

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Quarterly Report
December 31, 2025**

Fiscal Years 2026-2030

Report Date: March 2026

YOUR ACTUARIES FOR THE LONG-TERM!



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

Finance Board
West Virginia Public Employees Insurance Agency
601 57th St., SE, Suite 2
Charleston, West Virginia 25304-2345

Ladies and Gentlemen:

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

Continuing Care Actuaries has been retained by the West Virginia Public Employees Insurance Agency Finance Board (“Board”) to assist it as provided under Code of the West Virginia 1931 (“Code”), as amended. The Board has asked Continuing Care Actuaries to review the financial plan prepared and proposed by the Board in December 2025 for the fiscal year 2027 (“FY 2027”) and to provide quarterly financial reports for current FY 2026 and thereafter. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

Under the statutory Code provisions, it is the Board’s responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all insurance program and administrative costs of the West Virginia Public Employees Insurance Agency (“PEIA”). The Board is required to provide a financing plan in which the State Fund revenue costs are financed 80% by state employers and 20% by state employees in FY 2026 and in subsequent fiscal years. In subsequent fiscal years, future transfers of employer and employee funds may be needed to obtain the 80% and 20% split between employer and employee, depending on future enrollment and coverage elections by insureds.

The Board is also charged with the responsibility to review actual costs incurred, any revised cost estimates, expenditures, and other factors affecting the fiscal stability of the plan and to make any modifications to the plan necessary to insure that the total financial requirements of PEIA are met for the projection period. We have been asked to review the proposed financial plan, and as supported by our work, to render an actuarial opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of PEIA through FY 2030.

Continuing Care Actuaries has provided financial report for fiscal years ending June 30, 2026 (“FY 2026”), June 30, 2027 (“FY 2027”), June 30, 2028 (“FY 2028”), June 30, 2029 (“FY 2029”) and June 30, 2030 (“FY 2030”). Our opinion of plan adequacy is based on the projections through FY 2030 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2025. This forecast is prepared for the Public Employee Insurance Agency, and does not include actuarial projections for the West Virginia Retiree Health Benefit Trust Fund.

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 PEIA, 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 reductions can be found later in this report. In addition, some PEIA members became eligible for the West Virginia Children Health Insurance Plan effective in fiscal year 2016.

In FY 2026 the Pay-Go is equivalent to \$20 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 2025.

This report includes updated claim trend assumptions as recommended in the report titled, “PEIA FY2025 Detailed Medical and Prescription Drugs Claim Trend Report”. In the circumstances and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2026 through FY 2030 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of PEIA. In addition, we are forecasting that PEIA will meet the minimum 20% employee cost share requirement for state revenue in FY 2026 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2025.

The conclusion of long-term solvency for the program over the five-year forecast is based on significant revenue increases in employer and employee premiums in later fiscal years of the plan through FY 2030 as approved by the Board.

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 of the framework of the managed care options, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate of insurance program costs contains considerable uncertainty and variability, and actual experience may not conform to the assumptions used.

Respectfully,



Dave Bond, F.S.A., M.A.A.A.

Managing Partner



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

Principal

West Virginia Public Employees Insurance Agency

Report of Independent Actuary

Financial Plan for FY 2026 – FY 2030

OVERVIEW

This report analyzes revenues and expenses related to funding the health and life insurance benefits of active employees of the State 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 PEIA's third party administrators through February 2026 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from PEIA. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some of which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at the Board meetings, which has been used in arriving at our conclusions.

The Code of the State of West Virginia establishes the actuarial reporting requirements for PEIA on an incurred basis for medical claims and capitations and on an accrued basis for administrative expenses and revenue for a period not to exceed five years. At the request of the Board, the reporting basis is based upon the separation of employees into two funds: Active Local Employee Fund and State Employee Fund. The Active Local Fund represents local governmental agencies, county governmental agencies and other public entities. The State Fund represents active state employees, college and university employees and county boards of education employees. The Active Local Fund and the State Fund are allocated administrative costs based on each fund's proportionate total revenue levels.

KEY ASSUMPTIONS

A. Enrollment Changes

These projections include the assumption that Preferred Provider Benefit (“PPB”) and managed care enrollment will not change from March 2026 enrollment levels for the duration of these forecasts for active employees.

In aggregate, March 2026 enrollment for active employees has decreased by 221 coverages since the end of FY 2025. Aggregate PPB enrollment has decreased by 401 in total over the same period, while managed care enrollment experienced an increase of 180 coverages.

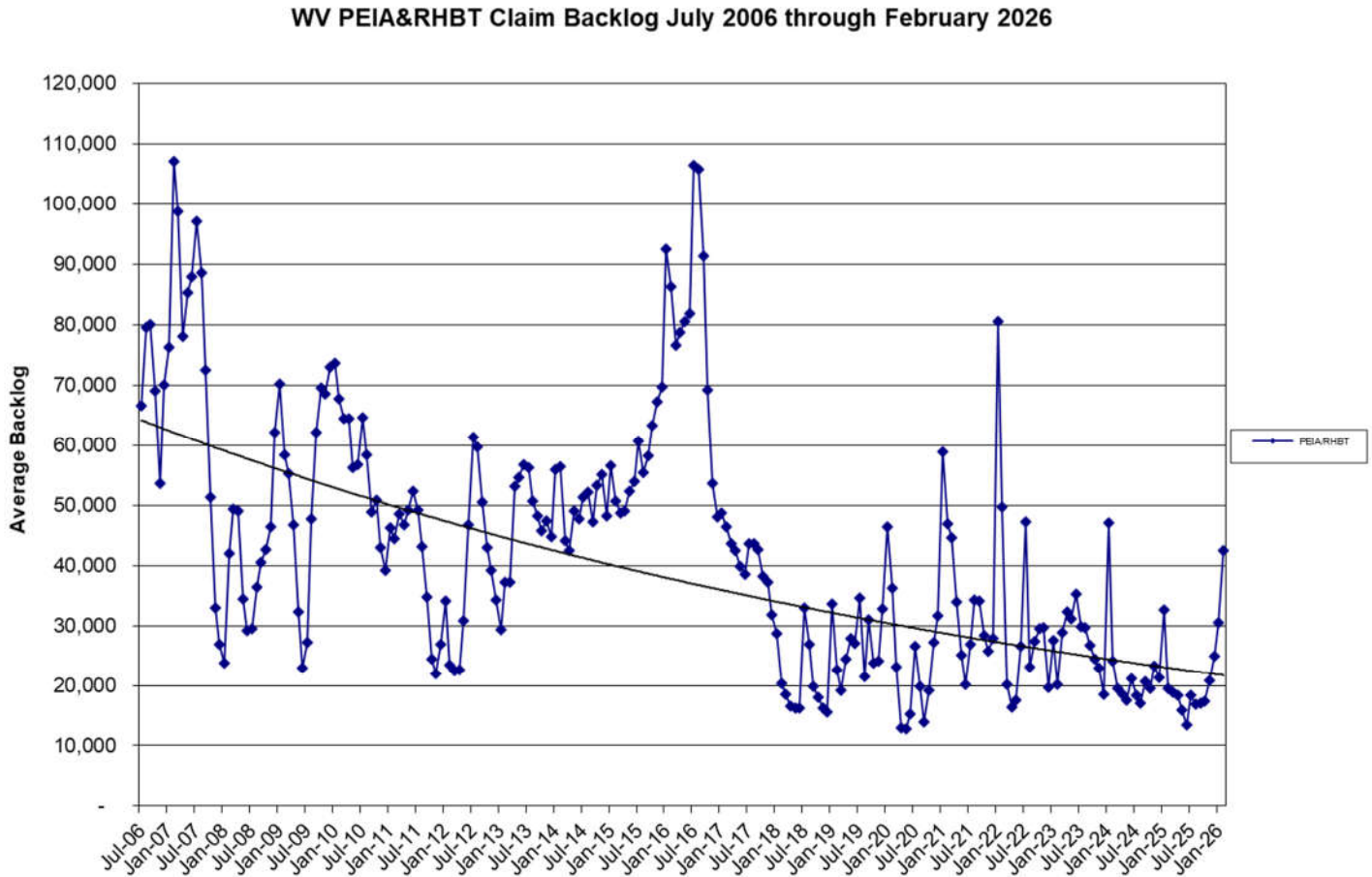
In the State Fund, the overall active State enrollment decreased by 186 coverages from the end of FY 2025 to March 2026. And in the Local Fund, the overall active Local enrollment decreased by 35 coverages from the end of FY 2025 to March 2026.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2024, June 2025, and March 2026 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-24	Jun-25	Mar-26	Jun-24	Jun-25	Mar-26
State Active	Single	23,055	23,689	24,750	2,681	2,711	2,958
	Children	7,357	7,810	8,935	935	990	1,115
	Family	23,161	21,967	19,417	2,329	2,186	1,992
	Total	53,573	53,466	53,102	5,945	5,887	6,065
Local Active	Single	6,977	7,123	7,166	461	467	462
	Children	1,312	1,343	1,378	108	110	115
	Family	6,020	5,994	5,879	188	166	168
	Total	14,309	14,460	14,423	757	743	745
Plan Total		67,882	67,926	67,525	6,702	6,630	6,810
Grand Total					74,584	74,556	74,335

