

# STATE OF WEST VIRGINIA



## **RETIREE HEALTH BENEFIT TRUST FUND**

**Quarterly Report  
March 31, 2018**

**Fiscal Years 2018-2022**

*Report Date: June 2018*

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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 \$296 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 May 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 616 retirees from June 2017 to June 2018. Continuing Care Actuaries has updated the claims analysis based on the enrollment through June 2018.

In aggregate, June 2018 enrollment has increased by 616 coverages since the end of FY 2017. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 641 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 25 coverage. For MAPD Capitations, the average 43,160 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 June 2018 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-16	Jun-17	Jun-18	Jun-16	Jun-17	Jun-18
Retirees	Medicare Single	19,698	20,197	20,901	-	-	-
	Medicare Family	14,387	14,978	15,473	-	-	-
	Medicare Total	34,085	35,175	36,374	-	-	-
	Non-Medicare Single	3,245	3,094	2,849	135	139	125
	Non-Medicare Family	4,210	3,881	3,568	170	152	141
	Non-Medicare Total	7,455	6,975	6,417	305	291	266
	Retiree Total	41,540	42,150	42,791	305	291	266
	Grand Total				41,845	42,441	43,057

\* The majority of PPB is capitated through Humana. As of May 2018, there are approximately 852 Medicare retiree coverages under PEIA.

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

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA 3-31-2018 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 May 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	-10%	2%	11%	9%	3%
2017	9%	0%	10%	31%	9%
2018*	3%	5%	40%	15%	10%

\* Fiscal Year 2018 results are through the first eleven months ending May 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 May 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	36,044			\$ 91**	\$ 236**	\$ 313
	Non-Medicare	6,836			\$ 724	\$ 269	
	Total	42,880	\$ -	\$ 165			
	Non-Medicare Managed Care	280	\$ -	\$ 614			\$ 1,250
	Total	43,160					

\*Net of rebates and subsidies.

\*\* As of May 2018, there are approximately 852 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>	\$1,362,615	\$0	\$6,349,529	\$8,235,229	\$9,992,089
<b>Additional Medicare Retiree Premium (Calendar Year)</b>	\$2,972,185	\$0	\$21,970,427	\$23,345,265	\$34,233,601
<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 Comparative Effectiveness Research Fees (Cost)</b>	(\$32,196)	(\$32,900)	\$0	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$153,086,790	\$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>	28.1%	30.0%	31.7%	33.7%	35.7%

\*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 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 \$385,019,755 and incurred plan expenses of \$256,864,343 to produce a fiscal year surplus of \$128,155,412 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$153,086,790.

