

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2020
Financial Report**

Fiscal Years 2020-2025

Report Date: November 2020

YOUR ACTUARIES FOR THE LONG-TERM!



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Finance Board
West Virginia Public Employees Insurance Agency
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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.

Continuing Care Actuaries has been retained by the West Virginia Public Employees Insurance Agency Finance Board (“Board”) to assist it as provided under Code of the West Virginia 1931 (“Code”), as amended. The Board has asked Continuing Care Actuaries to review the financial plan prepared and proposed by the Board in December 2019 for the fiscal year 2021 (“FY 2021”) and to provide quarterly financial reports for current FY 2020 and thereafter. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

Under the statutory Code provisions, it is the Board’s responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all insurance program and administrative costs of the West Virginia Public Employees Insurance Agency (“PEIA”). The Board is required to provide a financing plan in which the State Fund revenue costs are financed 80% by state employers and 20% by state employees in FY 2020 and in subsequent fiscal years. In subsequent fiscal years, future transfers of employer and employee funds may be needed to obtain the 80% and 20% split between employer and employee, depending on future enrollment and coverage elections by insureds.

The Board is also charged with the responsibility to review actual costs incurred, any revised cost estimates, expenditures, and other factors affecting the fiscal stability of the plan and to make any modifications to the plan necessary to insure that the total financial requirements of PEIA are met for the projection period. We have been asked to review the proposed financial plan, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of PEIA through FY 2025.

The Medicaid / PEIA Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide PEIA with hospital charge savings through discounts for all non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2020 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

Continuing Care Actuaries has provided financial report for fiscal years ending June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”) and June 30, 2025 (“FY 2025”). Our opinion of plan adequacy is based on the projections through FY 2025 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2019. This forecast is prepared for the Public Employee Insurance Agency, and does not include actuarial projections for the West Virginia Retiree Health Benefit Trust Fund.

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 PEIA, 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 reductions can be found later in this report. In addition, some PEIA members became eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2016.

In FY 2020 the Pay-Go is equivalent to \$271 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2019.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY 2019 Detailed Medical and Prescription Drugs Claim Trend Report”. In the circumstances and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2021 through FY 2025 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of PEIA. In addition, we are forecasting that PEIA will meet the minimum 20% employee cost share requirement for state revenue in FY 2020 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2019.

The conclusion of long-term solvency for the program over the five-year forecast is based on significant revenue increases in employer and employee premiums in later fiscal years of the plan through FY 2025 as approved by the Board.

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 of the framework of the managed care options, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate of insurance program costs contains considerable uncertainty and variability and actual experience may not conform to the assumptions used.

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 Public Employees Insurance Agency

Report of Independent Actuary

Financial Plan for FY 2020 – FY 2025

OVERVIEW

This report analyzes revenues and expenses related to funding the health and life insurance benefits of active employees of the State 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 PEIA's third party administrators through August 2020 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from PEIA. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some of which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at the Board meetings, which has been used in arriving at our conclusions.

The Code of the State of West Virginia establishes the actuarial reporting requirements for PEIA on an incurred basis for medical claims and capitations and on an accrued basis for administrative expenses and revenue for a period not to exceed five years. At the request of the Board, the reporting basis is based upon the separation of employees into two funds: Active Local Employee Fund and State Employee Fund. The Active Local Fund represents local governmental agencies, county governmental agencies and other public entities. The State Fund represents active state employees, college and university employees and county boards of education employees. The Active Local Fund and the State Fund are allocated administrative costs based on each fund's proportionate total revenue levels.

KEY ASSUMPTIONS

A. Enrollment Changes

These projections include the assumption that Preferred Provider Benefit (“PPB”) and managed care enrollment will not change from September 2020 enrollment levels for the duration of these forecasts for active employees.

In aggregate, September 2020 enrollment for active employees has increased by 1,311 coverages since the end of FY 2020. Aggregate PPB enrollment has increased by 1,388 in total over the same period, while managed care enrollment experienced a decrease of 77 coverages.

In the State Fund, the overall active State enrollment decreased by 270 coverages from the end of FY 2020 to September 2020. And in the Local Fund, the overall active Local enrollment increased by 1,581 coverages from the end of FY 2020 to September 2020.

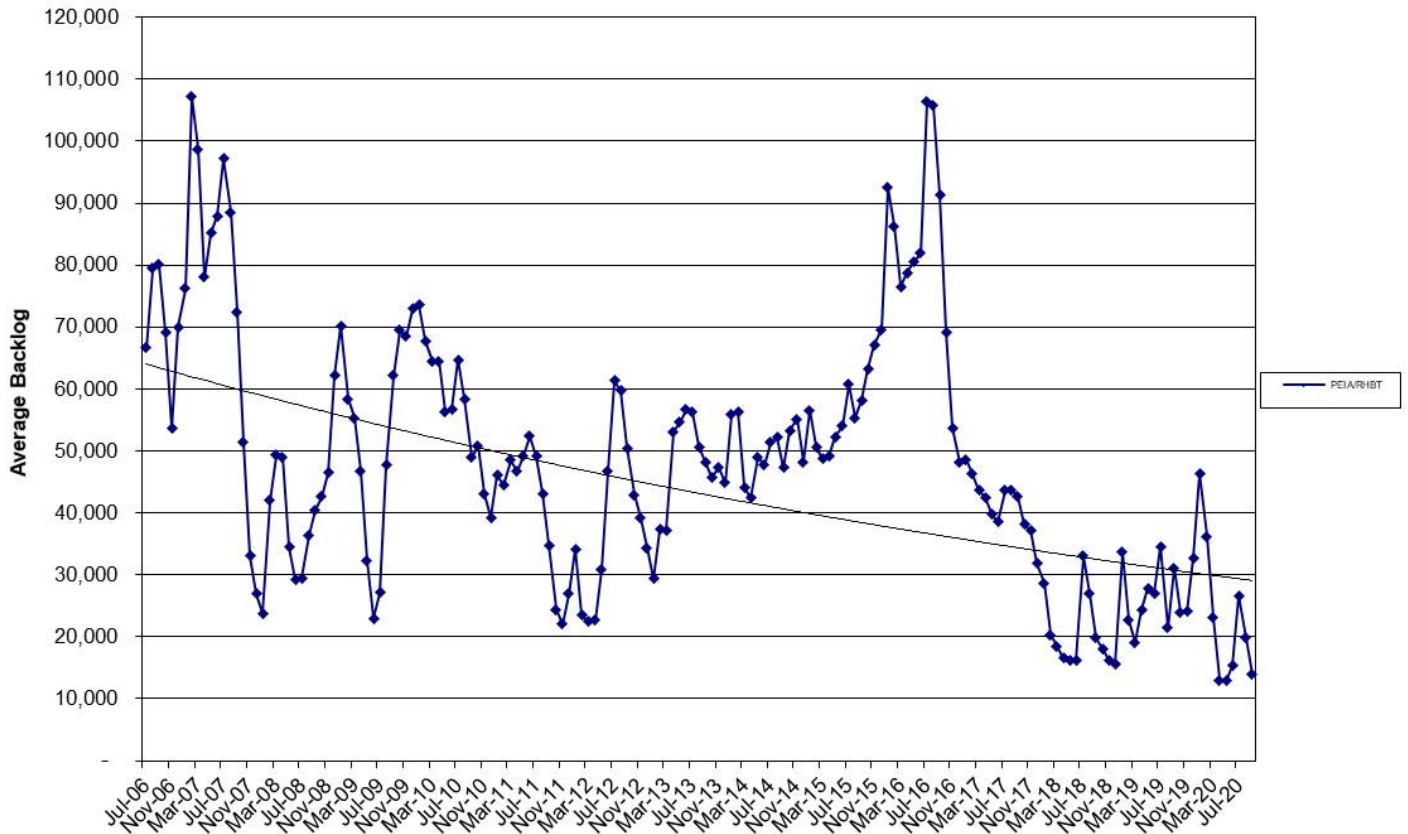
The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2019, June 2020 and September 2020 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-19	Jun-20	Sep-20	Jun-19	Jun-20	Sep-20
State Active	Single	21,216	21,654	21,576	2,381	2,428	2,398
	Children	5,912	6,036	5,913	665	660	663
	Family	26,894	27,002	26,999	2,805	2,773	2,734
	Total	54,022	54,692	54,488	5,851	5,861	5,795
Local Active	Single	5,723	6,052	6,628	419	421	415
	Children	996	1,084	1,264	99	99	101
	Family	5,576	5,720	6,556	186	194	187
	Total	12,295	12,856	14,448	704	714	703
Plan Total		66,317	67,548	68,936	6,555	6,575	6,498
Grand Total					72,872	74,123	75,434

