

## **STATE OF WEST VIRGINIA**



### **RETIREE HEALTH BENEFIT TRUST FUND**

**Quarterly Report  
December 31, 2016**

**Fiscal Years 2017-2021**

*Report Date: March 2017*

***YOUR ACTUARIES FOR THE LONG-TERM!***



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Finance Board  
West Virginia Retiree Health Benefit Trust Fund  
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Ladies and Gentlemen:

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of Continuing Care Actuaries.

During the 2006 Regular Session of the West Virginia Legislature, House Bill 4654 was enacted creating the West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan. The Public Employees Insurance Agency (“PEIA”), on behalf of the Public Employees Insurance Agency Finance Board (“Board”), is responsible for the day-to-day operation of the Trust Fund, including all administrative functions.

Statutory provisions governing the Trust Fund require the actuary retained by the PEIA to provide technical advice regarding the operation of the Trust Fund. Using the actuarial assumptions most recently adopted by the Board, the actuary is required to develop actuarial valuations of normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the West Virginia plan for other post-employment benefits including health insurance. Consequently, the Board has requested Continuing Care Actuaries to prepare a report separating the actuarial projections for the Trust Fund from the PEIA forecast report. The West Virginia Retiree Health Benefit Trust Fund has assumed the financial liabilities of the retiree programs previously under the PEIA effective July 1, 2006.

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. Continuing Care Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2018, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of the plan through FY 2021. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

Continuing Care Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”) and June 30, 2021 (“FY 2021”). Our opinion of plan adequacy is based on the projections through FY 2021 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2016.

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar year.

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2017 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

In reviewing the plan, Continuing Care Actuaries utilized information concerning the plan’s prior experience, covered individuals, plan revenues, plan benefits, plan administrative costs, and other expenses. This information was developed and provided by RHBT, the plan’s third party administrators and other sources. In our review, we completely relied on the accuracy of this information and did not perform any due diligence on the information. The enclosed forecasts include anticipated changes from the federal statute Patient Protection and Affordable Care Act (“PPACA”) signed into law on March 23, 2010. Additional details of the benefit enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members have become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2017.

In FY 2017 the Pay-Go is equivalent to \$294 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2016.

Senate Bill 419, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. RHBT started receiving the aforementioned \$30 million transfers in 2017. All employers would receive benefit of these contributions.

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2017 through FY 2021 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of the Trust Fund.

This conclusion is based on significant revenue increases in employer, employee, and retiree premiums in later fiscal years of the plan through FY 2021 as approved by the Board in December 2016.

The preparation of any estimate of future health costs requires consideration of a broad array of complex social and economic events. Changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, and the continuing evolution and changes of the framework of MAPD plan and other managed care options impacting Non-Medicare retirees, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate costs of insurance program contain considerable uncertainty and variability and actual experience may not conform to the assumptions utilized in this report.

Respectfully,



Dave Bond, F.S.A., F.C.A., M.A.A.A.  
Managing Partner



Chris Borcik, F.S.A., F.C.A., M.A.A.A.  
Principal

# **West Virginia Retiree Health Benefit Trust Fund**

## **Report of Independent Actuary**

### **Financial Plan for FY 2017 – FY 2021**

#### **OVERVIEW**

This report analyzes revenues and expenses related to funding the health insurance benefits of retired employees of the State of West Virginia and various local agencies, together with their dependents. This report is intended for the sole use of the Board, and any other use requires written approval by Continuing Care Actuaries.

This report was compiled utilizing claims data collected by RHBT's third party administrators through February 2017 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

The Code of West Virginia establishes the actuarial reporting requirements for the Trust Fund on an incurred basis for medical claims, prescription drug claims and capitations, and on an accrued basis for administrative expenses and revenue for a period of five years. The Fund represents state and local agency retirees and their survivors. The Trust Fund is allocated its share of administrative costs from PEIA.

## KEY ASSUMPTIONS

### A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 834 retirees from June 2015 to June 2016, approximating our current assumption. Continuing Care Actuaries has updated the claims analysis based on the enrollment through March 2017.

In aggregate, March 2017 enrollment has increased by 643 coverages since the end of FY 2016. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 644 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 1 coverages. For MAPD Capitations, the average 42,535 Medicare policyholders were used to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2015, June 2016 and March 2017 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-15	Jun-16	Mar-17	Jun-15	Jun-16	Mar-17
Retirees	Medicare Single	19,018	19,698	20,066	-	-	-
	<u>Medicare Family</u>	<u>13,860</u>	<u>14,387</u>	<u>14,846</u>	-	-	-
	Medicare Total	32,878	34,085	34,912	-	-	-
	Non Medicare Single	3,462	3,245	3,202	149	135	140
	<u>Non Medicare Family</u>	<u>4,356</u>	<u>4,210</u>	<u>4,070</u>	<u>166</u>	<u>170</u>	<u>164</u>
	Non Medicare Total	7,818	7,455	7,272	315	305	304
	Retiree Total	40,696	41,540	42,184	315	305	304
	Grand Total				41,011	41,845	42,488

\* The majority of PPB is capitated through Humana. As of February 2017, there are approximately 555 Medicare retiree coverages under PEIA.

## B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA 12-31-2016 Quarterly Report”.

## C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2016, but over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2016 Detailed Medical and Prescription Drugs Claim Trend Report - November 2016”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have maintained the FY 2017 medical claim trend assumption at 7.0%, and we have increased the FY 2017 prescription drug claim trend assumption from 9.0% to 11.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2017 Trend	Updated Assumption FY 2017 Trend
Non-Medicare – Medical	7.0%	7.0%
Medicare – Medical	7.0%	7.0%
Non-Medicare – Drugs	9.0%	11.0%
Medicare – Drugs	9.0%	11.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2018. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through February 2017. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

**Aggregate Trust Fund Historical Trends (Retirees)**

<b><u>Fiscal Year</u></b>	<b><u>Medical Medicare</u></b>	<b><u>Medical Non-Medicare</u></b>	<b><u>Drugs Medicare</u></b>	<b><u>Drugs Non-Medicare</u></b>	<b><u>Total</u></b>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-14%	1%	11%	8%	3%
2017*	-7%	3%	12%	25%	7%

\* Fiscal Year 2017 results are through the first eight months ending February 2017. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

Effective July 1, 2007, PEIA had contracted with Coventry Advantra Freedom to provide Medicare Advantage/Prescription Drug Plan (“Coventry MA and PDP”) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Advantra Freedom had assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. This arrangement expired on June 30, 2010. As a result, Fiscal Year 2008 through 2011 Medicare trends are not statistically credible.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

**D. Enrollment, Claim, Expense and Revenue Assumptions**

Using aggregate PEIA and Trust Fund paid claim data through February 2017 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2017 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.



