

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
December 31, 2018**

Fiscal Years 2019-2023

Report Date: March 2019

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 2020, 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 2023. 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, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”) and June 30, 2023 (“FY 2023”). Our opinion of plan adequacy is based on the projections through FY 2023 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2018.

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 2019 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 2019 the Pay-Go is equivalent to \$292 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 2018.

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.

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 2019 through FY 2023 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 2023 as approved by the Board in December 2018.

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 2019 – FY 2023

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 2019 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 285 retirees from June 2018 to March 2019. Continuing Care Actuaries has updated the claims analysis based on the enrollment through March 2019.

In aggregate, March 2019 enrollment has increased by 285 coverages since the end of FY 2018. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 288 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 3 coverage. For MAPD Capitations, the average of 49,991 Medicare policyholders in FY 2019 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2017, June 2018 and March 2019 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-17	Jun-18	Mar-19	Jun-17	Jun-18	Mar-19
Retirees	Medicare Single	20,197	20,901	21,253	-	-	-
	<u>Medicare Family</u>	<u>14,978</u>	<u>15,473</u>	<u>15,854</u>	-	-	-
	Medicare Total	35,175	36,374	37,107	-	-	-
	Non-Medicare Single	3,094	2,849	2,643	139	125	130
	<u>Non-Medicare Family</u>	<u>3,881</u>	<u>3,568</u>	<u>3,329</u>	<u>152</u>	<u>141</u>	<u>133</u>
	Non-Medicare Total	6,975	6,417	5,972	291	266	263
	Retiree Total	42,150	42,791	43,079	291	266	263
Grand Total				42,441	43,057	43,342	

* The majority of PPB is capitated through Humana. As of November 2018, there are approximately 1,890 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA December 31, 2018 Quarterly Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2018, 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 FY2018 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 2019 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 2019 Trend	Updated Assumption FY 2019 Trend
Non-Medicare – Medical	8.0%	7.5%
Medicare – Medical	8.0%	7.5%
Non-Medicare – Drugs	12.0%	11.5%
Medicare – Drugs	12.0%	11.5%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2020. 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 2019. 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	10%	1%	10%	31%	9%
2018	10%	8%	41%	14%	11%
2019*	21%	12%	11%	12%	12%

* Fiscal Year 2019 results are through the first eight months ending February 2019. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

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

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through February 2019 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 2019 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2019 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	36,985			\$ 108**	\$ 266**	\$ 272
	Non-Medicare	6,199			\$ 810	\$ 298	
	Total	43,184	\$ -	\$ 162			
	Non-Medicare Managed Care	267	\$ -	\$ 612			\$ 1,288
	Total	43,451					

*Net of rebates and subsidies.

** As of November 2018, there are approximately 1,890 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 2018.

Board Decisions – December 2018

Source	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$0	\$0	\$0	\$2,201,859
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$0	\$0	\$ 9,974,413
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$5,000,000	\$5,000,000	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	(\$800,000)	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$43,900,000	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$32,892)	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$152,201,669	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000
Actuarial Accrued Liability*	\$3,479,324,603	\$3,564,642,254	\$3,642,716,264	\$3,714,925,690	\$3,782,142,169
Funded Status	27.7%	28.6%	31.0%	33.3%	35.5%

*Projected Result

The \$800,000 of Retiree Non-Medicare benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$0.550 M
Drug Claims	\$0.250 M

A detailed list of the 2020 benefit additions and costs for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Plan A out of state coverage 80/20 for Contig Providers	\$0.400 M
Plan B out of state coverage 70/30 for Contig Providers	\$0.000 M
Remove facility fee max (RBP)	\$1.200 M
Remove \$25 copay from out of state services	\$0.400 M
End Healthy Tomorrows blood work	\$0.050 M
<u>UMR OOS Network Savings</u>	<u>(\$1.500 M)</u>
Total Medical Benefit Additions	\$0.550 M
<u>Third tier non-preferred drug appeals process</u>	<u>\$0.250 M</u>
Total Drugs Costs	\$0.250 M
Total Benefit Additions and Costs	\$0.800 M

In FY 2020, the additional administrative costs are \$500,000 for the Non-Medicare Retirees, RHBT will have no increase in Non-Medicare and Medicare retiree premiums, and RHBT will receive \$35,000,000 in general revenue transfers.

The Treasury Department and the Internal Revenue Service issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. These fees are 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 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 \$32,892 in FY 2019.

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 \$1,874,964 in FY 2019 to \$2,550,868 in FY 2023, 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 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 \$301,300,757 and incurred plan expenses of \$244,405,335 to produce a fiscal year surplus of \$56,895,422 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$152,201,669.

