

West Virginia PEIA/RHBT Finance Board
Thursday, March 28, 2024
DEP Building, Canaan Valley 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 Fund (RHBT) was held in the Canaan Valley Conference Room at 601 57th Street SE, Charleston, WV 25304, on Thursday, March 28, 2024 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
Doug Coffman
Hugh Murray
Jason Myers
Michael Cook
Geoff Christian - virtually
William "Bill" Milam - virtually
Amanda Meadows - virtually
Damita Johnson - virtually
Mike Smith - virtually
Jared Robertson - virtually

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

TOPIC: Approval of Minutes from the December 7, 2023 Finance Board Meeting

DISCUSSION: None.

MOTION: A motion was offered by Jason Myers with a second by Michael Cook to approve the December 7, 2023 Finance Board Minutes.

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

TOPIC: Financial Statements YTD

DISCUSSION: Jason Haught, Chief Financial Officer (PEIA)

Mr. Haught began by reviewing the PEIA financials and mentioned this is a review of seven months of information noting some minor misprojections for revenue and ahead on medical expenses.

QUESTION: Mark Scott, Chairman

Why is the Local Government Health Insurance down 2%?

ANSWER: Jason Haught, Chief Financial Officer (PEIA)
Likely due to the migration from Plan A to Plan C.

QUESTION: Doug Coffman, Finance Board Member
What is the drug spend on the weight loss medications?

ANSWER: Jason Haught, Chief Financial Officer (PEIA)
There is a high representation causing increased expenses with the pilot program with the centers of excellence.

Mr. Haught then moved forward with a review of the RHBT financials with seven months of information included. He noted on plan for premiums, ahead for investments, and 42M appreciation.

TOPIC: Financial Plan

DISCUSSION: Chris Borcik, Continuing Care Actuaries (CCA)
Mr. Borcik provided a review of the financial plan for PEIA noting favorable investments, conservative assumptions, and that the goal is to remain operationally neutral.

QUESTION: Mark Scott, Chairman
Is there a reserve percentage?

ANSWER: Chris Borcik, Continuing Care Actuaries (CCA)
RHBT does not have a percent, only a bottom line.

QUESTION: Doug Coffman, Finance Board Member
Does it make sense to look at over budget into premium reserve?

ANSWER: Jason Haught, CFO (PEIA)
Historically we have done that. We will seek input from the board if this presents itself.

TOPIC: 2024 Legislative Update

DISCUSSION: Bill Hicks, General Counsel (PEIA)
Mr. Hicks thanked everyone for their work during session, including, Misty Peal, Erika Smith, Kasi Bell, Director Brian Cunningham, and the PEIA Management Team. Impactful bill passed this year is Senate Bill 453: requiring pricing and payment transparency from pharmacy benefits managers contracting with PEIA. Changes one piece of code.

TOPIC: Director's Notes

DISCUSSION: Brian Cunningham, Director (PEIA)
Director Cunningham reviewed some of the updates and tasks PEIA is actively working on with comparative effectiveness pharmacy savings, a TPA oversight vendor, a new wellness platform, upgrades to PEIA's benefit management system through a new vendor, and a variety of other things, such as the upcoming Benefit Fairs. Director Cunningham further outlined the headwinds facing PEIA

including increased medical spend due to SB268 and the provision to reimburse hospitals at 110% of Medicare, pharmacy spend driven by the growth in GLP-1s and speciality drugs, the challenge of 340b duplicate discounts, SB453 which requires increased reimbursement to pharmacies, and the anticipated increase in MA-PD rates by Humana.

TOPIC: Old Business

DISCUSSION: Jason Haught, CFO (PEIA)

Mr. Haught discussed the information in the Actuarial Study. This study is to begin on or before July 1, 2023 and a report will be presented to the Joint Committee on Government and Finance by July 2, 2024. These topics are for study purposes and are not intended to be implemented until after they are reviewed and studied thoroughly.

TOPIC: PUBLIC COMMENTS AND QUESTIONS:

Dale Lee

Mr. Lee began by discussing salary tiers. He stated that it seems as though the higher paid employees won't see much of a premium increase but lower level employees will. He expressed that this should be evaluated. It was also suggested that, as a cost savings measure, it could be worth looking into charging a difference for a 4 person family versus a 2 person family. After discussing some of his suggestions, Mr. Lee mentioned he is happy to see the 80/20 in the actuarial study. Funding sources seem to be a concern, so officials should look into options through the general fund.

QUESTION: How will SB 453 impact employees?

ANSWER: **Brian Cunningham, Director (PEIA)**

It will result in greater costs to PEIA which are likely to be passed on to employees in the form of premium increases.

QUESTION: (Regarding GLP-1 spend and wellness programs) Are there options available for employees to have access to these options and programs?

ANSWER: **Brian Cunningham, Director (PEIA)**

PEIA has never covered weight loss prescriptions. It was only "covered" for diabetics through the centers of excellence. There was a 4 year pilot program and the results were inconclusive. There was a 1 million dollar spend per month, which is growing monthly and unsustainable. PEIA is working with the centers of excellence to design an option.

QUESTION: Will this be available to rural areas as well?

ANSWER: All options are on the table being evaluated.

QUESTION: (Relating to the 2025 Shopper's Guide) Will Non-Medicare retirees see a premium increase?

ANSWER: **Brian Cunningham, Director (PEIA)**

Yes, 10.5%

Elaine Harris

Ms. Harris began by discussing the pay increase that was voted on during session made her nervous but she is thankful for the increase. She mentioned that she has some concerns about SB 453 with the local pharmacy impact and the out of pocket cost for GLP-1s. She would like to see information detailing the cost of these prescriptions. Ms. Harris also mentioned it would be great to get some continued education on PEIA, the various options available, and benefits included.

Fred Albert

Mr. Albert mentioned that he is happy to get clarification on the copay rate and would also love to receive input on the findings from the actuarial study.

TOPIC: New Business

DISCUSSION: Brian Cunningham, Director (PEIA)

There are some contracts that are being considered for re-bid, including: Pharmacy Benefit Manager (PBM), Third Party Administrator (TPA), and Managed Care Organizations (MCO). We are examining current contracts in preparation for re-bid. There will be a timeline available at the next meeting.

TOPIC: Next Meeting

DISCUSSION: June 27, 2024

TOPIC: Adjourn

ACTION: There being no further business, the March 28, 2023, meeting of the West Virginia PEIA/RHBT Finance Board adjourned at approximately 2:45 p.m.

MOTION: A motion to adjourn the Finance Board was made by Chairman Mark Scott.

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

These minutes were transcribed from a recording by Erika Smith, Finance Board Secretary, and are respectfully submitted on the 28th day of March 2024.