

STATE OF WEST VIRGINIA



PUBLIC EMPLOYEES INSURANCE AGENCY

**Fiscal Year 2026
Financial Report**

Fiscal Years 2026-2031

Report Date: October 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 2031.

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”), June 30, 2030 (“FY 2030”) and June 30, 2031 (“FY 2031”). Our opinion of plan adequacy is based on the projections through FY 2031 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 2031 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 2031 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 2031

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 August 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 July 2026 enrollment levels for the duration of these forecasts for active employees.

In aggregate, July 2026 enrollment for active employees has decreased by 247 coverages since the end of FY 2026. Aggregate PPB enrollment has decreased by 592 in total over the same period, while managed care enrollment experienced an increase of 345 coverages.

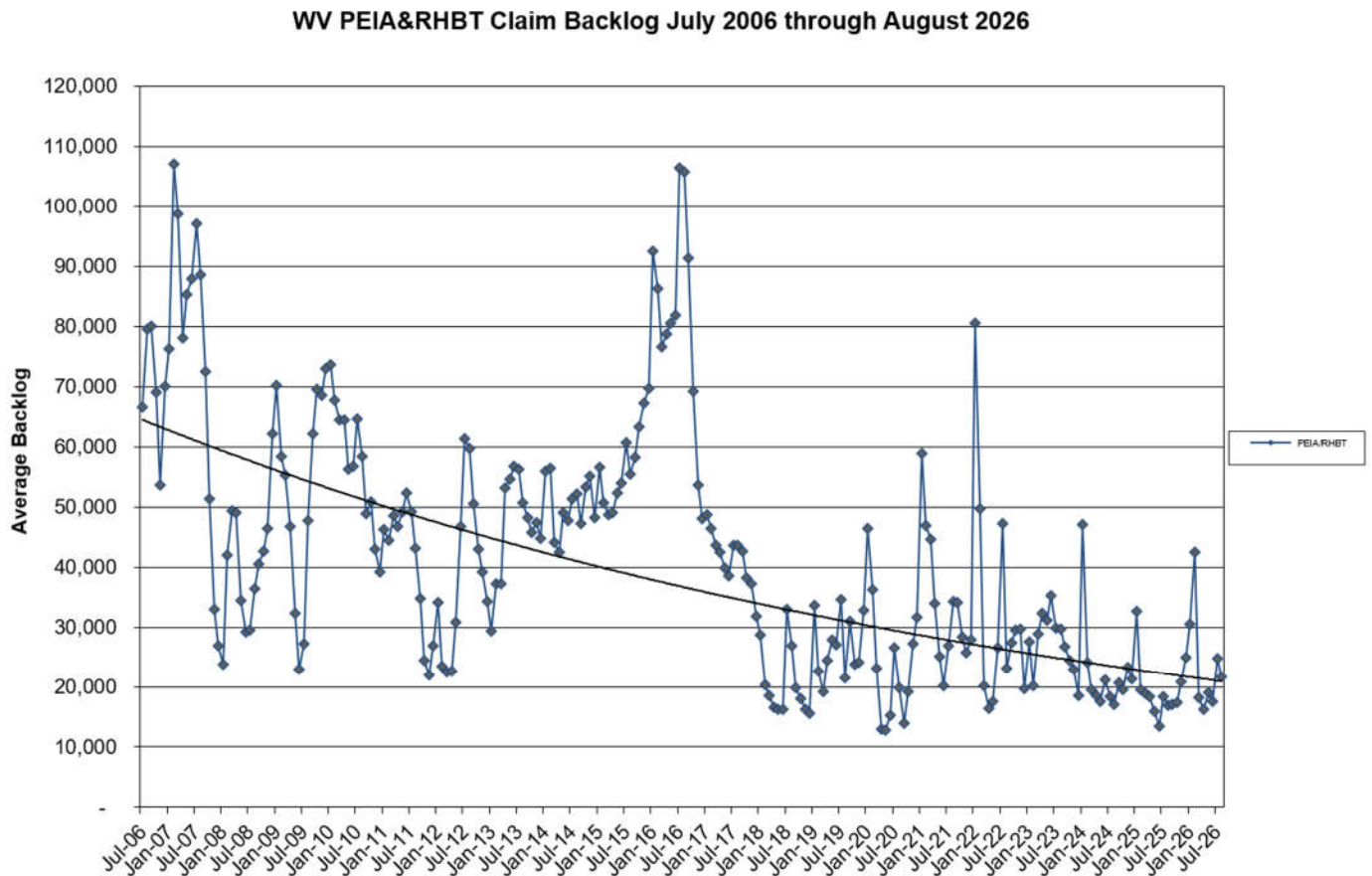
In the State Fund, the overall active State enrollment decreased by 307 coverages from the end of FY 2026 to July 2026. And in the Local Fund, the overall active Local enrollment increased by 60 coverages from the end of FY 2026 to July 2026.

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

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-25	Jun-26	Jul-26	Jun-25	Jun-26	Jul-26
State Active	Single	23,689	24,767	24,967	2,711	2,972	3,161
	Children	7,810	8,968	9,234	990	1,127	1,228
	Family	21,967	19,191	18,144	2,186	1,962	1,946
	Total	53,466	52,926	52,345	5,887	6,061	6,335
Local Active	Single	7,123	7,142	7,109	467	472	525
	Children	1,343	1,393	1,407	110	115	127
	Family	5,994	5,820	5,828	166	171	177
	Total	14,460	14,355	14,344	743	758	829
Plan Total		67,926	67,281	66,689	6,630	6,819	7,164
Grand Total					74,556	74,100	73,853

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 2026, 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 2027 medical claim trend is 6.00%, the gross prescription drugs claim trend is 12.75% and the prescription drugs rebate trend is 5.00%. In 2027, 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 2027 Trend	Updated Assumption FY 2027 Trend
Active Local – Medical	6.00%	6.00%
State – Medical	6.00%	6.00%
Active Local – Gross Drugs	12.75%	12.75%
State – Gross Drugs	12.75%	12.75%
Prescription Drugs Rebate	5.00%	5.00%

In the past, claim trends for the financial plan included a 0.5% margin for the medical and 0.75% margin for the 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 2028 and in each successive fiscal year. Additionally, drug rebates have been trending at a lower rate than gross drugs. 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.

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 August 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	Active Local	State	Active Local	State	
<u>Year</u>	<u>Medical</u>	<u>Medical</u>	<u>Drugs</u>	<u>Drugs</u>	<u>Total</u>
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	8%	9%	2%	4%	7%
2027*	11%	13%	3%	6%	10%

* Fiscal year 2027 results are through the first two months ending August 2026.

