



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2013
Financial Report**

Fiscal Years 2013-2018

November 2013



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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 CCRC Actuaries, LLC (“CCRC 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 CCRC 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. CCRC Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2014, and as supported by our work, to render an 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 2018. The analysis is to be prepared on an accrued and incurred reporting basis for a projection period not to exceed five years.

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.

CCRC Actuaries has provided financial report for fiscal year ending June 30, 2013 (“FY 2013”), and preliminary forecasts for fiscal years ending June 30, 2014 (“FY 2014”), June 30, 2015 (“FY 2015”), June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”) and June 30, 2018 (“FY 2018”). Our opinion of plan adequacy is based on the projections through FY 2018 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2012.

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 plan year, which ends in June, will be covered on a secondary basis by the PPB Plan until the beginning of the next plan 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 2014 and subsequently. We are assuming that the Bill will continue throughout the forecast and RHBT will not receive any future direct transfers in lieu of the savings resulting from the Bill.

In reviewing the plan, CCRC 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. Based on the PPACA requirements to expand coverage, the estimated “grandfathering” cost of eliminating lifetime limitations, offering free preventive services, and covering children to age 26 was approximately \$4.6 million in FY 2013. In addition, RHBT spent \$3.9 million through the Early Retiree Reinsurance Program from CMS in FY 2013. Additional details of the benefit enhancements and costs can be found later in this report.

In FY 2013 the Pay-Go is equivalent to \$343 per retiree per month. In future years, the Pay Go premium may continue to increase each year by a maximum of 3% per retiree per year. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2012.

Senate Bill 469, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. Presently RHBT estimates that the aforementioned \$30 million transfers will likely commence in 2016. All Employers will 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 2013 through FY 2018 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 2018 as approved by the Board in December 2012.

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.
Senior Actuarial Consultant

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2013 – FY 2018

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 CCRC Actuaries.

This report was compiled utilizing claims data collected by RHBT's third party administrators through September 2013 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 interest 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 1,130 retirees from June 2012 to June 2013, approximating our current assumption. CCRC Actuaries has updated the claims analysis based on the enrollment through October 2013.

In aggregate, October 2013 enrollment has increased by 1,136 coverages since the end of FY 2013. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 1,109 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight increase of 27 coverages. For MAPD Capitations, 39,926 Medicare policyholders were projected 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 2012, June 2013 and October 2013 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-12	Jun-13	Oct-13	Jun-12	Jun-13	Oct-13
Retirees	Medicare Single	17,341	17,845	18,084	44	60	64
	<u>Medicare Family</u>	<u>12,004</u>	<u>12,592</u>	<u>12,929</u>	<u>35</u>	<u>54</u>	<u>56</u>
	Medicare Total	29,345	30,437	31,013	79	114	120
	Non Medicare Single	3,467	3,488	3,731	154	151	161
	<u>Non Medicare Family</u>	<u>4,376</u>	<u>4,346</u>	<u>4,636</u>	<u>170</u>	<u>185</u>	<u>196</u>
	Non Medicare Total	7,843	7,834	8,367	324	336	357
	Retiree Total	37,188	38,271	39,380	403	450	477
Grand Total				37,591	38,721	39,857	

* The majority of PPB is capitated through Humana. As of October 2013, there were approximately 860 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 2013 Financial Report”.

C. Trend Analysis

RHBT has experienced favorable medical and prescription drug trends in FY 2013, over the long term, trends have been favorable. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2013”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have decreased the FY 2014 medical claim trend to 5%. Additionally, due to PEIA’s favorable prescription drug experience, we have decreased our trend assumption for all prescription drugs coverage to 8% in FY 2014.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2014 Trend	Updated Assumption FY 2014 Trend
Non-Medicare – Medical	6.0%	5.0%
Medicare – Medical	6.0%	5.0%
Non-Medicare – Drugs	9.0%	8.0%
Medicare – Drugs	9.0%	8.0%

In addition, we have assumed that trends will increase by 0.5% in FY 2015 and FY 2016, and then increase by 1.0% in each successive fiscal year beginning in FY 2017. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends. In order to provide information on the impact of varying trend assumptions, two alternative trend scenarios were developed. The Optimistic Scenario incorporates trend assumptions 2.0% below the Baseline Scenario and the Pessimistic Scenario incorporates trend assumptions 2.0% above the Baseline Scenario.

The following chart summarizes the trend results observed for the plan using data through September 2013. 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%	9%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-9%	N/A
2009	N/A	-1%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	3%	N/A	7%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	11%	5%	-6%	-11%	0%
2014*	11%	6%	6%	-8%	2%

* Fiscal Year 2014 results are through the first three months ending September 2013.

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 September 2013 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. CCRC 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 2013 and the projection of FY 2014 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2013 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	30,080			\$ 148	\$ 86	\$ 293
	Non-Medicare	8,123			\$ 606	\$ 233	
	Total	38,203	\$ -	\$ 166			
	Non-Medicare Managed Care	335	\$ -	\$ 591			\$ 1,162
	Total	38,538					

*Net of rebates and subsidies.

Fiscal Year 2014 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	31,081			\$ 153**	\$ 92**	\$ 327
	Non-Medicare	8,489			\$ 625	\$ 247	
	Total	39,570	\$ -	\$ 180			
	Non-Medicare Managed Care	356	\$ -	\$ 640			\$ 1,181
	Total	39,926					

*Net of rebates and subsidies.

