

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2022
Financial Report**

Fiscal Years 2022-2027

Report Date: November 2022

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, 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 2027. 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. On March 9, 2019, the provisions had effectively ended.

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”), June 30, 2026 (“FY 2026”) and June 30, 2027 (“FY 2027”). Our opinion of plan adequacy is based on the projections through FY 2027 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2021.

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 2022 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 2022 the Pay-Go is equivalent to \$144 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 2021.

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 Workers' Compensation fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 ceased on February 1, 2016. Beginning Fiscal Year 2017, an annual amount of \$30 million from annual collections of the tax imposed by this article was 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 2022 through FY 2027 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 2027 as approved by the Board in December 2021.

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., M.A.A.A.
Managing Partner



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

West Virginia Retiree Health Benefit Trust Fund
Report of Independent Actuary
Financial Plan for FY 2022 – FY 2027

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 August 2022 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 policies. We have observed a net increase of 343 policy from June 2022 to September 2022. Continuing Care Actuaries has updated the claims analysis based on the enrollment through September 2022.

In aggregate, September 2022 enrollment has increased by 343 coverage since the end of FY 2022. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 350 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 7 coverages. For MAPD Capitations, the average of 52,131 Medicare policyholders in FY 2022 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2021, June 2022, and September 2022 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-21	Jun-22	Sep-22	Jun-21	Jun-22	Sep-22
Retirees	Medicare Single	21,636	21,810	21,980	-	-	-
	<u>Medicare Family</u>	<u>16,170</u>	<u>16,085</u>	<u>16,203</u>	-	-	-
	Medicare Total	37,806	37,895	38,183	-	-	-
	Non-Medicare Single	2,295	2,161	2,196	115	109	103
	<u>Non-Medicare Family</u>	<u>2,714</u>	<u>2,497</u>	<u>2,524</u>	<u>104</u>	<u>99</u>	<u>98</u>
	Non-Medicare Total	5,009	4,658	4,720	219	208	201
	Retiree Total	42,815	42,553	42,903	219	208	201
Grand Total				43,034	42,761	43,104	

* The majority of PPB is capitated through Humana. As of June 2022, there are approximately 730 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Fiscal Year 2022 Financial Report”.

C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drugs trend in FY 2022, 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 FY2021 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2023 medical claim trend is 7.0%, the gross prescription drugs claim trend is 14.0% and the prescription drugs rebate trend is 15.0%. In 2023, there were an additional rebate included in the projection to reflect the new PBM contract with ESI.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2023 Trend	Updated Assumption FY 2023 Trend
Non-Medicare – Medical	7.0%	7.0%
Medicare – Medical	7.0%	7.0%
Non-Medicare – Gross Drugs	14.0%	14.0%
Medicare – Gross Drugs	14.0%	14.0%
Prescription Drugs Rebate	15.0%	15.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2024 and in each successive fiscal year. Additionally, drug rebates have been trending at approximately 15% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 15% in the financial plan. 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 August 2022. 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)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
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	-10%	2%	11%	9%	3%
2017	11%	0%	10%	31%	9%
2018	12%	8%	41%	14%	12%
2019	43%	2%	-1%	20%	8%
2020	18%	-9%	1%	12%	-2%
2021	-9%	16%	14%	7%	13%
2022	-1%	11%	-4%	15%	11%
2023*	3%	10%	-4%	14%	9%

* Fiscal Year 2023 results are through the two months ending August 2022. 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 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. 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 August 2022 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 result of FY 2022 and the projection of FY 2023 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2022 Result			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	38,041			\$ 74**	\$ 226**	\$ 84
	<u>Non-Medicare</u>	<u>4,940</u>			\$ 905	\$ 348	
	Total	42,981	\$0	\$144			
	Non-Medicare Managed Care	<u>212</u>	\$0	\$592			\$ 1,523
	Total	43,193					

*Net of rebates and subsidies.

** As of June 2022, there are approximately 730 Medicare coverages that were not capitated through Humana.

Fiscal Year 2023 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	38,537			\$ 79**	\$ 223**	\$ 93
	<u>Non-Medicare</u>	<u>4,652</u>			\$ 1,007	\$ 361	
	Total	43,189	\$0	\$131			
	Non-Medicare Managed Care	<u>201</u>	\$0	\$612			\$ 1,735
	Total	43,390					

*Net of rebates and subsidies.

** As of June 2022, there are approximately 730 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 2021.

Board Decisions – December 2021

Source	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$144,895	\$0	\$1,190,713	\$1,198,135	\$1,203,639	\$1,207,143
Additional Medicare Retiree Premium (Calendar Year)	(\$8,087,554)	\$0	\$3,871,810	\$4,142,489	\$4,432,694	\$4,741,552
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$0	\$0	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$74,847,859	\$60,000,000	\$20,000,000	\$30,000,000	\$40,000,000	\$50,000,000
Actuarial Accrued Liability*	\$1,736,270,764	\$1,756,185,713	\$1,767,903,755	\$1,770,059,292	\$1,767,235,505	\$1,759,719,792
Funded Status	96.4%	92.5%	100.4%	106.4%	113.2%	120.6%

*Projected Result

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. RHBT will receive \$30,000,000 in general revenue transfers.

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 \$1,516,490 in FY 2022 to \$1,903,125 in FY 2027, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2022, the ACA PCORI fee is approximately \$2.79 per person per year.

Under the new PBM contract terms effective on July 1, 2022, an estimated gross drug savings of \$20,000,000 has been allocated between PEIA and RHBT drugs claims in FY 2023. Under this contract, an estimated \$20,000,000 of drug rebates have been added to the plan in 2023 as well.

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. RHBT has had favorable renewals resulting in reduced MAPD capitations. 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 2022 RESULT

The financial result for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2022 projects accrued revenue of (\$93,974,316) and incurred plan expenses of \$154,077,665 to produce a fiscal year deficit of (\$248,051,981) after the Premium Stabilization Reserve addition of \$200,000,000. The PEIA local and state agencies Pay Go premiums for FY 2022 are \$74,847,859.

FISCAL YEAR 2023 FORECAST

The financial forecast for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2023 projects accrued revenue of \$314,845,544 and incurred plan expenses of \$162,345,003 to produce a fiscal year surplus of \$152,500,541 after the Premium Stabilization Reserve drawdown of \$3,081,934. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$60,000,000.

FISCAL YEAR 2024 FORECAST

The financial forecast for FY 2024 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2024 projects accrued revenue of \$341,997,687 and incurred plan expenses of \$178,221,702 to produce a fiscal year surplus of \$163,775,984 after the Premium Stabilization Reserve drawdown of \$54,584,420. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$20,000,000.

