

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2025
Financial Report**

Fiscal Years 2025-2030

Report Date: October 2025

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 2024 for the fiscal year 2026 ("FY 2026") and to provide quarterly financial reports for current FY 2025 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 2025 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 2030.

Continuing Care Actuaries has provided financial report for fiscal years ending June 30, 2025 (“FY 2025”), June 30, 2026 (“FY 2026”), June 30, 2027 (“FY 2027”), June 30, 2028 (“FY 2028”), June 30, 2029 (“FY 2029”) and June 30, 2030 (“FY 2030”). Our opinion of plan adequacy is based on the projections through FY 2030 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2024. 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 2025 the Pay-Go is equivalent to \$57 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 2024.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY2024 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 2025 through FY 2030 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 2025 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2024.

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 2030 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., M.A.A.A.

Managing Partner



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

Principal

West Virginia Public Employees Insurance Agency

Report of Independent Actuary

Financial Plan for FY 2025 – FY 2030

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 2025 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 2025 enrollment levels for the duration of these forecasts for active employees.

In aggregate, September 2025 enrollment for active employees has decreased by 566 coverages since the end of FY 2025. Aggregate PPB enrollment has decreased by 612 in total over the same period, while managed care enrollment experienced an increase of 46 coverages.

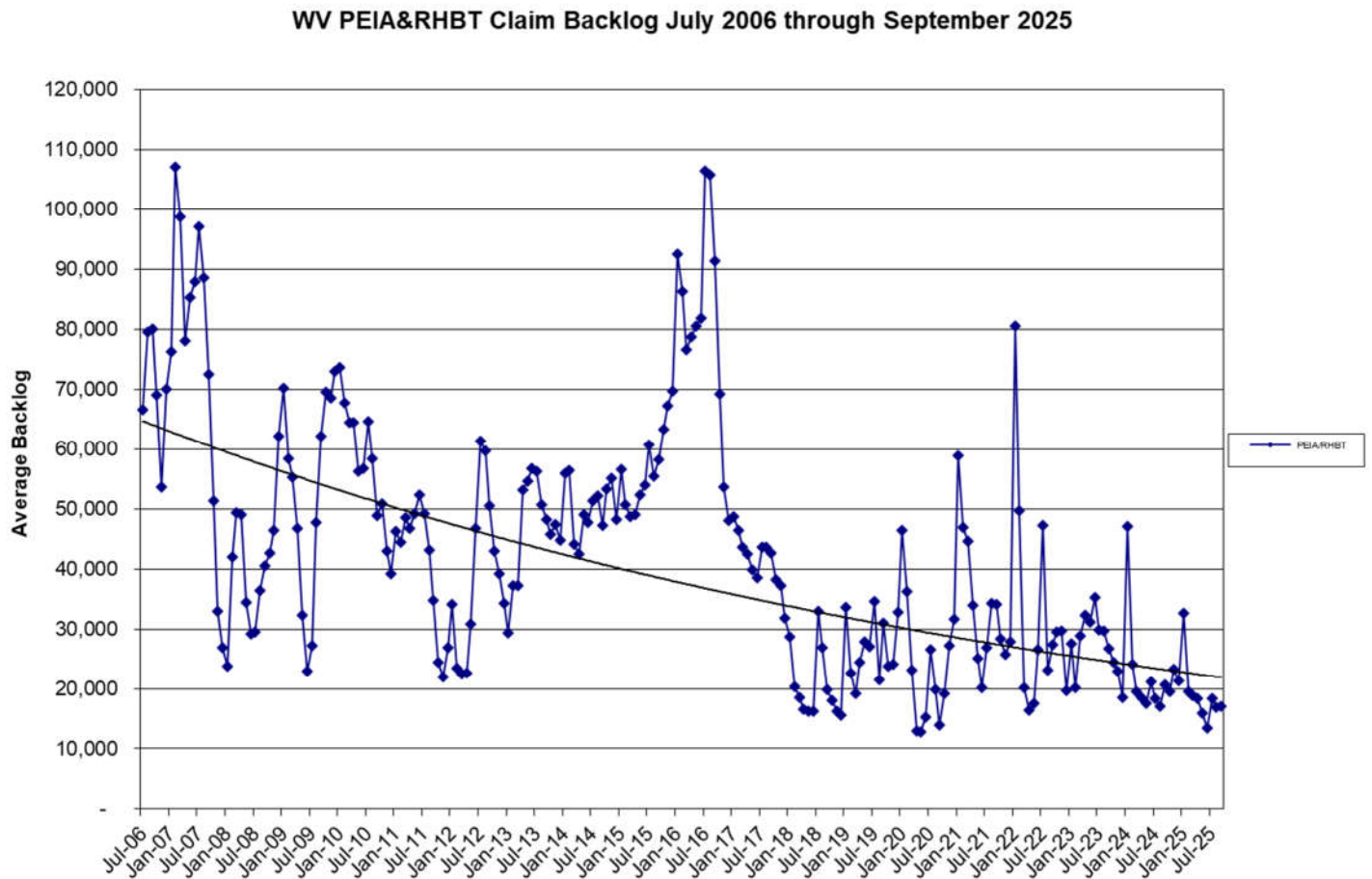
In the State Fund, the overall active State enrollment decreased by 583 coverages from the end of FY 2024 to September 2025. And in the Local Fund, the overall active Local enrollment increased by 17 coverages from the end of FY 2024 to September 2025.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2024, June 2025, and September 2025 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-24	Jun-25	Sep-25	Jun-24	Jun-25	Sep-25
State Active	Single	23,055	23,689	24,178	2,681	2,711	2,802
	Children	7,357	7,810	8,480	935	990	1,067
	Family	23,161	21,967	20,191	2,329	2,186	2,052
	Total	53,573	53,466	52,849	5,945	5,887	5,921
Local Active	Single	6,977	7,123	7,128	461	467	471
	Children	1,312	1,343	1,371	108	110	120
	Family	6,020	5,994	5,966	188	166	164
	Total	14,309	14,460	14,465	757	743	755
Plan Total		67,882	67,926	67,314	6,702	6,630	6,676
Grand Total					74,584	74,556	73,990

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.



