

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

Financial Plan

Fiscal Years 2026-2030

Report Date: December 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 2025 for the fiscal year 2027 (“FY 2027”) and to provide quarterly financial reports for current FY 2026 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 2026 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, 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 2025. 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 2026 the Pay-Go is equivalent to \$20 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 2025.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY2025 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 2026 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 2026 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2025.

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 2026 – 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 November 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 December 2025 enrollment levels for the duration of these forecasts for active employees.

In aggregate, December 2025 enrollment for active employees has increased by 75 coverages since the end of FY 2025. Aggregate PPB enrollment has decreased by 112 in total over the same period, while managed care enrollment experienced an increase of 187 coverages.

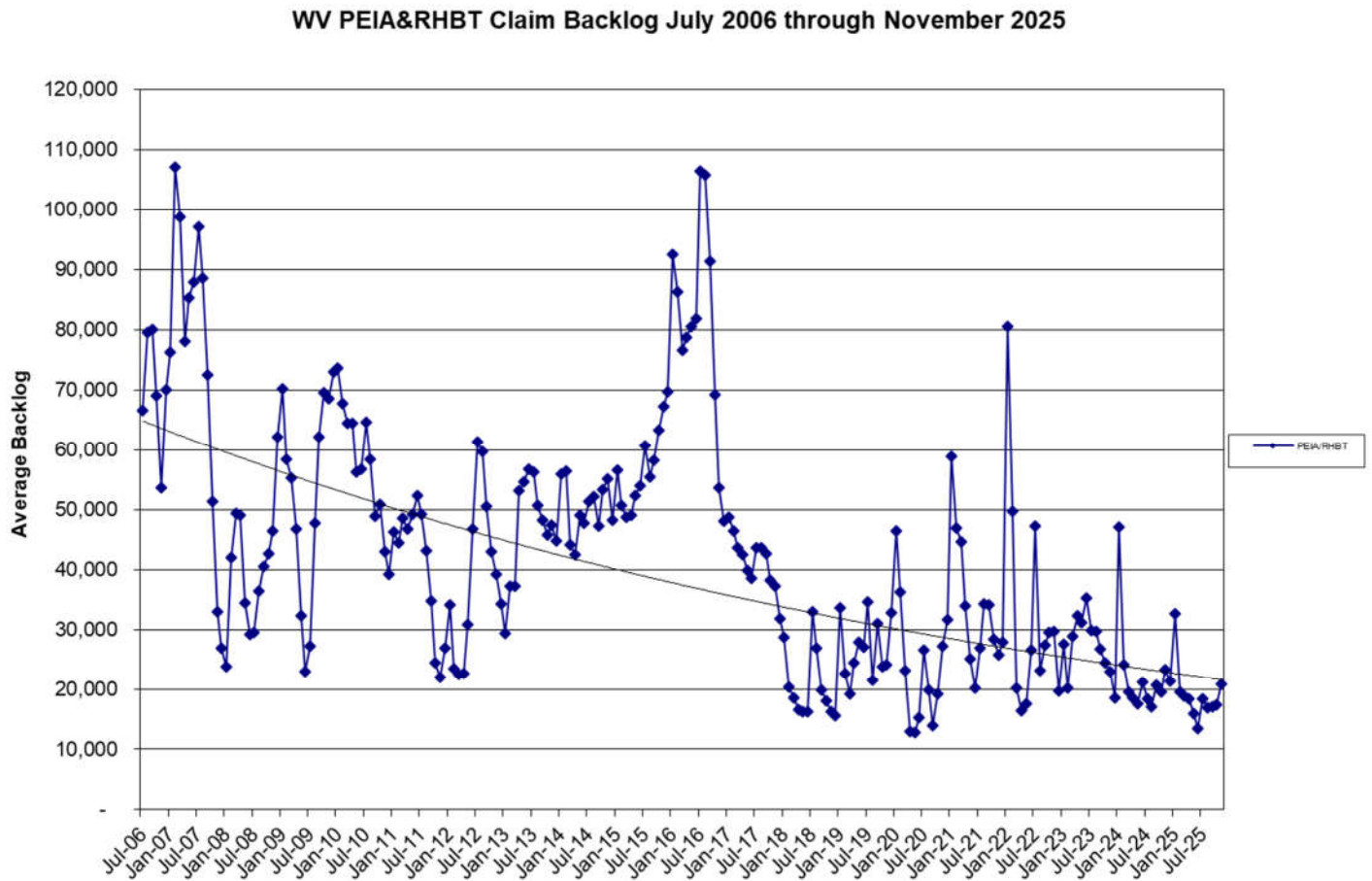
In the State Fund, the overall active State enrollment increased by 22 coverages from the end of FY 2025 to December 2025. And in the Local Fund, the overall active Local enrollment increased by 53 coverages from the end of FY 2025 to December 2025.

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

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-24	Jun-25	Dec-25	Jun-24	Jun-25	Dec-25
State Active	Single	23,055	23,689	24,600	2,681	2,711	2,910
	Children	7,357	7,810	8,621	935	990	1,100
	Family	23,161	21,967	20,085	2,329	2,186	2,059
	Total	53,573	53,466	53,306	5,945	5,887	6,069
Local Active	Single	6,977	7,123	7,164	461	467	461
	Children	1,312	1,343	1,383	108	110	121
	Family	6,020	5,994	5,961	188	166	166
	Total	14,309	14,460	14,508	757	743	748
Plan Total		67,882	67,926	67,814	6,702	6,630	6,817
Grand Total					74,584	74,556	74,631

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 FY2025 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 5.5%, the gross prescription drugs claim trend is 12.0% 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%	5.5%
State – Medical	8.5%	5.5%
Active Local – Gross Drugs	15.5%	12.0%
State – Gross Drugs	15.5%	12.0%
Prescription Drugs Rebate	5.0%	5.0%

