

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2023
Financial Report**

Fiscal Years 2023-2028

Report Date: November 2023

YOUR ACTUARIES FOR THE LONG-TERM!



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Finance Board
West Virginia Retiree Health Benefit Trust Fund
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Ladies and Gentlemen:

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of Continuing Care Actuaries.

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 Continuing Care 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. Continuing Care Actuaries has been retained by the RHBT 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 the plan through FY 2028. 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. On March 9, 2019, the provisions had effectively ended.

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”), June 30, 2026 (“FY 2026”), June 30, 2027 (“FY 2027”) and June 30, 2028 (“FY 2028”). Our opinion of plan adequacy is based on the projections through FY 2027 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2022.

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 2023 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

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 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 2023 the Pay-Go is equivalent to \$115 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 2022.

Under Senate Bill 419 amended West Virginia code section 11-21-96, effective February 26, 2016, notwithstanding any other provision of this code to the contrary, beginning in January of 2006, \$45 million from collections of the tax imposed by this article shall be deposited each calendar year to the credit of the Workers' Compensation fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 ceased on February 1, 2016. Beginning fiscal year 2017, an annual amount of \$30 million from annual collections of the tax imposed by this article was dedicated for payment of the unfunded liability of the West Virginia Retiree Health Benefit Trust Fund. The \$30 million transferred pursuant to this subsection shall be transferred into the West Virginia Retiree Health Benefit Trust Fund by transferring \$5 million each month for the following months of each year: October, November, December, January, February and March, until the Governor certifies to the Legislature that an independent actuarial study has determined that the unfunded liability of West Virginia Retiree Health Benefit Trust Fund, as created in section two, article sixteen-d, chapter five of this code, has been provided for in its entirety or July 1, 2037, whichever date is later. RHBT started receiving the aforementioned \$30 million transfers in 2017. All employers would receive the 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 2023 through FY 2028 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 2028 as approved by the Board in December 2022.

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., M.A.A.A.
Managing Partner



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

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2023 – FY 2028

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 Continuing Care Actuaries.

This report was compiled utilizing claims data collected by RHBT's third party administrators through August 2023 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 policies. We have observed a net increase of 360 policy from the end of FY 2023 to September 2023. Continuing Care Actuaries has updated the claims analysis based on the enrollment through September 2023.

In aggregate, September 2023 enrollment has increased by 360 coverage since the end of FY 2023. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 361 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 1 coverages. For MAPD Capitations, the average of 52,306 Medicare policyholders in FY 2023 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2022, June 2023, and September 2023 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-22	Jun-23	Sep-23	Jun-22	Jun-23	Sep-23
Retirees	Medicare Single	21,810	21,993	22,131	-	-	-
	Medicare Family	16,085	16,042	16,122	-	-	-
	Medicare Total	37,895	38,035	38,253	-	-	-
	Non-Medicare Single	2,161	1,991	2,044	109	87	87
	Non-Medicare Family	2,497	2,303	2,393	99	89	88
	Non-Medicare Total	4,658	4,294	4,437	208	176	175
	Retiree Total	42,553	42,329	42,690	208	176	175
	Grand Total				42,761	42,505	42,865

* The majority of PPB is capitated through Humana. As of August 2023, there are approximately 998 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Fiscal Year 2023 Financial Report”.

C. Trend Analysis

RHBT experienced a lower medical trend and a lower prescription drugs trend in FY 2023, and over the past few years, total trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2022 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 2024 medical claim trend is 7.5%, the gross prescription drugs claim trend is 14.5% and the prescription drugs rebate trend is 5.0%. In 2024, there were an additional rebate included in the projection to reflect the new PBM contract with ESI.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2024 Trend	Updated Assumption FY 2024 Trend
Non-Medicare – Medical	7.5%	7.5%
Medicare – Medical	7.5%	7.5%
Non-Medicare – Gross Drugs	14.5%	14.5%
Medicare – Gross Drugs	14.5%	14.5%
Prescription Drugs Rebate	15.0%	5.0%

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the medical and drugs claim trends for the financial projection will increase by 0.5% in FY 2025 and in each successive fiscal year. Additionally, drug rebates have been trending at approximately 9% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 5% in the financial plan. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through August 2023. 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	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-10%	2%	11%	9%	3%
2017	11%	0%	10%	31%	8%
2018	12%	8%	41%	14%	11%
2019	41%	2%	-1%	20%	8%
2020	19%	-10%	5%	12%	-2%
2021	-9%	17%	10%	7%	13%
2022	11%	12%	-3%	17%	12%
2023	-21%	6%	-11%	3%	3%
2024*	-24%	8%	-4%	5%	6%

* Fiscal year 2024 results are through the first two months ending August 2023. It should be noted that Humana’s plan year starts in January 2014 on a 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 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 years 2008 through 2011 Medicare trends are not statistically credible. 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 August 2023 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. 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 2023 and the projection of FY 2024 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2023 Result			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	38,139			\$ 282**	\$ 210**	\$ 95
	<u>Non-Medicare</u>	<u>4,556</u>			\$ 889	\$ 325	
	Total	42,695	\$0	\$132			
	Non-Medicare Managed Care	188	\$0	\$604			\$ 1,445
	<u>Total</u>	<u>42,883</u>					

*Net of rebates and subsidies.

** As of June 2023, there are approximately 905 Medicare retiree coverages that were not capitated through Humana.

Fiscal Year 2024 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	38,618			\$ 309**	\$ 264**	\$ 101
	<u>Non-Medicare</u>	<u>4,375</u>			\$ 1,082	\$ 411	
	Total	42,993	\$0	\$130			
	Non-Medicare Managed Care	176	\$0	\$611			\$ 1,667
	<u>Total</u>	<u>43,169</u>					

*Net of rebates and subsidies.

** As of August 2023, there are approximately 998 Medicare retiree coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes the financial plan adopted by the Board in December 2022 and modified for SB268 in March 2023.

Board Decisions – December 2022

Source	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$556,108	\$2,225,000	\$2,337,464	\$2,450,956	\$0
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$0	\$5,404,196	\$6,957,553	\$7,822,139	\$0
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$0	\$0	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$59,389,582	\$0	\$29,000,000	\$29,000,000	\$29,000,000	\$0
Actuarial Accrued Liability* (Beginning of Year)	\$1,724,844,950	\$1,637,416,883	\$1,664,331,633	\$1,684,759,827	\$1,697,694,682	\$1,701,970,701
Funded Status	94.2%	109.7%	113.2%	118.4%	123.9%	129.8%

*Projected Result

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. RHBT will receive \$30,000,000 in general revenue transfers.

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 \$1,389,108 in FY 2023 to \$1,914,290 in FY 2028, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2023, the ACA PCORI fee is approximately \$3.00 per person per year.

