CONTINUING CARE ACTUARIES

STATE OF WEST VIRGINIA

PUBLIC EMPLOYEES INSURANCE AGENCY

Quarterly Report
March 31, 2026

Fiscal Years 2026-2030

Report Date: June 2026

YOUR ACTUARIES FOR THE LONG-TERM!

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Finance Board
West Virginia Public Employees Insurance Agency
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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.

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 May 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 June 2026 enrollment levels for the duration of these forecasts for active employees.

In aggregate, June 2026 enrollment for active employees has decreased by 456 coverages since the end of FY 2025. Aggregate PPB enrollment has decreased by 645 in total over the same period, while managed care enrollment experienced an increase of 189 coverages.

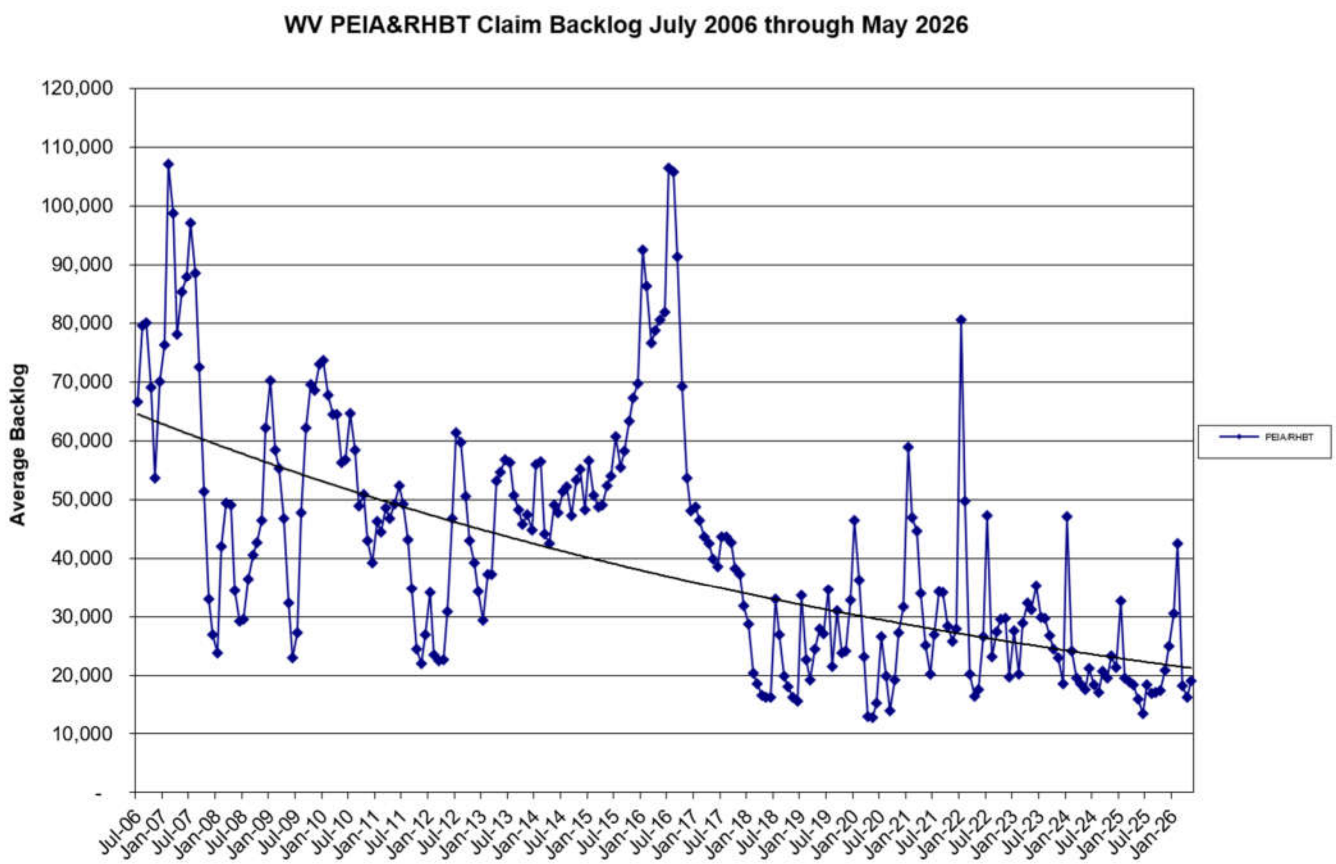
In the State Fund, the overall active State enrollment decreased by 366 coverages from the end of FY 2025 to June 2026. And in the Local Fund, the overall active Local enrollment decreased by 90 coverages from the end of FY 2025 to June 2026.

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

PEIA		Preferred Provider Benefit			Managed Care		
Fund	Coverage	Jun-24	Jun-25	Jun-26	Jun-24	Jun-25	Jun-26
State Active	Single	23,055	23,689	24,767	2,681	2,711	2,972
	Children	7,357	7,810	8,968	935	990	1,127
	Family	23,161	21,967	19,191	2,329	2,186	1,962
	Total	53,573	53,466	52,926	5,945	5,887	6,061
Local Active	Single	6,977	7,123	7,142	461	467	472
	Children	1,312	1,343	1,393	108	110	115
	Family	6,020	5,994	5,820	188	166	171
	Total	14,309	14,460	14,355	757	743	758
Plan Total		67,882	67,926	67,281	6,702	6,630	6,819
Grand Total					74,584	74,556	74,100

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 May 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	13%	13%	25%	23%	17%
2025	10%	3%	9%	10%	6%
2026*	10%	7%	2%	4%	6%

* Fiscal year 2026 results are through the first eleven months ending May 2026.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through May 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	53,079	$1,016	$256	$766	$341	
	Managed Care	6,013	$1,031	$254			$1,066
	Total	59,092					
Local	PPB	14,451	$1,109	$0	$758	$284	
	Managed Care	752	$1,137	$0			$807
	Total	15,203					

*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	$10,228,358	$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 $1,144,215,220 and incurred plan expenses of $1,015,776,507 to produce a fiscal year surplus of $128,438,713. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be $10,228,358.

