

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
March 31, 2016**

Fiscal Years 2016-2020

June 2016



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Finance Board
West Virginia Retiree Health Benefit Trust Fund
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Ladies and Gentlemen:

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of Continuing Care Actuaries.

During the 2006 Regular Session of the West Virginia Legislature, House Bill 4654 was enacted creating the West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan. The Public Employees Insurance Agency (“PEIA”), on behalf of the Public Employees Insurance Agency Finance Board (“Board”), is responsible for the day-to-day operation of the Trust Fund, including all administrative functions.

Statutory provisions governing the Trust Fund require the actuary retained by the PEIA to provide technical advice regarding the operation of the Trust Fund. Using the actuarial assumptions most recently adopted by the Board, the actuary is required to develop actuarial valuations of normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the West Virginia plan for other post-employment benefits including health insurance. Consequently, the Board has requested Continuing Care Actuaries to prepare a report separating the actuarial projections for the Trust Fund from the PEIA forecast report. The West Virginia Retiree Health Benefit Trust Fund has assumed the financial liabilities of the retiree programs previously under the PEIA effective July 1, 2006.

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. Continuing Care Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2017, 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 2020. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

Continuing Care Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”) and June 30, 2020 (“FY 2020”). Our opinion of plan adequacy is based on the projections through FY 2020 using updated future revenue and plan modifications provided by the Board in the plan adopted in January 2016.

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 2016 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 2016 the Pay-Go is equivalent to \$296 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in January 2016.

Senate Bill 469, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. Presently RHBT estimates that the aforementioned \$30 million transfers will likely commence in 2017. All employers will 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 2016 through FY 2020 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 2020 as approved by the Board in January 2016.

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 2016 – FY 2020

OVERVIEW

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

This report was compiled utilizing claims data collected by RHBT's third party administrators through May 2016 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

The Code of West Virginia establishes the actuarial reporting requirements for the Trust Fund on an incurred basis for medical claims, prescription drug claims and capitations, and on an accrued basis for administrative expenses and revenue for a period of five years. The Fund represents state and local agency retirees and their survivors. The Trust Fund is allocated its share of administrative costs from PEIA.

KEY ASSUMPTIONS

A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 834 retirees from June 2015 to June 2016, approximating our current assumption. Continuing Care Actuaries has updated the claims analysis based on the enrollment through June 2016.

In aggregate, June 2016 enrollment has increased by 834 coverages since the end of FY 2015. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 844 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 10 coverages. For MAPD Capitations, the average 41,843 Medicare policyholders were projected to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2014, June 2015 and June 2016 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-14	Jun-15	Jun-16	Jun-14	Jun-15	Jun-16
Retirees	Medicare Single	18,429	19,018	19,698	-	-	-
	<u>Medicare Family</u>	<u>13,316</u>	<u>13,860</u>	<u>14,387</u>	-	-	-
	Medicare Total	31,745	32,878	34,085	-	-	-
	Non Medicare Single	3,517	3,462	3,245	159	149	135
	<u>Non Medicare Family</u>	<u>4,384</u>	<u>4,356</u>	<u>4,210</u>	<u>176</u>	<u>166</u>	<u>170</u>
	Non Medicare Total	7,901	7,818	7,455	335	315	305
	Retiree Total	39,646	40,696	41,540	335	315	305
Grand Total				39,981	41,011	41,845	

* The majority of PPB is capitated through Humana. As of June 2016, there are approximately 1,461 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan 3-31-2016 Quarterly Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2015, 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, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2015”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have increased the FY 2016 medical claim trend assumption from 5.5% to 6.5%, and we have maintained the FY 2016 prescription drug claim trend assumption at 8.5%.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2016 Trend	Updated Assumption FY 2016 Trend
Non-Medicare – Medical	5.5%	6.5%
Medicare – Medical	5.5%	6.5%
Non-Medicare – Drugs	8.5%	8.5%
Medicare – Drugs	8.5%	8.5%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2017. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through May 2016. 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%	4%	9%	6%	2%

* Fiscal Year 2016 results are through the first eleven months ending May 2016. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

Effective July 1, 2007, PEIA had contracted with Coventry Advantra Freedom to provide Medicare Advantage/Prescription Drug Plan (“Coventry MA and PDP”) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Advantra Freedom had assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. This arrangement expired on June 30, 2010. As a result, Fiscal Year 2008 through 2011 Medicare trends are not statistically credible.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through May 2016 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2016 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2016 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	33,592			\$ 83**	\$ 189**	\$ 355
	Non-Medicare	7,926			\$ 698	\$ 245	
	Total	41,518	\$ -	\$ 164			
	Non-Medicare Managed Care	325	\$ -	\$ 570			\$ 991
	Total	41,843					

*Net of rebates and subsidies.

** As of June 2016, there are approximately 1,461 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes assumptions used in preparation of the attached forecasts. Both Medicare and Non-Medicare retirees premium received no increases in Fiscal Year 2016.

