



WV PEIA & RHBT Finance Board Meeting

Thursday, September 4, 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
- ❖ Financial Statements Year End FY '25
- ❖ Financial Plan Update
- ❖ Public Comment
- ❖ Old Business
- ❖ New Business
- ❖ Next Meeting - October 23, 2025

Roll Call

- ❖ Eric Householder, Chairman
- ❖ William “Bill” Milam
- ❖ Jason Myers
- ❖ Jared Robertson
- ❖ Mike Smith
- ❖ Michael Cook
- ❖ Doug Coffman
- ❖ Hugh Murray

Approval of Minutes

June 5, 2025



Director's Notes



Financial Statements YE FY '25

Jason Haught, Chief Financial Officer (PEIA)



West Virginia Public Employees Insurance Agency
Statement of Net Position
Monday, June 30, 2025
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

Assets	CURRENT YR	PRIOR YR	V A R I A N C E	
			\$	%
Current assets:				
Cash and cash equivalents	\$41,881	\$36,069	\$5,812	16%
Equity position in internal investment pool	76,148	6,976	\$69,172	992%
Accounts receivable:				
Premium, less allowance for doubtful accounts	13,349	15,538	(\$2,189)	(14%)
Due From RHBT	21,133	8,631	\$12,502	145%
Prescription rebates, less allowance for doubtful accounts	36,047	33,045	\$3,002	9%
Other	6,035	5,853	\$182	3%
Total current assets	194,593	106,112	88,481	83%
Noncurrent assets:				
Equity position in internal investment pools	159,436	144,301	15,135	10%
Equity position in internal investment pool – restricted	4,590	4,154	436	10%
Capital assets, net of accumulated depreciation				
Right to use			0	
Furniture, equipment, and other	67	51	16	31%
Postemployment Benefits- Pension & OPEB	43	43	0	0%
Total noncurrent assets	164,136	148,549	15,587	10%
Total assets	358,729	254,661	104,068	41%
Deferred outflows of resources related to pension & OPEB	286	286	0	0%
Liabilities				
Current liabilities:				
Incurred but not reported reserve	97,950	124,570	(26,620)	(21%)
Current claims payable	7,826	11,546	(3,720)	(32%)
Premium deficiency reserve	661	661	0	100%
Accounts payable	7,649	8,234	(585)	(7%)
Unearned revenue	27,928	21,525	6,403	30%
Other accrued liabilities	2,848	2,848	0	0%
Total current liabilities	144,862	169,384	(24,522)	(14%)
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,153	4,153	0	0%
Long term lease liability			0	
Total liabilities	149,015	173,537	(24,522)	(14%)
Deferred inflows of resources related to pension & OPEB	118	118	0	0%
Net position				
Invested in capital assets	67	51	16	31%
Unrestricted	209,815	81,241	128,574	158%
Total net position	209,882	81,292	128,590	158%

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Twelve Months Ending Monday, June 30, 2025
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR
\$639,204	\$638,859	\$600,773
163,602	164,191	147,244
181,447	180,173	163,779
4,981	4,619	4,956
1,899	2,453	2,520
991,133	990,295	919,272
2,513	2,454	2,376
87,000	-	-
18,743	9,570	14,558
29,132	29,000	-
137,388	41,024	16,934
1,128,521	1,031,319	936,206
621,036	647,331	642,624
396,861	404,996	371,807
(147,966)	(154,138)	(129,331)
248,895	250,858	242,476
69,930	67,417	64,226
21,225	31,670	21,796
1,076	2,214	437
5,976	8,092	5,577
2,107	2,172	2,094
554	467	514
29,132	29,000	-
999,931	1,039,221	979,744
128,590	(7,902)	(43,538)
81,292	81,292	124,830
\$209,882	\$73,390	\$81,292

OPERATING REVENUE

Premium Revenue
Health Insurance - State Gov. - Employers
Health Insurance - State Gov. - Employees
Health Insurance - Local Gov. - All
Administrative Fees, Net of Refunds
Other Premium Revenue
Total Operating Revenue

NON-OPERATING REVENUE

Life Insurance
Direct Transfer
Interest and Investment Income
WV RHBT Pay Go Premiums
Total Non-Operating Revenue