B. Changes in Claim Backlog

It should be noted that on July 1, 2006, all retirees were transferred to the RHBT. The graph below has not been adjusted to reflect the smaller risk pool for the active plan. The graph illustrates that the duration of claim payments has been gradually declining for the self-insured block of non-Medicare coverages. Backlog has shown a negative trend since July 2006, with large fluctuations. However, there has been a sharp downward trend since the beginning of FY 2017.

WV PEIA&RHBT Claim Backlog July 2006 through September 2020



C. Trend Analysis

PEIA experienced a lower medical trend and a higher prescription drugs trend in FY 2020, and over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY 2019 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2021 medical claim trend is 8.5%, the gross prescription drugs claim trend is 12.5% and the prescription drugs rebate trend is 20.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2021 Trend	Updated Assumption FY 2021 Trend
Active Local – Medical	8.5%	8.5%
State – Medical	8.5%	8.5%
Active Local – Gross Drugs	12.5%	12.5%
State – Gross Drugs	12.5%	12.5%
Prescription Drugs Rebate	20.0%	20.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2022. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends. In order to provide information on the impact of varying trend assumptions, two alternative trend scenarios were developed. The Optimistic Scenario incorporates trend assumptions 2.0% below the Baseline Scenario and the Pessimistic Scenario incorporates trend assumptions 2.0% above the Baseline Scenario.

The following chart summarizes the trend results observed for the plan using data through August 2020. It is important to note that these trends *have not* been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies, nor the 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.

PEIA Historical Trends (Active Local and State)

Fiscal Year	Active Local Medical	State Medical	Active Local Drugs	State Drugs	Total
2004	-1%	12%	9%	7%	9%
2005	16%	7%	7%	20%	11%
2006	1%	2%	18%	7%	3%
2007	15%	2%	13%	8%	5%
2008	3%	8%	-5%	-1%	4%
2009	-8%	3%	5%	4%	2%
2010	10%	1%	9%	9%	4%
2011	11%	8%	16%	15%	8%
2012	5%	5%	8%	6%	5%
2013	-3%	-3%	2%	6%	-3%
2014	8%	6%	9%	7%	7%
2015	6%	10%	14%	10%	10%
2016	9%	11%	12%	13%	12%
2017	6%	1%	11%	9%	4%
2018	0%	4%	16%	15%	7%
2019	8%	8%	15%	16%	10%
2020	-5%	2%	9%	15%	6%
2021*	-7%	1%	9%	15%	5%

* Fiscal Year 2021 results are through the first two months ending August 2020.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through August 2020 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the State Fund and the Local Fund for both self-funded and managed care coverages. Continuing Care Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the result of FY 2020 and the projection of FY 2021 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2020 Result			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Policyholder Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	54,324	\$523	\$166	\$497	\$184	
	<u>Managed Care</u>	5,813	\$530	\$173			\$651
	Total	60,137					
Local	PPB	12,825	\$657	\$0	\$471	\$142	
	<u>Managed Care</u>	719	\$552	\$0			\$518
	Total	13,544					

*Net of rebates and subsidies.

Fiscal Year 2021 Projection			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Policyholder Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	54,481	\$524	\$165	\$548	\$210	
	<u>Managed Care</u>	5,789	\$536	\$173			\$693
	Total	60,270					
Local	PPB	14,436	\$590	\$0	\$520	\$163	
	<u>Managed Care</u>	704	\$571	\$0			\$560
	Total	15,140					

*Net of rebates and subsidies.

Projected plan revenues, administrative expenses, life insurance premiums, and the amount to be spent on wellness programs were provided by PEIA. Investment income is currently allocated to each fund based on average reserve levels for each fund. The following chart summarizes assumptions used in preparation of the attached forecasts.

Board Decisions – December 2019

Source	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025
Additional State Employer Revenue	\$0	\$0	\$66,000,000	\$91,000,000	\$65,000,000	\$73,000,000
Additional Local Agency Revenue	\$0	\$0	\$14,500,000	\$14,500,000	\$30,000,000	\$20,000,000
Additional Employee Premium	\$0	\$0	\$16,500,000	\$22,800,000	\$16,300,000	\$18,300,000
State Direct Transfers (State Budget Appropriations)	\$31,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000
State Direct Transfers (PEIA Rainy Day Fund)	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active State	(\$4,380,000)	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active Local	(\$1,030,000)	\$0	\$0	\$0	\$0	\$0
ACA PCORI Fees (Cost)	(\$570,382)	(\$583,592)	(\$583,744)	(\$583,744)	(\$583,744)	(\$583,744)
Pay Go Premium Transfer	\$141,510,284	\$135,000,000	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000

The \$4,380,000 of Active State benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$2.890 M
Drug Claims	\$1.490 M

The \$1,030,000 of Active Local benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$0.770 M
Drug Claims	\$0.260 M

A detailed list of the 2020 benefit additions and costs for the Active Employee plan as voted on by the Board consists of the following:

	<u>State Saving</u>	<u>Local Saving</u>
Plan A out of state coverage 80/20 for Contig Providers	\$1.800 M	\$0.500 M
Plan B out of state coverage 70/30 for Contig Providers	\$0.170 M	\$0.100 M
Remove facility fee max (RBP)	\$7.300 M	\$1.500 M
Remove \$25 copay from out of state services	\$2.400 M	\$0.500 M
End Healthy Tomorrows blood work	\$0.320 M	\$0.070 M
<u>UMR OOS Network Savings</u>	<u>(\$9.100 M)</u>	<u>(\$1.900 M)</u>
Total Medical Benefit Additions	\$2.890 M	\$0.770 M
<u>Third tier non-preferred drug appeals process</u>	<u>\$1.490 M</u>	<u>\$0.260 M</u>
Total Drugs Costs	\$1.490 M	\$0.260 M
Total Benefit Additions and Costs	\$4.380 M	\$1.030 M

In FY 2020, the additional administrative costs are \$2,400,000 for the Active State and \$400,000 for the Active Local, and PEIA will receive \$31,000,000 in State direct transfers.