Board Decisions – January 2016

Source	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Additional Non-Medicare Retiree Premium	\$0	\$2,230,142	\$0	\$0	\$0
Additional Medicare Retiree Premium	\$0	\$3,632,018	\$876,905	\$5,627,518	\$16,782,305
General Revenue Transfer	\$0	\$35,000,000	\$35,000,000	\$35,000,000	\$35,000,000
Benefit Reductions and Savings / (Increase)					
- Retiree Non-Medicare	\$3,900,000	\$3,600,000	\$0	\$0	\$0
Benefit Reductions / (Increase) - Managed Care Capitations	\$388,823	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$0	\$27,990,364	\$0	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$550,000)	(\$200,000)	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$30,108)	(\$31,601)	(\$32,408)	(\$33,249)	\$0
Pay Go Premium Transfer	\$148,564,750	\$180,000,000	\$190,000,000	\$200,000,000	\$210,000,000
Actuarial Accrued Liability*	\$3,743,700,000	\$3,899,600,000	\$4,044,600,000	\$4,181,000,000	\$4,297,300,000
Funded Status	18.6%	20.3%	22.2%	24.0%	25.9%

*Projected Result

The \$3,600,000 of Retiree Non-Medicare benefit reductions and savings in Fiscal Year 2017 is comprised of the following:

	<u>2017 Claim Cost Savings</u>
Medical Claims	\$0.824 M
Drug Claims	\$2.776 M

A detailed list of the 2017 benefit reductions and savings for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Reference Based Pricing	\$0.337 M
Increase Urgent Care Copay to \$50	\$0.252 M
Removal of Non-network Out-of-state Benefits	\$0.235 M
Total Medical Benefit Reductions	\$0.824 M
<u>New CVS Pharmacy Benefit Contract</u>	<u>\$2.776 M</u>
Total Drugs Benefit Savings	\$2.776 M
Total Benefit Reductions and Savings	\$3.600 M

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be approximately \$750,000, with \$550,000 in FY 2016.

The Treasury Department and the Internal Revenue Service recently issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. These fees are currently expected to be paid by health insurers and plan sponsors of self-insured group health plans.

The Affordable Care Act created a new Patient-Centered Outcomes Research Institute (PCORI) to conduct research evaluating and comparing health outcomes, and assess the clinical effectiveness, risks and benefits of medical treatments. The PCORI’s work will be paid for by a new Patient-Centered Outcomes Research Trust Fund, which will be funded in part through the comparative effectiveness research fees.

It is anticipated that RHBT would accrue and pay these fees in FY 2016 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$127,000, with \$30,108 in FY 2016.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$2.1 million in FY 2016 to approximately \$2.9 million in FY 2020, based on the Board's direction and projected retiree enrollment growth in the financial plan.

E. Provider Reimbursement Changes

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan ("Humana MAPD") benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

FISCAL YEAR 2016 FORECAST

The financial forecast for FY 2016 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2016 projects accrued revenue of \$295,103,470 and incurred plan expenses of \$274,741,586 to produce a fiscal year deficit of (\$7,838,116) after the Premium Stabilization Reserve drawdown of \$28,200,000. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$148,564,750.

FISCAL YEAR 2017 FORECAST

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$390,733,323 and incurred plan expenses of \$276,905,479 to produce a fiscal year surplus of \$94,388,509 after the Premium Stabilization Reserve drawdown of \$19,439,335. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$180,000,000.

FISCAL YEAR 2018 FORECAST

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$393,059,681 and incurred plan expenses of \$285,517,707 to produce a fiscal year surplus of \$107,541,973 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$190,000,000.

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$416,687,325 and incurred plan expenses of \$311,051,617 to produce a fiscal year surplus of \$105,635,708 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$200,000,000.

FISCAL YEAR 2020 FORECAST

The financial forecast for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2020 projects accrued revenue of \$448,172,380 and incurred plan expenses of \$341,444,168 to produce a fiscal year surplus of \$106,728,212 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$210,000,000.

