

**West Virginia
PEIA/RHBT Finance Board
Thursday, November 3, 2022
DEP Building, Canaan Valley Conference Room 1041
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 Canaan Valley Conference Room No. 1041 at 601 57th Street SE, Charleston, WV 25304, on Thursday, November 3, 2022 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 virtually via Google Meet.

BOARD MEMBERS PRESENT:

Mark Scott, Chairman
Geoff Christian
Michael Cook
Hugh Murray
Amanda Meadows – via Google Meet
Michael Smith – via Google Meet
Jason Myers – via Google Meet
Jared Robertson – via Google Meet
Damita Johnson – via Google Meet
Douglas Coffman – via Google Meet

Chairman Scott took this opportunity to welcome the two new board members. Hugh Murray will represent the interests of health care providers and Douglas Coffman will represent the interest of hospitals.

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

TOPIC: Approval of Minutes from the September 22, 2022, Board Meeting
MOTION: A motion was offered by Geoff Christian, to approve the September 22, 2022 meeting minutes.
SECOND: Jason Myers moved to second the approval of the minutes.
ACTION: The motion to approve the minutes was passed unanimously.

TOPIC: Public Hearing Presentation 2022
DISCUSSION: Mark Scott, Chairman and Jason Haught, CFO and Acting Director, PEIA

Chairman Scott began by reviewing the Public Hearings schedule including dates, locations, and times. Jason Haught then began the Plan Discussion by clarifying for our new board members that this is a presentation for Public Hearings. He explained that the board will reconvene in December to formally pass the plan.

Mr. Haught reviewed the premium changes mentioning the Non-State Fund will have a 9.7% increase. Chairman Scott gave some examples of non-state agencies that include municipalities, EMS, county commissions, etc. He then asked Mr. Haught if he could provide more examples. Mr. Haught added cities, towns, public service district, etc. Chairman Scott noted that last year non-state received 5% rate increase.

Mr. Haught continued by stating it is required by code to come up with a 5 year plan. Years 2025-2027 are developed using the information we have at this time. There are annual reviews to make improvements for upcoming years based on new information. Chairman Scott reiterated Mr. Haught's explanation.

The PEIA and RHBT Financial Plans for FY 22-27 were reviewed.

Chairman Scott asked that PayGo be explained to the new board members. Mr. Haught explained that the State of West Virginia helps offset retiree healthcare costs by transferring a portion of active employee premiums to the Retiree Health Benefits Trust. It is a "pay as you go" concept. Many know it as the retiree subsidy.

A discussion on benefit plans then took place with Plan B being the focus for future changes. Mr. Haught compared the current Plan B to the proposed Plan B changes. Jason Myers mentioned that this change makes a lot of sense. Geoff Christian agreed and said he would like to start seeing some discussion about other changes to update the plans to give even more options.

QUESTION: Doug Coffman asked if the overall goal is to get more people to select Plan B over Plan A?

ANSWER: Chairman Scott answered by saying no, but it could be an outcome.

QUESTION: Doug Coffman followed by asking if A is more than B?

ANSWER: Jason Haught answered that Plan A is more.

QUESTION: Jason Myers asked, for clarification, if this changes anything for non-state?

ANSWER: Mr. Haught stated, no, no changes for non-state.

QUESTION: Geoff Christian followed up with, shouldn't we look at non-state at some point?

ANSWER: Mr. Haught answered that non-state agencies do not have salary tiers, but it could be discussed and looked into.

FOLLOW UP: Mr. Christian then stated that with the 5% increase last year and the 9.7% increase this year could welcome a discussion for future option.

ANSWER: Mr. Haught stated he would like to look into some options and is open to discussions with the board.

COMMENT: Chairman Scott agreed with Mr. Christian in exploring as many options as we can. Mr. Christian then commended the changes for Plan B and advocated for future

discussions regarding non-state changes in the future to benefit the various non-state agencies. Mr. Haught mentioned that we see a higher percentage non-state participation in Plans B, C, D versus state participation in Plans B, C, and D so exploring the best option will be beneficial. Chairman Scott then brought up how going from plan B to Plan C is a big jump. He believes what we will see is less movement from one plan to another if changes are considered. Mr. Christian followed by saying it is important to create a better situation for employee and employer alike.

