

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2020
Financial Report**

Fiscal Years 2020-2025

Report Date: November 2020

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, 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 2025. 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. On March 9, 2019, the provisions had effectively ended.

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”) and June 30, 2025 (“FY 2025”). Our opinion of plan adequacy is based on the projections through FY 2025 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2019.

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 2020 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 2020 the Pay-Go is equivalent to \$271 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 Board in December 2019.

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 Workers' Compensation fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 ceased on February 1, 2016. Beginning Fiscal Year 2017, an annual amount of \$30 million from annual collections of the tax imposed by this article was 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 2025 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 2025 as approved by the Board in December 2019.

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 2020 – FY 2025

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 August 2020 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 policies. We have observed a net increase of 465 policies from June 2020 to September 2020. Continuing Care Actuaries has updated the claims analysis based on the enrollment through September 2020.

In aggregate, September 2020 enrollment has increased by 465 coverages since the end of FY 2020. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 464 in total over the same period, while managed care enrollment continues to cover fewer participants, with an increase of 1 coverage. For MAPD Capitations, the average of 51,576 Medicare policyholders in FY 2020 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2019, June 2020 and September 2020 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-19	Jun-20	Sep-20	Jun-19	Jun-20	Sep-20
Retirees	Medicare Single	21,319	21,594	21,784	-	-	-
	<u>Medicare Family</u>	<u>15,830</u>	<u>16,058</u>	<u>16,191</u>	-	-	1
	Medicare Total	37,149	37,652	37,975	-	-	1
	Non-Medicare Single	2,583	2,396	2,492	130	111	120
	<u>Non-Medicare Family</u>	<u>3,225</u>	<u>2,994</u>	<u>3,039</u>	<u>133</u>	<u>117</u>	<u>108</u>
	Non-Medicare Total	5,808	5,390	5,531	263	228	228
	Retiree Total	42,957	43,042	43,506	263	228	229
Grand Total				43,220	43,270	43,735	

* The majority of PPB is capitated through Humana. As of August 2020, there are approximately 1,059 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 2020 Financial Report”.

C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drugs trend in FY 2020, 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 FY 2019 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 2021 medical claim trend is 8.5%, the gross prescription drugs claim trend is 12.5% and the prescription drugs rebate trend is 20.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2021 Trend	Updated Assumption FY 2021 Trend
Non-Medicare – Medical	8.5%	8.5%
Medicare – Medical	8.5%	8.5%
Non-Medicare – Gross Drugs	12.5%	12.5%
Medicare – Gross Drugs	12.5%	12.5%
Prescription Drugs Rebate	20.0%	20.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2022. 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 August 2020. 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	11%	0%	10%	31%	9%
2018	12%	8%	41%	14%	12%
2019	42%	2%	-1%	20%	8%
2020	27%	-7%	2%	12%	0%
2021*	24%	-5%	9%	7%	1%

* Fiscal Year 2021 results are through the first two months ending August 2020. 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 August 2020 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 2020 and the projection of FY 2021 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2020 Result			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Policyholder Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	37,589			\$62**	\$169**	\$174
	<u>Non-Medicare</u>	<u>5,720</u>			<u>\$705</u>	<u>\$279</u>	
	Total	43,309	\$0	\$159			
	<u>Non-Medicare Managed Care</u>	<u>242</u>	\$0	\$610			\$1,349
	Total	43,551					

*Net of rebates and subsidies.

** As of June 2020, there are approximately 684 Medicare coverages that were not capitated through Humana.

Fiscal Year 2021 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Policyholder Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	38,329			\$68**	\$194**	\$230
	<u>Non-Medicare</u>	<u>5,465</u>			<u>\$804</u>	<u>\$329</u>	
	Total	43,794	\$0	\$155			
	<u>Non-Medicare Managed Care</u>	<u>228</u>	\$0	\$612			\$1,546
	Total	44,022					

*Net of rebates and subsidies.

** As of August 2020, there are approximately 1,059 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 2019.

Board Decisions – December 2019

Source	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$0	\$1,404,345	\$1,423,143	\$1,440,448	\$1,456,282
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$4,799,849	\$5,134,844	\$5,494,009	\$5,777,441
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	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	(\$800,000)	\$0	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$0	\$0	\$0	\$0	\$0	\$0
ACA PCORI Fees (Cost)	(\$16,000)	(\$15,634)	(\$16,286)	(\$16,917)	(\$17,533)	(\$18,136)
Pay Go Premium Transfer	\$141,510,284	\$135,000,000	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000
Actuarial Accrued Liability*	\$3,191,774,318	\$3,268,136,134	\$3,337,849,000	\$3,402,102,207	\$3,461,788,072	\$3,517,233,874
Funded Status	34.2%	37.5%	41.1%	45.2%	49.5%	54.1%

*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.

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 \$1,814,814 in FY 2020 to \$2,400,225 in FY 2025, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2020 the ACA PCORI fee is \$2.54 per person per year.

PEIA has received a \$6,300,000 credit for a network guarantee between July 1, 2018 and June 30, 2019 from CVS. \$5,450,000 of the credit has been allocated between PEIA State drug and Local drug claims, and \$850,000 of the credit has been allocated between RHBT Non-Medicare drug and Medicare drug claims in FY 2020.

There is a one-time added cost in FY 2021 for the delayed benefits and pent up demand due to COVID19. \$8,500,000 has been allocated between PEIA State medical and Local medical claims, and \$920,000 has been allocated between RHBT Non-Medicare medical and Medicare medical claims in FY 2021.