West Virginia Senate Bill 268 was signed into law on March 17, 2023. The bill makes three substantial changes to PEIA effective July 1, 2023:

1. Imposes the monthly spouse surcharge for active employee policyholders from state agencies, colleges, universities, and county boards of education whose spouses are offered employer-sponsored insurance coverage but who choose to get coverage through a plan offered by PEIA. This change does not affect non-state agencies, retirees, spouses who are employed by PEIA-participating agencies or are retired, or spouses whose coverage is through Medicare, Medicaid, or TRICARE.
2. Increases health premiums to get the plan back to an 80/20 employer/employee premium split for state agencies, colleges, universities, and county boards of education by July 1, 2023. This eliminates direct and rainy day fund transfers from the state that were previously part of the financial plan.
3. Increases reimbursement to providers to a minimum of 110% of Medicare's reimbursement. It is estimated that this increase to reimbursement will increase paid claims for PEIA and Non-Medicare retirees in the RHBT by \$54.4 million.

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. RHBT has had favorable renewals resulting in reduced MAPD capitations. 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 2023 RESULT

The financial result for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2023 projects accrued revenue of \$310,037,891 and incurred plan expenses of \$153,343,058 to produce a fiscal year surplus of \$156,694,833 after the Premium Stabilization Reserve addition of \$14,000,000. The PEIA local and state agencies Pay Go premiums for FY 2023 are \$59,389,582.

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 \$333,075,161 and incurred plan expenses of \$171,227,281 to produce a fiscal year surplus of \$161,847,880 after the Premium Stabilization Reserve drawdown of \$74,203,165. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$0.

FISCAL YEAR 2025 FORECAST

The financial forecast for FY 2025 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2025 projects accrued revenue of \$357,031,118 and incurred plan expenses of \$188,707,426 to produce a fiscal year surplus of \$168,323,692 after the Premium Stabilization Reserve drawdown of \$57,508,807. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$29,000,000.

FISCAL YEAR 2026 FORECAST

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$384,695,105 and incurred plan expenses of \$207,954,091 to produce a fiscal year surplus of \$176,741,013 after the Premium Stabilization Reserve drawdown of \$67,556,023. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$29,000,000.

FISCAL YEAR 2027 FORECAST

The financial forecast for FY 2027 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2027 projects accrued revenue of \$415,473,669 and incurred plan expenses of \$230,296,798 to produce a fiscal year surplus of \$185,176,871 after the Premium Stabilization Reserve drawdown of \$79,802,805. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$29,000,000.

FISCAL YEAR 2028 FORECAST

The financial forecast for FY 2028 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2028 projects accrued revenue of \$323,172,635 and incurred plan expenses of \$256,409,561 to produce a fiscal year surplus of \$66,763,074 after the Premium Stabilization Reserve drawdown of \$3,035,705. The PEIA local and state agencies Pay Go premiums for FY 2028 are assumed to be \$0.

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 2028. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2022 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 RESULT
FISCAL YEAR 2023**

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

	7/1/2022 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 29,694,791	\$ 29,694,791	\$ 59,389,582
Retiree Premiums - PPB	33,604,890	33,826,807	67,431,696
Retiree Premiums - MCO	696,267	667,284	1,363,551
Non Par Premiums	1,012,817	1,012,817	2,025,633
Life Insurance	13,163,110	13,163,110	26,326,220
Investment Income	68,750,605	68,750,605	137,501,209
Transfer from Premium Stabilization Reserve	(7,380,657)	(6,619,343)	(14,000,000)
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 154,541,822	\$ 155,496,069	\$ 310,037,891
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 24,504,786	\$ 24,120,170	\$ 48,624,956
Gross Non-Medicare Prescription Drug Claims	15,501,716	15,746,736	31,248,452
Non-Medicare Prescription Drug Rebates	(6,689,696)	(6,795,434)	(13,485,130)
Medicare Medical Claims	3,035,843	1,339,271	4,375,114
Gross Medicare Prescription Drug Claims	4,104,651	1,873,391	5,978,042
Medicare Prescription Drug Rebates	(1,771,344)	(808,454)	(2,579,797)
Non-Medicare Managed Care Capitations	1,630,145	1,630,145	3,260,289
Humana MAPD Program	20,029,492	23,434,793	43,464,286
Administration	2,363,443	2,363,443	4,726,886
Life Insurance	13,155,784	13,155,784	26,311,568
Wellness	-	-	-
Retiree Assistance Program	694,554	694,554	1,389,108
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	14,642	14,642	29,284
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 76,574,015	\$ 76,769,042	\$ 153,343,058
Fiscal Year Results	\$ 77,967,806	\$ 78,727,027	\$ 156,694,833
Beginning Restricted Reserve			\$ 1,356,864,649
Ending Restricted Reserve			<u>\$ 1,513,559,482</u>
Beginning Premium Stabilization Reserve			\$ 268,106,504
PSR Addition/(Drawdown)			\$ 14,000,000
Ending Premium Stabilization Reserve			<u>\$ 282,106,504</u>
Total Beginning Plan Reserve			1,624,971,153
Total Ending Plan Reserve			<u>\$ 1,795,665,986</u>
Accrued Actuarial Liability (AAL)			\$ 1,724,844,950
Funded Status			94.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ 66.41			
Additional Retiree Premiums	\$ (3,482,506)			
Pay Go PEPM Subsidy for Retirees	\$ 115.41			
		Non-Medicare	7.0%	14.0%
		Medicare	7.0%	14.0%
		Prescription Drug Rebates		0.0%
		Capitations		14.4%
		Administrative Expense		7.5%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-20.7%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
FISCAL YEAR 2023**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 10,674,204		\$ 10,674,204
Employer Premiums - PPB	5,153,796	(469,424)	4,684,372
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,354,001	(3,439,626)	39,914,375
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,322,345		1,322,345
Life Insurance	17,185,911		17,185,911
Investment Income	78,832,721		78,832,721
Transfer from Premium Stabilization Reserve	(11,508,061)		(11,508,061)
General Revenue Transfer (OPEB Funding)	21,162,462		21,162,462
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 166,177,379	\$ (3,909,049)	\$ 162,268,329
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,375,114	\$ -	\$ 4,375,114
Gross Medicare Prescription Drug Claims	5,978,042	-	5,978,042
Medicare Prescription Drug Rebates	(2,579,797)		(2,579,797)
Humana MAPD Program	43,464,286		43,464,286
Administration	1,744,823		1,744,823
Life Insurance	17,176,346		17,176,346
Wellness	-		-
Retiree Assistance Program	906,818		906,818
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	5,432		5,432
Director's Discretionary Fund	-		-
Total Expenses	\$ 71,071,064	\$ -	\$ 71,071,064
Fiscal Year Results	\$ 95,106,314		\$ 91,197,265
Beginning Restricted Reserve	\$ 722,370,266		\$ 722,370,266
Ending Restricted Reserve	<u>\$ 817,476,580</u>		<u>\$ 813,567,531</u>
Beginning Premium Stabilization Reserve	\$ 209,264,435		\$ 209,264,435
PSR Addition/(Drawdown)	\$ 11,508,061		\$ 11,508,061
Ending Premium Stabilization Reserve	<u>\$ 220,772,496</u>		<u>\$ 220,772,496</u>
Total Beginning Plan Reserve	931,634,700		931,634,700
Total Ending Plan Reserve	<u>\$ 1,038,249,076</u>		<u>\$ 1,034,340,027</u>
Accrued Actuarial Liability (AAL)	\$ 1,724,844,950		\$ 1,724,844,950
Funded Status	98.1%		98.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 66.41			
Additional Retiree Premiums	\$ (3,909,049)			
Pay Go PEPM Subsidy for Retirees	\$ 23.32	Medicare	7.0%	14.0%
		Prescription Drug Rebates		0.0%
		Capitations		14.4%
		Administrative Expense		7.5%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-20.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL RESULT
FISCAL YEAR 2023**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 48,715,378		\$ 48,715,378
Employer Premiums - PPB	5,668,841	(275,127)	5,393,714
Employer Premiums - MCO	506,334	(14,748)	491,586
Retiree Premiums - PPB	16,788,637	650,598	17,439,235
Retiree Premiums - MCO	806,144	65,821	871,965
Non Par Premiums	703,288		703,288
Life Insurance	9,140,309		9,140,309
Investment Income	58,668,488		58,668,488
Transfer from Premium Stabilization Reserve	(2,491,939)		(2,491,939)
General Revenue Transfer (OPEB Funding)	8,837,538		8,837,538
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 147,343,018	\$ 426,544	\$ 147,769,562
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 48,624,956	\$ -	\$ 48,624,956
Gross Non-Medicare Prescription Drug Claims	31,248,452	-	31,248,452
Non-Medicare Prescription Drug Rebates	(13,485,130)		(13,485,130)
Non-Medicare Managed Care Capitations	3,260,289		3,260,289
Administration	2,982,063		2,982,063
Life Insurance	9,135,222		9,135,222
Wellness	-		-
Retiree Assistance Program	482,290		482,290
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	23,852		23,852
Director's Discretionary Fund	-		-
Total Expenses	\$ 82,271,994	\$ -	\$ 82,271,994
Fiscal Year Results	\$ 65,071,024		\$ 65,497,568
Beginning Restricted Reserve	\$ 634,494,382		\$ 634,494,382
Ending Restricted Reserve	\$ 699,565,406		\$ 699,991,950
Beginning Premium Stabilization Reserve	\$ 58,842,069		\$ 58,842,069
PSR Addition/(Drawdown)	\$ 2,491,939		\$ 2,491,939
Ending Premium Stabilization Reserve	\$ 61,334,008		\$ 61,334,008
Total Beginning Plan Reserve	693,336,451		693,336,451
Total Ending Plan Reserve	\$ 760,899,414		\$ 761,325,958
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 66.41			
Additional Retiree Premiums	\$ 426,544			
Pay Go PEPM Subsidy for Retirees	\$ 855.75			
		Non-Medicare	7.0%	14.0%
		Prescription Drug Rebates		0.0%
		Capitations		14.4%
		Administrative Expense		7.5%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-20.7%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

