

# STATE OF WEST VIRGINIA



## **RETIREE HEALTH BENEFIT TRUST FUND**

**Quarterly Report  
December 31, 2021**

**Fiscal Years 2022-2026**

*Report Date: April 2022*

***YOUR ACTUARIES FOR THE LONG-TERM!***



415 Main Street  
Reisterstown, MD 21136-1905  
410-833-4220  
410-833-4229 (fax)  
[www.continuingcareactuaries.com](http://www.continuingcareactuaries.com)

Finance Board  
West Virginia Retiree Health Benefit Trust Fund  
601 57th St., SE, Suite 2  
Charleston, West Virginia 25304-2345

Ladies and Gentlemen:

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

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 2026. 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, 2022 (“FY 2022”), June 30, 2023 (“FY 2023”), June 30, 2024 (“FY 2024”), June 30, 2025 (“FY 2025”) and June 30, 2026 (“FY 2026”). Our opinion of plan adequacy is based on the projections through FY 2026 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2021.

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 2022 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 2022 the Pay-Go is equivalent to \$144 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 2021.

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 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 2022 through FY 2026 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 2026 as approved by the Board in December 2021.

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 2022 – FY 2026**

#### **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 February 2022 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 1 policy from June 2021 to March 2022. Continuing Care Actuaries has updated the claims analysis based on the enrollment through March 2022.

In aggregate, March 2022 enrollment has increased by 1 coverage since the end of FY 2021. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 6 in total over the same period, while managed care enrollment continues to cover fewer participants, with a decrease of 5 coverages. For MAPD Capitations, the average of 51,954 Medicare policyholders in FY 2022 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2020, June 2021, and March 2022 for purposes of comparison:

| Trust Fund  | Coverage                   | Preferred Provider Benefit* |               |               | Managed Care |            |            |
|-------------|----------------------------|-----------------------------|---------------|---------------|--------------|------------|------------|
|             |                            | Jun-20                      | Jun-21        | Dec-21        | Jun-20       | Jun-21     | Dec-21     |
| Retirees    | Medicare Single            | 21,594                      | 21,636        | 21,820        | -            | -          | -          |
|             | <u>Medicare Family</u>     | <u>16,058</u>               | <u>16,170</u> | <u>16,148</u> | -            | -          | -          |
|             | Medicare Total             | 37,652                      | 37,806        | 37,968        | -            | -          | -          |
|             | Non-Medicare Single        | 2,396                       | 2,295         | 2,255         | 111          | 115        | 114        |
|             | <u>Non-Medicare Family</u> | <u>2,994</u>                | <u>2,714</u>  | <u>2,598</u>  | <u>117</u>   | <u>104</u> | <u>100</u> |
|             | Non-Medicare Total         | 5,390                       | 5,009         | 4,853         | 228          | 219        | 214        |
|             | Retiree Total              | 43,042                      | 42,815        | 42,821        | 228          | 219        | 214        |
| Grand Total |                            |                             |               | 43,270        | 43,034       | 43,035     |            |

\* The majority of PPB is capitated through Humana. As of February 2022, there are approximately 326 Medicare retiree coverages under PEIA.

### **B. Changes in Claim Backlog**

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Quarterly Report December 31, 2021 Fiscal Years 2022-2026 Report”.

### C. Trend Analysis

RHBT experienced a lower medical trend and a higher prescription drugs trend in FY 2021, but over the past few years, trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2021 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 2022 medical claim trend is 6.0%, the gross prescription drugs claim trend is 13.5% and the prescription drugs rebate trend is 15.0%.

The current trend projection is shown in the following table:

| Claim Type                 | Previous Assumption<br>FY 2022 Trend | Updated Assumption<br>FY 2022 Trend |
|----------------------------|--------------------------------------|-------------------------------------|
| Non-Medicare – Medical     | 6.0%                                 | 6.0%                                |
| Medicare – Medical         | 6.0%                                 | 6.0%                                |
| Non-Medicare – Gross Drugs | 13.5%                                | 13.5%                               |
| Medicare – Gross Drugs     | 13.5%                                | 13.5%                               |
| Prescription Drugs Rebate  | 15.0%                                | 15.0%                               |

In the past, claim trends for the financial plan included a 0.5% margin in future years. CCA has assumed the drugs claim trends for the financial projection will increase by 0.5% in FY 2023 and in each successive fiscal year. Medical trends are assumed to increase 1.0% in FY 2023, and then 0.5% thereafter. Additionally, drug rebates have been trending at approximately 30% 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 15% 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 February 2022. 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)**

| <b><u>Fiscal Year</u></b> | <b><u>Medical Medicare</u></b> | <b><u>Medical Non-Medicare</u></b> | <b><u>Drugs Medicare</u></b> | <b><u>Drugs Non-Medicare</u></b> | <b><u>Total</u></b> |
|---------------------------|--------------------------------|------------------------------------|------------------------------|----------------------------------|---------------------|
| 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%                              | 9%                  |
| 2018                      | 12%                            | 8%                                 | 41%                          | 14%                              | 12%                 |
| 2019                      | 43%                            | 2%                                 | -1%                          | 20%                              | 8%                  |
| 2020                      | 18%                            | -9%                                | 1%                           | 12%                              | -2%                 |
| 2021                      | -8%                            | 16%                                | 14%                          | 7%                               | 13%                 |
| 2022*                     | -6%                            | 25%                                | -6%                          | 17%                              | 19%                 |

\* Fiscal Year 2022 results are through the first eight months ending February 2022. 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 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. 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 February 2022 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 projection of FY 2022 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

| Fiscal Year 2022 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 | 38,107       |                           |                           | \$ 77**               | \$ 169**             | \$ 140                   |
|                             | <u>Non-Medicare</u>                 | <u>4,964</u> |                           |                           | \$ 939                | \$ 340               |                          |
|                             | Total                               | 43,071       | \$0                       | \$148                     |                       |                      |                          |
|                             | <u>Non-Medicare Managed Care</u>    | <u>213</u>   | \$0                       | \$620                     |                       |                      | \$ 1,406                 |
|                             | Total                               | 43,284       |                           |                           |                       |                      |                          |

\*Net of rebates and subsidies.

\*\* As of February 2022, there are approximately 326 Medicare 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 2021.

### Board Decisions – December 2021

| Source  | Fiscal Year<br>2022 | Fiscal Year<br>2023 | Fiscal Year<br>2024 | Fiscal Year<br>2025 | Fiscal Year<br>2026 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Additional Non-Medicare Retiree Premium (Fiscal Year)</b>              | \$979,317           | \$0                 | \$1,204,317         | \$1,212,611         | \$1,219,062         |
| <b>Additional Medicare Retiree Premium (Calendar Year)</b>                | (\$6,174,773)       | \$0                 | \$3,913,219         | \$4,187,749         | \$4,481,125         |
| <b>General Revenue Transfer (OPEB Funding)</b>                            | \$30,000,000        | \$30,000,000        | \$30,000,000        | \$30,000,000        | \$30,000,000        |
| <b>General Revenue Transfer (Premium Offset)</b>                          | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare</b> | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Board Decision Benefit Reduction – Retiree Medicare</b>                | \$0                 | \$0                 | \$0                 | \$0                 | \$0                 |
| <b>Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)</b>      | \$34,448,616        | \$34,019,151        | \$0                 | \$0                 | \$0                 |
| <b>Pay Go Premium Transfer</b>  | \$75,000,000        | \$60,000,000        | \$20,000,000        | \$30,000,000        | \$40,000,000        |
| <b>Actuarial Accrued Liability*</b>                                       | \$1,663,727,440     | \$1,686,322,024     | \$1,704,800,458     | \$1,715,909,460     | \$1,719,565,219     |
| <b>Funded Status</b>  | 100.5%              | 101.6%              | 109.5%              | 115.5%              | 122.3%              |

\*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 \$1,549,281 in FY 2022 to \$2,107,780 in FY 2026, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2022, the ACA PCORI fee is approximately \$2.79 per person per year.

Under the new PBM contract terms effective on July 1, 2022, an estimated gross drug savings of \$20,000,000 has been allocated between PEIA and RHBT drugs claims in FY 2023. Under this contract, an estimated \$20,000,000 of drug rebates have been added to the plan in 2023 as well.

## **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 2022 FORECAST**

The financial forecast for FY 2022 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2022 projects accrued revenue of \$22,023,354 and incurred plan expenses of \$180,572,848 to produce a fiscal year deficit of (\$158,549,494) after the Premium Stabilization Reserve addition of \$200,000,000. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$75,000,000.

### **FISCAL YEAR 2023 FORECAST**

The financial forecast for FY 2023 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2023 projects accrued revenue of \$324,079,645 and incurred plan expenses of \$164,992,477 to produce a fiscal year surplus of \$159,087,167 after the Premium Stabilization Reserve drawdown of \$4,586,290. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$60,000,000.

### **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 \$351,892,305 and incurred plan expenses of \$181,148,524 to produce a fiscal year surplus of \$170,743,781 after the Premium Stabilization Reserve drawdown of \$56,406,893. The PEIA local and state agencies Pay Go premiums for FY 2024 are assumed to be \$20,000,000.

### **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 \$377,621,905 and incurred plan expenses of \$198,226,214 to produce a fiscal year surplus of \$179,395,690 after the Premium Stabilization Reserve drawdown of \$57,773,386. The PEIA local and state agencies Pay Go premiums for FY 2025 are assumed to be \$30,000,000.

## **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 \$405,534,818 and incurred plan expenses of \$216,932,382 to produce a fiscal year surplus of \$188,602,436 after the Premium Stabilization Reserve drawdown of \$60,450,362. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$40,000,000.