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, on January 1, 2020, CMS reinstated the ACA Health Insurance Fee. This fee resulted in an increase to the existing capitations and an estimate of this increase is included in the CY 2020 capitation cost. Under current law, this fee will end on December 31, 2020. 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 2020 RESULT

The financial result for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2020 projects accrued revenue of \$318,530,084 and incurred plan expenses of \$185,549,544 to produce a fiscal year surplus of \$132,980,540 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are \$141,510,284.

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 \$369,656,623 and incurred plan expenses of \$221,471,331 to produce a fiscal year surplus of \$148,185,291 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$135,000,000.

FISCAL YEAR 2022 FORECAST

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$391,440,549 and incurred plan expenses of \$225,698,853 to produce a fiscal year surplus of \$165,741,695 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$140,000,000.

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 \$420,690,451 and incurred plan expenses of \$245,113,137 to produce a fiscal year surplus of \$175,577,314 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$150,000,000.

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 \$455,621,735 and incurred plan expenses of \$267,255,496 to produce a fiscal year surplus of \$188,366,240 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$160,000,000.

FISCAL YEAR 2025 FORECAST

The financial forecast for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2025 projects accrued revenue of \$488,759,149 and incurred plan expenses of \$292,588,262 to produce a fiscal year surplus of \$196,170,887 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2025 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 2025. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2019 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 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	\$ 70,755,142	\$ 70,755,142	\$ 141,510,284
Retiree Premiums - PPB	40,793,615	41,691,366	82,484,981
Retiree Premiums - MCO	902,515	868,041	1,770,556
Annual Required Contributions	-	-	-
Non Par Premiums	1,437,050	1,437,050	2,874,099
Life Insurance	12,484,759	12,484,759	24,969,518
Investment Income	14,960,323	14,960,323	29,920,646
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	\$ 158,833,404	\$ 159,696,681	\$ 318,530,084
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 24,360,695	\$ 24,039,147	\$ 48,399,842
Gross Non-Medicare Prescription Drug Claims	16,074,110	16,153,539	32,227,649
Non-Medicare Prescription Drug Rebates	(6,512,954)	(6,545,137)	(13,058,090)
Medicare Medical Claims	693,191	225,214	918,405
Gross Medicare Prescription Drug Claims	3,320,758	1,099,967	4,420,725
Medicare Prescription Drug Rebates	(1,345,514)	(445,688)	(1,791,202)
Non-Medicare Managed Care Capitations	1,958,237	1,958,237	3,916,474
Humana MAPD Program	50,953,997	27,574,565	78,528,562
Administration	2,235,925	2,235,925	4,471,850
Life Insurance	12,842,258	12,842,258	25,684,515
Retiree Assistance Program	907,407	907,407	1,814,814
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	8,000	8,000	16,000
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 105,496,110	\$ 80,053,434	\$ 185,549,544
Fiscal Year Results	\$ 53,337,294	\$ 79,643,247	\$ 132,980,540
Beginning Restricted Reserve			\$ 1,053,554,300
Ending Restricted Reserve			\$ 1,186,534,840
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,091,660,804
Total Ending Plan Reserve			\$ 1,224,641,344
Accrued Actuarial Liability (AAL)			\$ 3,191,774,318
Funded Status			34.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 160.05			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 270.78			
		Non-Medicare	8.0%	12.0%
		Medicare	8.0%	12.0%
		Prescription Drug Rebates		20.0%
		Capitations		0.0%
		Administrative Expense		4.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-7.2%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
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	\$ 81,968,543		\$ 81,968,543
Employer Premiums - PPB	6,601,246	-	6,601,246
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	47,394,987	-	47,394,987
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,791,295		1,791,295
Life Insurance	15,562,368		15,562,368
Investment Income	15,769,730		15,769,730
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	\$ 190,323,477	\$ -	\$ 190,323,477
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 918,405	\$ -	\$ 918,405
Gross Medicare Prescription Drug Claims	4,420,725	-	4,420,725
Medicare Prescription Drug Rebates	(1,791,202)		(1,791,202)
Humana MAPD Program	103,144,421	(24,615,859)	78,528,562
Administration	1,650,682	-	1,650,682
Life Insurance	16,007,993		16,007,993
Retiree Assistance Program	1,131,091		1,131,091
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	2,493		2,493
Director's Discretionary Fund	-		-
Total Expenses	\$ 125,484,608	\$ (24,615,859)	\$ 100,868,749
Fiscal Year Results	\$ 64,838,869		\$ 89,454,727
Beginning Restricted Reserve	\$ 574,690,061		\$ 574,690,061
Ending Restricted Reserve	\$ 639,528,929		\$ 664,144,788
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
Total Beginning Plan Reserve	595,220,514		595,220,514
Total Ending Plan Reserve	\$ 660,059,382		\$ 684,675,241
Accrued Actuarial Liability (AAL)	\$ 3,191,774,318		\$ 3,191,774,318
Funded Status	35.6%		35.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 160.05	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 181.72	Medicare	8.0%	12.0%
		Prescription Drug Rebates		20.0%
		Capitations		0.0%
		Administrative Expense		4.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-7.2%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
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	\$ 59,541,741		\$ 59,541,741
Employer Premiums - PPB	9,069,610	-	9,069,610
Employer Premiums - MCO	832,320	-	832,320
Retiree Premiums - PPB	19,419,137	-	19,419,137
Retiree Premiums - MCO	938,236	-	938,236
Annual Required Contributions	-		-
Non Par Premiums	1,082,804		1,082,804
Life Insurance	9,407,150		9,407,150
Investment Income	14,150,916		14,150,916
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	\$ 128,206,607	\$ -	\$ 128,206,607
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 47,849,842	\$ 550,000	\$ 48,399,842
Gross Non-Medicare Prescription Drug Claims	31,977,649	250,000	32,227,649
Non-Medicare Prescription Drug Rebates	(13,058,090)		(13,058,090)
Non-Medicare Managed Care Capitations	3,916,474		3,916,474
Administration	2,321,168	500,000	2,821,168
Life Insurance	9,676,522		9,676,522
Retiree Assistance Program	683,723		683,723
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	13,507		13,507
Director's Discretionary Fund	-		-
Total Expenses	\$ 83,380,795	\$ 1,300,000	\$ 84,680,795
Fiscal Year Results	\$ 44,825,812		\$ 43,525,812
Beginning Restricted Reserve	\$ 478,864,239		\$ 478,864,239
Ending Restricted Reserve	<u>\$ 523,690,052</u>		<u>\$ 522,390,052</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>\$ 541,266,103</u>		<u>\$ 539,966,103</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>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 160.05			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 832.32	Non-Medicare	8.0%	12.0%
		Prescription Drug Rebates		20.0%
		Capitations		0.0%
		Administrative Expense		4.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-7.2%

