



West Virginia PEIA & RHBT Finance Board Meeting

Thursday, December 5, 2024, 1:00pm

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

DISCLOSURE:

Thank you for attending today's meeting.

We would like to disclose that this meeting is being recorded to provide an accurate meeting summary for internal use only.

AGENDA

- ❖ Roll Call
- ❖ Call to Order
- ❖ Approval of Minutes
- ❖ Financial Statements YTD
- ❖ Discussion - FY26 Plan and Public Hearings
- ❖ Public Comments
- ❖ Old Business
- ❖ New Business
- ❖ Next Meeting - March 27, 2025 (pending Finance Board approval)

Roll Call

- ❖ John McHugh & Sarah Long,
Acting Chairpersons
- ❖ Geoff Christian
- ❖ Amanda Meadows
- ❖ William “Bill” Milam
- ❖ Jason Myers
- ❖ Jared Robertson
- ❖ Mike Smith
- ❖ Michael Cook
- ❖ Damita Johnson
- ❖ Doug Coffman
- ❖ Hugh Murray

Approval of Minutes

October 24, 2024



Financial Statements YTD

West Virginia Public Employees Insurance Agency

Statement of Net Position

Thursday, October 31, 2024

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	V A R I A N C E	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$120,116	\$22,415	\$97,701	436%
Equity position in internal investment pool	16,562	53,231	(\$36,669)	(69%)
Accounts receivable:				
Premium, less allowance for doubtful accounts	5,802	1,925	\$3,877	201%
Due From RHBT	11,953	12,870	(\$917)	(7%)
Prescription rebates, less allowance for doubtful accounts	47,400	47,931	(\$531)	(1%)
Appropriations due from State of West Virginia	-	-	\$0	0%
Other	4,855	5,072	(\$217)	(4%)
Total current assets	206,688	143,444	63,244	44%
Noncurrent assets:				
Equity position in internal investment pools	148,937	129,085	19,852	15%
Equity position in internal investment pool – restricted	4,287	3,716	571	15%
Capital assets, net of accumulated depreciation				
Right to use	-	157	(157)	(100%)
Furniture, equipment, and other	51	39	12	31%
Postemployment Benefits- Pension & OPEB	43	(177)	220	(124%)
Total noncurrent assets	153,318	132,820	20,498	15%
Total assets	360,006	276,264	83,742	30%
Deferred outflows of resources related to pension & OPEB				
	286	495	(209)	(42%)
Liabilities				
Current liabilities:				
Incurred but not reported reserve	110,070	99,300	10,770	11%
Current claims payable	9,955	6,464	3,491	54%
Premium deficiency reserve	661	-	661	100%
Accounts payable	9,181	5,117	4,064	79%
Unearned revenue	84,268	11,888	72,380	609%
Other accrued liabilities	2,848	2,286	562	25%
Total current liabilities	216,983	125,055	91,928	74%
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,153	4,165	(12)	(0%)
Long term lease liability	-	164	(164)	(100%)
Total liabilities	221,136	129,384	91,752	71%
Deferred inflows of resources related to pension & OPEB				
	118	240	(122)	(51%)
Net position				
Invested in capital assets	51	196	(145)	(74%)
Unrestricted	138,987	146,939	(7,952)	(5%)
Total net position	139,038	147,135	(8,097)	(6%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Four Months Ending Thursday, October 31, 2024

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR
\$213,775	\$212,953	\$199,772
54,717	54,730	49,497
60,662	60,058	54,406
1,560	1,540	1,540
584	817	757
331,298	330,098	305,972
874	818	779
29,000	-	-
5,055	3,190	(2,291)
9,691	9,667	0
44,620	13,675	(1,512)
375,918	343,773	304,460
192,810	199,446	180,742
131,686	123,623	119,138
(49,532)	(51,379)	(48,787)
82,154	72,244	70,351
23,324	22,472	21,200
7,157	10,557	6,982
297	738	154
2,226	2,697	1,961
357	724	610
156	156	155
9,691	9,667	-
318,172	318,701	282,155
57,746	25,072	22,305
81,292	81,292	124,830
\$139,038	\$106,364	\$147,135

