

# STATE OF WEST VIRGINIA



## **RETIREE HEALTH BENEFIT TRUST FUND**

### **Financial Plan**

**Fiscal Years 2018-2022**

*Report Date: December 2017 (Revision 2/14/2018)*

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



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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 2019, 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 2022. 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 financial report for fiscal year ending June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”) and June 30, 2022 (“FY 2022”). Our opinion of plan adequacy is based on the projections through FY 2022 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2017.

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 2018 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 2016.

In FY 2018 the Pay-Go is equivalent to \$299 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 2017.

Under Senate Bill 419 amended West Virginia code section 11-21-96, effective February 26, 2016, notwithstanding any other provision of this code to the contrary, beginning in January of 2006, \$45 million from collections of the tax imposed by this article shall be deposited each calendar year to the credit of the old fund created in article two-c, chapter twenty-three of this Enr. SB 419 code, in accordance with the following schedule. Each calendar month, except for July, August and September each year, \$5 million shall be transferred, on or before the twenty-eighth day of the month, to the

Workers' Compensation Debt Reduction Fund created in article two-d, chapter twenty-three of this code.

The transfers required by the section 11-21-96 shall cease on and after February 1, 2016. For fiscal years beginning on and after July 1, 2016, an annual amount of \$30 million from annual collections of the tax imposed by this article shall be dedicated for payment of the unfunded liability of the West Virginia Retiree Health Benefit Trust Fund. The \$30 million transferred pursuant to this subsection shall be transferred into the West Virginia Retiree Health Benefit Trust Fund by transferring \$5 million each month for the following months of each year: October, November, December, January, February and March, until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of West Virginia Retiree Health Benefit Trust Fund, as created in section two, article sixteen-d, chapter five of this code, 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 2018 through FY 2022 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 2022 as approved by the Board in December 2017.

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 2018 – FY 2022**

#### **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 November 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 915 retirees from June 2017 to December 2017, approximating our current assumption. Continuing Care Actuaries has updated the claims analysis based on the enrollment through December 2017.

In aggregate, December 2017 enrollment has increased by 915 coverages since the end of FY 2017. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 921 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 6 coverage. For MAPD Capitations, the average 43,591 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 2016, June 2017 and December 2017 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-16	Jun-17	Dec-17	Jun-16	Jun-17	Dec-17
Retirees	Medicare Single	19,698	20,197	20,831	-	-	-
	<u>Medicare Family</u>	<u>14,387</u>	<u>14,978</u>	<u>15,350</u>	-	-	-
	Medicare Total	34,085	35,175	36,181	-	-	-
	Non-Medicare Single	3,245	3,094	3,039	135	139	131
	<u>Non-Medicare Family</u>	<u>4,210</u>	<u>3,881</u>	<u>3,851</u>	<u>170</u>	<u>152</u>	<u>154</u>
	Non-Medicare Total	7,455	6,975	6,890	305	291	285
	Retiree Total	41,540	42,150	43,071	305	291	285
Grand Total				41,845	42,441	43,356	

\* The majority of PPB is capitated through Humana. As of December 2017, there are approximately 2,341 Medicare retiree coverages under PEIA.

### **B. Changes in Claim Backlog**

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan Fiscal Years 2018-2022 Report”.

### C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2017, 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 FY2017 Detailed Medical and Prescription Drugs Claim Trend Report - December 2017”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2018 medical claim trend is 7.5% and the prescription drug claim trend is 11.5%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2018 Trend	Updated Assumption FY 2018 Trend
Non-Medicare – Medical	7.5%	7.5%
Medicare – Medical	7.5%	7.5%
Non-Medicare – Drugs	11.5%	11.5%
Medicare – Drugs	11.5%	11.5%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2019. 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 November 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	-12%	2%	11%	9%	3%
2017	15%	-1%	8%	31%	8%
2018*	30%	1%	9%	32%	10%

\* Fiscal Year 2018 results are through the first five months ending November 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 November 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 2018 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2018 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	36,082			\$ 89**	\$ 234**	\$ 313
	Non-Medicare	7,034			\$ 693	\$ 316	
	Total	43,116	\$ -	\$ 164			
	Non-Medicare Managed Care	286	\$ -	\$ 610			\$ 1,246
	Total	43,402					

\*Net of rebates and subsidies.

\*\* As of December 2017, there are approximately 2,341 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 2017.

