

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
March 31, 2019**

Fiscal Years 2019-2023

Report Date: June 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 \$293 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 May 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 163 retirees from June 2018 to June 2019. Continuing Care Actuaries has updated the claims analysis based on the enrollment through June 2019.

In aggregate, June 2019 enrollment has increased by 163 coverages since the end of FY 2018. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 166 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 50,291 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 June 2019 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-17	Jun-18	Jun-19	Jun-17	Jun-18	Jun-19
Retirees	Medicare Single	20,197	20,901	21,319	-	-	-
	Medicare Family	14,978	15,473	15,830	-	-	-
	Medicare Total	35,175	36,374	37,149	-	-	-
	Non-Medicare Single	3,094	2,849	2,583	139	125	130
	Non-Medicare Family	3,881	3,568	3,225	152	141	133
	Non-Medicare Total	6,975	6,417	5,808	291	266	263
	Retiree Total	42,150	42,791	42,957	291	266	263
	Grand Total				42,441	43,057	43,220

* The majority of PPB is capitated through Humana. As of May 2019, there are approximately 706 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA March 31, 2019 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 May 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%	0%	10%	31%	9%
2018	9%	8%	41%	14%	11%
2019*	34%	5%	2%	19%	10%

* Fiscal Year 2019 results are through the first eleven months ending May 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 May 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	36,971			\$ 102**	\$ 255**	\$ 272
	Non-Medicare	6,151			\$ 770	\$ 313	
	Total	43,122	\$ -	\$ 162			
	Non-Medicare Managed Care	267	\$ -	\$ 609			\$ 1,275
	Total	43,389					

*Net of rebates and subsidies.

** As of May 2019, there are approximately 706 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	\$1,466,015
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$0	\$0	\$11,962,445
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)	\$44,000,000	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$32,892)	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$152,365,250	\$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%	29.8%	32.4%	34.8%	37.1%

*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 \$1,893,294 in FY 2019 to \$2,575,806 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 \$341,430,859 and incurred plan expenses of \$241,398,693 to produce a fiscal year surplus of \$100,032,166 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$152,365,250.

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 \$351,877,473 and incurred plan expenses of \$236,210,977 to produce a fiscal year surplus of \$115,666,496 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 \$366,072,679 and incurred plan expenses of \$251,194,745 to produce a fiscal year surplus of \$114,877,934 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 \$385,304,520 and incurred plan expenses of \$276,183,864 to produce a fiscal year surplus of \$109,120,656 after the Premium Stabilization Reserve drawdown of \$0. 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 \$420,634,228 and incurred plan expenses of \$305,579,267 to produce a fiscal year surplus of \$115,054,961 after the Premium Stabilization Reserve drawdown of \$9,908,045. 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	\$ 76,182,625	\$ 76,182,625	\$ 152,365,250
Retiree Premiums - PPB	41,662,608	42,329,572	83,992,181
Retiree Premiums - MCO	972,615	979,614	1,952,228
Annual Required Contributions	-	-	-
Non Par Premiums	1,502,554	1,502,554	3,005,107
Life Insurance	11,905,350	11,905,350	23,810,699
Investment Income	20,652,697	20,652,697	41,305,394
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	\$ 170,378,448	\$ 171,052,411	\$ 341,430,859
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,638,124	\$ 29,207,051	\$ 56,845,175
Non-Medicare Prescription Drug Claims	10,666,247	12,425,866	23,092,113
Medicare Medical Claims	1,370,660	455,304	1,825,964
Medicare Prescription Drug Claims	3,549,959	1,202,109	4,752,068
Non-Medicare Managed Care Capitations	2,042,740	2,042,740	4,085,479
Humana MAPD Program	66,333,600	54,322,593	120,656,192
Administration	2,200,052	2,200,052	4,400,104
Life Insurance	11,875,498	11,875,498	23,750,995
Retiree Assistance Program	946,647	946,647	1,893,294
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,446	16,446	32,892
Computer Software Reserve	-	-	-
Director's Discretionary Fund	32,209	32,209	64,417
Total Expenses	\$ 126,672,180	\$ 114,726,513	\$ 241,398,693
Fiscal Year Results	\$ 43,706,268	\$ 56,325,898	\$ 100,032,166
Beginning Restricted Reserve			\$ 925,008,097
Ending Restricted Reserve			\$ 1,025,040,263
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			\$ 1,063,146,767
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			27.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 174.81	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 292.64	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		-0.7%
		Administrative Expense		-0.6%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		2.4%