FISCAL YEAR 2025 FORECAST

The financial forecast for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2025 projects accrued revenue of \$367,004,327 and incurred plan expenses of \$194,962,332 to produce a fiscal year surplus of \$172,041,995 after the Premium Stabilization Reserve drawdown of \$55,681,989. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$30,000,000.

FISCAL YEAR 2026 FORECAST

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$394,118,452 and incurred plan expenses of \$213,264,383 to produce a fiscal year surplus of \$180,854,069 after the Premium Stabilization Reserve drawdown of \$58,027,751. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$40,000,000.

FISCAL YEAR 2027 FORECAST

The financial forecast for FY 2027 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2027 projects accrued revenue of \$424,679,486 and incurred plan expenses of \$234,519,013 to produce a fiscal year surplus of \$190,160,474 after the Premium Stabilization Reserve drawdown of \$62,992,838. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$50,000,000.

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 2027. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2021 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 RESULT
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	\$ 37,423,930	\$ 37,423,930	\$ 74,847,859
Retiree Premiums - PPB	39,034,872	34,992,572	74,027,444
Retiree Premiums - MCO	744,322	761,212	1,505,534
Annual Required Contributions	-	-	-
Non Par Premiums	1,057,505	1,057,505	2,115,010
Life Insurance	13,373,156	13,373,156	26,746,311
Investment Income	(51,608,237)	(51,608,237)	(103,216,474)
Transfer from Premium Stabilization Reserve	(104,980,415)	(95,019,585)	(200,000,000)
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ (49,954,868)	\$ (44,019,448)	\$ (93,974,316)
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,141,861	\$ 26,479,816	\$ 53,621,677
Gross Non-Medicare Prescription Drug Claims	17,354,060	17,521,406	34,875,466
Non-Medicare Prescription Drug Rebates	(7,077,169)	(7,145,414)	(14,222,583)
Medicare Medical Claims	861,319	295,718	1,157,037
Gross Medicare Prescription Drug Claims	4,558,649	1,622,540	6,181,189
Medicare Prescription Drug Rebates	(1,859,065)	(661,689)	(2,520,754)
Non-Medicare Managed Care Capitations	1,937,596	1,937,596	3,875,191
Humana MAPD Program	43,814,891	(5,424,273)	38,390,617
Administration	2,197,622	2,197,622	4,395,244
Life Insurance	13,388,936	13,388,936	26,777,871
Wellness	-	-	-
Retiree Assistance Program	758,245	758,245	1,516,490
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	15,110	15,110	30,220
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 103,092,054	\$ 50,985,611	\$ 154,077,665
Fiscal Year Results	\$ (153,046,922)	\$ (95,005,059)	\$ (248,051,981)
Beginning Restricted Reserve			\$ 1,604,916,630
Ending Restricted Reserve			<u>\$ 1,356,864,649</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ 200,000,000
Ending Premium Stabilization Reserve			<u>\$ 268,106,504</u>
Total Beginning Plan Reserve			1,673,023,134
Total Ending Plan Reserve			<u>\$ 1,624,971,153</u>
Accrued Actuarial Liability (AAL)			\$ 1,736,270,764
Funded Status			96.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 82.88			
Additional Retiree Premiums	\$ (5,188,220)			
Pay Go PEPM Subsidy for Retirees	\$ 144.41			
		Non-Medicare	6.0%	13.5%
		Medicare	6.0%	13.5%
		Prescription Drug Rebates		0.0%
		Capitations		7.0%
		Administrative Expense		-1.5%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-45.5%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
FISCAL YEAR 2022**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 42,414,468		\$ 42,414,468
Employer Premiums - PPB	9,469,955	(4,209,742)	5,260,213
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,171,530	(1,123,373)	44,048,157
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,389,560		1,389,560
Life Insurance	17,572,300		17,572,300
Investment Income	(57,055,009)		(57,055,009)
Transfer from Premium Stabilization Reserve	(161,772,829)		(161,772,829)
General Revenue Transfer (OPEB Funding)	16,632,737		16,632,737
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ (86,177,287)	\$ (5,333,115)	\$ (91,510,402)
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,157,037	\$ -	\$ 1,157,037
Gross Medicare Prescription Drug Claims	6,181,189	-	6,181,189
Medicare Prescription Drug Rebates	(2,520,754)		(2,520,754)
Humana MAPD Program	38,390,617		38,390,617
Administration	1,622,405		1,622,405
Life Insurance	17,593,035		17,593,035
Wellness	-		-
Retiree Assistance Program	996,332		996,332
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	5,497		5,497
Director's Discretionary Fund	-		-
Total Expenses	\$ 63,425,358	\$ -	\$ 63,425,358
Fiscal Year Results	\$ (149,602,646)		\$ (154,935,761)
Beginning Restricted Reserve	\$ 877,306,027		\$ 877,306,027
Ending Restricted Reserve	\$ 727,703,381		\$ 722,370,266
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ 161,772,829		\$ 161,772,829
Ending Premium Stabilization Reserve	\$ 209,264,435		\$ 209,264,435
Total Beginning Plan Reserve	924,797,632		924,797,632
Total Ending Plan Reserve	\$ 936,967,815		\$ 931,634,700
Accrued Actuarial Liability (AAL)	\$ 1,736,270,764		\$ 1,736,270,764
Funded Status	93.2%		93.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 82.88	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ (5,333,115)	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 92.92	Medicare	6.0%	13.5%
		Prescription Drug Rebates		0.0%
		Capitations		7.0%
		Administrative Expense		-1.5%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-45.5%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
FISCAL YEAR 2022**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 32,433,391		\$ 32,433,391
Employer Premiums - PPB	9,441,067	(2,955,889)	6,485,178
Employer Premiums - MCO	933,208	(355,811)	577,398
Retiree Premiums - PPB	15,056,533	3,177,362	18,233,896
Retiree Premiums - MCO	648,904	279,232	928,137
Annual Required Contributions	-		-
Non Par Premiums	725,450		725,450
Life Insurance	9,174,011		9,174,011
Investment Income	(46,161,465)		(46,161,465)
Transfer from Premium Stabilization Reserve	(38,227,171)		(38,227,171)
General Revenue Transfer (OPEB Funding)	13,367,263		13,367,263
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ (2,608,808)	\$ 144,895	\$ (2,463,914)
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 53,621,677	\$ -	\$ 53,621,677
Gross Non-Medicare Prescription Drug Claims	34,875,466	-	34,875,466
Non-Medicare Prescription Drug Rebates	(14,222,583)		(14,222,583)
Non-Medicare Managed Care Capitations	3,875,191		3,875,191
Administration	2,772,840		2,772,840
Life Insurance	9,184,836		9,184,836
Wellness	-		-
Retiree Assistance Program	520,158		520,158
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	24,723		24,723
Director's Discretionary Fund	-		-
Total Expenses	\$ 90,652,308	\$ -	\$ 90,652,308
Fiscal Year Results	\$ (93,261,116)		\$ (93,116,221)
Beginning Restricted Reserve	\$ 727,610,603		\$ 727,610,603
Ending Restricted Reserve	\$ 634,349,488		\$ 634,494,382
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ 38,227,171		\$ 38,227,171
Ending Premium Stabilization Reserve	\$ 58,842,069		\$ 58,842,069
Total Beginning Plan Reserve	748,225,501		748,225,501
Total Ending Plan Reserve	\$ 693,191,557		\$ 693,336,451
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 82.88			
Additional Retiree Premiums	\$ 144,895			
Pay Go PEPM Subsidy for Retirees	\$ 524.58	Non-Medicare	6.0%	13.5%
		Prescription Drug Rebates		0.0%
		Capitations		7.0%
		Administrative Expense		-1.5%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-45.5%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2023**

