



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2013
Financial Report**

Fiscal Years 2013-2018

November 2013

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415 Main Street
Reisterstown, MD 21136

Phone: 410-833-4220
Fax: 410-833-4229

Email: info@ccrcactuaries.com

Finance Board
West Virginia Public Employees Insurance Agency
601 57th St., SE, Suite 2
Charleston, West Virginia 25304-2345

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 CCRC Actuaries, LLC (“CCRC Actuaries”).

CCRC 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 CCRC Actuaries to review the financial plan prepared and proposed by the Board in December 2012 for the fiscal year 2014 (“FY 2014”) and to provide quarterly financial reports for current FY 2013 and thereafter. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years.

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 2013 and in subsequent fiscal years. In subsequent fiscal years, future transfers of employer 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 for the fiscal year are met. We have been asked to review the proposed financial plan, and as supported by our work, to render an 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 2018.

The Medicaid / PEIA Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide PEIA with hospital charge savings through discounts for all non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2013 and subsequently. We are assuming that the Bill will continue throughout the forecast periods. It should be noted that PEIA has not been granted direct transfers of \$3,500,000 since FY 2012.

CCRC Actuaries has provided financial report for fiscal year ending June 30, 2013 (“FY 2013”), and preliminary forecasts for fiscal years ending June 30, 2014 (“FY 2014”), June 30, 2015 (“FY 2015”), June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”) and June 30, 2018 (“FY 2018”). Our opinion of plan adequacy is based on the projections through FY 2018 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2012. This forecast is prepared for the Public Employee Insurance Agency, and does not include actuarial projections for the Trust Fund.

In reviewing the plan, CCRC 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. Based on the PPACA requirements to expand coverage, the estimated “grandfathering” cost of eliminating lifetime limitations, offering free preventive services, and covering children to age 26 is approximately \$9.5 million in FY 2013 and \$9.2 million in FY 2014. In addition, the estimated cost of the Autism expansion bill enacted by the state legislature was \$3 million in FY 2013. The PEIA benefit reductions passed by the Finance Board on December 13, 2011 reduced claims by an estimated aggregate of \$22.5 million in FY 2013. Additional details of the benefit reductions can be found later in this report.

In FY 2013 the Pay-Go is equivalent to \$343 per retiree per month. In future years, the Pay Go premium will continue to increase each year by a maximum of 3% per retiree per year. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2012.

This report includes updated claim trend assumptions as recommended in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2013”. In the circumstances and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2013 through FY 2018 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 2014 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2012.

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 2018 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.
Senior Actuarial Consultant

West Virginia Public Employees Insurance Agency

Report of Independent Actuary

Financial Plan for FY 2013 – FY 2018

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 CCRC Actuaries.

This report was compiled utilizing claims data collected by PEIA's third party administrators through September 2013 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 interest 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 October 2013 enrollment levels for the duration of these forecasts for active employees.

In aggregate, October 2013 enrollment for active employees has decreased by 461 coverages since the end of FY 2013. Aggregate PPB enrollment has decreased by 424 in total over the same period, while managed care enrollment experienced a decrease of 37 coverages.

In the State Fund, the overall active State enrollment decreased by 577 coverages from the end of FY 2013 to October 2013. And in the Local Fund, the overall active Local enrollment increased by 116 coverages from the end of FY 2013 to October 2013.

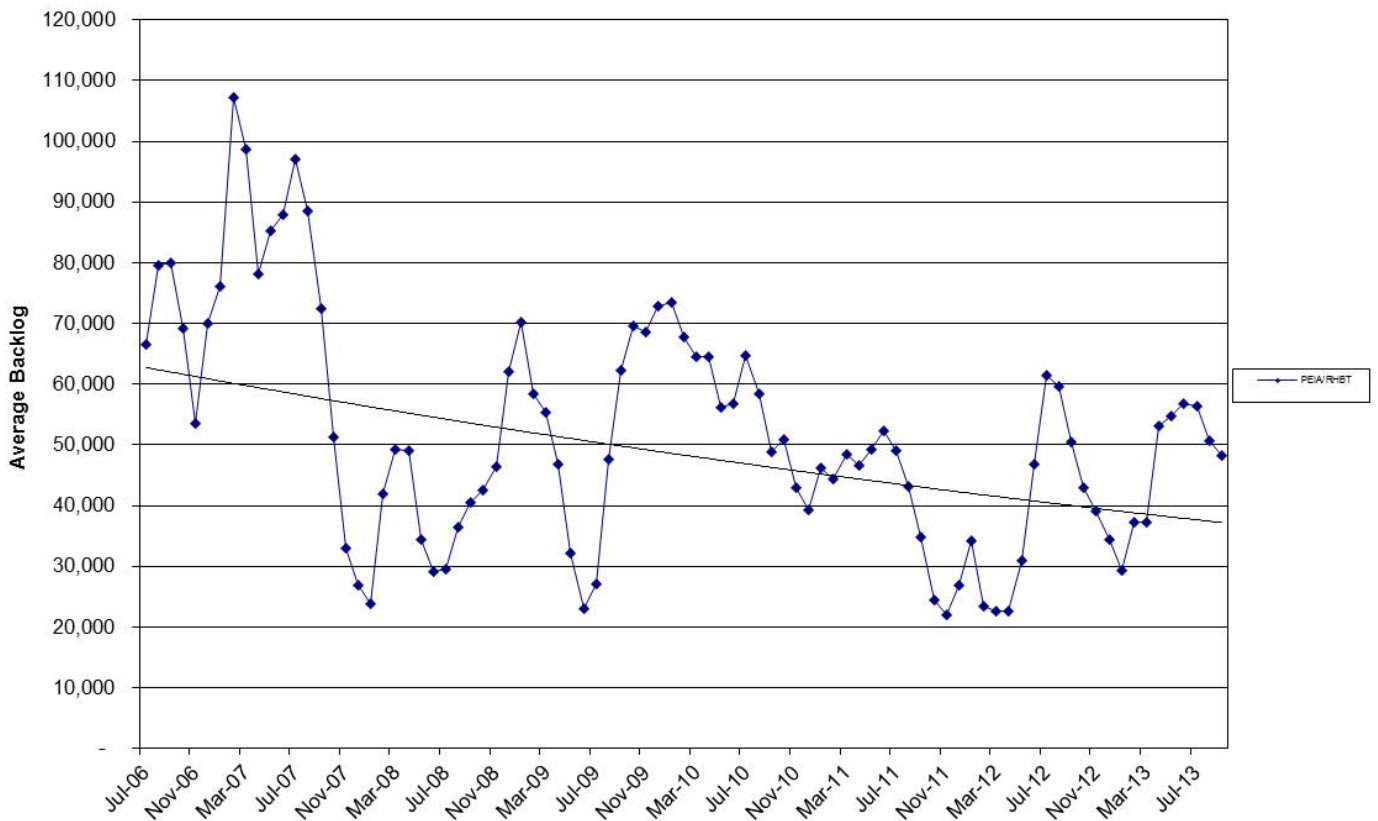
The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2012, June 2013 and October 2013 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-12	Jun-13	Oct-13	Jun-12	Jun-13	Oct-13
State Active	Single	22,488	22,255	21,847	1,960	1,887	1,900
	Children	6,247	6,459	6,484	622	648	625
	Family	30,358	30,430	30,327	2,984	2,899	2,818
	Total	59,093	59,144	58,658	5,566	5,434	5,343
Local Active	Single	5,014	5,106	5,085	300	322	342
	Children	863	967	989	98	106	108
	Family	5,208	5,307	5,368	109	131	163
	Total	11,085	11,380	11,442	507	559	613
Plan Total		70,178	70,524	70,100	6,073	5,993	5,956
Grand Total					76,251	76,517	76,056