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 \$351,707,486 and incurred plan expenses of \$241,501,574 to produce a fiscal year surplus of \$110,205,912 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$140,000,000.

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 \$367,758,039 and incurred plan expenses of \$259,075,032 to produce a fiscal year surplus of \$108,683,007 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$150,000,000.

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 \$391,981,337 and incurred plan expenses of \$286,848,978 to produce a fiscal year surplus of \$105,132,359 after the Premium Stabilization Reserve drawdown of \$3,190,734. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$160,000,000.

FISCAL YEAR 2023 FORECAST

The financial forecast for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2023 projects accrued revenue of \$430,724,465 and incurred plan expenses of \$319,387,782 to produce a fiscal year surplus of \$111,336,683 after the Premium Stabilization Reserve drawdown of \$14,456,317. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$170,000,000.

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 2023. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2018 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 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	\$ 76,100,835	\$ 76,100,835	\$ 152,201,669
Retiree Premiums - PPB	41,647,110	42,514,788	84,161,899
Retiree Premiums - MCO	972,218	989,483	1,961,700
Annual Required Contributions	-	-	-
Non Par Premiums	1,509,284	1,509,284	3,018,567
Life Insurance	11,880,767	11,880,767	23,761,534
Investment Income	597,694	597,694	1,195,388
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
Total Revenue	\$ 150,207,907	\$ 151,092,850	\$ 301,300,757
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,284,260	\$ 30,946,632	\$ 60,230,892
Non-Medicare Prescription Drug Claims	10,252,169	11,943,477	22,195,646
Medicare Medical Claims	1,441,376	493,343	1,934,719
Medicare Prescription Drug Claims	3,689,995	1,287,422	4,977,417
Non-Medicare Managed Care Capitations	2,063,924	2,063,924	4,127,847
Humana MAPD Program	66,333,600	54,333,103	120,666,702
Administration	2,247,900	2,247,900	4,495,799
Life Insurance	11,867,949	11,867,949	23,735,897
Retiree Assistance Program	937,482	937,482	1,874,964
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,446	16,446	32,892
Computer Software Reserve	-	-	-
Director's Discretionary Fund	66,280	66,280	132,560
Total Expenses	\$ 128,201,379	\$ 116,203,956	\$ 244,405,335
Fiscal Year Results	\$ 22,006,528	\$ 34,888,894	\$ 56,895,422
Beginning Restricted Reserve			\$ 925,008,097
Ending Restricted Reserve			\$ 981,903,519
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			963,114,601
Total Ending Plan Reserve			\$ 1,020,010,023
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			27.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 174.66	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 291.91	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		0.3%
		Administrative Expense		1.5%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		2.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 96,117,170		\$ 96,117,170
Employer Premiums - PPB	7,620,740	-	7,620,740
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,872,699	-	45,872,699
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,781,444		1,781,444
Life Insurance	14,023,156		14,023,156
Investment Income	630,031		630,031
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,995,882		17,995,882
General Revenue Transfer (Premium Offset)	2,999,314		2,999,314
Total Revenue	\$ 187,040,436	\$ -	\$ 187,040,436
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,934,719	\$ -	\$ 1,934,719
Medicare Prescription Drug Claims	4,977,417	-	4,977,417
Humana MAPD Program Administration	142,769,308	(22,102,606)	120,666,702
Life Insurance	1,659,522		1,659,522
Retiree Assistance Program	14,008,026		14,008,026
ACA Reinsurance Contributions	1,106,533		1,106,533
ACA Comparative Effectiveness Research Fees	-		-
ACA Comparative Effectiveness Research Fees	24,930		24,930
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 166,480,454	\$ (22,102,606)	\$ 144,377,849
Fiscal Year Results	\$ 20,559,982		\$ 42,662,587
Beginning Restricted Reserve	\$ 498,298,927		\$ 498,298,927
Ending Restricted Reserve	<u>\$ 518,858,909</u>		<u>\$ 540,961,514</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	518,829,380		518,829,380
Total Ending Plan Reserve	<u>\$ 539,389,362</u>		<u>\$ 561,491,967</u>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	28.1%		28.1%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 174.66			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 216.57	Medicare	7.5%	11.5%
		Capitations		0.3%
		Administrative Expense		1.5%
Number of Net New Retirees	700	Pay Go Monthly Premium		2.3%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 56,084,499		\$ 56,084,499
Employer Premiums - PPB	10,664,687	-	10,664,687
Employer Premiums - MCO	1,100,046	-	1,100,046
Retiree Premiums - PPB	20,003,773	-	20,003,773
Retiree Premiums - MCO	861,654	-	861,654
Annual Required Contributions	-		-
Non Par Premiums	1,237,123		1,237,123
Life Insurance	9,738,378		9,738,378
Investment Income	565,357		565,357
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,004,118		12,004,118
General Revenue Transfer (Premium Offset)	2,000,686		2,000,686
Total Revenue	\$ 114,260,321	\$ -	\$ 114,260,321
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,230,892	\$ -	\$ 60,230,892
Non-Medicare Prescription Drug Claims	22,195,646	-	22,195,646
Non-Medicare Managed Care Capitations	4,127,847		4,127,847
Administration	2,836,277		2,836,277
Life Insurance	9,727,871		9,727,871
Retiree Assistance Program	768,431		768,431
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,962		7,962
Computer Software Reserve	-		-
Director's Discretionary Fund	132,560		132,560
Total Expenses	\$ 100,027,486	\$ -	\$ 100,027,486
Fiscal Year Results	\$ 14,232,835		\$ 14,232,835
Beginning Restricted Reserve	\$ 426,709,170		\$ 426,709,170
Ending Restricted Reserve	<u>\$ 440,942,005</u>		<u>\$ 440,942,005</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	444,285,221		444,285,221
Total Ending Plan Reserve	<u>\$ 458,518,056</u>		<u>\$ 458,518,056</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 174.66	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 722.79	Non-Medicare	7.5%	11.5%
		Capitations		0.3%
		Administrative Expense		1.5%
Number of Net New Retirees	300	Pay Go Monthly Premium		2.3%