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

	7/1/2023 to 12/31/2023	1/1/2024 to 6/30/2024	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -	\$ -	\$ -
Retiree Premiums - PPB	33,018,589	34,287,837	67,306,426
Retiree Premiums - MCO	636,842	654,576	1,291,418
Non Par Premiums	1,007,790	1,007,790	2,015,580
Life Insurance	13,205,346	13,205,346	26,410,692
Investment Income	65,923,940	65,923,940	131,847,880
Transfer from Premium Stabilization Reserve	38,370,461	35,832,703	74,203,165
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 167,162,968	\$ 165,912,193	\$ 333,075,161
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 28,158,570	\$ 28,647,480	\$ 56,806,050
Gross Non-Medicare Prescription Drug Claims	17,072,052	17,919,234	34,991,286
Non-Medicare Prescription Drug Rebates	(6,551,231)	(6,863,388)	(13,414,619)
Medicare Medical Claims	3,147,454	1,425,060	4,572,515
Gross Medicare Prescription Drug Claims	4,440,970	2,079,355	6,520,325
Medicare Prescription Drug Rebates	(1,668,466)	(784,200)	(2,452,666)
Non-Medicare Managed Care Capitations	1,760,556	1,760,556	3,521,112
Humana MAPD Program	21,839,850	25,093,338	46,933,188
Administration	3,044,674	3,044,674	6,089,348
Life Insurance	13,023,294	13,023,294	26,046,588
Wellness	-	-	-
Retiree Assistance Program	703,530	703,530	1,407,060
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	14,942	14,942	29,884
Director's Discretionary Fund	88,605	88,605	177,210
Total Expenses	\$ 85,074,801	\$ 86,152,480	\$ 171,227,281
Fiscal Year Results	\$ 82,088,167	\$ 79,759,713	\$ 161,847,880
Beginning Restricted Reserve			\$ 1,513,559,482
Ending Restricted Reserve			<u>\$ 1,675,407,362</u>
Beginning Premium Stabilization Reserve			\$ 282,106,504
PSR Addition/(Drawdown)			\$ (74,203,165)
Ending Premium Stabilization Reserve			<u>\$ 207,903,339</u>
Total Beginning Plan Reserve			1,795,665,986
Total Ending Plan Reserve			<u>\$ 1,883,310,701</u>
Accrued Actuarial Liability (AAL)			\$ 1,637,416,883
Funded Status			109.7%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Gross Drugs
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 1,788,954			
Pay Go PEPM Subsidy for Retirees	\$ -			
		Non-Medicare	7.5%	14.5%
		Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		28.8%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-100.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	4,590,661	(59,603)	4,531,058
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,328,406	1,292,449	40,620,855
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,315,782		1,315,782
Life Insurance	17,241,054		17,241,054
Investment Income	75,986,381		75,986,381
Transfer from Premium Stabilization Reserve	61,070,385		61,070,385
General Revenue Transfer (OPEB Funding)	15,570,843		15,570,843
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 215,103,513	\$ 1,232,846	\$ 216,336,358
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,477,888	\$ 94,627	\$ 4,572,515
Gross Medicare Prescription Drug Claims	6,520,325	-	6,520,325
Medicare Prescription Drug Rebates	(2,452,666)		(2,452,666)
Humana MAPD Program	46,933,188		46,933,188
Administration	2,247,745		2,247,745
Life Insurance	17,003,365		17,003,365
Wellness	-		-
Retiree Assistance Program	918,537		918,537
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	6,877		6,877
Director's Discretionary Fund	-		-
Total Expenses	\$ 75,655,259	\$ 94,627	\$ 75,749,886
Fiscal Year Results	\$ 139,448,254		\$ 140,586,473
Beginning Restricted Reserve	\$ 813,567,531		\$ 813,567,531
Ending Restricted Reserve	<u>\$ 953,015,785</u>		<u>\$ 954,154,004</u>
Beginning Premium Stabilization Reserve	\$ 220,772,496		\$ 220,772,496
PSR Addition/(Drawdown)	\$ (61,070,385)		\$ (61,070,385)
Ending Premium Stabilization Reserve	<u>\$ 159,702,111</u>		<u>\$ 159,702,111</u>
Total Beginning Plan Reserve	1,034,340,027		1,034,340,027
Total Ending Plan Reserve	<u>\$ 1,112,717,896</u>		<u>\$ 1,113,856,114</u>
Accrued Actuarial Liability (AAL)	\$ 1,637,416,883		\$ 1,637,416,883
Funded Status	110.4%		110.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 1,232,846			
Pay Go PEPM Subsidy for Retirees	\$ -	Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		28.8%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-100.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2024**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	4,848,303	(30,536)	4,817,766
Employer Premiums - MCO	448,258	(21,053)	427,205
Retiree Premiums - PPB	16,752,462	584,286	17,336,747
Retiree Premiums - MCO	840,800	23,412	864,212
Non Par Premiums	699,798		699,798
Life Insurance	9,169,638		9,169,638
Investment Income	55,861,499		55,861,499
Transfer from Premium Stabilization Reserve	13,132,779		13,132,779
General Revenue Transfer (OPEB Funding)	14,429,157		14,429,157
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 116,182,695	\$ 556,108	\$ 116,738,803
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 51,879,181	\$ 4,926,869	\$ 56,806,050
Gross Non-Medicare Prescription Drug Claims	35,527,210	(535,924)	34,991,286
Non-Medicare Prescription Drug Rebates	(13,414,619)		(13,414,619)
Non-Medicare Managed Care Capitations	3,521,112		3,521,112
Administration	3,841,604		3,841,604
Life Insurance	9,043,223		9,043,223
Wellness	-		-
Retiree Assistance Program	488,523		488,523
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	23,007		23,007
Director's Discretionary Fund	177,208		177,208
Total Expenses	\$ 91,086,450	\$ 4,390,945	\$ 95,477,395
Fiscal Year Results	\$ 25,096,245		\$ 21,261,408
Beginning Restricted Reserve	\$ 699,991,950		\$ 699,991,950
Ending Restricted Reserve	<u>\$ 725,088,195</u>		<u>\$ 721,253,358</u>
Beginning Premium Stabilization Reserve	\$ 61,334,008		\$ 61,334,008
PSR Addition/(Drawdown)	\$ (13,132,779)		\$ (13,132,779)
Ending Premium Stabilization Reserve	<u>\$ 48,201,229</u>		<u>\$ 48,201,229</u>
Total Beginning Plan Reserve	761,325,958		761,325,958
Total Ending Plan Reserve	<u>\$ 773,289,424</u>		<u>\$ 769,454,586</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 556,108			
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	7.5%	14.5%
		Prescription Drug Rebates		0.0%
		Capitations		12.4%
		Administrative Expense		28.8%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-100.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

