

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

Financial Plan

Fiscal Years 2019-2023

Report Date: January 2019

YOUR ACTUARIES FOR THE LONG-TERM!



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

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

Ladies and Gentlemen:

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

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

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

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. Continuing Care Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2020, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of the plan through FY 2023. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

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

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”) and June 30, 2023 (“FY 2023”). Our opinion of plan adequacy is based on the projections through FY 2023 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2018.

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

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar year.

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2019 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

In reviewing the plan, Continuing Care Actuaries utilized information concerning the plan’s prior experience, covered individuals, plan revenues, plan benefits, plan administrative costs, and other expenses. This information was developed and provided by RHBT, the plan’s third party administrators and other sources. In our review, we completely relied on the accuracy of this information and did not perform any due diligence on the information. The enclosed forecasts include anticipated changes from the federal statute Patient Protection and Affordable Care Act (“PPACA”) signed into law on March 23, 2010. Additional details of the benefit enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members have become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2016.

In FY 2019 the Pay-Go is equivalent to \$291 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2018.

Under Senate Bill 419 amended West Virginia code section 11-21-96, effective February 26, 2016, notwithstanding any other provision of this code to the contrary, beginning in January of 2006, \$45 million from collections of the tax imposed by this article shall be deposited each calendar year to the credit of the old fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 shall cease on and after February 1, 2016. For fiscal years beginning on and after July 1, 2016, an annual amount of \$30 million from annual collections of the tax imposed by this article shall be dedicated for payment of the unfunded liability of the West Virginia Retiree Health Benefit Trust Fund. The \$30 million transferred pursuant to this subsection shall be transferred into the West Virginia Retiree Health Benefit Trust Fund by transferring \$5 million each month for the following months of each year: October, November, December, January, February and March, until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of West Virginia Retiree Health Benefit Trust Fund, as created in section two, article sixteen-d, chapter five of this code, has been provided for in its entirety or July 1, 2037, whichever date is later. RHBT started receiving the aforementioned \$30 million transfers in 2017. All employers would receive benefit of these contributions.

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2019 through FY 2023 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of the Trust Fund.

This conclusion is based on significant revenue increases in employer, employee, and retiree premiums in later fiscal years of the plan through FY 2023 as approved by the Board in December 2018.

The preparation of any estimate of future health costs requires consideration of a broad array of complex social and economic events. Changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, and the continuing evolution and changes of the framework of MAPD plan and other managed care options impacting Non-Medicare retirees, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate costs of insurance program contain considerable uncertainty and variability and actual experience may not conform to the assumptions utilized in this report.

Respectfully,



Dave Bond, F.S.A., F.C.A., M.A.A.A.
Managing Partner



Chris Borcik, F.S.A., F.C.A., M.A.A.A.
Principal

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2019 – FY 2023

OVERVIEW

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

This report was compiled utilizing claims data collected by RHBT's third party administrators through December 2018 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 368 retirees from June 2018 to January 2019. Continuing Care Actuaries has updated the claims analysis based on the enrollment through January 2019.

In aggregate, January 2019 enrollment has increased by 368 coverages since the end of FY 2018. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 367 in total over the same period, while managed care enrollment continues to cover fewer participants, with an increase of 1 coverage. For MAPD Capitations, the average of 49,607 Medicare policyholders in FY 2019 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2017, June 2018 and January 2019 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-17	Jun-18	Jan-19	Jun-17	Jun-18	Jan-19
Retirees	Medicare Single	20,197	20,901	21,198	-	-	-
	<u>Medicare Family</u>	<u>14,978</u>	<u>15,473</u>	<u>15,841</u>	-	-	-
	Medicare Total	35,175	36,374	37,039	-	-	-
	Non-Medicare Single	3,094	2,849	2,711	139	125	132
	<u>Non-Medicare Family</u>	<u>3,881</u>	<u>3,568</u>	<u>3,408</u>	152	141	135
	Non-Medicare Total	6,975	6,417	6,119	291	266	267
	Retiree Total	42,150	42,791	43,158	291	266	267
Grand Total				42,441	43,057	43,425	

* The majority of PPB is capitated through Humana. As of November 2018, there are approximately 1,890 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 Fiscal Years 2019-2023 Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2018, but over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2018 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2019 medical claim trend is 7.5% and the prescription drug claim trend is 11.5%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2019 Trend	Updated Assumption FY 2019 Trend
Non-Medicare – Medical	8.0%	7.5%
Medicare – Medical	8.0%	7.5%
Non-Medicare – Drugs	12.0%	11.5%
Medicare – Drugs	12.0%	11.5%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2020. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through December 2018. It is important to note that these trends *have not* been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

Aggregate Trust Fund Historical Trends (Retirees)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-10%	2%	11%	9%	3%
2017	11%	1%	10%	31%	9%
2018	14%	9%	41%	14%	12%
2019*	21%	15%	35%	8%	14%

* Fiscal Year 2019 results are through the first six months ending December 2018. 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 December 2018 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2019 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2019 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	36,990			\$ 111**	\$ 273**	\$ 272
	Non-Medicare	6,285			\$ 821	\$ 290	
	Total	43,275	\$ -	\$ 162			
	Non-Medicare Managed Care	268	\$ -	\$ 612			\$ 1,295
	Total	43,543					

*Net of rebates and subsidies.

