



CCRC
Actuaries, LLC

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
March 31, 2015**

Fiscal Years 2015-2019

June 2015

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

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of CCRC Actuaries, LLC (“CCRC Actuaries”).

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

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

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. CCRC Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2016, 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 2019. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

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

CCRC Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2015 (“FY 2015”), June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”) and June 30, 2019 (“FY 2019”). Our opinion of plan adequacy is based on the projections through FY 2019 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2014.

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 2015 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

In reviewing the plan, CCRC Actuaries utilized information concerning the plan’s prior experience, covered individuals, plan revenues, plan benefits, plan administrative costs, and other expenses. This information was developed and provided by RHBT, the plan’s third party administrators and other sources. In our review, we completely relied on the accuracy of this information and did not perform any due diligence on the information. The enclosed forecasts include anticipated changes from the federal statute Patient Protection and Affordable Care Act (“PPACA”) signed into law on March 23, 2010. Additional details of the benefit enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members may become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2015. This report does not include anticipated savings from this eligibility change since the proposal has not been finalized and approved by CMS.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

Senate Bill 469, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. Presently RHBT estimates that the aforementioned \$30 million transfers will likely commence in 2017. All Employers will receive benefit of these contributions.

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2015 through FY 2019 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 2019 as approved by the Board in December 2014.

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

Respectfully,



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



Chris Borcik, F.S.A., F.C.A., M.A.A.A.
Senior Actuarial Consultant

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2015 – FY 2019

OVERVIEW

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

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

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

KEY ASSUMPTIONS

A. Enrollment Changes

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

In aggregate, June 2015 enrollment has increased by 1,030 coverages since the end of FY 2014. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 1,050 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 20 coverages. For MAPD Capitations, 40,920 Medicare policyholders were projected to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2013, June 2014 and June 2015 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-13	Jun-14	Jun-15	Jun-13	Jun-14	Jun-15
Retirees	Medicare Single	17,845	18,429	19,018	60	-	-
	<u>Medicare Family</u>	<u>12,592</u>	<u>13,316</u>	<u>13,860</u>	<u>54</u>	-	-
	Medicare Total	30,437	31,745	32,878	114	-	-
	Non Medicare Single	3,488	3,517	3,462	151	159	149
	<u>Non Medicare Family</u>	<u>4,346</u>	<u>4,384</u>	<u>4,356</u>	<u>185</u>	<u>176</u>	<u>166</u>
	Non Medicare Total	7,834	7,901	7,818	336	335	315
	Retiree Total	38,271	39,646	40,696	450	335	315
Grand Total				38,721	39,981	41,011	

* The majority of PPB is capitated through Humana. As of May 2015, there are approximately 1,203 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan 3-31-2015 Quarterly Report”.

C. Trend Analysis

RHBT experienced favorable medical and prescription drug trends in FY 2014, and over the past few years, trends have been beneficial to the plan. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2014”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have decreased the FY 2015 medical claim trend to 5%. Additionally, due to PEIA’s favorable prescription drug experience, we have decreased our trend assumption for all prescription drugs coverage to 8% in FY 2015.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2015 Trend	Updated Assumption FY 2015 Trend
Non-Medicare – Medical	5.5%	5.0%
Medicare – Medical	5.5%	5.0%
Non-Medicare – Drugs	8.5%	8.0%
Medicare – Drugs	8.5%	8.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2016. 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 May 2015. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies nor changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

Aggregate Trust Fund Historical Trends (Retirees)

<u>Fiscal Year</u>	<u>Medical Medicare</u>	<u>Medical Non-Medicare</u>	<u>Drugs Medicare</u>	<u>Drugs Non-Medicare</u>	<u>Total</u>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	9%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-9%	N/A
2009	N/A	-1%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	11%	N/A	16%	N/A
2012	-6%	-6%	2%	8%	-2%
2013	21%	-3%	-3%	-8%	-2%
2014	N/A	7%	N/A	6%	N/A
2015*	N/A	3%	N/A	6%	N/A

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

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

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

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through May 2015 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. CCRC Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2015 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2015 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	32,465			\$ 127**	\$ 194**	\$ 338
	Non-Medicare	<u>8,129</u>			\$ 698	\$ 272	
	Total	40,594	\$ -	\$ 166			
	Non-Medicare Managed Care	<u>326</u>	\$ -	\$ 563			\$ 1,154
	Total	40,920					

*Net of rebates and subsidies.

** As of May 2015, there are approximately 1,203 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes assumptions used in preparation of the attached forecasts. Both Medicare and Non-Medicare retirees premium received no increases in Fiscal Year 2015 and 2016.

Board Decisions – December 2014

Source	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Additional Retiree Premium	\$0	\$0	\$8,315,968	\$4,591,773	\$6,523,461
General Revenue Transfer	\$0	\$0	\$30,000,000	\$30,000,000	\$30,000,000
Benefit Reductions/(Increase) - Retiree Non-Medicare	\$0	\$3,900,000	\$0	\$0	\$0
Benefit Reductions/(Increase) - Managed Care Capitations	\$0	\$589,931	\$0	\$0	\$0
Benefit Reductions/(Increase) - Humana MAPD (calendar year)	\$0	\$2,799,570	\$1,300,430	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$850,000)	(\$550,000)	(\$200,000)	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$33,663)	(\$34,495)	(\$35,362)	(\$36,265)	(\$37,205)
Pay Go Premium Transfer	\$150,000,000	\$150,000,000	\$180,000,000	\$195,000,000	\$210,000,000
Actuarial Accrued Liability*	\$3,585,500,000	\$3,743,700,000	\$3,899,600,000	\$4,044,600,000	\$4,181,000,000
Funded Status	19.4%	19.3%	20.4%	21.4%	22.3%

*Projected Result

The \$3,900,000 of Retiree Non-Medicare benefit reductions in Fiscal Year 2016 is comprised of the following:

	<u>Included in 2016 Claim Cost</u>
Medical Claims	(\$2.2 M)
Drug Claims	(\$1.7 M)