D. Enrollment, Claim, Expense and Revenue Assumptions

Using PEIA paid claim data through August 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 result of FY 2026 and the projection of FY 2027 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2026 Result			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	\$1,014	\$255	\$781	\$339	
	<u>Managed Care</u>	<u>6,013</u>	\$1,029	\$253			\$1,065
	Total	59,092					
Local	PPB	14,451	\$1,107	\$0	\$773	\$282	
	<u>Managed Care</u>	<u>752</u>	\$1,135	\$0			\$806
	Total	15,203					

*Net of rebates and subsidies.

Fiscal Year 2027 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	52,345	\$1,010	\$266	\$834	\$397	
	<u>Managed Care</u>	<u>6,335</u>	\$956	\$248			\$1,102
	Total	58,680					
Local	PPB	14,344	\$1,099	\$0	\$822	\$329	
	<u>Managed Care</u>	<u>829</u>	\$1,010	\$0			\$797
	Total	15,173					

*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	Fiscal Year 2031
Additional State Employer Revenue	\$92,900,000	\$22,300,000	\$25,000,000	\$50,000,000	\$60,000,000	\$109,000,000
Additional Local Agency Revenue	\$29,900,000	\$6,200,000	\$30,000,000	\$20,000,000	\$20,000,000	\$48,000,000
Additional Employee Premium	\$38,700,000	\$5,600,000	\$6,300,000	\$12,500,000	\$15,000,000	\$27,300,000
State Direct Transfers (State Budget Appropriations)	\$0	\$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	\$11,750,000
Benefit Reductions and Savings / (Increase) - Active State Drugs	\$13,700,000	\$0	\$4,540,000	\$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	\$2,620,000
Benefit Reductions and Savings / (Increase) - Active Local Drugs	\$3,300,000	\$0	\$1,090,000	\$1,090,000	\$1,090,000	\$1,090,000
Pay Go Premium Transfer	\$10,227,140	\$55,000,000	\$65,000,000	\$75,000,000	\$85,000,000	\$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 2031.

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 RESULT

The financial result for FY 2026 under the Baseline scenario is presented in the Appendix. The Baseline result for FY 2026 projects accrued revenue of \$1,147,492,997 and incurred plan expenses of \$1,025,518,857 to produce a fiscal year surplus of \$121,974,140. The PEIA local and state agencies Pay Go premiums for FY 2026 are assumed to be \$10,227,140.

Under the Baseline Scenario, FY 2026 ends with a Total Fund reserve (State and Local Reserves) of \$339,047,188 and projected plan expenditures of \$1,015,291,717. This represents 33.4% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$123,935,385. 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 ends with a reserve of \$308,398,745, which represents 37.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$99,700,129.

The Local Fund in FY 2026 ends with a reserve of \$30,648,442, which represents 15.6% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$24,235,256.

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 \$1,175,105,784 and incurred plan expenses of \$1,155,774,384 to produce a fiscal year surplus of \$19,331,399. 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 \$358,378,587 and projected plan expenditures of \$1,100,774,384. This represents 32.6% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$134,403,882. 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 \$379,316,377 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$337,378,073.

The State Fund in FY 2027 is projected to end with a reserve of \$337,748,263, which represents 38.0% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$108,133,062.

The Local Fund in FY 2027 is projected to end with a reserve of \$20,630,324, which represents 9.7% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of \$26,270,819.

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 \$1,237,918,826 and incurred plan expenses of \$1,248,679,741 to produce a fiscal year deficit of (\$10,760,916). 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 \$347,617,671 and projected plan expenditures of \$1,183,679,741. This represents 29.4% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$144,508,963. 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 \$412,724,269 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$281,593,053.

The State Fund in FY 2028 is projected to end with a reserve of \$324,988,828, which represents 34.0% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$116,300,265.

The Local Fund in FY 2028 is projected to end with a reserve of \$22,628,844, which represents 9.9% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of \$28,208,698.

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 \$1,320,826,854 and incurred plan expenses of \$1,358,858,623 to produce a fiscal year deficit of (\$38,031,769). 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 \$309,585,903 and projected plan expenditures of \$1,283,858,623. This represents 24.1% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$156,724,146. 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 \$446,412,097 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to \$169,164,359.

The State Fund in FY 2029 is projected to end with a reserve of \$285,671,920, which represents 27.6% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$126,181,002.

The Local Fund in FY 2029 is projected to end with a reserve of \$23,913,983, which represents 9.7% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of \$30,543,144.

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 \$1,415,235,910 and incurred plan expenses of \$1,489,679,020 to produce a fiscal year deficit of (\$74,443,110). 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 \$235,142,793 and projected plan expenditures of \$1,404,679,020. This represents 16.7% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$171,460,034. 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 \$476,355,939 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to (\$15,452,180).

The State Fund in FY 2030 is projected to end with a reserve of \$214,492,688, which represents 18.9% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$138,110,057.

The Local Fund in FY 2030 is projected to end with a reserve of \$20,650,104, which represents 7.6% of projected expenditures. The projected Local Fund reserve does not meet the minimum actuarial required reserve of \$33,349,976.

FISCAL YEAR 2031 FORECAST

The financial forecast for FY 2031 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2031 projects accrued revenue of \$1,597,726,582 and incurred plan expenses of \$1,635,331,005 to produce a fiscal year deficit of (\$37,604,424). The PEIA local and state agencies Pay Go premiums for FY 2031 are assumed to be \$85,000,000.

Under the Baseline Scenario, FY 2031 is projected to end with a Total Fund reserve (State and Local Reserves) of \$197,538,369 and projected plan expenditures of \$1,550,331,005. This represents 12.7% of projected expenditures based on the current reserve methodology. The projected reserve meets the minimum actuarial required reserve of \$189,227,201. 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 \$582,262,901 and under the Pessimistic Scenario, the ending Total Fund reserve is expected to decrease to (\$207,133,354).

The State Fund in FY 2031 is projected to end with a reserve of \$159,346,953, which represents 12.7% of projected expenditures. The projected State Fund reserve meets the minimum actuarial required reserve of \$152,504,023.

The Local Fund in FY 2031 is projected to end with a reserve of \$38,191,417, which represents 12.8% of projected expenditures. The projected Local Fund reserve meets the minimum actuarial required reserve of \$36,723,178.