**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	\$ 70,000,000	\$ 70,000,000	\$ 140,000,000
Retiree Premiums - PPB	42,096,478	42,902,817	84,999,295
Retiree Premiums - MCO	990,976	990,976	1,981,951
Annual Required Contributions	-	-	-
Non Par Premiums	1,464,005	1,464,005	2,928,010
Life Insurance	12,474,806	12,474,806	24,949,611
Investment Income	30,924,310	30,924,310	61,848,619
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
Total Revenue	\$ 175,450,573	\$ 176,256,913	\$ 351,707,486
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,092,404	\$ 32,857,420	\$ 63,949,824
Non-Medicare Prescription Drug Claims	11,311,324	13,177,362	24,488,686
Medicare Medical Claims	1,329,469	456,150	1,785,619
Medicare Prescription Drug Claims	3,529,976	1,234,485	4,764,461
Non-Medicare Managed Care Capitations	2,229,038	2,229,038	4,458,075
Humana MAPD Program	53,702,140	56,014,487	109,716,627
Administration	2,565,337	2,565,337	5,130,673
Life Insurance	12,461,346	12,461,346	24,922,692
Retiree Assistance Program	1,012,481	1,012,481	2,024,961
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	129,978	129,978	259,956
Total Expenses	\$ 119,363,492	\$ 122,138,082	\$ 241,501,574
Fiscal Year Results	\$ 56,087,081	\$ 54,118,830	\$ 110,205,912
Beginning Restricted Reserve			\$ 981,903,519
Ending Restricted Reserve			\$ 1,092,109,432
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,020,010,023
Total Ending Plan Reserve			\$ 1,130,215,936
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			28.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 161.97			
Additional Retiree Premiums	\$ 752,795			
Pay Go PEPM Subsidy for Retirees	\$ 264.32	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		-8.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 76,545,083		\$ 76,545,083
Employer Premiums - PPB	9,142,161	130,111	9,272,273
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,752,337	622,684	44,375,021
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,728,000		1,728,000
Life Insurance	14,724,314		14,724,314
Investment Income	32,597,425		32,597,425
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,705,757		18,705,757
General Revenue Transfer (Premium Offset)	3,117,626		3,117,626
Total Revenue	\$ 200,312,703	\$ 752,795	\$ 201,065,498
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,785,619	\$ -	\$ 1,785,619
Medicare Prescription Drug Claims	4,764,461	-	4,764,461
Humana MAPD Program	131,562,558	(21,845,931)	109,716,627
Administration	1,709,308	-	1,709,308
Life Insurance	14,708,427		14,708,427
Retiree Assistance Program	1,195,055		1,195,055
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 155,725,428	\$ (21,845,931)	\$ 133,879,497
Fiscal Year Results	\$ 44,587,275		\$ 67,186,001
Beginning Restricted Reserve	\$ 540,961,514		\$ 540,961,514
Ending Restricted Reserve	<u>\$ 585,548,789</u>		<u>\$ 608,147,516</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	561,491,967		561,491,967
Total Ending Plan Reserve	<u>\$ 606,079,242</u>		<u>\$ 628,677,969</u>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	29.9%		29.8%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 161.97			
Additional Retiree Premiums	\$ 752,795			
Pay Go PEPM Subsidy for Retirees	\$ 170.09	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-8.0%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 63,454,917		\$ 63,454,917
Employer Premiums - PPB	12,052,070	-	12,052,070
Employer Premiums - MCO	1,165,992	-	1,165,992
Retiree Premiums - PPB	19,299,931	-	19,299,931
Retiree Premiums - MCO	815,959	-	815,959
Annual Required Contributions	-		-
Non Par Premiums	1,200,010		1,200,010
Life Insurance	10,225,297		10,225,297
Investment Income	29,251,194		29,251,194
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,294,243		11,294,243
General Revenue Transfer (Premium Offset)	1,882,374		1,882,374
Total Revenue	\$ 150,641,988	\$ -	\$ 150,641,988
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 63,399,824	\$ 549,999	\$ 63,949,823
Non-Medicare Prescription Drug Claims	24,238,686	250,000	24,488,686
Non-Medicare Managed Care Capitations	4,458,075		4,458,075
Administration	2,921,365	500,000	3,421,365
Life Insurance	10,214,265		10,214,265
Retiree Assistance Program	829,906		829,906
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	259,956		259,956
Total Expenses	\$ 106,322,077	\$ 1,299,999	\$ 107,622,076
Fiscal Year Results	\$ 44,319,911		\$ 43,019,912
Beginning Restricted Reserve	\$ 440,942,005		\$ 440,942,005
Ending Restricted Reserve	<u>\$ 485,261,915</u>		<u>\$ 483,961,916</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	458,518,056		458,518,056
Total Ending Plan Reserve	\$ 502,837,966		\$ 501,537,967
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 161.97			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 796.92	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-8.0%