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

	<u>Savings</u>
Increase Primary Care Office Visit copayment from \$15 to \$20 per visit	\$0.15 M
Increase Specialist Office Visit copayment from \$25 to \$40 per visit	\$0.52 M
Increase deductible by \$25 for single coverage and \$50 for family coverage	\$0.26 M
Increase outpatient surgery copay from \$50 to \$100	\$0.25 M
Increase emergency room copay to \$100 with no discount	\$0.07 M
Increase family out-of-pocket maximum for PEIA PPB Plans A and D to twice the employee only amount	\$0.84 M
Add \$100 copay per admission to existing deductible and 20% coinsurance for inpatient hospital care	\$0.15 M
Increase Generic Drug Copay for 30 day supply from \$5 to \$10 and for 90 day supply (maintenance only) from \$10 to \$20	\$1.27 M
Increase Preferred Brand Drug Copay for 30 day supply from \$15 to \$25 and for 90 day supply (maintenance only) from \$30 to \$50	\$0.42 M

The \$4,100,000 of Humana MAPD benefit reductions occurs in calendar year 2016, and can be translated to the following savings in FY 2016 and FY2017:

Fiscal Year 2016	\$2.8 M
Fiscal Year 2017	\$1.3 M

A detailed listing of the Medicare CY 2016 benefit reductions are comprised of the following:

	<u>Savings</u>
Increase copayment for office visits PCP/Specialist from \$10/\$20 to \$20/\$40	\$2.0 M
Increase Outpatient Surgery copayment by \$50 from \$50 to \$100	\$0.3 M
Increase deductible by \$75 per person from \$25 to \$100	\$1.8 M

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2015 and 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be approximately \$1,600,000, with \$850,000 in FY 2015.

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

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

It is anticipated that RHBT would accrue and pay these fees in FY 2014 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 \$177,000, with \$33,663 in FY 2015.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$2.1 million in FY 2015 to approximately \$2.8 million in FY 2019, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

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 2015 FORECAST

The financial forecast for FY 2015 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2015 projects accrued revenue of \$283,658,835 and incurred plan expenses of \$269,201,197 to produce a fiscal year surplus of \$4,597,635 after the Premium Stabilization Reserve drawdown of \$9,860,003. The PEIA local and state agencies Pay Go premiums for FY 2015 are assumed to be \$150,000,000.

FISCAL YEAR 2016 FORECAST

The financial forecast for FY 2016 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2016 projects accrued revenue of \$328,656,632 and incurred plan expenses of \$281,288,275 to produce a fiscal year surplus of \$26,516,448 after the Premium Stabilization Reserve drawdown of \$20,851,909. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$150,000,000.

FISCAL YEAR 2017 FORECAST

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$375,830,675 and incurred plan expenses of \$301,716,279 to produce a fiscal year surplus of \$72,623,996 after the Premium Stabilization Reserve drawdown of \$1,490,400. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$180,000,000.

FISCAL YEAR 2018 FORECAST

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$407,711,344 and incurred plan expenses of \$329,156,564 to produce a fiscal year surplus of \$70,685,359 after the Premium Stabilization Reserve drawdown of \$7,869,422. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$195,000,000.

FISCAL YEAR 2019 FORECAST

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$444,628,561 and incurred plan expenses of \$361,740,590 to produce a fiscal year surplus of \$65,550,522 after the Premium Stabilization Reserve drawdown of \$17,337,449. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$210,000,000.

LITIGATION

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

SUMMARY

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2019. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2014 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 2015**

PERIOD 7/1/2014 - 6/30/2015

	7/1/2014 to 12/31/2014	1/1/2015 to 6/30/2015	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	40,273,552	40,516,857	80,790,409
Retiree Premiums - MCO	1,108,422	1,095,467	2,203,889
Annual Required Contributions	61,776	61,776	123,552
Non Par Premiums	1,611,410	1,611,410	3,222,819
Life Insurance	11,500,263	11,500,263	23,000,525
Investment Income	7,228,819	7,228,819	14,457,638
Transfer from Premium Stabilization Reserve	4,868,428	4,991,575	9,860,003
Total Revenue	\$ 141,652,669	\$ 142,006,166	\$ 283,658,835
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 33,102,321	\$ 34,981,433	\$ 68,083,754
Non-Medicare Prescription Drug Claims	12,268,430	14,292,363	26,560,793
Medicare Medical Claims	2,064,214	1,041,201	3,105,415
Medicare Prescription Drug Claims	3,271,664	1,674,253	4,945,917
Non-Medicare Managed Care Capitations	2,256,726	2,256,726	4,513,452
Humana MAPD Program	64,193,492	67,403,167	131,596,659
Administration	2,267,137	2,267,137	4,534,273
Life Insurance	11,381,690	11,381,690	22,763,380
Retiree Assistance Program	1,033,644	1,033,644	2,067,288
ACA Reinsurance Contributions	500,000	350,000	850,000
ACA Comparative Effectiveness Research Fees	16,832	16,832	33,663
Director's Discretionary Fund	73,302	73,302	146,603
Total Expenses	\$ 132,429,451	\$ 136,771,746	\$ 269,201,197
Fiscal Year Results	\$ 9,223,218	\$ 5,234,420	\$ 14,457,638
Beginning Restricted Reserve			\$ 634,149,243
Ending Restricted Reserve			\$ 648,606,881
Beginning Premium Stabilization Reserve			\$ 57,409,182
PSR Addition/(Drawdown)			\$ (9,860,003)
Ending Premium Stabilization Reserve			\$ 47,549,179
Total Beginning Plan Reserve			\$ 691,558,426
Total Ending Plan Reserve			\$ 696,156,061
Accrued Actuarial Liability (AAL)			\$ 3,585,500,000
Funded Status			19.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.09	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 305.48	Non-Medicare	5.0%	8.0%
		Medicare	5.0%	8.0%
		Capitations		-6.6%
		Administrative Expense		2.8%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-7.2%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 89,001,612		\$ 89,001,612
Employer Premiums - PPB	7,795,126		7,795,126
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,750,821	-	35,750,821
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,646,299		1,646,299
Life Insurance	11,749,264		11,749,264
Investment Income	7,676,334		7,676,334
Transfer from Premium Stabilization Reserve	8,087,586		8,087,586
Total Revenue	\$ 161,707,042	\$ -	\$ 161,707,042
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,105,415	\$ -	\$ 3,105,415
Medicare Prescription Drug Claims	4,945,917	-	4,945,917
Humana MAPD Program	131,596,659		131,596,659
Administration	1,673,724		1,673,724
Life Insurance	11,628,124		11,628,124
Retiree Assistance Program	1,056,024		1,056,024
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,845		24,845
Director's Discretionary Fund	-		-
Total Expenses	\$ 154,030,708	\$ -	\$ 154,030,708
Fiscal Year Results	\$ 7,676,334		\$ 7,676,334
Beginning Restricted Reserve	\$ 324,621,385		\$ 324,621,385
Ending Restricted Reserve	<u>\$ 332,297,719</u>		<u>\$ 332,297,719</u>
Beginning Premium Stabilization Reserve	\$ 42,564,009		\$ 42,564,009
PSR Addition/(Drawdown)	\$ (8,087,586)		\$ (8,087,586)
Ending Premium Stabilization Reserve	<u>\$ 34,476,424</u>		<u>\$ 34,476,424</u>
Total Beginning Plan Reserve	367,185,394		367,185,394
Total Ending Plan Reserve	<u>\$ 366,774,142</u>		<u>\$ 366,774,142</u>
Accrued Actuarial Liability (AAL)	\$ 3,585,500,000		\$ 3,585,500,000
Funded Status	19.4%		19.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.09	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 228.46	Medicare	5.0%	8.0%
		Capitations		-6.6%
		Administrative Expense		2.8%
Number of Net New Retirees	700	Pay Go Monthly Premium		-7.2%

