



# West Virginia PEIA & RHBT Finance Board Meeting

Thursday, June 27, 2024, 1:00pm

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

# AGENDA

- ❖ Roll Call
- ❖ Call to Order
- ❖ Approval of Minutes
- ❖ Financial Statements YTD FY '24
- ❖ Financial Plan Update
- ❖ Notes from the Director
- ❖ Public Comments
- ❖ Old Business
- ❖ New Business
- ❖ Next Meeting - September 26, 2024

# Roll Call

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

# Approval of Minutes

March 28, 2024



# Financial Statements YTD

Jason Haught, CFO (PEIA)



## West Virginia Public Employees Insurance Agency

## Statement of Net Position

Tuesday, April 30, 2024

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	V A R I A N C E	
			\$	%
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$49,580	\$21,677	\$27,903	129%
Equity position in internal investment pool	17,532	2,999	14,533	485%
Accounts receivable:				
Premium, less allowance for doubtful accounts	(3,568)	5,034	(8,602)	(171%)
Due From RHBT	7,309	5,166	2,143	41%
Prescription rebates, less allowance for doubtful accounts	41,772	36,814	4,958	13%
Appropriations due from State of West Virginia		12,333	(12,333)	(100%)
Other	1,493	1,554	(61)	(4%)
Total current assets	114,118	85,577	28,541	33%
Noncurrent assets:				
Equity position in internal investment pools	140,410	170,828	(30,418)	(18%)
Equity position in internal investment pool – restricted	4,042	4,016	26	1%
Capital assets, net of accumulated depreciation				
Right to use	39	275	(236)	(86%)
Furniture, equipment, and other	39	45	(6)	(13%)
Postemployment Benefits- Pension & OPEB	(177)	933	(1,110)	(119%)
Total noncurrent assets	144,353	176,097	(31,744)	(18%)
<b>Total assets</b>	<b>258,471</b>	<b>261,674</b>	<b>(3,203)</b>	<b>(1%)</b>
Deferred outflows of resources related to pension & OPEB	495	586	(91)	(16%)
<b>Liabilities</b>				
Current liabilities:				
Incurred but not reported reserve	115,520	105,910	9,610	9%
Current claims payable	7,833	10,086	(2,253)	(22%)
Premium deficiency reserve		58,649	(58,649)	(100%)
Accounts payable	5,229	5,909	(680)	(12%)
Unearned revenue	11,248	3,698	7,550	204%
Other accrued liabilities	2,286	2,775	(489)	(18%)
Total current liabilities	142,116	187,027	(44,911)	(24%)
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,165	4,111	54	1%
Long term lease liability	42	286	(244)	(85%)
<b>Total liabilities</b>	<b>146,323</b>	<b>191,424</b>	<b>(45,101)</b>	<b>(24%)</b>
Deferred inflows of resources related to pension & OPEB	240	1,662	(1,422)	(86%)
<b>Net position</b>				
Invested in capital assets	79	320	(241)	(75%)
Unrestricted	112,324	68,854	43,470	63%
<b>Total net position</b>	<b>112,403</b>	<b>69,174</b>	<b>43,229</b>	<b>62%</b>

**West Virginia Public Employees Insurance Agency**  
**Statement of Changes in Plan Net Position**  
**For the Ten Months Ending Tuesday, April 30, 2024**