Under the Baseline Scenario, FY 2026 is projected to end with a Total Fund reserve (State and Local Reserves) of $345,408,603 and projected plan expenditures of $1,005,548,149. This represents 34.4% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of $122,709,845. 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 $313,122,043, which represents 38.6% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of $98,733,963.

The Local Fund in FY 2026 is projected to end with a reserve of $32,286,560, which represents 16.6% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of $23,975,882.

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 $1,177,094,875 and incurred plan expenses of $1,148,050,148 to produce a fiscal year surplus of $29,044,727. 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 $374,453,330 and projected plan expenditures of $1,093,050,148. This represents 34.3% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of $133,430,191. 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 $401,614,050 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to $347,205,123.

The State Fund in FY 2027 is projected to end with a reserve of $349,857,222, which represents 39.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of $107,409,733.

The Local Fund in FY 2027 is projected to end with a reserve of $24,596,108, which represents 11.7% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of $26,020,458.

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 $1,240,225,299 and incurred plan expenses of $1,240,002,572 to produce a fiscal year surplus of $222,726. 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 $374,676,056 and projected plan expenditures of $1,175,002,572. This represents 31.9% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of $143,415,761. 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 $449,076,284 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to $299,135,504.

The State Fund in FY 2028 is projected to end with a reserve of $345,444,804, which represents 36.4% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of $115,485,404.

The Local Fund in FY 2028 is projected to end with a reserve of $29,231,253, which represents 12.9% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of $27,930,357.

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 $1,323,486,646 and incurred plan expenses of $1,349,017,264 to produce a fiscal year deficit of ($25,530,618). 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 $349,145,438 and projected plan expenditures of $1,274,017,264. This represents 27.4% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of $155,484,979. 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 $498,280,026 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to $195,858,236.

The State Fund in FY 2029 is projected to end with a reserve of $315,620,124, which represents 30.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of $125,254,119.

The Local Fund in FY 2029 is projected to end with a reserve of $33,525,314, which represents 13.7% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of $30,230,860.

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 $1,418,297,982 and incurred plan expenses of $1,478,419,481 to produce a fiscal year deficit of ($60,121,499). 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 $289,023,939 and projected plan expenditures of $1,393,419,481. This represents 20.7% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of $170,043,102. 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 $545,479,423 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to $22,143,490.

The State Fund in FY 2030 is projected to end with a reserve of $255,310,500, which represents 22.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of $137,046,498.

The Local Fund in FY 2030 is projected to end with a reserve of $33,713,439, which represents 12.6% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of $32,996,604.

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
F I S C A L   Y E A R   2 0 2 6

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

	Active Local Fund	State Fund	PEIA Total
Revenues			
Employer Premiums - PPB	$ 192,378,096	$ 647,057,318	$ 839,435,414
Employer Premiums - MCO	10,265,409	74,411,535	84,676,944
Employee Premiums - PPB	-	163,052,091	163,052,091
Employee Premiums - MCO	-	18,359,420	18,359,420
WV RHBT Pay Go Premiums	2,093,051	8,135,307	10,228,358
Life Insurance	438,468	1,927,104	2,365,571
Direct Transfers	-	-	-
Investment Income	2,502,507	17,048,602	19,551,110
Litigation Settlement	-	-	-
COBRA Premiums	236,532	1,039,579	1,276,111
Administrative Fees	805,755	4,464,446	5,270,201
Total Revenue	$ 208,719,818	$ 935,495,401	$ 1,144,215,220
Program Expenses			
Medical Claims	$ 131,461,033	$ 487,953,021	$ 619,414,054
Gross Prescription Drug Claims	72,030,354	310,703,511	382,733,865
Prescription Drug Rebates	(22,822,876)	(93,581,556)	(116,404,432)
Managed Care Capitations	7,279,459	76,902,071	84,181,531
Administration	5,692,229	25,017,837	30,710,066
Life Insurance	392,056	1,723,121	2,115,177
Wellness	322,547	1,417,620	1,740,166
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	120,184	479,816	600,000
Director's Discretionary Fund	93,363	364,358	457,722
WV RHBT Pay Go Premiums	2,093,051	8,135,307	10,228,358
Total Expenses	$ 196,661,400	$ 819,115,107	$ 1,015,776,507
Fiscal Year Results	$ 12,058,418	$ 116,380,295	$ 128,438,713
Beginning Plan Reserve	20,228,142	196,741,748	216,969,890
Minimum Actuarial Reserve Required	$ 23,975,882	$ 98,733,963	$ 122,709,845
Ending Premium Stabilization Reserve	8,310,678	214,388,080	222,698,758
Ending Plan Reserve	$ 32,286,560	$ 313,122,043	$ 345,408,603
Reserve as a Percent of Expenses			34%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 92,900,000
Additional Local Agency Revenue	$ 29,900,000
Additional State Employee Premiums	$ 38,700,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
Active Local	5.5%	12.0%
State	5.5%	12.0%
Prescription Drug Rebates		5.0%
Capitations		20.4%
Administrative Expense		11.1%

