

**West Virginia
PEIA/RHBT Finance Board
Thursday June 25, 2020
DEP Building, Coopers Rock Room, 601 57th Street, SE, Charleston, WV 25304**

MINUTES

PLACE OF MEETING:

The meeting of the Finance Board of the West Virginia Public Employees Insurance Agency (PEIA) and Retiree Health Benefits Trust (RHBT) Fund was held in the Cooper's Rock Conference Room No. 1202-1203 and via teleconference on June 25, 2020 at 1:00 p.m., pursuant to the online notice filed with the Office of West Virginia Secretary of State Mac Warner. The meeting was held in person and via teleconference.

BOARD MEMBERS PRESENT:

Robert Paulson, Chairman
Lee Diznoff
Jason Myers
Amanda Meadows
William Milam
Michael Smith
Geoff Christian
Jared Robertson

MEETING BEGAN AT APPROXIMATELY 1:00 P.M. WITH A QUORUM PRESENT

TOPIC: Approval of Minutes from the March 19, 2020 Board Meeting

DISCUSSION: None.

MOTION: A motion was offered by William Milam to approve the March 19, 2020 minutes. That motion was seconded by Jason Myers.

ACTION: The motion to approve the minutes was passed unanimously.

TOPIC: Discussion of the FY 2020 Finance Plan Update - Chris Borcik

DISCUSSION: Chris Borcik gave an overview from CCA Financial update for PEIA and RHBT.

West Virginia Public Employee Insurance Agency

	Fiscal Year 2020 (millions)			Fiscal Year 2021 (millions)		
	Mar-20			Mar-20		
	Financial Plan	Update	Change	Financial Plan	Update	Change
Revenue						
Premiums	\$ 743.8	\$ 746.9	\$ 3.1	\$ 743.8	\$ 746.9	\$ 3.1
Investment Income	5.0	2.5	(2.5)	11.7	12.5	0.8
Other	37.0	36.9	(0.1)	61.0	61.0	(0.1)
Total	\$ 785.8	\$ 786.3	\$ 0.5	\$ 816.5	\$ 820.3	\$ 3.8
Expenses						
Medical Claims	\$ 419.4	\$ 421.0	\$ 1.6	\$ 454.9	\$ 466.0	\$ 11.0
Drug Claims	151.4	136.6	(14.8)	170.3	160.0	(10.3)
Capitations	49.5	49.9	0.4	52.4	52.9	0.4
Administration & Wellness	32.2	26.1	(6.1)	33.2	22.8	(10.4)
WV RHBT Pay Go Premiums	140.6	141.4	0.7	135.0	135.0	-
ACA Expenses	-	0.4	0.4	-	0.4	0.4
Other Expenses	3.0	2.1	(0.9)	3.1	3.6	0.5
Total	\$ 796.1	\$ 777.4	\$ (18.6)	\$ 848.9	\$ 840.7	\$ (8.2)
Fiscal Year Results	\$ (10.3)	\$ 8.8	\$ 19.1	\$ (32.4)	\$ (20.4)	\$ 12.0
Ending Fund Balance	\$ 229.4	\$ 248.6	\$ 19.1	\$ 197.0	\$ 228.2	\$ 31.2
Required Reserve	\$ 120.9	\$ 117.6	\$ (3.3)	\$ 130.9	\$ 127.8	\$ (3.2)
Surplus/(Shortfall)	\$ 108.5	\$ 130.9	\$ 22.4	\$ 66.1	\$ 100.4	\$ 34.3

*The annual Medical Trend through May was 7.4%, while the plan assumption was 8.0%

