

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2019
Financial Report**

Fiscal Years 2019-2024

Report Date: November 2019

YOUR ACTUARIES FOR THE LONG-TERM!
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415 Main Street
Reisterstown, MD 21136-1905
410-833-4220
410-833-4229 (fax)
www.continuingcareactuaries.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 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 2018 for the fiscal year 2020 (“FY 2020”) and to provide quarterly financial reports for current FY 2019 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 2019 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 2024.

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 2019 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

Continuing Care Actuaries has provided financial report for fiscal years ending June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”) and June 30, 2024 (“FY 2024”). Our opinion of plan adequacy is based on the projections through FY 2023 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2018. 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 2019 the Pay-Go is equivalent to \$293 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 2018.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY2019 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 2020 through FY 2024 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 2019 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2018.

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 2024 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., F.C.A., M.A.A.A.
Managing Partner



Chris Borcik, F.S.A., F.C.A., M.A.A.A.
Principal

West Virginia Public Employees Insurance Agency

Report of Independent Actuary

Financial Plan for FY 2019 – FY 2024

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 September 2019 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 October 2019 enrollment levels for the duration of these forecasts for active employees.

In aggregate, October 2019 enrollment for active employees has increased by 666 coverages since the end of FY 2019. Aggregate PPB enrollment has increased by 714 in total over the same period, while managed care enrollment experienced a decrease of 48 coverages.

In the State Fund, the overall active State enrollment increased by 99 coverages from the end of FY 2019 to October 2019. And in the Local Fund, the overall active Local enrollment increased by 567 coverages from the end of FY 2019 to October 2019.

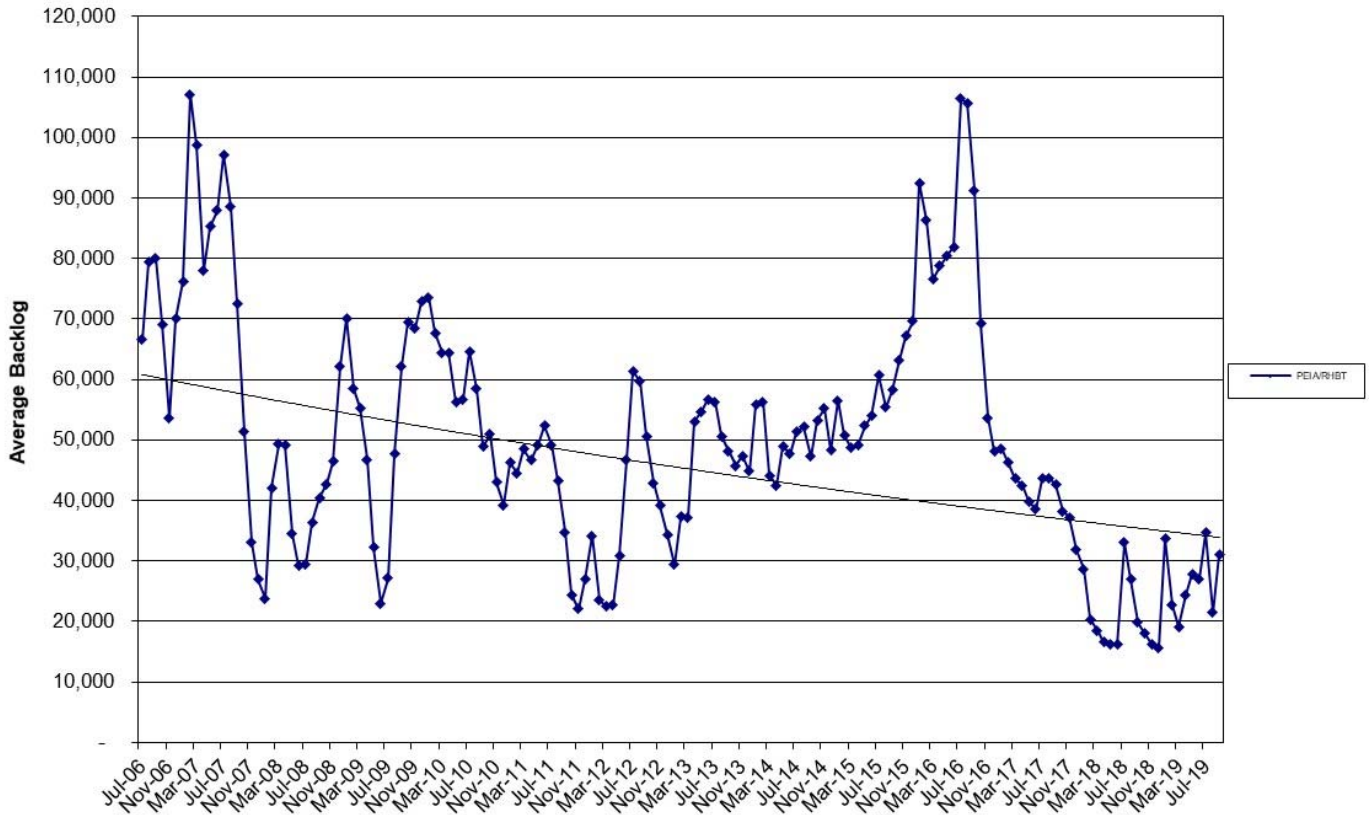
The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2018, June 2019 and October 2019 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-18	Jun-19	Oct-19	Jun-18	Jun-19	Oct-19
State Active	Single	20,927	21,216	21,372	2,175	2,381	2,371
	Children	5,920	5,912	5,915	627	665	660
	Family	27,782	26,894	26,901	2,784	2,805	2,753
	Total	54,629	54,022	54,188	5,586	5,851	5,784
Local Active	Single	5,520	5,723	6,004	407	419	433
	Children	955	996	1,053	94	99	103
	Family	5,614	5,576	5,786	190	186	187
	Total	12,089	12,295	12,843	691	704	723
Plan Total		66,718	66,317	67,031	6,277	6,555	6,507
Grand Total					72,995	72,872	73,538

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. However, there has been a sharp downward trend since the beginning of FY 2017.