## **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 2026. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2021 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 2022**

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

|   | 7/1/2021<br>to 12/31/2021 | 1/1/2022<br>to 6/30/2022 | TRUST<br>Total          |
|---|---------------------------|--------------------------|-------------------------|
| <u>Revenues</u>                             |                           |                          |                         |
| WV PEIA Pay Go Premiums                     | \$ 37,500,000             | \$ 37,500,000            | \$ 75,000,000           |
| Retiree Premiums - PPB                      | 39,045,598                | 37,466,116               | 76,511,714              |
| Retiree Premiums - MCO                      | 744,437                   | 839,564                  | 1,584,001               |
| Annual Required Contributions               | -                         | -                        | -                       |
| Non Par Premiums                            | 1,063,060                 | 1,063,060                | 2,126,119               |
| Life Insurance                              | 13,400,760                | 13,400,760               | 26,801,520              |
| Investment Income                           | 5,000,000                 | 5,000,000                | 10,000,000              |
| Transfer from Premium Stabilization Reserve | (102,155,989)             | (97,844,011)             | (200,000,000)           |
| General Revenue Transfer (OPEB Funding)     | 15,000,000                | 15,000,000               | 30,000,000              |
| General Revenue Transfer (Premium Offset)   | -                         | -                        | -                       |
| <b>Total Revenue</b>                        | <b>\$ 9,597,866</b>       | <b>\$ 12,425,488</b>     | <b>\$ 22,023,354</b>    |
| <u>Program Expenses</u>                     |                           |                          |                         |
| Non-Medicare Medical Claims                 | \$ 27,677,701             | \$ 28,259,366            | \$ 55,937,067           |
| Gross Non-Medicare Prescription Drug Claims | 18,007,550                | 19,031,369               | 37,038,919              |
| Non-Medicare Prescription Drug Rebates      | (8,152,152)               | (8,615,642)              | (16,767,794)            |
| Medicare Medical Claims                     | 892,343                   | 314,655                  | 1,206,998               |
| Gross Medicare Prescription Drug Claims     | 3,691,648                 | 1,349,591                | 5,041,239               |
| Medicare Prescription Drug Rebates          | (1,671,236)               | (610,970)                | (2,282,206)             |
| Non-Medicare Managed Care Capitations       | 1,796,806                 | 1,796,806                | 3,593,611               |
| Humana MAPD Program                         | 43,814,891                | 20,138,043               | 63,952,933              |
| Administration                              | 2,134,256                 | 2,134,256                | 4,268,511               |
| Life Insurance                              | 13,454,290                | 13,454,290               | 26,908,579              |
| Wellness                                    | -                         | -                        | -                       |
| Retiree Assistance Program                  | 774,641                   | 774,641                  | 1,549,281               |
| ACA Reinsurance Contributions               | -                         | -                        | -                       |
| ACA PCORI Fees                              | 15,147                    | 15,147                   | 30,293                  |
| Director's Discretionary Fund               | 47,709                    | 47,709                   | 95,417                  |
| <b>Total Expenses</b>                       | <b>\$ 102,483,591</b>     | <b>\$ 78,089,258</b>     | <b>\$ 180,572,848</b>   |
| <b>Fiscal Year Results</b>                  | <b>\$ (92,885,725)</b>    | <b>\$ (65,663,769)</b>   | <b>\$ (158,549,494)</b> |
| Beginning Restricted Reserve                |                           |                          | \$ 1,603,235,821        |
| Ending Restricted Reserve                   |                           |                          | <u>\$ 1,444,686,327</u> |
| Beginning Premium Stabilization Reserve     |                           |                          | \$ 68,106,504           |
| PSR Addition/(Drawdown)                     |                           |                          | \$ 200,000,000          |
| Ending Premium Stabilization Reserve        |                           |                          | <u>\$ 268,106,504</u>   |
| Total Beginning Plan Reserve                |                           |                          | 1,671,342,325           |
| Total Ending Plan Reserve                   |                           |                          | <u>\$ 1,712,792,831</u> |
| Accrued Actuarial Liability (AAL)           |                           |                          | \$ 1,663,727,440        |
| Funded Status                               |                           |                          | 100.5%                  |

**KEY ASSUMPTIONS**

|                                    |                |                                       |                |                    |
|------------------------------------|----------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 83.01       | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ (2,773,397) | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 144.39      | Non-Medicare                          | 6.0%           | 13.5%              |
|                                    |                | Medicare                              | 6.0%           | 13.5%              |
|                                    |                | Prescription Drug Rebates             |                | 0.0%               |
|                                    |                | Capitations                           |                | 7.0%               |
|                                    |                | Administrative Expense                |                | -4.4%              |
| Number of Net New Retirees         | 1,000          | Pay Go Monthly Premium                |                | -45.4%             |

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2022**

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

| <b>Medicare Retiree</b>                     | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 42,500,683              |                       | \$ 42,500,683            |
| Employer Premiums - PPB                     | 9,466,063                  | (3,295,955)           | 6,170,108                |
| Employer Premiums - MCO                     | -                          | -                     | -                        |
| Retiree Premiums - PPB                      | 45,190,151                 | (456,760)             | 44,733,392               |
| Retiree Premiums - MCO                      | -                          | -                     | -                        |
| Annual Required Contributions               | -                          | -                     | -                        |
| Non Par Premiums                            | 1,396,858                  |                       | 1,396,858                |
| Life Insurance                              | 17,608,572                 |                       | 17,608,572               |
| Investment Income                           | 5,526,817                  |                       | 5,526,817                |
| Transfer from Premium Stabilization Reserve | (161,136,413)              |                       | (161,136,413)            |
| General Revenue Transfer (OPEB Funding)     | 16,632,737                 |                       | 16,632,737               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ (22,814,532)</b>     | <b>\$ (3,752,715)</b> | <b>\$ (26,567,246)</b>   |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Medicare Medical Claims                     | \$ 1,206,998               | \$ -                  | \$ 1,206,998             |
| Gross Medicare Prescription Drug Claims     | 5,041,239                  | -                     | 5,041,239                |
| Medicare Prescription Drug Rebates          | (2,282,206)                |                       | (2,282,206)              |
| Humana MAPD Program                         | 63,952,933                 |                       | 63,952,933               |
| Administration                              | 1,575,624                  |                       | 1,575,624                |
| Life Insurance                              | 17,678,910                 |                       | 17,678,910               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 1,017,876                  |                       | 1,017,876                |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 5,601                      |                       | 5,601                    |
| Director's Discretionary Fund               | -                          |                       | -                        |
| <b>Total Expenses</b>                       | <b>\$ 88,196,975</b>       | <b>\$ -</b>           | <b>\$ 88,196,975</b>     |
| <b>Fiscal Year Results</b>                  | <b>\$ (111,011,506)</b>    |                       | <b>\$ (114,764,221)</b>  |
| Beginning Restricted Reserve                | \$ 876,228,628             |                       | \$ 876,228,628           |
| Ending Restricted Reserve                   | \$ 765,217,122             |                       | \$ 761,464,408           |
| Beginning Premium Stabilization Reserve     | \$ 47,491,606              |                       | \$ 47,491,606            |
| PSR Addition/(Drawdown)                     | \$ 161,136,413             |                       | \$ 161,136,413           |
| Ending Premium Stabilization Reserve        | \$ 208,628,018             |                       | \$ 208,628,018           |
| Total Beginning Plan Reserve                | 923,720,234                |                       | 923,720,234              |
| Total Ending Plan Reserve                   | \$ 973,845,141             |                       | \$ 970,092,426           |
| Accrued Actuarial Liability (AAL)           | \$ 1,663,727,440           |                       | \$ 1,663,727,440         |
| Funded Status                               | 100.1%                     |                       | 100.2%                   |

**KEY ASSUMPTIONS**

|                                    |                | <b>Claim and Other Expense Trends</b> |                |                    |
|------------------------------------|----------------|---------------------------------------|----------------|--------------------|
|                                    |                | <b>Eligibility</b>                    | <b>Medical</b> | <b>Gross Drugs</b> |
| Pay Go Monthly Premium for Actives | \$ 83.01       |                                       |                |                    |
| Additional Retiree Premiums        | \$ (3,752,715) |                                       |                |                    |
| Pay Go PEPM Subsidy for Retirees   | \$ 92.94       | Medicare                              | 6.0%           | 13.5%              |
|                                    |                | Prescription Drug Rebates             |                | 0.0%               |
|                                    |                | Capitations                           |                | 7.0%               |
|                                    |                | Administrative Expense                |                | -4.4%              |
| Number of Net New Retirees         | 1,200          | Pay Go Monthly Premium                |                | -45.4%             |

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2022**

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

| <b>Non-Medicare Retiree</b>                 | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 32,499,317              |                       | \$ 32,499,317            |
| Employer Premiums - PPB                     | 9,482,473                  | (1,952,751)           | 7,529,722                |
| Employer Premiums - MCO                     | 937,096                    | (245,138)             | 691,958                  |
| Retiree Premiums - PPB                      | 15,140,563                 | 2,937,929             | 18,078,493               |
| Retiree Premiums - MCO                      | 652,766                    | 239,278               | 892,043                  |
| Annual Required Contributions               | -                          |                       | -                        |
| Non Par Premiums                            | 729,261                    |                       | 729,261                  |
| Life Insurance                              | 9,192,948                  |                       | 9,192,948                |
| Investment Income                           | 4,473,183                  |                       | 4,473,183                |
| Transfer from Premium Stabilization Reserve | (38,863,587)               |                       | (38,863,587)             |
| General Revenue Transfer (OPEB Funding)     | 13,367,263                 |                       | 13,367,263               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 47,611,283</b>       | <b>\$ 979,317</b>     | <b>\$ 48,590,600</b>     |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Non-Medicare Medical Claims                 | \$ 55,937,067              | \$ -                  | \$ 55,937,067            |
| Gross Non-Medicare Prescription Drug Claims | 37,038,919                 | -                     | 37,038,919               |
| Non-Medicare Prescription Drug Rebates      | (16,767,794)               |                       | (16,767,794)             |
| Non-Medicare Managed Care Capitations       | 3,593,611                  |                       | 3,593,611                |
| Administration                              | 2,692,887                  |                       | 2,692,887                |
| Life Insurance                              | 9,229,669                  |                       | 9,229,669                |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 531,405                    |                       | 531,405                  |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 24,692                     |                       | 24,692                   |
| Director's Discretionary Fund               | 95,417                     |                       | 95,417                   |
| <b>Total Expenses</b>                       | <b>\$ 92,375,874</b>       | <b>\$ -</b>           | <b>\$ 92,375,874</b>     |
| <b>Fiscal Year Results</b>                  | <b>\$ (44,764,591)</b>     |                       | <b>\$ (43,785,274)</b>   |
| Beginning Restricted Reserve                | \$ 727,007,192             |                       | \$ 727,007,192           |
| Ending Restricted Reserve                   | <u>\$ 682,242,601</u>      |                       | <u>\$ 683,221,919</u>    |
| Beginning Premium Stabilization Reserve     | \$ 20,614,898              |                       | \$ 20,614,898            |
| PSR Addition/(Drawdown)                     | \$ 38,863,587              |                       | \$ 38,863,587            |
| Ending Premium Stabilization Reserve        | <u>\$ 59,478,486</u>       |                       | <u>\$ 59,478,486</u>     |
| Total Beginning Plan Reserve                | 747,622,091                |                       | 747,622,091              |
| Total Ending Plan Reserve                   | <u>\$ 741,721,087</u>      |                       | <u>\$ 742,700,404</u>    |
| Accrued Actuarial Liability (AAL)           | \$ -                       |                       | \$ -                     |
| Funded Status                               | N/A                        |                       | N/A                      |

