

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2019
Financial Report**

Fiscal Years 2019-2024

Report Date: November 2019

YOUR ACTUARIES FOR THE LONG-TERM!



415 Main Street
Reisterstown, MD 21136-1905
410-833-4220
410-833-4229 (fax)
www.continuingcareactuaries.com

Finance Board
West Virginia Retiree Health Benefit Trust Fund
601 57th St., SE, Suite 2
Charleston, West Virginia 25304-2345

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 2024. 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”), June 30, 2023 (“FY 2023”) and June 30, 2024 (“FY 2024”). Our opinion of plan adequacy is based on the projections through FY 2024 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 2020 through FY 2024 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 2024 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 2024

OVERVIEW

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

This report was compiled utilizing claims data collected by RHBT's third party administrators through September 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 522 retirees from June 2019 to October 2019. Continuing Care Actuaries has updated the claims analysis based on the enrollment through October 2019.

In aggregate, October 2019 enrollment has increased by 522 coverages since the end of FY 2019. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 531 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 9 coverage. For MAPD Capitations, the average of 50,434 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 2018, June 2019 and October 2019 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-18	Jun-19	Oct-19	Jun-18	Jun-19	Oct-19
Retirees	Medicare Single	20,901	21,319	21,590	-	-	-
	<u>Medicare Family</u>	<u>15,473</u>	<u>15,830</u>	<u>16,019</u>	-	-	-
	Medicare Total	36,374	37,149	37,609	-	-	-
	Non-Medicare Single	2,849	2,583	2,613	125	130	127
	<u>Non-Medicare Family</u>	<u>3,568</u>	<u>3,225</u>	<u>3,266</u>	<u>141</u>	<u>133</u>	<u>127</u>
	Non-Medicare Total	6,417	5,808	5,879	266	263	254
	Retiree Total	42,791	42,957	43,488	266	263	254
Grand Total				43,057	43,220	43,742	

* The majority of PPB is capitated through Humana. As of October 2019, there are approximately 1,481 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Fiscal Year 2019 Financial Report”.

C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drug trend in FY 2019, 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 FY2019 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 2020 medical claim trend is 8.0% and the prescription drug claim trend is 12.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2020 Trend	Updated Assumption FY 2020 Trend
Non-Medicare – Medical	8.0%	8.0%
Medicare – Medical	8.0%	8.0%
Non-Medicare – Drugs	12.0%	12.0%
Medicare – Drugs	12.0%	12.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2021. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through September 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	40%	2%	-1%	20%	8%
2020*	41%	-11%	-5%	25%	1%

* Fiscal Year 2020 results are through the first three months ending September 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 September 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 result of FY 2019 and the projection of FY 2020 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2019 Result			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	36,971			\$ 92**	\$ 255**	\$ 266
	<u>Non-Medicare</u>	6,151			\$ 693	\$ 282	
	Total	43,122	\$ -	\$ 161			
	<u>Non-Medicare Managed Care</u>	267	\$ -	\$ 604			\$ 1,267
	Total	43,389					

*Net of rebates and subsidies.

** As of June 2019, there are approximately 814 Medicare coverages that were not capitated through Humana.

Fiscal Year 2020 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	37,867			\$ 99**	\$ 285**	\$ 246
	<u>Non-Medicare</u>	5,840			\$ 765	\$ 323	
	Total	43,707	\$ -	\$ 158			
	<u>Non-Medicare Managed Care</u>	254	\$ -	\$ 614			\$ 1,439
	Total	43,961					

*Net of rebates and subsidies.

** As of October 2019, there are approximately 1,481 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	Fiscal Year 2024
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$0	\$0	\$0	\$1,497,211	\$5,731,056
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$0	\$0	\$11,981,305	\$16,888,471
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$5,000,000	\$5,000,000	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	(\$800,000)	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$49,400,000	\$0	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$34,600)	\$0	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$152,367,996	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000	\$180,000,000
Actuarial Accrued Liability*	\$3,108,550,896	\$3,191,774,318	\$3,268,136,134	\$3,337,849,000	\$3,402,102,207	\$3,461,788,072
Funded Status	31.0%	34.2%	37.2%	39.9%	42.6%	45.3%

*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 \$34,600 in FY 2019 and \$0 in FY 2020.

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 \$1,936,639 in FY 2019 to \$2,845,558 in FY 2024, 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. RHBT has had favorable renewals resulting in reduced MAPD capitations. However, beginning January 1, 2020, CMS will reinstate the ACA Health Insurance Fee. This fee will result in an increase to the existing capitations and an estimate of this increase is included in the FY 2020 capitation cost. 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 RESULT

The financial result for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2019 projects accrued revenue of \$358,997,090 and incurred plan expenses of \$230,450,887 to produce a fiscal year surplus of \$128,546,203 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are \$152,367,996.

