



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
December 31, 2014**

Fiscal Years 2015-2019

March 2015



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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 2016, 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 2019. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

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

CCRC Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2015 (“FY 2015”), June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”) and June 30, 2019 (“FY 2019”). Our opinion of plan adequacy is based on the projections through FY 2019 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2014.

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 2015 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

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. 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 may become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2015. This report does not include anticipated savings from this eligibility change since the proposal has not been finalized and approved by CMS.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

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 2017. 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 2015 through FY 2019 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 2019 as approved by the Board in December 2014.

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

Respectfully,



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

Managing Partner



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

Senior Actuarial Consultant

West Virginia Retiree Health Benefit Trust Fund
Report of Independent Actuary
Financial Plan for FY 2015 – FY 2019

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 February 2015 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

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

KEY ASSUMPTIONS

A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 1,129 retirees from June 2014 to March 2015, approximating our current assumption. CCRC Actuaries has updated the claims analysis based on the enrollment through March 2015.

In aggregate, March 2015 enrollment has increased by 1,129 coverages since the end of FY 2014. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 1,140 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 11 coverages. For MAPD Capitations, 40,987 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 2013, June 2014 and March 2015 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-13	Jun-14	Mar-15	Jun-13	Jun-14	Mar-15
Retirees	Medicare Single	17,845	18,429	18,851	60	-	-
	<u>Medicare Family</u>	<u>12,592</u>	<u>13,316</u>	<u>13,803</u>	<u>54</u>	-	-
	Medicare Total	30,437	31,745	32,654	114	-	-
	Non Medicare Single	3,488	3,517	3,651	151	159	156
	<u>Non Medicare Family</u>	<u>4,346</u>	<u>4,384</u>	<u>4,481</u>	<u>185</u>	<u>176</u>	<u>168</u>
	Non Medicare Total	7,834	7,901	8,132	336	335	324
	Retiree Total	38,271	39,646	40,786	450	335	324
Grand Total				38,721	39,981	41,110	

* The majority of PPB is capitated through Humana. As of February 2015, there are approximately 773 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan 12-31-2014 Quarterly Report”.

C. Trend Analysis

RHBT experienced favorable medical and prescription drug trends in FY 2014, and over the past few years, trends have been beneficial to the plan. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2014”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have decreased the FY 2015 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 2015.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2015 Trend	Updated Assumption FY 2015 Trend
Non-Medicare – Medical	5.5%	5.0%
Medicare – Medical	5.5%	5.0%
Non-Medicare – Drugs	8.5%	8.0%
Medicare – Drugs	8.5%	8.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2016. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through February 2015. 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	11%	N/A	16%	N/A
2012	-6%	-6%	2%	8%	-2%
2013	21%	-3%	-3%	-8%	-2%
2014	N/A	7%	N/A	6%	N/A
2015*	N/A	6%	N/A	8%	N/A

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

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

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

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through February 2015 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 projection of FY 2015 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2015 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	32,457			\$ 123**	\$ 206**	\$ 331
	Non-Medicare	8,203			\$ 711	\$ 290	
	Total	40,660	\$ -	\$ 166			
	Non-Medicare Managed Care	327	\$ -	\$ 564			\$ 1,151
	Total	40,987					

*Net of rebates and subsidies.

** As of February 2015, there are approximately 773 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes assumptions used in preparation of the attached forecasts. Both Medicare and Non-Medicare retirees premium received no increases in Fiscal Year 2015 and 2016.

Board Decisions – December 2014

Source	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Additional Retiree Premium	\$0	\$0	\$17,579,942	\$10,158,800	\$16,316,446
General Revenue Transfer	\$0	\$0	\$30,000,000	\$30,000,000	\$30,000,000
Benefit Reductions/(Increase) - Retiree Non-Medicare	\$0	\$3,900,000	\$0	\$0	\$0
Benefit Reductions/(Increase) - Managed Care Capitations	\$0	\$590,621	\$0	\$0	\$0
Benefit Reductions/(Increase) - Humana MAPD (calendar year)	\$0	\$2,568,218	\$1,531,782	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$850,000)	(\$550,000)	(\$200,000)	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$31,918)	(\$32,775)	(\$33,664)	(\$34,586)	(\$35,543)
Pay Go Premium Transfer	\$150,000,000	\$150,000,000	\$180,000,000	\$195,000,000	\$210,000,000
Actuarial Accrued Liability*	\$3,585,500,000	\$3,743,700,000	\$3,899,600,000	\$4,044,600,000	\$4,181,000,000
Funded Status	19.6%	19.2%	20.2%	21.3%	22.3%

*Projected Result

The \$3,900,000 of Retiree Non-Medicare benefit reductions in Fiscal Year 2016 is comprised of the following:

	<u>Included in 2016 Claim Cost</u>
Medical Claims	(\$2.2 M)
Drug Claims	(\$1.7 M)

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

	<u>Savings</u>
Increase Primary Care Office Visit copayment from \$15 to \$20 per visit	\$0.15 M
Increase Specialist Office Visit copayment from \$25 to \$40 per visit	\$0.52 M
Increase deductible by \$25 for single coverage and \$50 for family coverage	\$0.26 M
Increase outpatient surgery copay from \$50 to \$100	\$0.25 M
Increase emergency room copay to \$100 with no discount	\$0.07 M
Increase family out-of-pocket maximum for PEIA PPB Plans A and D to twice the employee only amount	\$0.84 M
Add \$100 copay per admission to existing deductible and 20% coinsurance for inpatient hospital care	\$0.15 M
Increase Generic Drug Copay for 30 day supply from \$5 to \$10 and for 90 day supply (maintenance only) from \$10 to \$20	\$1.27 M
Increase Preferred Brand Drug Copay for 30 day supply from \$15 to \$25 and for 90 day supply (maintenance only) from \$30 to \$50	\$0.42 M