** As of November 2018, there are approximately 1,890 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes the Financial Plan adopted by the Board in December 2018.

Board Decisions – December 2018

Source	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$0	\$0	\$0	\$2,265,167
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$0	\$0	\$ 9,978,032
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$5,000,000	\$5,000,000	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	(\$800,000)	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$43,900,000	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$32,892)	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$152,175,535	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000
Actuarial Accrued Liability*	\$3,479,324,603	\$3,564,642,254	\$3,642,716,264	\$3,714,925,690	\$3,782,142,169
Funded Status	27.7%	28.4%	30.7%	32.9%	34.9%

*Projected Result

The \$800,000 of Retiree Non-Medicare benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$0.550 M
Drug Claims	\$0.250 M

A detailed list of the 2020 benefit additions and costs for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Plan A out of state coverage 80/20 for Contig Providers	\$0.400 M
Plan B out of state coverage 70/30 for Contig Providers	\$0.000 M
Remove facility fee max (RBP)	\$1.200 M
Remove \$25 copay from out of state services	\$0.400 M
End Healthy Tomorrows blood work	\$0.050 M
<u>UMR OOS Network Savings</u>	<u>(\$1.500 M)</u>
Total Medical Benefit Additions	\$0.550 M
<u>Third tier non-preferred drug appeals process</u>	<u>\$0.250 M</u>
Total Drugs Costs	\$0.250 M
Total Benefit Additions and Costs	\$0.800 M

In FY 2020, the additional administrative costs are \$500,000 for the Non-Medicare Retirees, RHBT will have no increase in Non-Medicare and Medicare retiree premiums, and RHBT will receive \$35,000,000 in general revenue transfers.

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

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

It is anticipated that RHBT would accrue and pay these fees through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be \$32,892 in FY 2019.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from \$1,784,100 in FY 2019 to \$2,427,248 in FY 2023, based on the Board's direction and projected retiree enrollment growth in the financial plan.

E. Provider Reimbursement Changes

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

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

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$294,044,336 and incurred plan expenses of \$246,012,333 to produce a fiscal year surplus of \$48,032,003 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$152,175,535.

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 \$352,309,405 and incurred plan expenses of \$245,099,371 to produce a fiscal year surplus of \$107,210,034 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$140,000,000.

FISCAL YEAR 2021 FORECAST

The financial forecast for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$368,181,826 and incurred plan expenses of \$264,993,993 to produce a fiscal year surplus of \$103,187,833 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$150,000,000.

FISCAL YEAR 2022 FORECAST

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$404,263,825 and incurred plan expenses of \$294,631,818 to produce a fiscal year surplus of \$109,632,007 after the Premium Stabilization Reserve drawdown of \$9,836,678. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$160,000,000.

FISCAL YEAR 2023 FORECAST

The financial forecast for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2023 projects accrued revenue of \$441,984,003 and incurred plan expenses of \$329,314,642 to produce a fiscal year surplus of \$112,669,361 after the Premium Stabilization Reserve drawdown of \$23,180,589. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$170,000,000.

LITIGATION

The forecasts presented in the attached tables do not contemplate any additional revenues or expenses to be generated from litigation activities.

SUMMARY

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2023. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2018 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