**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	\$ 67,500,000	\$ 67,500,000	\$ 135,000,000
Retiree Premiums - PPB	40,395,106	41,097,535	81,492,641
Retiree Premiums - MCO	826,384	846,876	1,673,260
Annual Required Contributions	-	-	-
Non Par Premiums	1,393,938	1,393,938	2,787,876
Life Insurance	13,108,997	13,108,997	26,217,994
Investment Income	46,242,425	46,242,425	92,484,851
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	\$ 184,466,851	\$ 185,189,771	\$ 369,656,623
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 25,963,939	\$ 26,774,761	\$ 52,738,700
Gross Non-Medicare Prescription Drug Claims	18,100,497	19,001,451	37,101,948
Non-Medicare Prescription Drug Rebates	(7,571,679)	(7,932,706)	(15,504,384)
Medicare Medical Claims	731,235	245,689	976,924
Gross Medicare Prescription Drug Claims	3,692,893	1,264,612	4,957,506
Medicare Prescription Drug Rebates	(1,526,320)	(527,094)	(2,053,414)
Non-Medicare Managed Care Capitations	2,114,896	2,114,896	4,229,792
Humana MAPD Program	56,615,364	49,147,362	105,762,726
Administration	2,148,503	2,148,503	4,297,006
Life Insurance	13,484,371	13,484,371	26,968,741
Retiree Assistance Program	882,119	882,119	1,764,237
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	7,817	7,817	15,634
Director's Discretionary Fund	107,958	107,958	215,915
Total Expenses	\$ 114,751,593	\$ 106,719,738	\$ 221,471,331
Fiscal Year Results	\$ 69,715,258	\$ 78,470,033	\$ 148,185,291
Beginning Restricted Reserve			\$ 1,186,534,840
Ending Restricted Reserve			\$ 1,334,720,131
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,224,641,344
Total Ending Plan Reserve			\$ 1,372,826,635
Accrued Actuarial Liability (AAL)			\$ 3,268,136,134
Funded Status			37.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 149.18	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 255.55	Non-Medicare	8.5%	12.5%
		Medicare	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		-15.9%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-4.6%

**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	\$ 62,469,536		\$ 62,469,536
Employer Premiums - PPB	8,651,698	-	8,651,698
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,931,369	-	45,931,369
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,737,557		1,737,557
Life Insurance	16,340,486		16,340,486
Investment Income	48,744,306		48,744,306
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,891,029		17,891,029
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 201,765,981	\$ -	\$ 201,765,981
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 976,924	\$ -	\$ 976,924
Gross Medicare Prescription Drug Claims	4,957,506	-	4,957,506
Medicare Prescription Drug Rebates	(2,053,414)		(2,053,414)
Humana MAPD Program	105,762,726		105,762,726
Administration	1,416,952		1,416,952
Life Insurance	16,808,392		16,808,392
Retiree Assistance Program	1,099,569		1,099,569
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	2,782		2,782
Director's Discretionary Fund	-		-
Total Expenses	\$ 128,971,437	\$ -	\$ 128,971,437
Fiscal Year Results	\$ 72,794,544		\$ 72,794,544
Beginning Restricted Reserve	\$ 664,144,788		\$ 664,144,788
Ending Restricted Reserve	<u>\$ 736,939,332</u>		<u>\$ 736,939,332</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	684,675,241		684,675,241
Total Ending Plan Reserve	<u>\$ 757,469,785</u>		<u>\$ 757,469,785</u>
Accrued Actuarial Liability (AAL)	\$ 3,268,136,134		\$ 3,268,136,134
Funded Status	39.8%		39.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 149.18	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 135.82	Medicare	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		-15.9%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-4.6%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 72,530,464		\$ 72,530,464
Employer Premiums - PPB	9,776,981	-	9,776,981
Employer Premiums - MCO	922,188	-	922,188
Retiree Premiums - PPB	17,132,594	-	17,132,594
Retiree Premiums - MCO	751,072	-	751,072
Annual Required Contributions	-		-
Non Par Premiums	1,050,319		1,050,319
Life Insurance	9,877,508		9,877,508
Investment Income	43,740,545		43,740,545
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,108,971		12,108,971
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 167,890,642	\$ -	\$ 167,890,642
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 52,738,700		\$ 52,738,700
Gross Non-Medicare Prescription Drug Claims	37,101,948		37,101,948
Non-Medicare Prescription Drug Rebates	(15,504,384)		(15,504,384)
Non-Medicare Managed Care Capitations	4,229,792		4,229,792
Administration	2,880,053		2,880,053
Life Insurance	10,160,348		10,160,348
Retiree Assistance Program	664,668		664,668
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	12,853		12,853
Director's Discretionary Fund	215,915		215,915
Total Expenses	\$ 92,499,893	\$ -	\$ 92,499,893
Fiscal Year Results	\$ 75,390,749		\$ 75,390,749
Beginning Restricted Reserve	\$ 522,390,052		\$ 522,390,052
Ending Restricted Reserve	<u>\$ 597,780,801</u>		<u>\$ 597,780,801</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	539,966,103		539,966,103
Total Ending Plan Reserve	<u>\$ 615,356,852</u>		<u>\$ 615,356,852</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>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 149.18			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 1,061.75			
		Non-Medicare	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		-15.9%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-4.6%

