

STATE OF WEST VIRGINIA



RETIREE HEALTH BENEFIT TRUST FUND

**Quarterly Report
March 31, 2017**

Fiscal Years 2017-2021

Report Date: June 2017

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

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

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

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

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. Continuing Care Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2018, 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 2021. 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 preliminary forecasts for fiscal years ending June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”), June 30, 2019 (“FY 2019”), June 30, 2020 (“FY 2020”) and June 30, 2021 (“FY 2021”). Our opinion of plan adequacy is based on the projections through FY 2021 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2016.

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

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

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2017 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 2017.

In FY 2017 the Pay-Go is equivalent to \$294 per retiree per month. In future years, the Pay Go premium may increase by a maximum of 3% per retiree per year, indexed to the initial fixed subsidy determined in FY 2013. The new Pay-Go premium formula is based on the financial plan approved by the Financial Board in December 2016.

Senate Bill 419, 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. 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 2017 through FY 2021 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 2021 as approved by the Board in December 2016.

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

Respectfully,



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



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

West Virginia Retiree Health Benefit Trust Fund

Report of Independent Actuary

Financial Plan for FY 2017 – FY 2021

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 May 2017 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 653 retirees from June 2016 to May 2017, approximating our current assumption. Continuing Care Actuaries has updated the claims analysis based on the enrollment through May 2017.

In aggregate, May 2017 enrollment has increased by 653 coverages since the end of FY 2016. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 661 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 8 coverages. For MAPD Capitations, the average 42,501 Medicare policyholders were used 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 2015, June 2016 and May 2017 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-15	Jun-16	May-17	Jun-15	Jun-16	May-17
Retirees	Medicare Single	19,018	19,698	20,135	-	-	-
	<u>Medicare Family</u>	<u>13,860</u>	<u>14,387</u>	<u>14,925</u>	-	-	-
	Medicare Total	32,878	34,085	35,060	-	-	-
	Non Medicare Single	3,462	3,245	3,174	149	135	139
	<u>Non Medicare Family</u>	<u>4,356</u>	<u>4,210</u>	<u>3,967</u>	<u>166</u>	<u>170</u>	<u>158</u>
	Non Medicare Total	7,818	7,455	7,141	315	305	297
	Retiree Total	40,696	41,540	42,201	315	305	297
Grand Total				41,011	41,845	42,498	

* The majority of PPB is capitated through Humana. As of May 2017, there are approximately 969 Medicare retiree coverages under PEIA.

B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA March 31, 2017 Quarterly Report”.

C. Trend Analysis

RHBT experienced higher medical and prescription drug trends in FY 2016, 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 FY2016 Detailed Medical and Prescription Drugs Claim Trend Report - November 2016”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have maintained the FY 2017 medical claim trend assumption at 7.0%, and we have increased the FY 2017 prescription drug claim trend assumption from 9.0% to 11.0%.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2017 Trend	Updated Assumption FY 2017 Trend
Non-Medicare – Medical	7.0%	7.0%
Medicare – Medical	7.0%	7.0%
Non-Medicare – Drugs	9.0%	11.0%
Medicare – Drugs	9.0%	11.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2018. 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 2017. 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	-11%	2%	11%	8%	3%
2017*	9%	0%	10%	29%	8%

* Fiscal Year 2017 results are through the first eleven months ending May 2017. It should be noted that Humana’s plan year starts in January 2014 in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible in 2014 and 2015.

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

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

D. Enrollment, Claim, Expense and Revenue Assumptions

Using aggregate PEIA and Trust Fund paid claim data through May 2017 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 2017 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2017 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	34,716			\$ 82**	\$ 214**	\$ 355
	Non-Medicare	7,477			\$ 699	\$ 276	
	Total	42,193	\$ -	\$ 163			
	Non-Medicare Managed Care	308	\$ -	\$ 585			\$ 1,182
	Total	42,501					

*Net of rebates and subsidies.

** As of May 2017, there are approximately 969 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 2016.

Board Decisions – December 2016
(Revised for plan performance)

Source	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021
Additional Non-Medicare Retiree Premium (Fiscal Year)	\$753,522	\$1,690,823	\$9,057,187	\$8,338,963	\$8,766,605
Additional Medicare Retiree Premium (Calendar Year)	\$3,411,270	\$1,948,620	\$18,869,601	\$19,381,482	\$26,956,679
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	\$5,000,000	\$5,000,000
Benefit Reductions and Savings / (Increase) - Retiree Non-Medicare	\$3,600,000	\$3,364,000	\$0	\$0	\$0
Benefit Reductions / (Increase) - Humana MAPD (Calendar Year)	\$32,086,988	\$7,303,303	\$0	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$200,004)	\$0	\$0	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$31,601)	(\$32,201)	(\$32,900)	\$0	\$0
Pay Go Premium Transfer	\$150,000,000	\$160,000,000	\$170,000,000	\$180,000,000	\$190,000,000
Actuarial Accrued Liability*	\$3,559,049,000	\$3,592,317,000	\$3,614,699,000	\$3,627,158,000	\$3,631,580,000
Funded Status	21.7%	23.8%	26.1%	28.6%	31.3%

*Projected Result

The \$3,364,000 of Retiree Non-Medicare benefit reductions and savings in Fiscal Year 2018 is comprised of the following:

	<u>2018 Claim Cost Savings</u>
Medical Claims	\$1.556 M
Drug Claims	\$1.808 M

A detailed list of the 2018 benefit reductions and savings for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Non-Medicare Savings</u>
Fee Schedules Payment Changes	\$0.240 M
Office Visits All PCP Copays \$20	\$0.096 M
Ded Increases \$100/200	\$0.970 M
<u>Plan A & B Changes</u>	<u>\$0.250 M</u>
Total Medical Benefit Reductions	\$1.556 M
Rx Mandatory Maintenance (90 Days)	\$1.760 M
<u>Rx Specialty Copay Increases</u>	<u>\$0.048 M</u>
Total Drugs Benefit Savings	\$1.808 M
Total Benefit Reductions and Savings	\$3.364 M

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

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be approximately \$200,004 in FY 2017.