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
Revenues			
Employer Premiums - PPB	$ 163,911,686	$ 28,466,410	$ 192,378,096
Employer Premiums - MCO	8,831,819	1,433,590	10,265,409
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,093,051		2,093,051
Life Insurance	438,468		438,468
Direct Transfers	-		-
Investment Income	2,502,507		2,502,507
Litigation Settlement	-		-
COBRA Premiums	236,532		236,532
Administrative Fees	805,755		805,755
Total Revenue	$ 178,819,818	$ 29,900,000	$ 208,719,818
Program Expenses			
Medical Claims	$ 131,461,033	$ -	$ 131,461,033
Gross Prescription Drug Claims	73,810,212	$ (1,779,858)	72,030,354
Prescription Drug Rebates	(22,822,876)		(22,822,876)
Managed Care Capitations	7,279,459		7,279,459
Administration	5,692,229		5,692,229
Life Insurance	392,056		392,056
Wellness	322,547		322,547
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	120,184		120,184
Director's Discretionary Fund	93,363		93,363
WV RHBT Pay Go Premiums	2,093,051		2,093,051
Total Expenses	$ 198,441,259	$ (1,779,858)	$ 196,661,400
Fiscal Year Results	$ (19,621,440)		$ 12,058,418
Beginning Plan Reserve	20,228,142		20,228,142
Minimum Actuarial Reserve Required	$ 23,975,882	$ -	$ 23,975,882
Ending Premium Stabilization Reserve	(23,369,180)	-	8,310,678
Ending Plan Reserve	$ 606,702		$ 32,286,560
Reserve as a Percent of Expenses			17%

KEY ASSUMPTIONS

Additional Local Agency Revenue	$ 29,900,000	**Claim and Other Expense Trends**		
		Eligibility	Medical	Gross Drugs
		Local	5.5%	12.0%
		Prescription Drug Rebates		5.0%
		Capitations		20.4%
		Administrative Expense		11.1%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
F I S C A L Y E A R 2 0 2 6

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

State Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 563,448,563	$ 83,608,755	$ 647,057,318
Employer Premiums - MCO	65,120,289	9,291,245	74,411,535
Employee Premiums - PPB	128,267,489	34,784,602	163,052,091
Employee Premiums - MCO	14,444,022	3,915,398	18,359,420
WV RHBT Pay Go Premiums	8,135,307		8,135,307
Life Insurance	1,927,104		1,927,104
Direct Transfers	-		-
Investment Income	17,048,602		17,048,602
Litigation Settlement	-		-
COBRA Premiums	1,039,579		1,039,579
Administrative Fees	4,464,446		4,464,446
Total Revenue	$ 803,895,401	$ 131,600,000	$ 935,495,401
Program Expenses			
Medical Claims	$ 487,953,021	$ -	$ 487,953,021
Gross Prescription Drug Claims	318,413,363	$ (7,709,852)	310,703,511
Prescription Drug Rebates	(93,581,556)		(93,581,556)
Managed Care Capitations	76,902,071		76,902,071
Administration	25,017,837		25,017,837
Life Insurance	1,723,121		1,723,121
Wellness	1,417,620		1,417,620
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	479,816		479,816
Director's Discretionary Fund	364,358		364,358
WV RHBT Pay Go Premiums	8,135,307		8,135,307
Total Expenses	$ 826,824,959	$ (7,709,852)	$ 819,115,107
Fiscal Year Results	$ (22,929,557)		$ 116,380,295
Beginning Plan Reserve	196,741,748		196,741,748
Minimum Actuarial Reserve Required	$ 98,733,963	$ -	$ 98,733,963
Ending Premium Stabilization Reserve	75,078,228	-	214,388,080
Ending Plan Reserve	$ 173,812,191		$ 313,122,043
Reserve as a Percent of Expenses			39%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 92,900,000
Additional State Employee Premiums	$ 38,700,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
State	5.5%	12.0%
Prescription Drug Rebates		5.0%
Capitations		20.4%
Administrative Expense		11.1%

APPENDIX - BASELINE SCENARIO
PEIA - ACTIVE LOCAL AND STATE

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
F I S C A L   Y E A R   2 0 2 7

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

	Active Local Fund	State Fund	PEIA Total
Revenues			
Employer Premiums - PPB	$ 189,598,748	$ 635,081,347	$ 824,680,095
Employer Premiums - MCO	10,120,332	73,040,289	83,160,621
Employee Premiums - PPB	-	168,085,353	168,085,353
Employee Premiums - MCO	-	18,926,158	18,926,158
WV RHBT Pay Go Premiums	11,217,476	43,782,524	55,000,000
Life Insurance	460,391	2,023,459	2,483,850
Direct Transfers	-	-	-
Investment Income	2,188,811	16,036,009	18,224,820
Litigation Settlement	-	-	-
COBRA Premiums	233,119	1,030,659	1,263,777
Administrative Fees	805,755	4,464,446	5,270,201
Total Revenue	$ 214,624,632	$ 962,470,244	$ 1,177,094,875
Program Expenses			
Medical Claims	$ 139,049,046	$ 516,116,925	$ 655,165,970
Gross Prescription Drug Claims	80,970,530	349,266,030	430,236,560
Prescription Drug Rebates	(23,964,020)	(98,260,634)	(122,224,654)
Managed Care Capitations	7,934,610	83,823,258	91,757,868
Administration	5,862,996	25,768,372	31,631,368
Life Insurance	411,659	1,809,277	2,220,936
Wellness	335,448	1,474,325	1,809,773
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	125,010	498,155	623,165
Director's Discretionary Fund	372,327	1,456,834	1,829,161
WV RHBT Pay Go Premiums	11,217,476	43,782,524	55,000,000
Total Expenses	$ 222,315,084	$ 925,735,064	$ 1,148,050,148
Fiscal Year Results	$ (7,690,452)	$ 36,735,179	$ 29,044,727
Beginning Plan Reserve	32,286,560	313,122,043	345,408,603
Minimum Actuarial Reserve Required	$ 26,020,458	$ 107,409,733	$ 133,430,191
Ending Premium Stabilization Reserve	(1,424,350)	242,447,489	241,023,139
Ending Plan Reserve	$ 24,596,108	$ 349,857,222	$ 374,453,330
Reserve as a Percent of Expenses			34%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 22,300,000
Additional Local Agency Revenue	$ 6,200,000
Additional State Employee Premiums	$ 5,600,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
Active Local	6.0%	12.8%
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
F I S C A L   Y E A R   2 0 2 7