	7/1/2024 to 12/31/2024	1/1/2025 to 6/30/2025	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 14,500,000	\$ 14,500,000	\$ 29,000,000
Retiree Premiums - PPB	34,361,119	36,757,649	71,118,769
Retiree Premiums - MCO	696,755	696,755	1,393,511
Non Par Premiums	977,557	977,557	1,955,113
Life Insurance	13,865,614	13,865,614	27,731,227
Investment Income	69,161,846	69,161,846	138,323,692
Transfer from Premium Stabilization Reserve	29,648,944	27,859,863	57,508,807
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 178,211,834	\$ 178,819,284	\$ 357,031,118
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,612,378	\$ 31,215,383	\$ 61,827,761
Gross Non-Medicare Prescription Drug Claims	19,780,580	20,806,916	40,587,495
Non-Medicare Prescription Drug Rebates	(6,947,580)	(7,278,623)	(14,226,203)
Medicare Medical Claims	3,286,901	1,491,876	4,778,778
Gross Medicare Prescription Drug Claims	4,939,295	2,318,047	7,257,342
Medicare Prescription Drug Rebates	(1,699,333)	(798,708)	(2,498,041)
Non-Medicare Managed Care Capitations	1,901,401	1,901,401	3,802,801
Humana MAPD Program	24,567,658	27,256,764	51,824,422
Administration	3,136,015	3,136,015	6,272,029
Life Insurance	13,674,459	13,674,459	27,348,917
Wellness	-	-	-
Retiree Assistance Program	759,813	759,813	1,519,625
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	16,654	16,654	33,307
Director's Discretionary Fund	89,596	89,596	179,192
Total Expenses	\$ 94,117,835	\$ 94,589,592	\$ 188,707,426
Fiscal Year Results	\$ 84,094,000	\$ 84,229,692	\$ 168,323,692
Beginning Restricted Reserve			\$ 1,675,407,362
Ending Restricted Reserve			<u>\$ 1,843,731,054</u>
Beginning Premium Stabilization Reserve			\$ 207,903,339
PSR Addition/(Drawdown)			\$ (57,508,807)
Ending Premium Stabilization Reserve			<u>\$ 150,394,533</u>
Total Beginning Plan Reserve			1,883,310,701
Total Ending Plan Reserve			<u>\$ 1,994,125,587</u>
Accrued Actuarial Liability (AAL)			\$ 1,664,331,633
Funded Status			113.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,946,496	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 54.73	Non-Medicare	8.0%	15.0%
		Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 8,646,069		\$ 8,646,069
Employer Premiums - PPB	4,483,139	351,420	4,834,559
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	39,978,752	3,370,076	43,348,828
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,276,309		1,276,309
Life Insurance	18,103,107		18,103,107
Investment Income	81,852,350		81,852,350
Transfer from Premium Stabilization Reserve	47,256,476		47,256,476
General Revenue Transfer (OPEB Funding)	18,310,907		18,310,907
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 219,907,110	\$ 3,721,495	\$ 223,628,606
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,778,778	\$ -	\$ 4,778,778
Gross Medicare Prescription Drug Claims	7,257,342	-	7,257,342
Medicare Prescription Drug Rebates	(2,498,041)		(2,498,041)
Humana MAPD Program	51,824,422		51,824,422
Administration	2,315,177		2,315,177
Life Insurance	17,853,533		17,853,533
Wellness	-		-
Retiree Assistance Program	992,020		992,020
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	11,218		11,218
Director's Discretionary Fund	-		-
Total Expenses	\$ 82,534,449	\$ -	\$ 82,534,449
Fiscal Year Results	\$ 137,372,661		\$ 141,094,157
Beginning Restricted Reserve	\$ 954,154,004		\$ 954,154,004
Ending Restricted Reserve	<u>\$ 1,091,526,665</u>		<u>\$ 1,095,248,160</u>
Beginning Premium Stabilization Reserve	\$ 159,702,111		\$ 159,702,111
PSR Addition/(Drawdown)	\$ (47,256,476)		\$ (47,256,476)
Ending Premium Stabilization Reserve	<u>\$ 112,445,634</u>		<u>\$ 112,445,634</u>
Total Beginning Plan Reserve	1,113,856,114		1,113,856,114
Total Ending Plan Reserve	<u>\$ 1,203,972,299</u>		<u>\$ 1,207,693,794</u>
Accrued Actuarial Liability (AAL)	\$ 1,664,331,633		\$ 1,664,331,633
Funded Status	114.0%		114.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 32.73			
Additional Retiree Premiums	\$ 3,721,495			
Pay Go PEPM Subsidy for Retirees	\$ 18.10	Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2025**