**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	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	43,684,983	44,491,322	88,176,305
Retiree Premiums - MCO	1,006,108	1,006,108	2,012,216
Annual Required Contributions	-	-	-
Non Par Premiums	1,420,085	1,420,085	2,840,170
Life Insurance	13,098,546	13,098,546	26,197,091
Investment Income	34,266,128	34,266,128	68,532,256
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	\$ 183,475,850	\$ 184,282,189	\$ 367,758,039
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,859,772	\$ 34,725,114	\$ 67,584,886
Non-Medicare Prescription Drug Claims	12,396,202	14,441,212	26,837,414
Medicare Medical Claims	1,231,946	423,714	1,655,660
Medicare Prescription Drug Claims	3,392,019	1,189,014	4,581,033
Non-Medicare Managed Care Capitations	2,407,361	2,407,361	4,814,721
Humana MAPD Program	55,363,999	64,342,329	119,706,328
Administration	2,642,297	2,642,297	5,284,593
Life Insurance	13,084,413	13,084,413	26,168,826
Retiree Assistance Program	1,093,479	1,093,479	2,186,958
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	127,307	127,307	254,613
Total Expenses	\$ 124,598,793	\$ 134,476,240	\$ 259,075,032
Fiscal Year Results	\$ 58,877,057	\$ 49,805,949	\$ 108,683,007
Beginning Restricted Reserve			\$ 1,092,109,432
Ending Restricted Reserve			<u>\$ 1,200,792,438</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,130,215,936
Total Ending Plan Reserve			<u>\$ 1,238,898,942</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			31.0%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 175.67			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 276.90	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		7.1%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,885,096		\$ 77,885,096
Employer Premiums - PPB	9,270,391	125,512	9,395,904
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	44,366,017	600,673	44,966,690
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,676,160		1,676,160
Life Insurance	15,460,529		15,460,529
Investment Income	36,120,048		36,120,048
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,978,643		16,978,643
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 201,756,885	\$ 726,185	\$ 202,483,070
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,655,660	\$ -	\$ 1,655,660
Medicare Prescription Drug Claims	4,581,033	-	4,581,033
Humana MAPD Program	119,706,328		119,706,328
Administration	1,760,587		1,760,587
Life Insurance	15,443,849		15,443,849
Retiree Assistance Program	1,290,660		1,290,660
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 144,438,117	\$ -	\$ 144,438,117
Fiscal Year Results	\$ 57,318,768		\$ 58,044,953
Beginning Restricted Reserve	\$ 608,147,516		\$ 608,147,516
Ending Restricted Reserve	<u>\$ 665,466,283</u>		<u>\$ 666,192,468</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	628,677,969		628,677,969
Total Ending Plan Reserve	<u>\$ 685,996,736</u>		<u>\$ 686,722,921</u>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	32.4%		32.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 175.67			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 170.79	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.1%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 72,114,904		\$ 72,114,904
Employer Premiums - PPB	12,998,380	-	12,998,380
Employer Premiums - MCO	1,183,797	-	1,183,797
Retiree Premiums - PPB	20,815,332	-	20,815,332
Retiree Premiums - MCO	828,419	-	828,419
Annual Required Contributions	-		-
Non Par Premiums	1,164,009		1,164,009
Life Insurance	10,736,562		10,736,562
Investment Income	32,412,208		32,412,208
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,021,357		13,021,357
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 165,274,968	\$ -	\$ 165,274,968
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 67,584,886	\$ -	\$ 67,584,886
Non-Medicare Prescription Drug Claims	26,837,414	-	26,837,414
Non-Medicare Managed Care Capitations	4,814,721		4,814,721
Administration	3,524,006		3,524,006
Life Insurance	10,724,978		10,724,978
Retiree Assistance Program	896,298		896,298
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	254,614		254,614
Total Expenses	\$ 114,636,917	\$ -	\$ 114,636,917
Fiscal Year Results	\$ 50,638,051		\$ 50,638,051
Beginning Restricted Reserve	\$ 483,961,916		\$ 483,961,916
Ending Restricted Reserve	<u>\$ 534,599,967</u>		<u>\$ 534,599,967</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	501,537,967		501,537,967
Total Ending Plan Reserve	<u>\$ 552,176,018</u>		<u>\$ 552,176,018</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>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 175.67			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 841.74	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.1%