B. Changes in Claim Backlog

It should be noted that on July 1, 2006, all retirees were transferred to the RHBT. While the chart below, which has not been adjusted to reflect the smaller risk pool, indicates a lower backlog, the duration of claim payments has been gradually declining for the self-insured block of non-Medicare coverages, and backlog has shown a decreasing trend since June 2013.

WV PEIA&RHBT Claim Backlog July 2006 through September 2013



C. Trend Analysis

PEIA has experienced favorable medical and prescription drug trends in FY 2013, and over the long term, trends have been favorable. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2013”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have decreased the FY 2014 medical claim trend to 5%. Additionally, due to PEIA’s favorable FY 2013 prescription drug experience, we have decreased our trend assumption for all prescription drugs coverage to 8% in FY 2014.

The current projection assumes the trends in the following table:

Claim Type	Previous Assumption FY 2014 Trend	Updated Assumption FY 2014 Trend
Active Local – Medical	6.0%	5.0%
State – Medical	6.0%	5.0%
Active Local – Drugs	9.0%	8.0%
State – Drugs	9.0%	8.0%

In addition, we have assumed that trends will increase by 0.5% in FY 2015 and FY 2016, and then increase by 1.0% in each successive fiscal year beginning in FY 2017. 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 September 2013. 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%	4%
2007	15%	2%	13%	8%	5%
2008	3%	8%	-14%	-10%	2%
2009	-8%	3%	5%	4%	2%
2010	10%	1%	9%	9%	4%
2011	8%	6%	9%	8%	7%
2012	5%	5%	8%	6%	5%
2013	-1%	-3%	-10%	-7%	-4%
2014*	-1%	2%	-8%	-5%	-1%

* Fiscal Year 2014 results are through the first three months ending September 2013.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through September 2013 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. CCRC Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the result of FY 2013 and the projection of FY 2014 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2013 Result			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	59,028	\$ 480	\$ 124	\$ 434	\$ 143	
	<u>Managed Care</u>	<u>5,402</u>	\$ 487	\$ 144			\$ 563
	Total	64,430					
Local	PPB	11,233	\$ 587	\$ -	\$ 434	\$ 121	
	<u>Managed Care</u>	<u>552</u>	\$ 453	\$ -			\$ 390
	Total	11,785					

*Net of rebates and subsidies.

Fiscal Year 2014 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	58,553	\$ 480	\$ 127	\$ 455	\$ 154	
	<u>Managed Care</u>	<u>5,326</u>	\$ 492	\$ 136			\$ 585
	Total	63,879					
Local	PPB	11,431	\$ 599	\$ -	\$ 454	\$ 130	
	<u>Managed Care</u>	<u>610</u>	\$ 451	\$ -			\$ 361
	Total	12,041					

*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. Interest income is currently allocated to each fund based on average reserve levels for each fund. The following chart summarizes the additional revenues from employers, employees and direct transfers assumed in the report.

Board Decisions – December 2012

Source	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018
Additional State Employer Revenue	\$18,500,000	\$0	\$30,000,000	\$30,000,000	\$55,000,000	\$45,000,000
Additional Local Agency Revenue	\$0	\$0	\$0	\$0	\$20,000,000	\$10,000,000
Additional Employee Premium	\$0	\$0	\$2,100,000	\$7,500,000	\$13,800,000	\$11,300,000
Direct Transfer	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions/(Increase)	\$22,489,000	\$0	\$0	\$0	\$0	\$0
Autism Bill (Cost)	(\$3,000,000)	\$0	\$0	\$0	\$0	\$0
PPACA Savings/(Cost)	(\$9,704,300)	(\$5,242,637)	(\$8,844,687)	(\$5,746,749)	(\$2,148,824)	(\$350,912)
Pay Go Premium Transfer	\$163,360,228	\$160,822,000	\$169,716,820	\$179,963,310	\$190,139,320	\$201,897,080

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2015 and 2016. From 2017 and beyond, no further reinsurance contributions will be collected. PEIA will not receive any benefit payments from the national reinsurance program. PEIA will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be \$20,600,000. FY 2014 is projected to be \$4,900,000.

The Treasury Department and the Internal Revenue Service recently issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. The fees will be paid by health insurers and plan sponsors of self-insured group health plans.

The Affordable Care Act created a new Patient-Centered Outcomes Research Institute (PCORI) to conduct research evaluating and comparing health outcomes and assess the clinical effectiveness, risks and benefits of medical treatments. The PCORI’s work will be paid for by a new Patient-Centered Outcomes Research Trust Fund, which will be funded in part through the comparative effectiveness research fees.

PEIA will pay the fees for the FY 2013 through FY 2019 plan years. In the first year it applies, the fee will be \$1 multiplied by the average number of lives covered under the plan (including dependents). In subsequent years, the multiplier is \$2 times the average number of covered lives, but this number will be reviewed annually and could change. We assume \$2 for future years after FY 2013 in the projection. The total comparative effectiveness research fees for the financial projection are estimated to be \$2,257,123. FY 2014 is projected to be \$342,637.

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.

In FY 2013 the Pay-Go is equivalent to \$343 per retiree per month. In future years, the Pay Go premium will continue to increase each year by a maximum of 3% per retiree per year. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2012.