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

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

It is anticipated that RHBT would accrue and pay these fees in FY 2016 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$97,000, with \$31,601 in FY 2017.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$1,998,000 in FY 2017 to approximately \$2,718,000 in FY 2021, 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 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 \$384,405,953 and incurred plan expenses of \$277,002,384 to produce a fiscal year surplus of \$87,964,234 after the Premium Stabilization Reserve drawdown of \$19,439,335. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$150,000,000.

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 \$361,203,421 and incurred plan expenses of \$279,979,452 to produce a fiscal year surplus of \$81,223,969 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$160,000,000.

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 \$399,350,821 and incurred plan expenses of \$311,120,875 to produce a fiscal year surplus of \$88,229,946 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$170,000,000.

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 \$446,525,332 and incurred plan expenses of \$351,641,811 to produce a fiscal year surplus of \$94,883,521 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2020 are assumed to be \$180,000,000.

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 \$499,086,002 and incurred plan expenses of \$399,674,603 to produce a fiscal year surplus of \$99,411,399 after the Premium Stabilization Reserve drawdown of \$0. The PEIA local and state agencies Pay Go premiums for FY 2021 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 2021. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2016 and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement; possible changes in methodology of managed care premium calculation; and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as Medicare and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

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

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

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

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	41,384,617	40,978,488	82,363,105
Retiree Premiums - MCO	1,113,475	1,047,516	2,160,991
Annual Required Contributions	32,537	32,537	65,073
Non Par Premiums	1,600,679	1,600,679	3,201,357
Life Insurance	11,447,020	11,447,020	22,894,040
Investment Income	34,641,026	34,641,026	69,282,052
Transfer from Premium Stabilization Reserve	9,724,930	9,714,406	19,439,335
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	\$ 192,444,283	\$ 191,961,670	\$ 384,405,953
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 30,493,969	\$ 32,225,012	\$ 62,718,981
Non-Medicare Prescription Drug Claims	11,447,283	13,335,750	24,783,033
Medicare Medical Claims	1,507,937	506,704	2,014,641
Medicare Prescription Drug Claims	4,060,507	1,390,817	5,451,324
Non-Medicare Managed Care Capitations	2,185,043	2,185,043	4,370,085
Humana MAPD Program	78,001,086	69,723,095	147,724,181
Administration	1,925,518	1,925,518	3,851,036
Life Insurance	11,282,202	11,282,202	22,564,404
Retiree Assistance Program	998,760	998,760	1,997,520
ACA Reinsurance Contributions	200,004	-	200,004
ACA Comparative Effectiveness Research Fees	15,801	15,801	31,601
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	30,933	30,933	61,866
Total Expenses	\$ 142,765,896	\$ 134,236,488	\$ 277,002,384
Fiscal Year Results	\$ 49,678,387	\$ 57,725,183	\$ 107,403,569
Beginning Restricted Reserve			\$ 666,155,862
Ending Restricted Reserve			<u>\$ 773,559,432</u>
Beginning Premium Stabilization Reserve			\$ 19,439,335
PSR Addition/(Drawdown)			\$ (19,439,335)
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			\$ 685,668,002
Total Ending Plan Reserve			<u>\$ 773,559,432</u>
Accrued Actuarial Liability (AAL)			\$ 3,559,049,000
Funded Status			21.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 166.22	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,828,275	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 294.11	Non-Medicare	7.0%	11.0%
