

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Fiscal Year 2018
Financial Report**

Fiscal Years 2018-2023

Report Date: October 2018

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Finance Board
West Virginia Retiree Health Benefit Trust Fund
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Charleston, West Virginia 25304-2345

Ladies and Gentlemen:

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of 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 for FY 2019, 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 2023. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in

the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

Continuing Care Actuaries has provided financial report for fiscal year ending June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”), June 30, 2021 (“FY 2021”), June 30, 2022 (“FY 2022”) and June 30, 2023 (“FY 2023”). Our opinion of plan adequacy is based on the projections through FY 2023 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2017.

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 2018 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 2018 the Pay-Go is equivalent to \$287 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 2017.

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 old fund created in article two-c, chapter twenty-three of this Enr. SB 419 code.

The transfers required by the section 11-21-96 shall cease on and after February 1, 2016. For fiscal years beginning on and after July 1, 2016, an annual amount of \$30 million from annual collections of the tax imposed by this article shall be 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 2019 through FY 2023 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 2023 as approved by the Board in December 2017.

The preparation of any estimate of future health costs requires consideration of a broad array of complex social and economic events. Changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, and the continuing evolution and changes of the framework of MAPD plan and other managed care options impacting Non-Medicare retirees, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate costs of insurance program contain considerable uncertainty and variability and actual experience may not conform to the assumptions utilized in this report.

Respectfully,



Dave Bond, F.S.A., F.C.A., M.A.A.A.
Managing Partner



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

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2018 – FY 2023

OVERVIEW

This report analyzes revenues and expenses related to funding the health insurance benefits of retired employees of the State of West Virginia and various local agencies, together with their dependents. This report is intended for the sole use of the Board, and any other use requires written approval by Continuing Care Actuaries.

This report was compiled utilizing claims data collected by RHBT's third party administrators through August 2018 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

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

KEY ASSUMPTIONS

A. Enrollment Changes

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 481 retirees from June 2018 to September 2018. Continuing Care Actuaries has updated the claims analysis based on the enrollment through September 2018.

In aggregate, September 2018 enrollment has increased by 481 coverages since the end of FY 2018. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 473 in total over the same period, while managed care enrollment continues to cover fewer participants, with an increase of 8 coverage. For MAPD Capitations, the average of 48,972 Medicare policyholders in FY 2018 was used to calculate the capitation cost.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2017, June 2018 and September 2018 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-17	Jun-18	Sep-18	Jun-17	Jun-18	Sep-18
Retirees	Medicare Single	20,197	20,901	21,116	-	-	-
	<u>Medicare Family</u>	<u>14,978</u>	<u>15,473</u>	<u>15,751</u>	-	-	-
	Medicare Total	35,175	36,374	36,867	-	-	-
	Non-Medicare Single	3,094	2,849	2,816	139	125	132
	<u>Non-Medicare Family</u>	<u>3,881</u>	<u>3,568</u>	<u>3,581</u>	<u>152</u>	<u>141</u>	<u>142</u>
	Non-Medicare Total	6,975	6,417	6,397	291	266	274
	Retiree Total	42,150	42,791	43,264	291	266	274
Grand Total				42,441	43,057	43,538	

* The majority of PPB is capitated through Humana. As of July 2018, there are approximately 1,247 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Fiscal Year 2018 Financial Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2018, 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 FY2017 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 2019 medical claim trend is 8.0% and the prescription drug claim trend is 12.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2019 Trend
Non-Medicare – Medical	8.0%
Medicare – Medical	8.0%
Non-Medicare – Drugs	12.0%
Medicare – Drugs	12.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2020. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through August 2018. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

Aggregate Trust Fund Historical Trends (Retirees)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	8%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-1%	N/A
2009	N/A	-2%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	12%	N/A	16%	N/A
2012	-5%	-6%	2%	8%	-2%
2013	23%	-3%	-3%	-7%	-2%
2014	N/A	7%	N/A	6%	N/A
2015	N/A	6%	N/A	5%	N/A
2016	-9%	2%	11%	9%	4%
2017	12%	1%	10%	31%	9%
2018	13%	10%	41%	14%	13%
2019*	14%	15%	34%	5%	13%

* Fiscal Year 2019 results are through the first two months ending August 2018. 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 August 2018 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 2018 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2018 Result			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	36,044			\$ 85**	\$ 223**	\$ 271
	Non-Medicare	6,836			\$ 668	\$ 263	
	Total	42,880	\$ -	\$ 168			
	Non-Medicare Managed Care	280	\$ -	\$ 626			\$ 1,225
	Total	43,160					

*Net of rebates and subsidies.

** As of June 2018, there are approximately 948 Medicare coverages that were not capitated through Humana.

Fiscal Year 2019 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	36,980			\$ 91**	\$ 249**	\$ 270
	Non-Medicare	6,565			\$ 704	\$ 288	
	Total	43,545	\$ -	\$ 163			
	Non-Medicare Managed Care	273	\$ -	\$ 614			\$ 1,357
	Total	43,818					

*Net of rebates and subsidies.

