

# STATE OF WEST VIRGINIA



## **PUBLIC EMPLOYEES INSURANCE AGENCY**

**Fiscal Year 2021  
Financial Report**

**Fiscal Years 2021-2026**

*Report Date: October 2021 (Revision November 2021)*

***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 2020 for the fiscal year 2022 (“FY 2022”) and to provide quarterly financial reports for current FY 2021 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 2021 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 2026.

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 2021 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, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”) and June 30, 2026 (“FY 2026”). Our opinion of plan adequacy is based on the projections through FY 2026 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2020. 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 2021 the Pay-Go is equivalent to \$263 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2020.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY2020 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 2026 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 2021 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2020.

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 2026 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 2021 – FY 2026**

#### **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 2021 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 2021 enrollment levels for the duration of these forecasts for active employees.

In aggregate, September 2021 enrollment for active employees has decreased by 438 coverages since the end of FY 2021. Aggregate PPB enrollment has decreased by 394 in total over the same period, while managed care enrollment experienced a decrease of 44 coverages.

In the State Fund, the overall active State enrollment decreased by 528 coverages from the end of FY 2021 to September 2021. And in the Local Fund, the overall active Local enrollment increased by 90 coverages from the end of FY 2021 to September 2021.

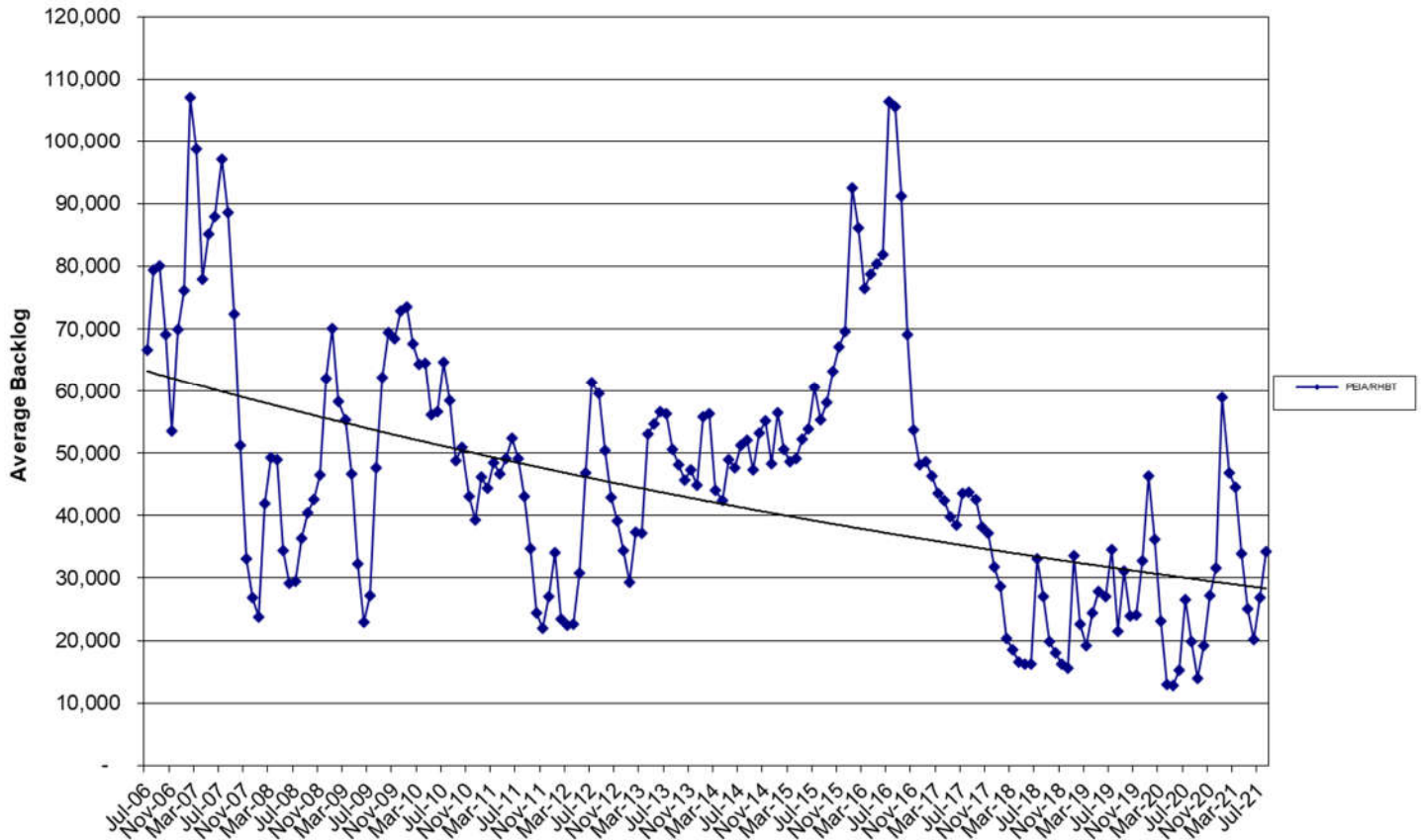
The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2020, June 2021, and September 2021 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-20	Jun-21	Sep-21	Jun-20	Jun-21	Sep-21
State Active	Single	21,654	21,489	21,295	2,428	2,465	2,427
	Children	6,036	5,918	5,787	660	683	679
	Family	27,002	26,905	26,764	2,773	2,775	2,755
	Total	54,692	54,312	53,846	5,861	5,923	5,861
Local Active	Single	6,052	6,771	6,801	421	452	448
	Children	1,084	1,304	1,325	99	104	108
	Family	5,720	6,581	6,602	194	213	231
	Total	12,856	14,656	14,728	714	769	787
Plan Total		67,548	68,968	68,574	6,575	6,692	6,648
Grand Total					74,123	75,660	75,222

## 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 August 2021



### C. Trend Analysis

PEIA experienced a low medical trend and a high prescription drugs trend in FY 2021, and over the past few years, total trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2020 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the FY 2022 medical claim trend is 6.0%, the gross prescription drugs claim trend is 13.5% and the prescription drugs rebate trend is 15.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2022 Trend	Updated Assumption FY 2022 Trend
Active Local – Medical	6.0%	6.0%
State – Medical	6.0%	6.0%
Active Local – Gross Drugs	13.5%	13.5%
State – Gross Drugs	13.5%	13.5%
Prescription Drugs Rebate	15.0%	15.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the drugs claim trends for the financial projection will increase by 0.5% in FY 2023 and in each successive fiscal year. Medical trends are assumed to increase 1.0% in FY 2023, and then 0.5% thereafter. Additionally, drug rebates have been trending at approximately 30% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 15% in the financial plan.

At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends. 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 2021. It is important to note that these trends *have not* been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies, nor 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)**

<b>Fiscal Year</b>	<b>Active Local Medical</b>	<b>State Medical</b>	<b>Active Local Drugs</b>	<b>State Drugs</b>	<b>Total</b>
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	-7%	0%	9%	15%	4%
2021	29%	16%	16%	13%	16%
2022*	26%	14%	19%	13%	14%

\* Fiscal Year 2022 results are through the first two months ending August 2021.