Future fiscal year state revenue increases will require legislative appropriation. Additional local agency revenue represents premium increases to be charged to local agencies. Additional employee premiums represent employee premiums paid by active employees participating in the State Fund.

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

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

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

E. Provider Reimbursement Changes

Beyond the extension of the Medicaid / PEIA Hospital Bill throughout the forecast, there are no assumed changes in provider reimbursement for physicians, hospitals and pharmaceutical charges beyond the annual cost updates that PEIA has implemented historically.

FISCAL YEAR 2020 RESULT

The financial result for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2020 projects accrued revenue of \$789,446,871 and incurred plan expenses of \$757,257,085 to produce a fiscal year surplus of \$32,189,786. The PEIA local and state agencies Pay Go premiums for FY 2020 are \$141,510,284.

Under the Baseline Scenario, FY 2020 ends with a reserve of \$271,937,045 and the FY 2020 PEIA/RHBT combined, projected plan expenditures of \$801,621,000, which represents 34% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$110,610,922. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario.

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 \$785,085,835 and incurred plan expenses of \$828,911,389 to produce a fiscal year deficit of (\$43,825,554). The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$135,000,000.

Under the Baseline Scenario, FY 2021 is projected to end with a reserve of \$228,111,492 and the FY 2021 PEIA/RHBT combined, projected plan expenditures of \$915,717,115, which represents 25% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$126,294,245. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$241,653,063 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$214,531,376.

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 \$881,025,560 and incurred plan expenses of \$881,832,074 to produce a fiscal year deficit of (\$806,514). The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$140,000,000.

Under the Baseline Scenario, FY 2022 is projected to end with a reserve of \$227,304,978 and the FY 2022 PEIA/RHBT combined, projected plan expenditures of \$967,875,354, which represents 23% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$134,024,687. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$269,781,442 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$184,235,333.

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 \$1,010,111,995 and incurred plan expenses of \$955,935,200 to produce a fiscal year surplus of \$54,176,795. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$150,000,000.

Under the Baseline Scenario, FY 2023 is projected to end with a reserve of \$281,481,774 and the FY 2023 PEIA/RHBT combined, projected plan expenditures of \$1,051,403,098, which represents 27% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$145,789,201. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$372,169,884 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$188,417,596.

FISCAL YEAR 2024 FORECAST

The financial forecast for FY 2024 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2024 projects accrued revenue of \$1,124,387,089 and incurred plan expenses of \$1,039,124,014 to produce a fiscal year surplus of \$85,263,075. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$160,000,000.

Under the Baseline Scenario, FY 2024 is projected to end with a reserve of \$366,744,849 and the FY 2024 PEIA/RHBT combined, projected plan expenditures of \$1,146,744,912, which represents 32% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$159,240,099. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$529,225,263 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$197,940,287.

FISCAL YEAR 2025 FORECAST

The financial forecast for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2025 projects accrued revenue of \$1,239,945,520 and incurred plan expenses of \$1,132,970,918 to produce a fiscal year surplus of \$106,974,602. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$170,000,000.

Under the Baseline Scenario, FY 2025 is projected to end with a reserve of \$473,719,451 and the FY 2025 PEIA/RHBT combined, projected plan expenditures of \$1,255,935,545, which represents 38% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$174,670,186. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$736,866,689 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$196,883,465.

LITIGATION

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

SUMMARY

With projected changes to the plan as adopted by the PEIA Finance Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute and the minimum actuarial required reserve target through the projection period ending with the Fiscal Year 2025, using the Baseline assumptions. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2019 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement, possible changes in methodology of managed care premium calculation, and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as universal health insurance initiatives 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
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2020**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 101,048,401	\$ 341,093,739	\$ 442,142,139
Employer Premiums - MCO	4,761,513	36,995,883	41,757,396
Employee Premiums - PPB	-	108,459,269	108,459,269
Employee Premiums - MCO	-	12,041,432	12,041,432
WV RHBT Pay Go Premiums	26,012,063	115,498,221	141,510,284
Life Insurance	110,527	525,040	635,567
Direct Transfers	-	31,000,000	31,000,000
Investment Income	1,134,603	3,834,275	4,968,878
Litigation Settlement	-	-	-
COBRA Premiums	410,488	1,704,418	2,114,906
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 134,214,060	\$ 655,232,811	\$ 789,446,871
<u>Program Expenses</u>			
Medical Claims	\$ 72,428,175	\$ 323,960,281	\$ 396,388,456
Gross Prescription Drug Claims	34,742,884	190,481,852	225,224,736
Prescription Drug Rebates	(12,919,800)	(70,834,286)	(83,754,086)
Managed Care Capitations	4,465,158	45,439,859	49,905,017
Administration	4,427,104	21,030,324	25,457,428
Life Insurance	305,962	1,453,430	1,759,392
Wellness	33,994	161,482	195,476
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	97,187	473,195	570,382
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	26,012,063	115,498,221	141,510,284
Total Expenses	\$ 129,592,727	\$ 627,664,357	\$ 757,257,085
Fiscal Year Results	\$ 4,621,333	\$ 27,568,454	\$ 32,189,786
Beginning Plan Reserve	57,715,171	182,032,088	239,747,259
Minimum Actuarial Reserve Required	\$ 18,945,199	\$ 91,633,257	\$ 110,578,456
<u>Ending Premium Stabilization Reserve</u>	<u>43,391,305</u>	<u>117,967,285</u>	<u>161,358,589</u>
Ending Plan Reserve	\$ 62,336,504	\$ 209,600,541	\$ 271,937,045
Reserve as a Percent of Expenses			39%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employer Premiums	\$ -	Active Local	8.0%	12.0%
Additional Local Agency Revenue	\$ -	State	8.0%	12.0%
Additional State Employee Premiums	\$ -	Prescription Drug Rebates		20.0%
Direct Transfers	\$ 31,000,000	Capitations		6.8%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2020

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 101,048,401	\$ -	\$ 101,048,401
Employer Premiums - MCO	4,761,513	-	4,761,513
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	26,012,063		26,012,063
Life Insurance	110,527		110,527
Direct Transfers	-		-
Investment Income	1,134,603		1,134,603
Litigation Settlement	-		-
COBRA Premiums	410,488		410,488
Administrative Fees	736,465		736,465
Total Revenue	\$ 134,214,060	\$ -	\$ 134,214,060
<u>Program Expenses</u>			
Medical Claims	\$ 71,658,175	\$ 770,000	\$ 72,428,175
Gross Prescription Drug Claims	34,482,884	260,000	34,742,884
Prescription Drug Rebates	(12,919,800)		(12,919,800)
Managed Care Capitations	4,465,158		4,465,158
Administration	4,027,104	400,000	4,427,104
Life Insurance	305,962		305,962
Wellness	33,994		33,994
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	97,187		97,187
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	26,012,063		26,012,063
Total Expenses	\$ 128,162,727	\$ 1,430,000	\$ 129,592,727
Fiscal Year Results	\$ 6,051,333		\$ 4,621,333
Beginning Plan Reserve	57,715,171		57,715,171
Minimum Actuarial Reserve Required	\$ 18,945,199	\$ -	\$ 18,945,199
<u>Ending Premium Stabilization Reserve</u>	<u>44,821,305</u>	<u>-</u>	<u>43,391,305</u>
Ending Plan Reserve	\$ 63,766,504		\$ 62,336,504
Reserve as a Percent of Expenses			46%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	8.0%	12.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.8%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2020