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 RESULT
FISCAL YEAR 2026**

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

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 192,042,523	\$ 645,863,806	\$ 837,906,329
Employer Premiums - MCO	10,247,507	74,274,303	84,521,809
Employee Premiums - PPB	-	162,255,690	162,255,690
Employee Premiums - MCO	-	18,269,747	18,269,747
WV RHBT Pay Go Premiums	2,092,802	8,134,338	10,227,140
Life Insurance	421,748	1,853,618	2,275,365
Direct Transfers	-	-	-
Investment Income	3,205,141	21,833,092	25,038,233
Litigation Settlement	-	-	-
COBRA Premiums	325,907	1,432,391	1,758,299
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 209,136,824	\$ 938,356,173	\$ 1,147,492,997
<u>Program Expenses</u>			
Medical Claims	\$ 134,034,406	\$ 497,504,788	\$ 631,539,194
Gross Prescription Drug Claims	73,163,040	315,589,360	388,752,400
Prescription Drug Rebates	(24,320,543)	(99,722,500)	(124,043,042)
Managed Care Capitations	7,273,891	76,843,250	84,117,141
Administration	5,664,428	24,895,648	30,560,076
Life Insurance	393,325	1,728,696	2,122,021
Wellness	305,948	1,344,668	1,650,616
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	118,844	474,467	593,311
Director's Discretionary Fund	-	-	-
WV RHBT Pay Go Premiums	2,092,802	8,134,338	10,227,140
Total Expenses	\$ 198,726,141	\$ 826,792,716	\$ 1,025,518,857
Fiscal Year Results	\$ 10,410,683	\$ 111,563,457	\$ 121,974,140
Beginning Plan Reserve	20,237,759	196,835,289	217,073,048
Minimum Actuarial Reserve Required	\$ 24,235,256	\$ 99,700,129	\$ 123,935,385
<u>Ending Premium Stabilization Reserve</u>	<u>6,413,186</u>	<u>208,698,616</u>	<u>215,111,802</u>
Ending Plan Reserve	\$ 30,648,442	\$ 308,398,745	\$ 339,047,188
Reserve as a Percent of Expenses			33%

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		20.3%
		Administrative Expense		10.6%

APPENDIX - BASELINE SCENARIO

PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY FINANCIAL RESULT FISCAL YEAR 2026

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

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 163,576,113	\$ 28,466,410	\$ 192,042,523
Employer Premiums - MCO	8,813,917	1,433,590	10,247,507
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	2,092,802		2,092,802
Life Insurance	421,748		421,748
Direct Transfers	-		-
Investment Income	3,205,141		3,205,141
Litigation Settlement	-		-
COBRA Premiums	325,907		325,907
Administrative Fees	801,196		801,196
Total Revenue	\$ 179,236,824	\$ 29,900,000	\$ 209,136,824
<u>Program Expenses</u>			
Medical Claims	\$ 134,034,406	\$ -	\$ 134,034,406
Gross Prescription Drug Claims	74,970,886	\$ (1,807,847)	73,163,040
Prescription Drug Rebates	(24,320,543)		(24,320,543)
Managed Care Capitations	7,273,891		7,273,891
Administration	5,664,428		5,664,428
Life Insurance	393,325		393,325
Wellness	305,948		305,948
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	118,844		118,844
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	2,092,802		2,092,802
Total Expenses	\$ 200,533,987	\$ (1,807,847)	\$ 198,726,141
Fiscal Year Results	\$ (21,297,163)		\$ 10,410,683
Beginning Plan Reserve	20,237,759		20,237,759
Minimum Actuarial Reserve Required	\$ 24,235,256	\$ -	\$ 24,235,256
<u>Ending Premium Stabilization Reserve</u>	(25,294,661)	-	6,413,186
Ending Plan Reserve	\$ (1,059,404)		\$ 30,648,442
Reserve as a Percent of Expenses			16%

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		20.3%
		Administrative Expense		10.6%

APPENDIX - BASELINE SCENARIO
PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL RESULT
FISCAL YEAR 2026

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 562,255,051	\$ 83,608,755	\$ 645,863,806
Employer Premiums - MCO	64,983,057	9,291,245	74,274,303
Employee Premiums - PPB	127,471,088	34,784,602	162,255,690
Employee Premiums - MCO	14,354,349	3,915,398	18,269,747
WV RHBT Pay Go Premiums	8,134,338		8,134,338
Life Insurance	1,853,618		1,853,618
Direct Transfers	-		-
Investment Income	21,833,092		21,833,092
Litigation Settlement	-		-
COBRA Premiums	1,432,391		1,432,391
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 806,756,173	\$ 131,600,000	\$ 938,356,173
<u>Program Expenses</u>			
Medical Claims	\$ 497,504,788	\$ -	\$ 497,504,788
Gross Prescription Drug Claims	323,420,451	\$ (7,831,090)	315,589,360
Prescription Drug Rebates	(99,722,500)		(99,722,500)
Managed Care Capitations	76,843,250		76,843,250
Administration	24,895,648		24,895,648
Life Insurance	1,728,696		1,728,696
Wellness	1,344,668		1,344,668
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	474,467		474,467
Director's Discretionary Fund	-		-
WV RHBT Pay Go Premiums	8,134,338		8,134,338
Total Expenses	\$ 834,623,806	\$ (7,831,090)	\$ 826,792,716
Fiscal Year Results	\$ (27,867,634)		\$ 111,563,457
Beginning Plan Reserve	196,835,289		196,835,289
Minimum Actuarial Reserve Required	\$ 99,700,129	\$ -	\$ 99,700,129
<u>Ending Premium Stabilization Reserve</u>	69,267,526	-	208,698,616
Ending Plan Reserve	\$ 168,967,655		\$ 308,398,745
Reserve as a Percent of Expenses			38%

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		20.3%
		Administrative Expense		10.6%

**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	\$ 189,235,494	\$ 634,188,264	\$ 823,423,759
Employer Premiums - MCO	10,047,661	72,683,858	82,731,519
Employee Premiums - PPB	-	167,288,953	167,288,953
Employee Premiums - MCO	-	18,836,484	18,836,484
WV RHBT Pay Go Premiums	11,299,676	43,700,324	55,000,000
Life Insurance	442,835	1,946,298	2,389,134
Direct Transfers	-	-	-
Investment Income	2,223,828	16,230,460	18,454,288
Litigation Settlement	-	-	-
COBRA Premiums	321,063	1,420,200	1,741,263
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 214,371,754	\$ 960,734,030	\$ 1,175,105,784
<u>Program Expenses</u>			
Medical Claims	\$ 141,494,085	\$ 524,050,956	\$ 665,545,041
Gross Prescription Drug Claims	82,087,721	353,337,255	435,424,976
Prescription Drug Rebates	(25,485,778)	(104,269,783)	(129,755,561)
Managed Care Capitations	7,928,541	83,759,142	91,687,684
Administration	5,834,361	25,642,517	31,476,878
Life Insurance	412,991	1,815,131	2,228,122
Wellness	318,186	1,398,455	1,716,641
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	124,121	483,208	607,329
Director's Discretionary Fund	375,968	1,467,307	1,843,275
WV RHBT Pay Go Premiums	11,299,676	43,700,324	55,000,000
Total Expenses	\$ 224,389,872	\$ 931,384,512	\$ 1,155,774,384
Fiscal Year Results	\$ (10,018,119)	\$ 29,349,518	\$ 19,331,399
Beginning Plan Reserve	30,648,442	308,398,745	339,047,188
Minimum Actuarial Reserve Required	\$ 26,270,819	\$ 108,133,062	\$ 134,403,882
<u>Ending Premium Stabilization Reserve</u>	<u>(5,640,496)</u>	<u>229,615,201</u>	<u>223,974,705</u>
Ending Plan Reserve	\$ 20,630,324	\$ 337,748,263	\$ 358,378,587
Reserve as a Percent of Expenses			33%