** As of October 2013, there were approximately 860 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 2012. Medicare retirees premium increased by approximately \$3.1 million in Fiscal Year 2013, while Non-Medicare retirees premium received no increases. This total retiree premium increase of 4% was an effective increase of 9% for the Medicare retirees.

Board Decisions – December 2012

Source	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Additional Retiree Premium	\$3,055,115	\$0	\$0	\$0	\$0	\$0
Benefit Reductions/(Increase)	(\$4,596,000)	\$0	\$0	\$0	\$0	\$0
Early Retiree Reinsurance Program (CMS)	\$3,901,022	\$0	\$0	\$0	\$0	\$0
General Revenue Transfer	\$0	\$0	\$0	\$30,000,000	\$30,000,000	\$30,000,000
ACA Reinsurance Contributions (Cost)	\$0	(\$500,000)	(\$800,000)	(\$500,000)	(\$200,000)	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$17,459)	(\$36,015)	(\$37,150)	(\$38,322)	(\$39,533)	(\$40,784)
Pay Go Premium Transfer	\$163,360,228	\$160,822,000	\$169,716,820	\$179,963,310	\$190,139,320	\$201,897,080
Actuarial Accrued Liability*	\$4,250,900,000	\$4,454,000,000	\$4,607,800,000	\$4,745,900,000	\$4,868,100,000	\$4,973,400,000
Funded Status	13.9%	14.6%	15.4%	16.7%	18.0%	19.3%

*Projected Result

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 2015 and 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be \$2,000,000. FY 2014 is projected to be \$500,000.

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. The fees will 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.

RHBT will pay the fees for the FY 2013 through FY 2019 plan years. In the first year it applies, the fee will be \$1 multiplied by the average number of lives covered under the plan (including dependents). In subsequent years, the multiplier is \$2 times the average number of covered lives, but this number will be reviewed annually and could change. We assume \$2 for future years after FY 2013 in the projection. The total comparative effectiveness research fees for the financial projection are estimated to be \$251,339. FY 2014 is projected to be \$36,015.

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 \$2.2 million in FY 2013 to approximately \$3.3 million in FY 2018, based on the Board’s direction and projected retiree enrollment growth in the financial plan.

In FY 2013 the Pay-Go is equivalent to \$343 per retiree per month. In future years, the Pay Go premium may continue to increase each year by a maximum of 3% per retiree per year. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2012.

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 2013 RESULT

The financial result for FY 2013 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2013 includes accrued revenue of \$302,453,356 and incurred plan expenses of \$205,002,377 to produce a fiscal year surplus of \$97,450,979. The PEIA local and state agencies Pay Go premiums for FY 2013 are \$163,360,228.

FISCAL YEAR 2014 FORECAST

The financial forecast for FY 2014 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2014 projects accrued revenue of \$290,856,867 and incurred plan expenses of \$229,818,711 to produce a fiscal year surplus of \$61,038,155. The PEIA local and state agencies Pay Go premiums for FY 2014 are assumed to be \$160,822,000.

FISCAL YEAR 2015 FORECAST

The financial forecast for FY 2015 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2015 projects accrued revenue of \$303,876,282 and incurred plan expenses of \$244,483,403 to produce a fiscal year surplus of \$59,392,879. The PEIA local and state agencies Pay Go premiums for FY 2015 are assumed to be \$169,716,820.

FISCAL YEAR 2016 FORECAST

The financial forecast for FY 2016 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2016 projects accrued revenue of \$348,165,136 and incurred plan expenses of \$266,880,173 to produce a fiscal year surplus of \$81,284,963. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$179,963,310.

FISCAL YEAR 2017 FORECAST

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$376,857,721 and incurred plan expenses of \$294,641,627 to produce a fiscal year surplus of \$82,216,094. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$190,139,320.

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 \$416,004,147 and incurred plan expenses of \$328,362,649 to produce a fiscal year surplus of \$87,641,498. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$201,897,080.

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 2018. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2012 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 REPORT
FISCAL YEAR 2013**

PERIOD 7/1/2012 - 6/30/2013

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 163,360,228
Retiree Premiums - PPB	75,962,402
Retiree Premiums - MCO	2,376,995
Annual Required Contributions	724,320
Non Par Premiums	3,235,052
Early Retiree Reinsurance Program (CMS)	3,901,022
Investment Income	52,893,337
Total Revenue	\$ 302,453,356
<u>Program Expenses</u>	
Non-Medicare Medical Claims	59,063,330
Non-Medicare Prescription Drug Claims	22,698,319
Medicare Medical Claims	3,633,132
Medicare Prescription Drug Claims	2,203,734
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	4,670,813
Humana MAPD Program	105,917,365
Administration	4,578,681
Life Insurance	-
Retiree Assistance Program	2,219,544
ACA Reinsurance Contributions	-
ACA Comparative Effectiveness Research Fees	17,459
Director's Discretionary Fund	-
Total Expenses	\$ 205,002,377
Fiscal Year Results	\$ 97,450,979
Beginning Plan Reserve	492,778,860
Ending Plan Reserve	\$ 590,229,840
Ending Premium Stabilization Reserve	\$ 44,557,642
Accrued Actuarial Liability (AAL)	\$ 4,250,900,000
Funded Status	13.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 180.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,055,115	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 352.33	Non-Medicare	5.5%	8.5%
		Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		-60.4%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		7.2%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL REPORT
FISCAL YEAR 2013