**KEY ASSUMPTIONS**

|                                    |            | <b>Claim and Other Expense Trends</b> |                |                    |
|------------------------------------|------------|---------------------------------------|----------------|--------------------|
|                                    |            | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go Monthly Premium for Actives | \$ 83.01   |                                       |                |                    |
| Additional Retiree Premiums        | \$ 979,317 |                                       |                |                    |
| Pay Go PEPM Subsidy for Retirees   | \$ 523.14  | Non-Medicare                          | 6.0%           | 13.5%              |
|                                    |            | Prescription Drug Rebates             |                | 0.0%               |
|                                    |            | Capitations                           |                | 7.0%               |
|                                    |            | Administrative Expense                |                | -4.4%              |
| Number of Net New Retirees         | (200)      | Pay Go Monthly Premium                |                | -45.4%             |

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

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

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

|   | 7/1/2022<br>to 12/31/2022 | 1/1/2023<br>to 6/30/2023 | TRUST<br>Total          |
|---|---------------------------|--------------------------|-------------------------|
| <u>Revenues</u>                             |                           |                          |                         |
| WV PEIA Pay Go Premiums                     | \$ 30,000,000             | \$ 30,000,000            | \$ 60,000,000           |
| Retiree Premiums - PPB                      | 34,247,584                | 34,348,480               | 68,596,064              |
| Retiree Premiums - MCO                      | 803,096                   | 803,096                  | 1,606,192               |
| Annual Required Contributions               | -                         | -                        | -                       |
| Non Par Premiums                            | 1,031,168                 | 1,031,168                | 2,062,335               |
| Life Insurance                              | 14,070,798                | 14,070,798               | 28,141,596              |
| Investment Income                           | 64,543,584                | 64,543,584               | 129,087,167             |
| Transfer from Premium Stabilization Reserve | 2,337,961                 | 2,248,329                | 4,586,290               |
| General Revenue Transfer (OPEB Funding)     | 15,000,000                | 15,000,000               | 30,000,000              |
| General Revenue Transfer (Premium Offset)   | -                         | -                        | -                       |
| <b>Total Revenue</b>                        | <b>\$ 162,034,191</b>     | <b>\$ 162,045,454</b>    | <b>\$ 324,079,645</b>   |
| <u>Program Expenses</u>                     |                           |                          |                         |
| Non-Medicare Medical Claims                 | \$ 29,712,776             | \$ 30,481,264            | \$ 60,194,040           |
| Gross Non-Medicare Prescription Drug Claims | 19,680,755                | 20,845,879               | 40,526,634              |
| Non-Medicare Prescription Drug Rebates      | (10,153,244)              | (10,730,507)             | (20,883,751)            |
| Medicare Medical Claims                     | 920,237                   | 326,104                  | 1,246,341               |
| Gross Medicare Prescription Drug Claims     | 3,867,199                 | 1,417,055                | 5,284,254               |
| Medicare Prescription Drug Rebates          | (1,999,037)               | (730,807)                | (2,729,844)             |
| Non-Medicare Managed Care Capitations       | 1,940,550                 | 1,940,550                | 3,881,100               |
| Humana MAPD Program                         | 19,767,631                | 23,157,872               | 42,925,503              |
| Administration                              | 2,198,284                 | 2,198,284                | 4,396,567               |
| Life Insurance                              | 14,127,004                | 14,127,004               | 28,254,008              |
| Wellness                                    | -                         | -                        | -                       |
| Retiree Assistance Program                  | 836,612                   | 836,612                  | 1,673,223               |
| ACA Reinsurance Contributions               | -                         | -                        | -                       |
| ACA PCORI Fees                              | 15,578                    | 15,578                   | 31,156                  |
| Director's Discretionary Fund               | 96,624                    | 96,624                   | 193,248                 |
| <b>Total Expenses</b>                       | <b>\$ 81,010,967</b>      | <b>\$ 83,981,510</b>     | <b>\$ 164,992,477</b>   |
| <b>Fiscal Year Results</b>                  | <b>\$ 81,023,223</b>      | <b>\$ 78,063,944</b>     | <b>\$ 159,087,167</b>   |
| Beginning Restricted Reserve                |                           |                          | \$ 1,444,686,327        |
| Ending Restricted Reserve                   |                           |                          | <u>\$ 1,603,773,494</u> |
| Beginning Premium Stabilization Reserve     |                           |                          | \$ 268,106,504          |
| PSR Addition/(Drawdown)                     |                           |                          | \$ (4,586,290)          |
| Ending Premium Stabilization Reserve        |                           |                          | <u>\$ 263,520,214</u>   |
| Total Beginning Plan Reserve                |                           |                          | 1,712,792,831           |
| Total Ending Plan Reserve                   |                           |                          | <u>\$ 1,867,293,708</u> |
| Accrued Actuarial Liability (AAL)           |                           |                          | \$ 1,686,322,024        |
| Funded Status                               |                           |                          | 101.6%                  |

**KEY ASSUMPTIONS**

|                                    |                |                                       |                |                    |
|------------------------------------|----------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 66.41       | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ (4,440,869) | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 114.08      | Non-Medicare                          | 7.0%           | 14.0%              |
|                                    |                | Medicare                              | 7.0%           | 14.0%              |
|                                    |                | Prescription Drug Rebates             |                | 23.3%              |
|                                    |                | Capitations                           |                | 14.4%              |
|                                    |                | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,000          | Pay Go Monthly Premium                |                | -20.0%             |

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

| <b>Medicare Retiree</b>                     | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 21,835,198              |                       | \$ 21,835,198            |
| Employer Premiums - PPB                     | 8,590,090                  | (767,549)             | 7,822,541                |
| Employer Premiums - MCO                     | -                          | -                     | -                        |
| Retiree Premiums - PPB                      | 41,110,247                 | (3,673,319)           | 37,436,928               |
| Retiree Premiums - MCO                      | -                          | -                     | -                        |
| Annual Required Contributions               | -                          | -                     | -                        |
| Non Par Premiums                            | 1,354,952                  |                       | 1,354,952                |
| Life Insurance                              | 18,489,001                 |                       | 18,489,001               |
| Investment Income                           | 73,112,452                 |                       | 73,112,452               |
| Transfer from Premium Stabilization Reserve | 3,691,531                  |                       | 3,691,531                |
| General Revenue Transfer (OPEB Funding)     | 18,425,326                 |                       | 18,425,326               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 186,608,797</b>      | <b>\$ (4,440,869)</b> | <b>\$ 182,167,929</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Medicare Medical Claims                     | \$ 1,246,341               | \$ -                  | \$ 1,246,341             |
| Gross Medicare Prescription Drug Claims     | 5,561,365                  | (277,112)             | 5,284,253                |
| Medicare Prescription Drug Rebates          | (2,729,844)                |                       | (2,729,844)              |
| Humana MAPD Program                         | 42,925,503                 |                       | 42,925,503               |
| Administration                              | 1,622,893                  |                       | 1,622,893                |
| Life Insurance                              | 18,562,856                 |                       | 18,562,856               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 1,099,306                  |                       | 1,099,306                |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 7,746                      |                       | 7,746                    |
| Director's Discretionary Fund               | -                          |                       | -                        |
| <b>Total Expenses</b>                       | <b>\$ 68,296,166</b>       | <b>\$ (277,112)</b>   | <b>\$ 68,019,054</b>     |
| <b>Fiscal Year Results</b>                  | <b>\$ 118,312,631</b>      |                       | <b>\$ 114,148,874</b>    |
| Beginning Restricted Reserve                | \$ 761,464,408             |                       | \$ 761,464,408           |
| Ending Restricted Reserve                   | <u>\$ 879,777,038</u>      |                       | <u>\$ 875,613,282</u>    |
| Beginning Premium Stabilization Reserve     | \$ 208,628,018             |                       | \$ 208,628,018           |
| PSR Addition/(Drawdown)                     | \$ (3,691,531)             |                       | \$ (3,691,531)           |
| Ending Premium Stabilization Reserve        | <u>\$ 204,936,487</u>      |                       | <u>\$ 204,936,487</u>    |
| Total Beginning Plan Reserve                | 970,092,426                |                       | 970,092,426              |
| Total Ending Plan Reserve                   | <u>\$ 1,084,713,526</u>    |                       | <u>\$ 1,080,549,769</u>  |
| Accrued Actuarial Liability (AAL)           | \$ 1,686,322,024           |                       | \$ 1,686,322,024         |
| Funded Status                               | 104.1%                     |                       | 104.2%                   |

**KEY ASSUMPTIONS**

|                                    |                |                                       |                |                    |
|------------------------------------|----------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 66.41       | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ (4,440,869) | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 46.75       | Medicare                              | 7.0%           | 14.0%              |
|                                    |                | Prescription Drug Rebates             |                | 23.3%              |
|                                    |                | Capitations                           |                | 14.4%              |
|                                    |                | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,200          | Pay Go Monthly Premium                |                | -20.0%             |