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 183,712,749	$ 5,885,999	$ 189,598,748
Employer Premiums - MCO	9,806,331	314,001	10,120,332
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	11,217,476		11,217,476
Life Insurance	460,391		460,391
Direct Transfers	-		-
Investment Income	2,188,811		2,188,811
Litigation Settlement	-		-
COBRA Premiums	233,119		233,119
Administrative Fees	805,755		805,755
Total Revenue	$ 208,424,632	$ 6,200,000	$ 214,624,632
Program Expenses			
Medical Claims	$ 139,049,046	$ -	$ 139,049,046
Gross Prescription Drug Claims	80,970,530	$ -	80,970,530
Prescription Drug Rebates	(23,964,020)		(23,964,020)
Managed Care Capitations	7,934,610		7,934,610
Administration	5,862,996		5,862,996
Life Insurance	411,659		411,659
Wellness	335,448		335,448
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	125,010		125,010
Director's Discretionary Fund	372,327		372,327
WV RHBT Pay Go Premiums	11,217,476		11,217,476
Total Expenses	$ 222,315,084	$ -	$ 222,315,084
Fiscal Year Results	$ (13,890,452)		$ (7,690,452)
Beginning Plan Reserve	32,286,560		32,286,560
Minimum Actuarial Reserve Required	$ 26,020,458	$ -	$ 26,020,458
Ending Premium Stabilization Reserve	(7,624,350)	-	(1,424,350)
Ending Plan Reserve	$ 18,396,108		$ 24,596,108
Reserve as a Percent of Expenses			12%

KEY ASSUMPTIONS

Additional Local Agency Revenue	$ 6,200,000	**Claim and Other Expense Trends**		
		Eligibility	Medical	Gross Drugs
		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
F I S C A L   Y E A R   2 0 2 7

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

State Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 615,081,002	$ 20,000,345	$ 635,081,347
Employer Premiums - MCO	70,740,635	2,299,655	73,040,289
Employee Premiums - PPB	163,052,091	5,033,262	168,085,353
Employee Premiums - MCO	18,359,420	566,738	18,926,158
WV RHBT Pay Go Premiums	43,782,524		43,782,524
Life Insurance	2,023,459		2,023,459
Direct Transfers	-		-
Investment Income	16,036,009		16,036,009
Litigation Settlement	-		-
COBRA Premiums	1,030,659		1,030,659
Administrative Fees	4,464,446		4,464,446
Total Revenue	$ 934,570,244	$ 27,900,000	$ 962,470,244
Program Expenses			
Medical Claims	$ 516,116,925	$ -	$ 516,116,925
Gross Prescription Drug Claims	349,266,030	$ -	349,266,030
Prescription Drug Rebates	(98,260,634)		(98,260,634)
Managed Care Capitations	83,823,258		83,823,258
Administration	25,768,372		25,768,372
Life Insurance	1,809,277		1,809,277
Wellness	1,474,325		1,474,325
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	498,155		498,155
Director's Discretionary Fund	1,456,834		1,456,834
WV RHBT Pay Go Premiums	43,782,524		43,782,524
Total Expenses	$ 925,735,064	$ -	$ 925,735,064
Fiscal Year Results	$ 8,835,179		$ 36,735,179
Beginning Plan Reserve	313,122,043		313,122,043
Minimum Actuarial Reserve Required	$ 107,409,733	$ -	$ 107,409,733
Ending Premium Stabilization Reserve	214,547,489	-	242,447,489
Ending Plan Reserve	$ 321,957,222		$ 349,857,222
Reserve as a Percent of Expenses			40%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 22,300,000
Additional State Employee Premiums	$ 5,600,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
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
F I S C A L Y E A R 2 0 2 8

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

	Active Local Fund	State Fund	PEIA Total
Revenues			
Employer Premiums - PPB	$ 216,142,141	$ 650,360,749	$ 866,502,890
Employer Premiums - MCO	11,537,398	74,800,429	86,337,826
Employee Premiums - PPB	-	173,747,773	173,747,773
Employee Premiums - MCO	-	19,563,738	19,563,738
WV RHBT Pay Go Premiums	13,257,018	51,742,982	65,000,000
Life Insurance	483,411	2,124,632	2,608,043
Direct Transfers	-	-	-
Investment Income	1,979,404	17,892,138	19,871,542
Litigation Settlement	-	-	-
COBRA Premiums	265,755	1,057,532	1,323,287
Administrative Fees	805,755	4,464,446	5,270,201
Total Revenue	$ 244,470,880	$ 995,754,418	$ 1,240,225,299
Program Expenses			
Medical Claims	$ 145,150,562	$ 536,738,003	$ 681,888,565
Gross Prescription Drug Claims	90,537,949	390,695,629	481,233,578
Prescription Drug Rebates	(25,162,221)	(103,173,665)	(128,335,886)
Managed Care Capitations	8,728,071	92,205,584	100,933,655
Administration	6,038,886	26,541,423	32,580,309
Life Insurance	432,242	1,899,741	2,331,983
Wellness	348,866	1,533,298	1,882,164
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	131,260	523,062	654,323
Director's Discretionary Fund	373,102	1,460,780	1,833,882
WV RHBT Pay Go Premiums	13,257,018	51,742,982	65,000,000
Total Expenses	$ 239,835,735	$ 1,000,166,837	$ 1,240,002,572
Fiscal Year Results	$ 4,635,145	$ (4,412,419)	$ 222,726
Beginning Plan Reserve	24,596,108	349,857,222	374,453,330
Minimum Actuarial Reserve Required	$ 27,930,357	$ 115,485,404	$ 143,415,761
Ending Premium Stabilization Reserve	1,300,896	229,959,399	231,260,296
Ending Plan Reserve	$ 29,231,253	$ 345,444,804	$ 374,676,056
Reserve as a Percent of Expenses			32%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 25,000,000
Additional Local Agency Revenue	$ 30,000,000
Additional State Employee Premiums	$ 6,300,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
Active Local	6.5%	13.5%
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
F I S C A L   Y E A R   2 0 2 8