### Board Decisions – December 2017

Source	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Additional Non-Medicare Retiree Premium (Fiscal Year)</b>	\$1,051,667	\$0	\$6,979,832	\$9,003,814	\$10,872,314
<b>Additional Medicare Retiree Premium (Calendar Year)</b>	\$2,255,121	\$1,545,635	\$22,002,832	\$23,378,883	\$34,282,514
<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	\$0
<b>Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare</b>	\$3,400,000	\$0	\$0	\$0	\$0
<b>Board Decision Benefit Reduction – Retiree Medicare</b>	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)</b>	\$20,600,000	\$0	\$0	\$0	\$0
<b>ACA Reinsurance Contributions (Cost)</b>	\$0	\$0	\$0	\$0	\$0
<b>ACA Comparative Effectiveness Research Fees (Cost)</b>	(\$32,196)	(\$32,900)	\$0	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$155,726,270	\$154,000,000	\$160,000,000	\$170,000,000	\$180,000,000
<b>Actuarial Accrued Liability*</b>	\$3,385,684,300	\$3,479,324,603	\$3,564,642,254	\$3,642,716,264	\$3,714,925,690
<b>Funded Status</b>	27.1%	28.9%	30.7%	32.7%	34.9%

\*Projected Result

In FY 2019, RHBT will have no increase in Non-Medicare and Medicare retiree premiums and RHBT will receive \$35,000,000 in general revenue transfers.

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 would be collected. RHBT would not receive any benefit payments from the national reinsurance program. RHBT was subject to paying the reinsurance contributions through FY 2017 and the expenses of the reinsurance contributions were included in the financial plan. The total reinsurance contributions for the financial projection were \$184,309 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 \$65,000, with \$32,196 in FY 2018.

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 \$1,756,000 in FY 2018 to approximately \$2,390,000 in FY 2022, 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 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 \$347,411,662 and incurred plan expenses of \$254,408,669 to produce a fiscal year surplus of \$93,002,993 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$155,726,270.

#### **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 \$363,726,612 and incurred plan expenses of \$273,919,396 to produce a fiscal year surplus of \$89,807,216 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$154,000,000.

## **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 \$397,311,822 and incurred plan expenses of \$309,244,041 to produce a fiscal year surplus of \$88,067,781 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$160,000,000.

## **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 \$448,655,623 and incurred plan expenses of \$351,036,616 to produce a fiscal year surplus of \$97,619,007 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$170,000,000.

## **FISCAL YEAR 2022 FORECAST**

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$504,171,781 and incurred plan expenses of \$400,626,124 to produce a fiscal year surplus of \$103,545,657 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$180,000,000.