		Medicare	7.0%	11.0%
		Capitations		4.2%
		Administrative Expense		-13.6%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 100,000,316		\$ 100,000,316
Employer Premiums - PPB	7,797,794	69,642	7,867,436
Employer Premiums - MCO	(26)	1,848	1,822
Retiree Premiums - PPB	37,295,056	2,002,578	39,297,634
Retiree Premiums - MCO	(10)	684	675
Annual Required Contributions	-		-
Non Par Premiums	1,730,543		1,730,543
Life Insurance	12,375,729		12,375,729
Investment Income	36,515,229		36,515,229
Transfer from Premium Stabilization Reserve	15,259,335		15,259,335
General Revenue Transfer (OPEB Funding)	17,833,982		17,833,982
General Revenue Transfer (Premium Offset)	2,972,330		2,972,330
Total Revenue	\$ 231,780,280	\$ 2,074,752	\$ 233,855,032
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,014,641	\$ -	\$ 2,014,641
Medicare Prescription Drug Claims	5,451,324	-	5,451,324
Humana MAPD Program	164,145,367	(16,421,186)	147,724,181
Administration	1,421,522		1,421,522
Life Insurance	12,197,539		12,197,539
Retiree Assistance Program	1,079,790		1,079,790
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,951		23,951
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
Total Expenses	\$ 187,001,034	\$ (16,421,186)	\$ 170,579,848
Fiscal Year Results	\$ 44,779,246		\$ 63,275,184
Beginning Restricted Reserve	\$ 338,884,373		\$ 338,884,373
Ending Restricted Reserve	<u>\$ 383,663,618</u>		<u>\$ 402,159,557</u>
Beginning Premium Stabilization Reserve	\$ 17,284,316		\$ 17,284,316
PSR Addition/(Drawdown)	\$ (15,259,335)		\$ (15,259,335)
Ending Premium Stabilization Reserve	<u>\$ 2,024,981</u>		<u>\$ 2,024,981</u>
Total Beginning Plan Reserve	356,206,511		356,206,511
Total Ending Plan Reserve	\$ 385,688,599		\$ 404,184,538
Accrued Actuarial Liability (AAL)	\$ 3,559,049,000		\$ 3,559,049,000
Funded Status	21.1%		21.7%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 166.22	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,074,752	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 240.05	Medicare	7.0%	11.0%
		Capitations		4.2%
		Administrative Expense		-13.6%
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	\$ 49,999,684		\$ 49,999,684
Employer Premiums - PPB	13,260,329	(12,523)	13,247,807
Employer Premiums - MCO	1,246,459	7,411	1,253,870
Retiree Premiums - PPB	21,224,336	725,892	21,950,228
Retiree Premiums - MCO	871,882	32,742	904,624
Annual Required Contributions	65,073		65,073
Non Par Premiums	1,470,814		1,470,814
Life Insurance	10,518,311		10,518,311
Investment Income	32,766,823		32,766,823
Transfer from Premium Stabilization Reserve	4,180,000		4,180,000
General Revenue Transfer (OPEB Funding)	12,166,018		12,166,018
General Revenue Transfer (Premium Offset)	2,027,670		2,027,670
Total Revenue	\$ 149,797,399	\$ 753,522	\$ 150,550,921
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 63,542,981	\$ (824,000)	\$ 62,718,981
Non-Medicare Prescription Drug Claims	27,559,033	(2,776,000)	24,783,033
Non-Medicare Managed Care Capitations	4,370,085		4,370,085
Administration	2,429,514		2,429,514
Life Insurance	10,366,865		10,366,865
Retiree Assistance Program	917,730		917,730
ACA Reinsurance Contributions	200,004		200,004
ACA Comparative Effectiveness Research Fees	7,650		7,650
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	61,866		61,866
Total Expenses	\$ 110,022,536	\$ (3,600,000)	\$ 106,422,536
Fiscal Year Results	\$ 39,774,863		\$ 44,128,385
Beginning Restricted Reserve	\$ 327,271,490		\$ 327,271,490
Ending Restricted Reserve	<u>\$ 367,046,353</u>		<u>\$ 371,399,875</u>
Beginning Premium Stabilization Reserve	\$ 2,155,019		\$ 2,155,019
PSR Addition/(Drawdown)	\$ (4,180,000)		\$ (4,180,000)
Ending Premium Stabilization Reserve	<u>\$ (2,024,981)</u>		<u>\$ (2,024,981)</u>
Total Beginning Plan Reserve	329,461,491		329,461,491
Total Ending Plan Reserve	\$ 365,021,372		\$ 369,374,894
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 166.22	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 753,522	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 535.21	Non-Medicare	7.0%	11.0%
		Capitations		4.2%
		Administrative Expense		-13.6%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