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

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 76,087,768	\$ 76,087,768	\$ 152,175,535
Retiree Premiums - PPB	41,612,264	42,397,881	84,010,145
Retiree Premiums - MCO	971,340	996,038	1,967,378
Annual Required Contributions	216	216	432
Non Par Premiums	1,499,575	1,499,575	2,999,150
Life Insurance	11,864,382	11,864,382	23,728,764
Investment Income	(2,918,534)	(2,918,534)	(5,837,068)
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 146,617,011	\$ 147,427,325	\$ 294,044,336
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,098,355	\$ 31,806,942	\$ 61,905,297
Non-Medicare Prescription Drug Claims	10,108,621	11,776,249	21,884,870
Medicare Medical Claims	1,481,446	507,058	1,988,504
Medicare Prescription Drug Claims	3,779,129	1,318,520	5,097,649
Non-Medicare Managed Care Capitations	2,081,755	2,081,755	4,163,509
Humana MAPD Program	66,253,260	54,327,768	120,581,027
Administration	2,329,734	2,329,734	4,659,468
Life Insurance	11,857,147	11,857,147	23,714,294
Retiree Assistance Program	892,050	892,050	1,784,100
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,446	16,446	32,892
Computer Software Reserve	-	-	-
Director's Discretionary Fund	100,362	100,362	200,723
Total Expenses	\$ 128,998,304	\$ 117,014,029	\$ 246,012,333
Fiscal Year Results	\$ 17,618,707	\$ 30,413,296	\$ 48,032,003
Beginning Restricted Reserve			\$ 925,008,097
Ending Restricted Reserve			\$ 973,040,101
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			963,114,601
Total Ending Plan Reserve			\$ 1,011,146,605
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			27.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 174.79	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 291.24	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		1.2%
		Administrative Expense		5.2%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		2.2%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 96,100,666		\$ 96,100,666
Employer Premiums - PPB	7,940,145	-	7,940,145
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,156,274	-	45,156,274
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,769,985		1,769,985
Life Insurance	14,003,816		14,003,816
Investment Income	(3,076,437)		(3,076,437)
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,995,882		17,995,882
General Revenue Transfer (Premium Offset)	2,999,314		2,999,314
Total Revenue	\$ 182,889,644	\$ -	\$ 182,889,644
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,988,504	\$ -	\$ 1,988,504
Medicare Prescription Drug Claims	5,097,649	-	5,097,649
Humana MAPD Program Administration	142,679,432	(22,098,405)	120,581,027
Life Insurance	1,719,937		1,719,937
Retiree Assistance Program	13,995,277		13,995,277
ACA Reinsurance Contributions	1,052,908		1,052,908
ACA Comparative Effectiveness Research Fees	-		-
ACA Comparative Effectiveness Research Fees	24,930		24,930
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 166,558,636	\$ (22,098,405)	\$ 144,460,232
Fiscal Year Results	\$ 16,331,008		\$ 38,429,412
Beginning Restricted Reserve	\$ 498,298,927		\$ 498,298,927
Ending Restricted Reserve	<u>\$ 514,629,935</u>		<u>\$ 536,728,340</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	518,829,380		518,829,380
Total Ending Plan Reserve	<u>\$ 535,160,388</u>		<u>\$ 557,258,793</u>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	28.0%		28.0%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 174.79			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 216.50	Medicare	7.5%	11.5%
		Capitations		1.2%
		Administrative Expense		5.2%
Number of Net New Retirees	700	Pay Go Monthly Premium		2.2%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 56,074,869		\$ 56,074,869
Employer Premiums - PPB	11,018,705	-	11,018,705
Employer Premiums - MCO	1,120,182	-	1,120,182
Retiree Premiums - PPB	19,895,021	-	19,895,021
Retiree Premiums - MCO	847,197	-	847,197
Annual Required Contributions	432		432
Non Par Premiums	1,229,165		1,229,165
Life Insurance	9,724,948		9,724,948
Investment Income	(2,760,631)		(2,760,631)
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,004,118		12,004,118
General Revenue Transfer (Premium Offset)	2,000,686		2,000,686
Total Revenue	\$ 111,154,692	\$ -	\$ 111,154,692
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 61,905,297	\$ -	\$ 61,905,297
Non-Medicare Prescription Drug Claims	21,884,870	-	21,884,870
Non-Medicare Managed Care Capitations	4,163,509		4,163,509
Administration	2,939,531		2,939,531
Life Insurance	9,719,017		9,719,017
Retiree Assistance Program	731,192		731,192
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,962		7,962
Computer Software Reserve	-		-
Director's Discretionary Fund	200,723		200,723
Total Expenses	\$ 101,552,101	\$ -	\$ 101,552,101
Fiscal Year Results	\$ 9,602,591		\$ 9,602,591
Beginning Restricted Reserve	\$ 426,709,170		\$ 426,709,170
Ending Restricted Reserve	<u>\$ 436,311,760</u>		<u>\$ 436,311,760</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	444,285,221		444,285,221
Total Ending Plan Reserve	<u>\$ 453,887,811</u>		<u>\$ 453,887,811</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 174.79			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 713.12	Non-Medicare	7.5%	11.5%
		Capitations		1.2%
		Administrative Expense		5.2%
Number of Net New Retirees	300	Pay Go Monthly Premium		2.2%

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

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

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

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 70,000,000	\$ 70,000,000	\$ 140,000,000
Retiree Premiums - PPB	42,674,469	43,480,809	86,155,278
Retiree Premiums - MCO	1,006,467	1,006,467	2,012,934
Annual Required Contributions	-	-	-
Non Par Premiums	1,454,588	1,454,588	2,909,176
Life Insurance	12,457,601	12,457,601	24,915,202
Investment Income	30,658,407	30,658,407	61,316,814
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 175,751,533	\$ 176,557,872	\$ 352,309,405
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,428,343	\$ 34,269,196	\$ 66,697,539
Non-Medicare Prescription Drug Claims	11,320,557	13,188,118	24,508,675
Medicare Medical Claims	1,366,428	468,830	1,835,258
Medicare Prescription Drug Claims	4,219,698	1,475,691	5,695,389
Non-Medicare Managed Care Capitations	2,248,295	2,248,295	4,496,589
Humana MAPD Program	53,552,897	55,921,063	109,473,960
Administration	2,649,626	2,649,626	5,299,252
Life Insurance	12,450,005	12,450,005	24,900,009
Retiree Assistance Program	963,414	963,414	1,926,828
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	132,936	132,936	265,872
Total Expenses	\$ 121,332,198	\$ 123,767,173	\$ 245,099,371
Fiscal Year Results	\$ 54,419,334	\$ 52,790,699	\$ 107,210,034
Beginning Restricted Reserve			\$ 973,040,101
Ending Restricted Reserve			\$ 1,080,250,134
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			1,011,146,605
Total Ending Plan Reserve			\$ 1,118,356,638
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			28.4%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 162.44			
Additional Retiree Premiums	\$ 767,808			
Pay Go PEPM Subsidy for Retirees	\$ 262.83	Non-Medicare	8.0%	12.0%
		Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-8.0%