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

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

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

| <b>Non-Medicare Retiree</b>                 | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 38,164,802              |                       | \$ 38,164,802            |
| Employer Premiums - PPB                     | 8,970,856                  | -                     | 8,970,856                |
| Employer Premiums - MCO                     | 944,931                    | -                     | 944,931                  |
| Retiree Premiums - PPB                      | 14,365,739                 | -                     | 14,365,739               |
| Retiree Premiums - MCO                      | 661,261                    | -                     | 661,261                  |
| Annual Required Contributions               | -                          |                       | -                        |
| Non Par Premiums                            | 707,383                    |                       | 707,383                  |
| Life Insurance                              | 9,652,595                  |                       | 9,652,595                |
| Investment Income                           | 55,974,715                 |                       | 55,974,715               |
| Transfer from Premium Stabilization Reserve | 894,759                    |                       | 894,759                  |
| General Revenue Transfer (OPEB Funding)     | 11,574,674                 |                       | 11,574,674               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 141,911,716</b>      | <b>\$ -</b>           | <b>\$ 141,911,716</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Non-Medicare Medical Claims                 | \$ 60,194,040              | \$ -                  | \$ 60,194,040            |
| Gross Non-Medicare Prescription Drug Claims | 42,562,624                 | (2,035,990)           | 40,526,634               |
| Non-Medicare Prescription Drug Rebates      | (20,883,751)               |                       | (20,883,751)             |
| Non-Medicare Managed Care Capitations       | 3,881,100                  |                       | 3,881,100                |
| Administration                              | 2,773,674                  |                       | 2,773,674                |
| Life Insurance                              | 9,691,152                  |                       | 9,691,152                |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 573,917                    |                       | 573,917                  |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 23,409                     |                       | 23,409                   |
| Director's Discretionary Fund               | 193,248                    |                       | 193,248                  |
| <b>Total Expenses</b>                       | <b>\$ 99,009,413</b>       | <b>\$ (2,035,990)</b> | <b>\$ 96,973,423</b>     |
| <b>Fiscal Year Results</b>                  | <b>\$ 42,902,303</b>       |                       | <b>\$ 44,938,293</b>     |
| Beginning Restricted Reserve                | \$ 683,221,919             |                       | \$ 683,221,919           |
| Ending Restricted Reserve                   | \$ 726,124,222             |                       | \$ 728,160,212           |
| Beginning Premium Stabilization Reserve     | \$ 59,478,486              |                       | \$ 59,478,486            |
| PSR Addition/(Drawdown)                     | \$ (894,759)               |                       | \$ (894,759)             |
| Ending Premium Stabilization Reserve        | \$ 58,583,727              |                       | \$ 58,583,727            |
| <b>Total Beginning Plan Reserve</b>         | <b>742,700,404</b>         |                       | <b>742,700,404</b>       |
| <b>Total Ending Plan Reserve</b>            | <b>\$ 784,707,948</b>      |                       | <b>\$ 786,743,938</b>    |
| Accrued Actuarial Liability (AAL)           | \$ -                       |                       | \$ -                     |
| Funded Status                               | N/A                        |                       | N/A                      |

**KEY ASSUMPTIONS**

|                                    |           | <b>Claim and Other Expense Trends</b> |                |                    |
|------------------------------------|-----------|---------------------------------------|----------------|--------------------|
|                                    |           | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go Monthly Premium for Actives | \$ 66.41  |                                       |                |                    |
| Additional Retiree Premiums        | \$ -      |                                       |                |                    |
| Pay Go PEPM Subsidy for Retirees   | \$ 647.81 | Non-Medicare                          | 7.0%           | 14.0%              |
|                                    |           | Prescription Drug Rebates             |                | 23.3%              |
|                                    |           | Capitations                           |                | 14.4%              |
|                                    |           | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | (200)     | Pay Go Monthly Premium                |                | -20.0%             |

**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<br>to 12/31/2023 | 1/1/2024<br>to 6/30/2024 | TRUST<br>Total          |
|---|---------------------------|--------------------------|-------------------------|
| <u>Revenues</u>                             |                           |                          |                         |
| WV PEIA Pay Go Premiums                     | \$ 10,000,000             | \$ 10,000,000            | \$ 20,000,000           |
| Retiree Premiums - PPB                      | 35,112,934                | 36,382,944               | 71,495,878              |
| Retiree Premiums - MCO                      | 848,306                   | 848,306                  | 1,696,612               |
| Annual Required Contributions               | -                         | -                        | -                       |
| Non Par Premiums                            | 1,000,233                 | 1,000,233                | 2,000,465               |
| Life Insurance                              | 14,774,338                | 14,774,338               | 29,548,676              |
| Investment Income                           | 70,371,890                | 70,371,890               | 140,743,781             |
| Transfer from Premium Stabilization Reserve | 28,706,079                | 27,700,814               | 56,406,893              |
| General Revenue Transfer (OPEB Funding)     | 15,000,000                | 15,000,000               | 30,000,000              |
| General Revenue Transfer (Premium Offset)   | -                         | -                        | -                       |
| <b>Total Revenue</b>                        | <b>\$ 175,813,780</b>     | <b>\$ 176,078,525</b>    | <b>\$ 351,892,305</b>   |
| <u>Program Expenses</u>                     |                           |                          |                         |
| Non-Medicare Medical Claims                 | \$ 32,154,185             | \$ 33,063,492            | \$ 65,217,677           |
| Gross Non-Medicare Prescription Drug Claims | 22,689,423                | 24,085,782               | 46,775,205              |
| Non-Medicare Prescription Drug Rebates      | (11,792,993)              | (12,463,484)             | (24,256,477)            |
| Medicare Medical Claims                     | 956,524                   | 339,799                  | 1,296,323               |
| Gross Medicare Prescription Drug Claims     | 4,282,300                 | 1,572,790                | 5,855,089               |
| Medicare Prescription Drug Rebates          | (2,229,926)               | (815,216)                | (3,045,141)             |
| Non-Medicare Managed Care Capitations       | 2,095,794                 | 2,095,794                | 4,191,587               |
| Humana MAPD Program                         | 22,731,915                | 26,151,562               | 48,883,477              |
| Administration                              | 2,264,232                 | 2,264,232                | 4,528,464               |
| Life Insurance                              | 14,833,354                | 14,833,354               | 29,666,708              |
| Wellness                                    | -                         | -                        | -                       |
| Retiree Assistance Program                  | 903,541                   | 903,541                  | 1,807,081               |
| ACA Reinsurance Contributions               | -                         | -                        | -                       |
| ACA PCORI Fees                              | 16,958                    | 16,958                   | 33,915                  |
| Director's Discretionary Fund               | 97,308                    | 97,308                   | 194,615                 |
| <b>Total Expenses</b>                       | <b>\$ 89,002,613</b>      | <b>\$ 92,145,911</b>     | <b>\$ 181,148,524</b>   |
| <b>Fiscal Year Results</b>                  | <b>\$ 86,811,167</b>      | <b>\$ 83,932,614</b>     | <b>\$ 170,743,781</b>   |
| Beginning Restricted Reserve                |                           |                          | \$ 1,603,773,494        |
| Ending Restricted Reserve                   |                           |                          | <u>\$ 1,774,517,275</u> |
| Beginning Premium Stabilization Reserve     |                           |                          | \$ 263,520,214          |
| PSR Addition/(Drawdown)                     |                           |                          | \$ (56,406,893)         |
| Ending Premium Stabilization Reserve        |                           |                          | <u>\$ 207,113,321</u>   |
| Total Beginning Plan Reserve                |                           |                          | 1,867,293,708           |
| Total Ending Plan Reserve                   |                           |                          | <u>\$ 1,981,630,596</u> |
| Accrued Actuarial Liability (AAL)           |                           |                          | \$ 1,704,800,458        |
| Funded Status                               |                           |                          | 109.5%                  |

**KEY ASSUMPTIONS**

|                                    |              | Claim and Other Expense Trends |         |             |
|------------------------------------|--------------|--------------------------------|---------|-------------|
|                                    |              | Eligibility                    | Medical | Gross Drugs |
| Pay Go Monthly Premium for Actives | \$ 22.14     |                                |         |             |
| Additional Retiree Premiums        | \$ 3,789,196 | Non-Medicare                   | 7.5%    | 14.5%       |
| Pay Go PEPM Subsidy for Retirees   | \$ 37.18     | Medicare                       | 7.5%    | 14.5%       |
|                                    |              | Prescription Drug Rebates      |         | 15.0%       |
|                                    |              | Capitations                    |         | 12.4%       |
|                                    |              | Administrative Expense         |         | 3.0%        |
| Number of Net New Retirees         | 1,000        | Pay Go Monthly Premium         |         | -66.7%      |

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

| <b>Medicare Retiree</b>                     | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 4,802,096               |                       | \$ 4,802,096             |
| Employer Premiums - PPB                     | 7,843,994                  | 446,764               | 8,290,758                |
| Employer Premiums - MCO                     | -                          | -                     | -                        |
| Retiree Premiums - PPB                      | 37,539,597                 | 2,138,114             | 39,677,711               |
| Retiree Premiums - MCO                      | -                          | -                     | -                        |
| Annual Required Contributions               | -                          | -                     | -                        |
| Non Par Premiums                            | 1,314,304                  |                       | 1,314,304                |
| Life Insurance                              | 19,413,451                 |                       | 19,413,451               |
| Investment Income                           | 81,444,424                 |                       | 81,444,424               |
| Transfer from Premium Stabilization Reserve | 45,358,305                 |                       | 45,358,305               |
| General Revenue Transfer (OPEB Funding)     | 16,585,984                 |                       | 16,585,984               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 214,302,154</b>      | <b>\$ 2,584,879</b>   | <b>\$ 216,887,033</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Medicare Medical Claims                     | \$ 1,296,323               | \$ -                  | \$ 1,296,323             |
| Gross Medicare Prescription Drug Claims     | 5,855,089                  | -                     | 5,855,089                |
| Medicare Prescription Drug Rebates          | (3,045,141)                |                       | (3,045,141)              |
| Humana MAPD Program                         | 48,883,477                 |                       | 48,883,477               |
| Administration                              | 1,671,579                  |                       | 1,671,579                |
| Life Insurance                              | 19,490,998                 |                       | 19,490,998               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 1,187,251                  |                       | 1,187,251                |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 11,387                     |                       | 11,387                   |
| Director's Discretionary Fund               | -                          |                       | -                        |
| <b>Total Expenses</b>                       | <b>\$ 75,350,963</b>       | <b>\$ -</b>           | <b>\$ 75,350,963</b>     |
| <b>Fiscal Year Results</b>                  | <b>\$ 138,951,191</b>      |                       | <b>\$ 141,536,069</b>    |
| Beginning Restricted Reserve                | \$ 875,613,282             |                       | \$ 875,613,282           |
| Ending Restricted Reserve                   | <u>\$ 1,014,564,473</u>    |                       | <u>\$ 1,017,149,351</u>  |
| Beginning Premium Stabilization Reserve     | \$ 204,936,487             |                       | \$ 204,936,487           |
| PSR Addition/(Drawdown)                     | \$ (45,358,305)            |                       | \$ (45,358,305)          |
| Ending Premium Stabilization Reserve        | <u>\$ 159,578,182</u>      |                       | <u>\$ 159,578,182</u>    |
| Total Beginning Plan Reserve                | 1,080,549,769              |                       | 1,080,549,769            |
| Total Ending Plan Reserve                   | <u>\$ 1,174,142,655</u>    |                       | <u>\$ 1,176,727,534</u>  |
| Accrued Actuarial Liability (AAL)           | \$ 1,704,800,458           |                       | \$ 1,704,800,458         |
| Funded Status                               | 110.5%                     |                       | 110.6%                   |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 22.14     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 2,584,879 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 9.97      | Medicare                              | 7.5%           | 14.5%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 12.4%              |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,200        | Pay Go Monthly Premium                |                | -66.7%             |