B. Changes in Claim Backlog

It should be noted that on July 1, 2006, all retirees were transferred to the RHBT. The graph below has not been adjusted to reflect the smaller risk pool for the active plan. The graph illustrates that the duration of claim payments has been gradually declining for the self-insured block of non-Medicare coverages. Backlog has shown a negative trend since July 2006, with large fluctuations.



C. Trend Analysis

PEIA experienced a lower medical trend and a lower prescription drugs trend in FY 2025, and over the past few years, total trends have been beneficial to the plan. Continuing Care Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “PEIA FY2025 Detailed Medical and Prescription Drugs Claim Trend Report”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, the assumed FY 2026 medical claim trend is 5.5%, the gross prescription drugs claim trend is 12.0% and the prescription drugs rebate trend is 5.0%. In 2026, there were an additional rebate included in the projection to reflect the new PBM contract with ESI.

The current trend projection is shown in the following table:

Claim Type	Previous Assumption FY 2026 Trend	Updated Assumption FY 2026 Trend
Active Local – Medical	8.5%	5.5%
State – Medical	8.5%	5.5%
Active Local – Gross Drugs	15.5%	12.0%
State – Gross Drugs	15.5%	12.0%
Prescription Drugs Rebate	5.0%	5.0%

In the past, claim trends for the financial plan included a 0.5% margin for both the medical and drugs in future years. CCA has assumed the claim trends for the financial projection will increase by 0.5% for the medical and 0.75% for the drugs in FY 2027 and in each successive fiscal year. Additionally, drug rebates have been trending at approximately 9% over the last two years. As a result, CCA has separated net drugs in the financial plan into gross drugs and drug rebate amounts. Drug rebates trends are set at 5% in the financial plan.

At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends. In order to provide information on the impact of varying trend assumptions, two alternative trend scenarios were developed. The Optimistic Scenario incorporates trend assumptions 2.0% below the Baseline Scenario and the Pessimistic Scenario incorporates trend assumptions 2.0% above the Baseline Scenario.

The following chart summarizes the trend results observed for the plan using data through February 2026. 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 the 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.

PEIA Historical Trends (Active Local and State)

Fiscal Year	Active Local Medical	State Medical	Active Local Drugs	State Drugs	Total
2004	-1%	12%	9%	7%	9%
2005	16%	7%	7%	20%	11%
2006	1%	2%	18%	7%	3%
2007	15%	2%	13%	8%	5%
2008	3%	8%	-5%	-1%	4%
2009	-8%	3%	5%	4%	2%
2010	10%	1%	9%	9%	4%
2011	11%	8%	16%	15%	8%
2012	5%	5%	8%	6%	5%
2013	-3%	-3%	2%	6%	-3%
2014	8%	6%	9%	7%	7%
2015	6%	10%	14%	10%	10%
2016	9%	11%	12%	13%	12%
2017	6%	1%	11%	9%	4%
2018	0%	4%	16%	15%	7%
2019	8%	8%	15%	16%	10%
2020	-8%	0%	10%	15%	3%
2021	31%	17%	16%	13%	17%
2022	5%	9%	19%	18%	11%
2023	1%	5%	-1%	5%	4%
2024	14%	13%	25%	23%	17%
2025	9%	2%	9%	10%	6%
2026*	4%	-1%	3%	4%	2%

* Fiscal year 2026 results are through the first eight months ending February 2026.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through February 2026 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the State Fund and the Local 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 2026 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2026 Projection			Net Revenue Excluding Pay Go		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
State	PPB	53,091	\$1,018	\$258	\$740	\$344	
	<u>Managed Care</u>	<u>6,014</u>	\$1,035	\$257			\$1,066
	Total	59,105					
Local	PPB	14,458	\$1,111	\$0	\$720	\$301	
	<u>Managed Care</u>	<u>750</u>	\$1,139	\$0			\$809
	Total	15,208					

*Net of rebates and subsidies.

Projected plan revenues, administrative expenses, life insurance premiums, and the amount to be spent on wellness programs were provided by PEIA. Investment income is currently allocated to each fund based on average reserve levels for each fund. The following chart summarizes assumptions used in preparation of the attached forecasts.

Board Decisions – December 2025

Source	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030
Additional State Employer Revenue	\$92,900,000	\$22,300,000	\$25,000,000	\$50,000,000	\$60,000,000
Additional Local Agency Revenue	\$29,900,000	\$6,200,000	\$30,000,000	\$20,000,000	\$20,000,000
Additional Employee Premium	\$38,700,000	\$5,600,000	\$6,300,000	\$12,500,000	\$15,000,000
State Direct Transfers (State Budget Appropriations)	\$0	\$0	\$0	\$0	\$0
Benefit Reductions and Savings / (Increase) - Active State Medical	\$35,500,000	\$0	\$11,750,000	\$11,750,000	\$11,750,000
Benefit Reductions and Savings / (Increase) - Active State Drugs	\$13,700,000	\$0	\$4,540,000	\$4,540,000	\$4,540,000
Benefit Reductions and Savings / (Increase) - Active Local Medical	\$7,900,000	\$0	\$2,620,000	\$2,620,000	\$2,620,000
Benefit Reductions and Savings / (Increase) - Active Local Drugs	\$3,300,000	\$0	\$1,090,000	\$1,090,000	\$1,090,000
Pay Go Premium Transfer	\$10,220,664	\$55,000,000	\$65,000,000	\$75,000,000	\$85,000,000

Future fiscal year state revenue increases will require legislative appropriation. Additional local agency revenue represents premium increases to be charged to local agencies. Additional employee premiums represent employee premiums paid by active employees participating in the State Fund.

