



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

Financial Plan

Fiscal Years 2016-2020

March 2016

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Finance Board
West Virginia Retiree Health Benefit Trust Fund
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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”).

During the 2006 Regular Session of the West Virginia Legislature, House Bill 4654 was enacted creating the West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan. The Public Employees Insurance Agency (“PEIA”), on behalf of the Public Employees Insurance Agency Finance Board (“Board”), is responsible for the day-to-day operation of the Trust Fund, including all administrative functions.

Statutory provisions governing the Trust Fund require the actuary retained by the PEIA to provide technical advice regarding the operation of the Trust Fund. Using the actuarial assumptions most recently adopted by the Board, the actuary is required to develop actuarial valuations of normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the West Virginia plan for other post-employment benefits including health insurance. Consequently, the Board has requested CCRC Actuaries to prepare a report separating the actuarial projections for the Trust Fund from the PEIA forecast report. The West Virginia Retiree Health Benefit Trust Fund has assumed the financial liabilities of the retiree programs previously under the PEIA effective July 1, 2006.

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. CCRC Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2017, 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 the plan through FY 2020. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

CCRC Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”) and June 30, 2020 (“FY 2020”). Our opinion of plan adequacy is based on the projections through FY 2020 using updated future revenue and plan modifications provided by the Board in the plan adopted in January 2016.

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar year.

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2016 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

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 RHBT, 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 enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members have become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2016.

In FY 2016 the Pay-Go is equivalent to \$294 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 January 2016.

Senate Bill 469, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. Presently RHBT estimates that the aforementioned \$30 million transfers will likely commence in 2018. All employers will receive benefit of these contributions.

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2016 through FY 2020 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of the Trust Fund.

This conclusion is based on significant revenue increases in employer, employee, and retiree premiums in later fiscal years of the plan through FY 2020 as approved by the Board in January 2016.

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 and changes of the framework of MAPD plan and other managed care options impacting Non-Medicare retirees, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate costs of insurance program contain considerable uncertainty and variability and actual experience may not conform to the assumptions utilized in this report.

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.
Senior Actuarial Consultant

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2016 – FY 2020

OVERVIEW

This report analyzes revenues and expenses related to funding the health insurance benefits of retired employees of the State of West Virginia 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 RHBT's third party administrators through December 2015 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

The Code of West Virginia establishes the actuarial reporting requirements for the Trust Fund on an incurred basis for medical claims, prescription drug claims and capitations, and on an accrued basis for administrative expenses and revenue for a period of five years. The Fund represents state and local agency retirees and their survivors. The Trust Fund is allocated its share of administrative costs from PEIA.

KEY ASSUMPTIONS

A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 1,030 retirees from June 2014 to June 2015, approximating our current assumption. CCRC Actuaries has updated the claims analysis based on the enrollment through January 2016.

In aggregate, January 2016 enrollment has increased by 950 coverages since the end of FY 2015. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 940 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight increase of 10 coverages. For MAPD Capitations, 44,041 Medicare policyholders were projected to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2014, June 2015 and January 2016 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-14	Jun-15	Jan-16	Jun-14	Jun-15	Jan-16
Retirees	Medicare Single	18,429	19,018	19,408	-	-	-
	<u>Medicare Family</u>	<u>13,316</u>	<u>13,860</u>	<u>14,269</u>	-	-	-
	Medicare Total	31,745	32,878	33,677	-	-	-
	Non Medicare Single	3,517	3,462	3,480	159	149	149
	<u>Non Medicare Family</u>	<u>4,384</u>	<u>4,356</u>	<u>4,479</u>	<u>176</u>	<u>166</u>	<u>176</u>
	Non Medicare Total	7,901	7,818	7,959	335	315	325
	Retiree Total	39,646	40,696	41,636	335	315	325
Grand Total				39,981	41,011	41,961	

* The majority of PPB is capitated through Humana. As of January 2016, there are approximately 577 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan Fiscal Years 2016-2020 Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2015, but over the past few years, trends have been beneficial to the plan. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2015”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have increased the FY 2016 medical claim trend assumption from 5.5% to 6.5%, and we have maintained the FY 2016 prescription drug claim trend assumption at 8.5%.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2016 Trend	Updated Assumption FY 2016 Trend
Non-Medicare – Medical	5.5%	6.5%
Medicare – Medical	5.5%	6.5%
Non-Medicare – Drugs	8.5%	8.5%
Medicare – Drugs	8.5%	8.5%

In addition, we have assumed that trends will increase by 0.5% 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.

The following chart summarizes the trend results observed for the plan using data through December 2015. 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 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.

Aggregate Trust Fund Historical Trends (Retirees)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	22%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	6%	N/A
2016*	-3%	4%	9%	6%	3%

* Fiscal Year 2016 results are through the first six months ending December 2015. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

Effective July 1, 2007, PEIA had contracted with Coventry Advantra Freedom to provide Medicare Advantage/Prescription Drug Plan (“Coventry MA and PDP”) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Advantra Freedom had assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. This arrangement expired on June 30, 2010. As a result, Fiscal Year 2008 through 2011 Medicare trends are not statistically credible.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through December 2015 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust 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 projection of FY 2016 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2016 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	33,554			\$ 90**	\$ 251**	\$ 353
	Non-Medicare	8,098			\$ 718	\$ 246	
	Total	41,652	\$ -	\$ 163			
	Non-Medicare Managed Care	330	\$ -	\$ 565			\$ 996
	Total	41,982					

*Net of rebates and subsidies.