QUESTION: Doug Coffman asked if there is any history with having trouble collecting a higher out of pocket from non-state employees because non-state entities are not responsible for non-collectability. We are, correct?

ANSWER: Mr. Haught responded, correct and that is an issue we could see. He is unsure of any specific impact that has made for providers.

DISCUSSION: Mr. Haught continued discussion with Plan C deductible changes and the addition of residential services benefit. He then discussed the SaveOnSP manufacturer assistance program for specialty prescriptions.

QUESTION: Chairman Scott asked if the addition of non-residential treatment option would be substance abuse and mental health treatment facilities and are there any additional treatment benefits as well?

ANSWER: Mr. Haught said it is mostly mental health and substance abuse treatment unless there is a review of additional medical conditions.

FOLLOW UP: Chairman Scott asked if this is this a residential or non-residential to which Mr. Haught answered residential. Chairman Scott then asked if short-term is residential? Mr. Haught stated it was residential for up to 28 days.

QUESTION: Chairman Scott asked for a further explanation of the mandatory change for SaveOn?

ANSWER: Mr. Haught explained that when a person receives a specialty prescription the member is signing up for the SaveOn program which means they will receive a free copay for the drug and the plan will also save on the total cost of the drug.

PUBLIC COMMENTS:

Fred Albert: Mr. Albert wanted to thank the board and the Governor for keeping premiums what they are during the duration of Governor Justice's term. He stated that with Public Hearings coming up, he understands we have not had a premium increase for a while, but if this is going to be presented to the public and there is not a large turnout at the hearings, how would these changes be explained in a way that it is understood by those that do not attend the Public Hearings?

ANSWER: Chairman Scott stated that there is a plan to do more marketing to make sure the public understands the changes.

FOLLOW UP: Mr. Albert has concerns for the end of Governor Justice's term and what this would mean for premiums. He wonders if there is a way to get some of the money from the surplus of revenue or other funding to help offset the potential cost? He mentioned he would love to see some discussions take place to prepare and potentially request funding.

ANSWER: Chairman Scott acknowledged the concerns.

Dale Lee: Mr. Lee appreciates the premiums not increasing but had questions about how the numbers in the five year plan were developed and if the state chooses not to appropriate that number?

ANSWER: Jason Haught responded by stating the numbers were created by taking the current numbers and running them with the trends to create a projection. If the appropriation would not materialize, the board would ultimately have to face some difficult decisions regarding how to make it compliant with state code. Chairman Scott spoke up saying there are ongoing discussions with the legislature to create a plan for any upcoming price increase. Mr. Lee expressed that he would like to be a part of these conversations.

Elaine Harris: Ms. Harris would like to thank the board, Chairman Scott, and Director Haught for the work that has been done. She also would like to thank Governor Justice for no increases during his term. Ms. Harris' would like to be a part of future discussions regarding plans to avoid premium increases in the future.

ANSWER: Chairman Scott acknowledged her request and thanked her for her comments.

TOPIC: **Motion to Approve the Proposal for Public Hearings**

MOTION: A motion to approve the proposal for Public Hearings was made by Jason Myers and seconded by Geoff Christian.

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

TOPIC: **Old Business**

DISCUSSION: None.

TOPIC: **New Business**

DISCUSSION: Chairman Scott welcomed our new board members once again.

TOPIC: **Next Meeting**

DISCUSSION: December 15, 2022

TOPIC: Adourn

ACTION: There being no further business, the November 3, 2022 meeting of the West Virginia RHBT Fund and PEIA Finance Board adjourned at approximately 1:45 p.m.

ACTION: Meeting adjourned by Chairman Scott.

These minutes were transcribed from recording by Erika Crump, Finance Board Secretary and are respectfully submitted on the 15th of December 2022.