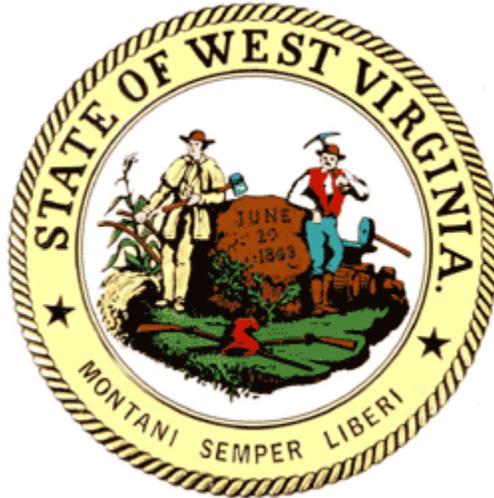




**CCRC**  
Actuaries, LLC

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# STATE OF WEST VIRGINIA



## **RETIREE HEALTH BENEFIT TRUST FUND**

**Financial Plan**

**Fiscal Years 2015-2019**

*December 2014*



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Finance Board  
West Virginia Retiree Health Benefit Trust Fund  
601 57th St., SE, Suite 2  
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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 CCRC Actuaries, LLC (“CCRC Actuaries”).

During the 2006 Regular Session of the West Virginia Legislature, House Bill 4654 was enacted creating the West Virginia Retiree Health Benefit Trust Fund (“Trust Fund” or “RHBT”) for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan. The Public Employees Insurance Agency (“PEIA”), on behalf of the Public Employees Insurance Agency Finance Board (“Board”), is responsible for the day-to-day operation of the Trust Fund, including all administrative functions.

Statutory provisions governing the Trust Fund require the actuary retained by the PEIA to provide technical advice regarding the operation of the Trust Fund. Using the actuarial assumptions most recently adopted by the Board, the actuary is required to develop actuarial valuations of normal cost, actuarial liability, actuarial value of assets, and related actuarial present values for the West Virginia plan for other post-employment benefits including health insurance. Consequently, the Board has requested CCRC Actuaries to prepare a report separating the actuarial projections for the Trust Fund from the PEIA forecast report. The West Virginia Retiree Health Benefit Trust Fund has assumed the financial liabilities of the retiree programs previously under the PEIA effective July 1, 2006.

The provisions of the Code of West Virginia (“Code”), 1931, as amended, charge the Board with the responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all estimated program and administrative costs of the RHBT, including incurred but unreported claims, for the fiscal year for which the plan is proposed. CCRC Actuaries has been retained by the RHBT to review the proposed financial plan for FY 2016, 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 the plan through FY 2019. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years as required by the Code.

The Code provisions also require the Board to establish and maintain a reserve fund for PEIA for the purposes of offsetting unanticipated claim losses in any fiscal year. Beginning with the Fiscal Year 2002 plan and for each succeeding fiscal year plan, the Board shall transfer ten percent of the projected total plan costs for that year into the reserve fund, which is to be certified by the actuary and included in the final, approved financial plan submitted to the Governor and Legislature in accordance with the provisions of the Code. Any moneys saved in a plan year shall be transferred into the reserve fund. At the close of any fiscal year in which the balance in the reserve fund exceeds the recommended reserve amount by fifteen percent, these excess funds shall be transferred to the West Virginia Retiree Health Benefit Trust Fund.

CCRC Actuaries has provided preliminary forecasts for fiscal years ending June 30, 2015 (“FY 2015”), June 30, 2016 (“FY 2016”), June 30, 2017 (“FY 2017”), June 30, 2018 (“FY 2018”) and June 30, 2019 (“FY 2019”). Our opinion of plan adequacy is based on the projections through FY 2019 using updated future revenue and plan modifications provided by the Board in the plan adopted in December 2014.

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan (“Humana MAPD”) benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

Current Medicare coverages are transferred from a self-insured secondary basis by RHBT to the Humana MAPD plan. However, it should be noted that new Medicare eligible retirees, who become Medicare eligible during the calendar year, will be covered on a secondary basis by the PPB Plan until the beginning of the next calendar year.

The Medicaid / RHBT Hospital Bill (“Bill”) has been extended and is anticipated to continue to provide RHBT with hospital charge savings through discounts for all retiree non-Medicare coverages. These hospital savings are assumed to increase by the medical trend assumptions in Fiscal Year 2015 and subsequently. We are assuming that the Bill will continue throughout the five year forecast period.

In reviewing the plan, CCRC 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 RHBT, 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 enhancements and costs can be found later in this report. In addition, it is noteworthy that some current RHBT members may become eligible for the West Virginia Children Health Insurance Plan effective in Fiscal Year 2015. This report does not include anticipated savings from this eligibility change since the proposal has not been finalized and approved by CMS.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

Senate Bill 469, effective July 1, 2012, amended West Virginia code (the Code) section 11-21-96 by dedicating \$30 million to be transferred annually from personal income tax previously collected for payment of the unfunded liability of the Workers' Compensation fund to the Retiree Health Benefit Trust fund (RHBT). Transfers will not commence until the Workers' Compensation fund has been certified by the Governor to the Legislature to be paid or provided for in its entirety. Thereafter, transfers will be made until the RHBT fund has been provided for in its entirety or July 1, 2037, whichever date is later. Presently RHBT estimates that the aforementioned \$30 million transfers will likely commence in 2017. All Employers will receive benefit of these contributions.

Based on our review, and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2015 through FY 2019 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of the Trust Fund.

This conclusion is based on significant revenue increases in employer, employee, and retiree premiums in later fiscal years of the plan through FY 2019 as approved by the Board in December 2014.

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 and changes of the framework of MAPD plan and other managed care options impacting Non-Medicare retirees, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate costs of insurance program contain considerable uncertainty and variability and actual experience may not conform to the assumptions utilized in this report.

Respectfully,



Dave Bond, F.S.A., F.C.A., M.A.A.A.  
Managing Partner



Chris Borcik, F.S.A., F.C.A., M.A.A.A.  
Senior Actuarial Consultant

**West Virginia Retiree Health Benefit Trust Fund**  
**Report of Independent Actuary**  
**Financial Plan for FY 2015 – FY 2019**

**OVERVIEW**

This report analyzes revenues and expenses related to funding the health insurance benefits of retired employees of the State of West Virginia 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 CCRC Actuaries.

This report was compiled utilizing claims data collected by RHBT's third party administrators through November 2014 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from RHBT. Revenue assumptions are based on premium rates, assumed investment income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at Board meetings, which has been used in arriving at our conclusions.

The Code of West Virginia establishes the actuarial reporting requirements for the Trust Fund on an incurred basis for medical claims, prescription drug claims and capitations, and on an accrued basis for administrative expenses and revenue for a period of five years. The Fund represents state and local agency retirees and their survivors. The Trust Fund is allocated its share of administrative costs from PEIA.

## **KEY ASSUMPTIONS**

### **A. Enrollment Changes**

The Board has requested that the projection assume retiree enrollment growth consistent with the experience of the plan. These projections assume that the Trust Fund will annually have 1,000 additional retirees. We have observed a net increase of 1,260 retirees from June 2013 to June 2014, approximating our current assumption. CCRC Actuaries has updated the claims analysis based on the enrollment through December 2014.

In aggregate, December 2014 enrollment has increased by 919 coverages since the end of FY 2014. Aggregate Preferred Provider Benefit (“PPB”) enrollment has increased by 927 in total over the same period, while managed care enrollment continues to cover fewer participants, with a slight decrease of 8 coverages. For MAPD Capitations, 40,995 Medicare policyholders were projected to forecast the monthly capitation cost shown on Page 8 of this report.