## **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 2022. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2017 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 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 PELA Pay Go Premiums	\$ 77,863,135	\$ 77,863,135	\$ 155,726,270
Retiree Premiums - PPB	42,771,542	42,151,487	84,923,030
Retiree Premiums - MCO	1,064,991	1,026,871	2,091,862
Annual Required Contributions	712,173	712,173	1,424,346
Non Par Premiums	1,547,816	1,547,816	3,095,631
Life Insurance	11,757,822	11,757,822	23,515,644
Investment Income	20,817,440	20,817,440	41,634,879
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>	\$ 174,034,919	\$ 173,376,744	\$ 347,411,662
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,446,398	\$ 30,061,207	\$ 58,507,605
Non-Medicare Prescription Drug Claims	12,326,388	14,359,882	26,686,270
Medicare Medical Claims	1,379,640	499,656	1,879,296
Medicare Prescription Drug Claims	3,746,817	1,383,150	5,129,967
Non-Medicare Managed Care Capitations	2,138,717	2,138,717	4,277,434
Humana MAPD Program	67,252,466	68,330,797	135,583,262
Administration	1,957,992	1,957,992	3,915,984
Life Insurance	8,252,205	8,252,205	16,504,410
Retiree Assistance Program	878,244	878,244	1,756,488
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,098	16,098	32,196
Computer Software Reserve	-	-	-
Director's Discretionary Fund	67,879	67,879	135,757
<b>Total Expenses</b>	\$ 126,462,843	\$ 127,945,826	\$ 254,408,669
<b>Fiscal Year Results</b>	\$ 47,572,075	\$ 45,430,917	\$ 93,002,993
Beginning Restricted Reserve			\$ 823,911,317
Ending Restricted Reserve			\$ 916,914,310
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
<b>Total Beginning Plan Reserve</b>			\$ 823,911,317
<b>Total Ending Plan Reserve</b>			\$ 916,914,310
Accrued Actuarial Liability (AAL)			\$ 3,385,684,300
Funded Status			27.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 176.51	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 4,666,938	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 299.00	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		-0.8%
		Administrative Expense		12.5%
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	\$ 101,014,158		\$ 101,014,158
Employer Premiums - PPB	8,133,222	368,962	8,502,184
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	38,901,339	3,246,310	42,147,649
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,737,989		1,737,989
Life Insurance	13,202,456		13,202,456
Investment Income	21,943,737		21,943,737
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,822,350		17,822,350
General Revenue Transfer (Premium Offset)	2,970,392		2,970,392
<b>Total Revenue</b>	<b>\$ 205,725,644</b>	<b>\$ 3,615,271</b>	<b>\$ 209,340,915</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,879,296	\$ -	\$ 1,879,296
Medicare Prescription Drug Claims	5,129,967	-	5,129,967
Humana MAPD Program Administration	155,169,372	(19,586,110)	135,583,262
Life Insurance	1,445,497		1,445,497
Retiree Assistance Program	9,266,119		9,266,119
ACA Reinsurance Contributions	986,150		986,150
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	24,402		24,402
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 173,900,803</b>	<b>\$ (19,586,110)</b>	<b>\$ 154,314,693</b>
<b>Fiscal Year Results</b>	<b>\$ 31,824,841</b>		<b>\$ 55,026,222</b>
Beginning Restricted Reserve	\$ 434,844,471		\$ 434,844,471
Ending Restricted Reserve	<u>\$ 466,669,312</u>		<u>\$ 489,870,693</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>436,869,452</b>		<b>436,869,452</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 466,669,312</u></b>		<b><u>\$ 489,870,693</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,385,684,300		\$ 3,385,684,300
Funded Status	26.3%		27.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 176.51	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 3,615,271	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 233.30	Medicare	7.5%	11.5%
		Capitations		-0.8%
		Administrative Expense		12.5%
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	\$ 54,712,113		\$ 54,712,113
Employer Premiums - PPB	12,798,724	(5,798)	12,792,926
Employer Premiums - MCO	1,197,133	13,489	1,210,622
Retiree Premiums - PPB	20,480,309	999,962	21,480,271
Retiree Premiums - MCO	837,227	44,014	881,241
Annual Required Contributions	1,424,346		1,424,346
Non Par Premiums	1,357,642		1,357,642
Life Insurance	10,313,188		10,313,188
Investment Income	19,691,142		19,691,142
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,177,650		12,177,650
General Revenue Transfer (Premium Offset)	2,029,608		2,029,608
<b>Total Revenue</b>	<b>\$ 137,019,081</b>	<b>\$ 1,051,667</b>	<b>\$ 138,070,748</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,063,604	\$ (1,555,999)	\$ 58,507,605
Non-Medicare Prescription Drug Claims	28,494,270	(1,808,000)	26,686,270
Non-Medicare Managed Care Capitations	4,277,434		4,277,434
Administration	2,470,487		2,470,487
Life Insurance	7,238,291		7,238,291
Retiree Assistance Program	770,338		770,338
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,794		7,794
Computer Software Reserve	-		-
Director's Discretionary Fund	135,757		135,757
<b>Total Expenses</b>	<b>\$ 103,457,975</b>	<b>\$ (3,363,999)</b>	<b>\$ 100,093,976</b>
<b>Fiscal Year Results</b>	<b>\$ 33,561,106</b>		<b>\$ 37,976,772</b>
Beginning Restricted Reserve	\$ 388,994,042		\$ 388,994,042
Ending Restricted Reserve	<u>\$ 422,555,149</u>		<u>\$ 426,970,814</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>386,969,062</b>		<b>386,969,062</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 422,555,149</u></b>		<b><u>\$ 426,970,814</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	\$ 176.51			
Additional Retiree Premiums	\$ 1,051,667			
Pay Go PEPM Subsidy for Retirees	\$ 622.88	Non-Medicare	7.5%	11.5%
		Capitations		-0.8%
		Administrative Expense		12.5%
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>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,000,000	\$ 77,000,000	\$ 154,000,000
Retiree Premiums - PPB	44,228,512	45,034,852	89,263,364
Retiree Premiums - MCO	1,083,581	1,083,581	2,167,161
Annual Required Contributions	-	-	-
Non Par Premiums	1,501,381	1,501,381	3,002,762
Life Insurance	12,345,713	12,345,713	24,691,426
Investment Income	27,800,949	27,800,949	55,601,898
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>\$ 181,460,136</b>	<b>\$ 182,266,476</b>	<b>\$ 363,726,612</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,657,711	\$ 32,398,051	\$ 63,055,762
Non-Medicare Prescription Drug Claims	13,779,316	16,052,500	29,831,816
Medicare Medical Claims	1,289,480	468,139	1,757,619
Medicare Prescription Drug Claims	3,632,086	1,343,939	4,976,025
Non-Medicare Managed Care Capitations	2,309,814	2,309,814	4,619,628
Humana MAPD Program	67,138,176	78,975,290	146,113,466
Administration	2,016,732	2,016,732	4,033,464
Life Insurance	8,664,816	8,664,816	17,329,631
Retiree Assistance Program	948,504	948,504	1,897,007
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,450	16,450	32,900
Computer Software Reserve	-	-	-
Director's Discretionary Fund	136,039	136,039	272,078
<b>Total Expenses</b>	<b>\$ 130,589,123</b>	<b>\$ 143,330,273</b>	<b>\$ 273,919,396</b>
<b>Fiscal Year Results</b>	<b>\$ 50,871,013</b>	<b>\$ 38,936,203</b>	<b>\$ 89,807,216</b>
Beginning Restricted Reserve			\$ 916,914,310
Ending Restricted Reserve			<u>\$ 1,006,721,526</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			916,914,310
Total Ending Plan Reserve			<u>\$ 1,006,721,526</u>
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			28.9%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.20			
Additional Retiree Premiums	\$ 1,506,228			
Pay Go PEPM Subsidy for Retirees	\$ 289.01	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		-1.1%