PERIOD 7/1/2022 - 6/30/2023

	7/1/2022 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 30,000,000	\$ 30,000,000	\$ 60,000,000
Retiree Premiums - PPB	33,740,740	33,911,616	67,652,356
Retiree Premiums - MCO	726,825	748,700	1,475,525
Annual Required Contributions	-	-	-
Non Par Premiums	1,025,780	1,025,780	2,051,560
Life Insurance	14,041,814	14,041,814	28,083,627
Investment Income	61,250,271	61,250,271	122,500,541
Transfer from Premium Stabilization Reserve	1,580,195	1,501,740	3,081,934
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 157,365,624	\$ 157,479,920	\$ 314,845,544
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,675,799	\$ 28,560,304	\$ 56,236,102
Gross Non-Medicare Prescription Drug Claims	18,121,403	19,293,127	37,414,529
Non-Medicare Prescription Drug Rebates	(8,376,225)	(8,899,385)	(17,275,610)
Medicare Medical Claims	888,244	306,474	1,194,718
Gross Medicare Prescription Drug Claims	4,806,790	1,714,827	6,521,616
Medicare Prescription Drug Rebates	(2,223,707)	(791,474)	(3,015,181)
Non-Medicare Managed Care Capitations	2,092,603	2,092,603	4,185,206
Humana MAPD Program	19,740,451	23,085,178	42,825,628
Administration	2,262,652	2,262,652	4,525,304
Life Insurance	14,058,383	14,058,383	28,116,765
Wellness	-	-	-
Retiree Assistance Program	699,427	699,427	1,398,854
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	15,044	15,044	30,088
Director's Discretionary Fund	93,492	93,492	186,983
Total Expenses	\$ 79,854,353	\$ 82,490,650	\$ 162,345,003
Fiscal Year Results	\$ 77,511,271	\$ 74,989,270	\$ 152,500,541
Beginning Restricted Reserve			\$ 1,356,864,649
Ending Restricted Reserve			<u>\$ 1,509,365,191</u>
Beginning Premium Stabilization Reserve			\$ 268,106,504
PSR Addition/(Drawdown)			\$ (3,081,934)
Ending Premium Stabilization Reserve			<u>\$ 265,024,570</u>
Total Beginning Plan Reserve			1,624,971,153
Total Ending Plan Reserve			<u>\$ 1,774,389,760</u>
Accrued Actuarial Liability (AAL)			\$ 1,756,185,713
Funded Status			92.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 66.78	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ (4,853,836)	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 115.24	Non-Medicare	7.0%	14.0%
		Medicare	7.0%	14.0%
		Prescription Drug Rebates		23.3%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-19.8%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2023**

PERIOD 7/1/2022 - 6/30/2023

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 10,783,916		\$ 10,783,916
Employer Premiums - PPB	8,554,012	(1,566,172)	6,987,840
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	40,898,053	(3,269,118)	37,628,934
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,347,873		1,347,873
Life Insurance	18,450,915		18,450,915
Investment Income	70,232,481		70,232,481
Transfer from Premium Stabilization Reserve	2,501,652		2,501,652
General Revenue Transfer (OPEB Funding)	21,162,462		21,162,462
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 173,931,363	\$ (4,835,290)	\$ 169,096,073
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,194,718	\$ -	\$ 1,194,718
Gross Medicare Prescription Drug Claims	6,867,195	(345,579)	6,521,616
Medicare Prescription Drug Rebates	(3,015,181)		(3,015,181)
Humana MAPD Program	42,825,628		42,825,628
Administration	1,670,413		1,670,413
Life Insurance	18,472,687		18,472,687
Wellness	-		-
Retiree Assistance Program	919,046		919,046
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	6,839		6,839
Director's Discretionary Fund	-		-
Total Expenses	\$ 68,941,345	\$ (345,579)	\$ 68,595,766
Fiscal Year Results	\$ 104,990,018		\$ 100,500,307
Beginning Restricted Reserve	\$ 722,370,266		\$ 722,370,266
Ending Restricted Reserve	<u>\$ 827,360,284</u>		<u>\$ 822,870,573</u>
Beginning Premium Stabilization Reserve	\$ 209,264,435		\$ 209,264,435
PSR Addition/(Drawdown)	\$ (2,501,652)		\$ (2,501,652)
Ending Premium Stabilization Reserve	<u>\$ 206,762,782</u>		<u>\$ 206,762,782</u>
Total Beginning Plan Reserve	931,634,700		931,634,700
Total Ending Plan Reserve	<u>\$ 1,034,123,066</u>		<u>\$ 1,029,633,355</u>
Accrued Actuarial Liability (AAL)	\$ 1,756,185,713		\$ 1,756,185,713
Funded Status	95.3%		95.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 66.78	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ (4,835,290)	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 23.32	Medicare	7.0%	14.0%
		Prescription Drug Rebates		23.3%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-19.8%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2023**

