



West Virginia PEIA & RHBT Finance Board Meeting

Thursday, March 27, 2025, 1:00pm

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

AGENDA

- ❖ Roll Call
- ❖ Call to Order
- ❖ Approval of Minutes
- ❖ Director's Notes
- ❖ Plan Update
- ❖ Financial Statements YTD
- ❖ Old Business - Spousal Surcharge Info.
- ❖ New Business
- ❖ Next Meeting - June 5, 2025

Roll Call

- ❖ Eric Householder, 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

December 5, 2024



Director's Notes

Financial Plan Update

Chris Borcik, Continuing Care Actuaries

West Virginia Public Employee Insurance Agency

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Mar-25 Update	Change	Financial Plan	Mar-25 Update	Change
<u>Revenue</u>						
Premiums	\$ 1,018.3	\$ 1,018.3	\$ (0.0)	\$ 1,180.1	\$ 1,180.1	\$ (0.0)
Investment Income	8.3	8.3	(0.0)	9.1	10.0	0.9
Direct Transfers	87.0	87.0	-	-	-	-
Other	7.3	7.8	0.5	7.4	8.0	0.5
Total	\$ 1,120.9	\$ 1,121.4	\$ 0.5	\$ 1,196.6	\$ 1,198.0	\$ 1.4
<u>Expenses</u>						
Medical Claims	\$ 690.1	\$ 679.9	\$ (10.2)	\$ 703.8	\$ 692.8	\$ (11.0)
Gross Drug Claims	424.9	424.4	(0.5)	458.2	472.2	14.0
Drug Rebates	(133.8)	(143.1)	(9.3)	(140.5)	(150.3)	(9.8)
Capitations	70.0	70.2	0.2	74.2	85.8	11.6
Administration & Wellness	28.4	28.6	0.2	30.9	31.1	0.2
WV RHBT Pay Go Premiums	29.1	29.1	0.0	10.0	10.0	-
ACA Expenses	0.5	0.5	0.0	0.5	0.5	(0.0)
Other Expenses	5.4	3.0	(2.4)	5.8	4.3	(1.5)
Total	\$ 1,114.5	\$ 1,092.5	\$ (22.0)	\$ 1,142.9	\$ 1,146.3	\$ 3.4
Fiscal Year Results	\$ 6.3	\$ 28.8	\$ 22.5	\$ 53.8	\$ 51.7	\$ (2.0)
Ending Fund Balance	\$ 88.3	\$ 110.8	\$ 22.5	\$ 142.0	\$ 162.5	\$ 20.5
Legislative Required Reserve	\$ 108.5	\$ 106.3	\$ (2.2)	\$ 113.3	\$ 113.6	\$ 0.3
Surplus/(Shortfall)	\$ (20.3)	\$ 4.4	\$ 24.7	\$ 28.7	\$ 48.9	\$ 20.1
Actuarial Required Reserve	\$ 133.1	\$ 130.4	\$ (2.7)	\$ 138.9	\$ 139.0	\$ 0.2
Surplus/(Shortfall)	\$ (44.8)	\$ (19.6)	\$ 25.2	\$ 3.2	\$ 23.5	\$ 20.3

*The annual Medical Trend through February was 7.4%. The FY25 plan assumption was 8.0%

*The annual Gross Drug Trend through February was 15.5%. The FY25 plan assumption was 15.0%