PERIOD 7/1/2012 - 6/30/2013

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 97,527,352		\$ 97,527,352
Employer Premiums - PPB	7,425,829		7,425,829
Employer Premiums - MCO	67,386		67,386
Retiree Premiums - PPB	31,944,512	-	31,944,512
Retiree Premiums - MCO	145,493	-	145,493
Annual Required Contributions	-		-
Non Par Premiums	1,634,602		1,634,602
Early Retiree Reinsurance Program (CMS)	-		-
Investment Income	40,686,187		40,686,187
Total Revenue	\$ 179,431,361	\$ -	\$ 179,431,361
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,633,132	\$ -	\$ 3,633,132
Medicare Prescription Drug Claims	2,203,734	-	2,203,734
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	105,917,365		105,917,365
Administration	2,313,509		2,313,509
Life Insurance	-		-
Retiree Assistance Program	1,121,488		1,121,488
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	12,795		12,795
Director's Discretionary Fund	-		-
Total Expenses	\$ 115,202,023	\$ -	\$ 115,202,023
Fiscal Year Results	\$ 64,229,338		\$ 64,229,338
Beginning Plan Reserve	229,648,258		229,648,258
Ending Plan Reserve	\$ 293,877,596		\$ 293,877,596
Accrued Actuarial Liability (AAL)	\$ 4,250,900,000		\$ 4,250,900,000
Funded Status	14.0%		13.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 180.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 269.29	Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		-60.4%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.2%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL REPORT
FISCAL YEAR 2013

PERIOD 7/1/2012 - 6/30/2013

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 65,832,876		\$ 65,832,876
Employer Premiums - PPB	16,528,050		16,528,050
Employer Premiums - MCO	1,399,850		1,399,850
Retiree Premiums - PPB	20,064,012		20,064,012
Retiree Premiums - MCO	764,266		764,266
Annual Required Contributions	724,320		724,320
Non Par Premiums	1,600,450		1,600,450
Early Retiree Reinsurance Program (CMS)	3,901,022		3,901,022
Investment Income	12,207,150		12,207,150
Total Revenue	\$ 123,021,996	\$ -	\$ 123,021,996
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 53,789,234	\$ 5,274,096	\$ 59,063,330
Non-Medicare Prescription Drug Claims	23,541,784	(843,465)	22,698,319
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	4,670,813		4,670,813
Administration	2,265,172		2,265,172
Life Insurance	-		-
Retiree Assistance Program	1,098,056		1,098,056
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	4,664		4,664
Director's Discretionary Fund	-		-
Total Expenses	\$ 85,369,723	\$ 4,430,631	\$ 89,800,354
Fiscal Year Results	\$ 37,652,274		\$ 33,221,643
Beginning Plan Reserve	263,130,604		263,130,604
Ending Plan Reserve	\$ 300,782,878		\$ 296,352,247
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 180.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 648.67	Non-Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		-60.4%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.2%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2014**

PERIOD 7/1/2013 - 6/30/2014

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 160,822,000
Retiree Premiums - PPB	85,257,161
Retiree Premiums - MCO	2,733,966
Annual Required Contributions	-
Non Par Premiums	3,138,000
Early Retiree Reinsurance Program (CMS)	-
Transfer from Premium Stabilization Reserve	-
Investment Income	38,905,740
Total Revenue	\$ 290,856,867
<u>Program Expenses</u>	
Non-Medicare Medical Claims	\$ 63,708,555
Non-Medicare Prescription Drug Claims	25,191,745
Medicare Medical Claims	3,752,362
Medicare Prescription Drug Claims	2,341,473
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	5,044,478
Humana MAPD Program	121,833,002
Administration	4,716,041
Life Insurance	-
Retiree Assistance Program	2,397,108
ACA Reinsurance Contributions	500,000
ACA Comparative Effectiveness Research Fees	36,015
Director's Discretionary Fund	297,932
Total Expenses	\$ 229,818,711
Fiscal Year Results	\$ 61,038,155
Beginning Plan Reserve	590,229,840
Ending Plan Reserve	\$ 651,267,995
Ending Premium Stabilization Reserve	\$ 66,690,058
Accrued Actuarial Liability (AAL)	\$ 4,454,000,000
Funded Status	14.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 178.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 334.67	Non-Medicare	5.0%	8.0%
		Medicare	5.0%	8.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-1.6%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2014

PERIOD 7/1/2013 - 6/30/2014

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 99,209,390		\$ 99,209,390
Employer Premiums - PPB	8,265,590		8,265,590
Employer Premiums - MCO	67,687		67,687
Retiree Premiums - PPB	35,877,127	-	35,877,127
Retiree Premiums - MCO	175,836	-	175,836
Annual Required Contributions	-		-
Non Par Premiums	1,585,564		1,585,564
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	29,926,760		29,926,760
Total Revenue	\$ 175,107,954	\$ -	\$ 175,107,954
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,752,362	\$ -	\$ 3,752,362
Medicare Prescription Drug Claims	2,341,473	-	2,341,473
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	121,833,002		121,833,002
Administration	2,382,915		2,382,915
Life Insurance	-		-
Retiree Assistance Program	1,211,207		1,211,207
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	26,508		26,508
Director's Discretionary Fund	-		-
Total Expenses	\$ 131,547,467	\$ -	\$ 131,547,467
Fiscal Year Results	\$ 43,560,487		\$ 43,560,487
Beginning Plan Reserve	293,877,596		293,877,596
Ending Plan Reserve	\$ 337,438,083		\$ 337,438,083
Accrued Actuarial Liability (AAL)	\$ 4,454,000,000		\$ 4,454,000,000
Funded Status	14.6%		14.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 178.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 264.98	Medicare	5.0%	8.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-1.6%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2014