In the past, claim trends for the financial plan included a 0.5% margin for both the medical and drugs in future years. CCA has assumed the claim trends for the financial projection will increase by 0.5% for the medical and 0.75% for the drugs 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 November 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 Year	Active Local Medical	State Medical	Active Local Drugs	State Drugs	Total
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*	5%	2%	4%	5%	4%

* Fiscal year 2026 results are through the first five months ending November 2025.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through November 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 projection of FY 2026 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

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	53,179	\$1,016	\$259	\$760	\$345	
	<u>Managed Care</u>	<u>6,018</u>	\$1,033	\$258			\$1,061
	Total	59,197					
Local	PPB	14,492	\$1,110	\$0	\$719	\$302	
	<u>Managed Care</u>	<u>751</u>	\$1,124	\$0			\$805
	Total	15,243					

*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 2025

Source	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Additional State Employer Revenue	\$92,900,000	\$22,300,000	\$25,000,000	\$50,000,000	\$60,000,000
Additional Local Agency Revenue	\$29,900,000	\$6,200,000	\$30,000,000	\$20,000,000	\$20,000,000
Additional Employee Premium	\$38,700,000	\$5,600,000	\$6,300,000	\$12,500,000	\$15,000,000
State Direct Transfers (State Budget Appropriations)	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active State Medical	\$35,500,000	\$0	\$11,750,000	\$11,750,000	\$11,750,000
Benefit Reductions and Savings / (Increase) - Active State Drugs	\$13,700,000	\$0	\$4,540,000	\$4,540,000	\$4,540,000
Benefit Reductions and Savings / (Increase) - Active Local Medical	\$7,900,000	\$0	\$2,620,000	\$2,620,000	\$2,620,000
Benefit Reductions and Savings / (Increase) - Active Local Drugs	\$3,300,000	\$0	\$1,090,000	\$1,090,000	\$1,090,000
Pay Go Premium Transfer	\$10,188,360	\$55,000,000	\$65,000,000	\$75,000,000	\$85,000,000

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 is projecting to implement approximately \$16.29M benefit reductions for the active state employees and \$3.71M benefit reductions for the active local employees in each fiscal year from FY 2028 through FY 2030.

In FY 2026, the ACA PCORI fee is approximately \$3.84 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 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 \$1,143,608,540 and incurred plan expenses of \$1,013,018,792 to produce a fiscal year surplus of \$130,589,749. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$10,188,360.

Under the Baseline Scenario, FY 2026 is projected to end with a Total Fund reserve (State and Local Reserves) of \$347,559,639 and projected plan expenditures of \$1,002,830,432. This represents 34.7% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$122,397,802. 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 2026 is projected to end with a reserve of \$312,247,849, which represents 38.5% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$98,814,852.

The Local Fund in FY 2026 is projected to end with a reserve of \$35,311,790, which represents 18.5% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$23,582,949.

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 \$1,182,172,252 and incurred plan expenses of \$1,145,034,524 to produce a fiscal year surplus of \$37,137,728. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$55,000,000.

Under the Baseline Scenario, FY 2027 is projected to end with a Total Fund reserve (State and Local Reserves) of \$384,697,367 and projected plan expenditures of \$1,090,034,524. This represents 35.3% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$133,081,781. 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 \$426,702,785 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$342,399,950.

The State Fund in FY 2027 is projected to end with a reserve of \$353,056,469, which represents 40.0% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$107,477,759.

The Local Fund in FY 2027 is projected to end with a reserve of \$31,640,897, which represents 15.2% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$25,604,023.

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 \$1,245,629,282 and incurred plan expenses of \$1,238,365,263 to produce a fiscal year surplus of \$7,264,019. The PEIA local and state agencies Pay Go premiums for FY 2028 are assumed to be \$65,000,000.

Under the Baseline Scenario, FY 2028 is projected to end with a Total Fund reserve (State and Local Reserves) of \$391,961,386 and projected plan expenditures of \$1,173,365,263. This represents 33.4% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$143,240,827. 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 \$490,050,141 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$291,957,362.

The State Fund in FY 2028 is projected to end with a reserve of \$351,639,384, which represents 37.0% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$115,710,495.

The Local Fund in FY 2028 is projected to end with a reserve of \$40,322,002, which represents 18.1% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$27,530,332.

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 \$1,329,176,235 and incurred plan expenses of \$1,349,146,592 to produce a fiscal year deficit of (\$19,970,357). The PEIA local and state agencies Pay Go premiums for FY 2029 are assumed to be \$75,000,000.

Under the Baseline Scenario, FY 2029 is projected to end with a Total Fund reserve (State and Local Reserves) of \$371,991,029 and projected plan expenditures of \$1,274,146,592. This represents 29.2% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$155,532,231. 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 \$554,839,986 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$183,236,999.

The State Fund in FY 2029 is projected to end with a reserve of \$323,356,081, which represents 31.3% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$125,678,228.

The Local Fund in FY 2029 is projected to end with a reserve of \$48,634,948, which represents 20.1% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$29,854,004.

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 \$1,424,214,588 and incurred plan expenses of \$1,480,803,530 to produce a fiscal year deficit of (\$56,588,942). The PEIA local and state agencies Pay Go premiums for FY 2030 are assumed to be \$85,000,000.

Under the Baseline Scenario, FY 2030 is projected to end with a Total Fund reserve (State and Local Reserves) of \$315,402,087 and projected plan expenditures of \$1,395,803,530. This represents 22.6% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$170,373,754. 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 \$617,045,188 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$97,120.

The State Fund in FY 2030 is projected to end with a reserve of \$262,659,985, which represents 23.2% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$137,721,863.

The Local Fund in FY 2030 is projected to end with a reserve of \$52,742,102, which represents 19.9% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$32,651,891.