**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
Revenues			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	45,273,488	46,079,828	91,353,316
Retiree Premiums - MCO	1,021,508	1,021,508	2,043,017
Annual Required Contributions	-	-	-
Non Par Premiums	1,377,483	1,377,483	2,754,965
Life Insurance	13,753,473	13,753,473	27,506,946
Investment Income	37,566,180	37,566,180	75,132,359
Transfer from Premium Stabilization Reserve	1,582,461	1,608,272	3,190,734
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 195,574,593	\$ 196,406,744	\$ 391,981,337
Program Expenses			
Non-Medicare Medical Claims	\$ 34,888,031	\$ 36,868,512	\$ 71,756,543
Non-Medicare Prescription Drug Claims	13,645,652	15,896,786	29,542,438
Medicare Medical Claims	1,338,604	461,510	1,800,114
Medicare Prescription Drug Claims	3,821,381	1,342,640	5,164,021
Non-Medicare Managed Care Capitations	2,599,950	2,599,950	5,199,899
Humana MAPD Program	63,595,131	74,259,153	137,854,283
Administration	2,721,566	2,721,566	5,443,131
Life Insurance	13,738,634	13,738,634	27,477,268
Retiree Assistance Program	1,180,958	1,180,958	2,361,915
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	124,683	124,683	249,366
Total Expenses	\$ 137,654,589	\$ 149,194,389	\$ 286,848,978
Fiscal Year Results	\$ 57,920,004	\$ 47,212,354	\$ 105,132,359
Beginning Restricted Reserve			\$ 1,200,792,438
Ending Restricted Reserve			<u>\$ 1,305,924,798</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ (3,190,734)
Ending Premium Stabilization Reserve			<u>\$ 34,915,770</u>
Total Beginning Plan Reserve			1,238,898,942
Total Ending Plan Reserve			<u>\$ 1,340,840,568</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			33.3%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 189.87			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 288.93	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		6.7%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,335,907		\$ 85,335,907
Employer Premiums - PPB	9,394,022	125,512	9,519,534
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	44,957,686	600,673	45,558,359
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,625,876		1,625,876
Life Insurance	16,233,556		16,233,556
Investment Income	39,598,644		39,598,644
Transfer from Premium Stabilization Reserve	2,525,893		2,525,893
General Revenue Transfer (OPEB Funding)	16,476,685		16,476,685
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 216,148,269	\$ 726,185	\$ 216,874,454
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,800,114	\$ -	\$ 1,800,114
Medicare Prescription Drug Claims	5,164,021	-	5,164,021
Humana MAPD Program	137,854,283		137,854,283
Administration	1,813,405		1,813,405
Life Insurance	16,216,041		16,216,041
Retiree Assistance Program	1,393,912		1,393,912
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 164,241,776	\$ -	\$ 164,241,776
Fiscal Year Results	\$ 51,906,493		\$ 52,632,678
Beginning Restricted Reserve	\$ 666,192,468		\$ 666,192,468
Ending Restricted Reserve	<u>\$ 718,098,962</u>		<u>\$ 718,825,147</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ (2,525,893)		\$ (2,525,893)
Ending Premium Stabilization Reserve	<u>\$ 18,004,560</u>		<u>\$ 18,004,560</u>
Total Beginning Plan Reserve	686,722,921		686,722,921
Total Ending Plan Reserve	<u>\$ 736,103,522</u>		<u>\$ 736,829,707</u>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	34.7%		34.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.87	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 726,185	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 184.70	Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.7%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 74,664,093		\$ 74,664,093
Employer Premiums - PPB	13,944,690	-	13,944,690
Employer Premiums - MCO	1,201,917	-	1,201,917
Retiree Premiums - PPB	22,330,733	-	22,330,733
Retiree Premiums - MCO	841,099	-	841,099
Annual Required Contributions	-		-
Non Par Premiums	1,129,089		1,129,089
Life Insurance	11,273,390		11,273,390
Investment Income	35,533,715		35,533,715
Transfer from Premium Stabilization Reserve	664,841		664,841
General Revenue Transfer (OPEB Funding)	13,523,315		13,523,315
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 175,106,883	\$ -	\$ 175,106,883
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 71,756,543	\$ -	\$ 71,756,543
Non-Medicare Prescription Drug Claims	29,542,438	-	29,542,438
Non-Medicare Managed Care Capitations	5,199,899		5,199,899
Administration	3,629,726		3,629,726
Life Insurance	11,261,227		11,261,227
Retiree Assistance Program	968,002		968,002
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	249,366		249,366
Total Expenses	\$ 122,607,201	\$ -	\$ 122,607,201
Fiscal Year Results	\$ 52,499,682		\$ 52,499,682
Beginning Restricted Reserve	\$ 534,599,967		\$ 534,599,967
Ending Restricted Reserve	<u>\$ 587,099,649</u>		<u>\$ 587,099,649</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ (664,841)		\$ (664,841)
Ending Premium Stabilization Reserve	<u>\$ 16,911,210</u>		<u>\$ 16,911,210</u>
Total Beginning Plan Reserve	552,176,018		552,176,018
Total Ending Plan Reserve	<u>\$ 604,010,859</u>		<u>\$ 604,010,859</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.87	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 814.01	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.7%