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 187,661,501	$ 28,480,640	$ 216,142,141
Employer Premiums - MCO	10,018,038	1,519,360	11,537,398
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	13,257,018		13,257,018
Life Insurance	483,411		483,411
Direct Transfers	-		-
Investment Income	1,979,404		1,979,404
Litigation Settlement	-		-
COBRA Premiums	265,755		265,755
Administrative Fees	805,755		805,755
Total Revenue	$ 214,470,880	$ 30,000,000	$ 244,470,880
Program Expenses			
Medical Claims	$ 147,770,562	$ (2,620,000)	$ 145,150,562
Gross Prescription Drug Claims	91,627,949	$ (1,090,000)	90,537,949
Prescription Drug Rebates	(25,162,221)		(25,162,221)
Managed Care Capitations	8,728,071		8,728,071
Administration	6,038,886		6,038,886
Life Insurance	432,242		432,242
Wellness	348,866		348,866
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	131,260		131,260
Director's Discretionary Fund	373,102		373,102
WV RHBT Pay Go Premiums	13,257,018		13,257,018
Total Expenses	$ 243,545,735	$ (3,710,000)	$ 239,835,735
Fiscal Year Results	$ (29,074,855)		$ 4,635,145
Beginning Plan Reserve	24,596,108		24,596,108
Minimum Actuarial Reserve Required	$ 27,930,357	$ -	$ 27,930,357
Ending Premium Stabilization Reserve	(32,409,104)	-	1,300,896
Ending Plan Reserve	$ (4,478,747)		$ 29,231,253
Reserve as a Percent of Expenses			13%

KEY ASSUMPTIONS

Additional Local Agency Revenue	$ 30,000,000	**Claim and Other Expense Trends**		
		Eligibility	Medical	Gross Drugs
		Local	6.5%	13.5%
		Prescription Drug Rebates		5.0%
		Capitations		10.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
F I S C A L Y E A R 2 0 2 8

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

State Fund	**Baseline Projection**	**Board Decision**	**Ending Projection**
Revenues			
Employer Premiums - PPB	$ 627,938,837	$ 22,421,912	$ 650,360,749
Employer Premiums - MCO	72,222,340	2,578,088	74,800,429
Employee Premiums - PPB	168,085,353	5,662,420	173,747,773
Employee Premiums - MCO	18,926,158	637,580	19,563,738
WV RHBT Pay Go Premiums	51,742,982		51,742,982
Life Insurance	2,124,632		2,124,632
Direct Transfers	-		-
Investment Income	17,892,138		17,892,138
Litigation Settlement	-		-
COBRA Premiums	1,057,532		1,057,532
Administrative Fees	4,464,446		4,464,446
Total Revenue	$ 964,454,418	$ 31,300,000	$ 995,754,418
Program Expenses			
Medical Claims	$ 548,488,003	$ (11,750,000)	$ 536,738,003
Gross Prescription Drug Claims	395,235,629	$ (4,540,000)	390,695,629
Prescription Drug Rebates	(103,173,665)		(103,173,665)
Managed Care Capitations	92,205,584		92,205,584
Administration	26,541,423		26,541,423
Life Insurance	1,899,741		1,899,741
Wellness	1,533,298		1,533,298
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	523,062		523,062
Director's Discretionary Fund	1,460,780		1,460,780
WV RHBT Pay Go Premiums	51,742,982		51,742,982
Total Expenses	$ 1,016,456,837	$ (16,290,000)	$ 1,000,166,837
Fiscal Year Results	$ (52,002,419)		$ (4,412,419)
Beginning Plan Reserve	349,857,222		349,857,222
Minimum Actuarial Reserve Required	$ 115,485,404	$ -	$ 115,485,404
Ending Premium Stabilization Reserve	182,369,399	-	229,959,399
Ending Plan Reserve	$ 297,854,804		$ 345,444,804
Reserve as a Percent of Expenses			36%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 25,000,000
Additional State Employee Premiums	$ 6,300,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
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
F I S C A L Y E A R 2 0 2 9