### **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 \$362,091,901 and incurred plan expenses of \$271,526,723 to produce a fiscal year surplus of \$90,565,178 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 \$395,059,383 and incurred plan expenses of \$307,029,685 to produce a fiscal year surplus of \$88,029,698 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 \$445,578,296 and incurred plan expenses of \$349,151,181 to produce a fiscal year surplus of \$96,427,115 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 \$500,079,065 and incurred plan expenses of \$399,285,118 to produce a fiscal year surplus of \$100,793,947 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 PEIA Pay Go Premiums	\$ 76,543,395	\$ 76,543,395	\$ 153,086,790
Retiree Premiums - PPB	42,776,907	42,260,843	85,037,750
Retiree Premiums - MCO	1,065,362	997,974	2,063,336
Annual Required Contributions	-	-	-
Non Par Premiums	1,542,080	1,542,080	3,084,159
Life Insurance	11,789,476	11,789,476	23,578,952
Investment Income	41,584,384	41,584,384	83,168,768
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>	\$ 192,801,604	\$ 192,218,151	\$ 385,019,755
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,858,751	\$ 30,496,968	\$ 59,355,719
Non-Medicare Prescription Drug Claims	10,175,214	11,853,828	22,029,042
Medicare Medical Claims	1,413,950	492,657	1,906,607
Medicare Prescription Drug Claims	3,785,517	1,344,455	5,129,972
Non-Medicare Managed Care Capitations	2,100,382	2,100,382	4,200,764
Humana MAPD Program	67,668,116	67,519,520	135,187,636
Administration	1,986,660	1,986,660	3,973,319
Life Insurance	11,612,453	11,612,453	23,224,905
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	33,848	33,848	67,695
<b>Total Expenses</b>	\$ 128,529,231	\$ 128,335,112	\$ 256,864,343
<b>Fiscal Year Results</b>	\$ 64,272,373	\$ 63,883,039	\$ 128,155,412
Beginning Restricted Reserve			\$ 823,911,317
Ending Restricted Reserve			\$ 952,066,729
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
<b>Total Beginning Plan Reserve</b>			\$ 823,911,317
<b>Total Ending Plan Reserve</b>			\$ 952,066,729
Accrued Actuarial Liability (AAL)			\$ 3,385,684,300
Funded Status			28.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 173.77	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 5,735,859	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 295.58	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		-2.6%
		Administrative Expense		14.1%
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	\$ 99,302,018		\$ 99,302,018
Employer Premiums - PPB	8,142,975	(198,652)	7,944,323
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	38,887,537	4,571,897	43,459,434
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,731,548		1,731,548
Life Insurance	13,237,999		13,237,999
Investment Income	43,834,248		43,834,248
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>\$ 225,929,067</b>	<b>\$ 4,373,245</b>	<b>\$ 230,302,311</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,906,607	\$ -	\$ 1,906,607
Medicare Prescription Drug Claims	5,129,972	-	5,129,972
Humana MAPD Program	154,870,073	(19,682,437)	135,187,636
Administration	1,466,660		1,466,660
Life Insurance	13,039,226		13,039,226
Retiree Assistance Program	986,150		986,150
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,402		24,402
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 177,423,090</b>	<b>\$ (19,682,437)</b>	<b>\$ 157,740,653</b>
<b>Fiscal Year Results</b>	<b>\$ 48,505,977</b>		<b>\$ 72,561,658</b>
Beginning Restricted Reserve	\$ 434,844,471		\$ 434,844,471
Ending Restricted Reserve	<u>\$ 483,350,447</u>		<u>\$ 507,406,129</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><u>\$ 483,350,447</u></b>		<b><u>\$ 507,406,129</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,385,684,300		\$ 3,385,684,300
Funded Status	27.3%		28.1%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 173.77			
Additional Retiree Premiums	\$ 4,373,245			
Pay Go PEPM Subsidy for Retirees	\$ 229.59	Medicare	7.5%	11.5%
		Capitations		-2.6%
		Administrative Expense		14.1%
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	\$ 53,784,769		\$ 53,784,769
Employer Premiums - PPB	12,447,131	(474,057)	11,973,074
Employer Premiums - MCO	1,172,997	4,931	1,177,928
Retiree Premiums - PPB	19,894,657	1,766,263	21,660,919
Retiree Premiums - MCO	819,930	65,478	885,408
Annual Required Contributions	-		-
Non Par Premiums	1,352,611		1,352,611
Life Insurance	10,340,953		10,340,953
Investment Income	39,334,520		39,334,520
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>\$ 153,354,826</b>	<b>\$ 1,362,615</b>	<b>\$ 154,717,441</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,911,719	\$ (1,556,000)	\$ 59,355,719
Non-Medicare Prescription Drug Claims	23,837,042	(1,808,000)	22,029,042
Non-Medicare Managed Care Capitations	4,200,764		4,200,764
Administration	2,506,659		2,506,659
Life Insurance	10,185,679		10,185,679
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	67,695		67,695
<b>Total Expenses</b>	<b>\$ 102,487,690</b>	<b>\$ (3,364,000)</b>	<b>\$ 99,123,690</b>
<b>Fiscal Year Results</b>	<b>\$ 50,867,136</b>		<b>\$ 55,593,751</b>
Beginning Restricted Reserve	\$ 388,994,042		\$ 388,994,042
Ending Restricted Reserve	<u>\$ 439,861,178</u>		<u>\$ 444,587,793</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>\$ 439,861,178</u></b>		<b><u>\$ 444,587,793</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	\$ 173.77			
Additional Retiree Premiums	\$ 1,362,615			
Pay Go PEPM Subsidy for Retirees	\$ 629.87	Non-Medicare	7.5%	11.5%
		Capitations		-2.6%
		Administrative Expense		14.1%
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**