The \$4,100,000 of Humana MAPD benefit reductions occurs in calendar year 2016, and can be translated to the following savings in FY 2016 and FY2017:

Fiscal Year 2016	\$2.57 M
Fiscal Year 2017	\$1.53 M

A detailed listing of the Medicare CY 2016 benefit reductions are comprised of the following:

	<u>Savings</u>
Increase copayment for office visits PCP/Specialist from \$10/\$20 to \$20/\$40	\$2.0 M
Increase Outpatient Surgery copayment by \$50 from \$50 to \$100	\$0.3 M
Increase deductible by \$75 per person from \$25 to \$100	\$1.8 M

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 approximately \$1,600,000, with \$850,000 in FY 2015.

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

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

It is anticipated that RHBT would accrue and pay these fees in FY 2014 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$168,000, with \$31,918 in FY 2015.

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 \$2.1 million in FY 2015 to approximately \$2.8 million in FY 2019, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

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 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 \$292,346,632 and incurred plan expenses of \$271,146,632 to produce a fiscal year surplus of \$9,646,760 after the Premium Stabilization Reserve drawdown of \$11,553,240. The PEIA local and state agencies Pay Go premiums for FY 2015 are assumed to be \$150,000,000.

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 \$331,435,866 and incurred plan expenses of \$287,735,866 to produce a fiscal year surplus of \$16,649,505 after the Premium Stabilization Reserve drawdown of \$27,050,495. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$150,000,000.

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 \$386,815,831 and incurred plan expenses of \$312,990,504 to produce a fiscal year surplus of \$70,770,889 after the Premium Stabilization Reserve drawdown of \$3,054,438. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$180,000,000.

FISCAL YEAR 2018 FORECAST

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$421,475,844 and incurred plan expenses of \$343,321,319 to produce a fiscal year surplus of \$71,513,831 after the Premium Stabilization Reserve drawdown of \$6,640,694. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$195,000,000.

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$461,443,660 and incurred plan expenses of \$378,906,236 to produce a fiscal year surplus of \$73,427,109 after the Premium Stabilization Reserve drawdown of \$9,110,315. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$210,000,000.

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 2019. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2014 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

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

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

	7/1/2014 to 12/31/2014	1/1/2015 to 6/30/2015	TRUST Total
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	40,345,713	40,722,374	81,068,087
Retiree Premiums - MCO	1,108,824	1,105,443	2,214,267
Annual Required Contributions	61,776	61,776	123,552
Non Par Premiums	1,620,165	1,620,165	3,240,330
Life Insurance	11,473,578	11,473,578	22,947,156
Investment Income	10,600,000	10,600,000	21,200,000
Transfer from Premium Stabilization Reserve	5,719,925	5,833,315	11,553,240
Total Revenue	\$ 145,929,980	\$ 146,416,652	\$ 292,346,632
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,020,699	\$ 35,951,944	\$ 69,972,643
Non-Medicare Prescription Drug Claims	13,165,343	15,337,240	28,502,583
Medicare Medical Claims	2,165,497	1,039,791	3,205,288
Medicare Prescription Drug Claims	3,752,530	1,827,821	5,580,351
Non-Medicare Managed Care Capitations	2,259,235	2,259,235	4,518,469
Humana MAPD Program	62,898,716	66,043,652	128,942,369
Administration	2,306,189	2,306,189	4,612,378
Life Insurance	11,356,851	11,356,851	22,713,702
Retiree Assistance Program	1,033,644	1,033,644	2,067,288
ACA Reinsurance Contributions	500,000	350,000	850,000
ACA Comparative Effectiveness Research Fees	15,959	15,959	31,918
Director's Discretionary Fund	74,822	74,822	149,643
Total Expenses	\$ 133,549,485	\$ 137,597,147	\$ 271,146,632
Fiscal Year Results	\$ 12,380,495	\$ 8,819,505	\$ 21,200,000
Beginning Restricted Reserve			\$ 634,149,243
Ending Restricted Reserve			\$ 655,349,243
Beginning Premium Stabilization Reserve			\$ 57,409,182
PSR Addition/(Drawdown)			\$ (11,553,240)
Ending Premium Stabilization Reserve			\$ 45,855,942
Total Beginning Plan Reserve			\$ 691,558,426
Total Ending Plan Reserve			\$ 701,205,186
Accrued Actuarial Liability (AAL)			\$ 3,585,500,000
Funded Status			19.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 304.97	Non-Medicare	5.0%	8.0%
		Medicare	5.0%	8.0%
		Capitations		-6.5%
		Administrative Expense		4.5%
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 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	\$ 86,654,858		\$ 86,654,858
Employer Premiums - PPB	7,799,018		7,799,018
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,784,858	-	35,784,858
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,655,244		1,655,244
Life Insurance	11,722,001		11,722,001
Investment Income	11,256,215		11,256,215
Transfer from Premium Stabilization Reserve	8,496,913		8,496,913
Total Revenue	\$ 163,369,107	\$ -	\$ 163,369,107
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,205,288	\$ -	\$ 3,205,288
Medicare Prescription Drug Claims	5,580,351	-	5,580,351
Humana MAPD Program	128,942,369		128,942,369
Administration	1,702,555		1,702,555
Life Insurance	11,602,747		11,602,747
Retiree Assistance Program	1,056,024		1,056,024
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,557		23,557
Director's Discretionary Fund	-		-
Total Expenses	\$ 152,112,891	\$ -	\$ 152,112,891
Fiscal Year Results	\$ 11,256,216		\$ 11,256,216
Beginning Restricted Reserve	\$ 324,621,385		\$ 324,621,385
Ending Restricted Reserve	<u>\$ 335,877,601</u>		<u>\$ 335,877,601</u>
Beginning Premium Stabilization Reserve	\$ 42,564,009		\$ 42,564,009
PSR Addition/(Drawdown)	\$ (8,496,913)		\$ (8,496,913)
Ending Premium Stabilization Reserve	<u>\$ 34,067,096</u>		<u>\$ 34,067,096</u>
Total Beginning Plan Reserve	367,185,394		367,185,394
Total Ending Plan Reserve	<u>\$ 369,944,697</u>		<u>\$ 369,944,697</u>
Accrued Actuarial Liability (AAL)	\$ 3,585,500,000		\$ 3,585,500,000
Funded Status	19.6%		19.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 222.48	Medicare	5.0%	8.0%
		Capitations		-6.5%
		Administrative Expense		4.5%
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 FORECAST
FISCAL YEAR 2015**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 63,345,142		\$ 63,345,142
Employer Premiums - PPB	15,642,751		15,642,751
Employer Premiums - MCO	1,394,549		1,394,549
Retiree Premiums - PPB	21,841,460	-	21,841,460
Retiree Premiums - MCO	819,718	-	819,718
Annual Required Contributions	123,552		123,552
Non Par Premiums	1,585,086		1,585,086
Life Insurance	11,225,155		11,225,155
Investment Income	9,943,785		9,943,785
Transfer from Premium Stabilization Reserve	3,056,327		3,056,327
Total Revenue	\$ 128,977,525	\$ -	\$ 128,977,525
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 69,972,643	\$ -	\$ 69,972,643
Non-Medicare Prescription Drug Claims	28,502,583	-	28,502,583
Non-Medicare Managed Care Capitations	4,518,469		4,518,469
Administration	2,909,823		2,909,823
Life Insurance	11,110,955		11,110,955
Retiree Assistance Program	1,011,264		1,011,264
ACA Reinsurance Contributions	850,000		850,000
ACA Comparative Effectiveness Research Fees	8,361		8,361
Director's Discretionary Fund	149,642		149,642
Total Expenses	\$ 119,033,740	\$ -	\$ 119,033,740
Fiscal Year Results	\$ 9,943,785		\$ 9,943,785
Beginning Restricted Reserve	\$ 309,527,860		\$ 309,527,860
Ending Restricted Reserve	<u>\$ 319,471,645</u>		<u>\$ 319,471,645</u>
Beginning Premium Stabilization Reserve	\$ 14,845,173		\$ 14,845,173
PSR Addition/(Drawdown)	\$ (3,056,327)		\$ (3,056,327)
Ending Premium Stabilization Reserve	<u>\$ 11,788,846</u>		<u>\$ 11,788,846</u>
Total Beginning Plan Reserve	324,373,033		324,373,033
Total Ending Plan Reserve	<u>\$ 331,260,491</u>		<u>\$ 331,260,491</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 618.82	Non-Medicare	5.0%	8.0%
		Capitations		-6.5%
		Administrative Expense		4.5%
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 2016**