WV PEIA&RHBT Claim Backlog July 2006 through September 2019



C. Trend Analysis

PEIA experienced higher medical and prescription drug trends in FY 2019, and over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2019 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 FY 2020 medical claim trend is 8.0% and the prescription drug claim trend is 12.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2020 Trend	Updated Assumption FY 2020 Trend
Active Local – Medical	8.0%	8.0%
State – Medical	8.0%	8.0%
Active Local – Drugs	12.0%	12.0%
State – Drugs	12.0%	12.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2021. 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 2019. 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%	14%	16%	10%
2020*	5%	3%	17%	19%	9%

* Fiscal Year 2020 results are through the first three months ending September 2019.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through September 2019 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 result of FY 2019 and the projection of FY 2020 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2019 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	53,997	\$510	\$170	\$499	\$180	\$618
	Managed Care	5,739	\$516	\$181			
	Total	59,736					
Local	PPB	12,184	\$666	\$0	\$469	\$141	\$486
	Managed Care	717	\$553	\$0			
	Total	12,901					

*Net of rebates and subsidies.

Fiscal Year 2020 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	54,126	\$525	\$168	\$539	\$203	\$651
	Managed Care	5,771	\$533	\$178			
	Total	59,897					
Local	PPB	12,790	\$636	\$0	\$507	\$158	\$513
	Managed Care	720	\$548	\$0			
	Total	13,510					

*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 2018

Source	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024
Additional State Employer Revenue	\$8,000,000	\$0	\$98,000,000	\$58,500,000	\$60,500,000	\$0
Additional Local Agency Revenue	\$0	\$0	\$4,000,000	\$34,500,000	\$15,500,000	\$0
Additional Employee Premium	\$0	\$0	\$24,500,000	\$14,600,000	\$15,100,000	\$0
State Direct Transfers	\$31,000,000	\$31,000,000	\$21,000,000	\$21,000,000	\$21,000,000	\$21,000,000
Benefit Reductions and Savings / (Increase) - Active State	\$0	(\$4,380,000)	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active Local	\$0	(\$1,030,000)	\$0	\$0	\$0	\$0
PPACA Comparative Effectiveness Research Fees (Cost)	(\$320,561)	\$0	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$152,367,996	\$140,000,000	\$150,000,000	\$160,000,000	\$170,000,000	\$180,000,000

The \$4,380,000 of Active State benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$2.890 M
Drug Claims	\$1.490 M

The \$1,030,000 of Active Local benefit additions and costs in Fiscal Year 2020 is comprised of the following:

	<u>Benefit Cost/(Savings)</u>
Medical Claims	\$0.770 M
Drug Claims	\$0.260 M

A detailed list of the 2020 benefit additions and costs for the Active Employee plan as voted on by the Board consists of the following:

	<u>State Saving</u>	<u>Local Saving</u>
Plan A out of state coverage 80/20 for Contig Providers	\$1.800 M	\$0.500 M
Plan B out of state coverage 70/30 for Contig Providers	\$0.170 M	\$0.100 M
Remove facility fee max (RBP)	\$7.300 M	\$1.500 M
Remove \$25 copay from out of state services	\$2.400 M	\$0.500 M
End Healthy Tomorrows blood work	\$0.320 M	\$0.070 M
<u>UMR OOS Network Savings</u>	<u>(\$9.100 M)</u>	<u>(\$1.900 M)</u>
Total Medical Benefit Additions	\$2.890 M	\$0.770 M
<u>Third tier non-preferred drug appeals process</u>	<u>\$1.490 M</u>	<u>\$0.260 M</u>
Total Drugs Costs	\$1.490 M	\$0.260 M
Total Benefit Additions and Costs	\$4.380 M	\$1.030 M

In FY 2020, the additional administrative costs are \$2,400,000 for the Active State and \$400,000 for the Active Local, and PEIA will receive \$31,000,000 in State direct transfers.

The Treasury Department and the Internal Revenue Service issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. These fees are expected to 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. It is anticipated that PEIA would accrue and pay these fees through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be \$320,561 in FY 2019 and \$0 in FY 2020.

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.

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 2019 RESULT

The financial result for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2019 projects accrued revenue of \$793,986,706 and incurred plan expenses of \$748,793,785 to produce a fiscal year surplus of \$45,192,921. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$152,367,996.

Under the Baseline Scenario, FY 2019 ends with a reserve of \$239,747,259 and the FY 2019 PEIA/RHBT combined, projected plan expenditures of \$826,876,676, which represents 29% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$113,070,599. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario.

FISCAL YEAR 2020 FORECAST

The financial forecast for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2020 projects accrued revenue of \$792,695,383 and incurred plan expenses of \$803,802,719 to produce a fiscal year deficit of (\$11,107,336). The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$140,000,000.

Under the Baseline Scenario, FY 2020 is projected to end with a reserve of \$228,639,923 and the FY 2020 PEIA/RHBT combined, projected plan expenditures of \$894,671,654, which represents 26% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$122,853,697. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$234,535,333 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$222,776,903.

FISCAL YEAR 2021 FORECAST

The financial forecast for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$909,433,249 and incurred plan expenses of \$879,145,885 to produce a fiscal year surplus of \$30,287,364. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$150,000,000.

Under the Baseline Scenario, FY 2021 is projected to end with a reserve of \$258,927,287 and the FY 2021 PEIA/RHBT combined, projected plan expenditures of \$980,005,123, which represents 26% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$134,343,996. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$283,076,327 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$234,612,111.

FISCAL YEAR 2022 FORECAST

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$1,018,913,220 and incurred plan expenses of \$946,221,908 to produce a fiscal year surplus of \$72,691,312. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$160,000,000.

Under the Baseline Scenario, FY 2022 is projected to end with a reserve of \$331,618,599 and the FY 2022 PEIA/RHBT combined, projected plan expenditures of \$1,057,480,082, which represents 31% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$145,518,972. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$388,945,731 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$273,174,348.

FISCAL YEAR 2023 FORECAST

The financial forecast for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2023 projects accrued revenue of \$1,113,562,938 and incurred plan expenses of \$1,033,455,844 to produce a fiscal year surplus of \$80,107,094. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$170,000,000.

Under the Baseline Scenario, FY 2023 is projected to end with a reserve of \$411,725,693 and the FY 2023 PEIA/RHBT combined, projected plan expenditures of \$1,159,857,144, which represents 36% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$159,722,983. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$520,297,681 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$299,642,101.

FISCAL YEAR 2024 FORECAST

The financial forecast for FY 2024 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2024 projects accrued revenue of \$1,117,154,882 and incurred plan expenses of \$1,132,616,508 to produce a fiscal year deficit of (\$15,461,626). The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$180,000,000.

Under the Baseline Scenario, FY 2024 is projected to end with a reserve of \$396,264,067 and the FY 2024 PEIA/RHBT combined, projected plan expenditures of \$1,278,057,249, which represents 31% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$176,142,033. This reserve is comprised of 15% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending reserve is expected to increase to \$577,991,449 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$206,273,599.