E. Provider Reimbursement Changes

Beyond the extension of the Medicaid / PEIA Hospital Bill 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 2013 RESULT

The financial result for FY 2013 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2013 includes accrued revenue of \$735,640,081 and incurred plan expenses of \$711,780,198 to produce a fiscal year surplus of \$23,859,883. It should be noted that this is a decrease from the projected surplus of \$34,960,994 in the PEIA March 31, 2013 Quarterly Report due to the higher medical claims experience. The PEIA local and state agencies Pay Go premiums for FY 2013 are \$163,360,228.

Under the Baseline Scenario, FY 2013 indicates an ending reserve of \$214,337,559 and the FY 2014 expenditures of \$741,895,979, which represents 29% of expenditures. This reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions.

FISCAL YEAR 2014 FORECAST

The financial forecast for FY 2014 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2014 projects accrued revenue of \$731,917,689 and incurred plan expenses of \$741,895,979 to produce a fiscal year deficit of (\$9,978,290). The PEIA local and state agencies Pay Go premiums for FY 2014 are assumed to be \$160,822,000.

Under the Baseline Scenario, FY 2014 is projected to end with a reserve of \$204,359,269 and the FY 2015 expenditures of \$790,225,578, which represents 26% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$209,625,659 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$199,122,892.

FISCAL YEAR 2015 FORECAST

The financial forecast for FY 2015 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2015 projects accrued revenue of \$764,615,800 and incurred plan expenses of \$790,225,578 to produce a fiscal year deficit of (\$25,609,778). The PEIA local and state agencies Pay Go premiums for FY 2015 are assumed to be \$169,716,820.

Under the Baseline Scenario, FY 2015 is projected to end with a reserve of \$178,749,491 and the FY 2016 expenditures of \$835,993,845, which represents 21% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$199,839,815 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$157,511,865.

FISCAL YEAR 2016 FORECAST

The financial forecast for FY 2016 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2016 projects accrued revenue of \$802,753,610 and incurred plan expenses of \$835,993,845 to produce a fiscal year deficit of (\$33,240,235). The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$179,963,310.

Under the Baseline Scenario, FY 2016 is projected to end with a reserve of \$145,509,255 and the FY 2017 expenditures of \$888,224,313, which represents 16% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$194,556,127 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$95,489,942.

FISCAL YEAR 2017 FORECAST

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$892,389,227 and incurred plan expenses of \$888,224,313 to produce a fiscal year surplus of \$4,164,914. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$190,139,320.

Under the Baseline Scenario, FY 2017 is projected to end with a reserve of \$149,674,169 and the FY 2018 expenditures of \$953,395,935, which represents 16% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$241,007,219 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$55,342,691.

FISCAL YEAR 2018 FORECAST

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$959,582,988 and incurred plan expenses of \$953,395,935 to produce a fiscal year surplus of \$6,187,053. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$201,897,080.

Under the Baseline Scenario, FY 2018 is projected to end with a reserve of \$155,861,222 and the FY 2019 expenditures of \$1,031,569,020, which represents 15% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$306,236,988 and under the Pessimistic Scenario, the ending reserve is expected to decrease to (\$1,438,735).

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 and the 15% actuarial reserve target through the projection period ending with the Fiscal Year 2018 using the Baseline assumptions. These projections are based on significant revenue increases projected by PEIA 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 REPORT
FISCAL YEAR 2013**

PERIOD 7/1/2012 - 6/30/2013

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 103,598,549	\$ 439,725,391	\$ 543,323,940
Employer Premiums - MCO	3,933,597	40,823,979	44,757,576
Employee Premiums - PPB	-	114,020,026	114,020,026
Employee Premiums - MCO	-	12,067,267	12,067,267
Life Insurance	488,228	2,715,369	3,203,597
Direct Transfers	-	-	-
Investment Income	2,138,844	8,793,999	10,932,843
COBRA Premiums	474,660	1,970,872	2,445,532
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 111,381,397	\$ 624,258,684	\$ 735,640,081
<u>Program Expenses</u>			
Medical Claims	\$ 58,479,192	\$ 307,713,751	\$ 366,192,943
Prescription Drug Claims	16,333,276	101,092,404	117,425,680
Managed Care Capitations	2,584,011	36,524,943	39,108,954
Administration	2,899,323	16,125,104	19,024,427
Life Insurance	488,983	2,719,567	3,208,550
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	24,597	145,703	170,300
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	25,468,643	137,891,585	163,360,228
Total Expenses	\$ 106,779,287	\$ 605,000,912	\$ 711,780,198
Fiscal Year Results	\$ 4,602,110	\$ 19,257,772	\$ 23,859,883
Beginning Plan Reserve	39,375,010	151,102,666	190,477,676
Ending Plan Reserve	\$ 43,977,120	\$ 170,360,438	\$ 214,337,559
KEY ASSUMPTIONS			
Additional State Employer Premiums	\$ -	Claim and Other Expense Trends	
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>
Additional State Employee Premiums	\$ -	Active Local	5.5%
Direct Transfers	\$ -	State	5.5%
		Capitations	1.7%
		Administrative Expense	-6.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL REPORT
FISCAL YEAR 2013**

PERIOD 7/1/2012 - 6/30/2013

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 103,598,549	\$ -	\$ 103,598,549
Employer Premiums - MCO	3,933,597	-	3,933,597
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	488,228		488,228
Direct Transfers	-		-
Investment Income	2,138,844		2,138,844
COBRA Premiums	474,660		474,660
Administrative Fees	747,519		747,519
Total Revenue	\$ 111,381,397	\$ -	\$ 111,381,397
<u>Program Expenses</u>			
Medical Claims	\$ 57,851,487	\$ 627,705	\$ 58,479,192
Prescription Drug Claims	17,800,372	(1,467,096)	16,333,276
Managed Care Capitations	2,584,011		2,584,011
Administration	2,899,323		2,899,323
Life Insurance	488,983		488,983
Wellness	501,261		501,261
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,597		24,597
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	25,468,643		25,468,643
Total Expenses	\$ 107,618,677	\$ (839,391)	\$ 106,779,287
Fiscal Year Results	\$ 3,762,720		\$ 4,602,110
Beginning Plan Reserve	39,375,010		39,375,010
Ending Plan Reserve	\$ 43,137,730		\$ 43,977,120

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	5.5%	8.5%
		Capitations		1.7%
		Administrative Expense		-6.0%

**APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL REPORT
FISCAL YEAR 2013**

PERIOD 7/1/2012 - 6/30/2013

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 439,725,391	\$ -	\$ 439,725,391
Employer Premiums - MCO	40,823,979	-	40,823,979
Employee Premiums - PPB	114,020,026	-	114,020,026
Employee Premiums - MCO	12,067,267	-	12,067,267
Life Insurance	2,715,369		2,715,369
Direct Transfers	-		-
Investment Income	8,793,999		8,793,999
COBRA Premiums	1,970,872		1,970,872
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 624,258,684	\$ -	\$ 624,258,684
<u>Program Expenses</u>			
Medical Claims	\$ 304,410,805	\$ 3,302,946	\$ 307,713,751
Prescription Drug Claims	113,131,303	(12,038,899)	101,092,404
Managed Care Capitations	36,524,943		36,524,943
Administration	16,125,104		16,125,104
Life Insurance	2,719,567		2,719,567
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	145,703		145,703
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	137,891,585		137,891,585
Total Expenses	\$ 613,736,865	\$ (8,735,953)	\$ 605,000,912
Fiscal Year Results	\$ 10,521,819		\$ 19,257,772
Beginning Plan Reserve	151,102,666		151,102,666
Ending Plan Reserve	\$ 161,624,485		\$ 170,360,438

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	5.5%	8.5%
		Capitations		1.7%
		Administrative Expense		-6.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2014**

PERIOD 7/1/2013 - 6/30/2014

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ 435,334,752	\$ 541,582,887
Employer Premiums - MCO	4,270,921	40,593,287	44,864,208
Employee Premiums - PPB	-	115,565,190	115,565,190
Employee Premiums - MCO	-	11,210,036	11,210,036
Life Insurance	512,640	2,851,137	3,363,777
Direct Transfers	-	-	-
Investment Income	1,576,834	6,423,166	8,000,000
COBRA Premiums	474,031	1,968,260	2,442,291
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 113,830,080	\$ 618,087,609	\$ 731,917,689
<u>Program Expenses</u>			
Medical Claims	\$ 62,273,039	\$ 319,700,142	\$ 381,973,182
Prescription Drug Claims	17,887,916	108,021,922	125,909,838
Managed Care Capitations	2,642,884	37,357,116	40,000,000
Administration	2,985,236	16,602,924	19,588,160
Life Insurance	513,432	2,855,546	3,368,978
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	700,000	4,200,000	4,900,000
ACA Comparative Effectiveness Research Fees	49,631	293,006	342,637
Director's Discretionary Fund	268,643	1,433,425	1,702,068
WV RHBT Pay Go Premiums	25,072,922	135,749,078	160,822,000
Total Expenses	\$ 112,894,965	\$ 629,001,014	\$ 741,895,979
Fiscal Year Results	\$ 935,115	\$ (10,913,405)	\$ (9,978,290)
Beginning Plan Reserve	43,977,120	170,360,438	214,337,559
Ending Plan Reserve	\$ 44,912,235	\$ 159,447,033	\$ 204,359,269

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ -	Active Local	5.0%	8.0%
Direct Transfers	\$ -	State	5.0%	8.0%
		Capitations		2.3%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2014**

PERIOD 7/1/2013 - 6/30/2014

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ -	\$ 106,248,135
Employer Premiums - MCO	4,270,921	-	4,270,921
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	512,640		512,640
Direct Transfers	-		-
Investment Income	1,576,834		1,576,834
COBRA Premiums	474,031		474,031
Administrative Fees	747,519		747,519
Total Revenue	\$ 113,830,080	\$ -	\$ 113,830,080
<u>Program Expenses</u>			
Medical Claims	\$ 62,273,039	\$ -	\$ 62,273,039
Prescription Drug Claims	17,887,916	-	17,887,916
Managed Care Capitations	2,642,884		2,642,884
Administration	2,985,236		2,985,236
Life Insurance	513,432		513,432
Wellness	501,261		501,261
ACA Reinsurance Contributions	700,000		700,000
ACA Comparative Effectiveness Research Fees	49,631		49,631
Director's Discretionary Fund	268,643		268,643
WV RHBT Pay Go Premiums	25,072,922		25,072,922
Total Expenses	\$ 112,894,964	\$ -	\$ 112,894,964
Fiscal Year Results	\$ 935,116		\$ 935,116
Beginning Plan Reserve	43,977,120		43,977,120
Ending Plan Reserve	\$ 44,912,236		\$ 44,912,236

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	5.0%	8.0%
		Capitations		2.3%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2014**

PERIOD 7/1/2013 - 6/30/2014

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 435,334,752	\$ -	\$ 435,334,752
Employer Premiums - MCO	40,593,287	-	40,593,287
Employee Premiums - PPB	115,565,190	-	115,565,190
Employee Premiums - MCO	11,210,036	-	11,210,036
Life Insurance	2,851,137		2,851,137
Direct Transfers	-		-
Investment Income	6,423,166		6,423,166
COBRA Premiums	1,968,260		1,968,260
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 618,087,609	\$ -	\$ 618,087,609
<u>Program Expenses</u>			
Medical Claims	\$ 319,700,142	\$ -	\$ 319,700,142
Prescription Drug Claims	108,021,922	-	108,021,922
Managed Care Capitations	37,357,116		37,357,116
Administration	16,602,924		16,602,924
Life Insurance	2,855,546		2,855,546
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	4,200,000		4,200,000
ACA Comparative Effectiveness Research Fees	293,006		293,006
Director's Discretionary Fund	1,433,425		1,433,425
WV RHBT Pay Go Premiums	135,749,078		135,749,078
Total Expenses	\$ 629,001,014	\$ -	\$ 629,001,014
Fiscal Year Results	\$ (10,913,405)		\$ (10,913,405)
Beginning Plan Reserve	170,360,438		170,360,438
Ending Plan Reserve	\$ 159,447,033		\$ 159,447,033

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ -	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	5.0%	8.0%
		Capitations		2.3%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ 462,775,965	\$ 569,024,100
Employer Premiums - MCO	4,270,921	43,152,075	47,422,996
Employee Premiums - PPB	-	117,479,499	117,479,499
Employee Premiums - MCO	-	11,395,727	11,395,727
Life Insurance	538,272	2,993,694	3,531,966
Direct Transfers	-	-	-
Investment Income	1,728,691	6,591,309	8,320,000
COBRA Premiums	495,366	2,056,846	2,552,212
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 114,028,904	\$ 650,586,896	\$ 764,615,800
<u>Program Expenses</u>			
Medical Claims	\$ 65,866,404	\$ 338,398,184	\$ 404,264,588
Prescription Drug Claims	19,354,092	116,946,557	136,300,649
Managed Care Capitations	2,801,457	39,598,543	42,400,000
Administration	3,074,793	17,101,012	20,175,805
Life Insurance	539,104	2,998,323	3,537,427
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	1,300,000	7,200,000	8,500,000
ACA Comparative Effectiveness Research Fees	50,072	294,615	344,687
Director's Discretionary Fund	267,452	1,429,034	1,696,486
WV RHBT Pay Go Premiums	26,459,670	143,257,150	169,716,820
Total Expenses	\$ 120,214,305	\$ 670,011,273	\$ 790,225,578
Fiscal Year Results	\$ (6,185,401)	\$ (19,424,377)	\$ (25,609,778)
Beginning Plan Reserve	44,912,235	159,447,033	204,359,269
Ending Plan Reserve	\$ 38,726,835	\$ 140,022,656	\$ 178,749,491