**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	\$ 70,000,000	\$ 70,000,000	\$ 140,000,000
Retiree Premiums - PPB	42,058,726	43,677,886	85,736,612
Retiree Premiums - MCO	901,006	901,006	1,802,012
Annual Required Contributions	-	-	-
Non Par Premiums	1,352,120	1,352,120	2,704,240
Life Insurance	13,764,447	13,764,447	27,528,894
Investment Income	51,834,395	51,834,395	103,668,790
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	\$ 194,910,695	\$ 196,529,854	\$ 391,440,549
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,005,280	\$ 28,945,454	\$ 56,950,734
Gross Non-Medicare Prescription Drug Claims	20,593,883	21,666,314	42,260,197
Non-Medicare Prescription Drug Rebates	(9,176,874)	(9,614,439)	(18,791,314)
Medicare Medical Claims	767,063	258,350	1,025,413
Gross Medicare Prescription Drug Claims	4,100,388	1,407,432	5,507,819
Medicare Prescription Drug Rebates	(1,805,107)	(623,369)	(2,428,476)
Non-Medicare Managed Care Capitations	2,284,088	2,284,088	4,568,176
Humana MAPD Program	48,328,560	53,395,237	101,723,797
Administration	2,212,958	2,212,958	4,425,916
Life Insurance	14,158,589	14,158,589	28,317,178
Retiree Assistance Program	952,688	952,688	1,905,376
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	8,143	8,143	16,286
Director's Discretionary Fund	108,876	108,876	217,751
Total Expenses	\$ 110,538,533	\$ 115,160,320	\$ 225,698,853
Fiscal Year Results	\$ 84,372,162	\$ 81,369,534	\$ 165,741,695
Beginning Restricted Reserve			\$ 1,334,720,131
Ending Restricted Reserve			\$ <u>1,500,461,827</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ <u>38,106,504</u>
Total Beginning Plan Reserve			1,372,826,635
Total Ending Plan Reserve			\$ <u>1,538,568,330</u>
Accrued Actuarial Liability (AAL)			\$ 3,337,849,000
Funded Status			41.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 154.66	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,587,262	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 259.09	Non-Medicare	9.0%	13.0%
		Medicare	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		3.7%

**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	\$ 75,299,806		\$ 75,299,806
Employer Premiums - PPB	9,528,741	550,128	10,078,869
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,602,421	2,632,789	48,235,211
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,685,430		1,685,430
Life Insurance	17,157,510		17,157,510
Investment Income	54,638,821		54,638,821
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,240,662		16,240,662
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 220,153,392	\$ 3,182,918	\$ 223,336,309
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,025,413	\$ -	\$ 1,025,413
Gross Medicare Prescription Drug Claims	5,507,819	-	5,507,819
Medicare Prescription Drug Rebates	(2,428,476)		(2,428,476)
Humana MAPD Program	101,723,797		101,723,797
Administration	1,459,461		1,459,461
Life Insurance	17,648,812		17,648,812
Retiree Assistance Program	1,187,534		1,187,534
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	3,829		3,829
Director's Discretionary Fund	-		-
Total Expenses	\$ 126,128,190	\$ -	\$ 126,128,190
Fiscal Year Results	\$ 94,025,202		\$ 97,208,120
Beginning Restricted Reserve	\$ 736,939,332		\$ 736,939,332
Ending Restricted Reserve	\$ 830,964,534		\$ 834,147,452
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
Total Beginning Plan Reserve	757,469,785		757,469,785
Total Ending Plan Reserve	\$ 851,494,987		\$ 854,677,905
Accrued Actuarial Liability (AAL)	\$ 3,337,849,000		\$ 3,337,849,000
Funded Status	43.1%		43.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 154.66	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,182,918	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 158.76	Medicare	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		3.7%