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 \$354,033,699 and incurred plan expenses of \$230,868,935 to produce a fiscal year surplus of \$123,164,764 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 \$369,033,822 and incurred plan expenses of \$250,859,238 to produce a fiscal year surplus of \$118,174,584 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 \$388,466,908 and incurred plan expenses of \$271,258,174 to produce a fiscal year surplus of \$117,208,734 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 \$414,415,915 and incurred plan expenses of \$296,401,300 to produce a fiscal year surplus of \$118,014,615 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$170,000,000.

FISCAL YEAR 2024 FORECAST

The financial forecast for FY 2024 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2024 projects accrued revenue of \$452,184,926 and incurred plan expenses of \$325,440,741 to produce a fiscal year surplus of \$126,744,185 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2024 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 2024. 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 RESULT
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 PELA Pay Go Premiums	\$ 76,183,998	\$ 76,183,998	\$ 152,367,996
Retiree Premiums - PPB	41,650,493	41,637,173	83,287,666
Retiree Premiums - MCO	972,333	963,520	1,935,853
Annual Required Contributions	-	-	-
Non Par Premiums	1,536,624	1,536,624	3,073,247
Life Insurance	11,917,072	11,917,072	23,834,143
Investment Income	29,749,093	29,749,093	59,498,185
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	\$ 179,509,611	\$ 179,487,479	\$ 358,997,090
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 24,864,006	\$ 26,275,456	\$ 51,139,462
Non-Medicare Prescription Drug Claims	9,611,764	11,197,424	20,809,188
Medicare Medical Claims	1,230,319	412,368	1,642,687
Medicare Prescription Drug Claims	3,541,839	1,210,229	4,752,068
Non-Medicare Managed Care Capitations	2,030,481	2,030,481	4,060,962
Humana MAPD Program	66,333,600	51,680,976	118,014,576
Administration	2,167,717	2,167,717	4,335,433
Life Insurance	11,862,636	11,862,636	23,725,272
Retiree Assistance Program	968,320	968,320	1,936,639
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	17,300	17,300	34,600
Computer Software Reserve	-	-	-
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 122,627,981	\$ 107,822,906	\$ 230,450,887
Fiscal Year Results	\$ 56,881,630	\$ 71,664,573	\$ 128,546,203
Beginning Restricted Reserve			\$ 925,008,097
Ending Restricted Reserve			\$ 1,053,554,300
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			\$ 1,091,660,804
Accrued Actuarial Liability (AAL)			\$ 3,108,550,896
Funded Status			31.0%

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		-1.3%
		Administrative Expense		-2.1%
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 RESULT
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	\$ 96,222,207		\$ 96,222,207
Employer Premiums - PPB	6,983,251	-	6,983,251
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,132,701	-	46,132,701
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,813,714		1,813,714
Life Insurance	14,066,007		14,066,007
Investment Income	31,358,625		31,358,625
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	\$ 217,571,701	\$ -	\$ 217,571,701
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,642,687	\$ -	\$ 1,642,687
Medicare Prescription Drug Claims	4,752,068	-	4,752,068
Humana MAPD Program	142,768,990	(24,754,414)	118,014,576
Administration	1,600,327		1,600,327
Life Insurance	14,001,755		14,001,755
Retiree Assistance Program	1,142,931		1,142,931
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	26,224		26,224
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 165,934,982	\$ (24,754,414)	\$ 141,180,568
Fiscal Year Results	\$ 51,636,719		\$ 76,391,133
Beginning Restricted Reserve	\$ 498,298,927		\$ 498,298,927
Ending Restricted Reserve	<u>\$ 549,935,647</u>		<u>\$ 574,690,061</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>\$ 570,466,100</u>		<u>\$ 595,220,514</u>
Accrued Actuarial Liability (AAL)	\$ 3,108,550,896		\$ 3,108,550,896
Funded Status	32.7%		32.7%