** As of July 2018, there are approximately 1,247 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 2017.

Board Decisions – December 2017

Source	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$0	\$ 6,231,409	\$ 8,092,108	\$ 9,829,235	\$12,182,497
Additional Medicare Retiree Premium (Calendar Year)	\$0	\$21,800,271	\$23,030,523	\$33,859,765	\$ 45,507,719
General Revenue Transfer (OPEB Funding)	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000	\$30,000,000
General Revenue Transfer (Premium Offset)	\$5,000,000	\$5,000,000	\$5,000,000	\$0	\$0
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$0	\$0	\$0	\$0	\$0
Board Decision Benefit Reduction – Retiree Medicare	\$0	\$0	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$44,200,000	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$32,900)	\$0	\$0	\$0	\$0
Pay Go Premium Transfer	\$154,000,000	\$160,000,000	\$170,000,000	\$180,000,000	\$190,000,000
Actuarial Accrued Liability*	\$3,479,324,603	\$3,564,642,254	\$3,642,716,264	\$3,714,925,690	\$3,782,142,169
Funded Status	27.7%	30.4%	34.1%	38.5%	43.6%

*Projected Result

In FY 2019, RHBT will have no increase in Non-Medicare and Medicare retiree premiums and RHBT will receive \$35,000,000 in general revenue transfers.

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

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

It is anticipated that RHBT would accrue and pay these fees through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$41,200, with \$8,309 in FY 2018 and \$32,900 in FY 2019.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from \$1,778,174 in FY 2018 to approximately \$2,613,000 in FY 2023, based on the Board's direction and projected retiree enrollment growth in the financial plan.

E. Provider Reimbursement Changes

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

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

FISCAL YEAR 2018 RESULT

The financial result for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2018 projects accrued revenue of \$372,949,003 and incurred plan expenses of \$233,850,106 to produce a fiscal year surplus of \$139,098,897 with the Premium Stabilization Reserve addition of \$38,106,504. The PEIA local and state agencies Pay Go premiums for FY 2018 are \$148,836,931.

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$361,804,770 and incurred plan expenses of \$240,043,834 to produce a fiscal year surplus of \$121,760,936 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$154,000,000.

FISCAL YEAR 2020 FORECAST

The financial forecast for FY 2020 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2020 projects accrued revenue of \$396,262,549 and incurred plan expenses of \$238,998,741 to produce a fiscal year surplus of \$157,263,808 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$160,000,000.

FISCAL YEAR 2021 FORECAST

The financial forecast for FY 2021 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2021 projects accrued revenue of \$450,246,305 and incurred plan expenses of \$260,475,527 to produce a fiscal year surplus of \$189,770,778 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 are assumed to be \$170,000,000.

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 \$509,527,802 and incurred plan expenses of \$292,132,714 to produce a fiscal year surplus of \$217,395,088 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2022 are assumed to be \$180,000,000.

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 \$589,676,166 and incurred plan expenses of \$329,280,401 to produce a fiscal year surplus of \$260,395,765 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2023 are assumed to be \$190,000,000.

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 2023. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2017 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

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

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

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 74,418,466	\$ 74,418,466	\$ 148,836,931
Retiree Premiums - PPB	42,788,420	43,863,668	86,652,088
Retiree Premiums - MCO	1,065,642	1,036,864	2,102,506
Annual Required Contributions	-	-	-
Non Par Premiums	1,541,130	1,541,130	3,082,260
Life Insurance	11,613,601	11,613,601	23,227,202
Investment Income	37,024,008	37,024,008	74,048,016
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 185,951,267	\$ 186,997,737	\$ 372,949,003
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 26,634,497	\$ 28,146,451	\$ 54,780,948
Non-Medicare Prescription Drug Claims	9,969,418	11,614,081	21,583,499
Medicare Medical Claims	1,307,801	451,857	1,759,658
Medicare Prescription Drug Claims	3,574,908	1,258,964	4,833,872
Non-Medicare Managed Care Capitations	2,058,004	2,058,004	4,116,008
Humana MAPD Program	49,966,424	67,406,122	117,372,546
Administration	2,213,841	2,213,841	4,427,682
Life Insurance	11,594,705	11,594,705	23,189,410
Retiree Assistance Program	889,087	889,087	1,778,174
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	4,155	4,155	8,309
Computer Software Reserve	-	-	-
Director's Discretionary Fund	-	-	-
Total Expenses	\$ 108,212,840	\$ 125,637,266	\$ 233,850,106
Fiscal Year Results	\$ 77,738,427	\$ 61,360,470	\$ 139,098,897
Beginning Restricted Reserve			\$ 824,015,704
Ending Restricted Reserve			\$ 925,008,097
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ 38,106,504
Ending Premium Stabilization Reserve			\$ 38,106,504
Total Beginning Plan Reserve			\$ 824,015,704
Total Ending Plan Reserve			\$ 963,114,601
Accrued Actuarial Liability (AAL)			\$ 3,282,900,408
Funded Status			25.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 168.94	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 7,365,782	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 287.38	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		Capitations		-4.6%
		Administrative Expense		27.2%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 96,545,286		\$ 96,545,286
Employer Premiums - PPB	8,145,126	(49,990)	8,095,136
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	38,899,305	5,385,153	44,284,458
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,730,482		1,730,482
Life Insurance	13,040,515		13,040,515
Investment Income	39,027,139		39,027,139
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,822,350		17,822,350
General Revenue Transfer (Premium Offset)	2,970,392		2,970,392
Total Revenue	\$ 218,180,595	\$ 5,335,163	\$ 223,515,758
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,759,658	\$ -	\$ 1,759,658
Medicare Prescription Drug Claims	4,833,872	-	4,833,872
Humana MAPD Program	154,768,416	(37,395,870)	117,372,546
Administration	1,634,378		1,634,378
Life Insurance	13,019,298		13,019,298
Retiree Assistance Program	998,325		998,325
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,298		6,298
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 177,020,244	\$ (37,395,870)	\$ 139,624,375
Fiscal Year Results	\$ 41,160,350		\$ 83,891,383
Beginning Restricted Reserve	\$ 434,937,997		\$ 434,937,997
Ending Restricted Reserve	<u>\$ 476,098,347</u>		<u>\$ 498,298,927</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ 20,530,453		\$ 20,530,453
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	436,962,978		436,962,978
Total Ending Plan Reserve	<u>\$ 496,628,800</u>		<u>\$ 518,829,380</u>
Accrued Actuarial Liability (AAL)	\$ 3,282,900,408		\$ 3,282,900,408
Funded Status	27.3%		26.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 168.94	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,335,163	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 223.21	Medicare	7.5%	11.5%
		Capitations		-4.6%
		Administrative Expense		27.2%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 52,291,645		\$ 52,291,645
Employer Premiums - PPB	12,450,373	(250,005)	12,200,368
Employer Premiums - MCO	1,173,316	26,974	1,200,290
Retiree Premiums - PPB	19,900,522	2,171,604	22,072,126
Retiree Premiums - MCO	820,170	82,047	902,216
Annual Required Contributions	-		-
Non Par Premiums	1,351,778		1,351,778
Life Insurance	10,186,687		10,186,687
Investment Income	35,020,877		35,020,877
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,177,650		12,177,650
General Revenue Transfer (Premium Offset)	2,029,608		2,029,608
Total Revenue	\$ 147,402,626	\$ 2,030,619	\$ 149,433,245
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 54,780,948	\$ -	\$ 54,780,948
Non-Medicare Prescription Drug Claims	21,583,499	-	21,583,499
Non-Medicare Managed Care Capitations	4,116,008		4,116,008
Administration	2,793,304		2,793,304
Life Insurance	10,170,112		10,170,112
Retiree Assistance Program	779,849		779,849
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	2,011		2,011
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 94,225,731	\$ -	\$ 94,225,731
Fiscal Year Results	\$ 53,176,895		\$ 55,207,514
Beginning Restricted Reserve	\$ 389,077,707		\$ 389,077,707
Ending Restricted Reserve	<u>\$ 442,254,602</u>		<u>\$ 426,709,170</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ 17,576,051		\$ 17,576,051
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	387,052,726		387,052,726
Total Ending Plan Reserve	<u>\$ 459,830,653</u>		<u>\$ 444,285,221</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 168.94	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,030,619	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 612.39	Non-Medicare	7.5%	11.5%
		Capitations		-4.6%
		Administrative Expense		27.2%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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