**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 PEIA Pay Go Premiums	\$ 76,083,882		\$ 76,083,882
Employer Premiums - PPB	9,143,359	132,706	9,276,065
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,758,070	635,102	44,393,172
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,716,885		1,716,885
Life Insurance	14,704,007		14,704,007
Investment Income	32,317,137		32,317,137
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,749,043		18,749,043
General Revenue Transfer (Premium Offset)	3,124,841		3,124,841
Total Revenue	\$ 199,597,224	\$ 767,808	\$ 200,365,032
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,835,258	\$ -	\$ 1,835,258
Medicare Prescription Drug Claims	5,695,389	-	5,695,389
Humana MAPD Program	131,257,178	(21,783,218)	109,473,960
Administration	1,771,535	-	1,771,535
Life Insurance	14,695,040		14,695,040
Retiree Assistance Program	1,137,141		1,137,141
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 156,391,541	\$ (21,783,218)	\$ 134,608,323
Fiscal Year Results	\$ 43,205,683		\$ 65,756,709
Beginning Restricted Reserve	\$ 536,728,340		\$ 536,728,340
Ending Restricted Reserve	<u>\$ 579,934,023</u>		<u>\$ 602,485,049</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	557,258,793		557,258,793
Total Ending Plan Reserve	<u>\$ 600,464,476</u>		<u>\$ 623,015,502</u>
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	29.6%		29.5%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 162.44			
Additional Retiree Premiums	\$ 767,808			
Pay Go PEPM Subsidy for Retirees	\$ 168.99	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		-8.0%

**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 PEIA Pay Go Premiums	\$ 63,916,118		\$ 63,916,118
Employer Premiums - PPB	12,488,008	-	12,488,008
Employer Premiums - MCO	1,184,220	-	1,184,220
Retiree Premiums - PPB	19,998,033	-	19,998,033
Retiree Premiums - MCO	828,715	-	828,715
Annual Required Contributions	-		-
Non Par Premiums	1,192,290		1,192,290
Life Insurance	10,211,195		10,211,195
Investment Income	28,999,678		28,999,678
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,250,957		11,250,957
General Revenue Transfer (Premium Offset)	1,875,159		1,875,159
Total Revenue	\$ 151,944,372	\$ -	\$ 151,944,372
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 66,147,539	\$ 549,999	\$ 66,697,538
Non-Medicare Prescription Drug Claims	24,258,675	250,000	24,508,675
Non-Medicare Managed Care Capitations	4,496,589		4,496,589
Administration	3,027,717	500,000	3,527,717
Life Insurance	10,204,968		10,204,968
Retiree Assistance Program	789,687		789,687
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	265,872		265,872
Total Expenses	\$ 109,191,047	\$ 1,299,999	\$ 110,491,046
Fiscal Year Results	\$ 42,753,325		\$ 41,453,326
Beginning Restricted Reserve	\$ 436,311,760		\$ 436,311,760
Ending Restricted Reserve	<u>\$ 479,065,085</u>		<u>\$ 477,765,086</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	453,887,811		453,887,811
Total Ending Plan Reserve	<u>\$ 496,641,136</u>		<u>\$ 495,341,137</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 162.44			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 775.31	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		-8.0%

