



PEIA Public Hearings for FY 21 (July 2020 – June 2021)

November 2019

PEIA FY 2021 Plan Discussion - Premiums

- State Employees
 - Assume additional funding from the PEIA Rainy Day Fund
 - Will not go toward 80/20
 - No PEIA PPB Plan premium increases
- Non-State Employees
 - No change
- Non-Medicare Retirees
 - No change
- Medicare Retirees
 - No change
- Optional life insurance premium increase
- Basic life insurance premium increase

PEIA FY 2021 Plan Discussion - Benefits

- Benefit Recommendations (Active Employees and non-Medicare Retirees)
 - Two free chiropractic visits for back pain only
 - Plan C, no out-of-network coverage out-of-state (align with plans A and B)
 - Tentatively launching two wellness pilots in January
 - CAPPAP
 - Diabetic Prevention Program
 - Naturally Slim
 - Weight Control Program
- Explore providing specialty medication coverage through alternative foundation funding.

WV PEIA Financial Plan FY 2020 - FY 2024

Public Hearings Scenario

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Additional Employer Premium	\$ -	\$ -	\$ 95,500,000	\$ 74,000,000	\$ 69,500,000
Increase	0.0%	0.0%	19.4%	12.6%	10.5%
Local Fund Premium Increase	\$ -	\$ -	\$ 24,500,000	\$ 24,500,000	\$ 19,500,000
Increase	0.0%	0.0%	19.1%	16.1%	11.0%
Employee Premium	\$ -	\$ -	\$ 23,900,000	\$ 18,500,000	\$ 17,400,000
Increase	0.0%	0.0%	19.7%	12.7%	10.6%
State Direct Transfer (State Budget Appropriations)	\$ 31,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000
State Direct Transfer (PEIA Rainy Day Fund)	\$ -	\$ 34,000,000	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Active State Medical	\$ (2,890,000)				
Board Decision Benefit Reduce/(Add) - Active State Drugs	\$ (1,490,000)				
Board Decision Benefit Reduce/(Add) - Active Local Medical	\$ (770,000)				
Board Decision Benefit Reduce/(Add) - Active Local Drugs	\$ (260,000)				
Administrative Increases	\$ 7,098,698	\$ (3,100,841)	\$ 668,634	\$ 688,693	\$ 709,354
Increase	3%	3%	3%	3%	3%
Pay Go Premium Transfer	\$ 140,000,000	\$ 135,000,000	\$ 140,000,000	\$ 150,000,000	\$ 165,000,000
Total Fund	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
State Reserve	167,634,561	130,926,965	121,042,514	132,635,477	146,330,068
Local Reserve	50,140,374	31,975,650	25,446,323	27,749,450	30,692,348
RHBT Reserve	38,106,504	38,106,504	30,117,600	14,117,722	-
Total Reserve	255,881,439	201,009,119	176,606,437	174,502,649	177,022,416
<u>Minimum Actuarial Reserve Required</u>	122,702,551	133,535,311	145,670,288	159,829,580	176,198,530
PELA/RHBT Expenses	894,320,788	973,158,691	1,060,326,049	1,162,362,002	1,280,182,987
Reserve as a Percent of Expenses	29%	21%	17%	15%	14%
State Fund	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Reserve	182,030,435	167,634,561	130,926,964	121,042,514	132,635,477
Fiscal Year Results	(14,395,874)	(36,707,596)	(9,884,450)	11,592,963	13,694,591
Ending Reserve	167,634,561	130,926,965	121,042,514	132,635,477	146,330,068
<u>Minimum Actuarial Reserve Required</u>	101,695,219	110,628,850	120,692,256	132,432,625	146,004,262
PELA/RHBT Expenses	742,456,292	807,522,551	879,885,558	964,568,976	1,062,339,163
Reserve as a Percent of Expenses	23%	16%	14%	14%	14%
Local Fund	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Beginning Reserve	57,716,824	50,140,374	31,975,649	25,446,323	27,749,450
Fiscal Year Results	(7,576,450)	(18,164,724)	(6,529,326)	2,303,127	2,942,898
Ending Reserve	50,140,374	31,975,650	25,446,323	27,749,450	30,692,348
<u>Minimum Actuarial Reserve Required</u>	21,007,331	22,906,461	24,978,031	27,396,956	30,194,268
PELA/RHBT Expenses	151,864,496	165,636,140	180,440,491	197,793,026	217,843,824
Reserve as a Percent of Expenses	33%	19%	14%	14%	14%
State Share	80.2%	80.2%	80.2%	80.2%	80.1%
Employee Share	19.8%	19.8%	19.8%	19.8%	19.9%
Growth In Program Expenses	7.6%	6.7%	8.4%	9.3%	10.2%

