

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2024
Financial Report**

Fiscal Years 2024-2029

Report Date: October 2024

YOUR ACTUARIES FOR THE LONG-TERM!



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

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

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

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

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. Continuing Care Actuaries has been retained by the RHBT to review the proposed financial plan, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of the plan through FY 2029. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the fiscal year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. On March 9, 2019, the provisions had effectively ended.

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”), June 30, 2026 (“FY 2026”), June 30, 2027 (“FY 2027”), June 30, 2028 (“FY 2028”) and June 30, 2029 (“FY 2029”). Our opinion of plan adequacy is based on the projections through FY 2028 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2023.

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.

In reviewing the plan, Continuing Care Actuaries utilized information concerning the plan’s prior experience, covered individuals, plan revenues, plan benefits, plan administrative costs, and other expenses. This information was developed and provided by RHBT, the plan’s third party administrators and other sources. In our review, we completely relied on the accuracy of this information and did not perform any due diligence on the information. The enclosed forecasts include anticipated changes from the federal statute Patient Protection and Affordable Care Act (“PPACA”) signed into law on March 23, 2010. Additional details of the benefit enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members have become eligible for the West Virginia Children Health Insurance Plan effective in fiscal year 2016.

In FY 2024 the Pay-Go is equivalent to \$0 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 2023.

Under Senate Bill 419 amended West Virginia code section 11-21-96, effective February 26, 2016, notwithstanding any other provision of this code to the contrary, beginning in January of 2006, \$45 million from collections of the tax imposed by this article shall be deposited each calendar year to the credit of the Workers' Compensation fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 ceased on February 1, 2016. Beginning fiscal year 2017, an annual amount of \$30 million from annual collections of the tax imposed by this article was dedicated for payment of the unfunded liability of the West Virginia Retiree Health Benefit Trust Fund. The \$30 million transferred pursuant to this subsection shall be transferred into the West Virginia Retiree Health Benefit Trust Fund by transferring \$5 million each month for the following months of each year: October, November, December, January, February and March, until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of West Virginia Retiree Health Benefit Trust Fund, as created in section two, article sixteen-d, chapter five of this code, has been provided for in its entirety or July 1, 2037, whichever date is later. RHBT started receiving the aforementioned \$30 million transfers in 2017. All employers would receive the 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 2024 through FY 2029 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 2029 as approved by the Board in December 2023.

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

Respectfully,



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



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

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2024 – FY 2029

OVERVIEW

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

This report was compiled utilizing claims data collected by RHBT's third party administrators through September 2024 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

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

KEY ASSUMPTIONS

A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional policies. We have observed a net increase of 290 policy from the end of FY 2024 to October 2024. Continuing Care Actuaries has updated the claims analysis based on the enrollment through October 2024.

In aggregate, October 2024 enrollment has increased by 290 coverage since the end of FY 2024. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 295 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 5 coverages. For MAPD Capitations, the average of 52,452 Medicare policyholders in FY 2024 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2023, June 2024, and October 2024 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-23	Jun-24	Oct-24	Jun-23	Jun-24	Oct-24
Retirees	Medicare Single	21,993	22,166	22,323	-	-	-
	<u>Medicare Family</u>	<u>16,042</u>	<u>15,891</u>	<u>15,967</u>	-	-	-
	Medicare Total	38,035	38,057	38,290	-	-	-
	Non-Medicare Single	1,991	1,899	1,937	87	85	90
	<u>Non-Medicare Family</u>	<u>2,303</u>	<u>2,142</u>	<u>2,166</u>	89	82	72
	Non-Medicare Total	4,294	4,041	4,103	176	167	162
	Retiree Total	42,329	42,098	42,393	176	167	162
Grand Total				42,505	42,265	42,555	

* The majority of PPB is capitated through Humana. As of September 2024, there are approximately 1,113 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 2024 Financial Report”.

C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drugs trend in FY 2024, and over the past few years, total trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2024 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the assumed FY 2025 medical claim trend is 8.0%, the gross prescription drugs claim trend is 15.0% and the prescription drugs rebate trend is 5.0%. In 2025, there were an additional rebate included in the projection to reflect the new PBM contract with ESI.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2025 Trend	Updated Assumption FY 2025 Trend
Non-Medicare – Medical	8.0%	8.0%
Medicare – Medical	8.0%	8.0%
Non-Medicare – Gross Drugs	15.0%	15.0%
Medicare – Gross Drugs	15.0%	15.0%
Prescription Drugs Rebate	5.0%	5.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2026 and in each successive fiscal year. Additionally, drug rebates have been trending at approximately 9% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 5% in the financial plan. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through September 2024. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

Aggregate Trust Fund Historical Trends (Retirees)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-10%	2%	11%	9%	3%
2017	11%	0%	10%	31%	8%
2018	12%	8%	41%	14%	11%
2019	41%	2%	-1%	20%	8%
2020	19%	-10%	5%	12%	-2%
2021	-9%	17%	10%	7%	13%
2022	9%	11%	-3%	17%	12%
2023	-24%	18%	-11%	3%	9%
2024	-4%	5%	20%	26%	12%
2025*	-4%	-1%	16%	30%	10%

* Fiscal year 2025 results are through the first three months ending September 2024. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

Effective July 1, 2007, PEIA contracted with Coventry Advantra Freedom to provide Medicare Advantage/Prescription Drug Plan (“Coventry MA and PDP”) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Advantra Freedom had assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. This arrangement expired on June 30, 2010. As a result, fiscal years 2008 through 2011 Medicare trends are not statistically credible. RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through September 2024 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the result of FY 2024 and the projection of FY 2025 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2024 Result			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	38,200			\$ 276**	\$ 337**	\$ 109
	<u>Non-Medicare</u>	<u>4,284</u>			\$ 1,186	\$ 428	
	Total	42,484	\$0	\$128			
	<u>Non-Medicare Managed Care</u>	<u>172</u>	\$0	\$604			\$ 1,778
	Total	42,656					

*Net of rebates and subsidies.

** As of June 2024, there are approximately 859 Medicare coverages that were not capitated through Humana.

Fiscal Year 2025 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	38,575			\$ 298**	\$ 409**	\$ 134
	<u>Non-Medicare</u>	<u>4,067</u>			\$ 1,321	\$ 528	
	Total	42,642	\$0	\$130			
	<u>Non-Medicare Managed Care</u>	<u>161</u>	\$0	\$659			\$ 2,052
	Total	42,803					

*Net of rebates and subsidies.

