



West Virginia PEIA & RHBT Finance Board Meeting

Tuesday, October 8, 2024, 1:00pm

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

AGENDA

- ❖ Roll Call
- ❖ Call to Order
- ❖ Approval of Minutes
- ❖ Notes from the Director
- ❖ Financial Statements YE FY '24, YTD FY '25
- ❖ Financial Plan Update
- ❖ Public Comments
- ❖ Old Business
- ❖ New Business
- ❖ Next Meeting - October 24, 2024

Roll Call

- ❖ Sarah Long, Acting 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

June 27, 2024



Notes from the Director



Successes for SFY24 and Q1 SFY25

- Ended the **carve-outs** in Boyd County, KY and Washington County, OH by bringing Kings Daughters and Memorial Health System back into the PEIA network.
- Implemented **NADAC + dispensing fee** reimbursement for all WV domestic pharmacies.
- Completed the **actuarial study** mandated by SB268
- Operationalized a new virtual **wellness program** in partnership with Virgin Pulse
- Released **procurements for managed care vendors as well as a consultant to support the upcoming PBM RFP**, which will be released by the summer of 2025 in preparation for implementation by July 1, 2026.
- In partnership with TruData Rx, put in place a **cost containment strategy** centered on **comparative effectiveness** that is anticipated to save \$3.5M with more on the way.
- Recouped \$160,000 in **340b duplicate discount takebacks**.
- Working with the Express Scripts PBM, executed a **\$27M Fiscal Improvement Plan** with the following components:
 - \$4M invoice credit
 - \$21M increase in rebate guarantees and cap on 340b takebacks
 - \$2M transition to NADAC + \$10.49 for mail order speciality - this issue was highlighted by stakeholders and legislators and PEIA committed to addressing it. Now, all specialty medicines will be reimbursed at the same rate regardless of setting.

Cadence

- Key dates:
 - 10/8, 10/24, 12/5: Finance Board Meetings
 - 10/15: Governor's estimate of total revenues due to Finance Board
 - Mid-November: Public Hearings
 - 1/1: Finance Board approved plan to Governor and Legislature
- Changes must be discussed by the board and finalized no later than 10/24 meeting in order to be available for public hearings.

Required Changes for FY26

(July 1, 2025 through June 30, 2026)

Premium Increases:

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

Will impact retirees both Medicare and Non-Medicare as well

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

Deductible & Out of Pocket Maximum (OOPM) Increases:

*Will impact Non-Medicare retirees as well

Plan C deductible increases \$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:

	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

*Will impact Non-Medicare retirees as well

Outpatient Copays:

	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

*Will impact Non-Medicare retirees as well

Plan C deductible increases \$990

Therapy Copays and Coinsurances:

*Will impact Non-Medicare retirees as well

#Plan B goes to \$25/30 and Plan A coinsurance increases from 20% to 30%

All other therapies, Plan A coinsurance increases from 20% to 30%

	Proposed Outpatient Chiro Copay*	Current Outpatient Chiro Copay	Proposed Outpatient Massage Therapy Copay #	Current Outpatient Massage Therapy Copay	Value (\$M)
State Fund	\$25/\$30	\$20/\$25	\$20/\$25	\$10/\$25	\$3.2
Local Fund	\$25/\$30	\$20/\$25	\$20/\$25	\$10/\$25	\$0.8
					\$4.0

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:

	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

* Will impact retirees both Medicare and Non-Medicare as well

Rx deductibles double as well

Spousal Surcharge:

	Proposed Spousal Surcharge* #	Current Spousal Surcharge*	Value (\$M)
State Fund	\$350	\$149	\$21.2

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

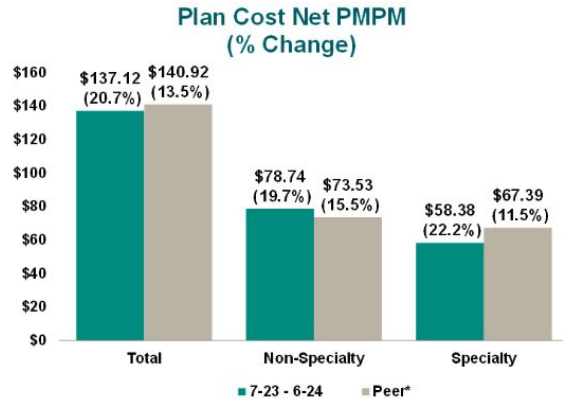
*average

Total:

Category	Value (\$M)
Premiums	\$36.6
Ded/OOPM	\$30.0
Inpatient Services	\$1.6
Outpatient Services	\$5.3
Therapies	\$4.0
ER	\$0.5
Rx Copays	\$14.0
Spousal Surcharge	\$21.2
Total	\$113.2

What is driving the cost increases?