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

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

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

| <b>Non-Medicare Retiree</b>                 | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 15,197,904              |                       | \$ 15,197,904            |
| Employer Premiums - PPB                     | 8,612,392                  | 431,814               | 9,044,207                |
| Employer Premiums - MCO                     | 950,470                    | 47,655                | 998,126                  |
| Retiree Premiums - PPB                      | 13,791,703                 | 691,498               | 14,483,202               |
| Retiree Premiums - MCO                      | 665,137                    | 33,349                | 698,486                  |
| Annual Required Contributions               | -                          |                       | -                        |
| Non Par Premiums                            | 686,162                    |                       | 686,162                  |
| Life Insurance                              | 10,135,225                 |                       | 10,135,225               |
| Investment Income                           | 59,299,357                 |                       | 59,299,357               |
| Transfer from Premium Stabilization Reserve | 11,048,588                 |                       | 11,048,588               |
| General Revenue Transfer (OPEB Funding)     | 13,414,016                 |                       | 13,414,016               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 133,800,956</b>      | <b>\$ 1,204,317</b>   | <b>\$ 135,005,273</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Non-Medicare Medical Claims                 | \$ 65,217,677              | \$ -                  | \$ 65,217,677            |
| Gross Non-Medicare Prescription Drug Claims | 46,775,205                 | -                     | 46,775,205               |
| Non-Medicare Prescription Drug Rebates      | (24,256,477)               |                       | (24,256,477)             |
| Non-Medicare Managed Care Capitations       | 4,191,587                  |                       | 4,191,587                |
| Administration                              | 2,856,884                  |                       | 2,856,884                |
| Life Insurance                              | 10,175,710                 |                       | 10,175,710               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 619,831                    |                       | 619,831                  |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 22,528                     |                       | 22,528                   |
| Director's Discretionary Fund               | 194,614                    |                       | 194,614                  |
| <b>Total Expenses</b>                       | <b>\$ 105,797,559</b>      | <b>\$ -</b>           | <b>\$ 105,797,559</b>    |
| <b>Fiscal Year Results</b>                  | <b>\$ 28,003,396</b>       |                       | <b>\$ 29,207,714</b>     |
| Beginning Restricted Reserve                | \$ 728,160,212             |                       | \$ 728,160,212           |
| Ending Restricted Reserve                   | <u>\$ 756,163,608</u>      |                       | <u>\$ 757,367,925</u>    |
| Beginning Premium Stabilization Reserve     | \$ 58,583,727              |                       | \$ 58,583,727            |
| PSR Addition/(Drawdown)                     | \$ (11,048,588)            |                       | \$ (11,048,588)          |
| Ending Premium Stabilization Reserve        | <u>\$ 47,535,139</u>       |                       | <u>\$ 47,535,139</u>     |
| <b>Total Beginning Plan Reserve</b>         | <b>786,743,938</b>         |                       | <b>786,743,938</b>       |
| <b>Total Ending Plan Reserve</b>            | <b>\$ 803,698,747</b>      |                       | <b>\$ 804,903,064</b>    |
| Accrued Actuarial Liability (AAL)           | \$ -                       |                       | \$ -                     |
| Funded Status                               | N/A                        |                       | N/A                      |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 22.14     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 1,204,317 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 268.89    | Non-Medicare                          | 7.5%           | 14.5%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 12.4%              |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | (200)        | Pay Go Monthly Premium                |                | -66.7%             |

**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<br>to 12/31/2024 | 1/1/2025<br>to 6/30/2025 | TRUST<br>Total          |
|---|---------------------------|--------------------------|-------------------------|
| <u>Revenues</u>                             |                           |                          |                         |
| WV PEIA Pay Go Premiums                     | \$ 15,000,000             | \$ 15,000,000            | \$ 30,000,000           |
| Retiree Premiums - PPB                      | 37,158,862                | 38,529,208               | 75,688,070              |
| Retiree Premiums - MCO                      | 899,098                   | 899,098                  | 1,798,197               |
| Annual Required Contributions               | -                         | -                        | -                       |
| Non Par Premiums                            | 970,226                   | 970,226                  | 1,940,451               |
| Life Insurance                              | 15,513,055                | 15,513,055               | 31,026,110              |
| Investment Income                           | 74,697,845                | 74,697,845               | 149,395,690             |
| Transfer from Premium Stabilization Reserve | 29,349,352                | 28,424,035               | 57,773,386              |
| General Revenue Transfer (OPEB Funding)     | 15,000,000                | 15,000,000               | 30,000,000              |
| General Revenue Transfer (Premium Offset)   | -                         | -                        | -                       |
| <b>Total Revenue</b>                        | <b>\$ 188,588,438</b>     | <b>\$ 189,033,467</b>    | <b>\$ 377,621,905</b>   |
| <u>Program Expenses</u>                     |                           |                          |                         |
| Non-Medicare Medical Claims                 | \$ 34,958,591             | \$ 36,031,461            | \$ 70,990,052           |
| Gross Non-Medicare Prescription Drug Claims | 26,272,628                | 27,950,881               | 54,223,510              |
| Non-Medicare Prescription Drug Rebates      | (13,697,562)              | (14,476,336)             | (28,173,898)            |
| Medicare Medical Claims                     | 998,882                   | 355,717                  | 1,354,599               |
| Gross Medicare Prescription Drug Claims     | 4,762,728                 | 1,753,269                | 6,515,997               |
| Medicare Prescription Drug Rebates          | (2,487,482)               | (909,373)                | (3,396,855)             |
| Non-Medicare Managed Care Capitations       | 2,263,457                 | 2,263,457                | 4,526,914               |
| Humana MAPD Program                         | 25,670,540                | 28,516,641               | 54,187,181              |
| Administration                              | 2,332,159                 | 2,332,159                | 4,664,317               |
| Life Insurance                              | 15,575,022                | 15,575,022               | 31,150,044              |
| Wellness                                    | -                         | -                        | -                       |
| Retiree Assistance Program                  | 975,824                   | 975,824                  | 1,951,648               |
| ACA Reinsurance Contributions               | -                         | -                        | -                       |
| ACA PCORI Fees                              | 18,338                    | 18,338                   | 36,675                  |
| Director's Discretionary Fund               | 98,015                    | 98,015                   | 196,030                 |
| <b>Total Expenses</b>                       | <b>\$ 97,741,140</b>      | <b>\$ 100,485,074</b>    | <b>\$ 198,226,214</b>   |
| <b>Fiscal Year Results</b>                  | <b>\$ 90,847,297</b>      | <b>\$ 88,548,393</b>     | <b>\$ 179,395,690</b>   |
| Beginning Restricted Reserve                |                           |                          | \$ 1,774,517,275        |
| Ending Restricted Reserve                   |                           |                          | <u>\$ 1,953,912,965</u> |
| Beginning Premium Stabilization Reserve     |                           |                          | \$ 207,113,321          |
| PSR Addition/(Drawdown)                     |                           |                          | \$ (57,773,386)         |
| Ending Premium Stabilization Reserve        |                           |                          | <u>\$ 149,339,935</u>   |
| Total Beginning Plan Reserve                |                           |                          | 1,981,630,596           |
| Total Ending Plan Reserve                   |                           |                          | <u>\$ 2,103,252,900</u> |
| Accrued Actuarial Liability (AAL)           |                           |                          | \$ 1,715,909,460        |
| Funded Status                               |                           |                          | 115.5%                  |

**KEY ASSUMPTIONS**

|                                    |              | Claim and Other Expense Trends |         |             |
|------------------------------------|--------------|--------------------------------|---------|-------------|
|                                    |              | Eligibility                    | Medical | Gross Drugs |
| Pay Go Monthly Premium for Actives | \$ 33.20     |                                |         |             |
| Additional Retiree Premiums        | \$ 5,127,639 |                                |         |             |
| Pay Go PEPM Subsidy for Retirees   | \$ 54.55     | Non-Medicare                   | 8.0%    | 15.0%       |
|                                    |              | Medicare                       | 8.0%    | 15.0%       |
|                                    |              | Prescription Drug Rebates      |         | 15.0%       |
|                                    |              | Capitations                    |         | 8.5%        |
|                                    |              | Administrative Expense         |         | 3.0%        |
| Number of Net New Retirees         | 1,000        | Pay Go Monthly Premium         |         | 50.0%       |