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

	Active Local Fund	State Fund	PEIA Total
Revenues			
Employer Premiums - PPB	$ 233,191,988	$ 688,062,063	$ 921,254,050
Employer Premiums - MCO	12,448,010	79,138,656	91,586,666
Employee Premiums - PPB	-	184,982,733	184,982,733
Employee Premiums - MCO	-	20,828,777	20,828,777
WV RHBT Pay Go Premiums	15,296,559	59,703,441	75,000,000
Life Insurance	507,581	2,230,863	2,738,445
Direct Transfers	-	-	-
Investment Income	2,273,433	18,145,293	20,418,726
Litigation Settlement	-	-	-
COBRA Premiums	286,719	1,120,329	1,407,048
Administrative Fees	805,755	4,464,446	5,270,201
Total Revenue	$ 264,810,044	$ 1,058,676,602	$ 1,323,486,646
Program Expenses			
Medical Claims	$ 152,360,817	$ 561,337,184	$ 713,698,001
Gross Prescription Drug Claims	102,044,050	440,509,930	542,553,980
Prescription Drug Rebates	(26,420,332)	(108,332,349)	(134,752,681)
Managed Care Capitations	9,688,159	102,348,198	112,036,357
Administration	6,220,052	27,337,665	33,557,718
Life Insurance	453,854	1,994,728	2,448,582
Wellness	362,821	1,594,629	1,957,450
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	137,824	549,215	687,039
Director's Discretionary Fund	372,179	1,458,639	1,830,817
WV RHBT Pay Go Premiums	15,296,559	59,703,441	75,000,000
Total Expenses	$ 260,515,982	$ 1,088,501,282	$ 1,349,017,264
Fiscal Year Results	$ 4,294,062	$ (29,824,680)	$ (25,530,618)
Beginning Plan Reserve	29,231,253	345,444,804	374,676,056
Minimum Actuarial Reserve Required	$ 30,230,860	$ 125,254,119	$ 155,484,979
Ending Premium Stabilization Reserve	3,294,454	190,366,005	193,660,459
Ending Plan Reserve	$ 33,525,314	$ 315,620,124	$ 349,145,438
Reserve as a Percent of Expenses			27%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 50,000,000
Additional Local Agency Revenue	$ 20,000,000
Additional State Employee Premiums	$ 12,500,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
Active Local	7.0%	14.3%
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
F I S C A L Y E A R 2 0 2 9

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 214,204,894	$ 18,987,094	$ 233,191,988
Employer Premiums - MCO	11,435,104	1,012,906	12,448,010
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	15,296,559		15,296,559
Life Insurance	507,581		507,581
Direct Transfers	-		-
Investment Income	2,273,433		2,273,433
Litigation Settlement	-		-
COBRA Premiums	286,719		286,719
Administrative Fees	805,755		805,755
Total Revenue	$ 244,810,044	$ 20,000,000	$ 264,810,044
Program Expenses			
Medical Claims	$ 154,980,817	$ (2,620,000)	$ 152,360,817
Gross Prescription Drug Claims	103,134,050	$ (1,090,000)	102,044,050
Prescription Drug Rebates	(26,420,332)		(26,420,332)
Managed Care Capitations	9,688,159		9,688,159
Administration	6,220,052		6,220,052
Life Insurance	453,854		453,854
Wellness	362,821		362,821
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	137,824		137,824
Director's Discretionary Fund	372,179		372,179
WV RHBT Pay Go Premiums	15,296,559		15,296,559
Total Expenses	$ 264,225,982	$ (3,710,000)	$ 260,515,982
Fiscal Year Results	$ (19,415,938)		$ 4,294,062
Beginning Plan Reserve	29,231,253		29,231,253
Minimum Actuarial Reserve Required	$ 30,230,860	$ -	$ 30,230,860
Ending Premium Stabilization Reserve	(20,415,546)	-	3,294,454
Ending Plan Reserve	$ 9,815,314		$ 33,525,314
Reserve as a Percent of Expenses			14%

KEY ASSUMPTIONS

Additional Local Agency Revenue	$ 20,000,000

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
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
F I S C A L   Y E A R   2 0 2 9

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

State Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 643,218,239	$ 44,843,824	$ 688,062,063
Employer Premiums - MCO	73,982,480	5,156,176	79,138,656
Employee Premiums - PPB	173,747,773	11,234,960	184,982,733
Employee Premiums - MCO	19,563,738	1,265,040	20,828,777
WV RHBT Pay Go Premiums	59,703,441		59,703,441
Life Insurance	2,230,863		2,230,863
Direct Transfers	-		-
Investment Income	18,145,293		18,145,293
Litigation Settlement	-		-
COBRA Premiums	1,120,329		1,120,329
Administrative Fees	4,464,446		4,464,446
Total Revenue	$ 996,176,602	$ 62,500,000	$ 1,058,676,602
Program Expenses			
Medical Claims	$ 573,087,184	$ (11,750,000)	$ 561,337,184
Gross Prescription Drug Claims	445,049,930	$ (4,540,000)	440,509,930
Prescription Drug Rebates	(108,332,349)		(108,332,349)
Managed Care Capitations	102,348,198		102,348,198
Administration	27,337,665		27,337,665
Life Insurance	1,994,728		1,994,728
Wellness	1,594,629		1,594,629
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	549,215		549,215
Director's Discretionary Fund	1,458,639		1,458,639
WV RHBT Pay Go Premiums	59,703,441		59,703,441
Total Expenses	$ 1,104,791,282	$ (16,290,000)	$ 1,088,501,282
Fiscal Year Results	$ (108,614,680)		$ (29,824,680)
Beginning Plan Reserve	345,444,804		345,444,804
Minimum Actuarial Reserve Required	$ 125,254,119	$ -	$ 125,254,119
Ending Premium Stabilization Reserve	111,576,005	-	190,366,005
Ending Plan Reserve	$ 236,830,124		$ 315,620,124
Reserve as a Percent of Expenses			31%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 50,000,000
Additional State Employee Premiums	$ 12,500,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
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
F I S C A L Y E A R 2 0 3 0