TOTAL REVENUE

EXPENSES

Claims Expense - Medical
Gross Claims Expense - Drugs
Prescription Rebate
Net Claims Expense- Drugs
Payments to Managed Care Org.
Administrative Service Fees
Wellness and Disease Management
Other Operating Expenses
Life Insurance Expense
ACA Comparative Effectiveness Fee
WV RHBT Pay Go Premiums
TOTAL EXPENSES

YTD Surplus (Deficit)

Total Net Position, Beginning of Period

Total Net Position, End of Period

BUDGET VARIANCE		PRIOR YR VARIANCE	
\$	%	\$	%
\$345	0%	\$38,431	6%
(\$589)	(0%)	\$16,358	11%
\$1,274	1%	\$17,668	11%
\$362	8%	\$25	1%
(\$554)	(23%)	(\$621)	(25%)
838	0%	71,861	8%
59	2%	137	6%
87,000	100%	87,000	100%
9,173	96%	4,185	29%
132	0%	29,132	100%
96,364	235%	120,454	711%
97,202	9%	192,315	21%
26,295	4%	21,588	3%
8,135	2%	(25,054)	(7%)
(6,172)	(4%)	18,635	14%
1,963	1%	(6,419)	(3%)
(2,513)	(4%)	(5,704)	(9%)
10,445	33%	571	3%
1,138	51%	(639)	(146%)
2,116	26%	(399)	(7%)
65	3%	(13)	(1%)
(87)	(19%)	(40)	(8%)
(132)	(0%)	(29,132)	100%
39,290	4%	(20,187)	(2%)
136,492	(1,727%)	172,128	(395%)
-	0%	(43,538)	(35%)
\$136,492	186%	\$128,590	158%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Monday, June 30, 2025
In Thousands
 BASED ON TENTATIVE IMB INVESTMENT INCOME & IBNR

	CURRENT YR	PRIOR YR	\$	VARIANCE %
ASSETS				
Cash - Operating Fund	\$6,299	\$6,559	(\$260)	(4%)
INVESTMENTS				
WV Board of Treasury Investments	691	18,976	(18,285)	(96%)
WV Investment Management Board	2,147,972	1,942,456	205,516	11%
Total Investments	<u>2,148,663</u>	<u>1,961,432</u>	<u>187,231</u>	<u>10%</u>
Due From / (To) WV PEIA	(21,133)	(8,632)	(12,501)	(145%)
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	1,380	574	806	140%
Less: Allowance for Doubtful Accounts	(46)	(46)	-	0%
Net - Premium Accounts Receivable	<u>1,334</u>	<u>528</u>	<u>806</u>	<u>(153%)</u>
Other Receivables	5,233	5,856	(623)	(11%)
TOTAL ASSETS	2,140,396	1,965,743	174,653	9%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	147	147	-	0%
Deferred Outflows of Resources Related to OPEB	6	6	-	0%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	153	153	-	0%
LIABILITIES				
Claims payable	7,730	11,740	4,010	34%
Accounts payable	31	31	-	0%
Accrued Liabilities	11,637	8,545	(3,092)	(36%)
TOTAL LIABILITIES	19,398	20,316	918	5%
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	2	2	-	0%
Deferred Inflows of Resources Related to OPEB	61	61	-	0%
TOTAL DEFERRED INFLOWS OF RESOURCES	63	63	-	0%
Net Position- PSR	201,345	201,345	-	0%
Net Position- Restricted	1,919,743	1,744,172	175,571	10%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	\$2,121,088	\$1,945,517	\$175,571	9%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
Monday, June 30, 2025
In Thousands
 BASED ON TENTATIVE IMB INVESTMENT INCOME & IBNR