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		-1.3%
		Administrative Expense		-2.1%
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 RESULT
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	\$ 56,145,789		\$ 56,145,789
Employer Premiums - PPB	10,077,043	-	10,077,043
Employer Premiums - MCO	1,050,116	-	1,050,116
Retiree Premiums - PPB	20,094,670	-	20,094,670
Retiree Premiums - MCO	885,738	-	885,738
Annual Required Contributions	-		-
Non Par Premiums	1,259,533		1,259,533
Life Insurance	9,768,136		9,768,136
Investment Income	28,139,560		28,139,560
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	\$ 141,425,389	\$ -	\$ 141,425,389
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 51,139,462	\$ -	\$ 51,139,462
Non-Medicare Prescription Drug Claims	20,809,188	-	20,809,188
Non-Medicare Managed Care Capitations	4,060,962		4,060,962
Administration	2,735,106		2,735,106
Life Insurance	9,723,517		9,723,517
Retiree Assistance Program	793,708		793,708
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	8,376		8,376
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 89,270,319	\$ -	\$ 89,270,319
Fiscal Year Results	\$ 52,155,070		\$ 52,155,070
Beginning Restricted Reserve	\$ 426,709,170		\$ 426,709,170
Ending Restricted Reserve	<u>\$ 478,864,239</u>		<u>\$ 478,864,239</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>\$ 496,440,290</u>		<u>\$ 496,440,290</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	\$ 729.04	Non-Medicare	7.5%	11.5%
		Capitations		-1.3%
		Administrative Expense		-2.1%
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	41,244,000	41,763,558	83,007,559
Retiree Premiums - MCO	925,863	945,711	1,871,574
Annual Required Contributions	-	-	-
Non Par Premiums	1,490,525	1,490,525	2,981,050
Life Insurance	12,512,925	12,512,925	25,025,850
Investment Income	33,073,833	33,073,833	66,147,666
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	\$ 176,747,146	\$ 177,286,553	\$ 354,033,699
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 26,067,306	\$ 27,547,062	\$ 53,614,368
Non-Medicare Prescription Drug Claims	10,464,664	12,191,028	22,655,692
Medicare Medical Claims	1,106,940	377,922	1,484,862
Medicare Prescription Drug Claims	3,305,382	1,150,250	4,455,632
Non-Medicare Managed Care Capitations	2,192,920	2,192,920	4,385,839
Humana MAPD Program	51,271,930	60,500,814	111,772,745
Administration	2,632,748	2,632,748	5,265,496
Life Insurance	12,455,768	12,455,768	24,911,536
Retiree Assistance Program	1,045,785	1,045,785	2,091,570
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	115,598	115,598	231,195
Total Expenses	\$ 110,659,040	\$ 120,209,895	\$ 230,868,935
Fiscal Year Results	\$ 66,088,107	\$ 57,076,658	\$ 123,164,764
Beginning Restricted Reserve			\$ 1,053,554,300
Ending Restricted Reserve			<u>\$ 1,176,719,064</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,091,660,804
Total Ending Plan Reserve			<u>\$ 1,214,825,568</u>
Accrued Actuarial Liability (AAL)			\$ 3,191,774,318
Funded Status			34.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 158.93			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 265.39	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	\$ 81,052,720		\$ 81,052,720
Employer Premiums - PPB	8,527,245	-	8,527,245
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,673,165	-	45,673,165
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,759,302		1,759,302
Life Insurance	14,769,307		14,769,307
Investment Income	34,863,246		34,863,246
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,201,692		18,201,692
General Revenue Transfer (Premium Offset)	3,033,615		3,033,615
Total Revenue	\$ 207,880,292	\$ -	\$ 207,880,292
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,484,862	\$ -	\$ 1,484,862
Medicare Prescription Drug Claims	4,455,632	-	4,455,632
Humana MAPD Program Administration	136,331,232	(24,558,487)	111,772,745
Life Insurance	1,923,336	-	1,923,336
Retiree Assistance Program	14,701,843		14,701,843
ACA Reinsurance Contributions	1,234,365		1,234,365
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 160,131,270	\$ (24,558,487)	\$ 135,572,783
Fiscal Year Results	\$ 47,749,022		\$ 72,307,509
Beginning Restricted Reserve	\$ 574,690,061		\$ 574,690,061
Ending Restricted Reserve	<u>\$ 622,439,083</u>		<u>\$ 646,997,570</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	595,220,514		595,220,514
Total Ending Plan Reserve	\$ 642,969,536		\$ 667,528,023
Accrued Actuarial Liability (AAL)	\$ 3,191,774,318		\$ 3,191,774,318
Funded Status	35.8%		35.8%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 158.93			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 178.37	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	\$ 58,947,280		\$ 58,947,280
Employer Premiums - PPB	10,450,259	-	10,450,259
Employer Premiums - MCO	1,032,573	-	1,032,573
Retiree Premiums - PPB	18,356,890	-	18,356,890
Retiree Premiums - MCO	839,000	-	839,000
Annual Required Contributions	-		-
Non Par Premiums	1,221,747		1,221,747
Life Insurance	10,256,543		10,256,543
Investment Income	31,284,421		31,284,421
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,798,308		11,798,308
General Revenue Transfer (Premium Offset)	1,966,385		1,966,385
Total Revenue	\$ 146,153,407	\$ -	\$ 146,153,407
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 53,064,367	\$ 550,001	\$ 53,614,368
