

## STATE OF WEST VIRGINIA



### **RETIREE HEALTH BENEFIT TRUST FUND**

**Quarterly Report  
December 31, 2017**

**Fiscal Years 2018-2022**

*Report Date: March 2018*

***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 for FY 2019, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of the plan through FY 2022. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in

the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

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

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

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar year.

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2018 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

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

In FY 2018 the Pay-Go is equivalent to \$300 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2017.

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

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

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

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2018 through FY 2022 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of the Trust Fund.

This conclusion is based on significant revenue increases in employer, employee, and retiree premiums in later fiscal years of the plan through FY 2022 as approved by the Board in December 2017.

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

Respectfully,



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

Managing Partner



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

Principal

# **West Virginia Retiree Health Benefit Trust Fund**

## **Report of Independent Actuary**

### **Financial Plan for FY 2018 – FY 2022**

#### **OVERVIEW**

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

This report was compiled utilizing claims data collected by RHBT's third party administrators through February 2018 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 751 retirees from June 2017 to March 2018, approximating our current assumption. Continuing Care Actuaries has updated the claims analysis based on the enrollment through March 2018.

In aggregate, March 2018 enrollment has increased by 751 coverages since the end of FY 2017. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 766 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 15 coverage. For MAPD Capitations, the average 43,227 Medicare policyholders were used to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2016, June 2017 and March 2018 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-16	Jun-17	Mar-18	Jun-16	Jun-17	Mar-18
Retirees	Medicare Single	19,698	20,197	20,831	-	-	-
	<u>Medicare Family</u>	14,387	14,978	15,407	-	-	-
	Medicare Total	34,085	35,175	36,238	-	-	-
	Non-Medicare Single	3,245	3,094	2,960	135	139	130
	<u>Non-Medicare Family</u>	4,210	3,881	3,718	170	152	146
	Non-Medicare Total	7,455	6,975	6,678	305	291	276
	Retiree Total	41,540	42,150	42,916	305	291	276
Grand Total				41,845	42,441	43,192	

\* The majority of PPB is capitated through Humana. As of March 2018, there are approximately 566 Medicare retiree coverages under PEIA.

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

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA 12-31-2017 Quarterly Report”.

### C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2017, but over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2017 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2018 medical claim trend is 7.5% and the prescription drug claim trend is 11.5%.

The current trend projection is shown in the following table:

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

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2019. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through February 2018. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

**Aggregate Trust Fund Historical Trends (Retirees)**

<b><u>Fiscal Year</u></b>	<b><u>Medical Medicare</u></b>	<b><u>Medical Non-Medicare</u></b>	<b><u>Drugs Medicare</u></b>	<b><u>Drugs Non-Medicare</u></b>	<b><u>Total</u></b>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-11%	2%	11%	9%	3%
2017	12%	-1%	8%	31%	8%
2018*	0%	0%	21%	27%	8%

\* Fiscal Year 2018 results are through the first eight months ending February 2018. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

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

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



## D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through February 2018 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2018 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2018 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	36,050			\$ 87**	\$ 236**	\$ 313
	Non-Medicare	6,895			\$ 680	\$ 283	
	Total	42,945	\$ -	\$ 165			
	Non-Medicare Managed Care	282	\$ -	\$ 613			\$ 1,256
	Total	43,227					

\*Net of rebates and subsidies.

\*\* As of March 2018, there are approximately 566 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes the Financial Plan adopted by the Board in December 2017.

### Board Decisions – December 2017

Source	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022
<b>Additional Non-Medicare Retiree Premium (Fiscal Year)</b>	\$1,300,646	\$0	\$6,685,652	\$8,644,975	\$10,461,213
<b>Additional Medicare Retiree Premium (Calendar Year)</b>	\$2,765,305	\$0	\$21,964,181	\$23,338,785	\$34,224,174
<b>General Revenue Transfer (OPEB Funding)</b>	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
<b>General Revenue Transfer (Premium Offset)</b>	\$5,000,000	\$5,000,000	\$5,000,000	\$5,000,000	\$0
<b>Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare</b>	\$3,400,000	\$0	\$0	\$0	\$0
<b>Board Decision Benefit Reduction – Retiree Medicare</b>	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)</b>	\$22,100,000	\$0	\$0	\$0	\$0
<b>ACA Reinsurance Contributions (Cost)</b>	\$0	\$0	\$0	\$0	\$0
<b>ACA Comparative Effectiveness Research Fees (Cost)</b>	(\$32,196)	(\$32,900)	\$0	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$155,648,060	\$154,000,000	\$160,000,000	\$170,000,000	\$180,000,000
<b>Actuarial Accrued Liability*</b>	\$3,385,684,300	\$3,479,324,603	\$3,564,642,254	\$3,642,716,264	\$3,714,925,690
<b>Funded Status</b>	28.4%	30.3%	32.1%	34.1%	36.3%

\*Projected Result

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

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2016. From 2017 and beyond, no further reinsurance contributions would be collected. RHBT would not receive any benefit payments from the national reinsurance program. RHBT was subject to paying the reinsurance contributions through FY 2017 and the expenses of the reinsurance contributions were included in the financial plan. The total reinsurance contributions for the financial projection were \$184,309 in FY 2017.