PERIOD 7/1/2013 - 6/30/2014

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 61,612,610		\$ 61,612,610
Employer Premiums - PPB	17,954,035		17,954,035
Employer Premiums - MCO	1,598,574		1,598,574
Retiree Premiums - PPB	23,160,408	-	23,160,408
Retiree Premiums - MCO	891,869	-	891,869
Annual Required Contributions	-		-
Non Par Premiums	1,552,436		1,552,436
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	8,978,980		8,978,980
Total Revenue	\$ 115,748,912	\$ -	\$ 115,748,912
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 63,708,555	\$ -	\$ 63,708,555
Non-Medicare Prescription Drug Claims	25,191,745	-	25,191,745
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	5,044,478		5,044,478
Administration	2,333,127		2,333,127
Life Insurance	-		-
Retiree Assistance Program	1,185,900		1,185,900
ACA Reinsurance Contributions	500,000		500,000
ACA Comparative Effectiveness Research Fees	9,507		9,507
Director's Discretionary Fund	297,932		297,932
Total Expenses	\$ 98,271,244	\$ -	\$ 98,271,244
Fiscal Year Results	\$ 17,477,668		\$ 17,477,668
Beginning Plan Reserve	296,352,247		296,352,247
Ending Plan Reserve	\$ 313,829,914		\$ 313,829,914
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 178.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 580.48	Non-Medicare	5.0%	8.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-1.6%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 169,716,820
Retiree Premiums - PPB	85,442,970
Retiree Premiums - MCO	2,739,924
Annual Required Contributions	-
Non Par Premiums	3,043,860
Early Retiree Reinsurance Program (CMS)	-
Transfer from Premium Stabilization Reserve	-
Investment Income	42,932,708
Total Revenue	\$ 303,876,282
<u>Program Expenses</u>	
Non-Medicare Medical Claims	\$ 68,745,723
Non-Medicare Prescription Drug Claims	27,965,500
Medicare Medical Claims	3,952,364
Medicare Prescription Drug Claims	2,536,541
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	5,448,037
Humana MAPD Program	127,248,175
Administration	4,857,523
Life Insurance	-
Retiree Assistance Program	2,588,876
ACA Reinsurance Contributions	800,000
ACA Comparative Effectiveness Research Fees	37,150
Director's Discretionary Fund	303,514
Total Expenses	\$ 244,483,403
Fiscal Year Results	\$ 59,392,879
Beginning Plan Reserve	651,267,995
Ending Plan Reserve	\$ 710,660,874
Ending Premium Stabilization Reserve	\$ 83,150,229
Accrued Actuarial Liability (AAL)	\$ 4,607,800,000
Funded Status	15.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 187.89	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 344.26	Non-Medicare	5.5%	8.5%
		Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.5%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2015

PERIOD 7/1/2014 - 6/30/2015

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 101,030,662		\$ 101,030,662
Employer Premiums - PPB	8,283,604		8,283,604
Employer Premiums - MCO	67,834		67,834
Retiree Premiums - PPB	35,955,318	-	35,955,318
Retiree Premiums - MCO	176,219	-	176,219
Annual Required Contributions	-		-
Non Par Premiums	1,537,997		1,537,997
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	33,024,352		33,024,352
Total Revenue	\$ 180,075,986	\$ -	\$ 180,075,986
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,952,364	\$ -	\$ 3,952,364
Medicare Prescription Drug Claims	2,536,541	-	2,536,541
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	127,248,175		127,248,175
Administration	2,454,402		2,454,402
Life Insurance	-		-
Retiree Assistance Program	1,308,104		1,308,104
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	27,460		27,460
Director's Discretionary Fund	-		-
Total Expenses	\$ 137,527,046	\$ -	\$ 137,527,046
Fiscal Year Results	\$ 42,548,940		\$ 42,548,940
Beginning Plan Reserve	337,438,083		337,438,083
Ending Plan Reserve	\$ 379,987,023		\$ 379,987,023
Accrued Actuarial Liability (AAL)	\$ 4,607,800,000		\$ 4,607,800,000
Funded Status	15.4%		15.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 187.89	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 265.24	Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.5%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2015