PERIOD 7/1/2024 - 6/30/2025

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 20,353,931		\$ 20,353,931
Employer Premiums - PPB	4,536,114	456,610	4,992,723
Employer Premiums - MCO	419,058	42,183	461,241
Retiree Premiums - PPB	16,301,711	1,640,947	17,942,658
Retiree Premiums - MCO	847,009	85,261	932,270
Non Par Premiums	678,804		678,804
Life Insurance	9,628,120		9,628,120
Investment Income	56,471,342		56,471,342
Transfer from Premium Stabilization Reserve	10,252,330		10,252,330
General Revenue Transfer (OPEB Funding)	11,689,093		11,689,093
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 131,177,512	\$ 2,225,000	\$ 133,402,512
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 61,833,426	\$ (5,664)	\$ 61,827,762
Gross Non-Medicare Prescription Drug Claims	40,562,836	24,659	40,587,495
Non-Medicare Prescription Drug Rebates	(14,226,203)		(14,226,203)
Non-Medicare Managed Care Capitations	3,802,801		3,802,801
Administration	3,956,852		3,956,852
Life Insurance	9,495,384		9,495,384
Wellness	-		-
Retiree Assistance Program	527,605		527,605
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	22,090		22,090
Director's Discretionary Fund	179,193		179,193
Total Expenses	\$ 106,153,984	\$ 18,995	\$ 106,172,979
Fiscal Year Results	\$ 25,023,528		\$ 27,229,533
Beginning Restricted Reserve	\$ 721,253,358		\$ 721,253,358
Ending Restricted Reserve	\$ 746,276,886		\$ 748,482,891
Beginning Premium Stabilization Reserve	\$ 48,201,229		\$ 48,201,229
PSR Addition/(Drawdown)	\$ (10,252,330)		\$ (10,252,330)
Ending Premium Stabilization Reserve	\$ 37,948,898		\$ 37,948,898
Total Beginning Plan Reserve	769,454,586		769,454,586
Total Ending Plan Reserve	\$ 784,225,784		\$ 786,431,790
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,225,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 389.61	Non-Medicare	8.0%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		8.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

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

	7/1/2025 to 12/31/2025	1/1/2026 to 6/30/2026	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 14,500,000	\$ 14,500,000	\$ 29,000,000
Retiree Premiums - PPB	38,064,791	40,777,495	78,842,287
Retiree Premiums - MCO	770,767	770,767	1,541,534
Non Par Premiums	948,230	948,230	1,896,459
Life Insurance	14,558,894	14,558,894	29,117,788
Investment Income	73,370,507	73,370,507	146,741,013
Transfer from Premium Stabilization Reserve	34,726,167	32,829,856	67,556,023
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 191,939,355	\$ 192,755,749	\$ 384,695,105
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 33,432,181	\$ 34,168,624	\$ 67,600,805
Gross Non-Medicare Prescription Drug Claims	23,018,041	24,264,312	47,282,354
Non-Medicare Prescription Drug Rebates	(7,367,909)	(7,718,980)	(15,086,888)
Medicare Medical Claims	3,448,469	1,569,062	5,017,531
Gross Medicare Prescription Drug Claims	5,517,494	2,595,383	8,112,877
Medicare Prescription Drug Rebates	(1,730,771)	(813,484)	(2,544,254)
Non-Medicare Managed Care Capitations	2,053,513	2,053,513	4,107,026
Humana MAPD Program	26,685,763	29,743,147	56,428,910
Administration	3,230,095	3,230,095	6,460,190
Life Insurance	14,358,182	14,358,182	28,716,363
Wellness	-	-	-
Retiree Assistance Program	820,598	820,598	1,641,195
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	18,389	18,389	36,777
Director's Discretionary Fund	90,603	90,603	181,206
Total Expenses	\$ 103,574,647	\$ 104,379,444	\$ 207,954,091
Fiscal Year Results	\$ 88,364,708	\$ 88,376,305	\$ 176,741,013
Beginning Restricted Reserve			\$ 1,843,731,054
Ending Restricted Reserve			<u>\$ 2,020,472,068</u>
Beginning Premium Stabilization Reserve			\$ 150,394,533
PSR Addition/(Drawdown)			\$ (67,556,023)
Ending Premium Stabilization Reserve			<u>\$ 82,838,509</u>
Total Beginning Plan Reserve			1,994,125,587
Total Ending Plan Reserve			<u>\$ 2,103,310,577</u>
Accrued Actuarial Liability (AAL)			\$ 1,684,759,827
Funded Status			118.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,791,682	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 53.52	Non-Medicare	8.5%	15.5%
		Medicare	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 8,573,343		\$ 8,573,343
Employer Premiums - PPB	4,846,148	647,594	5,493,742
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,452,743	5,806,623	49,259,366
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,238,020		1,238,020
Life Insurance	19,008,262		19,008,262
Investment Income	88,931,813		88,931,813
Transfer from Premium Stabilization Reserve	44,578,856		44,578,856
General Revenue Transfer (OPEB Funding)	17,593,485		17,593,485
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 228,222,669	\$ 6,454,218	\$ 234,676,886
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 5,017,531	\$ -	\$ 5,017,531
Gross Medicare Prescription Drug Claims	8,112,877	-	8,112,877
Medicare Prescription Drug Rebates	(2,544,254)		(2,544,254)
Humana MAPD Program	56,428,910		56,428,910
Administration	2,384,632		2,384,632
Life Insurance	18,746,210		18,746,210
Wellness	-		-
Retiree Assistance Program	1,071,382		1,071,382
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	15,619		15,619
Director's Discretionary Fund	-		-
Total Expenses	\$ 89,232,907	\$ -	\$ 89,232,907
Fiscal Year Results	\$ 138,989,761		\$ 145,443,979
Beginning Restricted Reserve	\$ 1,095,248,160		\$ 1,095,248,160
Ending Restricted Reserve	<u>\$ 1,234,237,922</u>		<u>\$ 1,240,692,140</u>
Beginning Premium Stabilization Reserve	\$ 112,445,634		\$ 112,445,634
PSR Addition/(Drawdown)	\$ (44,578,856)		\$ (44,578,856)
Ending Premium Stabilization Reserve	<u>\$ 67,866,778</u>		<u>\$ 67,866,778</u>
Total Beginning Plan Reserve	1,207,693,794		1,207,693,794
Total Ending Plan Reserve	<u>\$ 1,302,104,700</u>		<u>\$ 1,308,558,918</u>
Accrued Actuarial Liability (AAL)	\$ 1,684,759,827		\$ 1,684,759,827
Funded Status	118.7%		118.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,454,218	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 17.42	Medicare	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2026**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 20,426,657		\$ 20,426,657
Employer Premiums - PPB	4,765,658	478,231	5,243,889
Employer Premiums - MCO	463,703	46,532	510,236
Retiree Premiums - PPB	17,126,640	1,718,648	18,845,289
Retiree Premiums - MCO	937,246	94,052	1,031,298
Non Par Premiums	658,440		658,440
Life Insurance	10,109,526		10,109,526
Investment Income	57,809,200		57,809,200
Transfer from Premium Stabilization Reserve	22,977,167		22,977,167
General Revenue Transfer (OPEB Funding)	12,406,515		12,406,515
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 147,680,755	\$ 2,337,464	\$ 150,018,219
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 67,611,911	\$ (11,106)	\$ 67,600,805
Gross Non-Medicare Prescription Drug Claims	47,255,151	27,202	47,282,353
Non-Medicare Prescription Drug Rebates	(15,086,888)		(15,086,888)
Non-Medicare Managed Care Capitations	4,107,026		4,107,026
Administration	4,075,557		4,075,557
Life Insurance	9,970,153		9,970,153
Wellness	-		-
Retiree Assistance Program	569,813		569,813
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	21,158		21,158
Director's Discretionary Fund	181,206		181,206
Total Expenses	\$ 118,705,087	\$ 16,096	\$ 118,721,183
Fiscal Year Results	\$ 28,975,668		\$ 31,297,036
Beginning Restricted Reserve	\$ 748,482,891		\$ 748,482,891
Ending Restricted Reserve	<u>\$ 777,458,559</u>		<u>\$ 779,779,927</u>
Beginning Premium Stabilization Reserve	\$ 37,948,898		\$ 37,948,898
PSR Addition/(Drawdown)	\$ (22,977,167)		\$ (22,977,167)
Ending Premium Stabilization Reserve	<u>\$ 14,971,731</u>		<u>\$ 14,971,731</u>
Total Beginning Plan Reserve	786,431,790		786,431,790
Total Ending Plan Reserve	<u>\$ 792,430,290</u>		<u>\$ 794,751,658</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,337,464	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 409.78	Non-Medicare	8.5%	15.5%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