**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	\$ 100,024,121		\$ 100,024,121
Employer Premiums - PPB	8,841,910	260,333	9,102,243
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	42,315,402	1,245,895	43,561,297
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,685,849		1,685,849
Life Insurance	13,862,579		13,862,579
Investment Income	29,305,080		29,305,080
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,105,743		18,105,743
General Revenue Transfer (Premium Offset)	3,017,624		3,017,624
<b>Total Revenue</b>	<b>\$ 217,158,308</b>	<b>\$ 1,506,228</b>	<b>\$ 218,664,536</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,757,619	\$ -	\$ 1,757,619
Medicare Prescription Drug Claims	4,976,025	-	4,976,025
Humana MAPD Program	146,113,466	-	146,113,466
Administration	1,488,861		1,488,861
Life Insurance	9,729,425		9,729,425
Retiree Assistance Program	1,065,042		1,065,042
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,948		25,948
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 165,156,386</b>	<b>\$ -</b>	<b>\$ 165,156,386</b>
<b>Fiscal Year Results</b>	<b>\$ 52,001,922</b>		<b>\$ 53,508,151</b>
Beginning Restricted Reserve	\$ 489,870,693		\$ 489,870,693
Ending Restricted Reserve	<u>\$ 541,872,615</u>		<u>\$ 543,378,843</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>489,870,693</b>		<b>489,870,693</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 541,872,615</u></b>		<b><u>\$ 543,378,843</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	28.9%		28.9%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 176.20	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 1,506,228	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 227.11	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-1.1%

**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	\$ 53,975,879		\$ 53,975,879
Employer Premiums - PPB	14,069,394	-	14,069,394
Employer Premiums - MCO	1,274,952	-	1,274,952
Retiree Premiums - PPB	22,530,430	-	22,530,430
Retiree Premiums - MCO	892,209	-	892,209
Annual Required Contributions	-		-
Non Par Premiums	1,316,913		1,316,913
Life Insurance	10,828,847		10,828,847
Investment Income	26,296,819		26,296,819
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,894,257		11,894,257
General Revenue Transfer (Premium Offset)	1,982,376		1,982,376
<b>Total Revenue</b>	<b>\$ 145,062,076</b>	<b>\$ -</b>	<b>\$ 145,062,076</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 63,055,762	\$ -	\$ 63,055,762
Non-Medicare Prescription Drug Claims	29,831,816	-	29,831,816
Non-Medicare Managed Care Capitations	4,619,628		4,619,628
Administration	2,544,602		2,544,602
Life Insurance	7,600,206		7,600,206
Retiree Assistance Program	831,965		831,965
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,952		6,952
Computer Software Reserve	-		-
Director's Discretionary Fund	272,078		272,078
<b>Total Expenses</b>	<b>\$ 108,763,009</b>	<b>\$ -</b>	<b>\$ 108,763,009</b>
<b>Fiscal Year Results</b>	<b>\$ 36,299,067</b>		<b>\$ 36,299,067</b>
Beginning Restricted Reserve	\$ 426,970,814		\$ 426,970,814
Ending Restricted Reserve	<u>\$ 463,269,881</u>		<u>\$ 463,269,881</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>426,970,814</b>		<b>426,970,814</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 463,269,881</u></b>		<b><u>\$ 463,269,881</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 176.20	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 583.96	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-1.1%

**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	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	49,185,069	60,637,935	109,823,004
Retiree Premiums - MCO	1,297,377	1,297,377	2,594,754
Annual Required Contributions	-	-	-
Non Par Premiums	1,456,340	1,456,340	2,912,679
Life Insurance	12,962,999	12,962,999	25,925,998
Investment Income	30,527,693	30,527,693	61,055,386
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>\$ 192,929,478</b>	<b>\$ 204,382,344</b>	<b>\$ 397,311,822</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 33,526,220	\$ 35,429,396	\$ 68,955,616
Non-Medicare Prescription Drug Claims	15,625,481	18,203,229	33,828,710
Medicare Medical Claims	1,394,682	507,556	1,902,238
Medicare Prescription Drug Claims	4,073,704	1,510,863	5,584,567
Non-Medicare Managed Care Capitations	2,494,600	2,494,600	4,989,199
Humana MAPD Program	77,596,884	91,713,030	169,309,915
Administration	2,077,234	2,077,234	4,154,467
Life Insurance	9,098,056	9,098,056	18,196,112
Retiree Assistance Program	1,024,384	1,024,384	2,048,768
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	137,225	137,225	274,449
<b>Total Expenses</b>	<b>\$ 147,048,470</b>	<b>\$ 162,195,571</b>	<b>\$ 309,244,041</b>
<b>Fiscal Year Results</b>	<b>\$ 45,881,009</b>	<b>\$ 42,186,772</b>	<b>\$ 88,067,781</b>
Beginning Restricted Reserve			\$ 1,006,721,526
Ending Restricted Reserve			<u>\$ 1,094,789,307</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,006,721,526
Total Ending Plan Reserve			<u>\$ 1,094,789,307</u>
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			30.7%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 184.90			
Additional Retiree Premiums	\$ 18,248,172			
Pay Go PEPM Subsidy for Retirees	\$ 293.62	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		3.9%