** As of January 2016, there are approximately 577 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes assumptions used in preparation of the attached forecasts. Both Medicare and Non-Medicare retirees premium received no increases in Fiscal Year 2016.

Board Decisions – January 2016

Source	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020
Additional Non-Medicare Retiree Premium	\$0	\$4,316,532	\$2,865,000	\$3,321,775	\$2,965,425
Additional Medicare Retiree Premium	\$0	\$5,858,000	\$21,690,480	\$19,733,030	\$25,266,410
General Revenue Transfer	\$0	\$0	\$30,000,000	\$30,000,000	\$30,000,000
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$3,900,000	\$3,600,000	\$0	\$0	\$0
Benefit Reductions / (Increase) - Managed Care Capitations	\$316,517	\$0	\$0	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$550,000)	(\$200,000)	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$30,108)	(\$31,601)	(\$32,408)	(\$33,249)	\$0
Pay Go Premium Transfer	\$148,278,710	\$180,000,000	\$190,000,000	\$200,000,000	\$210,000,000
Actuarial Accrued Liability*	\$3,743,700,000	\$3,899,600,000	\$4,044,600,000	\$4,181,000,000	\$4,297,300,000
Funded Status	19.6%	19.8%	20.9%	22.2%	23.7%

*Projected Result

The \$3,600,000 of Retiree Non-Medicare benefit reductions and savings in Fiscal Year 2017 is comprised of the following:

	<u>2017 Claim Cost Savings</u>
Medical Claims	\$0.824 M
Drug Claims	\$2.776 M

A detailed list of the 2017 benefit reductions and savings for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Reference Based Pricing	\$0.337 M
Increase Urgent Care Copay to \$50	\$0.252 M
Removal of Non-network Out-of-state Benefits	\$0.235 M
Total Medical Benefit Reductions	\$0.824 M
<u>New CVS Pharmacy Benefit Contract</u>	<u>\$2.776 M</u>
Total Drugs Benefit Savings	\$2.776 M
Total Benefit Reductions and Savings	\$3.600 M

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 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT 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 approximately \$750,000, with \$550,000 in FY 2016.

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. These fees are currently 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 RHBT would accrue and pay these fees in FY 2016 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 approximately \$127,000, with \$30,108 in FY 2016.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$1.7 million in FY 2016 to approximately \$2.4 million in FY 2020, based on the Board's direction and projected retiree enrollment growth in the financial plan.

E. Provider Reimbursement Changes

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan ("Humana MAPD") benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

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 \$334,735,179 and incurred plan expenses of \$279,230,338 to produce a fiscal year surplus of \$27,304,841 after the Premium Stabilization Reserve drawdown of \$28,200,000. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$148,278,710.

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 \$361,177,109 and incurred plan expenses of \$301,146,114 to produce a fiscal year surplus of \$40,591,659 after the Premium Stabilization Reserve drawdown of \$19,439,335. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$180,000,000.

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 \$404,676,326 and incurred plan expenses of \$330,408,366 to produce a fiscal year surplus of \$74,267,960 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$190,000,000.

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$447,175,609 and incurred plan expenses of \$364,635,018 to produce a fiscal year surplus of \$82,540,592 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$200,000,000.

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 \$491,824,932 and incurred plan expenses of \$404,474,368 to produce a fiscal year surplus of \$87,350,564 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$210,000,000.

LITIGATION

The forecasts presented in the attached tables do not contemplate any additional revenues or expenses to be generated from litigation activities.

SUMMARY

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2020. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in January 2016 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 Medicare 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
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