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

	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	40,370,320	40,858,753	81,229,073
Retiree Premiums - MCO	1,109,332	1,109,332	2,218,664
Annual Required Contributions	-	-	-
Non Par Premiums	1,571,560	1,571,560	3,143,120
Life Insurance	12,047,257	12,047,257	24,094,514
Investment Income	21,850,000	21,850,000	43,700,000
Transfer from Premium Stabilization Reserve	13,415,081	13,635,415	27,050,495
General Revenue Transfer	-	-	-
Total Revenue	\$ 165,363,550	\$ 166,072,317	\$ 331,435,866
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,333,519	\$ 36,282,521	\$ 70,616,040
Non-Medicare Prescription Drug Claims	13,310,058	15,505,828	28,815,886
Medicare Medical Claims	2,277,184	1,096,064	3,373,248
Medicare Prescription Drug Claims	4,058,656	1,981,580	6,040,236
Non-Medicare Managed Care Capitations	2,144,663	2,144,663	4,289,326
Humana MAPD Program	69,226,175	73,654,428	142,880,603
Administration	2,375,375	2,375,375	4,750,749
Life Insurance	11,924,694	11,924,694	23,849,387
Retiree Assistance Program	1,116,336	1,116,336	2,232,671
ACA Reinsurance Contributions	350,000	200,000	550,000
ACA Comparative Effectiveness Research Fees	16,388	16,388	32,775
Director's Discretionary Fund	152,473	152,473	304,945
Total Expenses	\$ 141,285,518	\$ 146,450,348	\$ 287,735,866
Fiscal Year Results	\$ 24,078,031	\$ 19,621,969	\$ 43,700,000
Beginning Restricted Reserve			\$ 655,349,243
Ending Restricted Reserve			<u>\$ 699,049,243</u>
Beginning Premium Stabilization Reserve			\$ 45,855,942
PSR Addition/(Drawdown)			\$ (27,050,495)
Ending Premium Stabilization Reserve			<u>\$ 18,805,447</u>
Total Beginning Plan Reserve			\$ 701,205,186
Total Ending Plan Reserve			<u>\$ 717,854,691</u>
Accrued Actuarial Liability (AAL)			\$ 3,743,700,000
Funded Status			19.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 163.04			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 298.25	Non-Medicare	5.5%	8.5%
		Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