ARCHIVE: Maintained for historical reference only.

**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
Revenues			
WV PEIA Pay Go Premiums	\$ 80,000,000	\$ 80,000,000	\$ 160,000,000
Retiree Premiums - PPB	44,048,034	45,446,910	89,494,944
Retiree Premiums - MCO	1,177,491	1,177,491	2,354,982
Annual Required Contributions	-	-	-
Non Par Premiums	1,552,659	1,552,659	3,105,317
Life Insurance	12,019,371	12,019,371	24,038,742
Investment Income	23,604,718	23,604,718	47,209,436
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	\$ 179,902,272	\$ 181,301,149	\$ 361,203,421
Program Expenses			
Non-Medicare Medical Claims	\$ 30,687,319	\$ 32,429,338	\$ 63,116,657
Non-Medicare Prescription Drug Claims	11,416,134	13,299,463	24,715,597
Medicare Medical Claims	1,229,071	414,004	1,643,075
Medicare Prescription Drug Claims	3,433,144	1,178,691	4,611,835
Non-Medicare Managed Care Capitations	2,359,846	2,359,846	4,719,691
Humana MAPD Program	72,893,978	76,926,683	149,820,661
Administration	1,983,284	1,983,284	3,966,567
Life Insurance	11,846,312	11,846,312	23,692,624
Retiree Assistance Program	1,078,661	1,078,661	2,157,322
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,101	16,101	32,201
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	134,757	134,757	269,514
Total Expenses	\$ 137,695,460	\$ 142,283,993	\$ 279,979,452
Fiscal Year Results	\$ 42,206,813	\$ 39,017,156	\$ 81,223,969
Beginning Restricted Reserve			\$ 773,559,432
Ending Restricted Reserve			<u>\$ 854,783,400</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			\$ 773,559,432
Total Ending Plan Reserve			<u>\$ 854,783,400</u>
Accrued Actuarial Liability (AAL)			\$ 3,592,317,000
Funded Status			23.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.76	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 4,412,125	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 309.14	Non-Medicare	7.5%	11.5%
		Medicare	7.5%	11.5%
		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	\$ 107,388,012		\$ 107,388,012
Employer Premiums - PPB	8,018,731	470,344	8,489,075
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	38,375,851	2,250,959	40,626,810
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,678,627		1,678,627
Life Insurance	12,994,515		12,994,515
Investment Income	24,881,818		24,881,818
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	17,982,672		17,982,672
General Revenue Transfer (Premium Offset)	2,997,112		2,997,112
Total Revenue	\$ 214,317,338	\$ 2,721,302	\$ 217,038,641
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,643,075	\$ -	\$ 1,643,075
Medicare Prescription Drug Claims	4,611,835	-	4,611,835
Humana MAPD Program	166,220,859	(16,400,198)	149,820,661
Administration	1,464,168		1,464,168
Life Insurance	12,807,416		12,807,416
Retiree Assistance Program	1,166,174		1,166,174
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,077		25,077
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
Total Expenses	\$ 188,605,504	\$ (16,400,198)	\$ 172,205,306
Fiscal Year Results	\$ 25,711,834		\$ 44,833,335
Beginning Restricted Reserve	\$ 402,159,557		\$ 402,159,557
Ending Restricted Reserve	<u>\$ 427,871,391</u>		<u>\$ 446,992,892</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	404,184,538		404,184,538
Total Ending Plan Reserve	<u>\$ 427,871,391</u>		<u>\$ 446,992,892</u>
Accrued Actuarial Liability (AAL)	\$ 3,592,317,000		\$ 3,592,317,000
Funded Status	23.1%		23.8%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.76	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 2,721,302	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 252.99	Medicare	7.5%	11.5%
		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	\$ 52,611,988		\$ 52,611,988
Employer Premiums - PPB	14,908,022	614,153	15,522,175
Employer Premiums - MCO	1,330,631	54,817	1,385,448
Retiree Premiums - PPB	23,873,392	983,492	24,856,884
Retiree Premiums - MCO	931,173	38,361	969,534
Annual Required Contributions	-		-
Non Par Premiums	1,426,690		1,426,690
Life Insurance	11,044,227		11,044,227
Investment Income	22,327,618		22,327,618
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	12,017,328		12,017,328
General Revenue Transfer (Premium Offset)	2,002,888		2,002,888
Total Revenue	\$ 142,473,957	\$ 1,690,823	\$ 144,164,780
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 64,672,659	\$ (1,556,002)	\$ 63,116,657
Non-Medicare Prescription Drug Claims	26,523,598	(1,808,001)	24,715,597
Non-Medicare Managed Care Capitations	4,719,691		4,719,691
Administration	2,502,399		2,502,399
Life Insurance	10,885,208		10,885,208
Retiree Assistance Program	991,148		991,148
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,124		7,124
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	269,514		269,514
Total Expenses	\$ 111,138,149	\$ (3,364,003)	\$ 107,774,146
Fiscal Year Results	\$ 31,335,808		\$ 36,390,634
Beginning Restricted Reserve	\$ 371,399,875		\$ 371,399,875
Ending Restricted Reserve	<u>\$ 402,735,683</u>		<u>\$ 407,790,509</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	369,374,894		369,374,894
Total Ending Plan Reserve	<u>\$ 402,735,683</u>		<u>\$ 407,790,509</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 177.76	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 1,690,823	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 565.15	Non-Medicare	7.5%	11.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

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

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

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

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,000,000	\$ 85,000,000	\$ 170,000,000
Retiree Premiums - PPB	50,541,947	60,481,235	111,023,182
Retiree Premiums - MCO	1,452,192	1,452,192	2,904,384
Annual Required Contributions	-	-	-
Non Par Premiums	1,506,079	1,506,079	3,012,157
Life Insurance	12,620,340	12,620,340	25,240,679
Investment Income	26,085,210	26,085,210	52,170,420
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	\$ 194,705,767	\$ 204,645,054	\$ 399,350,821
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 33,403,567	\$ 35,299,779	\$ 68,703,346
Non-Medicare Prescription Drug Claims	12,888,005	15,014,150	27,902,155
Medicare Medical Claims	1,323,167	446,780	1,769,947
Medicare Prescription Drug Claims	3,833,318	1,319,159	5,152,477
Non-Medicare Managed Care Capitations	2,548,634	2,548,634	5,097,267
Humana MAPD Program	80,425,173	89,239,328	169,664,501
Administration	2,042,782	2,042,782	4,085,564
Life Insurance	12,438,628	12,438,628	24,877,255
Retiree Assistance Program	1,164,954	1,164,954	2,329,907
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,450	16,450	32,900
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	135,924	135,924	271,848
Total Expenses	\$ 150,837,455	\$ 160,283,421	\$ 311,120,875
Fiscal Year Results	\$ 43,868,313	\$ 44,361,633	\$ 88,229,946
Beginning Restricted Reserve			\$ 854,783,400
Ending Restricted Reserve			\$ 943,013,346
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ -
Total Beginning Plan Reserve			854,783,400
Total Ending Plan Reserve			\$ 943,013,346
Accrued Actuarial Liability (AAL)			\$ 3,614,699,000
Funded Status			26.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.60	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 19,387,240	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 320.97	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		6.3%