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

	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 74,139,355	\$ 74,139,355	\$ 148,278,710
Retiree Premiums - PPB	40,665,562	41,043,033	81,708,595
Retiree Premiums - MCO	1,135,146	1,102,907	2,238,053
Annual Required Contributions	65,104	65,104	130,207
Non Par Premiums	1,599,034	1,599,034	3,198,067
Life Insurance	11,806,595	11,806,595	23,613,190
Investment Income	23,684,179	23,684,179	47,368,357
Transfer from Premium Stabilization Reserve	14,009,233	14,190,767	28,200,000
General Revenue Transfer	-	-	-
Total Revenue	\$ 167,104,207	\$ 167,630,972	\$ 334,735,179
Program Expenses			
Non-Medicare Medical Claims	\$ 33,903,579	\$ 35,828,176	\$ 69,731,755
Non-Medicare Prescription Drug Claims	11,046,662	12,869,038	23,915,700
Medicare Medical Claims	1,516,700	719,687	2,236,387
Medicare Prescription Drug Claims	4,397,763	2,106,916	6,504,679
Non-Medicare Managed Care Capitations	1,972,277	1,972,277	3,944,553
Humana MAPD Program	68,328,372	73,997,140	142,325,511
Administration	2,307,322	2,307,322	4,614,643
Life Insurance	11,669,849	11,669,849	23,339,698
Retiree Assistance Program	869,781	869,781	1,739,562
ACA Reinsurance Contributions	350,000	200,000	550,000
ACA Comparative Effectiveness Research Fees	15,054	15,054	30,108
Director's Discretionary Fund	148,871	148,871	297,742
Total Expenses	\$ 136,526,229	\$ 142,704,109	\$ 279,230,338
Fiscal Year Results	\$ 30,577,978	\$ 24,926,863	\$ 55,504,841
Beginning Restricted Reserve			\$ 656,952,927
Ending Restricted Reserve			\$ 712,457,768
Beginning Premium Stabilization Reserve			\$ 47,639,335
PSR Addition/(Drawdown)			\$ (28,200,000)
Ending Premium Stabilization Reserve			\$ 19,439,335
Total Beginning Plan Reserve			\$ 704,592,263
Total Ending Plan Reserve			\$ 731,897,104
Accrued Actuarial Liability (AAL)			\$ 3,743,700,000
Funded Status			19.6%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 162.14			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 294.33			
		Non-Medicare	6.5%	8.5%
		Medicare	6.5%	8.5%
		Capitations		-11.7%
		Administrative Expense		1.1%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-1.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 91,560,890		\$ 91,560,890
Employer Premiums - PPB	7,834,863		7,834,863
Employer Premiums - MCO	404		404
Retiree Premiums - PPB	37,529,422	-	37,529,422
Retiree Premiums - MCO	157	-	157
Annual Required Contributions	-		-
Non Par Premiums	1,677,981		1,677,981
Life Insurance	12,389,510		12,389,510
Investment Income	24,965,577		24,965,577
Transfer from Premium Stabilization Reserve	18,700,000		18,700,000
General Revenue Transfer	-		-
Total Revenue	\$ 194,658,804	\$ -	\$ 194,658,804
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,236,387	\$ -	\$ 2,236,387
Medicare Prescription Drug Claims	6,504,679	-	6,504,679
Humana MAPD Program	144,551,017	(2,225,506)	142,325,511
Administration	1,703,391		1,703,391
Life Insurance	12,246,013		12,246,013
Retiree Assistance Program	912,724		912,724
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	22,221		22,221
Director's Discretionary Fund	-		-
Total Expenses	\$ 168,176,432	\$ (2,225,506)	\$ 165,950,926
Fiscal Year Results	\$ 26,482,371		\$ 28,707,878
Beginning Restricted Reserve	\$ 335,372,294		\$ 335,372,294
Ending Restricted Reserve	<u>\$ 361,854,666</u>		<u>\$ 364,080,172</u>
Beginning Premium Stabilization Reserve	\$ 35,984,316		\$ 35,984,316
PSR Addition/(Drawdown)	\$ (18,700,000)		\$ (18,700,000)
Ending Premium Stabilization Reserve	<u>\$ 17,284,316</u>		<u>\$ 17,284,316</u>
Total Beginning Plan Reserve	371,356,611		371,356,611
Total Ending Plan Reserve	<u>\$ 379,138,982</u>		<u>\$ 381,364,488</u>
Accrued Actuarial Liability (AAL)	\$ 3,743,700,000		\$ 3,743,700,000
Funded Status	19.4%		19.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 162.14	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 227.40	Medicare	6.5%	8.5%
		Capitations		-11.7%
		Administrative Expense		1.1%
Number of Net New Retirees	700	Pay Go Monthly Premium		-1.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2016**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 56,717,820		\$ 56,717,820
Employer Premiums - PPB	14,399,366		14,399,366
Employer Premiums - MCO	1,307,235		1,307,235
Retiree Premiums - PPB	21,944,944	-	21,944,944
Retiree Premiums - MCO	930,257	-	930,257
Annual Required Contributions	130,207		130,207
Non Par Premiums	1,520,086		1,520,086
Life Insurance	11,223,680		11,223,680
Investment Income	22,402,780		22,402,780
Transfer from Premium Stabilization Reserve	9,500,000		9,500,000
General Revenue Transfer	-		-
Total Revenue	\$ 140,076,375	\$ -	\$ 140,076,375
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 71,931,755	\$ (2,200,000)	\$ 69,731,755
Non-Medicare Prescription Drug Claims	25,615,700	(1,700,000)	23,915,700
Non-Medicare Managed Care Capitations	4,261,070	(316,517)	3,944,553
Administration	2,911,252		2,911,252
Life Insurance	11,093,685		11,093,685
Retiree Assistance Program	826,838		826,838
ACA Reinsurance Contributions	550,000		550,000
ACA Comparative Effectiveness Research Fees	7,887		7,887
Director's Discretionary Fund	297,742		297,742
Total Expenses	\$ 117,495,929	\$ (4,216,517)	\$ 113,279,412
Fiscal Year Results	\$ 22,580,447		\$ 26,796,963
Beginning Restricted Reserve	\$ 321,580,632		\$ 321,580,632
Ending Restricted Reserve	<u>\$ 344,161,079</u>		<u>\$ 348,377,595</u>
Beginning Premium Stabilization Reserve	\$ 11,655,019		\$ 11,655,019
PSR Addition/(Drawdown)	\$ (9,500,000)		\$ (9,500,000)
Ending Premium Stabilization Reserve	<u>\$ 2,155,019</u>		<u>\$ 2,155,019</u>
Total Beginning Plan Reserve	333,235,651		333,235,651
Total Ending Plan Reserve	<u>\$ 346,316,098</u>		<u>\$ 350,532,615</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 162.14	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 560.84	Non-Medicare	6.5%	8.5%
		Capitations		-11.7%
		Administrative Expense		1.1%
Number of Net New Retirees	300	Pay Go Monthly Premium		-1.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