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

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST
FINANCIAL FORECAST
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 60,998,388		\$ 60,998,388
Employer Premiums - PPB	15,498,132		15,498,132
Employer Premiums - MCO	1,375,331		1,375,331
Retiree Premiums - PPB	21,746,331	-	21,746,331
Retiree Premiums - MCO	828,558	-	828,558
Annual Required Contributions	123,552		123,552
Non Par Premiums	1,576,519		1,576,519
Life Insurance	11,251,261		11,251,261
Investment Income	6,781,304		6,781,304
Transfer from Premium Stabilization Reserve	1,772,417		1,772,417
Total Revenue	\$ 121,951,793	\$ -	\$ 121,951,793
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,083,754	\$ -	\$ 68,083,754
Non-Medicare Prescription Drug Claims	26,560,793	-	26,560,793
Non-Medicare Managed Care Capitations	4,513,452		4,513,452
Administration	2,860,549		2,860,549
Life Insurance	11,135,256		11,135,256
Retiree Assistance Program	1,011,264		1,011,264
ACA Reinsurance Contributions	850,000		850,000
ACA Comparative Effectiveness Research Fees	8,818		8,818
Director's Discretionary Fund	146,603		146,603
Total Expenses	\$ 115,170,489	\$ -	\$ 115,170,489
Fiscal Year Results	\$ 6,781,304		\$ 6,781,304
Beginning Restricted Reserve	\$ 309,527,860		\$ 309,527,860
Ending Restricted Reserve	<u>\$ 316,309,164</u>		<u>\$ 316,309,164</u>
Beginning Premium Stabilization Reserve	\$ 14,845,173		\$ 14,845,173
PSR Addition/(Drawdown)	\$ (1,772,417)		\$ (1,772,417)
Ending Premium Stabilization Reserve	<u>\$ 13,072,756</u>		<u>\$ 13,072,756</u>
Total Beginning Plan Reserve	324,373,033		324,373,033
Total Ending Plan Reserve	<u>\$ 329,381,920</u>		<u>\$ 329,381,920</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.09	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 601.21	Non-Medicare	5.0%	8.0%
		Capitations		-6.6%
		Administrative Expense		2.8%
Number of Net New Retirees	300	Pay Go Monthly Premium		-7.2%

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

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

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

	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	40,230,312	40,721,088	80,951,400
Retiree Premiums - MCO	1,104,141	1,104,141	2,208,281
Annual Required Contributions	-	-	-
Non Par Premiums	1,563,067	1,563,067	3,126,134
Life Insurance	12,075,276	12,075,276	24,150,551
Investment Income	23,684,179	23,684,179	47,368,357
Transfer from Premium Stabilization Reserve	10,322,264	10,529,645	20,851,909
General Revenue Transfer	-	-	-
Total Revenue	\$ 163,979,237	\$ 164,677,395	\$ 328,656,632
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 32,272,098	\$ 34,104,080	\$ 66,376,178
Non-Medicare Prescription Drug Claims	11,924,531	13,891,730	25,816,261
Medicare Medical Claims	2,170,678	1,097,571	3,268,249
Medicare Prescription Drug Claims	3,538,561	1,815,130	5,353,691
Non-Medicare Managed Care Capitations	2,142,299	2,142,299	4,284,597
Humana MAPD Program	71,086,204	73,423,075	144,509,280
Administration	2,335,151	2,335,151	4,670,301
Life Insurance	11,950,775	11,950,775	23,901,549
Retiree Assistance Program	1,116,336	1,116,336	2,232,671
ACA Reinsurance Contributions	350,000	200,000	550,000
ACA Comparative Effectiveness Research Fees	17,247	17,247	34,495
Director's Discretionary Fund	145,502	145,502	291,003
Total Expenses	\$ 139,049,380	\$ 142,238,895	\$ 281,288,275
Fiscal Year Results	\$ 24,929,857	\$ 22,438,500	\$ 47,368,357
Beginning Restricted Reserve			\$ 648,606,881
Ending Restricted Reserve			\$ 695,975,238
Beginning Premium Stabilization Reserve			\$ 47,549,179
PSR Addition/(Drawdown)			\$ (20,851,909)
Ending Premium Stabilization Reserve			\$ 26,697,271
Total Beginning Plan Reserve			\$ 696,156,061
Total Ending Plan Reserve			\$ 722,672,509
Accrued Actuarial Liability (AAL)			\$ 3,743,700,000
Funded Status			19.3%