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 2020. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in January 2016 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 74,282,375	\$ 74,282,375	\$ 148,564,750
Retiree Premiums - PPB	40,913,886	41,029,510	81,943,396
Retiree Premiums - MCO	1,143,023	1,079,237	2,222,260
Annual Required Contributions	51,752	51,752	103,504
Non Par Premiums	1,605,999	1,605,999	3,211,997
Life Insurance	11,844,170	11,844,170	23,688,340
Investment Income	3,584,611	3,584,611	7,169,223
Transfer from Premium Stabilization Reserve	13,926,792	14,273,208	28,200,000
General Revenue Transfer	-	-	-
Total Revenue	\$ 147,352,607	\$ 147,750,862	\$ 295,103,470
Program Expenses			
Non-Medicare Medical Claims	\$ 32,275,264	\$ 34,107,426	\$ 66,382,690
Non-Medicare Prescription Drug Claims	10,743,020	12,515,305	23,258,325
Medicare Medical Claims	1,426,272	706,055	2,132,327
Medicare Prescription Drug Claims	3,387,829	1,693,385	5,081,214
Non-Medicare Managed Care Capitations	1,933,181	1,933,181	3,866,362
Humana MAPD Program	69,651,777	73,580,135	143,231,912
Administration	2,273,911	2,273,911	4,547,821
Life Insurance	11,706,304	11,706,304	23,412,608
Retiree Assistance Program	1,054,926	1,054,926	2,109,852
ACA Reinsurance Contributions	350,000	200,000	550,000
ACA Comparative Effectiveness Research Fees	15,054	15,054	30,108
Director's Discretionary Fund	69,184	69,184	138,367
Total Expenses	\$ 134,886,721	\$ 139,854,865	\$ 274,741,586
Fiscal Year Results	\$ 12,465,887	\$ 7,895,997	\$ 20,361,884
Beginning Restricted Reserve			\$ 656,952,927
Ending Restricted Reserve			\$ 677,314,811
Beginning Premium Stabilization Reserve			\$ 47,639,335
PSR Addition/(Drawdown)			\$ (28,200,000)
Ending Premium Stabilization Reserve			\$ 19,439,335
Total Beginning Plan Reserve			\$ 704,592,263
Total Ending Plan Reserve			\$ 696,754,146
Accrued Actuarial Liability (AAL)			\$ 3,743,700,000
Funded Status			18.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 162.56			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 295.88	Non-Medicare	6.5%	8.5%
		Medicare	6.5%	8.5%
		Capitations		-13.4%
		Administrative Expense		-0.4%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-1.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 93,578,481		\$ 93,578,481
Employer Premiums - PPB	7,923,881		7,923,881
Employer Premiums - MCO	405		405
Retiree Premiums - PPB	37,572,608	-	37,572,608
Retiree Premiums - MCO	158	-	158
Annual Required Contributions	-		-
Non Par Premiums	1,685,290		1,685,290
Life Insurance	12,428,940		12,428,940
Investment Income	3,778,552		3,778,552
Transfer from Premium Stabilization Reserve	18,700,000		18,700,000
General Revenue Transfer	-		-
Total Revenue	\$ 175,668,315	\$ -	\$ 175,668,315
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,132,327	\$ -	\$ 2,132,327
Medicare Prescription Drug Claims	5,081,214	-	5,081,214
Humana MAPD Program	145,874,423	(2,642,511)	143,231,912
Administration	1,678,725		1,678,725
Life Insurance	12,284,268		12,284,268
Retiree Assistance Program	1,107,010		1,107,010
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	22,221		22,221
Director's Discretionary Fund	-		-
Total Expenses	\$ 168,180,188	\$ (2,642,511)	\$ 165,537,677
Fiscal Year Results	\$ 7,488,127		\$ 10,130,638
Beginning Restricted Reserve	\$ 335,372,294		\$ 335,372,294
Ending Restricted Reserve	<u>\$ 342,860,421</u>		<u>\$ 345,502,933</u>
Beginning Premium Stabilization Reserve	\$ 35,984,316		\$ 35,984,316
PSR Addition/(Drawdown)	\$ (18,700,000)		\$ (18,700,000)
Ending Premium Stabilization Reserve	<u>\$ 17,284,316</u>		<u>\$ 17,284,316</u>
Total Beginning Plan Reserve	371,356,611		371,356,611
Total Ending Plan Reserve	<u>\$ 360,144,738</u>		<u>\$ 362,787,249</u>
Accrued Actuarial Liability (AAL)	\$ 3,743,700,000		\$ 3,743,700,000
Funded Status	18.4%		18.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 162.56	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 232.14	Medicare	6.5%	8.5%
		Capitations		-13.4%
		Administrative Expense		-0.4%
Number of Net New Retirees	700	Pay Go Monthly Premium		-1.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 54,986,272		\$ 54,986,272
Employer Premiums - PPB	14,337,072		14,337,072
Employer Premiums - MCO	1,320,998		1,320,998
Retiree Premiums - PPB	22,109,835	-	22,109,835
Retiree Premiums - MCO	900,700	-	900,700
Annual Required Contributions	103,504		103,504
Non Par Premiums	1,526,707		1,526,707
Life Insurance	11,259,400		11,259,400
Investment Income	3,390,671		3,390,671
Transfer from Premium Stabilization Reserve	9,500,000		9,500,000
General Revenue Transfer	-		-
Total Revenue	\$ 119,435,159	\$ -	\$ 119,435,159
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,582,690	\$ (2,200,001)	\$ 66,382,689
Non-Medicare Prescription Drug Claims	24,958,325	(1,700,000)	23,258,325
Non-Medicare Managed Care Capitations	4,255,185	(388,823)	3,866,362
Administration	2,869,096		2,869,096
Life Insurance	11,128,340		11,128,340
Retiree Assistance Program	1,002,842		1,002,842
ACA Reinsurance Contributions	550,000		550,000
ACA Comparative Effectiveness Research Fees	7,887		7,887
Director's Discretionary Fund	138,366		138,366
Total Expenses	\$ 113,492,731	\$ (4,288,824)	\$ 109,203,907
Fiscal Year Results	\$ 5,942,428		\$ 10,231,252
Beginning Restricted Reserve	\$ 321,580,632		\$ 321,580,632
Ending Restricted Reserve	<u>\$ 327,523,060</u>		<u>\$ 331,811,884</u>
Beginning Premium Stabilization Reserve	\$ 11,655,019		\$ 11,655,019
PSR Addition/(Drawdown)	\$ (9,500,000)		\$ (9,500,000)
Ending Premium Stabilization Reserve	<u>\$ 2,155,019</u>		<u>\$ 2,155,019</u>
Total Beginning Plan Reserve	333,235,651		333,235,651
Total Ending Plan Reserve	<u>\$ 329,678,079</u>		<u>\$ 333,966,903</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 162.56	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 555.36	Non-Medicare	6.5%	8.5%
		Capitations		-13.4%
		Administrative Expense		-0.4%
Number of Net New Retirees	300	Pay Go Monthly Premium		-1.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	40,643,922	42,796,226	83,440,148
Retiree Premiums - MCO	1,119,509	1,119,509	2,239,018
Annual Required Contributions	-	-	-
Non Par Premiums	1,557,819	1,557,819	3,115,637
Life Insurance	12,436,379	12,436,379	24,872,757
Investment Income	21,313,214	21,313,214	42,626,427
Transfer from Premium Stabilization Reserve	9,640,508	9,798,827	19,439,335
General Revenue Transfer	17,500,000	17,500,000	35,000,000