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

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

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

	7/1/2020 to 12/31/2020	1/1/2021 to 6/30/2021	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	44,262,975	45,069,314	89,332,289
Retiree Premiums - MCO	1,022,988	1,022,988	2,045,977
Annual Required Contributions	-	-	-
Non Par Premiums	1,410,950	1,410,950	2,821,900
Life Insurance	13,080,481	13,080,481	26,160,962
Investment Income	33,910,349	33,910,349	67,820,698
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 183,687,743	\$ 184,494,083	\$ 368,181,826
Program Expenses			
Non-Medicare Medical Claims	\$ 34,796,747	\$ 36,772,045	\$ 71,568,792
Non-Medicare Prescription Drug Claims	12,596,659	14,674,739	27,271,398
Medicare Medical Claims	1,266,194	435,493	1,701,687
Medicare Prescription Drug Claims	4,732,728	1,658,977	6,391,705
Non-Medicare Managed Care Capitations	2,428,158	2,428,158	4,856,316
Humana MAPD Program	55,123,467	64,132,539	119,256,006
Administration	2,729,115	2,729,115	5,458,230
Life Insurance	13,072,505	13,072,505	26,145,009
Retiree Assistance Program	1,040,487	1,040,487	2,080,974
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	131,938	131,938	263,876
Total Expenses	\$ 127,917,997	\$ 137,075,996	\$ 264,993,993
Fiscal Year Results	\$ 55,769,746	\$ 47,418,086	\$ 103,187,833
Beginning Restricted Reserve			\$ 1,080,250,134
Ending Restricted Reserve			<u>\$ 1,183,437,967</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,118,356,638
Total Ending Plan Reserve			<u>\$ 1,221,544,471</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			30.7%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 176.29			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 275.38	Non-Medicare	8.5%	12.5%
		Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		7.1%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,364,260		\$ 77,364,260
Employer Premiums - PPB	9,274,184	125,512	9,399,696
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	44,384,168	600,673	44,984,841
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,665,378		1,665,378
Life Insurance	15,439,207		15,439,207
Investment Income	35,745,020		35,745,020
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,875,436		16,875,436
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 200,747,653	\$ 726,185	\$ 201,473,838
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,701,687	\$ -	\$ 1,701,687
Medicare Prescription Drug Claims	6,391,705	-	6,391,705
Humana MAPD Program	119,256,006		119,256,006
Administration	1,824,681		1,824,681
Life Insurance	15,429,792		15,429,792
Retiree Assistance Program	1,228,112		1,228,112
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 145,831,983	\$ -	\$ 145,831,983
Fiscal Year Results	\$ 54,915,670		\$ 55,641,855
Beginning Restricted Reserve	\$ 602,485,049		\$ 602,485,049
Ending Restricted Reserve	<u>\$ 657,400,719</u>		<u>\$ 658,126,904</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	623,015,502		623,015,502
Total Ending Plan Reserve	<u>\$ 677,931,172</u>		<u>\$ 678,657,357</u>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	32.0%		32.0%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.29			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 169.58	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.1%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 72,635,740		\$ 72,635,740
Employer Premiums - PPB	13,434,318	-	13,434,318
Employer Premiums - MCO	1,203,659	-	1,203,659
Retiree Premiums - PPB	21,513,434	-	21,513,434
Retiree Premiums - MCO	842,318	-	842,318
Annual Required Contributions	-		-
Non Par Premiums	1,156,522		1,156,522
Life Insurance	10,721,755		10,721,755
Investment Income	32,075,678		32,075,678
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,124,564		13,124,564
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 166,707,987	\$ -	\$ 166,707,987
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 71,568,792	\$ -	\$ 71,568,792
Non-Medicare Prescription Drug Claims	27,271,398	-	27,271,398
Non-Medicare Managed Care Capitations	4,856,316		4,856,316
Administration	3,633,549		3,633,549
Life Insurance	10,715,217		10,715,217
Retiree Assistance Program	852,862		852,862
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	263,875		263,875
Total Expenses	\$ 119,162,009	\$ -	\$ 119,162,009
Fiscal Year Results	\$ 47,545,978		\$ 47,545,978
Beginning Restricted Reserve	\$ 477,765,086		\$ 477,765,086
Ending Restricted Reserve	<u>\$ 525,311,064</u>		<u>\$ 525,311,064</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	495,341,137		495,341,137
Total Ending Plan Reserve	<u>\$ 542,887,115</u>		<u>\$ 542,887,115</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go Monthly Premium for Actives	\$ 176.29			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 820.81	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.1%