KEY ASSUMPTIONS

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 163.09			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 300.76	Non-Medicare	5.5%	8.5%
		Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 94,331,338		\$ 94,331,338
Employer Premiums - PPB	7,810,659		7,810,659
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,822,061	-	35,822,061
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,596,910		1,596,910
Life Insurance	12,336,727		12,336,727
Investment Income	24,956,313		24,956,313
Transfer from Premium Stabilization Reserve	16,333,260		16,333,260
General Revenue Transfer	-		-
Total Revenue	\$ 193,187,269	\$ -	\$ 193,187,269
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,268,249	\$ -	\$ 3,268,249
Medicare Prescription Drug Claims	5,353,691	-	5,353,691
Humana MAPD Program	147,308,850	(2,799,570)	144,509,280
Administration	1,723,936		1,723,936
Life Insurance	12,209,530		12,209,530
Retiree Assistance Program	1,140,506		1,140,506
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,765		25,765
Director's Discretionary Fund	-		-
Total Expenses	\$ 171,030,527	\$ (2,799,570)	\$ 168,230,957
Fiscal Year Results	\$ 22,156,742		\$ 24,956,312
Beginning Restricted Reserve	\$ 332,297,719		\$ 332,297,719
Ending Restricted Reserve	<u>\$ 354,454,461</u>		<u>\$ 357,254,031</u>
Beginning Premium Stabilization Reserve	\$ 34,476,424		\$ 34,476,424
PSR Addition/(Drawdown)	\$ (16,333,260)		\$ (16,333,260)
Ending Premium Stabilization Reserve	<u>\$ 18,143,163</u>		<u>\$ 18,143,163</u>
Total Beginning Plan Reserve	366,774,142		366,774,142
Total Ending Plan Reserve	<u>\$ 372,597,624</u>		<u>\$ 375,397,194</u>
Accrued Actuarial Liability (AAL)	\$ 3,743,700,000		\$ 3,743,700,000
Funded Status	19.1%		19.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.09	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 237.14	Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		0.0%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 55,668,662		\$ 55,668,662
Employer Premiums - PPB	15,529,015		15,529,015
Employer Premiums - MCO	1,378,072		1,378,072
Retiree Premiums - PPB	21,789,665	-	21,789,665
Retiree Premiums - MCO	830,209	-	830,209
Annual Required Contributions	-		-
Non Par Premiums	1,529,224		1,529,224
Life Insurance	11,813,824		11,813,824
Investment Income	22,412,044		22,412,044
Transfer from Premium Stabilization Reserve	4,518,648		4,518,648
General Revenue Transfer	-		-
Total Revenue	\$ 135,469,363	\$ -	\$ 135,469,363
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,576,178	\$ (2,200,000)	\$ 66,376,178
Non-Medicare Prescription Drug Claims	27,516,261	(1,699,999)	25,816,262
Non-Medicare Managed Care Capitations	4,874,528	(589,931)	4,284,597
Administration	2,946,366		2,946,366
Life Insurance	11,692,019		11,692,019
Retiree Assistance Program	1,092,165		1,092,165
ACA Reinsurance Contributions	550,000		550,000
ACA Comparative Effectiveness Research Fees	8,730		8,730
Director's Discretionary Fund	291,002		291,002
Total Expenses	\$ 117,547,249	\$ (4,489,930)	\$ 113,057,319
Fiscal Year Results	\$ 17,922,114		\$ 22,412,044
Beginning Restricted Reserve	\$ 316,309,164		\$ 316,309,164
Ending Restricted Reserve	<u>\$ 334,231,278</u>		<u>\$ 338,721,208</u>
Beginning Premium Stabilization Reserve	\$ 13,072,756		\$ 13,072,756
PSR Addition/(Drawdown)	\$ (4,518,648)		\$ (4,518,648)
Ending Premium Stabilization Reserve	<u>\$ 8,554,107</u>		<u>\$ 8,554,107</u>
Total Beginning Plan Reserve	329,381,920		329,381,920
Total Ending Plan Reserve	<u>\$ 342,785,385</u>		<u>\$ 347,275,315</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 163.09	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 551.43	Non-Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		0.0%