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 341,093,739	\$ -	\$ 341,093,739
Employer Premiums - MCO	36,995,883	-	36,995,883
Employee Premiums - PPB	108,459,269	-	108,459,269
Employee Premiums - MCO	12,041,432	-	12,041,432
WV RHBT Pay Go Premiums	115,498,221		115,498,221
Life Insurance	525,040		525,040
Direct Transfers	31,000,000		31,000,000
Investment Income	3,834,275		3,834,275
Litigation Settlement	-		-
COBRA Premiums	1,704,418		1,704,418
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 655,232,811	\$ -	\$ 655,232,811
<u>Program Expenses</u>			
Medical Claims	\$ 321,070,281	\$ 2,890,000	\$ 323,960,281
Gross Prescription Drug Claims	188,991,852	1,490,000	190,481,852
Prescription Drug Rebates	(70,834,286)		(70,834,286)
Managed Care Capitations	45,439,859		45,439,859
Administration	18,630,324	2,400,000	21,030,324
Life Insurance	1,453,430		1,453,430
Wellness	161,482		161,482
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	473,195		473,195
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	115,498,221		115,498,221
Total Expenses	\$ 620,884,358	\$ 6,780,000	\$ 627,664,358
Fiscal Year Results	\$ 34,348,453		\$ 27,568,453
Beginning Plan Reserve	182,032,088		182,032,088
Minimum Actuarial Reserve Required	\$ 91,633,257	\$ -	\$ 91,633,257
<u>Ending Premium Stabilization Reserve</u>	<u>124,747,284</u>	<u>-</u>	<u>117,967,284</u>
Ending Plan Reserve	\$ 216,380,541		\$ 209,600,541
Reserve as a Percent of Expenses			32%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 31,000,000	State	8.0%	12.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.8%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2021**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 102,130,632	\$ 342,710,655	\$ 444,841,287
Employer Premiums - MCO	4,818,955	37,207,914	42,026,869
Employee Premiums - PPB	-	108,190,629	108,190,629
Employee Premiums - MCO	-	12,021,753	12,021,753
WV RHBT Pay Go Premiums	27,103,564	107,896,436	135,000,000
Life Insurance	256,370	1,217,851	1,474,221
Direct Transfers	-	21,000,000	21,000,000
Investment Income	3,016,069	10,573,413	13,589,482
Litigation Settlement	-	-	-
COBRA Premiums	414,910	1,709,684	2,124,594
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 138,476,965	\$ 646,608,870	\$ 785,085,835
<u>Program Expenses</u>			
Medical Claims	\$ 90,065,086	\$ 358,278,945	\$ 448,344,031
Gross Prescription Drug Claims	45,810,316	222,720,301	268,530,617
Prescription Drug Rebates	(17,511,135)	(85,130,132)	(102,641,267)
Managed Care Capitations	4,733,068	48,166,250	52,899,318
Administration	3,993,417	18,365,234	22,358,651
Life Insurance	321,260	1,526,101	1,847,361
Wellness	36,000	169,000	205,000
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	109,633	473,959	583,592
Director's Discretionary Fund	343,798	1,440,287	1,784,085
WV RHBT Pay Go Premiums	27,103,564	107,896,436	135,000,000
Total Expenses	\$ 155,005,008	\$ 673,906,381	\$ 828,911,389
Fiscal Year Results	\$ (16,528,043)	\$ (27,297,511)	\$ (43,825,554)
Beginning Plan Reserve	62,336,504	209,600,541	271,937,045
Minimum Actuarial Reserve Required	\$ 23,749,068	\$ 102,511,738	\$ 126,260,805
<u>Ending Premium Stabilization Reserve</u>	22,059,394	79,791,293	101,850,687
Ending Plan Reserve	\$ 45,808,461	\$ 182,303,030	\$ 228,111,492
Reserve as a Percent of Expenses			29%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ -	Active Local	8.5%	12.5%
Direct Transfers	\$ 21,000,000	State	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2021

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 102,130,632	\$ -	\$ 102,130,632
Employer Premiums - MCO	4,818,955	-	4,818,955
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	27,103,564		27,103,564
Life Insurance	256,370		256,370
Direct Transfers	-		-
Investment Income	3,016,069		3,016,069
Litigation Settlement	-		-
COBRA Premiums	414,910		414,910
Administrative Fees	736,465		736,465
Total Revenue	\$ 138,476,965	\$ -	\$ 138,476,965
<u>Program Expenses</u>			
Medical Claims	\$ 90,065,086		\$ 90,065,086
Gross Prescription Drug Claims	45,810,316		45,810,316
Prescription Drug Rebates	(17,511,135)		(17,511,135)
Managed Care Capitations	4,733,068		4,733,068
Administration	3,993,417		3,993,417
Life Insurance	321,260		321,260
Wellness	36,000		36,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	109,633		109,633
Director's Discretionary Fund	343,798		343,798
WV RHBT Pay Go Premiums	27,103,564		27,103,564
Total Expenses	\$ 155,005,007	\$ -	\$ 155,005,007
Fiscal Year Results	\$ (16,528,042)		\$ (16,528,042)
Beginning Plan Reserve	62,336,504		62,336,504
Minimum Actuarial Reserve Required	\$ 23,749,068	\$ -	\$ 23,749,068
<u>Ending Premium Stabilization Reserve</u>	<u>22,059,394</u>	<u>-</u>	<u>22,059,394</u>
Ending Plan Reserve	\$ 45,808,462		\$ 45,808,462
Reserve as a Percent of Expenses			27%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2021