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 2026. Additionally, the plan will meet the minimum actuarial required reserve target in fiscal year 2026. We are currently projecting that the State reserve will meet the minimum actuarial reserve using the baseline assumptions; and the Local reserve will also meet the minimum actuarial reserve using the baseline assumptions. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2025 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 FORECAST
FISCAL YEAR 2026**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 193,071,488	\$ 648,642,102	\$ 841,713,590
Employer Premiums - MCO	10,131,743	74,621,432	84,753,175
Employee Premiums - PPB	-	165,350,041	165,350,041
Employee Premiums - MCO	-	18,644,639	18,644,639
WV RHBT Pay Go Premiums	2,086,307	8,102,053	10,188,360
Life Insurance	439,008	1,929,479	2,368,487
Direct Transfers	-	-	-
Investment Income	1,772,673	12,179,960	13,952,633
Litigation Settlement	-	-	-
COBRA Premiums	248,314	1,091,361	1,339,675
Administrative Fees	809,996	4,487,944	5,297,940
Total Revenue	\$ 208,559,528	\$ 935,049,012	\$ 1,143,608,540
<u>Program Expenses</u>			
Medical Claims	\$ 124,954,969	\$ 485,218,866	\$ 610,173,836
Gross Prescription Drug Claims	76,159,970	324,047,705	400,207,674
Prescription Drug Rebates	(23,723,443)	(103,899,912)	(127,623,356)
Managed Care Capitations	7,254,324	76,636,539	83,890,863
Administration	5,381,741	23,653,216	29,034,958
Life Insurance	390,188	1,714,911	2,105,099
Wellness	483,619	2,125,549	2,609,168
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	120,024	479,976	600,000
Director's Discretionary Fund	368,181	1,464,008	1,832,189
WV RHBT Pay Go Premiums	2,086,307	8,102,053	10,188,360
Total Expenses	\$ 193,475,881	\$ 819,542,911	\$ 1,013,018,792
Fiscal Year Results	\$ 15,083,648	\$ 115,506,101	\$ 130,589,749
Beginning Plan Reserve	20,228,142	196,741,748	216,969,890
Minimum Actuarial Reserve Required	\$ 23,582,949	\$ 98,814,852	\$ 122,397,802
<u>Ending Premium Stabilization Reserve</u>	<u>11,728,840</u>	<u>213,432,997</u>	<u>225,161,837</u>
Ending Plan Reserve	\$ 35,311,790	\$ 312,247,849	\$ 347,559,639
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	5.5%	12.0%
Direct Transfers	\$ -	State	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.0%
		Administrative Expense		5.0%

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	\$ 164,605,078	\$ 28,466,410	\$ 193,071,488
Employer Premiums - MCO	8,698,153	1,433,590	10,131,743
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,086,307		2,086,307
Life Insurance	439,008		439,008
Direct Transfers	-		-
Investment Income	1,772,673		1,772,673
Litigation Settlement	-		-
COBRA Premiums	248,314		248,314
Administrative Fees	809,996		809,996
Total Revenue	\$ 178,659,528	\$ 29,900,000	\$ 208,559,528
<u>Program Expenses</u>			
Medical Claims	\$ 124,954,969	\$ -	\$ 124,954,969
Gross Prescription Drug Claims	76,159,970	\$ -	76,159,970
Prescription Drug Rebates	(23,723,443)		(23,723,443)
Managed Care Capitations	7,254,324		7,254,324
Administration	5,381,741		5,381,741
Life Insurance	390,188		390,188
Wellness	483,619		483,619
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	120,024		120,024
Director's Discretionary Fund	368,181		368,181
WV RHBT Pay Go Premiums	2,086,307		2,086,307
Total Expenses	\$ 193,475,881	\$ -	\$ 193,475,881
Fiscal Year Results	\$ (14,816,352)		\$ 15,083,648
Beginning Plan Reserve	20,228,142		20,228,142
Minimum Actuarial Reserve Required	\$ 23,582,949	\$ -	\$ 23,582,949
<u>Ending Premium Stabilization Reserve</u>	<u>(18,171,160)</u>	<u>-</u>	<u>11,728,840</u>
Ending Plan Reserve	\$ 5,411,790		\$ 35,311,790
Reserve as a Percent of Expenses			18%

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	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.0%
		Administrative Expense		5.0%

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	\$ 565,033,348	\$ 83,608,755	\$ 648,642,102
Employer Premiums - MCO	65,330,186	9,291,245	74,621,432
Employee Premiums - PPB	130,565,439	34,784,602	165,350,041
Employee Premiums - MCO	14,729,241	3,915,398	18,644,639
WV RHBT Pay Go Premiums	8,102,053		8,102,053
Life Insurance	1,929,479		1,929,479
Direct Transfers	-		-
Investment Income	12,179,960		12,179,960
Litigation Settlement	-		-
COBRA Premiums	1,091,361		1,091,361
Administrative Fees	4,487,944		4,487,944
Total Revenue	\$ 803,449,012	\$ 131,600,000	\$ 935,049,012
<u>Program Expenses</u>			
Medical Claims	\$ 485,218,866	\$ -	\$ 485,218,866
Gross Prescription Drug Claims	324,047,705	\$ -	324,047,705
Prescription Drug Rebates	(103,899,912)		(103,899,912)
Managed Care Capitations	76,636,539		76,636,539
Administration	23,653,216		23,653,216
Life Insurance	1,714,911		1,714,911
Wellness	2,125,549		2,125,549
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	479,976		479,976
Director's Discretionary Fund	1,464,008		1,464,008
WV RHBT Pay Go Premiums	8,102,053		8,102,053
Total Expenses	\$ 819,542,911	\$ -	\$ 819,542,911
Fiscal Year Results	\$ (16,093,899)		\$ 115,506,101
Beginning Plan Reserve	196,741,748		196,741,748
Minimum Actuarial Reserve Required	\$ 98,814,852	\$ -	\$ 98,814,852
<u>Ending Premium Stabilization Reserve</u>	<u>81,832,997</u>	<u>-</u>	<u>213,432,997</u>
Ending Plan Reserve	\$ 180,647,849		\$ 312,247,849
Reserve as a Percent of Expenses			38%