West Virginia Public Employees Insurance Agency Finance Board is projecting to implement approximately \$16.29M benefit reductions for the active state employees and \$3.71M benefit reductions for the active local employees in each fiscal year from FY 2028 through FY 2030.

In FY 2026, the ACA PCORI fee is approximately \$3.84 per person per year.

E. Provider Reimbursement Changes

Throughout the forecast, there are no assumed changes in provider reimbursement for physicians, hospitals, and pharmaceutical charges beyond the annual cost updates that PEIA has implemented historically.

FISCAL YEAR 2026 FORECAST

The financial forecast for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2026 projects accrued revenue of \$1,144,211,224 and incurred plan expenses of \$997,940,844 to produce a fiscal year surplus of \$146,270,380. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$10,220,664.

Under the Baseline Scenario, FY 2026 is projected to end with a Total Fund reserve (State and Local Reserves) of \$363,240,270 and projected plan expenditures of \$987,720,180. This represents 36.8% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$120,475,006. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario.

The State Fund in FY 2026 is projected to end with a reserve of \$327,568,985, which represents 41.1% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$96,936,796.

The Local Fund in FY 2026 is projected to end with a reserve of \$35,671,285, which represents 18.7% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$23,538,211.

FISCAL YEAR 2027 FORECAST

The financial forecast for FY 2027 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2027 projects accrued revenue of \$1,181,900,693 and incurred plan expenses of \$1,129,856,863 to produce a fiscal year surplus of \$52,043,830. The PEIA local and state agencies Pay Go premiums for FY 2027 are assumed to be \$55,000,000.

Under the Baseline Scenario, FY 2027 is projected to end with a Total Fund reserve (State and Local Reserves) of \$415,284,100 and projected plan expenditures of \$1,074,856,863. This represents 38.6% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$131,149,330. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$452,068,996 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$378,295,407.

The State Fund in FY 2027 is projected to end with a reserve of \$383,225,871, which represents 44.2% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$105,571,581.

The Local Fund in FY 2027 is projected to end with a reserve of \$32,058,229, which represents 15.4% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$25,577,749.

FISCAL YEAR 2028 FORECAST

The financial forecast for FY 2028 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2028 projects accrued revenue of \$1,245,952,263 and incurred plan expenses of \$1,222,052,509 to produce a fiscal year surplus of \$23,899,754. The PEIA local and state agencies Pay Go premiums for FY 2028 are assumed to be \$65,000,000.

Under the Baseline Scenario, FY 2028 is projected to end with a Total Fund reserve (State and Local Reserves) of \$439,183,854 and projected plan expenditures of \$1,157,052,509. This represents 38.0% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$141,164,992. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$528,517,830 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$348,236,942.

The State Fund in FY 2028 is projected to end with a reserve of \$398,334,967, which represents 42.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$113,666,700.

The Local Fund in FY 2028 is projected to end with a reserve of \$40,848,888, which represents 18.3% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$27,498,292.

FISCAL YEAR 2029 FORECAST

The financial forecast for FY 2029 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2029 projects accrued revenue of \$1,330,162,907 and incurred plan expenses of \$1,331,514,957 to produce a fiscal year deficit of (\$1,352,050). The PEIA local and state agencies Pay Go premiums for FY 2029 are assumed to be \$75,000,000.

Under the Baseline Scenario, FY 2029 is projected to end with a Total Fund reserve (State and Local Reserves) of \$437,831,804 and projected plan expenditures of \$1,256,514,957. This represents 34.8% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$153,289,836. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$607,652,640 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$262,785,830.

The State Fund in FY 2029 is projected to end with a reserve of \$388,496,797, which represents 38.3% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$123,474,885.

The Local Fund in FY 2029 is projected to end with a reserve of \$49,335,007, which represents 20.4% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$29,814,951.

FISCAL YEAR 2030 FORECAST

The financial forecast for FY 2030 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2030 projects accrued revenue of \$1,425,944,192 and incurred plan expenses of \$1,461,639,325 to produce a fiscal year deficit of (\$35,695,134). The PEIA local and state agencies Pay Go premiums for FY 2030 are assumed to be \$85,000,000.

Under the Baseline Scenario, FY 2030 is projected to end with a Total Fund reserve (State and Local Reserves) of \$402,136,671 and projected plan expenditures of \$1,376,639,325. This represents 29.2% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$167,937,844. This required reserve is comprised of 12.5% of self-insured claim expenses, and 10% of all other program expenses under the Baseline Scenario. Under the Optimistic Scenario, the ending Total Fund reserve is expected to increase to \$685,612,519 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$106,270,415.

The State Fund in FY 2030 is projected to end with a reserve of \$348,443,199, which represents 31.3% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$135,333,532.

The Local Fund in FY 2030 is projected to end with a reserve of \$53,693,471, which represents 20.3% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$32,604,311.

LITIGATION

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

SUMMARY

With projected changes to the plan as adopted by the PEIA Finance Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute in fiscal year 2026. Additionally, the plan will meet the minimum actuarial required reserve target in fiscal year 2026. We are currently projecting that the State reserve will meet the minimum actuarial reserve using the baseline assumptions; and the Local reserve will also meet the minimum actuarial reserve using the baseline assumptions. These projections are based on significant revenue increases as contained in the financial plan adopted by the Board in December 2025 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 universal health insurance initiatives 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
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2026**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 192,805,091	\$ 648,814,029	\$ 841,619,120
Employer Premiums - MCO	10,242,270	74,668,140	84,910,410
Employee Premiums - PPB	-	164,485,225	164,485,225
Employee Premiums - MCO	-	18,541,881	18,541,881
WV RHBT Pay Go Premiums	2,091,562	8,129,102	10,220,664
Life Insurance	432,484	1,900,806	2,333,291
Direct Transfers	-	-	-
Investment Income	1,978,728	13,473,622	15,452,350
Litigation Settlement	-	-	-
COBRA Premiums	248,685	1,092,993	1,341,678
Administrative Fees	811,320	4,495,284	5,306,605
Total Revenue	\$ 208,610,141	\$ 935,601,083	\$ 1,144,211,224
<u>Program Expenses</u>			
Medical Claims	\$ 124,850,907	\$ 471,133,424	\$ 595,984,331
Gross Prescription Drug Claims	75,830,622	322,572,647	398,403,269
Prescription Drug Rebates	(23,641,138)	(103,539,447)	(127,180,585)
Managed Care Capitations	7,283,589	76,945,702	84,229,291
Administration	5,717,715	25,129,849	30,847,564
Life Insurance	391,578	1,721,018	2,112,595
Wellness	335,712	1,475,483	1,811,195
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	120,160	479,840	600,000
Director's Discretionary Fund	186,291	726,229	912,520
WV RHBT Pay Go Premiums	2,091,562	8,129,102	10,220,664
Total Expenses	\$ 193,166,998	\$ 804,773,846	\$ 997,940,844
Fiscal Year Results	\$ 15,443,143	\$ 130,827,237	\$ 146,270,380
Beginning Plan Reserve	20,228,142	196,741,748	216,969,890
Minimum Actuarial Reserve Required	\$ 23,538,211	\$ 96,936,796	\$ 120,475,006
<u>Ending Premium Stabilization Reserve</u>	<u>12,133,074</u>	<u>230,632,189</u>	<u>242,765,264</u>
Ending Plan Reserve	\$ 35,671,285	\$ 327,568,985	\$ 363,240,270
Reserve as a Percent of Expenses			37%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 92,900,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 29,900,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 38,700,000	Active Local	5.5%	12.0%
Direct Transfers	\$ -	State	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.4%
		Administrative Expense		11.6%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2026

