

# PEIA Public Hearings for FY 20 (July 2019 – June 2020)

December 2018

# Third Party Administrator Change

**UMR, a UnitedHealthcare company, is our new TPA**

*Effective 7/1/19 for all our active and pre-65 populations*

**UMR is the nation's largest TPA**

**2,800**  
customers

**4.5M**  
members

**559**  
Current UMR state and public sector customers

**PEIA**  
is UMR's largest customer

**\$9.2M**  
estimated first year savings

In addition to the current PEIA customer service staff, PEIA will be serviced from our UMR Customer Service Center in downtown Charleston.

## **Member engagement and member health**

UMR will provide Utilization Management & Care Management (including 5 community care nurses placed regionally around the State focusing on member education and engagement)

## **Network**

- UMR will also manage out of state contracts with our national UHC networks.
- National Centers of Excellence for Transplants, including CAMC and WVU for certain transplants
- Management and Clinical Reporting for the Comprehensive Care Program (CCP)  
– improving member health a key initiative

## **What members can expect:**

- New ID cards and new web portal which will include the ability to chat with Plan Advisors
- Plan Advisors to assist members navigate health care services

## **What providers can expect:**

- Ability to access pre-authorization or prior approvals online through new provider portal as well as view status of claims and eligibility;
- Benefits Fax Back as confirmation of benefits when a provider calls to confirm service or eligibility of a member

# Healthy Tomorrows

- Thanks to everyone who participated!!
  - Picking a primary care provider
  - Knowing your numbers
  - Getting your numbers under control
- There will no longer be an annual requirement for blood work in FY 2020, so nothing to do between now and May 15
- We are continuing to evaluate the program for future years and exploring new wellness options for the future
- New programs
  - Pilot project – Naturally Slim (weight loss and health)
  - Diabetes Prevention Project – evaluating services
  - Other programs are being explored

# Governor's Recommendation to the PEIA Task Force

# Medicare Retirees

## (Plan year January 2020 – December 2020)

- Received 2-year rate guarantee from Humana
- No benefit changes for Plan Years 2019 or 2020
- Probably will see formulary changes for 2020, since those changes happen regularly

**WV RHBT Financial Plan FY 2019 - FY 2023**  
**Public Hearings Scenario**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ -	\$ -	\$ 2,321,263
Increase	0.0%	0.0%	0.0%	0.0%	5.3%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ -	\$ -	\$ 9,980,235
Increase	0.0%	0.0%	0.0%	0.0%	16.4%
Administrative Increases	\$ 1,640,782	\$ 682,054	\$ 202,516	\$ 208,591	\$ 214,849
	37%	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	\$ 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)	\$ 43,600,000				
Comparative Effectiveness Research Fees (Cost)	\$ (32,892)	\$ -	\$ -	\$ -	\$ -
Pay Go Premium Transfer	\$ 151,841,748	\$ 140,000,000	\$ 150,000,000	\$ 160,000,000	\$ 170,000,000

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total RHBT Fund</b>					
Beginning Reserve	\$ 963,114,601	\$ 1,073,966,518	\$ 1,184,192,514	\$ 1,289,856,010	\$ 1,392,572,504
Fiscal Year Results	110,851,917	110,225,996	105,663,496	114,783,242	128,736,231
Ending Total Reserve	1,073,966,518	1,184,192,514	1,289,856,010	1,392,572,504	1,495,268,979
Ending Premium Stabilization Reserve	\$ 38,106,504	\$ 38,106,504	\$ 38,106,504	\$ 26,039,756	\$ -
<b>Medicare Fund (Fiscal Year)</b>					
Beginning Reserve	\$ 518,829,380	\$ 590,702,511	\$ 657,675,073	\$ 715,278,125	\$ 764,208,416
Fiscal Year Results	71,873,130	66,972,562	57,603,052	58,260,394	75,044,065
Ending Total Reserve	590,702,511	657,675,073	715,278,125	764,208,416	819,000,457
Ending Premium Stabilization Reserve	\$ 20,530,453	\$ 20,530,453	\$ 20,530,453	\$ 11,200,349	\$ (9,051,674)
<b>Non-Medicare Fund</b>					
Beginning Reserve	\$ 444,285,221	\$ 483,264,007	\$ 526,517,442	\$ 574,577,885	\$ 628,364,088
Fiscal Year Results	38,978,787	43,253,435	48,060,443	56,522,848	53,692,167
Ending Total Reserve	483,264,007	526,517,442	574,577,885	628,364,088	676,268,523
Ending Premium Stabilization Reserve	\$ 17,576,051	\$ 17,576,051	\$ 17,576,051	\$ 14,839,406	\$ 9,051,674
*Actuarial Accrued Liability	\$ 3,479,324,603	\$ 3,564,642,254	\$ 3,642,716,264	\$ 3,714,925,690	\$ 3,782,142,169
Funded Status	27.7%	30.1%	32.5%	34.7%	36.8%
Growth In Program Expenses	5.7%	-0.1%	8.4%	11.4%	11.9%
Retiree Subsidy	\$ 158,059,507	\$ 154,743,207	\$ 172,234,709	\$ 199,500,469	\$ 225,013,824
Percent Paid By Retiree	34.3%	35.6%	34.0%	31.5%	31.2%

