

# STATE OF WEST VIRGINIA



## **RETIREE HEALTH BENEFIT TRUST FUND**

**Fiscal Year 2021  
Financial Report**

**Fiscal Years 2021-2026**

*Report Date: October 2021*

***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 2026. 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, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”) and June 30, 2026 (“FY 2026”). Our opinion of plan adequacy is based on the projections through FY 2026 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2020.

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 2021 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 2021 the Pay-Go is equivalent to \$263 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 2020.

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 2021 through FY 2026 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 2026 as approved by the Board in December 2020.

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 2021 – FY 2026**

#### **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 2021 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 427 policies from June 2021 to September 2021. Continuing Care Actuaries has updated the claims analysis based on the enrollment through September 2021.

In aggregate, September 2021 enrollment has increased by 427 coverages since the end of FY 2021. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 430 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 3 coverages. For MAPD Capitations, the average of 52,062 Medicare policyholders in FY 2021 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2020, June 2021, and September 2021 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-20	Jun-21	Sep-21	Jun-20	Jun-21	Sep-21
Retirees	Medicare Single	21,594	21,636	21,867	-	-	-
	<u>Medicare Family</u>	<u>16,058</u>	<u>16,170</u>	<u>16,263</u>	-	-	-
	Medicare Total	37,652	37,806	38,130	-	-	-
	Non-Medicare Single	2,396	2,295	2,342	111	115	117
	<u>Non-Medicare Family</u>	<u>2,994</u>	<u>2,714</u>	<u>2,773</u>	117	104	99
	Non-Medicare Total	5,390	5,009	5,115	228	219	216
	Retiree Total	43,042	42,815	43,245	228	219	216
Grand Total				43,270	43,034	43,461	

\* The majority of PPB is capitated through Humana. As of July 2021, there are approximately 1,075 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 2021 Financial Report”.

### C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drugs trend in FY 2021, 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 FY2020 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 2022 medical claim trend is 6.0%, the gross prescription drugs claim trend is 13.5% and the prescription drugs rebate trend is 15.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2022 Trend	Updated Assumption FY 2022 Trend
Non-Medicare – Medical	6.0%	6.0%
Medicare – Medical	6.0%	6.0%
Non-Medicare – Gross Drugs	13.5%	13.5%
Medicare – Gross Drugs	13.5%	13.5%
Prescription Drugs Rebate	15.0%	15.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the drugs claim trends for the financial projection will increase by 0.5% in FY 2023 and in each successive fiscal year. Medical trends are assumed to increase 1.0% in FY 2023, and then 0.5% thereafter. Additionally, drug rebates have been trending at approximately 30% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 15% in the financial plan. 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 2021. It is important to note that these trends have not been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

**Aggregate Trust Fund Historical Trends (Retirees)**

<b><u>Fiscal Year</u></b>	<b><u>Medical Medicare</u></b>	<b><u>Medical Non-Medicare</u></b>	<b><u>Drugs Medicare</u></b>	<b><u>Drugs Non-Medicare</u></b>	<b><u>Total</u></b>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-10%	2%	11%	9%	3%
2017	11%	0%	10%	31%	9%
2018	12%	8%	41%	14%	12%
2019	43%	2%	-1%	20%	8%
2020	18%	-9%	1%	12%	-2%
2021	-7%	13%	14%	7%	11%
2022*	-10%	13%	9%	9%	12%

\* Fiscal Year 2022 results are through the first two months ending August 2021. 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 2021 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 2021 and the projection of FY 2022 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2021 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	37,894			\$ 71**	\$ 316**	\$ 223
	Non-Medicare	5,314			\$ 766	\$ 294	
	Total	43,208	\$ -	\$ 152			
	Non-Medicare Managed Care	225	\$ -	\$ 589			\$ 1,423
	Total	43,433					

\*Net of rebates and subsidies.

\*\* As of June 2021, there are approximately 781 Medicare coverages that were not capitated through Humana.

Fiscal Year 2022 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	38,490			\$ 75**	\$ 350**	\$ 138
	Non-Medicare	5,056			\$ 839	\$ 342	
	Total	43,546	\$ -	\$ 153			
	Non-Medicare Managed Care	216	\$ -	\$ 613			\$ 1,601
	Total	43,762					

\*Net of rebates and subsidies.

\*\* As of July 2021, there are approximately 1,075 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 2020.

### Board Decisions – December 2020

Source	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Additional Non-Medicare Retiree Premium (Fiscal Year)</b>	\$0	\$0	\$1,295,473	\$1,308,390	\$1,319,676	\$1,329,180
<b>Additional Medicare Retiree Premium (Calendar Year)</b>	\$0	\$0	\$4,800,116	\$5,136,143	\$5,494,908	\$5,980,946
<b>General Revenue Transfer (OPEB Funding)</b>	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
<b>General Revenue Transfer (Premium Offset)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Board Decision Benefit Reduction – Retiree Medicare</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)</b>	\$0	\$34,784,854	\$34,209,468	\$0	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$137,259,572	\$100,000,000	\$110,000,000	\$120,000,000	\$130,000,000	\$140,000,000
<b>Actuarial Accrued Liability*</b>	\$1,643,289,291	\$1,663,727,440	\$1,686,322,024	\$1,704,800,458	\$1,715,909,460	\$1,719,565,219
<b>Funded Status</b>	74.5%	100.5%	110.2%	122.6%	136.3%	151.6%

\*Projected Result

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. RHBT will receive \$30,000,000 in general revenue transfers.

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 \$1,683,425 in FY 2021 to \$2,217,839 in FY 2026, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2021, the ACA PCORI fee is approximately \$2.66 per person per year.

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. 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 2021 RESULT**

The financial result for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$628,883,501 and incurred plan expenses of \$212,182,520 to produce a fiscal year surplus of \$416,700,981 after the Premium Stabilization Reserve addition of \$30,000,000. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$137,259,572.

### **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 \$368,568,198 and incurred plan expenses of \$181,547,871 to produce a fiscal year surplus of \$187,020,326 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$100,000,000.

### **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 \$398,233,443 and incurred plan expenses of \$166,767,424 to produce a fiscal year surplus of \$231,466,018 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$110,000,000.