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**APPENDIX - BASELINE SCENARIO
RHBT - MEDICARE**

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

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

Medicare Retiree	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 116,327,631		\$ 116,327,631
Employer Premiums - PPB	8,506,290	1,785,422	10,291,712
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	40,709,200	8,544,631	49,253,830
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,628,268		1,628,268
Life Insurance	13,644,241		13,644,241
Investment Income	27,496,513		27,496,513
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,030,975		18,030,975
General Revenue Transfer (Premium Offset)	3,005,162		3,005,162
Total Revenue	\$ 229,348,281	\$ 10,330,053	\$ 239,678,334
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,769,947	\$ -	\$ 1,769,947
Medicare Prescription Drug Claims	5,152,477	-	5,152,477
Humana MAPD Program	169,664,501		169,664,501
Administration	1,508,093		1,508,093
Life Insurance	13,447,786		13,447,786
Retiree Assistance Program	1,259,468		1,259,468
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	25,948		25,948
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
Total Expenses	\$ 193,495,120	\$ -	\$ 193,495,120
Fiscal Year Results	\$ 35,853,161		\$ 46,183,214
Beginning Restricted Reserve	\$ 446,992,892		\$ 446,992,892
Ending Restricted Reserve	<u>\$ 482,846,052</u>		<u>\$ 493,176,105</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	446,992,892		446,992,892
Total Ending Plan Reserve	<u>\$ 482,846,052</u>		<u>\$ 493,176,105</u>
Accrued Actuarial Liability (AAL)	\$ 3,614,699,000		\$ 3,614,699,000
Funded Status	25.6%		26.1%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.60	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 10,330,053	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 270.23	Medicare	8.0%	12.0%
		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 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	\$ 53,672,369		\$ 53,672,369
Employer Premiums - PPB	16,492,857	3,295,740	19,788,597
Employer Premiums - MCO	1,424,090	284,574	1,708,664
Retiree Premiums - PPB	26,411,313	5,277,729	31,689,042
Retiree Premiums - MCO	996,576	199,144	1,195,720
Annual Required Contributions	-		-
Non Par Premiums	1,383,889		1,383,889
Life Insurance	11,596,438		11,596,438
Investment Income	24,673,907		24,673,907
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,969,025		11,969,025
General Revenue Transfer (Premium Offset)	1,994,838		1,994,838
Total Revenue	\$ 150,615,301	\$ 9,057,187	\$ 159,672,488
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 68,703,346	\$ -	\$ 68,703,346
Non-Medicare Prescription Drug Claims	27,902,155	-	27,902,155
Non-Medicare Managed Care Capitations	5,097,267		5,097,267
Administration	2,577,471		2,577,471
Life Insurance	11,429,469		11,429,469
Retiree Assistance Program	1,070,440		1,070,440
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	6,952		6,952
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	271,848		271,848
Total Expenses	\$ 117,625,756	\$ -	\$ 117,625,756
Fiscal Year Results	\$ 32,989,544		\$ 42,046,732
Beginning Restricted Reserve	\$ 407,790,509		\$ 407,790,509
Ending Restricted Reserve	<u>\$ 440,780,053</u>		<u>\$ 449,837,241</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	407,790,509		407,790,509
Total Ending Plan Reserve	<u>\$ 440,780,053</u>		<u>\$ 449,837,241</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 189.60	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 9,057,187	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 541.19	Non-Medicare	8.0%	12.0%
		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 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	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	65,433,135	75,690,844	141,123,979
Retiree Premiums - MCO	1,707,728	1,707,728	3,415,456
Annual Required Contributions	-	-	-
Non Par Premiums	1,460,896	1,460,896	2,921,792
Life Insurance	13,251,357	13,251,357	26,502,713
Investment Income	28,780,696	28,780,696	57,561,392
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	\$ 218,133,812	\$ 228,391,520	\$ 446,525,332
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 36,528,993	\$ 38,602,626	\$ 75,131,619
Non-Medicare Prescription Drug Claims	14,614,752	17,025,759	31,640,511
Medicare Medical Claims	1,431,083	484,385	1,915,468
Medicare Prescription Drug Claims	4,299,305	1,482,963	5,782,268
Non-Medicare Managed Care Capitations	2,752,524	2,752,524	5,505,048
Humana MAPD Program	93,297,775	104,015,667	197,313,442
Administration	2,104,066	2,104,066	4,208,131
Life Insurance	13,060,559	13,060,559	26,121,118
Retiree Assistance Program	1,258,150	1,258,150	2,516,300
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	137,099	137,099	274,198
Total Expenses	\$ 170,101,159	\$ 181,540,652	\$ 351,641,811
Fiscal Year Results	\$ 48,032,652	\$ 46,850,869	\$ 94,883,521
Beginning Restricted Reserve			\$ 943,013,346
Ending Restricted Reserve			<u>\$ 1,037,896,867</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			943,013,346
Total Ending Plan Reserve			<u>\$ 1,037,896,867</u>
Accrued Actuarial Liability (AAL)			\$ 3,627,158,000
Funded Status			28.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 201.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 27,425,852	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 332.27	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		5.9%