Total Revenue	\$ 194,211,350	\$ 196,521,973	\$ 390,733,323
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,519,758	\$ 33,309,032	\$ 64,828,790
Non-Medicare Prescription Drug Claims	9,537,968	11,111,453	20,649,421
Medicare Medical Claims	1,521,220	754,893	2,276,113
Medicare Prescription Drug Claims	3,681,123	1,844,386	5,525,509
Non-Medicare Managed Care Capitations	2,087,836	2,087,836	4,175,671
Humana MAPD Program	77,277,993	70,132,625	147,410,619
Administration	2,342,128	2,342,128	4,684,256
Life Insurance	12,291,619	12,291,619	24,583,238
Retiree Assistance Program	1,139,320	1,139,320	2,278,640
ACA Reinsurance Contributions	200,000	-	200,000
ACA Comparative Effectiveness Research Fees	15,801	15,801	31,601
Director's Discretionary Fund	130,811	130,811	261,621
Total Expenses	\$ 141,745,575	\$ 135,159,904	\$ 276,905,479
Fiscal Year Results	\$ 52,465,775	\$ 61,362,069	\$ 113,827,844
Beginning Restricted Reserve			\$ 677,314,811
Ending Restricted Reserve			\$ 791,142,655
Beginning Premium Stabilization Reserve			\$ 19,439,335
PSR Addition/(Drawdown)			\$ (19,439,335)
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 696,754,146
Total Ending Plan Reserve			\$ 791,142,655
Accrued Actuarial Liability (AAL)			\$ 3,899,600,000
Funded Status			20.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,230,142	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 353.81	Non-Medicare	7.0%	9.0%
		Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 117,739,024		\$ 117,739,024
Employer Premiums - PPB	7,844,338	239,251	8,083,588
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	37,541,244	1,145,000	38,686,244
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,634,731		1,634,731
Life Insurance	13,050,387		13,050,387
Investment Income	22,466,335		22,466,335
Transfer from Premium Stabilization Reserve	15,259,335		15,259,335
General Revenue Transfer	20,583,813		20,583,813
Total Revenue	\$ 236,119,207	\$ 1,384,250	\$ 237,503,457
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,276,113	\$ -	\$ 2,276,113
Medicare Prescription Drug Claims	5,525,509	-	5,525,509
Humana MAPD Program	162,520,238	(15,109,619)	147,410,619
Administration	1,729,087		1,729,087
Life Insurance	12,898,481		12,898,481
Retiree Assistance Program	1,195,571		1,195,571
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,877		23,877
Director's Discretionary Fund	-		-
Total Expenses	\$ 186,168,876	\$ (15,109,619)	\$ 171,059,257
Fiscal Year Results	\$ 49,950,330		\$ 66,444,199
Beginning Restricted Reserve	\$ 345,502,933		\$ 345,502,933
Ending Restricted Reserve	<u>\$ 395,453,263</u>		<u>\$ 411,947,132</u>
Beginning Premium Stabilization Reserve	\$ 17,284,316		\$ 17,284,316
PSR Addition/(Drawdown)	\$ (15,259,335)		\$ (15,259,335)
Ending Premium Stabilization Reserve	<u>\$ 2,024,981</u>		<u>\$ 2,024,981</u>
Total Beginning Plan Reserve	362,787,249		362,787,249
Total Ending Plan Reserve	<u>\$ 397,478,244</u>		<u>\$ 413,972,113</u>
Accrued Actuarial Liability (AAL)	\$ 3,899,600,000		\$ 3,899,600,000
Funded Status	19.7%		20.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,383,098	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 285.59	Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 62,260,976		\$ 62,260,976
Employer Premiums - PPB	13,288,532	807,960	14,096,492
Employer Premiums - MCO	1,241,728	75,499	1,317,226
Retiree Premiums - PPB	21,279,974	1,293,850	22,573,824
Retiree Premiums - MCO	868,958	52,834	921,792
Annual Required Contributions	-		-
Non Par Premiums	1,480,906		1,480,906
Life Insurance	11,822,370		11,822,370
Investment Income	20,160,093		20,160,093
Transfer from Premium Stabilization Reserve	4,180,000		4,180,000
General Revenue Transfer	14,416,188		14,416,188
Total Revenue	\$ 150,999,726	\$ 2,230,142	\$ 153,229,868
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 65,652,791	\$ (824,001)	\$ 64,828,790
Non-Medicare Prescription Drug Claims	23,425,422	(2,776,000)	20,649,422
Non-Medicare Managed Care Capitations	4,175,671		4,175,671
Administration	2,955,169		2,955,169
Life Insurance	11,684,757		11,684,757
Retiree Assistance Program	1,083,070		1,083,070
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	7,724		7,724
Director's Discretionary Fund	261,621		261,621
Total Expenses	\$ 109,446,225	\$ (3,600,001)	\$ 105,846,224
Fiscal Year Results	\$ 41,553,501		\$ 47,383,644
Beginning Restricted Reserve	\$ 331,811,884		\$ 331,811,884
Ending Restricted Reserve	<u>\$ 373,365,385</u>		<u>\$ 379,195,528</u>
Beginning Premium Stabilization Reserve	\$ 2,155,019		\$ 2,155,019
PSR Addition/(Drawdown)	\$ (4,180,000)		\$ (4,180,000)
Ending Premium Stabilization Reserve	<u>\$ (2,024,981)</u>		<u>\$ (2,024,981)</u>
Total Beginning Plan Reserve	333,966,903		333,966,903
Total Ending Plan Reserve	<u>\$ 371,340,404</u>		<u>\$ 377,170,547</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.85	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 847,045	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 645.37	Non-Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 95,000,000	\$ 95,000,000	\$ 190,000,000
Retiree Premiums - PPB	43,725,756	44,503,846	88,229,602
Retiree Premiums - MCO	1,155,724	1,155,724	2,311,449
Annual Required Contributions	-	-	-
Non Par Premiums	1,511,084	1,511,084	3,022,168
Life Insurance	13,058,198	13,058,198	26,116,395
Investment Income	24,190,034	24,190,034	48,380,067
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	17,500,000	17,500,000	35,000,000
Total Revenue	\$ 196,140,795	\$ 196,918,885	\$ 393,059,681
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,303,929	\$ 33,080,951	\$ 64,384,880
Non-Medicare Prescription Drug Claims	9,644,541	11,235,608	20,880,149
Medicare Medical Claims	1,630,096	810,883	2,440,979
Medicare Prescription Drug Claims	4,018,215	2,018,076	6,036,291
Non-Medicare Managed Care Capitations	2,254,863	2,254,863	4,509,725
Humana MAPD Program	73,657,225	80,233,281	153,890,506
Administration	2,412,392	2,412,392	4,824,783
Life Insurance	12,906,200	12,906,200	25,812,400
Retiree Assistance Program	1,230,466	1,230,466	2,460,931
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,204	16,204	32,408
Director's Discretionary Fund	122,328	122,328	244,655
Total Expenses	\$ 139,196,457	\$ 146,321,250	\$ 285,517,707
Fiscal Year Results	\$ 56,944,338	\$ 50,597,635	\$ 107,541,973
Beginning Restricted Reserve			\$ 791,142,655
Ending Restricted Reserve			\$ 898,684,628