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	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.0%
		Administrative Expense		5.0%

**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	\$ 190,254,063	\$ 636,635,734	\$ 826,889,797
Employer Premiums - MCO	9,992,426	73,272,902	83,265,328
Employee Premiums - PPB	-	170,382,579	170,382,579
Employee Premiums - MCO	-	19,212,101	19,212,101
WV RHBT Pay Go Premiums	11,243,049	43,756,951	55,000,000
Life Insurance	460,959	2,025,953	2,486,911
Direct Transfers	-	-	-
Investment Income	2,296,978	16,013,883	18,310,862
Litigation Settlement	-	-	-
COBRA Premiums	244,701	1,082,033	1,326,734
Administrative Fees	809,996	4,487,944	5,297,940
Total Revenue	\$ 215,302,171	\$ 966,870,081	\$ 1,182,172,252
<u>Program Expenses</u>			
Medical Claims	\$ 132,169,106	\$ 513,241,486	\$ 645,410,592
Gross Prescription Drug Claims	85,614,218	364,282,967	449,897,184
Prescription Drug Rebates	(24,909,616)	(109,094,908)	(134,004,523)
Managed Care Capitations	7,907,213	83,533,828	91,441,041
Administration	5,543,194	24,362,813	29,906,007
Life Insurance	409,698	1,800,656	2,210,354
Wellness	502,964	2,210,571	2,713,535
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	126,089	504,338	630,427
Director's Discretionary Fund	367,148	1,462,759	1,829,907
WV RHBT Pay Go Premiums	11,243,049	43,756,951	55,000,000
Total Expenses	\$ 218,973,063	\$ 926,061,460	\$ 1,145,034,524
Fiscal Year Results	\$ (3,670,892)	\$ 40,808,620	\$ 37,137,728
Beginning Plan Reserve	35,311,790	312,247,849	347,559,639
Minimum Actuarial Reserve Required	\$ 25,604,023	\$ 107,477,759	\$ 133,081,781
<u>Ending Premium Stabilization Reserve</u>	<u>6,036,875</u>	<u>245,578,711</u>	<u>251,615,585</u>
Ending Plan Reserve	\$ 31,640,897	\$ 353,056,469	\$ 384,697,367
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 22,300,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 6,200,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 5,600,000	Active Local	6.0%	12.8%
Direct Transfers	\$ -	State	6.0%	12.8%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		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	\$ 184,363,160	\$ 5,890,903	\$ 190,254,063
Employer Premiums - MCO	9,683,329	309,097	9,992,426
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	11,243,049		11,243,049
Life Insurance	460,959		460,959
Direct Transfers	-		-
Investment Income	2,296,978		2,296,978
Litigation Settlement	-		-
COBRA Premiums	244,701		244,701
Administrative Fees	809,996		809,996
Total Revenue	\$ 209,102,171	\$ 6,200,000	\$ 215,302,171
<u>Program Expenses</u>			
Medical Claims	\$ 132,169,106	\$ -	\$ 132,169,106
Gross Prescription Drug Claims	85,614,218	-	85,614,218
Prescription Drug Rebates	(24,909,616)		(24,909,616)
Managed Care Capitations	7,907,213		7,907,213
Administration	5,543,194		5,543,194
Life Insurance	409,698		409,698
Wellness	502,964		502,964
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	126,089		126,089
Director's Discretionary Fund	367,148		367,148
WV RHBT Pay Go Premiums	11,243,049		11,243,049
Total Expenses	\$ 218,973,063	\$ -	\$ 218,973,063
Fiscal Year Results	\$ (9,870,892)		\$ (3,670,892)
Beginning Plan Reserve	35,311,790		35,311,790
Minimum Actuarial Reserve Required	\$ 25,604,023	\$ -	\$ 25,604,023
<u>Ending Premium Stabilization Reserve</u>	<u>(163,125)</u>	<u>-</u>	<u>6,036,875</u>
Ending Plan Reserve	\$ 25,440,897		\$ 31,640,897
Reserve as a Percent of Expenses			15%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 6,200,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		Local	6.0%
			<u>Gross Drugs</u>
			12.8%
		Prescription Drug Rebates	5.0%
		Capitations	9.0%
		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	\$ 616,636,124	\$ 19,999,610	\$ 636,635,734
Employer Premiums - MCO	70,972,512	2,300,390	73,272,902
Employee Premiums - PPB	165,350,041	5,032,538	170,382,579
Employee Premiums - MCO	18,644,639	567,462	19,212,101
WV RHBT Pay Go Premiums	43,756,951		43,756,951
Life Insurance	2,025,953		2,025,953
Direct Transfers	-		-
Investment Income	16,013,883		16,013,883
Litigation Settlement	-		-
COBRA Premiums	1,082,033		1,082,033
Administrative Fees	4,487,944		4,487,944
Total Revenue	\$ 938,970,081	\$ 27,900,000	\$ 966,870,081
<u>Program Expenses</u>			
Medical Claims	\$ 513,241,486	\$ -	\$ 513,241,486
Gross Prescription Drug Claims	364,282,967	\$ -	364,282,967
Prescription Drug Rebates	(109,094,908)		(109,094,908)
Managed Care Capitations	83,533,828		83,533,828
Administration	24,362,813		24,362,813
Life Insurance	1,800,656		1,800,656
Wellness	2,210,571		2,210,571
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	504,338		504,338
Director's Discretionary Fund	1,462,759		1,462,759
WV RHBT Pay Go Premiums	43,756,951		43,756,951
Total Expenses	\$ 926,061,460	\$ -	\$ 926,061,460
Fiscal Year Results	\$ 12,908,620		\$ 40,808,620
Beginning Plan Reserve	312,247,849		312,247,849
Minimum Actuarial Reserve Required	\$ 107,477,759	\$ -	\$ 107,477,759
<u>Ending Premium Stabilization Reserve</u>	<u>217,678,711</u>	<u>-</u>	<u>245,578,711</u>
Ending Plan Reserve	\$ 325,156,469		\$ 353,056,469
Reserve as a Percent of Expenses			40%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 22,300,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 5,600,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	6.0%	12.8%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		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	\$ 216,814,469	\$ 651,914,214	\$ 868,728,682
Employer Premiums - MCO	11,387,829	75,038,614	86,426,443
Employee Premiums - PPB	-	176,044,185	176,044,185
Employee Premiums - MCO	-	19,850,495	19,850,495
WV RHBT Pay Go Premiums	13,287,240	51,712,760	65,000,000