C. Trend Analysis

PEIA experienced a lower medical trend and a lower prescription drugs trend in FY 2025, 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 FY2024 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 assumed FY 2026 medical claim trend is 8.5%, the gross prescription drugs claim trend is 15.5% and the prescription drugs rebate trend is 5.0%. In 2026, there were an additional rebate included in the projection to reflect the new PBM contract with ESI.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2026 Trend	Updated Assumption FY 2026 Trend
Active Local – Medical	8.5%	8.5%
State – Medical	8.5%	8.5%
Active Local – Gross Drugs	15.5%	15.5%
State – Gross Drugs	15.5%	15.5%
Prescription Drugs Rebate	5.0%	5.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2027 and in each successive fiscal year. Additionally, drug rebates have been trending at approximately 9% 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 5% 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 2025. 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	Active Local	State	Active Local	State	
<u>Year</u>	<u>Medical</u>	<u>Medical</u>	<u>Drugs</u>	<u>Drugs</u>	<u>Total</u>
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	-8%	0%	10%	15%	3%
2021	31%	17%	16%	13%	17%
2022	5%	9%	19%	18%	11%
2023	1%	5%	-1%	5%	4%
2024	14%	13%	25%	23%	17%
2025	8%	2%	9%	10%	6%
2026*	8%	4%	6%	6%	5%

* Fiscal year 2026 results are through the first two months ending August 2025.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through August 2025 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 2025 and the projection of FY 2026 claims and expenses are summarized in the following charts. It should be noted that the charts reflect per policy information.

Fiscal Year 2025 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	53,586	\$894	\$229	\$762	\$312	
	<u>Managed Care</u>	<u>5,874</u>	\$907	\$235			\$906
	Total	59,460					
Local	PPB	14,521	\$994	\$0	\$707	\$275	
	<u>Managed Care</u>	<u>746</u>	\$973	\$0			\$675
	Total	15,267					

*Net of rebates and subsidies.

Fiscal Year 2026 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	52,856	\$1034	\$262	\$760	\$358	
	<u>Managed Care</u>	<u>5,916</u>	\$1056	\$262			\$1100
	Total	58,772					
Local	PPB	14,466	\$1124	\$0	\$710	\$314	
	<u>Managed Care</u>	<u>756</u>	\$1151	\$0			\$815
	Total	15,222					

*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 2024

Source	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Additional State Employer Revenue	\$62,700,000	\$92,900,000	\$70,000,000	\$82,000,000	\$135,000,000	\$75,000,000
Additional Local Agency Revenue	\$22,800,000	\$29,900,000	\$27,000,000	\$27,000,000	\$24,000,000	\$37,000,000
Additional Employee Premium	\$15,700,000	\$38,700,000	\$9,500,000	\$16,500,000	\$33,800,000	\$18,800,000
State Direct Transfers (State Budget Appropriations)	\$87,000,000	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active State Medical	\$0	\$35,500,000	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active State Drugs	\$0	\$13,700,000	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active Local Medical	\$0	\$7,900,000	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active Local Drugs	\$0	\$3,300,000	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$29,131,540	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000	\$10,000,000

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.

West Virginia Public Employees Insurance Agency Finance Board has implemented approximately \$49.2M benefit reductions for the active state employees and \$11.2M benefit reductions for the active local employees in FY 2026. Below is the summary of the benefit changes.

<u>FY 2026 Benefit Reductions (in millions)</u>	<u>State</u>	<u>Local</u>
Increase DED/MOOP 40% Plan A,B,C,&D	\$23.70	\$6.32
Inpatient Services Copays/Coinsurance	1.29	0.32
Hospital Outpatient Services Copays/Coinsurance	4.22	1.06
Outpatient Therapies Copays/Coinsurance	2.97	0.74
ER Treatment - Non Emergency Copay	0.40	0.10
RX 2x Copays and 2x Deductibles	11.30	2.70
Spouse Surcharge Med Claims Savings	3.17	0.00
<u>Spouse Surcharge Rx Claims Savings</u>	<u>2.12</u>	<u>0.00</u>
Total	\$49.16	\$11.24

In FY 2025, the ACA PCORI fee is approximately \$3.47 per person per year.

E. Provider Reimbursement Changes

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 2025 RESULT

The financial result for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2025 projects accrued revenue of \$1,128,058,986 and incurred plan expenses of \$992,381,531 to produce a fiscal year surplus of \$135,677,455. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$29,131,540.

Under the Baseline Scenario, FY 2025 ends with a Total Fund reserve (State and Local Reserves) of \$216,969,890 and projected plan expenditures of \$963,249,991. This represents 22.5% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$117,873,595. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario.

The State Fund in FY 2025 ends with a reserve of \$196,741,748, which represents 25.2% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$95,309,274.

The Local Fund in FY 2025 ends with a reserve of \$20,228,142, which represents 11.1% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of \$22,564,321.

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 \$1,154,678,123 and incurred plan expenses of \$1,018,783,676 to produce a fiscal year surplus of \$135,894,448. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$10,000,000.

Under the Baseline Scenario, FY 2026 is projected to end with a Total Fund reserve (State and Local Reserves) of \$352,864,338 and projected plan expenditures of \$1,008,783,676. This represents 35.0% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$123,105,680. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$361,947,899 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$343,841,333.

The State Fund in FY 2026 is projected to end with a reserve of \$315,458,221, which represents 38.6% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$99,465,125.

The Local Fund in FY 2026 is projected to end with a reserve of \$37,406,117, which represents 19.5% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$23,640,555.

FISCAL YEAR 2027 FORECAST

The financial forecast for FY 2027 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2027 projects accrued revenue of \$1,267,533,524 and incurred plan expenses of \$1,134,993,108 to produce a fiscal year surplus of \$132,540,416. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$10,000,000.

Under the Baseline Scenario, FY 2027 is projected to end with a Total Fund reserve (State and Local Reserves) of \$485,404,754 and projected plan expenditures of \$1,124,993,108. This represents 43.1% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$137,583,027. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$504,659,161 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$466,306,950.

The State Fund in FY 2027 is projected to end with a reserve of \$425,768,762, which represents 46.8% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$111,096,193.

The Local Fund in FY 2027 is projected to end with a reserve of \$59,635,991, which represents 27.8% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$26,486,835.

FISCAL YEAR 2028 FORECAST

The financial forecast for FY 2028 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2028 projects accrued revenue of \$1,399,363,525 and incurred plan expenses of \$1,279,977,363 to produce a fiscal year surplus of \$119,386,162. The PEIA local and state agencies Pay Go premiums for FY 2028 are assumed to be \$10,000,000.

Under the Baseline Scenario, FY 2028 is projected to end with a Total Fund reserve (State and Local Reserves) of \$604,790,915 and projected plan expenditures of \$1,269,977,363. This represents 47.6% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$155,461,901. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$635,790,383 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$574,059,226.

The State Fund in FY 2028 is projected to end with a reserve of \$522,447,604, which represents 50.8% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$125,546,968.

The Local Fund in FY 2028 is projected to end with a reserve of \$82,343,311, which represents 34.0% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$29,914,933.