Fiscal Year 2017 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	34,699			\$ 84**	\$ 229**	\$ 362
	Non-Medicare	7,526			\$ 699	\$ 278	
	Total	42,225	\$ -	\$ 165			
	Non-Medicare Managed Care	310	\$ -	\$ 590			\$ 1,177
	Total	42,535					

\*Net of rebates and subsidies.

\*\* As of February 2017, there are approximately 555 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes the Financial Plan adopted by the Board in December 2016.

### Board Decisions – December 2016

Source	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
<b>Additional Non-Medicare Retiree Premium (Fiscal Year)</b>	\$1,118,891	\$1,690,823	\$9,057,187	\$8,338,963	\$8,766,605
<b>Additional Medicare Retiree Premium (Calendar Year)</b>	\$3,667,950	\$3,011,598	\$19,020,764	\$19,604,827	\$27,207,578
<b>General Revenue Transfer (OPEB Funding)</b>	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
<b>General Revenue Transfer (Premium Offset)</b>	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000
<b>Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare</b>	\$3,600,000	\$3,364,000	\$0	\$0	\$0
<b>Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)</b>	\$22,175,742	\$13,617,665	\$0	\$0	\$0
<b>ACA Reinsurance Contributions (Cost)</b>	(\$200,004)	\$0	\$0	\$0	\$0
<b>ACA Comparative Effectiveness Research Fees (Cost)</b>	(\$31,601)	(\$32,201)	(\$32,900)	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$150,000,000	\$160,000,000	\$170,000,000	\$180,000,000	\$190,000,000
<b>Actuarial Accrued Liability*</b>	\$3,559,049,000	\$3,592,317,000	\$3,614,699,000	\$3,627,158,000	\$3,631,580,000
<b>Funded Status</b>	21.0%	22.9%	25.1%	27.5%	30.1%

\*Projected Result

The \$3,364,000 of Retiree Non-Medicare benefit reductions and savings in Fiscal Year 2018 is comprised of the following:

	<u>2018 Claim Cost Savings</u>
Medical Claims	\$1.556 M
Drug Claims	\$1.808 M

A detailed list of the 2018 benefit reductions and savings for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Fee Schedules Payment Changes	\$0.240 M
Office Visits All PCP Copays \$20	\$0.096 M
Ded Increases \$100/200	\$0.970 M
<u>Plan A &amp; B Changes</u>	<u>\$0.250 M</u>
<b>Total Medical Benefit Reductions</b>	<b>\$1.556 M</b>
Rx Mandatory Maintenance (90 Days)	\$1.760 M
<u>Rx Specialty Copay Increases</u>	<u>\$0.048 M</u>
<b>Total Drugs Benefit Savings</b>	<b>\$1.808 M</b>
<b>Total Benefit Reductions and Savings</b>	<b>\$3.364 M</b>

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be approximately \$200,004 in FY 2017.

The Treasury Department and the Internal Revenue Service recently issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. These fees are currently expected to be paid by health insurers and plan sponsors of self-insured group health plans.

The Affordable Care Act created a new Patient-Centered Outcomes Research Institute (PCORI) to conduct research evaluating and comparing health outcomes, and assess the clinical effectiveness, risks and benefits of medical treatments. The PCORI’s work will be paid for by a new Patient-Centered Outcomes Research Trust Fund, which will be funded in part through the comparative effectiveness research fees.

It is anticipated that RHBT would accrue and pay these fees in FY 2016 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$97,000, with \$31,601 in FY 2017.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$3.2 million in FY 2017 to approximately \$4.4 million in FY 2021, based on the Board's direction and projected retiree enrollment growth in the financial plan.

### **E. Provider Reimbursement Changes**

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan ("Humana MAPD") benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

### **FISCAL YEAR 2017 FORECAST**

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$364,477,223 and incurred plan expenses of \$282,155,502 to produce a fiscal year surplus of \$62,882,386 after the Premium Stabilization Reserve drawdown of \$19,439,335. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$150,000,000.

### **FISCAL YEAR 2018 FORECAST**

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$362,657,948 and incurred plan expenses of \$288,082,353 to produce a fiscal year surplus of \$74,575,595 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$160,000,000.

### **FISCAL YEAR 2019 FORECAST**

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$400,645,122 and incurred plan expenses of \$316,331,058 to produce a fiscal year surplus of \$84,314,064 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$170,000,000.

## **FISCAL YEAR 2020 FORECAST**

The financial forecast for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2020 projects accrued revenue of \$447,842,545 and incurred plan expenses of \$356,639,782 to produce a fiscal year surplus of \$91,202,763 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$180,000,000.

## **FISCAL YEAR 2021 FORECAST**

The financial forecast for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$500,460,964 and incurred plan expenses of \$404,284,632 to produce a fiscal year surplus of \$96,176,332 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$190,000,000.

## **LITIGATION**

The forecasts presented in the attached tables do not contemplate any additional revenues or expenses to be generated from litigation activities.