**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	\$ 64,700,194		\$ 64,700,194
Employer Premiums - PPB	10,034,978	506,559	10,541,537
Employer Premiums - MCO	1,009,190	50,943	1,060,133
Retiree Premiums - PPB	16,069,802	811,193	16,880,995
Retiree Premiums - MCO	706,229	35,650	741,879
Annual Required Contributions	-		-
Non Par Premiums	1,018,810		1,018,810
Life Insurance	10,371,383		10,371,383
Investment Income	49,029,969		49,029,969
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,759,338		13,759,338
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 166,699,893	\$ 1,404,345	\$ 168,104,238
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 56,950,734	\$ -	\$ 56,950,734
Gross Non-Medicare Prescription Drug Claims	42,260,197	-	42,260,197
Non-Medicare Prescription Drug Rebates	(18,791,314)		(18,791,314)
Non-Medicare Managed Care Capitations	4,568,176		4,568,176
Administration	2,966,455		2,966,455
Life Insurance	10,668,366		10,668,366
Retiree Assistance Program	717,842		717,842
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	12,457		12,457
Director's Discretionary Fund	217,751		217,751
Total Expenses	\$ 99,570,664	\$ -	\$ 99,570,664
Fiscal Year Results	\$ 67,129,230		\$ 68,533,575
Beginning Restricted Reserve	\$ 597,780,801		\$ 597,780,801
Ending Restricted Reserve	<u>\$ 664,910,031</u>		<u>\$ 666,314,376</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	615,356,852		615,356,852
Total Ending Plan Reserve	<u>\$ 682,486,082</u>		<u>\$ 683,890,426</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>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 154.66			
Additional Retiree Premiums	\$ 1,404,345			
Pay Go PEPM Subsidy for Retirees	\$ 979.77			
		Non-Medicare	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		3.7%

**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	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	44,659,459	46,405,323	91,064,782
Retiree Premiums - MCO	960,027	960,027	1,920,054
Annual Required Contributions	-	-	-
Non Par Premiums	1,311,557	1,311,557	2,623,113
Life Insurance	14,452,669	14,452,669	28,905,338
Investment Income	58,088,582	58,088,582	116,177,165
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	\$ 209,472,294	\$ 211,218,157	\$ 420,690,451
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,872,997	\$ 31,981,599	\$ 62,854,596
Gross Non-Medicare Prescription Drug Claims	23,534,748	24,814,335	48,349,082
Non-Medicare Prescription Drug Rebates	(11,122,372)	(11,652,700)	(22,775,072)
Medicare Medical Claims	825,243	278,615	1,103,858
Gross Medicare Prescription Drug Claims	4,573,054	1,573,317	6,146,371
Medicare Prescription Drug Rebates	(2,134,815)	(737,230)	(2,872,045)
Non-Medicare Managed Care Capitations	2,466,815	2,466,815	4,933,630
Humana MAPD Program	52,505,664	58,281,338	110,787,002
Administration	2,279,347	2,279,347	4,558,693
Life Insurance	14,866,519	14,866,519	29,733,037
Retiree Assistance Program	1,028,903	1,028,903	2,057,806
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	8,458	8,458	16,917
Director's Discretionary Fund	109,631	109,631	219,262
Total Expenses	\$ 119,814,192	\$ 125,298,946	\$ 245,113,137
Fiscal Year Results	\$ 89,658,102	\$ 85,919,211	\$ 175,577,314
Beginning Restricted Reserve			\$ 1,500,461,827
Ending Restricted Reserve			\$ 1,676,039,140
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,538,568,330
Total Ending Plan Reserve			\$ 1,714,145,644
Accrued Actuarial Liability (AAL)			\$ 3,402,102,207
Funded Status			45.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 165.71	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,241,041	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 271.55	Non-Medicare	9.5%	13.5%
		Medicare	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		7.5%
		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 2023**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,193,810		\$ 90,193,810
Employer Premiums - PPB	10,104,355	832,714	10,937,069
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	48,357,179	3,985,184	52,342,364
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,634,867		1,634,867
Life Insurance	18,015,386		18,015,386
Investment Income	61,231,382		61,231,382
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,189,188		17,189,188
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 246,726,167	\$ 4,817,898	\$ 251,544,066
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,103,858	\$ -	\$ 1,103,858
Gross Medicare Prescription Drug Claims	6,146,371	-	6,146,371
Medicare Prescription Drug Rebates	(2,872,045)		(2,872,045)
Humana MAPD Program	110,787,002		110,787,002
Administration	1,503,245		1,503,245
Life Insurance	18,531,253		18,531,253
Retiree Assistance Program	1,282,537		1,282,537
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	3,829		3,829
Director's Discretionary Fund	-		-
Total Expenses	\$ 136,486,051	\$ -	\$ 136,486,051
Fiscal Year Results	\$ 110,240,117		\$ 115,058,015
Beginning Restricted Reserve	\$ 834,147,452		\$ 834,147,452
Ending Restricted Reserve	<u>\$ 944,387,568</u>		<u>\$ 949,205,467</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	854,677,905		854,677,905
Total Ending Plan Reserve	<u>\$ 964,918,021</u>		<u>\$ 969,735,920</u>
Accrued Actuarial Liability (AAL)	\$ 3,402,102,207		\$ 3,402,102,207
Funded Status	47.0%		47.0%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 165.71			
Additional Retiree Premiums	\$ 4,817,898			
Pay Go PEPM Subsidy for Retirees	\$ 184.55	Medicare	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		7.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		7.1%