## D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through August 2021 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 2021 and the projection of FY 2022 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2021 Result			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	54,444	\$529	\$167	\$569	\$215	\$698
	Managed Care	5,867	\$536	\$173			
	Total	60,311					
Local	PPB	14,551	\$652	\$0	\$551	\$190	\$539
	Managed Care	747	\$572	\$0			
	Total	15,298					

\*Net of rebates and subsidies.

Fiscal Year 2022 Projection			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	53,839	\$575	\$168	\$603	\$243	\$741
	Managed Care	5,861	\$580	\$174			
	Total	59,700					
Local	PPB	14,726	\$679	\$0	\$575	\$211	\$542
	Managed Care	787	\$594	\$0			
	Total	15,513					

\*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 2020

Source	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>Additional State Employer Revenue</b>	\$0	\$0	\$41,000,000	\$81,000,000	\$52,500,000	\$99,000,000
<b>Additional Local Agency Revenue</b>	\$0	\$0	\$10,000,000	\$28,500,000	\$17,000,000	\$59,000,000
<b>Additional Employee Premium</b>	\$0	\$0	\$10,300,000	\$20,300,000	\$13,100,000	\$24,800,000
<b>State Direct Transfers (State Budget Appropriations)</b>	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000
<b>State Direct Transfers (PEIA Rainy Day Fund)</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions and Savings / (Increase) - Active State</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Benefit Reductions and Savings / (Increase) - Active Local</b>	\$0	\$0	\$0	\$0	\$0	\$0
<b>Pay Go Premium Transfer</b>	\$137,259,572	\$100,000,000	\$110,000,000	\$120,000,000	\$130,000,000	\$140,000,000

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

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

There is another one-time added cost for the Inpatient Medicaid swap discount adjustment. \$4,000,000 per year has been allocated between PEIA State medical and Local medical claims in FY 2021 and FY 2022.

## **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 2021 RESULT**

The financial result for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2021 projects accrued revenue of \$831,879,801 and incurred plan expenses of \$858,278,667 to produce a fiscal year deficit of (\$26,398,866). The PEIA local and state agencies Pay Go premiums for FY 2021 are \$137,259,572.

Under the Baseline Scenario, FY 2021 ends with a reserve of \$245,538,630 and the FY 2021 PEIA/RHBT combined, projected plan expenditures of \$933,201,615, which represents 26% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$129,055,720. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario.

### **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 \$802,721,949 and incurred plan expenses of \$872,955,456 to produce a fiscal year deficit of (\$70,233,507). The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$100,000,000.

Under the Baseline Scenario, FY 2022 is projected to end with a reserve of \$175,305,122 and the FY 2022 PEIA/RHBT combined, projected plan expenditures of \$954,503,328, which represents 18% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$133,729,518. 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 \$183,398,284 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$167,256,646.

## **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 \$861,880,626 and incurred plan expenses of \$928,557,904 to produce a fiscal year deficit of (\$66,677,278). The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$110,000,000.

Under the Baseline Scenario, FY 2023 is projected to end with a reserve of \$108,627,844 and the FY 2023 PEIA/RHBT combined, projected plan expenditures of \$985,325,329, which represents 11% of projected expenditures based on the current reserve methodology. The projected reserve does not meet the minimum actuarial required reserve of \$139,107,856. 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 \$141,496,934 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$75,533,516.

## **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 \$989,996,885 and incurred plan expenses of \$1,009,302,088 to produce a fiscal year deficit of (\$19,305,203). The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$120,000,000.

Under the Baseline Scenario, FY 2024 is projected to end with a reserve of \$89,322,641 and the FY 2024 PEIA/RHBT combined, projected plan expenditures of \$1,072,593,111, which represents 8% of projected expenditures based on the current reserve methodology. The projected reserve does not meet the minimum actuarial required reserve of \$151,556,871. 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 \$167,216,535 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$9,912,279.

## **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 \$1,072,667,988 and incurred plan expenses of \$1,101,690,468 to produce a fiscal year deficit of (\$29,022,480). The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$130,000,000.

Under the Baseline Scenario, FY 2025 is projected to end with a reserve of \$60,300,161 and the FY 2025 PEIA/RHBT combined, projected plan expenditures of \$1,172,510,904, which represents 5% of projected expenditures based on the current reserve methodology. The projected reserve does not meet the minimum actuarial required reserve of \$165,914,776. 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 \$207,804,988 and under the Pessimistic Scenario, the ending reserve is expected to decrease to (\$91,972,310).

## **FISCAL YEAR 2026 FORECAST**

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$1,255,602,094 and incurred plan expenses of \$1,207,963,182 to produce a fiscal year surplus of \$47,638,912. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$140,000,000.

Under the Baseline Scenario, FY 2026 is projected to end with a reserve of \$107,939,073 and the FY 2026 PEIA/RHBT combined, projected plan expenditures of \$1,288,024,638, which represents 8% of projected expenditures based on the current reserve methodology. The projected reserve does not meet the minimum actuarial required reserve of \$182,603,011. 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 \$354,997,795 and under the Pessimistic Scenario, the ending reserve is expected to decrease to (\$150,344,941).

## **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 2026, using the Baseline assumptions. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2020 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement, possible changes in methodology of managed care premium calculation, and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as 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 2021**

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

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 113,788,354	\$ 345,416,266	\$ 459,204,621
Employer Premiums - MCO	5,129,317	37,723,687	42,853,004
Employee Premiums - PPB	-	108,828,332	108,828,332
Employee Premiums - MCO	-	12,187,389	12,187,389
WV RHBT Pay Go Premiums	27,771,784	109,487,788	137,259,572
Life Insurance	449,392	2,093,478	2,542,870
Direct Transfers	-	21,000,000	21,000,000
Investment Income	9,088,268	31,528,554	40,616,822
Litigation Settlement	-	-	-
COBRA Premiums	479,815	1,992,276	2,472,091
Administrative Fees	751,464	4,163,636	4,915,100
Total Revenue	\$ 157,458,394	\$ 674,421,407	\$ 831,879,801
<u>Program Expenses</u>			
Medical Claims	\$ 96,243,029	\$ 371,677,061	\$ 467,920,090
Gross Prescription Drug Claims	51,852,190	219,188,714	271,040,904
Prescription Drug Rebates	(18,700,320)	(79,049,680)	(97,750,000)
Managed Care Capitations	4,828,932	49,141,818	53,970,750
Administration	4,013,846	18,698,374	22,712,220
Life Insurance	449,392	2,093,478	2,542,870
Wellness	23,192	108,038	131,230
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	85,209	365,822	451,031
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	27,771,784	109,487,788	137,259,572
Total Expenses	\$ 166,567,254	\$ 691,711,413	\$ 858,278,667
Fiscal Year Results	\$ (9,108,860)	\$ (17,290,006)	\$ (26,398,866)
Beginning Plan Reserve	62,336,504	209,600,991	271,937,495
Minimum Actuarial Reserve Required	\$ 20,349,292	\$ 83,813,167	\$ 104,162,459
<u>Ending Premium Stabilization Reserve</u>	<u>32,878,352</u>	<u>108,497,819</u>	<u>141,376,171</u>
Ending Plan Reserve	\$ 53,227,644	\$ 192,310,986	\$ 245,538,630
Reserve as a Percent of Expenses			34%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employer Premiums	\$ -	Active Local	5.0%	13.0%
Additional Local Agency Revenue	\$ -	State	5.0%	13.0%
Additional State Employee Premiums	\$ -	Prescription Drug Rebates		0.0%
Direct Transfers	\$ 21,000,000	Capitations		8.1%
		Administrative Expense		-10.8%