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	\$ 183,349,495	\$ 5,885,999	\$ 189,235,494
Employer Premiums - MCO	9,733,660	314,001	10,047,661
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	11,299,676		11,299,676
Life Insurance	442,835		442,835
Direct Transfers	-		-
Investment Income	2,223,828		2,223,828
Litigation Settlement	-		-
COBRA Premiums	321,063		321,063
Administrative Fees	801,196		801,196
Total Revenue	\$ 208,171,754	\$ 6,200,000	\$ 214,371,754
<u>Program Expenses</u>			
Medical Claims	\$ 141,494,085	\$ -	\$ 141,494,085
Gross Prescription Drug Claims	82,087,721	\$ -	82,087,721
Prescription Drug Rebates	(25,485,778)		(25,485,778)
Managed Care Capitations	7,928,541		7,928,541
Administration	5,834,361		5,834,361
Life Insurance	412,991		412,991
Wellness	318,186		318,186
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	124,121		124,121
Director's Discretionary Fund	375,968		375,968
WV RHBT Pay Go Premiums	11,299,676		11,299,676
Total Expenses	\$ 224,389,872	\$ -	\$ 224,389,872
Fiscal Year Results	\$ (16,218,119)		\$ (10,018,119)
Beginning Plan Reserve	30,648,442		30,648,442
Minimum Actuarial Reserve Required	\$ 26,270,819	\$ -	\$ 26,270,819
<u>Ending Premium Stabilization Reserve</u>	(11,840,496)	-	(5,640,496)
Ending Plan Reserve	\$ 14,430,324		\$ 20,630,324
Reserve as a Percent of Expenses			10%

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	\$ 614,187,919	\$ 20,000,345	\$ 634,188,264
Employer Premiums - MCO	70,384,204	2,299,655	72,683,858
Employee Premiums - PPB	162,255,690	5,033,262	167,288,953
Employee Premiums - MCO	18,269,747	566,738	18,836,484
WV RHBT Pay Go Premiums	43,700,324		43,700,324
Life Insurance	1,946,298		1,946,298
Direct Transfers	-		-
Investment Income	16,230,460		16,230,460
Litigation Settlement	-		-
COBRA Premiums	1,420,200		1,420,200
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 932,834,030	\$ 27,900,000	\$ 960,734,030
<u>Program Expenses</u>			
Medical Claims	\$ 524,050,956	\$ -	\$ 524,050,956
Gross Prescription Drug Claims	353,337,255	-	353,337,255
Prescription Drug Rebates	(104,269,783)		(104,269,783)
Managed Care Capitations	83,759,142		83,759,142
Administration	25,642,517		25,642,517
Life Insurance	1,815,131		1,815,131
Wellness	1,398,455		1,398,455
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	483,208		483,208
Director's Discretionary Fund	1,467,307		1,467,307
WV RHBT Pay Go Premiums	43,700,324		43,700,324
Total Expenses	\$ 931,384,512	\$ -	\$ 931,384,512
Fiscal Year Results	\$ 1,449,518		\$ 29,349,518
Beginning Plan Reserve	308,398,745		308,398,745
Minimum Actuarial Reserve Required	\$ 108,133,062	\$ -	\$ 108,133,062
<u>Ending Premium Stabilization Reserve</u>	<u>201,715,201</u>	<u>-</u>	<u>229,615,201</u>
Ending Plan Reserve	\$ 309,848,263		\$ 337,748,263
Reserve as a Percent of Expenses			38%

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	\$ 215,773,898	\$ 649,522,448	\$ 865,296,346
Employer Premiums - MCO	11,454,771	74,404,161	85,858,932
Employee Premiums - PPB	-	172,951,373	172,951,373
Employee Premiums - MCO	-	19,474,064	19,474,064
WV RHBT Pay Go Premiums	13,354,163	51,645,837	65,000,000
Life Insurance	464,977	2,043,613	2,508,590
Direct Transfers	-	-	-
Investment Income	1,932,314	17,833,394	19,765,707
Litigation Settlement	-	-	-
COBRA Premiums	366,086	1,457,342	1,823,428
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 244,147,404	\$ 993,771,422	\$ 1,237,918,826
<u>Program Expenses</u>			
Medical Claims	\$ 147,749,598	\$ 545,174,670	\$ 692,924,269
Gross Prescription Drug Claims	91,802,731	395,307,676	487,110,408
Prescription Drug Rebates	(26,760,067)	(109,483,272)	(136,243,339)
Managed Care Capitations	8,721,395	92,135,057	100,856,452
Administration	6,009,392	26,411,793	32,421,184
Life Insurance	433,641	1,905,888	2,339,529
Wellness	330,913	1,454,393	1,785,306
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	130,327	507,368	637,696
Director's Discretionary Fund	376,790	1,471,447	1,848,237
WV RHBT Pay Go Premiums	13,354,163	51,645,837	65,000,000
Total Expenses	\$ 242,148,884	\$ 1,006,530,857	\$ 1,248,679,741
Fiscal Year Results	\$ 1,998,520	\$ (12,759,436)	\$ (10,760,916)
Beginning Plan Reserve	20,630,324	337,748,263	358,378,587
Minimum Actuarial Reserve Required	\$ 28,208,698	\$ 116,300,265	\$ 144,508,963
<u>Ending Premium Stabilization Reserve</u>	<u>(5,579,855)</u>	<u>208,688,563</u>	<u>203,108,708</u>
Ending Plan Reserve	\$ 22,628,844	\$ 324,988,828	\$ 347,617,671
Reserve as a Percent of Expenses			29%