**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	\$ 96,220,473		\$ 96,220,473
Employer Premiums - PPB	7,042,322	-	7,042,322
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,522,929	-	46,522,929
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,773,500		1,773,500
Life Insurance	14,052,171		14,052,171
Investment Income	21,770,082		21,770,082
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	\$ 208,376,672	\$ -	\$ 208,376,672
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,825,964	\$ -	\$ 1,825,964
Medicare Prescription Drug Claims	4,752,068	-	4,752,068
Humana MAPD Program Administration	142,761,131	(22,104,939)	120,656,192
Life Insurance	1,624,198		1,624,198
Retiree Assistance Program	14,016,936		14,016,936
ACA Reinsurance Contributions	1,117,350		1,117,350
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	24,930		24,930
Director's Discretionary Fund	-		-
Total Expenses	\$ 166,122,577	\$ (22,104,939)	\$ 144,017,638
Fiscal Year Results	\$ 42,254,095		\$ 64,359,035
Beginning Restricted Reserve	\$ 498,298,927		\$ 498,298,927
Ending Restricted Reserve	<u>\$ 540,553,023</u>		<u>\$ 562,657,962</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>\$ 561,083,476</u>		<u>\$ 583,188,415</u>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	28.7%		28.7%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 174.81			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 216.89	Medicare	7.5%	11.5%
		Capitations		-0.7%
		Administrative Expense		-0.6%
Number of Net New Retirees	700	Pay Go Monthly Premium		2.4%

**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	\$ 56,144,777		\$ 56,144,777
Employer Premiums - PPB	10,162,283	-	10,162,283
Employer Premiums - MCO	1,058,998	-	1,058,998
Retiree Premiums - PPB	20,264,647	-	20,264,647
Retiree Premiums - MCO	893,230	-	893,230
Annual Required Contributions	-		-
Non Par Premiums	1,231,607		1,231,607
Life Insurance	9,758,528		9,758,528
Investment Income	19,535,312		19,535,312
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	\$ 133,054,187	\$ -	\$ 133,054,187
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 56,845,175	\$ -	\$ 56,845,175
Non-Medicare Prescription Drug Claims	23,092,113	-	23,092,113
Non-Medicare Managed Care Capitations	4,085,479		4,085,479
Administration	2,775,906		2,775,906
Life Insurance	9,734,059		9,734,059
Retiree Assistance Program	775,944		775,944
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,962		7,962
Computer Software Reserve	-		-
Director's Discretionary Fund	64,417		64,417
Total Expenses	\$ 97,381,055	\$ -	\$ 97,381,055
Fiscal Year Results	\$ 35,673,131		\$ 35,673,131
Beginning Restricted Reserve	\$ 426,709,170		\$ 426,709,170
Ending Restricted Reserve	<u>\$ 462,382,301</u>		<u>\$ 462,382,301</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>\$ 479,958,352</u>		<u>\$ 479,958,352</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	\$ 174.81			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 729.03	Non-Medicare	7.5%	11.5%
		Capitations		-0.7%
		Administrative Expense		-0.6%
Number of Net New Retirees	300	Pay Go Monthly Premium		2.4%