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 minimum actuarial required reserve target through the projection period ending with the Fiscal Year 2024, using the Baseline assumptions. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2018 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 RESULT
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 97,365,364	\$ 330,227,545	\$ 427,592,909
Employer Premiums - MCO	4,754,812	35,537,338	40,292,150
Employee Premiums - PPB	-	110,105,236	110,105,236
Employee Premiums - MCO	-	12,490,999	12,490,999
WV RHBT Pay Go Premiums	27,060,976	125,307,020	152,367,996
Life Insurance	205,984	1,021,216	1,227,200
Direct Transfers	-	31,000,000	31,000,000
Investment Income	2,836,325	9,404,841	12,241,166
Litigation Settlement	-	-	-
COBRA Premiums	367,707	1,526,783	1,894,490
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 133,321,145	\$ 660,665,561	\$ 793,986,706
<u>Program Expenses</u>			
Medical Claims	\$ 68,623,377	\$ 323,170,691	\$ 391,794,067
Prescription Drug Claims	20,664,303	116,856,844	137,521,147
Managed Care Capitations	4,179,664	42,534,510	46,714,174
Administration	3,069,940	15,220,001	18,289,941
Life Insurance	206,106	1,021,822	1,227,928
Wellness	93,655	464,316	557,971
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	48,781	271,780	320,561
Computer Software Reserve	-	-	-
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	27,060,976	125,307,020	152,367,996
Total Expenses	\$ 123,946,801	\$ 624,846,984	\$ 748,793,785
Fiscal Year Results	\$ 9,374,344	\$ 35,818,577	\$ 45,192,921
Beginning Plan Reserve	48,340,828	146,213,511	194,554,338
Minimum Actuarial Reserve Required	\$ 18,701,102	\$ 94,369,496	\$ 113,070,599
<u>Ending Premium Stabilization Reserve</u>	<u>39,014,069</u>	<u>87,662,592</u>	<u>126,676,660</u>
Ending Plan Reserve	\$ 57,715,171	\$ 182,032,088	\$ 239,747,259
Reserve as a Percent of Expenses			34%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 8,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ -	Active Local	7.5%	11.5%
Direct Transfers	\$ 31,000,000	State	7.5%	11.5%
		Capitations		8.1%
		Administrative Expense		6.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2019

PERIOD 7/1/2018 - 6/30/2019

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 97,365,364	\$ -	\$ 97,365,364
Employer Premiums - MCO	4,754,812	-	4,754,812
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	27,060,976		27,060,976
Life Insurance	205,984		205,984
Direct Transfers	-		-
Investment Income	2,836,325		2,836,325
Litigation Settlement	-		-
COBRA Premiums	367,707		367,707
Administrative Fees	729,977		729,977
Total Revenue	\$ 133,321,145	\$ -	\$ 133,321,145
<u>Program Expenses</u>			
Medical Claims	\$ 68,623,377	\$ -	\$ 68,623,377
Prescription Drug Claims	20,664,303	\$ -	20,664,303
Managed Care Capitations	4,179,664		4,179,664
Administration	3,069,940		3,069,940
Life Insurance	206,106		206,106
Wellness	93,655		93,655
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	48,781		48,781
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	27,060,976		27,060,976
Total Expenses	\$ 123,946,802	\$ -	\$ 123,946,802
Fiscal Year Results	\$ 9,374,343		\$ 9,374,343
Beginning Plan Reserve	48,340,828		48,340,828
Minimum Actuarial Reserve Required	\$ 18,701,102	\$ -	\$ 18,701,102
<u>Ending Premium Stabilization Reserve</u>	<u>39,014,069</u>	<u>-</u>	<u>39,014,069</u>
Ending Plan Reserve	\$ 57,715,171		\$ 57,715,171
Reserve as a Percent of Expenses			43%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ -	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u> <u>Drugs</u>	
		Local	7.5%	11.5%
		Capitations		8.1%
		Administrative Expense		6.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2019

PERIOD 7/1/2018 - 6/30/2019

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 330,227,545	\$ -	\$ 330,227,545
Employer Premiums - MCO	35,537,338	-	35,537,338
Employee Premiums - PPB	110,105,236	-	110,105,236
Employee Premiums - MCO	12,490,999	-	12,490,999
WV RHBT Pay Go Premiums	125,307,020		125,307,020
Life Insurance	1,021,216		1,021,216
Direct Transfers	10,000,000	21,000,000	31,000,000
Investment Income	9,404,841		9,404,841
Litigation Settlement	-		-
COBRA Premiums	1,526,783		1,526,783
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 639,665,561	\$ 21,000,000	\$ 660,665,561
<u>Program Expenses</u>			
Medical Claims	\$ 323,170,691	\$ -	\$ 323,170,691
Prescription Drug Claims	116,856,844	\$ -	116,856,844
Managed Care Capitations	42,534,510		42,534,510
Administration	15,220,001		15,220,001
Life Insurance	1,021,822		1,021,822
Wellness	464,316		464,316
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	271,780		271,780
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	125,307,020		125,307,020
Total Expenses	\$ 624,846,984	\$ -	\$ 624,846,984
Fiscal Year Results	\$ 14,818,577		\$ 35,818,577
Beginning Plan Reserve	146,213,511		146,213,511
Minimum Actuarial Reserve Required	\$ 94,369,496	\$ -	\$ 94,369,496
<u>Ending Premium Stabilization Reserve</u>	<u>66,662,592</u>	<u>-</u>	<u>87,662,592</u>
Ending Plan Reserve	\$ 161,032,088		\$ 182,032,088
Reserve as a Percent of Expenses			26%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 8,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ 31,000,000	State	7.5%	11.5%
		Capitations		8.1%
		Administrative Expense		6.0%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2020**