	<b>7/1/2018 to 12/31/2018</b>	<b>1/1/2019 to 6/30/2019</b>	<b>TRUST Total</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,000,000	\$ 77,000,000	\$ 154,000,000
Retiree Premiums - PPB	42,402,274	43,208,614	85,610,888
Retiree Premiums - MCO	1,010,218	1,010,218	2,020,436
Annual Required Contributions	-	-	-
Non Par Premiums	1,495,817	1,495,817	2,991,634
Life Insurance	12,378,950	12,378,950	24,757,900
Investment Income	28,855,522	28,855,522	57,711,043
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>\$ 180,642,781</b>	<b>\$ 181,449,120</b>	<b>\$ 362,091,901</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,440,210	\$ 31,111,436	\$ 60,551,646
Non-Medicare Prescription Drug Claims	10,770,653	12,547,496	23,318,149
Medicare Medical Claims	1,307,407	456,643	1,764,050
Medicare Prescription Drug Claims	3,630,336	1,292,367	4,922,703
Non-Medicare Managed Care Capitations	2,268,413	2,268,413	4,536,825
Humana MAPD Program	67,264,215	78,499,817	145,764,031
Administration	2,046,260	2,046,260	4,092,519
Life Insurance	12,193,076	12,193,076	24,386,151
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	130,371	130,371	260,742
<b>Total Expenses</b>	<b>\$ 130,015,893</b>	<b>\$ 141,510,830</b>	<b>\$ 271,526,723</b>
<b>Fiscal Year Results</b>	<b>\$ 50,626,887</b>	<b>\$ 39,938,290</b>	<b>\$ 90,565,178</b>
Beginning Restricted Reserve			\$ 952,066,729
Ending Restricted Reserve			<u>\$ 1,042,631,907</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			952,066,729
Total Ending Plan Reserve			<u>\$ 1,042,631,907</u>
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			30.0%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 177.24			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 294.31	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		0.6%



**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	\$ 101,116,912		\$ 101,116,912
Employer Premiums - PPB	9,088,102	-	9,088,102
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,493,620	-	43,493,620
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,679,602		1,679,602
Life Insurance	13,899,899		13,899,899
Investment Income	30,416,709		30,416,709
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,956,950		17,956,950
General Revenue Transfer (Premium Offset)	2,992,825		2,992,825
<b>Total Revenue</b>	<b>\$ 220,644,619</b>	<b>\$ -</b>	<b>\$ 220,644,619</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,764,050	\$ -	\$ 1,764,050
Medicare Prescription Drug Claims	4,922,703	-	4,922,703
Humana MAPD Program	145,764,031	-	145,764,031
Administration	1,510,660		1,510,660
Life Insurance	13,691,187		13,691,187
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>\$ 168,743,621</b>	<b>\$ -</b>	<b>\$ 168,743,621</b>
<b>Fiscal Year Results</b>	<b>\$ 51,900,998</b>		<b>\$ 51,900,998</b>
Beginning Restricted Reserve	\$ 507,406,129		\$ 507,406,129
Ending Restricted Reserve	<u>\$ 559,307,127</u>		<u>\$ 559,307,127</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>507,406,129</b>		<b>507,406,129</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 559,307,127</u></b>		<b><u>\$ 559,307,127</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	30.0%		30.0%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 177.24	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 229.95	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		0.6%

**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	\$ 52,883,088		\$ 52,883,088
Employer Premiums - PPB	12,696,791	-	12,696,791
Employer Premiums - MCO	1,188,633	-	1,188,633
Retiree Premiums - PPB	20,332,374	-	20,332,374
Retiree Premiums - MCO	831,803	-	831,803
Annual Required Contributions	-		-
Non Par Premiums	1,312,032		1,312,032
Life Insurance	10,858,000		10,858,000
Investment Income	27,294,335		27,294,335
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,043,050		12,043,050
General Revenue Transfer (Premium Offset)	2,007,175		2,007,175
<b>Total Revenue</b>	<b>\$ 141,447,282</b>	<b>\$ -</b>	<b>\$ 141,447,282</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,551,646	\$ -	\$ 60,551,646
Non-Medicare Prescription Drug Claims	23,318,149	-	23,318,149
Non-Medicare Managed Care Capitations	4,536,825		4,536,825
Administration	2,581,858		2,581,858
Life Insurance	10,694,963		10,694,963
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	260,743		260,743
<b>Total Expenses</b>	<b>\$ 102,783,101</b>	<b>\$ -</b>	<b>\$ 102,783,101</b>
<b>Fiscal Year Results</b>	<b>\$ 38,664,180</b>		<b>\$ 38,664,180</b>
Beginning Restricted Reserve	\$ 444,587,793		\$ 444,587,793
Ending Restricted Reserve	<u>\$ 483,251,973</u>		<u>\$ 483,251,973</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>444,587,793</b>		<b>444,587,793</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 483,251,973</u></b>		<b><u>\$ 483,251,973</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 177.24	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 633.20	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		0.6%