** As of September 2024, there are approximately 1,113 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 2023.

Board Decisions – December 2023

Source	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$2,135,023	\$2,261,548	\$2,366,451	\$0	\$4,869,647
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$6,188,888	\$6,959,498	\$0	\$14,671,801
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$0	\$0	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$0	\$29,000,000	\$10,000,000	\$10,000,000	\$0	\$0
Actuarial Accrued Liability* (Beginning of Year)	\$1,637,416,883	\$1,664,331,633	\$1,684,759,827	\$1,697,694,682	\$1,701,970,701	\$1,699,217,819
Funded Status	109.7%	116.9%	121.5%	124.8%	128.1%	130.3%

*Projected Result

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. RHBT will receive \$30,000,000 in general revenue transfers.

Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from \$1,419,593 in FY 2024 to \$2,085,848 in FY 2029, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2024, the ACA PCORI fee is approximately \$3.22 per person per year.

West Virginia Senate Bill 268 was signed into law on March 17, 2023. The bill makes three substantial changes to PEIA effective July 1, 2023:

1. Imposes the monthly spouse surcharge for active employee policyholders from state agencies, colleges, universities, and county boards of education whose spouses are offered employer-sponsored insurance coverage but who choose to get coverage through a plan offered by PEIA. This change does not affect non-state agencies, retirees, spouses who are employed by PEIA-participating agencies or are retired, or spouses whose coverage is through Medicare, Medicaid, or TRICARE.
2. Increases health premiums to get the plan back to an 80/20 employer/employee premium split for state agencies, colleges, universities, and county boards of education by July 1, 2023. This eliminates direct and rainy day fund transfers from the state that were previously part of the financial plan.
3. Increases reimbursement to providers to a minimum of 110% of Medicare's reimbursement. It is estimated that this increase to reimbursement will increase paid claims for PEIA and Non-Medicare retirees in the RHBT by \$54.4 million.

E. Provider Reimbursement Changes

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

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

FISCAL YEAR 2024 RESULT

The financial result for FY 2024 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2024 projects accrued revenue of \$407,654,547 and incurred plan expenses of \$177,042,213 to produce a fiscal year surplus of \$230,612,334 after the Premium Stabilization Reserve drawdown of \$80,761,427. The PEIA local and state agencies Pay Go premiums for FY 2024 are \$0.

FISCAL YEAR 2025 FORECAST

The financial forecast for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2025 projects accrued revenue of \$374,357,368 and incurred plan expenses of \$199,520,358 to produce a fiscal year surplus of \$174,837,010 after the Premium Stabilization Reserve drawdown of \$72,955,792. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$29,000,000.

FISCAL YEAR 2026 FORECAST

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$407,683,356 and incurred plan expenses of \$225,211,572 to produce a fiscal year surplus of \$182,471,784 after the Premium Stabilization Reserve drawdown of \$111,266,963. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$10,000,000.

FISCAL YEAR 2027 FORECAST

The financial forecast for FY 2027 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2027 projects accrued revenue of \$328,097,673 and incurred plan expenses of \$248,744,346 to produce a fiscal year surplus of \$79,353,327 after the Premium Stabilization Reserve drawdown of \$17,122,322. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$10,000,000.

FISCAL YEAR 2028 FORECAST

The financial forecast for FY 2028 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2028 projects accrued revenue of \$310,314,690 and incurred plan expenses of \$276,528,347 to produce a fiscal year surplus of \$33,786,343 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2028 are assumed to be \$0.

FISCAL YEAR 2029 FORECAST

The financial forecast for FY 2029 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2029 projects accrued revenue of \$326,310,062 and incurred plan expenses of \$309,011,971 to produce a fiscal year surplus of \$17,298,091 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2029 are assumed to be \$0.

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 2029. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2023 and are contingent on legislative approval.