FISCAL YEAR 2029 FORECAST

The financial forecast for FY 2029 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2029 projects accrued revenue of \$1,598,176,448 and incurred plan expenses of \$1,451,049,828 to produce a fiscal year surplus of \$147,126,620. The PEIA local and state agencies Pay Go premiums for FY 2029 are assumed to be \$10,000,000.

Under the Baseline Scenario, FY 2029 is projected to end with a Total Fund reserve (State and Local Reserves) of \$751,917,535 and projected plan expenditures of \$1,441,049,828. This represents 52.2% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$176,579,280. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$796,504,367 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$707,727,384.

The State Fund in FY 2029 is projected to end with a reserve of \$654,378,171, which represents 56.1% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$142,611,075.

The Local Fund in FY 2029 is projected to end with a reserve of \$97,539,363, which represents 35.5% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$33,968,205.

FISCAL YEAR 2030 FORECAST

The financial forecast for FY 2030 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2030 projects accrued revenue of \$1,736,067,870 and incurred plan expenses of \$1,653,484,918 to produce a fiscal year surplus of \$82,582,952. The PEIA local and state agencies Pay Go premiums for FY 2030 are assumed to be \$10,000,000.

Under the Baseline Scenario, FY 2030 is projected to end with a Total Fund reserve (State and Local Reserves) of \$834,500,487 and projected plan expenditures of \$1,643,484,918. This represents 50.8% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$201,592,277. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$894,836,882 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$774,710,508.

The State Fund in FY 2030 is projected to end with a reserve of \$722,573,070, which represents 54.3% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$162,818,358.

The Local Fund in FY 2030 is projected to end with a reserve of \$111,927,417, which represents 35.7% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$38,773,919.

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 in fiscal year 2025. Additionally, the plan will meet the minimum actuarial required reserve target in fiscal year 2025. We are currently projecting that the State reserve will meet the minimum actuarial reserve using the baseline assumptions; and the Local reserve will be under the minimum actuarial reserve using the baseline assumptions in fiscal year 2025. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2024 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 2025**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 173,167,769	\$ 574,854,310	\$ 748,022,079
Employer Premiums - MCO	8,715,099	63,913,810	72,628,908
Employee Premiums - PPB	-	147,049,593	147,049,593
Employee Premiums - MCO	-	16,552,084	16,552,084
WV RHBT Pay Go Premiums	5,951,804	23,179,736	29,131,540
Life Insurance	373,024	1,703,683	2,076,707
Direct Transfers	-	87,000,000	87,000,000
Investment Income	3,710,561	15,033,147	18,743,708
Litigation Settlement	-	-	-
COBRA Premiums	336,445	1,536,622	1,873,067
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 193,016,286	\$ 935,042,700	\$ 1,128,058,986
<u>Program Expenses</u>			
Medical Claims	\$ 123,201,707	\$ 490,179,227	\$ 613,380,934
Gross Prescription Drug Claims	75,656,949	321,907,439	397,564,388
Prescription Drug Rebates	(27,697,344)	(121,304,128)	(149,001,472)
Managed Care Capitations	6,047,072	63,882,814	69,929,886
Administration	4,964,787	22,675,299	27,640,086
Life Insurance	378,440	1,728,421	2,106,862
Wellness	193,233	882,536	1,075,769
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	108,041	445,497	553,538
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	5,951,804	23,179,736	29,131,540
Total Expenses	\$ 188,804,688	\$ 803,576,843	\$ 992,381,531
Fiscal Year Results	\$ 4,211,598	\$ 131,465,857	\$ 135,677,455
Beginning Plan Reserve	16,016,544	65,275,891	81,292,435
Minimum Actuarial Reserve Required	\$ 22,564,321	\$ 95,309,274	\$ 117,873,595
<u>Ending Premium Stabilization Reserve</u>	<u>(2,336,179)</u>	<u>101,432,474</u>	<u>99,096,295</u>
Ending Plan Reserve	\$ 20,228,142	\$ 196,741,748	\$ 216,969,890
Reserve as a Percent of Expenses			23%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 62,700,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 22,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 15,700,000	Active Local	8.0%	15.0%
Direct Transfers	\$ 87,000,000	State	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.9%
		Administrative Expense		1.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2025

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 173,167,769	\$ -	\$ 173,167,769
Employer Premiums - MCO	8,715,099	-	8,715,099
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	5,951,804		5,951,804
Life Insurance	373,024		373,024
Direct Transfers	-		-
Investment Income	3,710,561		3,710,561
Litigation Settlement	-		-
COBRA Premiums	336,445		336,445
Administrative Fees	761,585		761,585
Total Revenue	\$ 193,016,286	\$ -	\$ 193,016,286
<u>Program Expenses</u>			
Medical Claims	\$ 124,728,633	\$ (1,526,927)	\$ 123,201,707
Gross Prescription Drug Claims	77,526,420	\$ (1,869,471)	75,656,949
Prescription Drug Rebates	(27,697,344)		(27,697,344)
Managed Care Capitations	6,047,072		6,047,072
Administration	4,964,787		4,964,787
Life Insurance	378,440		378,440
Wellness	193,233		193,233
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	108,041		108,041
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	5,951,804		5,951,804
Total Expenses	\$ 192,201,086	\$ (3,396,397)	\$ 188,804,688
Fiscal Year Results	\$ 815,201		\$ 4,211,598
Beginning Plan Reserve	16,016,544		16,016,544
Minimum Actuarial Reserve Required	\$ 22,564,321	\$ -	\$ 22,564,321
<u>Ending Premium Stabilization Reserve</u>	<u>(5,732,577)</u>	<u>-</u>	<u>(2,336,179)</u>
Ending Plan Reserve	\$ 16,831,745		\$ 20,228,142
Reserve as a Percent of Expenses			11%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 22,800,000	Claim and Other Expense Trends		
Direct Transfers	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.9%
		Administrative Expense		1.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2025