	7/1/2026 to 12/31/2026	1/1/2027 to 6/30/2027	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 14,500,000	\$ 14,500,000	\$ 29,000,000
Retiree Premiums - PPB	42,149,692	45,217,840	87,367,533
Retiree Premiums - MCO	856,609	856,609	1,713,218
Non Par Premiums	919,783	919,783	1,839,565
Life Insurance	15,286,839	15,286,839	30,573,677
Investment Income	77,588,435	77,588,435	155,176,871
Transfer from Premium Stabilization Reserve	40,902,974	38,899,831	79,802,805
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 207,204,332	\$ 208,269,337	\$ 415,473,669
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 36,656,132	\$ 37,548,799	\$ 74,204,930
Gross Non-Medicare Prescription Drug Claims	26,900,764	28,417,846	55,318,610
Non-Medicare Prescription Drug Rebates	(7,813,667)	(8,185,978)	(15,999,645)
Medicare Medical Claims	3,634,706	1,657,851	5,292,556
Gross Medicare Prescription Drug Claims	6,190,140	2,918,489	9,108,629
Medicare Prescription Drug Rebates	(1,762,790)	(828,533)	(2,591,323)
Non-Medicare Managed Care Capitations	2,217,794	2,217,794	4,435,588
Humana MAPD Program	29,120,058	32,605,222	61,725,280
Administration	3,326,998	3,326,998	6,653,995
Life Insurance	15,076,091	15,076,091	30,152,181
Wellness	-	-	-
Retiree Assistance Program	886,245	886,245	1,772,490
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	20,126	20,126	40,252
Director's Discretionary Fund	91,628	91,628	183,255
Total Expenses	\$ 114,544,223	\$ 115,752,575	\$ 230,296,798
Fiscal Year Results	\$ 92,660,109	\$ 92,516,762	\$ 185,176,871
Beginning Restricted Reserve			\$ 2,020,472,068
Ending Restricted Reserve			<u>\$ 2,205,648,939</u>
Beginning Premium Stabilization Reserve			\$ 82,838,509
PSR Addition/(Drawdown)			\$ (79,802,805)
Ending Premium Stabilization Reserve			<u>\$ 3,035,705</u>
Total Beginning Plan Reserve			2,103,310,577
Total Ending Plan Reserve			<u>\$ 2,208,684,643</u>
Accrued Actuarial Liability (AAL)			\$ 1,697,694,682
Funded Status			123.9%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 9,711,289	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 52.36	Non-Medicare	9.0%	16.0%
		Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 7,838,144		\$ 7,838,144
Employer Premiums - PPB	5,506,493	728,477	6,234,971
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	49,373,697	6,531,856	55,905,553
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,200,879		1,200,879
Life Insurance	19,958,676		19,958,676
Investment Income	96,562,600		96,562,600
Transfer from Premium Stabilization Reserve	65,384,143		65,384,143
General Revenue Transfer (OPEB Funding)	18,023,100		18,023,100
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 263,847,733	\$ 7,260,334	\$ 271,108,067
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 5,292,556	\$ -	\$ 5,292,556
Gross Medicare Prescription Drug Claims	9,108,629	-	9,108,629
Medicare Prescription Drug Rebates	(2,591,323)		(2,591,323)
Humana MAPD Program	61,725,280		61,725,280
Administration	2,456,171		2,456,171
Life Insurance	19,683,521		19,683,521
Wellness	-		-
Retiree Assistance Program	1,157,092		1,157,092
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	20,020		20,020
Director's Discretionary Fund	-		-
Total Expenses	\$ 96,851,946	\$ -	\$ 96,851,946
Fiscal Year Results	\$ 166,995,787		\$ 174,256,120
Beginning Restricted Reserve	\$ 1,240,692,140		\$ 1,240,692,140
Ending Restricted Reserve	<u>\$ 1,407,687,926</u>		<u>\$ 1,414,948,260</u>
Beginning Premium Stabilization Reserve	\$ 67,866,778		\$ 67,866,778
PSR Addition/(Drawdown)	\$ (65,384,143)		\$ (65,384,143)
Ending Premium Stabilization Reserve	<u>\$ 2,482,635</u>		<u>\$ 2,482,635</u>
Total Beginning Plan Reserve	1,308,558,918		1,308,558,918
Total Ending Plan Reserve	<u>\$ 1,410,170,561</u>		<u>\$ 1,417,430,895</u>
Accrued Actuarial Liability (AAL)	\$ 1,697,694,682		\$ 1,697,694,682
Funded Status	123.5%		123.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 32.73	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 7,260,334	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 15.48	Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2027**