**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
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,846,032		\$ 90,846,032
Employer Premiums - PPB	7,814,506		7,814,506
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,855,920	-	35,855,920
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,605,587		1,605,587
Life Insurance	12,308,102		12,308,102
Investment Income	23,055,424		23,055,424
Transfer from Premium Stabilization Reserve	18,965,385		18,965,385
General Revenue Transfer	-		-
Total Revenue	\$ 190,450,956	\$ -	\$ 190,450,956
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,373,248	\$ -	\$ 3,373,248
Medicare Prescription Drug Claims	6,040,236	-	6,040,236
Humana MAPD Program	145,448,821	(2,568,218)	142,880,603
Administration	1,753,631		1,753,631
Life Insurance	12,182,884		12,182,884
Retiree Assistance Program	1,140,506		1,140,506
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,424		24,424
Director's Discretionary Fund	-		-
Total Expenses	\$ 169,963,750	\$ (2,568,218)	\$ 167,395,532
Fiscal Year Results	\$ 20,487,206		\$ 23,055,424
Beginning Restricted Reserve	\$ 335,877,601		\$ 335,877,601
Ending Restricted Reserve	<u>\$ 356,364,807</u>		<u>\$ 358,933,025</u>
Beginning Premium Stabilization Reserve	\$ 34,067,096		\$ 34,067,096
PSR Addition/(Drawdown)	\$ (18,965,385)		\$ (18,965,385)
Ending Premium Stabilization Reserve	<u>\$ 15,101,711</u>		<u>\$ 15,101,711</u>
Total Beginning Plan Reserve	369,944,697		369,944,697
Total Ending Plan Reserve	<u>\$ 371,466,518</u>		<u>\$ 374,034,736</u>
Accrued Actuarial Liability (AAL)	\$ 3,743,700,000		\$ 3,743,700,000
Funded Status	19.0%		19.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 229.06	Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		0.0%

**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	\$ 59,153,968		\$ 59,153,968
Employer Premiums - PPB	15,673,814		15,673,814
Employer Premiums - MCO	1,397,318		1,397,318
Retiree Premiums - PPB	21,884,833	-	21,884,833
Retiree Premiums - MCO	821,346	-	821,346
Annual Required Contributions	-		-
Non Par Premiums	1,537,533		1,537,533
Life Insurance	11,786,412		11,786,412
Investment Income	20,644,576		20,644,576
Transfer from Premium Stabilization Reserve	8,085,110		8,085,110
General Revenue Transfer	-		-
Total Revenue	\$ 140,984,910	\$ -	\$ 140,984,910
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 72,816,040	\$ (2,200,001)	\$ 70,616,039
Non-Medicare Prescription Drug Claims	30,515,886	(1,699,999)	28,815,887
Non-Medicare Managed Care Capitations	4,879,947	(590,621)	4,289,326
Administration	2,997,118		2,997,118
Life Insurance	11,666,503		11,666,503
Retiree Assistance Program	1,092,165		1,092,165
ACA Reinsurance Contributions	550,000		550,000
ACA Comparative Effectiveness Research Fees	8,351		8,351
Director's Discretionary Fund	304,945		304,945
Total Expenses	\$ 124,830,956	\$ (4,490,621)	\$ 120,340,334
Fiscal Year Results	\$ 16,153,955		\$ 20,644,576
Beginning Restricted Reserve	\$ 319,471,645		\$ 319,471,645
Ending Restricted Reserve	<u>\$ 335,625,600</u>		<u>\$ 340,116,221</u>
Beginning Premium Stabilization Reserve	\$ 11,788,846		\$ 11,788,846
PSR Addition/(Drawdown)	\$ (8,085,110)		\$ (8,085,110)
Ending Premium Stabilization Reserve	<u>\$ 3,703,736</u>		<u>\$ 3,703,736</u>
Total Beginning Plan Reserve	331,260,491		331,260,491
Total Ending Plan Reserve	<u>\$ 339,329,336</u>		<u>\$ 343,819,957</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.04	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 556.32	Non-Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		0.0%