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

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

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

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

	7/1/2023 to 12/31/2023	1/1/2024 to 6/30/2024	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -	\$ -	\$ -
Retiree Premiums - PPB	32,883,721	32,571,633	65,455,354
Retiree Premiums - MCO	630,149	615,690	1,245,839
Non Par Premiums	1,015,960	1,015,960	2,031,920
Life Insurance	13,159,048	13,159,048	26,318,095
Investment Income	100,920,956	100,920,956	201,841,912
Transfer from Premium Stabilization Reserve	42,356,012	38,405,415	80,761,427
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 205,965,845	\$ 201,688,702	\$ 407,654,547
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,834,628	\$ 30,119,444	\$ 60,954,073
Gross Non-Medicare Prescription Drug Claims	17,674,325	17,821,884	35,496,209
Non-Medicare Prescription Drug Rebates	(6,718,645)	(6,774,738)	(13,493,383)
Medicare Medical Claims	2,629,903	1,272,800	3,902,703
Gross Medicare Prescription Drug Claims	5,323,286	2,664,471	7,987,757
Medicare Prescription Drug Rebates	(2,023,572)	(1,012,861)	(3,036,433)
Non-Medicare Managed Care Capitations	1,835,001	1,835,001	3,670,001
Humana MAPD Program	23,281,222	26,593,549	49,874,771
Administration	1,964,515	1,964,515	3,929,029
Life Insurance	13,152,705	13,152,705	26,305,409
Wellness	-	-	-
Retiree Assistance Program	709,797	709,797	1,419,593
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	16,243	16,243	32,485
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 88,679,406	\$ 88,362,808	\$ 177,042,213
Fiscal Year Results	\$ 117,286,439	\$ 113,325,894	\$ 230,612,334
Beginning Restricted Reserve			\$ 1,513,559,482
Ending Restricted Reserve			\$ 1,744,171,816
Beginning Premium Stabilization Reserve			\$ 282,106,504
PSR Addition/(Drawdown)			\$ (80,761,427)
Ending Premium Stabilization Reserve			\$ 201,345,077
Total Beginning Plan Reserve			1,795,665,986
Total Ending Plan Reserve			\$ 1,945,516,893
Accrued Actuarial Liability (AAL)			\$ 1,637,416,883
Funded Status			109.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ -	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 377,090	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	7.5%	14.5%
		Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		-16.9%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-100.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	4,591,031	(252,918)	4,338,113
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,323,817	428,247	39,752,064
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,317,258		1,317,258
Life Insurance	17,061,558		17,061,558
Investment Income	116,265,035		116,265,035
Transfer from Premium Stabilization Reserve	67,082,621		67,082,621
General Revenue Transfer (OPEB Funding)	15,570,843		15,570,843
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 261,212,163	\$ 175,329	\$ 261,387,491
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,902,703	\$ -	\$ 3,902,703
Gross Medicare Prescription Drug Claims	7,987,757	-	7,987,757
Medicare Prescription Drug Rebates	(3,036,433)		(3,036,433)
Humana MAPD Program	49,874,771		49,874,771
Administration	1,450,312		1,450,312
Life Insurance	17,053,333		17,053,333
Wellness	-		-
Retiree Assistance Program	920,297		920,297
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	5,866		5,866
Director's Discretionary Fund	-		-
Total Expenses	\$ 78,158,606	\$ -	\$ 78,158,606
Fiscal Year Results	\$ 183,053,557		\$ 183,228,886
Beginning Restricted Reserve	\$ 813,567,531		\$ 813,567,531
Ending Restricted Reserve	\$ 996,621,088		\$ 996,796,417
Beginning Premium Stabilization Reserve	\$ 220,772,496		\$ 220,772,496
PSR Addition/(Drawdown)	\$ (67,082,621)		\$ (67,082,621)
Ending Premium Stabilization Reserve	\$ 153,689,875		\$ 153,689,875
Total Beginning Plan Reserve	1,034,340,027		1,034,340,027
Total Ending Plan Reserve	\$ 1,150,310,963		\$ 1,150,486,292
Accrued Actuarial Liability (AAL)	\$ 1,637,416,883		\$ 1,637,416,883
Funded Status	111.7%		111.7%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 175,329			
Pay Go PEPM Subsidy for Retirees	\$ -	Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		-16.9%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-100.0%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	4,747,866	(274,284)	4,473,582
Employer Premiums - MCO	439,324	(35,282)	404,042
Retiree Premiums - PPB	16,398,248	493,348	16,891,596
Retiree Premiums - MCO	823,818	17,979	841,797
Non Par Premiums	714,662		714,662
Life Insurance	9,256,537		9,256,537
Investment Income	85,576,877		85,576,877
Transfer from Premium Stabilization Reserve	13,678,806		13,678,806
General Revenue Transfer (OPEB Funding)	14,429,157		14,429,157
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 146,065,294	\$ 201,762	\$ 146,267,056
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,954,073	\$ -	\$ 60,954,073
Gross Non-Medicare Prescription Drug Claims	35,496,209	-	35,496,209
Non-Medicare Prescription Drug Rebates	(13,493,383)		(13,493,383)
Non-Medicare Managed Care Capitations	3,670,001		3,670,001
Administration	2,478,717		2,478,717
Life Insurance	9,252,076		9,252,076
Wellness	-		-
Retiree Assistance Program	499,296		499,296
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	26,619		26,619
Director's Discretionary Fund	-		-
Total Expenses	\$ 98,883,608	\$ -	\$ 98,883,608
Fiscal Year Results	\$ 47,181,686		\$ 47,383,448
Beginning Restricted Reserve	\$ 699,991,950		\$ 699,991,950
Ending Restricted Reserve	<u>\$ 747,173,636</u>		<u>\$ 747,375,398</u>
Beginning Premium Stabilization Reserve	\$ 61,334,008		\$ 61,334,008
PSR Addition/(Drawdown)	\$ (13,678,806)		\$ (13,678,806)
Ending Premium Stabilization Reserve	<u>\$ 47,655,202</u>		<u>\$ 47,655,202</u>
Total Beginning Plan Reserve	761,325,958		761,325,958
Total Ending Plan Reserve	<u>\$ 794,828,838</u>		<u>\$ 795,030,600</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 201,762			
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		-16.9%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-100.0%

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