### **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 \$432,422,709 and incurred plan expenses of \$183,291,023 to produce a fiscal year surplus of \$249,131,686 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$120,000,000.

## **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 \$468,333,708 and incurred plan expenses of \$200,820,437 to produce a fiscal year surplus of \$267,513,272 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$130,000,000.

## **FISCAL YEAR 2026 FORECAST**

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$506,044,147 and incurred plan expenses of \$220,061,456 to produce a fiscal year surplus of \$285,982,691 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$140,000,000.

## **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 2026. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2020 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 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	\$ 68,629,786	\$ 68,629,786	\$ 137,259,572
Retiree Premiums - PPB	39,910,881	39,051,701	78,962,583
Retiree Premiums - MCO	806,802	783,582	1,590,384
Annual Required Contributions	-	-	-
Non Par Premiums	1,101,441	1,101,441	2,202,881
Life Insurance	13,618,690	13,618,690	27,237,380
Investment Income	190,815,351	190,815,351	381,630,701
Transfer from Premium Stabilization Reserve	(15,936,680)	(14,063,320)	(30,000,000)
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 313,946,271</b>	<b>\$ 314,937,230</b>	<b>\$ 628,883,501</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 24,812,306	\$ 24,032,762	\$ 48,845,068
Gross Non-Medicare Prescription Drug Claims	15,999,557	16,078,713	32,078,270
Non-Medicare Prescription Drug Rebates	(6,660,799)	(6,693,753)	(13,354,551)
Medicare Medical Claims	762,380	291,588	1,053,968
Gross Medicare Prescription Drug Claims	5,979,527	2,376,683	8,356,210
Medicare Prescription Drug Rebates	(2,489,346)	(989,440)	(3,478,786)
Non-Medicare Managed Care Capitations	1,921,135	1,921,135	3,842,270
Humana MAPD Program	56,666,376	44,657,403	101,323,779
Administration	2,231,825	2,231,825	4,463,650
Life Insurance	13,677,188	13,677,188	27,354,375
Wellness	-	-	-
Retiree Assistance Program	841,713	841,713	1,683,425
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	7,421	7,421	14,842
Director's Discretionary Fund	-	-	-
<b>Total Expenses</b>	<b>\$ 113,749,281</b>	<b>\$ 98,433,238</b>	<b>\$ 212,182,520</b>
<b>Fiscal Year Results</b>	<b>\$ 200,196,989</b>	<b>\$ 216,503,992</b>	<b>\$ 416,700,981</b>
Beginning Restricted Reserve			\$ 1,186,534,840
Ending Restricted Reserve			<u>\$ 1,603,235,821</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ 30,000,000
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			1,224,641,344
Total Ending Plan Reserve			<u>\$ 1,671,342,325</u>
Accrued Actuarial Liability (AAL)			\$ 1,643,289,291
Funded Status			74.5%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 151.28			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 263.35	Non-Medicare	5.0%	13.0%
		Medicare	5.0%	13.0%
		Prescription Drug Rebates		0.0%
		Capitations		-22.7%
		Administrative Expense		-0.2%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-3.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 63,515,124		\$ 63,515,124
Employer Premiums - PPB	5,796,533	-	5,796,533
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	47,126,688	-	47,126,688
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,411,744		1,411,744
Life Insurance	17,455,422		17,455,422
Investment Income	213,362,952		213,362,952
Transfer from Premium Stabilization Reserve	(26,961,153)		(26,961,153)
General Revenue Transfer (OPEB Funding)	17,891,029		17,891,029
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 339,598,340</b>	<b>\$ -</b>	<b>\$ 339,598,340</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,053,968	\$ -	\$ 1,053,968
Gross Medicare Prescription Drug Claims	8,356,210	-	8,356,210
Medicare Prescription Drug Rebates	(3,478,786)		(3,478,786)
Humana MAPD Program	101,323,779		101,323,779
Administration	1,647,655		1,647,655
Life Insurance	17,530,399		17,530,399
Wellness	-		-
Retiree Assistance Program	1,078,844		1,078,844
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	2,430		2,430
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 127,514,499</b>	<b>\$ -</b>	<b>\$ 127,514,499</b>
<b>Fiscal Year Results</b>	<b>\$ 212,083,840</b>		<b>\$ 212,083,840</b>
Beginning Restricted Reserve	\$ 664,144,788		\$ 664,144,788
Ending Restricted Reserve	<u>\$ 876,228,628</u>		<u>\$ 876,228,628</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ 26,961,153		\$ 26,961,153
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
<b>Total Beginning Plan Reserve</b>	<b>684,675,241</b>		<b>684,675,241</b>
<b>Total Ending Plan Reserve</b>	<b>\$ 923,720,234</b>		<b>\$ 923,720,234</b>
Accrued Actuarial Liability (AAL)	\$ 1,643,289,291		\$ 1,643,289,291
Funded Status	87.2%		87.2%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 151.28			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 139.68	Medicare	5.0%	13.0%
		Prescription Drug Rebates		0.0%
		Capitations		-22.7%
		Administrative Expense		-0.2%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-3.0%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 73,744,448		\$ 73,744,448
Employer Premiums - PPB	7,706,552	-	7,706,552
Employer Premiums - MCO	682,732	-	682,732
Retiree Premiums - PPB	18,332,810	-	18,332,810
Retiree Premiums - MCO	907,652	-	907,652
Annual Required Contributions	-		-
Non Par Premiums	791,137		791,137
Life Insurance	9,781,958		9,781,958
Investment Income	168,267,749		168,267,749
Transfer from Premium Stabilization Reserve	(3,038,847)		(3,038,847)
General Revenue Transfer (OPEB Funding)	12,108,971		12,108,971
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 289,285,161</b>	<b>\$ -</b>	<b>\$ 289,285,161</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 48,845,068		\$ 48,845,068
Gross Non-Medicare Prescription Drug Claims	32,078,270		32,078,270
Non-Medicare Prescription Drug Rebates	(13,354,551)		(13,354,551)
Non-Medicare Managed Care Capitations	3,842,270		3,842,270
Administration	2,815,995		2,815,995
Life Insurance	9,823,976		9,823,976
Wellness	-		-
Retiree Assistance Program	604,581		604,581
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	12,412		12,412
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 84,668,021</b>	<b>\$ -</b>	<b>\$ 84,668,021</b>
<b>Fiscal Year Results</b>	<b>\$ 204,617,141</b>		<b>\$ 204,617,141</b>
Beginning Restricted Reserve	\$ 522,390,052		\$ 522,390,052
Ending Restricted Reserve	<u>\$ 727,007,192</u>		<u>\$ 727,007,192</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ 3,038,847		\$ 3,038,847
Ending Premium Stabilization Reserve	<u>\$ 20,614,898</u>		<u>\$ 20,614,898</u>
<b>Total Beginning Plan Reserve</b>	<b>539,966,103</b>		<b>539,966,103</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 747,622,091</u></b>		<b><u>\$ 747,622,091</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<b>Eligibility</b>	<b>Medical</b>	<b>Gross Drugs</b>
Pay Go Monthly Premium for Actives	\$ 151.28			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 1,109.49	Non-Medicare	5.0%	13.0%
		Prescription Drug Rebates		0.0%
		Capitations		-22.7%
		Administrative Expense		-0.2%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-3.0%