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 791,142,655
Total Ending Plan Reserve			\$ 898,684,628
Accrued Actuarial Liability (AAL)			\$ 4,044,600,000
Funded Status			22.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 203.31			
Additional Retiree Premiums	\$ 0			
Pay Go PEPM Subsidy for Retirees	\$ 364.79	Non-Medicare	7.5%	9.5%
		Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 128,094,592		\$ 128,094,592
Employer Premiums - PPB	8,473,666	-	8,473,666
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	40,553,066	-	40,553,066
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,585,689		1,585,689
Life Insurance	13,702,907		13,702,907
Investment Income	25,498,801		25,498,801
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	20,583,813		20,583,813
Total Revenue	\$ 238,492,534	\$ -	\$ 238,492,534
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,440,979	\$ -	\$ 2,440,979
Medicare Prescription Drug Claims	6,036,291	-	6,036,291
Humana MAPD Program	168,228,740	(14,338,234)	153,890,506
Administration	1,780,959		1,780,959
Life Insurance	13,543,405		13,543,405
Retiree Assistance Program	1,291,216		1,291,216
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,761		24,761
Director's Discretionary Fund	-		-
Total Expenses	\$ 193,346,352	\$ (14,338,234)	\$ 179,008,117
Fiscal Year Results	\$ 45,146,182		\$ 59,484,417
Beginning Restricted Reserve	\$ 411,947,132		\$ 411,947,132
Ending Restricted Reserve	<u>\$ 457,093,314</u>		<u>\$ 471,431,549</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	413,972,113		413,972,113
Total Ending Plan Reserve	<u>\$ 457,093,314</u>		<u>\$ 471,431,549</u>
Accrued Actuarial Liability (AAL)	\$ 4,044,600,000		\$ 4,044,600,000
Funded Status	21.9%		22.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 203.31	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 306.25	Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 61,905,408		\$ 61,905,408
Employer Premiums - PPB	15,070,035	-	15,070,035
Employer Premiums - MCO	1,359,837	-	1,359,837
Retiree Premiums - PPB	24,132,835	-	24,132,835
Retiree Premiums - MCO	951,611	-	951,611
Annual Required Contributions	-		-
Non Par Premiums	1,436,479		1,436,479
Life Insurance	12,413,488		12,413,488
Investment Income	22,881,266		22,881,266
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	14,416,188		14,416,188
Total Revenue	\$ 154,567,147	\$ -	\$ 154,567,147
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,384,880	\$ -	\$ 64,384,880
Non-Medicare Prescription Drug Claims	20,880,149	-	20,880,149
Non-Medicare Managed Care Capitations	4,509,725		4,509,725
Administration	3,043,824		3,043,824
Life Insurance	12,268,995		12,268,995
Retiree Assistance Program	1,169,715		1,169,715
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,647		7,647
Director's Discretionary Fund	244,655		244,655
Total Expenses	\$ 106,509,590	\$ -	\$ 106,509,590
Fiscal Year Results	\$ 48,057,557		\$ 48,057,557
Beginning Restricted Reserve	\$ 379,195,528		\$ 379,195,528
Ending Restricted Reserve	<u>\$ 427,253,085</u>		<u>\$ 427,253,085</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	377,170,547		377,170,547
Total Ending Plan Reserve	<u>\$ 427,253,085</u>		<u>\$ 427,253,085</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 203.31	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 603.49	Non-Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 100,000,000	\$ 100,000,000	\$ 200,000,000
Retiree Premiums - PPB	45,427,720	48,587,946	94,015,666
Retiree Premiums - MCO	1,192,545	1,192,545	2,385,090
Annual Required Contributions	-	-	-
Non Par Premiums	1,465,752	1,465,752	2,931,503
Life Insurance	13,711,108	13,711,108	27,422,215
Investment Income	27,466,426	27,466,426	54,932,851
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	17,500,000	17,500,000	35,000,000
Total Revenue	\$ 206,763,549	\$ 209,923,776	\$ 416,687,325
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,234,541	\$ 33,007,625	\$ 64,242,166
Non-Medicare Prescription Drug Claims	9,796,945	11,413,155	21,210,100
Medicare Medical Claims	1,754,916	875,081	2,629,997
Medicare Prescription Drug Claims	4,406,270	2,218,212	6,624,482
Non-Medicare Managed Care Capitations	2,435,252	2,435,252	4,870,503
Humana MAPD Program	84,265,501	92,216,622	176,482,124
Administration	2,484,764	2,484,764	4,969,527
Life Insurance	13,551,510	13,551,510	27,103,020
Retiree Assistance Program	1,328,903	1,328,903	2,657,806
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,624	16,624	33,249
Director's Discretionary Fund	114,322	114,322	228,643
Total Expenses	\$ 151,389,547	\$ 159,662,070	\$ 311,051,617
Fiscal Year Results	\$ 55,374,003	\$ 50,261,706	\$ 105,635,708
Beginning Restricted Reserve			\$ 898,684,628
Ending Restricted Reserve			\$ 1,004,320,337
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			898,684,628
Total Ending Plan Reserve			\$ 1,004,320,337
Accrued Actuarial Liability (AAL)			\$ 4,181,000,000
Funded Status			24.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 211.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 0	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 375.26	Non-Medicare	8.0%	10.0%
		Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 138,174,647		\$ 138,174,647
Employer Premiums - PPB	8,624,229	411,723	9,035,952
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	41,273,627	1,970,413	43,244,041
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,538,119		1,538,119
Life Insurance	14,388,052		14,388,052
Investment Income	28,952,458		28,952,458
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	20,987,918		20,987,918
Total Revenue	\$ 253,939,050	\$ 2,382,136	\$ 256,321,187
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,629,997	\$ -	\$ 2,629,997
Medicare Prescription Drug Claims	6,624,482	-	6,624,482
Humana MAPD Program	176,482,124		176,482,124
Administration	1,834,388		1,834,388
Life Insurance	14,220,575		14,220,575
Retiree Assistance Program	1,394,514		1,394,514
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,678		25,678
Director's Discretionary Fund	-		-
Total Expenses	\$ 203,211,758	\$ -	\$ 203,211,758
Fiscal Year Results	\$ 50,727,292		\$ 53,109,428
Beginning Restricted Reserve	\$ 471,431,549		\$ 471,431,549
Ending Restricted Reserve	<u>\$ 522,158,840</u>		<u>\$ 524,540,977</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	471,431,549		471,431,549
Total Ending Plan Reserve	<u>\$ 522,158,840</u>		<u>\$ 524,540,977</u>