Life Insurance	484,007	2,127,250	2,611,257
Direct Transfers	-	-	-
Investment Income	2,247,216	18,034,087	20,281,303
Litigation Settlement	-	-	-
COBRA Premiums	278,863	1,110,114	1,388,977
Administrative Fees	809,996	4,487,944	5,297,940
Total Revenue	\$ 245,309,619	\$ 1,000,319,663	\$ 1,245,629,282
<u>Program Expenses</u>			
Medical Claims	\$ 137,840,848	\$ 533,699,697	\$ 671,540,545
Gross Prescription Drug Claims	95,794,548	407,707,662	503,502,210
Prescription Drug Rebates	(26,155,096)	(114,549,653)	(140,704,749)
Managed Care Capitations	8,697,935	91,887,211	100,585,145
Administration	5,709,490	25,093,697	30,803,187
Life Insurance	430,183	1,890,689	2,320,872
Wellness	523,083	2,298,994	2,822,076
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	132,393	529,555	661,948
Director's Discretionary Fund	367,892	1,466,137	1,834,029
WV RHBT Pay Go Premiums	13,287,240	51,712,760	65,000,000
Total Expenses	\$ 236,628,514	\$ 1,001,736,748	\$ 1,238,365,263
Fiscal Year Results	\$ 8,681,105	\$ (1,417,085)	\$ 7,264,019
Beginning Plan Reserve	31,640,897	353,056,469	384,697,367
Minimum Actuarial Reserve Required	\$ 27,530,332	\$ 115,710,495	\$ 143,240,827
<u>Ending Premium Stabilization Reserve</u>	<u>12,791,670</u>	<u>235,928,889</u>	<u>248,720,559</u>
Ending Plan Reserve	\$ 40,322,002	\$ 351,639,384	\$ 391,961,386
Reserve as a Percent of Expenses			33%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 25,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 30,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 6,300,000	Active Local	6.5%	13.5%
Direct Transfers	\$ -	State	6.5%	13.5%
		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	\$ 188,310,099	\$ 28,504,370	\$ 216,814,469
Employer Premiums - MCO	9,892,199	1,495,630	11,387,829
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	13,287,240		13,287,240
Life Insurance	484,007		484,007
Direct Transfers	-		-
Investment Income	2,247,216		2,247,216
Litigation Settlement	-		-
COBRA Premiums	278,863		278,863
Administrative Fees	809,996		809,996
Total Revenue	\$ 215,309,619	\$ 30,000,000	\$ 245,309,619
<u>Program Expenses</u>			
Medical Claims	\$ 140,460,848	\$ (2,620,000)	\$ 137,840,848
Gross Prescription Drug Claims	96,884,548	\$ (1,090,000)	95,794,548
Prescription Drug Rebates	(26,155,096)		(26,155,096)
Managed Care Capitations	8,697,935		8,697,935
Administration	5,709,490		5,709,490
Life Insurance	430,183		430,183
Wellness	523,083		523,083
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	132,393		132,393
Director's Discretionary Fund	367,892		367,892
WV RHBT Pay Go Premiums	13,287,240		13,287,240
Total Expenses	\$ 240,338,514	\$ (3,710,000)	\$ 236,628,514
Fiscal Year Results	\$ (25,028,895)		\$ 8,681,105
Beginning Plan Reserve	31,640,897		31,640,897
Minimum Actuarial Reserve Required	\$ 27,530,332	\$ -	\$ 27,530,332
<u>Ending Premium Stabilization Reserve</u>	<u>(20,918,330)</u>	<u>-</u>	<u>12,791,670</u>
Ending Plan Reserve	\$ 6,612,002		\$ 40,322,002
Reserve as a Percent of Expenses			18%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 30,000,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		Local	6.5%
			<u>Gross Drugs</u>
		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	\$ 629,493,126	\$ 22,421,087	\$ 651,914,214
Employer Premiums - MCO	72,459,701	2,578,913	75,038,614
Employee Premiums - PPB	170,382,579	5,661,605	176,044,185
Employee Premiums - MCO	19,212,101	638,395	19,850,495
WV RHBT Pay Go Premiums	51,712,760		51,712,760
Life Insurance	2,127,250		2,127,250
Direct Transfers	-		-
Investment Income	18,034,087		18,034,087
Litigation Settlement	-		-
COBRA Premiums	1,110,114		1,110,114
Administrative Fees	4,487,944		4,487,944
Total Revenue	\$ 969,019,663	\$ 31,300,000	\$ 1,000,319,663
<u>Program Expenses</u>			
Medical Claims	\$ 545,449,697	\$ (11,750,000)	\$ 533,699,697
Gross Prescription Drug Claims	412,247,662	\$ (4,540,000)	407,707,662
Prescription Drug Rebates	(114,549,653)		(114,549,653)
Managed Care Capitations	91,887,211		91,887,211
Administration	25,093,697		25,093,697
Life Insurance	1,890,689		1,890,689
Wellness	2,298,994		2,298,994
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	529,555		529,555
Director's Discretionary Fund	1,466,137		1,466,137
WV RHBT Pay Go Premiums	51,712,760		51,712,760
Total Expenses	\$ 1,018,026,748	\$ (16,290,000)	\$ 1,001,736,748
Fiscal Year Results	\$ (49,007,085)		\$ (1,417,085)
Beginning Plan Reserve	353,056,469		353,056,469
Minimum Actuarial Reserve Required	\$ 115,710,495	\$ -	\$ 115,710,495
<u>Ending Premium Stabilization Reserve</u>	<u>188,338,889</u>	<u>-</u>	<u>235,928,889</u>
Ending Plan Reserve	\$ 304,049,384		\$ 351,639,384
Reserve as a Percent of Expenses			37%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 25,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 6,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	6.5%	13.5%
		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	\$ 233,873,417	\$ 689,613,780	\$ 923,487,197
Employer Premiums - MCO	12,284,690	79,383,238	91,667,928
Employee Premiums - PPB	-	187,277,529	187,277,529
Employee Premiums - MCO	-	21,117,151	21,117,151
WV RHBT Pay Go Premiums	15,331,431	59,668,569	75,000,000
Life Insurance	508,207	2,233,613	2,741,820
Direct Transfers	-	-	-
Investment Income	2,701,899	18,408,240	21,110,139
Litigation Settlement	-	-	-
COBRA Premiums	300,805	1,175,726	1,476,531
Administrative Fees	809,996	4,487,944	5,297,940
Total Revenue	\$ 265,810,444	\$ 1,063,365,791	\$ 1,329,176,235
<u>Program Expenses</u>			
Medical Claims	\$ 144,557,885	\$ 558,111,294	\$ 702,669,179
Gross Prescription Drug Claims	108,033,881	459,909,525	567,943,407
Prescription Drug Rebates	(27,462,851)	(120,277,136)	(147,739,987)