PERIOD 7/1/2014 - 6/30/2015

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
Revenues			
WV PEIA Pay Go Premiums	\$ 68,686,158		\$ 68,686,158
Employer Premiums - PPB	17,993,164		17,993,164
Employer Premiums - MCO	1,602,058		1,602,058
Retiree Premiums - PPB	23,210,884	-	23,210,884
Retiree Premiums - MCO	893,813	-	893,813
Annual Required Contributions	-		-
Non Par Premiums	1,505,863		1,505,863
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	9,908,356		9,908,356
Total Revenue	\$ 123,800,296	\$ -	\$ 123,800,296
Program Expenses			
Non-Medicare Medical Claims	\$ 68,745,723	\$ -	\$ 68,745,723
Non-Medicare Prescription Drug Claims	27,965,500	-	27,965,500
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	5,448,037		5,448,037
Administration	2,403,121		2,403,121
Life Insurance	-		-
Retiree Assistance Program	1,280,772		1,280,772
ACA Reinsurance Contributions	800,000		800,000
ACA Comparative Effectiveness Research Fees	9,690		9,690
Director's Discretionary Fund	303,514		303,514
Total Expenses	\$ 106,956,357	\$ -	\$ 106,956,357
Fiscal Year Results	\$ 16,843,939		\$ 16,843,939
Beginning Plan Reserve	313,829,914		313,829,914
Ending Plan Reserve	\$ 330,673,854		\$ 330,673,854
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 187.89	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 612.79	Non-Medicare	5.5%	8.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.5%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 179,963,310
Retiree Premiums - PPB	85,643,645
Retiree Premiums - MCO	2,746,359
Annual Required Contributions	-
Non Par Premiums	2,952,545
Early Retiree Reinsurance Program (CMS)	-
Transfer from Premium Stabilization Reserve	-
Investment Income	46,859,277
General Revenue Transfer	30,000,000
Total Revenue	\$ 348,165,136
<u>Program Expenses</u>	
Non-Medicare Medical Claims	\$ 74,534,594
Non-Medicare Prescription Drug Claims	31,188,716
Medicare Medical Claims	4,182,795
Medicare Prescription Drug Claims	2,760,547
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	5,883,880
Humana MAPD Program	139,681,859
Administration	5,003,248
Life Insurance	-
Retiree Assistance Program	2,795,986
ACA Reinsurance Contributions	500,000
ACA Comparative Effectiveness Research Fees	38,322
Director's Discretionary Fund	310,226
Total Expenses	\$ 266,880,173
Fiscal Year Results	\$ 81,284,963
Beginning Plan Reserve	710,660,874
Ending Plan Reserve	\$ 791,945,837
Ending Premium Stabilization Reserve	\$ 87,575,916
Accrued Actuarial Liability (AAL)	\$ 4,745,900,000
Funded Status	16.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 199.23	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 356.23	Non-Medicare	6.0%	9.0%
		Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.0%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016

PERIOD 7/1/2015 - 6/30/2016

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
Revenues			
WV PEIA Pay Go Premiums	\$ 106,881,894		\$ 106,881,894
Employer Premiums - PPB	8,303,060		8,303,060
Employer Premiums - MCO	67,994		67,994
Retiree Premiums - PPB	36,039,764	-	36,039,764
Retiree Premiums - MCO	176,633	-	176,633
Annual Required Contributions	-		-
Non Par Premiums	1,491,858		1,491,858
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	36,044,716		36,044,716
General Revenue Transfer	17,777,891		17,777,891
Total Revenue	\$ 206,783,810	\$ -	\$ 206,783,810
Program Expenses			
Medicare Medical Claims	\$ 4,182,795	\$ -	\$ 4,182,795
Medicare Prescription Drug Claims	2,760,547	-	2,760,547
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	139,681,859		139,681,859
Administration	2,528,034		2,528,034
Life Insurance	-		-
Retiree Assistance Program	1,412,752		1,412,752
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	28,445		28,445
Director's Discretionary Fund	-		-
Total Expenses	\$ 150,594,432	\$ -	\$ 150,594,432
Fiscal Year Results	\$ 56,189,378		\$ 56,189,378
Beginning Plan Reserve	379,987,023		379,987,023
Ending Plan Reserve	\$ 436,176,401		\$ 436,176,401
Accrued Actuarial Liability (AAL)	\$ 4,745,900,000		\$ 4,745,900,000
Funded Status	16.7%		16.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 199.23	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 276.22	Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.0%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016

PERIOD 7/1/2015 - 6/30/2016

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 73,081,416		\$ 73,081,416
Employer Premiums - PPB	18,035,423		18,035,423
Employer Premiums - MCO	1,605,820		1,605,820
Retiree Premiums - PPB	23,265,398	-	23,265,398
Retiree Premiums - MCO	895,912	-	895,912
Annual Required Contributions	-		-
Non Par Premiums	1,460,687		1,460,687
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	-		-
Investment Income	10,814,561		10,814,561
General Revenue Transfer	12,222,109		12,222,109
Total Revenue	\$ 141,381,326	\$ -	\$ 141,381,326
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 74,534,594	\$ -	\$ 74,534,594
Non-Medicare Prescription Drug Claims	31,188,716	-	31,188,716
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	5,883,880		5,883,880
Administration	2,475,214		2,475,214
Life Insurance	-		-
Retiree Assistance Program	1,383,234		1,383,234
ACA Reinsurance Contributions	500,000		500,000
ACA Comparative Effectiveness Research Fees	9,877		9,877
Director's Discretionary Fund	310,226		310,226
Total Expenses	\$ 116,285,741	\$ -	\$ 116,285,741
Fiscal Year Results	\$ 25,095,585		\$ 25,095,585
Beginning Plan Reserve	330,673,854		330,673,854
Ending Plan Reserve	\$ 355,769,439		\$ 355,769,439
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 199.23	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 618.06	Non-Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.0%