**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	\$ 103,465,057		\$ 103,465,057
Employer Premiums - PPB	9,122,330	1,947,593	11,069,924
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,657,431	9,320,746	52,978,177
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,635,274		1,635,274
Life Insurance	14,555,708		14,555,708
Investment Income	32,179,350		32,179,350
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,027,853		18,027,853
General Revenue Transfer (Premium Offset)	3,004,642		3,004,642
<b>Total Revenue</b>	<b>\$ 225,647,646</b>	<b>\$ 11,268,340</b>	<b>\$ 236,915,986</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,902,238	\$ -	\$ 1,902,238
Medicare Prescription Drug Claims	5,584,567	-	5,584,567
Humana MAPD Program	169,309,915	-	169,309,915
Administration	1,533,527		1,533,527
Life Insurance	10,215,896		10,215,896
Retiree Assistance Program	1,150,246		1,150,246
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 189,696,389</b>	<b>\$ -</b>	<b>\$ 189,696,389</b>
<b>Fiscal Year Results</b>	<b>\$ 35,951,257</b>		<b>\$ 47,219,597</b>
Beginning Restricted Reserve	\$ 543,378,843		\$ 543,378,843
Ending Restricted Reserve	<u>\$ 579,330,100</u>		<u>\$ 590,598,440</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>543,378,843</b>		<b>543,378,843</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 579,330,100</u></b>		<b><u>\$ 590,598,440</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	30.2%		30.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 184.90	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 11,268,340	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 231.76	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		3.9%

**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	\$ 56,534,943		\$ 56,534,943
Employer Premiums - PPB	15,057,206	2,539,194	17,596,400
Employer Premiums - MCO	1,306,230	220,278	1,526,507
Retiree Premiums - PPB	24,112,292	4,066,211	28,178,503
Retiree Premiums - MCO	914,097	154,150	1,068,247
Annual Required Contributions	-		-
Non Par Premiums	1,277,405		1,277,405
Life Insurance	11,370,289		11,370,289
Investment Income	28,876,036		28,876,036
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,972,147		11,972,147
General Revenue Transfer (Premium Offset)	1,995,358		1,995,358
<b>Total Revenue</b>	<b>\$ 153,416,002</b>	<b>\$ 6,979,832</b>	<b>\$ 160,395,835</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,955,616	\$ -	\$ 68,955,616
Non-Medicare Prescription Drug Claims	33,828,710	-	33,828,710
Non-Medicare Managed Care Capitations	4,989,199		4,989,199
Administration	2,620,940		2,620,940
Life Insurance	7,980,216		7,980,216
Retiree Assistance Program	898,522		898,522
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	274,449		274,449
<b>Total Expenses</b>	<b>\$ 119,547,652</b>	<b>\$ -</b>	<b>\$ 119,547,652</b>
<b>Fiscal Year Results</b>	<b>\$ 33,868,350</b>		<b>\$ 40,848,183</b>
Beginning Restricted Reserve	\$ 463,269,881		\$ 463,269,881
Ending Restricted Reserve	<u>\$ 497,138,231</u>		<u>\$ 504,118,064</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>463,269,881</b>		<b>463,269,881</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 497,138,231</u></b>		<b><u>\$ 504,118,064</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	\$ 184.90			
Additional Retiree Premiums	\$ 6,979,832			
Pay Go PEPM Subsidy for Retirees	\$ 573.92	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		3.9%

**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>
<b>Revenues</b>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	65,944,908	78,129,843	144,074,752
Retiree Premiums - MCO	1,560,796	1,560,796	3,121,592
Annual Required Contributions	-	-	-
Non Par Premiums	1,412,650	1,412,650	2,825,299
Life Insurance	13,611,149	13,611,149	27,222,297
Investment Income	33,205,842	33,205,842	66,411,683
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>	\$ 218,235,344	\$ 230,420,279	\$ 448,655,623
<b>Program Expenses</b>			
Non-Medicare Medical Claims	\$ 36,832,495	\$ 38,923,357	\$ 75,755,852
Non-Medicare Prescription Drug Claims	17,797,935	20,734,075	38,532,010
Medicare Medical Claims	1,515,440	552,832	2,068,272
Medicare Prescription Drug Claims	4,589,389	1,706,073	6,295,462
Non-Medicare Managed Care Capitations	2,694,167	2,694,167	5,388,334
Humana MAPD Program	90,112,305	107,009,856	197,122,160
Administration	2,139,551	2,139,551	4,279,101
Life Insurance	9,552,959	9,552,959	19,105,918
Retiree Assistance Program	1,106,335	1,106,335	2,212,669
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	138,419	138,419	276,838
<b>Total Expenses</b>	\$ 166,478,994	\$ 184,557,622	\$ 351,036,616
<b>Fiscal Year Results</b>	\$ 51,756,350	\$ 45,862,656	\$ 97,619,007
Beginning Restricted Reserve			\$ 1,094,789,307
Ending Restricted Reserve			\$ 1,192,408,314
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			1,094,789,307
Total Ending Plan Reserve			\$ 1,192,408,314
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			32.7%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 198.83			
Additional Retiree Premiums	\$ 31,560,700			
Pay Go PEPM Subsidy for Retirees	\$ 305.20	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		6.3%