**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

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	49,261,205	49,843,126	99,104,331
Retiree Premiums - MCO	1,241,835	1,241,835	2,483,670
Annual Required Contributions	-	-	-
Non Par Premiums	1,524,413	1,524,413	3,048,826
Life Insurance	12,649,620	12,649,620	25,299,239
Investment Income	21,912,663	21,912,663	43,825,327
Transfer from Premium Stabilization Reserve	1,515,239	1,539,199	3,054,438
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 193,104,975	\$ 193,710,856	\$ 386,815,831
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,892,947	\$ 37,930,473	\$ 73,823,420
Non-Medicare Prescription Drug Claims	14,312,643	16,673,811	30,986,454
Medicare Medical Claims	2,406,019	1,160,862	3,566,881
Medicare Prescription Drug Claims	4,410,050	2,158,183	6,568,233
Non-Medicare Managed Care Capitations	2,316,236	2,316,236	4,632,472
Humana MAPD Program	77,203,700	83,327,006	160,530,706
Administration	2,446,636	2,446,636	4,893,272
Life Insurance	12,520,928	12,520,928	25,041,856
Retiree Assistance Program	1,205,643	1,205,643	2,411,285
ACA Reinsurance Contributions	200,000	-	200,000
ACA Comparative Effectiveness Research Fees	16,832	16,832	33,664
Director's Discretionary Fund	151,131	151,131	302,261
Total Expenses	\$ 153,082,764	\$ 159,907,741	\$ 312,990,504
Fiscal Year Results	\$ 40,022,211	\$ 33,803,116	\$ 73,825,327
Beginning Restricted Reserve			\$ 699,049,243
Ending Restricted Reserve			\$ 772,874,570
Beginning Premium Stabilization Reserve			\$ 18,805,447
PSR Addition/(Drawdown)			\$ (3,054,438)
Ending Premium Stabilization Reserve			\$ 15,751,009
Total Beginning Plan Reserve			\$ 717,854,691
Total Ending Plan Reserve			\$ 788,625,579
Accrued Actuarial Liability (AAL)			\$ 3,899,600,000
Funded Status			20.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 195.65			
Additional Retiree Premiums	\$ 17,579,942			
Pay Go PEPM Subsidy for Retirees	\$ 349.49	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		23.8%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 112,270,796		\$ 112,270,796
Employer Premiums - PPB	7,855,601		7,855,601
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	36,044,480	10,763,702	46,808,182
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,557,420		1,557,420
Life Insurance	12,923,507		12,923,507
Investment Income	22,834,976		22,834,976
Transfer from Premium Stabilization Reserve	5,105,653		5,105,653
General Revenue Transfer	16,901,493		16,901,493
Total Revenue	\$ 215,493,925	\$ 10,763,702	\$ 226,257,627
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,566,881	\$ -	\$ 3,566,881
Medicare Prescription Drug Claims	6,568,233	-	6,568,233
Humana MAPD Program	162,062,488	(1,531,782)	160,530,706
Administration	1,806,240		1,806,240
Life Insurance	12,792,029		12,792,029
Retiree Assistance Program	1,231,747		1,231,747
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,322		25,322
Director's Discretionary Fund	-		-
Total Expenses	\$ 188,052,940	\$ (1,531,782)	\$ 186,521,158
Fiscal Year Results	\$ 27,440,985		\$ 39,736,469
Beginning Restricted Reserve	\$ 358,933,025		\$ 358,933,025
Ending Restricted Reserve	<u>\$ 386,374,010</u>		<u>\$ 398,669,494</u>
Beginning Premium Stabilization Reserve	\$ 15,101,711		\$ 15,101,711
PSR Addition/(Drawdown)	\$ (5,105,653)		\$ (5,105,653)
Ending Premium Stabilization Reserve	<u>\$ 9,996,058</u>		<u>\$ 9,996,058</u>
Total Beginning Plan Reserve	374,034,736		374,034,736
Total Ending Plan Reserve	<u>\$ 396,370,068</u>		<u>\$ 408,665,552</u>
Accrued Actuarial Liability (AAL)	\$ 3,899,600,000		\$ 3,899,600,000
Funded Status	19.7%		20.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 195.65	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 10,763,702	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 278.87	Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 67,729,204		\$ 67,729,204
Employer Premiums - PPB	15,804,109		15,804,109
Employer Premiums - MCO	1,408,934		1,408,934
Retiree Premiums - PPB	22,066,760	6,569,677	28,636,437
Retiree Premiums - MCO	828,174	246,562	1,074,736
Annual Required Contributions	-		-
Non Par Premiums	1,491,407		1,491,407
Life Insurance	12,375,733		12,375,733
Investment Income	20,990,351		20,990,351
Transfer from Premium Stabilization Reserve	(2,051,215)		(2,051,215)
General Revenue Transfer	13,098,507		13,098,507
Total Revenue	\$ 153,741,965	\$ 6,816,239	\$ 160,558,204
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 73,823,420	\$ -	\$ 73,823,420
Non-Medicare Prescription Drug Claims	30,986,454	-	30,986,454
Non-Medicare Managed Care Capitations	4,632,472		4,632,472
Administration	3,087,032		3,087,032
Life Insurance	12,249,828		12,249,828
Retiree Assistance Program	1,179,538		1,179,538
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	8,342		8,342
Director's Discretionary Fund	302,261		302,261
Total Expenses	\$ 126,469,347	\$ -	\$ 126,469,347
Fiscal Year Results	\$ 27,272,618		\$ 34,088,857
Beginning Restricted Reserve	\$ 340,116,221		\$ 340,116,221
Ending Restricted Reserve	<u>\$ 367,388,839</u>		<u>\$ 374,205,078</u>
Beginning Premium Stabilization Reserve	\$ 3,703,736		\$ 3,703,736
PSR Addition/(Drawdown)	\$ 2,051,215		\$ 2,051,215
Ending Premium Stabilization Reserve	<u>\$ 5,754,951</u>		<u>\$ 5,754,951</u>
Total Beginning Plan Reserve	343,819,957		343,819,957
Total Ending Plan Reserve	<u>\$ 373,143,790</u>		<u>\$ 379,960,029</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 195.65	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,816,240	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 602.34	Non-Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