**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	\$ 50,000,000	\$ 50,000,000	\$ 100,000,000
Retiree Premiums - PPB	39,763,079	40,423,545	80,186,623
Retiree Premiums - MCO	780,923	807,140	1,588,063
Annual Required Contributions	-	-	-
Non Par Premiums	1,068,398	1,068,398	2,136,795
Life Insurance	14,299,625	14,299,625	28,599,249
Investment Income	63,028,733	63,028,733	126,057,467
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 183,940,757</b>	<b>\$ 184,627,440</b>	<b>\$ 368,568,198</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 25,216,923	\$ 25,678,218	\$ 50,895,141
Gross Non-Medicare Prescription Drug Claims	17,484,627	18,414,839	35,899,465
Non-Medicare Prescription Drug Rebates	(7,397,856)	(7,774,794)	(15,172,649)
Medicare Medical Claims	805,247	299,385	1,104,632
Gross Medicare Prescription Drug Claims	6,782,101	2,614,891	9,396,992
Medicare Prescription Drug Rebates	(2,928,316)	(1,103,721)	(4,032,037)
Non-Medicare Managed Care Capitations	2,074,826	2,074,826	4,149,652
Humana MAPD Program	44,151,128	19,801,805	63,952,933
Administration	2,298,780	2,298,780	4,597,560
Life Insurance	14,361,047	14,361,047	28,722,094
Wellness	100,000	100,000	200,000
Retiree Assistance Program	815,089	815,089	1,630,178
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	7,356	7,356	14,712
Director's Discretionary Fund	94,599	94,599	189,197
<b>Total Expenses</b>	<b>\$ 103,865,551</b>	<b>\$ 77,682,320</b>	<b>\$ 181,547,871</b>
<b>Fiscal Year Results</b>	<b>\$ 80,075,206</b>	<b>\$ 106,945,120</b>	<b>\$ 187,020,326</b>
Beginning Restricted Reserve			\$ 1,603,235,821
Ending Restricted Reserve			<u>\$ 1,790,256,148</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			1,671,342,325
Total Ending Plan Reserve			<u>1,858,362,652</u>
Accrued Actuarial Liability (AAL)			\$ 1,663,727,440
Funded Status			100.5%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 110.80			
Additional Retiree Premiums	\$ 352,112	Non-Medicare	6.0%	13.5%
Pay Go PEPM Subsidy for Retirees	\$ 190.42	Medicare	6.0%	13.5%
		Prescription Drug Rebates		15.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-27.1%



**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 56,667,577		\$ 56,667,577
Employer Premiums - PPB	9,458,243	(839,702)	8,618,541
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,232,541	1,258,362	46,490,903
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,369,392		1,369,392
Life Insurance	18,328,193		18,328,193
Investment Income	69,669,649		69,669,649
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,632,737		16,632,737
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 217,358,332</b>	<b>\$ 418,660</b>	<b>\$ 217,776,992</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,104,632	\$ -	\$ 1,104,632
Gross Medicare Prescription Drug Claims	9,396,992	-	9,396,992
Medicare Prescription Drug Rebates	(4,032,037)		(4,032,037)
Humana MAPD Program	63,952,933		63,952,933
Administration	1,697,085		1,697,085
Life Insurance	18,406,919		18,406,919
Wellness	-		-
Retiree Assistance Program	1,044,720		1,044,720
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	2,944		2,944
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 91,574,188</b>	<b>\$ -</b>	<b>\$ 91,574,188</b>
<b>Fiscal Year Results</b>	<b>\$ 125,784,144</b>		<b>\$ 126,202,804</b>
Beginning Restricted Reserve	\$ 876,228,628		\$ 876,228,628
Ending Restricted Reserve	<u>\$ 1,002,012,773</u>		<u>\$ 1,002,431,433</u>
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
Total Beginning Plan Reserve	923,720,234		923,720,234
Total Ending Plan Reserve	<u>\$ 1,049,504,378</u>		<u>\$ 1,049,923,039</u>
Accrued Actuarial Liability (AAL)	\$ 1,663,727,440		\$ 1,663,727,440
Funded Status	104.1%		104.1%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 110.80	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 418,660	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 122.69	Medicare	6.0%	13.5%
		Prescription Drug Rebates		15.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-27.1%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 43,332,423		\$ 43,332,423
Employer Premiums - PPB	9,660,332	(729,002)	8,931,331
Employer Premiums - MCO	949,411	(89,292)	860,119
Retiree Premiums - PPB	15,458,432	687,417	16,145,848
Retiree Premiums - MCO	663,615	64,329	727,944
Annual Required Contributions	-		-
Non Par Premiums	767,403		767,403
Life Insurance	10,271,056		10,271,056
Investment Income	56,387,818		56,387,818
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,367,263		13,367,263
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 150,857,754</b>	<b>\$ (66,548)</b>	<b>\$ 150,791,206</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 50,895,141	\$ -	\$ 50,895,141
Gross Non-Medicare Prescription Drug Claims	35,899,465	-	35,899,465
Non-Medicare Prescription Drug Rebates	(15,172,649)		(15,172,649)
Non-Medicare Managed Care Capitations	4,149,652		4,149,652
Administration	2,900,475		2,900,475
Life Insurance	10,315,174		10,315,174
Wellness	200,000		200,000
Retiree Assistance Program	585,458		585,458
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	11,768		11,768
Director's Discretionary Fund	189,197		189,197
<b>Total Expenses</b>	<b>\$ 89,973,682</b>	<b>\$ -</b>	<b>\$ 89,973,682</b>
<b>Fiscal Year Results</b>	<b>\$ 60,884,072</b>		<b>\$ 60,817,524</b>
Beginning Restricted Reserve	\$ 727,007,192		\$ 727,007,192
Ending Restricted Reserve	\$ 787,891,264		\$ 787,824,716
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
<b>Total Beginning Plan Reserve</b>	<b>747,622,091</b>		<b>747,622,091</b>
<b>Total Ending Plan Reserve</b>	<b>\$ 808,506,163</b>		<b>\$ 808,439,614</b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 110.80			
Additional Retiree Premiums	\$ (66,548)			
Pay Go PEPM Subsidy for Retirees	\$ 684.91	Non-Medicare	6.0%	13.5%
		Prescription Drug Rebates		15.0%
		Capitations		7.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-27.1%