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 164,338,681	\$ 28,466,410	\$ 192,805,091
Employer Premiums - MCO	8,808,680	1,433,590	10,242,270
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,091,562		2,091,562
Life Insurance	432,484		432,484
Direct Transfers	-		-
Investment Income	1,978,728		1,978,728
Litigation Settlement	-		-
COBRA Premiums	248,685		248,685
Administrative Fees	811,320		811,320
Total Revenue	\$ 178,710,141	\$ 29,900,000	\$ 208,610,141
<u>Program Expenses</u>			
Medical Claims	\$ 124,850,907	\$ -	\$ 124,850,907
Gross Prescription Drug Claims	77,704,384	\$ (1,873,762)	75,830,622
Prescription Drug Rebates	(23,641,138)		(23,641,138)
Managed Care Capitations	7,283,589		7,283,589
Administration	5,717,715		5,717,715
Life Insurance	391,578		391,578
Wellness	335,712		335,712
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	120,160		120,160
Director's Discretionary Fund	186,291		186,291
WV RHBT Pay Go Premiums	2,091,562		2,091,562
Total Expenses	\$ 195,040,760	\$ (1,873,762)	\$ 193,166,998
Fiscal Year Results	\$ (16,330,619)		\$ 15,443,143
Beginning Plan Reserve	20,228,142		20,228,142
Minimum Actuarial Reserve Required	\$ 23,538,211	\$ -	\$ 23,538,211
<u>Ending Premium Stabilization Reserve</u>	<u>(19,640,688)</u>	<u>-</u>	<u>12,133,074</u>
Ending Plan Reserve	\$ 3,897,523		\$ 35,671,285
Reserve as a Percent of Expenses			19%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 29,900,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.4%
		Administrative Expense		11.6%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2026

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 565,205,275	\$ 83,608,755	\$ 648,814,029
Employer Premiums - MCO	65,376,895	9,291,245	74,668,140
Employee Premiums - PPB	129,700,623	34,784,602	164,485,225
Employee Premiums - MCO	14,626,483	3,915,398	18,541,881
WV RHBT Pay Go Premiums	8,129,102		8,129,102
Life Insurance	1,900,806		1,900,806
Direct Transfers	-		-
Investment Income	13,473,622		13,473,622
Litigation Settlement	-		-
COBRA Premiums	1,092,993		1,092,993
Administrative Fees	4,495,284		4,495,284
Total Revenue	\$ 804,001,083	\$ 131,600,000	\$ 935,601,083
<u>Program Expenses</u>			
Medical Claims	\$ 471,133,424	\$ -	\$ 471,133,424
Gross Prescription Drug Claims	330,577,022	\$ (8,004,375)	322,572,647
Prescription Drug Rebates	(103,539,447)		(103,539,447)
Managed Care Capitations	76,945,702		76,945,702
Administration	25,129,849		25,129,849
Life Insurance	1,721,018		1,721,018
Wellness	1,475,483		1,475,483
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	479,840		479,840
Director's Discretionary Fund	726,229		726,229
WV RHBT Pay Go Premiums	8,129,102		8,129,102
Total Expenses	\$ 812,778,221	\$ (8,004,375)	\$ 804,773,846
Fiscal Year Results	\$ (8,777,138)		\$ 130,827,237
Beginning Plan Reserve	196,741,748		196,741,748
Minimum Actuarial Reserve Required	\$ 96,936,796	\$ -	\$ 96,936,796
<u>Ending Premium Stabilization Reserve</u>	91,027,814	-	230,632,189
Ending Plan Reserve	\$ 187,964,610		\$ 327,568,985
Reserve as a Percent of Expenses			41%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 92,900,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 38,700,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.4%
		Administrative Expense		11.6%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2027**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 190,009,410	\$ 636,825,051	\$ 826,834,461
Employer Premiums - MCO	10,106,805	73,308,928	83,415,733
Employee Premiums - PPB	-	169,517,908	169,517,908
Employee Premiums - MCO	-	19,109,199	19,109,199
WV RHBT Pay Go Premiums	11,222,708	43,777,292	55,000,000
Life Insurance	454,109	1,995,847	2,449,955
Direct Transfers	-	-	-
Investment Income	2,325,041	16,613,046	18,938,087
Litigation Settlement	-	-	-
COBRA Premiums	245,095	1,083,651	1,328,746
Administrative Fees	811,320	4,495,284	5,306,605
Total Revenue	\$ 215,174,488	\$ 966,726,205	\$ 1,181,900,693
<u>Program Expenses</u>			
Medical Claims	\$ 132,058,667	\$ 498,338,795	\$ 630,397,462
Gross Prescription Drug Claims	85,243,660	362,621,008	447,864,668
Prescription Drug Rebates	(24,823,195)	(108,716,419)	(133,539,615)
Managed Care Capitations	7,939,112	83,870,815	91,809,927
Administration	5,889,246	25,883,745	31,772,991
Life Insurance	411,157	1,807,069	2,218,225
Wellness	349,140	1,534,502	1,883,642
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	125,581	500,748	626,329
Director's Discretionary Fund	371,468	1,451,765	1,823,233
WV RHBT Pay Go Premiums	11,222,708	43,777,292	55,000,000
Total Expenses	\$ 218,787,544	\$ 911,069,319	\$ 1,129,856,863
Fiscal Year Results	\$ (3,613,056)	\$ 55,656,886	\$ 52,043,830
Beginning Plan Reserve	35,671,285	327,568,985	363,240,270
Minimum Actuarial Reserve Required	\$ 25,577,749	\$ 105,571,581	\$ 131,149,330
<u>Ending Premium Stabilization Reserve</u>	6,480,481	277,654,290	284,134,770
Ending Plan Reserve	\$ 32,058,229	\$ 383,225,871	\$ 415,284,100
Reserve as a Percent of Expenses			39%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 22,300,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 6,200,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 5,600,000	Active Local	6.0%	12.8%
Direct Transfers	\$ -	State	6.0%	12.8%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2027**