The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2013, June 2014 and December 2014 for purposes of comparison:

Trust Fund	Coverage	Preferred Provider Benefit*			Managed Care		
		Jun-13	Jun-14	Dec-14	Jun-13	Jun-14	Dec-14
Retirees	Medicare Single	17,845	18,429	18,788	60	-	-
	<u>Medicare Family</u>	<u>12,592</u>	<u>13,316</u>	<u>13,680</u>	<u>54</u>	-	-
	Medicare Total	30,437	31,745	32,468	114	-	-
	Non Medicare Single	3,488	3,517	3,602	151	159	158
	<u>Non Medicare Family</u>	<u>4,346</u>	<u>4,384</u>	<u>4,503</u>	<u>185</u>	<u>176</u>	<u>169</u>
	Non Medicare Total	7,834	7,901	8,105	336	335	327
	Retiree Total	38,271	39,646	40,573	450	335	327
Grand Total				38,721	39,981	40,900	

\* The majority of PPB is capitated through Humana. As of December 2014, there are approximately 2,464 Medicare retiree coverages under PEIA.

## B. Changes in Claim Backlog

Detail of the medical claim backlog is presented in the PEIA report titled “PEIA Financial Plan Fiscal Years 2015-2019 Report”.

## C. Trend Analysis

RHBT experienced favorable medical and prescription drug trends in FY 2014, and over the past few years, trends have been beneficial to the plan. CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, “Detailed Medical and Prescription Drugs Claim Trend Report - September 2014”. This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have decreased the FY 2015 medical claim trend to 5%. Additionally, due to PEIA’s favorable prescription drug experience, we have decreased our trend assumption for all prescription drugs coverage to 8% in FY 2015.

The current projection assumes the trends on the following table:

Claim Type	Previous Assumption FY 2015 Trend	Updated Assumption FY 2015 Trend
Non-Medicare – Medical	5.5%	5.0%
Medicare – Medical	5.5%	5.0%
Non-Medicare – Drugs	8.5%	8.0%
Medicare – Drugs	8.5%	8.0%

In addition, we have assumed that trends will increase by 0.5% in each successive fiscal year beginning in FY 2016. At the Board’s request, the baseline trend assumptions have been established to reflect the most likely or expected trends.

The following chart summarizes the trend results observed for the plan using data through November 2014. 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 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.

**Aggregate Trust Fund Historical Trends (Retirees)**

<b><u>Fiscal Year</u></b>	<b><u>Medical Medicare</u></b>	<b><u>Medical Non-Medicare</u></b>	<b><u>Drugs Medicare</u></b>	<b><u>Drugs Non-Medicare</u></b>	<b><u>Total</u></b>
2004	9%	2%	3%	-2%	6%
2005	6%	-2%	16%	1%	8%
2006	6%	5%	11%	17%	9%
2007	6%	1%	6%	6%	5%
2008	N/A	6%	N/A	-9%	N/A
2009	N/A	-1%	N/A	5%	N/A
2010	N/A	3%	N/A	7%	N/A
2011	N/A	11%	N/A	16%	N/A
2012	-6%	-6%	2%	8%	-2%
2013	21%	-3%	-3%	-8%	-2%
2014	N/A	8%	N/A	6%	N/A
2015*	N/A	6%	N/A	8%	N/A

\* Fiscal Year 2015 results are through the first five months ending November 2014. It should be noted that Humana’s plan year starts in January in calendar year basis (not starting in July as in PEIA plan year basis) and the Medicare trends are not statistically credible.

Effective July 1, 2007, PEIA had contracted with Coventry Advantra Freedom to provide Medicare Advantage/Prescription Drug Plan (“Coventry MA and PDP”) Benefits to Medicare-eligible retired employees and dependents. Under this arrangement, Coventry Advantra Freedom had assumed the financial risk of providing comprehensive medical and prescription drug coverage with limited copayments. This arrangement expired on June 30, 2010. As a result, Fiscal Year 2008 through 2011 Medicare trends are not statistically credible.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

**D. Enrollment, Claim, Expense and Revenue Assumptions**

Using aggregate PEIA and Trust Fund paid claim data through November 2014 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the Trust Fund for both self-funded and managed care coverages. CCRC 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 2015 revenue and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

Fiscal Year 2015 Projection			Revenue		Expenses		
Fund	Program	Policies	Monthly Employer Premiums	Monthly Employee Premiums	Monthly Medical Costs	Monthly Drugs Costs*	Monthly Capitation Costs
Retiree	Medicare Humana and Express Scripts	32,420			\$ 124**	\$ 276**	\$ 331
	Non-Medicare	8,248			\$ 737	\$ 291	
	Total	40,668	\$ -	\$ 165			
	Non-Medicare Managed Care	327	\$ -	\$ 560			\$ 1,231
	Total	40,995					

\*Net of rebates and subsidies.

\*\* As of December 2014, there are approximately 2,464 Medicare coverages that were not capitated through Humana.

Projected plan revenues and administrative expenses were provided by RHBT. The following chart summarizes assumptions used in preparation of the attached forecasts. Both Medicare and Non-Medicare retirees premium received no increases in Fiscal Year 2015 and 2016.

#### Board Decisions – December 2014

Source	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Additional Retiree Premium	\$0	\$0	\$17,423,835	\$21,827,658	\$18,244,207
General Revenue Transfer	\$0	\$0	\$30,000,000	\$30,000,000	\$30,000,000
Benefit Reductions/(Increase) - Retiree Non-Medicare	\$0	\$3,900,000	\$0	\$0	\$0
Benefit Reductions/(Increase) - Managed Care Capitations	\$0	\$630,634	\$0	\$0	\$0
Benefit Reductions/(Increase) - Humana MAPD (calendar year)	\$0	\$4,100,000	\$0	\$0	\$0
ACA Reinsurance Contributions (Cost)	(\$850,000)	(\$550,000)	(\$200,000)	\$0	\$0
ACA Comparative Effectiveness Research Fees (Cost)	(\$29,301)	(\$30,103)	(\$30,932)	(\$31,789)	(\$32,676)
Pay Go Premium Transfer	\$150,000,000	\$150,000,000	\$180,000,000	\$195,000,000	\$210,000,000
Actuarial Accrued Liability*	\$3,585,500,000	\$3,743,700,000	\$3,899,600,000	\$4,044,600,000	\$4,181,000,000
Funded Status	20.0%	19.6%	20.6%	21.9%	23.3%

\*Projected Result

The \$3,900,000 of Retiree Non-Medicare benefit reductions in Fiscal Year 2016 is comprised of the following:

	<u>Included in 2016 Claim Cost</u>
Medical Claims	(\$2.2 M)
Drug Claims	(\$1.7 M)

A detailed list of the benefit reductions for the Non-Medicare Retirees as voted on by the Board consists of the following:

	<u>Savings</u>
Increase Primary Care Office Visit copayment from \$15 to \$20 per visit	\$0.15 M
Increase Specialist Office Visit copayment from \$25 to \$40 per visit	\$0.52 M
Increase deductible by \$25 for single coverage and \$50 for family coverage	\$0.26 M
Increase outpatient surgery copay from \$50 to \$100	\$0.25 M
Increase emergency room copay to \$100 with no discount	\$0.07 M
Increase family out-of-pocket maximum for PEIA PPB Plans A and D to twice the employee only amount	\$0.84 M
Add \$100 copay per admission to existing deductible and 20% coinsurance for inpatient hospital care	\$0.15 M
Increase Generic Drug Copay for 30 day supply from \$5 to \$10 and for 90 day supply (maintenance only) from \$10 to \$20	\$1.27 M
Increase Preferred Brand Drug Copay for 30 day supply from \$15 to \$25 and for 90 day supply (maintenance only) from \$30 to \$50	\$0.42 M

The \$4,100,000 of Humana MAPD benefit reductions occurs in calendar year 2016, and can be translated to the following savings in FY 2016 and FY2017:

Fiscal Year 2016	(\$2.32 M)
Fiscal Year 2017	(\$1.78 M)

A detailed listing of the Medicare CY 2016 benefit reductions are comprised of the following:

	<u>Savings</u>
Increase copayment for office visits PCP/Specialist from \$10/\$20 to \$20/\$40	\$2.0 M
Increase Outpatient Surgery copayment by \$50 from \$50 to \$100	\$0.3 M
Increase deductible by \$75 per person from \$25 to \$100	\$1.8 M

The Centers for Medicare & Medicaid Services (“CMS”) and the United States Department of Health and Human Services (“HHS”) released the final rule containing further detail and parameters related to the risk adjustment, reinsurance, and risk corridors programs in the ACA on November 26, 2012. Section 1341 of the ACA provides that health insurance issuers and third party administrators on behalf of group health plans must make payments to an applicable reinsurance entity.