(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>							
\$500,721	\$492,297	\$364,938	Health Insurance - State Gov. - Employers	\$8,424	2%	\$135,783	37%
122,952	122,979	99,379	Health Insurance - State Gov. - Employees	(27)	(0%)	23,573	24%
136,439	138,799	114,731	Health Insurance - Local Gov. - All	(2,360)	(2%)	21,708	19%
4,070	3,980	4,082	Administrative Fees, Net of Refunds	90	2%	(12)	(0%)
2,289	2,303	1,687	Other Premium Revenue	(14)	(1%)	602	36%
<b>766,471</b>	<b>760,358</b>	<b>584,817</b>	<b>Total Operating Revenue</b>	<b>6,113</b>	<b>1%</b>	<b>181,654</b>	<b>31%</b>
<b>NON-OPERATING REVENUE</b>							
1,943	1,755	1,701	Life Insurance	188	11%	242	14%
0	0	43,333	Direct Transfer	0	0%	(43,333)	(100%)
10,466	7,014	6,958	Interest and Investment Income	3,452	49%	3,508	50%
0	0	49,495	WV RHBT Pay Go Premiums	0	0%	(49,495)	(100%)
<b>12,409</b>	<b>8,769</b>	<b>101,487</b>	<b>Total Non-Operating Revenue</b>	<b>3,640</b>	<b>42%</b>	<b>(89,078)</b>	<b>(88%)</b>
<b>778,880</b>	<b>769,127</b>	<b>686,304</b>	<b>TOTAL REVENUE</b>	<b>9,753</b>	<b>1%</b>	<b>92,576</b>	<b>13%</b>
<b>EXPENSES</b>							
508,580	492,159	444,561	Claims Expense - Medical	(16,421)	(3%)	(64,019)	(14%)
203,322	170,727	142,835	Claims Expense - Drugs	(32,595)	(19%)	(60,487)	(42%)
53,467	56,456	45,359	Payments to Managed Care Org.	2,989	5%	(8,108)	(18%)
18,662	19,392	20,948	Administrative Service Fees	730	4%	2,286	11%
366	78	110	Wellness and Disease Management	(288)	(369%)	(256)	(233%)
4,980	4,622	5,316	Other Operating Expenses	(358)	(8%)	336	6%
1,535	1,818	1,531	Life Insurance Expense	283	16%	(4)	(0%)
395	398	400	ACA Comparative Effectiveness Fee	3	1%	5	1%
0	0	49,495	WV RHBT Pay Go Premiums	0	0%	49,495	100%
<b>791,307</b>	<b>745,650</b>	<b>710,555</b>	<b>TOTAL EXPENSES</b>	<b>(45,657)</b>	<b>(6%)</b>	<b>(80,752)</b>	<b>(11%)</b>
<b>(12,427)</b>	<b>23,476</b>	<b>(24,251)</b>	<b>YTD Surplus (Deficit)</b>	<b>(35,903)</b>	<b>(153%)</b>	<b>11,824</b>	<b>(49%)</b>
124,830	124,830	93,425	Total Net Position, Beginning of Period	0	0%	31,405	34%
<b>\$112,403</b>	<b>\$148,306</b>	<b>\$69,174</b>	<b>Total Net Position, End of Period</b>	<b>(\$35,903)</b>	<b>(24%)</b>	<b>\$43,229</b>	<b>62%</b>

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**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF PLAN NET POSITION**  
**Tuesday, April 30, 2024**  
**In Thousands**

	<b>CURRENT YR</b>	<b>PRIOR YR</b>	<b>VARIANCE</b>	
			<b>\$</b>	<b>%</b>
<b>ASSETS</b>				
Cash - Operating Fund	\$11,251	\$6,364	\$4,887	77%
<b>INVESTMENTS</b>				
WV Board of Treasury Investments	28,743	61,196	(32,453)	(53%)
WV Investment Management Board	1,877,940	1,695,116	182,824	11%
Total Investments	<u>1,906,683</u>	<u>1,756,312</u>	<u>150,371</u>	<u>9%</u>
Due From / (To) WV PEIA	(7,309)	(5,166)	(2,143)	41%
<b>PREMIUM ACCOUNTS RECEIVABLE</b>				
Premium Accounts Receivable	443	662	(219)	(33%)
Less: Allowance for Doubtful Accounts	(548)	(500)	(48)	10%
Net - Premium Accounts Receivable	<u>(105)</u>	<u>162</u>	<u>(267)</u>	<u>(165%)</u>
Other Receivables	2,169	1,248	921	74%
<b>TOTAL ASSETS</b>	<b><u>1,912,689</u></b>	<b><u>1,758,920</u></b>	<b><u>153,769</u></b>	<b><u>9%</u></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><u>263</u></b>	<b><u>310</u></b>	<b><u>(47)</u></b>	<b><u>(15%)</u></b>
<b>LIABILITIES</b>				
Claims payable	13,800	11,260	(2,540)	(23%)
Accounts payable	46	25	(21)	(84%)
Accrued Liabilities	7,868	2,920	(4,948)	(169%)
<b>TOTAL LIABILITIES</b>	<b><u>21,714</u></b>	<b><u>14,205</u></b>	<b><u>(7,509)</u></b>	<b><u>(53%)</u></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><u>130</u></b>	<b><u>895</u></b>	<b><u>765</u></b>	<b><u>85%</u></b>
Net Position- PSR	282,107	282,107	-	0%
Net Position- Restricted	1,609,001	1,462,023	146,978	10%
<b>NET POSITION RESTRICTED</b>	<b><u>1,609,001</u></b>	<b><u>1,462,023</u></b>	<b><u>146,978</u></b>	<b><u>10%</u></b>
<b>FOR POST EMPLOYMENT BENEFITS</b>	<b><u>\$1,891,108</u></b>	<b><u>\$1,744,130</u></b>	<b><u>\$146,978</u></b>	<b><u>8%</u></b>