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

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

	7/1/2024 to 12/31/2024	1/1/2025 to 6/30/2025	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 14,500,000	\$ 14,500,000	\$ 29,000,000
Retiree Premiums - PPB	33,311,005	33,375,515	66,686,520
Retiree Premiums - MCO	627,663	645,421	1,273,084
Non Par Premiums	985,481	985,481	1,970,962
Life Insurance	13,817,000	13,817,000	27,634,000
Investment Income	72,418,505	72,418,505	144,837,010
Transfer from Premium Stabilization Reserve	37,499,411	35,456,381	72,955,792
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 188,159,066	\$ 186,198,302	\$ 374,357,368
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,639,537	\$ 32,822,333	\$ 64,461,870
Gross Non-Medicare Prescription Drug Claims	19,426,923	20,269,259	39,696,181
Non-Medicare Prescription Drug Rebates	(6,727,923)	(7,184,610)	(13,912,533)
Medicare Medical Claims	2,772,857	1,332,455	4,105,312
Gross Medicare Prescription Drug Claims	6,007,333	2,985,291	8,992,624
Medicare Prescription Drug Rebates	(2,084,283)	(1,031,599)	(3,115,882)
Non-Medicare Managed Care Capitations	1,981,801	1,981,801	3,963,601
Humana MAPD Program	26,130,805	35,796,362	61,927,167
Administration	2,023,450	2,023,450	4,046,900
Life Insurance	13,810,340	13,810,340	27,620,679
Wellness	-	-	-
Retiree Assistance Program	766,580	766,580	1,533,160
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	16,243	16,243	32,487
Director's Discretionary Fund	84,396	84,396	168,792
Total Expenses	\$ 95,848,057	\$ 103,672,301	\$ 199,520,358
Fiscal Year Results	\$ 92,311,009	\$ 82,526,001	\$ 174,837,010
Beginning Restricted Reserve			\$ 1,744,171,816
Ending Restricted Reserve			<u>\$ 1,919,008,826</u>
Beginning Premium Stabilization Reserve			\$ 201,345,077
PSR Addition/(Drawdown)			\$ (72,955,792)
Ending Premium Stabilization Reserve			<u>\$ 128,389,285</u>
Total Beginning Plan Reserve			1,945,516,893
Total Ending Plan Reserve			<u>\$ 2,047,398,111</u>
Accrued Actuarial Liability (AAL)			\$ 1,664,331,633
Funded Status			116.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.34	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,544,527	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 56.46	Non-Medicare	8.0%	15.0%
		Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		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 2025**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 8,953,918		\$ 8,953,918
Employer Premiums - PPB	4,435,377	(56,336)	4,379,040
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,546,104	465,840	40,011,943
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,277,740		1,277,740
Life Insurance	17,914,635		17,914,635
Investment Income	85,649,729		85,649,729
Transfer from Premium Stabilization Reserve	60,787,762		60,787,762
General Revenue Transfer (OPEB Funding)	18,060,441		18,060,441
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 236,625,706	\$ 409,504	\$ 237,035,209
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,105,312	\$ -	\$ 4,105,312
Gross Medicare Prescription Drug Claims	8,992,624	-	8,992,624
Medicare Prescription Drug Rebates	(3,115,882)		(3,115,882)
Humana MAPD Program	61,927,167		61,927,167
Administration	1,493,821		1,493,821
Life Insurance	17,906,000		17,906,000
Wellness	-		-
Retiree Assistance Program	993,921		993,921
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	7,399		7,399
Director's Discretionary Fund	-		-
Total Expenses	\$ 92,310,362	\$ -	\$ 92,310,362
Fiscal Year Results	\$ 144,315,344		\$ 144,724,848
Beginning Restricted Reserve	\$ 996,796,417		\$ 996,796,417
Ending Restricted Reserve	<u>\$ 1,141,111,761</u>		<u>\$ 1,141,521,265</u>
Beginning Premium Stabilization Reserve	\$ 153,689,875		\$ 153,689,875
PSR Addition/(Drawdown)	\$ (60,787,762)		\$ (60,787,762)
Ending Premium Stabilization Reserve	<u>\$ 92,902,112</u>		<u>\$ 92,902,112</u>
Total Beginning Plan Reserve	1,150,486,292		1,150,486,292
Total Ending Plan Reserve	<u>\$ 1,234,013,873</u>		<u>\$ 1,234,423,377</u>
Accrued Actuarial Liability (AAL)	\$ 1,664,331,633		\$ 1,664,331,633
Funded Status	117.8%		118.0%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 32.34			
Additional Retiree Premiums	\$ 409,504			
Pay Go PEPM Subsidy for Retirees	\$ 19.34	Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 20,046,082		\$ 20,046,082
Employer Premiums - PPB	4,414,166	200,835	4,615,001
Employer Premiums - MCO	385,004	28,399	413,403
Retiree Premiums - PPB	15,856,405	1,824,130	17,680,535
Retiree Premiums - MCO	778,022	81,658	859,681
Non Par Premiums	693,222		693,222
Life Insurance	9,719,364		9,719,364
Investment Income	59,187,281		59,187,281
Transfer from Premium Stabilization Reserve	12,168,030		12,168,030
General Revenue Transfer (OPEB Funding)	11,939,559		11,939,559
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 135,187,135	\$ 2,135,023	\$ 137,322,158
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,461,870	\$ -	\$ 64,461,870
Gross Non-Medicare Prescription Drug Claims	40,212,740	(516,559)	39,696,181
Non-Medicare Prescription Drug Rebates	(13,912,533)		(13,912,533)
Non-Medicare Managed Care Capitations	3,963,601		3,963,601
Administration	2,553,079		2,553,079
Life Insurance	9,714,679		9,714,679
Wellness	-		-
Retiree Assistance Program	539,240		539,240
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	25,088		25,088
Director's Discretionary Fund	168,792		168,792
Total Expenses	\$ 107,726,557	\$ (516,559)	\$ 107,209,998
Fiscal Year Results	\$ 27,460,578		\$ 30,112,160
Beginning Restricted Reserve	\$ 747,375,398		\$ 747,375,398
Ending Restricted Reserve	<u>\$ 774,835,976</u>		<u>\$ 777,487,558</u>
Beginning Premium Stabilization Reserve	\$ 47,655,202		\$ 47,655,202
PSR Addition/(Drawdown)	\$ (12,168,030)		\$ (12,168,030)
Ending Premium Stabilization Reserve	<u>\$ 35,487,173</u>		<u>\$ 35,487,173</u>
Total Beginning Plan Reserve	795,030,600		795,030,600
Total Ending Plan Reserve	<u>\$ 810,323,148</u>		<u>\$ 812,974,731</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 32.34			
Additional Retiree Premiums	\$ 2,135,023			
Pay Go PEPM Subsidy for Retirees	\$ 395.15			
		Non-Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