OPERATING REVENUE

Premium Revenue

Health Insurance - State Gov. - Employers	\$822
Health Insurance - State Gov. - Employees	(\$13)
Health Insurance - Local Gov. - All	\$604
Administrative Fees, Net of Refunds	\$20
Other Premium Revenue	(\$233)

Total Operating Revenue

NON-OPERATING REVENUE

Life Insurance	56
Direct Transfer	29,000
Interest and Investment Income	1,865
WV RHBT Pay Go Premiums	24

Total Non-Operating Revenue

TOTAL REVENUE

EXPENSES

Claims Expense - Medical	6,636
Gross Claims Expense - Drugs	(8,063)
Prescription Rebate	(1,847)
Net Claims Expense- Drugs	(9,910)

Payments to Managed Care Org.	(852)
Administrative Service Fees	3,400
Wellness and Disease Management	441
Other Operating Expenses	471
Life Insurance Expense	367
ACA Comparative Effectiveness Fee	0
WV RHBT Pay Go Premiums	(24)

TOTAL EXPENSES

YTD Surplus (Deficit)

Total Net Position, Beginning of Period

Total Net Position, End of Period

BUDGET VARIANCE		PRIOR YR VARIANCE	
\$	%	\$	%
1,200	0%	25,326	8%
56	7%	95	12%
29,000	100%	29,000	100%
1,865	58%	7,346	(321%)
24	0%	9,691	100%
30,945	226%	46,132	(3,051%)
32,145	9%	71,458	23%
6,636	3%	(12,068)	(7%)
(8,063)	(7%)	(12,548)	(11%)
(1,847)	4%	745	(2%)
(9,910)	(14%)	(11,803)	(17%)
(852)	(4%)	(2,124)	(10%)
3,400	32%	(175)	(3%)
441	60%	(143)	(93%)
471	17%	(265)	(14%)
367	51%	253	41%
0	0%	(1)	(1%)
(24)	(0%)	(9,691)	100%
529	0%	(36,017)	(13%)
32,674	130%	35,441	159%
-	0%	(43,538)	(35%)
\$32,674	31%	(\$8,097)	(6%)

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
 Thursday, October 31, 2024

ASSETS			VARIANCE	
	CURRENT YR	PRIOR YR	\$	%
Cash - Operating Fund	\$17,687	\$13,975	\$3,712	27%
INVESTMENTS				
WV Board of Treasury Investments	4,147	47,690	(43,543)	(91%)
WV Investment Management Board	1,996,241	1,689,937	306,304	18%
Total Investments	<u>2,000,388</u>	<u>1,737,627</u>	<u>262,761</u>	<u>15%</u>
Due From / (To) WV PEIA	(11,953)	(12,870)	917	(7%)
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	962	647	315	49%
Less: Allowance for Doubtful Accounts	(46)	(548)	502	(92%)
Net - Premium Accounts Receivable	<u>916</u>	<u>99</u>	<u>817</u>	<u>825%</u>
Other Receivables	12,267	11,734	533	5%
TOTAL ASSETS	<u>2,019,305</u>	<u>1,750,565</u>	<u>268,740</u>	<u>15%</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	147	218	(71)	(33%)
Deferred Outflows of Resources Related to OPEB	6	45	(39)	(87%)
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>153</u>	<u>263</u>	<u>(110)</u>	<u>(42%)</u>
LIABILITIES				
Claims payable	10,560	10,620	60	1%
Accounts payable	49	5	(44)	(880%)
Accrued Liabilities	17,114	7,347	(9,767)	(133%)
TOTAL LIABILITIES	<u>27,723</u>	<u>17,972</u>	<u>(9,751)</u>	<u>(54%)</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	2	2	-	0%
Deferred Inflows of Resources Related to OPEB	61	128	67	52%
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>63</u>	<u>130</u>	<u>67</u>	<u>52%</u>
Net Position- PSR	201,345	201,345	-	0%
Net Position- Restricted	1,790,327	1,531,381	258,946	17%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	<u>\$1,991,672</u>	<u>\$1,732,726</u>	<u>\$258,946</u>	<u>15%</u>

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Four Months Ending Thursday, October 31, 2024