Non-Medicare Prescription Drug Claims	22,405,692	250,000	22,655,692
Non-Medicare Managed Care Capitations	4,385,839		4,385,839
Administration	2,842,160	500,000	3,342,160
Life Insurance	10,209,692		10,209,692
Retiree Assistance Program	857,205		857,205
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	231,195		231,195
Total Expenses	\$ 93,996,150	\$ 1,300,001	\$ 95,296,151
Fiscal Year Results	\$ 52,157,257		\$ 50,857,256
Beginning Restricted Reserve	\$ 478,864,239		\$ 478,864,239
Ending Restricted Reserve	<u>\$ 531,021,496</u>		<u>\$ 529,721,495</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	496,440,290		496,440,290
Total Ending Plan Reserve	<u>\$ 548,597,547</u>		<u>\$ 547,297,546</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	\$ 158.93			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 806.06	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	42,073,009	42,258,764	84,331,773
Retiree Premiums - MCO	962,227	962,227	1,924,454
Annual Required Contributions	-	-	-
Non Par Premiums	1,445,809	1,445,809	2,891,618
Life Insurance	13,138,572	13,138,572	26,277,143
Investment Income	36,804,417	36,804,417	73,608,834
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	\$ 184,424,033	\$ 184,609,788	\$ 369,033,822
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,197,882	\$ 28,741,818	\$ 55,939,700
Non-Medicare Prescription Drug Claims	11,322,917	13,190,868	24,513,785
Medicare Medical Claims	1,016,707	347,959	1,364,666
Medicare Prescription Drug Claims	3,148,230	1,098,127	4,246,357
Non-Medicare Managed Care Capitations	2,368,353	2,368,353	4,736,706
Humana MAPD Program	60,610,818	65,693,024	126,303,842
Administration	2,557,231	2,557,231	5,114,461
Life Insurance	13,078,556	13,078,556	26,157,112
Retiree Assistance Program	1,129,448	1,129,448	2,258,896
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	111,857	111,857	223,713
Total Expenses	\$ 122,541,999	\$ 128,317,239	\$ 250,859,238
Fiscal Year Results	\$ 61,882,035	\$ 56,292,549	\$ 118,174,584
Beginning Restricted Reserve			\$ 1,176,719,064
Ending Restricted Reserve			<u>\$ 1,294,893,648</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,214,825,568
Total Ending Plan Reserve			<u>\$ 1,333,000,152</u>
Accrued Actuarial Liability (AAL)			\$ 3,268,136,134
Funded Status			37.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 171.39			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 278.06	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	\$ 83,607,593		\$ 83,607,593
Employer Premiums - PPB	9,738,197	-	9,738,197
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,604,831	-	46,604,831
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,706,523		1,706,523
Life Insurance	15,507,773		15,507,773
Investment Income	38,795,668		38,795,668
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,550,966		17,550,966
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 213,511,551	\$ -	\$ 213,511,551
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,364,666	\$ -	\$ 1,364,666
Medicare Prescription Drug Claims	4,246,357	-	4,246,357
Humana MAPD Program	126,303,842		126,303,842
Administration	1,697,787		1,697,787
Life Insurance	15,436,935		15,436,935
Retiree Assistance Program	1,333,115		1,333,115
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 150,382,702	\$ -	\$ 150,382,702
Fiscal Year Results	\$ 63,128,849		\$ 63,128,849
Beginning Restricted Reserve	\$ 646,997,570		\$ 646,997,570
Ending Restricted Reserve	<u>\$ 710,126,419</u>		<u>\$ 710,126,419</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	667,528,023		667,528,023
Total Ending Plan Reserve	<u>\$ 730,656,872</u>		<u>\$ 730,656,872</u>
Accrued Actuarial Liability (AAL)	\$ 3,268,136,134		\$ 3,268,136,134
Funded Status	38.9%		38.9%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 171.39			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 178.38	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	\$ 66,392,407		\$ 66,392,407
Employer Premiums - PPB	10,759,196	-	10,759,196
Employer Premiums - MCO	1,132,166	-	1,132,166
Retiree Premiums - PPB	17,229,549	-	17,229,549
Retiree Premiums - MCO	792,288	-	792,288
Annual Required Contributions	-		-
Non Par Premiums	1,185,095		1,185,095
Life Insurance	10,769,370		10,769,370
Investment Income	34,813,167		34,813,167
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,449,034		12,449,034
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 155,522,271	\$ -	\$ 155,522,271
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 55,939,700	\$ -	\$ 55,939,700
Non-Medicare Prescription Drug Claims	24,513,785	-	24,513,785
Non-Medicare Managed Care Capitations	4,736,706		4,736,706
Administration	3,416,674		3,416,674
Life Insurance	10,720,177		10,720,177
Retiree Assistance Program	925,781		925,781
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	223,712		223,712
Total Expenses	\$ 100,476,535	\$ -	\$ 100,476,535
Fiscal Year Results	\$ 55,045,736		\$ 55,045,736
Beginning Restricted Reserve	\$ 529,721,495		\$ 529,721,495
Ending Restricted Reserve	<u>\$ 584,767,231</u>		<u>\$ 584,767,231</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	547,297,546		547,297,546
Total Ending Plan Reserve	<u>\$ 602,343,282</u>		<u>\$ 602,343,282</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 171.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 938.54	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.1%