## **SUMMARY**

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2021. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2016 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	41,974,766	41,379,998	83,354,764
Retiree Premiums - MCO	1,128,959	1,067,415	2,196,374
Annual Required Contributions	28,614	28,614	57,228
Non Par Premiums	1,604,739	1,604,739	3,209,477
Life Insurance	11,416,541	11,416,541	22,833,082
Investment Income	24,193,482	24,193,482	48,386,963
Transfer from Premium Stabilization Reserve	9,750,350	9,688,985	19,439,335
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 182,597,451</b>	<b>\$ 181,879,772</b>	<b>\$ 364,477,223</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,694,878	\$ 32,437,326	\$ 63,132,204
Non-Medicare Prescription Drug Claims	11,616,935	13,533,390	25,150,325
Medicare Medical Claims	1,534,306	493,608	2,027,914
Medicare Prescription Drug Claims	4,346,828	1,425,312	5,772,140
Non-Medicare Managed Care Capitations	2,189,539	2,189,539	4,379,078
Humana MAPD Program	77,067,152	73,552,371	150,619,523
Administration	1,856,236	1,856,236	3,712,472
Life Insurance	11,274,482	11,274,482	22,548,963
Retiree Assistance Program	1,608,453	1,608,453	3,216,906
ACA Reinsurance Contributions	200,004	-	200,004
ACA Comparative Effectiveness Research Fees	15,801	15,801	31,601
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	65,332	65,332	130,664
<b>Total Expenses</b>	<b>\$ 143,086,798</b>	<b>\$ 139,068,704</b>	<b>\$ 282,155,502</b>
<b>Fiscal Year Results</b>	<b>\$ 39,510,652</b>	<b>\$ 42,811,069</b>	<b>\$ 82,321,721</b>
Beginning Restricted Reserve			\$ 666,155,862
Ending Restricted Reserve			\$ 748,477,584
Beginning Premium Stabilization Reserve			\$ 19,439,335
PSR Addition/(Drawdown)			\$ (19,439,335)
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 685,668,002
Total Ending Plan Reserve			\$ 748,477,584
Accrued Actuarial Liability (AAL)			\$ 3,559,049,000
Funded Status			21.0%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 166.17			
Additional Retiree Premiums	\$ 2,644,051			
Pay Go PEPM Subsidy for Retirees	\$ 293.87	Non-Medicare	7.0%	11.0%
		Medicare	7.0%	11.0%
		Capitations		4.4%
		Administrative Expense		-16.7%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 100,000,316		\$ 100,000,316
Employer Premiums - PPB	7,910,539	62,700	7,973,239
Employer Premiums - MCO	0	1,834	1,834
Retiree Premiums - PPB	37,858,168	1,459,947	39,318,115
Retiree Premiums - MCO	0	679	679
Annual Required Contributions	-		-
Non Par Premiums	1,734,933		1,734,933
Life Insurance	12,342,777		12,342,777
Investment Income	25,502,435		25,502,435
Transfer from Premium Stabilization Reserve	15,259,335		15,259,335
General Revenue Transfer (OPEB Funding)	17,833,982		17,833,982
General Revenue Transfer (Premium Offset)	2,972,330		2,972,330
<b>Total Revenue</b>	<b>\$ 221,414,816</b>	<b>\$ 1,525,160</b>	<b>\$ 222,939,976</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,027,914	\$ -	\$ 2,027,914
Medicare Prescription Drug Claims	5,772,140	-	5,772,140
Humana MAPD Program	163,154,187	(12,534,664)	150,619,523
Administration	1,370,375		1,370,375
Life Insurance	12,189,192		12,189,192
Retiree Assistance Program	1,738,948		1,738,948
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,951		23,951
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 186,943,607</b>	<b>\$ (12,534,664)</b>	<b>\$ 174,408,943</b>
<b>Fiscal Year Results</b>	<b>\$ 34,471,209</b>		<b>\$ 48,531,033</b>
Beginning Restricted Reserve	\$ 338,884,373		\$ 338,884,373
Ending Restricted Reserve	<u>\$ 373,355,582</u>		<u>\$ 387,415,405</u>
Beginning Premium Stabilization Reserve	\$ 17,284,316		\$ 17,284,316
PSR Addition/(Drawdown)	\$ (15,259,335)		\$ (15,259,335)
Ending Premium Stabilization Reserve	<u>\$ 2,024,981</u>		<u>\$ 2,024,981</u>
Total Beginning Plan Reserve	356,206,511		356,206,511
Total Ending Plan Reserve	<u>\$ 375,380,563</u>		<u>\$ 389,440,386</u>
Accrued Actuarial Liability (AAL)	\$ 3,559,049,000		\$ 3,559,049,000
Funded Status	20.5%		21.0%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 166.17			
Additional Retiree Premiums	\$ 1,525,160			
Pay Go PEPM Subsidy for Retirees	\$ 240.16	Medicare	7.0%	11.0%
		Capitations		4.4%
		Administrative Expense		-16.7%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 49,999,684		\$ 49,999,684
Employer Premiums - PPB	13,450,196	192,855	13,643,051
Employer Premiums - MCO	1,264,428	13,788	1,278,216
Retiree Premiums - PPB	21,538,910	881,449	22,420,359
Retiree Premiums - MCO	884,846	30,800	915,646
Annual Required Contributions	57,228		57,228
Non Par Premiums	1,474,544		1,474,544
Life Insurance	10,490,305		10,490,305
Investment Income	22,884,528		22,884,528
Transfer from Premium Stabilization Reserve	4,180,000		4,180,000
General Revenue Transfer (OPEB Funding)	12,166,018		12,166,018
General Revenue Transfer (Premium Offset)	2,027,670		2,027,670
<b>Total Revenue</b>	<b>\$ 140,418,357</b>	<b>\$ 1,118,891</b>	<b>\$ 141,537,248</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 63,956,203	\$ (823,999)	\$ 63,132,204
Non-Medicare Prescription Drug Claims	27,926,325	(2,776,000)	25,150,325
Non-Medicare Managed Care Capitations	4,379,078		4,379,078
Administration	2,342,097		2,342,097
Life Insurance	10,359,771		10,359,771
Retiree Assistance Program	1,477,958		1,477,958
ACA Reinsurance Contributions	200,004		200,004
ACA Comparative Effectiveness Research Fees	7,650		7,650
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	130,665		130,665
<b>Total Expenses</b>	<b>\$ 111,346,559</b>	<b>\$ (3,599,999)</b>	<b>\$ 107,746,560</b>
<b>Fiscal Year Results</b>	<b>\$ 29,071,798</b>		<b>\$ 33,790,688</b>
Beginning Restricted Reserve	\$ 327,271,490		\$ 327,271,490
Ending Restricted Reserve	<u>\$ 356,343,288</u>		<u>\$ 361,062,178</u>
Beginning Premium Stabilization Reserve	\$ 2,155,019		\$ 2,155,019
PSR Addition/(Drawdown)	\$ (4,180,000)		\$ (4,180,000)
Ending Premium Stabilization Reserve	<u>\$ (2,024,981)</u>		<u>\$ (2,024,981)</u>
<b>Total Beginning Plan Reserve</b>	<b>329,461,491</b>		<b>329,461,491</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 354,318,307</u></b>		<b><u>\$ 359,037,197</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 166.17			
Additional Retiree Premiums	\$ 1,118,891			
Pay Go PEPM Subsidy for Retirees	\$ 531.74	Non-Medicare	7.0%	11.0%
		Capitations		4.4%
		Administrative Expense		-16.7%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