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

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

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

	7/1/2022 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	47,839,627	53,349,784	101,189,410
Retiree Premiums - MCO	1,093,723	1,093,723	2,187,446
Annual Required Contributions	-	-	-
Non Par Premiums	1,336,158	1,336,158	2,672,316
Life Insurance	14,441,147	14,441,147	28,882,293
Investment Income	40,668,342	40,668,342	81,336,683
Transfer from Premium Stabilization Reserve	7,176,033	7,280,284	14,456,317
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 212,555,029	\$ 218,169,437	\$ 430,724,465
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,211,817	\$ 39,324,212	\$ 76,536,029
Non-Medicare Prescription Drug Claims	15,087,660	17,576,683	32,664,343
Medicare Medical Claims	1,461,189	504,985	1,966,174
Medicare Prescription Drug Claims	4,324,202	1,522,828	5,847,030
Non-Medicare Managed Care Capitations	2,807,945	2,807,945	5,615,890
Humana MAPD Program	73,396,792	86,108,888	159,505,679
Administration	2,803,213	2,803,213	5,606,425
Life Insurance	14,425,566	14,425,566	28,851,131
Retiree Assistance Program	1,275,434	1,275,434	2,550,868
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	122,107	122,107	244,213
Total Expenses	\$ 152,915,924	\$ 166,471,858	\$ 319,387,782
Fiscal Year Results	\$ 59,639,105	\$ 51,697,578	\$ 111,336,683
Beginning Restricted Reserve			\$ 1,305,924,798
Ending Restricted Reserve			<u>\$ 1,417,261,481</u>
Beginning Premium Stabilization Reserve			\$ 34,915,770
PSR Addition/(Drawdown)			\$ (14,456,317)
Ending Premium Stabilization Reserve			<u>\$ 20,459,453</u>
Total Beginning Plan Reserve			1,340,840,568
Total Ending Plan Reserve			<u>\$ 1,437,720,935</u>
Accrued Actuarial Liability (AAL)			\$ 3,782,142,169
Funded Status			35.5%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 204.43			
Additional Retiree Premiums	\$ 7,598,660			
Pay Go PEPM Subsidy for Retirees	\$ 300.45	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		6.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 102,219,652		\$ 102,219,652
Employer Premiums - PPB	9,505,552	932,771	10,438,323
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,491,444	4,464,031	49,955,475
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,577,099		1,577,099
Life Insurance	17,045,234		17,045,234
Investment Income	42,868,644		42,868,644
Transfer from Premium Stabilization Reserve	11,572,429		11,572,429
General Revenue Transfer (OPEB Funding)	16,544,905		16,544,905
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 246,824,959	\$ 5,396,801	\$ 252,221,761
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,966,174	\$ -	\$ 1,966,174
Medicare Prescription Drug Claims	5,847,030	-	5,847,030
Humana MAPD Program	159,505,679		159,505,679
Administration	1,867,807		1,867,807
Life Insurance	17,026,843		17,026,843
Retiree Assistance Program	1,505,425		1,505,425
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,718,958	\$ -	\$ 187,718,958
Fiscal Year Results	\$ 59,106,001		\$ 64,502,803
Beginning Restricted Reserve	\$ 718,825,147		\$ 718,825,147
Ending Restricted Reserve	<u>\$ 777,931,148</u>		<u>\$ 783,327,949</u>
Beginning Premium Stabilization Reserve	\$ 18,004,560		\$ 18,004,560
PSR Addition/(Drawdown)	\$ (11,572,429)		\$ (11,572,429)
Ending Premium Stabilization Reserve	<u>\$ 6,432,131</u>		<u>\$ 6,432,131</u>
Total Beginning Plan Reserve	736,829,707		736,829,707