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

| <b>Medicare Retiree</b>                     | <b>Baseline Projection</b>     | <b>Board Decision</b> | <b>Ending Projection</b>       |
|---|--------------------------------|-----------------------|--------------------------------|
| <u>Revenues</u>                             |                                |                       |                                |
| WV PEIA Pay Go Premiums                     | \$ 7,609,346                   |                       | \$ 7,609,346                   |
| Employer Premiums - PPB                     | 8,313,962                      | 676,664               | 8,990,627                      |
| Employer Premiums - MCO                     | -                              | -                     | -                              |
| Retiree Premiums - PPB                      | 39,788,762                     | 3,238,364             | 43,027,126                     |
| Retiree Premiums - MCO                      | -                              | -                     | -                              |
| Annual Required Contributions               | -                              | -                     | -                              |
| Non Par Premiums                            | 1,274,875                      |                       | 1,274,875                      |
| Life Insurance                              | 20,384,124                     |                       | 20,384,124                     |
| Investment Income                           | 88,713,821                     |                       | 88,713,821                     |
| Transfer from Premium Stabilization Reserve | 46,412,015                     |                       | 46,412,015                     |
| General Revenue Transfer (OPEB Funding)     | 17,508,617                     |                       | 17,508,617                     |
| General Revenue Transfer (Premium Offset)   | -                              |                       | -                              |
| <b>Total Revenue</b>                        | <b>\$ 230,005,523</b>          | <b>\$ 3,915,028</b>   | <b>\$ 233,920,551</b>          |
| <u>Program Expenses</u>                     |                                |                       |                                |
| Medicare Medical Claims                     | \$ 1,354,599                   | \$ -                  | \$ 1,354,599                   |
| Gross Medicare Prescription Drug Claims     | 6,515,997                      | -                     | 6,515,997                      |
| Medicare Prescription Drug Rebates          | (3,396,855)                    |                       | (3,396,855)                    |
| Humana MAPD Program                         | 54,187,181                     |                       | 54,187,181                     |
| Administration                              | 1,721,727                      |                       | 1,721,727                      |
| Life Insurance                              | 20,465,548                     |                       | 20,465,548                     |
| Wellness                                    | -                              |                       | -                              |
| Retiree Assistance Program                  | 1,282,231                      |                       | 1,282,231                      |
| ACA Reinsurance Contributions               | -                              |                       | -                              |
| ACA PCORI Fees                              | 15,024                         |                       | 15,024                         |
| Director's Discretionary Fund               | -                              |                       | -                              |
| <b>Total Expenses</b>                       | <b>\$ 82,145,452</b>           | <b>\$ -</b>           | <b>\$ 82,145,452</b>           |
| <b>Fiscal Year Results</b>                  | <b>\$ 147,860,071</b>          |                       | <b>\$ 151,775,099</b>          |
| Beginning Restricted Reserve                | \$ 1,017,149,351               |                       | \$ 1,017,149,351               |
| Ending Restricted Reserve                   | <u>\$ 1,165,009,422</u>        |                       | <u>\$ 1,168,924,450</u>        |
| Beginning Premium Stabilization Reserve     | \$ 159,578,182                 |                       | \$ 159,578,182                 |
| PSR Addition/(Drawdown)                     | \$ (46,412,015)                |                       | \$ (46,412,015)                |
| Ending Premium Stabilization Reserve        | <u>\$ 113,166,167</u>          |                       | <u>\$ 113,166,167</u>          |
| <b>Total Beginning Plan Reserve</b>         | <b>1,176,727,534</b>           |                       | <b>1,176,727,534</b>           |
| <b>Total Ending Plan Reserve</b>            | <b><u>\$ 1,278,175,589</u></b> |                       | <b><u>\$ 1,282,090,617</u></b> |
| Accrued Actuarial Liability (AAL)           | \$ 1,715,909,460               |                       | \$ 1,715,909,460               |
| Funded Status                               | 116.4%                         |                       | 116.4%                         |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 33.20     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 3,915,028 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 15.35     | Medicare                              | 8.0%           | 15.0%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 8.5%               |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,200        | Pay Go Monthly Premium                |                | 50.0%              |

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

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

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

| <b>Non-Medicare Retiree</b>                 | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 22,390,654              |                       | \$ 22,390,654            |
| Employer Premiums - PPB                     | 8,665,913                  | 433,230               | 9,099,143                |
| Employer Premiums - MCO                     | 1,007,520                  | 50,368                | 1,057,889                |
| Retiree Premiums - PPB                      | 13,877,410                 | 693,765               | 14,571,175               |
| Retiree Premiums - MCO                      | 705,061                    | 35,248                | 740,308                  |
| Annual Required Contributions               | -                          |                       | -                        |
| Non Par Premiums                            | 665,577                    |                       | 665,577                  |
| Life Insurance                              | 10,641,986                 |                       | 10,641,986               |
| Investment Income                           | 60,681,869                 |                       | 60,681,869               |
| Transfer from Premium Stabilization Reserve | 11,361,371                 |                       | 11,361,371               |
| General Revenue Transfer (OPEB Funding)     | 12,491,383                 |                       | 12,491,383               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 142,488,744</b>      | <b>\$ 1,212,611</b>   | <b>\$ 143,701,355</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Non-Medicare Medical Claims                 | \$ 70,990,052              | \$ -                  | \$ 70,990,052            |
| Gross Non-Medicare Prescription Drug Claims | 54,223,510                 | -                     | 54,223,510               |
| Non-Medicare Prescription Drug Rebates      | (28,173,898)               |                       | (28,173,898)             |
| Non-Medicare Managed Care Capitations       | 4,526,914                  |                       | 4,526,914                |
| Administration                              | 2,942,591                  |                       | 2,942,591                |
| Life Insurance                              | 10,684,495                 |                       | 10,684,495               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 669,417                    |                       | 669,417                  |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 21,651                     |                       | 21,651                   |
| Director's Discretionary Fund               | 196,031                    |                       | 196,031                  |
| <b>Total Expenses</b>                       | <b>\$ 116,080,763</b>      | <b>\$ -</b>           | <b>\$ 116,080,763</b>    |
| <b>Fiscal Year Results</b>                  | <b>\$ 26,407,981</b>       |                       | <b>\$ 27,620,592</b>     |
| Beginning Restricted Reserve                | \$ 757,367,925             |                       | \$ 757,367,925           |
| Ending Restricted Reserve                   | <u>\$ 783,775,906</u>      |                       | <u>\$ 784,988,517</u>    |
| Beginning Premium Stabilization Reserve     | \$ 47,535,139              |                       | \$ 47,535,139            |
| PSR Addition/(Drawdown)                     | \$ (11,361,371)            |                       | \$ (11,361,371)          |
| Ending Premium Stabilization Reserve        | <u>\$ 36,173,767</u>       |                       | <u>\$ 36,173,767</u>     |
| <b>Total Beginning Plan Reserve</b>         | <b>804,903,064</b>         |                       | <b>804,903,064</b>       |
| <b>Total Ending Plan Reserve</b>            | <b>\$ 819,949,674</b>      |                       | <b>\$ 821,162,285</b>    |
| Accrued Actuarial Liability (AAL)           | \$ -                       |                       | \$ -                     |
| Funded Status                               | N/A                        |                       | N/A                      |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 33.20     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 1,212,611 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 413.58    | Non-Medicare                          | 8.0%           | 15.0%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 8.5%               |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | (200)        | Pay Go Monthly Premium                |                | 50.0%              |

**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<br>to 12/31/2025 | 1/1/2026<br>to 6/30/2026 | TRUST<br>Total          |
|---|---------------------------|--------------------------|-------------------------|
| <u>Revenues</u>                             |                           |                          |                         |
| WV PEIA Pay Go Premiums                     | \$ 20,000,000             | \$ 20,000,000            | \$ 40,000,000           |
| Retiree Premiums - PPB                      | 39,316,126                | 40,793,667               | 80,109,793              |
| Retiree Premiums - MCO                      | 956,287                   | 956,287                  | 1,912,574               |
| Annual Required Contributions               | -                         | -                        | -                       |
| Non Par Premiums                            | 941,119                   | 941,119                  | 1,882,238               |
| Life Insurance                              | 16,288,708                | 16,288,708               | 32,577,415              |
| Investment Income                           | 79,301,218                | 79,301,218               | 158,602,436             |
| Transfer from Premium Stabilization Reserve | 30,652,087                | 29,798,275               | 60,450,362              |
| General Revenue Transfer (OPEB Funding)     | 15,000,000                | 15,000,000               | 30,000,000              |
| General Revenue Transfer (Premium Offset)   | -                         | -                        | -                       |
| <b>Total Revenue</b>                        | <b>\$ 202,455,544</b>     | <b>\$ 203,079,274</b>    | <b>\$ 405,534,818</b>   |
| <u>Program Expenses</u>                     |                           |                          |                         |
| Non-Medicare Medical Claims                 | \$ 38,184,149             | \$ 39,447,828            | \$ 77,631,977           |
| Gross Non-Medicare Prescription Drug Claims | 30,554,397                | 32,577,386               | 63,131,783              |
| Non-Medicare Prescription Drug Rebates      | (15,909,718)              | (16,814,264)             | (32,723,982)            |
| Medicare Medical Claims                     | 1,047,961                 | 374,106                  | 1,422,067               |
| Gross Medicare Prescription Drug Claims     | 5,320,156                 | 1,962,962                | 7,283,118               |
| Medicare Prescription Drug Rebates          | (2,774,786)               | (1,014,406)              | (3,789,192)             |
| Non-Medicare Managed Care Capitations       | 2,444,534                 | 2,444,534                | 4,889,068               |
| Humana MAPD Program                         | 27,992,117                | 31,238,909               | 59,231,026              |
| Administration                              | 2,402,124                 | 2,402,124                | 4,804,247               |
| Life Insurance                              | 16,353,773                | 16,353,773               | 32,707,546              |
| Wellness                                    | -                         | -                        | -                       |
| Retiree Assistance Program                  | 1,053,890                 | 1,053,890                | 2,107,780               |
| ACA Reinsurance Contributions               | -                         | -                        | -                       |
| ACA PCORI Fees                              | 19,718                    | 19,718                   | 39,436                  |
| Director's Discretionary Fund               | 98,754                    | 98,754                   | 197,508                 |
| <b>Total Expenses</b>                       | <b>\$ 106,787,068</b>     | <b>\$ 110,145,314</b>    | <b>\$ 216,932,382</b>   |
| <b>Fiscal Year Results</b>                  | <b>\$ 95,668,477</b>      | <b>\$ 92,933,960</b>     | <b>\$ 188,602,436</b>   |
| Beginning Restricted Reserve                |                           |                          | \$ 1,953,912,965        |
| Ending Restricted Reserve                   |                           |                          | <u>\$ 2,142,515,401</u> |
| Beginning Premium Stabilization Reserve     |                           |                          | \$ 149,339,935          |
| PSR Addition/(Drawdown)                     |                           |                          | \$ (60,450,362)         |
| Ending Premium Stabilization Reserve        |                           |                          | <u>\$ 88,889,573</u>    |
| Total Beginning Plan Reserve                |                           |                          | 2,103,252,900           |
| Total Ending Plan Reserve                   |                           |                          | <u>\$ 2,231,404,974</u> |
| Accrued Actuarial Liability (AAL)           |                           |                          | \$ 1,719,565,219        |
| Funded Status                               |                           |                          | 122.3%                  |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 44.27     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 5,405,354 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 71.18     | Non-Medicare                          | 8.5%           | 15.5%              |
|                                    |              | Medicare                              | 8.5%           | 15.5%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 9.0%               |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,000        | Pay Go Monthly Premium                |                | 33.3%              |