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

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

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

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 190,139,320
Retiree Premiums - PPB	85,860,374
Retiree Premiums - MCO	2,753,309
Annual Required Contributions	-
Non Par Premiums	2,863,968
Early Retiree Reinsurance Program (CMS)	-
Transfer from Premium Stabilization Reserve	13,024,656
Investment Income	52,216,094
General Revenue Transfer	30,000,000
Total Revenue	\$ 376,857,721
<u>Program Expenses</u>	
Non-Medicare Medical Claims	\$ 81,401,398
Non-Medicare Prescription Drug Claims	35,030,946
Medicare Medical Claims	4,461,383
Medicare Prescription Drug Claims	3,027,278
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	6,354,590
Humana MAPD Program	155,636,428
Administration	5,153,346
Life Insurance	-
Retiree Assistance Program	3,019,665
ACA Reinsurance Contributions	200,000
ACA Comparative Effectiveness Research Fees	39,533
Director's Discretionary Fund	317,060
Total Expenses	\$ 294,641,627
Fiscal Year Results	\$ 82,216,094
Beginning Plan Reserve	791,945,837
Ending Plan Reserve	\$ 874,161,932
Ending Premium Stabilization Reserve	\$ 74,551,260
Accrued Actuarial Liability (AAL)	\$ 4,868,100,000
Funded Status	18.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 367.48	Non-Medicare	7.0%	10.0%
		Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.7%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
Revenues			
WV PEIA Pay Go Premiums	\$ 113,130,398		\$ 113,130,398
Employer Premiums - PPB	8,324,071		8,324,071
Employer Premiums - MCO	68,166		68,166
Retiree Premiums - PPB	36,130,966	-	36,130,966
Retiree Premiums - MCO	177,080	-	177,080
Annual Required Contributions	-		-
Non Par Premiums	1,447,102		1,447,102
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	8,741,336		8,741,336
Investment Income	40,165,244		40,165,244
General Revenue Transfer	17,817,736		17,817,736
Total Revenue	\$ 226,002,098	\$ -	\$ 226,002,098
Program Expenses			
Medicare Medical Claims	\$ 4,461,383	\$ -	\$ 4,461,383
Medicare Prescription Drug Claims	3,027,278	-	3,027,278
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	155,636,428		155,636,428
Administration	2,603,875		2,603,875
Life Insurance	-		-
Retiree Assistance Program	1,525,772		1,525,772
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	29,466		29,466
Director's Discretionary Fund	-		-
Total Expenses	\$ 167,284,202	\$ -	\$ 167,284,202
Fiscal Year Results	\$ 58,717,896		\$ 58,717,896
Beginning Plan Reserve	436,176,401		436,176,401
Ending Plan Reserve	\$ 494,894,297		\$ 494,894,297
Accrued Actuarial Liability (AAL)	\$ 4,868,100,000		\$ 4,868,100,000
Funded Status	18.0%		18.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 287.86	Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.7%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,008,922		\$ 77,008,922
Employer Premiums - PPB	18,081,064		18,081,064
Employer Premiums - MCO	1,609,884		1,609,884
Retiree Premiums - PPB	23,324,274	-	23,324,274
Retiree Premiums - MCO	898,179	-	898,179
Annual Required Contributions	-		-
Non Par Premiums	1,416,866		1,416,866
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	4,283,320		4,283,320
Investment Income	12,050,851		12,050,851
General Revenue Transfer	12,182,265		12,182,265
Total Revenue	\$ 150,855,625	\$ -	\$ 150,855,625
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,401,398	\$ -	\$ 81,401,398
Non-Medicare Prescription Drug Claims	35,030,946	-	35,030,946
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	6,354,590		6,354,590
Administration	2,549,471		2,549,471
Life Insurance	-		-
Retiree Assistance Program	1,493,893		1,493,893
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	10,067		10,067
Director's Discretionary Fund	317,059		317,059
Total Expenses	\$ 127,357,424	\$ -	\$ 127,357,424
Fiscal Year Results	\$ 23,498,201		\$ 23,498,201
Beginning Plan Reserve	355,769,439		355,769,439
Ending Plan Reserve	\$ 379,267,640		\$ 379,267,640
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 619.02	Non-Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.7%

**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

	TRUST Total
<u>Revenues</u>	
WV PEIA Pay Go Premiums	\$ 201,897,080
Retiree Premiums - PPB	86,094,442
Retiree Premiums - MCO	2,760,815
Annual Required Contributions	-
Non Par Premiums	2,778,049
Early Retiree Reinsurance Program (CMS)	-
Transfer from Premium Stabilization Reserve	34,832,263
Investment Income	57,641,498
General Revenue Transfer	30,000,000
Total Revenue	\$ 416,004,147
<u>Program Expenses</u>	
Non-Medicare Medical Claims	\$ 89,735,879
Non-Medicare Prescription Drug Claims	39,705,956
Medicare Medical Claims	4,803,169
Medicare Prescription Drug Claims	3,350,072
Medicare (PDP) Prescription Drug Claims	-
CMS Direct and Low Income Drug Subsidy	-
Non-Medicare Managed Care Capitations	6,862,957
Humana MAPD Program	174,970,632
Administration	5,307,946
Life Insurance	-
Retiree Assistance Program	3,261,238
ACA Reinsurance Contributions	-
ACA Comparative Effectiveness Research Fees	40,784
Director's Discretionary Fund	324,016
Total Expenses	\$ 328,362,649
Fiscal Year Results	\$ 87,641,498
Beginning Plan Reserve	874,161,932
Ending Plan Reserve	\$ 961,803,430
Ending Premium Stabilization Reserve	\$ 39,718,997
Accrued Actuarial Liability (AAL)	\$ 4,973,400,000
Funded Status	19.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 223.51	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 381.20	Non-Medicare	8.0%	11.0%
		Medicare	8.0%	11.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.2%

APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
Revenues			
WV PEIA Pay Go Premiums	\$ 120,259,575		\$ 120,259,575
Employer Premiums - PPB	8,346,764		8,346,764
Employer Premiums - MCO	68,352		68,352
Retiree Premiums - PPB	36,229,464	-	36,229,464
Retiree Premiums - MCO	177,563	-	177,563
Annual Required Contributions	-		-
Non Par Premiums	1,403,689		1,403,689
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	23,442,500		23,442,500
Investment Income	44,338,529		44,338,529
General Revenue Transfer	17,991,042		17,991,042
Total Revenue	\$ 252,257,478	\$ -	\$ 252,257,478
Program Expenses			
Medicare Medical Claims	\$ 4,803,169	\$ -	\$ 4,803,169
Medicare Prescription Drug Claims	3,350,072	-	3,350,072
Medicare (PDP) Prescription Drug Claims	-		-
CMS Direct and Low Income Drug Subsidy	-		-
Humana MAPD Program	174,970,632		174,970,632
Administration	2,681,992		2,681,992
Life Insurance	-		-
Retiree Assistance Program	1,647,834		1,647,834
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	30,523		30,523
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,484,222	\$ -	\$ 187,484,222
Fiscal Year Results	\$ 64,773,256		\$ 64,773,256
Beginning Plan Reserve	494,894,297		494,894,297
Ending Plan Reserve	\$ 559,667,553		\$ 559,667,553
Accrued Actuarial Liability (AAL)	\$ 4,973,400,000		\$ 4,973,400,000
Funded Status	19.3%		19.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 223.51	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 301.36	Medicare	8.0%	11.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.2%

APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE

WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 81,637,505		\$ 81,637,505
Employer Premiums - PPB	18,130,355		18,130,355
Employer Premiums - MCO	1,614,273		1,614,273
Retiree Premiums - PPB	23,387,859	-	23,387,859
Retiree Premiums - MCO	900,628	-	900,628
Annual Required Contributions	-		-
Non Par Premiums	1,374,360		1,374,360
Early Retiree Reinsurance Program (CMS)	-		-
Transfer from Premium Stabilization Reserve	11,389,763		11,389,763
Investment Income	13,302,969		13,302,969
General Revenue Transfer	12,008,959		12,008,959
Total Revenue	\$ 163,746,670	\$ -	\$ 163,746,670
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 89,735,879	\$ -	\$ 89,735,879
Non-Medicare Prescription Drug Claims	39,705,956	-	39,705,956
CMS Direct and Low Income Drug Subsidy	-		-
Non-Medicare Managed Care Capitations	6,862,957		6,862,957
Administration	2,625,955		2,625,955
Life Insurance	-		-
Retiree Assistance Program	1,613,404		1,613,404
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	10,260		10,260
Director's Discretionary Fund	324,016		324,016
Total Expenses	\$ 140,878,427	\$ -	\$ 140,878,427
Fiscal Year Results	\$ 22,868,242		\$ 22,868,242
Beginning Plan Reserve	379,267,640		379,267,640
Ending Plan Reserve	\$ 402,135,883		\$ 402,135,883
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 223.51	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PMPM Subsidy for Retirees	\$ 625.23	Non-Medicare	8.0%	11.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.2%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2012

Exposure

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
NonMed_NonDrug	20,498	21,221	21,302	21,202	20,967	20,793	20,605	20,503	20,371	20,064	19,869	19,658
Med_NonDrug	913	1,215	1,462	1,726	1,962	1,999	2,486	2,731	2,743	3,107	3,301	3,587
NonMed_Drug	18,997	19,666	19,739	19,646	19,427	19,267	19,092	18,999	18,879	18,592	18,410	18,214
Med_Drug	951	1,266	1,523	1,798	2,044	2,082	2,589	2,845	2,858	3,236	3,438	3,736

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
NonMed_NonDrug	\$171.39	\$205.71	\$204.29	\$226.09	\$244.35	\$207.85	\$233.47	\$235.72	\$254.78	\$241.48	\$237.48	\$261.41
Med_NonDrug	123.25	141.10	143.35	153.09	129.39	140.62	167.59	122.07	134.80	121.62	111.99	130.61
NonMed_Drug	86.28	109.84	113.15	115.08	115.55	127.59	128.79	124.88	135.32	134.06	138.82	144.97
Med_Drug	<u>154.83</u>	<u>225.85</u>	<u>207.37</u>	<u>189.54</u>	<u>195.52</u>	<u>216.25</u>	<u>203.27</u>	<u>183.01</u>	<u>202.99</u>	<u>182.56</u>	<u>192.84</u>	<u>192.36</u>
Total	\$535.76	\$682.51	\$668.17	\$683.81	\$684.81	\$692.31	\$733.13	\$665.68	\$727.89	\$679.74	\$681.13	\$729.34

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-20.3%	8.7%	0.3%	2.2%	6.1%	3.5%	-14.0%	8.8%	-7.8%	-19.0%	-14.8%	-9.7%
Med_NonDrug	-7.3%	-11.0%	20.3%	15.0%	-9.0%	22.9%	2.3%	-21.6%	-20.3%	-12.1%	-23.8%	3.6%
NonMed_Drug	5.4%	5.2%	6.2%	5.6%	1.2%	11.3%	10.8%	14.1%	5.7%	12.4%	14.1%	5.0%
Med_Drug	<u>12.9%</u>	<u>30.3%</u>	<u>12.7%</u>	<u>3.2%</u>	<u>8.5%</u>	<u>16.3%</u>	<u>2.2%</u>	<u>3.5%</u>	<u>-5.0%</u>	<u>-3.0%</u>	<u>-13.9%</u>	<u>-22.3%</u>
Total	-5.5%	9.1%	8.9%	5.7%	2.7%	12.4%	-2.3%	1.1%	-7.5%	-8.6%	-11.7%	-9.0%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-4.4%			4.0%			-5.3%			-14.5%
Med_NonDrug			-0.7%			8.6%			-13.2%			-11.5%
NonMed_Drug			5.6%			6.1%			10.0%			10.3%
Med_Drug			<u>18.9%</u>			<u>9.4%</u>			<u>0.0%</u>			<u>-14.0%</u>
Total			4.5%			6.8%			-3.2%			-9.8%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			3.0%			5.3%			2.8%			-5.8%
Med_NonDrug			-3.5%			2.0%			-1.6%			-4.8%
NonMed_Drug			6.1%			5.8%			6.2%			8.1%
Med_Drug			<u>14.4%</u>			<u>14.3%</u>			<u>9.7%</u>			<u>2.3%</u>
Total			5.1%			7.1%			4.4%			-1.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2013