**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	\$ 55,000,000	\$ 55,000,000	\$ 110,000,000
Retiree Premiums - PPB	41,317,882	42,942,669	84,260,551
Retiree Premiums - MCO	854,625	854,625	1,709,250
Annual Required Contributions	-	-	-
Non Par Premiums	1,036,346	1,036,346	2,072,691
Life Insurance	15,014,606	15,014,606	30,029,211
Investment Income	70,080,869	70,080,869	140,161,739
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 198,304,328</b>	<b>\$ 199,929,115</b>	<b>\$ 398,233,443</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 27,072,538	\$ 27,695,735	\$ 54,768,273
Gross Non-Medicare Prescription Drug Claims	19,598,106	20,685,557	40,283,663
Non-Medicare Prescription Drug Rebates	(9,128,740)	(9,593,871)	(18,722,611)
Medicare Medical Claims	830,433	310,295	1,140,728
Gross Medicare Prescription Drug Claims	7,294,216	2,818,920	10,113,136
Medicare Prescription Drug Rebates	(3,470,351)	(1,308,020)	(4,778,371)
Non-Medicare Managed Care Capitations	2,240,812	2,240,812	4,481,624
Humana MAPD Program	19,577,314	22,829,475	42,406,790
Administration	2,367,743	2,367,743	4,735,486
Life Insurance	15,079,099	15,079,099	30,158,198
Wellness	107,000	107,000	214,000
Retiree Assistance Program	880,296	880,296	1,760,592
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	7,907	7,907	15,814
Director's Discretionary Fund	95,052	95,052	190,103
<b>Total Expenses</b>	<b>\$ 82,551,424</b>	<b>\$ 84,216,000</b>	<b>\$ 166,767,424</b>
<b>Fiscal Year Results</b>	<b>\$ 115,752,903</b>	<b>\$ 115,713,115</b>	<b>\$ 231,466,018</b>
Beginning Restricted Reserve			\$ 1,790,256,148
Ending Restricted Reserve			<u>\$ 2,021,722,166</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			1,858,362,652
Total Ending Plan Reserve			<u>\$ 2,089,828,670</u>
Accrued Actuarial Liability (AAL)			\$ 1,686,322,024
Funded Status			110.2%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 121.86	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 4,474,820	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 204.82	Non-Medicare	7.0%	14.0%
		Medicare	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 40,202,404		\$ 40,202,404
Employer Premiums - PPB	9,624,281	549,511	10,173,791
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	46,059,651	2,629,836	48,689,488
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,328,310		1,328,310
Life Insurance	19,244,602		19,244,602
Investment Income	79,187,471		79,187,471
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,823,079		17,823,079
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 213,469,797</b>	<b>\$ 3,179,347</b>	<b>\$ 216,649,145</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,140,728	\$ -	\$ 1,140,728
Gross Medicare Prescription Drug Claims	10,366,910	(253,774)	10,113,136
Medicare Prescription Drug Rebates	(4,778,371)		(4,778,371)
Humana MAPD Program	42,406,790		42,406,790
Administration	1,747,997		1,747,997
Life Insurance	19,327,265		19,327,265
Wellness	-		-
Retiree Assistance Program	1,128,298		1,128,298
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	4,454		4,454
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 71,344,070</b>	<b>\$ (253,774)</b>	<b>\$ 71,090,296</b>
<b>Fiscal Year Results</b>	<b>\$ 142,125,727</b>		<b>\$ 145,558,848</b>
Beginning Restricted Reserve	\$ 1,002,431,433		\$ 1,002,431,433
Ending Restricted Reserve	<u>\$ 1,144,557,160</u>		<u>\$ 1,147,990,281</u>
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
<b>Total Beginning Plan Reserve</b>	<b>1,049,923,039</b>		<b>1,049,923,039</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 1,192,048,766</u></b>		<b><u>\$ 1,195,481,887</u></b>
Accrued Actuarial Liability (AAL)	\$ 1,686,322,024		\$ 1,686,322,024
Funded Status	115.2%		115.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 121.86	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 3,179,347	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 84.43	Medicare	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		10.0%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 69,797,596		\$ 69,797,596
Employer Premiums - PPB	9,296,411	466,593	9,763,004
Employer Premiums - MCO	957,503	48,058	1,005,561
Retiree Premiums - PPB	14,887,077	747,192	15,634,268
Retiree Premiums - MCO	670,059	33,631	703,690
Annual Required Contributions	-		-
Non Par Premiums	744,380		744,380
Life Insurance	10,784,609		10,784,609
Investment Income	60,974,268		60,974,268
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,176,921		12,176,921
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 180,288,824</b>	<b>\$ 1,295,473</b>	<b>\$ 181,584,297</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 54,768,273	\$ -	\$ 54,768,273
Gross Non-Medicare Prescription Drug Claims	41,253,158	(969,496)	40,283,662
Non-Medicare Prescription Drug Rebates	(18,722,611)		(18,722,611)
Non-Medicare Managed Care Capitations	4,481,624		4,481,624
Administration	2,987,489		2,987,489
Life Insurance	10,830,933		10,830,933
Wellness	214,000		214,000
Retiree Assistance Program	632,294		632,294
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	11,360		11,360
Director's Discretionary Fund	190,103		190,103
<b>Total Expenses</b>	<b>\$ 96,646,623</b>	<b>\$ (969,496)</b>	<b>\$ 95,677,127</b>
<b>Fiscal Year Results</b>	<b>\$ 83,642,201</b>		<b>\$ 85,907,170</b>
Beginning Restricted Reserve	\$ 787,824,716		\$ 787,824,716
Ending Restricted Reserve	<u>\$ 871,466,917</u>		<u>\$ 873,731,886</u>
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,614,898</u>		<u>\$ 20,614,898</u>
<b>Total Beginning Plan Reserve</b>	<b>808,439,614</b>		<b>808,439,614</b>
<b>Total Ending Plan Reserve</b>	<b>\$ 892,081,816</b>		<b>\$ 894,346,784</b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 121.86	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 1,295,473	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,146.34	Non-Medicare	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		Capitations		14.4%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		10.0%