**PERIOD 7/1/2017 - 6/30/2018**

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	45,517,159	46,916,035	92,433,194
Retiree Premiums - MCO	1,216,150	1,216,150	2,432,300
Annual Required Contributions	-	-	-
Non Par Premiums	1,556,597	1,556,597	3,113,193
Life Insurance	11,987,368	11,987,368	23,974,736
Investment Income	22,852,262	22,852,262	45,704,525
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 180,629,536</b>	<b>\$ 182,028,412</b>	<b>\$ 362,657,948</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,450,593	\$ 33,235,942	\$ 64,686,535
Non-Medicare Prescription Drug Claims	11,812,789	13,761,554	25,574,343
Medicare Medical Claims	1,172,846	378,235	1,551,081
Medicare Prescription Drug Claims	3,446,826	1,132,841	4,579,667
Non-Medicare Managed Care Capitations	2,364,702	2,364,702	4,729,404
Humana MAPD Program	76,551,468	77,893,902	154,445,370
Administration	1,911,923	1,911,923	3,823,846
Life Insurance	11,838,206	11,838,206	23,676,412
Retiree Assistance Program	1,737,129	1,737,129	3,474,258
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,101	16,101	32,201
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	137,764	137,764	275,528
<b>Total Expenses</b>	<b>\$ 143,057,201</b>	<b>\$ 145,025,153</b>	<b>\$ 288,082,353</b>
<b>Fiscal Year Results</b>	<b>\$ 37,572,335</b>	<b>\$ 37,003,260</b>	<b>\$ 74,575,595</b>
Beginning Restricted Reserve			\$ 748,477,584
Ending Restricted Reserve			\$ 823,053,178
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 748,477,584
Total Ending Plan Reserve			\$ 823,053,178
Accrued Actuarial Liability (AAL)			\$ 3,592,317,000
Funded Status			22.9%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 177.48			
Additional Retiree Premiums	\$ 4,412,125			
Pay Go PEPM Subsidy for Retirees	\$ 308.02	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%



**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 108,248,426		\$ 108,248,426
Employer Premiums - PPB	8,297,440	470,344	8,767,783
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,709,689	2,250,959	41,960,648
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,682,885		1,682,885
Life Insurance	12,959,916		12,959,916
Investment Income	24,088,652		24,088,652
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,082,402		18,082,402
General Revenue Transfer (Premium Offset)	3,013,734		3,013,734
<b>Total Revenue</b>	<b>\$ 216,083,144</b>	<b>\$ 2,721,302</b>	<b>\$ 218,804,447</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,551,081	\$ -	\$ 1,551,081
Medicare Prescription Drug Claims	4,579,667	-	4,579,667
Humana MAPD Program Administration	165,754,778	(11,309,408)	154,445,370
Life Insurance	1,411,486		1,411,486
Retiree Assistance Program	12,798,652		12,798,652
ACA Reinsurance Contributions	1,878,064		1,878,064
ACA Comparative Effectiveness Research Fees	-		-
ACA Comparative Effectiveness Research Fees	25,077		25,077
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 188,665,705</b>	<b>\$ (11,309,408)</b>	<b>\$ 177,356,297</b>
<b>Fiscal Year Results</b>	<b>\$ 27,417,439</b>		<b>\$ 41,448,150</b>
Beginning Restricted Reserve	\$ 387,415,405		\$ 387,415,405
Ending Restricted Reserve	<u>\$ 414,832,845</u>		<u>\$ 428,863,555</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>389,440,386</b>		<b>389,440,386</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 414,832,845</u></b>		<b><u>\$ 428,863,555</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,592,317,000		\$ 3,592,317,000
Funded Status	22.4%		22.9%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 177.48			
Additional Retiree Premiums	\$ 2,721,302			
Pay Go PEPM Subsidy for Retirees	\$ 255.49	Medicare	7.5%	11.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 51,751,574		\$ 51,751,574
Employer Premiums - PPB	15,417,638	614,153	16,031,791
Employer Premiums - MCO	1,376,118	54,817	1,430,935
Retiree Premiums - PPB	24,689,480	983,492	25,672,972
Retiree Premiums - MCO	963,004	38,361	1,001,365
Annual Required Contributions	-		-
Non Par Premiums	1,430,308		1,430,308
Life Insurance	11,014,821		11,014,821
Investment Income	21,615,873		21,615,873
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,917,598		11,917,598
General Revenue Transfer (Premium Offset)	1,986,266		1,986,266
<b>Total Revenue</b>	<b>\$ 142,162,679</b>	<b>\$ 1,690,823</b>	<b>\$ 143,853,502</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 66,242,535	\$ (1,555,999)	\$ 64,686,536
Non-Medicare Prescription Drug Claims	27,382,342	(1,808,000)	25,574,342
Non-Medicare Managed Care Capitations	4,729,404		4,729,404
Administration	2,412,360		2,412,360
Life Insurance	10,877,760		10,877,760
Retiree Assistance Program	1,596,194		1,596,194
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,124		7,124
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	275,528		275,528
<b>Total Expenses</b>	<b>\$ 114,090,055</b>	<b>\$ (3,363,999)</b>	<b>\$ 110,726,056</b>
<b>Fiscal Year Results</b>	<b>\$ 28,072,624</b>		<b>\$ 33,127,446</b>
Beginning Restricted Reserve	\$ 361,062,178		\$ 361,062,178
Ending Restricted Reserve	<u>\$ 389,134,802</u>		<u>\$ 394,189,624</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>359,037,197</b>		<b>359,037,197</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 389,134,802</u></b>		<b><u>\$ 394,189,624</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 177.48			
Additional Retiree Premiums	\$ 1,690,823			
Pay Go PEPM Subsidy for Retirees	\$ 540.47	Non-Medicare	7.5%	11.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