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 574,854,310	\$ -	\$ 574,854,310
Employer Premiums - MCO	63,913,810	-	63,913,810
Employee Premiums - PPB	147,049,593	-	147,049,593
Employee Premiums - MCO	16,552,084	-	16,552,084
WV RHBT Pay Go Premiums	23,179,736		23,179,736
Life Insurance	1,703,683		1,703,683
Direct Transfers	87,000,000		87,000,000
Investment Income	15,033,147		15,033,147
Litigation Settlement	-		-
COBRA Premiums	1,536,622		1,536,622
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 935,042,700	\$ -	\$ 935,042,700
<u>Program Expenses</u>			
Medical Claims	\$ 496,268,846	\$ (6,089,620)	\$ 490,179,227
Gross Prescription Drug Claims	329,895,307	\$ (7,987,868)	321,907,439
Prescription Drug Rebates	(121,304,128)		(121,304,128)
Managed Care Capitations	63,882,814		63,882,814
Administration	22,675,299		22,675,299
Life Insurance	1,728,421		1,728,421
Wellness	882,536		882,536
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	445,497		445,497
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	23,179,736		23,179,736
Total Expenses	\$ 817,654,330	\$ (14,077,488)	\$ 803,576,843
Fiscal Year Results	\$ 117,388,369		\$ 131,465,857
Beginning Plan Reserve	65,275,891		65,275,891
Minimum Actuarial Reserve Required	\$ 95,309,274	\$ -	\$ 95,309,274
<u>Ending Premium Stabilization Reserve</u>	87,354,986	-	101,432,474
Ending Plan Reserve	\$ 182,664,261		\$ 196,741,748
Reserve as a Percent of Expenses			25%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 62,700,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 15,700,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ 87,000,000	State	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.9%
		Administrative Expense		1.0%

**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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 195,127,090	\$ 656,128,675	\$ 851,255,765
Employer Premiums - MCO	10,434,905	74,945,275	85,380,180
Employee Premiums - PPB	-	165,922,049	165,922,049
Employee Premiums - MCO	-	18,614,847	18,614,847
WV RHBT Pay Go Premiums	2,057,144	7,942,856	10,000,000
Life Insurance	391,675	1,788,867	2,180,542
Direct Transfers	-	-	-
Investment Income	1,918,174	12,291,529	14,209,704
Litigation Settlement	-	-	-
COBRA Premiums	380,247	1,753,490	2,133,737
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 211,070,821	\$ 943,607,302	\$ 1,154,678,123
<u>Program Expenses</u>			
Medical Claims	\$ 123,320,348	\$ 482,244,292	\$ 605,564,640
Gross Prescription Drug Claims	83,545,221	352,840,120	436,385,341
Prescription Drug Rebates	(28,952,956)	(125,733,695)	(154,686,651)
Managed Care Capitations	7,389,521	78,064,799	85,454,320
Administration	5,403,402	24,678,552	30,081,954
Life Insurance	447,762	2,016,443	2,464,205
Wellness	200,962	917,838	1,118,799
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	114,661	457,243	571,903
Director's Discretionary Fund	366,781	1,462,383	1,829,164
WV RHBT Pay Go Premiums	2,057,144	7,942,856	10,000,000
Total Expenses	\$ 193,892,846	\$ 824,890,829	\$ 1,018,783,676
Fiscal Year Results	\$ 17,177,975	\$ 118,716,473	\$ 135,894,448
Beginning Plan Reserve	20,228,142	196,741,748	216,969,890
Minimum Actuarial Reserve Required	\$ 23,640,555	\$ 99,465,125	\$ 123,105,680
<u>Ending Premium Stabilization Reserve</u>	<u>13,765,562</u>	<u>215,993,096</u>	<u>229,758,658</u>
Ending Plan Reserve	\$ 37,406,117	\$ 315,458,221	\$ 352,864,338
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 92,900,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 29,900,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 38,700,000	Active Local	8.5%	15.5%
Direct Transfers	\$ -	State	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		22.2%
		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	\$ 166,660,680	\$ 28,466,410	\$ 195,127,090
Employer Premiums - MCO	9,001,315	1,433,590	10,434,905
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,057,144		2,057,144
Life Insurance	391,675		391,675
Direct Transfers	-		-
Investment Income	1,918,174		1,918,174
Litigation Settlement	-		-
COBRA Premiums	380,247		380,247
Administrative Fees	761,585		761,585
Total Revenue	\$ 181,170,821	\$ 29,900,000	\$ 211,070,821
<u>Program Expenses</u>			
Medical Claims	\$ 131,220,348	\$ (7,900,000)	\$ 123,320,348
Gross Prescription Drug Claims	86,845,221	\$ (3,300,000)	83,545,221
Prescription Drug Rebates	(28,952,956)		(28,952,956)
Managed Care Capitations	7,389,521		7,389,521
Administration	5,403,402		5,403,402
Life Insurance	447,762		447,762
Wellness	200,962		200,962
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	114,661		114,661
Director's Discretionary Fund	366,781		366,781
WV RHBT Pay Go Premiums	2,057,144		2,057,144
Total Expenses	\$ 205,092,846	\$ (11,200,000)	\$ 193,892,846
Fiscal Year Results	\$ (23,922,025)		\$ 17,177,975
Beginning Plan Reserve	20,228,142		20,228,142
Minimum Actuarial Reserve Required	\$ 23,640,555	\$ -	\$ 23,640,555
<u>Ending Premium Stabilization Reserve</u>	<u>(27,334,438)</u>	<u>-</u>	<u>13,765,562</u>
Ending Plan Reserve	\$ (3,693,883)		\$ 37,406,117
Reserve as a Percent of Expenses			19%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 29,900,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		22.2%
		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	\$ 572,519,920	\$ 83,608,755	\$ 656,128,675
Employer Premiums - MCO	65,654,030	9,291,245	74,945,275
Employee Premiums - PPB	131,137,447	34,784,602	165,922,049
Employee Premiums - MCO	14,699,449	3,915,398	18,614,847
WV RHBT Pay Go Premiums	7,942,856		7,942,856
Life Insurance	1,788,867		1,788,867
Direct Transfers	-		-
Investment Income	12,291,529		12,291,529
Litigation Settlement	-		-
COBRA Premiums	1,753,490		1,753,490
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 812,007,302	\$ 131,600,000	\$ 943,607,302
<u>Program Expenses</u>			
Medical Claims	\$ 517,744,292	\$ (35,500,000)	\$ 482,244,292
Gross Prescription Drug Claims	366,540,120	\$ (13,700,000)	352,840,120
Prescription Drug Rebates	(125,733,695)		(125,733,695)
Managed Care Capitations	78,064,799		78,064,799
Administration	24,678,552		24,678,552
Life Insurance	2,016,443		2,016,443
Wellness	917,838		917,838
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	457,243		457,243
Director's Discretionary Fund	1,462,383		1,462,383
WV RHBT Pay Go Premiums	7,942,856		7,942,856
Total Expenses	\$ 874,090,829	\$ (49,200,000)	\$ 824,890,829
Fiscal Year Results	\$ (62,083,527)		\$ 118,716,473
Beginning Plan Reserve	196,741,748		196,741,748
Minimum Actuarial Reserve Required	\$ 99,465,125	\$ -	\$ 99,465,125
<u>Ending Premium Stabilization Reserve</u>	35,193,096	-	215,993,096
Ending Plan Reserve	\$ 134,658,221		\$ 315,458,221
Reserve as a Percent of Expenses			39%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 92,900,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 38,700,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		22.2%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 220,756,818	\$ 718,954,651	\$ 939,711,469
Employer Premiums - MCO	11,805,287	82,119,189	93,924,476
Employee Premiums - PPB	-	174,463,753	174,463,753
Employee Premiums - MCO	-	19,573,143	19,573,143
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Life Insurance	411,259	1,878,310	2,289,569
Direct Transfers	-	-	-
Investment Income	2,725,099	17,528,783	20,253,881
Litigation Settlement	-	-	-
COBRA Premiums	430,191	1,905,741	2,335,932
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 238,947,274	\$ 1,028,586,250	\$ 1,267,533,524
<u>Program Expenses</u>			
Medical Claims	\$ 134,140,767	\$ 524,563,897	\$ 658,704,664
Gross Prescription Drug Claims	96,726,003	408,511,663	505,237,666
Prescription Drug Rebates	(30,400,604)	(132,020,380)	(162,420,984)
Managed Care Capitations	7,463,417	78,845,447	86,308,864
Administration	5,565,504	25,418,908	30,984,412
Life Insurance	470,150	2,117,265	2,587,415
Wellness	209,000	954,551	1,163,551
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	120,368	479,834	600,203
Director's Discretionary Fund	365,759	1,461,558	1,827,317
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Total Expenses	\$ 216,717,399	\$ 918,275,708	\$ 1,134,993,108
Fiscal Year Results	\$ 22,229,875	\$ 110,310,541	\$ 132,540,416
Beginning Plan Reserve	37,406,117	315,458,221	352,864,338
Minimum Actuarial Reserve Required	\$ 26,486,835	\$ 111,096,193	\$ 137,583,027
<u>Ending Premium Stabilization Reserve</u>	<u>33,149,157</u>	<u>314,672,570</u>	<u>347,821,726</u>
Ending Plan Reserve	\$ 59,635,991	\$ 425,768,762	\$ 485,404,754
Reserve as a Percent of Expenses			43%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 70,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 27,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 9,500,000	Active Local	9.0%	16.0%
Direct Transfers	\$ -	State	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		1.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2027