1) Rate of inflation in prescription drugs



- PEIA PMPM remains below peer, however, inflationary trend is greater than peer.
- It is important for PEIA to arrest the trend through comparative effectiveness initiatives, 340b partnerships, benefit adjustments, and wellness programs.

Plan Performance			
	7-23 - 6-24	7-22 - 6-23	Change %
AWP	\$945,795,746	\$861,646,128	9.8%
Network & Mail Discount			
Savings (includes dispensing fees)	-\$482,921,022	-\$457,076,034	5.7%
Tax	\$64,604	\$25,090	157.5%
Gross Cost	\$462,939,327	\$404,595,184	14.4%
Member Cost	-\$58,294,986	-\$59,741,699	-2.4%
Copay/Deductible	-\$29,226,800	-\$31,009,233	-5.7%
SaveOnSP	-\$29,068,187	-\$28,732,467	1.2%
Plan Cost	\$404,272,699	\$344,419,659	17.4%
Rebates*	-\$147,754,343	-\$124,342,206	18.8%
Plan Cost Net	\$256,518,356	\$220,077,453	16.6%
Members	155,898	161,476	-3.5%
Gross Cost PMPM	\$247.46	\$208.80	18.5%
Plan Cost PMPM	\$216.10	\$177.75	21.6%
Rebates PMPM	\$78.98	\$64.17	23.1%
Plan Cost Net PMPM	\$137.12	\$113.58	20.7%

What is driving the cost increases?

2) GLP-1s: All metrics are net

A Glance at GLP-1

GLP-1 drugs were responsible for \$52.5M, which is 19.9% of your overall cost

GLP-1s accounted for \$10.25 (43.6%) of the total \$23.54 Net PMPM increase.

What is driving the cost increases?

3) Increased reimbursement to providers

- ~\$70M year over year as a result of SB268
- Expecting ~\$5M in SFY25 to independent pharmacies as a result of SB453

4) Member cost share out of alignment

Financial Statements YTD

Jason Haught, CFO (PEIA)



West Virginia Public Employees Insurance Agency

Statement of Net Position

Sunday, June 30, 2024

(Dollars in Thousands)

DRAFT (Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$36,069	\$6,743	\$29,326	435%
Equity position in internal investment pool	6,976	41,128	(34,152)	(83%)
Accounts receivable:				
Premium, less allowance for doubtful accounts	15,538	16,226	(688)	(4%)
Due From RHBT	8,632	7,908	724	9%
Prescription rebates, less allowance for doubtful accounts	33,045	30,522	2,523	8%
Other	5,853	7,739	(1,886)	(24%)
Total current assets	106,113	110,266	(4,153)	(4%)
Noncurrent assets:				
Equity position in internal investment pools	144,301	131,849	12,452	9%
Equity position in internal investment pool – restricted	4,153	4,165	(12)	(0%)
Capital assets, net of accumulated depreciation				
Right to use		235	(235)	(100%)
Furniture, equipment, and other	51	39	12	31%
Postemployment Benefits- Pension & OPEB	43	(177)	220	(124%)
Total noncurrent assets	148,548	136,111	12,437	9%
Total assets	254,661	246,377	8,284	3%
Deferred outflows of resources related to pension & OPEB	286	495	(209)	(42%)
Liabilities				
Current liabilities:				
Incurred but not reported reserve	124,570	91,540	33,030	36%
Current claims payable	11,546	9,739	1,807	19%
Premium deficiency reserve	661		661	0%
Accounts payable	8,233	6,411	1,822	28%
Unearned revenue	21,525	7,417	14,108	190%
Other accrued liabilities	2,848	2,286	562	25%
Total current liabilities	169,383	117,393	51,990	44%
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,153	4,165	(12)	(0%)
Long term lease liability		244	(244)	(100%)
Total liabilities	173,536	121,802	51,734	42%
Deferred inflows of resources related to pension & OPEB	118	240	(122)	(51%)
Net position				
Invested in capital assets	51	275	(224)	(81%)
Unrestricted	81,241	124,555	(43,314)	(35%)
Total net position	81,292	124,830	(43,538)	(35%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Twelve Months Ending Sunday, June 30, 2024
(Dollars in Thousands)