Under the final rule, issuers would be required to pay a reinsurance contribution of \$5.25 per member per month to HHS in 2014. The \$5.25 contribution rate would gradually decrease in 2015 and 2016. From 2017 and beyond, no further reinsurance contributions will be collected. RHBT will not receive any benefit payments from the national reinsurance program. RHBT will be subject to paying the reinsurance contributions through FY 2017 and the projected expenses of the reinsurance contributions are included in the current financial plan. The total reinsurance contributions for the financial projection are estimated to be approximately \$1,600,000, with \$850,000 in FY 2015.

The Treasury Department and the Internal Revenue Service recently issued a final rule implementing a new tax added by the Affordable Care Act: The Comparative Effectiveness Research Fees. These fees are currently expected to be paid by health insurers and plan sponsors of self-insured group health plans.

The Affordable Care Act created a new Patient-Centered Outcomes Research Institute (PCORI) to conduct research evaluating and comparing health outcomes and assess the clinical effectiveness, risks and benefits of medical treatments. The PCORI's work will be paid for by a new Patient-Centered Outcomes Research Trust Fund, which will be funded in part through the comparative effectiveness research fees.

It is anticipated that RHBT would accrue and pay these fees in FY 2014 through FY 2019. The fee would be \$2 per member per year. The total comparative effectiveness research fees for the financial projection are estimated to be approximately \$155,000, with \$29,301 in FY 2015.

Future fiscal year State revenue increases will require legislative appropriation. Additional retiree premiums represent premiums paid by retirees either directly or through sick and annual leave conversion credits. Additionally, RHBT management has assumed that the Retiree Premium Assistance Program will grow as a direct result from the required retiree premium increases in the financial plan. The program's cost is currently projected to grow from approximately \$1.6 million in FY 2015 to approximately \$2.2 million in FY 2019, based on the Board's direction and projected retiree enrollment growth in the financial plan.

In FY 2015 the Pay-Go is equivalent to \$305 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 2014.

#### **E. Provider Reimbursement Changes**

Effective July 1, 2012, RHBT has contracted with Humana to provide a Medicare Advantage Plan ("Humana MAPD") benefit to Medicare-eligible retired employees and their Medicare-eligible dependents. Under this arrangement, Humana has assumed the financial risk of providing comprehensive medical and drug coverage with limited copayments. Non-Medicare retirees will continue enrollment in PEIA's Preferred Provider Benefit or the Managed Care Option.

It should be noted that RHBT left the Coventry MA and PDP program as of June 30, 2012, and RHBT assigned Medicare eligible retirees to the Humana MAPD program starting July 1, 2012.

### **FISCAL YEAR 2015 FORECAST**

The financial forecast for FY 2015 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2015 projects accrued revenue of \$317,835,515 and incurred plan expenses of \$275,413,002 to produce a fiscal year surplus of \$25,863,520 after the Premium Stabilization Reserve drawdown of \$16,558,993. The PEIA local and state agencies Pay Go premiums for FY 2015 are assumed to be \$150,000,000.

### **FISCAL YEAR 2016 FORECAST**

The financial forecast for FY 2016 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2016 projects accrued revenue of \$339,452,025 and incurred plan expenses of \$292,083,669 to produce a fiscal year surplus of \$15,191,507 after the Premium Stabilization Reserve drawdown of \$32,176,850. The PEIA local and state agencies Pay Go premiums for FY 2016 are assumed to be \$150,000,000.

### **FISCAL YEAR 2017 FORECAST**

The financial forecast for FY 2017 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2017 projects accrued revenue of \$396,069,331 and incurred plan expenses of \$317,632,575 to produce a fiscal year surplus of \$69,763,417 after the Premium Stabilization Reserve drawdown of \$8,673,340. The PEIA local and state agencies Pay Go premiums for FY 2017 are assumed to be \$180,000,000.

### **FISCAL YEAR 2018 FORECAST**

The financial forecast for FY 2018 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2018 projects accrued revenue of \$430,644,821 and incurred plan expenses of \$347,583,585 to produce a fiscal year surplus of \$83,061,236. The PEIA local and state agencies Pay Go premiums for FY 2018 are assumed to be \$195,000,000.

### **FISCAL YEAR 2019 FORECAST**

The financial forecast for FY 2019 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2019 projects accrued revenue of \$471,182,246 and incurred plan expenses of \$382,622,287 to produce a fiscal year surplus of \$88,559,958. The PEIA local and state agencies Pay Go premiums for FY 2019 are assumed to be \$210,000,000.

## **LITIGATION**

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

## **SUMMARY**

It should be noted that the aggregate PEIA and Trust Fund reserves will meet or exceed the 10% of program expense requirement under the Baseline Scenario assumptions. With projected changes to the plan as adopted in the Board, we are forecasting that the plan will meet the minimum 10% reserve target set by West Virginia Statute through the projection period ending with the Fiscal Year 2019. These projections are based on significant revenue increases as contained in the Financial Plan adopted by the Board in December 2014 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 Medicare 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  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