Managed Care Capitations	9,654,707	101,994,804	111,649,511
Administration	5,880,774	25,846,508	31,727,282
Life Insurance	451,692	1,985,224	2,436,915
Wellness	544,006	2,390,953	2,934,959
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	139,013	556,033	695,045
Director's Discretionary Fund	366,960	1,463,320	1,830,280
WV RHBT Pay Go Premiums	15,331,431	59,668,569	75,000,000
Total Expenses	\$ 257,497,498	\$ 1,091,649,094	\$ 1,349,146,592
Fiscal Year Results	\$ 8,312,946	\$ (28,283,303)	\$ (19,970,357)
Beginning Plan Reserve	40,322,002	351,639,384	391,961,386
Minimum Actuarial Reserve Required	\$ 29,854,004	\$ 125,678,228	\$ 155,532,231
<u>Ending Premium Stabilization Reserve</u>	<u>18,780,944</u>	<u>197,677,853</u>	<u>216,458,798</u>
Ending Plan Reserve	\$ 48,634,948	\$ 323,356,081	\$ 371,991,029
Reserve as a Percent of Expenses			29%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 50,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 12,500,000	Active Local	7.0%	14.3%
Direct Transfers	\$ -	State	7.0%	14.3%
		Prescription Drug Rebates		5.0%
		Capitations		11.0%
		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	\$ 214,870,504	\$ 19,002,913	\$ 233,873,417
Employer Premiums - MCO	11,287,603	997,087	12,284,690
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	15,331,431		15,331,431
Life Insurance	508,207		508,207
Direct Transfers	-		-
Investment Income	2,701,899		2,701,899
Litigation Settlement	-		-
COBRA Premiums	300,805		300,805
Administrative Fees	809,996		809,996
Total Revenue	\$ 245,810,444	\$ 20,000,000	\$ 265,810,444
<u>Program Expenses</u>			
Medical Claims	\$ 147,177,885	\$ (2,620,000)	\$ 144,557,885
Gross Prescription Drug Claims	109,123,881	\$ (1,090,000)	108,033,881
Prescription Drug Rebates	(27,462,851)		(27,462,851)
Managed Care Capitations	9,654,707		9,654,707
Administration	5,880,774		5,880,774
Life Insurance	451,692		451,692
Wellness	544,006		544,006
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	139,013		139,013
Director's Discretionary Fund	366,960		366,960
WV RHBT Pay Go Premiums	15,331,431		15,331,431
Total Expenses	\$ 261,207,498	\$ (3,710,000)	\$ 257,497,498
Fiscal Year Results	\$ (15,397,054)		\$ 8,312,946
Beginning Plan Reserve	40,322,002		40,322,002
Minimum Actuarial Reserve Required	\$ 29,854,004	\$ -	\$ 29,854,004
<u>Ending Premium Stabilization Reserve</u>	<u>(4,929,056)</u>	<u>-</u>	<u>18,780,944</u>
Ending Plan Reserve	\$ 24,924,948		\$ 48,634,948
Reserve as a Percent of Expenses			20%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		<u>Gross Drugs</u>	
		Local	7.0%
			14.3%
		Prescription Drug Rebates	5.0%
		Capitations	11.0%
		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	\$ 644,771,605	\$ 44,842,175	\$ 689,613,780
Employer Premiums - MCO	74,225,413	5,157,825	79,383,238
Employee Premiums - PPB	176,044,185	11,233,344	187,277,529
Employee Premiums - MCO	19,850,495	1,266,656	21,117,151
WV RHBT Pay Go Premiums	59,668,569		59,668,569
Life Insurance	2,233,613		2,233,613
Direct Transfers	-		-
Investment Income	18,408,240		18,408,240
Litigation Settlement	-		-
COBRA Premiums	1,175,726		1,175,726
Administrative Fees	4,487,944		4,487,944
Total Revenue	\$ 1,000,865,791	\$ 62,500,000	\$ 1,063,365,791
<u>Program Expenses</u>			
Medical Claims	\$ 569,861,294	\$ (11,750,000)	\$ 558,111,294
Gross Prescription Drug Claims	464,449,525	\$ (4,540,000)	459,909,525
Prescription Drug Rebates	(120,277,136)		(120,277,136)
Managed Care Capitations	101,994,804		101,994,804
Administration	25,846,508		25,846,508
Life Insurance	1,985,224		1,985,224
Wellness	2,390,953		2,390,953
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	556,033		556,033
Director's Discretionary Fund	1,463,320		1,463,320
WV RHBT Pay Go Premiums	59,668,569		59,668,569
Total Expenses	\$ 1,107,939,094	\$ (16,290,000)	\$ 1,091,649,094
Fiscal Year Results	\$ (107,073,303)		\$ (28,283,303)
Beginning Plan Reserve	351,639,384		351,639,384
Minimum Actuarial Reserve Required	\$ 125,678,228	\$ -	\$ 125,678,228
<u>Ending Premium Stabilization Reserve</u>	<u>118,887,853</u>	<u>-</u>	<u>197,677,853</u>
Ending Plan Reserve	\$ 244,566,081		\$ 323,356,081
Reserve as a Percent of Expenses			31%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 50,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 12,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	7.0%	14.3%
		Prescription Drug Rebates		5.0%
		Capitations		11.0%
		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	\$ 250,932,366	\$ 736,281,781	\$ 987,214,148
Employer Premiums - MCO	13,181,550	84,759,427	97,940,977
Employee Premiums - PPB	-	200,757,541	200,757,541
Employee Premiums - MCO	-	22,637,139	22,637,139
WV RHBT Pay Go Premiums	17,375,621	67,624,379	85,000,000
Life Insurance	533,617	2,345,294	2,878,911
Direct Transfers	-	-	-
Investment Income	3,153,301	17,755,509	20,908,810
Litigation Settlement	-	-	-
COBRA Premiums	322,747	1,256,375	1,579,122
Administrative Fees	809,996	4,487,944	5,297,940
Total Revenue	\$ 286,309,198	\$ 1,137,905,389	\$ 1,424,214,588
<u>Program Expenses</u>			
Medical Claims	\$ 152,452,990	\$ 586,968,574	\$ 739,421,565
Gross Prescription Drug Claims	122,786,955	522,827,682	645,614,637
Prescription Drug Rebates	(28,835,994)	(126,290,993)	(155,126,986)
Managed Care Capitations	10,813,272	114,234,180	125,047,452
Administration	6,057,197	26,621,904	32,679,101
Life Insurance	474,276	2,084,485	2,558,761
Wellness	565,766	2,486,592	3,052,358
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	145,963	583,834	729,798
Director's Discretionary Fund	365,996	1,460,848	1,826,844
WV RHBT Pay Go Premiums	17,375,621	67,624,379	85,000,000