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

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

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

	7/1/2025 to 12/31/2025	1/1/2026 to 6/30/2026	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Retiree Premiums - PPB	34,616,383	36,981,653	71,598,037
Retiree Premiums - MCO	709,519	709,519	1,419,038
Non Par Premiums	955,917	955,917	1,911,834
Life Insurance	14,507,850	14,507,850	29,015,700
Investment Income	76,235,892	76,235,892	152,471,784
Transfer from Premium Stabilization Reserve	56,962,177	54,304,786	111,266,963
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 203,987,738	\$ 203,695,617	\$ 407,683,356
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,559,723	\$ 35,933,545	\$ 70,493,268
Gross Non-Medicare Prescription Drug Claims	21,789,663	23,031,129	44,820,792
Non-Medicare Prescription Drug Rebates	(7,134,962)	(7,619,279)	(14,754,241)
Medicare Medical Claims	2,909,075	1,401,370	4,310,444
Gross Medicare Prescription Drug Claims	6,710,381	3,342,406	10,052,787
Medicare Prescription Drug Rebates	(2,122,842)	(1,050,684)	(3,173,526)
Non-Medicare Managed Care Capitations	2,140,345	2,140,345	4,280,689
Humana MAPD Program	35,173,483	38,974,845	74,148,328
Administration	2,084,154	2,084,154	4,168,307
Life Insurance	14,500,857	14,500,857	29,001,713
Wellness	-	-	-
Retiree Assistance Program	827,907	827,907	1,655,813
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	18,385	18,385	36,769
Director's Discretionary Fund	85,214	85,214	170,428
Total Expenses	\$ 111,541,380	\$ 113,670,192	\$ 225,211,572
Fiscal Year Results	\$ 92,446,358	\$ 90,025,425	\$ 182,471,784
Beginning Restricted Reserve			\$ 1,919,008,826
Ending Restricted Reserve			<u>\$ 2,101,480,609</u>
Beginning Premium Stabilization Reserve			\$ 128,389,285
PSR Addition/(Drawdown)			\$ (111,266,963)
Ending Premium Stabilization Reserve			<u>\$ 17,122,322</u>
Total Beginning Plan Reserve			2,047,398,111
Total Ending Plan Reserve			<u>\$ 2,118,602,931</u>
Accrued Actuarial Liability (AAL)			\$ 1,684,759,827
Funded Status			121.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 11.14	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,933,301	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 19.04	Non-Medicare	8.5%	15.5%
		Medicare	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-65.5%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 3,642,376		\$ 3,642,376
Employer Premiums - PPB	4,470,520	368,411	4,838,931
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	40,084,695	3,303,342	43,388,037
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,239,408		1,239,408
Life Insurance	18,810,367		18,810,367
Investment Income	91,928,743		91,928,743
Transfer from Premium Stabilization Reserve	78,688,572		78,688,572
General Revenue Transfer (OPEB Funding)	17,485,566		17,485,566
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 256,350,248	\$ 3,671,753	\$ 260,022,001
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,310,444	\$ -	\$ 4,310,444
Gross Medicare Prescription Drug Claims	10,052,787	-	10,052,787
Medicare Prescription Drug Rebates	(3,173,526)		(3,173,526)
Humana MAPD Program	74,148,328		74,148,328
Administration	1,538,636		1,538,636
Life Insurance	18,801,300		18,801,300
Wellness	-		-
Retiree Assistance Program	1,073,435		1,073,435
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	12,824		12,824
Director's Discretionary Fund	-		-
Total Expenses	\$ 106,764,228	\$ -	\$ 106,764,228
Fiscal Year Results	\$ 149,586,020		\$ 153,257,773
Beginning Restricted Reserve	\$ 1,141,521,265		\$ 1,141,521,265
Ending Restricted Reserve	<u>\$ 1,291,107,284</u>		<u>\$ 1,294,779,037</u>
Beginning Premium Stabilization Reserve	\$ 92,902,112		\$ 92,902,112
PSR Addition/(Drawdown)	\$ (78,688,572)		\$ (78,688,572)
Ending Premium Stabilization Reserve	<u>\$ 14,213,541</u>		<u>\$ 14,213,541</u>
Total Beginning Plan Reserve	1,234,423,377		1,234,423,377
Total Ending Plan Reserve	<u>\$ 1,305,320,825</u>		<u>\$ 1,308,992,578</u>
Accrued Actuarial Liability (AAL)	\$ 1,684,759,827		\$ 1,684,759,827
Funded Status	121.1%		121.3%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 11.14			
Additional Retiree Premiums	\$ 3,671,753			
Pay Go PEPM Subsidy for Retirees	\$ 7.64	Medicare	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-65.5%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 6,357,624		\$ 6,357,624
Employer Premiums - PPB	4,623,439	464,128	5,087,567
Employer Premiums - MCO	426,842	42,849	469,691
Retiree Premiums - PPB	16,615,537	1,667,964	18,283,502
Retiree Premiums - MCO	862,741	86,607	949,348
Non Par Premiums	672,426		672,426
Life Insurance	10,205,333		10,205,333
Investment Income	60,543,041		60,543,041
Transfer from Premium Stabilization Reserve	32,578,391		32,578,391
General Revenue Transfer (OPEB Funding)	12,514,434		12,514,434
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 145,399,807	\$ 2,261,548	\$ 147,661,355
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 70,493,268	\$ -	\$ 70,493,268
Gross Non-Medicare Prescription Drug Claims	45,655,805	(835,013)	44,820,792
Non-Medicare Prescription Drug Rebates	(14,754,241)		(14,754,241)
Non-Medicare Managed Care Capitations	4,280,689		4,280,689
Administration	2,629,671		2,629,671
Life Insurance	10,200,413		10,200,413
Wellness	-		-
Retiree Assistance Program	582,379		582,379
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	23,946		23,946
Director's Discretionary Fund	170,428		170,428
Total Expenses	\$ 119,282,358	\$ (835,013)	\$ 118,447,345
Fiscal Year Results	\$ 26,117,449		\$ 29,214,010
Beginning Restricted Reserve	\$ 777,487,558		\$ 777,487,558
Ending Restricted Reserve	<u>\$ 803,605,007</u>		<u>\$ 806,701,568</u>
Beginning Premium Stabilization Reserve	\$ 35,487,173		\$ 35,487,173
PSR Addition/(Drawdown)	\$ (32,578,391)		\$ (32,578,391)
Ending Premium Stabilization Reserve	<u>\$ 2,908,781</u>		<u>\$ 2,908,781</u>
Total Beginning Plan Reserve	812,974,731		812,974,731
Total Ending Plan Reserve	<u>\$ 806,513,788</u>		<u>\$ 809,610,349</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 11.14			
Additional Retiree Premiums	\$ 2,261,548			
Pay Go PEPM Subsidy for Retirees	\$ 131.70		8.5%	15.5%
				5.0%
				9.0%
				3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-65.5%