Accrued Actuarial Liability (AAL)	\$ 4,181,000,000		\$ 4,181,000,000
Funded Status	24.0%		24.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 211.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 325.68	Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 61,825,353		\$ 61,825,353
Employer Premiums - PPB	16,043,674	-	16,043,674
Employer Premiums - MCO	1,403,161	-	1,403,161
Retiree Premiums - PPB	25,692,000	-	25,692,000
Retiree Premiums - MCO	981,929	-	981,929
Annual Required Contributions	-		-
Non Par Premiums	1,393,385		1,393,385
Life Insurance	13,034,162		13,034,162
Investment Income	25,980,394		25,980,394
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	14,012,082		14,012,082
Total Revenue	\$ 160,366,139	\$ -	\$ 160,366,139
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,242,166	\$ -	\$ 64,242,166
Non-Medicare Prescription Drug Claims	21,210,100	-	21,210,100
Non-Medicare Managed Care Capitations	4,870,503		4,870,503
Administration	3,135,139		3,135,139
Life Insurance	12,882,445		12,882,445
Retiree Assistance Program	1,263,292		1,263,292
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,570		7,570
Director's Discretionary Fund	228,644		228,644
Total Expenses	\$ 107,839,859	\$ -	\$ 107,839,859
Fiscal Year Results	\$ 52,526,280		\$ 52,526,280
Beginning Restricted Reserve	\$ 427,253,085		\$ 427,253,085
Ending Restricted Reserve	<u>\$ 479,779,365</u>		<u>\$ 479,779,365</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	427,253,085		427,253,085
Total Ending Plan Reserve	<u>\$ 479,779,365</u>		<u>\$ 479,779,365</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 211.52	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 568.84	Non-Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 105,000,000	\$ 105,000,000	\$ 210,000,000
Retiree Premiums - PPB	49,491,106	58,203,438	107,694,544
Retiree Premiums - MCO	1,229,332	1,229,332	2,458,664
Annual Required Contributions	-	-	-
Non Par Premiums	1,421,779	1,421,779	2,843,558
Life Insurance	14,396,663	14,396,663	28,793,325
Investment Income	30,691,145	30,691,145	61,382,289
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	17,500,000	17,500,000	35,000,000
Total Revenue	\$ 219,730,024	\$ 228,442,356	\$ 448,172,380
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 31,309,951	\$ 33,087,315	\$ 64,397,266
Non-Medicare Prescription Drug Claims	9,997,103	11,646,333	21,643,436
Medicare Medical Claims	1,898,068	948,738	2,846,806
Medicare Prescription Drug Claims	4,853,833	2,449,290	7,303,123
Non-Medicare Managed Care Capitations	2,630,072	2,630,072	5,260,143
Humana MAPD Program	96,851,080	106,481,547	203,332,627
Administration	2,559,307	2,559,307	5,118,613
Life Insurance	14,229,086	14,229,086	28,458,171
Retiree Assistance Program	1,435,215	1,435,215	2,870,430
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Director's Discretionary Fund	106,777	106,777	213,553
Total Expenses	\$ 165,870,490	\$ 175,573,678	\$ 341,444,168
Fiscal Year Results	\$ 53,859,533	\$ 52,868,678	\$ 106,728,212
Beginning Restricted Reserve			\$ 1,004,320,337
Ending Restricted Reserve			\$ 1,111,048,549
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			1,004,320,337
Total Ending Plan Reserve			\$ 1,111,048,549
Accrued Actuarial Liability (AAL)			\$ 4,297,300,000
Funded Status			25.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 219.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 385.27	Non-Medicare	8.5%	10.5%
		Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 152,748,179		\$ 152,748,179
Employer Premiums - PPB	9,598,415	1,368,435	10,966,850
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,935,865	6,549,022	52,484,887
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,491,975		1,491,975
Life Insurance	15,107,455		15,107,455
Investment Income	32,351,645		32,351,645
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	21,300,374		21,300,374
Total Revenue	\$ 278,533,909	\$ 7,917,456	\$ 286,451,365
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,846,806	\$ -	\$ 2,846,806
Medicare Prescription Drug Claims	7,303,123	-	7,303,123
Humana MAPD Program	203,332,627		203,332,627
Administration	1,889,420		1,889,420
Life Insurance	14,931,604		14,931,604
Retiree Assistance Program	1,506,075		1,506,075
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 231,809,655	\$ -	\$ 231,809,655
Fiscal Year Results	\$ 46,724,254		\$ 54,641,710
Beginning Restricted Reserve	\$ 524,540,977		\$ 524,540,977
Ending Restricted Reserve	<u>\$ 571,265,230</u>		<u>\$ 579,182,687</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	524,540,977		524,540,977
Total Ending Plan Reserve	<u>\$ 571,265,230</u>		<u>\$ 579,182,687</u>
Accrued Actuarial Liability (AAL)	\$ 4,297,300,000		\$ 4,297,300,000
Funded Status	25.7%		25.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 219.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 355.00	Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 57,251,821		\$ 57,251,821
Employer Premiums - PPB	17,007,444	-	17,007,444
Employer Premiums - MCO	1,446,445	-	1,446,445
Retiree Premiums - PPB	27,235,363	-	27,235,363
Retiree Premiums - MCO	1,012,219	-	1,012,219
Annual Required Contributions	-		-
Non Par Premiums	1,351,583		1,351,583
Life Insurance	13,685,871		13,685,871
Investment Income	29,030,644		29,030,644
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	13,699,626		13,699,626
Total Revenue	\$ 161,721,016	\$ -	\$ 161,721,016
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,397,266	\$ -	\$ 64,397,266
Non-Medicare Prescription Drug Claims	21,643,436	-	21,643,436
Non-Medicare Managed Care Capitations	5,260,143		5,260,143
Administration	3,229,193		3,229,193
Life Insurance	13,526,567		13,526,567
Retiree Assistance Program	1,364,356		1,364,356
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Director's Discretionary Fund	213,553		213,553
Total Expenses	\$ 109,634,514	\$ -	\$ 109,634,514
Fiscal Year Results	\$ 52,086,502		\$ 52,086,502
Beginning Restricted Reserve	\$ 479,779,365		\$ 479,779,365
Ending Restricted Reserve	<u>\$ 531,865,867</u>		<u>\$ 531,865,867</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	479,779,365		479,779,365
Total Ending Plan Reserve	<u>\$ 531,865,867</u>		<u>\$ 531,865,867</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 219.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 498.71	Non-Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2015 to FY 2016**