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 342,710,655	\$ -	\$ 342,710,655
Employer Premiums - MCO	37,207,914	-	37,207,914
Employee Premiums - PPB	108,190,629	-	108,190,629
Employee Premiums - MCO	12,021,753	-	12,021,753
WV RHBT Pay Go Premiums	107,896,436		107,896,436
Life Insurance	1,217,851		1,217,851
Direct Transfers	21,000,000		21,000,000
Investment Income	10,573,413		10,573,413
Litigation Settlement	-		-
COBRA Premiums	1,709,684		1,709,684
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 646,608,870	\$ -	\$ 646,608,870
<u>Program Expenses</u>			
Medical Claims	\$ 358,278,945		\$ 358,278,945
Gross Prescription Drug Claims	222,720,301		222,720,301
Prescription Drug Rebates	(85,130,132)		(85,130,132)
Managed Care Capitations	48,166,250		48,166,250
Administration	18,365,234		18,365,234
Life Insurance	1,526,101		1,526,101
Wellness	169,000		169,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	473,959		473,959
Director's Discretionary Fund	1,440,287		1,440,287
WV RHBT Pay Go Premiums	107,896,436		107,896,436
Total Expenses	\$ 673,906,381	\$ -	\$ 673,906,381
Fiscal Year Results	\$ (27,297,511)		\$ (27,297,511)
Beginning Plan Reserve	209,600,541		209,600,541
Minimum Actuarial Reserve Required	\$ 102,511,738	\$ -	\$ 102,511,738
<u>Ending Premium Stabilization Reserve</u>	<u>79,791,292</u>	<u>-</u>	<u>79,791,292</u>
Ending Plan Reserve	\$ 182,303,030		\$ 182,303,030
Reserve as a Percent of Expenses			24%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	8.5%	12.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2022**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 115,002,376	\$ 398,681,325	\$ 513,683,701
Employer Premiums - MCO	5,431,624	43,252,831	48,684,455
Employee Premiums - PPB	-	123,040,558	123,040,558
Employee Premiums - MCO	-	13,671,824	13,671,824
WV RHBT Pay Go Premiums	28,119,151	111,880,849	140,000,000
Life Insurance	269,189	1,278,743	1,547,932
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,413,621	9,721,159	12,134,780
Litigation Settlement	-	-	-
COBRA Premiums	467,222	1,978,088	2,445,310
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 152,439,648	\$ 728,585,912	\$ 881,025,560
<u>Program Expenses</u>			
Medical Claims	\$ 96,424,034	\$ 382,100,772	\$ 478,524,805
Gross Prescription Drug Claims	51,709,382	251,174,335	302,883,718
Prescription Drug Rebates	(21,033,700)	(102,156,159)	(123,189,858)
Managed Care Capitations	5,017,052	51,056,225	56,073,277
Administration	4,113,219	18,916,191	23,029,410
Life Insurance	337,323	1,602,406	1,939,729
Wellness	36,000	169,000	205,000
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	109,739	474,005	583,744
Director's Discretionary Fund	344,146	1,438,103	1,782,249
WV RHBT Pay Go Premiums	28,119,151	111,880,849	140,000,000
Total Expenses	\$ 165,176,346	\$ 716,655,728	\$ 881,832,074
Fiscal Year Results	\$ (12,736,698)	\$ 11,930,184	\$ (806,514)
Beginning Plan Reserve	45,808,461	182,303,030	228,111,492
Minimum Actuarial Reserve Required	\$ 25,254,249	\$ 108,735,996	\$ 133,990,245
<u>Ending Premium Stabilization Reserve</u>	<u>7,817,515</u>	<u>85,497,219</u>	<u>93,314,734</u>
Ending Plan Reserve	\$ 33,071,764	\$ 194,233,214	\$ 227,304,978
Reserve as a Percent of Expenses			27%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 66,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 14,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 16,500,000	Active Local	9.0%	13.0%
Direct Transfers	\$ 21,000,000	State	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2022

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 101,159,898	\$ 13,842,478	\$ 115,002,376
Employer Premiums - MCO	4,774,102	657,522	5,431,624
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	28,119,151		28,119,151
Life Insurance	269,189		269,189
Direct Transfers	-		-
Investment Income	2,413,621		2,413,621
Litigation Settlement	-		-
COBRA Premiums	467,222		467,222
Administrative Fees	736,465		736,465
Total Revenue	\$ 137,939,648	\$ 14,500,000	\$ 152,439,648
<u>Program Expenses</u>			
Medical Claims	\$ 96,424,034		\$ 96,424,034
Gross Prescription Drug Claims	51,709,382		51,709,382
Prescription Drug Rebates	(21,033,700)		(21,033,700)
Managed Care Capitations	5,017,052		5,017,052
Administration	4,113,219		4,113,219
Life Insurance	337,323		337,323
Wellness	36,000		36,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	109,739		109,739
Director's Discretionary Fund	344,146		344,146
WV RHBT Pay Go Premiums	28,119,151		28,119,151
Total Expenses	\$ 165,176,346	\$ -	\$ 165,176,346
Fiscal Year Results	\$ (27,236,698)		\$ (12,736,698)
Beginning Plan Reserve	45,808,461		45,808,461
Minimum Actuarial Reserve Required	\$ 25,254,249	\$ -	\$ 25,254,249
<u>Ending Premium Stabilization Reserve</u>	<u>(6,682,486)</u>	<u>-</u>	<u>7,817,514</u>
Ending Plan Reserve	\$ 18,571,763		\$ 33,071,763
Reserve as a Percent of Expenses			18%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 14,500,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2022

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 339,117,632	\$ 59,563,693	\$ 398,681,325
Employer Premiums - MCO	36,816,524	6,436,307	43,252,831
Employee Premiums - PPB	108,190,629	14,849,929	123,040,558
Employee Premiums - MCO	12,021,753	1,650,071	13,671,824
WV RHBT Pay Go Premiums	111,880,849		111,880,849
Life Insurance	1,278,743		1,278,743
Direct Transfers	21,000,000		21,000,000
Investment Income	9,721,159		9,721,159
Litigation Settlement	-		-
COBRA Premiums	1,978,088		1,978,088
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 646,085,912	\$ 82,500,000	\$ 728,585,912
<u>Program Expenses</u>			
Medical Claims	\$ 382,100,772		\$ 382,100,772
Gross Prescription Drug Claims	251,174,335		251,174,335
Prescription Drug Rebates	(102,156,159)		(102,156,159)
Managed Care Capitations	51,056,225		51,056,225
Administration	18,916,191		18,916,191
Life Insurance	1,602,406		1,602,406
Wellness	169,000		169,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	474,005		474,005
Director's Discretionary Fund	1,438,103		1,438,103
WV RHBT Pay Go Premiums	111,880,849		111,880,849
Total Expenses	\$ 716,655,728	\$ -	\$ 716,655,728
Fiscal Year Results	\$ (70,569,816)		\$ 11,930,184
Beginning Plan Reserve	182,303,030		182,303,030
Minimum Actuarial Reserve Required	\$ 108,735,996	\$ -	\$ 108,735,996
<u>Ending Premium Stabilization Reserve</u>	<u>2,997,218</u>	<u>-</u>	<u>85,497,218</u>
Ending Plan Reserve	\$ 111,733,214		\$ 194,233,214
Reserve as a Percent of Expenses			25%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 66,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 16,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	9.0%	13.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2023**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 126,929,537	\$ 473,583,756	\$ 600,513,293
Employer Premiums - MCO	5,995,952	51,358,911	57,354,863
Employee Premiums - PPB	-	143,560,460	143,560,460
Employee Premiums - MCO	-	15,951,922	15,951,922
WV RHBT Pay Go Premiums	30,127,661	119,872,339	150,000,000
Life Insurance	282,648	1,342,680	1,625,328
Direct Transfers	-	21,000,000	21,000,000
Investment Income	1,968,206	10,465,449	12,433,655
Litigation Settlement	-	-	-
COBRA Premiums	515,683	2,339,791	2,855,474
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 166,556,153	\$ 843,555,842	\$ 1,010,111,995
<u>Program Expenses</u>			
Medical Claims	\$ 105,366,601	\$ 417,538,194	\$ 522,904,795
Gross Prescription Drug Claims	58,574,169	284,519,900	343,094,069
Prescription Drug Rebates	(25,240,440)	(122,587,390)	(147,827,830)
Managed Care Capitations	5,318,075	54,119,599	59,437,674
Administration	4,236,616	19,483,677	23,720,293
Life Insurance	354,189	1,682,527	2,036,716
Wellness	36,000	169,000	205,000
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	109,739	474,005	583,744
Director's Discretionary Fund	343,914	1,436,824	1,780,738
WV RHBT Pay Go Premiums	30,127,661	119,872,339	150,000,000
Total Expenses	\$ 179,226,524	\$ 776,708,675	\$ 955,935,200
Fiscal Year Results	\$ (12,670,371)	\$ 66,847,167	\$ 54,176,795
Beginning Plan Reserve	33,071,764	194,233,214	227,304,978
Minimum Actuarial Reserve Required	\$ 27,494,273	\$ 118,259,452	\$ 145,753,725
<u>Ending Premium Stabilization Reserve</u>	<u>(7,092,880)</u>	<u>142,820,929</u>	<u>135,728,049</u>
Ending Plan Reserve	\$ 20,401,393	\$ 261,080,381	\$ 281,481,774
Reserve as a Percent of Expenses			30%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 91,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 14,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 22,800,000	Active Local	9.5%	13.5%
Direct Transfers	\$ 21,000,000	State	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2023