PERIOD 7/1/2019 - 6/30/2020

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 97,570,590	\$ 341,227,368	\$ 438,797,958
Employer Premiums - MCO	4,734,202	36,890,168	41,624,370
Employee Premiums - PPB	-	109,074,531	109,074,531
Employee Premiums - MCO	-	12,317,361	12,317,361
WV RHBT Pay Go Premiums	25,765,860	114,234,140	140,000,000
Life Insurance	216,283	1,072,276	1,288,559
Direct Transfers	-	31,000,000	31,000,000
Investment Income	2,710,682	9,177,353	11,888,035
Litigation Settlement	-	-	-
COBRA Premiums	368,372	1,561,637	1,930,009
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 132,095,966	\$ 660,599,417	\$ 792,695,383
<u>Program Expenses</u>			
Medical Claims	\$ 77,779,342	\$ 349,826,608	\$ 427,605,950
Prescription Drug Claims	24,311,223	131,602,895	155,914,118
Managed Care Capitations	4,430,444	45,086,581	49,517,025
Administration	4,112,039	21,276,601	25,388,640
Life Insurance	216,411	1,072,913	1,289,324
Wellness	389,217	1,929,640	2,318,857
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	309,464	1,459,341	1,768,805
WV RHBT Pay Go Premiums	25,765,860	114,234,140	140,000,000
Total Expenses	\$ 137,314,000	\$ 666,488,719	\$ 803,802,719
Fiscal Year Results	\$ (5,218,034)	\$ (5,889,302)	\$ (11,107,336)
Beginning Plan Reserve	57,715,171	182,032,088	239,747,259
Minimum Actuarial Reserve Required	\$ 21,035,201	\$ 101,818,496	\$ 122,853,697
<u>Ending Premium Stabilization Reserve</u>	<u>31,461,936</u>	<u>74,324,290</u>	<u>105,786,226</u>
Ending Plan Reserve	\$ 52,497,137	\$ 176,142,786	\$ 228,639,923
Reserve as a Percent of Expenses			30%

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	8.0%	12.0%
Direct Transfers	\$ 31,000,000	State	8.0%	12.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2020

PERIOD 7/1/2019 - 6/30/2020

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 97,570,590	\$ -	\$ 97,570,590
Employer Premiums - MCO	4,734,202	-	4,734,202
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	25,765,860		25,765,860
Life Insurance	216,283		216,283
Direct Transfers	-		-
Investment Income	2,710,682		2,710,682
Litigation Settlement	-		-
COBRA Premiums	368,372		368,372
Administrative Fees	729,977		729,977
Total Revenue	\$ 132,095,966	\$ -	\$ 132,095,966
<u>Program Expenses</u>			
Medical Claims	\$ 77,009,342	\$ 770,000	\$ 77,779,342
Prescription Drug Claims	24,051,223	260,000	24,311,223
Managed Care Capitations	4,430,444		4,430,444
Administration	3,712,039	400,000	4,112,039
Life Insurance	216,411		216,411
Wellness	389,217		389,217
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	309,464		309,464
WV RHBT Pay Go Premiums	25,765,860		25,765,860
Total Expenses	\$ 135,884,000	\$ 1,430,000	\$ 137,314,000
Fiscal Year Results	\$ (3,788,034)		\$ (5,218,034)
Beginning Plan Reserve	57,715,171		57,715,171
Minimum Actuarial Reserve Required	\$ 21,035,201	\$ -	\$ 21,035,201
<u>Ending Premium Stabilization Reserve</u>	<u>32,891,936</u>	<u>-</u>	<u>31,461,936</u>
Ending Plan Reserve	\$ 53,927,137		\$ 52,497,137
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

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

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2020

PERIOD 7/1/2019 - 6/30/2020

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 341,227,368	\$ -	\$ 341,227,368
Employer Premiums - MCO	36,890,168	-	36,890,168
Employee Premiums - PPB	109,074,531	-	109,074,531
Employee Premiums - MCO	12,317,361	-	12,317,361
WV RHBT Pay Go Premiums	114,234,140		114,234,140
Life Insurance	1,072,276		1,072,276
Direct Transfers	31,000,000		31,000,000
Investment Income	9,177,353		9,177,353
Litigation Settlement	-		-
COBRA Premiums	1,561,637		1,561,637
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 660,599,417	\$ -	\$ 660,599,417
<u>Program Expenses</u>			
Medical Claims	\$ 346,936,608	\$ 2,890,000	\$ 349,826,608
Prescription Drug Claims	130,112,895	\$ 1,490,000	131,602,895
Managed Care Capitations	45,086,581		45,086,581
Administration	18,876,601	2,400,000	21,276,601
Life Insurance	1,072,913		1,072,913
Wellness	1,929,640		1,929,640
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	1,459,341		1,459,341
WV RHBT Pay Go Premiums	114,234,140		114,234,140
Total Expenses	\$ 659,708,719	\$ 6,780,000	\$ 666,488,719
Fiscal Year Results	\$ 890,698		\$ (5,889,302)
Beginning Plan Reserve	182,032,088		182,032,088
Minimum Actuarial Reserve Required	\$ 101,818,496	\$ -	\$ 101,818,496
<u>Ending Premium Stabilization Reserve</u>	<u>81,104,290</u>	<u>-</u>	<u>74,324,290</u>
Ending Plan Reserve	\$ 182,922,786		\$ 176,142,786
Reserve as a Percent of Expenses			24%

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	\$ 31,000,000	State	8.0%	12.0%
		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 2021**

PERIOD 7/1/2020 - 6/30/2021

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 99,024,875	\$ 422,916,062	\$ 521,940,937
Employer Premiums - MCO	4,793,030	45,688,362	50,481,392
Employee Premiums - PPB	-	131,088,571	131,088,571
Employee Premiums - MCO	-	14,803,320	14,803,320
WV RHBT Pay Go Premiums	28,252,747	121,747,253	150,000,000
Life Insurance	227,097	1,125,890	1,352,987
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,546,613	9,149,924	11,696,537
Litigation Settlement	-	-	-
COBRA Premiums	373,820	1,921,125	2,294,945
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 135,948,159	\$ 773,485,090	\$ 909,433,249
<u>Program Expenses</u>			
Medical Claims	\$ 84,486,921	\$ 379,065,014	\$ 463,551,935
Prescription Drug Claims	27,382,376	147,870,850	175,253,227
Managed Care Capitations	4,696,270	47,791,776	52,488,046
Administration	3,668,900	18,618,899	22,287,799
Life Insurance	227,232	1,126,559	1,353,791
Wellness	2,108,678	10,326,122	12,434,800
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	311,068	1,465,219	1,776,287
WV RHBT Pay Go Premiums	28,252,747	121,747,253	150,000,000
Total Expenses	\$ 151,134,192	\$ 728,011,693	\$ 879,145,885
Fiscal Year Results	\$ (15,186,033)	\$ 45,473,397	\$ 30,287,364
Beginning Plan Reserve	52,497,137	176,142,786	228,639,923
Minimum Actuarial Reserve Required	\$ 23,045,829	\$ 111,298,166	\$ 134,343,996
<u>Ending Premium Stabilization Reserve</u>	<u>14,265,275</u>	<u>110,318,017</u>	<u>124,583,291</u>
Ending Plan Reserve	\$ 37,311,104	\$ 221,616,183	\$ 258,927,287
Reserve as a Percent of Expenses			30%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 98,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 4,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 24,500,000	Active Local	8.5%	12.5%
Direct Transfers	\$ 21,000,000	State	8.5%	12.5%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2021