**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	41,173,832	41,359,587	82,533,418
Retiree Premiums - MCO	995,521	995,521	1,991,043
Annual Required Contributions	-	-	-
Non Par Premiums	1,457,477	1,457,477	2,914,954
Life Insurance	12,500,617	12,500,617	25,001,234
Investment Income	32,218,412	32,218,412	64,436,824
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	\$ 175,845,859	\$ 176,031,614	\$ 351,877,473
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,639,105	\$ 30,264,855	\$ 58,903,960
Non-Medicare Prescription Drug Claims	11,477,010	13,370,382	24,847,392
Medicare Medical Claims	1,222,758	407,167	1,629,925
Medicare Prescription Drug Claims	3,284,574	1,114,864	4,399,438
Non-Medicare Managed Care Capitations	2,206,159	2,206,159	4,412,317
Humana MAPD Program	53,726,061	56,028,599	109,754,660
Administration	2,516,054	2,516,054	5,032,107
Life Insurance	12,469,273	12,469,273	24,938,545
Retiree Assistance Program	1,022,379	1,022,379	2,044,758
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	123,938	123,938	247,875
Total Expenses	\$ 116,687,310	\$ 119,523,667	\$ 236,210,977
Fiscal Year Results	\$ 59,158,549	\$ 56,507,947	\$ 115,666,496
Beginning Restricted Reserve			\$ 1,025,040,263
Ending Restricted Reserve			<u>\$ 1,140,706,759</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,063,146,767
Total Ending Plan Reserve			<u>\$ 1,178,813,263</u>
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			29.8%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 161.79			
Additional Retiree Premiums	\$ 1,203,072			
Pay Go PEPM Subsidy for Retirees	\$ 266.57	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		-8.1%

**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	\$ 77,618,116		\$ 77,618,116
Employer Premiums - PPB	9,183,090	207,936	9,391,026
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,948,210	995,135	44,943,346
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,720,295		1,720,295
Life Insurance	14,754,780		14,754,780
Investment Income	33,961,543		33,961,543
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,344,903		18,344,903
General Revenue Transfer (Premium Offset)	3,057,484		3,057,484
Total Revenue	\$ 202,588,420	\$ 1,203,072	\$ 203,791,492
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,629,925	\$ -	\$ 1,629,925
Medicare Prescription Drug Claims	4,399,438	-	4,399,438
Humana MAPD Program	131,616,859	(21,862,199)	109,754,660
Administration	1,672,924	-	1,672,924
Life Insurance	14,717,783		14,717,783
Retiree Assistance Program	1,206,738		1,206,738
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 155,243,667	\$ (21,862,199)	\$ 133,381,468
Fiscal Year Results	\$ 47,344,753		\$ 70,410,024
Beginning Restricted Reserve	\$ 562,657,962		\$ 562,657,962
Ending Restricted Reserve	<u>\$ 610,002,715</u>		<u>\$ 633,067,986</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	583,188,415		583,188,415
Total Ending Plan Reserve	<u>\$ 630,533,169</u>		<u>\$ 653,598,439</u>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	31.1%		31.1%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 161.79			
Additional Retiree Premiums	\$ 1,203,072			
Pay Go PEPM Subsidy for Retirees	\$ 171.12	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-8.1%

**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	\$ 62,381,884		\$ 62,381,884
Employer Premiums - PPB	10,840,038	-	10,840,038
Employer Premiums - MCO	1,171,341	-	1,171,341
Retiree Premiums - PPB	17,359,009	-	17,359,009
Retiree Premiums - MCO	819,702	-	819,702
Annual Required Contributions	-		-
Non Par Premiums	1,194,659		1,194,659
Life Insurance	10,246,454		10,246,454
Investment Income	30,475,281		30,475,281
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,655,097		11,655,097
General Revenue Transfer (Premium Offset)	1,942,516		1,942,516
Total Revenue	\$ 148,085,981	\$ -	\$ 148,085,981
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 58,353,960	\$ 550,000	\$ 58,903,960
Non-Medicare Prescription Drug Claims	24,597,392	250,000	24,847,392
Non-Medicare Managed Care Capitations	4,412,317		4,412,317
Administration	2,859,183	500,000	3,359,183
Life Insurance	10,220,762		10,220,762
Retiree Assistance Program	838,019		838,019
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	247,875		247,875
Total Expenses	\$ 101,529,508	\$ 1,300,000	\$ 102,829,508
Fiscal Year Results	\$ 46,556,473		\$ 45,256,473
Beginning Restricted Reserve	\$ 462,382,301		\$ 462,382,301
Ending Restricted Reserve	<u>\$ 508,938,774</u>		<u>\$ 507,638,774</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	479,958,352		479,958,352
Total Ending Plan Reserve	<u>\$ 526,514,825</u>		<u>\$ 525,214,825</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	\$ 161.79			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 871.18	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-8.1%