**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	47,052,304	58,489,065	105,541,369
Retiree Premiums - MCO	1,205,163	1,205,163	2,410,325
Annual Required Contributions	-	-	-
Non Par Premiums	1,450,943	1,450,943	2,901,885
Life Insurance	12,997,898	12,997,898	25,995,795
Investment Income	31,605,004	31,605,004	63,210,009
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>	\$ 191,811,311	\$ 203,248,072	\$ 395,059,383
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,194,803	\$ 34,022,398	\$ 66,217,201
Non-Medicare Prescription Drug Claims	12,213,715	14,228,621	26,442,336
Medicare Medical Claims	1,414,074	495,096	1,909,170
Medicare Prescription Drug Claims	4,071,751	1,452,892	5,524,643
Non-Medicare Managed Care Capitations	2,449,886	2,449,886	4,899,771
Humana MAPD Program	78,202,993	91,700,975	169,903,968
Administration	2,107,647	2,107,647	4,215,294
Life Insurance	12,802,729	12,802,729	25,605,458
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	131,538	131,538	263,076
<b>Total Expenses</b>	\$ 146,613,520	\$ 160,416,165	\$ 307,029,685
<b>Fiscal Year Results</b>	\$ 45,197,791	\$ 42,831,907	\$ 88,029,698
Beginning Restricted Reserve			\$ 1,042,631,907
Ending Restricted Reserve			\$ 1,130,661,605
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			1,042,631,907
Total Ending Plan Reserve			\$ 1,130,661,605
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			31.7%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 186.20			
Additional Retiree Premiums	\$ 17,601,765			
Pay Go PEPM Subsidy for Retirees	\$ 298.89	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	\$ 105,902,980		\$ 105,902,980
Employer Premiums - PPB	9,108,156	1,944,810	11,052,966
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,589,595	9,307,426	52,897,021
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,629,214		1,629,214
Life Insurance	14,594,894		14,594,894
Investment Income	33,314,948		33,314,948
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,315,480		18,315,480
General Revenue Transfer (Premium Offset)	3,052,580		3,052,580
<b>Total Revenue</b>	<b>\$ 229,507,848</b>	<b>\$ 11,252,236</b>	<b>\$ 240,760,083</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,909,170	\$ -	\$ 1,909,170
Medicare Prescription Drug Claims	5,524,643	-	5,524,643
Humana MAPD Program	169,903,968	-	169,903,968
Administration	1,555,980		1,555,980
Life Insurance	14,375,747		14,375,747
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>\$ 194,419,754</b>	<b>\$ -</b>	<b>\$ 194,419,754</b>
<b>Fiscal Year Results</b>	<b>\$ 35,088,094</b>		<b>\$ 46,340,329</b>
Beginning Restricted Reserve	\$ 559,307,127		\$ 559,307,127
Ending Restricted Reserve	<u>\$ 594,395,220</u>		<u>\$ 605,647,456</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>559,307,127</b>		<b>559,307,127</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 594,395,220</u></b>		<b><u>\$ 605,647,456</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	31.2%		31.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 186.20	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 11,252,236	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 237.59	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	\$ 54,097,020		\$ 54,097,020
Employer Premiums - PPB	13,681,078	2,307,128	15,988,206
Employer Premiums - MCO	1,213,386	204,621	1,418,007
Retiree Premiums - PPB	21,908,589	3,694,586	25,603,176
Retiree Premiums - MCO	849,125	143,193	992,318
Annual Required Contributions	-		-
Non Par Premiums	1,272,671		1,272,671
Life Insurance	11,400,900		11,400,900
Investment Income	29,895,061		29,895,061
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,684,519		11,684,519
General Revenue Transfer (Premium Offset)	1,947,420		1,947,420
<b>Total Revenue</b>	<b>\$ 147,949,770</b>	<b>\$ 6,349,529</b>	<b>\$ 154,299,299</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 66,217,201	\$ -	\$ 66,217,201
Non-Medicare Prescription Drug Claims	26,442,336	-	26,442,336
Non-Medicare Managed Care Capitations	4,899,771		4,899,771
Administration	2,659,314		2,659,314
Life Insurance	11,229,711		11,229,711
Retiree Assistance Program	898,522		898,522
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	263,076		263,076
<b>Total Expenses</b>	<b>\$ 112,609,931</b>	<b>\$ -</b>	<b>\$ 112,609,931</b>
<b>Fiscal Year Results</b>	<b>\$ 35,339,839</b>		<b>\$ 41,689,368</b>
Beginning Restricted Reserve	\$ 483,251,973		\$ 483,251,973
Ending Restricted Reserve	<u>\$ 518,591,812</u>		<u>\$ 524,941,341</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>483,251,973</b>		<b>483,251,973</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 518,591,812</u></b>		<b><u>\$ 524,941,341</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	\$ 186.20			
Additional Retiree Premiums	\$ 6,349,529			
Pay Go PEPM Subsidy for Retirees	\$ 603.92	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**