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

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	41,638,428	45,034,666	86,673,094
Retiree Premiums - MCO	1,216,821	1,216,821	2,433,642
Annual Required Contributions	-	-	-
Non Par Premiums	1,551,063	1,551,063	3,102,125
Life Insurance	12,396,925	12,396,925	24,793,850
Investment Income	22,367,531	22,367,531	44,735,062
Transfer from Premium Stabilization Reserve	9,681,165	9,758,170	19,439,335
General Revenue Transfer	-	-	-
Total Revenue	\$ 178,851,933	\$ 182,325,176	\$ 361,177,109
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,310,160	\$ 37,314,603	\$ 72,624,763
Non-Medicare Prescription Drug Claims	10,567,282	12,310,574	22,877,856
Medicare Medical Claims	1,617,669	769,455	2,387,124
Medicare Prescription Drug Claims	4,778,490	2,294,759	7,073,249
Non-Medicare Managed Care Capitations	2,130,059	2,130,059	4,260,117
Humana MAPD Program	76,860,988	83,394,630	160,255,618
Administration	2,376,541	2,376,541	4,753,082
Life Insurance	12,253,342	12,253,342	24,506,683
Retiree Assistance Program	939,364	939,364	1,878,727
ACA Reinsurance Contributions	200,000	-	200,000
ACA Comparative Effectiveness Research Fees	15,801	15,801	31,601
Director's Discretionary Fund	148,647	148,647	297,294
Total Expenses	\$ 147,198,340	\$ 153,947,774	\$ 301,146,114
Fiscal Year Results	\$ 31,653,592	\$ 28,377,402	\$ 60,030,995
Beginning Restricted Reserve			\$ 712,457,768
Ending Restricted Reserve			\$ 772,488,763
Beginning Premium Stabilization Reserve			\$ 19,439,335
PSR Addition/(Drawdown)			\$ (19,439,335)
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 731,897,104
Total Ending Plan Reserve			\$ 772,488,763
Accrued Actuarial Liability (AAL)			\$ 3,899,600,000
Funded Status			19.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.11	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,316,532	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 349.42	Non-Medicare	7.0%	9.0%
		Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 115,508,527		\$ 115,508,527
Employer Premiums - PPB	7,663,335	448,682	8,112,017
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	37,513,564	2,196,388	39,709,953
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,627,642		1,627,642
Life Insurance	13,008,986		13,008,986
Investment Income	23,577,694		23,577,694
Transfer from Premium Stabilization Reserve	15,259,335		15,259,335
General Revenue Transfer	-		-
Total Revenue	\$ 214,159,084	\$ 2,645,070	\$ 216,804,154
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,387,124	\$ -	\$ 2,387,124
Medicare Prescription Drug Claims	7,073,249	-	7,073,249
Humana MAPD Program	162,130,112	(1,874,494)	160,255,618
Administration	1,754,492		1,754,492
Life Insurance	12,858,314		12,858,314
Retiree Assistance Program	985,742		985,742
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,877		23,877
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,212,910	\$ (1,874,494)	\$ 185,338,416
Fiscal Year Results	\$ 26,946,173		\$ 31,465,738
Beginning Restricted Reserve	\$ 364,080,172		\$ 364,080,172
Ending Restricted Reserve	<u>\$ 391,026,345</u>		<u>\$ 395,545,910</u>
Beginning Premium Stabilization Reserve	\$ 17,284,316		\$ 17,284,316
PSR Addition/(Drawdown)	\$ (15,259,335)		\$ (15,259,335)
Ending Premium Stabilization Reserve	<u>\$ 2,024,981</u>		<u>\$ 2,024,981</u>
Total Beginning Plan Reserve	381,364,488		381,364,488
Total Ending Plan Reserve	<u>\$ 393,051,326</u>		<u>\$ 397,570,890</u>
Accrued Actuarial Liability (AAL)	\$ 3,899,600,000		\$ 3,899,600,000
Funded Status	19.5%		19.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.11	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,681,867	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 281.81	Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

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**APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2017**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 64,491,473		\$ 64,491,473
Employer Premiums - PPB	13,629,511	1,591,426	15,220,937
Employer Premiums - MCO	1,212,432	141,568	1,354,000
Retiree Premiums - PPB	21,159,531	2,470,656	23,630,187
Retiree Premiums - MCO	966,760	112,882	1,079,642
Annual Required Contributions	-		-
Non Par Premiums	1,474,484		1,474,484
Life Insurance	11,784,864		11,784,864
Investment Income	21,157,368		21,157,368
Transfer from Premium Stabilization Reserve	4,180,000		4,180,000
General Revenue Transfer	-		-
Total Revenue	\$ 140,056,424	\$ 4,316,532	\$ 144,372,956
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 73,448,764	\$ (824,000)	\$ 72,624,764
Non-Medicare Prescription Drug Claims	25,653,856	(2,776,000)	22,877,856
Non-Medicare Managed Care Capitations	4,260,117		4,260,117
Administration	2,998,590		2,998,590
Life Insurance	11,648,369		11,648,369
Retiree Assistance Program	892,985		892,985
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	7,724		7,724
Director's Discretionary Fund	297,294		297,294
Total Expenses	\$ 119,407,699	\$ (3,600,000)	\$ 115,807,699
Fiscal Year Results	\$ 20,648,725		\$ 28,565,257
Beginning Restricted Reserve	\$ 348,377,595		\$ 348,377,595
Ending Restricted Reserve	<u>\$ 369,026,321</u>		<u>\$ 376,942,852</u>
Beginning Premium Stabilization Reserve	\$ 2,155,019		\$ 2,155,019
PSR Addition/(Drawdown)	\$ (4,180,000)		\$ (4,180,000)
Ending Premium Stabilization Reserve	<u>\$ (2,024,981)</u>		<u>\$ (2,024,981)</u>
Total Beginning Plan Reserve	350,532,615		350,532,615
Total Ending Plan Reserve	<u>\$ 367,001,340</u>		<u>\$ 374,917,872</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 194.11	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,634,664	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 612.64	Non-Medicare	7.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