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

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 77,000,000	\$ 77,000,000	\$ 154,000,000
Retiree Premiums - PPB	42,060,849	42,984,026	85,044,875
Retiree Premiums - MCO	996,054	1,014,812	2,010,865
Annual Required Contributions	-	-	-
Non Par Premiums	1,494,896	1,494,896	2,989,792
Life Insurance	12,194,281	12,194,281	24,388,562
Investment Income	29,185,338	29,185,338	58,370,676
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 180,431,418	\$ 181,373,352	\$ 361,804,770
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 26,964,401	\$ 28,495,083	\$ 55,459,484
Non-Medicare Prescription Drug Claims	10,470,291	12,197,583	22,667,874
Medicare Medical Claims	1,264,933	438,107	1,703,040
Medicare Prescription Drug Claims	3,586,209	1,265,900	4,852,109
Non-Medicare Managed Care Capitations	2,222,645	2,222,645	4,445,289
Humana MAPD Program	65,653,460	54,150,420	119,803,879
Administration	2,280,256	2,280,256	4,560,512
Life Insurance	12,174,441	12,174,441	24,348,881
Retiree Assistance Program	960,214	960,214	1,920,428
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,450	16,450	32,900
Computer Software Reserve	-	-	-
Director's Discretionary Fund	124,719	124,719	249,438
Total Expenses	\$ 125,718,019	\$ 114,325,816	\$ 240,043,834
Fiscal Year Results	\$ 54,713,399	\$ 67,047,536	\$ 121,760,936
Beginning Restricted Reserve			\$ 925,008,097
Ending Restricted Reserve			<u>\$ 1,046,769,033</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			963,114,601
Total Ending Plan Reserve			<u>\$ 1,084,875,537</u>
Accrued Actuarial Liability (AAL)			\$ 3,479,324,603
Funded Status			27.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 292.88	Non-Medicare	8.0%	12.0%
		Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		3.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 97,252,837		\$ 97,252,837
Employer Premiums - PPB	8,609,678	-	8,609,678
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	44,208,622	-	44,208,622
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,678,568		1,678,568
Life Insurance	13,692,541		13,692,541
Investment Income	30,764,369		30,764,369
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,995,882		17,995,882
General Revenue Transfer (Premium Offset)	2,999,314		2,999,314
Total Revenue	\$ 217,201,811	\$ -	\$ 217,201,811
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,703,040	\$ -	\$ 1,703,040
Medicare Prescription Drug Claims	4,852,109	-	4,852,109
Humana MAPD Program	142,156,165	(22,352,286)	119,803,879
Administration	1,683,410		1,683,410
Life Insurance	13,670,263		13,670,263
Retiree Assistance Program	1,078,191		1,078,191
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,948		25,948
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 165,169,126	\$ (22,352,286)	\$ 142,816,840
Fiscal Year Results	\$ 52,032,686		\$ 74,384,971
Beginning Restricted Reserve	\$ 498,298,927		\$ 498,298,927
Ending Restricted Reserve	<u>\$ 550,331,613</u>		<u>\$ 572,683,898</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	518,829,380		518,829,380
Total Ending Plan Reserve	<u>\$ 570,862,066</u>		<u>\$ 593,214,352</u>
Accrued Actuarial Liability (AAL)	\$ 3,479,324,603		\$ 3,479,324,603
Funded Status	29.0%		29.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 219.16	Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		3.5%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 56,747,163		\$ 56,747,163
Employer Premiums - PPB	12,014,014	-	12,014,014
Employer Premiums - MCO	1,169,272	-	1,169,272
Retiree Premiums - PPB	20,212,561	-	20,212,561
Retiree Premiums - MCO	841,594	-	841,594
Annual Required Contributions	-		-
Non Par Premiums	1,311,224		1,311,224
Life Insurance	10,696,021		10,696,021
Investment Income	27,606,307		27,606,307
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,004,118		12,004,118
General Revenue Transfer (Premium Offset)	2,000,686		2,000,686
Total Revenue	\$ 144,602,959	\$ -	\$ 144,602,959
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 55,459,484	\$ -	\$ 55,459,484
Non-Medicare Prescription Drug Claims	22,667,874	-	22,667,874
Non-Medicare Managed Care Capitations	4,445,289		4,445,289
Administration	2,877,103		2,877,103
Life Insurance	10,678,618		10,678,618
Retiree Assistance Program	842,236		842,236
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,952		6,952
Computer Software Reserve	-		-
Director's Discretionary Fund	249,438		249,438
Total Expenses	\$ 97,226,994	\$ -	\$ 97,226,994
Fiscal Year Results	\$ 47,375,964		\$ 47,375,964
Beginning Restricted Reserve	\$ 426,709,170		\$ 426,709,170
Ending Restricted Reserve	<u>\$ 474,085,134</u>		<u>\$ 474,085,134</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	444,285,221		444,285,221
Total Ending Plan Reserve	<u>\$ 491,661,185</u>		<u>\$ 491,661,185</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.39	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 691.58	Non-Medicare	8.0%	12.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		3.5%