WV RHBT Financial Plan FY 2020 - FY 2024 Public Hearings Scenario

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ 1,457,179	\$ 1,479,189	\$ 3,599,802
Increase	0.0%	0.0%	5.0%	5.0%	12.0%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ 4,886,189	\$ 5,228,801	\$ 10,440,029
Increase	0.0%	0.0%	5.0%	5.0%	12.0%
Administrative Increases	\$ 929,041	\$ (152,088)	\$ 152,349	\$ 156,920	\$ 161,627
	3%	3%	3%	3%	3%
General Revenue Transfer (OPEB Funding)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Revenue Transfer (Premium Offset)	\$ 5,000,000	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare	\$ (800,000)				
Board Decision Benefit Reduce/(Add) - Retiree Medicare	\$ -				
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)					
Pay Go Premium Transfer	\$ 140,000,000	\$ 135,000,000	\$ 140,000,000	\$ 150,000,000	\$ 165,000,000

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total RHBT Fund					
Beginning Reserve	\$ 1,087,772,878	\$ 1,229,495,292	\$ 1,354,646,756	\$ 1,479,254,387	\$ 1,605,306,400
Fiscal Year Results	141,722,414	125,151,464	132,596,535	142,051,891	151,498,803
Ending Total Reserve	1,229,495,292	1,354,646,756	1,479,254,387	1,605,306,400	1,742,687,481
Ending Premium Stabilization Reserve	\$ 38,106,504	\$ 38,106,504	\$ 30,117,600	\$ 14,117,722	\$ -
Medicare Fund (Fiscal Year)					
Beginning Reserve	\$ 592,019,741	\$ 674,229,981	\$ 740,518,241	\$ 805,974,201	\$ 872,988,873
Fiscal Year Results	82,210,240	66,288,260	71,874,721	80,067,425	68,604,047
Ending Total Reserve	674,229,981	740,518,241	805,974,201	872,988,873	940,533,981
Ending Premium Stabilization Reserve	\$ 20,530,453	\$ 20,530,453	\$ 14,111,692	\$ 1,058,939	\$ -
Non-Medicare Fund					
Beginning Reserve	\$ 495,753,137	\$ 555,265,312	\$ 614,128,515	\$ 673,280,184	\$ 732,317,523
Fiscal Year Results	59,512,175	58,863,203	60,721,812	61,984,464	82,894,755
Ending Total Reserve	555,265,312	614,128,515	673,280,184	732,317,523	802,153,496
Ending Premium Stabilization Reserve	\$ 17,576,051	\$ 17,576,051	\$ 16,005,908	\$ 13,058,783	\$ -
*Actuarial Accrued Liability	\$ 3,191,774,318	\$ 3,268,136,134	\$ 3,337,849,000	\$ 3,402,102,207	\$ 3,461,788,072
Funded Status	34.1%	37.6%	40.6%	43.5%	46.4%
Growth In Program Expenses	0.1%	8.7%	8.1%	9.3%	9.8%
Retiree Subsidy	\$ 140,696,424	\$ 159,236,951	\$ 175,579,904	\$ 194,970,428	\$ 209,665,647
Percent Paid By Retiree	36.6%	34.1%	33.0%	32.0%	33.5%

Questions and Public Comments

- Please limit your time to 5 minutes.