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 113,087,059	\$ 13,842,478	\$ 126,929,537
Employer Premiums - MCO	5,338,430	657,522	5,995,952
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	30,127,661		30,127,661
Life Insurance	282,648		282,648
Direct Transfers	-		-
Investment Income	1,968,206		1,968,206
Litigation Settlement	-		-
COBRA Premiums	515,683		515,683
Administrative Fees	736,465		736,465
Total Revenue	\$ 152,056,153	\$ 14,500,000	\$ 166,556,153
<u>Program Expenses</u>			
Medical Claims	\$ 105,366,601		\$ 105,366,601
Gross Prescription Drug Claims	58,574,169		58,574,169
Prescription Drug Rebates	(25,240,440)		(25,240,440)
Managed Care Capitations	5,318,075		5,318,075
Administration	4,236,616		4,236,616
Life Insurance	354,189		354,189
Wellness	36,000		36,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	109,739		109,739
Director's Discretionary Fund	343,914		343,914
WV RHBT Pay Go Premiums	30,127,661		30,127,661
Total Expenses	\$ 179,226,524	\$ -	\$ 179,226,524
Fiscal Year Results	\$ (27,170,371)		\$ (12,670,371)
Beginning Plan Reserve	33,071,764		33,071,764
Minimum Actuarial Reserve Required	\$ 27,494,273	\$ -	\$ 27,494,273
<u>Ending Premium Stabilization Reserve</u>	<u>(21,592,880)</u>	<u>-</u>	<u>(7,092,880)</u>
Ending Plan Reserve	\$ 5,901,393		\$ 20,401,393
Reserve as a Percent of Expenses			10%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 14,500,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2023

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 391,458,058	\$ 82,125,698	\$ 473,583,756
Employer Premiums - MCO	42,484,609	8,874,302	51,358,911
Employee Premiums - PPB	123,040,558	20,519,902	143,560,460
Employee Premiums - MCO	13,671,824	2,280,098	15,951,922
WV RHBT Pay Go Premiums	119,872,339		119,872,339
Life Insurance	1,342,680		1,342,680
Direct Transfers	21,000,000		21,000,000
Investment Income	10,465,449		10,465,449
Litigation Settlement	-		-
COBRA Premiums	2,339,791		2,339,791
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 729,755,842	\$ 113,800,000	\$ 843,555,842
<u>Program Expenses</u>			
Medical Claims	\$ 417,538,194		\$ 417,538,194
Gross Prescription Drug Claims	284,519,900		284,519,900
Prescription Drug Rebates	(122,587,390)		(122,587,390)
Managed Care Capitations	54,119,599		54,119,599
Administration	19,483,677		19,483,677
Life Insurance	1,682,527		1,682,527
Wellness	169,000		169,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	474,005		474,005
Director's Discretionary Fund	1,436,824		1,436,824
WV RHBT Pay Go Premiums	119,872,339		119,872,339
Total Expenses	\$ 776,708,675	\$ -	\$ 776,708,675
Fiscal Year Results	\$ (46,952,833)		\$ 66,847,167
Beginning Plan Reserve	194,233,214		194,233,214
Minimum Actuarial Reserve Required	\$ 118,259,452	\$ -	\$ 118,259,452
<u>Ending Premium Stabilization Reserve</u>	<u>29,020,929</u>	<u>-</u>	<u>142,820,929</u>
Ending Plan Reserve	\$ 147,280,381		\$ 261,080,381
Reserve as a Percent of Expenses			31%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 91,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 22,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	9.5%	13.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2024**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 153,653,831	\$ 525,021,701	\$ 678,675,531
Employer Premiums - MCO	7,263,148	56,929,476	64,192,625
Employee Premiums - PPB	-	158,230,390	158,230,390
Employee Premiums - MCO	-	17,581,992	17,581,992
WV RHBT Pay Go Premiums	32,136,172	127,863,828	160,000,000
Life Insurance	296,781	1,409,814	1,706,595
Direct Transfers	-	21,000,000	21,000,000
Investment Income	1,532,522	13,435,764	14,968,286
Litigation Settlement	-	-	-
COBRA Premiums	624,275	2,590,395	3,214,670
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 196,243,194	\$ 928,143,895	\$ 1,124,387,089
<u>Program Expenses</u>			
Medical Claims	\$ 115,665,554	\$ 458,350,699	\$ 574,016,254
Gross Prescription Drug Claims	66,643,282	323,715,500	390,358,782
Prescription Drug Rebates	(30,288,528)	(147,104,868)	(177,393,396)
Managed Care Capitations	5,637,160	57,366,775	63,003,935
Administration	4,363,714	20,068,187	24,431,901
Life Insurance	371,899	1,766,653	2,138,552
Wellness	36,000	169,000	205,000
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	109,739	474,005	583,744
Director's Discretionary Fund	343,694	1,435,548	1,779,242
WV RHBT Pay Go Premiums	32,136,172	127,863,828	160,000,000
Total Expenses	\$ 195,018,687	\$ 844,105,327	\$ 1,039,124,014
Fiscal Year Results	\$ 1,224,507	\$ 84,038,568	\$ 85,263,075
Beginning Plan Reserve	20,401,393	261,080,381	281,481,774
Minimum Actuarial Reserve Required	\$ 30,059,480	\$ 129,144,079	\$ 159,203,558
<u>Ending Premium Stabilization Reserve</u>	<u>(8,433,580)</u>	<u>215,974,870</u>	<u>207,541,291</u>
Ending Plan Reserve	\$ 21,625,900	\$ 345,118,949	\$ 366,744,849
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 65,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 30,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 16,300,000	Active Local	10.0%	14.0%
Direct Transfers	\$ 21,000,000	State	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - LOCAL FUND