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
ADDITIONS							
Employer Premiums:							
\$695	\$653	\$673	Health premiums - Non Par	\$42	6%	\$22	3%
2,441	2,187	2,646	Health Premiums - RLC Health, Life	254	12%	(205)	(8%)
9,691	9,667	-	Pay Go Premiums	24	0%	9,691	100%
10,000	10,000	10,000	State appropriation - OPEB	-	0%	-	0%
22,827	22,507	13,319	Total Employer Premiums	320	1%	9,508	71%
Other Additions:							
167	167	167	Retiree Drug Subsidy	-	0%	-	0%
53,956	45,279	(51,963)	Investment Income	8,677	19%	105,919	(204%)
76,950	67,953	(38,477)	TOTAL ADDITIONS	8,997	13%	115,427	(300%)
DEDUCTIONS							
18,807	18,454	16,746	Payments to Managed Care Org.	(353)	(2%)	(2,061)	(12%)
8,609	9,231	8,791	Life Insurance Expense	622	7%	182	2%
19,309	19,788	15,845	Medical Claims Expense	479	2%	(3,464)	(22%)
11,207	10,099	9,322	Pharmacy Claims Expense	(1,108)	(11%)	(1,885)	(20%)
423	331	1,053	Administrative Service Fees (External)	(92)	(28%)	630	60%
(19,847)	(20,470)	(19,433)	Member Health premiums	(623)	3%	414	(2%)
(8,745)	(9,244)	(8,804)	Member Life Insurance Premiums	(499)	5%	(59)	1%
1,032	1,382	943	Other Operating Expenses	350	25%	(89)	(9%)
30,795	29,571	24,463	TOTAL DEDUCTIONS	(1,224)	(4%)	(6,332)	(26%)
46,155	38,382	(62,940)	NET POSITION INCREASE (DECREASE)	7,773	20%	109,095	(173%)
Net Position Restricted for Post Employment Benefits							
1,945,517	1,945,517	1,795,666	Beginning of Period Total Net Position	-	0%	149,851	8%
1,790,327	1,782,554	1,531,381	End of Period Net Position - Restricted	7,773	0%	258,946	17%
201,345	201,345	201,345	End of Period Net Position - PSR	-	0%	-	0%
\$1,991,672	\$1,983,899	\$1,732,726	End of Period Total Net Position	\$7,773	0%	\$258,946	15%

Proposed FY26 Plan

Premium Increases:

*Average state employee premium increase - \$31.50/month

	Proposed	vs 5 year plan	Value (\$M)
State Fund	14%*	10.7%	\$27.3
Local Fund	16%	11.0%	\$9.3
			\$36.6

	Proposed	vs 5 year plan
Non-Medicare	12%	10.0%
Medicare	12%	10.0%

Employer Administrative Fee Increase:

The State and Local fund employer administrative fee will increase by \$2.50

Deductible & Out of Pocket Maximum (OOPM) Increases:

*Will impact Non-Medicare retirees as well

Plan C deductible increase on average \$990

	Proposed Increase*	Avg Ded Increase	Avg MOOP Increase	Value (\$M)
State Fund	40%	\$355	\$1,610	\$23.7
Local Fund	40%	\$310#	\$1,545	\$6.3
				\$30.0

Inpatient Services Copays:

*Will impact Non-Medicare retirees as well

	Proposed Inpatient OOS HLOB Copay*	Current Inpatient OOS HLOB Copay	Proposed Semi-Private Room (In State) Copay*	Current Semi-Private Room (In State) Copay	Value (\$M)
State Fund	\$250	\$100	\$250	\$100	\$1.3
Local Fund	\$250	\$100	\$250	\$100	\$0.3
					\$1.6

Outpatient Copays:

*Will impact Non-Medicare retirees as well

Plan C deductible increases \$990

	Proposed Outpatient Surgery Copay*	Current Outpatient Surgery Copay	Proposed Advance Imaging Copay	Current Advanced Imaging Copay	Value (\$M)
State Fund	\$250	\$100	\$100	\$0	\$4.2
Local Fund	\$250	\$100	\$100	\$0	\$1.1
					\$5.3

Therapy Copays and Coinsurances:

*Deductible and coinsurance also apply.