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

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

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

| <b>Medicare Retiree</b>                     | <b>Baseline Projection</b>     | <b>Board Decision</b> | <b>Ending Projection</b>       |
|---|--------------------------------|-----------------------|--------------------------------|
| <u>Revenues</u>                             |                                |                       |                                |
| WV PEIA Pay Go Premiums                     | \$ 9,981,021                   |                       | \$ 9,981,021                   |
| Employer Premiums - PPB                     | 9,016,109                      | 723,549               | 9,739,658                      |
| Employer Premiums - MCO                     | -                              | -                     | -                              |
| Retiree Premiums - PPB                      | 43,149,080                     | 3,462,744             | 46,611,824                     |
| Retiree Premiums - MCO                      | -                              | -                     | -                              |
| Annual Required Contributions               | -                              | -                     | -                              |
| Non Par Premiums                            | 1,236,628                      |                       | 1,236,628                      |
| Life Insurance                              | 21,403,330                     |                       | 21,403,330                     |
| Investment Income                           | 96,680,098                     |                       | 96,680,098                     |
| Transfer from Premium Stabilization Reserve | 48,515,195                     |                       | 48,515,195                     |
| General Revenue Transfer (OPEB Funding)     | 17,595,389                     |                       | 17,595,389                     |
| General Revenue Transfer (Premium Offset)   | -                              |                       | -                              |
| <b>Total Revenue</b>                        | <b>\$ 247,576,851</b>          | <b>\$ 4,186,293</b>   | <b>\$ 251,763,144</b>          |
| <u>Program Expenses</u>                     |                                |                       |                                |
| Medicare Medical Claims                     | \$ 1,422,067                   | \$ -                  | \$ 1,422,067                   |
| Gross Medicare Prescription Drug Claims     | 7,283,118                      | -                     | 7,283,118                      |
| Medicare Prescription Drug Rebates          | (3,789,192)                    |                       | (3,789,192)                    |
| Humana MAPD Program                         | 59,231,026                     |                       | 59,231,026                     |
| Administration                              | 1,773,379                      |                       | 1,773,379                      |
| Life Insurance                              | 21,488,826                     |                       | 21,488,826                     |
| Wellness                                    | -                              |                       | -                              |
| Retiree Assistance Program                  | 1,384,809                      |                       | 1,384,809                      |
| ACA Reinsurance Contributions               | -                              |                       | -                              |
| ACA PCORI Fees                              | 18,658                         |                       | 18,658                         |
| Director's Discretionary Fund               | -                              |                       | -                              |
| <b>Total Expenses</b>                       | <b>\$ 88,812,692</b>           | <b>\$ -</b>           | <b>\$ 88,812,692</b>           |
| <b>Fiscal Year Results</b>                  | <b>\$ 158,764,159</b>          |                       | <b>\$ 162,950,452</b>          |
| Beginning Restricted Reserve                | \$ 1,168,924,450               |                       | \$ 1,168,924,450               |
| Ending Restricted Reserve                   | <u>\$ 1,327,688,609</u>        |                       | <u>\$ 1,331,874,902</u>        |
| Beginning Premium Stabilization Reserve     | \$ 113,166,167                 |                       | \$ 113,166,167                 |
| PSR Addition/(Drawdown)                     | \$ (48,515,195)                |                       | \$ (48,515,195)                |
| Ending Premium Stabilization Reserve        | <u>\$ 64,650,972</u>           |                       | <u>\$ 64,650,972</u>           |
| <b>Total Beginning Plan Reserve</b>         | <b>1,282,090,617</b>           |                       | <b>1,282,090,617</b>           |
| <b>Total Ending Plan Reserve</b>            | <b><u>\$ 1,392,339,581</u></b> |                       | <b><u>\$ 1,396,525,874</u></b> |
| Accrued Actuarial Liability (AAL)           | \$ 1,719,565,219               |                       | \$ 1,719,565,219               |
| <b>Funded Status</b>                        | <b>123.0%</b>                  |                       | <b>123.1%</b>                  |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 44.27     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 4,186,293 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 19.56     | Medicare                              | 8.5%           | 15.5%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 9.0%               |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | 1,200        | Pay Go Monthly Premium                |                | 33.3%              |

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

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

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

| <b>Non-Medicare Retiree</b>                 | <b>Baseline Projection</b> | <b>Board Decision</b> | <b>Ending Projection</b> |
|---|----------------------------|-----------------------|--------------------------|
| <u>Revenues</u>                             |                            |                       |                          |
| WV PEIA Pay Go Premiums                     | \$ 30,018,979              |                       | \$ 30,018,979            |
| Employer Premiums - PPB                     | 8,699,261                  | 433,707               | 9,132,968                |
| Employer Premiums - MCO                     | 1,071,745                  | 53,433                | 1,125,177                |
| Retiree Premiums - PPB                      | 13,930,813                 | 694,530               | 14,625,343               |
| Retiree Premiums - MCO                      | 750,005                    | 37,392                | 787,397                  |
| Annual Required Contributions               | -                          |                       | -                        |
| Non Par Premiums                            | 645,609                    |                       | 645,609                  |
| Life Insurance                              | 11,174,085                 |                       | 11,174,085               |
| Investment Income                           | 61,922,339                 |                       | 61,922,339               |
| Transfer from Premium Stabilization Reserve | 11,935,167                 |                       | 11,935,167               |
| General Revenue Transfer (OPEB Funding)     | 12,404,611                 |                       | 12,404,611               |
| General Revenue Transfer (Premium Offset)   | -                          |                       | -                        |
| <b>Total Revenue</b>                        | <b>\$ 152,552,613</b>      | <b>\$ 1,219,062</b>   | <b>\$ 153,771,674</b>    |
| <u>Program Expenses</u>                     |                            |                       |                          |
| Non-Medicare Medical Claims                 | \$ 77,631,977              | \$ -                  | \$ 77,631,977            |
| Gross Non-Medicare Prescription Drug Claims | 63,131,783                 | -                     | 63,131,783               |
| Non-Medicare Prescription Drug Rebates      | (32,723,982)               |                       | (32,723,982)             |
| Non-Medicare Managed Care Capitations       | 4,889,068                  |                       | 4,889,068                |
| Administration                              | 3,030,868                  |                       | 3,030,868                |
| Life Insurance                              | 11,218,720                 |                       | 11,218,720               |
| Wellness                                    | -                          |                       | -                        |
| Retiree Assistance Program                  | 722,970                    |                       | 722,970                  |
| ACA Reinsurance Contributions               | -                          |                       | -                        |
| ACA PCORI Fees                              | 20,777                     |                       | 20,777                   |
| Director's Discretionary Fund               | 197,508                    |                       | 197,508                  |
| <b>Total Expenses</b>                       | <b>\$ 128,119,689</b>      | <b>\$ -</b>           | <b>\$ 128,119,689</b>    |
| <b>Fiscal Year Results</b>                  | <b>\$ 24,432,923</b>       |                       | <b>\$ 25,651,985</b>     |
| Beginning Restricted Reserve                | \$ 784,988,517             |                       | \$ 784,988,517           |
| Ending Restricted Reserve                   | <u>\$ 809,421,441</u>      |                       | <u>\$ 810,640,503</u>    |
| Beginning Premium Stabilization Reserve     | \$ 36,173,767              |                       | \$ 36,173,767            |
| PSR Addition/(Drawdown)                     | \$ (11,935,167)            |                       | \$ (11,935,167)          |
| Ending Premium Stabilization Reserve        | <u>\$ 24,238,601</u>       |                       | <u>\$ 24,238,601</u>     |
| <b>Total Beginning Plan Reserve</b>         | <b>821,162,285</b>         |                       | <b>821,162,285</b>       |
| <b>Total Ending Plan Reserve</b>            | <b>\$ 833,660,042</b>      |                       | <b>\$ 834,879,103</b>    |
| Accrued Actuarial Liability (AAL)           | \$ -                       |                       | \$ -                     |
| Funded Status                               | N/A                        |                       | N/A                      |

**KEY ASSUMPTIONS**

|                                    |              |                                       |                |                    |
|------------------------------------|--------------|---------------------------------------|----------------|--------------------|
| Pay Go Monthly Premium for Actives | \$ 44.27     | <b>Claim and Other Expense Trends</b> |                |                    |
| Additional Retiree Premiums        | \$ 1,219,062 | <u>Eligibility</u>                    | <u>Medical</u> | <u>Gross Drugs</u> |
| Pay Go PEPM Subsidy for Retirees   | \$ 579.90    | Non-Medicare                          | 8.5%           | 15.5%              |
|                                    |              | Prescription Drug Rebates             |                | 15.0%              |
|                                    |              | Capitations                           |                | 9.0%               |
|                                    |              | Administrative Expense                |                | 3.0%               |
| Number of Net New Retirees         | (200)        | Pay Go Monthly Premium                |                | 33.3%              |