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

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

It is anticipated that RHBT would accrue and pay these fees in FY 2016 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$65,000, with \$32,196 in FY 2018.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$1,756,000 in FY 2018 to approximately \$2,390,000 in FY 2022, based on the Board's direction and projected retiree enrollment growth in the financial plan.

#### **E. Provider Reimbursement Changes**

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

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

#### **FISCAL YEAR 2018 FORECAST**

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$391,868,313 and incurred plan expenses of \$255,431,157 to produce a fiscal year surplus of \$136,437,156 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$155,648,060.

#### **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 \$364,551,135 and incurred plan expenses of \$272,220,833 to produce a fiscal year surplus of \$92,330,301 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$154,000,000.

## **FISCAL YEAR 2020 FORECAST**

The financial forecast for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2020 projects accrued revenue of \$397,966,301 and incurred plan expenses of \$307,249,503 to produce a fiscal year surplus of \$90,716,798 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$160,000,000.

## **FISCAL YEAR 2021 FORECAST**

The financial forecast for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$449,060,893 and incurred plan expenses of \$348,715,710 to produce a fiscal year surplus of \$100,345,183 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$170,000,000.

## **FISCAL YEAR 2022 FORECAST**

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$504,269,613 and incurred plan expenses of \$397,954,551 to produce a fiscal year surplus of \$106,315,062 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$180,000,000.

## **LITIGATION**

The forecasts presented in the attached tables do not contemplate any additional revenues or expenses to be generated from litigation activities.

## **SUMMARY**

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2022. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2017 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

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

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

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 77,824,030	\$ 77,824,030	\$ 155,648,060
Retiree Premiums - PPB	42,769,403	42,280,497	85,049,900
Retiree Premiums - MCO	1,065,087	1,010,607	2,075,694
Annual Required Contributions	561,189	561,189	1,122,377
Non Par Premiums	1,549,859	1,549,859	3,099,718
Life Insurance	11,779,986	11,779,986	23,559,972
Investment Income	43,156,296	43,156,296	86,312,592
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 196,205,850</b>	<b>\$ 195,662,464</b>	<b>\$ 391,868,313</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,367,108	\$ 28,920,651	\$ 56,287,759
Non-Medicare Prescription Drug Claims	10,816,276	12,600,646	23,416,922
Medicare Medical Claims	1,342,267	465,792	1,808,059
Medicare Prescription Drug Claims	3,789,599	1,340,373	5,129,972
Non-Medicare Managed Care Capitations	2,124,704	2,124,704	4,249,408
Humana MAPD Program	67,668,116	67,638,938	135,307,054
Administration	2,050,154	2,050,154	4,100,307
Life Insurance	11,606,111	11,606,111	23,212,221
Retiree Assistance Program	878,244	878,244	1,756,488
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,098	16,098	32,196
Computer Software Reserve	-	-	-
Director's Discretionary Fund	65,386	65,386	130,771
<b>Total Expenses</b>	<b>\$ 127,724,062</b>	<b>\$ 127,707,095</b>	<b>\$ 255,431,157</b>
<b>Fiscal Year Results</b>	<b>\$ 68,481,788</b>	<b>\$ 67,955,369</b>	<b>\$ 136,437,156</b>
Beginning Restricted Reserve			\$ 823,911,317
Ending Restricted Reserve			\$ 960,348,474
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 823,911,317
Total Ending Plan Reserve			\$ 960,348,474
Accrued Actuarial Liability (AAL)			\$ 3,385,684,300
Funded Status			28.4%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 176.56	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 5,474,896	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 300.06	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		-1.5%
		Administrative Expense		17.7%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 100,963,425		\$ 100,963,425
Employer Premiums - PPB	8,134,364	278,631	8,412,996
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	38,890,345	3,895,619	42,785,964
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,740,284		1,740,284
Life Insurance	13,227,343		13,227,343
Investment Income	45,491,206		45,491,206
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,822,350		17,822,350
General Revenue Transfer (Premium Offset)	2,970,392		2,970,392
<b>Total Revenue</b>	<b>\$ 229,239,710</b>	<b>\$ 4,174,250</b>	<b>\$ 233,413,960</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,808,059	\$ -	\$ 1,808,059
Medicare Prescription Drug Claims	5,129,972	-	5,129,972
Humana MAPD Program Administration	155,024,051	(19,716,997)	135,307,054
Life Insurance	1,513,535		1,513,535
Retiree Assistance Program	13,032,104		13,032,104
ACA Reinsurance Contributions	986,150		986,150
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	24,402		24,402
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 177,518,273</b>	<b>\$ (19,716,997)</b>	<b>\$ 157,801,276</b>
<b>Fiscal Year Results</b>	<b>\$ 51,721,437</b>		<b>\$ 75,612,684</b>
Beginning Restricted Reserve	\$ 434,844,471		\$ 434,844,471
Ending Restricted Reserve	<u>\$ 486,565,908</u>		<u>\$ 510,457,155</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>436,869,452</b>		<b>436,869,452</b>
<b>Total Ending Plan Reserve</b>	<b>\$ 486,565,908</b>		<b>\$ 510,457,155</b>
Accrued Actuarial Liability (AAL)	\$ 3,385,684,300		\$ 3,385,684,300
<b>Funded Status</b>	<b>27.5%</b>		<b>28.4%</b>