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$2,033	\$1,958	\$2,032	Health premiums - Non Par	\$75	0.04	\$1	0%
6,490	6,561	7,525	Health Premiums - RLC Health, Life	(71)	(0.01)	(1,035)	(14%)
29,132	29,000	(7)	Pay Go Premiums	132	-	29,139	100%
30,000	30,000	30,000	State appropriation - OPEB	-	-	-	0%
67,655	67,519	39,550	Total Employer Premiums	136	0.00	28,105	71%
			Other Additions:				
500	500	186	Retiree Drug Subsidy	-	-	314	169%
205,731	135,836	201,842	Investment Income	69,895	0.51	3,889	2%
273,886	203,855	241,578	TOTAL ADDITIONS	70,031	0.34	32,308	13%
			DEDUCTIONS				
65,586	55,362	53,545	Payments to Managed Care Org.	(10,224)	(0.18)	(12,041)	(22%)
26,139	27,692	26,305	Life Insurance Expense	1,553	0.06	166	1%
59,251	62,888	64,857	Medical Claims Expense	3,637	0.06	5,606	9%
28,364	27,302	26,954	Pharmacy Claims Expense	(1,062)	(0.04)	(1,410)	(5%)
1,279	993	1,512	Administrative Service Fees (External)	(286)	(0.29)	233	15%
(59,265)	(61,409)	(57,578)	Member Health premiums	(2,144)	(0.03)	1,687	3%
(26,150)	(27,732)	(26,318)	Member Life Insurance Premiums	(1,582)	(0.06)	(168)	(1%)
3,111	4,145	2,422	Other Operating Expenses	1,034	0.25	(689)	(28%)
98,315	89,241	91,699	TOTAL DEDUCTIONS	(9,074)	(0.10)	(6,616)	(7%)
175,571	114,614	149,879	NET POSITION INCREASE (DECREASE)	60,957	0.53	25,692	17%
			Net Position Restricted for Post Employment Benefits				
1,945,517	1,945,517	1,795,638	Beginning of Period Total Net Position	-	-	149,879	8%
1,919,743	1,858,786	1,744,172	End of Period Net Position - Restricted	60,957	0.03	175,571	10%
201,345	201,345	201,345	End of Period Net Position - PSR	-	-	-	0%
\$2,121,088	\$2,060,131	\$1,945,517	End of Period Total Net Position	\$60,957	0.03	\$175,571	9%

Financial Plan Update

Chris Borcik, Continuing Care Actuaries



West Virginia Public Employee Insurance Agency

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-25 Update	Change	Financial Plan	Sep-25 Update	Change
<u>Revenue</u>						
Premiums	\$ 1,018.3	\$ 1,015.3	\$ (3.0)	\$ 1,180.1	\$ 1,138.2	\$ (41.9)
Investment Income	8.3	18.7	10.5	9.1	14.0	4.9
Direct Transfers	87.0	87.0	-	-	-	-
Other	7.3	7.5	0.2	7.4	7.6	0.2
Total	\$ 1,120.9	\$ 1,128.5	\$ 7.7	\$ 1,196.6	\$ 1,159.8	\$ (36.8)
<u>Expenses</u>						
Medical Claims	\$ 690.1	\$ 621.0	\$ (69.1)	\$ 703.8	\$ 622.8	\$ (81.0)
Gross Drug Claims	424.9	396.9	(28.1)	458.2	438.1	(20.1)
Drug Rebates	(133.8)	(148.0)	(14.1)	(140.5)	(154.2)	(13.7)
Capitations	70.0	69.9	(0.0)	74.2	85.5	11.3
Administration & Wellness	28.4	28.3	(0.1)	30.9	30.7	(0.1)
WV RHBT Pay Go Premiums	29.1	29.1	0.1	10.0	10.0	-
ACA Expenses	0.5	0.6	0.1	0.5	0.6	0.1
Other Expenses	5.4	2.1	(3.3)	5.8	4.3	(1.5)
Total	\$ 1,114.5	\$ 999.9	\$ (114.6)	\$ 1,142.9	\$ 1,037.7	\$ (105.1)
Fiscal Year Results	\$ 6.3	\$ 128.6	\$ 122.3	\$ 53.8	\$ 122.1	\$ 68.3
Ending Fund Balance	\$ 88.3	\$ 210.5	\$ 122.3	\$ 142.0	\$ 332.6	\$ 190.6
Legislative Required Reserve	\$ 108.5	\$ 97.1	\$ (11.5)	\$ 113.3	\$ 102.8	\$ (10.5)
Surplus/(Shortfall)	\$ (20.3)	\$ 113.5	\$ 133.7	\$ 28.7	\$ 229.8	\$ 201.1
Actuarial Required Reserve	\$ 133.1	\$ 118.8	\$ (14.3)	\$ 138.9	\$ 125.5	\$ (13.4)
Surplus/(Shortfall)	\$ (44.8)	\$ 91.7	\$ 136.6	\$ 3.2	\$ 207.1	\$ 204.0