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 30,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 2,100,000	Active Local	5.5%	8.5%
Direct Transfers	\$ -	State	5.5%	8.5%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ -	\$ 106,248,135
Employer Premiums - MCO	4,270,921	-	4,270,921
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	538,272		538,272
Direct Transfers	-		-
Investment Income	1,728,691		1,728,691
COBRA Premiums	495,366		495,366
Administrative Fees	747,519		747,519
Total Revenue	\$ 114,028,904	\$ -	\$ 114,028,904
<u>Program Expenses</u>			
Medical Claims	\$ 65,585,341	\$ 281,063	\$ 65,866,404
Prescription Drug Claims	19,376,347	(22,255)	19,354,092
Managed Care Capitations	2,801,457		2,801,457
Administration	3,074,793		3,074,793
Life Insurance	539,104		539,104
Wellness	501,261		501,261
ACA Reinsurance Contributions	1,300,000		1,300,000
ACA Comparative Effectiveness Research Fees	50,072		50,072
Director's Discretionary Fund	267,452		267,452
WV RHBT Pay Go Premiums	26,459,670		26,459,670
Total Expenses	\$ 119,955,497	\$ 258,808	\$ 120,214,305
Fiscal Year Results	\$ (5,926,593)		\$ (6,185,401)
Beginning Plan Reserve	44,912,240		44,912,240
Ending Plan Reserve	\$ 38,985,647		\$ 38,726,839

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	5.5%	8.5%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 435,334,752	\$ 27,441,213	\$ 462,775,965
Employer Premiums - MCO	40,593,288	2,558,787	43,152,075
Employee Premiums - PPB	115,565,190	1,914,309	117,479,499
Employee Premiums - MCO	11,210,036	185,691	11,395,727
Life Insurance	2,993,694		2,993,694
Direct Transfers	-		-
Investment Income	6,591,309		6,591,309
COBRA Premiums	2,056,846		2,056,846
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 618,486,896	\$ 32,100,000	\$ 650,586,896
<u>Program Expenses</u>			
Medical Claims	\$ 336,919,248	\$ 1,478,937	\$ 338,398,184
Prescription Drug Claims	117,084,302	(137,745)	116,946,557
Managed Care Capitations	39,598,543		39,598,543
Administration	17,101,012		17,101,012
Life Insurance	2,998,323		2,998,323
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	7,200,000		7,200,000
ACA Comparative Effectiveness Research Fees	294,615		294,615
Director's Discretionary Fund	1,429,034		1,429,034
WV RHBT Pay Go Premiums	143,257,150		143,257,150
Total Expenses	\$ 668,670,082	\$ 1,341,192	\$ 670,011,273
Fiscal Year Results	\$ (50,183,186)		\$ (19,424,378)
Beginning Plan Reserve	159,447,033		159,447,033
Ending Plan Reserve	\$ 109,263,847		\$ 140,022,655

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 30,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 2,100,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	5.5%	8.5%
		Capitations		6.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ 490,217,178	\$ 596,465,313
Employer Premiums - MCO	4,270,921	45,710,862	49,981,783
Employee Premiums - PPB	-	124,316,315	124,316,315
Employee Premiums - MCO	-	12,058,911	12,058,911
Life Insurance	565,185	3,143,379	3,708,564
Direct Transfers	-	-	-
Investment Income	1,755,509	6,897,291	8,652,800
COBRA Premiums	520,290	2,160,334	2,680,624
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 114,107,559	\$ 688,646,051	\$ 802,753,610
<u>Program Expenses</u>			
Medical Claims	\$ 69,669,413	\$ 357,936,775	\$ 427,606,188
Prescription Drug Claims	21,052,173	127,207,159	148,259,332
Managed Care Capitations	2,969,545	41,974,455	44,944,000
Administration	3,167,036	17,614,042	20,781,078
Life Insurance	566,059	3,148,239	3,714,298
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	800,000	4,600,000	5,400,000
ACA Comparative Effectiveness Research Fees	50,517	296,232	346,749
Director's Discretionary Fund	266,206	1,423,568	1,689,774
WV RHBT Pay Go Premiums	28,057,143	151,906,167	179,963,310
Total Expenses	\$ 127,099,354	\$ 708,894,492	\$ 835,993,845
Fiscal Year Results	\$ (12,991,795)	\$ (20,248,441)	\$ (33,240,235)
Beginning Plan Reserve	38,726,835	140,022,656	178,749,491
Ending Plan Reserve	\$ 25,735,040	\$ 119,774,215	\$ 145,509,255

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 30,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>		
Additional State Employee Premiums	\$ 7,500,000	<u>Active Local</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	6.0%	9.0%
		Capitations	6.0%	6.0%
		Administrative Expense	3.0%	3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ -	\$ 106,248,135
Employer Premiums - MCO	4,270,921	-	4,270,921
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	565,185		565,185
Direct Transfers	-		-
Investment Income	1,755,509		1,755,509
COBRA Premiums	520,290		520,290
Administrative Fees	747,519		747,519
Total Revenue	\$ 114,107,559	\$ -	\$ 114,107,559
<u>Program Expenses</u>			
Medical Claims	\$ 69,371,486	\$ 297,927	\$ 69,669,413
Prescription Drug Claims	21,076,431	(24,258)	21,052,173
Managed Care Capitations	2,969,545		2,969,545
Administration	3,167,036		3,167,036
Life Insurance	566,059		566,059
Wellness	501,261		501,261
ACA Reinsurance Contributions	800,000		800,000
ACA Comparative Effectiveness Research Fees	50,517		50,517
Director's Discretionary Fund	266,206		266,206
WV RHBT Pay Go Premiums	28,057,143		28,057,143
Total Expenses	\$ 126,825,684	\$ 273,669	\$ 127,099,353
Fiscal Year Results	\$ (12,718,125)		\$ (12,991,794)
Beginning Plan Reserve	38,726,839		38,726,839
Ending Plan Reserve	\$ 26,008,714		\$ 25,735,045

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	6.0%	9.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2016