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	\$ 187,293,258	\$ 28,480,640	\$ 215,773,898
Employer Premiums - MCO	9,935,411	1,519,360	11,454,771
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	13,354,163		13,354,163
Life Insurance	464,977		464,977
Direct Transfers	-		-
Investment Income	1,932,314		1,932,314
Litigation Settlement	-		-
COBRA Premiums	366,086		366,086
Administrative Fees	801,196		801,196
Total Revenue	\$ 214,147,404	\$ 30,000,000	\$ 244,147,404
<u>Program Expenses</u>			
Medical Claims	\$ 150,369,598	\$ (2,620,000)	\$ 147,749,598
Gross Prescription Drug Claims	92,892,731	\$ (1,090,000)	91,802,731
Prescription Drug Rebates	(26,760,067)		(26,760,067)
Managed Care Capitations	8,721,395		8,721,395
Administration	6,009,392		6,009,392
Life Insurance	433,641		433,641
Wellness	330,913		330,913
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	130,327		130,327
Director's Discretionary Fund	376,790		376,790
WV RHBT Pay Go Premiums	13,354,163		13,354,163
Total Expenses	\$ 245,858,884	\$ (3,710,000)	\$ 242,148,884
Fiscal Year Results	\$ (31,711,480)		\$ 1,998,520
Beginning Plan Reserve	20,630,324		20,630,324
Minimum Actuarial Reserve Required	\$ 28,208,698	\$ -	\$ 28,208,698
<u>Ending Premium Stabilization Reserve</u>	<u>(39,289,855)</u>	<u>-</u>	<u>(5,579,855)</u>
Ending Plan Reserve	\$ (11,081,156)		\$ 22,628,844
Reserve as a Percent of Expenses			10%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 30,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		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 FISCAL YEAR 2028

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 627,100,536	\$ 22,421,912	\$ 649,522,448
Employer Premiums - MCO	71,826,073	2,578,088	74,404,161
Employee Premiums - PPB	167,288,953	5,662,420	172,951,373
Employee Premiums - MCO	18,836,484	637,580	19,474,064
WV RHBT Pay Go Premiums	51,645,837		51,645,837
Life Insurance	2,043,613		2,043,613
Direct Transfers	-		-
Investment Income	17,833,394		17,833,394
Litigation Settlement	-		-
COBRA Premiums	1,457,342		1,457,342
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 962,471,422	\$ 31,300,000	\$ 993,771,422
<u>Program Expenses</u>			
Medical Claims	\$ 556,924,670	\$ (11,750,000)	\$ 545,174,670
Gross Prescription Drug Claims	399,847,676	\$ (4,540,000)	395,307,676
Prescription Drug Rebates	(109,483,272)		(109,483,272)
Managed Care Capitations	92,135,057		92,135,057
Administration	26,411,793		26,411,793
Life Insurance	1,905,888		1,905,888
Wellness	1,454,393		1,454,393
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	507,368		507,368
Director's Discretionary Fund	1,471,447		1,471,447
WV RHBT Pay Go Premiums	51,645,837		51,645,837
Total Expenses	\$ 1,022,820,857	\$ (16,290,000)	\$ 1,006,530,857
Fiscal Year Results	\$ (60,349,436)		\$ (12,759,436)
Beginning Plan Reserve	337,748,263		337,748,263
Minimum Actuarial Reserve Required	\$ 116,300,265	\$ -	\$ 116,300,265
<u>Ending Premium Stabilization Reserve</u>	161,098,563	-	208,688,563
Ending Plan Reserve	\$ 277,398,828		\$ 324,988,828
Reserve as a Percent of Expenses			34%

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	\$ 232,818,755	\$ 687,278,544	\$ 920,097,299
Employer Premiums - MCO	12,355,427	78,702,552	91,057,979
Employee Premiums - PPB	-	184,186,333	184,186,333
Employee Premiums - MCO	-	20,739,104	20,739,104
WV RHBT Pay Go Premiums	15,408,650	59,591,350	75,000,000
Life Insurance	488,226	2,145,794	2,634,020
Direct Transfers	-	-	-
Investment Income	2,133,039	17,799,594	19,932,633
Litigation Settlement	-	-	-
COBRA Premiums	394,998	1,544,104	1,939,102
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 264,400,290	\$ 1,056,426,564	\$ 1,320,826,854
<u>Program Expenses</u>			
Medical Claims	\$ 155,136,538	\$ 570,350,407	\$ 725,486,945
Gross Prescription Drug Claims	103,485,404	445,769,172	549,254,576
Prescription Drug Rebates	(28,098,070)	(114,957,435)	(143,055,506)
Managed Care Capitations	9,680,749	102,269,913	111,950,662
Administration	6,189,673	27,204,146	33,393,820
Life Insurance	455,323	2,001,182	2,456,505
Wellness	344,150	1,512,569	1,856,719
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	136,844	532,737	669,580
Director's Discretionary Fund	375,891	1,469,431	1,845,322
WV RHBT Pay Go Premiums	15,408,650	59,591,350	75,000,000
Total Expenses	\$ 263,115,151	\$ 1,095,743,472	\$ 1,358,858,623
Fiscal Year Results	\$ 1,285,139	\$ (39,316,908)	\$ (38,031,769)
Beginning Plan Reserve	22,628,844	324,988,828	347,617,671
Minimum Actuarial Reserve Required	\$ 30,543,144	\$ 126,181,002	\$ 156,724,146
<u>Ending Premium Stabilization Reserve</u>	<u>(6,629,161)</u>	<u>159,490,918</u>	<u>152,861,757</u>
Ending Plan Reserve	\$ 23,913,983	\$ 285,671,920	\$ 309,585,903
Reserve as a Percent of Expenses			24%

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	\$ 213,831,661	\$ 18,987,094	\$ 232,818,755
Employer Premiums - MCO	11,342,521	1,012,906	12,355,427
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	15,408,650		15,408,650
Life Insurance	488,226		488,226
Direct Transfers	-		-
Investment Income	2,133,039		2,133,039
Litigation Settlement	-		-
COBRA Premiums	394,998		394,998
Administrative Fees	801,196		801,196
Total Revenue	\$ 244,400,290	\$ 20,000,000	\$ 264,400,290
<u>Program Expenses</u>			
Medical Claims	\$ 157,756,538	\$ (2,620,000)	\$ 155,136,538
Gross Prescription Drug Claims	104,575,404	\$ (1,090,000)	103,485,404
Prescription Drug Rebates	(28,098,070)		(28,098,070)
Managed Care Capitations	9,680,749		9,680,749
Administration	6,189,673		6,189,673
Life Insurance	455,323		455,323
Wellness	344,150		344,150
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	136,844		136,844
Director's Discretionary Fund	375,891		375,891
WV RHBT Pay Go Premiums	15,408,650		15,408,650
Total Expenses	\$ 266,825,151	\$ (3,710,000)	\$ 263,115,151
Fiscal Year Results	\$ (22,424,861)		\$ 1,285,139
Beginning Plan Reserve	22,628,844		22,628,844
Minimum Actuarial Reserve Required	\$ 30,543,144	\$ -	\$ 30,543,144
<u>Ending Premium Stabilization Reserve</u>	<u>(30,339,161)</u>	<u>-</u>	<u>(6,629,161)</u>
Ending Plan Reserve	\$ 203,983		\$ 23,913,983
Reserve as a Percent of Expenses			10%