PERIOD 7/1/2020 - 6/30/2021

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 95,215,644	\$ 3,809,231	\$ 99,024,875
Employer Premiums - MCO	4,602,261	190,769	4,793,030
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	28,252,747		28,252,747
Life Insurance	227,097		227,097
Direct Transfers	-		-
Investment Income	2,546,613		2,546,613
Litigation Settlement	-		-
COBRA Premiums	373,820		373,820
Administrative Fees	729,977		729,977
Total Revenue	\$ 131,948,159	\$ 4,000,000	\$ 135,948,159
<u>Program Expenses</u>			
Medical Claims	\$ 84,486,921		\$ 84,486,921
Prescription Drug Claims	27,382,376		27,382,376
Managed Care Capitations	4,696,270		4,696,270
Administration	3,668,900		3,668,900
Life Insurance	227,232		227,232
Wellness	408,678	1,700,000	2,108,678
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	311,068		311,068
WV RHBT Pay Go Premiums	28,252,747		28,252,747
Total Expenses	\$ 149,434,192	\$ 1,700,000	\$ 151,134,192
Fiscal Year Results	\$ (17,486,033)		\$ (15,186,033)
Beginning Plan Reserve	52,497,137		52,497,137
Minimum Actuarial Reserve Required	\$ 23,045,829	\$ -	\$ 23,045,829
<u>Ending Premium Stabilization Reserve</u>	<u>11,965,275</u>	<u>-</u>	<u>14,265,275</u>
Ending Plan Reserve	\$ 35,011,104		\$ 37,311,104
Reserve as a Percent of Expenses			22%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 4,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	8.5%	12.5%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2021

PERIOD 7/1/2020 - 6/30/2021

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 334,449,646	\$ 88,466,416	\$ 422,916,062
Employer Premiums - MCO	36,154,778	9,533,584	45,688,362
Employee Premiums - PPB	109,074,531	22,014,040	131,088,571
Employee Premiums - MCO	12,317,360	2,485,960	14,803,320
WV RHBT Pay Go Premiums	121,747,253		121,747,253
Life Insurance	1,125,890		1,125,890
Direct Transfers	21,000,000		21,000,000
Investment Income	9,149,924		9,149,924
Litigation Settlement	-		-
COBRA Premiums	1,921,125		1,921,125
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 650,985,090	\$ 122,500,000	\$ 773,485,090
<u>Program Expenses</u>			
Medical Claims	\$ 379,065,014		\$ 379,065,014
Prescription Drug Claims	147,870,850		147,870,850
Managed Care Capitations	47,791,776		47,791,776
Administration	18,618,899		18,618,899
Life Insurance	1,126,559		1,126,559
Wellness	2,026,122	8,300,000	10,326,122
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	1,465,219		1,465,219
WV RHBT Pay Go Premiums	121,747,253		121,747,253
Total Expenses	\$ 719,711,692	\$ 8,300,000	\$ 728,011,692
Fiscal Year Results	\$ (68,726,602)		\$ 45,473,398
Beginning Plan Reserve	176,142,786		176,142,786
Minimum Actuarial Reserve Required	\$ 111,298,166	\$ -	\$ 111,298,166
<u>Ending Premium Stabilization Reserve</u>	<u>(3,881,982)</u>	<u>-</u>	<u>110,318,018</u>
Ending Plan Reserve	\$ 107,416,184		\$ 221,616,184
Reserve as a Percent of Expenses			27%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 98,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 24,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ 21,000,000	State	8.5%	12.5%
		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 2022**

PERIOD 7/1/2021 - 6/30/2022

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 129,337,609	\$ 469,115,569	\$ 598,453,178
Employer Premiums - MCO	6,295,320	50,673,831	56,969,151
Employee Premiums - PPB	-	144,207,142	144,207,142
Employee Premiums - MCO	-	16,284,749	16,284,749
WV RHBT Pay Go Premiums	30,937,723	129,062,277	160,000,000
Life Insurance	238,452	1,182,185	1,420,637
Direct Transfers	-	21,000,000	21,000,000
Investment Income	1,987,778	11,200,857	13,188,635
Litigation Settlement	-	-	-
COBRA Premiums	488,377	2,126,791	2,615,168
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 170,015,236	\$ 848,897,984	\$ 1,018,913,220
<u>Program Expenses</u>			
Medical Claims	\$ 91,899,819	\$ 412,324,251	\$ 504,224,070
Prescription Drug Claims	30,880,618	166,762,125	197,642,743
Managed Care Capitations	4,978,046	50,659,282	55,637,328
Administration	3,778,967	19,177,466	22,956,433
Life Insurance	238,593	1,182,887	1,421,480
Wellness	429,112	2,127,428	2,556,540
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	311,962	1,471,352	1,783,314
WV RHBT Pay Go Premiums	30,937,723	129,062,277	160,000,000
Total Expenses	\$ 163,454,840	\$ 782,767,068	\$ 946,221,908
Fiscal Year Results	\$ 6,560,396	\$ 66,130,916	\$ 72,691,312
Beginning Plan Reserve	37,311,104	221,616,183	258,927,287
Minimum Actuarial Reserve Required	\$ 24,954,240	\$ 120,564,732	\$ 145,518,972
<u>Ending Premium Stabilization Reserve</u>	<u>18,917,260</u>	<u>167,182,367</u>	<u>186,099,627</u>
Ending Plan Reserve	\$ 43,871,499	\$ 287,747,099	\$ 331,618,599
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 58,500,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 34,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 14,600,000	Active Local	9.0%	13.0%
Direct Transfers	\$ 21,000,000	State	9.0%	13.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2022