	7/1/2014 to 12/31/2014	1/1/2015 to 6/30/2015	TRUST Total
<u>Revenues</u>			
WV PELA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	39,995,164	40,383,713	80,378,877
Retiree Premiums - MCO	1,100,997	1,097,641	2,198,638
Annual Required Contributions	61,776	61,776	123,552
Non Par Premiums	1,628,147	1,628,147	3,256,294
Life Insurance	11,448,324	11,448,324	22,896,648
Investment Income	21,211,257	21,211,257	42,422,513
Transfer from Premium Stabilization Reserve	8,239,593	8,319,400	16,558,993
<b>Total Revenue</b>	<b>\$ 158,685,258</b>	<b>\$ 159,150,257</b>	<b>\$ 317,835,515</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,489,849	\$ 37,504,493	\$ 72,994,342
Non-Medicare Prescription Drug Claims	13,301,856	15,496,273	28,798,129
Medicare Medical Claims	2,225,338	1,104,057	3,329,395
Medicare Prescription Drug Claims	5,121,392	2,577,361	7,698,753
Non-Medicare Managed Care Capitations	2,415,893	2,415,893	4,831,785
Humana MAPD Program	62,908,116	66,053,522	128,961,638
Administration	2,321,712	2,321,712	4,643,424
Life Insurance	10,714,484	10,714,484	21,428,967
Retiree Assistance Program	807,622	807,622	1,615,243
ACA Reinsurance Contributions	500,000	350,000	850,000
ACA Comparative Effectiveness Research Fees	14,651	14,651	29,301
Director's Discretionary Fund	116,013	116,013	232,025
<b>Total Expenses</b>	<b>\$ 135,936,924</b>	<b>\$ 139,476,079</b>	<b>\$ 275,413,002</b>
<b>Fiscal Year Results</b>	<b>\$ 22,748,334</b>	<b>\$ 19,674,178</b>	<b>\$ 42,422,513</b>
Beginning Restricted Reserve			\$ 634,149,243
Ending Restricted Reserve			\$ 676,571,756
Beginning Premium Stabilization Reserve			\$ 57,409,182
PSR Addition/(Drawdown)			\$ (16,558,993)
Ending Premium Stabilization Reserve			\$ 40,850,189
Total Beginning Plan Reserve			\$ 691,558,426
Total Ending Plan Reserve			\$ 717,421,946
Accrued Actuarial Liability (AAL)			\$ 3,585,500,000
Funded Status			20.0%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 163.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 304.91	Non-Medicare	5.0%	8.0%
		Medicare	5.0%	8.0%
		Capitations		0.0%
		Administrative Expense		5.2%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		-7.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 85,939,946		\$ 85,939,946
Employer Premiums - PPB	7,744,785		7,744,785
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,270,412	-	35,270,412
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,663,399		1,663,399
Life Insurance	11,696,201		11,696,201
Investment Income	22,524,383		22,524,383
Transfer from Premium Stabilization Reserve	11,182,263		11,182,263
<b>Total Revenue</b>	<b>\$ 176,021,389</b>	<b>\$ -</b>	<b>\$ 176,021,389</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,329,395	\$ -	\$ 3,329,395
Medicare Prescription Drug Claims	7,698,753	-	7,698,753
Humana MAPD Program	128,961,638		128,961,638
Administration	1,714,015		1,714,015
Life Insurance	10,946,471		10,946,471
Retiree Assistance Program	825,108		825,108
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	21,626		21,626
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 153,497,006</b>	<b>\$ -</b>	<b>\$ 153,497,006</b>
<b>Fiscal Year Results</b>	<b>\$ 22,524,383</b>		<b>\$ 22,524,383</b>
Beginning Restricted Reserve	\$ 324,621,385		\$ 324,621,385
Ending Restricted Reserve	<u>\$ 347,145,768</u>		<u>\$ 347,145,768</u>
Beginning Premium Stabilization Reserve	\$ 42,564,009		\$ 42,564,009
PSR Addition/(Drawdown)	\$ (11,182,263)		\$ (11,182,263)
Ending Premium Stabilization Reserve	<u>\$ 31,381,746</u>		<u>\$ 31,381,746</u>
Total Beginning Plan Reserve	367,185,394		367,185,394
Total Ending Plan Reserve	<u>\$ 378,527,514</u>		<u>\$ 378,527,514</u>
Accrued Actuarial Liability (AAL)	\$ 3,585,500,000		\$ 3,585,500,000
Funded Status	20.0%		20.0%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 163.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 220.90	Medicare	5.0%	8.0%
		Capitations		0.0%
		Administrative Expense		5.2%
Number of Net New Retirees	700	Pay Go Monthly Premium		-7.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2015**

PERIOD 7/1/2014 - 6/30/2015

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 64,060,054		\$ 64,060,054
Employer Premiums - PPB	15,613,960		15,613,960
Employer Premiums - MCO	1,379,601		1,379,601
Retiree Premiums - PPB	21,749,720	-	21,749,720
Retiree Premiums - MCO	819,037	-	819,037
Annual Required Contributions	123,552		123,552
Non Par Premiums	1,592,895		1,592,895
Life Insurance	11,200,447		11,200,447
Investment Income	19,898,130		19,898,130
Transfer from Premium Stabilization Reserve	5,376,730		5,376,730
<b>Total Revenue</b>	<b>\$ 141,814,126</b>	<b>\$ -</b>	<b>\$ 141,814,126</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 72,994,342	\$ -	\$ 72,994,342
Non-Medicare Prescription Drug Claims	28,798,129	-	28,798,129
Non-Medicare Managed Care Capitations	4,831,785		4,831,785
Administration	2,929,409		2,929,409
Life Insurance	10,482,496		10,482,496
Retiree Assistance Program	790,135		790,135
ACA Reinsurance Contributions	850,000		850,000
ACA Comparative Effectiveness Research Fees	7,675		7,675
Director's Discretionary Fund	232,025		232,025
<b>Total Expenses</b>	<b>\$ 121,915,996</b>	<b>\$ -</b>	<b>\$ 121,915,996</b>
<b>Fiscal Year Results</b>	<b>\$ 19,898,130</b>		<b>\$ 19,898,130</b>
Beginning Restricted Reserve	\$ 309,527,860		\$ 309,527,860
Ending Restricted Reserve	<u>\$ 329,425,990</u>		<u>\$ 329,425,990</u>
Beginning Premium Stabilization Reserve	\$ 14,845,173		\$ 14,845,173
PSR Addition/(Drawdown)	\$ (5,376,730)		\$ (5,376,730)
Ending Premium Stabilization Reserve	<u>\$ 9,468,443</u>		<u>\$ 9,468,443</u>
Total Beginning Plan Reserve	324,373,033		324,373,033
Total Ending Plan Reserve	<u>\$ 338,894,433</u>		<u>\$ 338,894,433</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 163.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 622.50	Non-Medicare	5.0%	8.0%
		Capitations		0.0%
		Administrative Expense		5.2%
Number of Net New Retirees	300	Pay Go Monthly Premium		-7.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

	7/1/2015 to 12/31/2015	1/1/2016 to 6/30/2016	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 75,000,000	\$ 75,000,000	\$ 150,000,000
Retiree Premiums - PPB	40,010,505	40,494,151	80,504,656
Retiree Premiums - MCO	1,101,039	1,101,039	2,202,078
Annual Required Contributions	-	-	-
Non Par Premiums	1,579,303	1,579,303	3,158,605
Life Insurance	12,020,740	12,020,740	24,041,480
Investment Income	23,684,178	23,684,178	47,368,357
Transfer from Premium Stabilization Reserve	16,040,700	16,136,150	32,176,850
General Revenue Transfer	-	-	-
<b>Total Revenue</b>	<b>\$ 169,436,464</b>	<b>\$ 170,015,561</b>	<b>\$ 339,452,025</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 35,921,163	\$ 37,960,291	\$ 73,881,454
Non-Medicare Prescription Drug Claims	13,475,120	15,698,122	29,173,242
Medicare Medical Claims	2,340,081	1,163,779	3,503,860
Medicare Prescription Drug Claims	5,539,117	2,794,107	8,333,224
Non-Medicare Managed Care Capitations	2,293,847	2,293,847	4,587,693
Humana MAPD Program	68,784,847	73,901,151	142,685,998
Administration	2,391,364	2,391,364	4,782,727
Life Insurance	11,250,208	11,250,208	22,500,415
Retiree Assistance Program	872,231	872,231	1,744,462
ACA Reinsurance Contributions	350,000	200,000	550,000
ACA Comparative Effectiveness Research Fees	15,051	15,051	30,103
Director's Discretionary Fund	155,246	155,246	310,491
<b>Total Expenses</b>	<b>\$ 143,388,274</b>	<b>\$ 148,695,395</b>	<b>\$ 292,083,669</b>
<b>Fiscal Year Results</b>	<b>\$ 26,048,190</b>	<b>\$ 21,320,166</b>	<b>\$ 47,368,357</b>
Beginning Restricted Reserve			\$ 676,571,756
Ending Restricted Reserve			<u>\$ 723,940,113</u>
Beginning Premium Stabilization Reserve			\$ 40,850,189
PSR Addition/(Drawdown)			\$ (32,176,850)
Ending Premium Stabilization Reserve			<u>\$ 8,673,340</u>
Total Beginning Plan Reserve			\$ 717,421,946
Total Ending Plan Reserve			<u>\$ 732,613,453</u>
Accrued Actuarial Liability (AAL)			\$ 3,743,700,000
Funded Status			19.6%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 163.32			
Additional Retiree Premiums	\$ -			
Pay Go PEPM Subsidy for Retirees	\$ 297.97	Non-Medicare	5.5%	8.5%
		Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 89,990,798		\$ 89,990,798
Employer Premiums - PPB	7,756,904		7,756,904
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,325,604	-	35,325,604
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,613,497		1,613,497
Life Insurance	12,281,011		12,281,011
Investment Income	24,992,581		24,992,581
Transfer from Premium Stabilization Reserve	22,708,406		22,708,406
General Revenue Transfer	-		-
<b>Total Revenue</b>	<b>\$ 194,668,801</b>	<b>\$ -</b>	<b>\$ 194,668,801</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,503,860	\$ -	\$ 3,503,860
Medicare Prescription Drug Claims	8,333,224	-	8,333,224
Humana MAPD Program	145,007,493	(2,321,495)	142,685,998
Administration	1,765,435		1,765,435
Life Insurance	11,493,795		11,493,795
Retiree Assistance Program	891,117		891,117
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	22,395		22,395
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 171,017,319</b>	<b>\$ (2,321,495)</b>	<b>\$ 168,695,824</b>
<b>Fiscal Year Results</b>	<b>\$ 23,651,482</b>		<b>\$ 25,972,977</b>
Beginning Restricted Reserve	\$ 347,145,768		\$ 347,145,768
Ending Restricted Reserve	<u>\$ 370,797,250</u>		<u>\$ 373,118,745</u>
Beginning Premium Stabilization Reserve	\$ 31,381,746		\$ 31,381,746
PSR Addition/(Drawdown)	\$ (22,708,406)		\$ (22,708,406)
Ending Premium Stabilization Reserve	<u>\$ 8,673,340</u>		<u>\$ 8,673,340</u>
Total Beginning Plan Reserve	378,527,514		378,527,514
Total Ending Plan Reserve	<u>\$ 379,470,590</u>		<u>\$ 381,792,085</u>
Accrued Actuarial Liability (AAL)	\$ 3,743,700,000		\$ 3,743,700,000
Funded Status	19.4%		19.6%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 163.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 227.33	Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2016**