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

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

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

	7/1/2021 to 12/31/2021	1/1/2022 to 6/30/2022	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	42,574,250	42,760,005	85,334,255
Retiree Premiums - MCO	979,176	979,176	1,958,351
Annual Required Contributions	-	-	-
Non Par Premiums	1,402,435	1,402,435	2,804,870
Life Insurance	13,795,500	13,795,500	27,591,000
Investment Income	40,389,216	40,389,216	80,778,432
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	\$ 194,140,577	\$ 194,326,332	\$ 388,466,908
Program Expenses			
Non-Medicare Medical Claims	\$ 28,509,743	\$ 30,128,148	\$ 58,637,891
Non-Medicare Prescription Drug Claims	12,306,865	14,337,137	26,644,002
Medicare Medical Claims	1,104,746	379,003	1,483,749
Medicare Prescription Drug Claims	3,546,784	1,240,029	4,786,813
Non-Medicare Managed Care Capitations	2,557,822	2,557,822	5,115,643
Humana MAPD Program	65,812,468	73,388,452	139,200,920
Administration	2,633,948	2,633,948	5,267,895
Life Insurance	13,732,484	13,732,484	27,464,968
Retiree Assistance Program	1,219,804	1,219,804	2,439,607
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	108,343	108,343	216,686
Total Expenses	\$ 131,533,005	\$ 139,725,169	\$ 271,258,174
Fiscal Year Results	\$ 62,607,572	\$ 54,601,163	\$ 117,208,734
Beginning Restricted Reserve			\$ 1,294,893,648
Ending Restricted Reserve			<u>\$ 1,412,102,382</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,333,000,152
Total Ending Plan Reserve			<u>\$ 1,450,208,886</u>
Accrued Actuarial Liability (AAL)			\$ 3,337,849,000
Funded Status			39.9%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 184.30			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 290.12	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	\$ 91,409,919		\$ 91,409,919
Employer Premiums - PPB	10,068,584	-	10,068,584
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	48,185,986	-	48,185,986
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,655,328		1,655,328
Life Insurance	16,283,161		16,283,161
Investment Income	42,574,417		42,574,417
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,339,915		17,339,915
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 227,517,309	\$ -	\$ 227,517,309
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,483,749	\$ -	\$ 1,483,749
Medicare Prescription Drug Claims	4,786,813	-	4,786,813
Humana MAPD Program	139,200,920		139,200,920
Administration	1,748,720		1,748,720
Life Insurance	16,208,782		16,208,782
Retiree Assistance Program	1,439,764		1,439,764
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 164,868,748	\$ -	\$ 164,868,748
Fiscal Year Results	\$ 62,648,561		\$ 62,648,561
Beginning Restricted Reserve	\$ 710,126,419		\$ 710,126,419
Ending Restricted Reserve	<u>\$ 772,774,980</u>		<u>\$ 772,774,980</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	730,656,872		730,656,872
Total Ending Plan Reserve	<u>\$ 793,305,433</u>		<u>\$ 793,305,433</u>
Accrued Actuarial Liability (AAL)	\$ 3,337,849,000		\$ 3,337,849,000
Funded Status	41.6%		41.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 184.30			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 189.21	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	\$ 68,590,081		\$ 68,590,081
Employer Premiums - PPB	10,409,743	-	10,409,743
Employer Premiums - MCO	1,152,108	-	1,152,108
Retiree Premiums - PPB	16,669,942	-	16,669,942
Retiree Premiums - MCO	806,243	-	806,243
Annual Required Contributions	-		-
Non Par Premiums	1,149,542		1,149,542
Life Insurance	11,307,839		11,307,839
Investment Income	38,204,015		38,204,015
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,660,085		12,660,085
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 160,949,599	\$ -	\$ 160,949,599
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 58,637,891	\$ -	\$ 58,637,891
Non-Medicare Prescription Drug Claims	26,644,002	-	26,644,002
Non-Medicare Managed Care Capitations	5,115,643		5,115,643
Administration	3,519,175		3,519,175
Life Insurance	11,256,186		11,256,186
Retiree Assistance Program	999,844		999,844
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	216,686		216,686
Total Expenses	\$ 106,389,427	\$ -	\$ 106,389,427
Fiscal Year Results	\$ 54,560,172		\$ 54,560,172
Beginning Restricted Reserve	\$ 584,767,231		\$ 584,767,231
Ending Restricted Reserve	<u>\$ 639,327,403</u>		<u>\$ 639,327,403</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	602,343,282		602,343,282
Total Ending Plan Reserve	\$ 656,903,454		\$ 656,903,454
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 184.30	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,003.00	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.7%