# Active Employees, Non-Medicare Retirees, and Non-State Agencies

- Recommendations from the PEIA Task Force
  - Plan A back to 80/20 coinsurance for approved services in WV external bordering counties only
  - Plan B back to 70/30 coinsurance for approved services in WV external bordering counties only
  - Remove facility fee limits
  - Remove \$25 copay for out-of-state services
  - Add an appeal process for people requiring a third-tier non-preferred drug to allow for reduced cost

WV PEIA Financial Plan FY 2019 - FY 2023  
Public Hearings Scenario

	2019	2020	2021	2022	2023
<b>Additional Employer Premium</b>	\$ 8,000,000	\$ -	\$ 98,000,000	\$ 58,500,000	\$ 60,500,000
Increase	1.6%	0.0%	19.8%	9.9%	9.3%
<b>Local Fund Premium Increase</b>	\$ -	\$ -	\$ 4,000,000	\$ 34,500,000	\$ 15,500,000
Increase	0.0%	0.0%	3.3%	27.7%	9.8%
<b>Employee Premium</b>	\$ -	\$ -	\$ 24,500,000	\$ 14,600,000	\$ 15,100,000
Increase	0.0%	0.0%	20.6%	10.2%	9.5%
<b>State Direct Transfer</b>	\$ 31,000,000	\$ 10,000,000	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduce/(Add) - Active State Medical</b>	\$ -	\$ (2,890,000)			
<b>Board Decision Benefit Reduce/(Add) - Active State Drugs</b>	\$ -	\$ (1,490,000)			
<b>Board Decision Benefit Reduce/(Add) - Active Local Medical</b>	\$ -	\$ (770,000)			
<b>Board Decision Benefit Reduce/(Add) - Active Local Drugs</b>	\$ -	\$ (260,000)			
<b>PPACA Comparative Effectiveness Research Fees (Cost)</b>	\$ (320,560)	\$ -	\$ -	\$ -	\$ -
<b>Administrative Increases</b>	\$ (1,476,639)	\$ 3,273,246	\$ 571,444	\$ 588,587	\$ 606,244
Increase	-9%	3%	3%	3%	3%
<b>Pay Go Premium Transfer</b>	\$ 151,841,748	\$ 140,000,000	\$ 150,000,000	\$ 160,000,000	\$ 170,000,000
<b>Total Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
State Reserve	161,631,050	112,607,189	116,244,263	127,847,709	141,226,953
Local Reserve	52,424,658	41,830,536	22,820,751	24,951,673	27,431,063
RHBT Reserve	38,106,504	38,106,504	38,106,504	26,039,756	-
<b>Total Reserve</b>	<b>252,162,212</b>	<b>192,544,229</b>	<b>177,171,518</b>	<b>178,839,138</b>	<b>168,658,016</b>
<b>Minimum Actuarial Reserve Required</b>	<b>118,242,716</b>	<b>127,253,994</b>	<b>138,569,391</b>	<b>152,280,212</b>	<b>168,148,473</b>
PEIA/RHBT Expenses	861,789,866	920,841,564	1,001,305,220	1,100,476,565	1,215,237,890
Reserve as a Percent of Expenses	29%	21%	18%	16%	14%
<b>State Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beginning Reserve	146,213,310	161,631,050	112,607,189	116,244,263	127,847,709
Fiscal Year Results	15,417,740	(49,023,861)	3,637,074	11,603,446	13,379,244
<b>Ending Reserve</b>	<b>161,631,050</b>	<b>112,607,189</b>	<b>116,244,263</b>	<b>127,847,709</b>	<b>141,226,953</b>
<b>Minimum Actuarial Reserve Required</b>	<b>99,048,773</b>	<b>106,615,532</b>	<b>116,104,269</b>	<b>127,598,448</b>	<b>140,900,469</b>
PEIA/RHBT Expenses	722,836,309	772,523,339	840,061,097	923,261,036	1,019,528,283
Reserve as a Percent of Expenses	22%	15%	14%	14%	14%
<b>Local Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beginning Reserve	48,340,828	52,424,658	41,830,536	22,820,752	24,951,673
Fiscal Year Results	4,083,830	(10,594,122)	(19,009,785)	2,130,921	2,479,390
<b>Ending Reserve</b>	<b>52,424,658</b>	<b>41,830,536</b>	<b>22,820,751</b>	<b>24,951,673</b>	<b>27,431,063</b>
<b>Minimum Actuarial Reserve Required</b>	<b>19,193,943</b>	<b>20,638,462</b>	<b>22,463,122</b>	<b>24,681,765</b>	<b>27,248,004</b>
PEIA/RHBT Expenses	138,953,557	148,318,225	161,244,123	177,215,529	195,709,606
Reserve as a Percent of Expenses	38%	28%	14%	14%	14%
<b>State Share</b>	<b>80.1%</b>	<b>80.6%</b>	<b>80.5%</b>	<b>80.5%</b>	<b>80.4%</b>
<b>Employee Share</b>	<b>19.9%</b>	<b>19.4%</b>	<b>19.5%</b>	<b>19.5%</b>	<b>19.6%</b>
<b>Growth In Program Expenses</b>	<b>5.0%</b>	<b>6.2%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>9.3%</b>