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

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

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

	7/1/2026 to 12/31/2026	1/1/2027 to 6/30/2027	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 5,000,000	\$ 5,000,000	\$ 10,000,000
Retiree Premiums - PPB	38,280,729	40,959,047	79,239,776
Retiree Premiums - MCO	783,798	783,798	1,567,595
Non Par Premiums	927,240	927,240	1,854,479
Life Insurance	15,233,243	15,233,243	30,466,485
Investment Income	78,923,508	78,923,508	157,847,016
Transfer from Premium Stabilization Reserve	8,719,718	8,402,604	17,122,322
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 162,868,234	\$ 165,229,439	\$ 328,097,673
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,923,972	\$ 39,521,149	\$ 77,445,121
Gross Non-Medicare Prescription Drug Claims	25,089,041	26,959,007	52,048,048
Non-Medicare Prescription Drug Rebates	(7,566,627)	(8,080,245)	(15,646,872)
Medicare Medical Claims	3,066,095	1,480,645	4,546,740
Gross Medicare Prescription Drug Claims	7,528,257	3,758,452	11,286,709
Medicare Prescription Drug Rebates	(2,162,115)	(1,070,121)	(3,232,236)
Non-Medicare Managed Care Capitations	2,311,572	2,311,572	4,623,144
Humana MAPD Program	38,296,659	42,630,215	80,926,874
Administration	2,146,678	2,146,678	4,293,356
Life Insurance	15,225,900	15,225,900	30,451,799
Wellness	-	-	-
Retiree Assistance Program	894,139	894,139	1,788,278
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	20,632	20,632	41,264
Director's Discretionary Fund	86,061	86,061	172,121
Total Expenses	\$ 122,860,263	\$ 125,884,083	\$ 248,744,346
Fiscal Year Results	\$ 40,007,972	\$ 39,345,355	\$ 79,353,327
Beginning Restricted Reserve			\$ 2,101,480,609
Ending Restricted Reserve			<u>\$ 2,180,833,937</u>
Beginning Premium Stabilization Reserve			\$ 17,122,322
PSR Addition/(Drawdown)			\$ (17,122,322)
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			2,118,602,931
Total Ending Plan Reserve			<u>\$ 2,180,833,937</u>
Accrued Actuarial Liability (AAL)			\$ 1,697,694,682
Funded Status			124.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 11.14	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,812,999	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 18.62	Non-Medicare	9.0%	16.0%
		Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		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 2027**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 3,846,214		\$ 3,846,214
Employer Premiums - PPB	4,851,394	646,825	5,498,219
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,499,781	5,799,723	49,299,504
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,202,226		1,202,226
Life Insurance	19,750,886		19,750,886
Investment Income	97,526,804		97,526,804
Transfer from Premium Stabilization Reserve	14,213,540		14,213,540
General Revenue Transfer (OPEB Funding)	18,450,201		18,450,201
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 203,341,046	\$ 6,446,548	\$ 209,787,594
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,546,740	\$ -	\$ 4,546,740
Gross Medicare Prescription Drug Claims	11,286,709	-	11,286,709
Medicare Prescription Drug Rebates	(3,232,236)		(3,232,236)
Humana MAPD Program	80,926,874		80,926,874
Administration	1,584,795		1,584,795
Life Insurance	19,741,365		19,741,365
Wellness	-		-
Retiree Assistance Program	1,159,309		1,159,309
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	18,425		18,425
Director's Discretionary Fund	-		-
Total Expenses	\$ 116,031,981	\$ -	\$ 116,031,981
Fiscal Year Results	\$ 87,309,064		\$ 93,755,613
Beginning Restricted Reserve	\$ 1,294,779,037		\$ 1,294,779,037
Ending Restricted Reserve	<u>\$ 1,382,088,102</u>		<u>\$ 1,388,534,650</u>
Beginning Premium Stabilization Reserve	\$ 14,213,541		\$ 14,213,541
PSR Addition/(Drawdown)	\$ (14,213,540)		\$ (14,213,540)
Ending Premium Stabilization Reserve	<u>\$ 0</u>		<u>\$ 0</u>
Total Beginning Plan Reserve	1,308,992,578		1,308,992,578
Total Ending Plan Reserve	<u>\$ 1,382,088,102</u>		<u>\$ 1,388,534,650</u>
Accrued Actuarial Liability (AAL)	\$ 1,697,694,682		\$ 1,697,694,682
Funded Status	123.6%		123.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 11.14	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,446,548	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 7.83	Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 6,153,786		\$ 6,153,786
Employer Premiums - PPB	4,836,609	484,097	5,320,706
Employer Premiums - MCO	471,654	47,208	518,862
Retiree Premiums - PPB	17,381,619	1,739,728	19,121,348
Retiree Premiums - MCO	953,316	95,418	1,048,733
Non Par Premiums	652,253		652,253
Life Insurance	10,715,599		10,715,599
Investment Income	60,320,212		60,320,212
Transfer from Premium Stabilization Reserve	2,908,781		2,908,781
General Revenue Transfer (OPEB Funding)	11,549,799		11,549,799
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 115,943,629	\$ 2,366,451	\$ 118,310,079
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,445,121	\$ -	\$ 77,445,121
Gross Non-Medicare Prescription Drug Claims	52,048,048	-	52,048,048
Non-Medicare Prescription Drug Rebates	(15,646,872)		(15,646,872)
Non-Medicare Managed Care Capitations	4,623,144		4,623,144
Administration	2,708,561		2,708,561
Life Insurance	10,710,434		10,710,434
Wellness	-		-
Retiree Assistance Program	628,969		628,969
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	22,838		22,838
Director's Discretionary Fund	172,121		172,121
Total Expenses	\$ 132,712,364	\$ -	\$ 132,712,364
Fiscal Year Results	\$ (16,768,735)		\$ (14,402,285)
Beginning Restricted Reserve	\$ 806,701,568		\$ 806,701,568
Ending Restricted Reserve	<u>\$ 789,932,833</u>		<u>\$ 792,299,283</u>
Beginning Premium Stabilization Reserve	\$ 2,908,781		\$ 2,908,781
PSR Addition/(Drawdown)	\$ (2,908,781)		\$ (2,908,781)
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
Total Beginning Plan Reserve	809,610,349		809,610,349
Total Ending Plan Reserve	<u>\$ 789,932,833</u>		<u>\$ 792,299,283</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 11.14			
Additional Retiree Premiums	\$ 2,366,451			
Pay Go PEPM Subsidy for Retirees	\$ 134.14			
		Non-Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

	7/1/2027 to 12/31/2027	1/1/2028 to 6/30/2028	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -	\$ -	\$ -
Retiree Premiums - PPB	41,143,311	41,230,117	82,373,428
Retiree Premiums - MCO	791,378	791,378	1,582,755
Non Par Premiums	899,422	899,422	1,798,844
Life Insurance	15,994,905	15,994,905	31,989,809
Investment Income	81,284,927	81,284,927	162,569,854
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 155,113,942	\$ 155,200,748	\$ 310,314,690
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 41,807,252	\$ 43,666,540	\$ 85,473,791
Gross Non-Medicare Prescription Drug Claims	29,432,025	31,692,926	61,124,951
Non-Medicare Prescription Drug Rebates	(8,024,408)	(8,569,100)	(16,593,508)
Medicare Medical Claims	3,246,463	1,571,587	4,818,050
Gross Medicare Prescription Drug Claims	8,482,333	4,244,516	12,726,848
Medicare Prescription Drug Rebates	(2,202,114)	(1,089,919)	(3,292,033)
Non-Medicare Managed Care Capitations	2,496,498	2,496,498	4,992,996
Humana MAPD Program	41,888,423	46,841,331	88,729,754
Administration	2,211,079	2,211,079	4,422,157
Life Insurance	15,987,195	15,987,195	31,974,389
Wellness	-	-	-
Retiree Assistance Program	965,671	965,671	1,931,341
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	22,881	22,881	45,763
Director's Discretionary Fund	86,924	86,924	173,847
Total Expenses	\$ 136,400,220	\$ 140,128,127	\$ 276,528,347
Fiscal Year Results	\$ 18,713,722	\$ 15,072,621	\$ 33,786,343
Beginning Restricted Reserve			\$ 2,180,833,937
Ending Restricted Reserve			\$ 2,214,620,280
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			2,180,833,937
Total Ending Plan Reserve			\$ 2,214,620,280
Accrued Actuarial Liability (AAL)			\$ 1,701,970,701
Funded Status			128.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ -	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,274,974	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	9.5%	16.5%
		Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-100.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	5,512,099	428,937	5,941,036
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	49,423,962	3,846,038	53,270,000
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,166,159		1,166,159
Life Insurance	20,738,430		20,738,430
Investment Income	103,508,054		103,508,054
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,911,679		18,911,679
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 199,260,383	\$ 4,274,974	\$ 203,535,357
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,818,050	\$ -	\$ 4,818,050
Gross Medicare Prescription Drug Claims	12,726,848	-	12,726,848
Medicare Prescription Drug Rebates	(3,292,033)		(3,292,033)
Humana MAPD Program	88,729,754		88,729,754
Administration	1,632,339		1,632,339
Life Insurance	20,728,433		20,728,433
Wellness	-		-
Retiree Assistance Program	1,252,054		1,252,054
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	24,027		24,027
Director's Discretionary Fund	-		-
Total Expenses	\$ 126,619,472	\$ -	\$ 126,619,472
Fiscal Year Results	\$ 72,640,910		\$ 76,915,885
Beginning Restricted Reserve	\$ 1,388,534,650		\$ 1,388,534,650
Ending Restricted Reserve	<u>\$ 1,461,175,560</u>		<u>\$ 1,465,450,535</u>
Beginning Premium Stabilization Reserve	\$ 0		\$ 0
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 0</u>		<u>\$ 0</u>
Total Beginning Plan Reserve	1,388,534,650		1,388,534,650
Total Ending Plan Reserve	<u>\$ 1,461,175,560</u>		<u>\$ 1,465,450,535</u>
Accrued Actuarial Liability (AAL)	\$ 1,701,970,701		\$ 1,701,970,701
Funded Status	125.6%		125.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 4,274,974			
Pay Go PEPM Subsidy for Retirees	\$ -	Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-100.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	5,042,141	-	5,042,141
Employer Premiums - MCO	523,880	-	523,880
Retiree Premiums - PPB	18,120,252	-	18,120,252
Retiree Premiums - MCO	1,058,876	-	1,058,876
Non Par Premiums	632,685	-	632,685
Life Insurance	11,251,379	-	11,251,379
Investment Income	59,061,801	-	59,061,801
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	11,088,321	-	11,088,321
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 106,779,334	\$ -	\$ 106,779,334
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 85,473,791	\$ -	\$ 85,473,791
Gross Non-Medicare Prescription Drug Claims	61,124,951	-	61,124,951
Non-Medicare Prescription Drug Rebates	(16,593,508)	-	(16,593,508)
Non-Medicare Managed Care Capitations	4,992,996	-	4,992,996
Administration	2,789,818	-	2,789,818
Life Insurance	11,245,956	-	11,245,956
Wellness	-	-	-
Retiree Assistance Program	679,286	-	679,286
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	21,736	-	21,736
Director's Discretionary Fund	173,847	-	173,847
Total Expenses	\$ 149,908,873	\$ -	\$ 149,908,873
Fiscal Year Results	\$ (43,129,539)		\$ (43,129,539)
Beginning Restricted Reserve	\$ 792,299,283		\$ 792,299,283
Ending Restricted Reserve	<u>\$ 749,169,744</u>		<u>\$ 749,169,744</u>
Beginning Premium Stabilization Reserve	\$ (0)		\$ (0)
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
Total Beginning Plan Reserve	792,299,283		792,299,283
Total Ending Plan Reserve	<u>\$ 749,169,744</u>		<u>\$ 749,169,744</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-100.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2029**