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

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

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

	7/1/2022 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	43,783,451	48,940,598	92,724,049
Retiree Premiums - MCO	1,050,905	1,050,905	2,101,810
Annual Required Contributions	-	-	-
Non Par Premiums	1,360,362	1,360,362	2,720,723
Life Insurance	14,485,275	14,485,275	28,970,550
Investment Income	43,949,391	43,949,391	87,898,783
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 204,629,384	\$ 209,786,531	\$ 414,415,915
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,022,304	\$ 31,726,573	\$ 61,748,877
Non-Medicare Prescription Drug Claims	13,435,642	15,652,130	29,087,772
Medicare Medical Claims	1,205,933	414,712	1,620,645
Medicare Prescription Drug Claims	4,013,528	1,406,468	5,419,996
Non-Medicare Managed Care Capitations	2,762,447	2,762,447	5,524,894
Humana MAPD Program	73,521,888	82,368,448	155,890,336
Administration	2,712,966	2,712,966	5,425,932
Life Insurance	14,419,108	14,419,108	28,838,216
Retiree Assistance Program	1,317,388	1,317,388	2,634,776
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	104,928	104,928	209,856
Total Expenses	\$ 143,516,131	\$ 152,885,168	\$ 296,401,300
Fiscal Year Results	\$ 61,113,253	\$ 56,901,363	\$ 118,014,615
Beginning Restricted Reserve			\$ 1,412,102,382
Ending Restricted Reserve			<u>\$ 1,530,116,998</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,450,208,886
Total Ending Plan Reserve			<u>\$ 1,568,223,502</u>
Accrued Actuarial Liability (AAL)			\$ 3,402,102,207
Funded Status			42.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 197.22			
Additional Retiree Premiums	\$ 8,224,590			
Pay Go PEPM Subsidy for Retirees	\$ 301.66	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	10,100,421	1,162,744	11,263,166
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	48,338,354	5,564,634	53,902,988
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,605,668		1,605,668
Life Insurance	17,097,319		17,097,319
Investment Income	46,327,211		46,327,211
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,589,690		17,589,690
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 243,278,315	\$ 6,727,378	\$ 250,005,693
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,620,645	\$ -	\$ 1,620,645
Medicare Prescription Drug Claims	5,419,996	-	5,419,996
Humana MAPD Program	155,890,336		155,890,336
Administration	1,801,182		1,801,182
Life Insurance	17,019,221		17,019,221
Retiree Assistance Program	1,554,945		1,554,945
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 183,306,325	\$ -	\$ 183,306,325
Fiscal Year Results	\$ 59,971,990		\$ 66,699,368
Beginning Restricted Reserve	\$ 772,774,980		\$ 772,774,980
Ending Restricted Reserve	<u>\$ 832,746,970</u>		<u>\$ 839,474,348</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	793,305,433		793,305,433
Total Ending Plan Reserve	<u>\$ 853,277,423</u>		<u>\$ 860,004,801</u>
Accrued Actuarial Liability (AAL)	\$ 3,402,102,207		\$ 3,402,102,207
Funded Status	44.1%		44.1%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 197.22			
Additional Retiree Premiums	\$ 6,727,378			
Pay Go PEPM Subsidy for Retirees	\$ 205.46	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	10,058,813	534,760	10,593,572
Employer Premiums - MCO	1,174,088	62,418	1,236,506
Retiree Premiums - PPB	16,107,970	856,353	16,964,323
Retiree Premiums - MCO	821,624	43,680	865,304
Annual Required Contributions	-		-
Non Par Premiums	1,115,056		1,115,056
Life Insurance	11,873,230		11,873,230
Investment Income	41,571,572		41,571,572
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,410,310		12,410,310
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 162,913,011	\$ 1,497,211	\$ 164,410,222
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 61,748,877	\$ -	\$ 61,748,877
Non-Medicare Prescription Drug Claims	29,087,772	-	29,087,772
Non-Medicare Managed Care Capitations	5,524,894		5,524,894
Administration	3,624,750		3,624,750
Life Insurance	11,818,995		11,818,995
Retiree Assistance Program	1,079,831		1,079,831
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	209,856		209,856
Total Expenses	\$ 113,094,975	\$ -	\$ 113,094,975
Fiscal Year Results	\$ 49,818,036		\$ 51,315,247
Beginning Restricted Reserve	\$ 639,327,403		\$ 639,327,403
Ending Restricted Reserve	<u>\$ 689,145,439</u>		<u>\$ 690,642,651</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	656,903,454		656,903,454
Total Ending Plan Reserve	<u>\$ 706,721,490</u>		<u>\$ 708,218,702</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	\$ 197.22			
Additional Retiree Premiums	\$ 1,497,211			
Pay Go PEPM Subsidy for Retirees	\$ 1,026.44	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%