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2021 to FY 2022**

**Fiscal Year 2021**

| <b>Exposure</b>       | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Jan-21</u> | <u>Feb-21</u> | <u>Mar-21</u> | <u>Apr-21</u> | <u>May-21</u> | <u>Jun-21</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NonMed_NonDrug</b> | 13,587        | 13,827        | 13,736        | 13,521        | 13,340        | 13,194        | 13,136        | 13,061        | 12,939        | 12,760        | 12,531        | 12,337        |
| <b>Med_NonDrug</b>    | 1,132         | 1,436         | 1,715         | 1,961         | 2,183         | 2,368         | 255           | 442           | 609           | 757           | 903           | 1,059         |
| <b>NonMed_Drug</b>    | 12,593        | 12,817        | 12,733        | 12,535        | 12,368        | 12,231        | 12,179        | 12,108        | 11,996        | 11,831        | 11,622        | 11,441        |
| <b>Med_Drug</b>       | 1,179         | 1,496         | 1,787         | 2,043         | 2,274         | 2,466         | 266           | 460           | 634           | 788           | 941           | 1,103         |

|                       | <u>Jul-20</u> | <u>Aug-20</u> | <u>Sep-20</u> | <u>Oct-20</u> | <u>Nov-20</u> | <u>Dec-20</u> | <u>Jan-21</u> | <u>Feb-21</u> | <u>Mar-21</u> | <u>Apr-21</u> | <u>May-21</u> | <u>Jun-21</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NonMed_NonDrug</b> | \$267.12      | \$281.87      | \$259.50      | \$285.16      | \$261.57      | \$240.80      | \$286.39      | \$324.93      | \$327.20      | \$345.39      | \$352.55      | \$378.94      |
| <b>Med_NonDrug</b>    | 323.71        | 274.40        | 228.00        | 301.81        | 194.90        | 253.83        | 875.67        | 341.41        | 394.27        | 296.03        | 331.92        | 276.92        |
| <b>NonMed_Drug</b>    | 197.29        | 192.76        | 202.70        | 215.62        | 203.00        | 224.02        | 218.85        | 198.07        | 239.96        | 229.71        | 222.35        | 257.83        |
| <b>Med_Drug</b>       | <u>468.70</u> | <u>413.90</u> | <u>439.03</u> | <u>470.85</u> | <u>448.24</u> | <u>502.45</u> | <u>485.71</u> | <u>428.19</u> | <u>422.28</u> | <u>434.28</u> | <u>456.78</u> | <u>465.86</u> |
| <b>Total</b>          | \$1,256.81    | \$1,162.93    | \$1,129.22    | \$1,273.44    | \$1,107.72    | \$1,221.09    | \$1,866.62    | \$1,292.60    | \$1,383.70    | \$1,305.41    | \$1,363.61    | \$1,379.55    |

**Change From Prior Year - Month to Month Analysis**

|                       |              |              |              |              |              |              |              |             |               |              |              |               |
|-----------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|---------------|--------------|--------------|---------------|
| <b>NonMed_NonDrug</b> | 7.8%         | 7.3%         | -0.5%        | 0.9%         | 1.6%         | -6.5%        | -4.6%        | 20.4%       | 37.4%         | 108.9%       | 45.6%        | 23.3%         |
| <b>Med_NonDrug</b>    | 10.9%        | 20.4%        | -3.4%        | 32.1%        | -22.7%       | 24.4%        | -15.7%       | -34.8%      | -20.9%        | -13.1%       | 27.1%        | -15.4%        |
| <b>NonMed_Drug</b>    | 2.4%         | -2.5%        | 14.5%        | 6.7%         | 8.4%         | 11.8%        | 4.6%         | -0.4%       | 3.5%          | 7.1%         | 10.3%        | 18.2%         |
| <b>Med_Drug</b>       | <u>39.7%</u> | <u>15.5%</u> | <u>21.0%</u> | <u>22.9%</u> | <u>29.6%</u> | <u>34.8%</u> | <u>21.4%</u> | <u>1.8%</u> | <u>-22.8%</u> | <u>-7.4%</u> | <u>20.3%</u> | <u>-16.4%</u> |
| <b>Total</b>          | 17.7%        | 11.1%        | 8.9%         | 16.1%        | 6.3%         | 18.0%        | -4.2%        | -8.5%       | -8.7%         | 9.8%         | 25.7%        | -2.2%         |

**Change From Prior Year - Quarter to Quarter Analysis**

|                       |  |  |              |  |  |              |  |  |              |  |  |              |
|-----------------------|--|--|--------------|--|--|--------------|--|--|--------------|--|--|--------------|
| <b>NonMed_NonDrug</b> |  |  | 4.8%         |  |  | -1.2%        |  |  | 16.1%        |  |  | 50.7%        |
| <b>Med_NonDrug</b>    |  |  | 9.3%         |  |  | 9.6%         |  |  | -21.8%       |  |  | -2.6%        |
| <b>NonMed_Drug</b>    |  |  | 4.5%         |  |  | 8.9%         |  |  | 2.7%         |  |  | 12.0%        |
| <b>Med_Drug</b>       |  |  | <u>25.0%</u> |  |  | <u>29.0%</u> |  |  | <u>-2.3%</u> |  |  | <u>-3.5%</u> |
| <b>Total</b>          |  |  | 12.6%        |  |  | 13.5%        |  |  | -6.8%        |  |  | 9.9%         |

**Change From Prior Year - Year to Year Analysis**

|                       |  |  |             |  |  |              |  |  |              |  |  |              |
|-----------------------|--|--|-------------|--|--|--------------|--|--|--------------|--|--|--------------|
| <b>NonMed_NonDrug</b> |  |  | -6.9%       |  |  | -7.5%        |  |  | -2.2%        |  |  | 16.8%        |
| <b>Med_NonDrug</b>    |  |  | 15.2%       |  |  | 14.9%        |  |  | -7.4%        |  |  | -7.6%        |
| <b>NonMed_Drug</b>    |  |  | 7.6%        |  |  | 6.6%         |  |  | 4.5%         |  |  | 7.0%         |
| <b>Med_Drug</b>       |  |  | <u>9.0%</u> |  |  | <u>17.8%</u> |  |  | <u>17.3%</u> |  |  | <u>10.2%</u> |
| <b>Total</b>          |  |  | 6.8%        |  |  | 9.2%         |  |  | 3.5%         |  |  | 5.8%         |

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2021 to FY 2022**

**Fiscal Year 2022**

**Exposure**

|                       | <u>Jul-21</u> | <u>Aug-21</u> | <u>Sep-21</u> | <u>Oct-21</u> | <u>Nov-21</u> | <u>Dec-21</u> | <u>Jan-22</u> | <u>Feb-22</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NonMed_NonDrug</b> | 12,630        | 12,670        | 12,602        | 12,396        | 12,302        | 12,136        | 12,176        | 12,048        |
| <b>Med_NonDrug</b>    | 1,458         | 1,672         | 1,847         | 2,071         | 2,250         | 2,384         | 324           | 442           |
| <b>NonMed_Drug</b>    | 11,713        | 11,750        | 11,687        | 11,498        | 11,411        | 11,256        | 11,293        | 11,176        |
| <b>Med_Drug</b>       | 1,518         | 1,742         | 1,924         | 2,157         | 2,343         | 2,483         | 338           | 460           |

|                       | <u>Jul-21</u> | <u>Aug-21</u> | <u>Sep-21</u> | <u>Oct-21</u> | <u>Nov-21</u> | <u>Dec-21</u> | <u>Jan-22</u> | <u>Feb-22</u> |
|-----------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>NonMed_NonDrug</b> | \$300.28      | \$336.25      | \$318.39      | \$324.77      | \$312.32      | \$316.21      | \$326.66      | \$332.54      |
| <b>Med_NonDrug</b>    | 239.39        | 269.10        | 257.90        | 236.38        | 206.86        | 214.20        | 790.81        | 436.15        |
| <b>NonMed_Drug</b>    | 212.70        | 249.44        | 243.76        | 246.41        | 246.89        | 262.33        | 257.67        | 265.41        |
| <b>Med_Drug</b>       | <u>412.92</u> | <u>400.69</u> | <u>407.46</u> | <u>413.93</u> | <u>399.64</u> | <u>472.10</u> | <u>394.87</u> | <u>516.06</u> |
| <b>Total</b>          | \$1,165.28    | \$1,255.47    | \$1,227.51    | \$1,221.49    | \$1,165.71    | \$1,264.84    | \$1,770.01    | \$1,550.16    |

**Change From Prior Year - Month to Month Analysis**

|                       |               |              |              |               |               |              |               |              |
|-----------------------|---------------|--------------|--------------|---------------|---------------|--------------|---------------|--------------|
| <b>NonMed_NonDrug</b> | 12.4%         | 19.3%        | 22.7%        | 13.9%         | 19.4%         | 31.3%        | 14.1%         | 2.3%         |
| <b>Med_NonDrug</b>    | -26.0%        | -1.9%        | 13.1%        | -21.7%        | 6.1%          | -15.6%       | -9.7%         | 27.8%        |
| <b>NonMed_Drug</b>    | 7.8%          | 29.4%        | 20.3%        | 14.3%         | 21.6%         | 17.1%        | 17.7%         | 34.0%        |
| <b>Med_Drug</b>       | <u>-11.9%</u> | <u>-3.2%</u> | <u>-7.2%</u> | <u>-12.1%</u> | <u>-10.8%</u> | <u>-6.0%</u> | <u>-18.7%</u> | <u>20.5%</u> |
| <b>Total</b>          | -7.3%         | 8.0%         | 8.7%         | -4.1%         | 5.2%          | 3.6%         | -5.2%         | 19.9%        |

**Change From Prior Year - Quarter to Quarter Analysis**

|                       |              |              |
|-----------------------|--------------|--------------|
| <b>NonMed_NonDrug</b> | 18.1%        | 21.1%        |
| <b>Med_NonDrug</b>    | -7.2%        | -12.4%       |
| <b>NonMed_Drug</b>    | 19.1%        | 17.6%        |
| <b>Med_Drug</b>       | <u>-7.6%</u> | <u>-9.6%</u> |
| <b>Total</b>          | 2.8%         | 1.4%         |

**Change From Prior Year - Year to Year Analysis**

|                       |             |              |
|-----------------------|-------------|--------------|
| <b>NonMed_NonDrug</b> | 20.1%       | 25.8%        |
| <b>Med_NonDrug</b>    | -10.4%      | -13.7%       |
| <b>NonMed_Drug</b>    | 10.5%       | 12.7%        |
| <b>Med_Drug</b>       | <u>2.7%</u> | <u>-5.7%</u> |
| <b>Total</b>          | 3.7%        | 1.1%         |