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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	\$ 127,670,496		\$ 127,670,496
Employer Premiums - PPB	10,294,503	3,298,933	13,593,436
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	49,267,185	15,787,956	65,055,141
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,579,420		1,579,420
Life Insurance	14,326,453		14,326,453
Investment Income	30,337,835		30,337,835
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,002,610		18,002,610
General Revenue Transfer (Premium Offset)	3,000,435		3,000,435
Total Revenue	\$ 254,478,937	\$ 19,086,889	\$ 273,565,826
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 1,915,468	\$ -	\$ 1,915,468
Medicare Prescription Drug Claims	5,782,268	-	5,782,268
Humana MAPD Program	197,313,442		197,313,442
Administration	1,553,336		1,553,336
Life Insurance	14,120,176		14,120,176
Retiree Assistance Program	1,360,225		1,360,225
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
Total Expenses	\$ 222,711,815	\$ -	\$ 222,711,815
Fiscal Year Results	\$ 31,767,122		\$ 50,854,011
Beginning Restricted Reserve	\$ 493,176,105		\$ 493,176,105
Ending Restricted Reserve	<u>\$ 524,943,227</u>		<u>\$ 544,030,116</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	493,176,105		493,176,105
Total Ending Plan Reserve	<u>\$ 524,943,227</u>		<u>\$ 544,030,116</u>
Accrued Actuarial Liability (AAL)	\$ 3,627,158,000		\$ 3,627,158,000
Funded Status	27.9%		28.6%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 201.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 19,086,889	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 292.51	Medicare	8.5%	12.5%
		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 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	\$ 52,329,504		\$ 52,329,504
Employer Premiums - PPB	20,976,833	3,039,431	24,016,264
Employer Premiums - MCO	1,755,035	254,295	2,009,330
Retiree Premiums - PPB	33,591,857	4,867,281	38,459,138
Retiree Premiums - MCO	1,228,170	177,955	1,406,125
Annual Required Contributions	-		-
Non Par Premiums	1,342,372		1,342,372
Life Insurance	12,176,260		12,176,260
Investment Income	27,223,558		27,223,558
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,997,390		11,997,390
General Revenue Transfer (Premium Offset)	1,999,565		1,999,565
Total Revenue	\$ 164,620,544	\$ 8,338,963	\$ 172,959,507
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 75,131,619	\$ -	\$ 75,131,619
Non-Medicare Prescription Drug Claims	31,640,511	-	31,640,511
Non-Medicare Managed Care Capitations	5,505,048		5,505,048
Administration	2,654,795		2,654,795
Life Insurance	12,000,942		12,000,942
Retiree Assistance Program	1,156,075		1,156,075
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	274,198		274,198
Total Expenses	\$ 128,929,996	\$ -	\$ 128,929,996
Fiscal Year Results	\$ 35,690,548		\$ 44,029,511
Beginning Restricted Reserve	\$ 449,837,241		\$ 449,837,241
Ending Restricted Reserve	<u>\$ 485,527,789</u>		<u>\$ 493,866,752</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	449,837,241		449,837,241
Total Ending Plan Reserve	<u>\$ 485,527,789</u>		<u>\$ 493,866,752</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 201.74	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,338,963	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 497.18	Non-Medicare	8.5%	12.5%
		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 2021**

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

	7/1/2020 to 12/31/2020	1/1/2021 to 6/30/2021	TRUST Total
Revenues			
WV PEIA Pay Go Premiums	\$ 95,000,000	\$ 95,000,000	\$ 190,000,000
Retiree Premiums - PPB	81,021,574	95,095,879	176,117,453
Retiree Premiums - MCO	1,972,146	1,972,146	3,944,292
Annual Required Contributions	-	-	-
Non Par Premiums	1,417,070	1,417,070	2,834,139
Life Insurance	13,913,925	13,913,925	27,827,849
Investment Income	31,681,134	31,681,134	63,362,269
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	\$ 242,505,848	\$ 256,580,154	\$ 499,086,002
Program Expenses			
Non-Medicare Medical Claims	\$ 40,131,394	\$ 42,409,524	\$ 82,540,918
Non-Medicare Prescription Drug Claims	16,646,682	19,392,898	36,039,580
Medicare Medical Claims	1,554,956	527,578	2,082,534
Medicare Prescription Drug Claims	4,843,437	1,674,522	6,517,959
Non-Medicare Managed Care Capitations	2,972,726	2,972,726	5,945,452
Humana MAPD Program	108,746,116	121,812,617	230,558,733
Administration	2,167,188	2,167,188	4,334,375
Life Insurance	13,713,587	13,713,587	27,427,174
Retiree Assistance Program	1,358,802	1,358,802	2,717,604
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	-	-	-
Computer Software Reserve	616,854	616,854	1,233,708
Director's Discretionary Fund	138,283	138,283	276,566
Total Expenses	\$ 192,890,025	\$ 206,784,577	\$ 399,674,603
Fiscal Year Results	\$ 49,615,823	\$ 49,795,576	\$ 99,411,399
Beginning Restricted Reserve			\$ 1,037,896,867
Ending Restricted Reserve			<u>\$ 1,137,308,267</u>
Beginning Premium Stabilization Reserve			\$ -
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			<u>\$ -</u>
Total Beginning Plan Reserve			1,037,896,867
Total Ending Plan Reserve			<u>\$ 1,137,308,267</u>
Accrued Actuarial Liability (AAL)			\$ 3,631,580,000
Funded Status			31.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 214.20	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 31,902,406	Eligibility	Medical	Drugs
Pay Go PEPM Subsidy for Retirees	\$ 343.08	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		5.6%