PERIOD 7/1/2015 - 6/30/2016

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 60,009,202		\$ 60,009,202
Employer Premiums - PPB	15,638,394		15,638,394
Employer Premiums - MCO	1,381,760		1,381,760
Retiree Premiums - PPB	21,783,755	-	21,783,755
Retiree Premiums - MCO	820,319	-	820,319
Annual Required Contributions	-		-
Non Par Premiums	1,545,108		1,545,108
Life Insurance	11,760,470		11,760,470
Investment Income	22,375,775		22,375,775
Transfer from Premium Stabilization Reserve	9,468,444		9,468,444
General Revenue Transfer	-		-
<b>Total Revenue</b>	<b>\$ 144,783,227</b>	<b>\$ -</b>	<b>\$ 144,783,227</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 76,081,454	\$ (2,200,000)	\$ 73,881,454
Non-Medicare Prescription Drug Claims	30,873,242	(1,700,000)	29,173,242
Non-Medicare Managed Care Capitations	5,218,327	(630,634)	4,587,693
Administration	3,017,292		3,017,292
Life Insurance	11,006,621		11,006,621
Retiree Assistance Program	853,346		853,346
ACA Reinsurance Contributions	550,000		550,000
ACA Comparative Effectiveness Research Fees	7,707		7,707
Director's Discretionary Fund	310,491		310,491
<b>Total Expenses</b>	<b>\$ 127,918,480</b>	<b>\$ (4,530,634)</b>	<b>\$ 123,387,846</b>
<b>Fiscal Year Results</b>	<b>\$ 16,864,746</b>		<b>\$ 21,395,380</b>
Beginning Restricted Reserve	\$ 329,425,990		\$ 329,425,990
Ending Restricted Reserve	<u>\$ 346,290,736</u>		<u>\$ 350,821,370</u>
Beginning Premium Stabilization Reserve	\$ 9,468,443		\$ 9,468,443
PSR Addition/(Drawdown)	\$ (9,468,444)		\$ (9,468,444)
Ending Premium Stabilization Reserve	<u>\$ (1)</u>		<u>\$ (1)</u>
Total Beginning Plan Reserve	338,894,433		338,894,433
Total Ending Plan Reserve	<u>\$ 346,290,736</u>		<u>\$ 350,821,370</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 163.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 557.99	Non-Medicare	5.5%	8.5%
		Capitations		-5.1%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		0.0%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

	7/1/2016 to 12/31/2016	1/1/2017 to 6/30/2017	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 90,000,000	\$ 90,000,000	\$ 180,000,000
Retiree Premiums - PPB	48,804,819	49,380,845	98,185,664
Retiree Premiums - MCO	1,233,085	1,233,085	2,466,170
Annual Required Contributions	-	-	-
Non Par Premiums	1,531,924	1,531,924	3,063,847
Life Insurance	12,621,777	12,621,777	25,243,554
Investment Income	24,218,378	24,218,378	48,436,757
Transfer from Premium Stabilization Reserve	4,325,489	4,347,851	8,673,340
General Revenue Transfer	15,000,000	15,000,000	30,000,000
<b>Total Revenue</b>	\$ 197,735,472	\$ 198,333,860	\$ 396,069,331
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 37,612,844	\$ 39,748,003	\$ 77,360,847
Non-Medicare Prescription Drug Claims	14,509,566	16,903,220	31,412,786
Medicare Medical Claims	2,472,442	1,232,551	3,704,993
Medicare Prescription Drug Claims	6,018,612	3,043,053	9,061,665
Non-Medicare Managed Care Capitations	2,477,355	2,477,355	4,954,709
Humana MAPD Program	76,956,977	83,205,905	160,162,882
Administration	2,463,105	2,463,105	4,926,209
Life Insurance	11,812,718	11,812,718	23,625,436
Retiree Assistance Program	942,010	942,010	1,884,019
ACA Reinsurance Contributions	200,000	-	200,000
ACA Comparative Effectiveness Research Fees	15,466	15,466	30,932
Director's Discretionary Fund	154,049	154,049	308,097
<b>Total Expenses</b>	\$ 155,635,141	\$ 161,997,434	\$ 317,632,575
<b>Fiscal Year Results</b>	\$ 42,100,330	\$ 36,336,426	\$ 78,436,757
Beginning Restricted Reserve			\$ 723,940,113
Ending Restricted Reserve			\$ 802,376,870
Beginning Premium Stabilization Reserve			\$ 8,673,340
PSR Addition/(Drawdown)			\$ (8,673,340)
Ending Premium Stabilization Reserve			\$ 0
Total Beginning Plan Reserve			\$ 732,613,453
Total Ending Plan Reserve			\$ 802,376,870
Accrued Actuarial Liability (AAL)			\$ 3,899,600,000
Funded Status			20.6%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 195.98			
Additional Retiree Premiums	\$ 17,423,835			
Pay Go PEPM Subsidy for Retirees	\$ 349.16	Non-Medicare	6.0%	9.0%
		Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 111,066,998		\$ 111,066,998
Employer Premiums - PPB	7,794,512		7,794,512
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	35,496,875	10,625,081	46,121,956
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,565,092		1,565,092
Life Insurance	12,895,061		12,895,061
Investment Income	25,242,193		25,242,193
Transfer from Premium Stabilization Reserve	8,673,340		8,673,340
General Revenue Transfer	16,788,899		16,788,899
<b>Total Revenue</b>	<b>\$ 219,522,970</b>	<b>\$ 10,625,081</b>	<b>\$ 230,148,051</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,704,993	\$ -	\$ 3,704,993
Medicare Prescription Drug Claims	9,061,665	-	9,061,665
Humana MAPD Program	161,941,387	(1,778,505)	160,162,882
Administration	1,818,398		1,818,398
Life Insurance	12,068,485		12,068,485
Retiree Assistance Program	962,406		962,406
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	23,192		23,192
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 189,580,526</b>	<b>\$ (1,778,505)</b>	<b>\$ 187,802,021</b>
<b>Fiscal Year Results</b>	<b>\$ 29,942,444</b>		<b>\$ 42,346,029</b>
Beginning Restricted Reserve	\$ 373,118,745		\$ 373,118,745
Ending Restricted Reserve	<u>\$ 403,061,188</u>		<u>\$ 415,464,774</u>
Beginning Premium Stabilization Reserve	\$ 8,673,340		\$ 8,673,340
PSR Addition/(Drawdown)	\$ (8,673,340)		\$ (8,673,340)
Ending Premium Stabilization Reserve	<u>\$ 1</u>		<u>\$ 1</u>
Total Beginning Plan Reserve	381,792,085		381,792,085
Total Ending Plan Reserve	<u>\$ 403,061,189</u>		<u>\$ 415,464,775</u>
Accrued Actuarial Liability (AAL)	\$ 3,899,600,000		\$ 3,899,600,000
Funded Status	20.1%		20.6%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 195.98	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 10,625,081	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 276.38	Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2017**