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

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

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

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	44,484,019	45,013,762	89,497,781
Retiree Premiums - MCO	1,168,835	1,168,835	2,337,669
Annual Required Contributions	-	-	-
Non Par Premiums	1,516,175	1,516,175	3,032,350
Life Insurance	12,679,040	12,679,040	25,358,079
Investment Income	22,057,198	22,057,198	44,114,396
Transfer from Premium Stabilization Reserve	738,699	751,701	1,490,400
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 187,643,965	\$ 188,186,710	\$ 375,830,675
Program Expenses			
Non-Medicare Medical Claims	\$ 32,651,417	\$ 34,504,932	\$ 67,156,349
Non-Medicare Prescription Drug Claims	12,405,457	14,451,995	26,857,452
Medicare Medical Claims	2,293,486	1,162,483	3,455,969
Medicare Prescription Drug Claims	3,844,926	1,976,937	5,821,863
Non-Medicare Managed Care Capitations	2,313,683	2,313,683	4,627,365
Humana MAPD Program	77,435,052	83,528,140	160,963,193
Administration	2,405,205	2,405,205	4,810,410
Life Insurance	12,548,313	12,548,313	25,096,626
Retiree Assistance Program	1,205,643	1,205,643	2,411,285
ACA Reinsurance Contributions	200,000	-	200,000
ACA Comparative Effectiveness Research Fees	17,681	17,681	35,362
Director's Discretionary Fund	140,203	140,203	280,405
Total Expenses	\$ 147,461,065	\$ 154,255,213	\$ 301,716,279
Fiscal Year Results	\$ 40,182,900	\$ 33,931,496	\$ 74,114,396
Beginning Restricted Reserve			\$ 695,975,238
Ending Restricted Reserve			\$ 770,089,634
Beginning Premium Stabilization Reserve			\$ 26,697,271
PSR Addition/(Drawdown)			\$ (1,490,400)
Ending Premium Stabilization Reserve			\$ 25,206,871
Total Beginning Plan Reserve			\$ 722,672,509
Total Ending Plan Reserve			\$ 795,296,505
Accrued Actuarial Liability (AAL)			\$ 3,899,600,000
Funded Status			20.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 195.71	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,315,968	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 352.36	Non-Medicare	6.0%	9.0%
		Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
Revenues			
WV PEIA Pay Go Premiums	\$ 117,672,595		\$ 117,672,595
Employer Premiums - PPB	7,839,007		7,839,007
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,952,072	5,097,284	41,049,356
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,549,003		1,549,003
Life Insurance	12,953,563		12,953,563
Investment Income	22,915,526		22,915,526
Transfer from Premium Stabilization Reserve	5,031,628		5,031,628
General Revenue Transfer	17,236,968		17,236,968
Total Revenue	\$ 221,150,362	\$ 5,097,284	\$ 226,247,646
Program Expenses			
Medicare Medical Claims	\$ 3,455,969	\$ -	\$ 3,455,969
Medicare Prescription Drug Claims	5,821,863	-	5,821,863
Humana MAPD Program	162,263,623	(1,300,430)	160,963,193
Administration	1,775,654		1,775,654
Life Insurance	12,820,007		12,820,007
Retiree Assistance Program	1,231,747		1,231,747
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	26,719		26,719
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,395,582	\$ (1,300,430)	\$ 186,095,152
Fiscal Year Results	\$ 33,754,781		\$ 40,152,494
Beginning Restricted Reserve	\$ 357,254,031		\$ 357,254,031
Ending Restricted Reserve	\$ 391,008,812		\$ 397,406,525
Beginning Premium Stabilization Reserve	\$ 18,143,163		\$ 18,143,163
PSR Addition/(Drawdown)	\$ (5,031,628)		\$ (5,031,628)
Ending Premium Stabilization Reserve	\$ 13,111,535		\$ 13,111,535
Total Beginning Plan Reserve	375,397,194		375,397,194
Total Ending Plan Reserve	\$ 404,120,347		\$ 410,518,060
Accrued Actuarial Liability (AAL)	\$ 3,899,600,000		\$ 3,899,600,000
Funded Status	20.1%		20.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 195.71	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 5,097,284	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 291.42	Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 62,327,405		\$ 62,327,405
Employer Premiums - PPB	15,608,156		15,608,156
Employer Premiums - MCO	1,385,095		1,385,095
Retiree Premiums - PPB	21,900,712	3,100,550	25,001,262
Retiree Premiums - MCO	834,440	118,134	952,574
Annual Required Contributions	-		-
Non Par Premiums	1,483,347		1,483,347
Life Insurance	12,404,516		12,404,516
Investment Income	21,198,870		21,198,870
Transfer from Premium Stabilization Reserve	(3,541,228)		(3,541,228)
General Revenue Transfer	12,763,032		12,763,032
Total Revenue	\$ 146,364,345	\$ 3,218,684	\$ 149,583,029
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 67,156,349	\$ -	\$ 67,156,349
Non-Medicare Prescription Drug Claims	26,857,452	-	26,857,452
Non-Medicare Managed Care Capitations	4,627,365		4,627,365
Administration	3,034,757		3,034,757
Life Insurance	12,276,620		12,276,620
Retiree Assistance Program	1,179,538		1,179,538
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	8,643		8,643
Director's Discretionary Fund	280,405		280,405
Total Expenses	\$ 115,621,129	\$ -	\$ 115,621,129
Fiscal Year Results	\$ 30,743,216		\$ 33,961,900
Beginning Restricted Reserve	\$ 338,721,208		\$ 338,721,208
Ending Restricted Reserve	<u>\$ 369,464,424</u>		<u>\$ 372,683,108</u>
Beginning Premium Stabilization Reserve	\$ 8,554,107		\$ 8,554,107
PSR Addition/(Drawdown)	\$ 3,541,228		\$ 3,541,228
Ending Premium Stabilization Reserve	<u>\$ 12,095,336</u>		<u>\$ 12,095,336</u>
Total Beginning Plan Reserve	347,275,315		347,275,315
Total Ending Plan Reserve	<u>\$ 381,559,759</u>		<u>\$ 384,778,443</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 195.71	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,218,684	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 582.16	Non-Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