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

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

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

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 97,500,000	\$ 97,500,000	\$ 195,000,000
Retiree Premiums - PPB	54,448,734	55,077,089	109,525,823
Retiree Premiums - MCO	1,316,620	1,316,620	2,633,239
Annual Required Contributions	-	-	-
Non Par Premiums	1,478,681	1,478,681	2,957,362
Life Insurance	13,282,101	13,282,101	26,564,201
Investment Income	24,077,263	24,077,263	48,154,525
Transfer from Premium Stabilization Reserve	3,295,322	3,345,373	6,640,694
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 210,398,719	\$ 211,077,126	\$ 421,475,844
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,700,650	\$ 39,840,794	\$ 77,541,444
Non-Medicare Prescription Drug Claims	15,461,522	18,012,222	33,473,744
Medicare Medical Claims	2,554,173	1,235,297	3,789,470
Medicare Prescription Drug Claims	4,813,920	2,361,318	7,175,238
Non-Medicare Managed Care Capitations	2,501,535	2,501,535	5,003,069
Humana MAPD Program	87,342,382	94,723,580	182,065,962
Administration	2,520,035	2,520,035	5,040,070
Life Insurance	13,146,975	13,146,975	26,293,949
Retiree Assistance Program	1,302,094	1,302,094	2,604,188
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	17,293	17,293	34,586
Director's Discretionary Fund	149,800	149,800	299,599
Total Expenses	\$ 167,510,379	\$ 175,810,941	\$ 343,321,319
Fiscal Year Results	\$ 42,888,340	\$ 35,266,185	\$ 78,154,525
Beginning Restricted Reserve			\$ 772,874,570
Ending Restricted Reserve			\$ 851,029,095
Beginning Premium Stabilization Reserve			\$ 15,751,009
PSR Addition/(Drawdown)			\$ (6,640,694)
Ending Premium Stabilization Reserve			\$ 9,110,315
Total Beginning Plan Reserve			\$ 788,625,579
Total Ending Plan Reserve			\$ 860,139,410
Accrued Actuarial Liability (AAL)			\$ 4,044,600,000
Funded Status			21.3%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 211.95			
Additional Retiree Premiums	\$ 10,158,800			
Pay Go PEPM Subsidy for Retirees	\$ 369.91	Non-Medicare	6.5%	9.5%
		Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 125,338,915		\$ 125,338,915
Employer Premiums - PPB	7,841,320		7,841,320
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	47,041,065	6,214,182	53,255,247
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,510,697		1,510,697
Life Insurance	13,569,682		13,569,682
Investment Income	24,953,661		24,953,661
Transfer from Premium Stabilization Reserve	8,163,405		8,163,405
General Revenue Transfer	17,321,038		17,321,038
Total Revenue	\$ 245,739,784	\$ 6,214,182	\$ 251,953,966
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,789,470	\$ -	\$ 3,789,470
Medicare Prescription Drug Claims	7,175,238	-	7,175,238
Humana MAPD Program	182,065,962		182,065,962
Administration	1,860,427		1,860,427
Life Insurance	13,431,630		13,431,630
Retiree Assistance Program	1,330,286		1,330,286
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	26,254		26,254
Director's Discretionary Fund	-		-
Total Expenses	\$ 209,679,267	\$ -	\$ 209,679,267
Fiscal Year Results	\$ 36,060,517		\$ 42,274,699
Beginning Restricted Reserve	\$ 398,669,494		\$ 398,669,494
Ending Restricted Reserve	<u>\$ 434,730,010</u>		<u>\$ 440,944,192</u>
Beginning Premium Stabilization Reserve	\$ 9,996,058		\$ 9,996,058
PSR Addition/(Drawdown)	\$ (8,163,405)		\$ (8,163,405)
Ending Premium Stabilization Reserve	<u>\$ 1,832,653</u>		<u>\$ 1,832,653</u>
Total Beginning Plan Reserve	408,665,552		408,665,552
Total Ending Plan Reserve	<u>\$ 436,562,663</u>		<u>\$ 442,776,845</u>
Accrued Actuarial Liability (AAL)	\$ 4,044,600,000		\$ 4,044,600,000
Funded Status	21.0%		21.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 211.95	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,214,182	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 306.75	Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 69,661,085		\$ 69,661,085
Employer Premiums - PPB	15,801,614		15,801,614
Employer Premiums - MCO	1,408,712		1,408,712
Retiree Premiums - PPB	28,825,711	3,801,930	32,627,641
Retiree Premiums - MCO	1,081,840	142,688	1,224,528
Annual Required Contributions	-		-
Non Par Premiums	1,446,665		1,446,665
Life Insurance	12,994,520		12,994,520
Investment Income	23,200,864		23,200,864
Transfer from Premium Stabilization Reserve	(1,522,711)		(1,522,711)
General Revenue Transfer	12,678,962		12,678,962
Total Revenue	\$ 165,577,262	\$ 3,944,618	\$ 169,521,880
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,541,444	\$ -	\$ 77,541,444
Non-Medicare Prescription Drug Claims	33,473,744	-	33,473,744
Non-Medicare Managed Care Capitations	5,003,069		5,003,069
Administration	3,179,643		3,179,643
Life Insurance	12,862,319		12,862,319
Retiree Assistance Program	1,273,901		1,273,901
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	8,332		8,332
Director's Discretionary Fund	299,599		299,599
Total Expenses	\$ 133,642,051	\$ -	\$ 133,642,051
Fiscal Year Results	\$ 31,935,210		\$ 35,879,828
Beginning Restricted Reserve	\$ 374,205,078		\$ 374,205,078
Ending Restricted Reserve	<u>\$ 406,140,289</u>		<u>\$ 410,084,907</u>
Beginning Premium Stabilization Reserve	\$ 5,754,951		\$ 5,754,951
PSR Addition/(Drawdown)	\$ 1,522,711		\$ 1,522,711
Ending Premium Stabilization Reserve	<u>\$ 7,277,662</u>		<u>\$ 7,277,662</u>
Total Beginning Plan Reserve	379,960,029		379,960,029
Total Ending Plan Reserve	<u>\$ 413,417,950</u>		<u>\$ 417,362,568</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 211.95	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,944,618	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 587.56	Non-Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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