**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	\$ 113,660,530		\$ 113,660,530
Employer Premiums - PPB	11,091,914	3,898,679	14,990,594
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	53,083,417	18,658,207	71,741,623
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,586,216		1,586,216
Life Insurance	15,283,493		15,283,493
Investment Income	35,002,396		35,002,396
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,875,499		17,875,499
General Revenue Transfer (Premium Offset)	2,979,250		2,979,250
<b>Total Revenue</b>	<b>\$ 250,562,716</b>	<b>\$ 22,556,886</b>	<b>\$ 273,119,602</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,068,272	\$ -	\$ 2,068,272
Medicare Prescription Drug Claims	6,295,462	-	6,295,462
Humana MAPD Program	197,122,160		197,122,160
Administration	1,579,533		1,579,533
Life Insurance	10,726,691		10,726,691
Retiree Assistance Program	1,242,265		1,242,265
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 219,034,383</b>	<b>\$ -</b>	<b>\$ 219,034,383</b>
<b>Fiscal Year Results</b>	<b>\$ 31,528,333</b>		<b>\$ 54,085,219</b>
Beginning Restricted Reserve	\$ 590,598,440		\$ 590,598,440
Ending Restricted Reserve	<u>\$ 622,126,773</u>		<u>\$ 644,683,659</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>590,598,440</b>		<b>590,598,440</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 622,126,773</u></b>		<b><u>\$ 644,683,659</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	31.9%		32.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 198.83	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 22,556,886	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 251.23	Medicare	9.0%	13.0%
		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 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	\$ 56,339,470		\$ 56,339,470
Employer Premiums - PPB	18,760,651	3,282,479	22,043,131
Employer Premiums - MCO	1,562,980	273,469	1,836,449
Retiree Premiums - PPB	30,042,911	5,256,493	35,299,404
Retiree Premiums - MCO	1,093,770	191,373	1,285,143
Annual Required Contributions	-		-
Non Par Premiums	1,239,083		1,239,083
Life Insurance	11,938,804		11,938,804
Investment Income	31,409,287		31,409,287
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,124,501		12,124,501
General Revenue Transfer (Premium Offset)	2,020,750		2,020,750
<b>Total Revenue</b>	<b>\$ 166,532,207</b>	<b>\$ 9,003,814</b>	<b>\$ 175,536,021</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 75,755,852	\$ -	\$ 75,755,852
Non-Medicare Prescription Drug Claims	38,532,010	-	38,532,010
Non-Medicare Managed Care Capitations	5,388,334		5,388,334
Administration	2,699,568		2,699,568
Life Insurance	8,379,227		8,379,227
Retiree Assistance Program	970,404		970,404
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	276,838		276,838
<b>Total Expenses</b>	<b>\$ 132,002,233</b>	<b>\$ -</b>	<b>\$ 132,002,233</b>
<b>Fiscal Year Results</b>	<b>\$ 34,529,974</b>		<b>\$ 43,533,788</b>
Beginning Restricted Reserve	\$ 504,118,064		\$ 504,118,064
Ending Restricted Reserve	<u>\$ 538,648,038</u>		<u>\$ 547,651,852</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>504,118,064</b>		<b>504,118,064</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 538,648,038</u></b>		<b><u>\$ 547,651,852</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 198.83	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 9,003,814	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 538.71	Non-Medicare	9.0%	13.0%
		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 2022**