**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	41,667,932	41,853,687	83,521,619
Retiree Premiums - MCO	1,012,082	1,012,082	2,024,163
Annual Required Contributions	-	-	-
Non Par Premiums	1,413,753	1,413,753	2,827,505
Life Insurance	13,125,648	13,125,648	26,251,296
Investment Income	35,724,048	35,724,048	71,448,096
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	\$ 182,943,462	\$ 183,129,217	\$ 366,072,679
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,513,001	\$ 31,188,358	\$ 60,701,359
Non-Medicare Prescription Drug Claims	12,265,674	14,289,151	26,554,825
Medicare Medical Claims	1,095,882	365,806	1,461,688
Medicare Prescription Drug Claims	3,052,638	1,038,571	4,091,209
Non-Medicare Managed Care Capitations	2,382,651	2,382,651	4,765,302
Humana MAPD Program	55,413,333	64,392,556	119,805,890
Administration	2,591,535	2,591,535	5,183,070
Life Insurance	13,092,736	13,092,736	26,185,472
Retiree Assistance Program	1,104,169	1,104,169	2,208,338
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	118,796	118,796	237,592
Total Expenses	\$ 120,630,415	\$ 130,564,330	\$ 251,194,745
Fiscal Year Results	\$ 62,313,048	\$ 52,564,887	\$ 114,877,934
Beginning Restricted Reserve			\$ 1,140,706,759
Ending Restricted Reserve			<u>\$ 1,255,584,694</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,178,813,263
Total Ending Plan Reserve			<u>\$ 1,293,691,198</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			32.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 175.42			
Additional Retiree Premiums	\$ 1,742,705			
Pay Go PEPM Subsidy for Retirees	\$ 279.21	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	\$ 78,168,218		\$ 78,168,218
Employer Premiums - PPB	9,417,367	301,205	9,718,572
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,069,408	1,441,500	46,510,907
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,668,686		1,668,686
Life Insurance	15,492,519		15,492,519
Investment Income	37,656,847		37,656,847
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,267,473		17,267,473
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 204,740,517	\$ 1,742,705	\$ 206,483,222
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,461,688	\$ -	\$ 1,461,688
Medicare Prescription Drug Claims	4,091,209	-	4,091,209
Humana MAPD Program	119,805,890		119,805,890
Administration	1,723,112		1,723,112
Life Insurance	15,453,672		15,453,672
Retiree Assistance Program	1,303,277		1,303,277
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 143,838,848	\$ -	\$ 143,838,848
Fiscal Year Results	\$ 60,901,669		\$ 62,644,374
Beginning Restricted Reserve	\$ 633,067,986		\$ 633,067,986
Ending Restricted Reserve	<u>\$ 693,969,655</u>		<u>\$ 695,712,360</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	653,598,439		653,598,439
Total Ending Plan Reserve	<u>\$ 714,500,108</u>		<u>\$ 716,242,813</u>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	33.8%		33.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 175.42	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,742,705	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 167.03	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	\$ 71,831,782		\$ 71,831,782
Employer Premiums - PPB	10,491,413	-	10,491,413
Employer Premiums - MCO	1,190,826	-	1,190,826
Retiree Premiums - PPB	16,800,727	-	16,800,727
Retiree Premiums - MCO	833,337	-	833,337
Annual Required Contributions	-		-
Non Par Premiums	1,158,819		1,158,819
Life Insurance	10,758,777		10,758,777
Investment Income	33,791,249		33,791,249
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,732,527		12,732,527
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 159,589,458	\$ -	\$ 159,589,458
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,701,359	\$ -	\$ 60,701,359
Non-Medicare Prescription Drug Claims	26,554,825	-	26,554,825
Non-Medicare Managed Care Capitations	4,765,302		4,765,302
Administration	3,459,958		3,459,958
Life Insurance	10,731,800		10,731,800
Retiree Assistance Program	905,061		905,061
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	237,592		237,592
Total Expenses	\$ 107,355,897	\$ -	\$ 107,355,897
Fiscal Year Results	\$ 52,233,561		\$ 52,233,561
Beginning Restricted Reserve	\$ 507,638,774		\$ 507,638,774
Ending Restricted Reserve	<u>\$ 559,872,335</u>		<u>\$ 559,872,335</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	525,214,825		525,214,825
Total Ending Plan Reserve	<u>\$ 577,448,386</u>		<u>\$ 577,448,386</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 175.42	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,037.28	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
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	42,167,114	42,352,869	84,519,983
Retiree Premiums - MCO	1,029,051	1,029,051	2,058,103
Annual Required Contributions	-	-	-
Non Par Premiums	1,371,340	1,371,340	2,742,680
Life Insurance	13,781,930	13,781,930	27,563,860
Investment Income	39,209,947	39,209,947	78,419,895
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	\$ 192,559,383	\$ 192,745,138	\$ 385,304,520
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,554,064	\$ 32,288,519	\$ 62,842,583
Non-Medicare Prescription Drug Claims	13,166,930	15,339,088	28,506,018
Medicare Medical Claims	1,190,763	398,440	1,589,203
Medicare Prescription Drug Claims	3,439,049	1,172,770	4,611,819
Non-Medicare Managed Care Capitations	2,573,264	2,573,264	5,146,527
Humana MAPD Program	63,685,444	74,356,274	138,041,718
Administration	2,669,281	2,669,281	5,338,562
Life Insurance	13,747,373	13,747,373	27,494,746
Retiree Assistance Program	1,192,503	1,192,503	2,385,005
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	113,842	113,842	227,683
Total Expenses	\$ 132,332,511	\$ 143,851,352	\$ 276,183,864
Fiscal Year Results	\$ 60,226,872	\$ 48,893,785	\$ 109,120,656
Beginning Restricted Reserve			\$ 1,255,584,694
Ending Restricted Reserve			<u>\$ 1,364,705,350</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,293,691,198
Total Ending Plan Reserve			<u>\$ 1,402,811,854</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			34.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.55	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,742,705	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 291.29	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	\$ 84,621,713		\$ 84,621,713
Employer Premiums - PPB	9,747,400	301,205	10,048,605
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,648,873	1,441,500	48,090,373
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,618,626		1,618,626
Life Insurance	16,267,145		16,267,145
Investment Income	41,331,346		41,331,346
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,890,610		16,890,610
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 217,125,713	\$ 1,742,705	\$ 218,868,418
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,589,203	\$ -	\$ 1,589,203
Medicare Prescription Drug Claims	4,611,819	-	4,611,819
Humana MAPD Program	138,041,718		138,041,718
Administration	1,774,806		1,774,806
Life Insurance	16,226,356		16,226,356
Retiree Assistance Program	1,407,540		1,407,540
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 163,651,442	\$ -	\$ 163,651,442
Fiscal Year Results	\$ 53,474,271		\$ 55,216,976
Beginning Restricted Reserve	\$ 695,712,360		\$ 695,712,360
Ending Restricted Reserve	<u>\$ 749,186,631</u>		<u>\$ 750,929,336</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	716,242,813		716,242,813