**PERIOD 7/1/2018 - 6/30/2019**

	<b>7/1/2018 to 12/31/2018</b>	<b>1/1/2019 to 6/30/2019</b>	<b>TRUST Total</b>
<b>Revenues</b>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	52,129,263	62,068,550	114,197,813
Retiree Premiums - MCO	1,493,716	1,493,716	2,987,433
Annual Required Contributions	-	-	-
Non Par Premiums	1,509,899	1,509,899	3,019,797
Life Insurance	12,586,737	12,586,737	25,173,473
Investment Income	25,133,303	25,133,303	50,266,606
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 195,352,917</b>	<b>\$ 205,292,205</b>	<b>\$ 400,645,122</b>
<b>Program Expenses</b>			
Non-Medicare Medical Claims	\$ 34,234,402	\$ 36,177,778	\$ 70,412,180
Non-Medicare Prescription Drug Claims	13,335,800	15,535,818	28,871,618
Medicare Medical Claims	1,262,637	408,173	1,670,810
Medicare Prescription Drug Claims	3,848,595	1,267,826	5,116,421
Non-Medicare Managed Care Capitations	2,553,878	2,553,878	5,107,756
Humana MAPD Program	81,070,025	89,986,670	171,056,694
Administration	1,969,281	1,969,281	3,938,562
Life Insurance	12,430,116	12,430,116	24,860,232
Retiree Assistance Program	1,876,100	1,876,100	3,752,199
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,450	16,450	32,900
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	138,989	138,989	277,978
<b>Total Expenses</b>	<b>\$ 153,353,126</b>	<b>\$ 162,977,932</b>	<b>\$ 316,331,058</b>
<b>Fiscal Year Results</b>	<b>\$ 41,999,791</b>	<b>\$ 42,314,272</b>	<b>\$ 84,314,064</b>
Beginning Restricted Reserve			\$ 823,053,178
Ending Restricted Reserve			<u>\$ 907,367,242</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			823,053,178
Total Ending Plan Reserve			<u>\$ 907,367,242</u>
Accrued Actuarial Liability (AAL)			\$ 3,614,699,000
Funded Status			25.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 189.25	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 19,387,240	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 319.83	Non-Medicare	8.0%	12.0%
		Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.3%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 116,512,313		\$ 116,512,313
Employer Premiums - PPB	8,800,575	1,785,422	10,585,997
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	42,117,579	8,544,631	50,662,210
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,632,398		1,632,398
Life Insurance	13,607,912		13,607,912
Investment Income	26,493,105		26,493,105
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,101,955		18,101,955
General Revenue Transfer (Premium Offset)	3,016,992		3,016,992
<b>Total Revenue</b>	<b>\$ 230,282,828</b>	<b>\$ 10,330,053</b>	<b>\$ 240,612,881</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,670,810	\$ -	\$ 1,670,810
Medicare Prescription Drug Claims	5,116,421	-	5,116,421
Humana MAPD Program	171,056,694		171,056,694
Administration	1,453,831		1,453,831
Life Insurance	13,438,584		13,438,584
Retiree Assistance Program	2,028,309		2,028,309
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,948		25,948
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 195,457,497</b>	<b>\$ -</b>	<b>\$ 195,457,497</b>
<b>Fiscal Year Results</b>	<b>\$ 34,825,331</b>		<b>\$ 45,155,384</b>
Beginning Restricted Reserve	\$ 428,863,555		\$ 428,863,555
Ending Restricted Reserve	<u>\$ 463,688,886</u>		<u>\$ 474,018,939</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>428,863,555</b>		<b>428,863,555</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 463,688,886</u></b>		<b><u>\$ 474,018,939</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,614,699,000		\$ 3,614,699,000
Funded Status	24.6%		25.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 189.25	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 10,330,053	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 271.15	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.3%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 53,487,687		\$ 53,487,687
Employer Premiums - PPB	17,058,698	3,295,740	20,354,438
Employer Premiums - MCO	1,472,949	284,574	1,757,522
Retiree Premiums - PPB	27,317,439	5,277,729	32,595,168
Retiree Premiums - MCO	1,030,766	199,144	1,229,911
Annual Required Contributions	-		-
Non Par Premiums	1,387,399		1,387,399
Life Insurance	11,565,562		11,565,562
Investment Income	23,773,502		23,773,502
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,898,045		11,898,045
General Revenue Transfer (Premium Offset)	1,983,008		1,983,008
<b>Total Revenue</b>	<b>\$ 150,975,055</b>	<b>\$ 9,057,187</b>	<b>\$ 160,032,242</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 70,412,180	\$ -	\$ 70,412,180
Non-Medicare Prescription Drug Claims	28,871,618	-	28,871,618
Non-Medicare Managed Care Capitations	5,107,756		5,107,756
Administration	2,484,731		2,484,731
Life Insurance	11,421,648		11,421,648
Retiree Assistance Program	1,723,890		1,723,890
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,952		6,952
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	277,978		277,978
<b>Total Expenses</b>	<b>\$ 120,873,561</b>	<b>\$ -</b>	<b>\$ 120,873,561</b>
<b>Fiscal Year Results</b>	<b>\$ 30,101,494</b>		<b>\$ 39,158,681</b>
Beginning Restricted Reserve	\$ 394,189,624		\$ 394,189,624
Ending Restricted Reserve	<u>\$ 424,291,117</u>		<u>\$ 433,348,305</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>394,189,624</b>		<b>394,189,624</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 424,291,117</u></b>		<b><u>\$ 433,348,305</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 189.25			
Additional Retiree Premiums	\$ 9,057,187			
Pay Go PEPM Subsidy for Retirees	\$ 525.22	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.3%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