Total Ending Plan Reserve	<u>\$ 784,363,279</u>		<u>\$ 789,760,080</u>
Accrued Actuarial Liability (AAL)	\$ 3,782,142,169		\$ 3,782,142,169
Funded Status	36.6%		36.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 204.43	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,396,801	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 218.40	Medicare	9.5%	13.5%
		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 2023**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 67,780,348		\$ 67,780,348
Employer Premiums - PPB	14,878,958	803,345	15,682,303
Employer Premiums - MCO	1,220,964	65,922	1,286,886
Retiree Premiums - PPB	23,826,850	1,286,459	25,113,309
Retiree Premiums - MCO	854,428	46,132	900,560
Annual Required Contributions	-		-
Non Par Premiums	1,095,216		1,095,216
Life Insurance	11,837,060		11,837,060
Investment Income	38,468,039		38,468,039
Transfer from Premium Stabilization Reserve	2,883,887		2,883,887
General Revenue Transfer (OPEB Funding)	13,455,095		13,455,095
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 176,300,846	\$ 2,201,859	\$ 178,502,704
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 76,536,029	\$ -	\$ 76,536,029
Non-Medicare Prescription Drug Claims	32,664,343	-	32,664,343
Non-Medicare Managed Care Capitations	5,615,890		5,615,890
Administration	3,738,618		3,738,618
Life Insurance	11,824,288		11,824,288
Retiree Assistance Program	1,045,442		1,045,442
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	244,213		244,213
Total Expenses	\$ 131,668,823	\$ -	\$ 131,668,823
Fiscal Year Results	\$ 44,632,023		\$ 46,833,881
Beginning Restricted Reserve	\$ 587,099,649		\$ 587,099,649
Ending Restricted Reserve	<u>\$ 631,731,671</u>		<u>\$ 633,933,530</u>
Beginning Premium Stabilization Reserve	\$ 16,911,210		\$ 16,911,210
PSR Addition/(Drawdown)	\$ (2,883,887)		\$ (2,883,887)
Ending Premium Stabilization Reserve	<u>\$ 14,027,323</u>		<u>\$ 14,027,323</u>
Total Beginning Plan Reserve	604,010,859		604,010,859
Total Ending Plan Reserve	<u>\$ 645,758,994</u>		<u>\$ 647,960,853</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 204.43	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,201,859	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 693.20	Non-Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.3%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

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>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	17,595	17,840	17,928	17,665	17,531	17,288	17,101	17,031	16,717	16,556	16,353	16,051
Med_NonDrug	1,882	2,224	2,509	2,794	2,992	3,215	453	627	768	907	1,155	1,286
NonMed_Drug	16,302	16,528	16,610	16,367	16,244	16,017	15,843	15,778	15,490	15,340	15,154	14,873
Med_Drug	1,961	2,317	2,613	2,910	3,116	3,349	472	653	800	945	1,203	1,339

	<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>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	\$183.13	\$239.24	\$224.52	\$254.52	\$268.34	\$211.36	\$346.04	\$272.41	\$306.62	\$351.86	\$346.89	\$340.78
Med_NonDrug	176.02	161.20	143.50	170.44	146.44	147.85	407.22	241.72	335.97	208.13	182.26	225.30
NonMed_Drug	190.89	142.54	116.03	186.56	134.37	129.21	170.20	121.54	139.47	158.93	160.87	165.15
Med_Drug	<u>384.56</u>	<u>373.54</u>	<u>330.46</u>	<u>358.67</u>	<u>305.12</u>	<u>302.40</u>	<u>613.65</u>	<u>533.57</u>	<u>442.79</u>	<u>469.38</u>	<u>397.04</u>	<u>430.43</u>
Total	\$934.61	\$916.52	\$814.50	\$970.19	\$854.27	\$790.83	\$1,537.12	\$1,169.24	\$1,224.86	\$1,188.30	\$1,087.06	\$1,161.66