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

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 95,000,000	\$ 95,000,000	\$ 190,000,000
Retiree Premiums - PPB	47,253,710	58,442,546	105,696,256
Retiree Premiums - MCO	1,338,258	1,338,258	2,676,515
Annual Required Contributions	-	-	-
Non Par Premiums	1,504,531	1,504,531	3,009,061
Life Insurance	13,016,771	13,016,771	26,033,542
Investment Income	23,630,476	23,630,476	47,260,952
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 196,743,745	\$ 207,932,581	\$ 404,676,326
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,360,620	\$ 39,481,462	\$ 76,842,082
Non-Medicare Prescription Drug Claims	11,385,056	13,263,257	24,648,313
Medicare Medical Claims	1,733,448	826,513	2,559,961
Medicare Prescription Drug Claims	5,216,072	2,510,824	7,726,896
Non-Medicare Managed Care Capitations	2,300,464	2,300,464	4,600,927
Humana MAPD Program	86,622,181	94,425,033	181,047,214
Administration	2,447,838	2,447,838	4,895,675
Life Insurance	12,866,009	12,866,009	25,732,017
Retiree Assistance Program	1,014,513	1,014,513	2,029,025
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,204	16,204	32,408
Director's Discretionary Fund	146,924	146,924	293,848
Total Expenses	\$ 161,109,327	\$ 169,299,040	\$ 330,408,366
Fiscal Year Results	\$ 35,634,418	\$ 38,633,541	\$ 74,267,960
Beginning Restricted Reserve			\$ 772,488,763
Ending Restricted Reserve			\$ 846,756,723
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			\$ 772,488,763
Total Ending Plan Reserve			\$ 846,756,723
Accrued Actuarial Liability (AAL)			\$ 4,044,600,000
Funded Status			20.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 202.54	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,865,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 360.36	Non-Medicare	7.5%	9.5%
		Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 127,825,206		\$ 127,825,206
Employer Premiums - PPB	8,701,101	1,760,857	10,461,958
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	42,593,637	8,619,750	51,213,387
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,578,812		1,578,812
Life Insurance	13,659,435		13,659,435
Investment Income	24,908,969		24,908,969
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	17,220,745		17,220,745
Total Revenue	\$ 236,487,905	\$ 10,380,607	\$ 246,868,511
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,559,961	\$ -	\$ 2,559,961
Medicare Prescription Drug Claims	7,726,896	-	7,726,896
Humana MAPD Program	181,047,214	-	181,047,214
Administration	1,807,127		1,807,127
Life Insurance	13,501,229		13,501,229
Retiree Assistance Program	1,064,601		1,064,601
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,761		24,761
Director's Discretionary Fund	-		-
Total Expenses	\$ 207,731,789	\$ -	\$ 207,731,789
Fiscal Year Results	\$ 28,756,115		\$ 39,136,722
Beginning Restricted Reserve	\$ 395,545,910		\$ 395,545,910
Ending Restricted Reserve	<u>\$ 424,302,025</u>		<u>\$ 434,682,631</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	397,570,890		397,570,890
Total Ending Plan Reserve	<u>\$ 424,302,025</u>		<u>\$ 434,682,631</u>
Accrued Actuarial Liability (AAL)	\$ 4,044,600,000		\$ 4,044,600,000
Funded Status	20.6%		20.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 202.54	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,778,571	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 307.36	Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2018**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 62,174,794		\$ 62,174,794
Employer Premiums - PPB	16,188,231	1,058,104	17,246,335
Employer Premiums - MCO	1,397,765	91,362	1,489,127
Retiree Premiums - PPB	25,131,891	1,642,685	26,774,576
Retiree Premiums - MCO	1,114,539	72,849	1,187,389
Annual Required Contributions	-		-
Non Par Premiums	1,430,249		1,430,249
Life Insurance	12,374,107		12,374,107
Investment Income	22,351,983		22,351,983
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	12,779,255		12,779,255
Total Revenue	\$ 154,942,815	\$ 2,865,000	\$ 157,807,815
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 76,842,082	\$ -	\$ 76,842,082
Non-Medicare Prescription Drug Claims	24,648,313	-	24,648,313
Non-Medicare Managed Care Capitations	4,600,927		4,600,927
Administration	3,088,548		3,088,548
Life Insurance	12,230,788		12,230,788
Retiree Assistance Program	964,424		964,424
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,647		7,647
Director's Discretionary Fund	293,848		293,848
Total Expenses	\$ 122,676,577	\$ -	\$ 122,676,577
Fiscal Year Results	\$ 32,266,238		\$ 35,131,238
Beginning Restricted Reserve	\$ 376,942,852		\$ 376,942,852
Ending Restricted Reserve	<u>\$ 409,209,091</u>		<u>\$ 412,074,091</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	374,917,872		374,917,872
Total Ending Plan Reserve	<u>\$ 409,209,091</u>		<u>\$ 412,074,091</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 202.54	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,086,429	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 558.22	Non-Medicare	7.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 100,000,000	\$ 100,000,000	\$ 200,000,000
Retiree Premiums - PPB	60,994,810	71,164,735	132,159,546
Retiree Premiums - MCO	1,473,274	1,473,274	2,946,548
Annual Required Contributions	-	-	-
Non Par Premiums	1,459,395	1,459,395	2,918,790
Life Insurance	13,667,610	13,667,610	27,335,219
Investment Income	25,907,753	25,907,753	51,815,506
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 218,502,842	\$ 228,672,767	\$ 447,175,609
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,714,472	\$ 41,968,934	\$ 81,683,406
Non-Medicare Prescription Drug Claims	12,322,262	14,355,075	26,677,337
Medicare Medical Claims	1,866,181	891,935	2,758,116
Medicare Prescription Drug Claims	5,719,808	2,759,788	8,479,596
Non-Medicare Managed Care Capitations	2,484,501	2,484,501	4,969,001
Humana MAPD Program	98,079,485	107,411,883	205,491,368
Administration	2,521,273	2,521,273	5,042,545
Life Insurance	13,509,309	13,509,309	27,018,618
Retiree Assistance Program	1,095,674	1,095,674	2,191,347
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,624	16,624	33,249
Director's Discretionary Fund	145,218	145,218	290,435
Total Expenses	\$ 177,474,805	\$ 187,160,212	\$ 364,635,018
Fiscal Year Results	\$ 41,028,037	\$ 41,512,555	\$ 82,540,592
Beginning Restricted Reserve			\$ 846,756,723
Ending Restricted Reserve			\$ 929,297,314
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			846,756,723
Total Ending Plan Reserve			\$ 929,297,314
Accrued Actuarial Liability (AAL)			\$ 4,181,000,000
Funded Status			22.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,321,775	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 370.80	Non-Medicare	8.0%	10.0%
		Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.3%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 136,405,733		\$ 136,405,733
Employer Premiums - PPB	12,407,060	1,568,317	13,975,377
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	60,735,054	7,677,226	68,412,280
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,531,448		1,531,448
Life Insurance	14,342,407		14,342,407
Investment Income	27,309,455		27,309,455
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	17,692,936		17,692,936
Total Revenue	\$ 270,424,093	\$ 9,245,542	\$ 279,669,636
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,758,116	\$ -	\$ 2,758,116
Medicare Prescription Drug Claims	8,479,596	-	8,479,596
Humana MAPD Program	205,491,368		205,491,368
Administration	1,861,341		1,861,341
Life Insurance	14,176,291		14,176,291
Retiree Assistance Program	1,149,769		1,149,769
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,678		25,678
Director's Discretionary Fund	-		-
Total Expenses	\$ 233,942,159	\$ -	\$ 233,942,159
Fiscal Year Results	\$ 36,481,934		\$ 45,727,476
Beginning Restricted Reserve	\$ 434,682,631		\$ 434,682,631
Ending Restricted Reserve	<u>\$ 471,164,565</u>		<u>\$ 480,410,108</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	434,682,631		434,682,631
Total Ending Plan Reserve	<u>\$ 471,164,565</u>		<u>\$ 480,410,108</u>
Accrued Actuarial Liability (AAL)	\$ 4,181,000,000		\$ 4,181,000,000
Funded Status	21.9%		22.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,064,186	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 323.33	Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.3%