**APPENDIX - BASELINE SCENARIO**  
**PEIA - LOCAL FUND**

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

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

<b>Local Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 113,788,354	\$ -	\$ 113,788,354
Employer Premiums - MCO	5,129,317	-	5,129,317
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	27,771,784		27,771,784
Life Insurance	449,392		449,392
Direct Transfers	-		-
Investment Income	9,088,268		9,088,268
Litigation Settlement	-		-
COBRA Premiums	479,815		479,815
Administrative Fees	751,464		751,464
<b>Total Revenue</b>	<b>\$ 157,458,394</b>	<b>\$ -</b>	<b>\$ 157,458,394</b>
<u>Program Expenses</u>			
Medical Claims	\$ 96,243,029		\$ 96,243,029
Gross Prescription Drug Claims	51,852,190		51,852,190
Prescription Drug Rebates	(18,700,320)		(18,700,320)
Managed Care Capitations	4,828,932		4,828,932
Administration	4,013,846		4,013,846
Life Insurance	449,392		449,392
Wellness	23,192		23,192
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	85,209		85,209
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	27,771,784		27,771,784
<b>Total Expenses</b>	<b>\$ 166,567,254</b>	<b>\$ -</b>	<b>\$ 166,567,254</b>
Fiscal Year Results	\$ (9,108,860)		\$ (9,108,860)
Beginning Plan Reserve	62,336,504		62,336,504
Minimum Actuarial Reserve Required	\$ 20,349,292	\$ -	\$ 20,349,292
<u>Ending Premium Stabilization Reserve</u>	<u>32,878,352</u>	<u>-</u>	<u>32,878,352</u>
Ending Plan Reserve	\$ 53,227,644		\$ 53,227,644
Reserve as a Percent of Expenses			38%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ -	<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	5.0%	13.0%
		Prescription Drug Rebates		0.0%
		Capitations		8.1%
		Administrative Expense		-10.8%



**APPENDIX - BASELINE SCENARIO**  
**PEIA - STATE FUND**

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

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 345,416,266	\$ -	\$ 345,416,266
Employer Premiums - MCO	37,723,687	-	37,723,687
Employee Premiums - PPB	108,828,332	-	108,828,332
Employee Premiums - MCO	12,187,389	-	12,187,389
WV RHBT Pay Go Premiums	109,487,788		109,487,788
Life Insurance	2,093,478		2,093,478
Direct Transfers	21,000,000		21,000,000
Investment Income	31,528,554		31,528,554
Litigation Settlement	-		-
COBRA Premiums	1,992,276		1,992,276
Administrative Fees	4,163,636		4,163,636
Total Revenue	\$ 674,421,407	\$ -	\$ 674,421,407
<u>Program Expenses</u>			
Medical Claims	\$ 371,677,061		\$ 371,677,061
Gross Prescription Drug Claims	219,188,714		219,188,714
Prescription Drug Rebates	(79,049,680)		(79,049,680)
Managed Care Capitations	49,141,818		49,141,818
Administration	18,698,374		18,698,374
Life Insurance	2,093,478		2,093,478
Wellness	108,038		108,038
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	365,822		365,822
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	109,487,788		109,487,788
Total Expenses	\$ 691,711,413	\$ -	\$ 691,711,413
Fiscal Year Results	\$ (17,290,006)		\$ (17,290,006)
Beginning Plan Reserve	209,600,991		209,600,991
Minimum Actuarial Reserve Required	\$ 83,813,167	\$ -	\$ 83,813,167
<u>Ending Premium Stabilization Reserve</u>	<u>108,497,818</u>	<u>-</u>	<u>108,497,818</u>
Ending Plan Reserve	\$ 192,310,985		\$ 192,310,985
Reserve as a Percent of Expenses			33%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ -	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	5.0%	13.0%
		Prescription Drug Rebates		
		0.0%		
		Capitations		
		8.1%		
		Administrative Expense		
		-10.8%		

**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**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 120,003,284	\$ 371,565,632	\$ 491,568,916
Employer Premiums - MCO	5,605,489	40,803,081	46,408,570
Employee Premiums - PPB	-	108,492,107	108,492,107
Employee Premiums - MCO	-	12,221,978	12,221,978
WV RHBT Pay Go Premiums	20,624,521	79,375,479	100,000,000
Life Insurance	471,861	2,198,151	2,670,012
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,739,473	10,092,392	12,831,865
Litigation Settlement	-	-	-
COBRA Premiums	506,813	2,106,588	2,613,401
Administrative Fees	751,464	4,163,636	4,915,100
<b>Total Revenue</b>	<b>\$ 150,702,906</b>	<b>\$ 652,019,043</b>	<b>\$ 802,721,949</b>
<u>Program Expenses</u>			
Medical Claims	\$ 101,619,348	\$ 389,598,564	\$ 491,217,912
Gross Prescription Drug Claims	58,963,434	247,515,771	306,479,205
Prescription Drug Rebates	(21,593,635)	(90,611,331)	(112,204,966)
Managed Care Capitations	5,118,668	52,090,327	57,208,995
Administration	4,134,261	19,259,325	23,393,586
Life Insurance	471,861	2,198,151	2,670,012
Wellness	388,333	1,542,897	1,931,230
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	86,343	362,336	448,679
Director's Discretionary Fund	367,155	1,443,648	1,810,803
WV RHBT Pay Go Premiums	20,624,521	79,375,479	100,000,000
<b>Total Expenses</b>	<b>\$ 170,180,289</b>	<b>\$ 702,775,167</b>	<b>\$ 872,955,456</b>
Fiscal Year Results	\$ (19,477,383)	\$ (50,756,124)	\$ (70,233,507)
Beginning Plan Reserve	53,227,644	192,310,986	245,538,630
Minimum Actuarial Reserve Required	\$ 21,923,392	\$ 89,737,301	\$ 111,660,693
<u>Ending Premium Stabilization Reserve</u>	<u>11,826,869</u>	<u>51,817,560</u>	<u>63,644,429</u>
Ending Plan Reserve	\$ 33,750,261	\$ 141,554,862	\$ 175,305,122
Reserve as a Percent of Expenses			26%

**KEY ASSUMPTIONS**

		<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employer Premiums	\$ -	Active Local	6.0%	13.5%
Additional Local Agency Revenue	\$ -	State	6.0%	13.5%
Additional State Employee Premiums	\$ -	Prescription Drug Rebates		15.0%
Direct Transfers	\$ 21,000,000	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**