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.56			
Additional Retiree Premiums	\$ 4,174,250			
Pay Go PEPM Subsidy for Retirees	\$ 233.39	Medicare	7.5%	11.5%
		Capitations		-1.5%
		Administrative Expense		17.7%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 54,684,634		\$ 54,684,634
Employer Premiums - PPB	12,548,404	(149,213)	12,399,192
Employer Premiums - MCO	1,181,432	10,869	1,192,301
Retiree Premiums - PPB	20,070,145	1,381,604	21,451,749
Retiree Premiums - MCO	826,008	57,385	883,393
Annual Required Contributions	1,122,377		1,122,377
Non Par Premiums	1,359,434		1,359,434
Life Insurance	10,332,629		10,332,629
Investment Income	40,821,386		40,821,386
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,177,650		12,177,650
General Revenue Transfer (Premium Offset)	2,029,608		2,029,608
<b>Total Revenue</b>	<b>\$ 157,153,706</b>	<b>\$ 1,300,646</b>	<b>\$ 158,454,353</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 57,843,758	\$ (1,556,000)	\$ 56,287,758
Non-Medicare Prescription Drug Claims	25,224,922	(1,808,000)	23,416,922
Non-Medicare Managed Care Capitations	4,249,408		4,249,408
Administration	2,586,772		2,586,772
Life Insurance	10,180,116		10,180,116
Retiree Assistance Program	770,338		770,338
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,794		7,794
Computer Software Reserve	-		-
Director's Discretionary Fund	130,771		130,771
<b>Total Expenses</b>	<b>\$ 100,993,879</b>	<b>\$ (3,364,000)</b>	<b>\$ 97,629,879</b>
<b>Fiscal Year Results</b>	<b>\$ 56,159,827</b>		<b>\$ 60,824,474</b>
Beginning Restricted Reserve	\$ 388,994,042		\$ 388,994,042
Ending Restricted Reserve	<u>\$ 445,153,870</u>		<u>\$ 449,818,516</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>386,969,062</b>		<b>386,969,062</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 445,153,870</u></b>		<b><u>\$ 449,818,516</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.56			
Additional Retiree Premiums	\$ 1,300,646			
Pay Go PEPM Subsidy for Retirees	\$ 634.92	Non-Medicare	7.5%	11.5%
		Capitations		-1.5%
		Administrative Expense		17.7%
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	\$ 77,000,000	\$ 77,000,000	\$ 154,000,000
Retiree Premiums - PPB	43,347,553	44,153,892	87,501,445
Retiree Premiums - MCO	1,048,521	1,048,521	2,097,043
Annual Required Contributions	-	-	-
Non Par Premiums	1,503,364	1,503,364	3,006,727
Life Insurance	12,368,986	12,368,986	24,737,971
Investment Income	29,103,974	29,103,974	58,207,948
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	\$ 181,872,397	\$ 182,678,737	\$ 364,551,135
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,904,542	\$ 30,545,359	\$ 59,449,901
Non-Medicare Prescription Drug Claims	11,852,119	13,807,372	25,659,491
Medicare Medical Claims	1,201,039	417,794	1,618,833
Medicare Prescription Drug Claims	3,516,870	1,246,817	4,763,687
Non-Medicare Managed Care Capitations	2,294,681	2,294,681	4,589,361
Humana MAPD Program	66,991,925	78,363,462	145,355,387
Administration	2,111,658	2,111,658	4,223,316
Life Insurance	12,186,416	12,186,416	24,372,832
Retiree Assistance Program	948,504	948,504	1,897,007
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,450	16,450	32,900
Computer Software Reserve	-	-	-
Director's Discretionary Fund	129,059	129,059	258,118
<b>Total Expenses</b>	\$ 130,153,263	\$ 142,067,571	\$ 272,220,833
<b>Fiscal Year Results</b>	\$ 51,719,135	\$ 40,611,166	\$ 92,330,301
Beginning Restricted Reserve			\$ 960,348,474
Ending Restricted Reserve			\$ 1,052,678,775
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			960,348,474
Total Ending Plan Reserve			\$ 1,052,678,775
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			30.3%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 176.54			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 291.73	Non-Medicare	8.0%	12.0%
		Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-1.1%