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

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 105,000,000	\$ 105,000,000	\$ 210,000,000
Retiree Premiums - PPB	62,725,320	63,432,859	126,158,179
Retiree Premiums - MCO	1,438,345	1,438,345	2,876,689
Annual Required Contributions	-	-	-
Non Par Premiums	1,434,321	1,434,321	2,868,641
Life Insurance	13,946,206	13,946,206	27,892,412
Investment Income	26,268,712	26,268,712	52,537,424
Transfer from Premium Stabilization Reserve	4,522,255	4,588,060	9,110,315
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 230,335,157	\$ 231,108,502	\$ 461,443,660
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,785,779	\$ 42,044,289	\$ 81,830,068
Non-Medicare Prescription Drug Claims	16,779,077	19,547,134	36,326,211
Medicare Medical Claims	2,724,223	1,320,681	4,044,904
Medicare Prescription Drug Claims	5,278,848	2,595,379	7,874,227
Non-Medicare Managed Care Capitations	2,701,658	2,701,658	5,403,315
Humana MAPD Program	99,288,136	108,194,430	207,482,566
Administration	2,595,636	2,595,636	5,191,272
Life Insurance	13,804,324	13,804,324	27,608,647
Retiree Assistance Program	1,406,262	1,406,262	2,812,523
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	17,771	17,771	35,543
Director's Discretionary Fund	148,480	148,480	296,960
Total Expenses	\$ 184,530,193	\$ 194,376,043	\$ 378,906,236
Fiscal Year Results	\$ 45,804,964	\$ 36,732,460	\$ 82,537,424
Beginning Restricted Reserve			\$ 851,029,095
Ending Restricted Reserve			\$ 933,566,519
Beginning Premium Stabilization Reserve			\$ 9,110,315
PSR Addition/(Drawdown)			\$ (9,110,315)
Ending Premium Stabilization Reserve			\$ 0
Total Beginning Plan Reserve			860,139,410
Total Ending Plan Reserve			\$ 933,566,519
Accrued Actuarial Liability (AAL)			\$ 4,181,000,000
Funded Status			22.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.25	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 16,316,446	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 389.41	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		7.7%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 139,140,045		\$ 139,140,045
Employer Premiums - PPB	7,853,168		7,853,168
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	53,498,894	9,975,333	63,474,227
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,465,376		1,465,376
Life Insurance	14,248,166		14,248,166
Investment Income	27,044,866		27,044,866
Transfer from Premium Stabilization Reserve	12,000,222		12,000,222
General Revenue Transfer	17,654,535		17,654,535
Total Revenue	\$ 272,905,272	\$ 9,975,333	\$ 282,880,605
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,044,904	\$ -	\$ 4,044,904
Medicare Prescription Drug Claims	7,874,227	-	7,874,227
Humana MAPD Program	207,482,566		207,482,566
Administration	1,916,240		1,916,240
Life Insurance	14,103,212		14,103,212
Retiree Assistance Program	1,436,709		1,436,709
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	27,220		27,220
Director's Discretionary Fund	-		-
Total Expenses	\$ 236,885,078	\$ -	\$ 236,885,078
Fiscal Year Results	\$ 36,020,194		\$ 45,995,527
Beginning Restricted Reserve	\$ 440,944,192		\$ 440,944,192
Ending Restricted Reserve	<u>\$ 476,964,386</u>		<u>\$ 486,939,719</u>
Beginning Premium Stabilization Reserve	\$ 1,832,653		\$ 1,832,653
PSR Addition/(Drawdown)	\$ (12,000,222)		\$ (12,000,222)
Ending Premium Stabilization Reserve	<u>\$ (10,167,569)</u>		<u>\$ (10,167,569)</u>
Total Beginning Plan Reserve	442,776,845		442,776,845
Total Ending Plan Reserve	<u>\$ 466,796,818</u>		<u>\$ 476,772,151</u>
Accrued Actuarial Liability (AAL)	\$ 4,181,000,000		\$ 4,181,000,000
Funded Status	21.9%		22.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.25	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 9,975,333	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 335.60	Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.7%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 70,859,955		\$ 70,859,955
Employer Premiums - PPB	15,863,568		15,863,568
Employer Premiums - MCO	1,414,235		1,414,235
Retiree Premiums - PPB	32,855,479	6,111,736	38,967,215
Retiree Premiums - MCO	1,233,078	229,376	1,462,454
Annual Required Contributions	-		-
Non Par Premiums	1,403,265		1,403,265
Life Insurance	13,644,245		13,644,245
Investment Income	25,492,558		25,492,558
Transfer from Premium Stabilization Reserve	(2,889,907)		(2,889,907)
General Revenue Transfer	12,345,465		12,345,465
Total Revenue	\$ 172,221,941	\$ 6,341,112	\$ 178,563,053
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,830,068	\$ -	\$ 81,830,068
Non-Medicare Prescription Drug Claims	36,326,211	-	36,326,211
Non-Medicare Managed Care Capitations	5,403,315		5,403,315
Administration	3,275,032		3,275,032
Life Insurance	13,505,435		13,505,435
Retiree Assistance Program	1,375,813		1,375,813
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	8,323		8,323
Director's Discretionary Fund	296,960		296,960
Total Expenses	\$ 142,021,157	\$ -	\$ 142,021,157
Fiscal Year Results	\$ 30,200,784		\$ 36,541,896
Beginning Restricted Reserve	\$ 410,084,907		\$ 410,084,907
Ending Restricted Reserve	<u>\$ 440,285,691</u>		<u>\$ 446,626,803</u>
Beginning Premium Stabilization Reserve	\$ 7,277,662		\$ 7,277,662
PSR Addition/(Drawdown)	\$ 2,889,907		\$ 2,889,907
Ending Premium Stabilization Reserve	<u>\$ 10,167,569</u>		<u>\$ 10,167,569</u>
Total Beginning Plan Reserve	417,362,568		417,362,568
Total Ending Plan Reserve	<u>\$ 450,453,259</u>		<u>\$ 456,794,371</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.25	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,341,112	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 568.34	Non-Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.7%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2014 to FY 2015**