**West Virginia Retiree Health Benefit Trust Fund**  
**STATEMENT OF CHANGES IN PLAN NET POSITION**  
**For Ten Months Ending Tuesday, April 30, 2024**  
**In Thousands**

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			<b>ADDITIONS</b>				
			<b>Employer Premiums:</b>				
\$1,692	\$1,648	\$1,687	Health premiums - Non Par	\$44	3%	\$5	0%
6,357	6,803	7,518	Health Premiums - RLC Health, Life	(446)	(7%)	(1,161)	(15%)
-	-	49,495	Pay Go Premiums	-	0%	(49,495)	(100%)
25,000	25,000	25,000	State appropriation - OPEB	-	0%	-	0%
<b>33,049</b>	<b>33,451</b>	<b>83,700</b>	<b>Total Employer Premiums</b>	<b>(402)</b>	<b>(1%)</b>	<b>(50,651)</b>	<b>(61%)</b>
			<b>Other Additions:</b>				
417	833	667	Retiree Drug Subsidy	(416)	(50%)	(250)	(37%)
137,093	103,398	89,223	Investment Income	33,695	33%	47,870	54%
<b>170,559</b>	<b>137,682</b>	<b>173,590</b>	<b>TOTAL ADDITIONS</b>	<b>32,877</b>	<b>24%</b>	<b>(3,031)</b>	<b>(2%)</b>
			<b>DEDUCTIONS</b>				
44,111	43,596	38,427	Payments to Managed Care Org.	(515)	(1%)	(5,684)	(15%)
21,982	23,024	21,976	Life Insurance Expense	1,042	5%	(6)	(0%)
53,426	49,435	44,174	Medical Claims Expense	(3,991)	(8%)	(9,252)	(21%)
21,992	21,478	16,633	Pharmacy Claims Expense	(514)	(2%)	(5,359)	(32%)
1,313	1,521	1,666	Administrative Service Fees (External)	208	14%	353	21%
(48,161)	(49,265)	(48,518)	Member Health premiums	(1,104)	2%	(357)	1%
(21,960)	(23,084)	(21,955)	Member Life Insurance Premiums	(1,124)	5%	5	(0%)
2,414	1,784	2,029	Other Operating Expenses	(630)	(35%)	(385)	(19%)
<b>75,117</b>	<b>68,489</b>	<b>54,432</b>	<b>TOTAL DEDUCTIONS</b>	<b>(6,628)</b>	<b>(10%)</b>	<b>(20,685)</b>	<b>(38%)</b>
<b>95,442</b>	<b>69,193</b>	<b>119,158</b>	<b>NET POSITION INCREASE (DECREASE)</b>	<b>26,249</b>	<b>38%</b>	<b>(23,716)</b>	<b>(20%)</b>
			<b>Net Position Restricted for</b>				
			<b>Post Employment Benefits</b>				
1,795,666	1,795,666	1,624,972	Beginning of Period Total Net Position	-	0%	170,694	11%
1,609,001	1,582,752	1,462,023	End of Period Net Position - Restricted	26,249	2%	146,978	10%
282,107	282,107	282,107	End of Period Net Position - PSR	-	0%	-	0%
<b>\$1,891,108</b>	<b>\$1,864,859</b>	<b>\$1,744,130</b>	<b>End of Period Total Net Position</b>	<b>\$26,249</b>	<b>1%</b>	<b>\$146,978</b>	<b>8%</b>

# Financial Plan Update

Chris Borcik, Actuary (CCA)