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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	\$ 137,866,592		\$ 137,866,592
Employer Premiums - PPB	13,597,306	3,998,738	17,596,043
Employer Premiums - MCO	-	-	-
Retiree Premiums - PPB	65,073,660	19,137,063	84,210,722
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-	-	-
Non Par Premiums	1,532,038		1,532,038
Life Insurance	15,042,775		15,042,775
Investment Income	33,395,197		33,395,197
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	18,411,706		18,411,706
General Revenue Transfer (Premium Offset)	3,068,618		3,068,618
Total Revenue	\$ 287,987,891	\$ 23,135,800	\$ 311,123,691
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 2,082,534	\$ -	\$ 2,082,534
Medicare Prescription Drug Claims	6,517,959	-	6,517,959
Humana MAPD Program	230,558,733		230,558,733
Administration	1,599,936		1,599,936
Life Insurance	14,826,185		14,826,185
Retiree Assistance Program	1,469,043		1,469,043
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	666,900		666,900
Director's Discretionary Fund	-		-
Total Expenses	\$ 257,721,290	\$ -	\$ 257,721,290
Fiscal Year Results	\$ 30,266,601		\$ 53,402,401
Beginning Restricted Reserve	\$ 544,030,116		\$ 544,030,116
Ending Restricted Reserve	<u>\$ 574,296,717</u>		<u>\$ 597,432,518</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	544,030,116		544,030,116
Total Ending Plan Reserve	<u>\$ 574,296,717</u>		<u>\$ 597,432,518</u>
Accrued Actuarial Liability (AAL)	\$ 3,631,580,000		\$ 3,631,580,000
Funded Status	30.4%		31.3%

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 214.20	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 23,135,800	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 311.58	Medicare	9.0%	13.0%
		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 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	\$ 52,133,408		\$ 52,133,408
Employer Premiums - PPB	25,365,758	3,200,126	28,565,884
Employer Premiums - MCO	2,060,497	259,951	2,320,448
Retiree Premiums - PPB	40,620,189	5,124,615	45,744,804
Retiree Premiums - MCO	1,441,932	181,913	1,623,845
Annual Required Contributions	-		-
Non Par Premiums	1,302,101		1,302,101
Life Insurance	12,785,073		12,785,073
Investment Income	29,967,072		29,967,072
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer (OPEB Funding)	11,588,294		11,588,294
General Revenue Transfer (Premium Offset)	1,931,382		1,931,382
Total Revenue	\$ 179,195,705	\$ 8,766,605	\$ 187,962,310
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 82,540,918	\$ -	\$ 82,540,918
Non-Medicare Prescription Drug Claims	36,039,580	-	36,039,580
Non-Medicare Managed Care Capitations	5,945,452		5,945,452
Administration	2,734,439		2,734,439
Life Insurance	12,600,989		12,600,989
Retiree Assistance Program	1,248,561		1,248,561
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	-		-
Computer Software Reserve	566,808		566,808
Director's Discretionary Fund	276,565		276,565
Total Expenses	\$ 141,953,312	\$ -	\$ 141,953,312
Fiscal Year Results	\$ 37,242,393		\$ 46,008,998
Beginning Restricted Reserve	\$ 493,866,752		\$ 493,866,752
Ending Restricted Reserve	<u>\$ 531,109,144</u>		<u>\$ 539,875,750</u>
Beginning Premium Stabilization Reserve	\$ -		\$ -
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ -</u>		<u>\$ -</u>
Total Beginning Plan Reserve	493,866,752		493,866,752
Total Ending Plan Reserve	<u>\$ 531,109,144</u>		<u>\$ 539,875,750</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

KEY ASSUMPTIONS

Pay Go Monthly Premium for Actives	\$ 214.20	Claim and Other Expense Trends		
Additional Retiree Premiums	\$ 8,766,605	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 468.29	Non-Medicare	9.0%	13.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		5.6%

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**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2016 to FY 2017**