**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 102,195,239		\$ 102,195,239
Employer Premiums - PPB	9,085,376	-	9,085,376
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,480,577	-	43,480,577
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,688,075		1,688,075
Life Insurance	13,888,711		13,888,711
Investment Income	30,678,603		30,678,603
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,873,922		17,873,922
General Revenue Transfer (Premium Offset)	2,978,987		2,978,987
<b>Total Revenue</b>	<b>\$ 221,869,490</b>	<b>\$ -</b>	<b>\$ 221,869,490</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,618,833	\$ -	\$ 1,618,833
Medicare Prescription Drug Claims	4,763,687	-	4,763,687
Humana MAPD Program	145,355,387	-	145,355,387
Administration	1,558,941		1,558,941
Life Insurance	13,683,710		13,683,710
Retiree Assistance Program	1,065,042		1,065,042
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,948		25,948
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 168,071,548</b>	<b>\$ -</b>	<b>\$ 168,071,548</b>
<b>Fiscal Year Results</b>	<b>\$ 53,797,942</b>		<b>\$ 53,797,942</b>
Beginning Restricted Reserve	\$ 510,457,155		\$ 510,457,155
Ending Restricted Reserve	<u>\$ 564,255,097</u>		<u>\$ 564,255,097</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>510,457,155</b>		<b>510,457,155</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 564,255,097</u></b>		<b><u>\$ 564,255,097</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	30.3%		30.3%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.54			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 232.47	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-1.1%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 51,804,761		\$ 51,804,761
Employer Premiums - PPB	13,429,606	-	13,429,606
Employer Premiums - MCO	1,233,701	-	1,233,701
Retiree Premiums - PPB	21,505,887	-	21,505,887
Retiree Premiums - MCO	863,342	-	863,342
Annual Required Contributions	-		-
Non Par Premiums	1,318,651		1,318,651
Life Insurance	10,849,260		10,849,260
Investment Income	27,529,345		27,529,345
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,126,078		12,126,078
General Revenue Transfer (Premium Offset)	2,021,013		2,021,013
<b>Total Revenue</b>	<b>\$ 142,681,643</b>	<b>\$ -</b>	<b>\$ 142,681,643</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 59,449,901	\$ -	\$ 59,449,901
Non-Medicare Prescription Drug Claims	25,659,491	-	25,659,491
Non-Medicare Managed Care Capitations	4,589,361		4,589,361
Administration	2,664,375		2,664,375
Life Insurance	10,689,122		10,689,122
Retiree Assistance Program	831,965		831,965
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,952		6,952
Computer Software Reserve	-		-
Director's Discretionary Fund	258,118		258,118
<b>Total Expenses</b>	<b>\$ 104,149,285</b>	<b>\$ -</b>	<b>\$ 104,149,285</b>
<b>Fiscal Year Results</b>	<b>\$ 38,532,358</b>		<b>\$ 38,532,358</b>
Beginning Restricted Reserve	\$ 449,818,516		\$ 449,818,516
Ending Restricted Reserve	<u>\$ 488,350,873</u>		<u>\$ 488,350,873</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>449,818,516</b>		<b>449,818,516</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 488,350,873</u></b>		<b><u>\$ 488,350,873</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.54			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 586.87	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-1.1%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