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 184,122,082	\$ 5,887,328	\$ 190,009,410
Employer Premiums - MCO	9,794,133	312,672	10,106,805
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	11,222,708		11,222,708
Life Insurance	454,109		454,109
Direct Transfers	-		-
Investment Income	2,325,041		2,325,041
Litigation Settlement	-		-
COBRA Premiums	245,095		245,095
Administrative Fees	811,320		811,320
Total Revenue	\$ 208,974,488	\$ 6,200,000	\$ 215,174,488
<u>Program Expenses</u>			
Medical Claims	\$ 132,058,667	\$ -	\$ 132,058,667
Gross Prescription Drug Claims	85,243,660	\$ -	85,243,660
Prescription Drug Rebates	(24,823,195)		(24,823,195)
Managed Care Capitations	7,939,112		7,939,112
Administration	5,889,246		5,889,246
Life Insurance	411,157		411,157
Wellness	349,140		349,140
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	125,581		125,581
Director's Discretionary Fund	371,468		371,468
WV RHBT Pay Go Premiums	11,222,708		11,222,708
Total Expenses	\$ 218,787,544	\$ -	\$ 218,787,544
Fiscal Year Results	\$ (9,813,056)		\$ (3,613,056)
Beginning Plan Reserve	35,671,285		35,671,285
Minimum Actuarial Reserve Required	\$ 25,577,749	\$ -	\$ 25,577,749
<u>Ending Premium Stabilization Reserve</u>	<u>280,480</u>	<u>-</u>	<u>6,480,480</u>
Ending Plan Reserve	\$ 25,858,229		\$ 32,058,229
Reserve as a Percent of Expenses			15%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 6,200,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	6.0%	12.8%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2027

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 616,826,196	\$ 19,998,855	\$ 636,825,051
Employer Premiums - MCO	71,007,783	2,301,145	73,308,928
Employee Premiums - PPB	164,485,225	5,032,682	169,517,908
Employee Premiums - MCO	18,541,881	567,318	19,109,199
WV RHBT Pay Go Premiums	43,777,292		43,777,292
Life Insurance	1,995,847		1,995,847
Direct Transfers	-		-
Investment Income	16,613,046		16,613,046
Litigation Settlement	-		-
COBRA Premiums	1,083,651		1,083,651
Administrative Fees	4,495,284		4,495,284
Total Revenue	\$ 938,826,205	\$ 27,900,000	\$ 966,726,205
<u>Program Expenses</u>			
Medical Claims	\$ 498,338,795	\$ -	\$ 498,338,795
Gross Prescription Drug Claims	362,621,008	\$ -	362,621,008
Prescription Drug Rebates	(108,716,419)		(108,716,419)
Managed Care Capitations	83,870,815		83,870,815
Administration	25,883,745		25,883,745
Life Insurance	1,807,069		1,807,069
Wellness	1,534,502		1,534,502
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	500,748		500,748
Director's Discretionary Fund	1,451,765		1,451,765
WV RHBT Pay Go Premiums	43,777,292		43,777,292
Total Expenses	\$ 911,069,319	\$ -	\$ 911,069,319
Fiscal Year Results	\$ 27,756,886		\$ 55,656,886
Beginning Plan Reserve	327,568,985		327,568,985
Minimum Actuarial Reserve Required	\$ 105,571,581	\$ -	\$ 105,571,581
<u>Ending Premium Stabilization Reserve</u>	<u>249,754,290</u>	<u>-</u>	<u>277,654,290</u>
Ending Plan Reserve	\$ 355,325,871		\$ 383,225,871
Reserve as a Percent of Expenses			44%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 22,300,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 5,600,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	6.0%	12.8%
		Prescription Drug Rebates		5.0%
		Capitations		9.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2028**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 216,556,211	\$ 652,101,685	\$ 868,657,896
Employer Premiums - MCO	11,519,512	75,072,786	86,592,298
Employee Premiums - PPB	-	175,179,675	175,179,675
Employee Premiums - MCO	-	19,747,431	19,747,431
WV RHBT Pay Go Premiums	13,263,200	51,736,800	65,000,000
Life Insurance	476,814	2,095,639	2,572,453
Direct Transfers	-	-	-
Investment Income	2,278,924	19,225,849	21,504,772
Litigation Settlement	-	-	-
COBRA Premiums	279,339	1,111,793	1,391,132
Administrative Fees	811,320	4,495,284	5,306,605
Total Revenue	\$ 245,185,320	\$ 1,000,766,942	\$ 1,245,952,263
<u>Program Expenses</u>			
Medical Claims	\$ 137,723,091	\$ 517,857,810	\$ 655,580,901
Gross Prescription Drug Claims	95,374,845	405,822,675	501,197,520
Prescription Drug Rebates	(26,064,355)	(114,152,240)	(140,216,595)
Managed Care Capitations	8,733,023	92,257,897	100,990,920
Administration	6,065,924	26,660,257	32,726,181
Life Insurance	431,714	1,897,422	2,329,136
Wellness	363,106	1,595,882	1,958,988
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	131,860	525,785	657,645
Director's Discretionary Fund	372,253	1,455,559	1,827,813
WV RHBT Pay Go Premiums	13,263,200	51,736,800	65,000,000
Total Expenses	\$ 236,394,662	\$ 985,657,847	\$ 1,222,052,509
Fiscal Year Results	\$ 8,790,659	\$ 15,109,095	\$ 23,899,754
Beginning Plan Reserve	32,058,229	383,225,871	415,284,100
Minimum Actuarial Reserve Required	\$ 27,498,292	\$ 113,666,700	\$ 141,164,992
<u>Ending Premium Stabilization Reserve</u>	<u>13,350,596</u>	<u>284,668,267</u>	<u>298,018,862</u>
Ending Plan Reserve	\$ 40,848,888	\$ 398,334,967	\$ 439,183,854
Reserve as a Percent of Expenses			38%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 25,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 30,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 6,300,000	Active Local	6.5%	13.5%
Direct Transfers	\$ -	State	6.5%	13.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2028

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 188,069,140	\$ 28,487,071	\$ 216,556,211
Employer Premiums - MCO	10,006,583	1,512,929	11,519,512
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	13,263,200		13,263,200
Life Insurance	476,814		476,814
Direct Transfers	-		-
Investment Income	2,278,924		2,278,924
Litigation Settlement	-		-
COBRA Premiums	279,339		279,339
Administrative Fees	811,320		811,320
Total Revenue	\$ 215,185,320	\$ 30,000,000	\$ 245,185,320
<u>Program Expenses</u>			
Medical Claims	\$ 140,343,091	\$ (2,620,000)	\$ 137,723,091
Gross Prescription Drug Claims	96,464,845	\$ (1,090,000)	95,374,845
Prescription Drug Rebates	(26,064,355)		(26,064,355)
Managed Care Capitations	8,733,023		8,733,023
Administration	6,065,924		6,065,924
Life Insurance	431,714		431,714
Wellness	363,106		363,106
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	131,860		131,860
Director's Discretionary Fund	372,253		372,253
WV RHBT Pay Go Premiums	13,263,200		13,263,200
Total Expenses	\$ 240,104,662	\$ (3,710,000)	\$ 236,394,662
Fiscal Year Results	\$ (24,919,341)		\$ 8,790,659
Beginning Plan Reserve	32,058,229		32,058,229
Minimum Actuarial Reserve Required	\$ 27,498,292	\$ -	\$ 27,498,292
<u>Ending Premium Stabilization Reserve</u>	<u>(20,359,404)</u>	<u>-</u>	<u>13,350,596</u>
Ending Plan Reserve	\$ 7,138,888		\$ 40,848,888
Reserve as a Percent of Expenses			18%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 30,000,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		Local	6.5%
			<u>Gross Drugs</u>
			5.0%
			10.0%
			3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2028