**PERIOD 7/1/2019 - 6/30/2020**

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	67,151,124	77,408,832	144,559,956
Retiree Premiums - MCO	1,749,306	1,749,306	3,498,613
Annual Required Contributions	-	-	-
Non Par Premiums	1,464,602	1,464,602	2,929,203
Life Insurance	13,216,074	13,216,074	26,432,147
Investment Income	27,711,313	27,711,313	55,422,626
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	\$ 218,792,418	\$ 229,050,127	\$ 447,842,545
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,437,566	\$ 39,562,776	\$ 77,000,342
Non-Medicare Prescription Drug Claims	15,122,543	17,617,321	32,739,864
Medicare Medical Claims	1,365,616	442,522	1,808,138
Medicare Prescription Drug Claims	4,316,440	1,425,234	5,741,674
Non-Medicare Managed Care Capitations	2,758,189	2,758,189	5,516,377
Humana MAPD Program	93,655,874	104,451,020	198,106,895
Administration	2,028,359	2,028,359	4,056,718
Life Insurance	13,051,622	13,051,622	26,103,244
Retiree Assistance Program	2,026,188	2,026,188	4,052,375
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	140,224	140,224	280,447
<b>Total Expenses</b>	\$ 172,519,474	\$ 184,120,308	\$ 356,639,782
<b>Fiscal Year Results</b>	\$ 46,272,945	\$ 44,929,819	\$ 91,202,763
Beginning Restricted Reserve			\$ 907,367,242
Ending Restricted Reserve			\$ 998,570,005
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			907,367,242
Total Ending Plan Reserve			\$ 998,570,005
Accrued Actuarial Liability (AAL)			\$ 3,627,158,000
Funded Status			27.5%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 201.28			
Additional Retiree Premiums	\$ 27,425,852			
Pay Go PEPM Subsidy for Retirees	\$ 331.12	Non-Medicare	8.5%	12.5%
		Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.9%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 126,706,454		\$ 126,706,454
Employer Premiums - PPB	10,625,465	3,298,933	13,924,399
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	50,851,097	15,787,956	66,639,053
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,583,426		1,583,426
Life Insurance	14,288,307		14,288,307
Investment Income	29,210,594		29,210,594
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,008,768		18,008,768
General Revenue Transfer (Premium Offset)	3,001,461		3,001,461
<b>Total Revenue</b>	<b>\$ 254,275,572</b>	<b>\$ 19,086,889</b>	<b>\$ 273,362,461</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,808,138	\$ -	\$ 1,808,138
Medicare Prescription Drug Claims	5,741,674	-	5,741,674
Humana MAPD Program	198,106,895		198,106,895
Administration	1,497,445		1,497,445
Life Insurance	14,110,514		14,110,514
Retiree Assistance Program	2,190,574		2,190,574
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 224,122,140</b>	<b>\$ -</b>	<b>\$ 224,122,140</b>
<b>Fiscal Year Results</b>	<b>\$ 30,153,432</b>		<b>\$ 49,240,321</b>
Beginning Restricted Reserve	\$ 474,018,939		\$ 474,018,939
Ending Restricted Reserve	<u>\$ 504,172,371</u>		<u>\$ 523,259,260</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>474,018,939</b>		<b>474,018,939</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 504,172,371</u></b>		<b><u>\$ 523,259,260</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,627,158,000		\$ 3,627,158,000
Funded Status	26.8%		27.5%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 201.28	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 19,086,889	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 290.81	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.9%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 53,293,546		\$ 53,293,546
Employer Premiums - PPB	21,561,562	3,039,431	24,600,993
Employer Premiums - MCO	1,803,957	254,295	2,058,252
Retiree Premiums - PPB	34,528,230	4,867,281	39,395,512
Retiree Premiums - MCO	1,262,405	177,955	1,440,361
Annual Required Contributions	-		-
Non Par Premiums	1,345,777		1,345,777
Life Insurance	12,143,840		12,143,840
Investment Income	26,212,032		26,212,032
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,991,233		11,991,233
General Revenue Transfer (Premium Offset)	1,998,539		1,998,539
<b>Total Revenue</b>	<b>\$ 166,141,121</b>	<b>\$ 8,338,963</b>	<b>\$ 174,480,084</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,000,342	\$ -	\$ 77,000,342
Non-Medicare Prescription Drug Claims	32,739,864	-	32,739,864
Non-Medicare Managed Care Capitations	5,516,377		5,516,377
Administration	2,559,273		2,559,273
Life Insurance	11,992,730		11,992,730
Retiree Assistance Program	1,861,801		1,861,801
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	280,447		280,447
<b>Total Expenses</b>	<b>\$ 132,517,642</b>	<b>\$ -</b>	<b>\$ 132,517,642</b>
<b>Fiscal Year Results</b>	<b>\$ 33,623,479</b>		<b>\$ 41,962,442</b>
Beginning Restricted Reserve	\$ 433,348,305		\$ 433,348,305
Ending Restricted Reserve	<u>\$ 466,971,784</u>		<u>\$ 475,310,747</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>433,348,305</b>		<b>433,348,305</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 466,971,784</u></b>		<b><u>\$ 475,310,747</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 201.28			
Additional Retiree Premiums	\$ 8,338,963			
Pay Go PEPM Subsidy for Retirees	\$ 493.82	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.9%