Fiscal Year 2014

Exposure

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
NonMed_NonDrug	20,496	21,096	20,990	20,884	20,694	20,458	20,555	20,477	20,291	20,088	19,861	19,738
Med_NonDrug	795	1,088	1,362	1,604	1,848	2,088	1,112	953	1,116	1,324	1,513	1,709
NonMed_Drug	18,995	19,550	19,452	19,354	19,177	18,959	19,050	18,975	18,801	18,615	18,404	18,291
Med_Drug	828	1,133	1,418	1,671	1,925	2,175	1,158	993	1,163	1,379	1,576	1,780

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
NonMed_NonDrug	\$226.26	\$226.71	\$234.74	\$247.80	\$276.71	\$227.39	\$288.70	\$252.38	\$256.68	\$285.68	\$260.98	\$279.98
Med_NonDrug	232.87	212.04	194.74	211.98	170.60	163.63	196.33	321.64	253.40	237.18	192.99	227.73
NonMed_Drug	88.46	104.86	105.46	120.45	108.24	125.22	123.69	107.56	119.97	127.33	123.97	139.01
Med_Drug	<u>170.08</u>	<u>227.01</u>	<u>185.41</u>	<u>220.60</u>	<u>207.24</u>	<u>261.15</u>	<u>145.71</u>	<u>224.55</u>	<u>225.50</u>	<u>224.60</u>	<u>223.14</u>	<u>249.85</u>
Total	\$717.66	\$770.62	\$720.35	\$800.83	\$762.80	\$777.40	\$754.44	\$906.13	\$855.55	\$874.79	\$801.07	\$896.56

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	21.7%	2.0%	8.8%	5.4%	9.2%	13.8%	0.0%	0.9%	8.5%	11.6%	8.5%	3.3%
Med_NonDrug	49.2%	28.0%	35.8%	15.6%	23.1%	42.1%	12.9%	93.9%	56.7%	55.1%	16.1%	106.3%
NonMed_Drug	9.0%	2.2%	8.3%	2.4%	-3.1%	8.9%	9.2%	1.2%	9.5%	9.2%	0.8%	12.6%
Med_Drug	<u>19.6%</u>	<u>27.0%</u>	<u>19.4%</u>	<u>-7.2%</u>	<u>5.6%</u>	<u>29.1%</u>	<u>-26.0%</u>	<u>39.5%</u>	<u>36.1%</u>	<u>29.9%</u>	<u>9.5%</u>	<u>33.4%</u>
Total	26.9%	15.2%	17.7%	3.5%	9.0%	23.0%	-2.4%	32.6%	27.0%	25.2%	9.2%	29.5%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			10.2%			9.3%			2.9%			7.7%
Med_NonDrug			37.5%			25.0%			53.8%			53.2%
NonMed_Drug			6.2%			2.8%			6.7%			7.5%
Med_Drug			<u>22.3%</u>			<u>8.3%</u>			<u>13.8%</u>			<u>23.7%</u>
Total			19.6%			11.2%			18.1%			21.1%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			5.6%			7.5%			6.3%			7.3%
Med_NonDrug			18.4%			24.1%			34.7%			42.6%
NonMed_Drug			-7.7%			-6.1%			-0.4%			5.8%
Med_Drug			<u>3.2%</u>			<u>3.9%</u>			<u>10.3%</u>			<u>16.6%</u>
Total			5.3%			7.6%			12.4%			17.4%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2014 to FY 2015**

Fiscal Year 2015

Exposure

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>
NonMed_NonDrug	20,714	20,861	20,922	20,660	20,420	20,263	20,330	20,206
Med_NonDrug	2,065	2,361	2,604	2,863	3,108	3,371	848	727
NonMed_Drug	19,191	19,328	19,385	19,146	18,924	18,777	18,838	18,723
Med_Drug	2,151	2,459	2,712	2,982	3,238	3,512	883	757

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>
NonMed_NonDrug	\$233.50	\$219.54	\$253.78	\$304.24	\$241.20	\$275.99	\$283.30	\$271.41
Med_NonDrug	182.83	196.20	201.47	174.91	137.55	165.47	281.90	212.85
NonMed_Drug	94.98	116.31	117.40	118.46	116.74	131.60	127.26	124.73
Med_Drug	<u>218.95</u>	<u>232.93</u>	<u>247.86</u>	<u>231.46</u>	<u>217.67</u>	<u>261.96</u>	<u>252.60</u>	<u>360.76</u>
Total	\$730.27	\$764.98	\$820.51	\$829.07	\$713.17	\$835.02	\$945.05	\$969.75

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	3.2%	-3.2%	8.1%	22.8%	-12.8%	21.4%	-1.9%	7.5%
Med_NonDrug	-21.5%	-7.5%	3.5%	-17.5%	-19.4%	1.1%	43.6%	-33.8%
NonMed_Drug	7.4%	10.9%	11.3%	-1.6%	7.8%	5.1%	2.9%	16.0%
Med_Drug	<u>28.7%</u>	<u>2.6%</u>	<u>33.7%</u>	<u>4.9%</u>	<u>5.0%</u>	<u>0.3%</u>	<u>73.4%</u>	<u>60.7%</u>
Total	1.8%	-0.7%	13.9%	3.5%	-6.5%	7.4%	25.3%	7.0%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	2.8%	9.2%
Med_NonDrug	-9.2%	-12.5%
NonMed_Drug	10.0%	3.6%
Med_Drug	<u>20.1%</u>	<u>3.2%</u>
Total	4.8%	1.5%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	5.6%	5.7%
Med_NonDrug	27.3%	17.5%
NonMed_Drug	6.7%	6.8%
Med_Drug	<u>16.3%</u>	<u>14.6%</u>
Total	13.7%	11.1%