*The annual Medical Trend through July was 2.8%. The FY25 plan assumption was 8.0%

*The annual Gross Drug Trend through July was 7.4%. The FY25 plan assumption was 15.0%

WV PEIA - State Agencies

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-25 Update	Change	Financial Plan	Sep-25 Update	Change
<u>Revenue</u>						
Premiums	\$ 829.6	\$ 827.1	\$ (2.5)	\$ 961.4	\$ 930.0	\$ (31.5)
Investment Income	6.7	15.0	8.4	7.9	12.1	4.2
Direct Transfers	87.0	87.0	-	-	-	-
Other	6.1	6.3	0.2	6.2	6.4	0.2
Total	\$ 929.4	\$ 935.4	\$ 6.0	\$ 975.5	\$ 948.4	\$ (27.1)
<u>Expenses</u>						
Medical Claims	\$ 560.3	\$ 496.3	\$ (64.0)	\$ 571.1	\$ 496.4	\$ (74.7)
Gross Drug Claims	343.7	321.3	(22.4)	370.7	354.4	(16.3)
Drug Rebates	(108.9)	(120.5)	(11.5)	(114.4)	(125.4)	(11.0)
Capitations	63.9	63.9	(0.0)	67.8	78.1	10.3
Administration & Wellness	23.3	23.2	(0.1)	25.3	25.2	(0.1)
WV RHBT Pay Go Premiums	23.1	23.2	0.0	8.0	7.9	(0.0)
ACA Expenses	0.4	0.4	0.1	0.4	0.5	0.1
Other Expenses	4.4	1.7	(2.7)	4.8	3.5	(1.3)
Total	\$ 910.2	\$ 809.6	\$ (100.6)	\$ 933.6	\$ 840.6	\$ (93.0)
Fiscal Year Results	\$ 19.2	\$ 125.8	\$ 106.6	\$ 42.0	\$ 107.9	\$ 65.9
Ending Fund Balance	\$ 85.0	\$ 191.6	\$ 106.6	\$ 127.0	\$ 299.5	\$ 172.5
Legislative Required Reserve	\$ 88.7	\$ 78.6	\$ (10.1)	\$ 92.6	\$ 83.3	\$ (9.3)
Surplus/(Shortfall)	\$ (3.7)	\$ 112.9	\$ 116.6	\$ 34.4	\$ 216.2	\$ 181.8
Actuarial Required Reserve	\$ 108.6	\$ 96.1	\$ (12.5)	\$ 113.3	\$ 101.4	\$ (11.9)
Surplus/(Shortfall)	\$ (23.6)	\$ 95.5	\$ 119.1	\$ 13.7	\$ 198.0	\$ 184.4