**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	\$ 60,000,000	\$ 60,000,000	\$ 120,000,000
Retiree Premiums - PPB	43,854,762	45,606,534	89,461,297
Retiree Premiums - MCO	906,121	906,121	1,812,241
Annual Required Contributions	-	-	-
Non Par Premiums	1,005,255	1,005,255	2,010,510
Life Insurance	15,765,336	15,765,336	31,530,672
Investment Income	78,803,995	78,803,995	157,607,989
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 215,335,468</b>	<b>\$ 217,087,241</b>	<b>\$ 432,422,709</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,297,798	\$ 30,041,212	\$ 59,339,010
Gross Non-Medicare Prescription Drug Claims	22,594,709	23,899,968	46,494,677
Non-Medicare Prescription Drug Rebates	(10,603,032)	(11,143,281)	(21,746,313)
Medicare Medical Claims	863,187	323,335	1,186,522
Gross Medicare Prescription Drug Claims	8,077,239	3,128,797	11,206,036
Medicare Prescription Drug Rebates	(3,871,176)	(1,459,097)	(5,330,273)
Non-Medicare Managed Care Capitations	2,420,077	2,420,077	4,840,154
Humana MAPD Program	22,570,661	25,846,676	48,417,337
Administration	2,438,776	2,438,776	4,877,551
Life Insurance	15,833,054	15,833,054	31,666,108
Wellness	115,025	115,025	230,050
Retiree Assistance Program	950,720	950,720	1,901,440
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	8,469	8,469	16,938
Director's Discretionary Fund	95,893	95,893	191,786
<b>Total Expenses</b>	<b>\$ 90,791,399</b>	<b>\$ 92,499,623</b>	<b>\$ 183,291,023</b>
<b>Fiscal Year Results</b>	<b>\$ 124,544,069</b>	<b>\$ 124,587,618</b>	<b>\$ 249,131,686</b>
Beginning Restricted Reserve			\$ 2,021,722,166
Ending Restricted Reserve			<u>\$ 2,270,853,852</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			2,089,828,670
Total Ending Plan Reserve			<u>\$ 2,338,960,356</u>
Accrued Actuarial Liability (AAL)			\$ 1,704,800,458
Funded Status			122.6%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 132.94	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 6,137,825	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 218.55	Non-Medicare	7.5%	14.5%
		Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		9.1%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 18,159,471		\$ 18,159,471
Employer Premiums - PPB	10,197,542	834,708	11,032,251
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	48,803,154	3,994,727	52,797,881
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,288,461		1,288,461
Life Insurance	20,206,833		20,206,833
Investment Income	90,159,303		90,159,303
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,198,371		16,198,371
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 205,013,136</b>	<b>\$ 4,829,435</b>	<b>\$ 209,842,571</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,186,522	\$ -	\$ 1,186,522
Gross Medicare Prescription Drug Claims	11,206,036	-	11,206,036
Medicare Prescription Drug Rebates	(5,330,273)		(5,330,273)
Humana MAPD Program	48,417,337		48,417,337
Administration	1,800,437		1,800,437
Life Insurance	20,293,629		20,293,629
Wellness	-		-
Retiree Assistance Program	1,218,562		1,218,562
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	5,986		5,986
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 78,798,236</b>	<b>\$ -</b>	<b>\$ 78,798,236</b>
<b>Fiscal Year Results</b>	<b>\$ 126,214,900</b>		<b>\$ 131,044,334</b>
Beginning Restricted Reserve	\$ 1,147,990,281		\$ 1,147,990,281
Ending Restricted Reserve	<u>\$ 1,274,205,181</u>		<u>\$ 1,279,034,616</u>
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
<b>Total Beginning Plan Reserve</b>	<b>1,195,481,887</b>		<b>1,195,481,887</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 1,321,696,787</u></b>		<b><u>\$ 1,326,526,221</u></b>
Accrued Actuarial Liability (AAL)	\$ 1,704,800,458		\$ 1,704,800,458
Funded Status	129.4%		129.5%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 132.94	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 4,829,435	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 37.02	Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		9.1%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 101,840,529		\$ 101,840,529
Employer Premiums - PPB	9,383,168	469,747	9,852,915
Employer Premiums - MCO	1,015,321	50,830	1,066,151
Retiree Premiums - PPB	15,026,007	752,243	15,778,250
Retiree Premiums - MCO	710,520	35,571	746,090
Annual Required Contributions	-		-
Non Par Premiums	722,049		722,049
Life Insurance	11,323,839		11,323,839
Investment Income	67,448,686		67,448,686
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,801,629		13,801,629
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 221,271,747</b>	<b>\$ 1,308,390</b>	<b>\$ 222,580,138</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 59,339,010	\$ -	\$ 59,339,010
Gross Non-Medicare Prescription Drug Claims	46,494,677	-	46,494,677
Non-Medicare Prescription Drug Rebates	(21,746,313)		(21,746,313)
Non-Medicare Managed Care Capitations	4,840,154		4,840,154
Administration	3,077,114		3,077,114
Life Insurance	11,372,480		11,372,480
Wellness	230,050		230,050
Retiree Assistance Program	682,878		682,878
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	10,952		10,952
Director's Discretionary Fund	191,786		191,786
<b>Total Expenses</b>	<b>\$ 104,492,787</b>	<b>\$ -</b>	<b>\$ 104,492,787</b>
<b>Fiscal Year Results</b>	<b>\$ 116,778,960</b>		<b>\$ 118,087,351</b>
Beginning Restricted Reserve	\$ 873,731,886		\$ 873,731,886
Ending Restricted Reserve	<u>\$ 990,510,846</u>		<u>\$ 991,819,237</u>
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,614,898</u>		<u>\$ 20,614,898</u>
<b>Total Beginning Plan Reserve</b>	<b>894,346,784</b>		<b>894,346,784</b>
<b>Total Ending Plan Reserve</b>	<b>\$ 1,011,125,745</b>		<b>\$ 1,012,434,135</b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 132.94	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 1,308,390	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,740.67	Non-Medicare	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		Capitations		12.4%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		9.1%