Total Expenses	\$ 282,202,045	\$ 1,198,601,485	\$ 1,480,803,530
Fiscal Year Results	\$ 4,107,154	\$ (60,696,096)	\$ (56,588,942)
Beginning Plan Reserve	48,634,948	323,356,081	371,991,029
Minimum Actuarial Reserve Required	\$ 32,651,891	\$ 137,721,863	\$ 170,373,754
<u>Ending Premium Stabilization Reserve</u>	<u>20,090,211</u>	<u>124,938,122</u>	<u>145,028,332</u>
Ending Plan Reserve	\$ 52,742,102	\$ 262,659,985	\$ 315,402,087
Reserve as a Percent of Expenses			23%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 15,000,000	Active Local	7.5%	15.0%
Direct Transfers	\$ -	State	7.5%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		12.0%
		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	\$ 231,929,453	\$ 19,002,913	\$ 250,932,366
Employer Premiums - MCO	12,184,463	997,087	13,181,550
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	17,375,621		17,375,621
Life Insurance	533,617		533,617
Direct Transfers	-		-
Investment Income	3,153,301		3,153,301
Litigation Settlement	-		-
COBRA Premiums	322,747		322,747
Administrative Fees	809,996		809,996
Total Revenue	\$ 266,309,198	\$ 20,000,000	\$ 286,309,198
<u>Program Expenses</u>			
Medical Claims	\$ 155,072,990	\$ (2,620,000)	\$ 152,452,990
Gross Prescription Drug Claims	123,876,955	\$ (1,090,000)	122,786,955
Prescription Drug Rebates	(28,835,994)		(28,835,994)
Managed Care Capitations	10,813,272		10,813,272
Administration	6,057,197		6,057,197
Life Insurance	474,276		474,276
Wellness	565,766		565,766
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	145,963		145,963
Director's Discretionary Fund	365,996		365,996
WV RHBT Pay Go Premiums	17,375,621		17,375,621
Total Expenses	\$ 285,912,045	\$ (3,710,000)	\$ 282,202,045
Fiscal Year Results	\$ (19,602,846)		\$ 4,107,154
Beginning Plan Reserve	48,634,948		48,634,948
Minimum Actuarial Reserve Required	\$ 32,651,891	\$ -	\$ 32,651,891
<u>Ending Premium Stabilization Reserve</u>	<u>(3,619,789)</u>	<u>-</u>	<u>20,090,211</u>
Ending Plan Reserve	\$ 29,032,102		\$ 52,742,102
Reserve as a Percent of Expenses			20%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		Local	7.5%
			<u>Gross Drugs</u>
			15.0%
		Prescription Drug Rebates	5.0%
		Capitations	12.0%
		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	\$ 682,471,172	\$ 53,810,610	\$ 736,281,781
Employer Premiums - MCO	78,570,037	6,189,390	84,759,427
Employee Premiums - PPB	187,277,529	13,480,013	200,757,541
Employee Premiums - MCO	21,117,151	1,519,987	22,637,139
WV RHBT Pay Go Premiums	67,624,379		67,624,379
Life Insurance	2,345,294		2,345,294
Direct Transfers	-		-
Investment Income	17,755,509		17,755,509
Litigation Settlement	-		-
COBRA Premiums	1,256,375		1,256,375
Administrative Fees	4,487,944		4,487,944
Total Revenue	\$ 1,062,905,389	\$ 75,000,000	\$ 1,137,905,389
<u>Program Expenses</u>			
Medical Claims	\$ 598,718,574	\$ (11,750,000)	\$ 586,968,574
Gross Prescription Drug Claims	527,367,682	\$ (4,540,000)	522,827,682
Prescription Drug Rebates	(126,290,993)		(126,290,993)
Managed Care Capitations	114,234,180		114,234,180
Administration	26,621,904		26,621,904
Life Insurance	2,084,485		2,084,485
Wellness	2,486,592		2,486,592
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	583,834		583,834
Director's Discretionary Fund	1,460,848		1,460,848
WV RHBT Pay Go Premiums	67,624,379		67,624,379
Total Expenses	\$ 1,214,891,485	\$ (16,290,000)	\$ 1,198,601,485
Fiscal Year Results	\$ (151,986,096)		\$ (60,696,096)
Beginning Plan Reserve	323,356,081		323,356,081
Minimum Actuarial Reserve Required	\$ 137,721,863	\$ -	\$ 137,721,863
<u>Ending Premium Stabilization Reserve</u>	<u>33,648,122</u>	<u>-</u>	<u>124,938,122</u>
Ending Plan Reserve	\$ 171,369,985		\$ 262,659,985
Reserve as a Percent of Expenses			23%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 15,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	7.5%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		12.0%
		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	\$341.74	\$346.35	\$325.06	\$412.27	\$343.88	\$368.61	\$418.55	\$368.93	\$386.51	\$414.25	\$442.47	\$425.65
State Medical	360.06	353.86	349.07	402.63	353.43	371.82	406.42	396.70	407.70	420.20	400.79	434.14
Local Drugs	221.50	207.37	203.13	226.09	213.91	223.05	215.67	202.28	226.69	233.79	240.71	249.69
State Drugs	<u>243.41</u>	<u>239.15</u>	<u>234.37</u>	<u>260.77</u>	<u>234.59</u>	<u>249.69</u>	<u>236.96</u>	<u>216.88</u>	<u>245.72</u>	<u>254.64</u>	<u>261.40</u>	<u>267.03</u>
Total	\$1,166.71	\$1,146.73	\$1,111.63	\$1,301.77	\$1,145.81	\$1,213.15	\$1,277.59	\$1,184.79	\$1,266.61	\$1,322.89	\$1,345.37	\$1,376.51
Change From Prior Year - Month to Month Analysis												
Local Medical	26.2%	0.7%	-0.3%	20.4%	-3.1%	9.5%	6.2%	2.0%	2.1%	1.1%	5.1%	24.0%
State Medical	9.8%	-6.8%	4.5%	7.8%	-1.6%	6.4%	0.2%	8.6%	0.7%	0.1%	-5.6%	3.3%
Local Drugs	41.5%	5.8%	15.8%	15.4%	5.6%	14.1%	5.6%	1.9%	11.6%	2.9%	-2.7%	14.2%
State Drugs	<u>30.6%</u>	<u>9.5%</u>	<u>14.9%</u>	<u>19.7%</u>	<u>6.7%</u>	<u>16.7%</u>	<u>7.3%</u>	<u>2.7%</u>	<u>11.7%</u>	<u>2.7%</u>	<u>1.6%</u>	<u>9.7%</u>
Total	23.9%	0.8%	6.9%	15.2%	0.8%	10.7%	4.3%	4.2%	5.0%	1.4%	-0.4%	12.3%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			7.7%			8.8%			3.5%			9.2%
State Medical			2.1%			4.2%			3.0%			-0.8%
Local Drugs			19.7%			11.6%			6.4%			4.5%
State Drugs			<u>17.8%</u>			<u>14.3%</u>			<u>7.3%</u>			<u>4.6%</u>
Total			9.8%			8.9%			4.5%			4.2%
Change From Prior Year - Year to Year Analysis												
Local Medical			20.0%			16.3%			11.3%			7.3%
State Medical			17.2%			12.9%			8.0%			2.0%
Local Drugs			25.4%			20.0%			16.5%			10.0%
State Drugs			<u>22.1%</u>			<u>18.3%</u>			<u>15.7%</u>			<u>10.7%</u>
Total			20.4%			16.2%			12.0%			6.7%