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2024**

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 125,014,221	\$ 28,639,610	\$ 153,653,831
Employer Premiums - MCO	5,902,758	1,360,390	7,263,148
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	32,136,172		32,136,172
Life Insurance	296,781		296,781
Direct Transfers	-		-
Investment Income	1,532,522		1,532,522
Litigation Settlement	-		-
COBRA Premiums	624,275		624,275
Administrative Fees	736,465		736,465
Total Revenue	\$ 166,243,194	\$ 30,000,000	\$ 196,243,194
<u>Program Expenses</u>			
Medical Claims	\$ 115,665,554		\$ 115,665,554
Gross Prescription Drug Claims	66,643,282		66,643,282
Prescription Drug Rebates	(30,288,528)		(30,288,528)
Managed Care Capitations	5,637,160		5,637,160
Administration	4,363,714		4,363,714
Life Insurance	371,899		371,899
Wellness	36,000		36,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	109,739		109,739
Director's Discretionary Fund	343,694		343,694
WV RHBT Pay Go Premiums	32,136,172		32,136,172
Total Expenses	\$ 195,018,686	\$ -	\$ 195,018,686
Fiscal Year Results	\$ (28,775,492)		\$ 1,224,508
Beginning Plan Reserve	20,401,393		20,401,393
Minimum Actuarial Reserve Required	\$ 30,059,480	\$ -	\$ 30,059,480
<u>Ending Premium Stabilization Reserve</u>	<u>(38,433,579)</u>	<u>-</u>	<u>(8,433,579)</u>
Ending Plan Reserve	\$ (8,374,099)		\$ 21,625,901
Reserve as a Percent of Expenses			10%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 30,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2024

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 466,360,488	\$ 58,661,213	\$ 525,021,701
Employer Premiums - MCO	50,590,689	6,338,787	56,929,476
Employee Premiums - PPB	143,560,460	14,669,930	158,230,390
Employee Premiums - MCO	15,951,922	1,630,070	17,581,992
WV RHBT Pay Go Premiums	127,863,828		127,863,828
Life Insurance	1,409,814		1,409,814
Direct Transfers	21,000,000		21,000,000
Investment Income	13,435,764		13,435,764
Litigation Settlement	-		-
COBRA Premiums	2,590,395		2,590,395
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 846,843,895	\$ 81,300,000	\$ 928,143,895
<u>Program Expenses</u>			
Medical Claims	\$ 458,350,699		\$ 458,350,699
Gross Prescription Drug Claims	323,715,500		323,715,500
Prescription Drug Rebates	(147,104,868)		(147,104,868)
Managed Care Capitations	57,366,775		57,366,775
Administration	20,068,187		20,068,187
Life Insurance	1,766,653		1,766,653
Wellness	169,000		169,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	474,005		474,005
Director's Discretionary Fund	1,435,548		1,435,548
WV RHBT Pay Go Premiums	127,863,828		127,863,828
Total Expenses	\$ 844,105,326	\$ -	\$ 844,105,326
Fiscal Year Results	\$ 2,738,569		\$ 84,038,569
Beginning Plan Reserve	261,080,381		261,080,381
Minimum Actuarial Reserve Required	\$ 129,144,079	\$ -	\$ 129,144,079
<u>Ending Premium Stabilization Reserve</u>	<u>134,674,871</u>	<u>-</u>	<u>215,974,871</u>
Ending Plan Reserve	\$ 263,818,950		\$ 345,118,950
Reserve as a Percent of Expenses			37%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 65,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 16,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	10.0%	14.0%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2025**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 170,831,587	\$ 583,679,488	\$ 754,511,075
Employer Premiums - MCO	8,076,881	63,280,200	71,357,081
Employee Premiums - PPB	-	174,700,312	174,700,312
Employee Premiums - MCO	-	19,412,070	19,412,070
WV RHBT Pay Go Premiums	34,144,683	135,855,317	170,000,000
Life Insurance	311,620	1,480,305	1,791,925
Direct Transfers	-	21,000,000	21,000,000
Investment Income	1,660,485	17,126,316	18,786,801
Litigation Settlement	-	-	-
COBRA Premiums	694,073	2,875,183	3,569,256
Administrative Fees	736,465	4,080,535	4,817,000
Total Revenue	\$ 216,455,794	\$ 1,023,489,726	\$ 1,239,945,520
<u>Program Expenses</u>			
Medical Claims	\$ 127,549,715	\$ 505,445,068	\$ 632,994,783
Gross Prescription Drug Claims	76,157,326	369,929,873	446,087,199
Prescription Drug Rebates	(36,346,233)	(176,525,842)	(212,872,075)
Managed Care Capitations	5,975,389	60,808,781	66,784,170
Administration	4,494,626	20,670,233	25,164,859
Life Insurance	390,494	1,854,986	2,245,480
Wellness	36,000	169,000	205,000
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	109,739	474,005	583,744
Director's Discretionary Fund	343,481	1,434,277	1,777,758
WV RHBT Pay Go Premiums	34,144,683	135,855,317	170,000,000
Total Expenses	\$ 212,855,220	\$ 920,115,698	\$ 1,132,970,918
Fiscal Year Results	\$ 3,600,574	\$ 103,374,028	\$ 106,974,602
Beginning Plan Reserve	21,625,900	345,118,949	366,744,849
Minimum Actuarial Reserve Required	\$ 33,006,283	\$ 141,626,266	\$ 174,632,549
<u>Ending Premium Stabilization Reserve</u>	<u>(7,779,809)</u>	<u>306,866,711</u>	<u>299,086,902</u>
Ending Plan Reserve	\$ 25,226,474	\$ 448,492,977	\$ 473,719,451
Reserve as a Percent of Expenses			41%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 73,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 18,300,000	Active Local	10.5%	14.5%
Direct Transfers	\$ 21,000,000	State	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - LOCAL FUND

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2025**

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 151,738,514	\$ 19,093,073	\$ 170,831,587
Employer Premiums - MCO	7,169,954	906,927	8,076,881
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	34,144,683		34,144,683
Life Insurance	311,620		311,620
Direct Transfers	-		-
Investment Income	1,660,485		1,660,485
Litigation Settlement	-		-
COBRA Premiums	694,073		694,073
Administrative Fees	736,465		736,465
Total Revenue	\$ 196,455,794	\$ 20,000,000	\$ 216,455,794
<u>Program Expenses</u>			
Medical Claims	\$ 127,549,715		\$ 127,549,715
Gross Prescription Drug Claims	76,157,326		76,157,326
Prescription Drug Rebates	(36,346,233)		(36,346,233)
Managed Care Capitations	5,975,389		5,975,389
Administration	4,494,626		4,494,626
Life Insurance	390,494		390,494
Wellness	36,000		36,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	109,739		109,739
Director's Discretionary Fund	343,481		343,481
WV RHBT Pay Go Premiums	34,144,683		34,144,683
Total Expenses	\$ 212,855,220	\$ -	\$ 212,855,220
Fiscal Year Results	\$ (16,399,426)		\$ 3,600,574
Beginning Plan Reserve	21,625,900		21,625,900
Minimum Actuarial Reserve Required	\$ 33,006,283	\$ -	\$ 33,006,283
<u>Ending Premium Stabilization Reserve</u>	<u>(27,779,808)</u>	<u>-</u>	<u>(7,779,808)</u>
Ending Plan Reserve	\$ 5,226,474		\$ 25,226,474
Reserve as a Percent of Expenses			11%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2025