Exposure

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
NonMed_NonDrug	20,464	21,016	21,018	20,733	20,642	20,475	20,438	20,393	20,132	19,910	19,701	19,568
Med_NonDrug	793	1,074	1,292	1,295	1,767	1,968	2,247	2,497	2,689	2,863	2,730	3,341
NonMed_Drug	18,959	19,469	19,470	19,205	19,124	18,970	18,936	18,894	18,654	18,450	18,257	18,134
Med_Drug	826	1,119	1,346	1,349	1,841	2,050	2,341	2,601	2,801	2,982	2,843	3,481

	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
NonMed_NonDrug	\$185.30	\$220.74	\$215.86	\$235.71	\$254.22	\$199.98	\$292.18	\$251.52	\$240.05	\$261.24	\$239.93	\$260.80
Med_NonDrug	144.29	171.87	141.07	184.56	139.80	116.34	165.86	166.07	153.21	145.28	155.01	116.93
NonMed_Drug	81.13	102.60	97.36	117.61	111.62	114.88	113.22	106.20	109.53	116.45	122.85	123.39
Med_Drug	<u>142.19</u>	<u>178.60</u>	<u>155.16</u>	<u>237.58</u>	<u>196.12</u>	<u>202.17</u>	<u>196.86</u>	<u>160.90</u>	<u>165.62</u>	<u>172.82</u>	<u>203.68</u>	<u>187.15</u>
Total	\$552.91	\$673.82	\$609.45	\$775.46	\$701.76	\$633.37	\$768.11	\$684.70	\$668.42	\$695.79	\$721.47	\$688.26

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	8.1%	7.3%	5.7%	4.3%	4.0%	-3.8%	25.1%	6.7%	-5.8%	8.2%	1.0%	-0.2%
Med_NonDrug	17.1%	21.8%	-1.6%	20.6%	8.0%	-17.3%	-1.0%	36.1%	13.7%	19.4%	38.4%	-10.5%
NonMed_Drug	-6.0%	-6.6%	-14.0%	2.2%	-3.4%	-10.0%	-12.1%	-15.0%	-19.1%	-13.1%	-11.5%	-14.9%
Med_Drug	<u>-8.2%</u>	<u>-20.9%</u>	<u>-25.2%</u>	<u>25.3%</u>	<u>0.3%</u>	<u>-6.5%</u>	<u>-3.2%</u>	<u>-12.1%</u>	<u>-18.4%</u>	<u>-5.3%</u>	<u>5.6%</u>	<u>-2.7%</u>
Total	3.2%	-1.3%	-8.8%	13.4%	2.5%	-8.5%	4.8%	2.9%	-8.2%	2.4%	5.9%	-5.6%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			7.0%			1.7%			8.3%			2.9%
Med_NonDrug			12.1%			4.2%			14.3%			14.5%
NonMed_Drug			-9.1%			-3.9%			-15.4%			-13.2%
Med_Drug			<u>-19.1%</u>			<u>5.7%</u>			<u>-11.2%</u>			<u>-0.7%</u>
Total			-2.7%			2.4%			-0.3%			0.7%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-3.5%			-4.0%			-0.5%			4.9%
Med_NonDrug			-1.7%			-2.6%			4.8%			11.2%
NonMed_Drug			4.8%			2.3%			-4.4%			-10.7%
Med_Drug			<u>-6.4%</u>			<u>-7.0%</u>			<u>-9.7%</u>			<u>-6.3%</u>
Total			-2.6%			-3.5%			-2.8%			0.1%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2014

Exposure

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
NonMed_NonDrug	20,496	21,096	20,990
Med_NonDrug	711	965	1,162
NonMed_Drug	18,995	19,550	19,452
Med_Drug	740	1,005	1,211

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
NonMed_NonDrug	\$209.72	\$236.76	\$248.10
Med_NonDrug	180.79	170.12	162.71
NonMed_Drug	88.32	104.54	101.47
Med_Drug	<u>189.23</u>	<u>254.17</u>	<u>211.03</u>
Total	\$668.06	\$765.59	\$723.32

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	13.2%	7.3%	14.9%
Med_NonDrug	25.3%	-1.0%	15.3%
NonMed_Drug	8.9%	1.9%	4.2%
Med_Drug	<u>33.1%</u>	<u>42.3%</u>	<u>36.0%</u>
Total	20.8%	13.6%	18.7%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	11.7%
Med_NonDrug	12.3%
NonMed_Drug	4.7%
Med_Drug	<u>37.5%</u>
Total	17.5%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	6.0%
Med_NonDrug	11.2%
NonMed_Drug	-8.0%
Med_Drug	<u>6.4%</u>
Total	4.7%