# Recommendations from the PEIA Task Force

# Medicare Retirees

## (Plan year January 2020 – December 2020)

- Received 2-year rate guarantee from Humana
- No benefit changes for Plan Years 2019 or 2020
- Probably will see formulary changes for 2020, since those changes happen regularly

**WV RHBT Financial Plan FY 2019 - FY 2023**  
**Public Hearings Scenario**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ -	\$ -	\$ 4,496,290
Increase	0.0%	0.0%	0.0%	0.0%	10.3%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ -	\$ -	\$ 10,427,087
Increase	0.0%	0.0%	0.0%	0.0%	17.2%
Administrative Increases	\$ 1,640,782	\$ 682,054	\$ 202,516	\$ 208,591	\$ 214,849
	37%	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	\$ 5,000,000	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare	\$ -	\$ (1,770,000)			
Board Decision Benefit Reduce/(Add) - Retiree Medicare	\$ -	\$ -			
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)	\$ 43,600,000				
Comparative Effectiveness Research Fees (Cost)	\$ (32,892)	\$ -	\$ -	\$ -	\$ -
Pay Go Premium Transfer	\$ 151,841,748	\$ 140,000,000	\$ 150,000,000	\$ 160,000,000	\$ 170,000,000

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total RHBT Fund</b>					
Beginning Reserve	\$ 963,114,601	\$ 1,073,966,518	\$ 1,183,222,324	\$ 1,287,776,166	\$ 1,389,848,622
Fiscal Year Results	110,851,917	109,255,806	104,553,842	115,283,968	127,904,652
Ending Total Reserve	1,073,966,518	1,183,222,324	1,287,776,166	1,389,848,622	1,492,858,282
Ending Premium Stabilization Reserve	\$ 38,106,504	\$ 38,106,504	\$ 38,106,504	\$ 24,894,992	\$ -
<b>Medicare Fund (Fiscal Year)</b>					
Beginning Reserve	\$ 518,829,380	\$ 590,702,511	\$ 657,305,195	\$ 714,373,956	\$ 762,702,102
Fiscal Year Results	71,873,130	66,602,684	57,068,761	58,543,390	74,249,080
Ending Total Reserve	590,702,511	657,305,195	714,373,956	762,702,102	817,589,481
Ending Premium Stabilization Reserve	\$ 20,530,453	\$ 20,530,453	\$ 20,530,453	\$ 10,315,209	\$ (9,046,492)
<b>Non-Medicare Fund</b>					
Beginning Reserve	\$ 444,285,221	\$ 483,264,007	\$ 525,917,129	\$ 573,402,209	\$ 627,146,519
Fiscal Year Results	38,978,787	42,653,122	47,485,080	56,740,578	53,655,572
Ending Total Reserve	483,264,007	525,917,129	573,402,209	627,146,519	675,268,801
Ending Premium Stabilization Reserve	\$ 17,576,051	\$ 17,576,051	\$ 17,576,051	\$ 14,579,782	\$ 9,046,492
*Actuarial Accrued Liability	\$ 3,479,324,603	\$ 3,564,642,254	\$ 3,642,716,264	\$ 3,714,925,690	\$ 3,782,142,169
Funded Status	27.7%	30.1%	32.5%	34.7%	36.7%
Growth In Program Expenses	5.7%	0.3%	8.4%	11.4%	11.9%
Retiree Subsidy	\$ 158,059,507	\$ 155,713,397	\$ 173,286,152	\$ 200,645,233	\$ 223,901,325
Percent Paid By Retiree	34.3%	35.4%	33.8%	31.4%	31.7%

# Active Employees, Non-Medicare Retirees, and Non-State Agencies

- Recommendations from the PEIA Task Force
  - Plan A back to 80/20 coinsurance for approved services
  - Plan B back to 70/30 coinsurance for approved services
  - Remove facility fee limits
  - Remove \$25 copay for out-of-state services
  - Add an appeal process for people requiring a third-tier non-preferred drug to allow for reduced cost