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

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

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

	7/1/2023 to 12/31/2023	1/1/2024 to 6/30/2024	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	52,010,813	59,466,589	111,477,402
Retiree Premiums - MCO	1,286,099	1,286,099	2,572,198
Annual Required Contributions	-	-	-
Non Par Premiums	1,319,551	1,319,551	2,639,102
Life Insurance	15,209,539	15,209,539	30,419,077
Investment Income	47,538,574	47,538,574	95,077,147
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	\$ 222,364,575	\$ 229,820,351	\$ 452,184,926
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,759,827	\$ 33,562,730	\$ 65,322,557
Non-Medicare Prescription Drug Claims	14,732,719	17,163,187	31,895,906
Medicare Medical Claims	1,322,418	455,860	1,778,278
Medicare Prescription Drug Claims	4,561,763	1,602,280	6,164,043
Non-Medicare Managed Care Capitations	2,983,443	2,983,443	5,966,885
Humana MAPD Program	82,518,212	92,877,247	175,395,459
Administration	2,794,355	2,794,355	5,588,709
Life Insurance	15,140,064	15,140,064	30,280,127
Retiree Assistance Program	1,422,779	1,422,779	2,845,558
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	101,610	101,610	203,219
Total Expenses	\$ 157,337,188	\$ 168,103,553	\$ 325,440,741
Fiscal Year Results	\$ 65,027,387	\$ 61,716,799	\$ 126,744,185
Beginning Restricted Reserve			\$ 1,530,116,998
Ending Restricted Reserve			<u>\$ 1,656,861,183</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,568,223,502
Total Ending Plan Reserve			<u>\$ 1,694,967,687</u>
Accrued Actuarial Liability (AAL)			\$ 3,461,788,072
Funded Status			45.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 209.62	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 19,937,618	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 312.72	Non-Medicare	10.0%	14.0%
		Medicare	10.0%	14.0%
		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 2024**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 108,232,572		\$ 108,232,572
Employer Premiums - PPB	11,299,645	2,455,429	13,755,074
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	54,077,570	11,751,132	65,828,702
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,557,498		1,557,498
Life Insurance	17,952,185		17,952,185
Investment Income	50,110,580		50,110,580
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,137,855		18,137,855
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 261,367,905	\$ 14,206,561	\$ 275,574,466
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,778,278	\$ -	\$ 1,778,278
Medicare Prescription Drug Claims	6,164,043	-	6,164,043
Humana MAPD Program	175,395,459		175,395,459
Administration	1,855,217		1,855,217
Life Insurance	17,870,182		17,870,182
Retiree Assistance Program	1,679,340		1,679,340
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 204,742,519	\$ -	\$ 204,742,519
Fiscal Year Results	\$ 56,625,386		\$ 70,831,947
Beginning Restricted Reserve	\$ 839,474,348		\$ 839,474,348
Ending Restricted Reserve	<u>\$ 896,099,734</u>		<u>\$ 910,306,296</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	860,004,801		860,004,801
Total Ending Plan Reserve	<u>\$ 916,630,187</u>		<u>\$ 930,836,749</u>
Accrued Actuarial Liability (AAL)	\$ 3,461,788,072		\$ 3,461,788,072
Funded Status	46.8%		46.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 209.62	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 14,206,561	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 211.43	Medicare	10.0%	14.0%
		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 2024**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 71,767,428		\$ 71,767,428
Employer Premiums - PPB	10,221,610	2,038,667	12,260,277
Employer Premiums - MCO	1,261,613	251,625	1,513,237
Retiree Premiums - PPB	16,368,671	3,264,678	19,633,349
Retiree Premiums - MCO	882,874	176,086	1,058,961
Annual Required Contributions	-		-
Non Par Premiums	1,081,604		1,081,604
Life Insurance	12,466,892		12,466,892
Investment Income	44,966,567		44,966,567
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,862,145		11,862,145
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 170,879,404	\$ 5,731,056	\$ 176,610,460
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 65,322,557	\$ -	\$ 65,322,557
Non-Medicare Prescription Drug Claims	31,895,906	-	31,895,906
Non-Medicare Managed Care Capitations	5,966,885		5,966,885
Administration	3,733,492		3,733,492
Life Insurance	12,409,945		12,409,945
Retiree Assistance Program	1,166,218		1,166,218
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	203,219		203,219
Total Expenses	\$ 120,698,222	\$ -	\$ 120,698,222
Fiscal Year Results	\$ 50,181,182		\$ 55,912,238
Beginning Restricted Reserve	\$ 690,642,651		\$ 690,642,651
Ending Restricted Reserve	<u>\$ 740,823,832</u>		<u>\$ 746,554,889</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	708,218,702		708,218,702
Total Ending Plan Reserve	<u>\$ 758,399,883</u>		<u>\$ 764,130,940</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 209.62	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,731,056	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,126.85	Non-Medicare	10.0%	14.0%
		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 2019 to FY 2020**