**PERIOD 7/1/2019 - 6/30/2020**

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	48,161,164	59,594,821	107,755,985
Retiree Premiums - MCO	1,253,051	1,253,051	2,506,101
Annual Required Contributions	-	-	-
Non Par Premiums	1,458,263	1,458,263	2,916,525
Life Insurance	12,987,435	12,987,435	25,974,869
Investment Income	31,906,411	31,906,411	63,812,821
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 193,266,322</b>	<b>\$ 204,699,979</b>	<b>\$ 397,966,301</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,609,014	\$ 33,403,356	\$ 65,012,370
Non-Medicare Prescription Drug Claims	13,440,077	15,657,297	29,097,374
Medicare Medical Claims	1,299,028	452,971	1,751,999
Medicare Prescription Drug Claims	3,944,488	1,401,673	5,346,161
Non-Medicare Managed Care Capitations	2,478,255	2,478,255	4,956,510
Humana MAPD Program	77,613,862	91,220,603	168,834,465
Administration	2,175,008	2,175,008	4,350,016
Life Insurance	12,795,737	12,795,737	25,591,473
Retiree Assistance Program	1,024,384	1,024,384	2,048,768
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	130,184	130,184	260,367
<b>Total Expenses</b>	<b>\$ 146,510,037</b>	<b>\$ 160,739,466</b>	<b>\$ 307,249,503</b>
<b>Fiscal Year Results</b>	<b>\$ 46,756,285</b>	<b>\$ 43,960,514</b>	<b>\$ 90,716,798</b>
Beginning Restricted Reserve			\$ 1,052,678,775
Ending Restricted Reserve			<u>\$ 1,143,395,573</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,052,678,775
Total Ending Plan Reserve			<u>\$ 1,143,395,573</u>
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			32.1%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 185.32			
Additional Retiree Premiums	\$ 17,934,784			
Pay Go PEPM Subsidy for Retirees	\$ 296.33	Non-Medicare	8.5%	12.5%
		Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		3.9%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 106,032,516		\$ 106,032,516
Employer Premiums - PPB	9,105,424	1,944,274	11,049,698
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,576,521	9,304,858	52,881,379
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,637,433		1,637,433
Life Insurance	14,583,146		14,583,146
Investment Income	33,632,661		33,632,661
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,299,125		18,299,125
General Revenue Transfer (Premium Offset)	3,049,854		3,049,854
<b>Total Revenue</b>	<b>\$ 229,916,680</b>	<b>\$ 11,249,132</b>	<b>\$ 241,165,812</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,751,999	\$ -	\$ 1,751,999
Medicare Prescription Drug Claims	5,346,161	-	5,346,161
Humana MAPD Program	168,834,465	-	168,834,465
Administration	1,605,710		1,605,710
Life Insurance	14,367,895		14,367,895
Retiree Assistance Program	1,150,246		1,150,246
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 193,056,476</b>	<b>\$ -</b>	<b>\$ 193,056,476</b>
<b>Fiscal Year Results</b>	<b>\$ 36,860,204</b>		<b>\$ 48,109,336</b>
Beginning Restricted Reserve	\$ 564,255,097		\$ 564,255,097
Ending Restricted Reserve	<u>\$ 601,115,301</u>		<u>\$ 612,364,433</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>564,255,097</b>		<b>564,255,097</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 601,115,301</u></b>		<b><u>\$ 612,364,433</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	31.6%		32.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 185.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 11,249,132	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 237.95	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		3.9%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 53,967,484		\$ 53,967,484
Employer Premiums - PPB	14,415,775	2,431,025	16,846,800
Employer Premiums - MCO	1,261,600	212,752	1,474,352
Retiree Premiums - PPB	23,085,117	3,892,992	26,978,109
Retiree Premiums - MCO	882,866	148,883	1,031,749
Annual Required Contributions	-		-
Non Par Premiums	1,279,092		1,279,092
Life Insurance	11,391,723		11,391,723
Investment Income	30,180,160		30,180,160
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,700,875		11,700,875
General Revenue Transfer (Premium Offset)	1,950,146		1,950,146
<b>Total Revenue</b>	<b>\$ 150,114,838</b>	<b>\$ 6,685,652</b>	<b>\$ 156,800,490</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 65,012,370	\$ -	\$ 65,012,370
Non-Medicare Prescription Drug Claims	29,097,374	-	29,097,374
Non-Medicare Managed Care Capitations	4,956,510		4,956,510
Administration	2,744,306		2,744,306
Life Insurance	11,223,578		11,223,578
Retiree Assistance Program	898,522		898,522
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	260,367		260,367
<b>Total Expenses</b>	<b>\$ 114,193,027</b>	<b>\$ -</b>	<b>\$ 114,193,027</b>
<b>Fiscal Year Results</b>	<b>\$ 35,921,811</b>		<b>\$ 42,607,463</b>
Beginning Restricted Reserve	\$ 488,350,873		\$ 488,350,873
Ending Restricted Reserve	<u>\$ 524,272,684</u>		<u>\$ 530,958,336</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>488,350,873</b>		<b>488,350,873</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 524,272,684</u></b>		<b><u>\$ 530,958,336</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 185.32			
Additional Retiree Premiums	\$ 6,685,652			
Pay Go PEPM Subsidy for Retirees	\$ 572.05	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		3.9%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

**PERIOD 7/1/2020 - 6/30/2021**

	7/1/2020 to 12/31/2020	1/1/2021 to 6/30/2021	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	64,727,892	76,892,912	141,620,805
Retiree Premiums - MCO	1,504,703	1,504,703	3,009,406
Annual Required Contributions	-	-	-
Non Par Premiums	1,414,515	1,414,515	2,829,029
Life Insurance	13,636,807	13,636,807	27,273,613
Investment Income	34,664,020	34,664,020	69,328,040
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
<b>Total Revenue</b>	<b>\$ 218,447,936</b>	<b>\$ 230,612,956</b>	<b>\$ 449,060,893</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,726,219	\$ 36,697,514	\$ 71,423,733
Non-Medicare Prescription Drug Claims	15,308,688	17,834,174	33,142,862
Medicare Medical Claims	1,411,508	493,374	1,904,882
Medicare Prescription Drug Claims	4,443,825	1,582,769	6,026,594
Non-Medicare Managed Care Capitations	2,676,516	2,676,516	5,353,031
Humana MAPD Program	90,348,015	106,689,729	197,037,744
Administration	2,240,258	2,240,258	4,480,516
Life Insurance	13,435,524	13,435,524	26,871,047
Retiree Assistance Program	1,106,335	1,106,335	2,212,669
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	131,316	131,316	262,632
<b>Total Expenses</b>	<b>\$ 165,828,202</b>	<b>\$ 182,887,508</b>	<b>\$ 348,715,710</b>
<b>Fiscal Year Results</b>	<b>\$ 52,619,734</b>	<b>\$ 47,725,448</b>	<b>\$ 100,345,183</b>
Beginning Restricted Reserve			\$ 1,143,395,573
Ending Restricted Reserve			<u>\$ 1,243,740,756</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,143,395,573
Total Ending Plan Reserve			<u>\$ 1,243,740,756</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			34.1%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 199.36			
Additional Retiree Premiums	\$ 31,162,738			
Pay Go PEPM Subsidy for Retirees	\$ 307.96	Non-Medicare	9.0%	13.0%
		Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.3%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