DRAFT (Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$600,773	\$590,757	\$437,659	Health Insurance - State Gov. - Employers	\$10,016	2%	\$163,114	37%
147,244	147,574	119,189	Health Insurance - State Gov. - Employees	(330)	(0%)	28,055	24%
163,779	166,559	136,682	Health Insurance - Local Gov. - All	(2,780)	(2%)	27,097	20%
4,955	4,776	4,969	Administrative Fees, Net of Refunds	179	4%	(14)	(0%)
2,520	2,764	2,664	Other Premium Revenue	(244)	(9%)	(144)	(5%)
919,271	912,430	701,163	Total Operating Revenue	6,841	1%	218,108	31%
NON-OPERATING REVENUE							
2,376	2,106	2,020	Life Insurance	270	13%	356	18%
0	0	52,000	Direct Transfer	0	0%	(52,000)	(100%)
14,558	8,416	8,182	Interest and Investment Income	6,142	73%	6,376	78%
16,934	10,522	62,202	Total Non-Operating Revenue	6,412	61%	(45,268)	(73%)
936,205	922,952	763,365	TOTAL REVENUE	13,253	1%	172,840	23%
EXPENSES							
642,624	604,984	468,987	Claims Expense - Medical	(37,640)	(6%)	(173,637)	(37%)
371,807	337,163	295,004	Gross Claims Expense - Drugs	(34,644)	(10%)	(76,803)	(26%)
(129,331)	(126,429)	(121,754)	Prescription Rebate	2,902	(2%)	7,577	(6%)
242,476	210,735	173,249	Net Claims Expense- Drugs	(31,741)	(15%)	(69,227)	(40%)
64,226	67,748	54,401	Payments to Managed Care Org.	3,522	5%	(9,825)	(18%)
21,796	23,271	27,264	Administrative Service Fees	1,475	6%	5,468	20%
437	93	476	Wellness and Disease Management	(344)	(370%)	39	8%
5,577	5,547	5,249	Other Operating Expenses	(30)	(1%)	(328)	(6%)
2,094	2,182	1,836	Life Insurance Expense	88	4%	(258)	(14%)
514	477	498	ACA Comparative Effectiveness Fee	(37)	(8%)	(16)	(3%)
979,744	915,037	731,960	TOTAL EXPENSES	(64,707)	(7%)	(247,784)	(34%)
(43,538)	7,915	31,405	YTD Surplus (Deficit)	(51,453)	(650%)	(74,943)	(239%)
124,830	124,830	93,425	Total Net Position, Beginning of Period	0	0%	31,405	34%
\$81,292	\$132,745	\$124,830	Total Net Position, End of Period	(\$51,453)	(39%)	(\$43,538)	(35%)

West Virginia Public Employees Insurance Agency

Statement of Net Position

Saturday, August 31, 2024

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$26,148	\$34,236	(\$8,088)	(24%)
Equity position in internal investment pool	8,741	18,039	(9,298)	(52%)
Accounts receivable:				
Premium, less allowance for doubtful accounts	5,675	20,065	(14,390)	(72%)
Due From RHBT	9,479	7,051	2,428	34%
Prescription rebates, less allowance for doubtful accounts	56,745	49,931	6,814	14%
Other	5,497	5,470	27	0%
Total current assets	112,285	134,792	(22,507)	(17%)
Noncurrent assets:				
Equity position in internal investment pools	148,274	132,694	15,580	12%
Equity position in internal investment pool – restricted	4,268	3,839	429	11%
Capital assets, net of accumulated depreciation				
Right to use		196	(196)	(100%)
Furniture, equipment, and other	51	39	12	31%
Postemployment Benefits- Pension & OPEB	43	(177)	220	(124%)
Total noncurrent assets	152,636	136,591	16,045	12%
Total assets	264,921	271,383	(6,462)	(2%)
Deferred outflows of resources related to pension & OPEB	286	495	(209)	(42%)
Liabilities				
Current liabilities:				
Incurred but not reported reserve	113,010	95,990	17,020	18%
Current claims payable	10,777	8,467	2,310	27%
Premium deficiency reserve	661		661	0%
Accounts payable	10,686	5,320	5,366	101%
Unearned revenue	26,104	10,671	15,433	145%
Other accrued liabilities	2,848	2,286	562	25%
Total current liabilities	164,086	122,734	41,352	34%
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,153	4,165	(12)	(0%)
Long term lease liability		204	(204)	(100%)
Total liabilities	168,239	127,103	41,136	32%
Deferred inflows of resources related to pension & OPEB	118	240	(122)	(51%)
Net position				
Invested in capital assets	51	236	(185)	(78%)
Unrestricted	96,797	144,300	(47,503)	(33%)
Total net position	96,848	144,536	(47,688)	(33%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Two Months Ending Saturday, August 31, 2024
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