Fiscal Year 2016

Exposure	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
NonMed_NonDrug	20,325	20,533	20,656	20,437	20,400	20,298	20,052	19,850	19,597	19,335	19,138	18,822
Med_NonDrug	2,284	2,575	2,604	3,099	3,317	3,558	782	1,055	1,269	1,530	1,728	1,740
NonMed_Drug	18,831	19,021	19,133	18,932	18,899	18,807	18,574	18,385	18,151	17,910	17,727	17,433
Med_Drug	2,379	2,682	2,712	3,228	3,455	3,707	815	1,099	1,322	1,593	1,800	1,812
	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>
NonMed_NonDrug	\$248.62	\$251.79	\$241.57	\$247.13	\$229.28	\$240.50	\$256.91	\$279.05	\$313.64	\$272.65	\$340.93	\$279.55
Med_NonDrug	191.34	177.32	156.14	153.69	137.53	134.18	228.88	218.78	199.62	151.67	191.91	199.72
NonMed_Drug	95.41	106.14	115.46	116.52	118.58	133.95	125.55	125.69	137.50	128.29	132.23	150.66
Med_Drug	<u>224.26</u>	<u>222.46</u>	<u>253.61</u>	<u>258.19</u>	<u>241.89</u>	<u>279.10</u>	<u>272.47</u>	<u>279.51</u>	<u>299.04</u>	<u>263.05</u>	<u>282.28</u>	<u>327.95</u>
Total	\$759.63	\$757.72	\$766.78	\$775.52	\$727.28	\$787.73	\$883.82	\$903.03	\$949.80	\$815.66	\$947.35	\$957.88
Change From Prior Year - Month to Month Analysis												
NonMed_NonDrug	7.0%	15.4%	-3.5%	-18.5%	-3.1%	-9.4%	-13.3%	19.1%	9.9%	-7.4%	11.8%	-15.9%
Med_NonDrug	6.7%	-7.9%	-18.8%	-18.6%	-4.5%	-14.1%	-19.8%	12.6%	-8.9%	-36.3%	-4.6%	-4.9%
NonMed_Drug	-0.1%	-9.3%	-2.3%	-2.2%	1.0%	1.3%	-2.0%	5.6%	7.0%	0.8%	3.2%	5.6%
Med_Drug	<u>1.9%</u>	<u>-5.0%</u>	<u>1.8%</u>	<u>11.0%</u>	<u>10.6%</u>	<u>5.8%</u>	<u>7.4%</u>	<u>22.5%</u>	<u>19.4%</u>	<u>8.0%</u>	<u>19.9%</u>	<u>31.5%</u>
Total	4.4%	-0.5%	-5.3%	-8.1%	1.5%	-3.7%	-8.3%	16.4%	7.5%	-9.7%	8.9%	2.5%
Change From Prior Year - Quarter to Quarter Analysis												
NonMed_NonDrug			5.8%			-11.0%			4.1%			-4.2%
Med_NonDrug			-7.0%			-13.0%			-7.4%			-16.3%
NonMed_Drug			-4.1%			0.1%			3.5%			3.3%
Med_Drug			<u>-0.4%</u>			<u>8.9%</u>			<u>16.2%</u>			<u>19.9%</u>
Total			-0.7%			-3.7%			4.3%			0.5%
Change From Prior Year - Year to Year Analysis												
NonMed_NonDrug			7.1%			2.4%			2.8%			-1.6%
Med_NonDrug			-4.2%			-5.0%			-6.4%			-10.9%
NonMed_Drug			2.1%			1.1%			0.4%			0.9%
Med_Drug			<u>6.9%</u>			<u>8.2%</u>			<u>7.2%</u>			<u>11.3%</u>
Total			3.4%			2.0%			1.5%			0.2%

**Attachment - Trust Fund
Historical Monthly Medical and Drug Trends
FY 2016 to FY 2017**

Fiscal Year 2017

Exposure

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>
NonMed_NonDrug	19,195	19,539	19,298	19,109	20,395	18,698	18,616	18,490	18,261	17,926	17,852
Med_NonDrug	2,446	2,722	3,004	3,226	3,446	3,656	523	753	924	1,164	1,314
NonMed_Drug	17,779	18,098	17,876	17,702	18,893	17,323	17,246	17,133	16,918	16,609	16,543
Med_Drug	2,548	2,835	3,129	3,360	3,589	3,808	545	784	962	1,212	1,369

	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Apr-17</u>	<u>May-17</u>
NonMed_NonDrug	\$211.60	\$259.04	\$233.77	\$276.48	\$246.91	\$197.29	\$275.31	\$304.82	\$316.96	\$290.55	\$312.40
Med_NonDrug	134.88	157.13	147.10	127.73	130.26	130.31	422.08	234.66	252.03	205.09	194.89
NonMed_Drug	106.72	133.05	125.84	139.68	132.92	143.74	149.09	137.66	161.78	153.31	150.60
Med_Drug	<u>233.42</u>	<u>286.66</u>	<u>270.61</u>	<u>277.28</u>	<u>293.13</u>	<u>308.51</u>	<u>257.63</u>	<u>260.42</u>	<u>316.07</u>	<u>294.95</u>	<u>325.05</u>
Total	\$686.62	\$835.88	\$777.32	\$821.17	\$803.21	\$779.84	\$1,104.11	\$937.57	\$1,046.84	\$943.90	\$982.95

Change From Prior Year - Month to Month Analysis

NonMed_NonDrug	-14.9%	2.9%	-3.2%	11.9%	7.7%	-18.0%	7.2%	9.2%	1.1%	6.6%	-8.4%
Med_NonDrug	-29.5%	-11.4%	-5.8%	-16.9%	-5.3%	-2.9%	84.4%	7.3%	26.3%	35.2%	1.6%
NonMed_Drug	11.9%	25.3%	9.0%	19.9%	12.1%	7.3%	18.7%	9.5%	17.7%	19.5%	13.9%
Med_Drug	<u>4.1%</u>	<u>28.9%</u>	<u>6.7%</u>	<u>7.4%</u>	<u>21.2%</u>	<u>10.5%</u>	<u>-5.4%</u>	<u>-6.8%</u>	<u>5.7%</u>	<u>12.1%</u>	<u>15.2%</u>
Total	-9.6%	10.3%	1.4%	5.9%	10.4%	-1.0%	24.9%	3.8%	10.2%	15.7%	3.8%

Change From Prior Year - Quarter to Quarter Analysis

NonMed_NonDrug		-5.1%				0.5%			5.6%		
Med_NonDrug			-16.3%			-8.7%			40.4%		
NonMed_Drug			15.3%			12.8%			15.4%		
Med_Drug			<u>12.9%</u>			<u>12.8%</u>			<u>-2.0%</u>		
Total			0.7%			5.0%			12.9%		

Change From Prior Year - Year to Year Analysis

NonMed_NonDrug			-4.0%			-1.2%			-0.8%		
Med_NonDrug			-13.0%			-12.2%			1.5%		
NonMed_Drug			5.1%			8.4%			11.5%		
Med_Drug			<u>14.5%</u>			<u>15.4%</u>			<u>10.4%</u>		
Total			0.5%			2.6%			4.9%		