<b>Local Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 120,003,284	\$ -	\$ 120,003,284
Employer Premiums - MCO	5,605,489	-	5,605,489
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	20,624,521		20,624,521
Life Insurance	471,861		471,861
Direct Transfers	-		-
Investment Income	2,739,473		2,739,473
Litigation Settlement	-		-
COBRA Premiums	506,813		506,813
Administrative Fees	751,464		751,464
<b>Total Revenue</b>	<b>\$ 150,702,906</b>	<b>\$ -</b>	<b>\$ 150,702,906</b>
<u>Program Expenses</u>			
Medical Claims	\$ 101,619,348		\$ 101,619,348
Gross Prescription Drug Claims	58,963,434		58,963,434
Prescription Drug Rebates	(21,593,635)		(21,593,635)
Managed Care Capitations	5,118,668		5,118,668
Administration	4,134,261		4,134,261
Life Insurance	471,861		471,861
Wellness	388,333		388,333
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	86,343		86,343
Director's Discretionary Fund	367,155		367,155
WV RHBT Pay Go Premiums	20,624,521		20,624,521
<b>Total Expenses</b>	<b>\$ 170,180,290</b>	<b>\$ -</b>	<b>\$ 170,180,290</b>
Fiscal Year Results	\$ (19,477,384)		\$ (19,477,384)
Beginning Plan Reserve	53,227,644		53,227,644
Minimum Actuarial Reserve Required	\$ 21,923,392	\$ -	\$ 21,923,392
<u>Ending Premium Stabilization Reserve</u>	<u>11,826,868</u>	<u>-</u>	<u>11,826,868</u>
Ending Plan Reserve	\$ 33,750,260		\$ 33,750,260
Reserve as a Percent of Expenses			23%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ -	<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	6.0%	13.5%
		Prescription Drug Rebates		15.0%
		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**

<b>State Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 371,565,632	\$ -	\$ 371,565,632
Employer Premiums - MCO	40,803,081	-	40,803,081
Employee Premiums - PPB	108,492,107	-	108,492,107
Employee Premiums - MCO	12,221,978	-	12,221,978
WV RHBT Pay Go Premiums	79,375,479		79,375,479
Life Insurance	2,198,151		2,198,151
Direct Transfers	21,000,000		21,000,000
Investment Income	10,092,392		10,092,392
Litigation Settlement	-		-
COBRA Premiums	2,106,588		2,106,588
Administrative Fees	4,163,636		4,163,636
<b>Total Revenue</b>	<b>\$ 652,019,043</b>	<b>\$ -</b>	<b>\$ 652,019,043</b>
<u>Program Expenses</u>			
Medical Claims	\$ 389,598,565		\$ 389,598,565
Gross Prescription Drug Claims	247,515,771		247,515,771
Prescription Drug Rebates	(90,611,331)		(90,611,331)
Managed Care Capitations	52,090,327		52,090,327
Administration	19,259,325		19,259,325
Life Insurance	2,198,151		2,198,151
Wellness	1,542,897		1,542,897
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	362,336		362,336
Director's Discretionary Fund	1,443,648		1,443,648
WV RHBT Pay Go Premiums	79,375,479		79,375,479
<b>Total Expenses</b>	<b>\$ 702,775,167</b>	<b>\$ -</b>	<b>\$ 702,775,167</b>
<b>Fiscal Year Results</b>	<b>\$ (50,756,124)</b>		<b>\$ (50,756,124)</b>
Beginning Plan Reserve	192,310,986		192,310,986
Minimum Actuarial Reserve Required	\$ 89,737,301	\$ -	\$ 89,737,301
<u>Ending Premium Stabilization Reserve</u>	<u>51,817,560</u>	<u>-</u>	<u>51,817,560</u>
Ending Plan Reserve	\$ 141,554,862		\$ 141,554,862
Reserve as a Percent of Expenses			23%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ -	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	6.0%	13.5%
		Prescription Drug Rebates		15.0%
		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**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 127,589,711	\$ 401,356,049	\$ 528,945,760
Employer Premiums - MCO	5,955,408	44,076,318	50,031,726
Employee Premiums - PPB	-	117,749,259	117,749,259
Employee Premiums - MCO	-	13,264,825	13,264,825
WV RHBT Pay Go Premiums	22,688,176	87,311,824	110,000,000
Life Insurance	495,454	2,308,059	2,803,513
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,027,682	8,325,978	10,353,660
Litigation Settlement	-	-	-
COBRA Premiums	538,835	2,277,948	2,816,783
Administrative Fees	751,464	4,163,636	4,915,100
<b>Total Revenue</b>	\$ 160,046,730	\$ 701,833,896	\$ 861,880,626
<u>Program Expenses</u>			
Medical Claims	\$ 108,268,803	\$ 415,096,404	\$ 523,365,207
Gross Prescription Drug Claims	65,493,644	274,929,623	340,423,267
Prescription Drug Rebates	(26,382,102)	(110,704,722)	(137,086,824)
Managed Care Capitations	5,425,788	55,215,746	60,641,534
Administration	4,258,289	19,837,105	24,095,394
Life Insurance	495,454	2,308,059	2,803,513
Wellness	413,893	1,643,337	2,057,230
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	86,358	362,329	448,687
Director's Discretionary Fund	367,060	1,442,837	1,809,897
WV RHBT Pay Go Premiums	22,688,176	87,311,824	110,000,000
<b>Total Expenses</b>	\$ 181,115,363	\$ 747,442,541	\$ 928,557,904
<b>Fiscal Year Results</b>	\$ (21,068,633)	\$ (45,608,645)	\$ (66,677,278)
<b>Beginning Plan Reserve</b>	33,750,261	141,554,862	175,305,122
<b>Minimum Actuarial Reserve Required</b>	\$ 23,230,089	\$ 95,051,279	\$ 118,281,368
<b>Ending Premium Stabilization Reserve</b>	(10,548,462)	894,938	(9,653,524)
<b>Ending Plan Reserve</b>	\$ 12,681,627	\$ 95,946,217	\$ 108,627,844
<b>Reserve as a Percent of Expenses</b>			18%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 41,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 10,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 10,300,000	Active Local	7.0%	14.0%
Direct Transfers	\$ 21,000,000	State	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		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**

<b>Local Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 118,044,561	\$ 9,545,150	\$ 127,589,711
Employer Premiums - MCO	5,500,558	454,850	5,955,408
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	22,688,176		22,688,176
Life Insurance	495,454		495,454
Direct Transfers	-		-
Investment Income	2,027,682		2,027,682
Litigation Settlement	-		-
COBRA Premiums	538,835		538,835
Administrative Fees	751,464		751,464
<b>Total Revenue</b>	<b>\$ 150,046,730</b>	<b>\$ 10,000,000</b>	<b>\$ 160,046,730</b>
<u>Program Expenses</u>			
Medical Claims	\$ 108,268,803		\$ 108,268,803
Gross Prescription Drug Claims	67,086,001	(1,592,358)	65,493,644
Prescription Drug Rebates	(26,382,102)		(26,382,102)
Managed Care Capitations	5,425,788		5,425,788
Administration	4,258,289		4,258,289
Life Insurance	495,454		495,454
Wellness	413,893		413,893
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	86,358		86,358
Director's Discretionary Fund	367,060		367,060
WV RHBT Pay Go Premiums	22,688,176		22,688,176
<b>Total Expenses</b>	<b>\$ 182,707,721</b>	<b>\$ (1,592,358)</b>	<b>\$ 181,115,364</b>
<b>Fiscal Year Results</b>	<b>\$ (32,660,991)</b>		<b>\$ (21,068,634)</b>
Beginning Plan Reserve	33,750,261		33,750,261
Minimum Actuarial Reserve Required	\$ 23,230,089	\$ -	\$ 23,230,089
<u>Ending Premium Stabilization Reserve</u>	<u>(22,140,819)</u>	<u>-</u>	<u>(10,548,462)</u>
Ending Plan Reserve	\$ 1,089,270		\$ 12,681,627
Reserve as a Percent of Expenses			8%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ 10,000,000	<b>Claim and Other Expense Trends</b>		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		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**