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

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

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

	7/1/2019 to 12/31/2019	1/1/2020 to 6/30/2020	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	46,529,707	58,070,399	104,600,106
Retiree Premiums - MCO	1,206,902	1,206,902	2,413,805
Annual Required Contributions	-	-	-
Non Par Premiums	1,450,049	1,450,049	2,900,098
Life Insurance	12,803,995	12,803,995	25,607,990
Investment Income	32,870,275	32,870,275	65,740,550
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 192,360,928	\$ 203,901,620	\$ 396,262,549
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 29,446,912	\$ 31,118,517	\$ 60,565,429
Non-Medicare Prescription Drug Claims	11,856,819	13,812,847	25,669,666
Medicare Medical Claims	1,229,153	426,743	1,655,896
Medicare Prescription Drug Claims	4,022,259	1,423,128	5,445,387
Non-Medicare Managed Care Capitations	2,400,456	2,400,456	4,800,912
Humana MAPD Program	52,807,342	55,464,660	108,272,002
Administration	2,348,664	2,348,664	4,697,328
Life Insurance	12,783,163	12,783,163	25,566,325
Retiree Assistance Program	1,037,031	1,037,031	2,074,062
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	125,867	125,867	251,734
Total Expenses	\$ 118,057,665	\$ 120,941,076	\$ 238,998,741
Fiscal Year Results	\$ 74,303,264	\$ 82,960,544	\$ 157,263,808
Beginning Restricted Reserve			\$ 1,046,769,033
Ending Restricted Reserve			<u>\$ 1,204,032,841</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,084,875,537
Total Ending Plan Reserve			<u>\$ 1,242,139,345</u>
Accrued Actuarial Liability (AAL)			\$ 3,564,642,254
Funded Status			30.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 186.44	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 17,635,620	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 297.39	Non-Medicare	8.5%	12.5%
		Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		3.9%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 98,958,622		\$ 98,958,622
Employer Premiums - PPB	9,113,394	1,971,077	11,084,471
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	43,614,663	9,433,133	53,047,796
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,628,211		1,628,211
Life Insurance	14,377,168		14,377,168
Investment Income	34,648,674		34,648,674
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,011,360		18,011,360
General Revenue Transfer (Premium Offset)	3,001,893		3,001,893
Total Revenue	\$ 223,353,986	\$ 11,404,210	\$ 234,758,196
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,655,896	\$ -	\$ 1,655,896
Medicare Prescription Drug Claims	5,445,387	-	5,445,387
Humana MAPD Program	130,069,890	(21,797,888)	108,272,002
Administration	1,733,912		1,733,912
Life Insurance	14,353,776		14,353,776
Retiree Assistance Program	1,164,447		1,164,447
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 154,423,308	\$ (21,797,888)	\$ 132,625,420
Fiscal Year Results	\$ 68,930,677		\$ 102,132,776
Beginning Restricted Reserve	\$ 572,683,898		\$ 572,683,898
Ending Restricted Reserve	<u>\$ 641,614,576</u>		<u>\$ 674,816,674</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	593,214,352		593,214,352
Total Ending Plan Reserve	\$ 662,145,029		\$ 695,347,128
Accrued Actuarial Liability (AAL)	\$ 3,564,642,254		\$ 3,564,642,254
Funded Status	31.8%		32.0%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 186.44	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 11,404,210	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 219.83	Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		3.9%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 61,041,378		\$ 61,041,378
Employer Premiums - PPB	13,295,716	2,260,587	15,556,303
Employer Premiums - MCO	1,213,697	206,357	1,420,054
Retiree Premiums - PPB	21,291,479	3,620,056	24,911,535
Retiree Premiums - MCO	849,343	144,408	993,751
Annual Required Contributions	-		-
Non Par Premiums	1,271,888		1,271,888
Life Insurance	11,230,822		11,230,822
Investment Income	31,091,876		31,091,876
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,988,640		11,988,640
General Revenue Transfer (Premium Offset)	1,998,107		1,998,107
Total Revenue	\$ 155,272,944	\$ 6,231,409	\$ 161,504,354
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 60,565,429	\$ -	\$ 60,565,429
Non-Medicare Prescription Drug Claims	25,669,666	-	25,669,666
Non-Medicare Managed Care Capitations	4,800,912		4,800,912
Administration	2,963,416		2,963,416
Life Insurance	11,212,549		11,212,549
Retiree Assistance Program	909,615		909,615
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	251,734		251,734
Total Expenses	\$ 106,373,321	\$ -	\$ 106,373,321
Fiscal Year Results	\$ 48,899,623		\$ 55,131,033
Beginning Restricted Reserve	\$ 474,085,134		\$ 474,085,134
Ending Restricted Reserve	<u>\$ 522,984,758</u>		<u>\$ 529,216,167</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	491,661,185		491,661,185
Total Ending Plan Reserve	<u>\$ 540,560,809</u>		<u>\$ 546,792,218</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 186.44	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,231,409	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 694.72	Non-Medicare	8.5%	12.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		3.9%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2021**