**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	\$ 65,000,000	\$ 65,000,000	\$ 130,000,000
Retiree Premiums - PPB	46,536,313	48,423,707	94,960,020
Retiree Premiums - MCO	963,815	963,815	1,927,630
Annual Required Contributions	-	-	-
Non Par Premiums	975,098	975,098	1,950,195
Life Insurance	16,553,603	16,553,603	33,107,206
Investment Income	88,194,329	88,194,329	176,388,658
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 233,223,157</b>	<b>\$ 235,110,551</b>	<b>\$ 468,333,708</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,853,935	\$ 32,737,044	\$ 64,590,979
Gross Non-Medicare Prescription Drug Claims	26,163,614	27,734,584	53,898,198
Non-Medicare Prescription Drug Rebates	(12,315,422)	(12,942,921)	(25,258,343)
Medicare Medical Claims	901,420	338,490	1,239,910
Gross Medicare Prescription Drug Claims	8,983,496	3,487,915	12,471,411
Medicare Prescription Drug Rebates	(4,318,297)	(1,627,622)	(5,945,920)
Non-Medicare Managed Care Capitations	2,613,684	2,613,684	5,227,367
Humana MAPD Program	25,553,656	28,256,294	53,809,950
Administration	2,511,939	2,511,939	5,023,877
Life Insurance	16,624,707	16,624,707	33,249,414
Wellness	124,227	124,227	248,454
Retiree Assistance Program	1,026,778	1,026,778	2,053,555
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	9,030	9,030	18,059
Director's Discretionary Fund	96,762	96,762	193,524
<b>Total Expenses</b>	<b>\$ 99,829,527</b>	<b>\$ 100,990,909</b>	<b>\$ 200,820,437</b>
<b>Fiscal Year Results</b>	<b>\$ 133,393,630</b>	<b>\$ 134,119,642</b>	<b>\$ 267,513,272</b>
Beginning Restricted Reserve			\$ 2,270,853,852
Ending Restricted Reserve			<u>\$ 2,538,367,124</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			2,338,960,356
Total Ending Plan Reserve			<u>\$ 2,606,473,628</u>
Accrued Actuarial Liability (AAL)			\$ 1,715,909,460
Funded Status			136.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 144.02	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 6,484,362	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 231.69	Non-Medicare	8.0%	15.0%
		Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		8.3%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 21,146,564		\$ 21,146,564
Employer Premiums - PPB	11,058,183	892,652	11,950,835
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	52,921,988	4,272,034	57,194,022
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,249,807		1,249,807
Life Insurance	21,217,174		21,217,174
Investment Income	100,037,685		100,037,685
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	14,435,880		14,435,880
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 222,067,281</b>	<b>\$ 5,164,686</b>	<b>\$ 227,231,967</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,239,910	\$ -	\$ 1,239,910
Gross Medicare Prescription Drug Claims	12,471,411	-	12,471,411
Medicare Prescription Drug Rebates	(5,945,920)		(5,945,920)
Humana MAPD Program	53,809,950		53,809,950
Administration	1,854,450		1,854,450
Life Insurance	21,308,310		21,308,310
Wellness	-		-
Retiree Assistance Program	1,316,047		1,316,047
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	7,515		7,515
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 86,061,673</b>	<b>\$ -</b>	<b>\$ 86,061,673</b>
<b>Fiscal Year Results</b>	<b>\$ 136,005,608</b>		<b>\$ 141,170,294</b>
Beginning Restricted Reserve	\$ 1,279,034,616		\$ 1,279,034,616
Ending Restricted Reserve	<u>\$ 1,415,040,224</u>		<u>\$ 1,420,204,909</u>
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
Total Beginning Plan Reserve	1,326,526,221		1,326,526,221
Total Ending Plan Reserve	<u>\$ 1,462,531,829</u>		<u>\$ 1,467,696,515</u>
Accrued Actuarial Liability (AAL)	\$ 1,715,909,460		\$ 1,715,909,460
Funded Status	143.6%		143.7%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 144.02	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 5,164,686	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 41.88	Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		8.3%

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

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

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

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 108,853,436		\$ 108,853,436
Employer Premiums - PPB	9,451,595	472,050	9,923,646
Employer Premiums - MCO	1,080,090	53,944	1,134,034
Retiree Premiums - PPB	15,135,585	755,932	15,891,517
Retiree Premiums - MCO	755,845	37,750	793,595
Annual Required Contributions	-		-
Non Par Premiums	700,388		700,388
Life Insurance	11,890,031		11,890,031
Investment Income	76,350,973		76,350,973
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	15,564,120		15,564,120
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 239,782,064</b>	<b>\$ 1,319,676</b>	<b>\$ 241,101,740</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,590,979	\$ -	\$ 64,590,979
Gross Non-Medicare Prescription Drug Claims	53,898,198	-	53,898,198
Non-Medicare Prescription Drug Rebates	(25,258,343)		(25,258,343)
Non-Medicare Managed Care Capitations	5,227,367		5,227,367
Administration	3,169,427		3,169,427
Life Insurance	11,941,104		11,941,104
Wellness	248,454		248,454
Retiree Assistance Program	737,508		737,508
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	10,544		10,544
Director's Discretionary Fund	193,524		193,524
<b>Total Expenses</b>	<b>\$ 114,758,763</b>	<b>\$ -</b>	<b>\$ 114,758,763</b>
<b>Fiscal Year Results</b>	<b>\$ 125,023,301</b>		<b>\$ 126,342,977</b>
Beginning Restricted Reserve	\$ 991,819,237		\$ 991,819,237
Ending Restricted Reserve	<u>\$ 1,116,842,538</u>		<u>\$ 1,118,162,214</u>
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,614,898</u>		<u>\$ 20,614,898</u>
<b>Total Beginning Plan Reserve</b>	<b>1,012,434,135</b>		<b>1,012,434,135</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 1,137,457,436</u></b>		<b><u>\$ 1,138,777,112</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 144.02	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 1,319,676	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 1,939.15	Non-Medicare	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		8.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