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 629,681,444	\$ 22,420,241	\$ 652,101,685
Employer Premiums - MCO	72,493,027	2,579,759	75,072,786
Employee Premiums - PPB	169,517,908	5,661,767	175,179,675
Employee Premiums - MCO	19,109,199	638,233	19,747,431
WV RHBT Pay Go Premiums	51,736,800		51,736,800
Life Insurance	2,095,639		2,095,639
Direct Transfers	-		-
Investment Income	19,225,849		19,225,849
Litigation Settlement	-		-
COBRA Premiums	1,111,793		1,111,793
Administrative Fees	4,495,284		4,495,284
Total Revenue	\$ 969,466,942	\$ 31,300,000	\$ 1,000,766,942
<u>Program Expenses</u>			
Medical Claims	\$ 529,607,810	\$ (11,750,000)	\$ 517,857,810
Gross Prescription Drug Claims	410,362,675	\$ (4,540,000)	405,822,675
Prescription Drug Rebates	(114,152,240)		(114,152,240)
Managed Care Capitations	92,257,897		92,257,897
Administration	26,660,257		26,660,257
Life Insurance	1,897,422		1,897,422
Wellness	1,595,882		1,595,882
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	525,785		525,785
Director's Discretionary Fund	1,455,559		1,455,559
WV RHBT Pay Go Premiums	51,736,800		51,736,800
Total Expenses	\$ 1,001,947,847	\$ (16,290,000)	\$ 985,657,847
Fiscal Year Results	\$ (32,480,905)		\$ 15,109,095
Beginning Plan Reserve	383,225,871		383,225,871
Minimum Actuarial Reserve Required	\$ 113,666,700	\$ -	\$ 113,666,700
<u>Ending Premium Stabilization Reserve</u>	<u>237,078,267</u>	<u>-</u>	<u>284,668,267</u>
Ending Plan Reserve	\$ 350,744,967		\$ 398,334,967
Reserve as a Percent of Expenses			43%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 25,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 6,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	6.5%	13.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029**

PERIOD 7/1/2028 - 6/30/2029

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 233,607,321	\$ 689,798,560	\$ 923,405,881
Employer Premiums - MCO	12,427,909	79,416,404	91,844,313
Employee Premiums - PPB	-	186,413,341	186,413,341
Employee Premiums - MCO	-	21,013,766	21,013,766
WV RHBT Pay Go Premiums	15,303,693	59,696,307	75,000,000
Life Insurance	500,655	2,200,421	2,701,076
Direct Transfers	-	-	-
Investment Income	2,739,376	20,259,662	22,999,037
Litigation Settlement	-	-	-
COBRA Premiums	301,335	1,177,553	1,478,889
Administrative Fees	811,320	4,495,284	5,306,605
Total Revenue	\$ 265,691,609	\$ 1,064,471,298	\$ 1,330,162,907
<u>Program Expenses</u>			
Medical Claims	\$ 144,431,746	\$ 541,191,885	\$ 685,623,631
Gross Prescription Drug Claims	107,555,371	457,757,517	565,312,889
Prescription Drug Rebates	(27,367,573)	(119,859,852)	(147,227,425)
Managed Care Capitations	9,693,656	102,406,265	112,099,921
Administration	6,247,902	27,460,065	33,707,966
Life Insurance	453,300	1,992,293	2,445,593
Wellness	377,630	1,659,717	2,037,348
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	138,453	552,075	690,527
Director's Discretionary Fund	371,311	1,453,195	1,824,506
WV RHBT Pay Go Premiums	15,303,693	59,696,307	75,000,000
Total Expenses	\$ 257,205,489	\$ 1,074,309,467	\$ 1,331,514,957
Fiscal Year Results	\$ 8,486,120	\$ (9,838,170)	\$ (1,352,050)
Beginning Plan Reserve	40,848,888	398,334,967	439,183,854
Minimum Actuarial Reserve Required	\$ 29,814,951	\$ 123,474,885	\$ 153,289,836
<u>Ending Premium Stabilization Reserve</u>	<u>19,520,056</u>	<u>265,021,912</u>	<u>284,541,969</u>
Ending Plan Reserve	\$ 49,335,007	\$ 388,496,797	\$ 437,831,804
Reserve as a Percent of Expenses			35%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 50,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 12,500,000	Active Local	7.0%	14.3%
Direct Transfers	\$ -	State	7.0%	14.3%
		Prescription Drug Rebates		5.0%
		Capitations		11.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029

PERIOD 7/1/2028 - 6/30/2029

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 214,615,940	\$ 18,991,381	\$ 233,607,321
Employer Premiums - MCO	11,419,290	1,008,619	12,427,909
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	15,303,693		15,303,693
Life Insurance	500,655		500,655
Direct Transfers	-		-
Investment Income	2,739,376		2,739,376
Litigation Settlement	-		-
COBRA Premiums	301,335		301,335
Administrative Fees	811,320		811,320
Total Revenue	\$ 245,691,609	\$ 20,000,000	\$ 265,691,609
<u>Program Expenses</u>			
Medical Claims	\$ 147,051,746	\$ (2,620,000)	\$ 144,431,746
Gross Prescription Drug Claims	108,645,371	\$ (1,090,000)	107,555,371
Prescription Drug Rebates	(27,367,573)		(27,367,573)
Managed Care Capitations	9,693,656		9,693,656
Administration	6,247,902		6,247,902
Life Insurance	453,300		453,300
Wellness	377,630		377,630
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	138,453		138,453
Director's Discretionary Fund	371,311		371,311
WV RHBT Pay Go Premiums	15,303,693		15,303,693
Total Expenses	\$ 260,915,489	\$ (3,710,000)	\$ 257,205,489
Fiscal Year Results	\$ (15,223,880)		\$ 8,486,120
Beginning Plan Reserve	40,848,888		40,848,888
Minimum Actuarial Reserve Required	\$ 29,814,951	\$ -	\$ 29,814,951
<u>Ending Premium Stabilization Reserve</u>	<u>(4,189,944)</u>	<u>-</u>	<u>19,520,056</u>
Ending Plan Reserve	\$ 25,625,007		\$ 49,335,007
Reserve as a Percent of Expenses			20%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	7.0%	14.3%
		Prescription Drug Rebates		5.0%
		Capitations		11.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2029