PERIOD 7/1/2026 - 6/30/2027

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 195,127,115	\$ 25,629,703	\$ 220,756,818
Employer Premiums - MCO	10,434,990	1,370,297	11,805,287
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Life Insurance	411,259		411,259
Direct Transfers	-		-
Investment Income	2,725,099		2,725,099
Litigation Settlement	-		-
COBRA Premiums	430,191		430,191
Administrative Fees	761,585		761,585
Total Revenue	\$ 211,947,274	\$ 27,000,000	\$ 238,947,274
<u>Program Expenses</u>			
Medical Claims	\$ 134,140,767	\$ -	\$ 134,140,767
Gross Prescription Drug Claims	96,726,003	\$ -	96,726,003
Prescription Drug Rebates	(30,400,604)		(30,400,604)
Managed Care Capitations	7,463,417		7,463,417
Administration	5,565,504		5,565,504
Life Insurance	470,150		470,150
Wellness	209,000		209,000
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	120,368		120,368
Director's Discretionary Fund	365,759		365,759
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Total Expenses	\$ 216,717,399	\$ -	\$ 216,717,399
Fiscal Year Results	\$ (4,770,125)		\$ 22,229,875
Beginning Plan Reserve	37,406,117		37,406,117
Minimum Actuarial Reserve Required	\$ 26,486,835	\$ -	\$ 26,486,835
<u>Ending Premium Stabilization Reserve</u>	6,149,157	-	33,149,157
Ending Plan Reserve	\$ 32,635,991		\$ 59,635,991
Reserve as a Percent of Expenses			28%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 27,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		1.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY FINANCIAL FORECAST FISCAL YEAR 2027

PERIOD 7/1/2026 - 6/30/2027

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 656,129,236	\$ 62,825,414	\$ 718,954,651
Employer Premiums - MCO	74,944,604	7,174,586	82,119,189
Employee Premiums - PPB	165,922,049	8,541,704	174,463,753
Employee Premiums - MCO	18,614,847	958,296	19,573,143
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Life Insurance	1,878,310		1,878,310
Direct Transfers	-		-
Investment Income	17,528,783		17,528,783
Litigation Settlement	-		-
COBRA Premiums	1,905,741		1,905,741
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 949,086,250	\$ 79,500,000	\$ 1,028,586,250
<u>Program Expenses</u>			
Medical Claims	\$ 524,563,897	\$ -	\$ 524,563,897
Gross Prescription Drug Claims	408,511,663	\$ -	408,511,663
Prescription Drug Rebates	(132,020,380)		(132,020,380)
Managed Care Capitations	78,845,447		78,845,447
Administration	25,418,908		25,418,908
Life Insurance	2,117,265		2,117,265
Wellness	954,551		954,551
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	479,834		479,834
Director's Discretionary Fund	1,461,558		1,461,558
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Total Expenses	\$ 918,275,708	\$ -	\$ 918,275,708
Fiscal Year Results	\$ 30,810,541		\$ 110,310,541
Beginning Plan Reserve	315,458,221		315,458,221
Minimum Actuarial Reserve Required	\$ 111,096,193	\$ -	\$ 111,096,193
<u>Ending Premium Stabilization Reserve</u>	<u>235,172,570</u>	<u>-</u>	<u>314,672,570</u>
Ending Plan Reserve	\$ 346,268,762		\$ 425,768,762
Reserve as a Percent of Expenses			47%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 70,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 9,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		1.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 246,386,522	\$ 792,550,136	\$ 1,038,936,658
Employer Premiums - MCO	13,175,584	90,523,704	103,699,288
Employee Premiums - PPB	-	189,299,343	189,299,343
Employee Premiums - MCO	-	21,237,552	21,237,552
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Life Insurance	431,822	1,972,226	2,404,047
Direct Transfers	-	-	-
Investment Income	3,747,064	22,483,758	26,230,822
Litigation Settlement	-	-	-
COBRA Premiums	480,136	2,094,379	2,574,515
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 267,039,746	\$ 1,132,323,778	\$ 1,399,363,525
<u>Program Expenses</u>			
Medical Claims	\$ 146,581,554	\$ 573,221,092	\$ 719,802,646
Gross Prescription Drug Claims	112,470,096	475,010,412	587,480,508
Prescription Drug Rebates	(31,920,634)	(138,621,399)	(170,542,033)
Managed Care Capitations	8,209,758	86,729,992	94,939,750
Administration	5,732,470	26,181,475	31,913,945
Life Insurance	493,658	2,223,128	2,716,786
Wellness	217,360	992,733	1,210,093
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	126,387	503,826	630,213
Director's Discretionary Fund	364,742	1,460,713	1,825,456
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Total Expenses	\$ 244,332,426	\$ 1,035,644,937	\$ 1,279,977,363
Fiscal Year Results	\$ 22,707,320	\$ 96,678,841	\$ 119,386,162
Beginning Plan Reserve	59,635,991	425,768,762	485,404,754
Minimum Actuarial Reserve Required	\$ 29,914,933	\$ 125,546,968	\$ 155,461,901
<u>Ending Premium Stabilization Reserve</u>	<u>52,428,378</u>	<u>396,900,636</u>	<u>449,329,014</u>
Ending Plan Reserve	\$ 82,343,311	\$ 522,447,604	\$ 604,790,915
Reserve as a Percent of Expenses			48%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 82,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 27,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 16,500,000	Active Local	9.5%	16.5%
Direct Transfers	\$ -	State	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2028