PERIOD 7/1/2016 - 6/30/2017

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 68,933,002		\$ 68,933,002
Employer Premiums - PPB	15,761,682		15,761,682
Employer Premiums - MCO	1,392,653		1,392,653
Retiree Premiums - PPB	21,955,492	6,552,022	28,507,514
Retiree Premiums - MCO	826,786	246,732	1,073,518
Annual Required Contributions	-		-
Non Par Premiums	1,498,755		1,498,755
Life Insurance	12,348,493		12,348,493
Investment Income	23,194,564		23,194,564
Transfer from Premium Stabilization Reserve	(0)		(0)
General Revenue Transfer	13,211,101		13,211,101
<b>Total Revenue</b>	<b>\$ 159,122,528</b>	<b>\$ 6,798,754</b>	<b>\$ 165,921,282</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 77,360,847	\$ -	\$ 77,360,847
Non-Medicare Prescription Drug Claims	31,412,786	-	31,412,786
Non-Medicare Managed Care Capitations	4,954,709		4,954,709
Administration	3,107,811		3,107,811
Life Insurance	11,556,952		11,556,952
Retiree Assistance Program	921,614		921,614
ACA Reinsurance Contributions	200,000		200,000
ACA Comparative Effectiveness Research Fees	7,739		7,739
Director's Discretionary Fund	308,097		308,097
<b>Total Expenses</b>	<b>\$ 129,830,555</b>	<b>\$ -</b>	<b>\$ 129,830,555</b>
<b>Fiscal Year Results</b>	<b>\$ 29,291,973</b>		<b>\$ 36,090,727</b>
Beginning Restricted Reserve	\$ 350,821,370		\$ 350,821,370
Ending Restricted Reserve	<u>\$ 380,113,343</u>		<u>\$ 386,912,097</u>
Beginning Premium Stabilization Reserve	\$ (1)		\$ (1)
PSR Addition/(Drawdown)	\$ 0		\$ 0
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
<b>Total Beginning Plan Reserve</b>	<b>350,821,370</b>		<b>350,821,370</b>
<b>Total Ending Plan Reserve</b>	<b><u>\$ 380,113,343</u></b>		<b><u>\$ 386,912,097</u></b>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 195.98	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 6,798,754	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 606.50	Non-Medicare	6.0%	9.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		23.8%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

	7/1/2017 to 12/31/2017	1/1/2018 to 6/30/2018	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 97,500,000	\$ 97,500,000	\$ 195,000,000
Retiree Premiums - PPB	59,812,403	60,502,069	120,314,472
Retiree Premiums - MCO	1,395,725	1,395,725	2,791,449
Annual Required Contributions	-	-	-
Non Par Premiums	1,485,966	1,485,966	2,971,932
Life Insurance	13,252,866	13,252,866	26,505,732
Investment Income	26,530,618	26,530,618	53,061,236
Transfer from Premium Stabilization Reserve	0	0	0
General Revenue Transfer	15,000,000	15,000,000	30,000,000
<b>Total Revenue</b>	\$ 214,977,578	\$ 215,667,243	\$ 430,644,821
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 39,570,440	\$ 41,816,725	\$ 81,387,165
Non-Medicare Prescription Drug Claims	15,695,265	18,284,526	33,979,791
Medicare Medical Claims	2,624,652	1,311,551	3,936,203
Medicare Prescription Drug Claims	6,569,711	3,329,395	9,899,106
Non-Medicare Managed Care Capitations	2,675,543	2,675,543	5,351,085
Humana MAPD Program	86,646,485	94,130,797	180,777,282
Administration	2,536,998	2,536,998	5,073,995
Life Insurance	12,403,354	12,403,354	24,806,708
Retiree Assistance Program	1,017,371	1,017,371	2,034,741
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	15,895	15,895	31,789
Director's Discretionary Fund	152,860	152,860	305,720
<b>Total Expenses</b>	\$ 169,908,572	\$ 177,675,013	\$ 347,583,585
<b>Fiscal Year Results</b>	\$ 45,069,006	\$ 37,992,230	\$ 83,061,236
Beginning Restricted Reserve			\$ 802,376,870
Ending Restricted Reserve			\$ 885,438,106
Beginning Premium Stabilization Reserve			\$ 0
PSR Addition/(Drawdown)			\$ (0)
Ending Premium Stabilization Reserve			\$ 0
Total Beginning Plan Reserve			\$ 802,376,870
Total Ending Plan Reserve			\$ 885,438,106
Accrued Actuarial Liability (AAL)			\$ 4,044,600,000
Funded Status			21.9%

**KEY ASSUMPTIONS**

		Claim and Other Expense Trends		
		Eligibility	Medical	Drugs
Pay Go Monthly Premium for Actives	\$ 212.32			
Additional Retiree Premiums	\$ 21,827,658			
Pay Go PEPM Subsidy for Retirees	\$ 369.57			
		Non-Medicare	6.5%	9.5%
		Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 123,984,813		\$ 123,984,813
Employer Premiums - PPB	7,799,174		7,799,174
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	46,396,142	13,298,261	59,694,403
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,518,140		1,518,140
Life Insurance	13,539,814		13,539,814
Investment Income	27,474,713		27,474,713
Transfer from Premium Stabilization Reserve	0		0
General Revenue Transfer	17,181,430		17,181,430
<b>Total Revenue</b>	<b>\$ 237,894,227</b>	<b>\$ 13,298,261</b>	<b>\$ 251,192,488</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 3,936,203	\$ -	\$ 3,936,203
Medicare Prescription Drug Claims	9,899,106	-	9,899,106
Humana MAPD Program	180,777,282		180,777,282
Administration	1,872,950		1,872,950
Life Insurance	12,671,909		12,671,909
Retiree Assistance Program	1,039,398		1,039,398
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,018		24,018
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 210,220,866</b>	<b>\$ -</b>	<b>\$ 210,220,866</b>
<b>Fiscal Year Results</b>	<b>\$ 27,673,361</b>		<b>\$ 40,971,622</b>
Beginning Restricted Reserve	\$ 415,464,774		\$ 415,464,774
Ending Restricted Reserve	<u>\$ 443,138,135</u>		<u>\$ 456,436,396</u>
Beginning Premium Stabilization Reserve	\$ 1		\$ 1
PSR Addition/(Drawdown)	\$ (0)		\$ (0)
Ending Premium Stabilization Reserve	<u>\$ 0</u>		<u>\$ 0</u>
Total Beginning Plan Reserve	415,464,775		415,464,775
Total Ending Plan Reserve	<u>\$ 443,138,135</u>		<u>\$ 456,436,396</u>
Accrued Actuarial Liability (AAL)	\$ 4,044,600,000		\$ 4,044,600,000
Funded Status	21.4%		21.9%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 212.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 13,298,261	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 303.98	Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2018**