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

	7/1/2020 to 12/31/2020	1/1/2021 to 6/30/2021	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	62,567,491	74,843,486	137,410,977
Retiree Premiums - MCO	1,443,092	1,443,092	2,886,183
Annual Required Contributions	-	-	-
Non Par Premiums	1,406,548	1,406,548	2,813,095
Life Insurance	13,444,195	13,444,195	26,888,390
Investment Income	37,623,830	37,623,830	75,247,661
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	2,500,000	2,500,000	5,000,000
Total Revenue	\$ 218,985,155	\$ 231,261,150	\$ 450,246,305
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,305,316	\$ 34,139,185	\$ 66,444,501
Non-Medicare Prescription Drug Claims	13,486,013	15,710,812	29,196,825
Medicare Medical Claims	1,199,907	417,591	1,617,498
Medicare Prescription Drug Claims	4,531,440	1,607,003	6,138,443
Non-Medicare Managed Care Capitations	2,592,493	2,592,493	5,184,985
Humana MAPD Program	54,088,986	63,627,541	117,716,527
Administration	2,419,124	2,419,124	4,838,248
Life Insurance	13,422,321	13,422,321	26,844,641
Retiree Assistance Program	1,119,994	1,119,994	2,239,987
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	126,936	126,936	253,872
Total Expenses	\$ 125,292,529	\$ 135,182,997	\$ 260,475,527
Fiscal Year Results	\$ 93,692,626	\$ 96,078,153	\$ 189,770,778
Beginning Restricted Reserve			\$ 1,204,032,841
Ending Restricted Reserve			<u>\$ 1,393,803,619</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,242,139,345
Total Ending Plan Reserve			<u>\$ 1,431,910,123</u>
Accrued Actuarial Liability (AAL)			\$ 3,642,716,264
Funded Status			34.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 200.81	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 30,827,881	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 309.04	Non-Medicare	9.0%	13.0%
		Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		6.3%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2021**

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 93,358,393		\$ 93,358,393
Employer Premiums - PPB	11,025,567	3,929,598	14,955,165
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	52,765,896	18,806,175	71,572,071
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,579,364		1,579,364
Life Insurance	15,096,027		15,096,027
Investment Income	39,659,414		39,659,414
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,749,828		17,749,828
General Revenue Transfer (Premium Offset)	2,958,305		2,958,305
Total Revenue	\$ 234,192,795	\$ 22,735,773	\$ 256,928,568
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,617,498	\$ -	\$ 1,617,498
Medicare Prescription Drug Claims	6,138,443	-	6,138,443
Humana MAPD Program	117,716,527		117,716,527
Administration	1,785,929		1,785,929
Life Insurance	15,071,465		15,071,465
Retiree Assistance Program	1,257,602		1,257,602
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 143,587,464	\$ -	\$ 143,587,464
Fiscal Year Results	\$ 90,605,331		\$ 113,341,104
Beginning Restricted Reserve	\$ 674,816,674		\$ 674,816,674
Ending Restricted Reserve	<u>\$ 765,422,006</u>		<u>\$ 788,157,778</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	695,347,128		695,347,128
Total Ending Plan Reserve	<u>\$ 785,952,459</u>		<u>\$ 808,688,231</u>
Accrued Actuarial Liability (AAL)	\$ 3,642,716,264		\$ 3,642,716,264
Funded Status	36.0%		36.2%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 200.81	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 22,735,773	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 204.66	Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		6.3%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2021**