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

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

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

	7/1/2021 to 12/31/2021	1/1/2022 to 6/30/2022	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	45,851,480	46,657,820	92,509,300
Retiree Premiums - MCO	1,039,794	1,039,794	2,079,587
Annual Required Contributions	-	-	-
Non Par Premiums	1,368,622	1,368,622	2,737,243
Life Insurance	13,734,505	13,734,505	27,469,010
Investment Income	37,045,546	37,045,546	74,091,091
Transfer from Premium Stabilization Reserve	7,682,732	7,694,861	15,377,593
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 201,722,678	\$ 202,541,147	\$ 404,263,825
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,510,617	\$ 39,639,973	\$ 77,150,590
Non-Medicare Prescription Drug Claims	14,079,052	16,401,685	30,480,737
Medicare Medical Claims	1,375,816	474,340	1,850,156
Medicare Prescription Drug Claims	5,331,798	1,873,324	7,205,122
Non-Medicare Managed Care Capitations	2,622,411	2,622,411	5,244,822
Humana MAPD Program	63,217,824	73,898,987	137,116,811
Administration	2,810,988	2,810,988	5,621,976
Life Insurance	13,726,130	13,726,130	27,452,260
Retiree Assistance Program	1,123,726	1,123,726	2,247,452
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	130,946	130,946	261,892
Total Expenses	\$ 141,929,309	\$ 152,702,509	\$ 294,631,818
Fiscal Year Results	\$ 59,793,369	\$ 49,838,638	\$ 109,632,007
Beginning Restricted Reserve			\$ 1,183,437,967
Ending Restricted Reserve			<u>\$ 1,293,069,974</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ (9,836,678)
Ending Premium Stabilization Reserve			<u>\$ 28,269,826</u>
Total Beginning Plan Reserve			1,221,544,471
Total Ending Plan Reserve			<u>\$ 1,321,339,799</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			32.9%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 190.69			
Additional Retiree Premiums	\$ 726,185			
Pay Go PEPM Subsidy for Retirees	\$ 287.37	Non-Medicare	9.0%	13.0%
		Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.7%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 84,275,726		\$ 84,275,726
Employer Premiums - PPB	9,397,815	125,512	9,523,327
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	44,975,837	600,673	45,576,510
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,615,417		1,615,417
Life Insurance	16,211,168		16,211,168
Investment Income	39,049,842		39,049,842
Transfer from Premium Stabilization Reserve	7,688,797		7,688,797
General Revenue Transfer (OPEB Funding)	16,375,664		16,375,664
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 219,590,265	\$ 726,185	\$ 220,316,451
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,850,156	\$ -	\$ 1,850,156
Medicare Prescription Drug Claims	7,205,122	-	7,205,122
Humana MAPD Program	137,116,811		137,116,811
Administration	1,879,421		1,879,421
Life Insurance	16,201,282		16,201,282
Retiree Assistance Program	1,326,361		1,326,361
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 165,579,153	\$ -	\$ 165,579,153
Fiscal Year Results	\$ 54,011,112		\$ 54,737,298
Beginning Restricted Reserve	\$ 658,126,904		\$ 658,126,904
Ending Restricted Reserve	<u>\$ 712,138,017</u>		<u>\$ 712,864,202</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ (7,688,797)		\$ (7,688,797)
Ending Premium Stabilization Reserve	<u>\$ 12,841,656</u>		<u>\$ 12,841,656</u>
Total Beginning Plan Reserve	678,657,357		678,657,357
Total Ending Plan Reserve	<u>\$ 724,979,673</u>		<u>\$ 725,705,858</u>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	34.3%		34.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 190.69	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 726,185	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 182.33	Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.7%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,724,274		\$ 75,724,274
Employer Premiums - PPB	14,380,628	-	14,380,628
Employer Premiums - MCO	1,223,432	-	1,223,432
Retiree Premiums - PPB	23,028,834	-	23,028,834
Retiree Premiums - MCO	856,155	-	856,155
Annual Required Contributions	-		-
Non Par Premiums	1,121,826		1,121,826
Life Insurance	11,257,843		11,257,843
Investment Income	35,041,249		35,041,249
Transfer from Premium Stabilization Reserve	7,688,797		7,688,797
General Revenue Transfer (OPEB Funding)	13,624,336		13,624,336
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 183,947,375	\$ -	\$ 183,947,375
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,150,590	\$ -	\$ 77,150,590
Non-Medicare Prescription Drug Claims	30,480,737	-	30,480,737
Non-Medicare Managed Care Capitations	5,244,822		5,244,822
Administration	3,742,555		3,742,555
Life Insurance	11,250,978		11,250,978
Retiree Assistance Program	921,091		921,091
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	261,893		261,893
Total Expenses	\$ 129,052,666	\$ -	\$ 129,052,666
Fiscal Year Results	\$ 54,894,709		\$ 54,894,709
Beginning Restricted Reserve	\$ 525,311,064		\$ 525,311,064
Ending Restricted Reserve	<u>\$ 580,205,773</u>		<u>\$ 580,205,773</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ (2,147,882)		\$ (2,147,882)
Ending Premium Stabilization Reserve	<u>\$ 15,428,169</u>		<u>\$ 15,428,169</u>
Total Beginning Plan Reserve	542,887,115		542,887,115
Total Ending Plan Reserve	<u>\$ 595,633,942</u>		<u>\$ 595,633,942</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 190.69	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 800.92	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.7%