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>	<u>Jun-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	14,516
Med_NonDrug	1,691	1,968	2,166	2,365	2,563	2,791	336	510	654	808	957	1,104
NonMed_Drug	14,810	15,213	14,884	14,703	14,509	14,311	14,196	14,046	13,862	13,707	13,580	13,451
Med_Drug	1,761	2,050	2,256	2,463	2,670	2,907	350	531	681	842	997	1,150

	<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>	<u>Jun-19</u>
NonMed_NonDrug	\$227.13	\$338.28	\$255.02	\$321.71	\$258.07	\$200.51	\$284.24	\$287.30	\$272.31	\$320.76	\$322.42	\$309.69
Med_NonDrug	179.12	182.63	234.58	186.86	193.81	233.05	740.56	365.84	371.88	354.78	317.60	225.16
NonMed_Drug	156.08	155.56	149.42	187.47	164.77	167.11	202.34	177.28	195.11	215.94	206.44	198.93
Med_Drug	<u>391.79</u>	<u>428.53</u>	<u>358.31</u>	<u>423.34</u>	<u>383.59</u>	<u>379.18</u>	<u>588.08</u>	<u>368.32</u>	<u>416.45</u>	<u>411.00</u>	<u>370.09</u>	<u>369.90</u>
Total	\$954.13	\$1,105.00	\$997.32	\$1,119.37	\$1,000.24	\$979.85	\$1,815.23	\$1,198.74	\$1,255.75	\$1,302.48	\$1,216.54	\$1,103.68

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	24.1%	41.7%	13.7%	26.5%	-3.4%	-5.0%	-17.9%	5.3%	-11.5%	-8.8%	-7.1%	-8.9%
Med_NonDrug	0.9%	12.4%	59.4%	8.3%	32.2%	56.3%	80.9%	48.3%	9.6%	67.6%	72.7%	8.6%
NonMed_Drug	-18.2%	9.1%	28.8%	0.5%	22.6%	29.3%	18.9%	45.9%	39.9%	35.9%	28.3%	20.5%
Med_Drug	<u>1.9%</u>	<u>14.7%</u>	<u>8.4%</u>	<u>18.0%</u>	<u>25.7%</u>	<u>25.4%</u>	<u>-4.4%</u>	<u>-31.0%</u>	<u>-6.0%</u>	<u>-12.5%</u>	<u>-6.9%</u>	<u>-14.0%</u>
Total	1.9%	20.5%	21.9%	15.1%	17.2%	23.7%	17.8%	2.0%	2.1%	9.2%	11.7%	-3.4%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			27.0%			6.5%			-9.0%			-8.3%
Med_NonDrug			22.4%			31.1%			48.5%			48.9%
NonMed_Drug			2.6%			15.4%			33.3%			28.1%
Med_Drug			8.3%			22.8%			-13.8%			-11.3%
Total			14.4%			18.4%			8.2%			5.8%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			13.0%			14.0%			10.5%			1.6%
Med_NonDrug			11.7%			15.0%			34.4%			40.4%
NonMed_Drug			2.3%			4.2%			13.2%			19.9%
Med_Drug			<u>32.1%</u>			<u>34.8%</u>			<u>8.2%</u>			<u>-1.1%</u>
Total			17.6%			19.8%			14.8%			11.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2019 to FY 2020**

Fiscal Year 2020

Exposure

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>
NonMed_NonDrug	14,745	14,846	14,782
Med_NonDrug	1,366	1,595	1,801
NonMed_Drug	13,665	13,757	13,698
Med_Drug	1,422	1,661	1,876

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>
NonMed_NonDrug	\$126.91	\$186.95	\$238.85
Med_NonDrug	255.89	257.63	252.06
NonMed_Drug	191.93	197.22	187.48
Med_Drug	<u>334.77</u>	<u>357.87</u>	<u>378.34</u>
Total	\$909.51	\$999.68	\$1,056.73

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-44.1%	-44.7%	-6.3%
Med_NonDrug	42.9%	41.1%	7.5%
NonMed_Drug	23.0%	26.8%	25.5%
Med_Drug	<u>-14.6%</u>	<u>-16.5%</u>	<u>5.6%</u>
Total	-4.7%	-9.5%	6.0%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	-32.6%
Med_NonDrug	28.4%
NonMed_Drug	25.1%
Med_Drug	<u>-9.1%</u>
Total	-3.0%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	-11.1%
Med_NonDrug	41.0%
NonMed_Drug	25.4%
Med_Drug	<u>-5.0%</u>
Total	7.0%