	<b>7/1/2020 to 12/31/2020</b>	<b>1/1/2021 to 6/30/2021</b>	<b>TRUST Total</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	63,423,106	75,591,344	139,014,450
Retiree Premiums - MCO	1,444,716	1,444,716	2,889,432
Annual Required Contributions	-	-	-
Non Par Premiums	1,407,414	1,407,414	2,814,828
Life Insurance	13,647,792	13,647,792	27,295,584
Investment Income	34,282,001	34,282,001	68,564,002
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>\$ 216,705,029</b>	<b>\$ 228,873,267</b>	<b>\$ 445,578,296</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,369,777	\$ 37,377,604	\$ 72,747,381
Non-Medicare Prescription Drug Claims	13,911,822	16,206,866	30,118,688
Medicare Medical Claims	1,536,515	539,262	2,075,777
Medicare Prescription Drug Claims	4,587,198	1,640,620	6,227,818
Non-Medicare Managed Care Capitations	2,645,877	2,645,877	5,291,753
Humana MAPD Program	91,354,235	107,629,948	198,984,183
Administration	2,170,877	2,170,877	4,341,753
Life Insurance	13,442,866	13,442,866	26,885,731
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	132,714	132,714	265,428
<b>Total Expenses</b>	<b>\$ 166,258,214</b>	<b>\$ 182,892,968</b>	<b>\$ 349,151,181</b>
<b>Fiscal Year Results</b>	<b>\$ 50,446,815</b>	<b>\$ 45,980,299</b>	<b>\$ 96,427,115</b>
Beginning Restricted Reserve			\$ 1,130,661,605
Ending Restricted Reserve			<u>\$ 1,227,088,720</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,130,661,605
Total Ending Plan Reserve			<u>\$ 1,227,088,720</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			33.7%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 200.49			
Additional Retiree Premiums	\$ 30,759,314			
Pay Go PEPM Subsidy for Retirees	\$ 310.57	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	\$ 116,550,297		\$ 116,550,297
Employer Premiums - PPB	11,074,921	3,893,010	14,967,931
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	53,002,093	18,631,075	71,633,168
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,580,337		1,580,337
Life Insurance	15,324,639		15,324,639
Investment Income	36,136,780		36,136,780
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,279,653		18,279,653
General Revenue Transfer (Premium Offset)	3,046,609		3,046,609
<b>Total Revenue</b>	<b>\$ 254,995,329</b>	<b>\$ 22,524,085</b>	<b>\$ 277,519,415</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,075,777	\$ -	\$ 2,075,777
Medicare Prescription Drug Claims	6,227,818	-	6,227,818
Humana MAPD Program	198,984,183		198,984,183
Administration	1,602,660		1,602,660
Life Insurance	15,094,534		15,094,534
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>\$ 225,227,237</b>	<b>\$ -</b>	<b>\$ 225,227,237</b>
<b>Fiscal Year Results</b>	<b>\$ 29,768,092</b>		<b>\$ 52,292,178</b>
Beginning Restricted Reserve	\$ 605,647,456		\$ 605,647,456
Ending Restricted Reserve	<u>\$ 635,415,549</u>		<u>\$ 657,939,634</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>605,647,456</b>		<b>605,647,456</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 635,415,549</u></b>		<b><u>\$ 657,939,634</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	32.8%		33.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 200.49	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 22,524,085	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 258.00	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	\$ 53,449,703		\$ 53,449,703
Employer Premiums - PPB	17,147,979	3,000,316	20,148,296
Employer Premiums - MCO	1,446,738	253,130	1,699,868
Retiree Premiums - PPB	27,460,412	4,804,643	32,265,055