Fiscal Year 2015

Exposure

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>
NonMed_NonDrug	20,714	20,861	20,922	20,660	20,420	20,263	20,330	20,206	20,231	19,976	19,802	19,579
Med_NonDrug	2,065	2,361	2,604	2,863	3,108	3,371	848	1,048	1,248	1,437	1,631	1,862
NonMed_Drug	19,191	19,328	19,385	19,146	18,924	18,777	18,838	18,723	18,752	18,512	18,352	18,142
Med_Drug	2,151	2,459	2,712	2,982	3,238	3,512	883	1,092	1,300	1,497	1,699	1,939

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>
NonMed_NonDrug	\$232.33	\$218.19	\$250.32	\$303.54	\$236.45	\$265.13	\$296.50	\$234.06	\$285.05	\$294.16	\$304.23	\$334.29
Med_NonDrug	174.86	188.52	188.59	186.37	142.11	154.28	288.28	190.73	219.25	242.13	198.31	203.88
NonMed_Drug	95.53	116.98	118.12	119.11	117.39	132.28	128.11	119.04	128.41	127.26	128.10	142.57
Med_Drug	<u>220.12</u>	<u>234.20</u>	<u>249.09</u>	<u>232.67</u>	<u>218.76</u>	<u>263.77</u>	<u>253.76</u>	<u>228.14</u>	<u>250.30</u>	<u>243.47</u>	<u>235.28</u>	<u>249.25</u>
Total	\$722.84	\$757.89	\$806.11	\$841.70	\$714.71	\$815.46	\$966.67	\$771.97	\$883.01	\$907.03	\$865.92	\$929.99