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

Fiscal Year 2026					
Exposure	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>	<u>Oct-25</u>	<u>Nov-25</u>
Local Medical	28,597	28,467	28,486	28,451	28,475
State Medical	103,489	103,028	102,821	102,987	103,362
Local Drugs	28,597	28,467	28,486	28,451	28,475
State Drugs	103,489	103,028	102,821	102,987	103,362
	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>	<u>Oct-25</u>	<u>Nov-25</u>
Local Medical	\$316.06	\$311.22	\$343.93	\$338.30	\$384.44
State Medical	340.27	340.79	341.97	338.21	391.28
Local Drugs	201.94	206.06	216.60	219.67	212.49
State Drugs	<u>231.22</u>	<u>222.06</u>	<u>249.23</u>	<u>255.49</u>	<u>236.24</u>
Total	\$1,089.51	\$1,080.12	\$1,151.72	\$1,151.66	\$1,224.44
Change From Prior Year - Month to Month Analysis					
Local Medical	-7.5%	-10.1%	5.8%	-17.9%	11.8%
State Medical	-5.5%	-3.7%	-2.0%	-16.0%	10.7%
Local Drugs	-8.8%	-0.6%	6.6%	-2.8%	-0.7%
State Drugs	<u>-5.0%</u>	<u>-7.1%</u>	<u>6.3%</u>	<u>-2.0%</u>	<u>0.7%</u>
Total	-6.6%	-5.8%	3.6%	-11.5%	6.9%
Change From Prior Year - Quarter to Quarter Analysis					
Local Medical			-4.1%		
State Medical			-3.8%		
Local Drugs			-1.2%		
State Drugs			<u>-2.0%</u>		
Total			-3.0%		
Change From Prior Year - Year to Year Analysis					
Local Medical			4.5%		
State Medical			0.7%		
Local Drugs			5.2%		
State Drugs			<u>5.8%</u>		
Total			3.7%		