WV PEIA Financial Plan FY 2019 - FY 2023  
Public Hearings Scenario

	2019	2020	2021	2022	2023
<b>Additional Employer Premium</b>	\$ 8,000,000	\$ -	\$ 106,000,000	\$ 54,500,000	\$ 61,000,000
Increase	1.6%	0.0%	21.4%	9.1%	9.3%
<b>Local Fund Premium Increase</b>	\$ -	\$ -	\$ 7,000,000	\$ 33,500,000	\$ 15,500,000
Increase	0.0%	0.0%	5.8%	26.3%	9.6%
<b>Employee Premium</b>	\$ -	\$ -	\$ 26,500,000	\$ 13,600,000	\$ 15,300,000
Increase	0.0%	0.0%	22.2%	9.3%	9.6%
<b>State Direct Transfer</b>	\$ 31,000,000	\$ 10,000,000	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduce/(Add) - Active State Medical</b>	\$ -	\$ (7,300,000)			
<b>Board Decision Benefit Reduce/(Add) - Active State Drugs</b>	\$ -	\$ (1,490,000)			
<b>Board Decision Benefit Reduce/(Add) - Active Local Medical</b>	\$ -	\$ (2,180,000)			
<b>Board Decision Benefit Reduce/(Add) - Active Local Drugs</b>	\$ -	\$ (260,000)			
<b>PPACA Comparative Effectiveness Research Fees (Cost)</b>	\$ (320,560)	\$ -	\$ -	\$ -	\$ -
<b>Administrative Increases</b>	\$ (1,476,639)	\$ 3,273,246	\$ 571,444	\$ 588,587	\$ 606,244
Increase	-9%	3%	3%	3%	3%
<b>Pay Go Premium Transfer</b>	\$ 151,841,748	\$ 140,000,000	\$ 150,000,000	\$ 160,000,000	\$ 170,000,000
<b>Total Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
State Reserve	161,631,050	108,198,204	117,081,869	128,502,929	141,919,493
Local Reserve	52,424,658	40,419,711	22,889,143	25,362,971	28,031,266
RHBT Reserve	38,106,504	38,106,504	38,106,504	24,894,992	-
<b>Total Reserve</b>	<b>252,162,212</b>	<b>186,724,419</b>	<b>178,077,516</b>	<b>178,760,892</b>	<b>169,950,759</b>
<b>Minimum Actuarial Reserve Required</b>	<b>118,242,716</b>	<b>128,272,494</b>	<b>139,672,309</b>	<b>153,480,064</b>	<b>169,459,780</b>
PEIA/RHBT Expenses	861,789,866	927,631,564	1,008,658,009	1,108,475,574	1,223,979,930
Reserve as a Percent of Expenses	29%	20%	18%	16%	14%
<b>State Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beginning Reserve	146,213,310	161,631,050	108,198,204	117,081,869	128,502,930
Fiscal Year Results	15,417,740	(53,432,846)	8,883,665	11,421,060	13,416,563
Ending Reserve	161,631,050	108,198,204	117,081,869	128,502,929	141,919,493
<b>Minimum Actuarial Reserve Required</b>	<b>99,048,773</b>	<b>107,376,273</b>	<b>116,928,256</b>	<b>128,494,563</b>	<b>141,879,495</b>
PEIA/RHBT Expenses	722,836,309	777,558,740	845,515,621	929,192,006	1,026,006,841
Reserve as a Percent of Expenses	22%	14%	14%	14%	14%
<b>Local Fund</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Beginning Reserve	48,340,828	52,424,658	40,419,711	22,889,144	25,362,970
Fiscal Year Results	4,083,830	(12,004,947)	(17,530,568)	2,473,827	2,668,296
Ending Reserve	52,424,658	40,419,711	22,889,143	25,362,971	28,031,266
<b>Minimum Actuarial Reserve Required</b>	<b>19,193,943</b>	<b>20,896,221</b>	<b>22,744,053</b>	<b>24,985,500</b>	<b>27,580,284</b>
PEIA/RHBT Expenses	138,953,557	150,072,824	163,142,388	179,283,568	197,973,089
Reserve as a Percent of Expenses	38%	27%	14%	14%	14%
State Share	80.1%	80.6%	80.5%	80.5%	80.4%
Employee Share	19.9%	19.4%	19.5%	19.5%	19.6%
<b>Growth In Program Expenses</b>	<b>5.0%</b>	<b>7.0%</b>	<b>8.6%</b>	<b>8.9%</b>	<b>9.3%</b>

# Questions and Public Comments

- Please limit your time to 5 minutes.