Retiree Premiums - MCO	1,012,424	177,140	1,189,564
Annual Required Contributions	-		-
Non Par Premiums	1,234,491		1,234,491
Life Insurance	11,970,945		11,970,945
Investment Income	32,427,222		32,427,222
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,720,347		11,720,347
General Revenue Transfer (Premium Offset)	1,953,391		1,953,391
<b>Total Revenue</b>	<b>\$ 159,823,652</b>	<b>\$ 8,235,229</b>	<b>\$ 168,058,882</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 72,747,381	\$ -	\$ 72,747,381
Non-Medicare Prescription Drug Claims	30,118,688	-	30,118,688
Non-Medicare Managed Care Capitations	5,291,753		5,291,753
Administration	2,739,093		2,739,093
Life Insurance	11,791,197		11,791,197
Retiree Assistance Program	970,404		970,404
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	265,427		265,427
<b>Total Expenses</b>	<b>\$ 123,923,943</b>	<b>\$ -</b>	<b>\$ 123,923,943</b>
<b>Fiscal Year Results</b>	<b>\$ 35,899,709</b>		<b>\$ 44,134,939</b>
Beginning Restricted Reserve	\$ 524,941,341		\$ 524,941,341
Ending Restricted Reserve	<u>\$ 560,841,050</u>		<u>\$ 569,076,280</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>524,941,341</b>		<b>524,941,341</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 560,841,050</u></b>		<b><u>\$ 569,076,280</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 200.49	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 8,235,229	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 558.90	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	81,579,091	99,233,416	180,812,507
Retiree Premiums - MCO	1,723,014	1,723,014	3,446,029
Annual Required Contributions	-	-	-
Non Par Premiums	1,365,192	1,365,192	2,730,383
Life Insurance	14,330,182	14,330,182	28,660,364
Investment Income	37,214,891	37,214,891	74,429,783
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>\$ 241,212,370</b>	<b>\$ 258,866,695</b>	<b>\$ 500,079,065</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,036,545	\$ 41,252,523	\$ 80,289,068
Non-Medicare Prescription Drug Claims	15,916,302	18,542,027	34,458,329
Medicare Medical Claims	1,677,241	590,065	2,267,306
Medicare Prescription Drug Claims	5,190,834	1,860,810	7,051,644
Non-Medicare Managed Care Capitations	2,857,547	2,857,547	5,715,093
Humana MAPD Program	107,222,977	126,921,197	234,144,174
Administration	2,236,003	2,236,003	4,472,006
Life Insurance	14,115,009	14,115,009	28,230,018
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	133,899	133,899	267,797
<b>Total Expenses</b>	<b>\$ 189,581,198</b>	<b>\$ 209,703,921</b>	<b>\$ 399,285,118</b>
<b>Fiscal Year Results</b>	<b>\$ 51,631,173</b>	<b>\$ 49,162,775</b>	<b>\$ 100,793,947</b>
Beginning Restricted Reserve			\$ 1,227,088,720
Ending Restricted Reserve			<u>\$ 1,327,882,668</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,227,088,720
Total Ending Plan Reserve			<u>\$ 1,327,882,668</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			35.7%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 215.40			
Additional Retiree Premiums	\$ 38,608,348			
Pay Go PEPM Subsidy for Retirees	\$ 321.75	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	\$ 125,840,203		\$ 125,840,203
Employer Premiums - PPB	14,995,544	4,945,967	19,941,511
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	71,765,315	23,670,292	95,435,607
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,532,927		1,532,927
Life Insurance	16,090,871		16,090,871
Investment Income	39,228,350		39,228,350