PERIOD 7/1/2027 - 6/30/2028

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 220,756,818	\$ 25,629,703	\$ 246,386,522
Employer Premiums - MCO	11,805,287	1,370,297	13,175,584
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Life Insurance	431,822		431,822
Direct Transfers	-		-
Investment Income	3,747,064		3,747,064
Litigation Settlement	-		-
COBRA Premiums	480,136		480,136
Administrative Fees	761,585		761,585
Total Revenue	\$ 240,039,746	\$ 27,000,000	\$ 267,039,746
<u>Program Expenses</u>			
Medical Claims	\$ 146,581,554	\$ -	\$ 146,581,554
Gross Prescription Drug Claims	112,470,096	\$ -	112,470,096
Prescription Drug Rebates	(31,920,634)		(31,920,634)
Managed Care Capitations	8,209,758		8,209,758
Administration	5,732,470		5,732,470
Life Insurance	493,658		493,658
Wellness	217,360		217,360
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	126,387		126,387
Director's Discretionary Fund	364,742		364,742
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Total Expenses	\$ 244,332,426	\$ -	\$ 244,332,426
Fiscal Year Results	\$ (4,292,680)		\$ 22,707,320
Beginning Plan Reserve	59,635,991		59,635,991
Minimum Actuarial Reserve Required	\$ 29,914,933	\$ -	\$ 29,914,933
<u>Ending Premium Stabilization Reserve</u>	<u>25,428,378</u>	<u>-</u>	<u>52,428,378</u>
Ending Plan Reserve	\$ 55,343,311		\$ 82,343,311
Reserve as a Percent of Expenses			34%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 27,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY FINANCIAL FORECAST FISCAL YEAR 2028

PERIOD 7/1/2027 - 6/30/2028

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 718,954,651	\$ 73,595,486	\$ 792,550,136
Employer Premiums - MCO	82,119,189	8,404,515	90,523,704
Employee Premiums - PPB	174,463,753	14,835,590	189,299,343
Employee Premiums - MCO	19,573,143	1,664,410	21,237,552
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Life Insurance	1,972,226		1,972,226
Direct Transfers	-		-
Investment Income	22,483,758		22,483,758
Litigation Settlement	-		-
COBRA Premiums	2,094,379		2,094,379
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 1,033,823,778	\$ 98,500,000	\$ 1,132,323,778
<u>Program Expenses</u>			
Medical Claims	\$ 573,221,092	\$ -	\$ 573,221,092
Gross Prescription Drug Claims	475,010,412	\$ -	475,010,412
Prescription Drug Rebates	(138,621,399)		(138,621,399)
Managed Care Capitations	86,729,992		86,729,992
Administration	26,181,475		26,181,475
Life Insurance	2,223,128		2,223,128
Wellness	992,733		992,733
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	503,826		503,826
Director's Discretionary Fund	1,460,713		1,460,713
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Total Expenses	\$ 1,035,644,937	\$ -	\$ 1,035,644,937
Fiscal Year Results	\$ (1,821,159)		\$ 96,678,841
Beginning Plan Reserve	425,768,762		425,768,762
Minimum Actuarial Reserve Required	\$ 125,546,968	\$ -	\$ 125,546,968
<u>Ending Premium Stabilization Reserve</u>	298,400,636	-	396,900,636
Ending Plan Reserve	\$ 423,947,604		\$ 522,447,604
Reserve as a Percent of Expenses			51%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 82,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 16,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029**

PERIOD 7/1/2028 - 6/30/2029

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 269,168,480	\$ 913,713,435	\$ 1,182,881,915
Employer Premiums - MCO	14,393,625	104,360,405	118,754,030
Employee Premiums - PPB	-	219,689,825	219,689,825
Employee Premiums - MCO	-	24,647,070	24,647,070
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Life Insurance	453,413	2,070,837	2,524,250
Direct Transfers	-	-	-
Investment Income	4,802,513	26,953,365	31,755,878
Litigation Settlement	-	-	-
COBRA Premiums	524,531	2,417,648	2,942,179
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 292,161,181	\$ 1,306,015,266	\$ 1,598,176,448
<u>Program Expenses</u>			
Medical Claims	\$ 160,909,338	\$ 629,258,786	\$ 790,168,124
Gross Prescription Drug Claims	131,339,407	554,709,917	686,049,323
Prescription Drug Rebates	(33,516,666)	(145,552,469)	(179,069,135)
Managed Care Capitations	9,030,734	95,402,991	104,433,725
Administration	5,904,444	26,966,920	32,871,363
Life Insurance	518,341	2,334,284	2,852,625
Wellness	226,055	1,032,443	1,258,497
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	132,706	529,017	661,723
Director's Discretionary Fund	363,736	1,459,846	1,823,582
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Total Expenses	\$ 276,965,129	\$ 1,174,084,699	\$ 1,451,049,828
Fiscal Year Results	\$ 15,196,052	\$ 131,930,567	\$ 147,126,620
Beginning Plan Reserve	82,343,311	522,447,604	604,790,915
Minimum Actuarial Reserve Required	\$ 33,968,205	\$ 142,611,075	\$ 176,579,280
<u>Ending Premium Stabilization Reserve</u>	<u>63,571,159</u>	<u>511,767,096</u>	<u>575,338,254</u>
Ending Plan Reserve	\$ 97,539,363	\$ 654,378,171	\$ 751,917,535
Reserve as a Percent of Expenses			52%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 135,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 24,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 33,800,000	Active Local	10.0%	17.0%
Direct Transfers	\$ -	State	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029