PERIOD 7/1/2021 - 6/30/2022

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 96,482,995	\$ 32,854,614	\$ 129,337,609
Employer Premiums - MCO	4,649,934	1,645,386	6,295,320
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	30,937,723		30,937,723
Life Insurance	238,452		238,452
Direct Transfers	-		-
Investment Income	1,987,778		1,987,778
Litigation Settlement	-		-
COBRA Premiums	488,377		488,377
Administrative Fees	729,977		729,977
Total Revenue	\$ 135,515,236	\$ 34,500,000	\$ 170,015,236
<u>Program Expenses</u>			
Medical Claims	\$ 91,899,819		\$ 91,899,819
Prescription Drug Claims	30,880,618		30,880,618
Managed Care Capitations	4,978,046		4,978,046
Administration	3,778,967		3,778,967
Life Insurance	238,593		238,593
Wellness	429,112		429,112
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	311,962		311,962
WV RHBT Pay Go Premiums	30,937,723		30,937,723
Total Expenses	\$ 163,454,840	\$ -	\$ 163,454,840
Fiscal Year Results	\$ (27,939,604)		\$ 6,560,396
Beginning Plan Reserve	37,311,104		37,311,104
Minimum Actuarial Reserve Required	\$ 24,954,240	\$ -	\$ 24,954,240
<u>Ending Premium Stabilization Reserve</u>	<u>(15,582,740)</u>	<u>-</u>	<u>18,917,260</u>
Ending Plan Reserve	\$ 9,371,500		\$ 43,871,500
Reserve as a Percent of Expenses			24%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 34,500,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
		Local	9.0%	13.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2022

PERIOD 7/1/2021 - 6/30/2022

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 416,306,535	\$ 52,809,034	\$ 469,115,569
Employer Premiums - MCO	44,982,865	5,690,966	50,673,831
Employee Premiums - PPB	131,088,571	13,118,571	144,207,142
Employee Premiums - MCO	14,803,320	1,481,429	16,284,749
WV RHBT Pay Go Premiums	129,062,277		129,062,277
Life Insurance	1,182,185		1,182,185
Direct Transfers	21,000,000		21,000,000
Investment Income	11,200,857		11,200,857
Litigation Settlement	-		-
COBRA Premiums	2,126,791		2,126,791
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 775,797,984	\$ 73,100,000	\$ 848,897,984
<u>Program Expenses</u>			
Medical Claims	\$ 412,324,251		\$ 412,324,251
Prescription Drug Claims	166,762,125		166,762,125
Managed Care Capitations	50,659,282		50,659,282
Administration	19,177,466		19,177,466
Life Insurance	1,182,887		1,182,887
Wellness	2,127,428		2,127,428
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	1,471,352		1,471,352
WV RHBT Pay Go Premiums	129,062,277		129,062,277
Total Expenses	\$ 782,767,068	\$ -	\$ 782,767,068
Fiscal Year Results	\$ (6,969,084)		\$ 66,130,916
Beginning Plan Reserve	221,616,183		221,616,183
Minimum Actuarial Reserve Required	\$ 120,564,732	\$ -	\$ 120,564,732
<u>Ending Premium Stabilization Reserve</u>	<u>94,082,367</u>	<u>-</u>	<u>167,182,367</u>
Ending Plan Reserve	\$ 214,647,099		\$ 287,747,099
Reserve as a Percent of Expenses			33%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 58,500,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 14,600,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ 21,000,000	State	9.0%	13.0%
		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 2023**

PERIOD 7/1/2022 - 6/30/2023

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 141,434,264	\$ 517,237,176	\$ 658,671,439
Employer Premiums - MCO	6,884,575	55,866,315	62,750,890
Employee Premiums - PPB	-	157,774,979	157,774,979
Employee Premiums - MCO	-	17,816,912	17,816,912
WV RHBT Pay Go Premiums	33,751,813	136,248,187	170,000,000
Life Insurance	250,374	1,241,294	1,491,668
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,304,081	14,103,676	16,407,757
Litigation Settlement	-	-	-
COBRA Premiums	534,056	2,340,677	2,874,733
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 185,889,140	\$ 927,673,798	\$ 1,113,562,938
<u>Program Expenses</u>			
Medical Claims	\$ 100,422,801	\$ 450,564,068	\$ 550,986,869
Prescription Drug Claims	34,980,238	188,900,977	223,881,216
Managed Care Capitations	5,276,729	53,698,839	58,975,568
Administration	3,892,336	19,752,790	23,645,126
Life Insurance	250,523	1,242,031	1,492,554
Wellness	450,567	2,233,800	2,684,367
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	312,816	1,477,328	1,790,144
WV RHBT Pay Go Premiums	33,751,813	136,248,187	170,000,000
Total Expenses	\$ 179,337,824	\$ 854,118,019	\$ 1,033,455,844
Fiscal Year Results	\$ 6,551,316	\$ 73,555,779	\$ 80,107,094
Beginning Plan Reserve	43,871,499	287,747,099	331,618,599
Minimum Actuarial Reserve Required	\$ 27,380,813	\$ 132,342,170	\$ 159,722,983
<u>Ending Premium Stabilization Reserve</u>	<u>23,042,002</u>	<u>228,960,708</u>	<u>252,002,710</u>
Ending Plan Reserve	\$ 50,422,815	\$ 361,302,878	\$ 411,725,693
Reserve as a Percent of Expenses			39%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,500,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 15,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 15,100,000	Active Local	9.5%	13.5%
Direct Transfers	\$ 21,000,000	State	9.5%	13.5%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2023

PERIOD 7/1/2022 - 6/30/2023

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 126,673,495	\$ 14,760,769	\$ 141,434,264
Employer Premiums - MCO	6,145,344	739,231	6,884,575
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	33,751,813		33,751,813
Life Insurance	250,374		250,374
Direct Transfers	-		-
Investment Income	2,304,081		2,304,081
Litigation Settlement	-		-
COBRA Premiums	534,056		534,056
Administrative Fees	729,977		729,977
Total Revenue	\$ 170,389,140	\$ 15,500,000	\$ 185,889,140
<u>Program Expenses</u>			
Medical Claims	\$ 100,422,801		\$ 100,422,801
Prescription Drug Claims	34,980,238		34,980,238
Managed Care Capitations	5,276,729		5,276,729
Administration	3,892,336		3,892,336
Life Insurance	250,523		250,523
Wellness	450,567		450,567
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	312,816		312,816
WV RHBT Pay Go Premiums	33,751,813		33,751,813
Total Expenses	\$ 179,337,823	\$ -	\$ 179,337,823
Fiscal Year Results	\$ (8,948,683)		\$ 6,551,317
Beginning Plan Reserve	43,871,499		43,871,499
Minimum Actuarial Reserve Required	\$ 27,380,813	\$ -	\$ 27,380,813
<u>Ending Premium Stabilization Reserve</u>	<u>7,542,003</u>	<u>-</u>	<u>23,042,003</u>
Ending Plan Reserve	\$ 34,922,816		\$ 50,422,816
Reserve as a Percent of Expenses			26%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 15,500,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		Local	9.5%
		Capitations	6.0%
		Administrative Expense	3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2023