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-14.6%	-6.2%	-3.4%	-7.1%	9.7%	6.3%	24.2%	-11.9%	-3.1%	25.8%	12.0%	31.0%
Med_NonDrug	35.7%	0.9%	-2.0%	26.9%	3.8%	11.2%	-14.2%	-3.3%	29.9%	30.2%	9.6%	37.4%
NonMed_Drug	78.8%	7.1%	-7.8%	33.5%	1.1%	-10.1%	14.2%	-11.7%	-13.8%	3.7%	2.1%	2.7%
Med_Drug	<u>64.7%</u>	<u>30.3%</u>	<u>22.1%</u>	<u>29.4%</u>	<u>4.1%</u>	<u>-2.0%</u>	<u>138.1%</u>	<u>104.8%</u>	<u>40.2%</u>	<u>59.0%</u>	<u>18.3%</u>	<u>14.0%</u>
Total	36.6%	9.8%	5.1%	17.6%	5.2%	0.9%	32.5%	22.2%	16.4%	33.8%	12.2%	20.7%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-7.8%			2.4%			2.3%			22.4%
Med_NonDrug			10.3%			13.8%			0.2%			25.6%
NonMed_Drug			22.9%			8.1%			-3.8%			2.8%
Med_Drug			<u>37.7%</u>			<u>9.9%</u>			<u>90.7%</u>			<u>28.6%</u>
Total			16.2%			8.0%			24.0%			21.9%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-1.4%			-0.9%			-1.9%			5.4%
Med_NonDrug			16.5%			19.9%			2.3%			9.8%
NonMed_Drug			16.4%			15.0%			9.8%			6.7%
Med_Drug			<u>15.6%</u>			<u>14.8%</u>			<u>37.8%</u>			<u>40.7%</u>
Total			10.5%			11.0%			13.5%			18.2%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

Fiscal Year 2019

Exposure

	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>
NonMed_NonDrug	15,984	16,420	16,066	15,867	15,659	15,446	15,321	15,159
Med_NonDrug	1,691	1,968	2,166	2,365	2,563	2,755	388	537
NonMed_Drug	14,810	15,213	14,884	14,703	14,509	14,311	14,196	14,046
Med_Drug	1,761	2,050	2,256	2,463	2,670	2,869	404	559

	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>
NonMed_NonDrug	\$228.27	\$319.69	\$264.66	\$329.18	\$239.85	\$211.63	\$290.31	\$266.75
Med_NonDrug	188.39	197.59	253.37	209.87	196.12	225.52	342.98	264.84
NonMed_Drug	156.11	155.59	149.44	187.55	164.79	167.11	202.11	189.88
Med_Drug	<u>391.75</u>	<u>428.49</u>	<u>358.51</u>	<u>423.29</u>	<u>383.55</u>	<u>384.11</u>	<u>508.74</u>	<u>383.85</u>
Total	\$964.52	\$1,101.35	\$1,025.97	\$1,149.89	\$984.31	\$988.37	\$1,344.14	\$1,105.33

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	24.6%	33.6%	17.9%	29.3%	-10.6%	0.1%	-16.1%	-2.1%
Med_NonDrug	7.0%	22.6%	76.6%	23.1%	33.9%	52.5%	-15.8%	9.6%
NonMed_Drug	-18.2%	9.2%	28.8%	0.5%	22.6%	29.3%	18.7%	56.2%
Med_Drug	<u>1.9%</u>	<u>14.7%</u>	<u>8.5%</u>	<u>18.0%</u>	<u>25.7%</u>	<u>27.0%</u>	<u>-17.1%</u>	<u>-28.1%</u>
Total	3.2%	20.2%	26.0%	18.5%	15.2%	25.0%	-12.6%	-5.5%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	25.6%	6.3%
Med_NonDrug	33.0%	35.9%
NonMed_Drug	2.6%	15.4%
Med_Drug	8.3%	<u>23.3%</u>
Total	16.0%	19.4%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	12.6%	13.5%
Med_NonDrug	14.5%	18.7%
NonMed_Drug	2.3%	4.2%
Med_Drug	<u>32.1%</u>	<u>34.9%</u>
Total	18.0%	20.5%