**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	\$ 59,806,190		\$ 59,806,190
Employer Premiums - PPB	10,169,297	511,712	10,681,008
Employer Premiums - MCO	1,075,461	54,116	1,129,578
Retiree Premiums - PPB	16,284,897	819,444	17,104,341
Retiree Premiums - MCO	752,606	37,871	790,476
Annual Required Contributions	-		-
Non Par Premiums	988,246		988,246
Life Insurance	10,889,953		10,889,953
Investment Income	54,945,782		54,945,782
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,810,812		12,810,812
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 167,723,243	\$ 1,423,143	\$ 169,146,386
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 62,854,596	\$ -	\$ 62,854,596
Gross Non-Medicare Prescription Drug Claims	48,349,082	-	48,349,082
Non-Medicare Prescription Drug Rebates	(22,775,072)		(22,775,072)
Non-Medicare Managed Care Capitations	4,933,630		4,933,630
Administration	3,055,448		3,055,448
Life Insurance	11,201,784		11,201,784
Retiree Assistance Program	775,269		775,269
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	12,048		12,048
Director's Discretionary Fund	219,263		219,263
Total Expenses	\$ 108,626,049	\$ -	\$ 108,626,049
Fiscal Year Results	\$ 59,097,194		\$ 60,520,337
Beginning Restricted Reserve	\$ 666,314,376		\$ 666,314,376
Ending Restricted Reserve	<u>\$ 725,411,570</u>		<u>\$ 726,834,712</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	683,890,426		683,890,426
Total Ending Plan Reserve	<u>\$ 742,987,621</u>		<u>\$ 744,410,763</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 165.71	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,423,143	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 939.34	Non-Medicare	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		7.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		7.1%

**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	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	50,417,830	50,959,403	101,377,233
Retiree Premiums - MCO	958,819	958,819	1,917,638
Annual Required Contributions	-	-	-
Non Par Premiums	1,272,210	1,272,210	2,544,419
Life Insurance	15,175,303	15,175,303	30,350,605
Investment Income	64,715,920	64,715,920	129,431,840
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	\$ 227,540,082	\$ 228,081,654	\$ 455,621,735
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,190,289	\$ 35,497,734	\$ 69,688,023
Gross Non-Medicare Prescription Drug Claims	27,014,437	28,545,073	55,559,511
Non-Medicare Prescription Drug Rebates	(13,480,315)	(14,123,073)	(27,603,387)
Medicare Medical Claims	891,903	301,842	1,193,746
Gross Medicare Prescription Drug Claims	5,122,743	1,766,507	6,889,250
Medicare Prescription Drug Rebates	(2,524,745)	(871,887)	(3,396,632)
Non-Medicare Managed Care Capitations	2,664,160	2,664,160	5,328,320
Humana MAPD Program	57,310,362	63,910,438	121,220,800
Administration	2,347,727	2,347,727	4,695,454
Life Insurance	15,609,845	15,609,845	31,219,689
Retiree Assistance Program	1,111,216	1,111,216	2,222,431
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	8,767	8,767	17,533
Director's Discretionary Fund	110,379	110,379	220,758
Total Expenses	\$ 130,376,767	\$ 136,878,728	\$ 267,255,496
Fiscal Year Results	\$ 97,163,314	\$ 91,202,926	\$ 188,366,240
Beginning Restricted Reserve			\$ 1,676,039,140
Ending Restricted Reserve			\$ 1,864,405,380
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,714,145,644
Total Ending Plan Reserve			\$ 1,902,511,884
Accrued Actuarial Liability (AAL)			\$ 3,461,788,072
Funded Status			49.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 176.75	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,934,457	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 283.48	Non-Medicare	10.0%	14.0%
		Medicare	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		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 2024**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 96,206,731		\$ 96,206,731
Employer Premiums - PPB	8,895,015		8,895,015
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	55,221,852	4,998,134	60,219,986
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,585,821		1,585,821
Life Insurance	18,916,155		18,916,155
Investment Income	68,217,283		68,217,283
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,995,439		17,995,439
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 267,038,296	\$ 4,998,134	\$ 272,036,430
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,193,746	\$ -	\$ 1,193,746
Gross Medicare Prescription Drug Claims	6,889,250	-	6,889,250
Medicare Prescription Drug Rebates	(3,396,632)		(3,396,632)
Humana MAPD Program	121,220,800		121,220,800
Administration	1,548,342		1,548,342
Life Insurance	19,457,815		19,457,815
Retiree Assistance Program	1,385,140		1,385,140
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	4,868		4,868
Director's Discretionary Fund	-		-
Total Expenses	\$ 148,303,329	\$ -	\$ 148,303,329
Fiscal Year Results	\$ 118,734,967		\$ 123,733,101
Beginning Restricted Reserve	\$ 949,205,467		\$ 949,205,467
Ending Restricted Reserve	\$ 1,067,940,434		\$ 1,072,938,568
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
Total Beginning Plan Reserve	969,735,920		969,735,920
Total Ending Plan Reserve	\$ 1,088,470,887		\$ 1,093,469,021
Accrued Actuarial Liability (AAL)	\$ 3,461,788,072		\$ 3,461,788,072
Funded Status	51.3%		51.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.75			
Additional Retiree Premiums	\$ 4,998,134			
Pay Go PEPM Subsidy for Retirees	\$ 191.22	Medicare	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		6.7%