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**APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2019**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 63,594,267		\$ 63,594,267
Employer Premiums - PPB	18,270,776	1,228,654	19,499,430
Employer Premiums - MCO	1,536,068	103,296	1,639,364
Retiree Premiums - PPB	28,364,999	1,907,460	30,272,459
Retiree Premiums - MCO	1,224,819	82,365	1,307,184
Annual Required Contributions	-		-
Non Par Premiums	1,387,342		1,387,342
Life Insurance	12,992,812		12,992,812
Investment Income	24,506,051		24,506,051
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	12,307,064		12,307,064
Total Revenue	\$ 164,184,199	\$ 3,321,775	\$ 167,505,973
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,683,406	\$ -	\$ 81,683,406
Non-Medicare Prescription Drug Claims	26,677,337	-	26,677,337
Non-Medicare Managed Care Capitations	4,969,001		4,969,001
Administration	3,181,204		3,181,204
Life Insurance	12,842,327		12,842,327
Retiree Assistance Program	1,041,578		1,041,578
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,570		7,570
Director's Discretionary Fund	290,435		290,435
Total Expenses	\$ 130,692,858	\$ -	\$ 130,692,858
Fiscal Year Results	\$ 33,491,340		\$ 36,813,115
Beginning Restricted Reserve	\$ 412,074,091		\$ 412,074,091
Ending Restricted Reserve	<u>\$ 445,565,431</u>		<u>\$ 448,887,206</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	412,074,091		412,074,091
Total Ending Plan Reserve	<u>\$ 445,565,431</u>		<u>\$ 448,887,206</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 210.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,257,589	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 541.24	Non-Medicare	8.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.3%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