Total Ending Plan Reserve	<u>\$ 769,717,084</u>		<u>\$ 771,459,789</u>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	36.3%		36.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.55	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,742,705	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 175.42	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	\$ 75,378,287		\$ 75,378,287
Employer Premiums - PPB	10,141,162	-	10,141,162
Employer Premiums - MCO	1,210,792	-	1,210,792
Retiree Premiums - PPB	16,239,843	-	16,239,843
Retiree Premiums - MCO	847,310	-	847,310
Annual Required Contributions	-		-
Non Par Premiums	1,124,054		1,124,054
Life Insurance	11,296,716		11,296,716
Investment Income	37,088,549		37,088,549
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,109,390		13,109,390
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 166,436,103	\$ -	\$ 166,436,103
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 62,842,583	\$ -	\$ 62,842,583
Non-Medicare Prescription Drug Claims	28,506,018	-	28,506,018
Non-Medicare Managed Care Capitations	5,146,527		5,146,527
Administration	3,563,757		3,563,757
Life Insurance	11,268,390		11,268,390
Retiree Assistance Program	977,466		977,466
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	227,683		227,683
Total Expenses	\$ 112,532,424	\$ -	\$ 112,532,424
Fiscal Year Results	\$ 53,903,679		\$ 53,903,679
Beginning Restricted Reserve	\$ 559,872,335		\$ 559,872,335
Ending Restricted Reserve	<u>\$ 613,776,014</u>		<u>\$ 613,776,014</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	577,448,386		577,448,386
Total Ending Plan Reserve	<u>\$ 631,352,065</u>		<u>\$ 631,352,065</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.55	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,126.83	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
Revenues			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	43,355,819	48,505,804	91,861,624
Retiree Premiums - MCO	1,103,573	1,103,573	2,207,145
Annual Required Contributions	-	-	-
Non Par Premiums	1,330,200	1,330,200	2,660,400
Life Insurance	14,471,027	14,471,027	28,942,053
Investment Income	42,527,480	42,527,480	85,054,961
Transfer from Premium Stabilization Reserve	4,919,373	4,988,672	9,908,045
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 207,707,472	\$ 212,926,756	\$ 420,634,228
Program Expenses			
Non-Medicare Medical Claims	\$ 31,777,308	\$ 33,581,202	\$ 65,358,510
Non-Medicare Prescription Drug Claims	14,197,097	16,539,204	30,736,301
Medicare Medical Claims	1,299,812	435,978	1,735,790
Medicare Prescription Drug Claims	3,891,571	1,330,173	5,221,744
Non-Medicare Managed Care Capitations	2,779,125	2,779,125	5,558,249
Humana MAPD Program	73,539,747	86,266,779	159,806,526
Administration	2,749,360	2,749,360	5,498,719
Life Insurance	14,434,742	14,434,742	28,869,483
Retiree Assistance Program	1,287,903	1,287,903	2,575,806
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	109,070	109,070	218,139
Total Expenses	\$ 146,065,733	\$ 159,513,534	\$ 305,579,267
Fiscal Year Results	\$ 61,641,739	\$ 53,413,222	\$ 115,054,961
Beginning Restricted Reserve			\$ 1,364,705,350
Ending Restricted Reserve			<u>\$ 1,479,760,311</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ (9,908,045)
Ending Premium Stabilization Reserve			<u>\$ 28,198,459</u>
Total Beginning Plan Reserve			1,402,811,854
Total Ending Plan Reserve			<u>\$ 1,507,958,770</u>
Accrued Actuarial Liability (AAL)			\$ 3,782,142,169
Funded Status			37.1%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 204.02			
Additional Retiree Premiums	\$ 8,186,232			
Pay Go PEPM Subsidy for Retirees	\$ 302.85	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	10,080,009	1,161,506	11,241,515
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	48,240,665	5,558,710	53,799,375
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,570,067		1,570,067
Life Insurance	17,080,502		17,080,502
Investment Income	44,828,369		44,828,369
Transfer from Premium Stabilization Reserve	8,096,411		8,096,411
General Revenue Transfer (OPEB Funding)	17,053,918		17,053,918
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 249,169,594	\$ 6,720,216	\$ 255,889,810
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,735,790	\$ -	\$ 1,735,790
Medicare Prescription Drug Claims	5,221,744	-	5,221,744
Humana MAPD Program	159,806,526		159,806,526
Administration	1,828,050		1,828,050
Life Insurance	17,037,673		17,037,673
Retiree Assistance Program	1,520,143		1,520,143
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,149,926	\$ -	\$ 187,149,926
Fiscal Year Results	\$ 62,019,668		\$ 68,739,884
Beginning Restricted Reserve	\$ 750,929,336		\$ 750,929,336
Ending Restricted Reserve	<u>\$ 812,949,004</u>		<u>\$ 819,669,220</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ (8,096,411)		\$ (8,096,411)
Ending Premium Stabilization Reserve	<u>\$ 12,434,042</u>		<u>\$ 12,434,042</u>
Total Beginning Plan Reserve	771,459,789		771,459,789
Total Ending Plan Reserve	<u>\$ 825,383,045</u>		<u>\$ 832,103,261</u>
Accrued Actuarial Liability (AAL)	\$ 3,782,142,169		\$ 3,782,142,169
Funded Status	38.2%		38.3%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 204.02			
Additional Retiree Premiums	\$ 6,720,216			
Pay Go PEPM Subsidy for Retirees	\$ 205.76	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	9,789,495	520,703	10,310,199
Employer Premiums - MCO	1,232,897	65,578	1,298,475
Retiree Premiums - PPB	15,676,691	833,843	16,510,535
Retiree Premiums - MCO	862,779	45,891	908,670
Annual Required Contributions	-		-
Non Par Premiums	1,090,333		1,090,333
Life Insurance	11,861,552		11,861,552
Investment Income	40,226,592		40,226,592
Transfer from Premium Stabilization Reserve	1,811,634		1,811,634
General Revenue Transfer (OPEB Funding)	12,946,082		12,946,082
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 163,278,404	\$ 1,466,015	\$ 164,744,419
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 65,358,510	\$ -	\$ 65,358,510
Non-Medicare Prescription Drug Claims	30,736,301	-	30,736,301
Non-Medicare Managed Care Capitations	5,558,249		5,558,249
Administration	3,670,670		3,670,670
Life Insurance	11,831,809		11,831,809
Retiree Assistance Program	1,055,663		1,055,663
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	218,139		218,139
Total Expenses	\$ 118,429,341	\$ -	\$ 118,429,341
Fiscal Year Results	\$ 44,849,063		\$ 46,315,078
Beginning Restricted Reserve	\$ 613,776,014		\$ 613,776,014
Ending Restricted Reserve	<u>\$ 658,625,077</u>		<u>\$ 660,091,093</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ (1,811,634)		\$ (1,811,634)
Ending Premium Stabilization Reserve	<u>\$ 15,764,417</u>		<u>\$ 15,764,417</u>
Total Beginning Plan Reserve	631,352,065		631,352,065
Total Ending Plan Reserve	<u>\$ 674,389,495</u>		<u>\$ 675,855,510</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 204.02	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,466,015	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,050.15	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	\$183.41	\$238.85	\$224.17	\$254.21	\$267.48	\$210.91	\$345.42	\$272.06	\$307.02	\$351.45	\$346.50	\$338.73
Med_NonDrug	175.02	161.72	144.84	170.40	145.39	147.42	403.80	241.41	337.61	212.24	182.45	205.76
NonMed_Drug	190.98	142.64	116.10	186.66	134.44	129.29	170.30	121.61	139.56	159.02	160.97	165.23
Med_Drug	<u>384.58</u>	<u>373.56</u>	<u>330.48</u>	<u>358.69</u>	<u>305.13</u>	<u>302.42</u>	<u>615.12</u>	<u>533.86</u>	<u>443.02</u>	<u>470.17</u>	<u>397.76</u>	<u>430.80</u>
Total	\$933.99	\$916.76	\$815.59	\$969.96	\$852.45	\$790.03	\$1,534.64	\$1,168.93	\$1,227.22	\$1,192.88	\$1,087.68	\$1,140.52