PERIOD 7/1/2017 - 6/30/2018

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 71,015,187		\$ 71,015,187
Employer Premiums - PPB	15,825,668		15,825,668
Employer Premiums - MCO	1,398,307		1,398,307
Retiree Premiums - PPB	28,775,367	8,219,859	36,995,226
Retiree Premiums - MCO	1,083,604	309,538	1,393,142
Annual Required Contributions	-		-
Non Par Premiums	1,453,792		1,453,792
Life Insurance	12,965,918		12,965,918
Investment Income	25,586,523		25,586,523
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	12,818,570		12,818,570
<b>Total Revenue</b>	<b>\$ 170,922,936</b>	<b>\$ 8,529,397</b>	<b>\$ 179,452,333</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 81,387,165	\$ -	\$ 81,387,165
Non-Medicare Prescription Drug Claims	33,979,791	-	33,979,791
Non-Medicare Managed Care Capitations	5,351,085		5,351,085
Administration	3,201,045		3,201,045
Life Insurance	12,134,799		12,134,799
Retiree Assistance Program	995,343		995,343
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,771		7,771
Director's Discretionary Fund	305,720		305,720
<b>Total Expenses</b>	<b>\$ 137,362,719</b>	<b>\$ -</b>	<b>\$ 137,362,719</b>
<b>Fiscal Year Results</b>	<b>\$ 33,560,216</b>		<b>\$ 42,089,613</b>
Beginning Restricted Reserve	\$ 386,912,097		\$ 386,912,097
Ending Restricted Reserve	<u>\$ 420,472,313</u>		<u>\$ 429,001,710</u>
Beginning Premium Stabilization Reserve	\$ (0)		\$ (0)
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
Total Beginning Plan Reserve	386,912,097		386,912,097
Total Ending Plan Reserve	<u>\$ 420,472,313</u>		<u>\$ 429,001,710</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 212.32	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 8,529,397	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 592.91	Non-Medicare	6.5%	9.5%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		10.5%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE AND NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

	7/1/2018 to 12/31/2018	1/1/2019 to 6/30/2019	TRUST Total
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 105,000,000	\$ 105,000,000	\$ 210,000,000
Retiree Premiums - PPB	69,033,553	69,811,599	138,845,152
Retiree Premiums - MCO	1,531,672	1,531,672	3,063,343
Annual Required Contributions	-	-	-
Non Par Premiums	1,441,387	1,441,387	2,882,774
Life Insurance	13,915,510	13,915,510	27,831,019
Investment Income	29,279,979	29,279,979	58,559,958
Transfer from Premium Stabilization Reserve	-	-	-
General Revenue Transfer	15,000,000	15,000,000	30,000,000
<b>Total Revenue</b>	<b>\$ 235,202,099</b>	<b>\$ 235,980,146</b>	<b>\$ 471,182,246</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 41,825,860	\$ 44,200,179	\$ 86,026,039
Non-Medicare Prescription Drug Claims	17,055,573	19,869,245	36,924,818
Medicare Medical Claims	2,799,358	1,402,172	4,201,530
Medicare Prescription Drug Claims	7,204,123	3,659,330	10,863,453
Non-Medicare Managed Care Capitations	2,889,586	2,889,586	5,779,172
Humana MAPD Program	98,023,123	106,997,339	205,020,462
Administration	2,613,108	2,613,108	5,226,215
Life Insurance	13,023,522	13,023,522	26,047,043
Retiree Assistance Program	1,098,760	1,098,760	2,197,520
ACA Reinsurance Contributions	-	-	-
ACA Comparative Effectiveness Research Fees	16,338	16,338	32,676
Director's Discretionary Fund	151,680	151,680	303,359
<b>Total Expenses</b>	<b>\$ 186,701,030</b>	<b>\$ 195,921,257</b>	<b>\$ 382,622,287</b>
<b>Fiscal Year Results</b>	<b>\$ 48,501,070</b>	<b>\$ 40,058,889</b>	<b>\$ 88,559,958</b>
Beginning Restricted Reserve			\$ 885,438,106
Ending Restricted Reserve			\$ 973,998,064
Beginning Premium Stabilization Reserve			\$ 0
PSR Addition/(Drawdown)			\$ -
Ending Premium Stabilization Reserve			\$ 0
Total Beginning Plan Reserve			885,438,106
Total Ending Plan Reserve			\$ 973,998,064
Accrued Actuarial Liability (AAL)			\$ 4,181,000,000
Funded Status			23.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 228.65	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 18,244,207	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 389.06	Non-Medicare	7.0%	10.0%
		Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	1,000	Pay Go Monthly Premium		7.7%

**APPENDIX - BASELINE SCENARIO  
RHBT - MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

<b>Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 137,503,818		\$ 137,503,818
Employer Premiums - PPB	7,797,192		7,797,192
Employer Premiums - MCO	-		-
Retiree Premiums - PPB	59,952,249	11,103,472	71,055,721
Retiree Premiums - MCO	-	-	-
Annual Required Contributions	-		-
Non Par Premiums	1,472,595		1,472,595
Life Insurance	14,216,805		14,216,805
Investment Income	30,187,199		30,187,199
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	17,522,582		17,522,582
<b>Total Revenue</b>	<b>\$ 268,652,440</b>	<b>\$ 11,103,472</b>	<b>\$ 279,755,912</b>
<u>Program Expenses</u>			
Medicare Medical Claims	\$ 4,201,530	\$ -	\$ 4,201,530
Medicare Prescription Drug Claims	10,863,453	-	10,863,453
Humana MAPD Program	205,020,462		205,020,462
Administration	1,929,138		1,929,138
Life Insurance	13,305,504		13,305,504
Retiree Assistance Program	1,122,550		1,122,550
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	24,873		24,873
Director's Discretionary Fund	-		-
<b>Total Expenses</b>	<b>\$ 236,467,510</b>	<b>\$ -</b>	<b>\$ 236,467,510</b>
<b>Fiscal Year Results</b>	<b>\$ 32,184,930</b>		<b>\$ 43,288,402</b>
Beginning Restricted Reserve	\$ 456,436,396		\$ 456,436,396
Ending Restricted Reserve	<u>\$ 488,621,326</u>		<u>\$ 499,724,798</u>
Beginning Premium Stabilization Reserve	\$ 0		\$ 0
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ 0</u>		<u>\$ 0</u>
Total Beginning Plan Reserve	456,436,396		456,436,396
Total Ending Plan Reserve	<u>\$ 488,621,326</u>		<u>\$ 499,724,798</u>
Accrued Actuarial Liability (AAL)	\$ 4,181,000,000		\$ 4,181,000,000
Funded Status	22.9%		23.3%

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 228.65	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 11,103,472	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 332.24	Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	700	Pay Go Monthly Premium		7.7%