PERIOD 7/1/2026 - 6/30/2027

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 21,161,856		\$ 21,161,856
Employer Premiums - PPB	4,991,969	499,610	5,491,580
Employer Premiums - MCO	515,472	51,590	567,062
Retiree Premiums - PPB	17,939,948	1,795,481	19,735,429
Retiree Premiums - MCO	1,041,882	104,274	1,146,156
Non Par Premiums	638,686		638,686
Life Insurance	10,615,002		10,615,002
Investment Income	58,614,270		58,614,270
Transfer from Premium Stabilization Reserve	14,418,661		14,418,661
General Revenue Transfer (OPEB Funding)	11,976,900		11,976,900
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 141,914,647	\$ 2,450,956	\$ 144,365,602
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 74,266,550	\$ (61,620)	\$ 74,204,930
Gross Non-Medicare Prescription Drug Claims	55,288,692	29,918	55,318,610
Non-Medicare Prescription Drug Rebates	(15,999,645)		(15,999,645)
Non-Medicare Managed Care Capitations	4,435,588		4,435,588
Administration	4,197,824		4,197,824
Life Insurance	10,468,661		10,468,661
Wellness	-		-
Retiree Assistance Program	615,398		615,398
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	20,231		20,231
Director's Discretionary Fund	183,255		183,255
Total Expenses	\$ 133,476,554	\$ (31,702)	\$ 133,444,852
Fiscal Year Results	\$ 8,438,093		\$ 10,920,750
Beginning Restricted Reserve	\$ 779,779,927		\$ 779,779,927
Ending Restricted Reserve	\$ 788,218,020		\$ 790,700,677
Beginning Premium Stabilization Reserve	\$ 14,971,731		\$ 14,971,731
PSR Addition/(Drawdown)	\$ (14,418,661)		\$ (14,418,661)
Ending Premium Stabilization Reserve	\$ 553,070		\$ 553,070
Total Beginning Plan Reserve	794,751,658		794,751,658
Total Ending Plan Reserve	\$ 788,771,089		\$ 791,253,747
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ 32.73			
Additional Retiree Premiums	\$ 2,450,956			
Pay Go PEPM Subsidy for Retirees	\$ 445.85			
		Non-Medicare	9.0%	16.0%
		Prescription Drug Rebates		5.0%
		Capitations		9.5%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		0.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

	7/1/2027 to 12/31/2027	1/1/2028 to 6/30/2028	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -	\$ -	\$ -
Retiree Premiums - PPB	45,443,363	45,572,255	91,015,618
Retiree Premiums - MCO	869,995	869,995	1,739,990
Non Par Premiums	892,189	892,189	1,784,378
Life Insurance	16,051,181	16,051,181	32,102,361
Investment Income	81,747,291	81,747,291	163,494,583
Transfer from Premium Stabilization Reserve	1,551,528	1,484,176	3,035,705
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 161,555,547	\$ 161,617,088	\$ 323,172,635
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 40,409,482	\$ 41,487,266	\$ 81,896,748
Gross Non-Medicare Prescription Drug Claims	31,557,289	33,407,899	64,965,188
Non-Medicare Prescription Drug Rebates	(8,286,394)	(8,681,229)	(16,967,624)
Medicare Medical Claims	3,848,630	1,759,705	5,608,335
Gross Medicare Prescription Drug Claims	6,974,814	3,295,975	10,270,788
Medicare Prescription Drug Rebates	(1,795,401)	(843,861)	(2,639,263)
Non-Medicare Managed Care Capitations	2,395,218	2,395,218	4,790,435
Humana MAPD Program	31,922,176	35,905,912	67,828,088
Administration	3,426,808	3,426,808	6,853,615
Life Insurance	15,829,896	15,829,896	31,659,791
Wellness	-	-	-
Retiree Assistance Program	957,145	957,145	1,914,290
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	21,865	21,865	43,730
Director's Discretionary Fund	92,720	92,720	185,439
Total Expenses	\$ 127,354,245	\$ 129,055,315	\$ 256,409,561
Fiscal Year Results	\$ 34,201,302	\$ 32,561,772	\$ 66,763,074
Beginning Restricted Reserve			\$ 2,205,648,939
Ending Restricted Reserve			<u>\$ 2,272,412,013</u>
Beginning Premium Stabilization Reserve			\$ 3,035,705
PSR Addition/(Drawdown)			\$ (3,035,705)
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			2,208,684,643
Total Ending Plan Reserve			<u>\$ 2,272,412,013</u>
Accrued Actuarial Liability (AAL)			\$ 1,701,970,701
Funded Status			129.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ -	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,791,064	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	9.5%	16.5%
		Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-100.0%

**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	6,249,091	480,719	6,729,810
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	56,032,163	4,310,345	60,342,508
Retiree Premiums - MCO	-	-	-
Non Par Premiums	1,164,853		1,164,853
Life Insurance	20,956,609		20,956,609
Investment Income	104,827,234		104,827,234
Transfer from Premium Stabilization Reserve	2,482,635		2,482,635
General Revenue Transfer (OPEB Funding)	18,421,856		18,421,856
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 210,134,441	\$ 4,791,064	\$ 214,925,505
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 5,608,335	\$ -	\$ 5,608,335
Gross Medicare Prescription Drug Claims	10,270,788	-	10,270,788
Medicare Prescription Drug Rebates	(2,639,263)		(2,639,263)
Humana MAPD Program	67,828,088		67,828,088
Administration	2,529,856		2,529,856
Life Insurance	20,667,697		20,667,697
Wellness	-		-
Retiree Assistance Program	1,249,659		1,249,659
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	24,421		24,421
Director's Discretionary Fund	-		-
Total Expenses	\$ 105,539,582	\$ -	\$ 105,539,582
Fiscal Year Results	\$ 104,594,859		\$ 109,385,923
Beginning Restricted Reserve	\$ 1,414,948,260		\$ 1,414,948,260
Ending Restricted Reserve	<u>\$ 1,519,543,119</u>		<u>\$ 1,524,334,183</u>
Beginning Premium Stabilization Reserve	\$ 2,482,635		\$ 2,482,635
PSR Addition/(Drawdown)	\$ (2,482,635)		\$ (2,482,635)
Ending Premium Stabilization Reserve	<u>\$ 0</u>		<u>\$ 0</u>
Total Beginning Plan Reserve	1,417,430,895		1,417,430,895
Total Ending Plan Reserve	<u>\$ 1,519,543,119</u>		<u>\$ 1,524,334,183</u>
Accrued Actuarial Liability (AAL)	\$ 1,701,970,701		\$ 1,701,970,701
Funded Status	127.2%		127.2%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ 4,791,064			
Pay Go PEPM Subsidy for Retirees	\$ -	Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,200	Pay Go Monthly Premium		-100.0%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2028**