*The annual Drug Trend through May was 3.0%, while the plan assumption was 12.0%

West Virginia Retiree Health Benefit Trust

	Fiscal Year 2020 (millions)			Fiscal Year 2021 (millions)		
	Mar-20			Mar-20		
	Financial Plan	Update	Change	Financial Plan	Update	Change
Revenue						
Premiums	\$ 229.9	\$ 229.2	\$ (0.8)	\$ 223.0	\$ 220.7	\$ (2.3)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	24.9	25.0	0.1	26.2	26.2	0.1
Investment Income	21.7	-	(21.7)	89.1	87.7	(1.4)
Transfer from Premium Stabilization Reserve	-	-	-	-	-	-
General Revenue Transfer	35.0	35.0	-	30.0	30.0	-
Total	\$ 311.6	\$ 289.1	\$ (22.4)	\$ 368.3	\$ 364.6	\$ (3.7)
Expenses						
Medical Claims	\$ 55.1	\$ 54.1	\$ (1.0)	\$ 56.0	\$ 52.2	\$ (3.8)
Drug Claims	27.1	23.4	(3.7)	28.3	23.7	(4.6)
Capitations	111.5	112.5	1.0	121.7	110.3	(11.4)
Administration	5.5	5.2	(0.3)	5.4	5.1	(0.3)
Life Insurance	24.8	25.5	0.7	26.0	26.8	0.8
Retiree Assistance Program	1.9	1.8	(0.0)	2.0	2.0	(0.1)
ACA Expenses	-	0.0	0.0	-	0.0	0.0
Other Expenses	0.2	0.1	(0.2)	0.2	0.2	(0.0)
Total	\$ 226.1	\$ 222.6	\$ (3.5)	\$ 239.7	\$ 220.2	\$ (19.4)
Fiscal Year Results	\$ 85.5	\$ 66.5	\$ (18.9)	\$ 128.7	\$ 144.4	\$ 15.7
Ending Fund Balance	\$ 1,177.1	\$ 1,158.2	\$ (18.9)	\$ 1,305.8	\$ 1,302.6	\$ (3.2)

*The annual Non-Med Medical Trend through May was -0.2%, while the plan assumption was 8.0%

*The annual Non-Med Drug Trend through May was -6.9%, while the plan assumption was 12.0%