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,719,437		18,719,437
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 288,172,647</b>	<b>\$ 28,616,259</b>	<b>\$ 316,788,906</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,267,306	\$ -	\$ 2,267,306
Medicare Prescription Drug Claims	7,051,644	-	7,051,644
Humana MAPD Program	234,144,174		234,144,174
Administration	1,650,739		1,650,739
Life Insurance	15,849,261		15,849,261
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>\$ 262,304,770</b>	<b>\$ -</b>	<b>\$ 262,304,770</b>
<b>Fiscal Year Results</b>	<b>\$ 25,867,877</b>		<b>\$ 54,484,136</b>
Beginning Restricted Reserve	\$ 657,939,634		\$ 657,939,634
Ending Restricted Reserve	<u>\$ 683,807,511</u>		<u>\$ 712,423,770</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>657,939,634</b>		<b>657,939,634</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 683,807,511</u></b>		<b><u>\$ 712,423,770</u></b>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	34.7%		35.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 215.40	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 28,616,259	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 274.92	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	\$ 54,159,797		\$ 54,159,797
Employer Premiums - PPB	21,505,206	3,648,911	25,154,117
Employer Premiums - MCO	1,733,230	294,087	2,027,316
Retiree Premiums - PPB	34,437,983	5,843,289	40,281,272
Retiree Premiums - MCO	1,212,911	205,801	1,418,712
Annual Required Contributions	-		-
Non Par Premiums	1,197,456		1,197,456
Life Insurance	12,569,492		12,569,492
Investment Income	35,201,433		35,201,433
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,280,563		11,280,563
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 173,298,070</b>	<b>\$ 9,992,089</b>	<b>\$ 183,290,159</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 80,289,068	\$ -	\$ 80,289,068
Non-Medicare Prescription Drug Claims	34,458,329	-	34,458,329
Non-Medicare Managed Care Capitations	5,715,093		5,715,093
Administration	2,821,266		2,821,266
Life Insurance	12,380,757		12,380,757
Retiree Assistance Program	1,048,036		1,048,036
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	267,797		267,797
<b>Total Expenses</b>	<b>\$ 136,980,346</b>	<b>\$ -</b>	<b>\$ 136,980,346</b>
<b>Fiscal Year Results</b>	<b>\$ 36,317,724</b>		<b>\$ 46,309,813</b>
Beginning Restricted Reserve	\$ 569,076,280		\$ 569,076,280
Ending Restricted Reserve	<u>\$ 605,394,003</u>		<u>\$ 615,386,093</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
<b>Total Beginning Plan Reserve</b>	<b>569,076,280</b>		<b>569,076,280</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 605,394,003</u></b>		<b><u>\$ 615,386,093</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	\$ 215.40			
Additional Retiree Premiums	\$ 9,992,089			
Pay Go PEPM Subsidy for Retirees	\$ 532.58	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>	\$214.64	\$255.30	\$232.56	\$274.14	\$243.09	\$198.51	\$278.08	\$309.59	\$319.18	\$273.76	\$310.54	\$260.98
<b>Med_NonDrug</b>	129.99	159.79	146.51	135.00	142.51	133.76	465.13	245.49	256.14	153.68	163.88	171.62
<b>NonMed_Drug</b>	106.73	133.06	125.84	139.73	132.88	143.69	149.03	137.60	161.70	153.24	157.58	160.84
<b>Med_Drug</b>	<u>233.42</u>	<u>286.72</u>	<u>270.61</u>	<u>277.28</u>	<u>293.14</u>	<u>308.52</u>	<u>257.69</u>	<u>260.54</u>	<u>315.74</u>	<u>295.18</u>	<u>335.54</u>	<u>377.71</u>
<b>Total</b>	\$684.79	\$834.87	\$775.52	\$826.16	\$811.62	\$784.48	\$1,149.93	\$953.22	\$1,052.77	\$875.86	\$967.55	\$971.14