PERIOD 7/1/2022 - 6/30/2023

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 462,622,705	\$ 54,614,471	\$ 517,237,176
Employer Premiums - MCO	49,980,786	5,885,529	55,866,315
Employee Premiums - PPB	144,207,142	13,567,837	157,774,979
Employee Premiums - MCO	16,284,749	1,532,163	17,816,912
WV RHBT Pay Go Premiums	136,248,187		136,248,187
Life Insurance	1,241,294		1,241,294
Direct Transfers	21,000,000		21,000,000
Investment Income	14,103,676		14,103,676
Litigation Settlement	-		-
COBRA Premiums	2,340,677		2,340,677
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 852,073,798	\$ 75,600,000	\$ 927,673,798
<u>Program Expenses</u>			
Medical Claims	\$ 450,564,068		\$ 450,564,068
Prescription Drug Claims	188,900,977		188,900,977
Managed Care Capitations	53,698,839		53,698,839
Administration	19,752,790		19,752,790
Life Insurance	1,242,031		1,242,031
Wellness	2,233,800		2,233,800
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	1,477,328		1,477,328
WV RHBT Pay Go Premiums	136,248,187		136,248,187
Total Expenses	\$ 854,118,020	\$ -	\$ 854,118,020
Fiscal Year Results	\$ (2,044,222)		\$ 73,555,778
Beginning Plan Reserve	287,747,099		287,747,099
Minimum Actuarial Reserve Required	\$ 132,342,170	\$ -	\$ 132,342,170
<u>Ending Premium Stabilization Reserve</u>	153,360,707	-	228,960,707
Ending Plan Reserve	\$ 285,702,877		\$ 361,302,877
Reserve as a Percent of Expenses			38%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,500,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 15,100,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Direct Transfers	\$ 21,000,000	State	9.5%	13.5%
		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 2024**

PERIOD 7/1/2023 - 6/30/2024

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 138,656,431	\$ 510,852,847	\$ 649,509,278
Employer Premiums - MCO	6,728,196	55,184,855	61,913,051
Employee Premiums - PPB	-	157,774,979	157,774,979
Employee Premiums - MCO	-	17,816,912	17,816,912
WV RHBT Pay Go Premiums	36,686,025	143,313,975	180,000,000
Life Insurance	262,893	1,303,359	1,566,252
Direct Transfers	-	21,000,000	21,000,000
Investment Income	2,625,875	17,331,897	19,957,772
Litigation Settlement	-	-	-
COBRA Premiums	523,491	2,318,587	2,842,078
Administrative Fees	729,977	4,044,583	4,774,560
Total Revenue	\$ 186,212,888	\$ 930,941,994	\$ 1,117,154,882
<u>Program Expenses</u>			
Medical Claims	\$ 110,238,528	\$ 494,604,003	\$ 604,842,531
Prescription Drug Claims	39,799,078	214,923,769	254,722,847
Managed Care Capitations	5,593,333	56,920,770	62,514,103
Administration	4,009,106	20,345,373	24,354,479
Life Insurance	263,049	1,304,133	1,567,182
Wellness	473,095	2,345,490	2,818,585
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	313,629	1,483,152	1,796,781
WV RHBT Pay Go Premiums	36,686,025	143,313,975	180,000,000
Total Expenses	\$ 197,375,843	\$ 935,240,665	\$ 1,132,616,508
Fiscal Year Results	\$ (11,162,955)	\$ (4,298,671)	\$ (15,461,626)
Beginning Plan Reserve	50,422,815	361,302,878	411,725,693
Minimum Actuarial Reserve Required	\$ 30,186,697	\$ 145,955,336	\$ 176,142,033
<u>Ending Premium Stabilization Reserve</u>	<u>9,073,164</u>	<u>211,048,870</u>	<u>220,122,034</u>
Ending Plan Reserve	\$ 39,259,861	\$ 357,004,207	\$ 396,264,067
Reserve as a Percent of Expenses			34%

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	10.0%	14.0%
Direct Transfers	\$ 21,000,000	State	10.0%	14.0%
		Capitations		6.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2024

PERIOD 7/1/2023 - 6/30/2024

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 138,656,431	\$ -	\$ 138,656,431
Employer Premiums - MCO	6,728,196	-	6,728,196
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	36,686,025		36,686,025
Life Insurance	262,893		262,893
Direct Transfers	-		-
Investment Income	2,625,875		2,625,875
Litigation Settlement	-		-
COBRA Premiums	523,491		523,491
Administrative Fees	729,977		729,977
Total Revenue	\$ 186,212,888	\$ -	\$ 186,212,888
<u>Program Expenses</u>			
Medical Claims	\$ 110,238,528		\$ 110,238,528
Prescription Drug Claims	39,799,078		39,799,078
Managed Care Capitations	5,593,333		5,593,333
Administration	4,009,106		4,009,106
Life Insurance	263,049		263,049
Wellness	473,095		473,095
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	313,629		313,629
WV RHBT Pay Go Premiums	36,686,025		36,686,025
Total Expenses	\$ 197,375,843	\$ -	\$ 197,375,843
Fiscal Year Results	\$ (11,162,955)		\$ (11,162,955)
Beginning Plan Reserve	50,422,815		50,422,815
Minimum Actuarial Reserve Required	\$ 30,186,697	\$ -	\$ 30,186,697
<u>Ending Premium Stabilization Reserve</u>	<u>9,073,164</u>	<u>-</u>	<u>9,073,164</u>
Ending Plan Reserve	\$ 39,259,860		\$ 39,259,860
Reserve as a Percent of Expenses			18%