WV PEIA - State Agencies

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-24 Update	Change	Financial Plan	Sep-24 Update	Change
Revenue						
Premiums	\$ 829.6	\$ 829.7	\$ 0.1	\$ 961.4	\$ 961.5	\$ 0.1
Investment Income	6.7	6.7	(0.0)	7.9	8.6	0.7
Direct Transfers	87.0	87.0	-	-	-	-
Other	6.1	6.6	0.5	6.2	6.7	0.4
Total	\$ 929.4	\$ 929.9	\$ 0.6	\$ 975.5	\$ 976.8	\$ 1.3
Expenses						
Medical Claims	\$ 560.3	\$ 552.0	\$ (8.3)	\$ 571.1	\$ 562.1	\$ (9.0)
Gross Drug Claims	343.7	343.3	(0.4)	370.7	382.1	11.4
Drug Rebates	(108.9)	(116.5)	(7.6)	(114.4)	(122.4)	(8.0)
Capitations	63.9	64.1	0.2	67.8	78.3	10.6
Administration & Wellness	23.3	23.4	0.2	25.3	25.5	0.1
WV RHBT Pay Go Premiums	23.1	23.2	0.0	8.0	8.0	(0.0)
ACA Expenses	0.4	0.4	(0.0)	0.4	0.4	(0.0)
Other Expenses	4.4	2.5	(1.9)	4.8	3.5	(1.3)
Total	\$ 910.2	\$ 892.3	\$ (17.9)	\$ 933.6	\$ 937.5	\$ 3.9
Fiscal Year Results	\$ 19.2	\$ 37.6	\$ 18.4	\$ 42.0	\$ 39.3	\$ (2.6)
Ending Fund Balance	\$ 85.0	\$ 103.4	\$ 18.4	\$ 127.0	\$ 142.8	\$ 15.8
Legislative Required Reserve	\$ 88.7	\$ 86.9	\$ (1.8)	\$ 92.6	\$ 93.0	\$ 0.4
Surplus/(Shortfall)	\$ (3.7)	\$ 16.5	\$ 20.2	\$ 34.4	\$ 49.8	\$ 15.4
Actuarial Required Reserve	\$ 108.6	\$ 106.4	\$ (2.2)	\$ 113.3	\$ 113.5	\$ 0.3
Surplus/(Shortfall)	\$ (23.6)	\$ (3.0)	\$ 20.6	\$ 13.7	\$ 29.2	\$ 15.6

WV PEIA - Non-State Agencies

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-24 Update	Change	Financial Plan	Sep-24 Update	Change
<u>Revenue</u>						
Premiums	\$ 188.7	\$ 188.6	\$ (0.1)	\$ 218.7	\$ 218.5	\$ (0.1)
Investment Income	1.6	1.6	0.0	1.2	1.3	0.2
Direct Transfers	-	-	-	-	-	-
Other	1.2	1.3	0.1	1.2	1.3	0.1
Total	\$ 191.5	\$ 191.4	\$ (0.0)	\$ 221.1	\$ 221.2	\$ 0.1
<u>Expenses</u>						
Medical Claims	\$ 129.9	\$ 127.9	\$ (1.9)	\$ 132.7	\$ 130.6	\$ (2.1)
Gross Drug Claims	81.2	81.1	(0.1)	87.5	90.2	2.7
Drug Rebates	(24.9)	(26.6)	(1.7)	(26.1)	(27.9)	(1.8)
Capitations	6.1	6.1	0.0	6.4	7.4	1.0
Administration & Wellness	5.1	5.1	0.0	5.5	5.6	0.0
WV RHBT Pay Go Premiums	5.9	6.0	0.0	2.0	2.0	0.0
ACA Expenses	0.1	0.1	0.0	0.1	0.1	(0.0)
Other Expenses	1.0	0.6	(0.4)	1.1	0.8	(0.3)
Total	\$ 204.4	\$ 200.2	\$ (4.1)	\$ 209.3	\$ 208.8	\$ (0.5)
Fiscal Year Results	\$ (12.9)	\$ (8.8)	\$ 4.1	\$ 11.8	\$ 12.4	\$ 0.6
Ending Fund Balance	\$ 3.3	\$ 7.4	\$ 4.1	\$ 15.1	\$ 19.8	\$ 4.7
Legislative Required Reserve	\$ 19.8	\$ 19.4	\$ (0.4)	\$ 20.7	\$ 20.7	\$ (0.0)
Surplus/(Shortfall)	\$ (16.6)	\$ (12.1)	\$ 4.5	\$ (5.6)	\$ (0.9)	\$ 4.7
Actuarial Required Reserve	\$ 24.5	\$ 24.0	\$ (0.5)	\$ 25.6	\$ 25.5	\$ (0.1)
Surplus/(Shortfall)	\$ (21.2)	\$ (16.6)	\$ 4.6	\$ (10.5)	\$ (5.8)	\$ 4.8