**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	\$ 63,793,269		\$ 63,793,269
Employer Premiums - PPB	9,969,589		9,969,589
Employer Premiums - MCO	940,356		940,356
Retiree Premiums - PPB	20,437,641	1,855,002	22,292,643
Retiree Premiums - MCO	895,961	81,321	977,282
Annual Required Contributions	-		-
Non Par Premiums	958,598		958,598
Life Insurance	11,434,450		11,434,450
Investment Income	61,214,558		61,214,558
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,004,561		12,004,561
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 181,648,983	\$ 1,936,323	\$ 183,585,306
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 69,688,023	\$ -	\$ 69,688,023
Gross Non-Medicare Prescription Drug Claims	55,559,511	-	55,559,511
Non-Medicare Prescription Drug Rebates	(27,603,387)		(27,603,387)
Non-Medicare Managed Care Capitations	5,328,320		5,328,320
Administration	3,147,112		3,147,112
Life Insurance	11,761,873		11,761,873
Retiree Assistance Program	837,290		837,290
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	11,641		11,641
Director's Discretionary Fund	220,758		220,758
Total Expenses	\$ 118,951,140	\$ -	\$ 118,951,140
Fiscal Year Results	\$ 62,697,842		\$ 64,634,165
Beginning Restricted Reserve	\$ 726,834,712		\$ 726,834,712
Ending Restricted Reserve	\$ 789,532,555		\$ 791,468,878
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
Total Beginning Plan Reserve	744,410,763		744,410,763
Total Ending Plan Reserve	\$ 807,108,606		\$ 809,044,929
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.75			
Additional Retiree Premiums	\$ 1,936,323			
Pay Go PEPM Subsidy for Retirees	\$ 1,040.59			
		Non-Medicare	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		6.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

	7/1/2024 to 12/31/2024	1/1/2025 to 6/30/2025	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	54,098,421	54,667,307	108,765,728
Retiree Premiums - MCO	1,001,011	1,001,011	2,002,021
Annual Required Contributions	-	-	-
Non Par Premiums	1,234,044	1,234,044	2,468,087
Life Insurance	15,934,068	15,934,068	31,868,135
Investment Income	71,827,589	71,827,589	143,655,178
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	\$ 244,095,131	\$ 244,664,017	\$ 488,759,149
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 38,036,700	\$ 39,579,721	\$ 77,616,421
Gross Non-Medicare Prescription Drug Claims	31,145,046	32,980,880	64,125,925
Non-Medicare Prescription Drug Rebates	(16,338,141)	(17,117,164)	(33,455,305)
Medicare Medical Claims	968,344	328,494	1,296,837
Gross Medicare Prescription Drug Claims	5,763,751	1,992,125	7,755,876
Medicare Prescription Drug Rebates	(2,985,898)	(1,031,140)	(4,017,038)
Non-Medicare Managed Care Capitations	2,877,293	2,877,293	5,754,586
Humana MAPD Program	62,845,681	70,407,684	133,253,365
Administration	2,418,159	2,418,159	4,836,318
Life Insurance	16,390,337	16,390,337	32,780,673
Retiree Assistance Program	1,200,113	1,200,113	2,400,225
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	9,068	9,068	18,136
Director's Discretionary Fund	111,121	111,121	222,242
Total Expenses	\$ 142,441,573	\$ 150,146,690	\$ 292,588,262
Fiscal Year Results	\$ 101,653,559	\$ 94,517,327	\$ 196,170,887
Beginning Restricted Reserve			\$ 1,864,405,380
Ending Restricted Reserve			\$ 2,060,576,266
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,902,511,884
Total Ending Plan Reserve			\$ 2,098,682,770
Accrued Actuarial Liability (AAL)			\$ 3,517,233,874
Funded Status			54.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 187.80	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 7,233,723	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 294.90	Non-Medicare	10.5%	14.5%
		Medicare	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		8.5%
		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 2025**

PERIOD 7/1/2024 - 6/30/2025

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	8,909,777		8,909,777
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	60,438,000	5,217,654	65,655,654
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,538,246		1,538,246
Life Insurance	19,861,963		19,861,963
Investment Income	75,713,718		75,713,718
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,906,110		17,906,110
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 286,587,466	\$ 5,217,654	\$ 291,805,120
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,296,837	\$ -	\$ 1,296,837
Gross Medicare Prescription Drug Claims	7,755,876	-	7,755,876
Medicare Prescription Drug Rebates	(4,017,038)		(4,017,038)
Humana MAPD Program	133,253,365		133,253,365
Administration	1,594,792		1,594,792
Life Insurance	20,430,706		20,430,706
Retiree Assistance Program	1,495,951		1,495,951
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	5,892		5,892
Director's Discretionary Fund	-		-
Total Expenses	\$ 161,816,382	\$ -	\$ 161,816,382
Fiscal Year Results	\$ 124,771,084		\$ 129,988,738
Beginning Restricted Reserve	\$ 1,072,938,568		\$ 1,072,938,568
Ending Restricted Reserve	\$ 1,197,709,651		\$ 1,202,927,305
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
Total Beginning Plan Reserve	1,093,469,021		1,093,469,021
Total Ending Plan Reserve	\$ 1,218,240,105		\$ 1,223,457,759
Accrued Actuarial Liability (AAL)	\$ 3,517,233,874		\$ 3,517,233,874
Funded Status	55.9%		56.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 187.80	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,217,654	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 197.52	Medicare	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		6.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

