1%          | 12.3%         | 12.2%         | 12.3%         |
| <b>Local Fund</b>                                          |          | <b>2024</b> | <b>2025</b>    | <b>2026</b>   | <b>2027</b>   | <b>2028</b>   |
| Beginning Reserve                                          |          | 27,244,100  | 26,059,332     | 25,414,762    | 25,024,286    | 28,190,590    |
| Fiscal Year Results                                        |          | (1,184,767) | (644,570)      | (390,477)     | 3,166,304     | 2,991,131     |
| Ending Reserve                                             |          | 26,059,332  | 25,414,762     | 25,024,286    | 28,190,590    | 31,181,721    |
| Minimum Actuarial Reserve Required                         |          | 20,593,413  | 22,276,412     | 24,788,042    | 27,724,738    | 31,148,264    |
| PEIA Expenses                                              |          | 167,514,228 | 181,106,434    | 201,323,778   | 224,947,632   | 252,472,429   |
| Reserve as a Percent of Expenses                           |          | 15.6%       | 14.0%          | 12.4%         | 12.5%         | 12.4%         |
| State Share                                                |          | 80.0%       | 80.0%          | 80.0%         | 80.0%         | 80.0%         |
| Employee Share                                             |          | 20.0%       | 20.0%          | 20.0%         | 20.0%         | 20.0%         |
| Growth In Program Expenses                                 |          | 7.5%        | 13.1%          | 8.9%          | 11.5%         | 11.2%         |

# **RHBT FIVE-YEAR PLAN**

**PLAN YEARS  
2024-2028**

|                                                                   |               |               |               |               |               |
|-------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|
| Retiree Premium Increase- Non-Medicare (Fiscal Year)              | \$ -          | \$ 2,225,000  | \$ 2,337,464  | \$ 2,450,956  | \$ -          |
| Increase                                                          | 0.0%          | 10.0%         | 10.0%         | 10.0%         | 0.0%          |
| Retiree Premium Increase - Medicare (Calendar Year)               | \$ -          | \$ -          | \$ 6,331,263  | \$ 7,111,035  | \$ -          |
| Increase                                                          | 0.0%          | 0.0%          | 10.0%         | 10.0%         | 0.0%          |
| General Revenue Transfer (OPEB Funding)                           | \$ 30,000,000 | \$ 30,000,000 | \$ 30,000,000 | \$ 30,000,000 | \$ 30,000,000 |
| Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare        | \$ -          | \$ -          | \$ -          | \$ -          |               |
| Board Decision Benefit Reduce/(Add) - Retiree Medicare            | \$ -          | \$ -          | \$ -          | \$ -          |               |
| Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year) | \$ -          | \$ -          | \$ -          | \$ -          |               |
| Pay Go Premium Transfer                                           | \$ -          | \$ 29,000,000 | \$ 10,000,000 | \$ 10,000,000 | \$ -          |

|                                      |                  |                  |                  |                  |                  |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Total RHBT Fund</b>               | <b>2024</b>      | <b>2025</b>      | <b>2026</b>      | <b>2027</b>      | <b>2028</b>      |
| Beginning Reserve                    | \$ 1,795,665,986 | \$ 1,881,552,730 | \$ 1,988,211,638 | \$ 2,071,461,774 | \$ 2,150,116,922 |
| Fiscal Year Results                  | 160,089,908      | 166,479,376      | 174,784,467      | 135,203,689      | 55,449,202       |
| Ending Total Reserve                 | 1,881,552,730    | 1,988,211,638    | 2,071,461,774    | 2,150,116,922    | 2,205,566,124    |
| Ending Premium Stabilization Reserve | \$ 207,903,339   | \$ 148,082,871   | \$ 56,548,541    | \$ -             | \$ -             |
| <b>Medicare Fund (Fiscal Year)</b>   | <b>2024</b>      | <b>2025</b>      | <b>2026</b>      | <b>2027</b>      | <b>2028</b>      |
| Beginning Reserve                    | \$ 1,034,340,027 | \$ 1,112,842,962 | \$ 1,203,286,272 | \$ 1,292,399,256 | \$ 1,389,925,495 |
| Fiscal Year Results                  | 139,573,321      | 139,599,338      | 153,338,807      | 143,846,497      | 99,903,745       |
| Ending Total Reserve                 | 1,112,842,962    | 1,203,286,272    | 1,292,399,256    | 1,389,925,495    | 1,489,829,240    |
| Ending Premium Stabilization Reserve | \$ 159,702,111   | \$ 110,546,082   | \$ 46,320,259    | \$ -             | \$ -             |
| <b>Non-Medicare Fund</b>             | <b>2024</b>      | <b>2025</b>      | <b>2026</b>      | <b>2027</b>      | <b>2028</b>      |
| Beginning Reserve                    | \$ 761,325,958   | \$ 768,709,766   | \$ 784,925,364   | \$ 779,062,519   | \$ 760,191,429   |
| Fiscal Year Results                  | 20,516,588       | 26,880,037       | 21,445,661       | (8,642,807)      | (44,454,541)     |
| Ending Total Reserve                 | 768,709,766      | 784,925,364      | 779,062,519      | 760,191,429      | 715,736,888      |
| Ending Premium Stabilization Reserve | \$ 48,201,229    | \$ 37,536,789    | \$ 10,228,282    | \$ -             | \$ -             |
| *Actuarial Accrued Liability (BOY)   | \$ 1,637,416,883 | \$ 1,664,331,633 | \$ 1,684,759,827 | \$ 1,697,694,682 | \$ 1,701,970,701 |
| Funded Status                        | 109.7%           | 113.1%           | 118.0%           | 122.0%           | 126.3%           |
| *Present Value of Benefits (BOY)     | \$ 1,779,124,948 | \$ 1,794,543,770 | \$ 1,802,918,932 | \$ 1,803,207,989 | \$ 1,794,216,395 |
| Funded Status                        | 100.9%           | 104.8%           | 110.3%           | 114.9%           | 119.8%           |
| Growth In Program Expenses           | 11.7%            | 10.2%            | 10.2%            | 10.7%            | 11.3%            |



# PUBLIC COMMENTS

Please limit your comments to 5 minutes.

# Public Comments



# Approval of FY Plan 2025

Chairman



# 2024 Finance Board Meeting Dates

March 28, 2024

June 27, 2024

September 26, 2024

October 24, 2024

December 5, 2024



# Approval of 2024 Finance Board Meeting Dates

Chairman



# Old Business

# New Business

# Schedule Next Meeting

*March 28, 2024*



# Adjourn



If you want to request a copy of today's meeting materials, please contact:

**Erika Smith**

(304) 957-2620

[erika.m.smith@wv.gov](mailto:erika.m.smith@wv.gov)

Or

**Kathy Lester**

(304)-352-0284

[kathy.lester@wv.gov](mailto:kathy.lester@wv.gov)