PERIOD 7/1/2022 - 6/30/2023

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 49,216,084		\$ 49,216,084
Employer Premiums - PPB	8,862,585	(829,150)	8,033,435
Employer Premiums - MCO	880,183	(89,305)	790,878
Retiree Premiums - PPB	14,172,174	829,973	15,002,147
Retiree Premiums - MCO	614,711	69,936	684,647
Annual Required Contributions	-		-
Non Par Premiums	703,687		703,687
Life Insurance	9,632,711		9,632,711
Investment Income	52,268,061		52,268,061
Transfer from Premium Stabilization Reserve	580,282		580,282
General Revenue Transfer (OPEB Funding)	8,837,538		8,837,538
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 145,768,016	\$ (18,545)	\$ 145,749,470
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 56,236,102	\$ -	\$ 56,236,102
Gross Non-Medicare Prescription Drug Claims	39,364,354	(1,949,825)	37,414,529
Non-Medicare Prescription Drug Rebates	(17,275,610)		(17,275,610)
Non-Medicare Managed Care Capitations	4,185,206		4,185,206
Administration	2,854,891		2,854,891
Life Insurance	9,644,078		9,644,078
Wellness	-		-
Retiree Assistance Program	479,808		479,808
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	23,248		23,248
Director's Discretionary Fund	186,983		186,983
Total Expenses	\$ 95,699,061	\$ (1,949,825)	\$ 93,749,236
Fiscal Year Results	\$ 50,068,955		\$ 52,000,234
Beginning Restricted Reserve	\$ 634,494,382		\$ 634,494,382
Ending Restricted Reserve	\$ 684,563,337		\$ 686,494,616
Beginning Premium Stabilization Reserve	\$ 58,842,069		\$ 58,842,069
PSR Addition/(Drawdown)	\$ (580,282)		\$ (580,282)
Ending Premium Stabilization Reserve	\$ 58,261,787		\$ 58,261,787
Total Beginning Plan Reserve	693,336,451		693,336,451
Total Ending Plan Reserve	\$ 742,825,124		\$ 744,756,404
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 66.78			
Additional Retiree Premiums	\$ (18,545)			
Pay Go PEPM Subsidy for Retirees	\$ 845.19	Non-Medicare	7.0%	14.0%
		Prescription Drug Rebates		23.3%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-19.8%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

PERIOD 7/1/2023 - 6/30/2024

	7/1/2023 to 12/31/2023	1/1/2024 to 6/30/2024	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 10,000,000	\$ 10,000,000	\$ 20,000,000
Retiree Premiums - PPB	34,661,294	35,920,049	70,581,343
Retiree Premiums - MCO	789,059	789,059	1,578,118
Annual Required Contributions	-	-	-
Non Par Premiums	995,007	995,007	1,990,013
Life Insurance	14,743,904	14,743,904	29,487,808
Investment Income	66,887,992	66,887,992	133,775,984
Transfer from Premium Stabilization Reserve	27,942,375	26,642,045	54,584,420
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 171,019,631	\$ 170,978,056	\$ 341,997,687
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,950,767	\$ 30,978,993	\$ 60,929,760
Gross Non-Medicare Prescription Drug Claims	20,892,295	22,291,158	43,183,452
Non-Medicare Prescription Drug Rebates	(9,728,985)	(10,336,636)	(20,065,621)
Medicare Medical Claims	923,269	319,343	1,242,613
Gross Medicare Prescription Drug Claims	5,322,745	1,903,278	7,226,023
Medicare Prescription Drug Rebates	(2,480,545)	(882,890)	(3,363,435)
Non-Medicare Managed Care Capitations	2,260,012	2,260,012	4,520,023
Humana MAPD Program	22,636,647	25,995,960	48,632,607
Administration	2,330,532	2,330,532	4,661,063
Life Insurance	14,761,302	14,761,302	29,522,603
Wellness	-	-	-
Retiree Assistance Program	755,381	755,381	1,510,762
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	16,637	16,637	33,274
Director's Discretionary Fund	94,289	94,289	188,578
Total Expenses	\$ 87,734,344	\$ 90,487,358	\$ 178,221,702
Fiscal Year Results	\$ 83,285,287	\$ 80,490,698	\$ 163,775,984
Beginning Restricted Reserve			\$ 1,509,365,191
Ending Restricted Reserve			<u>\$ 1,673,141,175</u>
Beginning Premium Stabilization Reserve			\$ 265,024,570
PSR Addition/(Drawdown)			\$ (54,584,420)
Ending Premium Stabilization Reserve			<u>\$ 210,440,150</u>
Total Beginning Plan Reserve			1,774,389,760
Total Ending Plan Reserve			<u>\$ 1,883,581,325</u>
Accrued Actuarial Liability (AAL)			\$ 1,767,903,755
Funded Status			100.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 22.26			
Additional Retiree Premiums	\$ 3,760,049	Non-Medicare	7.5%	14.5%
Pay Go PEPM Subsidy for Retirees	\$ 37.54	Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-66.7%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

PERIOD 7/1/2023 - 6/30/2024

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 5,144,761		\$ 5,144,761
Employer Premiums - PPB	7,734,507	444,078	8,178,585
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	37,015,620	2,125,258	39,140,877
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,307,437		1,307,437
Life Insurance	19,373,461		19,373,461
Investment Income	77,626,809		77,626,809
Transfer from Premium Stabilization Reserve	44,241,971		44,241,971
General Revenue Transfer (OPEB Funding)	15,484,465		15,484,465
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 207,929,032	\$ 2,569,336	\$ 210,498,368
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,242,613	\$ -	\$ 1,242,613
Gross Medicare Prescription Drug Claims	7,226,023	-	7,226,023
Medicare Prescription Drug Rebates	(3,363,435)		(3,363,435)
Humana MAPD Program	48,632,607		48,632,607
Administration	1,720,526		1,720,526
Life Insurance	19,396,321		19,396,321
Wellness	-		-
Retiree Assistance Program	992,569		992,569
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	10,868		10,868
Director's Discretionary Fund	-		-
Total Expenses	\$ 75,858,092	\$ -	\$ 75,858,092
Fiscal Year Results	\$ 132,070,940		\$ 134,640,276
Beginning Restricted Reserve	\$ 822,870,573		\$ 822,870,573
Ending Restricted Reserve	<u>\$ 954,941,513</u>		<u>\$ 957,510,849</u>
Beginning Premium Stabilization Reserve	\$ 206,762,782		\$ 206,762,782
PSR Addition/(Drawdown)	\$ (44,241,971)		\$ (44,241,971)
Ending Premium Stabilization Reserve	<u>\$ 162,520,811</u>		<u>\$ 162,520,811</u>
Total Beginning Plan Reserve	1,029,633,355		1,029,633,355
Total Ending Plan Reserve	\$ 1,117,462,324		\$ 1,120,031,659
Accrued Actuarial Liability (AAL)	\$ 1,767,903,755		\$ 1,767,903,755
Funded Status	101.4%		101.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 22.26	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,569,336	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 10.79	Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-66.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