PERIOD 7/1/2015 - 6/30/2016

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 462,775,965	\$ 27,441,213	\$ 490,217,178
Employer Premiums - MCO	43,152,075	2,558,787	45,710,862
Employee Premiums - PPB	117,479,499	6,836,816	124,316,315
Employee Premiums - MCO	11,395,727	663,184	12,058,911
Life Insurance	3,143,379		3,143,379
Direct Transfers	-		-
Investment Income	6,897,291		6,897,291
COBRA Premiums	2,160,334		2,160,334
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 651,146,051	\$ 37,500,000	\$ 688,646,051
<u>Program Expenses</u>			
Medical Claims	\$ 356,369,102	\$ 1,567,673	\$ 357,936,775
Prescription Drug Claims	127,357,301	(150,142)	127,207,159
Managed Care Capitations	41,974,455		41,974,455
Administration	17,614,042		17,614,042
Life Insurance	3,148,239		3,148,239
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	4,600,000		4,600,000
ACA Comparative Effectiveness Research Fees	296,232		296,232
Director's Discretionary Fund	1,423,568		1,423,568
WV RHBT Pay Go Premiums	151,906,167		151,906,167
Total Expenses	\$ 707,476,961	\$ 1,417,531	\$ 708,894,492
Fiscal Year Results	\$ (56,330,910)		\$ (20,248,441)
Beginning Plan Reserve	140,022,655		140,022,655
Ending Plan Reserve	\$ 83,691,745		\$ 119,774,214

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 30,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 7,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	6.0%	9.0%
		Capitations		6.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 125,475,251	\$ 540,526,068	\$ 666,001,319
Employer Premiums - MCO	5,043,805	50,401,972	55,445,777
Employee Premiums - PPB	-	136,896,057	136,896,057
Employee Premiums - MCO	-	13,279,169	13,279,169
Life Insurance	593,444	3,300,548	3,893,992
Direct Transfers	-	-	-
Investment Income	1,540,350	7,458,562	8,998,912
COBRA Premiums	579,309	2,405,392	2,984,701
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 133,979,678	\$ 758,409,549	\$ 892,389,227
<u>Program Expenses</u>			
Medical Claims	\$ 74,231,127	\$ 381,373,412	\$ 455,604,538
Prescription Drug Claims	23,062,134	139,352,276	162,414,411
Managed Care Capitations	3,147,717	44,492,923	47,640,640
Administration	3,262,047	18,142,463	21,404,510
Life Insurance	594,362	3,305,651	3,900,013
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	300,000	1,500,000	1,800,000
ACA Comparative Effectiveness Research Fees	50,966	297,859	348,825
Director's Discretionary Fund	264,941	1,417,999	1,682,940
WV RHBT Pay Go Premiums	29,643,632	160,495,688	190,139,320
Total Expenses	\$ 135,058,187	\$ 753,166,126	\$ 888,224,313
Fiscal Year Results	\$ (1,078,509)	\$ 5,243,423	\$ 4,164,914
Beginning Plan Reserve	25,735,040	119,774,215	145,509,255
Ending Plan Reserve	\$ 24,656,531	\$ 125,017,638	\$ 149,674,169

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 55,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000			
Additional State Employee Premiums	\$ 13,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	Active Local	7.0%	10.0%
		State	7.0%	10.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 106,248,135	\$ 19,227,116	\$ 125,475,251
Employer Premiums - MCO	4,270,921	772,884	5,043,805
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	593,444		593,444
Direct Transfers	-		-
Investment Income	1,540,350		1,540,350
COBRA Premiums	579,309		579,309
Administrative Fees	747,519		747,519
Total Revenue	\$ 113,979,678	\$ 20,000,000	\$ 133,979,678
<u>Program Expenses</u>			
Medical Claims	\$ 73,912,345	\$ 318,782	\$ 74,231,127
Prescription Drug Claims	23,088,818	(26,684)	23,062,134
Managed Care Capitations	3,147,717		3,147,717
Administration	3,262,047		3,262,047
Life Insurance	594,362		594,362
Wellness	501,261		501,261
ACA Reinsurance Contributions	300,000		300,000
ACA Comparative Effectiveness Research Fees	50,966		50,966
Director's Discretionary Fund	264,941		264,941
WV RHBT Pay Go Premiums	29,643,632		29,643,632
Total Expenses	\$ 134,766,089	\$ 292,098	\$ 135,058,187
Fiscal Year Results	\$ (20,786,411)		\$ (1,078,509)
Beginning Plan Reserve	25,735,045		25,735,045
Ending Plan Reserve	\$ 4,948,634		\$ 24,656,536

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	7.0%	10.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 490,217,178	\$ 50,308,890	\$ 540,526,068
Employer Premiums - MCO	45,710,862	4,691,110	50,401,972
Employee Premiums - PPB	124,316,315	12,579,742	136,896,057
Employee Premiums - MCO	12,058,911	1,220,258	13,279,169
Life Insurance	3,300,548		3,300,548
Direct Transfers	-		-
Investment Income	7,458,562		7,458,562
COBRA Premiums	2,405,392		2,405,392
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 689,609,549	\$ 68,800,000	\$ 758,409,549
<u>Program Expenses</u>			
Medical Claims	\$ 379,696,002	\$ 1,677,410	\$ 381,373,412
Prescription Drug Claims	139,517,432	(165,156)	139,352,276
Managed Care Capitations	44,492,923		44,492,923
Administration	18,142,463		18,142,463
Life Insurance	3,305,651		3,305,651
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	1,500,000		1,500,000
ACA Comparative Effectiveness Research Fees	297,859		297,859
Director's Discretionary Fund	1,417,999		1,417,999
WV RHBT Pay Go Premiums	160,495,688		160,495,688
Total Expenses	\$ 751,653,872	\$ 1,512,254	\$ 753,166,126
Fiscal Year Results	\$ (62,044,323)		\$ 5,243,423
Beginning Plan Reserve	119,774,214		119,774,214
Ending Plan Reserve	\$ 57,729,891		\$ 125,017,637