PERIOD 7/1/2028 - 6/30/2029

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 246,386,522	\$ 22,781,958	\$ 269,168,480
Employer Premiums - MCO	13,175,584	1,218,042	14,393,625
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Life Insurance	453,413		453,413
Direct Transfers	-		-
Investment Income	4,802,513		4,802,513
Litigation Settlement	-		-
COBRA Premiums	524,531		524,531
Administrative Fees	761,585		761,585
Total Revenue	\$ 268,161,181	\$ 24,000,000	\$ 292,161,181
<u>Program Expenses</u>			
Medical Claims	\$ 160,909,338	\$ -	\$ 160,909,338
Gross Prescription Drug Claims	131,339,407	\$ -	131,339,407
Prescription Drug Rebates	(33,516,666)		(33,516,666)
Managed Care Capitations	9,030,734		9,030,734
Administration	5,904,444		5,904,444
Life Insurance	518,341		518,341
Wellness	226,055		226,055
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	132,706		132,706
Director's Discretionary Fund	363,736		363,736
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Total Expenses	\$ 276,965,129	\$ -	\$ 276,965,129
Fiscal Year Results	\$ (8,803,948)		\$ 15,196,052
Beginning Plan Reserve	82,343,311		82,343,311
Minimum Actuarial Reserve Required	\$ 33,968,205	\$ -	\$ 33,968,205
<u>Ending Premium Stabilization Reserve</u>	<u>39,571,159</u>	<u>-</u>	<u>63,571,159</u>
Ending Plan Reserve	\$ 73,539,363		\$ 97,539,363
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 24,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029

PERIOD 7/1/2028 - 6/30/2029

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 792,550,136	\$ 121,163,299	\$ 913,713,435
Employer Premiums - MCO	90,523,704	13,836,701	104,360,405
Employee Premiums - PPB	189,299,343	30,390,482	219,689,825
Employee Premiums - MCO	21,237,552	3,409,518	24,647,070
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Life Insurance	2,070,837		2,070,837
Direct Transfers	-		-
Investment Income	26,953,365		26,953,365
Litigation Settlement	-		-
COBRA Premiums	2,417,648		2,417,648
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 1,137,215,266	\$ 168,800,000	\$ 1,306,015,266
<u>Program Expenses</u>			
Medical Claims	\$ 629,258,786	\$ -	\$ 629,258,786
Gross Prescription Drug Claims	554,709,917	-	554,709,917
Prescription Drug Rebates	(145,552,469)		(145,552,469)
Managed Care Capitations	95,402,991		95,402,991
Administration	26,966,920		26,966,920
Life Insurance	2,334,284		2,334,284
Wellness	1,032,443		1,032,443
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	529,017		529,017
Director's Discretionary Fund	1,459,846		1,459,846
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Total Expenses	\$ 1,174,084,699	\$ -	\$ 1,174,084,699
Fiscal Year Results	\$ (36,869,433)		\$ 131,930,567
Beginning Plan Reserve	522,447,604		522,447,604
Minimum Actuarial Reserve Required	\$ 142,611,075	\$ -	\$ 142,611,075
<u>Ending Premium Stabilization Reserve</u>	342,967,096	-	511,767,096
Ending Plan Reserve	\$ 485,578,171		\$ 654,378,171
Reserve as a Percent of Expenses			56%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 135,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 33,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	10.0%	17.0%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2030**

PERIOD 7/1/2029 - 6/30/2030

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 304,290,666	\$ 981,026,380	\$ 1,285,317,045
Employer Premiums - MCO	16,271,439	112,047,460	128,318,900
Employee Premiums - PPB	-	236,593,407	236,593,407
Employee Premiums - MCO	-	26,543,488	26,543,488
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Life Insurance	476,083	2,174,379	2,650,462
Direct Transfers	-	-	-
Investment Income	5,573,474	32,899,535	38,473,009
Litigation Settlement	-	-	-
COBRA Premiums	592,973	2,597,285	3,190,258
Administrative Fees	761,585	4,219,715	4,981,300
Total Revenue	\$ 330,023,256	\$ 1,406,044,615	\$ 1,736,067,870
<u>Program Expenses</u>			
Medical Claims	\$ 177,442,459	\$ 693,922,158	\$ 871,364,617
Gross Prescription Drug Claims	154,031,385	650,556,308	804,587,692
Prescription Drug Rebates	(35,192,499)	(152,830,093)	(188,022,591)
Managed Care Capitations	9,933,808	104,943,290	114,877,098
Administration	6,081,577	27,775,927	33,857,504
Life Insurance	544,258	2,450,998	2,995,256
Wellness	235,097	1,073,740	1,308,837
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	139,341	555,468	694,810
Director's Discretionary Fund	362,742	1,458,954	1,821,696
WV RHBT Pay Go Premiums	2,057,035	7,942,965	10,000,000
Total Expenses	\$ 315,635,202	\$ 1,337,849,716	\$ 1,653,484,918
Fiscal Year Results	\$ 14,388,054	\$ 68,194,898	\$ 82,582,952
Beginning Plan Reserve	97,539,363	654,378,171	751,917,535
Minimum Actuarial Reserve Required	\$ 38,773,919	\$ 162,818,358	\$ 201,592,277
<u>Ending Premium Stabilization Reserve</u>	<u>73,153,498</u>	<u>559,754,711</u>	<u>632,908,210</u>
Ending Plan Reserve	\$ 111,927,417	\$ 722,573,070	\$ 834,500,487
Reserve as a Percent of Expenses			51%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 75,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 37,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 18,800,000	Active Local	10.5%	17.5%
Direct Transfers	\$ -	State	10.5%	17.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2030

PERIOD 7/1/2029 - 6/30/2030

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 269,168,480	\$ 35,122,186	\$ 304,290,666
Employer Premiums - MCO	14,393,625	1,877,814	16,271,439
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Life Insurance	476,083		476,083
Direct Transfers	-		-
Investment Income	5,573,474		5,573,474
Litigation Settlement	-		-
COBRA Premiums	592,973		592,973
Administrative Fees	761,585		761,585
Total Revenue	\$ 293,023,256	\$ 37,000,000	\$ 330,023,256
<u>Program Expenses</u>			
Medical Claims	\$ 177,442,459	\$ -	\$ 177,442,459
Gross Prescription Drug Claims	154,031,385	\$ -	154,031,385
Prescription Drug Rebates	(35,192,499)		(35,192,499)
Managed Care Capitations	9,933,808		9,933,808
Administration	6,081,577		6,081,577
Life Insurance	544,258		544,258
Wellness	235,097		235,097
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	139,341		139,341
Director's Discretionary Fund	362,742		362,742
WV RHBT Pay Go Premiums	2,057,035		2,057,035
Total Expenses	\$ 315,635,202	\$ -	\$ 315,635,202
Fiscal Year Results	\$ (22,611,946)		\$ 14,388,054
Beginning Plan Reserve	97,539,364		97,539,364
Minimum Actuarial Reserve Required	\$ 38,773,919	\$ -	\$ 38,773,919
<u>Ending Premium Stabilization Reserve</u>	36,153,498	-	73,153,498
Ending Plan Reserve	\$ 74,927,417		\$ 111,927,417
Reserve as a Percent of Expenses			36%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 37,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	10.5%	17.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY FINANCIAL FORECAST FISCAL YEAR 2030