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-14.4%	-6.3%	-3.5%	-7.2%	9.4%	6.2%	24.0%	-12.0%	-3.0%	25.7%	12.0%	30.1%
Med_NonDrug	35.6%	1.3%	-1.2%	26.2%	2.4%	10.2%	-15.5%	-4.8%	33.4%	30.6%	9.2%	26.8%
NonMed_Drug	78.9%	7.2%	-7.8%	33.5%	1.1%	-10.1%	14.2%	-11.7%	-13.8%	3.7%	2.1%	2.7%
Med_Drug	<u>64.8%</u>	<u>30.3%</u>	<u>22.1%</u>	<u>29.3%</u>	<u>4.1%</u>	<u>-2.0%</u>	<u>138.7%</u>	<u>104.9%</u>	<u>40.3%</u>	<u>59.3%</u>	<u>18.5%</u>	<u>14.1%</u>
Total	36.7%	9.9%	5.2%	17.4%	4.9%	0.7%	31.9%	21.7%	17.2%	34.0%	12.2%	18.6%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-7.9%			2.2%			2.2%			22.0%
Med_NonDrug			10.6%			12.8%			-0.2%			22.1%
NonMed_Drug			23.0%			8.1%			-3.8%			2.8%
Med_Drug			<u>37.7%</u>			<u>9.9%</u>			<u>90.9%</u>			<u>28.8%</u>
Total			16.3%			7.8%			23.9%			21.2%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-1.4%			-0.9%			-2.0%			5.3%
Med_NonDrug			16.9%			19.9%			2.1%			8.9%
NonMed_Drug			16.4%			15.1%			9.8%			6.7%
Med_Drug			<u>15.7%</u>			<u>14.8%</u>			<u>37.9%</u>			<u>40.8%</u>
Total			10.6%			11.0%			13.4%			17.9%