**PERIOD 7/1/2021 - 6/30/2022**

	7/1/2021 to 12/31/2021	1/1/2022 to 6/30/2022	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	84,542,145	102,220,798	186,762,943
Retiree Premiums - MCO	1,867,946	1,867,946	3,735,893
Annual Required Contributions	-	-	-
Non Par Premiums	1,370,270	1,370,270	2,740,540
Life Insurance	14,291,706	14,291,706	28,583,412
Investment Income	36,174,496	36,174,496	72,348,993
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 243,246,564</b>	<b>\$ 260,925,217</b>	<b>\$ 504,171,781</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 40,650,902	\$ 42,958,523	\$ 83,609,425
Non-Medicare Prescription Drug Claims	20,362,345	23,721,536	44,083,881
Medicare Medical Claims	1,654,232	604,910	2,259,142
Medicare Prescription Drug Claims	5,193,301	1,935,039	7,128,340
Non-Medicare Managed Care Capitations	2,909,701	2,909,701	5,819,401
Humana MAPD Program	105,142,145	125,446,175	230,588,320
Administration	2,203,737	2,203,737	4,407,474
Life Insurance	10,030,607	10,030,607	20,061,214
Retiree Assistance Program	1,194,842	1,194,842	2,389,683
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	139,622	139,622	279,244
<b>Total Expenses</b>	<b>\$ 189,481,434</b>	<b>\$ 211,144,690</b>	<b>\$ 400,626,124</b>
<b>Fiscal Year Results</b>	<b>\$ 53,765,131</b>	<b>\$ 49,780,527</b>	<b>\$ 103,545,657</b>
Beginning Restricted Reserve			\$ 1,192,408,314
Ending Restricted Reserve			<u>\$ 1,295,953,971</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,192,408,314
Total Ending Plan Reserve			<u>\$ 1,295,953,971</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			34.9%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 213.29			
Additional Retiree Premiums	\$ 39,529,597			
Pay Go PEPM Subsidy for Retirees	\$ 316.30	Non-Medicare	9.5%	13.5%
		Medicare	9.5%	13.5%
		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 2022**

PERIOD 7/1/2021 - 6/30/2022

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 122,268,254		\$ 122,268,254
Employer Premiums - PPB	15,018,249	4,953,058	19,971,307
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	71,873,975	23,704,226	95,578,200
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,538,629		1,538,629
Life Insurance	16,047,668		16,047,668
Investment Income	38,131,666		38,131,666
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,295,280		18,295,280
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 283,173,721</b>	<b>\$ 28,657,284</b>	<b>\$ 311,831,005</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,259,142	\$ -	\$ 2,259,142
Medicare Prescription Drug Claims	7,128,340	-	7,128,340
Humana MAPD Program	230,588,320		230,588,320
Administration	1,626,919		1,626,919
Life Insurance	11,263,025		11,263,025
Retiree Assistance Program	1,341,646		1,341,646
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 254,207,392</b>	<b>\$ -</b>	<b>\$ 254,207,392</b>
<b>Fiscal Year Results</b>	<b>\$ 28,966,329</b>		<b>\$ 57,623,613</b>
Beginning Restricted Reserve	\$ 644,683,659		\$ 644,683,659
Ending Restricted Reserve	<u>\$ 673,649,988</u>		<u>\$ 702,307,271</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>644,683,659</b>		<b>644,683,659</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 673,649,988</u></b>		<b><u>\$ 702,307,271</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	33.8%		34.9%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 213.29	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 28,657,284	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 266.71	Medicare	9.5%	13.5%
		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 2022**

PERIOD 7/1/2021 - 6/30/2022

<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	\$ 57,731,746		\$ 57,731,746
Employer Premiums - PPB	23,404,149	3,971,116	27,375,265
Employer Premiums - MCO	1,879,021	318,824	2,197,845
Retiree Premiums - PPB	37,478,910	6,359,261	43,838,171
Retiree Premiums - MCO	1,314,935	223,113	1,538,048
Annual Required Contributions	-		-
Non Par Premiums	1,201,911		1,201,911
Life Insurance	12,535,744		12,535,744
Investment Income	34,217,327		34,217,327
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,704,720		11,704,720
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 181,468,463</b>	<b>\$ 10,872,314</b>	<b>\$ 192,340,777</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 83,609,425	\$ -	\$ 83,609,425
Non-Medicare Prescription Drug Claims	44,083,881	-	44,083,881
Non-Medicare Managed Care Capitations	5,819,401		5,819,401
Administration	2,780,555		2,780,555
Life Insurance	8,798,188		8,798,188
Retiree Assistance Program	1,048,036		1,048,036
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	279,244		279,244
<b>Total Expenses</b>	<b>\$ 146,418,730</b>	<b>\$ -</b>	<b>\$ 146,418,730</b>
<b>Fiscal Year Results</b>	<b>\$ 35,049,733</b>		<b>\$ 45,922,047</b>
Beginning Restricted Reserve	\$ 547,651,852		\$ 547,651,852
Ending Restricted Reserve	<u>\$ 582,701,585</u>		<u>\$ 593,573,898</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>547,651,852</b>		<b>547,651,852</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 582,701,585</u></b>		<b><u>\$ 593,573,898</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 213.29	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 10,872,314	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 521.71	Non-Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.9%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2017 to FY 2018**

**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>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>
<b>NonMed_NonDrug</b>	19,195	19,539	19,298	19,109	20,395	18,698	18,616	18,490	18,261	17,926	17,852	17,454
<b>Med_NonDrug</b>	2,446	2,722	3,004	3,226	3,446	3,656	523	753	924	1,164	1,345	1,547
<b>NonMed_Drug</b>	17,779	18,098	17,876	17,702	18,893	17,323	17,246	17,133	16,918	16,609	16,543	16,173
<b>Med_Drug</b>	2,548	2,835	3,129	3,360	3,589	3,808	545	784	962	1,212	1,401	1,612