#Will impact Non-Medicare Retirees as well

	Proposed Outpatient Massage Therapy Copay#	Current Outpatient Massage Therapy Copay	Value (\$M)
State Fund	\$30/\$35	\$10/\$25	\$3.0
Local Fund	\$30/\$35	\$10/\$25	\$0.7
			\$3.7

Emergency Room Copays:

*Will impact Non-Medicare Retirees as well

	Proposed ER Non-Emergency Copay*	Current ER Non-Emergency Copay	Value (\$M)
State Fund	\$200	\$100	\$0.4
Local Fund	\$200	\$100	\$0.1
			\$0.5

Rx Copays:

* Will impact Non-Medicare retirees as well

	Proposed Increase* #	Proposed Copay (generic/brand)	Current Copay (generic/brand)	Value (\$M)
State Fund	2x	\$20/\$50	\$10/\$25	\$11.3
Local Fund	2x	\$20/\$50	\$10/\$25	\$2.7
				\$14.0

Spousal Surcharge:

#SB268 requires policyholder to pay the actuarial value of the cost of adding the spouse to the plan

*Average.

	Proposed Spousal Surcharge*#	Current Spousal Surcharge*	Value (\$M)
State Fund	\$350	\$147	\$21.2

MA-PD Plan 1 & Special Medicare Plan

Benefit	Current	Proposed
Medical MOOP	\$ 1,350	\$ 1,900
Medical Deductible	\$ 150	\$ 300
Inpatient	\$ 100	\$ 200
Outpatient	\$ 100	\$ 200
ER	\$ 50	\$ 100
Part B rx	\$ -	\$ 20
Specialist therapies	\$ -	\$ 20
Rx deductible	\$ 75	\$ 150
Rx Generic copay	\$ 5	\$ 10
Rx Brand copay	\$ 15	\$ 30

MA-PD Plan 2

Benefit	Current	Proposed
Medical MOOP	\$ 2,325	\$ 2,650
Medical Deductible	\$ 375	\$ 525
Inpatient	\$ 150	\$ 250
Outpatient	\$ 115	\$ 215
ER	\$ 65	\$ 115
Part B rx	\$ -	\$ 30
Specialist therapies	\$ -	\$ 30
Rx deductible	\$ 150	\$ 225
Rx Generic copay	\$ 5	\$ 10
Rx Brand copay	\$ 20	\$ 35

Benefit Assistance

Benefit	Current	Proposed
Assistance Medical Deductible	\$ 50	\$ 100
Assistance OOP	\$ 600	\$ 900
Assistance Rx Generic copay	\$ 5	\$ 10
Assistance Rx Brand copay	\$ 15	\$ 30

Current 10 Salary Index Codes

Employee Salary		Number of Policies				
		<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan D</u>	<u>HMHP</u>
\$ -	\$ 30,400	4,033	862	880	145	552
\$ 30,401	\$ 40,400	8,130	1,688		269	1,142
\$ 40,401	\$ 46,400	4,869	1,375		185	708
\$ 46,401	\$ 52,400	6,368	1,888		229	1,030
\$ 52,401	\$ 60,400	6,965	2,014		175	1,019
\$ 60,401	\$ 72,900	6,058	1,559		119	837
\$ 72,901	\$ 85,400	2,102	659		48	280
\$ 85,401	\$ 110,400	1,428	583		27	165
\$ 110,401	\$ 135,400	355	182		3	48
\$ 135,401	+	262	139		2	49

Proposed 5 Salary Index Codes

Employee Salary		Number of Policies				
		<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan D</u>	<u>HMHP</u>
\$ -	\$ 40,400	12,163	2,550	880	414	1,694
\$ 40,401	\$ 52,400	11,237	3,263		414	1,738
\$ 52,401	\$ 72,900	13,023	3,573		294	1,856
\$ 72,901	\$ 110,400	3,530	1,242		75	445
\$ 110,401	+	617	321		5	97

Discussion

FY26 Plan and Public Hearings

Changes to Proposed Plan and Plan Approval

Public Comments



Old Business

New Business

Proposed 2025 Finance Board Meeting Dates

March 27, 2025

June 5, 2025

September 4, 2025

October 23, 2025

December 4, 2025

Next Meeting

March 27, 2025
(pending Finance Board approval)



Adjourn

If you would like to request a copy of today's meeting materials or if you have any questions, please contact:

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