PERIOD 7/1/2029 - 6/30/2030

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 913,713,435	\$ 67,312,944	\$ 981,026,380
Employer Premiums - MCO	104,360,405	7,687,056	112,047,460
Employee Premiums - PPB	219,689,825	16,903,582	236,593,407
Employee Premiums - MCO	24,647,070	1,896,418	26,543,488
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Life Insurance	2,174,379		2,174,379
Direct Transfers	-		-
Investment Income	32,899,535		32,899,535
Litigation Settlement	-		-
COBRA Premiums	2,597,285		2,597,285
Administrative Fees	4,219,715		4,219,715
Total Revenue	\$ 1,312,244,615	\$ 93,800,000	\$ 1,406,044,615
<u>Program Expenses</u>			
Medical Claims	\$ 693,922,158	\$ -	\$ 693,922,158
Gross Prescription Drug Claims	650,556,308	\$ -	650,556,308
Prescription Drug Rebates	(152,830,093)		(152,830,093)
Managed Care Capitations	104,943,290		104,943,290
Administration	27,775,927		27,775,927
Life Insurance	2,450,998		2,450,998
Wellness	1,073,740		1,073,740
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	555,468		555,468
Director's Discretionary Fund	1,458,954		1,458,954
WV RHBT Pay Go Premiums	7,942,965		7,942,965
Total Expenses	\$ 1,337,849,716	\$ -	\$ 1,337,849,716
Fiscal Year Results	\$ (25,605,102)		\$ 68,194,898
Beginning Plan Reserve	654,378,171		654,378,171
Minimum Actuarial Reserve Required	\$ 162,818,358	\$ -	\$ 162,818,358
<u>Ending Premium Stabilization Reserve</u>	<u>465,954,711</u>	<u>-</u>	<u>559,754,711</u>
Ending Plan Reserve	\$ 628,773,070		\$ 722,573,070
Reserve as a Percent of Expenses			54%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 75,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 18,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	10.5%	17.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2025 to FY 2026

Fiscal Year 2025												
Exposure	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>
Local Medical	29,016	29,069	29,014	29,049	29,000	28,959	28,897	28,781	28,836	28,858	28,739	28,649
State Medical	109,011	108,582	108,493	108,605	108,597	108,535	108,014	107,646	107,530	107,297	107,139	106,860
Local Drugs	29,016	29,069	29,014	29,049	29,000	28,959	28,897	28,781	28,836	28,858	28,739	28,649
State Drugs	109,011	108,582	108,493	108,605	108,597	108,535	108,014	107,646	107,530	107,297	107,139	106,860
	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>
Local Medical	\$339.24	\$345.32	\$324.55	\$411.70	\$342.59	\$366.40	\$422.13	\$369.08	\$392.43	\$413.63	\$426.60	\$428.60
State Medical	359.28	353.31	348.61	401.48	350.52	372.27	400.81	396.61	403.30	422.68	397.38	433.81
Local Drugs	221.50	207.54	203.21	226.20	214.10	223.16	215.76	202.52	226.51	234.54	240.89	249.30
State Drugs	<u>243.42</u>	<u>239.17</u>	<u>234.64</u>	<u>261.07</u>	<u>234.69</u>	<u>249.81</u>	<u>237.07</u>	<u>217.02</u>	<u>245.86</u>	<u>254.79</u>	<u>261.55</u>	<u>266.61</u>
Total	\$1,163.44	\$1,145.34	\$1,111.01	\$1,300.45	\$1,141.90	\$1,211.63	\$1,275.78	\$1,185.22	\$1,268.10	\$1,325.63	\$1,326.42	\$1,378.31
Change From Prior Year - Month to Month Analysis												
Local Medical	25.4%	0.6%	-0.4%	20.4%	-3.4%	9.1%	7.2%	2.0%	4.0%	1.1%	1.6%	25.6%
State Medical	9.9%	-6.7%	4.4%	7.7%	-2.1%	6.9%	-1.0%	8.8%	-0.3%	1.2%	-5.8%	3.4%
Local Drugs	41.4%	5.9%	15.8%	15.4%	5.7%	14.1%	5.6%	2.0%	11.4%	3.2%	-2.7%	14.0%
State Drugs	<u>30.6%</u>	<u>9.5%</u>	<u>15.0%</u>	<u>19.8%</u>	<u>6.7%</u>	<u>16.8%</u>	<u>7.3%</u>	<u>2.8%</u>	<u>11.7%</u>	<u>2.8%</u>	<u>1.7%</u>	<u>9.5%</u>
Total	23.7%	0.8%	6.9%	15.2%	0.6%	10.8%	4.2%	4.3%	5.2%	1.8%	-1.5%	12.7%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			7.4%			8.5%			4.5%			8.4%
State Medical			2.1%			4.2%			2.3%			-0.4%
Local Drugs			19.7%			11.7%			6.4%			4.5%
State Drugs			<u>17.8%</u>			<u>14.4%</u>			<u>7.4%</u>			<u>4.6%</u>
Total			9.7%			8.8%			4.6%			4.1%
Change From Prior Year - Year to Year Analysis												
Local Medical			19.9%			16.0%			11.4%			7.2%
State Medical			17.1%			12.8%			7.8%			1.9%
Local Drugs			25.4%			20.0%			16.5%			10.0%
State Drugs			<u>22.1%</u>			<u>18.4%</u>			<u>15.7%</u>			<u>10.7%</u>
Total			20.3%			16.1%			11.9%			6.6%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2025 to FY 2026**

Fiscal Year 2026		
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Exposure

	<u>Jul-25</u>	<u>Aug-25</u>
Local Medical	28,597	28,467
State Medical	103,489	103,029
Local Drugs	28,597	28,467
State Drugs	103,489	103,029

	<u>Jul-25</u>	<u>Aug-25</u>
Local Medical	\$322.30	\$398.35
State Medical	329.50	407.11
Local Drugs	201.34	206.85
State Drugs	<u>230.57</u>	<u>217.63</u>
Total	\$1,083.71	\$1,229.94

Change From Prior Year - Month to Month Analysis

Local Medical	-5.0%	15.4%
State Medical	-8.3%	15.2%
Local Drugs	-9.1%	-0.3%
State Drugs	<u>-5.3%</u>	<u>-9.0%</u>
Total	-6.9%	7.4%

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