West Virginia Retiree Health Benefit Trust

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Mar-25			Mar-25		
	Financial Plan	Update	Change	Financial Plan	Update	Change
Revenue						
Premiums	\$ 99.9	\$ 99.1	\$ (0.8)	\$ 85.0	\$ 84.3	\$ (0.7)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	26.2	26.2	(0.0)	27.5	27.5	(0.0)
Investment Income	144.8	144.8	0.0	152.3	152.8	0.5
Transfer from Premium Stabilization Reserve	75.0	68.1	(7.0)	109.7	110.1	0.4
General Revenue Transfer	30.0	30.0	-	30.0	30.0	-
Total	\$ 376.0	\$ 368.2	\$ (7.8)	\$ 404.6	\$ 404.8	\$ 0.2
Expenses						
Medical Claims	\$ 71.0	\$ 65.1	\$ (6.0)	\$ 69.1	\$ 66.4	\$ (2.7)
Gross Drug Claims	50.2	49.8	(0.4)	52.6	55.9	3.4
Drug Rebates	(17.4)	(18.7)	(1.3)	(18.3)	(19.7)	(1.4)
Capitations	65.6	65.0	(0.6)	85.6	85.4	(0.2)
Administration & Wellness	4.3	4.5	0.2	4.5	4.7	0.2
Life Insurance	25.8	26.3	0.4	27.1	27.6	0.5
Retiree Assistance Program	1.4	1.4	(0.1)	1.5	1.5	(0.1)
ACA Expenses	0.0	0.0	(0.0)	0.0	0.0	(0.0)
Other Expenses	0.2	0.1	(0.1)	0.2	0.2	0.0
Total	\$ 201.2	\$ 193.4	\$ (7.8)	\$ 222.3	\$ 222.0	\$ (0.3)
Fiscal Year Results	\$ 174.8	\$ 174.8	\$ 0.0	\$ 182.3	\$ 182.8	\$ 0.5
Ending Restricted Fund Balance	\$ 1,919.0	\$ 1,919.0	\$ 0.0	\$ 2,101.3	\$ 2,101.8	\$ 0.5
Ending PSR Fund Balance	\$ 126.3	\$ 133.3	\$ 7.0	\$ 16.6	\$ 23.2	\$ 6.6
Ending Total Fund Balance	\$ 2,045.3	\$ 2,052.3	\$ 7.0	\$ 2,117.9	\$ 2,125.0	\$ 7.1

*The annual Non-Med Medical Trend through February was -8.7%. The FY25 plan assumption was 8.0%

*The annual Non-Med Gross Drug Trend through February was 24.6%. The FY25 plan assumption was 15.0%