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

<b>NonMed_NonDrug</b>	-13.9%	1.5%	-3.8%	10.8%	6.0%	-17.5%	8.2%	11.0%	1.9%	0.1%	-9.1%	-6.6%
<b>Med_NonDrug</b>	-31.2%	-9.0%	-6.6%	-11.0%	4.5%	1.8%	107.3%	14.9%	28.3%	0.4%	-14.0%	-13.3%
<b>NonMed_Drug</b>	11.9%	25.4%	9.0%	19.9%	12.1%	7.3%	18.7%	9.5%	17.6%	19.5%	19.2%	6.8%
<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>5.6%</u>	<u>12.2%</u>	<u>18.9%</u>	<u>15.2%</u>
<b>Total</b>	-9.6%	10.5%	1.0%	6.8%	11.8%	-0.1%	30.8%	6.2%	10.9%	7.1%	2.2%	1.6%

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

<b>NonMed_NonDrug</b>			-5.4%			-0.2%			6.8%			-5.5%
<b>Med_NonDrug</b>			-16.3%			-2.0%			51.6%			-9.7%
<b>NonMed_Drug</b>			15.3%			12.8%			15.3%			14.7%
<b>Med_Drug</b>			<u>12.9%</u>			<u>12.8%</u>			<u>-2.0%</u>			<u>15.5%</u>
<b>Total</b>			0.6%			6.0%			15.7%			3.5%

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

<b>NonMed_NonDrug</b>			-4.0%			-1.4%			-0.6%			-1.0%
<b>Med_NonDrug</b>			-11.6%			-9.1%			8.7%			8.6%
<b>NonMed_Drug</b>			5.1%			8.4%			11.4%			14.5%
<b>Med_Drug</b>			<u>14.5%</u>			<u>15.4%</u>			<u>10.4%</u>			<u>9.6%</u>
<b>Total</b>			1.0%			3.3%			6.6%			6.7%

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

	<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>
<b>NonMed_NonDrug</b>	\$184.35	\$241.67	\$228.84	\$256.33	\$271.46	\$215.46	\$341.47	\$287.87	\$318.64	\$341.02	\$331.67
<b>Med_NonDrug</b>	177.07	165.58	149.16	173.76	155.92	150.49	283.33	248.67	322.49	217.25	183.16
<b>NonMed_Drug</b>	190.89	142.53	116.03	186.58	134.43	129.24	170.16	121.45	139.22	158.17	155.32
<b>Med_Drug</b>	<u>384.59</u>	<u>373.57</u>	<u>330.48</u>	<u>358.68</u>	<u>305.12</u>	<u>302.41</u>	<u>614.97</u>	<u>532.29</u>	<u>440.58</u>	<u>464.44</u>	<u>371.22</u>
<b>Total</b>	\$936.90	\$923.35	\$824.52	\$975.34	\$866.93	\$797.59	\$1,409.93	\$1,190.29	\$1,220.93	\$1,180.88	\$1,041.37

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

<b>NonMed_NonDrug</b>	-14.1%	-5.3%	-1.6%	-6.5%	11.7%	8.5%	22.8%	-7.0%	-0.2%	24.6%	6.8%
<b>Med_NonDrug</b>	36.2%	3.6%	1.8%	28.7%	9.4%	12.5%	-39.1%	1.3%	25.9%	41.4%	11.8%
<b>NonMed_Drug</b>	78.8%	7.1%	-7.8%	33.5%	1.2%	-10.1%	14.2%	-11.7%	-13.9%	3.2%	-1.4%
<b>Med_Drug</b>	<u>64.8%</u>	<u>30.3%</u>	<u>22.1%</u>	<u>29.4%</u>	<u>4.1%</u>	<u>-2.0%</u>	<u>138.6%</u>	<u>104.3%</u>	<u>39.5%</u>	<u>57.3%</u>	<u>10.6%</u>
<b>Total</b>	36.8%	10.6%	6.3%	18.1%	6.8%	1.7%	22.6%	24.9%	16.0%	34.8%	7.6%

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

<b>NonMed_NonDrug</b>			-6.8%			3.8%			4.5%		
<b>Med_NonDrug</b>			12.7%			16.8%			-11.6%		
<b>NonMed_Drug</b>			22.9%			8.2%			-3.9%		
<b>Med_Drug</b>			<u>37.7%</u>			<u>9.9%</u>			<u>90.4%</u>		
<b>Total</b>			17.0%			9.0%			21.1%		

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

<b>NonMed_NonDrug</b>			-1.3%			-0.4%			-0.9%		
<b>Med_NonDrug</b>			15.9%			19.8%			-1.7%		
<b>NonMed_Drug</b>			16.4%			15.0%			9.8%		
<b>Med_Drug</b>			<u>15.7%</u>			<u>14.8%</u>			<u>37.7%</u>		
<b>Total</b>			10.5%			11.1%			12.9%		