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 517,798,433	\$ 65,881,055	\$ 583,679,488
Employer Premiums - MCO	56,161,255	7,118,945	63,280,200
Employee Premiums - PPB	158,230,390	16,469,922	174,700,312
Employee Premiums - MCO	17,581,992	1,830,078	19,412,070
WV RHBT Pay Go Premiums	135,855,317		135,855,317
Life Insurance	1,480,305		1,480,305
Direct Transfers	21,000,000		21,000,000
Investment Income	17,126,316		17,126,316
Litigation Settlement	-		-
COBRA Premiums	2,875,183		2,875,183
Administrative Fees	4,080,535		4,080,535
Total Revenue	\$ 932,189,726	\$ 91,300,000	\$ 1,023,489,726
<u>Program Expenses</u>			
Medical Claims	\$ 505,445,068		\$ 505,445,068
Gross Prescription Drug Claims	369,929,873		369,929,873
Prescription Drug Rebates	(176,525,842)		(176,525,842)
Managed Care Capitations	60,808,781		60,808,781
Administration	20,670,233		20,670,233
Life Insurance	1,854,986		1,854,986
Wellness	169,000		169,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	474,005		474,005
Director's Discretionary Fund	1,434,277		1,434,277
WV RHBT Pay Go Premiums	135,855,317		135,855,317
Total Expenses	\$ 920,115,698	\$ -	\$ 920,115,698
Fiscal Year Results	\$ 12,074,028		\$ 103,374,028
Beginning Plan Reserve	345,118,949		345,118,949
Minimum Actuarial Reserve Required	\$ 141,626,266	\$ -	\$ 141,626,266
<u>Ending Premium Stabilization Reserve</u>	<u>215,566,711</u>	<u>-</u>	<u>306,866,711</u>
Ending Plan Reserve	\$ 357,192,977		\$ 448,492,977
Reserve as a Percent of Expenses			44%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 73,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 18,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	10.5%	14.5%
		Prescription Drug Rebates		20.0%
		Capitations		6.0%
		Administrative Expense		3.0%

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

Fiscal Year 2020												
Exposure	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>
Local Medical	25,896	26,417	26,500	26,626	26,640	26,612	26,689	26,637	26,717	26,632	26,565	26,500
State Medical	117,370	117,050	117,339	117,648	117,764	117,881	117,935	117,674	117,949	118,226	118,346	118,357
Local Drugs	25,896	26,417	26,500	26,626	26,640	26,612	26,689	26,637	26,717	26,632	26,565	26,500
State Drugs	117,370	117,050	117,339	117,648	117,764	117,881	117,935	117,674	117,949	118,226	118,346	118,357
	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>	<u>Oct-19</u>	<u>Nov-19</u>	<u>Dec-19</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>	<u>Apr-20</u>	<u>May-20</u>	<u>Jun-20</u>
Local Medical	\$199.15	\$186.22	\$197.58	\$235.18	\$189.88	\$210.44	\$243.61	\$233.23	\$214.26	\$130.42	\$210.88	\$269.52
State Medical	227.07	220.38	211.90	250.30	252.51	267.61	252.94	242.59	213.88	164.41	210.31	292.25
Local Drugs	105.67	113.68	110.35	125.00	109.22	122.32	131.71	125.17	150.44	132.67	122.28	143.83
State Drugs	<u>113.53</u>	<u>119.64</u>	<u>122.77</u>	<u>132.09</u>	<u>124.05</u>	<u>134.93</u>	<u>147.32</u>	<u>138.38</u>	<u>165.25</u>	<u>145.30</u>	<u>141.21</u>	<u>162.44</u>
Total	\$645.43	\$639.92	\$642.60	\$742.56	\$675.66	\$735.30	\$775.59	\$739.37	\$743.83	\$572.80	\$684.68	\$868.05
Change From Prior Year - Month to Month Analysis												
Local Medical	30.0%	2.3%	0.1%	7.9%	-18.1%	5.9%	-8.2%	5.4%	-10.3%	-51.2%	-10.3%	9.9%
State Medical	9.7%	10.7%	16.8%	2.3%	17.2%	26.1%	-1.5%	6.2%	-13.7%	-32.0%	-17.3%	16.0%
Local Drugs	8.5%	8.1%	19.4%	10.9%	6.2%	21.1%	3.4%	13.6%	16.0%	4.1%	-9.0%	17.0%
State Drugs	<u>10.9%</u>	<u>11.0%</u>	<u>22.6%</u>	<u>10.4%</u>	<u>16.0%</u>	<u>24.9%</u>	<u>11.7%</u>	<u>18.5%</u>	<u>27.9%</u>	<u>2.9%</u>	<u>5.2%</u>	<u>20.9%</u>
Total	15.3%	7.7%	12.5%	6.8%	2.8%	18.6%	-0.7%	9.2%	-0.2%	-26.4%	-9.7%	15.1%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			9.4%			-2.0%			-4.8%			-18.3%
State Medical			12.2%			14.6%			-3.2%			-10.8%
Local Drugs			11.8%			12.6%			10.9%			3.7%
State Drugs			<u>14.7%</u>			<u>16.9%</u>			<u>19.3%</u>			<u>9.6%</u>
Total			11.7%			9.2%			2.5%			-7.2%
Change From Prior Year - Year to Year Analysis												
Local Medical			9.0%			6.2%			1.2%			-5.1%
State Medical			8.9%			9.6%			5.4%			2.4%
Local Drugs			17.0%			18.3%			13.9%			9.4%
State Drugs			<u>18.9%</u>			<u>19.7%</u>			<u>18.4%</u>			<u>15.0%</u>
Total			11.9%			11.5%			7.6%			3.3%

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

Fiscal Year 2021

Exposure

	<u>Jul-20</u>	<u>Aug-20</u>
Local Medical	29,745	29,911
State Medical	118,239	117,667
Local Drugs	29,745	29,911
State Drugs	118,239	117,667

	<u>Jul-20</u>	<u>Aug-20</u>
Local Medical	\$185.27	\$196.64
State Medical	225.11	237.38
Local Drugs	116.02	109.01
State Drugs	<u>132.66</u>	<u>132.30</u>
Total	\$659.06	\$675.33

Change From Prior Year - Month to Month Analysis

Local Medical	-7.0%	5.6%
State Medical	-0.9%	7.7%
Local Drugs	9.8%	-4.1%
State Drugs	<u>16.8%</u>	<u>10.6%</u>
Total	2.1%	5.5%

Change From Prior Year - Quarter to Quarter Analysis

Local Medical

State Medical

Local Drugs

State Drugs

Total

Change From Prior Year - Year to Year Analysis

Local Medical

State Medical

Local Drugs

State Drugs

Total