PERIOD 7/1/2023 - 6/30/2024

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 14,855,239		\$ 14,855,239
Employer Premiums - PPB	8,513,491	428,644	8,942,135
Employer Premiums - MCO	883,911	44,504	928,415
Retiree Premiums - PPB	13,633,324	686,421	14,319,746
Retiree Premiums - MCO	618,559	31,144	649,703
Annual Required Contributions	-		-
Non Par Premiums	682,576		682,576
Life Insurance	10,114,347		10,114,347
Investment Income	56,149,175		56,149,175
Transfer from Premium Stabilization Reserve	10,342,448		10,342,448
General Revenue Transfer (OPEB Funding)	14,515,535		14,515,535
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 130,308,606	\$ 1,190,713	\$ 131,499,319
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,929,760	\$ -	\$ 60,929,760
Gross Non-Medicare Prescription Drug Claims	43,183,452	-	43,183,452
Non-Medicare Prescription Drug Rebates	(20,065,621)		(20,065,621)
Non-Medicare Managed Care Capitations	4,520,023		4,520,023
Administration	2,940,538		2,940,538
Life Insurance	10,126,282		10,126,282
Wellness	-		-
Retiree Assistance Program	518,193		518,193
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	22,406		22,406
Director's Discretionary Fund	188,576		188,576
Total Expenses	\$ 102,363,610	\$ -	\$ 102,363,610
Fiscal Year Results	\$ 27,944,996		\$ 29,135,709
Beginning Restricted Reserve	\$ 686,494,616		\$ 686,494,616
Ending Restricted Reserve	<u>\$ 714,439,612</u>		<u>\$ 715,630,326</u>
Beginning Premium Stabilization Reserve	\$ 58,261,787		\$ 58,261,787
PSR Addition/(Drawdown)	\$ (10,342,448)		\$ (10,342,448)
Ending Premium Stabilization Reserve	<u>\$ 47,919,339</u>		<u>\$ 47,919,339</u>
Total Beginning Plan Reserve	744,756,404		744,756,404
Total Ending Plan Reserve	<u>\$ 762,358,952</u>		<u>\$ 763,549,665</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 22.26			
Additional Retiree Premiums	\$ 1,190,713			
Pay Go PEPM Subsidy for Retirees	\$ 265.49	Non-Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-66.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

	7/1/2024 to 12/31/2024	1/1/2025 to 6/30/2025	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 15,000,000	\$ 15,000,000	\$ 30,000,000
Retiree Premiums - PPB	36,680,021	38,038,549	74,718,571
Retiree Premiums - MCO	834,631	834,631	1,669,261
Annual Required Contributions	-	-	-
Non Par Premiums	965,157	965,157	1,930,313
Life Insurance	15,481,099	15,481,099	30,962,198
Investment Income	71,020,997	71,020,997	142,041,995
Transfer from Premium Stabilization Reserve	28,456,345	27,225,644	55,681,989
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 183,438,249	\$ 183,566,077	\$ 367,004,327
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,564,006	\$ 33,758,973	\$ 66,322,979
Gross Non-Medicare Prescription Drug Claims	24,192,391	25,867,645	50,060,036
Non-Medicare Prescription Drug Rebates	(11,300,216)	(12,006,002)	(23,306,218)
Medicare Medical Claims	964,155	334,301	1,298,456
Gross Medicare Prescription Drug Claims	5,919,900	2,121,671	8,041,571
Medicare Prescription Drug Rebates	(2,767,048)	(984,863)	(3,751,912)
Non-Medicare Managed Care Capitations	2,440,812	2,440,812	4,881,624
Humana MAPD Program	25,490,874	28,267,034	53,757,908
Administration	2,400,448	2,400,448	4,800,895
Life Insurance	15,499,367	15,499,367	30,998,733
Wellness	-	-	-
Retiree Assistance Program	815,812	815,812	1,631,623
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	18,218	18,218	36,435
Director's Discretionary Fund	95,101	95,101	190,202
Total Expenses	\$ 96,333,818	\$ 98,628,514	\$ 194,962,332
Fiscal Year Results	\$ 87,104,432	\$ 84,937,563	\$ 172,041,995
Beginning Restricted Reserve			\$ 1,673,141,175
Ending Restricted Reserve			<u>\$ 1,845,183,170</u>
Beginning Premium Stabilization Reserve			\$ 210,440,150
PSR Addition/(Drawdown)			\$ (55,681,989)
Ending Premium Stabilization Reserve			<u>\$ 154,758,161</u>
Total Beginning Plan Reserve			1,883,581,325
Total Ending Plan Reserve			<u>\$ 1,999,941,331</u>
Accrued Actuarial Liability (AAL)			\$ 1,770,059,292
Funded Status			106.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 33.39			
Additional Retiree Premiums	\$ 5,090,089	Non-Medicare	8.0%	15.0%
Pay Go PEPM Subsidy for Retirees	\$ 55.07	Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		50.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 8,072,231		\$ 8,072,231
Employer Premiums - PPB	8,198,217	672,676	8,870,893
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,234,831	3,219,278	42,454,109
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,268,213		1,268,213
Life Insurance	20,342,134		20,342,134
Investment Income	84,462,258		84,462,258
Transfer from Premium Stabilization Reserve	45,064,928		45,064,928
General Revenue Transfer (OPEB Funding)	17,571,580		17,571,580
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 224,214,392	\$ 3,891,954	\$ 228,106,347
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,298,456	\$ -	\$ 1,298,456
Gross Medicare Prescription Drug Claims	8,041,571	-	8,041,571
Medicare Prescription Drug Rebates	(3,751,912)		(3,751,912)
Humana MAPD Program	53,757,908		53,757,908
Administration	1,772,141		1,772,141
Life Insurance	20,366,137		20,366,137
Wellness	-		-
Retiree Assistance Program	1,071,975		1,071,975
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	14,914		14,914
Director's Discretionary Fund	-		-
Total Expenses	\$ 82,571,190	\$ -	\$ 82,571,190
Fiscal Year Results	\$ 141,643,202		\$ 145,535,157
Beginning Restricted Reserve	\$ 957,510,849		\$ 957,510,849
Ending Restricted Reserve	<u>\$ 1,099,154,051</u>		<u>\$ 1,103,046,005</u>
Beginning Premium Stabilization Reserve	\$ 162,520,811		\$ 162,520,811
PSR Addition/(Drawdown)	\$ (45,064,928)		\$ (45,064,928)
Ending Premium Stabilization Reserve	<u>\$ 117,455,883</u>		<u>\$ 117,455,883</u>
Total Beginning Plan Reserve	1,120,031,659		1,120,031,659
Total Ending Plan Reserve	<u>\$ 1,216,609,933</u>		<u>\$ 1,220,501,888</u>
Accrued Actuarial Liability (AAL)	\$ 1,770,059,292		\$ 1,770,059,292
Funded Status	107.2%		107.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 33.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,891,954	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 16.43	Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		50.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 21,927,769		\$ 21,927,769
Employer Premiums - PPB	8,562,856	429,901	8,992,757
Employer Premiums - MCO	935,089	46,946	982,035
Retiree Premiums - PPB	13,712,377	688,434	14,400,812
Retiree Premiums - MCO	654,373	32,853	687,226
Annual Required Contributions	-		-
Non Par Premiums	662,099		662,099
Life Insurance	10,620,064		10,620,064
Investment Income	57,579,737		57,579,737
Transfer from Premium Stabilization Reserve	10,617,061		10,617,061
General Revenue Transfer (OPEB Funding)	12,428,420		12,428,420
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 137,699,845	\$ 1,198,135	\$ 138,897,979
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 66,322,979	\$ -	\$ 66,322,979
Gross Non-Medicare Prescription Drug Claims	50,060,036	-	50,060,036
Non-Medicare Prescription Drug Rebates	(23,306,218)		(23,306,218)
Non-Medicare Managed Care Capitations	4,881,624		4,881,624
Administration	3,028,754		3,028,754
Life Insurance	10,632,596		10,632,596
Wellness	-		-
Retiree Assistance Program	559,648		559,648
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	21,521		21,521
Director's Discretionary Fund	190,202		190,202
Total Expenses	\$ 112,391,142	\$ -	\$ 112,391,142
Fiscal Year Results	\$ 25,308,703		\$ 26,506,837
Beginning Restricted Reserve	\$ 715,630,326		\$ 715,630,326
Ending Restricted Reserve	<u>\$ 740,939,028</u>		<u>\$ 742,137,163</u>
Beginning Premium Stabilization Reserve	\$ 47,919,339		\$ 47,919,339
PSR Addition/(Drawdown)	\$ (10,617,061)		\$ (10,617,061)
Ending Premium Stabilization Reserve	<u>\$ 37,302,279</u>		<u>\$ 37,302,279</u>
Total Beginning Plan Reserve	763,549,665		763,549,665
Total Ending Plan Reserve	\$ 778,241,307		\$ 779,439,442
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 33.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,198,135	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 409.36	Non-Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		50.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