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	\$ 642,434,720	\$ 44,843,824	\$ 687,278,544
Employer Premiums - MCO	73,546,376	5,156,176	78,702,552
Employee Premiums - PPB	172,951,373	11,234,960	184,186,333
Employee Premiums - MCO	19,474,064	1,265,040	20,739,104
WV RHBT Pay Go Premiums	59,591,350		59,591,350
Life Insurance	2,145,794		2,145,794
Direct Transfers	-		-
Investment Income	17,799,594		17,799,594
Litigation Settlement	-		-
COBRA Premiums	1,544,104		1,544,104
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 993,926,564	\$ 62,500,000	\$ 1,056,426,564
<u>Program Expenses</u>			
Medical Claims	\$ 582,100,407	\$ (11,750,000)	\$ 570,350,407
Gross Prescription Drug Claims	450,309,172	\$ (4,540,000)	445,769,172
Prescription Drug Rebates	(114,957,435)		(114,957,435)
Managed Care Capitations	102,269,913		102,269,913
Administration	27,204,146		27,204,146
Life Insurance	2,001,182		2,001,182
Wellness	1,512,569		1,512,569
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	532,737		532,737
Director's Discretionary Fund	1,469,431		1,469,431
WV RHBT Pay Go Premiums	59,591,350		59,591,350
Total Expenses	\$ 1,112,033,472	\$ (16,290,000)	\$ 1,095,743,472
Fiscal Year Results	\$ (118,106,908)		\$ (39,316,908)
Beginning Plan Reserve	324,988,828		324,988,828
Minimum Actuarial Reserve Required	\$ 126,181,002	\$ -	\$ 126,181,002
<u>Ending Premium Stabilization Reserve</u>	80,700,918	-	159,490,918
Ending Plan Reserve	\$ 206,881,920		\$ 285,671,920
Reserve as a Percent of Expenses			28%

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	\$ 249,863,612	\$ 734,003,404	\$ 983,867,016
Employer Premiums - MCO	13,256,084	84,032,179	97,288,262
Employee Premiums - PPB	-	197,668,285	197,668,285
Employee Premiums - MCO	-	22,257,152	22,257,152
WV RHBT Pay Go Premiums	17,463,136	67,536,864	85,000,000
Life Insurance	512,637	2,253,084	2,765,721
Direct Transfers	-	-	-
Investment Income	2,317,993	16,756,441	19,074,434
Litigation Settlement	-	-	-
COBRA Premiums	423,910	1,650,746	2,074,655
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 284,638,568	\$ 1,130,597,342	\$ 1,415,235,910
<u>Program Expenses</u>			
Medical Claims	\$ 163,799,772	\$ 600,084,199	\$ 763,883,970
Gross Prescription Drug Claims	117,570,071	506,596,762	624,166,833
Prescription Drug Rebates	(29,502,974)	(120,705,307)	(150,208,281)
Managed Care Capitations	10,842,439	114,542,303	125,384,741
Administration	6,375,364	28,020,271	34,395,634
Life Insurance	478,089	2,101,241	2,579,330
Wellness	357,916	1,573,071	1,930,987
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	143,686	559,373	703,059
Director's Discretionary Fund	374,948	1,467,797	1,842,745
WV RHBT Pay Go Premiums	17,463,136	67,536,864	85,000,000
Total Expenses	\$ 287,902,446	\$ 1,201,776,574	\$ 1,489,679,020
Fiscal Year Results	\$ (3,263,879)	\$ (71,179,231)	\$ (74,443,110)
Beginning Plan Reserve	23,913,983	285,671,920	309,585,903
Minimum Actuarial Reserve Required	\$ 33,349,976	\$ 138,110,057	\$ 171,460,034
<u>Ending Premium Stabilization Reserve</u>	<u>(12,699,872)</u>	<u>76,382,631</u>	<u>63,682,759</u>
Ending Plan Reserve	\$ 20,650,104	\$ 214,492,688	\$ 235,142,793
Reserve as a Percent of Expenses			17%

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	\$ 230,876,518	\$ 18,987,094	\$ 249,863,612
Employer Premiums - MCO	12,243,177	1,012,906	13,256,084
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	17,463,136		17,463,136
Life Insurance	512,637		512,637
Direct Transfers	-		-
Investment Income	2,317,993		2,317,993
Litigation Settlement	-		-
COBRA Premiums	423,910		423,910
Administrative Fees	801,196		801,196
Total Revenue	\$ 264,638,568	\$ 20,000,000	\$ 284,638,568
<u>Program Expenses</u>			
Medical Claims	\$ 166,419,772	\$ (2,620,000)	\$ 163,799,772
Gross Prescription Drug Claims	118,660,071	\$ (1,090,000)	117,570,071
Prescription Drug Rebates	(29,502,974)		(29,502,974)
Managed Care Capitations	10,842,439		10,842,439
Administration	6,375,364		6,375,364
Life Insurance	478,089		478,089
Wellness	357,916		357,916
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	143,686		143,686
Director's Discretionary Fund	374,948		374,948
WV RHBT Pay Go Premiums	17,463,136		17,463,136
Total Expenses	\$ 291,612,446	\$ (3,710,000)	\$ 287,902,446
Fiscal Year Results	\$ (26,973,879)		\$ (3,263,879)
Beginning Plan Reserve	23,913,983		23,913,983
Minimum Actuarial Reserve Required	\$ 33,349,976	\$ -	\$ 33,349,976
<u>Ending Premium Stabilization Reserve</u>	<u>(36,409,872)</u>	<u>-</u>	<u>(12,699,872)</u>
Ending Plan Reserve	\$ (3,059,896)		\$ 20,650,104
Reserve as a Percent of Expenses			8%

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	7.5%	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 FISCAL YEAR 2030

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

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 680,190,815	\$ 53,812,589	\$ 734,003,404
Employer Premiums - MCO	77,844,767	6,187,411	84,032,179
Employee Premiums - PPB	184,186,333	13,481,952	197,668,285
Employee Premiums - MCO	20,739,104	1,518,048	22,257,152
WV RHBT Pay Go Premiums	67,536,864		67,536,864
Life Insurance	2,253,084		2,253,084
Direct Transfers	-		-
Investment Income	16,756,441		16,756,441
Litigation Settlement	-		-
COBRA Premiums	1,650,746		1,650,746
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 1,055,597,342	\$ 75,000,000	\$ 1,130,597,342
<u>Program Expenses</u>			
Medical Claims	\$ 611,834,199	\$ (11,750,000)	\$ 600,084,199
Gross Prescription Drug Claims	511,136,762	\$ (4,540,000)	506,596,762
Prescription Drug Rebates	(120,705,307)		(120,705,307)
Managed Care Capitations	114,542,303		114,542,303
Administration	28,020,271		28,020,271
Life Insurance	2,101,241		2,101,241
Wellness	1,573,071		1,573,071
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	559,373		559,373
Director's Discretionary Fund	1,467,797		1,467,797
WV RHBT Pay Go Premiums	67,536,864		67,536,864
Total Expenses	\$ 1,218,066,574	\$ (16,290,000)	\$ 1,201,776,574
Fiscal Year Results	\$ (162,469,231)		\$ (71,179,231)
Beginning Plan Reserve	285,671,920		285,671,920
Minimum Actuarial Reserve Required	\$ 138,110,057	\$ -	\$ 138,110,057
<u>Ending Premium Stabilization Reserve</u>	(14,907,369)	-	76,382,631
Ending Plan Reserve	\$ 123,202,688		\$ 214,492,688
Reserve as a Percent of Expenses			19%