WV PEIA - Non-State Agencies

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-25 Update	Change	Financial Plan	Sep-25 Update	Change
Revenue						
Premiums	\$ 188.7	\$ 188.2	\$ (0.5)	\$ 218.7	\$ 208.2	\$ (10.4)
Investment Income	1.6	3.7	2.1	1.2	1.9	0.7
Direct Transfers	-	-	-	-	-	-
Other	1.2	1.2	0.0	1.2	1.2	0.0
Total	\$ 191.5	\$ 193.1	\$ 1.6	\$ 221.1	\$ 211.3	\$ (9.7)
Expenses						
Medical Claims	\$ 129.9	\$ 124.7	\$ (5.1)	\$ 132.7	\$ 126.4	\$ (6.3)
Gross Drug Claims	81.2	75.5	(5.7)	87.5	83.7	(3.8)
Drug Rebates	(24.9)	(27.5)	(2.6)	(26.1)	(28.8)	(2.7)
Capitations	6.1	6.0	(0.0)	6.4	7.4	1.0
Administration & Wellness	5.1	5.1	(0.0)	5.5	5.5	(0.0)
WV RHBT Pay Go Premiums	5.9	6.0	0.0	2.0	2.1	0.0
ACA Expenses	0.1	0.1	0.0	0.1	0.1	0.0
Other Expenses	1.0	0.4	(0.6)	1.1	0.8	(0.3)
Total	\$ 204.4	\$ 190.3	\$ (14.0)	\$ 209.3	\$ 197.2	\$ (12.1)
Fiscal Year Results	\$ (12.9)	\$ 2.8	\$ 15.7	\$ 11.8	\$ 14.2	\$ 2.4
Ending Fund Balance	\$ 3.3	\$ 19.0	\$ 15.7	\$ 15.1	\$ 33.1	\$ 18.0
Legislative Required Reserve Surplus/(Shortfall)	\$ 19.8	\$ 18.4	\$ (1.4)	\$ 20.7	\$ 19.5	\$ (1.2)
	\$ (16.6)	\$ 0.5	\$ 17.1	\$ (5.6)	\$ 13.6	\$ 19.3
Actuarial Required Reserve Surplus/(Shortfall)	\$ 24.5	\$ 22.8	\$ (1.7)	\$ 25.6	\$ 24.1	\$ (1.5)
	\$ (21.2)	\$ (3.8)	\$ 17.4	\$ (10.5)	\$ 9.1	\$ 19.6

West Virginia Retiree Health Benefit Trust

	Fiscal Year 2025 (millions)			Fiscal Year 2026 (millions)		
	Financial Plan	Sep-25 Update	Change	Financial Plan	Sep-25 Update	Change
<u>Revenue</u>						
Premiums	\$ 99.9	\$ 98.7	\$ (1.2)	\$ 85.0	\$ 83.6	\$ (1.4)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	26.2	26.1	(0.1)	27.5	27.5	(0.1)
Investment Income	144.8	205.7	60.9	152.3	157.9	5.6
Transfer from Premium Stabilization Reserve	75.0	60.2	(14.8)	109.7	100.4	(9.3)
General Revenue Transfer	30.0	30.0	-	30.0	30.0	-
Total	\$ 376.0	\$ 420.8	\$ 44.8	\$ 404.6	\$ 399.4	\$ (5.2)
<u>Expenses</u>						
Medical Claims	\$ 71.0	\$ 59.3	\$ (11.8)	\$ 69.1	\$ 59.5	\$ (9.6)
Gross Drug Claims	50.2	46.6	(3.5)	52.6	51.7	(0.9)
Drug Rebates	(17.4)	(18.3)	(0.9)	(18.3)	(19.0)	(0.7)
Capitations	65.6	65.6	(0.0)	85.6	85.9	0.3
Administration & Wellness	4.3	4.4	0.0	4.5	4.5	0.0
Life Insurance	25.8	26.1	0.3	27.1	27.4	0.3
Retiree Assistance Program	1.4	1.3	(0.1)	1.5	1.2	(0.3)
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	\$ 201.2	\$ 185.1	\$ (16.1)	\$ 222.3	\$ 211.5	\$ (10.8)
Fiscal Year Results	\$ 174.8	\$ 235.7	\$ 60.9	\$ 182.3	\$ 187.9	\$ 5.6
Ending Restricted Fund Balance	\$ 1,919.0	\$ 1,979.9	\$ 60.9	\$ 2,101.3	\$ 2,167.8	\$ 66.5
Ending PSR Fund Balance	\$ 126.3	\$ 141.2	\$ 14.8	\$ 16.6	\$ 40.8	\$ 24.2
Ending Total Fund Balance	\$ 2,045.3	\$ 2,121.1	\$ 75.7	\$ 2,117.9	\$ 2,208.6	\$ 90.7

*The annual Non-Med Medical Trend through July was 4.2%. The FY25 plan assumption was 8.0%

*The annual Non-Med Gross Drug Trend through July was 14.7%. The FY25 plan assumption was 15.0%

Public Comments



Old Business

New Business

Next Meeting

October 23, 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
(304) 957-2620
erika.m.smith@wv.gov

OR

Kathy Lester
(304) 352-0284
kathy.lester@wv.gov