PERIOD 7/1/2020 - 6/30/2021

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 116,572,504		\$ 116,572,504
Employer Premiums - PPB	11,071,646	3,891,917	14,963,564
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	52,986,419	18,625,846	71,612,264
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,588,310		1,588,310
Life Insurance	15,312,304		15,312,304
Investment Income	36,539,467		36,539,467
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,168,367		18,168,367
General Revenue Transfer (Premium Offset)	3,028,061		3,028,061
<b>Total Revenue</b>	<b>\$ 255,267,078</b>	<b>\$ 22,517,763</b>	<b>\$ 277,784,841</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,904,882	\$ -	\$ 1,904,882
Medicare Prescription Drug Claims	6,026,594	-	6,026,594
Humana MAPD Program	197,037,744		197,037,744
Administration	1,653,881		1,653,881
Life Insurance	15,086,290		15,086,290
Retiree Assistance Program	1,242,265		1,242,265
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 222,951,656</b>	<b>\$ -</b>	<b>\$ 222,951,656</b>
<b>Fiscal Year Results</b>	<b>\$ 32,315,422</b>		<b>\$ 54,833,185</b>
Beginning Restricted Reserve	\$ 612,364,433		\$ 612,364,433
Ending Restricted Reserve	<u>\$ 644,679,855</u>		<u>\$ 667,197,618</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>612,364,433</b>		<b>612,364,433</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 644,679,855</u></b>		<b><u>\$ 667,197,618</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	33.3%		34.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 199.36	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 22,517,763	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 258.13	Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2021**

PERIOD 7/1/2020 - 6/30/2021

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 53,427,496		\$ 53,427,496
Employer Premiums - PPB	18,008,964	3,150,959	21,159,923
Employer Premiums - MCO	1,506,809	263,641	1,770,449
Retiree Premiums - PPB	28,839,174	5,045,880	33,885,054
Retiree Premiums - MCO	1,054,462	184,495	1,238,957
Annual Required Contributions	-		-
Non Par Premiums	1,240,719		1,240,719
Life Insurance	11,961,309		11,961,309
Investment Income	32,788,573		32,788,573
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,831,633		11,831,633
General Revenue Transfer (Premium Offset)	1,971,939		1,971,939
<b>Total Revenue</b>	<b>\$ 162,631,077</b>	<b>\$ 8,644,975</b>	<b>\$ 171,276,052</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 71,423,733	\$ -	\$ 71,423,733
Non-Medicare Prescription Drug Claims	33,142,862	-	33,142,862
Non-Medicare Managed Care Capitations	5,353,031		5,353,031
Administration	2,826,635		2,826,635
Life Insurance	11,784,757		11,784,757
Retiree Assistance Program	970,404		970,404
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	262,632		262,632
<b>Total Expenses</b>	<b>\$ 125,764,054</b>	<b>\$ -</b>	<b>\$ 125,764,054</b>
<b>Fiscal Year Results</b>	<b>\$ 36,867,023</b>		<b>\$ 45,511,998</b>
Beginning Restricted Reserve	\$ 530,958,336		\$ 530,958,336
Ending Restricted Reserve	<u>\$ 567,825,359</u>		<u>\$ 576,470,334</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>530,958,336</b>		<b>530,958,336</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 567,825,359</u></b>		<b><u>\$ 576,470,334</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 199.36	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 8,644,975	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 532.11	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.3%