	7/1/2025 to 12/31/2025	1/1/2026 to 6/30/2026	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 20,000,000	\$ 20,000,000	\$ 40,000,000
Retiree Premiums - PPB	38,808,412	40,273,544	79,081,957
Retiree Premiums - MCO	885,982	885,982	1,771,964
Annual Required Contributions	-	-	-
Non Par Premiums	936,202	936,202	1,872,403
Life Insurance	16,255,154	16,255,154	32,510,308
Investment Income	75,427,034	75,427,034	150,854,069
Transfer from Premium Stabilization Reserve	29,602,626	28,425,125	58,027,751
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 196,915,410	\$ 197,203,042	\$ 394,118,452
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,569,716	\$ 36,958,921	\$ 72,528,637
Gross Non-Medicare Prescription Drug Claims	28,135,946	30,148,601	58,284,547
Non-Medicare Prescription Drug Rebates	(13,125,201)	(13,944,972)	(27,070,172)
Medicare Medical Claims	1,011,527	351,582	1,363,109
Gross Medicare Prescription Drug Claims	6,612,763	2,375,415	8,988,178
Medicare Prescription Drug Rebates	(3,086,642)	(1,098,615)	(4,185,257)
Non-Medicare Managed Care Capitations	2,636,077	2,636,077	5,272,154
Humana MAPD Program	27,717,822	30,878,157	58,595,980
Administration	2,472,461	2,472,461	4,944,922
Life Insurance	16,274,335	16,274,335	32,548,670
Wellness	-	-	-
Retiree Assistance Program	881,077	881,077	1,762,153
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	19,800	19,800	39,599
Director's Discretionary Fund	95,932	95,932	191,864
Total Expenses	\$ 105,215,613	\$ 108,048,770	\$ 213,264,383
Fiscal Year Results	\$ 91,699,798	\$ 89,154,271	\$ 180,854,069
Beginning Restricted Reserve			\$ 1,845,183,170
Ending Restricted Reserve			<u>\$ 2,026,037,238</u>
Beginning Premium Stabilization Reserve			\$ 154,758,161
PSR Addition/(Drawdown)			\$ (58,027,751)
Ending Premium Stabilization Reserve			<u>\$ 96,730,410</u>
Total Beginning Plan Reserve			1,999,941,331
Total Ending Plan Reserve			<u>\$ 2,122,767,648</u>
Accrued Actuarial Liability (AAL)			\$ 1,767,235,505
Funded Status			113.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 44.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,365,704	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 71.84	Non-Medicare	8.5%	15.5%
		Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		33.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 10,540,610		\$ 10,540,610
Employer Premiums - PPB	8,892,474	719,362	9,611,835
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	42,557,387	3,442,704	46,000,091
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,230,167		1,230,167
Life Insurance	21,359,241		21,359,241
Investment Income	92,061,538		92,061,538
Transfer from Premium Stabilization Reserve	46,893,625		46,893,625
General Revenue Transfer (OPEB Funding)	17,645,578		17,645,578
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 241,180,619	\$ 4,162,065	\$ 245,342,684
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,363,109	\$ -	\$ 1,363,109
Gross Medicare Prescription Drug Claims	8,988,178	-	8,988,178
Medicare Prescription Drug Rebates	(4,185,257)		(4,185,257)
Humana MAPD Program	58,595,980		58,595,980
Administration	1,825,306		1,825,306
Life Insurance	21,384,444		21,384,444
Wellness	-		-
Retiree Assistance Program	1,157,733		1,157,733
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	18,959		18,959
Director's Discretionary Fund	-		-
Total Expenses	\$ 89,148,451	\$ -	\$ 89,148,451
Fiscal Year Results	\$ 152,032,168		\$ 156,194,233
Beginning Restricted Reserve	\$ 1,103,046,005		\$ 1,103,046,005
Ending Restricted Reserve	<u>\$ 1,255,078,173</u>		<u>\$ 1,259,240,238</u>
Beginning Premium Stabilization Reserve	\$ 117,455,883		\$ 117,455,883
PSR Addition/(Drawdown)	\$ (46,893,625)		\$ (46,893,625)
Ending Premium Stabilization Reserve	<u>\$ 70,562,258</u>		<u>\$ 70,562,258</u>
Total Beginning Plan Reserve	1,220,501,888		1,220,501,888
Total Ending Plan Reserve	<u>\$ 1,325,640,431</u>		<u>\$ 1,329,802,496</u>
Accrued Actuarial Liability (AAL)	\$ 1,767,235,505		\$ 1,767,235,505
Funded Status	113.9%		113.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 44.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,162,065	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 20.85	Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		33.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 29,459,390		\$ 29,459,390
Employer Premiums - PPB	8,591,938	430,212	9,022,150
Employer Premiums - MCO	992,747	49,708	1,042,456
Retiree Premiums - PPB	13,758,948	688,932	14,447,880
Retiree Premiums - MCO	694,723	34,786	729,509
Annual Required Contributions	-		-
Non Par Premiums	642,236		642,236
Life Insurance	11,151,067		11,151,067
Investment Income	58,792,530		58,792,530
Transfer from Premium Stabilization Reserve	11,134,126		11,134,126
General Revenue Transfer (OPEB Funding)	12,354,422		12,354,422
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 147,572,128	\$ 1,203,639	\$ 148,775,767
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 72,528,637	\$ -	\$ 72,528,637
Gross Non-Medicare Prescription Drug Claims	58,284,547	-	58,284,547
Non-Medicare Prescription Drug Rebates	(27,070,172)		(27,070,172)
Non-Medicare Managed Care Capitations	5,272,154		5,272,154
Administration	3,119,616		3,119,616
Life Insurance	11,164,225		11,164,225
Wellness	-		-
Retiree Assistance Program	604,420		604,420
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	20,640		20,640
Director's Discretionary Fund	191,865		191,865
Total Expenses	\$ 124,115,932	\$ -	\$ 124,115,932
Fiscal Year Results	\$ 23,456,196		\$ 24,659,835
Beginning Restricted Reserve	\$ 742,137,163		\$ 742,137,163
Ending Restricted Reserve	<u>\$ 765,593,359</u>		<u>\$ 766,796,998</u>
Beginning Premium Stabilization Reserve	\$ 37,302,279		\$ 37,302,279
PSR Addition/(Drawdown)	\$ (11,134,126)		\$ (11,134,126)
Ending Premium Stabilization Reserve	<u>\$ 26,168,152</u>		<u>\$ 26,168,152</u>
Total Beginning Plan Reserve	779,439,442		779,439,442
Total Ending Plan Reserve	<u>\$ 791,761,511</u>		<u>\$ 792,965,150</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 44.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,203,639	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 575.53	Non-Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		33.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