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

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

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

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 97,500,000	\$ 97,500,000	\$ 195,000,000
Retiree Premiums - PPB	46,882,918	47,428,242	94,311,160
Retiree Premiums - MCO	1,204,310	1,204,310	2,408,619
Annual Required Contributions	-	-	-
Non Par Premiums	1,470,690	1,470,690	2,941,380
Life Insurance	13,312,992	13,312,992	26,625,983
Investment Income	24,277,390	24,277,390	48,554,780
Transfer from Premium Stabilization Reserve	3,905,437	3,963,985	7,869,422
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 203,553,736	\$ 204,157,608	\$ 407,711,344
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 33,191,417	\$ 35,075,586	\$ 68,267,003
Non-Medicare Prescription Drug Claims	12,965,126	15,103,993	28,069,119
Medicare Medical Claims	2,434,711	1,237,046	3,671,757
Medicare Prescription Drug Claims	4,197,042	2,163,053	6,360,095
Non-Medicare Managed Care Capitations	2,498,777	2,498,777	4,997,554
Humana MAPD Program	88,092,277	95,481,991	183,574,268
Administration	2,477,362	2,477,362	4,954,723
Life Insurance	13,175,729	13,175,729	26,351,458
Retiree Assistance Program	1,302,094	1,302,094	2,604,188
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	18,132	18,132	36,265
Director's Discretionary Fund	135,067	135,067	270,134
Total Expenses	\$ 160,487,735	\$ 168,668,829	\$ 329,156,564
Fiscal Year Results	\$ 43,066,001	\$ 35,488,779	\$ 78,554,780
Beginning Restricted Reserve			\$ 770,089,634
Ending Restricted Reserve			\$ 848,644,415
Beginning Premium Stabilization Reserve			\$ 25,206,871
PSR Addition/(Drawdown)			\$ (7,869,422)
Ending Premium Stabilization Reserve			\$ 17,337,449
Total Beginning Plan Reserve			\$ 795,296,505
Total Ending Plan Reserve			\$ 865,981,864
Accrued Actuarial Liability (AAL)			\$ 4,044,600,000
Funded Status			21.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 212.02	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,591,773	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 372.88	Non-Medicare	6.5%	9.5%
		Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 132,883,821		\$ 132,883,821
Employer Premiums - PPB	7,839,904		7,839,904
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	41,205,716	2,813,103	44,018,819
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,502,533		1,502,533
Life Insurance	13,601,241		13,601,241
Investment Income	25,063,123		25,063,123
Transfer from Premium Stabilization Reserve	10,407,727		10,407,727
General Revenue Transfer	17,771,292		17,771,292
Total Revenue	\$ 250,275,356	\$ 2,813,103	\$ 253,088,459
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,671,757	\$ -	\$ 3,671,757
Medicare Prescription Drug Claims	6,360,095	-	6,360,095
Humana MAPD Program	183,574,268		183,574,268
Administration	1,828,923		1,828,923
Life Insurance	13,461,007		13,461,007
Retiree Assistance Program	1,330,286		1,330,286
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	27,708		27,708
Director's Discretionary Fund	-		-
Total Expenses	\$ 210,254,044	\$ -	\$ 210,254,044
Fiscal Year Results	\$ 40,021,312		\$ 42,834,415
Beginning Restricted Reserve	\$ 397,406,525		\$ 397,406,525
Ending Restricted Reserve	<u>\$ 437,427,837</u>		<u>\$ 440,240,940</u>
Beginning Premium Stabilization Reserve	\$ 13,111,535		\$ 13,111,535
PSR Addition/(Drawdown)	\$ (10,407,727)		\$ (10,407,727)
Ending Premium Stabilization Reserve	<u>\$ 2,703,809</u>		<u>\$ 2,703,809</u>
Total Beginning Plan Reserve	410,518,060		410,518,060
Total Ending Plan Reserve	<u>\$ 440,131,646</u>		<u>\$ 442,944,749</u>
Accrued Actuarial Liability (AAL)	\$ 4,044,600,000		\$ 4,044,600,000
Funded Status	21.3%		21.4%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 212.02	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,813,103	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 324.28	Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

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

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

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

Non-Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 62,116,179		\$ 62,116,179
Employer Premiums - PPB	15,622,547		15,622,547
Employer Premiums - MCO	1,386,372		1,386,372
Retiree Premiums - PPB	25,116,503	1,713,388	26,829,891
Retiree Premiums - MCO	956,965	65,282	1,022,247
Annual Required Contributions	-		-
Non Par Premiums	1,438,847		1,438,847
Life Insurance	13,024,741		13,024,741
Investment Income	23,491,657		23,491,657
Transfer from Premium Stabilization Reserve	(2,538,305)		(2,538,305)
General Revenue Transfer	12,228,708		12,228,708
Total Revenue	\$ 152,844,215	\$ 1,778,670	\$ 154,622,885
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,267,003	\$ -	\$ 68,267,003
Non-Medicare Prescription Drug Claims	28,069,119	-	28,069,119
Non-Medicare Managed Care Capitations	4,997,554		4,997,554
Administration	3,125,799		3,125,799
Life Insurance	12,890,451		12,890,451
Retiree Assistance Program	1,273,901		1,273,901
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	8,557		8,557
Director's Discretionary Fund	270,134		270,134
Total Expenses	\$ 118,902,518	\$ -	\$ 118,902,518
Fiscal Year Results	\$ 33,941,697		\$ 35,720,367
Beginning Restricted Reserve	\$ 372,683,108		\$ 372,683,108
Ending Restricted Reserve	<u>\$ 406,624,805</u>		<u>\$ 408,403,475</u>
Beginning Premium Stabilization Reserve	\$ 12,095,336		\$ 12,095,336
PSR Addition/(Drawdown)	\$ 2,538,305		\$ 2,538,305
Ending Premium Stabilization Reserve	<u>\$ 14,633,640</u>		<u>\$ 14,633,640</u>
Total Beginning Plan Reserve	384,778,443		384,778,443
Total Ending Plan Reserve	<u>\$ 421,258,445</u>		<u>\$ 423,037,115</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 212.02	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,778,670	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 548.86	Non-Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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