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

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 105,000,000	\$ 105,000,000	\$ 210,000,000
Retiree Premiums - PPB	73,666,744	86,546,977	160,213,722
Retiree Premiums - MCO	1,599,384	1,599,384	3,198,769
Annual Required Contributions	-	-	-
Non Par Premiums	1,415,613	1,415,613	2,831,226
Life Insurance	14,350,990	14,350,990	28,701,980
Investment Income	28,439,617	28,439,617	56,879,235
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 239,472,349	\$ 252,352,582	\$ 491,824,932
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 42,412,558	\$ 44,820,182	\$ 87,232,740
Non-Medicare Prescription Drug Claims	13,397,386	15,607,564	29,004,950
Medicare Medical Claims	2,018,410	966,996	2,985,406
Medicare Prescription Drug Claims	6,300,793	3,047,238	9,348,031
Non-Medicare Managed Care Capitations	2,683,261	2,683,261	5,366,521
Humana MAPD Program	111,568,953	122,750,688	234,319,641
Administration	2,596,911	2,596,911	5,193,821
Life Insurance	14,184,775	14,184,775	28,369,549
Retiree Assistance Program	1,183,328	1,183,328	2,366,655
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Director's Discretionary Fund	143,527	143,527	287,054
Total Expenses	\$ 196,489,901	\$ 207,984,468	\$ 404,474,368
Fiscal Year Results	\$ 42,982,449	\$ 44,368,115	\$ 87,350,564
Beginning Restricted Reserve			\$ 929,297,314
Ending Restricted Reserve			\$ 1,016,647,878
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			929,297,314
Total Ending Plan Reserve			\$ 1,016,647,878
Accrued Actuarial Liability (AAL)			\$ 4,297,300,000
Funded Status			23.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 218.68	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,965,425	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 380.79	Non-Medicare	8.5%	10.5%
		Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.0%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 143,746,514		\$ 143,746,514
Employer Premiums - PPB	15,779,246	2,010,970	17,790,216
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	77,242,580	9,844,102	87,086,682
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,485,505		1,485,505
Life Insurance	15,059,527		15,059,527
Investment Income	29,978,302		29,978,302
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	18,387,692		18,387,692
Total Revenue	\$ 301,679,366	\$ 11,855,072	\$ 313,534,438
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,985,406	\$ -	\$ 2,985,406
Medicare Prescription Drug Claims	9,348,031	-	9,348,031
Humana MAPD Program	234,319,641		234,319,641
Administration	1,917,181		1,917,181
Life Insurance	14,885,105		14,885,105
Retiree Assistance Program	1,241,751		1,241,751
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 264,697,115	\$ -	\$ 264,697,115
Fiscal Year Results	\$ 36,982,251		\$ 48,837,323
Beginning Restricted Reserve	\$ 480,410,108		\$ 480,410,108
Ending Restricted Reserve	<u>\$ 517,392,359</u>		<u>\$ 529,247,431</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	480,410,108		480,410,108
Total Ending Plan Reserve	<u>\$ 517,392,359</u>		<u>\$ 529,247,431</u>
Accrued Actuarial Liability (AAL)	\$ 4,297,300,000		\$ 4,297,300,000
Funded Status	23.3%		23.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 218.68	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,845,029	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 335.95	Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.0%

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**APPENDIX - BASELINE SCENARIO
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2020**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 66,253,486		\$ 66,253,486
Employer Premiums - PPB	20,581,343	1,098,295	21,679,638
Employer Premiums - MCO	1,689,532	90,160	1,779,692
Retiree Premiums - PPB	31,952,106	1,705,080	33,657,186
Retiree Premiums - MCO	1,347,186	71,891	1,419,077
Annual Required Contributions	-		-
Non Par Premiums	1,345,721		1,345,721
Life Insurance	13,642,453		13,642,453
Investment Income	26,900,932		26,900,932
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	11,612,308		11,612,308
Total Revenue	\$ 175,325,068	\$ 2,965,425	\$ 178,290,493
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 87,232,740	\$ -	\$ 87,232,740
Non-Medicare Prescription Drug Claims	29,004,950	-	29,004,950
Non-Medicare Managed Care Capitations	5,366,521		5,366,521
Administration	3,276,640		3,276,640
Life Insurance	13,484,444		13,484,444
Retiree Assistance Program	1,124,904		1,124,904
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Director's Discretionary Fund	287,054		287,054
Total Expenses	\$ 139,777,253	\$ -	\$ 139,777,253
Fiscal Year Results	\$ 35,547,815		\$ 38,513,240
Beginning Restricted Reserve	\$ 448,887,206		\$ 448,887,206
Ending Restricted Reserve	<u>\$ 484,435,021</u>		<u>\$ 487,400,445</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	448,887,206		448,887,206
Total Ending Plan Reserve	<u>\$ 484,435,021</u>		<u>\$ 487,400,445</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 218.68	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,120,395	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 535.96	Non-Medicare	8.5%	10.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.0%

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**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2015 to FY 2016**