	7/1/2026 to 12/31/2026	1/1/2027 to 6/30/2027	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 25,000,000	\$ 25,000,000	\$ 50,000,000
Retiree Premiums - PPB	41,052,601	42,631,601	83,684,201
Retiree Premiums - MCO	944,959	944,959	1,889,918
Annual Required Contributions	-	-	-
Non Par Premiums	908,116	908,116	1,816,231
Life Insurance	17,067,912	17,067,912	34,135,824
Investment Income	80,080,237	80,080,237	160,160,474
Transfer from Premium Stabilization Reserve	32,075,618	30,917,220	62,992,838
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 212,129,442	\$ 212,550,044	\$ 424,679,486
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,032,502	\$ 40,648,847	\$ 79,681,349
Gross Non-Medicare Prescription Drug Claims	32,864,431	35,290,297	68,154,728
Non-Medicare Prescription Drug Rebates	(15,244,921)	(16,197,085)	(31,442,005)
Medicare Medical Claims	1,066,134	371,460	1,437,594
Gross Medicare Prescription Drug Claims	7,418,794	2,671,026	10,089,820
Medicare Prescription Drug Rebates	(3,443,150)	(1,225,505)	(4,668,655)
Non-Medicare Managed Care Capitations	2,846,964	2,846,964	5,693,927
Humana MAPD Program	30,278,213	33,885,206	64,163,420
Administration	2,546,635	2,546,635	5,093,270
Life Insurance	17,088,052	17,088,052	34,176,103
Wellness	-	-	-
Retiree Assistance Program	951,563	951,563	1,903,125
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	21,384	21,384	42,768
Director's Discretionary Fund	96,785	96,785	193,569
Total Expenses	\$ 115,523,384	\$ 118,995,628	\$ 234,519,013
Fiscal Year Results	\$ 96,606,058	\$ 93,554,416	\$ 190,160,474
Beginning Restricted Reserve			\$ 2,026,037,238
Ending Restricted Reserve			\$ <u>2,216,197,712</u>
Beginning Premium Stabilization Reserve			\$ 96,730,410
PSR Addition/(Drawdown)			\$ (62,992,838)
Ending Premium Stabilization Reserve			\$ <u>33,737,572</u>
Total Beginning Plan Reserve			2,122,767,648
Total Ending Plan Reserve			\$ <u>2,249,935,284</u>
Accrued Actuarial Liability (AAL)			\$ 1,759,719,792
Funded Status			120.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 55.65	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,656,601	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 87.90	Non-Medicare	9.0%	16.0%
		Medicare	9.0%	16.0%
		Prescription Drug Rebates		15.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		25.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 12,663,850		\$ 12,663,850
Employer Premiums - PPB	9,635,507	769,034	10,404,541
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,113,377	3,680,424	49,793,801
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,193,262		1,193,262
Life Insurance	22,427,203		22,427,203
Investment Income	100,332,129		100,332,129
Transfer from Premium Stabilization Reserve	50,829,904		50,829,904
General Revenue Transfer (OPEB Funding)	17,720,579		17,720,579
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 260,915,811	\$ 4,449,458	\$ 265,365,269
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,437,594	\$ -	\$ 1,437,594
Gross Medicare Prescription Drug Claims	10,089,820	-	10,089,820
Medicare Prescription Drug Rebates	(4,668,655)		(4,668,655)
Humana MAPD Program	64,163,420		64,163,420
Administration	1,880,065		1,880,065
Life Insurance	22,453,666		22,453,666
Wellness	-		-
Retiree Assistance Program	1,250,352		1,250,352
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	23,004		23,004
Director's Discretionary Fund	-		-
Total Expenses	\$ 96,629,266	\$ -	\$ 96,629,266
Fiscal Year Results	\$ 164,286,545		\$ 168,736,003
Beginning Restricted Reserve	\$ 1,259,240,238		\$ 1,259,240,238
Ending Restricted Reserve	<u>\$ 1,423,526,783</u>		<u>\$ 1,427,976,241</u>
Beginning Premium Stabilization Reserve	\$ 70,562,258		\$ 70,562,258
PSR Addition/(Drawdown)	\$ (50,829,904)		\$ (50,829,904)
Ending Premium Stabilization Reserve	<u>\$ 19,732,354</u>		<u>\$ 19,732,354</u>
Total Beginning Plan Reserve	1,329,802,496		1,329,802,496
Total Ending Plan Reserve	<u>\$ 1,443,259,138</u>		<u>\$ 1,447,708,595</u>
Accrued Actuarial Liability (AAL)	\$ 1,759,719,792		\$ 1,759,719,792
Funded Status	121.1%		121.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 55.65	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,449,458	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 24.35	Medicare	9.0%	16.0%
		Prescription Drug Rebates		15.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		25.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 37,336,150		\$ 37,336,150
Employer Premiums - PPB	8,598,755	429,479	9,028,235
Employer Premiums - MCO	1,058,957	52,891	1,111,848
Retiree Premiums - PPB	13,769,865	687,759	14,457,625
Retiree Premiums - MCO	741,056	37,013	778,069
Annual Required Contributions	-		-
Non Par Premiums	622,969		622,969
Life Insurance	11,708,621		11,708,621
Investment Income	59,828,345		59,828,345
Transfer from Premium Stabilization Reserve	12,162,935		12,162,935
General Revenue Transfer (OPEB Funding)	12,279,421		12,279,421
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 158,107,074	\$ 1,207,143	\$ 159,314,218
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 79,681,349	\$ -	\$ 79,681,349
Gross Non-Medicare Prescription Drug Claims	68,154,728	-	68,154,728
Non-Medicare Prescription Drug Rebates	(31,442,005)		(31,442,005)
Non-Medicare Managed Care Capitations	5,693,927		5,693,927
Administration	3,213,205		3,213,205
Life Insurance	11,722,437		11,722,437
Wellness	-		-
Retiree Assistance Program	652,774		652,774
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	19,764		19,764
Director's Discretionary Fund	193,568		193,568
Total Expenses	\$ 137,889,746	\$ -	\$ 137,889,746
Fiscal Year Results	\$ 20,217,328		\$ 21,424,471
Beginning Restricted Reserve	\$ 766,796,998		\$ 766,796,998
Ending Restricted Reserve	\$ 787,014,326		\$ 788,221,469
Beginning Premium Stabilization Reserve	\$ 26,168,152		\$ 26,168,152
PSR Addition/(Drawdown)	\$ (12,162,935)		\$ (12,162,935)
Ending Premium Stabilization Reserve	\$ 14,005,218		\$ 14,005,218
Total Beginning Plan Reserve	792,965,150		792,965,150
Total Ending Plan Reserve	\$ 801,019,543		\$ 802,226,687
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 55.65			
Additional Retiree Premiums	\$ 1,207,143			
Pay Go PEPM Subsidy for Retirees	\$ 764.79	Non-Medicare	9.0%	16.0%
		Prescription Drug Rebates		15.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		25.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2022 to FY 2023**