Financial Statements YTD

Jason Haught, PEIA Acting Director

West Virginia Public Employees Insurance Agency
Statement of Net Position
Friday, February 28, 2025
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$72,077	\$58,477	\$13,600	23%
Equity position in internal investment pool	86,380	28,059	\$58,321	208%
Accounts receivable:				
Premium, less allowance for doubtful accounts	5,914	10,800	(\$4,886)	(45%)
Due From RHBT	22,562	17,329	\$5,233	30%
Prescription rebates, less allowance for doubtful accounts	25,093	20,772	\$4,321	21%
Other	3,915	1,652	\$2,263	137%
Total current assets	215,941	137,089	78,852	58%
Noncurrent assets:				
Equity position in internal investment pools	153,654	140,120	13,534	10%
Equity position in internal investment pool – restricted	4,423	4,033	390	10%
Capital assets, net of accumulated depreciation				
Right to use		78	(78)	(100%)
Furniture, equipment, and other	51	39	12	31%
Postemployment Benefits- Pension & OPEB	43	(177)	220	(124%)
Total noncurrent assets	158,171	144,093	14,078	10%
Total assets	374,112	281,182	92,930	33%
Deferred outflows of resources related to pension & OPEB	286	495	(209)	(42%)
Liabilities				
Current liabilities:				
Incurred but not reported reserve	104,330	117,460	(13,130)	(11%)
Current claims payable	10,381	8,556	1,825	21%
Premium deficiency reserve	661	-	661	100%
Accounts payable	7,448	9,130	(1,682)	(18%)
Unearned revenue	55,127	11,711	43,416	371%
Other accrued liabilities	2,848	2,286	562	25%
Total current liabilities	180,795	149,143	31,652	21%
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,153	4,165	(12)	(0%)
Long term lease liability	-	83	(83)	(100%)
Total liabilities	184,948	153,391	31,557	21%
Deferred inflows of resources related to pension & OPEB	118	240	(122)	(51%)
Net position				
Invested in capital assets	51	118	(67)	(57%)
Unrestricted	189,281	127,928	61,353	48%
Total net position	189,332	128,046	61,286	48%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Eight Months Ending Friday, February, 28, 2025
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
OPERATING REVENUE						
Premium Revenue						
\$427,204	\$425,906	\$400,566	\$1,298	0%	\$26,638	7%
109,541	109,461	98,610	\$80	0%	\$10,931	11%
121,165	120,115	109,090	\$1,050	1%	\$12,075	11%
3,475	3,079	3,203	\$396	13%	\$272	8%
1,054	1,635	1,525	(\$581)	(36%)	(\$471)	(31%)
662,439	660,196	612,994	2,243	0%	49,445	8%
NON-OPERATING REVENUE						
1,680	1,636	1,540	44	3%	140	9%
58,000	-	-	58,000	100%	58,000	100%
11,277	6,380	9,940	4,897	77%	1,337	13%
19,418	19,333	-	85	0%	19,418	100%
90,375	27,349	11,480	63,026	230%	78,895	687%
752,814	687,545	624,474	65,269	9%	128,340	21%
EXPENSES						
401,368	411,133	406,152	9,765	2%	4,784	1%
259,401	256,215	236,650	(3,187)	(1%)	(22,751)	(10%)
(103,649)	(102,759)	(84,921)	890	(1%)	18,728	(22%)
155,752	153,456	151,729	(2,297)	(1%)	(4,023)	(3%)
46,731	44,945	42,723	(1,786)	(4%)	(4,008)	(9%)
14,580	21,114	14,647	6,534	31%	67	0%
880	1,476	319	596	40%	(561)	(176%)
4,333	5,394	4,147	1,061	20%	(186)	(4%)
1,400	1,448	1,226	48	3%	(174)	(14%)
312	312	315	0	0%	3	1%
19,418	19,333	-	(85)	(0%)	(19,418)	100%
644,774	658,610	621,258	13,836	2%	(23,516)	(4%)
108,040	28,936	3,216	79,105	273%	104,824	3,259%
81,292	81,292	124,830	-	0%	(43,538)	(35%)
\$189,332	\$110,228	\$128,046	\$79,105	72%	\$61,286	48%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Friday, February 28, 2025
In Thousands