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

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

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

	7/1/2022 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	48,447,736	53,959,724	102,407,460
Retiree Premiums - MCO	1,114,503	1,114,503	2,229,006
Annual Required Contributions	-	-	-
Non Par Premiums	1,327,563	1,327,563	2,655,126
Life Insurance	14,421,231	14,421,231	28,842,461
Investment Income	40,083,319	40,083,319	80,166,638
Transfer from Premium Stabilization Reserve	12,839,444	12,843,869	25,683,313
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 218,233,795	\$ 223,750,208	\$ 441,984,003
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 40,622,091	\$ 42,928,075	\$ 83,550,166
Non-Medicare Prescription Drug Claims	15,805,688	18,413,165	34,218,853
Medicare Medical Claims	1,501,810	519,023	2,020,833
Medicare Prescription Drug Claims	6,033,360	2,124,732	8,158,092
Non-Medicare Managed Care Capitations	2,832,204	2,832,204	5,664,407
Humana MAPD Program	72,844,975	85,554,635	158,399,610
Administration	2,895,318	2,895,318	5,790,636
Life Insurance	14,412,437	14,412,437	28,824,873
Retiree Assistance Program	1,213,624	1,213,624	2,427,248
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	129,962	129,962	259,924
Total Expenses	\$ 158,291,468	\$ 171,023,174	\$ 329,314,642
Fiscal Year Results	\$ 59,942,327	\$ 52,727,034	\$ 112,669,361
Beginning Restricted Reserve			\$ 1,293,069,974
Ending Restricted Reserve			<u>\$ 1,405,739,335</u>
Beginning Premium Stabilization Reserve			\$ 28,269,826
PSR Addition/(Drawdown)			\$ (23,180,589)
Ending Premium Stabilization Reserve			<u>\$ 5,089,237</u>
Total Beginning Plan Reserve			1,321,339,799
Total Ending Plan Reserve			<u>\$ 1,410,828,572</u>
Accrued Actuarial Liability (AAL)			\$ 3,782,142,169
Funded Status			34.9%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 205.50			
Additional Retiree Premiums	\$ 7,663,800			
Pay Go PEPM Subsidy for Retirees	\$ 298.86	Non-Medicare	9.5%	13.5%
		Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.3%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 102,219,652		\$ 102,219,652
Employer Premiums - PPB	9,509,340	933,087	10,442,427
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	45,509,573	4,465,546	49,975,118
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,566,955		1,566,955
Life Insurance	17,021,726		17,021,726
Investment Income	42,251,970		42,251,970
Transfer from Premium Stabilization Reserve	12,841,656		12,841,656
General Revenue Transfer (OPEB Funding)	16,405,087		16,405,087
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 247,325,958	\$ 5,398,633	\$ 252,724,591
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,020,833	\$ -	\$ 2,020,833
Medicare Prescription Drug Claims	8,158,092	-	8,158,092
Humana MAPD Program	158,399,610		158,399,610
Administration	1,935,804		1,935,804
Life Insurance	17,011,346		17,011,346
Retiree Assistance Program	1,432,470		1,432,470
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 188,958,155	\$ -	\$ 188,958,155
Fiscal Year Results	\$ 58,367,803		\$ 63,766,436
Beginning Restricted Reserve	\$ 712,864,202		\$ 712,864,202
Ending Restricted Reserve	<u>\$ 771,232,005</u>		<u>\$ 776,630,638</u>
Beginning Premium Stabilization Reserve	\$ 12,841,656		\$ 12,841,656
PSR Addition/(Drawdown)	\$ (12,841,656)		\$ (12,841,656)
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	725,705,858		725,705,858
Total Ending Plan Reserve	<u>\$ 771,232,005</u>		<u>\$ 776,630,638</u>
Accrued Actuarial Liability (AAL)	\$ 3,782,142,169		\$ 3,782,142,169
Funded Status	35.9%		36.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 205.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,398,633	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 218.32	Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.3%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 67,780,348		\$ 67,780,348
Employer Premiums - PPB	15,314,544	826,863	16,141,407
Employer Premiums - MCO	1,244,161	67,175	1,311,336
Retiree Premiums - PPB	24,524,387	1,324,121	25,848,508
Retiree Premiums - MCO	870,661	47,009	917,670
Annual Required Contributions	-		-
Non Par Premiums	1,088,171		1,088,171
Life Insurance	11,820,735		11,820,735
Investment Income	37,914,668		37,914,668
Transfer from Premium Stabilization Reserve	12,841,656		12,841,656
General Revenue Transfer (OPEB Funding)	13,594,913		13,594,913
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 186,994,246	\$ 2,265,167	\$ 189,259,413
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 83,550,166	\$ -	\$ 83,550,166
Non-Medicare Prescription Drug Claims	34,218,853	-	34,218,853
Non-Medicare Managed Care Capitations	5,664,407		5,664,407
Administration	3,854,832		3,854,832
Life Insurance	11,813,526		11,813,526
Retiree Assistance Program	994,778		994,778
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	259,924		259,924
Total Expenses	\$ 140,356,486	\$ -	\$ 140,356,486
Fiscal Year Results	\$ 46,637,760		\$ 48,902,927
Beginning Restricted Reserve	\$ 580,205,773		\$ 580,205,773
Ending Restricted Reserve	<u>\$ 626,843,533</u>		<u>\$ 629,108,700</u>
Beginning Premium Stabilization Reserve	\$ 15,428,169		\$ 15,428,169
PSR Addition/(Drawdown)	\$ (10,338,933)		\$ (10,338,933)
Ending Premium Stabilization Reserve	<u>\$ 5,089,237</u>		<u>\$ 5,089,237</u>
Total Beginning Plan Reserve	595,633,942		595,633,942
Total Ending Plan Reserve	<u>\$ 631,932,770</u>		<u>\$ 634,197,937</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 205.50	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,265,167	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 673.71	Non-Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.3%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

Fiscal Year 2018

Exposure

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	17,595	17,840	17,928	17,665	17,531	17,288	17,101	17,031	16,717	16,556	16,353	16,051
Med_NonDrug	1,882	2,224	2,509	2,794	2,992	3,215	453	627	768	907	1,155	1,286
NonMed_Drug	16,302	16,528	16,610	16,367	16,244	16,017	15,843	15,778	15,490	15,340	15,154	14,873
Med_Drug	1,961	2,317	2,613	2,910	3,116	3,349	472	653	800	945	1,203	1,339