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%

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

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2031**

PERIOD 7/1/2030 - 6/30/2031

	Active Local Fund	State Fund	PEIA Total
<u>Revenues</u>			
Employer Premiums - PPB	\$ 295,432,636	\$ 831,762,940	\$ 1,127,195,576
Employer Premiums - MCO	15,687,059	95,272,643	110,959,702
Employee Premiums - PPB	-	222,205,439	222,205,439
Employee Premiums - MCO	-	25,019,998	25,019,998
WV RHBT Pay Go Premiums	17,463,136	67,536,864	85,000,000
Life Insurance	538,269	2,365,738	2,904,007
Direct Transfers	-	-	-
Investment Income	2,335,068	14,497,651	16,832,719
Litigation Settlement	-	-	-
COBRA Premiums	501,242	1,867,514	2,368,755
Administrative Fees	801,196	4,439,189	5,240,385
Total Revenue	\$ 332,758,607	\$ 1,264,967,975	\$ 1,597,726,582
<u>Program Expenses</u>			
Medical Claims	\$ 173,912,406	\$ 634,982,219	\$ 808,894,625
Gross Prescription Drug Claims	134,602,310	580,145,638	714,747,948
Prescription Drug Rebates	(30,978,123)	(126,740,572)	(157,718,695)
Managed Care Capitations	12,251,956	129,432,802	141,684,758
Administration	6,566,624	28,860,879	35,427,503
Life Insurance	501,993	2,206,303	2,708,297
Wellness	372,233	1,635,994	2,008,227
ACA Reinsurance Contributions	-	-	-
ACA PCORI Fees	150,870	587,342	738,212
Director's Discretionary Fund	373,889	1,466,242	1,840,131
WV RHBT Pay Go Premiums	17,463,136	67,536,864	85,000,000
Total Expenses	\$ 315,217,294	\$ 1,320,113,711	\$ 1,635,331,005
Fiscal Year Results	\$ 17,541,312	\$ (55,145,736)	\$ (37,604,424)
Beginning Plan Reserve	20,650,104	214,492,688	235,142,793
Minimum Actuarial Reserve Required	\$ 36,723,178	\$ 152,504,023	\$ 189,227,201
<u>Ending Premium Stabilization Reserve</u>	<u>1,468,239</u>	<u>6,842,930</u>	<u>8,311,168</u>
Ending Plan Reserve	\$ 38,191,417	\$ 159,346,953	\$ 197,538,369
Reserve as a Percent of Expenses			13%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 109,000,000	Claim and Other Expense Trends		
Additional Local Agency Revenue	\$ 48,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Additional State Employee Premiums	\$ 27,300,000	Active Local	8.0%	15.8%
Direct Transfers	\$ -	State	8.0%	15.8%
		Prescription Drug Rebates		5.0%
		Capitations		13.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO
PEIA - LOCAL FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
FINANCIAL FORECAST
FISCAL YEAR 2031

PERIOD 7/1/2030 - 6/30/2031

Local Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 249,863,612	\$ 45,569,024	\$ 295,432,636
Employer Premiums - MCO	13,256,084	2,430,976	15,687,059
Employee Premiums - PPB	-	-	-
Employee Premiums - MCO	-	-	-
WV RHBT Pay Go Premiums	17,463,136		17,463,136
Life Insurance	538,269		538,269
Direct Transfers	-		-
Investment Income	2,335,068		2,335,068
Litigation Settlement	-		-
COBRA Premiums	501,242		501,242
Administrative Fees	801,196		801,196
Total Revenue	\$ 284,758,607	\$ 48,000,000	\$ 332,758,607
<u>Program Expenses</u>			
Medical Claims	\$ 176,532,406	\$ (2,620,000)	\$ 173,912,406
Gross Prescription Drug Claims	135,692,310	\$ (1,090,000)	134,602,310
Prescription Drug Rebates	(30,978,123)		(30,978,123)
Managed Care Capitations	12,251,956		12,251,956
Administration	6,566,624		6,566,624
Life Insurance	501,993		501,993
Wellness	372,233		372,233
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	150,870		150,870
Director's Discretionary Fund	373,889		373,889
WV RHBT Pay Go Premiums	17,463,136		17,463,136
Total Expenses	\$ 318,927,294	\$ (3,710,000)	\$ 315,217,294
Fiscal Year Results	\$ (34,168,688)		\$ 17,541,312
Beginning Plan Reserve	20,650,104		20,650,104
Minimum Actuarial Reserve Required	\$ 36,723,178	\$ -	\$ 36,723,178
<u>Ending Premium Stabilization Reserve</u>	<u>(50,241,761)</u>	<u>-</u>	<u>1,468,239</u>
Ending Plan Reserve	\$ (13,518,583)		\$ 38,191,417
Reserve as a Percent of Expenses			13%

KEY ASSUMPTIONS

Additional Local Agency Revenue	\$ 48,000,000	Claim and Other Expense Trends		
		<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
		Local	8.0%	15.8%
		Prescription Drug Rebates		5.0%
		Capitations		13.0%
		Administrative Expense		3.0%

APPENDIX - BASELINE SCENARIO

PEIA - STATE FUND

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY FINANCIAL FORECAST FISCAL YEAR 2031