	CURRENT YR	PRIOR YR	\$	VARIANCE
				%
ASSETS				
Cash - Operating Fund	\$27,819	\$29,706	(\$1,887)	(6%)
INVESTMENTS				
WV Board of Treasury Investments	1,676	38,412	(36,736)	(96%)
WV Investment Management Board	2,048,515	1,869,587	178,928	10%
Total Investments	2,050,191	1,907,999	142,192	7%
Due From / (To) WV PEIA	(22,562)	(17,329)	(5,233)	(30%)
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	1,217	409	808	198%
Less: Allowance for Doubtful Accounts	(46)	(548)	502	92%
Net - Premium Accounts Receivable	1,171	(139)	1,310	942%
Other Receivables	(766)	(581)	(185)	32%
TOTAL ASSETS	2,055,853	1,919,656	136,197	7%
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	153	263	(110)	(42%)
LIABILITIES				
Claims payable	8,660	13,000	4,340	33%
Accounts payable	31	2	(29)	(1,450%)
Accrued Liabilities	11,676	14,516	2,840	20%
TOTAL LIABILITIES	20,367	27,518	7,151	26%
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	63	130	67	52%
Net Position- PSR	201,345	201,345	-	0%
Net Position- Restricted	1,834,231	1,690,926	143,305	8%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	\$2,035,576	\$1,892,271	\$143,305	8%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Eight Months Ending Friday, February 28, 2025
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$1,375	\$1,305	\$1,350	Health premiums - Non Par	\$70	5%	\$25	2%
4,429	4,374	5,170	Health Premiums - RLC Health, Life	55	1%	(741)	(14%)
19,418	19,333	-	Pay Go Premiums	85	0%	19,418	100%
20,000	20,000	20,000	State appropriation - OPEB	-	0%	-	0%
45,222	45,012	26,520	Total Employer Premiums	210	0%	18,702	71%
			Other Additions:				
333	333	333	Retiree Drug Subsidy	-	0%	-	0%
106,260	90,558	128,409	Investment Income	15,702	17%	(22,149)	(17%)
151,815	135,903	155,262	TOTAL ADDITIONS	15,912	12%	(3,447)	(2%)
			DEDUCTIONS				
40,659	36,908	34,623	Payments to Managed Care Org.	(3,751)	(10%)	(6,036)	(17%)
17,503	18,462	17,624	Life Insurance Expense	959	5%	121	1%
38,939	39,559	42,699	Medical Claims Expense	620	2%	3,760	9%
19,039	19,911	16,810	Pharmacy Claims Expense	872	4%	(2,229)	(13%)
853	662	1,254	Administrative Service Fees (External)	(191)	(29%)	401	32%
(39,888)	(40,939)	(38,670)	Member Health premiums	(1,051)	(3%)	1,218	3%
(17,474)	(18,488)	(17,585)	Member Life Insurance Premiums	(1,014)	(5%)	(111)	(1%)
2,125	2,763	1,902	Other Operating Expenses	638	23%	(223)	(12%)
61,756	58,838	58,657	TOTAL DEDUCTIONS	(2,918)	(5%)	(3,099)	(5%)
90,059	77,065	96,605	NET POSITION INCREASE (DECREASE)	12,994	17%	(6,546)	(7%)
			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%
1,834,231	1,821,237	1,690,926	End of Period Net Position - Restricted	12,994	1%	143,305	8%
201,345	201,345	201,345	End of Period Net Position - PSR	-	0%	-	0%
\$2,035,576	\$2,022,582	\$1,892,271	End of Period Total Net Position	\$12,994	1%	\$143,305	8%

Public Comment



Old Business

Spousal Surcharge Information

Open Enrollment Update:

“Family with Eligible Spouse” is now called “Family with Spousal Surcharge” to help eliminate confusion for our members who are subject to the spousal surcharge. If you previously submitted a Spousal Surcharge Affidavit, and your status has not changed, you do not need to submit a new affidavit during this open enrollment. Your previous affidavit remains in effect.

Starting July 1, 2025, the Spousal Surcharge will be increasing to \$350* per month.

PEIA is required by law to apply a monthly spousal surcharge to active employees of State agencies, colleges, universities, and county boards of education if your spouse is eligible for employer-sponsored coverage through his/her employer, and has PEIA coverage. The spousal surcharge will be added to health insurance premiums each month. If your spouse is eligible for coverage as an employee of a PEIA-participating agency, has Medicare, Medicaid, TRICARE or is retired, the spousal coverage surcharge does not apply.

If both spouses are public employees, the surcharge does not apply, but you may need to act to avoid the surcharge. If the spouse who is not the health policyholder has Basic Life insurance, you do not need to complete a Spousal Surcharge Affidavit. If the spouse who is not the health policyholder DOES NOT have Basic Life insurance, you must complete a Spousal Surcharge Affidavit to avoid paying the surcharge. ***If you previously submitted a Spousal Surcharge Affidavit, and your status has not changed, you do not need to submit a new affidavit during open enrollment. Your previous affidavit remains in effect.***

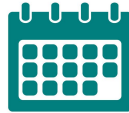
If your spouse's coverage status changes - spouse loses or obtains health coverage through their employer, you must report the change in writing to PEIA during the month the change occurs or the two following months. Failure to notify PEIA in a timely manner will result in your being billed for any additional spouse surcharge due, and no refunds will be granted. If you remove your spouse from your PEIA coverage, that loss of coverage is a qualifying event for your spouse to add coverage under his/her employer's coverage. PEIA can provide you documentation of the termination of coverage, just call us at 1-888-680-7342. If your spouse drops coverage from their employer, that is a qualifying event to add them to your coverage, but the spousal surcharge will apply.

* Average increase for affected plans.

New Business

Next Meeting

June 5, 2025



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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