PERIOD 7/1/2028 - 6/30/2029

	7/1/2028 to 12/31/2028	1/1/2029 to 6/30/2029	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -	\$ -	\$ -
Retiree Premiums - PPB	43,721,889	50,111,975	93,833,864
Retiree Premiums - MCO	970,640	970,640	1,941,281
Non Par Premiums	872,440	872,440	1,744,879
Life Insurance	16,794,650	16,794,650	33,589,299
Investment Income	82,600,370	82,600,370	165,200,739
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 159,959,988	\$ 166,350,074	\$ 326,310,062
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 46,299,312	\$ 48,467,279	\$ 94,766,591
Gross Non-Medicare Prescription Drug Claims	34,675,437	37,418,171	72,093,608
Non-Medicare Prescription Drug Rebates	(8,509,885)	(9,087,530)	(17,597,415)
Medicare Medical Claims	3,453,188	1,675,738	5,128,925
Gross Medicare Prescription Drug Claims	9,598,463	4,814,027	14,412,490
Medicare Prescription Drug Rebates	(2,242,853)	(1,110,082)	(3,352,935)
Non-Medicare Managed Care Capitations	2,696,218	2,696,218	5,392,435
Humana MAPD Program	46,026,262	51,702,377	97,728,639
Administration	2,277,411	2,277,411	4,554,821
Life Insurance	16,786,555	16,786,555	33,573,109
Wellness	-	-	-
Retiree Assistance Program	1,042,924	1,042,924	2,085,848
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	25,133	25,133	50,267
Director's Discretionary Fund	87,794	87,794	175,588
Total Expenses	\$ 152,215,959	\$ 156,796,013	\$ 309,011,971
Fiscal Year Results	\$ 7,744,030	\$ 9,554,061	\$ 17,298,091
Beginning Restricted Reserve			\$ 2,214,620,280
Ending Restricted Reserve			\$ 2,231,918,370
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			2,214,620,280
Total Ending Plan Reserve			\$ 2,231,918,370
Accrued Actuarial Liability (AAL)			\$ 1,699,217,819
Funded Status			130.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ -	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 12,925,935	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	10.0%	17.0%
		Medicare	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.5%
		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 2029**

PERIOD 7/1/2028 - 6/30/2029

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	5,955,741	808,341	6,764,081
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	53,401,850	7,247,948	60,649,798
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,131,174		1,131,174
Life Insurance	21,775,351		21,775,351
Investment Income	109,316,037		109,316,037
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	19,758,901		19,758,901
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 211,339,054	\$ 8,056,289	\$ 219,395,343
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 5,128,925	\$ -	\$ 5,128,925
Gross Medicare Prescription Drug Claims	14,412,490	-	14,412,490
Medicare Prescription Drug Rebates	(3,352,935)		(3,352,935)
Humana MAPD Program	97,728,639		97,728,639
Administration	1,681,309		1,681,309
Life Insurance	21,764,855		21,764,855
Wellness	-		-
Retiree Assistance Program	1,352,218		1,352,218
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	29,628		29,628
Director's Discretionary Fund	-		-
Total Expenses	\$ 138,745,129	\$ -	\$ 138,745,129
Fiscal Year Results	\$ 72,593,925		\$ 80,650,214
Beginning Restricted Reserve	\$ 1,465,450,535		\$ 1,465,450,535
Ending Restricted Reserve	\$ 1,538,044,459		\$ 1,546,100,748
Beginning Premium Stabilization Reserve	\$ 0		\$ 0
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 0		\$ 0
Total Beginning Plan Reserve	1,465,450,535		1,465,450,535
Total Ending Plan Reserve	\$ 1,538,044,460		\$ 1,546,100,748
Accrued Actuarial Liability (AAL)	\$ 1,699,217,819		\$ 1,699,217,819
Funded Status	126.3%		126.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 8,056,289			
Pay Go PEPM Subsidy for Retirees	\$ -	Medicare	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