PERIOD 7/1/2027 - 6/30/2028

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ -		\$ -
Employer Premiums - PPB	5,212,134	-	5,212,134
Employer Premiums - MCO	575,923	-	575,923
Retiree Premiums - PPB	18,731,166	-	18,731,166
Retiree Premiums - MCO	1,164,067	-	1,164,067
Non Par Premiums	619,526		619,526
Life Insurance	11,145,752		11,145,752
Investment Income	58,667,349		58,667,349
Transfer from Premium Stabilization Reserve	553,070		553,070
General Revenue Transfer (OPEB Funding)	11,578,144		11,578,144
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 108,247,131	\$ -	\$ 108,247,131
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,896,748	\$ -	\$ 81,896,748
Gross Non-Medicare Prescription Drug Claims	64,965,188	-	64,965,188
Non-Medicare Prescription Drug Rebates	(16,967,624)		(16,967,624)
Non-Medicare Managed Care Capitations	4,790,435		4,790,435
Administration	4,323,759		4,323,759
Life Insurance	10,992,094		10,992,094
Wellness	-		-
Retiree Assistance Program	664,630		664,630
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	19,309		19,309
Director's Discretionary Fund	185,439		185,439
Total Expenses	\$ 150,869,978	\$ -	\$ 150,869,978
Fiscal Year Results	\$ (42,622,847)		\$ (42,622,847)
Beginning Restricted Reserve	\$ 790,700,677		\$ 790,700,677
Ending Restricted Reserve	<u>\$ 748,077,830</u>		<u>\$ 748,077,830</u>
Beginning Premium Stabilization Reserve	\$ 553,070		\$ 553,070
PSR Addition/(Drawdown)	\$ (553,070)		\$ (553,070)
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
Total Beginning Plan Reserve	791,253,747		791,253,747
Total Ending Plan Reserve	<u>\$ 748,077,830</u>		<u>\$ 748,077,830</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Pay Go Monthly Premium for Actives	\$ -			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ -	Non-Medicare	9.5%	16.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%
Number of Net New Retirees	(200)	Pay Go Monthly Premium		-100.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2023 to FY 2024**

Fiscal Year 2023

Exposure

	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>
NonMed_NonDrug	11,452	11,475	11,535	11,426	11,335	11,195	11,157	11,135	10,911	10,765	10,634	10,512
Med_NonDrug	1,381	1,547	1,720	1,904	2,094	2,247	332	464	578	951	1,082	1,227
NonMed_Drug	10,624	10,646	10,702	10,603	10,518	10,388	10,352	10,330	10,124	9,988	9,865	9,752
Med_Drug	1,438	1,612	1,791	1,983	2,181	2,341	346	483	602	990	1,127	1,278

	<u>Jul-22</u>	<u>Aug-22</u>	<u>Sep-22</u>	<u>Oct-22</u>	<u>Nov-22</u>	<u>Dec-22</u>	<u>Jan-23</u>	<u>Feb-23</u>	<u>Mar-23</u>	<u>Apr-23</u>	<u>May-23</u>	<u>Jun-23</u>
NonMed_NonDrug	\$286.01	\$331.76	\$336.73	\$330.15	\$299.43	\$298.86	\$376.41	\$365.64	\$414.25	\$394.18	\$417.31	\$409.64
Med_NonDrug	280.77	285.56	301.98	298.67	250.91	282.86	498.10	427.29	340.36	149.68	194.54	212.28
NonMed_Drug	218.89	268.76	268.89	222.61	236.67	266.33	258.54	240.57	265.47	251.52	303.31	314.04
Med_Drug	<u>370.45</u>	<u>395.15</u>	<u>394.50</u>	<u>353.94</u>	<u>358.42</u>	<u>369.86</u>	<u>393.32</u>	<u>463.85</u>	<u>474.89</u>	<u>388.23</u>	<u>363.38</u>	<u>371.46</u>
Total	\$1,156.12	\$1,281.23	\$1,302.10	\$1,205.37	\$1,145.42	\$1,217.91	\$1,526.37	\$1,497.35	\$1,494.96	\$1,183.60	\$1,278.53	\$1,307.42

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-2.9%	-3.1%	8.2%	3.7%	-3.3%	5.0%	14.1%	15.9%	3.7%	5.2%	7.3%	14.1%
Med_NonDrug	21.0%	9.4%	5.0%	33.6%	33.0%	51.1%	-40.9%	-8.4%	-40.6%	-53.0%	-59.0%	-45.8%
NonMed_Drug	3.0%	7.8%	10.3%	-9.7%	-4.2%	1.5%	0.2%	2.3%	-4.4%	1.4%	13.3%	7.2%
Med_Drug	<u>-10.4%</u>	<u>-1.5%</u>	<u>-3.3%</u>	<u>-14.6%</u>	<u>-10.3%</u>	<u>-21.8%</u>	<u>-0.7%</u>	<u>9.3%</u>	<u>-9.6%</u>	<u>-9.2%</u>	<u>-27.7%</u>	<u>-20.2%</u>
Total	0.3%	2.2%	4.2%	0.2%	0.0%	0.9%	-16.5%	3.9%	-15.8%	-13.5%	-21.8%	-13.4%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			0.7%			1.7%			10.7%			8.8%
Med_NonDrug			11.2%			38.9%			-32.8%			-53.0%
NonMed_Drug			7.2%			-4.0%			-0.8%			7.4%
Med_Drug			<u>-5.1%</u>			<u>-15.9%</u>			<u>-1.0%</u>			<u>-19.6%</u>
Total			2.3%			0.4%			-10.4%			-16.5%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			7.9%			4.8%			4.8%			5.8%
Med_NonDrug			14.4%			24.8%			0.5%			-20.8%
NonMed_Drug			14.0%			8.3%			3.9%			2.5%
Med_Drug			<u>-2.8%</u>			<u>-4.2%</u>			<u>-4.7%</u>			<u>-10.5%</u>
Total			6.9%			7.3%			0.5%			-7.0%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2023 to FY 2024**

Fiscal Year 2024

Exposure

	<u>Jul-23</u>	<u>Aug-23</u>
NonMed_NonDrug	10,830	10,970
Med_NonDrug	1,238	1,353
NonMed_Drug	10,045	10,176
Med_Drug	1,290	1,410

	<u>Jul-23</u>	<u>Aug-23</u>
NonMed_NonDrug	\$354.57	\$410.23
Med_NonDrug	259.16	244.52
NonMed_Drug	248.46	319.72
Med_Drug	<u>471.48</u>	<u>541.08</u>
Total	\$1,333.67	\$1,515.54

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	24.0%	23.7%
Med_NonDrug	-7.7%	-14.4%
NonMed_Drug	13.5%	19.0%
Med_Drug	<u>27.3%</u>	<u>36.9%</u>
Total	15.4%	18.3%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total