**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>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>
NonMed_NonDrug	15,984	16,420	16,066	15,867	15,659	15,446	15,321	15,159	14,960	14,793	14,654
Med_NonDrug	1,691	1,968	2,166	2,365	2,563	2,791	336	510	654	808	957
NonMed_Drug	14,810	15,213	14,884	14,703	14,509	14,311	14,196	14,046	13,862	13,707	13,580
Med_Drug	1,761	2,050	2,256	2,463	2,670	2,907	350	531	681	842	997

	<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>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>
NonMed_NonDrug	\$225.83	\$317.65	\$255.57	\$319.23	\$255.66	\$200.37	\$293.35	\$292.39	\$271.64	\$283.57	\$360.81
Med_NonDrug	176.82	177.97	226.99	185.25	191.46	228.96	725.75	369.66	390.84	250.16	198.90
NonMed_Drug	156.19	155.67	149.52	187.60	164.86	167.20	202.48	177.38	194.99	216.37	203.22
Med_Drug	<u>392.33</u>	<u>429.19</u>	<u>358.85</u>	<u>423.98</u>	<u>384.18</u>	<u>379.72</u>	<u>588.92</u>	<u>368.85</u>	<u>416.92</u>	<u>411.38</u>	<u>381.97</u>
Total	\$951.16	\$1,080.48	\$990.94	\$1,116.06	\$996.16	\$976.24	\$1,810.49	\$1,208.28	\$1,274.38	\$1,161.48	\$1,144.89