	7/1/2025 to 12/31/2025	1/1/2026 to 6/30/2026	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 70,000,000	\$ 70,000,000	\$ 140,000,000
Retiree Premiums - PPB	49,370,894	51,403,093	100,773,986
Retiree Premiums - MCO	1,028,711	1,028,711	2,057,423
Annual Required Contributions	-	-	-
Non Par Premiums	945,845	945,845	1,891,689
Life Insurance	17,381,283	17,381,283	34,762,566
Investment Income	98,279,241	98,279,241	196,558,483
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
<b>Total Revenue</b>	<b>\$ 252,005,974</b>	<b>\$ 254,038,173</b>	<b>\$ 506,044,147</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 34,793,964	\$ 35,840,132	\$ 70,634,096
Gross Non-Medicare Prescription Drug Claims	30,428,377	32,324,516	62,752,893
Non-Medicare Prescription Drug Rebates	(14,304,362)	(15,033,203)	(29,337,565)
Medicare Medical Claims	945,719	355,998	1,301,717
Gross Medicare Prescription Drug Claims	10,035,008	3,905,168	13,940,177
Medicare Prescription Drug Rebates	(4,817,060)	(1,815,613)	(6,632,673)
Non-Medicare Managed Care Capitations	2,822,778	2,822,778	5,645,556
Humana MAPD Program	27,935,956	31,032,907	58,968,863
Administration	2,587,297	2,587,297	5,174,594
Life Insurance	17,455,942	17,455,942	34,911,884
Wellness	134,787	134,787	269,573
Retiree Assistance Program	1,108,920	1,108,920	2,217,839
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	9,590	9,590	19,179
Director's Discretionary Fund	97,662	97,662	195,324
<b>Total Expenses</b>	<b>\$ 109,234,576</b>	<b>\$ 110,826,880</b>	<b>\$ 220,061,456</b>
<b>Fiscal Year Results</b>	<b>\$ 142,771,398</b>	<b>\$ 143,211,293</b>	<b>\$ 285,982,691</b>
Beginning Restricted Reserve			\$ 2,538,367,124
Ending Restricted Reserve			<u>\$ 2,824,349,815</u>
Beginning Premium Stabilization Reserve			\$ 68,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 68,106,504</u>
Total Beginning Plan Reserve			2,606,473,628
Total Ending Plan Reserve			<u>2,892,456,319</u>
Accrued Actuarial Liability (AAL)			\$ 1,719,565,219
Funded Status			151.6%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 155.10	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 6,850,568	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 244.27	Non-Medicare	8.5%	15.5%
		Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		7.7%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 22,787,364		\$ 22,787,364
Employer Premiums - PPB	11,979,107	954,304	12,933,411
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	57,329,324	4,567,085	61,896,408
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,212,313		1,212,313
Life Insurance	22,278,033		22,278,033
Investment Income	110,681,419		110,681,419
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	14,563,978		14,563,978
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 240,831,538</b>	<b>\$ 5,521,388</b>	<b>\$ 246,352,927</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,301,717	\$ -	\$ 1,301,717
Gross Medicare Prescription Drug Claims	13,940,177	-	13,940,177
Medicare Prescription Drug Rebates	(6,632,673)		(6,632,673)
Humana MAPD Program	58,968,863		58,968,863
Administration	1,910,084		1,910,084
Life Insurance	22,373,726		22,373,726
Wellness	-		-
Retiree Assistance Program	1,421,330		1,421,330
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	9,040		9,040
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 93,292,263</b>	<b>\$ -</b>	<b>\$ 93,292,263</b>
<b>Fiscal Year Results</b>	<b>\$ 147,539,275</b>		<b>\$ 153,060,663</b>
Beginning Restricted Reserve	\$ 1,420,204,909		\$ 1,420,204,909
Ending Restricted Reserve	<u>\$ 1,567,744,184</u>		<u>\$ 1,573,265,572</u>
Beginning Premium Stabilization Reserve	\$ 47,491,606		\$ 47,491,606
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 47,491,606</u>		<u>\$ 47,491,606</u>
Total Beginning Plan Reserve	1,467,696,515		1,467,696,515
Total Ending Plan Reserve	<u>\$ 1,615,235,790</u>		<u>\$ 1,620,757,178</u>
Accrued Actuarial Liability (AAL)	\$ 1,719,565,219		\$ 1,719,565,219
Funded Status	159.2%		159.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 155.10	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 5,521,388	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 43.88	Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		7.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2026**