<u>ACTUAL</u>	<u>BUDGET</u>	<u>PRIOR YR</u>
\$106,803	\$106,477	\$99,634
27,098	27,365	24,867
30,332	30,029	27,151
753	770	743
304	409	395
165,290	165,050	152,790
428	409	427
4,153	1,595	1,030
4,837	4,833	0
9,418	6,837	1,457
174,708	171,887	154,247
96,487	97,158	83,484
66,604	60,244	52,532
(24,255)	(25,690)	(20,000)
42,349	34,555	32,532
11,609	11,236	10,577
2,980	5,278	6,565
1	369	79
754	1,348	921
57	362	303
78	78	80
4,837	4,833	0
159,152	155,217	134,541
15,556	16,669	19,706
81,292	81,292	124,830
\$96,848	\$97,961	\$144,536

	<u>BUDGET VARIANCE</u>		<u>PRIOR YR VARIANCE</u>	
	<u>\$</u>	<u>%</u>	<u>\$</u>	<u>%</u>
OPERATING REVENUE				
Premium Revenue				
Health Insurance - State Gov. - Employers	\$326	0%	\$7,169	7%
Health Insurance - State Gov. - Employees	(267)	(1%)	2,231	9%
Health Insurance - Local Gov. - All	303	1%	3,181	12%
Administrative Fees, Net of Refunds	(17)	(2%)	10	1%
Other Premium Revenue	(105)	(26%)	(91)	(23%)
Total Operating Revenue	240	0%	12,500	8%
NON-OPERATING REVENUE				
Life Insurance	19	5%	1	0%
Interest and Investment Income	2,558	160%	3,123	303%
WV RHBT Pay Go Premiums	4	0%	4,837	0%
Total Non-Operating Revenue	2,581	38%	7,961	546%
TOTAL REVENUE	2,821	2%	20,461	13%
EXPENSES				
Claims Expense - Medical	671	1%	(13,003)	(16%)
Gross Claims Expense - Drugs	(6,360)	(11%)	(14,072)	(27%)
Prescription Rebate	(1,435)	6%	4,255	(21%)
Net Claims Expense- Drugs	(7,794)	(23%)	(9,817)	(30%)
Payments to Managed Care Org.	(373)	(3%)	(1,032)	(10%)
Administrative Service Fees	2,298	44%	3,585	55%
Wellness and Disease Management	368	100%	78	99%
Other Operating Expenses	594	44%	167	18%
Life Insurance Expense	305	84%	246	81%
ACA Comparative Effectiveness Fee	0	0%	2	3%
WV RHBT Pay Go Premiums	(4)	(0%)	(4,837)	0%
TOTAL EXPENSES	(3,935)	(3%)	(24,611)	(18%)
YTD Surplus (Deficit)	(1,113)	(7%)	(4,150)	(21%)
Total Net Position, Beginning of Period	0	0%	(43,538)	(35%)
Total Net Position, End of Period	(\$1,113)	(1%)	(\$47,688)	(33%)

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Sunday, June 30, 2024
PRELIMINARY 9.25.24

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
ASSETS				
Cash - Operating Fund	\$6,559	\$4,709	\$1,850	39%
INVESTMENTS				
WV Board of Treasury Investments	18,976	66,715	(47,739)	(72%)
WV Investment Management Board	1,942,456	1,742,875	199,581	11%
Total Investments	1,961,432	1,809,590	151,842	8%
Due From / (To) WV PEIA	(8,632)	(7,908)	(724)	9%
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	575	1,854	(1,279)	(69%)
Less: Allowance for Doubtful Accounts	(46)	(548)	502	(92%)
Net - Premium Accounts Receivable	529	1,306	(777)	(59%)
Other Receivables	5,856	5,422	434	8%
TOTAL ASSETS	1,965,744	1,813,119	152,625	8%
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	11,740	9,930	(1,810)	(18%)
Accounts payable	31	8	(23)	(288%)
Accrued Liabilities	8,546	7,647	(899)	(12%)
TOTAL LIABILITIES	20,317	17,585	(2,732)	(16%)
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	282,107	(80,762)	(29%)
Net Position- Restricted	1,744,172	1,513,559	230,613	15%
NET POSITION RESTRICTED	1,945,517	1,795,666	\$149,851	8%
FOR POST EMPLOYMENT BENEFITS				