	<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>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>
<b>NonMed_NonDrug</b>	\$214.31	\$255.27	\$232.42	\$274.08	\$243.47	\$195.24	\$276.95	\$311.32	\$309.48	\$271.90	\$309.12	\$259.64
<b>Med_NonDrug</b>	125.61	154.73	142.63	133.40	138.49	132.52	478.74	252.99	279.53	168.70	172.57	182.79
<b>NonMed_Drug</b>	106.72	133.05	125.83	139.68	132.92	143.73	149.00	137.54	161.62	153.21	158.15	162.80
<b>Med_Drug</b>	<u>233.42</u>	<u>286.66</u>	<u>270.61</u>	<u>277.28</u>	<u>293.13</u>	<u>308.51</u>	<u>257.66</u>	<u>260.50</u>	<u>316.28</u>	<u>295.16</u>	<u>327.86</u>	<u>334.94</u>
<b>Total</b>	\$680.07	\$829.70	\$771.50	\$824.43	\$808.00	\$780.00	\$1,162.34	\$962.35	\$1,066.91	\$888.97	\$967.69	\$940.18

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

<b>NonMed_NonDrug</b>	-13.8%	1.6%	-3.8%	11.0%	6.3%	-18.8%	7.9%	11.7%	-1.1%	-0.5%	-9.4%	-7.0%
<b>Med_NonDrug</b>	-31.1%	-8.6%	-5.7%	-9.0%	4.6%	4.4%	120.4%	22.8%	44.7%	13.9%	-6.3%	-3.9%
<b>NonMed_Drug</b>	11.9%	25.3%	9.0%	19.9%	12.1%	7.3%	18.7%	9.4%	17.5%	19.4%	19.6%	8.1%
<b>Med_Drug</b>	<u>4.1%</u>	<u>28.9%</u>	<u>6.7%</u>	<u>7.4%</u>	<u>21.2%</u>	<u>10.5%</u>	<u>-5.4%</u>	<u>-6.8%</u>	<u>5.8%</u>	<u>12.2%</u>	<u>16.1%</u>	<u>2.1%</u>
<b>Total</b>	-9.4%	10.7%	1.3%	7.3%	11.9%	0.0%	33.3%	8.1%	13.2%	9.4%	3.0%	-0.8%

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

<b>NonMed_NonDrug</b>			-5.3%			-0.5%			5.8%			-5.9%
<b>Med_NonDrug</b>			-15.9%			-0.3%			64.1%			0.3%
<b>NonMed_Drug</b>			15.3%			12.8%			15.3%			15.3%
<b>Med_Drug</b>			<u>12.9%</u>			<u>12.8%</u>			<u>-1.9%</u>			<u>9.7%</u>
<b>Total</b>			0.9%			6.3%			18.0%			3.6%

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

<b>NonMed_NonDrug</b>			-4.1%			-1.5%			-1.0%			-1.5%
<b>Med_NonDrug</b>			-13.9%			-11.1%			9.6%			15.4%
<b>NonMed_Drug</b>			5.1%			8.4%			11.4%			14.7%
<b>Med_Drug</b>			<u>14.5%</u>			<u>15.4%</u>			<u>10.4%</u>			<u>8.1%</u>
<b>Total</b>			0.4%			2.9%			6.7%			7.5%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2017 to FY 2018**

**Fiscal Year 2018**

**Exposure**

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>
NonMed_NonDrug	17,595	17,840	17,928	17,665	17,531
Med_NonDrug	1,882	2,224	2,509	2,794	2,984
NonMed_Drug	16,302	16,528	16,610	16,367	16,244
Med_Drug	1,961	2,317	2,613	2,910	3,108

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>
NonMed_NonDrug	\$179.64	\$247.52	\$239.01	\$274.24	\$287.97
Med_NonDrug	153.86	181.57	175.43	202.93	158.59
NonMed_Drug	191.48	146.78	120.29	191.65	147.37
Med_Drug	<u>322.56</u>	<u>329.31</u>	<u>293.21</u>	<u>327.18</u>	<u>285.67</u>
Total	\$847.54	\$905.18	\$827.94	\$996.00	\$879.61

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

NonMed_NonDrug	-16.2%	-3.0%	2.8%	0.1%	18.3%
Med_NonDrug	22.5%	17.3%	23.0%	52.1%	14.5%
NonMed_Drug	79.4%	10.3%	-4.4%	37.2%	10.9%
Med_Drug	<u>38.2%</u>	<u>14.9%</u>	<u>8.4%</u>	<u>18.0%</u>	<u>-2.5%</u>
Total	24.6%	9.1%	7.3%	20.8%	8.9%

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

NonMed_NonDrug	-5.1%
Med_NonDrug	20.8%
NonMed_Drug	25.4%
Med_Drug	<u>19.5%</u>
Total	13.1%

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

NonMed_NonDrug	-1.4%
Med_NonDrug	24.5%
NonMed_Drug	17.1%
Med_Drug	<u>9.8%</u>
Total	10.3%