PERIOD 7/1/2028 - 6/30/2029

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 644,958,078	\$ 44,840,481	\$ 689,798,560
Employer Premiums - MCO	74,256,885	5,159,519	79,416,404
Employee Premiums - PPB	175,179,675	11,233,666	186,413,341
Employee Premiums - MCO	19,747,431	1,266,334	21,013,766
WV RHBT Pay Go Premiums	59,696,307		59,696,307
Life Insurance	2,200,421		2,200,421
Direct Transfers	-		-
Investment Income	20,259,662		20,259,662
Litigation Settlement	-		-
COBRA Premiums	1,177,553		1,177,553
Administrative Fees	4,495,284		4,495,284
Total Revenue	\$ 1,001,971,298	\$ 62,500,000	\$ 1,064,471,298
<u>Program Expenses</u>			
Medical Claims	\$ 552,941,885	\$ (11,750,000)	\$ 541,191,885
Gross Prescription Drug Claims	462,297,517	\$ (4,540,000)	457,757,517
Prescription Drug Rebates	(119,859,852)		(119,859,852)
Managed Care Capitations	102,406,265		102,406,265
Administration	27,460,065		27,460,065
Life Insurance	1,992,293		1,992,293
Wellness	1,659,717		1,659,717
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	552,075		552,075
Director's Discretionary Fund	1,453,195		1,453,195
WV RHBT Pay Go Premiums	59,696,307		59,696,307
Total Expenses	\$ 1,090,599,467	\$ (16,290,000)	\$ 1,074,309,467
Fiscal Year Results	\$ (88,628,170)		\$ (9,838,170)
Beginning Plan Reserve	398,334,967		398,334,967
Minimum Actuarial Reserve Required	\$ 123,474,885	\$ -	\$ 123,474,885
<u>Ending Premium Stabilization Reserve</u>	<u>186,231,912</u>	<u>-</u>	<u>265,021,912</u>
Ending Plan Reserve	\$ 309,706,797		\$ 388,496,797
Reserve as a Percent of Expenses			38%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 50,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 12,500,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	7.0%	14.3%
		Prescription Drug Rebates		5.0%
		Capitations		11.0%
		Administrative Expense		3.0%

**APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2030**

PERIOD 7/1/2029 - 6/30/2030

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 250,658,431	\$ 736,463,531	\$ 987,121,962
Employer Premiums - MCO	13,336,306	84,791,925	98,128,231
Employee Premiums - PPB	-	199,893,739	199,893,739
Employee Premiums - MCO	-	22,533,367	22,533,367
WV RHBT Pay Go Premiums	17,344,185	67,655,815	85,000,000
Life Insurance	525,688	2,310,442	2,836,130
Direct Transfers	-	-	-
Investment Income	3,199,140	20,343,300	23,542,441
Litigation Settlement	-	-	-
COBRA Premiums	323,331	1,258,385	1,581,717
Administrative Fees	811,320	4,495,284	5,306,605
Total Revenue	\$ 286,198,402	\$ 1,139,745,789	\$ 1,425,944,192
<u>Program Expenses</u>			
Medical Claims	\$ 152,317,252	\$ 568,813,831	\$ 721,131,083
Gross Prescription Drug Claims	122,237,814	520,354,763	642,592,577
Prescription Drug Rebates	(28,735,951)	(125,852,845)	(154,588,796)
Managed Care Capitations	10,856,895	114,695,017	125,551,912
Administration	6,435,339	28,283,867	34,719,205
Life Insurance	475,965	2,091,908	2,567,873
Wellness	392,735	1,726,106	2,118,841
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	145,375	579,678	725,054
Director's Discretionary Fund	370,330	1,451,248	1,821,578
WV RHBT Pay Go Premiums	17,344,185	67,655,815	85,000,000
Total Expenses	\$ 281,839,939	\$ 1,179,799,387	\$ 1,461,639,325
Fiscal Year Results	\$ 4,358,464	\$ (40,053,598)	\$ (35,695,134)
Beginning Plan Reserve	49,335,007	388,496,797	437,831,804
Minimum Actuarial Reserve Required	\$ 32,604,311	\$ 135,333,532	\$ 167,937,844
<u>Ending Premium Stabilization Reserve</u>	<u>21,089,160</u>	<u>213,109,667</u>	<u>234,198,827</u>
Ending Plan Reserve	\$ 53,693,471	\$ 348,443,199	\$ 402,136,671
Reserve as a Percent of Expenses			29%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 20,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 15,000,000	Active Local	7.5%	15.0%
Direct Transfers	\$ -	State	7.5%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		12.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2030

PERIOD 7/1/2029 - 6/30/2030

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 231,667,051	\$ 18,991,381	\$ 250,658,431
Employer Premiums - MCO	12,327,687	1,008,619	13,336,306
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	17,344,185		17,344,185
Life Insurance	525,688		525,688
Direct Transfers	-		-
Investment Income	3,199,140		3,199,140
Litigation Settlement	-		-
COBRA Premiums	323,331		323,331
Administrative Fees	811,320		811,320
Total Revenue	\$ 266,198,402	\$ 20,000,000	\$ 286,198,402
<u>Program Expenses</u>			
Medical Claims	\$ 154,937,252	\$ (2,620,000)	\$ 152,317,252
Gross Prescription Drug Claims	123,327,814	\$ (1,090,000)	122,237,814
Prescription Drug Rebates	(28,735,951)		(28,735,951)
Managed Care Capitations	10,856,895		10,856,895
Administration	6,435,339		6,435,339
Life Insurance	475,965		475,965
Wellness	392,735		392,735
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	145,375		145,375
Director's Discretionary Fund	370,330		370,330
WV RHBT Pay Go Premiums	17,344,185		17,344,185
Total Expenses	\$ 285,549,939	\$ (3,710,000)	\$ 281,839,939
Fiscal Year Results	\$ (19,351,536)		\$ 4,358,464
Beginning Plan Reserve	49,335,007		49,335,007
Minimum Actuarial Reserve Required	\$ 32,604,311	\$ -	\$ 32,604,311
<u>Ending Premium Stabilization Reserve</u>	<u>(2,620,840)</u>	<u>-</u>	<u>21,089,160</u>
Ending Plan Reserve	\$ 29,983,471		\$ 53,693,471
Reserve as a Percent of Expenses			20%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 20,000,000	Claim and Other Expense Trends	
		<u>Eligibility</u>	<u>Medical</u>
		<u>Local</u>	<u>Gross Drugs</u>
		7.5%	15.0%
			5.0%
			12.0%
			3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2030

PERIOD 7/1/2029 - 6/30/2030

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 682,654,953	\$ 53,808,578	\$ 736,463,531
Employer Premiums - MCO	78,600,503	6,191,422	84,791,925
Employee Premiums - PPB	186,413,341	13,480,399	199,893,739
Employee Premiums - MCO	21,013,766	1,519,601	22,533,367
WV RHBT Pay Go Premiums	67,655,815		67,655,815
Life Insurance	2,310,442		2,310,442
Direct Transfers	-		-
Investment Income	20,343,300		20,343,300
Litigation Settlement	-		-
COBRA Premiums	1,258,385		1,258,385
Administrative Fees	4,495,284		4,495,284
Total Revenue	\$ 1,064,745,789	\$ 75,000,000	\$ 1,139,745,789
<u>Program Expenses</u>			
Medical Claims	\$ 580,563,831	\$ (11,750,000)	\$ 568,813,831
Gross Prescription Drug Claims	524,894,763	\$ (4,540,000)	520,354,763
Prescription Drug Rebates	(125,852,845)		(125,852,845)
Managed Care Capitations	114,695,017		114,695,017
Administration	28,283,867		28,283,867
Life Insurance	2,091,908		2,091,908
Wellness	1,726,106		1,726,106
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	579,678		579,678
Director's Discretionary Fund	1,451,248		1,451,248
WV RHBT Pay Go Premiums	67,655,815		67,655,815
Total Expenses	\$ 1,196,089,387	\$ (16,290,000)	\$ 1,179,799,387
Fiscal Year Results	\$ (131,343,598)		\$ (40,053,598)
Beginning Plan Reserve	388,496,797		388,496,797
Minimum Actuarial Reserve Required	\$ 135,333,532	\$ -	\$ 135,333,532
<u>Ending Premium Stabilization Reserve</u>	121,819,667	-	213,109,667
Ending Plan Reserve	\$ 257,153,199		\$ 348,443,199
Reserve as a Percent of Expenses			31%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 60,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 15,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	7.5%	15.0%
		Prescription Drug Rebates		5.0%
		Capitations		12.0%
		Administrative Expense		3.0%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2025 to FY 2026**