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Twelve Months Ending Sunday, June 30, 2024
PRELIMINARY 9.25.24

<u>ACTUAL</u>	<u>BUDGET</u>	<u>PRIOR YR</u>		<u>BUDGET VARIANCE</u>		<u>PRIOR YR VARIANCE</u>	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$2,032	\$1,978	\$2,026	Health premiums - Non Par	\$54	3%	\$6	0%
7,518	8,164	8,870	Health Premiums - RLC Health, Life	(646)	(8%)	(1,352)	(15%)
-	-	59,390	Pay Go Premiums	-	0%	(59,390)	(100%)
30,000	30,000	30,000	State appropriation - OPEB	-	0%	-	0%
39,550	40,142	100,286	Total Employer Premiums	(592)	(1%)	(60,736)	(61%)
			Other Additions:				
186	1,000	501	Retiree Drug Subsidy	(814)	(81%)	(315)	(63%)
201,842	124,077	137,501	Investment Income	77,765	63%	64,341	47%
241,578	165,219	238,288	TOTAL ADDITIONS	76,359	46%	3,290	1%
			DEDUCTIONS				
53,545	52,315	46,725	Payments to Managed Care Org.	(1,230)	(2%)	(6,820)	(15%)
26,305	27,629	26,312	Life Insurance Expense	1,324	5%	7	0%
64,857	60,216	53,000	Medical Claims Expense	(4,641)	(8%)	(11,857)	(22%)
26,954	25,599	21,162	Pharmacy Claims Expense	(1,355)	(5%)	(5,792)	(27%)
1,512	1,825	2,140	Administrative Service Fees (External)	313	17%	628	29%
(57,578)	(59,117)	(58,035)	Member Health premiums	(1,539)	3%	(457)	1%
(26,318)	(27,701)	(26,326)	Member Life Insurance Premiums	(1,383)	5%	(8)	0%
2,450	2,141	2,615	Other Operating Expenses	(309)	(14%)	165	6%
91,727	82,907	67,593	TOTAL DEDUCTIONS	(8,820)	(11%)	(24,134)	(36%)
149,851	82,312	170,695	NET POSITION INCREASE (DECREASE)	67,539	82%	(20,844)	(12%)
			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%
1,744,172	1,676,633	1,513,559	End of Period Net Position - Restricted	67,539	4%	230,613	15%
201,345	201,345	282,107	End of Period Net Position - PSR	-	0%	(80,762)	(29%)
\$1,945,517	\$1,877,978	\$1,795,666	End of Period Total Net Position	\$67,539	3%	\$149,851	8%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Saturday, August 31, 2024
PRELIMINARY 9.27.24

ASSETS			VARIANCE	
	CURRENT YR	PRIOR YR	\$	%
Cash - Operating Fund	\$17,306	\$3,956	\$13,350	337%
INVESTMENTS				
WV Board of Treasury Investments	4,113	57,244	(53,131)	(93%)
WV Investment Management Board	1,995,883	1,756,155	239,728	14%
Total Investments	1,999,996	1,813,399	186,597	10%
Due From / (To) WV PEIA	(9,479)	(7,669)	(1,810)	24%
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	1,108	625	483	77%
Less: Allowance for Doubtful Accounts	(46)	(548)	502	(92%)
Net - Premium Accounts Receivable	1,062	77	985	1,279%
Other Receivables	13,484	12,757	727	6%
TOTAL ASSETS	2,022,369	1,822,520	199,849	11%
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	10,220	11,060	840	8%
Accounts payable	36	4	(32)	(800%)
Accrued Liabilities	14,419	7,863	(6,556)	(83%)
TOTAL LIABILITIES	24,675	18,927	(5,748)	(30%)
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	1,796,439	1,602,381	194,058	12%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	\$1,997,784	\$1,803,726	\$194,058	11%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Two Months Ending Saturday, August 31, 2024
PRELIMINARY 9.27.24