TOPIC: Financial Updates – Year to date

DISCUSSION: Jason Haught- CFO, PEIA

West Virginia Public Employees Insurance Agency
Statement of Net Position
 Thursday, April 30, 2020
 (Dollars in Thousands)
 (Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$8,153	\$13,621	(\$5,468)	(40%)
Equity position in internal investment pool	74,348	12,084	62,264	515%
Premiums receivable:				
Other, less allowance for doubtful accounts	9,193	7,219	1,974	27%
Due From RHBT	6,173	4,973	1,200	24%
Accounts receivable:				
Provider refunds, less allowance for doubtful accounts	664	472	192	41%
Prescription rebates	25,866	19,200	6,666	35%
Other	27,560	23,634	3,926	17%
Total current assets	151,957	81,203	70,754	87%
Noncurrent assets:				
Equity position in internal investment pools	200,322	237,086	(36,764)	(16%)
Equity position in internal investment pool – restricted	10,073	11,344	(1,271)	(11%)
Capital assets, net of accumulated depreciation	98	148	(50)	(34%)
Total noncurrent assets	210,493	248,578	(38,085)	(15%)
Total assets	362,450	329,781	32,669	10%
Deferred Outflows of Resources Related to Pensions & OPEB	432	562	(130)	(23%)
Liabilities				
Current liabilities:				
IBNR	83,260	54,160	29,100	54%
Current claims payable	4,724	6,326	(1,602)	(25%)
Premium deficiency reserve	13,359		13,359	0%
Accounts payable	4,992	4,769	223	5%
Unearned revenue	10,374	10,245	129	1%
Other accrued liabilities	2,842	2,320	522	23%
Total current liabilities	119,551	77,820	41,731	54%
Noncurrent liabilities:				
Other Liabilities	938	1,151	(213)	(19%)
Other accrued liabilities: Premium stabilization fund	8,756	9,367	(611)	(7%)
Total liabilities	129,245	88,338	40,907	46%
Deferred Inflows of Resources Related to Pensions & OPEB	499	577	(78)	(14%)
Net position				
Invested in capital assets	98	148	(50)	(34%)
Actuarially Required Reserve	116,542	116,127	415	0%
PEIA PSR, Unrestricted	116,499	125,150	(8,651)	(7%)
Total net position	233,139	241,425	(8,286)	(3%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Ten Months Ending Thursday, April 30, 2020
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$314,800	\$313,954	\$307,143	Health Insurance - State Gov. - Employers	\$846	0%	\$7,657	2%
100,357	101,794	102,231	Health Insurance - State Gov. - Employees	(1,437)	(1%)	(1,874)	(2%)
88,097	84,111	82,802	Health Insurance - Local Gov. - All	3,988	5%	5,295	6%
3,979	3,776	3,921	Administrative Fees, Net of Refunds	203	5%	58	1%
1,313	1,284	1,182	Other Premium Revenue	29	2%	131	11%
508,546	504,919	497,279	Total Operating Revenue	3,627	1%	11,267	2%
NON-OPERATING REVENUE							
935	1,166	1,133	Life Insurance	(231)	(20%)	(198)	(17%)
25,833	8,333	25,833	Direct Transfer	17,500	210%	0	0%
(4,203)	9,047	8,898	Interest and Investment Income	(13,250)	(146%)	(13,101)	(147%)
117,825	116,667	126,971	WV RHBT Pay Go Premiums	1,158	1%	(9,146)	(7%)
140,390	135,213	162,835	Total Non-Operating Revenue	5,177	4%	(22,445)	(14%)
648,936	640,132	660,114	TOTAL REVENUE	8,804	1%	(11,178)	(2%)
EXPENSES							
348,110	355,778	319,408	Claims Expense - Medical	7,668	2%	(28,704)	(9%)
111,561	125,556	112,578	Claims Expense - Drugs	13,995	11%	1,017	1%
41,549	40,952	38,835	Payments to Managed Care Org.	(597)	(1%)	(2,714)	(7%)
17,684	11,510	9,776	Administrative Service Fees	(8,174)	(54%)	(7,908)	(81%)
319	1,250	301	Wellness and Disease Management	931	74%	(18)	(6%)
3,727	4,530	4,087	Other Operating Expenses	803	18%	360	9%
1,411	1,072	1,022	Life Insurance Expense	(339)	(32%)	(389)	(38%)
0	0	267	ACA Comparative Effectiveness Fee	0	0%	267	100%
117,825	116,667	126,971	WV RHBT Pay Go Premiums	(1,158)	(1%)	9,146	7%
642,186	657,315	613,243	TOTAL EXPENSES	15,129	2%	(28,943)	(5%)
6,750	(17,183)	46,871	YTD Surplus (Deficit)	23,933	(139%)	(40,121)	(86%)
226,389	226,389	194,554	Total Net Position, Beginning of Period	226,389	0%	31,835	16%
116,542	116,542	116,127	End of Period Net Position, Actuarially Required Reserve	0	0%	415	0%
116,597	92,664	125,298	End of Period Net Position, PEIA PSR	23,933	26%	(8,701)	(7%)
\$233,139	\$209,206	\$241,425	Total Net Position, End of Period	\$23,933	11%	(\$8,286)	(3%)

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West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Thursday, April 30, 2020
In Thousands

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
ASSETS				
Cash - Operating Fund	\$11,466	\$12,076	(\$610)	(5%)
INVESTMENTS				
WV Board of Treasury Investments	123,339	84,802	38,537	45%
WV Investment Management Board	1,014,170	983,759	30,411	3%
Total Investments	1,137,509	1,068,561	68,948	6%
Due From / (To) WV PEIA	(6,173)	(4,975)	(1,198)	24%
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	2,852	2,623	229	9%
Less: Allowance for Doubtful Accounts	(468)	(468)	-	0%
Net - Premium Accounts Receivable	2,384	2,155	229	11%
Other Receivables	899	(153)	1,042	(681%)
TOTAL ASSETS	1,146,075	1,077,664	68,411	6%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	179	269	(90)	(33%)
Deferred Outflows of Resources Related to OPEB	69	34	35	103%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	248	303	(55)	(18%)
LIABILITIES				
Claims payable	11,170	8,120	(3,050)	(38%)
Accounts payable	20	26	6	23%
Accrued Liabilities	12,931	12,808	(123)	(1%)
TOTAL LIABILITIES	24,121	20,954	(3,167)	(15%)
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	171	239	68	28%
Deferred Inflows of Resources Related to OPEB	103	77	(26)	(34%)
TOTAL DEFERRED INFLOWS OF RESOURCES	274	316	42	13%
Net Position- PSR	38,107	38,107	-	0%
Net Position- Restricted	1,083,821	1,018,487	65,231	6%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	\$1,121,928	\$1,056,697	\$65,231	6%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Ten Months Ending Thursday, April 30, 2020
In Thousands