**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

**PERIOD 7/1/2020 - 6/30/2021**

	<b>7/1/2020 to 12/31/2020</b>	<b>1/1/2021 to 6/30/2021</b>	<b>TRUST Total</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 95,000,000	\$ 95,000,000	\$ 190,000,000
Retiree Premiums - PPB	82,880,678	96,954,984	179,835,662
Retiree Premiums - MCO	2,013,782	2,013,782	4,027,564
Annual Required Contributions	-	-	-
Non Par Premiums	1,420,664	1,420,664	2,841,327
Life Insurance	13,876,877	13,876,877	27,753,754
Investment Income	30,501,328	30,501,328	61,002,657
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 243,193,330</b>	<b>\$ 257,267,635</b>	<b>\$ 500,460,964</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 41,129,569	\$ 43,464,361	\$ 84,593,930
Non-Medicare Prescription Drug Claims	17,225,072	20,066,706	37,291,778
Medicare Medical Claims	1,483,822	481,975	1,965,797
Medicare Prescription Drug Claims	4,862,741	1,609,312	6,472,053
Non-Medicare Managed Care Capitations	2,978,844	2,978,844	5,957,687
Humana MAPD Program	108,710,009	121,813,343	230,523,352
Administration	2,089,210	2,089,210	4,178,420
Life Insurance	13,704,203	13,704,203	27,408,406
Retiree Assistance Program	2,188,283	2,188,283	4,376,565
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	141,468	141,468	282,936
<b>Total Expenses</b>	<b>\$ 195,130,074</b>	<b>\$ 209,154,559</b>	<b>\$ 404,284,632</b>
<b>Fiscal Year Results</b>	<b>\$ 48,063,256</b>	<b>\$ 48,113,076</b>	<b>\$ 96,176,332</b>
Beginning Restricted Reserve			\$ 998,570,005
Ending Restricted Reserve			<u>\$ 1,094,746,337</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			998,570,005
Total Ending Plan Reserve			<u>\$ 1,094,746,337</u>
Accrued Actuarial Liability (AAL)			\$ 3,631,580,000
Funded Status			30.1%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 213.61			
Additional Retiree Premiums	\$ 31,902,406			
Pay Go PEPM Subsidy for Retirees	\$ 341.91	Non-Medicare	9.0%	13.0%
		Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.6%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

PERIOD 7/1/2020 - 6/30/2021

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 136,469,931		\$ 136,469,931
Employer Premiums - PPB	13,968,795	3,998,738	17,967,533
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	66,851,524	19,137,063	85,988,587
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,535,923		1,535,923
Life Insurance	15,002,723		15,002,723
Investment Income	32,151,559		32,151,559
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,337,662		18,337,662
General Revenue Transfer (Premium Offset)	3,056,277		3,056,277
<b>Total Revenue</b>	<b>\$ 287,374,394</b>	<b>\$ 23,135,800</b>	<b>\$ 310,510,195</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,965,797	\$ -	\$ 1,965,797
Medicare Prescription Drug Claims	6,472,053	-	6,472,053
Humana MAPD Program	230,523,352		230,523,352
Administration	1,542,369		1,542,369
Life Insurance	14,816,039		14,816,039
Retiree Assistance Program	2,365,820		2,365,820
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 258,352,330</b>	<b>\$ -</b>	<b>\$ 258,352,330</b>
<b>Fiscal Year Results</b>	<b>\$ 29,022,064</b>		<b>\$ 52,157,865</b>
Beginning Restricted Reserve	\$ 523,259,260		\$ 523,259,260
Ending Restricted Reserve	<u>\$ 552,281,324</u>		<u>\$ 575,417,125</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>523,259,260</b>		<b>523,259,260</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 552,281,324</u></b>		<b><u>\$ 575,417,125</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,631,580,000		\$ 3,631,580,000
Funded Status	29.3%		30.1%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 213.61			
Additional Retiree Premiums	\$ 23,135,800			
Pay Go PEPM Subsidy for Retirees	\$ 308.97	Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.6%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

PERIOD 7/1/2020 - 6/30/2021

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 53,530,069		\$ 53,530,069
Employer Premiums - PPB	25,968,843	3,200,126	29,168,970
Employer Premiums - MCO	2,109,486	259,951	2,369,437
Retiree Premiums - PPB	41,585,957	5,124,615	46,710,572
Retiree Premiums - MCO	1,476,214	181,913	1,658,127
Annual Required Contributions	-		-
Non Par Premiums	1,305,404		1,305,404
Life Insurance	12,751,032		12,751,032
Investment Income	28,851,098		28,851,098
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,662,338		11,662,338
General Revenue Transfer (Premium Offset)	1,943,723		1,943,723
<b>Total Revenue</b>	<b>\$ 181,184,165</b>	<b>\$ 8,766,605</b>	<b>\$ 189,950,771</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 84,593,930	\$ -	\$ 84,593,930
Non-Medicare Prescription Drug Claims	37,291,778	-	37,291,778
Non-Medicare Managed Care Capitations	5,957,687		5,957,687
Administration	2,636,051		2,636,051
Life Insurance	12,592,367		12,592,367
Retiree Assistance Program	2,010,745		2,010,745
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	282,936		282,936
<b>Total Expenses</b>	<b>\$ 145,932,302</b>	<b>\$ -</b>	<b>\$ 145,932,302</b>
<b>Fiscal Year Results</b>	<b>\$ 35,251,863</b>		<b>\$ 44,018,469</b>
Beginning Restricted Reserve	\$ 475,310,747		\$ 475,310,747
Ending Restricted Reserve	<u>\$ 510,562,610</u>		<u>\$ 519,329,216</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>475,310,747</b>		<b>475,310,747</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 510,562,610</u></b>		<b><u>\$ 519,329,216</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 213.61	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 8,766,605	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 469.56	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.6%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2016 to FY 2017**

**Fiscal Year 2016**

**Exposure**

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
<b>NonMed_NonDrug</b>	20,325	20,533	20,656	20,437	20,400	20,298	20,052	19,850	19,597	19,335	19,138	18,822
<b>Med_NonDrug</b>	2,284	2,575	2,604	3,099	3,317	3,558	782	1,055	1,269	1,530	1,728	1,740
<b>NonMed_Drug</b>	18,831	19,021	19,133	18,932	18,899	18,807	18,574	18,385	18,151	17,910	17,727	17,433
<b>Med_Drug</b>	2,379	2,682	2,712	3,228	3,455	3,707	815	1,099	1,322	1,593	1,800	1,812