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$348	\$326	\$337	Health premiums - Non Par	\$22	7%	\$11	3%
1,331	1,093	1,338	Health Premiums - RLC Health, Life	238	22%	(7)	(1%)
4,837	4,833	0	Pay Go Premiums	4	0%	4,837	100%
5,000	5,000	5,000	State appropriation - OPEB	-	0%	-	0%
11,516	11,252	6,675	Total Employer Premiums	264	2%	4,841	73%
			Other Additions:				
83	133	83	Retiree Drug Subsidy	(50)	(38%)	-	0%
53,564	22,639	13,809	Investment Income	30,925	137%	39,755	288%
65,163	34,024	20,567	TOTAL ADDITIONS	31,139	92%	44,596	217%
			DEDUCTIONS				
9,383	9,227	8,406	Payments to Managed Care Org.	(156)	(2%)	(977)	(12%)
4,249	4,615	4,339	Life Insurance Expense	366	8%	90	2%
8,106	9,567	8,647	Medical Claims Expense	1,461	15%	541	6%
4,696	4,682	4,134	Pharmacy Claims Expense	(14)	(0%)	(562)	(14%)
250	365	684	Administrative Service Fees (External)	115	32%	434	63%
(9,949)	(10,235)	(9,753)	Member Health premiums	(286)	3%	196	(2%)
(4,371)	(4,622)	(4,402)	Member Life Insurance Premiums	(251)	5%	(31)	1%
532	691	452	Other Operating Expenses	159	23%	(80)	(18%)
12,896	14,290	12,507	TOTAL DEDUCTIONS	1,394	10%	(389)	(3%)
52,267	19,734	8,060	NET POSITION INCREASE (DECREASE)	32,533	165%	44,207	548%
			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%
1,796,439	1,763,906	1,602,381	End of Period Net Position - Restricted	32,533	2%	194,058	12%
201,345	201,345	201,345	End of Period Net Position - PSR	-	0%	-	0%
\$1,997,784	\$1,965,251	\$1,803,726	End of Period Total Net Position	\$32,533	2%	\$194,058	11%

Financial Plan Update

Chris Borcik, Actuary (CCA)



PEIA FY2024 Claims: Actual vs. Expected

<u>FY24 Claim Expenses</u>	<u>Expected</u>	<u>Actual</u>	<u>Difference</u>	<u>Percent of Difference</u>
Inpatient	\$157.0	\$181.1	\$24.1	30%
Outpatient	149.2	159.5	10.3	13%
Physician	260.9	266.9	6.0	8%
<u>Other</u>	<u>31.7</u>	<u>34.5</u>	<u>2.8</u>	<u>4%</u>
Total Medical	\$598.8	\$642.0	\$43.2	54%
Gross Drug Claims	\$352.9	\$369.9	\$17.0	21%
<u>Drug Rebates</u>	<u>(146.8)</u>	<u>(127.4)</u>	<u>19.4</u>	<u>24%</u>
Total Drug	\$206.1	\$242.5	\$36.4	46%
Grand Total	\$804.9	\$884.5	\$79.6	100%

West Virginia Public Employee Insurance Agency

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Financial Plan	Sep-24		Financial Plan	Sep-24	
		Update	Change		Update	Change
Revenue						
Premiums	\$ 913.3	\$ 914.3	\$ 1.0	\$ 1,011.8	\$ 1,015.7	\$ 3.9
Investment Income	4.3	14.6	10.2	9.6	8.3	(1.3)
Direct Transfers	-	-	-	-	87.0	87.0
Other	7.0	7.3	0.4	7.1	7.5	0.4
Total	\$ 924.6	\$ 936.2	\$ 11.6	\$ 1,028.4	\$ 1,118.4	\$ 90.0
Expenses						
Medical Claims	\$ 598.9	\$ 642.0	\$ 43.0	\$ 643.2	\$ 690.1	\$ 46.9
Gross Drug Claims	352.9	369.9	17.1	398.8	424.9	26.2
Drug Rebates	(146.8)	(127.4)	19.3	(154.1)	(133.8)	20.3
Capitations	63.6	64.2	0.6	67.4	68.1	0.7
Administration & Wellness	39.1	27.8	(11.3)	40.2	28.0	(12.3)
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	2.1	(1.6)	4.0	4.3	0.3
Total	\$ 911.8	\$ 979.1	\$ 67.3	\$ 1,029.0	\$ 1,111.1	\$ 82.1
Fiscal Year Results	\$ 12.8	\$ (42.9)	\$ (55.7)	\$ (0.6)	\$ 7.3	\$ 7.9
Ending Fund Balance	\$ 137.6	\$ 82.0	\$ (55.7)	\$ 137.1	\$ 89.3	\$ (47.8)
Legislative Required Reserve	\$ 91.2	\$ 97.9	\$ 6.7	\$ 100.0	\$ 108.2	\$ 8.2
Surplus/(Shortfall)	\$ 46.5	\$ (16.0)	\$ (62.4)	\$ 37.1	\$ (18.9)	\$ (56.0)
Actuarial Required Reserve	\$ 111.3	\$ 120.0	\$ 8.7	\$ 122.2	\$ 132.8	\$ 10.5
Surplus/(Shortfall)	\$ 26.3	\$ (38.1)	\$ (64.3)	\$ 14.8	\$ (43.5)	\$ (58.3)