<b>State Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 364,407,769	\$ 36,948,280	\$ 401,356,049
Employer Premiums - MCO	40,024,598	4,051,720	44,076,318
Employee Premiums - PPB	108,492,106	9,257,153	117,749,259
Employee Premiums - MCO	12,221,978	1,042,847	13,264,825
WV RHBT Pay Go Premiums	87,311,824		87,311,824
Life Insurance	2,308,059		2,308,059
Direct Transfers	21,000,000		21,000,000
Investment Income	8,325,978		8,325,978
Litigation Settlement	-		-
COBRA Premiums	2,277,948		2,277,948
Administrative Fees	4,163,636		4,163,636
<b>Total Revenue</b>	<b>\$ 650,533,896</b>	<b>\$ 51,300,000</b>	<b>\$ 701,833,896</b>
<u>Program Expenses</u>			
Medical Claims	\$ 415,096,404		\$ 415,096,404
Gross Prescription Drug Claims	281,613,996	(6,684,373)	274,929,623
Prescription Drug Rebates	(110,704,722)		(110,704,722)
Managed Care Capitations	55,215,746		55,215,746
Administration	19,837,105		19,837,105
Life Insurance	2,308,059		2,308,059
Wellness	1,643,337		1,643,337
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	362,329		362,329
Director's Discretionary Fund	1,442,837		1,442,837
WV RHBT Pay Go Premiums	87,311,824		87,311,824
<b>Total Expenses</b>	<b>\$ 754,126,914</b>	<b>\$ (6,684,373)</b>	<b>\$ 747,442,541</b>
<b>Fiscal Year Results</b>	<b>\$ (103,593,018)</b>		<b>\$ (45,608,645)</b>
Beginning Plan Reserve	141,554,862		141,554,862
Minimum Actuarial Reserve Required	\$ 95,051,279	\$ -	\$ 95,051,279
<u>Ending Premium Stabilization Reserve</u>	<u>(57,089,435)</u>	<u>-</u>	<u>894,939</u>
Ending Plan Reserve	\$ 37,961,844		\$ 95,946,217
Reserve as a Percent of Expenses			15%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 41,000,000	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ 10,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	7.0%	14.0%
		Prescription Drug Rebates		22.2%
		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**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 152,835,451	\$ 467,193,153	\$ 620,028,604
Employer Premiums - MCO	7,147,106	51,301,776	58,448,882
Employee Premiums - PPB	-	135,993,939	135,993,939
Employee Premiums - MCO	-	15,320,146	15,320,146
WV RHBT Pay Go Premiums	24,750,738	95,249,262	120,000,000
Life Insurance	520,227	2,423,462	2,943,689
Direct Transfers	-	21,000,000	21,000,000
Investment Income	1,258,828	6,795,301	8,054,129
Litigation Settlement	-	-	-
COBRA Premiums	645,506	2,646,890	3,292,396
Administrative Fees	751,464	4,163,636	4,915,100
<b>Total Revenue</b>	<b>\$ 187,909,320</b>	<b>\$ 802,087,565</b>	<b>\$ 989,996,885</b>
<u>Program Expenses</u>			
Medical Claims	\$ 116,142,467	\$ 445,285,964	\$ 561,428,431
Gross Prescription Drug Claims	74,843,375	314,179,578	389,022,954
Prescription Drug Rebates	(30,339,417)	(127,310,431)	(157,649,848)
Managed Care Capitations	5,751,336	58,528,691	64,280,027
Administration	4,386,037	20,432,218	24,818,255
Life Insurance	520,227	2,423,462	2,943,689
Wellness	443,196	1,758,484	2,201,680
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	86,358	362,329	448,687
Director's Discretionary Fund	366,401	1,441,813	1,808,214
WV RHBT Pay Go Premiums	24,750,738	95,249,262	120,000,000
<b>Total Expenses</b>	<b>\$ 196,950,718</b>	<b>\$ 812,351,371</b>	<b>\$ 1,009,302,088</b>
Fiscal Year Results	\$ (9,041,398)	\$ (10,263,806)	\$ (19,305,203)
Beginning Plan Reserve	12,681,627	95,946,217	108,627,844
Minimum Actuarial Reserve Required	\$ 25,270,639	\$ 103,390,057	\$ 128,660,696
<u>Ending Premium Stabilization Reserve</u>	<u>(21,630,410)</u>	<u>(17,707,646)</u>	<u>(39,338,056)</u>
Ending Plan Reserve	\$ 3,640,229	\$ 85,682,411	\$ 89,322,641
Reserve as a Percent of Expenses			15%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 81,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 28,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 20,300,000	Active Local	7.5%	14.5%
Direct Transfers	\$ 21,000,000	State	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		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	\$ 125,631,773	\$ 27,203,678	\$ 152,835,451
Employer Premiums - MCO	5,850,784	1,296,322	7,147,106
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	24,750,738		24,750,738
Life Insurance	520,227		520,227
Direct Transfers	-		-
Investment Income	1,258,828		1,258,828
Litigation Settlement	-		-
COBRA Premiums	645,506		645,506
Administrative Fees	751,464		751,464
Total Revenue	\$ 159,409,320	\$ 28,500,000	\$ 187,909,320
<u>Program Expenses</u>			
Medical Claims	\$ 116,142,467		\$ 116,142,467
Gross Prescription Drug Claims	74,843,375		74,843,375
Prescription Drug Rebates	(30,339,417)		(30,339,417)
Managed Care Capitations	5,751,336		5,751,336
Administration	4,386,037		4,386,037
Life Insurance	520,227		520,227
Wellness	443,196		443,196
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	86,358		86,358
Director's Discretionary Fund	366,401		366,401
WV RHBT Pay Go Premiums	24,750,738		24,750,738
Total Expenses	\$ 196,950,718	\$ -	\$ 196,950,718
Fiscal Year Results	\$ (37,541,398)		\$ (9,041,398)
Beginning Plan Reserve	12,681,627		12,681,627
Minimum Actuarial Reserve Required	\$ 25,270,639	\$ -	\$ 25,270,639
<u>Ending Premium Stabilization Reserve</u>	<u>(50,130,410)</u>	<u>-</u>	<u>(21,630,410)</u>
Ending Plan Reserve	\$ (24,859,771)		\$ 3,640,229
Reserve as a Percent of Expenses			2%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ 28,500,000	<b>Claim and Other Expense Trends</b>	
		<u>Eligibility</u>	<u>Medical</u>
		Local	7.5%
			<u>Gross Drugs</u>
			15.0%
			6.0%
			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	\$ 394,197,771	\$ 72,995,382	\$ 467,193,153
Employer Premiums - MCO	43,297,158	8,004,618	51,301,776
Employee Premiums - PPB	117,749,260	18,244,679	135,993,939
Employee Premiums - MCO	13,264,825	2,055,321	15,320,146
WV RHBT Pay Go Premiums	95,249,262		95,249,262
Life Insurance	2,423,462		2,423,462
Direct Transfers	21,000,000		21,000,000
Investment Income	6,795,301		6,795,301
Litigation Settlement	-		-
COBRA Premiums	2,646,890		2,646,890
Administrative Fees	4,163,636		4,163,636
Total Revenue	\$ 700,787,565	\$ 101,300,000	\$ 802,087,565
<u>Program Expenses</u>			
Medical Claims	\$ 445,285,964		\$ 445,285,964
Gross Prescription Drug Claims	314,179,578		314,179,578
Prescription Drug Rebates	(127,310,431)		(127,310,431)
Managed Care Capitations	58,528,691		58,528,691
Administration	20,432,218		20,432,218
Life Insurance	2,423,462		2,423,462
Wellness	1,758,484		1,758,484
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	362,329		362,329
Director's Discretionary Fund	1,441,813		1,441,813
WV RHBT Pay Go Premiums	95,249,262		95,249,262
Total Expenses	\$ 812,351,371	\$ -	\$ 812,351,371
Fiscal Year Results	\$ (111,563,806)		\$ (10,263,806)
Beginning Plan Reserve	95,946,217		95,946,217
Minimum Actuarial Reserve Required	\$ 103,390,057	\$ -	\$ 103,390,057
<u>Ending Premium Stabilization Reserve</u>	<u>(119,007,646)</u>	<u>-</u>	<u>(17,707,646)</u>
Ending Plan Reserve	\$ (15,617,589)		\$ 85,682,411
Reserve as a Percent of Expenses			12%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 81,000,000	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ 20,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	7.5%	14.5%
		Prescription Drug Rebates		15.0%
		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**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 167,104,268	\$ 507,346,697	\$ 674,450,965
Employer Premiums - MCO	7,815,728	55,710,793	63,526,521
Employee Premiums - PPB	-	147,767,599	147,767,599
Employee Premiums - MCO	-	16,646,486	16,646,486
WV RHBT Pay Go Premiums	26,813,299	103,186,701	130,000,000
Life Insurance	546,239	2,544,635	3,090,874
Direct Transfers	-	21,000,000	21,000,000
Investment Income	979,068	6,710,844	7,689,912
Litigation Settlement	-	-	-
COBRA Premiums	705,776	2,874,755	3,580,531
Administrative Fees	751,464	4,163,636	4,915,100
<b>Total Revenue</b>	\$ 204,715,842	\$ 867,952,146	\$ 1,072,667,988
<u>Program Expenses</u>			
Medical Claims	\$ 125,169,666	\$ 479,898,466	\$ 605,068,133
Gross Prescription Drug Claims	85,902,207	360,604,468	446,506,675
Prescription Drug Rebates	(34,890,330)	(146,406,995)	(181,297,325)
Managed Care Capitations	6,096,416	62,040,413	68,136,829
Administration	4,517,619	21,045,184	25,562,803
Life Insurance	546,239	2,544,635	3,090,874
Wellness	476,796	1,890,520	2,367,316
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	86,358	362,329	448,687
Director's Discretionary Fund	365,708	1,440,768	1,806,476
WV RHBT Pay Go Premiums	26,813,299	103,186,701	130,000,000
<b>Total Expenses</b>	\$ 215,083,979	\$ 886,606,489	\$ 1,101,690,468
<b>Fiscal Year Results</b>	\$ (10,368,137)	\$ (18,654,343)	\$ (29,022,480)
Beginning Plan Reserve	3,640,229	85,682,411	89,322,641
Minimum Actuarial Reserve Required	\$ 27,654,431	\$ 113,118,814	\$ 140,773,245
<u>Ending Premium Stabilization Reserve</u>	(34,382,338)	(46,090,746)	(80,473,084)
Ending Plan Reserve	\$ (6,727,907)	\$ 67,028,068	\$ 60,300,161
Reserve as a Percent of Expenses			11%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 52,500,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 17,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 13,100,000	Active Local	8.0%	15.0%
Direct Transfers	\$ 21,000,000	State	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		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**