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

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 105,000,000	\$ 105,000,000	\$ 210,000,000
Retiree Premiums - PPB	50,255,696	50,826,960	101,082,656
Retiree Premiums - MCO	1,255,033	1,255,033	2,510,065
Annual Required Contributions	-	-	-
Non Par Premiums	1,426,569	1,426,569	2,853,138
Life Insurance	13,978,641	13,978,641	27,957,282
Investment Income	26,443,985	26,443,985	52,887,971
Transfer from Premium Stabilization Reserve	8,615,903	8,721,546	17,337,449
General Revenue Transfer	15,000,000	15,000,000	30,000,000
Total Revenue	\$ 221,975,827	\$ 222,652,734	\$ 444,628,561
Program Expenses			
Non-Medicare Medical Claims	\$ 33,899,153	\$ 35,823,499	\$ 69,722,652
Non-Medicare Prescription Drug Claims	13,612,068	15,857,661	29,469,729
Medicare Medical Claims	2,596,808	1,322,576	3,919,384
Medicare Prescription Drug Claims	4,602,393	2,377,507	6,979,900
Non-Medicare Managed Care Capitations	2,698,679	2,698,679	5,397,358
Humana MAPD Program	100,699,309	109,669,950	210,369,259
Administration	2,551,682	2,551,682	5,103,364
Life Insurance	13,834,516	13,834,516	27,669,031
Retiree Assistance Program	1,406,262	1,406,262	2,812,523
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	18,603	18,603	37,205
Director's Discretionary Fund	130,093	130,093	260,185
Total Expenses	\$ 176,049,564	\$ 185,691,027	\$ 361,740,590
Fiscal Year Results	\$ 45,926,263	\$ 36,961,707	\$ 82,887,971
Beginning Restricted Reserve			\$ 848,644,415
Ending Restricted Reserve			\$ 931,532,385
Beginning Premium Stabilization Reserve			\$ 17,337,449
PSR Addition/(Drawdown)			\$ (17,337,449)
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			865,981,864
Total Ending Plan Reserve			\$ 931,532,385
Accrued Actuarial Liability (AAL)			\$ 4,181,000,000
Funded Status			22.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 6,523,461	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 392.47	Non-Medicare	7.0%	10.0%
		Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		7.7%

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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	\$ 148,645,228		\$ 148,645,228
Employer Premiums - PPB	7,853,475		7,853,475
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	44,177,020	3,995,395	48,172,415
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,457,457		1,457,457
Life Insurance	14,281,304		14,281,304
Investment Income	27,051,893		27,051,893
Transfer from Premium Stabilization Reserve	18,341,955		18,341,955
General Revenue Transfer	18,243,695		18,243,695
Total Revenue	\$ 280,052,027	\$ 3,995,395	\$ 284,047,422
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,919,384	\$ -	\$ 3,919,384
Medicare Prescription Drug Claims	6,979,900	-	6,979,900
Humana MAPD Program	210,369,259		210,369,259
Administration	1,883,791		1,883,791
Life Insurance	14,134,057		14,134,057
Retiree Assistance Program	1,436,709		1,436,709
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	28,734		28,734
Director's Discretionary Fund	-		-
Total Expenses	\$ 238,751,834	\$ -	\$ 238,751,834
Fiscal Year Results	\$ 41,300,193		\$ 45,295,588
Beginning Restricted Reserve	\$ 440,240,940		\$ 440,240,940
Ending Restricted Reserve	<u>\$ 481,541,133</u>		<u>\$ 485,536,528</u>
Beginning Premium Stabilization Reserve	\$ 2,703,809		\$ 2,703,809
PSR Addition/(Drawdown)	\$ (18,341,955)		\$ (18,341,955)
Ending Premium Stabilization Reserve	<u>\$ (15,638,147)</u>		<u>\$ (15,638,147)</u>
Total Beginning Plan Reserve	442,944,749		442,944,749
Total Ending Plan Reserve	<u>\$ 465,902,986</u>		<u>\$ 469,898,381</u>
Accrued Actuarial Liability (AAL)	\$ 4,181,000,000		\$ 4,181,000,000
Funded Status	22.1%		22.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 3,995,395	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 357.50	Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.7%

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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	\$ 61,354,772		\$ 61,354,772
Employer Premiums - PPB	15,666,372		15,666,372
Employer Premiums - MCO	1,390,261		1,390,261
Retiree Premiums - PPB	26,955,115	2,435,279	29,390,394
Retiree Premiums - MCO	1,027,018	92,787	1,119,805
Annual Required Contributions	-		-
Non Par Premiums	1,395,681		1,395,681
Life Insurance	13,675,978		13,675,978
Investment Income	25,836,078		25,836,078
Transfer from Premium Stabilization Reserve	(1,004,506)		(1,004,506)
General Revenue Transfer	11,756,305		11,756,305
Total Revenue	\$ 158,053,074	\$ 2,528,066	\$ 160,581,140
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 69,722,652	\$ -	\$ 69,722,652
Non-Medicare Prescription Drug Claims	29,469,729	-	29,469,729
Non-Medicare Managed Care Capitations	5,397,358		5,397,358
Administration	3,219,573		3,219,573
Life Insurance	13,534,973		13,534,973
Retiree Assistance Program	1,375,813		1,375,813
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	8,471		8,471
Director's Discretionary Fund	260,184		260,184
Total Expenses	\$ 122,988,753	\$ -	\$ 122,988,753
Fiscal Year Results	\$ 35,064,321		\$ 37,592,387
Beginning Restricted Reserve	\$ 408,403,475		\$ 408,403,475
Ending Restricted Reserve	<u>\$ 443,467,795</u>		<u>\$ 445,995,861</u>
Beginning Premium Stabilization Reserve	\$ 14,633,640		\$ 14,633,640
PSR Addition/(Drawdown)	\$ 1,004,506		\$ 1,004,506
Ending Premium Stabilization Reserve	<u>\$ 15,638,147</u>		<u>\$ 15,638,147</u>
Total Beginning Plan Reserve	423,037,115		423,037,115
Total Ending Plan Reserve	<u>\$ 459,105,942</u>		<u>\$ 461,634,008</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 228.33	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,528,065	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 514.33	Non-Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.7%

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**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2014 to FY 2015**

Fiscal Year 2014

Exposure

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
NonMed_NonDrug	20,496	21,096	20,990	20,884	20,694	20,458	20,555	20,477	20,291	20,088	19,861	19,738
Med_NonDrug	795	1,088	1,362	1,604	1,848	2,088	1,112	953	1,116	1,324	1,513	1,709
NonMed_Drug	18,995	19,550	19,452	19,354	19,177	18,959	19,050	18,975	18,801	18,615	18,404	18,291
Med_Drug	828	1,133	1,418	1,671	1,925	2,175	1,158	993	1,163	1,379	1,576	1,780