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 55,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 13,800,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	7.0%	10.0%
		Capitations		6.0%
		Administrative Expense		3.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 135,088,809	\$ 581,687,887	\$ 716,776,696
Employer Premiums - MCO	5,430,247	54,240,153	59,670,400
Employee Premiums - PPB	-	147,196,860	147,196,860
Employee Premiums - MCO	-	14,278,366	14,278,366
Life Insurance	623,117	3,465,575	4,088,692
Direct Transfers	-	-	-
Investment Income	1,538,490	7,932,450	9,470,940
COBRA Premiums	623,375	2,588,359	3,211,734
Administrative Fees	747,519	4,141,781	4,889,300
Total Revenue	\$ 144,051,557	\$ 815,531,431	\$ 959,582,988
<u>Program Expenses</u>			
Medical Claims	\$ 79,834,423	\$ 410,161,354	\$ 489,995,777
Prescription Drug Claims	25,494,794	154,051,534	179,546,328
Managed Care Capitations	3,336,580	47,162,498	50,499,078
Administration	3,359,909	18,686,737	22,046,646
Life Insurance	624,080	3,470,934	4,095,014
Wellness	501,261	2,787,855	3,289,116
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	51,418	299,494	350,912
Director's Discretionary Fund	263,658	1,412,326	1,675,984
WV RHBT Pay Go Premiums	31,476,723	170,420,357	201,897,080
Total Expenses	\$ 144,942,846	\$ 808,453,089	\$ 953,395,935
Fiscal Year Results	\$ (891,289)	\$ 7,078,342	\$ 6,187,053
Beginning Plan Reserve	24,656,531	125,017,638	149,674,169
Ending Plan Reserve	\$ 23,765,242	\$ 132,095,980	\$ 155,861,222

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 45,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 10,000,000			
Additional State Employee Premiums	\$ 11,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	Active Local	8.0%	11.0%
		State	8.0%	11.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 125,475,251	\$ 9,613,558	\$ 135,088,809
Employer Premiums - MCO	5,043,805	386,442	5,430,247
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
Life Insurance	623,117		623,117
Direct Transfers	-		-
Investment Income	1,538,490		1,538,490
COBRA Premiums	623,375		623,375
Administrative Fees	747,519		747,519
Total Revenue	\$ 134,051,557	\$ 10,000,000	\$ 144,051,557
<u>Program Expenses</u>			
Medical Claims	\$ 79,490,138	\$ 344,284	\$ 79,834,422
Prescription Drug Claims	25,524,413	(29,619)	25,494,794
Managed Care Capitations	3,336,580		3,336,580
Administration	3,359,909		3,359,909
Life Insurance	624,080		624,080
Wellness	501,261		501,261
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	51,418		51,418
Director's Discretionary Fund	263,658		263,658
WV RHBT Pay Go Premiums	31,476,723		31,476,723
Total Expenses	\$ 144,628,180	\$ 314,665	\$ 144,942,846
Fiscal Year Results	\$ (10,576,623)		\$ (891,289)
Beginning Plan Reserve	24,656,536		24,656,536
Ending Plan Reserve	\$ 14,079,913		\$ 23,765,247

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 10,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	8.0%	11.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 540,526,068	\$ 41,161,819	\$ 581,687,887
Employer Premiums - MCO	50,401,972	3,838,181	54,240,153
Employee Premiums - PPB	136,896,057	10,300,803	147,196,860
Employee Premiums - MCO	13,279,169	999,197	14,278,366
Life Insurance	3,465,575		3,465,575
Direct Transfers	-		-
Investment Income	7,932,450		7,932,450
COBRA Premiums	2,588,359		2,588,359
Administrative Fees	4,141,781		4,141,781
Total Revenue	\$ 759,231,431	\$ 56,300,000	\$ 815,531,431
<u>Program Expenses</u>			
Medical Claims	\$ 408,349,752	\$ 1,811,603	\$ 410,161,355
Prescription Drug Claims	154,234,857	(183,323)	154,051,534
Managed Care Capitations	47,162,498		47,162,498
Administration	18,686,737		18,686,737
Life Insurance	3,470,934		3,470,934
Wellness	2,787,855		2,787,855
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	299,494		299,494
Director's Discretionary Fund	1,412,326		1,412,326
WV RHBT Pay Go Premiums	170,420,357		170,420,357
Total Expenses	\$ 806,824,810	\$ 1,628,280	\$ 808,453,090
Fiscal Year Results	\$ (47,593,379)		\$ 7,078,341
Beginning Plan Reserve	125,017,637		125,017,637
Ending Plan Reserve	\$ 77,424,258		\$ 132,095,978