<b>Local Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 150,877,513	\$ 16,226,755	\$ 167,104,268
Employer Premiums - MCO	7,042,483	773,245	7,815,728
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	26,813,299		26,813,299
Life Insurance	546,239		546,239
Direct Transfers	-		-
Investment Income	979,068		979,068
Litigation Settlement	-		-
COBRA Premiums	705,776		705,776
Administrative Fees	751,464		751,464
<b>Total Revenue</b>	<b>\$ 187,715,842</b>	<b>\$ 17,000,000</b>	<b>\$ 204,715,842</b>
<u>Program Expenses</u>			
Medical Claims	\$ 125,169,667		\$ 125,169,667
Gross Prescription Drug Claims	85,902,207		85,902,207
Prescription Drug Rebates	(34,890,330)		(34,890,330)
Managed Care Capitations	6,096,416		6,096,416
Administration	4,517,619		4,517,619
Life Insurance	546,239		546,239
Wellness	476,796		476,796
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	86,358		86,358
Director's Discretionary Fund	365,708		365,708
WV RHBT Pay Go Premiums	26,813,299		26,813,299
<b>Total Expenses</b>	<b>\$ 215,083,979</b>	<b>\$ -</b>	<b>\$ 215,083,979</b>
<b>Fiscal Year Results</b>	<b>\$ (27,368,137)</b>		<b>\$ (10,368,137)</b>
Beginning Plan Reserve	3,640,229		3,640,229
Minimum Actuarial Reserve Required	\$ 27,654,431	\$ -	\$ 27,654,431
<u>Ending Premium Stabilization Reserve</u>	<u>(51,382,339)</u>	<u>-</u>	<u>(34,382,339)</u>
Ending Plan Reserve	\$ (23,727,908)		\$ (6,727,908)
Reserve as a Percent of Expenses			-4%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ 17,000,000	<b>Claim and Other Expense Trends</b>	
		<u>Eligibility</u>	<u>Medical</u>
		Local	8.0%
			<u>Gross Drugs</u>
			15.0%
		Prescription Drug Rebates	15.0%
		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**