*The annual Medical Trend through June was 16.3%. The FY24 plan assumption was 7.5%

*The annual Gross Drug Trend through June was 23.2%. The FY24 plan assumption was 14.5%

WV PEIA - State Agencies

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Financial Plan	Sep-24 Update	Change	Financial Plan	Sep-24 Update	Change
Revenue						
Premiums	\$ 749.6	\$ 750.0	\$ 0.4	\$ 828.2	\$ 828.6	\$ 0.4
Investment Income	3.4	11.6	8.1	7.8	6.7	(1.1)
Direct Transfers	-	-	-	-	87.0	87.0
Other	5.8	6.1	0.3	5.9	6.2	0.3
Total	\$ 758.8	\$ 767.7	\$ 8.8	\$ 841.8	\$ 928.4	\$ 86.6
Expenses						
Medical Claims	\$ 483.4	\$ 521.2	\$ 37.8	\$ 521.3	\$ 560.3	\$ 38.9
Gross Drug Claims	288.1	299.2	11.1	330.9	343.7	12.9
Drug Rebates	(119.5)	(103.8)	15.8	(125.5)	(108.9)	16.5
Capitations	57.9	58.5	0.6	61.4	62.0	0.6
Administration & Wellness	31.3	22.3	(9.0)	32.2	22.4	(9.8)
WV RHBT Pay Go Premiums	-	-	-	23.2	23.1	(0.0)
ACA Expenses	0.4	0.4	0.0	0.4	0.4	0.0
Other Expenses	2.9	1.7	(1.3)	3.2	3.4	0.2
Total	\$ 744.5	\$ 799.5	\$ 55.0	\$ 847.1	\$ 906.4	\$ 59.3
Fiscal Year Results	\$ 14.4	\$ (31.8)	\$ (46.2)	\$ (5.3)	\$ 22.0	\$ 27.3
Ending Fund Balance	\$ 112.0	\$ 65.8	\$ (46.2)	\$ 106.7	\$ 87.8	\$ (18.9)
Legislative Required Reserve	\$ 74.4	\$ 79.9	\$ 5.5	\$ 82.4	\$ 88.3	\$ 5.9
Surplus/(Shortfall)	\$ 37.5	\$ (14.1)	\$ (51.7)	\$ 24.3	\$ (0.5)	\$ (24.8)
Actuarial Required Reserve	\$ 90.8	\$ 97.9	\$ 7.1	\$ 100.6	\$ 108.2	\$ 7.6
Surplus/(Shortfall)	\$ 21.2	\$ (32.1)	\$ (53.2)	\$ 6.1	\$ (20.4)	\$ (26.5)