Fiscal Year 2015

Exposure	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>
NonMed_NonDrug	20,714	20,861	20,922	20,660	20,420	20,263	20,330	20,206	20,231	19,976	19,802	19,579
Med_NonDrug	2,065	2,361	2,604	2,863	3,108	3,371	848	1,048	1,248	1,437	1,631	1,862
NonMed_Drug	19,191	19,328	19,385	19,146	18,924	18,777	18,838	18,723	18,752	18,512	18,352	18,142
Med_Drug	2,151	2,459	2,712	2,982	3,238	3,512	883	1,092	1,300	1,497	1,699	1,939
	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>
NonMed_NonDrug	\$232.53	\$218.51	\$250.85	\$303.88	\$236.95	\$265.43	\$296.75	\$234.54	\$285.03	\$294.84	\$299.64	\$335.08
Med_NonDrug	177.76	190.29	189.55	184.16	141.56	156.10	305.22	194.57	227.32	251.67	203.61	223.63
NonMed_Drug	95.63	117.11	118.24	119.27	117.55	132.44	128.29	119.25	128.62	127.53	128.32	142.71
Med_Drug	<u>220.15</u>	<u>234.22</u>	<u>249.18</u>	<u>232.70</u>	<u>218.79</u>	<u>263.80</u>	<u>253.80</u>	<u>228.41</u>	<u>250.44</u>	<u>243.27</u>	<u>235.30</u>	<u>249.11</u>
Total	\$726.06	\$760.13	\$807.82	\$840.01	\$714.85	\$817.77	\$984.05	\$776.77	\$891.42	\$917.31	\$866.87	\$950.53
Change From Prior Year - Month to Month Analysis												
NonMed_NonDrug	2.6%	-3.8%	6.9%	22.5%	-14.5%	16.6%	3.8%	-7.2%	11.2%	1.8%	15.1%	19.9%
Med_NonDrug	-22.5%	-9.8%	-2.6%	-13.2%	-16.7%	-1.9%	58.2%	-37.7%	-7.7%	12.2%	8.5%	1.9%
NonMed_Drug	8.1%	11.7%	12.1%	-1.0%	8.6%	5.8%	3.6%	10.6%	6.8%	-0.4%	2.8%	2.0%
Med_Drug	<u>29.4%</u>	<u>3.2%</u>	<u>34.4%</u>	<u>5.5%</u>	<u>5.6%</u>	<u>1.0%</u>	<u>74.2%</u>	<u>1.5%</u>	<u>10.7%</u>	<u>7.8%</u>	<u>4.9%</u>	<u>-0.9%</u>
Total	1.6%	-1.3%	12.2%	4.8%	-6.2%	5.8%	31.5%	-13.5%	4.9%	5.7%	8.8%	6.8%
Change From Prior Year - Quarter to Quarter Analysis												
NonMed_NonDrug			2.0%			7.1%			2.7%			12.1%
Med_NonDrug			-12.2%			-11.0%			-3.2%			7.5%
NonMed_Drug			10.8%			4.3%			6.8%			1.5%
Med_Drug			<u>20.8%</u>			<u>3.8%</u>			<u>22.7%</u>			<u>3.8%</u>
Total			4.1%			1.5%			6.3%			7.0%
Change From Prior Year - Year to Year Analysis												
NonMed_NonDrug			5.3%			4.9%			4.9%			6.1%
Med_NonDrug			23.9%			15.0%			1.6%			-4.4%
NonMed_Drug			7.1%			7.4%			7.4%			5.5%
Med_Drug			<u>16.6%</u>			<u>15.2%</u>			<u>17.3%</u>			<u>12.0%</u>
Total			13.0%			10.5%			7.7%			4.8%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2015 to FY 2016**

Fiscal Year 2016

Exposure	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>
NonMed_NonDrug	20,325	20,533	20,656	20,437	20,400	20,298
Med_NonDrug	2,284	2,575	2,604	3,099	3,317	3,558
NonMed_Drug	18,831	19,021	19,133	18,932	18,899	18,807
Med_Drug	2,379	2,682	2,712	3,228	3,455	3,707

	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>
NonMed_NonDrug	\$245.88	\$255.26	\$231.13	\$234.47	\$240.73	\$253.81
Med_NonDrug	175.78	184.06	119.44	132.62	161.50	179.70
NonMed_Drug	95.52	106.26	115.62	116.64	119.22	153.58
Med_Drug	<u>224.15</u>	<u>221.50</u>	<u>253.34</u>	<u>257.66</u>	<u>241.75</u>	<u>299.37</u>
Total	\$741.32	\$767.08	\$719.53	\$741.39	\$763.19	\$886.47

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	5.7%	16.8%	-7.9%	-22.8%	1.6%	-4.4%
Med_NonDrug	-1.1%	-3.3%	-37.0%	-28.0%	14.1%	15.1%
NonMed_Drug	-0.1%	-9.3%	-2.2%	-2.2%	1.4%	16.0%
Med_Drug	<u>1.8%</u>	<u>-5.4%</u>	<u>1.7%</u>	<u>10.7%</u>	<u>10.5%</u>	<u>13.5%</u>
Total	2.1%	0.9%	-10.9%	-11.7%	6.8%	8.4%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug		4.3%				-9.6%
Med_NonDrug			-14.0%			-1.7%
NonMed_Drug			-4.1%			5.5%
Med_Drug			<u>-0.6%</u>			<u>11.7%</u>
Total			-2.9%			0.8%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			6.7%			2.4%
Med_NonDrug			-4.6%			-2.6%
NonMed_Drug			2.2%			2.5%
Med_Drug			<u>6.8%</u>			<u>8.9%</u>
Total			3.2%			3.0%