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	2.6%	-3.8%	6.8%	22.6%	-14.4%	16.6%	3.5%	-7.2%	11.3%	1.7%	17.0%	19.8%
Med_NonDrug	-23.9%	-10.7%	-3.2%	-11.0%	-16.5%	-2.7%	65.5%	-36.7%	-9.2%	5.1%	4.2%	-5.3%
NonMed_Drug	8.0%	11.6%	12.0%	-1.1%	8.4%	5.6%	3.4%	10.4%	6.6%	-0.5%	2.7%	2.0%
Med_Drug	<u>29.4%</u>	<u>3.2%</u>	<u>34.4%</u>	<u>5.5%</u>	<u>5.6%</u>	<u>1.1%</u>	<u>74.2%</u>	<u>1.4%</u>	<u>10.6%</u>	<u>7.9%</u>	<u>4.9%</u>	<u>-0.8%</u>
Total	1.2%	-1.5%	11.9%	5.5%	-6.2%	5.6%	32.4%	-12.9%	4.6%	3.9%	8.3%	5.0%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			1.9%			7.1%			2.6%			12.6%
Med_NonDrug			-13.2%			-10.3%			-2.6%			1.3%
NonMed_Drug			10.6%			4.2%			6.7%			1.4%
Med_Drug			<u>20.8%</u>			<u>3.8%</u>			<u>22.7%</u>			<u>3.8%</u>
Total			3.7%			1.7%			6.5%			5.7%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			5.2%			4.9%			4.9%			6.3%
Med_NonDrug			21.8%			13.4%			2.0%			-5.9%
NonMed_Drug			7.0%			7.4%			7.3%			5.4%
Med_Drug			<u>16.6%</u>			<u>15.2%</u>			<u>17.3%</u>			<u>12.0%</u>
Total			12.5%			10.1%			7.8%			4.5%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2015 to FY 2016**

Fiscal Year 2016

Exposure

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>
NonMed_NonDrug	20,325	20,533	20,656	20,437	20,400	20,298	20,052	19,850	19,597	19,335	19,138
Med_NonDrug	2,284	2,575	2,604	3,099	3,317	3,558	782	1,055	1,269	1,530	1,736
NonMed_Drug	18,831	19,021	19,133	18,932	18,899	18,807	18,574	18,385	18,151	17,910	17,727
Med_Drug	2,379	2,682	2,712	3,228	3,455	3,707	815	1,099	1,322	1,593	1,808

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>
NonMed_NonDrug	\$245.99	\$251.64	\$227.36	\$246.02	\$231.29	\$237.05	\$260.08	\$281.44	\$318.94	\$295.53	\$293.85
Med_NonDrug	175.08	173.03	145.32	162.31	124.73	128.20	206.29	209.01	204.34	213.51	201.89
NonMed_Drug	95.35	106.08	115.39	116.46	118.50	133.84	125.49	125.61	137.52	128.56	125.66
Med_Drug	<u>224.12</u>	<u>222.32</u>	<u>253.44</u>	<u>258.07</u>	<u>241.88</u>	<u>278.96</u>	<u>272.34</u>	<u>279.35</u>	<u>303.36</u>	<u>267.01</u>	<u>289.53</u>
Total	\$740.54	\$753.07	\$741.52	\$782.85	\$716.40	\$778.04	\$864.19	\$895.41	\$964.16	\$904.60	\$910.92

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	5.9%	15.3%	-9.2%	-19.0%	-2.2%	-10.6%	-12.3%	20.2%	11.9%	0.5%	-3.4%
Med_NonDrug	0.1%	-8.2%	-22.9%	-12.9%	-12.2%	-16.9%	-28.4%	9.6%	-6.8%	-11.8%	1.8%
NonMed_Drug	-0.2%	-9.3%	-2.3%	-2.2%	0.9%	1.2%	-2.1%	5.5%	7.1%	1.0%	-1.9%
Med_Drug	<u>1.8%</u>	<u>-5.1%</u>	<u>1.7%</u>	<u>10.9%</u>	<u>10.6%</u>	<u>5.8%</u>	<u>7.3%</u>	<u>22.4%</u>	<u>21.2%</u>	<u>9.7%</u>	<u>23.1%</u>
Total	2.4%	-0.6%	-8.0%	-7.0%	0.2%	-4.6%	-10.6%	16.0%	9.2%	-0.3%	5.2%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug		3.4%				-11.3%			5.5%		
Med_NonDrug			-10.6%			-14.0%			-11.3%		
NonMed_Drug			-4.2%			0.0%			3.5%		
Med_Drug			<u>-0.5%</u>			<u>8.9%</u>			<u>16.8%</u>		
Total			-2.3%			-4.0%			3.9%		

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			6.6%			1.9%			2.6%		
Med_NonDrug			-5.1%			-5.7%			-8.3%		
NonMed_Drug			2.1%			1.0%			0.3%		
Med_Drug			<u>6.9%</u>			<u>8.2%</u>			<u>7.4%</u>		
Total			3.0%			1.6%			1.0%		