APPENDIX - BASELINE SCENARIO

RHBT - NON-MEDICARE

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2029**

PERIOD 7/1/2028 - 6/30/2029

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	4,763,777	987,497	5,751,275
Employer Premiums - MCO	532,223	110,326	642,549
Retiree Premiums - PPB	17,119,880	3,548,830	20,668,710
Retiree Premiums - MCO	1,075,739	222,993	1,298,732
Non Par Premiums	613,705		613,705
Life Insurance	11,813,948		11,813,948
Investment Income	55,884,703		55,884,703
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	10,241,099		10,241,099
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 102,045,074	\$ 4,869,647	\$ 106,914,720
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 94,766,591	\$ -	\$ 94,766,591
Gross Non-Medicare Prescription Drug Claims	72,093,608	-	72,093,608
Non-Medicare Prescription Drug Rebates	(17,597,415)		(17,597,415)
Non-Medicare Managed Care Capitations	5,392,435		5,392,435
Administration	2,873,512		2,873,512
Life Insurance	11,808,253		11,808,253
Wellness	-		-
Retiree Assistance Program	733,629		733,629
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	20,639		20,639
Director's Discretionary Fund	175,588		175,588
Total Expenses	\$ 170,266,840	\$ -	\$ 170,266,840
Fiscal Year Results	\$ (68,221,766)		\$ (63,352,119)
Beginning Restricted Reserve	\$ 749,169,744		\$ 749,169,744
Ending Restricted Reserve	\$ 680,947,978		\$ 685,817,625
Beginning Premium Stabilization Reserve	\$ (0)		\$ (0)
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ (0)		\$ (0)
Total Beginning Plan Reserve	749,169,744		749,169,744
Total Ending Plan Reserve	\$ 680,947,978		\$ 685,817,625
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 4,869,647			
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2024 to FY 2025**

Fiscal Year 2024												
Exposure												
	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>
NonMed_NonDrug	10,830	10,970	10,898	10,754	10,700	10,551	10,443	10,356	10,207	10,129	10,004	9,824
Med_NonDrug	1,238	1,353	1,530	1,696	1,827	1,989	226	552	716	843	983	1,165
NonMed_Drug	10,045	10,176	10,108	9,976	9,926	9,788	9,690	9,609	9,471	9,399	9,282	9,118
Med_Drug	1,290	1,410	1,593	1,767	1,903	2,072	236	575	746	879	1,024	1,213
	<u>Jul-23</u>	<u>Aug-23</u>	<u>Sep-23</u>	<u>Oct-23</u>	<u>Nov-23</u>	<u>Dec-23</u>	<u>Jan-24</u>	<u>Feb-24</u>	<u>Mar-24</u>	<u>Apr-24</u>	<u>May-24</u>	<u>Jun-24</u>
NonMed_NonDrug	\$369.30	\$385.72	\$541.89	\$468.57	\$469.41	\$438.48	\$477.87	\$442.07	\$445.94	\$462.95	\$525.52	\$452.91
Med_NonDrug	295.35	294.90	208.15	272.38	215.48	204.21	529.62	267.54	231.40	212.24	286.05	178.46
NonMed_Drug	248.41	297.01	277.63	311.61	309.27	299.69	316.24	289.20	300.97	349.94	355.73	350.53
Med_Drug	<u>471.51</u>	<u>510.47</u>	<u>473.87</u>	<u>508.42</u>	<u>498.52</u>	<u>480.65</u>	<u>633.85</u>	<u>272.41</u>	<u>301.46</u>	<u>414.63</u>	<u>433.62</u>	<u>327.41</u>
Total	\$1,384.58	\$1,488.10	\$1,501.53	\$1,560.97	\$1,492.67	\$1,423.03	\$1,957.57	\$1,271.22	\$1,279.78	\$1,439.75	\$1,600.93	\$1,309.31
Change From Prior Year - Month to Month Analysis												
NonMed_NonDrug	22.5%	19.8%	63.8%	41.6%	57.9%	50.8%	28.2%	26.7%	9.5%	-48.2%	22.0%	9.8%
Med_NonDrug	11.2%	7.5%	-27.4%	0.1%	-8.4%	-22.2%	9.6%	-30.8%	-35.6%	47.0%	87.3%	-16.6%
NonMed_Drug	13.5%	10.6%	3.3%	40.0%	30.7%	12.6%	22.3%	20.2%	13.4%	39.1%	17.2%	11.7%
Med_Drug	<u>27.3%</u>	<u>29.2%</u>	<u>20.1%</u>	<u>43.6%</u>	<u>39.1%</u>	<u>30.0%</u>	<u>61.1%</u>	<u>-41.3%</u>	<u>-36.5%</u>	<u>6.8%</u>	<u>19.3%</u>	<u>-11.9%</u>
Total	19.7%	18.1%	17.2%	32.3%	32.4%	19.6%	29.8%	-11.7%	-15.1%	-14.2%	28.1%	-0.2%
Change From Prior Year - Quarter to Quarter Analysis												
NonMed_NonDrug			35.9%			49.8%			21.0%			-17.0%
Med_NonDrug			-3.4%			-10.1%			-16.3%			32.4%
NonMed_Drug			8.8%			26.9%			18.5%			21.6%
Med_Drug			<u>25.5%</u>			<u>37.5%</u>			<u>-9.3%</u>			<u>4.7%</u>
Total			18.3%			28.0%			1.2%			2.6%
Change From Prior Year - Year to Year Analysis												
NonMed_NonDrug			26.0%			37.1%			40.1%			15.7%
Med_NonDrug			-25.5%			-29.8%			-23.6%			-4.2%
NonMed_Drug			2.9%			10.3%			15.2%			19.0%
Med_Drug			<u>-3.8%</u>			<u>8.3%</u>			<u>6.1%</u>			<u>13.4%</u>
Total			-1.1%			5.1%			9.2%			11.5%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2024 to FY 2025**

Fiscal Year 2025

Exposure

	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>
NonMed_NonDrug	10,056	10,133	10,049
Med_NonDrug	1,210	1,370	1,484
NonMed_Drug	9,334	9,405	9,328
Med_Drug	1,260	1,427	1,546

	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>
NonMed_NonDrug	\$366.72	\$429.72	\$472.56
Med_NonDrug	255.98	283.36	236.11
NonMed_Drug	369.41	364.77	335.34
Med_Drug	<u>593.37</u>	<u>546.82</u>	<u>533.44</u>
Total	\$1,585.49	\$1,624.67	\$1,577.44

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-0.7%	11.4%	-12.8%
Med_NonDrug	-13.3%	-3.9%	13.4%
NonMed_Drug	48.7%	22.8%	20.8%
Med_Drug	<u>25.8%</u>	<u>7.1%</u>	<u>12.6%</u>
Total	14.5%	9.2%	5.1%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	-2.2%
Med_NonDrug	-2.9%
NonMed_Drug	29.9%
Med_Drug	<u>15.0%</u>
Total	9.5%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	7.3%
Med_NonDrug	-4.1%
NonMed_Drug	24.2%
Med_Drug	<u>11.0%</u>
Total	9.4%