PERIOD 7/1/2025 - 6/30/2026

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 117,212,636		\$ 117,212,636
Employer Premiums - PPB	9,499,827	473,410	9,973,237
Employer Premiums - MCO	1,152,937	57,455	1,210,392
Retiree Premiums - PPB	15,212,822	758,108	15,970,931
Retiree Premiums - MCO	806,823	40,207	847,030
Annual Required Contributions	-		-
Non Par Premiums	679,376		679,376
Life Insurance	12,484,533		12,484,533
Investment Income	85,877,064		85,877,064
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	15,436,022		15,436,022
General Revenue Transfer (Premium Offset)	-		-
<b>Total Revenue</b>	<b>\$ 258,362,041</b>	<b>\$ 1,329,180</b>	<b>\$ 259,691,220</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 70,634,096	\$ -	\$ 70,634,096
Gross Non-Medicare Prescription Drug Claims	62,752,893	-	62,752,893
Non-Medicare Prescription Drug Rebates	(29,337,565)		(29,337,565)
Non-Medicare Managed Care Capitations	5,645,556		5,645,556
Administration	3,264,510		3,264,510
Life Insurance	12,538,159		12,538,159
Wellness	269,573		269,573
Retiree Assistance Program	796,509		796,509
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	10,139		10,139
Director's Discretionary Fund	195,324		195,324
<b>Total Expenses</b>	<b>\$ 126,769,194</b>	<b>\$ -</b>	<b>\$ 126,769,194</b>
<b>Fiscal Year Results</b>	<b>\$ 131,592,847</b>		<b>\$ 132,922,027</b>
Beginning Restricted Reserve	\$ 1,118,162,214		\$ 1,118,162,214
Ending Restricted Reserve	<u>\$ 1,249,755,060</u>		<u>\$ 1,251,084,240</u>
Beginning Premium Stabilization Reserve	\$ 20,614,898		\$ 20,614,898
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,614,898</u>		<u>\$ 20,614,898</u>
<b>Total Beginning Plan Reserve</b>	<b>1,138,777,112</b>		<b>1,138,777,112</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 1,270,369,959</u></b>		<b><u>\$ 1,271,699,139</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 155.10	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 1,329,180	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 2,179.78	Non-Medicare	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		7.7%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2021 to FY 2022**

**Fiscal Year 2021**

Exposure	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>
NonMed_NonDrug	13,587	13,827	13,736	13,521	13,340	13,194	13,136	13,061	12,939	12,760	12,531	12,337
Med_NonDrug	1,132	1,436	1,715	1,961	2,183	2,368	255	442	609	757	903	1,059
NonMed_Drug	12,593	12,817	12,733	12,535	12,368	12,231	12,179	12,108	11,996	11,831	11,622	11,441
Med_Drug	1,179	1,496	1,787	2,043	2,274	2,466	266	460	634	788	941	1,103

	<u>Jul-20</u>	<u>Aug-20</u>	<u>Sep-20</u>	<u>Oct-20</u>	<u>Nov-20</u>	<u>Dec-20</u>	<u>Jan-21</u>	<u>Feb-21</u>	<u>Mar-21</u>	<u>Apr-21</u>	<u>May-21</u>	<u>Jun-21</u>
NonMed_NonDrug	\$264.33	\$276.47	\$255.57	\$282.24	\$255.21	\$233.05	\$284.41	\$319.59	\$322.31	\$330.65	\$324.84	\$372.84
Med_NonDrug	322.94	270.11	227.32	298.13	196.17	251.46	863.14	311.51	395.18	314.05	364.36	331.37
NonMed_Drug	197.52	192.73	202.50	215.45	202.71	223.70	218.04	197.86	238.96	228.68	220.88	255.99
Med_Drug	<u>469.25</u>	<u>414.46</u>	<u>439.83</u>	<u>472.03</u>	<u>449.33</u>	<u>503.78</u>	<u>486.34</u>	<u>427.10</u>	<u>420.48</u>	<u>434.16</u>	<u>456.45</u>	<u>465.90</u>
Total	\$1,254.04	\$1,153.76	\$1,125.21	\$1,267.85	\$1,103.42	\$1,211.99	\$1,851.93	\$1,256.06	\$1,376.92	\$1,307.53	\$1,366.54	\$1,426.10

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

NonMed_NonDrug	6.5%	5.2%	-2.2%	-0.1%	-1.0%	-9.7%	-5.5%	18.8%	35.1%	99.6%	34.9%	22.2%
Med_NonDrug	10.2%	17.8%	-4.3%	29.6%	-22.6%	22.8%	-17.5%	-40.8%	-20.8%	-8.0%	40.8%	0.0%
NonMed_Drug	3.0%	-2.3%	14.5%	6.7%	8.4%	11.7%	4.4%	-0.3%	3.2%	6.8%	9.8%	17.6%
Med_Drug	<u>40.1%</u>	<u>15.7%</u>	<u>21.3%</u>	<u>23.2%</u>	<u>29.9%</u>	<u>35.3%</u>	<u>21.7%</u>	<u>1.6%</u>	<u>-23.0%</u>	<u>-7.4%</u>	<u>19.7%</u>	<u>-16.6%</u>
Total	17.4%	10.2%	8.4%	15.5%	5.7%	17.0%	-5.3%	-11.2%	-9.1%	9.9%	26.3%	0.9%

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

NonMed_NonDrug			3.1%			-3.5%			14.6%			44.5%
Med_NonDrug			8.0%			8.3%			-24.2%			8.4%
NonMed_Drug			4.8%			8.9%			2.5%			11.5%
Med_Drug			<u>25.4%</u>			<u>29.4%</u>			<u>-2.4%</u>			<u>-3.7%</u>
Total			12.0%			12.8%			-8.2%			11.3%

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

NonMed_NonDrug			-7.4%			-8.5%			-3.6%			13.9%
Med_NonDrug			15.2%			14.5%			-9.0%			-6.9%
NonMed_Drug			7.6%			6.6%			4.5%			6.9%
Med_Drug			<u>9.1%</u>			<u>18.0%</u>			<u>17.5%</u>			<u>10.3%</u>
Total			6.7%			9.0%			2.7%			5.4%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2021 to FY 2022**

<b>Fiscal Year 2022</b>
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**Exposure**

	<u>Jul-21</u>	<u>Aug-21</u>
NonMed_NonDrug	12,630	12,670
Med_NonDrug	1,458	1,393
NonMed_Drug	11,713	11,750
Med_Drug	1,518	1,451

	<u>Jul-21</u>	<u>Aug-21</u>
NonMed_NonDrug	\$273.03	\$312.00
Med_NonDrug	290.02	250.71
NonMed_Drug	211.59	232.74
Med_Drug	<u>413.49</u>	<u>430.21</u>
<b>Total</b>	\$1,188.13	\$1,225.65

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

NonMed_NonDrug	3.3%	12.9%
Med_NonDrug	-10.2%	-7.2%
NonMed_Drug	7.1%	20.8%
Med_Drug	<u>-11.9%</u>	<u>3.8%</u>
<b>Total</b>	-5.3%	6.2%

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

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
<b>Total</b>

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

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
<b>Total</b>