Fiscal Year 2022

Exposure

	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>
NonMed_NonDrug	12,630	12,670	12,602	12,396	12,302	12,136	12,176	12,048	11,868	11,746	11,586	11,400
Med_NonDrug	1,458	1,672	1,847	2,071	2,250	2,384	324	442	555	728	850	990
NonMed_Drug	11,713	11,750	11,687	11,498	11,411	11,256	11,293	11,176	11,010	10,895	10,748	10,576
Med_Drug	1,518	1,742	1,924	2,157	2,343	2,483	338	460	578	759	886	1,031

	<u>Jul-21</u>	<u>Aug-21</u>	<u>Sep-21</u>	<u>Oct-21</u>	<u>Nov-21</u>	<u>Dec-21</u>	<u>Jan-22</u>	<u>Feb-22</u>	<u>Mar-22</u>	<u>Apr-22</u>	<u>May-22</u>	<u>Jun-22</u>
NonMed_NonDrug	\$296.77	\$332.54	\$312.26	\$318.27	\$309.54	\$287.36	\$314.64	\$310.32	\$394.67	\$379.08	\$394.60	\$372.67
Med_NonDrug	228.67	257.49	265.85	220.92	184.48	186.80	715.63	436.67	405.97	275.66	461.35	333.55
NonMed_Drug	212.51	249.38	243.76	246.48	246.98	262.45	258.05	235.11	277.67	247.94	267.88	235.34
Med_Drug	<u>413.41</u>	<u>401.09</u>	<u>407.82</u>	<u>414.41</u>	<u>399.73</u>	<u>472.82</u>	<u>396.14</u>	<u>462.32</u>	<u>525.43</u>	<u>427.70</u>	<u>502.83</u>	<u>384.57</u>
Total	\$1,151.36	\$1,240.50	\$1,229.69	\$1,200.08	\$1,140.73	\$1,209.42	\$1,684.46	\$1,444.41	\$1,603.74	\$1,330.37	\$1,626.66	\$1,326.13

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	11.1%	18.1%	17.9%	10.8%	18.4%	19.6%	9.6%	-5.5%	20.3%	10.6%	11.5%	-1.0%
Med_NonDrug	-28.2%	-5.8%	17.1%	-26.1%	-3.9%	-25.2%	-16.3%	32.3%	5.5%	-4.8%	44.8%	26.7%
NonMed_Drug	7.9%	29.6%	20.5%	14.5%	21.8%	17.3%	18.1%	18.9%	15.9%	8.0%	20.6%	-8.6%
Med_Drug	<u>-11.7%</u>	<u>-3.0%</u>	<u>-7.0%</u>	<u>-11.9%</u>	<u>-10.8%</u>	<u>-5.9%</u>	<u>-18.5%</u>	<u>7.9%</u>	<u>24.4%</u>	<u>-1.6%</u>	<u>9.9%</u>	<u>-17.6%</u>
Total	-8.0%	6.9%	8.6%	-5.7%	3.3%	-0.6%	-8.8%	12.4%	16.6%	2.6%	20.3%	-2.8%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			15.7%			16.0%			8.1%			6.8%
Med_NonDrug			-8.2%			-20.1%			-0.8%			22.8%
NonMed_Drug			19.3%			17.8%			17.5%			5.9%
Med_Drug			<u>-7.4%</u>			<u>-9.5%</u>			<u>3.5%</u>			<u>-3.2%</u>
Total			2.2%			-1.2%			5.0%			6.7%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			19.5%			23.9%			21.1%			11.2%
Med_NonDrug			-12.1%			-16.5%			-6.9%			-0.7%
NonMed_Drug			10.6%			12.8%			16.6%			14.8%
Med_Drug			<u>2.8%</u>			<u>-5.6%</u>			<u>-4.2%</u>			<u>-4.2%</u>
Total			3.1%			0.1%			3.9%			3.4%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2022 to FY 2023**

Fiscal Year 2023

Exposure

	<u>Jul-22</u>	<u>Aug-22</u>
NonMed_NonDrug	11,452	11,475
Med_NonDrug	1,414	1,622
NonMed_Drug	10,624	10,646
Med_Drug	1,473	1,689

	<u>Jul-22</u>	<u>Aug-22</u>
NonMed_NonDrug	\$290.54	\$371.13
Med_NonDrug	283.14	249.52
NonMed_Drug	219.56	306.28
Med_Drug	<u>361.33</u>	<u>409.82</u>
Total	\$1,154.58	\$1,336.74

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-2.1%	11.6%
Med_NonDrug	23.8%	-3.1%
NonMed_Drug	3.3%	22.8%
Med_Drug	<u>-12.6%</u>	<u>2.2%</u>
Total	0.3%	7.8%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total