KEY ASSUMPTIONS

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

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2024

PERIOD 7/1/2023 - 6/30/2024

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 510,852,847	\$ -	\$ 510,852,847
Employer Premiums - MCO	55,184,855	-	55,184,855
Employee Premiums - PPB	157,774,979	-	157,774,979
Employee Premiums - MCO	17,816,912	-	17,816,912
WV RHBT Pay Go Premiums	143,313,975		143,313,975
Life Insurance	1,303,359		1,303,359
Direct Transfers	21,000,000		21,000,000
Investment Income	17,331,897		17,331,897
Litigation Settlement	-		-
COBRA Premiums	2,318,587		2,318,587
Administrative Fees	4,044,583		4,044,583
Total Revenue	\$ 930,941,994	\$ -	\$ 930,941,994
<u>Program Expenses</u>			
Medical Claims	\$ 494,604,003		\$ 494,604,003
Prescription Drug Claims	214,923,769		214,923,769
Managed Care Capitations	56,920,770		56,920,770
Administration	20,345,373		20,345,373
Life Insurance	1,304,133		1,304,133
Wellness	2,345,490		2,345,490
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	1,483,152		1,483,152
WV RHBT Pay Go Premiums	143,313,975		143,313,975
Total Expenses	\$ 935,240,665	\$ -	\$ 935,240,665
Fiscal Year Results	\$ (4,298,671)		\$ (4,298,671)
Beginning Plan Reserve	361,302,878		361,302,878
Minimum Actuarial Reserve Required	\$ 145,955,336	\$ -	\$ 145,955,336
<u>Ending Premium Stabilization Reserve</u>	211,048,870	-	211,048,870
Ending Plan Reserve	\$ 357,004,207		\$ 357,004,207
Reserve as a Percent of Expenses			34%

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	\$ 21,000,000	State	10.0%	14.0%
		Capitations		6.0%
		Administrative Expense		3.0%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2019 to FY 2020**

Fiscal Year 2019												
Exposure	<u>Jul-18</u>	<u>Aug-18</u>	<u>Sep-18</u>	<u>Oct-18</u>	<u>Nov-18</u>	<u>Dec-18</u>	<u>Jan-19</u>	<u>Feb-19</u>	<u>Mar-19</u>	<u>Apr-19</u>	<u>May-19</u>	<u>Jun-19</u>
Local Medical	25,510	25,503	25,483	25,393	25,328	25,394	25,338	25,436	25,640	25,642	25,584	25,592
State Medical	118,778	118,216	117,851	118,181	118,212	118,213	118,043	117,739	117,803	117,677	117,702	117,545
Local Drugs	25,510	25,503	25,483	25,393	25,328	25,394	25,338	25,436	25,640	25,642	25,584	25,592
State Drugs	118,778	118,216	117,851	118,181	118,212	118,213	118,043	117,739	117,803	117,677	117,702	117,545
Local Medical	<u>\$153.33</u>	<u>\$184.88</u>	<u>\$197.99</u>	<u>\$218.89</u>	<u>\$233.02</u>	<u>\$200.13</u>	<u>\$266.36</u>	<u>\$223.92</u>	<u>\$242.20</u>	<u>\$267.12</u>	<u>\$232.47</u>	<u>\$242.70</u>
State Medical	206.98	199.31	181.92	246.48	216.42	213.39	257.44	227.01	246.38	242.88	254.18	250.93
Local Drugs	97.44	105.18	92.45	112.64	102.78	100.96	127.32	110.15	129.68	127.40	134.35	122.84
State Drugs	<u>102.83</u>	<u>108.27</u>	<u>100.62</u>	<u>120.26</u>	<u>107.44</u>	<u>108.50</u>	<u>132.50</u>	<u>117.33</u>	<u>129.76</u>	<u>141.86</u>	<u>134.92</u>	<u>133.54</u>
Total	\$560.58	\$597.63	\$572.98	\$698.27	\$659.65	\$622.98	\$783.63	\$678.41	\$748.02	\$779.26	\$755.92	\$750.01
Change From Prior Year - Month to Month Analysis												
Local Medical	-0.9%	0.0%	9.8%	1.5%	13.3%	14.1%	19.0%	10.4%	16.6%	6.6%	-10.2%	15.3%
State Medical	17.2%	4.0%	-2.5%	23.7%	3.3%	11.8%	15.5%	12.9%	8.9%	2.4%	-1.7%	0.1%
Local Drugs	-15.6%	6.9%	20.2%	-5.5%	16.4%	14.4%	13.7%	33.9%	42.8%	26.5%	21.9%	13.1%
State Drugs	<u>-13.3%</u>	<u>8.0%</u>	<u>24.8%</u>	<u>-1.4%</u>	<u>21.7%</u>	<u>25.5%</u>	<u>15.3%</u>	<u>31.3%</u>	<u>32.0%</u>	<u>34.9%</u>	<u>17.1%</u>	<u>14.7%</u>
Total	-0.8%	3.9%	9.2%	6.4%	11.5%	15.2%	16.3%	17.9%	20.0%	12.3%	1.7%	9.3%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			3.1%			9.3%			15.4%			3.1%
State Medical			6.0%			12.8%			12.4%			0.2%
Local Drugs			1.5%			7.0%			28.8%			20.4%
State Drugs			<u>4.1%</u>			<u>13.3%</u>			<u>25.4%</u>			<u>21.8%</u>
Total			4.0%			10.7%			18.0%			7.6%
Change From Prior Year - Year to Year Analysis												
Local Medical			-5.7%			-1.8%			5.4%			7.8%
State Medical			-0.4%			2.7%			6.8%			7.5%
Local Drugs			2.6%			1.7%			9.2%			14.4%
State Drugs			<u>3.2%</u>			<u>4.8%</u>			<u>11.6%</u>			<u>16.3%</u>
Total			-1.2%			1.4%			7.5%			10.2%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2019 to FY 2020**

Fiscal Year 2020

Exposure	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>
Local Medical	25,896	26,417	26,500
State Medical	117,370	117,050	117,339
Local Drugs	25,896	26,417	26,500
State Drugs	117,370	117,050	117,339

	<u>Jul-19</u>	<u>Aug-19</u>	<u>Sep-19</u>
Local Medical	\$126.39	\$146.97	\$209.32
State Medical	140.78	159.93	216.11
Local Drugs	105.61	113.48	112.39
State Drugs	<u>114.04</u>	<u>120.18</u>	<u>126.07</u>
Total	\$486.82	\$540.56	\$663.90

Change From Prior Year - Month to Month Analysis

Local Medical	-17.6%	-20.5%	5.7%
State Medical	-32.0%	-19.8%	18.8%
Local Drugs	8.4%	7.9%	21.6%
State Drugs	<u>10.9%</u>	<u>11.0%</u>	<u>25.3%</u>
Total	-13.2%	-9.5%	15.9%

Change From Prior Year - Quarter to Quarter Analysis

Local Medical	-10.0%
State Medical	-12.1%
Local Drugs	12.3%
State Drugs	<u>15.6%</u>
Total	-2.3%

Change From Prior Year - Year to Year Analysis

Local Medical	4.9%
State Medical	3.4%
Local Drugs	17.1%
State Drugs	<u>19.1%</u>
Total	8.7%