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

	Active Local Fund	State Fund	PEIA Total
Revenues			
Employer Premiums - PPB	$ 250,241,834	$ 734,732,141	$ 984,973,975
Employer Premiums - MCO	13,358,622	84,508,119	97,866,741
Employee Premiums - PPB	-	198,464,686	198,464,686
Employee Premiums - MCO	-	22,346,825	22,346,825
WV RHBT Pay Go Premiums	17,336,100	67,663,900	85,000,000
Life Insurance	532,960	2,342,407	2,875,367
Direct Transfers	-	-	-
Investment Income	2,565,300	17,429,686	19,994,986
Litigation Settlement	-	-	-
COBRA Premiums	307,683	1,197,518	1,505,201
Administrative Fees	805,755	4,464,446	5,270,201
Total Revenue	$ 285,148,255	$ 1,133,149,727	$ 1,418,297,982
Program Expenses			
Medical Claims	$ 160,821,483	$ 590,410,057	$ 751,231,541
Gross Prescription Drug Claims	115,916,687	500,560,124	616,476,811
Prescription Drug Rebates	(27,741,348)	(113,748,966)	(141,490,315)
Managed Care Capitations	10,850,738	114,629,982	125,480,720
Administration	6,406,654	28,157,795	34,564,449
Life Insurance	476,547	2,094,465	2,571,011
Wellness	377,334	1,658,415	2,035,749
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	144,715	576,676	721,391
Director's Discretionary Fund	371,220	1,456,904	1,828,125
WV RHBT Pay Go Premiums	17,336,100	67,663,900	85,000,000
Total Expenses	$ 284,960,130	$ 1,193,459,351	$ 1,478,419,481
Fiscal Year Results	$ 188,125	$ (60,309,624)	$ (60,121,499)
Beginning Plan Reserve	33,525,314	315,620,124	349,145,438
Minimum Actuarial Reserve Required	$ 32,996,604	$ 137,046,498	$ 170,043,102
Ending Premium Stabilization Reserve	716,835	118,264,002	118,980,837
Ending Plan Reserve	$ 33,713,439	$ 255,310,500	$ 289,023,939
Reserve as a Percent of Expenses			21%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 60,000,000
Additional Local Agency Revenue	$ 20,000,000
Additional State Employee Premiums	$ 15,000,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
Active Local	7.5%	15.0%
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
F I S C A L   Y E A R   2 0 3 0

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 231,254,741	$ 18,987,094	$ 250,241,834
Employer Premiums - MCO	12,345,716	1,012,906	13,358,622
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	17,336,100		17,336,100
Life Insurance	532,960		532,960
Direct Transfers	-		-
Investment Income	2,565,300		2,565,300
Litigation Settlement	-		-
COBRA Premiums	307,683		307,683
Administrative Fees	805,755		805,755
Total Revenue	$ 265,148,255	$ 20,000,000	$ 285,148,255
Program Expenses			
Medical Claims	$ 163,441,483	$ (2,620,000)	$ 160,821,483
Gross Prescription Drug Claims	117,006,687	$ (1,090,000)	115,916,687
Prescription Drug Rebates	(27,741,348)		(27,741,348)
Managed Care Capitations	10,850,738		10,850,738
Administration	6,406,654		6,406,654
Life Insurance	476,547		476,547
Wellness	377,334		377,334
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	144,715		144,715
Director's Discretionary Fund	371,220		371,220
WV RHBT Pay Go Premiums	17,336,100		17,336,100
Total Expenses	$ 288,670,130	$ (3,710,000)	$ 284,960,130
Fiscal Year Results	$ (23,521,875)		$ 188,125
Beginning Plan Reserve	33,525,314		33,525,314
Minimum Actuarial Reserve Required	$ 32,996,604	$ -	$ 32,996,604
Ending Premium Stabilization Reserve	(22,993,165)	-	716,835
Ending Plan Reserve	$ 10,003,439		$ 33,713,439
Reserve as a Percent of Expenses			13%

KEY ASSUMPTIONS

Additional Local Agency Revenue	$ 20,000,000

Claim and Other Expense Trends

Eligibility	Medical	Gross Drugs
Local	7.5%	15.0%

Prescription Drug Rebates	5.0%
Capitations	12.0%
Administrative Expense	3.0%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
F I S C A L Y E A R 2 0 3 0

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

State Fund	Baseline Projection	Board Decision	Ending Projection
Revenues			
Employer Premiums - PPB	$ 680,919,553	$ 53,812,589	$ 734,732,141
Employer Premiums - MCO	78,320,707	6,187,411	84,508,119
Employee Premiums - PPB	184,982,733	13,481,952	198,464,686
Employee Premiums - MCO	20,828,777	1,518,048	22,346,825
WV RHBT Pay Go Premiums	67,663,900		67,663,900
Life Insurance	2,342,407		2,342,407
Direct Transfers	-		-
Investment Income	17,429,686		17,429,686
Litigation Settlement	-		-
COBRA Premiums	1,197,518		1,197,518
Administrative Fees	4,464,446		4,464,446
Total Revenue	$ 1,058,149,727	$ 75,000,000	$ 1,133,149,727
Program Expenses			
Medical Claims	$ 602,160,057	$ (11,750,000)	$ 590,410,057
Gross Prescription Drug Claims	505,100,124	$ (4,540,000)	500,560,124
Prescription Drug Rebates	(113,748,966)		(113,748,966)
Managed Care Capitations	114,629,982		114,629,982
Administration	28,157,795		28,157,795
Life Insurance	2,094,465		2,094,465
Wellness	1,658,415		1,658,415
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	576,676		576,676
Director's Discretionary Fund	1,456,904		1,456,904
WV RHBT Pay Go Premiums	67,663,900		67,663,900
Total Expenses	$ 1,209,749,351	$ (16,290,000)	$ 1,193,459,351
Fiscal Year Results	$ (151,599,624)		$ (60,309,624)
Beginning Plan Reserve	315,620,124		315,620,124
Minimum Actuarial Reserve Required	$ 137,046,498	$ -	$ 137,046,498
Ending Premium Stabilization Reserve	26,974,002	-	118,264,002
Ending Plan Reserve	$ 164,020,500		$ 255,310,500
Reserve as a Percent of Expenses			23%