PERIOD 7/1/2030 - 6/30/2031

State Fund	Baseline Projection	Board Decision	Ending Projection
<u>Revenues</u>			
Employer Premiums - PPB	\$ 734,003,404	\$ 97,759,536	\$ 831,762,940
Employer Premiums - MCO	84,032,179	11,240,464	95,272,643
Employee Premiums - PPB	197,668,285	24,537,153	222,205,439
Employee Premiums - MCO	22,257,152	2,762,847	25,019,998
WV RHBT Pay Go Premiums	67,536,864		67,536,864
Life Insurance	2,365,738		2,365,738
Direct Transfers	-		-
Investment Income	14,497,651		14,497,651
Litigation Settlement	-		-
COBRA Premiums	1,867,514		1,867,514
Administrative Fees	4,439,189		4,439,189
Total Revenue	\$ 1,128,667,975	\$ 136,300,000	\$ 1,264,967,975
<u>Program Expenses</u>			
Medical Claims	\$ 646,732,219	\$ (11,750,000)	\$ 634,982,219
Gross Prescription Drug Claims	584,685,638	\$ (4,540,000)	580,145,638
Prescription Drug Rebates	(126,740,572)		(126,740,572)
Managed Care Capitations	129,432,802		129,432,802
Administration	28,860,879		28,860,879
Life Insurance	2,206,303		2,206,303
Wellness	1,635,994		1,635,994
ACA Reinsurance Contributions	-		-
ACA PCORI Fees	587,342		587,342
Director's Discretionary Fund	1,466,242		1,466,242
WV RHBT Pay Go Premiums	67,536,864		67,536,864
Total Expenses	\$ 1,336,403,711	\$ (16,290,000)	\$ 1,320,113,711
Fiscal Year Results	\$ (207,735,736)		\$ (55,145,736)
Beginning Plan Reserve	214,492,688		214,492,688
Minimum Actuarial Reserve Required	\$ 152,504,023	\$ -	\$ 152,504,023
<u>Ending Premium Stabilization Reserve</u>	<u>(145,747,070)</u>	<u>-</u>	<u>6,842,930</u>
Ending Plan Reserve	\$ 6,756,953		\$ 159,346,953
Reserve as a Percent of Expenses			13%

KEY ASSUMPTIONS

Additional State Employer Premiums	\$ 109,000,000	Claim and Other Expense Trends		
Additional State Employee Premiums	\$ 27,300,000	<u>Eligibility</u>	<u>Medical</u>	<u>Gross Drugs</u>
Direct Transfers	\$ -	State	8.0%	15.8%
		Prescription Drug Rebates		5.0%
		Capitations		13.0%
		Administrative Expense		3.0%

Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2026 to FY 2027

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>	<u>Mar-26</u>	<u>Apr-26</u>	<u>May-26</u>	<u>Jun-26</u>
Local Medical	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282	28,228	28,233	28,124	28,031
State Medical	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915	101,777	101,689	101,461	101,116
Local Drugs	28,597	28,467	28,486	28,451	28,475	28,498	28,401	28,282	28,228	28,233	28,124	28,031
State Drugs	103,489	103,028	102,821	102,987	103,362	103,127	102,615	101,915	101,777	101,689	101,461	101,116
	<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>	<u>Mar-26</u>	<u>Apr-26</u>	<u>May-26</u>	<u>Jun-26</u>
Local Medical	\$315.76	\$341.68	\$348.03	\$439.45	\$356.75	\$321.62	\$407.02	\$440.39	\$446.63	\$462.74	\$417.70	\$456.39
State Medical	340.66	346.42	348.25	370.00	356.01	399.37	404.23	395.93	432.23	452.60	424.51	505.64
Local Drugs	202.24	205.53	214.83	218.70	206.85	230.80	200.66	191.12	224.00	228.99	224.99	259.55
State Drugs	<u>230.98</u>	<u>221.70</u>	<u>247.06</u>	<u>253.70</u>	<u>226.32</u>	<u>270.00</u>	<u>224.73</u>	<u>224.80</u>	<u>256.00</u>	<u>261.87</u>	<u>259.39</u>	<u>280.57</u>
Total	\$1,089.65	\$1,115.34	\$1,158.16	\$1,281.84	\$1,145.92	\$1,221.79	\$1,236.63	\$1,252.24	\$1,358.86	\$1,406.20	\$1,326.59	\$1,502.15
Change From Prior Year - Month to Month Analysis												
Local Medical	-8.0%	-2.0%	7.3%	7.2%	2.6%	-11.9%	-2.4%	19.1%	15.9%	-0.2%	-3.3%	-0.1%
State Medical	-6.5%	-2.5%	-0.1%	-7.9%	1.1%	6.2%	-0.3%	-1.0%	6.4%	7.7%	6.7%	17.3%
Local Drugs	-8.6%	-0.8%	5.8%	-3.2%	-3.2%	3.6%	-6.9%	-5.4%	-1.1%	-1.9%	-6.4%	4.1%
State Drugs	<u>-5.1%</u>	<u>-7.3%</u>	<u>5.4%</u>	<u>-2.7%</u>	<u>-3.5%</u>	<u>8.1%</u>	<u>-5.2%</u>	<u>3.6%</u>	<u>4.1%</u>	<u>2.8%</u>	<u>-0.8%</u>	<u>5.1%</u>
Total	-7.0%	-3.0%	4.3%	-1.3%	-0.2%	0.7%	-3.0%	5.3%	7.5%	2.5%	-0.4%	6.9%
Change From Prior Year - Quarter to Quarter Analysis												
Local Medical			-1.0%			-0.4%			10.4%			-1.2%
State Medical			-3.1%			-0.4%			1.7%			10.7%
Local Drugs			-1.4%			-0.9%			-4.4%			-1.3%
State Drugs			<u>-2.4%</u>			<u>0.6%</u>			<u>0.8%</u>			<u>2.4%</u>
Total			-2.0%			-0.3%			3.2%			3.1%
Change From Prior Year - Year to Year Analysis												
Local Medical			7.1%			4.7%			6.5%			1.9%
State Medical			0.9%			-0.2%			-0.6%			2.5%
Local Drugs			5.1%			2.1%			-0.5%			-2.0%
State Drugs			<u>5.7%</u>			<u>2.4%</u>			<u>1.0%</u>			<u>0.4%</u>
Total			4.5%			2.2%			1.9%			1.1%

**Attachment - PEIA
Historical Monthly Medical and Drug Trends
FY 2026 to FY 2027**

Fiscal Year 2027		
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Exposure

	<u>Jul-26</u>	<u>Aug-26</u>
Local Medical	27,915	27,915
State Medical	98,284	98,284
Local Drugs	27,915	27,915
State Drugs	98,284	98,284

	<u>Jul-26</u>	<u>Aug-26</u>
Local Medical	\$376.77	\$431.51
State Medical	403.55	464.24
Local Drugs	212.48	213.39
State Drugs	<u>247.27</u>	<u>255.89</u>
Total	\$1,240.07	\$1,365.03

Change From Prior Year - Month to Month Analysis

Local Medical	19.3%	26.3%
State Medical	18.5%	34.0%
Local Drugs	5.1%	3.8%
State Drugs	<u>7.1%</u>	<u>15.4%</u>
Total	13.8%	22.4%

Change From Prior Year - Quarter to Quarter Analysis

Local Medical

State Medical

Local Drugs

State Drugs

Total

Change From Prior Year - Year to Year Analysis

Local Medical

State Medical

Local Drugs

State Drugs

Total