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	9,958,106		9,958,106
Employer Premiums - MCO	939,273		939,273
Retiree Premiums - PPB	22,310,792	1,931,399	24,242,191
Retiree Premiums - MCO	978,078	84,670	1,062,748
Annual Required Contributions	-		-
Non Par Premiums	929,840		929,840
Life Insurance	12,006,173		12,006,173
Investment Income	67,941,460		67,941,460
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,093,890		12,093,890
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 194,937,960	\$ 2,016,069	\$ 196,954,029
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,616,421	\$ -	\$ 77,616,421
Gross Non-Medicare Prescription Drug Claims	64,125,925	-	64,125,925
Non-Medicare Prescription Drug Rebates	(33,455,305)		(33,455,305)
Non-Medicare Managed Care Capitations	5,754,586		5,754,586
Administration	3,241,525		3,241,525
Life Insurance	12,349,967		12,349,967
Retiree Assistance Program	904,274		904,274
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	11,235		11,235
Director's Discretionary Fund	222,242		222,242
Total Expenses	\$ 130,770,870	\$ -	\$ 130,770,870
Fiscal Year Results	\$ 64,167,090		\$ 66,183,159
Beginning Restricted Reserve	\$ 791,468,878		\$ 791,468,878
Ending Restricted Reserve	\$ 855,635,968		\$ 857,652,037
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
Total Beginning Plan Reserve	809,044,929		809,044,929
Total Ending Plan Reserve	\$ 873,212,019		\$ 875,228,088
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 187.80			
Additional Retiree Premiums	\$ 2,016,069			
Pay Go PEPM Subsidy for Retirees	\$ 1,149.78			
		Non-Medicare	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		6.3%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2020 to FY 2021**

Fiscal Year 2020

Exposure

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>
NonMed_NonDrug	14,745	14,846	14,782	14,697	14,478	14,336	14,177	14,203	14,029	13,876	13,698	13,474
Med_NonDrug	1,366	1,595	1,801	2,008	2,185	2,412	214	381	537	677	808	928
NonMed_Drug	13,665	13,757	13,698	13,619	13,417	13,285	13,139	13,164	13,002	12,860	12,694	12,486
Med_Drug	1,422	1,661	1,876	2,092	2,276	2,513	223	397	559	705	842	966

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>
NonMed_NonDrug	\$247.04	\$261.57	\$262.12	\$288.35	\$260.33	\$259.19	\$301.15	\$279.19	\$255.16	\$186.02	\$252.47	\$311.16
Med_NonDrug	293.04	231.19	231.20	237.21	268.78	238.76	1092.15	495.16	547.83	354.38	326.19	397.27
NonMed_Drug	191.88	197.19	176.84	201.86	187.14	200.35	208.70	198.46	231.51	213.94	201.29	217.89
Med_Drug	<u>334.93</u>	<u>358.08</u>	<u>362.70</u>	<u>386.04</u>	<u>349.50</u>	<u>376.47</u>	<u>405.80</u>	<u>426.57</u>	<u>557.41</u>	<u>486.05</u>	<u>386.94</u>	<u>567.26</u>
Total	\$1,066.89	\$1,048.02	\$1,032.86	\$1,113.46	\$1,065.74	\$1,074.78	\$2,007.80	\$1,399.39	\$1,591.91	\$1,240.38	\$1,166.90	\$1,493.58

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	8.5%	-22.9%	2.5%	-12.5%	1.5%	29.1%	6.3%	-7.6%	-7.5%	-42.4%	-19.3%	1.4%
Med_NonDrug	62.1%	24.8%	-2.3%	26.1%	38.8%	2.3%	48.1%	24.6%	35.2%	0.9%	-15.5%	74.5%
NonMed_Drug	22.9%	26.8%	18.4%	7.7%	13.6%	19.9%	3.1%	12.0%	18.7%	-0.9%	-2.5%	9.7%
Med_Drug	<u>-14.5%</u>	<u>-16.4%</u>	<u>1.2%</u>	<u>-8.8%</u>	<u>-8.9%</u>	<u>-0.7%</u>	<u>-31.0%</u>	<u>15.8%</u>	<u>33.9%</u>	<u>18.3%</u>	<u>4.6%</u>	<u>53.3%</u>
Total	11.6%	-5.5%	3.3%	-1.3%	6.7%	9.6%	10.9%	12.4%	23.1%	-4.7%	-8.5%	35.4%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-6.3%			2.7%			-3.0%			-20.5%
Med_NonDrug			25.4%			21.1%			38.6%			11.7%
NonMed_Drug			22.7%			13.5%			11.1%			2.0%
Med_Drug			<u>-10.4%</u>			<u>-6.2%</u>			<u>1.2%</u>			<u>25.1%</u>
Total			2.7%			4.7%			15.0%			6.0%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-4.7%			-5.5%			-4.4%			-7.3%
Med_NonDrug			41.5%			39.0%			34.6%			26.6%
NonMed_Drug			24.8%			24.0%			18.4%			11.5%
Med_Drug			<u>-5.3%</u>			<u>-10.7%</u>			<u>-6.5%</u>			<u>2.2%</u>
Total			8.8%			6.0%			7.7%			7.8%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2020 to FY 2021**

Fiscal Year 2021

Exposure

	<u>Jul-20</u>	<u>Aug-20</u>
NonMed_NonDrug	13,587	13,827
Med_NonDrug	1,132	1,436
NonMed_Drug	12,593	12,817
Med_Drug	1,179	1,496

	<u>Jul-20</u>	<u>Aug-20</u>
NonMed_NonDrug	\$249.23	\$286.53
Med_NonDrug	311.94	293.44
NonMed_Drug	197.09	184.56
Med_Drug	<u>478.19</u>	<u>376.52</u>
Total	\$1,236.44	\$1,141.04

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	0.9%	9.5%
Med_NonDrug	6.4%	26.9%
NonMed_Drug	2.7%	-6.4%
Med_Drug	<u>42.8%</u>	<u>5.1%</u>
Total	15.9%	8.9%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total