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

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

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

	7/1/2021 to 12/31/2021	1/1/2022 to 6/30/2022	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	83,107,234	100,756,870	183,864,104
Retiree Premiums - MCO	1,797,577	1,797,577	3,595,153
Annual Required Contributions	-	-	-
Non Par Premiums	1,372,079	1,372,079	2,744,158
Life Insurance	14,318,647	14,318,647	28,637,293
Investment Income	37,714,452	37,714,452	75,428,905
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 243,309,989</b>	<b>\$ 260,959,625</b>	<b>\$ 504,269,613</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 38,326,269	\$ 40,501,928	\$ 78,828,197
Non-Medicare Prescription Drug Claims	17,514,435	20,403,805	37,918,240
Medicare Medical Claims	1,540,785	539,849	2,080,634
Medicare Prescription Drug Claims	5,028,594	1,795,179	6,823,773
Non-Medicare Managed Care Capitations	2,890,637	2,890,637	5,781,273
Humana MAPD Program	105,669,169	125,369,138	231,038,306
Administration	2,307,466	2,307,466	4,614,932
Life Insurance	14,107,300	14,107,300	28,214,599
Retiree Assistance Program	1,194,842	1,194,842	2,389,683
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	132,457	132,457	264,914
<b>Total Expenses</b>	<b>\$ 188,711,952</b>	<b>\$ 209,242,599</b>	<b>\$ 397,954,551</b>
<b>Fiscal Year Results</b>	<b>\$ 54,598,036</b>	<b>\$ 51,717,026</b>	<b>\$ 106,315,062</b>
Beginning Restricted Reserve			\$ 1,243,740,756
Ending Restricted Reserve			<u>\$ 1,350,055,818</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,243,740,756
Total Ending Plan Reserve			<u>\$ 1,350,055,818</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			36.3%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 213.95			
Additional Retiree Premiums	\$ 39,069,564			
Pay Go PEPM Subsidy for Retirees	\$ 319.10	Non-Medicare	9.5%	13.5%
		Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.9%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 125,720,777		\$ 125,720,777
Employer Premiums - PPB	14,991,168	4,944,601	19,935,769
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	71,744,372	23,663,751	95,408,123
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,540,661		1,540,661
Life Insurance	16,077,919		16,077,919
Investment Income	39,754,939		39,754,939
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,590,629		18,590,629
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 288,420,464</b>	<b>\$ 28,608,352</b>	<b>\$ 317,028,816</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,080,634	\$ -	\$ 2,080,634
Medicare Prescription Drug Claims	6,823,773	-	6,823,773
Humana MAPD Program	231,038,306		231,038,306
Administration	1,703,497		1,703,497
Life Insurance	15,840,604		15,840,604
Retiree Assistance Program	1,341,646		1,341,646
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 258,828,460</b>	<b>\$ -</b>	<b>\$ 258,828,460</b>
<b>Fiscal Year Results</b>	<b>\$ 29,592,004</b>		<b>\$ 58,200,356</b>
Beginning Restricted Reserve	\$ 667,197,618		\$ 667,197,618
Ending Restricted Reserve	<u>\$ 696,789,622</u>		<u>\$ 725,397,974</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>667,197,618</b>		<b>667,197,618</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 696,789,622</u></b>		<b><u>\$ 725,397,974</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	35.3%		36.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 213.95	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 28,608,352	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 274.73	Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.9%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 54,279,223		\$ 54,279,223
Employer Premiums - PPB	22,519,027	3,820,932	26,339,959
Employer Premiums - MCO	1,808,234	306,813	2,115,047
Retiree Premiums - PPB	36,061,494	6,118,760	42,180,254
Retiree Premiums - MCO	1,265,399	214,707	1,480,106
Annual Required Contributions	-		-
Non Par Premiums	1,203,498		1,203,498
Life Insurance	12,559,375		12,559,375
Investment Income	35,673,966		35,673,966
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,409,371		11,409,371
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 176,779,586</b>	<b>\$ 10,461,213</b>	<b>\$ 187,240,799</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 78,828,197	\$ -	\$ 78,828,197
Non-Medicare Prescription Drug Claims	37,918,240	-	37,918,240
Non-Medicare Managed Care Capitations	5,781,273		5,781,273
Administration	2,911,434		2,911,434
Life Insurance	12,373,995		12,373,995
Retiree Assistance Program	1,048,036		1,048,036
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	264,914		264,914
<b>Total Expenses</b>	<b>\$ 139,126,089</b>	<b>\$ -</b>	<b>\$ 139,126,089</b>
<b>Fiscal Year Results</b>	<b>\$ 37,653,497</b>		<b>\$ 48,114,710</b>
Beginning Restricted Reserve	\$ 576,470,334		\$ 576,470,334
Ending Restricted Reserve	<u>\$ 614,123,831</u>		<u>\$ 624,585,044</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>576,470,334</b>		<b>576,470,334</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 614,123,831</u></b>		<b><u>\$ 624,585,044</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 213.95	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 10,461,213	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 509.79	Non-Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.9%

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

**Fiscal Year 2017**

**Exposure**

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

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>	<u>Jun-17</u>
<b>NonMed_NonDrug</b>	\$214.45	\$254.92	\$232.45	\$273.60	\$242.40	\$195.20	\$275.79	\$308.90	\$317.97	\$271.28	\$308.71	\$257.70
<b>Med_NonDrug</b>	129.62	158.97	146.17	134.02	141.82	133.45	506.23	253.89	274.23	162.44	156.71	163.97
<b>NonMed_Drug</b>	106.73	133.06	125.84	139.69	132.84	143.65	148.97	137.52	161.59	153.21	158.15	162.77
<b>Med_Drug</b>	<u>233.42</u>	<u>286.72</u>	<u>270.62</u>	<u>277.29</u>	<u>293.14</u>	<u>308.52</u>	<u>257.68</u>	<u>260.51</u>	<u>316.29</u>	<u>295.17</u>	<u>327.88</u>	<u>334.96</u>
<b>Total</b>	\$684.22	\$833.66	\$775.08	\$824.60	\$810.19	\$780.82	\$1,188.67	\$960.81	\$1,070.09	\$882.10	\$951.44	\$919.39