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 76,641,607		\$ 76,641,607
Employer Premiums - PPB	16,616,568	2,943,728	19,560,296
Employer Premiums - MCO	1,442,422	255,534	1,697,956
Retiree Premiums - PPB	26,609,421	4,714,024	31,323,445
Retiree Premiums - MCO	1,009,404	178,822	1,188,227
Annual Required Contributions	-		-
Non Par Premiums	1,233,731		1,233,731
Life Insurance	11,792,363		11,792,363
Investment Income	35,588,247		35,588,247
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,250,172		12,250,172
General Revenue Transfer (Premium Offset)	2,041,695		2,041,695
Total Revenue	\$ 185,225,630	\$ 8,092,108	\$ 193,317,738
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 66,444,501	\$ -	\$ 66,444,501
Non-Medicare Prescription Drug Claims	29,196,825	-	29,196,825
Non-Medicare Managed Care Capitations	5,184,985		5,184,985
Administration	3,052,318		3,052,318
Life Insurance	11,773,176		11,773,176
Retiree Assistance Program	982,385		982,385
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	253,872		253,872
Total Expenses	\$ 116,888,062	\$ -	\$ 116,888,062
Fiscal Year Results	\$ 68,337,568		\$ 76,429,676
Beginning Restricted Reserve	\$ 529,216,167		\$ 529,216,167
Ending Restricted Reserve	<u>\$ 597,553,735</u>		<u>\$ 605,645,843</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	546,792,218		546,792,218
Total Ending Plan Reserve	\$ 615,129,786		\$ 623,221,894
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 200.81	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,092,108	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 815.97	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		6.3%

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**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 to 12/31/2021	1/1/2022 to 6/30/2022	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	80,302,513	98,113,841	178,416,354
Retiree Premiums - MCO	1,718,453	1,718,453	3,436,906
Annual Required Contributions	-	-	-
Non Par Premiums	1,364,352	1,364,352	2,728,703
Life Insurance	14,116,405	14,116,405	28,232,809
Investment Income	43,356,515	43,356,515	86,713,030
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 245,858,237	\$ 263,669,565	\$ 509,527,802
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,604,160	\$ 37,625,293	\$ 73,229,453
Non-Medicare Prescription Drug Claims	15,407,101	17,948,823	33,355,924
Medicare Medical Claims	1,309,804	456,928	1,766,732
Medicare Prescription Drug Claims	5,127,739	1,822,669	6,950,408
Non-Medicare Managed Care Capitations	2,799,892	2,799,892	5,599,784
Humana MAPD Program	62,049,405	73,335,526	135,384,931
Administration	2,491,698	2,491,698	4,983,395
Life Insurance	14,093,437	14,093,437	28,186,873
Retiree Assistance Program	1,209,593	1,209,593	2,419,186
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	128,014	128,014	256,028
Total Expenses	\$ 140,220,843	\$ 151,911,872	\$ 292,132,714
Fiscal Year Results	\$ 105,637,394	\$ 111,757,694	\$ 217,395,088
Beginning Restricted Reserve			\$ 1,393,803,619
Ending Restricted Reserve			<u>\$ 1,611,198,708</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,431,910,123
Total Ending Plan Reserve			<u>\$ 1,649,305,212</u>
Accrued Actuarial Liability (AAL)			\$ 3,714,925,690
Funded Status			38.5%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 215.82	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 38,710,254	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 320.20	Non-Medicare	9.5%	13.5%
		Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.9%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,902,885		\$ 90,902,885
Employer Premiums - PPB	14,880,340	4,991,728	19,872,068
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	71,213,976	23,889,292	95,103,268
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,531,983		1,531,983
Life Insurance	15,850,828		15,850,828
Investment Income	45,702,258		45,702,258
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,066,047		17,066,047
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 257,148,318	\$ 28,881,020	\$ 286,029,338
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,766,732	\$ -	\$ 1,766,732
Medicare Prescription Drug Claims	6,950,408	-	6,950,408
Humana MAPD Program	135,384,931		135,384,931
Administration	1,839,507		1,839,507
Life Insurance	15,825,038		15,825,038
Retiree Assistance Program	1,358,211		1,358,211
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 163,124,827	\$ -	\$ 163,124,827
Fiscal Year Results	\$ 94,023,491		\$ 122,904,511
Beginning Restricted Reserve	\$ 788,157,778		\$ 788,157,778
Ending Restricted Reserve	<u>\$ 882,181,269</u>		<u>\$ 911,062,289</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	808,688,231		808,688,231
Total Ending Plan Reserve	<u>\$ 902,711,722</u>		<u>\$ 931,592,742</u>
Accrued Actuarial Liability (AAL)	\$ 3,714,925,690		\$ 3,714,925,690
Funded Status	40.8%		41.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 215.82	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 28,881,020	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 196.69	Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.9%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 89,097,115		\$ 89,097,115
Employer Premiums - PPB	20,803,165	3,584,293	24,387,458
Employer Premiums - MCO	1,724,778	297,172	2,021,950
Retiree Premiums - PPB	33,313,749	5,739,811	39,053,560
Retiree Premiums - MCO	1,206,996	207,960	1,414,956
Annual Required Contributions	-		-
Non Par Premiums	1,196,719		1,196,719
Life Insurance	12,381,981		12,381,981
Investment Income	41,010,773		41,010,773
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,933,953		12,933,953
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 213,669,229	\$ 9,829,235	\$ 223,498,464
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 73,229,453	\$ -	\$ 73,229,453
Non-Medicare Prescription Drug Claims	33,355,924	-	33,355,924
Non-Medicare Managed Care Capitations	5,599,784		5,599,784
Administration	3,143,888		3,143,888
Life Insurance	12,361,835		12,361,835
Retiree Assistance Program	1,060,975		1,060,975
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	256,028		256,028
Total Expenses	\$ 129,007,887	\$ -	\$ 129,007,887
Fiscal Year Results	\$ 84,661,342		\$ 94,490,577
Beginning Restricted Reserve	\$ 605,645,843		\$ 605,645,843
Ending Restricted Reserve	<u>\$ 690,307,185</u>		<u>\$ 700,136,420</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	623,221,894		623,221,894
Total Ending Plan Reserve	<u>\$ 707,883,236</u>		<u>\$ 717,712,471</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 215.82	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 9,829,235	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 891.06	Non-Medicare	9.5%	13.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.9%