Fiscal Year 2025												
Exposure	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>
Local Medical	29,016	29,069	29,014	29,049	29,000	28,959	28,897	28,781	28,836	28,858	28,739	28,649
State Medical	109,011	108,582	108,493	108,605	108,597	108,535	108,014	107,646	107,530	107,297	107,139	106,860
Local Drugs	29,016	29,069	29,014	29,049	29,000	28,959	28,897	28,781	28,836	28,858	28,739	28,649
State Drugs	109,011	108,582	108,493	108,605	108,597	108,535	108,014	107,646	107,530	107,297	107,139	106,860
	<u>Jul-24</u>	<u>Aug-24</u>	<u>Sep-24</u>	<u>Oct-24</u>	<u>Nov-24</u>	<u>Dec-24</u>	<u>Jan-25</u>	<u>Feb-25</u>	<u>Mar-25</u>	<u>Apr-25</u>	<u>May-25</u>	<u>Jun-25</u>
Local Medical	\$344.47	\$349.78	\$324.47	\$411.02	\$343.47	\$367.24	\$418.33	\$368.68	\$386.21	\$452.48	\$432.56	\$449.98
State Medical	364.91	353.98	349.47	401.90	353.11	372.93	406.55	396.24	405.76	420.50	399.52	426.00
Local Drugs	221.39	207.30	203.06	226.01	213.84	222.96	215.57	202.16	226.55	233.59	240.41	249.46
State Drugs	<u>243.39</u>	<u>239.10</u>	<u>234.35</u>	<u>260.81</u>	<u>234.63</u>	<u>249.73</u>	<u>236.97</u>	<u>216.85</u>	<u>245.71</u>	<u>254.58</u>	<u>261.32</u>	<u>266.93</u>
Total	\$1,174.16	\$1,150.17	\$1,111.35	\$1,299.74	\$1,145.05	\$1,212.86	\$1,277.41	\$1,183.93	\$1,264.23	\$1,361.15	\$1,333.81	\$1,392.38
Change From Prior Year - Month to Month Analysis												
Local Medical	27.6%	1.8%	-0.3%	20.2%	-3.1%	9.2%	6.3%	2.1%	2.2%	10.5%	3.1%	31.6%
State Medical	11.4%	-6.8%	4.5%	7.6%	-1.7%	6.7%	0.2%	8.6%	0.2%	0.2%	-5.8%	1.4%
Local Drugs	41.4%	5.8%	15.7%	15.3%	5.6%	14.0%	5.5%	1.9%	11.5%	2.9%	-2.8%	14.1%
State Drugs	<u>30.5%</u>	<u>9.5%</u>	<u>14.9%</u>	<u>19.7%</u>	<u>6.7%</u>	<u>16.7%</u>	<u>7.3%</u>	<u>2.7%</u>	<u>11.7%</u>	<u>2.7%</u>	<u>1.6%</u>	<u>9.6%</u>
Total	24.8%	1.1%	6.9%	15.1%	0.8%	10.7%	4.3%	4.2%	4.8%	4.4%	-1.1%	13.7%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			8.5%			8.6%			3.6%			14.0%
State Medical			2.6%			4.2%			2.8%			-1.4%
Local Drugs			19.7%			11.6%			6.3%			4.4%
State Drugs			<u>17.7%</u>			<u>14.3%</u>			<u>7.3%</u>			<u>4.6%</u>
Total			10.2%			8.8%			4.5%			5.4%
Change From Prior Year - Year to Year Analysis												
Local Medical			20.0%			16.2%			11.4%			8.7%
State Medical			17.3%			13.0%			8.1%			1.9%
Local Drugs			25.3%			20.0%			16.5%			10.0%
State Drugs			<u>22.1%</u>			<u>18.3%</u>			<u>15.7%</u>			<u>10.6%</u>
Total			20.4%			16.2%			12.0%			7.1%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2025 to FY 2026**

Fiscal Year 2026								
Exposure	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>	<u>Oct-25</u>	<u>Nov-25</u>	<u>Dec-25</u>	<u>Jan-26</u>	<u>Feb-26</u>
Local Medical	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282
State Medical	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915
Local Drugs	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282
State Drugs	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915
	<u>Jul-25</u>	<u>Aug-25</u>	<u>Sep-25</u>	<u>Oct-25</u>	<u>Nov-25</u>	<u>Dec-25</u>	<u>Jan-26</u>	<u>Feb-26</u>
Local Medical	\$309.84	\$323.06	\$357.73	\$396.98	\$334.61	\$324.31	\$327.36	\$407.80
State Medical	335.44	344.10	348.38	365.44	343.53	382.50	269.95	399.98
Local Drugs	202.41	206.09	216.43	219.36	207.61	231.06	201.08	184.80
State Drugs	<u>231.13</u>	<u>221.94</u>	<u>249.19</u>	<u>255.39</u>	<u>227.79</u>	<u>269.86</u>	<u>224.65</u>	<u>214.65</u>
Total	\$1,078.83	\$1,095.19	\$1,171.73	\$1,237.17	\$1,113.54	\$1,207.73	\$1,023.04	\$1,207.23
Change From Prior Year - Month to Month Analysis								
Local Medical	-10.1%	-7.6%	10.2%	-3.4%	-2.6%	-11.7%	-21.7%	10.6%
State Medical	-8.1%	-2.8%	-0.3%	-9.1%	-2.7%	2.6%	-33.6%	0.9%
Local Drugs	-8.6%	-0.6%	6.6%	-2.9%	-2.9%	3.6%	-6.7%	-8.6%
State Drugs	<u>-5.0%</u>	<u>-7.2%</u>	<u>6.3%</u>	<u>-2.1%</u>	<u>-2.9%</u>	<u>8.1%</u>	<u>-5.2%</u>	<u>-1.0%</u>
Total	-8.1%	-4.8%	5.4%	-4.8%	-2.8%	-0.4%	-19.9%	2.0%
Change From Prior Year - Quarter to Quarter Analysis								
Local Medical			-2.8%			-5.9%		
State Medical			-3.8%			-3.2%		
Local Drugs			-1.1%			-0.7%		
State Drugs			<u>-2.0%</u>			<u>1.1%</u>		
Total			-2.6%			-2.7%		
Change From Prior Year - Year to Year Analysis								
Local Medical			6.1%			2.5%		
State Medical			0.4%			-1.3%		
Local Drugs			5.2%			2.2%		
State Drugs			<u>5.8%</u>			<u>2.6%</u>		
Total			4.1%			1.2%		