ACTUAL	BUDGET	PRIOR YR	BUDGET VARIANCE		PRIOR YR VARIANCE	
			\$	%	\$	%
			ADDITIONS			
			Employer Premiums:			
\$2,425	\$2,424	\$2,504	\$1	0%	(\$79)	(3%)
11,858	12,169	13,010	(311)	(3%)	(1,152)	(9%)
117,814	116,667	126,971	1,147	1%	(9,157)	(7%)
25,000	25,000	25,000	-	0%	-	0%
4,167	4,167	4,167	-	0%	-	0%
161,264	160,427	171,652	837	1%	(10,388)	(6%)
			Other Additions:			
667	1,000	1,209	(333)	(33%)	(542)	(45%)
(26,245)	51,097	41,305	(77,342)	(151%)	(67,550)	(164%)
135,686	212,524	214,166	(76,838)	(36%)	(78,480)	(37%)
			TOTAL ADDITIONS			
			DEDUCTIONS			
93,733	94,975	105,840	1,242	1%	12,107	11%
21,262	20,750	19,792	(512)	(2%)	(1,470)	(7%)
44,030	55,649	43,253	11,619	21%	(777)	(2%)
19,546	26,031	23,670	6,485	25%	4,124	17%
-	-	27	-	0%	27	100%
1,715	1,425	1,212	(290)	(20%)	(503)	(42%)
(56,693)	(59,699)	(55,823)	(3,006)	5%	870	(2%)
(20,809)	(20,763)	(19,842)	46	(0%)	967	(5%)
2,635	3,213	2,455	(578)	18%	(180)	(7%)
105,419	121,581	120,584	16,162	13%	15,165	13%
30,267	90,943	93,582	(60,676)	(67%)	(63,315)	(68%)
			NET POSITION INCREASE (DECREASE)			
			Net Position Restricted for Post Employment Benefits			
1,091,661	1,091,661	963,115	-	0%	128,546	13%
1,083,821	1,144,497	1,018,590	(60,676)	(5%)	65,231	6%
38,107	38,107	38,107	-	0%	-	0%
\$1,121,928	\$1,182,604	\$1,056,697	(\$60,676)	(5%)	\$65,231	6%

TOPIC: COVID-19 Reports

DISCUSSION: Director Ted Cheatham advised the Board that PEIA is tracking COVID-19 and referred Board Members and participants to refer to UMR and Human's COVID-19 Reports.

COVID-19 Summary through 6/13/2020
 WEST VIRGINIA PEIA (77700000)



There are 7 known coronaviruses (including COVID-19) that infect humans, including some that cause mild upper-respiratory tract illnesses like the common cold. COVID-19 is a novel corona virus, meaning it is a new strain. Because it is new, there was no COVID-19 specific diagnosis code available for providers to use. **New codes were approved for diagnosing confirmed COVID-19 cases beginning April 1, 2020.**

In the interim, the Centers for Disease Control (CDC) directed providers to use the non-specific coronavirus code B97.29 that was historically used to report on non-COVID-19 coronaviruses. The interim B97.29 code is not conclusive for a COVID-19 diagnosis. COVID-related codes have been grouped together based upon the likelihood of a positive diagnosis and are presented within this report. Reporting of COVID-19 cases may be understated for several reasons:

- o Testing and diagnosis may be understated due to provider coding and billing processes.
- o Claims may be submitted with a presenting diagnosis (e.g. 'respiratory illness') and may not include any diagnosis directly related to COVID.
- o Reporting is based on claim experience and does not account for members who do not seek medical care.
- o Claims with newer coding may be pending while reimbursement logic is updated and will not appear in this report until holds are released.
- o Reporting may be understated as claims for most recent services may not have yet processed.

Member Advocacy Summary

Counts represent member interactions with UMR about Coronavirus/COVID-19 in the context of patient advocacy - members do not necessarily have COVID-19.