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**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 to 12/31/2022	1/1/2023 to 6/30/2023	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 95,000,000	\$ 95,000,000	\$ 190,000,000
Retiree Premiums - PPB	104,833,559	128,608,820	233,442,379
Retiree Premiums - MCO	2,048,966	2,048,966	4,097,933
Annual Required Contributions	-	-	-
Non Par Premiums	1,323,421	1,323,421	2,646,842
Life Insurance	14,822,225	14,822,225	29,644,450
Investment Income	49,922,281	49,922,281	99,844,562
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer (OPEB Funding)	15,000,000	15,000,000	30,000,000
General Revenue Transfer (Premium Offset)	-	-	-
Total Revenue	\$ 282,950,452	\$ 306,725,714	\$ 589,676,166
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,419,480	\$ 41,657,196	\$ 81,076,676
Non-Medicare Prescription Drug Claims	17,679,571	20,596,184	38,275,755
Medicare Medical Claims	1,436,316	502,256	1,938,572
Medicare Prescription Drug Claims	5,828,146	2,076,394	7,904,540
Non-Medicare Managed Care Capitations	3,023,883	3,023,883	6,047,766
Humana MAPD Program	71,516,606	84,920,450	156,437,056
Administration	2,566,449	2,566,449	5,132,897
Life Insurance	14,798,108	14,798,108	29,596,216
Retiree Assistance Program	1,306,361	1,306,361	2,612,721
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	-	-	-
Director's Discretionary Fund	129,101	129,101	258,202
Total Expenses	\$ 157,704,020	\$ 171,576,381	\$ 329,280,401
Fiscal Year Results	\$ 125,246,433	\$ 135,149,332	\$ 260,395,765
Beginning Restricted Reserve			\$ 1,611,198,708
Ending Restricted Reserve			<u>\$ 1,871,594,473</u>
Beginning Premium Stabilization Reserve			\$ 38,106,504
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ 38,106,504</u>
Total Beginning Plan Reserve			1,649,305,212
Total Ending Plan Reserve			<u>\$ 1,909,700,977</u>
Accrued Actuarial Liability (AAL)			\$ 3,782,142,169
Funded Status			43.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 231.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 52,461,773	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 330.89	Non-Medicare	10.0%	14.0%
		Medicare	10.0%	14.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		5.6%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 119,987,267		\$ 119,987,267
Employer Premiums - PPB	19,767,713	6,961,776	26,729,489
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	94,603,847	33,317,500	127,921,347
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,486,024		1,486,024
Life Insurance	16,643,369		16,643,369
Investment Income	52,623,255		52,623,255
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	16,826,759		16,826,759
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 321,938,233	\$ 40,279,276	\$ 362,217,510
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,938,572	\$ -	\$ 1,938,572
Medicare Prescription Drug Claims	7,904,540	-	7,904,540
Humana MAPD Program	156,437,056		156,437,056
Administration	1,894,692		1,894,692
Life Insurance	16,616,290		16,616,290
Retiree Assistance Program	1,466,868		1,466,868
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	-		-
Total Expenses	\$ 186,258,018	\$ -	\$ 186,258,018
Fiscal Year Results	\$ 135,680,215		\$ 175,959,492
Beginning Restricted Reserve	\$ 911,062,289		\$ 911,062,289
Ending Restricted Reserve	<u>\$ 1,046,742,504</u>		<u>\$ 1,087,021,780</u>
Beginning Premium Stabilization Reserve	\$ 20,530,453		\$ 20,530,453
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 20,530,453</u>		<u>\$ 20,530,453</u>
Total Beginning Plan Reserve	931,592,742		931,592,742
Total Ending Plan Reserve	<u>\$ 1,067,272,957</u>		<u>\$ 1,107,552,234</u>
Accrued Actuarial Liability (AAL)	\$ 3,782,142,169		\$ 3,782,142,169
Funded Status	45.5%		45.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 231.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 40,279,276	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 256.30	Medicare	10.0%	14.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		5.6%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 70,012,733		\$ 70,012,733
Employer Premiums - PPB	25,836,809	4,451,567	30,288,376
Employer Premiums - MCO	2,056,508	354,327	2,410,835
Retiree Premiums - PPB	41,374,521	7,128,645	48,503,166
Retiree Premiums - MCO	1,439,140	247,957	1,687,098
Annual Required Contributions	-		-
Non Par Premiums	1,160,818		1,160,818
Life Insurance	13,001,080		13,001,080
Investment Income	47,221,307		47,221,307
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	13,173,241		13,173,241
General Revenue Transfer (Premium Offset)	-		-
Total Revenue	\$ 215,276,158	\$ 12,182,497	\$ 227,458,655
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,076,676	\$ -	\$ 81,076,676
Non-Medicare Prescription Drug Claims	38,275,755	-	38,275,755
Non-Medicare Managed Care Capitations	6,047,766		6,047,766
Administration	3,238,205		3,238,205
Life Insurance	12,979,927		12,979,927
Retiree Assistance Program	1,145,853		1,145,853
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	-		-
Director's Discretionary Fund	258,202		258,202
Total Expenses	\$ 143,022,384	\$ -	\$ 143,022,384
Fiscal Year Results	\$ 72,253,774		\$ 84,436,271
Beginning Restricted Reserve	\$ 700,136,420		\$ 700,136,420
Ending Restricted Reserve	<u>\$ 772,390,194</u>		<u>\$ 784,572,691</u>
Beginning Premium Stabilization Reserve	\$ 17,576,051		\$ 17,576,051
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 17,576,051</u>		<u>\$ 17,576,051</u>
Total Beginning Plan Reserve	717,712,471		717,712,471
Total Ending Plan Reserve	<u>\$ 789,966,245</u>		<u>\$ 802,148,742</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 231.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 12,182,497	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 660.14	Non-Medicare	10.0%	14.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.6%