<b>State Fund</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 460,034,875	\$ 47,311,822	\$ 507,346,697
Employer Premiums - MCO	50,522,615	5,188,178	55,710,793
Employee Premiums - PPB	135,993,939	11,773,660	147,767,599
Employee Premiums - MCO	15,320,146	1,326,340	16,646,486
WV RHBT Pay Go Premiums	103,186,701		103,186,701
Life Insurance	2,544,635		2,544,635
Direct Transfers	21,000,000		21,000,000
Investment Income	6,710,844		6,710,844
Litigation Settlement	-		-
COBRA Premiums	2,874,755		2,874,755
Administrative Fees	4,163,636		4,163,636
<b>Total Revenue</b>	<b>\$ 802,352,146</b>	<b>\$ 65,600,000</b>	<b>\$ 867,952,146</b>
<u>Program Expenses</u>			
Medical Claims	\$ 479,898,466		\$ 479,898,466
Gross Prescription Drug Claims	360,604,468		360,604,468
Prescription Drug Rebates	(146,406,995)		(146,406,995)
Managed Care Capitations	62,040,413		62,040,413
Administration	21,045,184		21,045,184
Life Insurance	2,544,635		2,544,635
Wellness	1,890,520		1,890,520
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	362,329		362,329
Director's Discretionary Fund	1,440,768		1,440,768
WV RHBT Pay Go Premiums	103,186,701		103,186,701
<b>Total Expenses</b>	<b>\$ 886,606,489</b>	<b>\$ -</b>	<b>\$ 886,606,489</b>
<b>Fiscal Year Results</b>	<b>\$ (84,254,343)</b>		<b>\$ (18,654,343)</b>
Beginning Plan Reserve	85,682,411		85,682,411
Minimum Actuarial Reserve Required	\$ 113,118,814	\$ -	\$ 113,118,814
<u>Ending Premium Stabilization Reserve</u>	<u>(111,690,746)</u>	<u>-</u>	<u>(46,090,746)</u>
Ending Plan Reserve	\$ 1,428,068		\$ 67,028,068
Reserve as a Percent of Expenses			9%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 52,500,000	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ 13,100,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	8.0%	15.0%
		Prescription Drug Rebates		15.0%
		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 2026**

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

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 221,462,717	\$ 589,404,997	\$ 810,867,714
Employer Premiums - MCO	10,394,717	64,715,055	75,109,772
Employee Premiums - PPB	-	170,056,665	170,056,665
Employee Premiums - MCO	-	19,157,420	19,157,420
WV RHBT Pay Go Premiums	28,875,861	111,124,139	140,000,000
Life Insurance	573,550	2,671,867	3,245,417
Direct Transfers	-	21,000,000	21,000,000
Investment Income	655,103	6,326,781	6,981,884
Litigation Settlement	-	-	-
COBRA Premiums	935,511	3,332,611	4,268,122
Administrative Fees	751,464	4,163,636	4,915,100
<b>Total Revenue</b>	<b>\$ 263,648,923</b>	<b>\$ 991,953,171</b>	<b>\$ 1,255,602,094</b>
<u>Program Expenses</u>			
Medical Claims	\$ 135,524,595	\$ 519,601,842	\$ 655,126,437
Gross Prescription Drug Claims	99,024,755	415,693,025	514,717,780
Prescription Drug Rebates	(40,123,879)	(168,368,045)	(208,491,924)
Managed Care Capitations	6,462,201	65,762,837	72,225,038
Administration	4,653,147	21,676,540	26,329,687
Life Insurance	573,550	2,671,867	3,245,417
Wellness	515,353	2,042,031	2,557,384
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	86,358	362,329	448,687
Director's Discretionary Fund	364,981	1,439,695	1,804,676
WV RHBT Pay Go Premiums	28,875,861	111,124,139	140,000,000
<b>Total Expenses</b>	<b>\$ 235,956,921</b>	<b>\$ 972,006,261</b>	<b>\$ 1,207,963,182</b>
Fiscal Year Results	\$ 27,692,002	\$ 19,946,910	\$ 47,638,912
Beginning Plan Reserve	(6,727,907)	67,028,068	60,300,161
Minimum Actuarial Reserve Required	\$ 30,447,629	\$ 124,506,538	\$ 154,954,167
<u>Ending Premium Stabilization Reserve</u>	<u>(9,483,534)</u>	<u>(37,531,560)</u>	<u>(47,015,094)</u>
Ending Plan Reserve	\$ 20,964,094	\$ 86,974,978	\$ 107,939,073
Reserve as a Percent of Expenses			14%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 99,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 59,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 24,800,000	Active Local	8.5%	15.5%
Direct Transfers	\$ 21,000,000	State	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO**  
**PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY**  
**FINANCIAL FORECAST**  
**FISCAL YEAR 2026**

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 165,146,331	\$ 56,316,386	\$ 221,462,717
Employer Premiums - MCO	7,711,103	2,683,614	10,394,717
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	28,875,861		28,875,861
Life Insurance	573,550		573,550
Direct Transfers	-		-
Investment Income	655,103		655,103
Litigation Settlement	-		-
COBRA Premiums	935,511		935,511
Administrative Fees	751,464		751,464
<b>Total Revenue</b>	<b>\$ 204,648,923</b>	<b>\$ 59,000,000</b>	<b>\$ 263,648,923</b>
<u>Program Expenses</u>			
Medical Claims	\$ 135,524,595		\$ 135,524,595
Gross Prescription Drug Claims	99,024,755		99,024,755
Prescription Drug Rebates	(40,123,879)		(40,123,879)
Managed Care Capitations	6,462,201		6,462,201
Administration	4,653,147		4,653,147
Life Insurance	573,550		573,550
Wellness	515,353		515,353
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	86,358		86,358
Director's Discretionary Fund	364,981		364,981
WV RHBT Pay Go Premiums	28,875,861		28,875,861
<b>Total Expenses</b>	<b>\$ 235,956,921</b>	<b>\$ -</b>	<b>\$ 235,956,921</b>
Fiscal Year Results	\$ (31,307,998)		\$ 27,692,002
Beginning Plan Reserve	(6,727,907)		(6,727,907)
Minimum Actuarial Reserve Required	\$ 30,447,629	\$ -	\$ 30,447,629
<u>Ending Premium Stabilization Reserve</u>	<u>(68,483,534)</u>	<u>-</u>	<u>(9,483,534)</u>
Ending Plan Reserve	\$ (38,035,905)		\$ 20,964,095
Reserve as a Percent of Expenses			10%

**KEY ASSUMPTIONS**

Additional Local Agency Revenue	\$ 59,000,000	<b>Claim and Other Expense Trends</b>	
		<u>Eligibility</u>	<u>Medical</u>
		Local	8.5%
			<u>Gross Drugs</u>
			15.5%
		Prescription Drug Rebates	15.0%
		Capitations	6.0%
		Administrative Expense	3.0%

**APPENDIX - BASELINE SCENARIO**  
**PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY**  
**FINANCIAL FORECAST**  
**FISCAL YEAR 2026**