**APPENDIX - BASELINE SCENARIO  
RHBT - NON-MEDICARE**

**WEST VIRGINIA RETIREE HEALTH BENEFIT TRUST  
FINANCIAL FORECAST  
FISCAL YEAR 2019**

PERIOD 7/1/2018 - 6/30/2019

<b>Non-Medicare Retiree</b>	<b>Baseline Projection</b>	<b>Board Decision</b>	<b>Ending Projection</b>
<u>Revenues</u>			
WV PEIA Pay Go Premiums	\$ 72,496,182		\$ 72,496,182
Employer Premiums - PPB	15,861,966		15,861,966
Employer Premiums - MCO	1,401,514		1,401,514
Retiree Premiums - PPB	37,248,680	6,881,593	44,130,273
Retiree Premiums - MCO	1,402,687	259,143	1,661,830
Annual Required Contributions	-		-
Non Par Premiums	1,410,178		1,410,178
Life Insurance	13,614,214		13,614,214
Investment Income	28,372,759		28,372,759
Transfer from Premium Stabilization Reserve	-		-
General Revenue Transfer	12,477,418		12,477,418
<b>Total Revenue</b>	<b>\$ 184,285,598</b>	<b>\$ 7,140,736</b>	<b>\$ 191,426,334</b>
<u>Program Expenses</u>			
Non-Medicare Medical Claims	\$ 86,026,039	\$ -	\$ 86,026,039
Non-Medicare Prescription Drug Claims	36,924,818	-	36,924,818
Non-Medicare Managed Care Capitations	5,779,172		5,779,172
Administration	3,297,076		3,297,076
Life Insurance	12,741,539		12,741,539
Retiree Assistance Program	1,074,970		1,074,970
ACA Reinsurance Contributions	-		-
ACA Comparative Effectiveness Research Fees	7,804		7,804
Director's Discretionary Fund	303,360		303,360
<b>Total Expenses</b>	<b>\$ 146,154,778</b>	<b>\$ -</b>	<b>\$ 146,154,778</b>
<b>Fiscal Year Results</b>	<b>\$ 38,130,821</b>		<b>\$ 45,271,557</b>
Beginning Restricted Reserve	\$ 429,001,710		\$ 429,001,710
Ending Restricted Reserve	<u>\$ 467,132,531</u>		<u>\$ 474,273,267</u>
Beginning Premium Stabilization Reserve	\$ (0)		\$ (0)
PSR Addition/(Drawdown)	\$ -		\$ -
Ending Premium Stabilization Reserve	<u>\$ (0)</u>		<u>\$ (0)</u>
Total Beginning Plan Reserve	429,001,710		429,001,710
Total Ending Plan Reserve	<u>\$ 467,132,531</u>		<u>\$ 474,273,267</u>
Accrued Actuarial Liability (AAL)	\$ -		\$ -
Funded Status	N/A		N/A

**KEY ASSUMPTIONS**

Pay Go Monthly Premium for Actives	\$ 228.65	<b>Claim and Other Expense Trends</b>		
Additional Retiree Premiums	\$ 7,140,736	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Pay Go PEPM Subsidy for Retirees	\$ 575.85	Non-Medicare	7.0%	10.0%
		Capitations		8.0%
		Administrative Expense		3.0%
Number of Net New Retirees	300	Pay Go Monthly Premium		7.7%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2014 to FY 2015**

**Fiscal Year 2014**

**Exposure**

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
<b>NonMed_NonDrug</b>	20,496	21,096	20,990	20,884	20,694	20,458	20,555	20,477	20,291	20,088	19,861	19,738
<b>Med_NonDrug</b>	795	1,088	1,362	1,604	1,848	2,088	1,112	953	1,116	1,324	1,513	1,709
<b>NonMed_Drug</b>	18,995	19,550	19,452	19,354	19,177	18,959	19,050	18,975	18,801	18,615	18,404	18,291
<b>Med_Drug</b>	828	1,133	1,418	1,671	1,925	2,175	1,158	993	1,163	1,379	1,576	1,780

	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
<b>NonMed_NonDrug</b>	\$226.43	\$226.80	\$234.91	\$248.69	\$276.86	\$227.68	\$287.88	\$253.64	\$260.30	\$287.59	\$263.20	\$280.38
<b>Med_NonDrug</b>	226.61	207.28	190.27	203.42	167.83	158.47	192.05	316.56	246.71	238.55	188.57	212.23
<b>NonMed_Drug</b>	88.47	104.86	105.46	120.46	108.66	126.68	124.59	108.10	120.53	128.08	124.71	139.84
<b>Med_Drug</b>	<u>170.07</u>	<u>227.01</u>	<u>185.41</u>	<u>220.60</u>	<u>207.73</u>	<u>263.51</u>	<u>148.11</u>	<u>225.96</u>	<u>226.84</u>	<u>226.01</u>	<u>224.60</u>	<u>251.52</u>
<b>Total</b>	\$711.58	\$765.95	\$716.06	\$793.18	\$761.07	\$776.34	\$752.64	\$904.25	\$854.38	\$880.24	\$801.08	\$883.98

**Change From Prior Year - Month to Month Analysis**

<b>NonMed_NonDrug</b>	21.6%	2.0%	8.5%	5.6%	9.1%	13.7%	-0.5%	1.1%	9.8%	12.2%	9.6%	3.3%
<b>Med_NonDrug</b>	48.1%	27.5%	35.4%	12.1%	22.2%	38.8%	13.3%	95.8%	56.4%	58.9%	17.3%	87.1%
<b>NonMed_Drug</b>	9.0%	2.2%	8.3%	2.4%	-2.7%	10.2%	10.0%	1.7%	10.0%	9.8%	1.4%	13.2%
<b>Med_Drug</b>	<u>19.6%</u>	<u>27.0%</u>	<u>19.4%</u>	<u>-7.2%</u>	<u>5.8%</u>	<u>30.3%</u>	<u>-24.8%</u>	<u>40.3%</u>	<u>36.9%</u>	<u>30.7%</u>	<u>10.2%</u>	<u>34.3%</u>
<b>Total</b>	26.5%	15.0%	17.4%	2.7%	8.9%	22.9%	-2.2%	33.0%	27.5%	26.5%	10.1%	27.1%

**Change From Prior Year - Quarter to Quarter Analysis**

<b>NonMed_NonDrug</b>			10.1%			9.2%			3.2%			8.2%
<b>Med_NonDrug</b>			36.8%			22.3%			54.5%			50.7%
<b>NonMed_Drug</b>			6.3%			3.3%			7.3%			8.1%
<b>Med_Drug</b>			<u>22.3%</u>			<u>8.7%</u>			<u>14.7%</u>			<u>24.5%</u>
<b>Total</b>			19.3%			10.8%			18.5%			21.0%

**Change From Prior Year - Year to Year Analysis**

<b>NonMed_NonDrug</b>			5.6%			7.4%			6.3%			7.5%
<b>Med_NonDrug</b>			18.0%			23.1%			34.1%			41.4%
<b>NonMed_Drug</b>			-7.7%			-6.0%			-0.1%			6.3%
<b>Med_Drug</b>			<u>3.2%</u>			<u>4.1%</u>			<u>10.7%</u>			<u>17.1%</u>
<b>Total</b>			5.1%			7.4%			12.3%			17.4%

**Attachment - Trust Fund  
Historical Monthly Medical and Drug Trends  
FY 2014 to FY 2015**

**Fiscal Year 2015**

**Exposure**

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>
NonMed_NonDrug	20,714	20,861	20,922	20,660	20,420
Med_NonDrug	2,065	2,361	2,604	2,863	2,730
NonMed_Drug	19,191	19,328	19,385	19,146	18,924
Med_Drug	2,151	2,459	2,712	2,982	2,843

	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Oct-14</u>	<u>Nov-14</u>
NonMed_NonDrug	\$235.55	\$224.75	\$264.75	\$272.08	\$267.84
Med_NonDrug	179.65	165.29	156.03	191.46	208.80
NonMed_Drug	95.58	117.04	117.98	118.67	125.97
Med_Drug	<u>220.75</u>	<u>234.76</u>	<u>251.06</u>	<u>227.56</u>	<u>270.50</u>
Total	\$731.53	\$741.85	\$789.83	\$809.77	\$873.11

**Change From Prior Year - Month to Month Analysis**

NonMed_NonDrug	4.0%	-0.9%	12.7%	9.4%	-3.3%
Med_NonDrug	-20.7%	-20.3%	-18.0%	-5.9%	24.4%
NonMed_Drug	8.0%	11.6%	11.9%	-1.5%	15.9%
Med_Drug	<u>29.8%</u>	<u>3.4%</u>	<u>35.4%</u>	<u>3.2%</u>	<u>30.2%</u>
Total	2.8%	-3.1%	10.3%	2.1%	14.7%

**Change From Prior Year - Quarter to Quarter Analysis**

NonMed_NonDrug	5.4%
Med_NonDrug	-19.7%
NonMed_Drug	10.6%
Med_Drug	<u>21.3%</u>
Total	3.2%

**Change From Prior Year - Year to Year Analysis**

NonMed_NonDrug	6.4%
Med_NonDrug	23.1%
NonMed_Drug	7.3%
Med_Drug	<u>17.1%</u>
Total	13.3%