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
NonMed_NonDrug	\$225.91	\$226.33	\$234.13	\$247.47	\$276.47	\$227.30	\$288.31	\$252.12	\$256.07	\$285.25	\$259.95	\$279.15
Med_NonDrug	229.22	211.58	194.42	209.65	168.77	157.09	192.67	311.34	254.07	220.27	188.23	223.76
NonMed_Drug	88.47	104.86	105.48	120.47	108.23	125.20	123.75	107.72	120.35	127.81	124.42	139.30
Med_Drug	<u>170.07</u>	<u>227.01</u>	<u>185.41</u>	<u>220.60</u>	<u>207.19</u>	<u>261.08</u>	<u>145.68</u>	<u>224.94</u>	<u>226.30</u>	<u>225.48</u>	<u>223.81</u>	<u>250.20</u>
Total	\$713.67	\$769.79	\$719.43	\$798.18	\$760.66	\$770.65	\$750.40	\$896.11	\$856.79	\$858.81	\$796.41	\$892.41

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	21.5%	1.8%	8.4%	5.2%	9.1%	13.8%	0.4%	0.9%	8.1%	11.6%	8.1%	3.1%
Med_NonDrug	46.7%	27.6%	35.4%	14.2%	21.6%	36.1%	11.8%	89.5%	58.8%	44.2%	13.0%	104.3%
NonMed_Drug	9.0%	2.2%	8.3%	2.4%	-3.1%	8.9%	9.2%	1.4%	9.8%	9.6%	1.2%	12.8%
Med_Drug	<u>19.6%</u>	<u>27.0%</u>	<u>19.4%</u>	<u>-7.2%</u>	<u>5.6%</u>	<u>29.1%</u>	<u>-26.0%</u>	<u>39.7%</u>	<u>36.5%</u>	<u>30.4%</u>	<u>9.8%</u>	<u>33.6%</u>
Total	26.2%	15.0%	17.5%	3.1%	8.7%	21.9%	-2.5%	31.5%	27.4%	23.0%	8.5%	29.1%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug			10.0%			9.2%			2.9%			7.5%
Med_NonDrug			36.4%			22.3%			52.6%			47.4%
NonMed_Drug			6.3%			2.8%			6.9%			7.8%
Med_Drug			<u>22.3%</u>			<u>8.3%</u>			<u>14.0%</u>			<u>24.0%</u>
Total			19.3%			10.6%			17.9%			20.0%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			5.4%			7.3%			6.2%			7.2%
Med_NonDrug			17.9%			22.8%			33.3%			40.0%
NonMed_Drug			-7.7%			-6.1%			-0.4%			5.9%
Med_Drug			<u>3.2%</u>			<u>3.9%</u>			<u>10.4%</u>			<u>16.7%</u>
Total			5.1%			7.3%			12.1%			16.9%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2014 to FY 2015**

Fiscal Year 2015

Exposure

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>
NonMed_NonDrug	20,714	20,861	20,922	20,660	20,420	20,263	20,330	20,206	20,231	19,976	19,802
Med_NonDrug	2,065	2,361	2,604	2,863	3,108	3,371	848	1,048	1,248	1,437	1,631
NonMed_Drug	19,191	19,328	19,385	19,146	18,924	18,777	18,838	18,723	18,752	18,512	18,352
Med_Drug	2,151	2,459	2,712	2,982	3,238	3,512	883	1,092	1,300	1,497	1,699

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>
NonMed_NonDrug	\$232.58	\$217.95	\$251.00	\$305.47	\$237.54	\$267.61	\$272.52	\$234.68	\$279.58	\$298.76	\$268.88
Med_NonDrug	177.39	189.25	188.54	167.12	133.82	148.54	299.66	239.98	246.72	228.94	209.73
NonMed_Drug	95.11	116.42	117.57	118.54	116.83	131.60	127.54	118.37	127.51	126.44	128.54
Med_Drug	<u>219.02</u>	<u>232.96</u>	<u>247.77</u>	<u>231.31</u>	<u>217.42</u>	<u>262.07</u>	<u>252.06</u>	<u>228.79</u>	<u>247.97</u>	<u>241.77</u>	<u>241.54</u>
Total	\$724.09	\$756.58	\$804.87	\$822.44	\$705.61	\$809.82	\$951.77	\$821.82	\$901.78	\$895.91	\$848.68

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	3.0%	-3.7%	7.2%	23.4%	-14.1%	17.7%	-5.5%	-6.9%	9.2%	4.7%	3.4%
Med_NonDrug	-22.6%	-10.6%	-3.0%	-20.3%	-20.7%	-5.4%	55.5%	-22.9%	-2.9%	3.9%	11.4%
NonMed_Drug	7.5%	11.0%	11.5%	-1.6%	8.0%	5.1%	3.1%	9.9%	6.0%	-1.1%	3.3%
Med_Drug	<u>28.8%</u>	<u>2.6%</u>	<u>33.6%</u>	<u>4.9%</u>	<u>4.9%</u>	<u>0.4%</u>	<u>73.0%</u>	<u>1.7%</u>	<u>9.6%</u>	<u>7.2%</u>	<u>7.9%</u>
Total	1.5%	-1.7%	11.9%	3.0%	-7.2%	5.1%	26.8%	-8.3%	5.3%	4.3%	6.6%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug	2.2%	7.9%	-1.2%
Med_NonDrug	-12.6%	-16.1%	3.7%
NonMed_Drug	10.1%	3.7%	6.1%
Med_Drug	<u>20.1%</u>	<u>3.2%</u>	<u>22.1%</u>
Total	3.8%	0.4%	6.9%

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug	5.4%	5.2%	4.1%
Med_NonDrug	24.1%	14.3%	2.8%
NonMed_Drug	6.8%	7.0%	6.8%
Med_Drug	<u>16.4%</u>	<u>14.7%</u>	<u>16.7%</u>
Total	13.0%	10.2%	7.5%