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 45,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 11,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ -	State	8.0%	11.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2012												
Exposure	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
Local Medical	24,483	24,431	24,394	24,313	24,282	24,232	24,292	24,302	24,262	24,355	24,333	24,313
State Medical	135,664	134,520	134,651	135,322	135,587	135,573	135,784	135,516	135,505	135,458	135,541	135,513
Local Drugs	24,483	24,431	24,394	24,313	24,282	24,232	24,292	24,302	24,262	24,355	24,333	24,313
State Drugs	135,664	134,520	134,651	135,322	135,587	135,573	135,784	135,516	135,505	135,458	135,541	135,513
	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>
Local Medical	\$127.47	\$186.53	\$197.68	\$202.62	\$191.46	\$168.85	\$196.82	\$193.82	\$198.73	\$192.80	\$213.31	\$213.33
State Medical	\$158.10	\$190.78	\$166.92	\$179.18	\$186.17	\$182.43	\$193.38	\$200.63	\$206.37	\$200.59	\$210.63	\$227.62
Local Drugs	\$43.08	\$60.68	\$64.80	\$62.75	\$61.92	\$68.56	\$75.45	\$70.96	\$75.43	\$74.76	\$79.28	\$77.31
State Drugs	<u>49.00</u>	<u>67.86</u>	<u>67.24</u>	<u>68.24</u>	<u>67.58</u>	<u>73.95</u>	<u>74.84</u>	<u>76.76</u>	<u>81.39</u>	<u>77.00</u>	<u>83.53</u>	<u>84.94</u>
Total	\$377.65	\$505.86	\$496.65	\$512.79	\$507.14	\$493.80	\$540.49	\$542.17	\$561.91	\$545.15	\$586.75	\$603.20
Change From Prior Year - Month to Month Analysis												
Local Medical	-17.7%	17.8%	19.8%	22.7%	8.0%	6.8%	13.8%	-6.8%	-2.4%	6.5%	4.2%	-5.1%
State Medical	11.3%	13.0%	-3.4%	-0.2%	2.7%	6.3%	6.0%	9.0%	-1.6%	11.4%	11.3%	0.4%
Local Drugs	4.1%	10.6%	9.2%	5.0%	0.3%	4.7%	19.6%	7.8%	5.5%	12.0%	15.2%	4.3%
State Drugs	<u>9.0%</u>	<u>11.9%</u>	<u>3.0%</u>	<u>2.6%</u>	<u>-0.6%</u>	<u>0.6%</u>	<u>5.3%</u>	<u>13.7%</u>	<u>5.0%</u>	<u>7.1%</u>	<u>12.7%</u>	<u>2.4%</u>
Total	-1.5%	14.3%	7.4%	8.9%	3.9%	5.3%	10.4%	3.2%	-0.1%	9.1%	9.3%	-0.9%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			7.0%			12.4%			0.8%			1.4%
State Medical			6.6%			2.9%			4.2%			7.2%
Local Drugs			8.3%			3.4%			10.7%			10.3%
State Drugs			<u>7.7%</u>			<u>0.9%</u>			<u>7.8%</u>			<u>7.2%</u>
Total			7.1%			6.0%			4.3%			5.5%
Change From Prior Year - Year to Year Analysis												
Local Medical			8.1%			10.0%			6.1%			5.0%
State Medical			6.6%			4.9%			3.6%			5.2%
Local Drugs			7.4%			6.0%			6.5%			8.3%
State Drugs			<u>7.8%</u>			<u>5.7%</u>			<u>5.3%</u>			<u>5.9%</u>
Total			7.4%			7.0%			5.1%			5.6%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2013												
Exposure	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>
Local Medical	24,365	24,457	24,504	24,542	24,501	24,513	24,481	24,508	24,661	24,756	24,809	24,840
State Medical	134,967	134,169	134,046	134,991	135,550	135,655	135,777	135,614	135,757	135,872	135,620	135,326
Local Drugs	24,365	24,457	24,504	24,542	24,501	24,513	24,481	24,508	24,661	24,756	24,809	24,840
State Drugs	134,967	134,169	134,046	134,991	135,550	135,655	135,777	135,614	135,757	135,872	135,620	135,326
Local Medical	<u>\$145.39</u>	<u>\$212.17</u>	<u>\$162.48</u>	<u>\$201.75</u>	<u>\$180.94</u>	<u>\$162.89</u>	<u>\$204.97</u>	<u>\$185.14</u>	<u>\$200.43</u>	<u>\$212.58</u>	<u>\$202.10</u>	<u>\$189.81</u>
State Medical	<u>\$145.94</u>	<u>\$167.11</u>	<u>\$163.72</u>	<u>\$183.74</u>	<u>\$184.12</u>	<u>\$167.69</u>	<u>\$204.87</u>	<u>\$192.96</u>	<u>\$200.36</u>	<u>\$205.62</u>	<u>\$203.58</u>	<u>\$220.51</u>
Local Drugs	<u>\$42.15</u>	<u>\$58.25</u>	<u>\$56.24</u>	<u>\$62.73</u>	<u>\$60.42</u>	<u>\$65.16</u>	<u>\$66.35</u>	<u>\$61.03</u>	<u>\$63.15</u>	<u>\$65.56</u>	<u>\$68.03</u>	<u>\$66.52</u>
State Drugs	<u>48.86</u>	<u>64.86</u>	<u>60.68</u>	<u>70.75</u>	<u>66.48</u>	<u>71.14</u>	<u>72.04</u>	<u>65.66</u>	<u>70.01</u>	<u>71.52</u>	<u>73.65</u>	<u>76.65</u>
Total	<u>\$382.33</u>	<u>\$502.39</u>	<u>\$443.13</u>	<u>\$518.97</u>	<u>\$491.97</u>	<u>\$466.88</u>	<u>\$548.23</u>	<u>\$504.79</u>	<u>\$533.95</u>	<u>\$555.28</u>	<u>\$547.37</u>	<u>\$553.49</u>
Change From Prior Year - Month to Month Analysis												
Local Medical	14.1%	13.7%	-17.8%	-0.4%	-5.5%	-3.5%	4.1%	-4.5%	0.9%	10.3%	-5.3%	-11.0%
State Medical	-7.7%	-12.4%	-1.9%	2.5%	-1.1%	-8.1%	5.9%	-3.8%	-2.9%	2.5%	-3.3%	-3.1%
Local Drugs	-2.2%	-4.0%	-13.2%	0.0%	-2.4%	-5.0%	-12.1%	-14.0%	-16.3%	-12.3%	-14.2%	-14.0%
State Drugs	<u>-0.3%</u>	<u>-4.4%</u>	<u>-9.8%</u>	<u>3.7%</u>	<u>-1.6%</u>	<u>-3.8%</u>	<u>-3.7%</u>	<u>-14.5%</u>	<u>-14.0%</u>	<u>-7.1%</u>	<u>-11.8%</u>	<u>-9.8%</u>
Total	1.2%	-0.7%	-10.8%	1.2%	-3.0%	-5.5%	1.4%	-6.9%	-5.0%	1.9%	-6.7%	-8.2%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			1.6%			-3.1%			0.2%			-2.4%
State Medical			-7.6%			-2.2%			-0.4%			-1.4%
Local Drugs			-7.1%			-2.5%			-14.1%			-13.5%
State Drugs			<u>-5.3%</u>			<u>-0.7%</u>			<u>-10.9%</u>			<u>-9.6%</u>
Total			-3.8%			-2.4%			-3.5%			-4.6%
Change From Prior Year - Year to Year Analysis												
Local Medical			3.8%			0.2%			0.0%			-1.0%
State Medical			2.0%			0.7%			-0.5%			-2.7%
Local Drugs			4.9%			3.4%			-3.3%			-9.7%
State Drugs			<u>3.0%</u>			<u>2.7%</u>			<u>-2.3%</u>			<u>-6.9%</u>
Total			3.2%			1.1%			-0.9%			-3.6%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2012 to FY 2014**

Fiscal Year 2014

Exposure

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
Local Medical	24,801	24,789	24,933
State Medical	133,980	132,817	132,609
Local Drugs	24,801	24,789	24,933
State Drugs	133,980	132,817	132,609

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
Local Medical	\$156.92	\$175.45	\$195.61
State Medical	\$170.98	\$187.90	\$195.01
Local Drugs	\$45.12	\$57.57	\$55.76
State Drugs	<u>55.11</u>	<u>66.85</u>	<u>64.06</u>
Total	\$428.13	\$487.77	\$510.45

Change From Prior Year - Month to Month Analysis

Local Medical	7.9%	-17.3%	20.4%
State Medical	17.2%	12.4%	19.1%
Local Drugs	7.1%	-1.2%	-0.9%
State Drugs	<u>12.8%</u>	<u>3.1%</u>	<u>5.6%</u>
Total	12.0%	-2.9%	15.2%

Change From Prior Year - Quarter to Quarter Analysis

Local Medical	1.5%
State Medical	16.2%
Local Drugs	1.2%
State Drugs	<u>6.7%</u>
Total	7.4%

Change From Prior Year - Year to Year Analysis

Local Medical	-1.0%
State Medical	2.4%
Local Drugs	-8.2%
State Drugs	<u>-4.5%</u>
Total	-1.2%