WV PEIA - Non-State Agencies

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Financial Plan	Sep-24		Financial Plan	Sep-24	
		Update	Change		Update	Change
Revenue						
Premiums	\$ 163.7	\$ 164.3	\$ 0.6	\$ 183.6	\$ 187.1	\$ 3.5
Investment Income	0.9	3.0	2.1	1.8	1.6	(0.2)
Direct Transfers	-	-	-	-	-	-
Other	1.2	1.2	0.1	1.2	1.3	0.1
Total	\$ 165.7	\$ 168.5	\$ 2.8	\$ 186.6	\$ 190.0	\$ 3.4
Expenses						
Medical Claims	\$ 115.6	\$ 120.8	\$ 5.2	\$ 121.9	\$ 129.9	\$ 8.0
Gross Drug Claims	64.7	70.7	6.0	67.9	81.2	13.3
Drug Rebates	(27.3)	(23.7)	3.6	(28.7)	(24.9)	3.8
Capitations	5.7	5.7	0.1	6.0	6.1	0.1
Administration & Wellness	7.8	5.6	(2.2)	8.0	5.6	(2.5)
WV RHBT Pay Go Premiums	-	-	-	5.8	5.9	0.0
ACA Expenses	0.1	0.1	0.0	0.1	0.1	0.0
Other Expenses	0.7	0.4	(0.3)	0.8	0.8	0.1
Total	\$ 167.3	\$ 179.6	\$ 12.3	\$ 181.9	\$ 204.7	\$ 22.8
Fiscal Year Results	\$ (1.6)	\$ (11.1)	\$ (9.5)	\$ 4.7	\$ (14.7)	\$ (19.4)
Ending Fund Balance	\$ 25.7	\$ 16.1	\$ (9.5)	\$ 30.4	\$ 1.5	\$ (28.9)
Legislative Required Reserve	\$ 16.7	\$ 18.0	\$ 1.2	\$ 17.6	\$ 19.9	\$ 2.3
Surplus/(Shortfall)	\$ 8.9	\$ (1.8)	\$ (10.8)	\$ 12.7	\$ (18.4)	\$ (31.2)
Actuarial Required Reserve	\$ 20.6	\$ 22.2	\$ 1.6	\$ 21.6	\$ 24.5	\$ 2.9
Surplus/(Shortfall)	\$ 5.1	\$ (6.0)	\$ (11.1)	\$ 8.7	\$ (23.1)	\$ (31.8)

West Virginia Retiree Health Benefit Trust

	Fiscal Year 2024 (millions)			Fiscal Year 2025 (millions)		
	Sep-24			Sep-24		
	Financial Plan	Update	Change	Financial Plan	Update	Change
<u>Revenue</u>						
Premiums	\$ 70.2	\$ 68.7	\$ (1.4)	\$ 100.4	\$ 98.5	\$ (2.0)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	26.4	26.3	(0.1)	27.7	27.6	(0.1)
Investment Income	66.8	201.8	135.0	135.8	144.8	9.0
Transfer from Premium Stabilization Reserve	67.9	80.8	12.9	53.2	76.0	22.8
General Revenue Transfer	30.0	30.0	-	30.0	30.0	-
Total	\$ 261.2	\$ 407.7	\$ 146.4	\$ 347.3	\$ 377.0	\$ 29.7
<u>Expense</u>						
Medical Claims	\$ 57.9	\$ 64.9	\$ 6.9	\$ 62.9	\$ 70.4	\$ 7.5
Gross Drug Claims	41.5	43.5	2.0	47.9	49.8	1.9
Drug Rebates	(19.2)	(16.5)	2.7	(20.2)	(17.4)	2.8
Capitations	50.2	53.5	3.3	55.4	65.9	10.6
Administration & Wellness	6.0	3.9	(2.0)	6.1	4.0	(2.1)
Life Insurance	26.4	26.3	(0.1)	27.7	27.6	(0.1)
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)	0.2	0.2	0.0
Total	\$ 164.4	\$ 177.0	\$ 12.6	\$ 181.4	\$ 202.1	\$ 20.7
Fiscal Year Results	\$ 96.8	\$ 230.6	\$ 133.8	\$ 165.8	\$ 174.8	\$ 9.0
Ending Restricted Fund Balance	\$ 1,610.4	\$ 1,744.2	\$ 133.8	\$ 1,776.2	\$ 1,919.0	\$ 142.8
Ending PSR Fund Balance	\$ 214.2	\$ 201.3	\$ (12.9)	\$ 161.0	\$ 125.3	\$ (35.7)
Ending Total Fund Balance	\$ 1,824.6	\$ 1,945.5	\$ 120.9	\$ 1,937.2	\$ 2,044.3	\$ 107.1

*The annual Non-Med Medical Trend through June was 5.9%. The FY24 plan assumption was 7.5%

*The annual Non-Med Gross Drug Trend through June was 26.3%. The FY24 plan assumption was 14.5%

Public Comment



Old Business

New Business

- **New members of the PEIA Management Team**
 - **Trina Sweeney, Customer Solutions**
 - **Michelle Bauer, Communications**

Next Meeting

October 24, 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

(304) 957-2620

erika.m.smith@wv.gov

OR

Kathy Lester

(304) 352-0284

kathy.lester@wv.gov