ARCHIVE: Maintained for historical reference only.

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

Fiscal Year 2018

Exposure

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	17,595	17,840	17,928	17,665	17,531	17,288	17,101	17,031	16,717	16,556	16,353	16,051
Med_NonDrug	1,882	2,224	2,509	2,794	2,992	3,215	453	627	768	907	1,155	1,286
NonMed_Drug	16,302	16,528	16,610	16,367	16,244	16,017	15,843	15,778	15,490	15,340	15,154	14,873
Med_Drug	1,961	2,317	2,613	2,910	3,116	3,349	472	653	800	945	1,203	1,339

	<u>Jul-17</u>	<u>Aug-17</u>	<u>Sep-17</u>	<u>Oct-17</u>	<u>Nov-17</u>	<u>Dec-17</u>	<u>Jan-18</u>	<u>Feb-18</u>	<u>Mar-18</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
NonMed_NonDrug	\$185.57	\$242.26	\$228.13	\$257.39	\$269.97	\$214.91	\$338.99	\$281.11	\$314.78	\$359.00	\$358.57	\$365.32
Med_NonDrug	178.83	161.85	146.27	173.89	153.86	157.54	310.18	271.02	406.67	242.86	224.76	250.86
NonMed_Drug	190.91	142.55	116.04	186.58	134.43	129.23	170.20	121.55	139.54	159.00	160.78	164.69
Med_Drug	<u>384.57</u>	<u>373.55</u>	<u>330.47</u>	<u>358.68</u>	<u>305.13</u>	<u>302.41</u>	<u>614.01</u>	<u>533.16</u>	<u>442.44</u>	<u>469.02</u>	<u>396.03</u>	<u>428.44</u>
Total	\$939.88	\$920.20	\$820.92	\$976.55	\$863.38	\$804.10	\$1,433.38	\$1,206.84	\$1,303.43	\$1,229.88	\$1,140.14	\$1,209.31

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-13.5%	-5.1%	-2.0%	-6.1%	10.9%	8.1%	22.0%	-9.2%	-1.3%	26.9%	15.5%	39.6%
Med_NonDrug	37.5%	1.1%	-0.4%	28.5%	8.1%	17.6%	-36.7%	4.8%	50.1%	48.0%	32.8%	50.3%
NonMed_Drug	78.9%	7.1%	-7.8%	33.5%	1.2%	-10.1%	14.2%	-11.7%	-13.7%	3.7%	2.0%	2.4%
Med_Drug	<u>64.8%</u>	<u>30.3%</u>	<u>22.1%</u>	<u>29.4%</u>	<u>4.1%</u>	<u>-2.0%</u>	<u>138.3%</u>	<u>104.6%</u>	<u>40.1%</u>	<u>58.9%</u>	<u>18.0%</u>	<u>13.4%</u>
Total	37.2%	10.2%	5.8%	18.2%	6.4%	2.4%	22.0%	24.9%	22.1%	37.4%	17.2%	25.1%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			-6.7%			3.6%			3.1%			26.7%
Med_NonDrug			11.4%			17.9%			-3.1%			43.6%
NonMed_Drug			22.9%			8.2%			-3.8%			2.7%
Med_Drug			<u>37.7%</u>			<u>9.9%</u>			<u>90.6%</u>			<u>28.3%</u>
Total			16.8%			9.1%			22.9%			26.2%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-1.0%			-0.1%			-1.0%			7.4%
Med_NonDrug			18.6%			22.7%			2.0%			13.1%
NonMed_Drug			16.4%			15.0%			9.8%			6.7%
Med_Drug			<u>15.7%</u>			<u>14.8%</u>			<u>37.8%</u>			<u>40.6%</u>
Total			11.1%			11.8%			13.6%			19.4%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2018 to FY 2019**

Fiscal Year 2019

Exposure

	<u>Jul-18</u>	<u>Aug-18</u>
NonMed_NonDrug	15,984	16,420
Med_NonDrug	1,691	1,998
NonMed_Drug	14,810	15,213
Med_Drug	1,761	2,081

	<u>Jul-18</u>	<u>Aug-18</u>
NonMed_NonDrug	\$261.91	\$293.24
Med_NonDrug	195.55	213.05
NonMed_Drug	155.37	151.65
Med_Drug	<u>388.64</u>	<u>448.24</u>
Total	\$1,001.46	\$1,106.18

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	41.1%	21.0%
Med_NonDrug	9.3%	31.6%
NonMed_Drug	-18.6%	6.4%
Med_Drug	<u>1.1%</u>	<u>20.0%</u>
Total	6.6%	20.2%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug
Med_NonDrug
NonMed_Drug
Med_Drug
Total