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

<b>NonMed_NonDrug</b>	-13.8%	1.4%	-3.8%	10.8%	5.8%	-18.9%	7.4%	10.8%	1.6%	-0.8%	-9.6%	-7.7%
<b>Med_NonDrug</b>	-30.7%	-8.5%	-5.9%	-10.9%	4.8%	2.3%	126.0%	19.8%	38.4%	6.7%	-17.4%	-16.7%
<b>NonMed_Drug</b>	11.9%	25.4%	9.0%	19.9%	12.0%	7.2%	18.7%	9.4%	17.5%	19.4%	19.6%	8.0%
<b>Med_Drug</b>	<u>4.1%</u>	<u>28.9%</u>	<u>6.7%</u>	<u>7.4%</u>	<u>21.2%</u>	<u>10.5%</u>	<u>-5.4%</u>	<u>-6.8%</u>	<u>5.8%</u>	<u>12.2%</u>	<u>16.2%</u>	<u>2.1%</u>
<b>Total</b>	-9.4%	10.6%	1.2%	6.8%	11.8%	-0.4%	35.3%	7.2%	12.9%	8.0%	0.6%	-3.7%

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

<b>NonMed_NonDrug</b>			-5.4%			-0.8%			6.4%			-6.3%
<b>Med_NonDrug</b>			-15.8%			-1.6%			63.1%			-10.4%
<b>NonMed_Drug</b>			15.3%			12.8%			15.3%			15.3%
<b>Med_Drug</b>			<u>12.9%</u>			<u>12.8%</u>			<u>-1.9%</u>			<u>9.7%</u>
<b>Total</b>			0.8%			5.9%			18.3%			1.3%

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

<b>NonMed_NonDrug</b>			-4.1%			-1.6%			-0.9%			-1.5%
<b>Med_NonDrug</b>			-13.5%			-11.2%			9.3%			12.2%
<b>NonMed_Drug</b>			5.1%			8.3%			11.4%			14.7%
<b>Med_Drug</b>			<u>14.5%</u>			<u>15.4%</u>			<u>10.4%</u>			<u>8.1%</u>
<b>Total</b>			0.4%			2.7%			6.6%			6.8%

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

**Fiscal Year 2018**

**Exposure**

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>
NonMed_NonDrug	17,595	17,840	17,928	17,665	17,531	17,288	17,101	17,031
Med_NonDrug	1,882	2,224	2,509	2,794	2,992	3,215	453	627
NonMed_Drug	16,302	16,528	16,610	16,367	16,244	16,017	15,843	15,778
Med_Drug	1,961	2,317	2,613	2,910	3,116	3,349	472	653

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>
NonMed_NonDrug	\$179.58	\$239.14	\$228.81	\$260.44	\$273.35	\$218.88	\$302.58	\$280.62
Med_NonDrug	152.04	162.62	157.94	174.54	157.42	157.44	365.20	260.08
NonMed_Drug	191.45	146.74	120.39	191.47	138.92	135.55	175.45	141.56
Med_Drug	<u>322.57</u>	<u>329.32</u>	<u>293.15</u>	<u>327.23</u>	<u>284.76</u>	<u>286.24</u>	<u>503.43</u>	<u>427.89</u>
Total	\$845.64	\$877.81	\$800.30	\$953.69	\$854.45	\$798.11	\$1,346.66	\$1,110.14

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

NonMed_NonDrug	-16.3%	-6.2%	-1.6%	-4.8%	12.8%	12.1%	9.7%	-9.2%
Med_NonDrug	17.3%	2.3%	8.1%	30.2%	11.0%	18.0%	-27.9%	2.4%
NonMed_Drug	79.4%	10.3%	-4.3%	37.1%	4.6%	-5.6%	17.8%	2.9%
Med_Drug	<u>38.2%</u>	<u>14.9%</u>	<u>8.3%</u>	<u>18.0%</u>	<u>-2.9%</u>	<u>-7.2%</u>	<u>95.4%</u>	<u>64.3%</u>
Total	23.6%	5.3%	3.3%	15.7%	5.5%	2.2%	13.3%	15.5%

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

NonMed_NonDrug	-7.7%	5.8%
Med_NonDrug	8.7%	19.6%
NonMed_Drug	25.4%	12.0%
Med_Drug	<u>19.5%</u>	<u>2.2%</u>
Total	10.1%	7.9%

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

NonMed_NonDrug	-2.0%	-0.5%
Med_NonDrug	18.5%	22.9%
NonMed_Drug	17.1%	16.8%
Med_Drug	<u>9.8%</u>	<u>7.1%</u>
Total	9.0%	9.4%