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 500,188,419	\$ 89,216,578	\$ 589,404,997
Employer Premiums - MCO	54,931,633	9,783,422	64,715,055
Employee Premiums - PPB	147,767,599	22,289,066	170,056,665
Employee Premiums - MCO	16,646,486	2,510,934	19,157,420
WV RHBT Pay Go Premiums	111,124,139		111,124,139
Life Insurance	2,671,867		2,671,867
Direct Transfers	21,000,000		21,000,000
Investment Income	6,326,781		6,326,781
Litigation Settlement	-		-
COBRA Premiums	3,332,611		3,332,611
Administrative Fees	4,163,636		4,163,636
Total Revenue	\$ 868,153,171	\$ 123,800,000	\$ 991,953,171
<u>Program Expenses</u>			
Medical Claims	\$ 519,601,843		\$ 519,601,843
Gross Prescription Drug Claims	415,693,025		415,693,025
Prescription Drug Rebates	(168,368,045)		(168,368,045)
Managed Care Capitations	65,762,837		65,762,837
Administration	21,676,540		21,676,540
Life Insurance	2,671,867		2,671,867
Wellness	2,042,031		2,042,031
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	362,329		362,329
Director's Discretionary Fund	1,439,695		1,439,695
WV RHBT Pay Go Premiums	111,124,139		111,124,139
Total Expenses	\$ 972,006,261	\$ -	\$ 972,006,261
Fiscal Year Results	\$ (103,853,090)		\$ 19,946,910
Beginning Plan Reserve	67,028,068		67,028,068
Minimum Actuarial Reserve Required	\$ 124,506,538	\$ -	\$ 124,506,538
<u>Ending Premium Stabilization Reserve</u>	<u>(161,331,561)</u>	<u>-</u>	<u>(37,531,561)</u>
Ending Plan Reserve	\$ (36,825,022)		\$ 86,974,978
Reserve as a Percent of Expenses			10%

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 99,000,000	<b>Claim and Other Expense Trends</b>		
Additional State Employee Premiums	\$ 24,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 21,000,000	State	8.5%	15.5%
		Prescription Drug Rebates		15.0%
		Capitations		6.0%
		Administrative Expense		3.0%



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

<b>Fiscal Year 2021</b>												
<b>Exposure</b>	<b><u>Jul-20</u></b>	<b><u>Aug-20</u></b>	<b><u>Sep-20</u></b>	<b><u>Oct-20</u></b>	<b><u>Nov-20</u></b>	<b><u>Dec-20</u></b>	<b><u>Jan-21</u></b>	<b><u>Feb-21</u></b>	<b><u>Mar-21</u></b>	<b><u>Apr-21</u></b>	<b><u>May-21</u></b>	<b><u>Jun-21</u></b>
<b>Local Medical</b>	29,745	29,911	29,999	30,130	30,190	30,335	30,242	30,223	30,130	29,996	30,263	30,247
<b>State Medical</b>	118,255	117,683	117,992	118,125	118,156	118,125	117,827	117,637	117,598	117,532	117,411	117,307
<b>Local Drugs</b>	29,745	29,911	29,999	30,130	30,190	30,335	30,242	30,223	30,130	29,996	30,263	30,247
<b>State Drugs</b>	118,255	117,683	117,992	118,125	118,156	118,125	117,827	117,637	117,598	117,532	117,411	117,307
	<b><u>Jul-20</u></b>	<b><u>Aug-20</u></b>	<b><u>Sep-20</u></b>	<b><u>Oct-20</u></b>	<b><u>Nov-20</u></b>	<b><u>Dec-20</u></b>	<b><u>Jan-21</u></b>	<b><u>Feb-21</u></b>	<b><u>Mar-21</u></b>	<b><u>Apr-21</u></b>	<b><u>May-21</u></b>	<b><u>Jun-21</u></b>
<b>Local Medical</b>	\$196.57	\$239.00	\$230.40	\$298.99	\$264.34	\$243.85	\$257.51	\$262.90	\$314.03	\$304.08	\$285.87	\$337.06
<b>State Medical</b>	237.75	253.44	229.97	255.39	237.93	259.57	267.71	250.15	303.79	289.74	286.90	347.38
<b>Local Drugs</b>	116.45	118.51	129.29	132.49	132.92	159.07	140.83	138.05	167.19	165.56	158.44	175.24
<b>State Drugs</b>	<u>132.79</u>	<u>137.90</u>	<u>141.98</u>	<u>146.25</u>	<u>142.49</u>	<u>158.56</u>	<u>154.54</u>	<u>145.39</u>	<u>179.07</u>	<u>168.02</u>	<u>164.79</u>	<u>183.84</u>
<b>Total</b>	\$683.56	\$748.85	\$731.64	\$833.13	\$777.69	\$821.05	\$820.59	\$796.49	\$964.07	\$927.40	\$896.00	\$1,043.51
<b>Change From Prior Year - Month to Month Analysis</b>												
<b>Local Medical</b>	-2.6%	28.1%	16.1%	26.9%	40.8%	16.4%	6.6%	16.4%	48.6%	138.9%	42.6%	31.4%
<b>State Medical</b>	4.2%	14.1%	8.3%	2.1%	-4.2%	-2.5%	6.6%	6.4%	45.5%	83.6%	43.5%	27.0%
<b>Local Drugs</b>	10.2%	4.2%	17.6%	6.0%	21.7%	30.1%	7.1%	10.5%	11.2%	24.9%	29.9%	21.8%
<b>State Drugs</b>	<u>17.0%</u>	<u>15.3%</u>	<u>15.7%</u>	<u>10.8%</u>	<u>15.0%</u>	<u>17.7%</u>	<u>5.0%</u>	<u>5.2%</u>	<u>8.4%</u>	<u>15.7%</u>	<u>16.8%</u>	<u>13.3%</u>
<b>Total</b>	5.3%	16.7%	13.7%	12.2%	16.2%	12.0%	6.4%	10.0%	31.1%	64.8%	35.0%	24.8%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>												
<b>Local Medical</b>			13.5%			27.5%			23.0%			58.6%
<b>State Medical</b>			8.8%			-1.6%			18.2%			46.4%
<b>Local Drugs</b>			10.6%			19.1%			9.6%			25.3%
<b>State Drugs</b>			<u>16.0%</u>			<u>14.5%</u>			<u>6.3%</u>			<u>15.2%</u>
<b>Total</b>			11.8%			13.4%			15.7%			39.0%
<b>Change From Prior Year - Year to Year Analysis</b>												
<b>Local Medical</b>			-5.6%			1.4%			9.2%			30.3%
<b>State Medical</b>			-0.2%			-3.8%			1.9%			16.9%
<b>Local Drugs</b>			9.1%			10.8%			10.5%			16.3%
<b>State Drugs</b>			<u>15.2%</u>			<u>14.6%</u>			<u>11.2%</u>			<u>12.7%</u>
<b>Total</b>			2.3%			3.6%			7.4%			19.9%

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

Fiscal Year 2022
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**Exposure**

	<u>Jul-21</u>	<u>Aug-21</u>
<b>Local Medical</b>	30,423	30,325
<b>State Medical</b>	116,699	116,172
<b>Local Drugs</b>	30,423	30,325
<b>State Drugs</b>	116,699	116,172

	<u>Jul-21</u>	<u>Aug-21</u>
<b>Local Medical</b>	\$204.77	\$201.42
<b>State Medical</b>	237.22	242.81
<b>Local Drugs</b>	147.10	149.51
<b>State Drugs</b>	<u>155.25</u>	<u>162.20</u>
<b>Total</b>	\$744.35	\$755.93

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

<b>Local Medical</b>	4.2%	-15.7%
<b>State Medical</b>	-0.2%	-4.2%
<b>Local Drugs</b>	26.3%	26.2%
<b>State Drugs</b>	<u>16.9%</u>	<u>17.6%</u>
<b>Total</b>	8.9%	0.9%

**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**