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	23.1%	33.0%	14.0%	25.6%	-4.4%	-5.0%	-15.1%	7.5%	-11.5%	-19.3%	4.1%
Med_NonDrug	1.0%	10.1%	56.7%	8.7%	31.7%	55.3%	79.7%	53.1%	15.8%	17.9%	9.0%
NonMed_Drug	-18.2%	9.1%	28.8%	0.5%	22.6%	29.3%	18.9%	45.9%	39.7%	36.1%	26.2%
Med_Drug	<u>2.0%</u>	<u>14.9%</u>	<u>8.6%</u>	<u>18.2%</u>	<u>25.9%</u>	<u>25.6%</u>	<u>-4.3%</u>	<u>-30.9%</u>	<u>-5.9%</u>	<u>-12.5%</u>	<u>-4.0%</u>
Total	1.8%	17.9%	21.5%	15.1%	16.9%	23.6%	18.0%	3.4%	3.8%	-2.6%	5.3%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug		23.6%				5.8%			-7.3%		
Med_NonDrug			20.8%			30.8%			51.2%		
NonMed_Drug			2.6%			15.4%			33.2%		
Med_Drug			8.4%			<u>22.9%</u>			<u>-13.7%</u>		
Total			13.4%			18.2%			9.2%		

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			12.1%			12.9%			10.0%		
Med_NonDrug			11.0%			14.4%			35.3%		
NonMed_Drug			2.3%			4.2%			13.2%		
Med_Drug			<u>32.2%</u>			<u>34.9%</u>			<u>8.3%</u>		
Total			17.2%			19.4%			14.9%		