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
<b>NonMed_NonDrug</b>	\$248.74	\$251.82	\$241.55	\$246.82	\$228.65	\$240.12	\$256.63	\$277.04	\$312.95	\$271.66	\$339.43	\$280.11
<b>Med_NonDrug</b>	179.17	170.58	151.57	148.72	134.25	130.93	223.77	212.83	187.71	145.19	177.25	190.12
<b>NonMed_Drug</b>	95.41	106.15	115.47	116.53	118.59	133.96	125.57	125.71	137.52	128.31	132.25	150.68
<b>Med_Drug</b>	<u>224.26</u>	<u>222.46</u>	<u>253.61</u>	<u>258.19</u>	<u>241.89</u>	<u>279.10</u>	<u>272.47</u>	<u>279.51</u>	<u>299.04</u>	<u>263.05</u>	<u>282.28</u>	<u>327.95</u>
<b>Total</b>	\$747.58	\$751.01	\$762.19	\$770.26	\$723.38	\$784.11	\$878.43	\$895.09	\$937.22	\$808.21	\$931.22	\$948.86

**Change From Prior Year - Month to Month Analysis**

<b>NonMed_NonDrug</b>	7.0%	15.4%	-3.6%	-18.6%	-3.3%	-9.5%	-13.4%	18.3%	9.6%	-7.7%	11.3%	-15.8%
<b>Med_NonDrug</b>	0.3%	-11.1%	-20.9%	-20.9%	-6.4%	-15.9%	-21.3%	10.1%	-13.9%	-38.6%	-9.9%	-9.1%
<b>NonMed_Drug</b>	-0.1%	-9.3%	-2.2%	-2.2%	1.0%	1.3%	-2.0%	5.6%	7.1%	0.8%	3.2%	5.6%
<b>Med_Drug</b>	<u>1.9%</u>	<u>-5.0%</u>	<u>1.8%</u>	<u>11.0%</u>	<u>10.6%</u>	<u>5.8%</u>	<u>7.4%</u>	<u>22.5%</u>	<u>19.4%</u>	<u>8.0%</u>	<u>19.9%</u>	<u>31.5%</u>
<b>Total</b>	2.9%	-1.3%	-5.8%	-8.7%	1.0%	-4.0%	-8.7%	15.5%	6.2%	-10.4%	7.6%	1.6%

**Change From Prior Year - Quarter to Quarter Analysis**

<b>NonMed_NonDrug</b>			5.9%			-11.1%			3.7%			-4.4%
<b>Med_NonDrug</b>			-10.8%			-15.0%			-10.2%			-20.2%
<b>NonMed_Drug</b>			-4.1%			0.1%			3.5%			3.3%
<b>Med_Drug</b>			<u>-0.4%</u>			<u>8.9%</u>			<u>16.2%</u>			<u>19.9%</u>
<b>Total</b>			-1.6%			-4.2%			3.5%			-0.5%

**Change From Prior Year - Year to Year Analysis**

<b>NonMed_NonDrug</b>			7.1%			2.4%			2.7%			-1.8%
<b>Med_NonDrug</b>			-5.5%			-6.7%			-8.8%			-14.0%
<b>NonMed_Drug</b>			2.1%			1.1%			0.4%			0.9%
<b>Med_Drug</b>			<u>6.9%</u>			<u>8.2%</u>			<u>7.2%</u>			<u>11.3%</u>
<b>Total</b>			3.1%			1.6%			0.9%			-0.6%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2016 to FY 2017**

**Fiscal Year 2017**

**Exposure**

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>
NonMed_NonDrug	19,195	19,539	19,298	19,109	20,395	18,698	18,616	18,490
Med_NonDrug	2,446	2,722	3,004	3,226	3,446	3,656	523	753
NonMed_Drug	17,779	18,098	17,876	17,702	18,893	17,323	17,246	17,133
Med_Drug	2,548	2,835	3,129	3,360	3,589	3,808	545	784

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>
NonMed_NonDrug	\$207.97	\$259.42	\$228.85	\$275.61	\$248.02	\$208.71	\$305.42	\$292.71
Med_NonDrug	125.88	145.59	141.13	123.94	126.54	164.87	285.78	252.05
NonMed_Drug	106.74	133.07	125.86	139.78	133.02	143.58	148.94	157.01
Med_Drug	<u>233.41</u>	<u>286.67</u>	<u>270.61</u>	<u>277.24</u>	<u>293.05</u>	<u>308.88</u>	<u>258.22</u>	<u>284.46</u>
Total	\$674.01	\$824.75	\$766.45	\$816.56	\$800.63	\$826.04	\$998.36	\$986.24

**Change From Prior Year - Month to Month Analysis**

NonMed_NonDrug	-16.4%	3.0%	-5.3%	11.7%	8.5%	-13.1%	19.0%	5.7%
Med_NonDrug	-29.7%	-14.6%	-6.9%	-16.7%	-5.7%	25.9%	27.7%	18.4%
NonMed_Drug	11.9%	25.4%	9.0%	20.0%	12.2%	7.2%	18.6%	24.9%
Med_Drug	<u>4.1%</u>	<u>28.9%</u>	<u>6.7%</u>	<u>7.4%</u>	<u>21.1%</u>	<u>10.7%</u>	<u>-5.2%</u>	<u>1.8%</u>
Total	-9.8%	9.8%	0.6%	6.0%	10.7%	5.3%	13.7%	10.2%

**Change From Prior Year - Quarter to Quarter Analysis**

NonMed_NonDrug	-6.2%	2.3%
Med_NonDrug	-17.7%	0.3%
NonMed_Drug	15.3%	12.8%
Med_Drug	<u>12.9%</u>	<u>12.8%</u>
Total	0.2%	7.3%

**Change From Prior Year - Year to Year Analysis**

NonMed_NonDrug	-4.4%	-1.2%
Med_NonDrug	-15.6%	-12.8%
NonMed_Drug	5.1%	8.4%
Med_Drug	<u>14.5%</u>	<u>15.4%</u>
Total	-0.2%	2.5%