Customer Service Interactions:	279
Care Management Interactions:	653

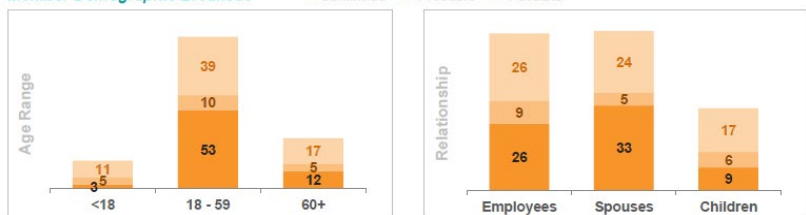
2020 Year-to-Date Claims Summary (see Appendix on page 2 for detailed criteria)

COVID-19 Dx	Members	Allowed	Paid
Confirmed Case	68	\$345,209	\$185,303
Probable Case	20	\$139,948	\$113,601
Possible Case	67	\$638,617	\$595,098
All COVID-19	155	\$1,123,775	\$894,002

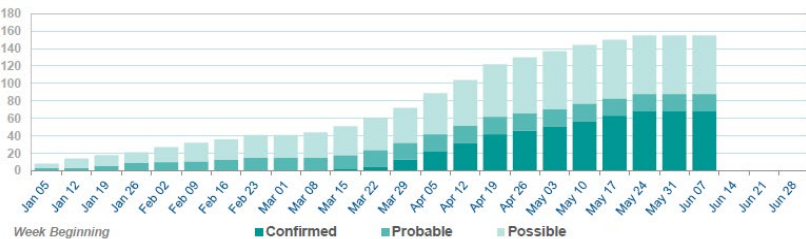
Testing Summary

COVID-19 Tests	
Viral Test:	
Unique Members	2,402
Antibody Test:	
Unique Members	0
Avg. Allowed:	
Per Mem/All Tests	\$71.33
Average Paid:	
Per Mem/All Tests	\$71.24

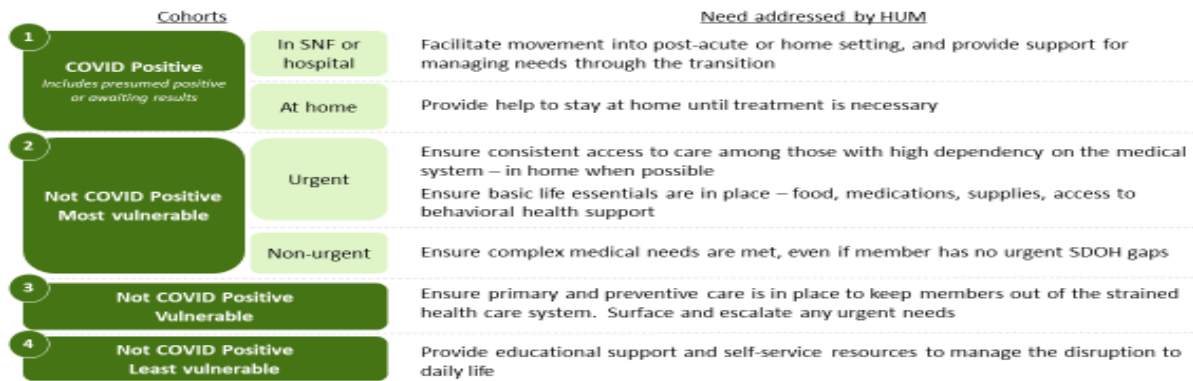
Member Demographic Breakout



Cumulative Count of Members



HUMANA COVID-19 REPORT



Cohort 1 – SNF or hospital	30 members
Cohort 1 – at home	86 members
Cohort 2 – Urgent	1,347 members
Cohort 2 – Non-urgent	3,390 members
Cohort 3	9,739 members
Cohort 4	37,149 members

TOPIC: Schedule Next Meeting – Chairman Robert Paulson

DISCUSSION: The next scheduled meeting is September 17, 2020 at 1:00 p.m.

TOPIC: Old Business

DISCUSSION: None.

TOPIC: New Business

DISCUSSION: None.

TOPIC: Adjourn

ACTION: There being no further business, the June 25, 2020 meeting of the West Virginia RHBT Fund and PEIA Finance Board adjourned at approximately 1:30 p.m.

MOTION: A motion to adjourn the Finance Board was made by Jason Myers and seconded by Bill Milam.

ACTION: **A motion to adjourn passed unanimously.**

These minutes were transcribed from recording by Kenna M. DeRaimo, Administrative Secretary to the Finance Board, and are respectfully submitted.