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	\$184.25	\$240.10	\$225.18	\$255.50	\$269.44	\$212.24	\$347.10	\$280.84	\$309.35	\$350.42	\$350.31	\$339.55
Med_NonDrug	180.93	169.34	148.33	173.95	152.21	152.18	422.08	250.06	351.09	238.11	209.07	233.60
NonMed_Drug	190.89	142.53	116.03	186.55	134.36	129.21	170.19	121.53	139.48	158.93	160.87	165.14
Med_Drug	<u>384.56</u>	<u>373.54</u>	<u>330.46</u>	<u>358.67</u>	<u>305.12</u>	<u>302.40</u>	<u>612.90</u>	<u>533.40</u>	<u>442.64</u>	<u>469.22</u>	<u>396.74</u>	<u>429.96</u>
Total	\$940.62	\$925.52	\$819.99	\$974.68	\$861.12	\$796.03	\$1,552.28	\$1,185.83	\$1,242.55	\$1,216.69	\$1,116.99	\$1,168.25

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-14.1%	-5.9%	-3.1%	-6.7%	10.2%	6.8%	24.6%	-9.2%	-2.9%	24.0%	12.9%	30.1%
Med_NonDrug	39.5%	6.3%	1.6%	29.5%	7.7%	14.3%	-13.5%	-1.0%	34.0%	47.4%	24.1%	38.8%
NonMed_Drug	78.8%	7.1%	-7.8%	33.5%	1.1%	-10.1%	14.2%	-11.7%	-13.8%	3.7%	2.1%	2.7%
Med_Drug	<u>64.7%</u>	<u>30.3%</u>	<u>22.1%</u>	<u>29.4%</u>	<u>4.1%</u>	<u>-2.0%</u>	<u>137.9%</u>	<u>104.7%</u>	<u>40.2%</u>	<u>59.0%</u>	<u>18.2%</u>	<u>13.8%</u>
Total	37.5%	10.9%	5.8%	18.1%	6.1%	1.5%	32.3%	23.5%	17.4%	36.3%	14.9%	20.7%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-7.5%			2.8%			3.4%			21.8%
Med_NonDrug			14.6%			17.0%			2.1%			36.6%
NonMed_Drug			22.9%			8.1%			-3.8%			2.8%
Med_Drug			<u>37.7%</u>			<u>9.9%</u>			<u>90.5%</u>			<u>28.5%</u>
Total			17.1%			8.7%			24.7%			23.6%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-1.1%			-0.5%			-1.3%			5.8%
Med_NonDrug			18.7%			22.8%			4.7%			14.3%
NonMed_Drug			16.4%			15.0%			9.8%			6.7%
Med_Drug			<u>15.6%</u>			<u>14.8%</u>			<u>37.8%</u>			<u>40.7%</u>
Total			11.1%			11.7%			14.2%			19.2%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

Fiscal Year 2019

Exposure	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>
NonMed_NonDrug	15,984	16,420	16,066	15,867	15,659	15,446
Med_NonDrug	1,691	1,968	2,166	2,365	2,563	2,755
NonMed_Drug	14,810	15,213	14,884	14,703	14,509	14,311
Med_Drug	1,761	2,050	2,256	2,463	2,670	2,869

	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>
NonMed_NonDrug	\$230.96	\$274.98	\$268.73	\$314.77	\$248.46	\$256.50
Med_NonDrug	201.38	209.82	276.38	216.08	206.05	174.80
NonMed_Drug	156.12	155.58	149.40	187.58	164.47	173.55
Med_Drug	<u>391.48</u>	<u>428.19</u>	<u>358.26</u>	<u>423.08</u>	<u>384.46</u>	<u>398.47</u>
Total	\$979.93	\$1,068.57	\$1,052.77	\$1,141.51	\$1,003.44	\$1,003.32

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	25.3%	14.5%	19.3%	23.2%	-7.8%	20.9%
Med_NonDrug	11.3%	23.9%	86.3%	24.2%	35.4%	14.9%
NonMed_Drug	-18.2%	9.2%	28.8%	0.6%	22.4%	34.3%
Med_Drug	<u>1.8%</u>	<u>14.6%</u>	<u>8.4%</u>	<u>18.0%</u>	<u>26.0%</u>	<u>31.8%</u>
Total	4.2%	15.5%	28.4%	17.1%	16.5%	26.0%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug		19.3%				11.2%
Med_NonDrug			37.9%			24.8%
NonMed_Drug			2.6%			16.8%
Med_Drug			8.2%			<u>24.8%</u>
Total			15.5%			19.6%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug		11.6%				13.5%
Med_NonDrug			19.2%			20.6%
NonMed_Drug			2.3%			4.6%
Med_Drug			<u>32.0%</u>			<u>35.2%</u>
Total			18.7%			21.1%