KEY ASSUMPTIONS

Additional State Employer Premiums	$ 60,000,000
Additional State Employee Premiums	$ 15,000,000
Direct Transfers	$ -

Claim and Other Expense Trends		
Eligibility	Medical	Gross Drugs
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

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
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

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Local Medical	$343.87	$349.33	$324.89	$410.54	$343.71	$366.16	$418.77	$370.63	$386.62	$466.57	$434.52	$456.66
State Medical	364.66	355.24	349.01	402.31	352.58	373.09	405.83	399.59	406.89	420.68	398.53	432.46
Local Drugs	221.38	207.31	203.07	225.97	213.83	222.95	215.56	202.16	226.55	233.59	240.42	249.48
State Drugs	243.42	239.14	234.37	260.83	234.65	249.73	237.02	216.93	245.80	254.69	261.43	267.03
Total	$1,173.34	$1,151.01	$1,111.33	$1,299.64	$1,144.77	$1,211.93	$1,277.18	$1,189.31	$1,265.87	$1,375.53	$1,334.89	$1,405.63

	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Change From Prior Year - Month to Month Analysis												
Local Medical	27.3%	1.6%	-0.1%	20.2%	-2.8%	9.4%	6.5%	2.7%	2.4%	14.1%	3.7%	33.9%
State Medical	11.3%	-6.4%	4.4%	7.8%	-1.8%	6.8%	-0.1%	9.6%	0.6%	0.4%	-5.9%	3.0%
Local Drugs	41.4%	5.8%	15.8%	15.3%	5.6%	14.0%	5.5%	1.9%	11.6%	2.9%	-2.8%	14.1%
State Drugs	30.6%	9.5%	14.9%	19.7%	6.7%	16.7%	7.3%	2.7%	11.7%	2.8%	1.6%	9.7%
Total	24.7%	1.2%	7.0%	15.2%	0.8%	10.8%	4.3%	4.8%	5.1%	5.6%	-0.9%	14.9%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			8.4%			8.8%			3.9%			16.1%
State Medical			2.6%			4.3%			3.1%			-0.8%
Local Drugs			19.7%			11.6%			6.3%			4.4%
State Drugs			17.8%			14.3%			7.3%			4.6%
Total			10.2%			8.9%			4.7%			6.3%
Change From Prior Year - Year to Year Analysis												
Local Medical			19.8%			16.2%			11.5%			9.4%
State Medical			17.3%			13.0%			8.2%			2.2%
Local Drugs			25.3%			20.0%			16.5%			10.0%
State Drugs			22.1%			18.3%			15.7%			10.7%
Total			20.3%			16.2%			12.1%			7.4%

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

Fiscal Year 2026											
Exposure											
	Jul-25	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**
Local Medical	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282	28,228	28,233	28,124
State Medical	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915	101,777	101,689	101,461
Local Drugs	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282	28,228	28,233	28,124
State Drugs	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915	101,777	101,689	101,461
	Jul-25	**Aug-25**	**Sep-25**	**Oct-25**	**Nov-25**	**Dec-25**	**Jan-26**	**Feb-26**	**Mar-26**	**Apr-26**	**May-26**
Local Medical	$314.90	$340.23	$350.83	$404.53	$349.58	$330.63	$419.84	$408.51	$450.16	$463.41	$455.85
State Medical	340.31	346.01	350.16	368.81	354.41	398.72	394.60	386.45	440.27	455.75	432.02
Local Drugs	202.31	205.62	214.87	218.65	206.71	230.59	200.60	191.16	224.10	229.56	222.47
State Drugs	230.95	221.64	246.88	253.45	225.78	269.11	223.89	224.26	255.67	261.75	247.99
Total	$1,088.47	$1,113.50	$1,162.74	$1,245.44	$1,136.48	$1,229.04	$1,238.94	$1,210.38	$1,370.19	$1,410.48	$1,358.33
Change From Prior Year - Month to Month Analysis											
Local Medical	-8.4%	-2.6%	8.0%	-1.5%	1.7%	-9.7%	0.3%	10.2%	16.4%	-0.7%	4.9%
State Medical	-6.7%	-2.6%	0.3%	-8.3%	0.5%	6.9%	-2.8%	-3.3%	8.2%	8.3%	8.4%
Local Drugs	-8.6%	-0.8%	5.8%	-3.2%	-3.3%	3.4%	-6.9%	-5.4%	-1.1%	-1.7%	-7.5%
State Drugs	-5.1%	-7.3%	5.3%	-2.8%	-3.8%	7.8%	-5.5%	3.4%	4.0%	2.8%	-5.1%
Total	-7.2%	-3.3%	4.6%	-4.2%	-0.7%	1.4%	-3.0%	1.8%	8.2%	2.5%	1.8%
Change From Prior Year - Quarter to Quarter Analysis											
Local Medical			-1.2%			-3.2%			8.7%		
State Medical			-3.0%			-0.5%			0.7%		
Local Drugs			-1.4%			-1.0%			-4.4%		
State Drugs			-2.4%			0.4%			0.6%		
Total			-2.1%			-1.2%			2.3%		
Change From Prior Year - Year to Year Analysis											
Local Medical			7.2%			4.2%			5.4%		
State Medical			0.9%			-0.3%			-0.9%		
Local Drugs			5.1%			2.0%			-0.5%		
State Drugs			5.7%			2.4%			0.8%		
Total			4.5%			2.0%			1.5%		