## West Virginia Public Employee Insurance Agency

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Jun-24			Jun-24		
	Financial Plan	Update	Change	Financial Plan	Update	Change
<b>Revenue</b>						
Premiums	\$ 913.3	\$ 914.6	\$ 1.3	\$ 1,011.8	\$ 1,016.0	\$ 4.3
Investment Income	4.3	10.5	6.1	9.6	7.6	(2.0)
Direct Transfers	-	-	-	-	-	-
Other	7.0	7.2	0.3	7.1	7.3	0.3
<b>Total</b>	<b>\$ 924.6</b>	<b>\$ 932.3</b>	<b>\$ 7.7</b>	<b>\$ 1,028.4</b>	<b>\$ 1,031.0</b>	<b>\$ 2.6</b>
<b>Expenses</b>						
Medical Claims	\$ 598.9	\$ 623.9	\$ 25.0	\$ 643.2	\$ 672.4	\$ 29.2
Gross Drug Claims	352.9	364.4	11.6	398.8	418.3	19.5
Drug Rebates	(146.8)	(126.5)	20.3	(154.1)	(132.8)	21.3
Capitations	63.6	64.2	0.6	67.4	68.0	0.6
Administration & Wellness	39.1	39.8	0.7	40.2	42.7	2.5
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	3.7	2.3	(1.4)	4.0	4.0	0.0
<b>Total</b>	<b>\$ 911.8</b>	<b>\$ 968.6</b>	<b>\$ 56.8</b>	<b>\$ 1,029.0</b>	<b>\$ 1,102.1</b>	<b>\$ 73.1</b>
Fiscal Year Results	\$ 12.8	\$ (36.3)	\$ (49.1)	\$ (0.6)	\$ (71.1)	\$ (70.6)
Ending Fund Balance	\$ 137.6	\$ 88.5	\$ (49.1)	\$ 137.1	\$ 17.4	\$ (119.6)
Actuarial Required Reserve	\$ 111.3	\$ 118.4	\$ 7.1	\$ 122.2	\$ 131.3	\$ 9.1
Surplus/(Shortfall)	\$ 26.3	\$ (29.9)	\$ (56.2)	\$ 14.8	\$ (113.9)	\$ (128.7)

\*The annual Medical Trend through May was 14.1%. The FY24 plan assumption is 7.5%

\*The annual Gross Drug Trend through May was 22.6%. The FY24 plan assumption is 14.5%

## West Virginia Retiree Health Benefit Trust

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Financial Plan	Jun-24 Update	Change	Financial Plan	Jun-24 Update	Change
<b>Revenue</b>						
Premiums	\$ 70.2	\$ 69.4	\$ (0.8)	\$ 100.4	\$ 98.5	\$ (2.0)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	26.4	26.4	(0.1)	27.7	27.7	(0.1)
Investment Income	66.8	137.1	70.3	135.8	140.1	4.3
Transfer from Premium Stabilization Reserve	67.9	80.0	12.1	53.2	76.6	23.3
General Revenue Transfer	30.0	30.0	-	30.0	30.0	-
<b>Total</b>	<b>\$ 261.2</b>	<b>\$ 342.8</b>	<b>\$ 81.6</b>	<b>\$ 347.3</b>	<b>\$ 372.8</b>	<b>\$ 25.6</b>
<b>Expenses</b>						
Medical Claims	\$ 57.9	\$ 63.9	\$ 5.9	\$ 62.9	\$ 69.4	\$ 6.5
Gross Drug Claims	41.5	42.9	1.3	47.9	49.3	1.4
Drug Rebates	(19.2)	(16.3)	2.9	(20.2)	(17.1)	3.1
Capitations	50.2	52.9	2.7	55.4	67.1	11.8
Administration & Wellness	6.0	4.4	(1.5)	6.1	4.6	(1.6)
Life Insurance	26.4	26.4	0.0	27.7	27.7	0.0
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	0.0	(0.1)	0.2	0.2	0.0
<b>Total</b>	<b>\$ 164.4</b>	<b>\$ 175.7</b>	<b>\$ 11.3</b>	<b>\$ 181.4</b>	<b>\$ 202.7</b>	<b>\$ 21.3</b>
<b>Fiscal Year Results</b>	<b>\$ 96.8</b>	<b>\$ 167.1</b>	<b>\$ 70.3</b>	<b>\$ 165.8</b>	<b>\$ 170.1</b>	<b>\$ 4.3</b>
<b>Ending Restricted Fund Balance</b>	<b>\$ 1,610.4</b>	<b>\$ 1,680.7</b>	<b>\$ 70.3</b>	<b>\$ 1,776.2</b>	<b>\$ 1,850.8</b>	<b>\$ 74.6</b>
<b>Ending PSR Fund Balance</b>	<b>\$ 214.2</b>	<b>\$ 202.1</b>	<b>\$ (12.1)</b>	<b>\$ 161.0</b>	<b>\$ 125.5</b>	<b>\$ (35.5)</b>
<b>Ending Total Fund Balance</b>	<b>\$ 1,824.6</b>	<b>\$ 1,882.8</b>	<b>\$ 58.2</b>	<b>\$ 1,937.2</b>	<b>\$ 1,976.3</b>	<b>\$ 39.1</b>

\*The annual Non-Med Medical Trend through May was 11.3%. The FY24 plan assumption is 7.5%

\*The annual Non-Med Gross Drug Trend through May was 24.9%. The FY24 plan assumption is 14.5%

# Notes from the Director



# Old Business

- **Actuarial Study**

# Public Comment



# New Business



# Next Meeting

September 26, 2024



# Adjourn

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

**Erika Smith**  
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**OR**

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