



West Virginia Retiree Health Benefit Trust Fund and PEIA Finance Board Meeting

Thursday, January 21, 2016, 1:00 p.m.

**Canaan Valley Room 1041, DEP Building, 601 57th Street, SE
Charleston, WV 25304**

Agenda

Roll Call
Call to Order
Approval of Minutes
Financial Update
Public Comment
Vote on FY2017 Financial Plan
Director Update
Old Business
New Business
Schedule Next Meeting

Roll Call

Jason Pizatella, Chairman

Members:

- ☐ Brian Donat
- ☐ James W. Dailey, II
- ☐ Troy Giatras
- ☐ Elaine Harris
- ☐ William “Bill” Ihlenfeld
- ☐ William “Bill” Milam
- ☐ Michael T. Smith
- ☐ Joshua Sword

Approval of Minutes

December 10, 2015

Jason Pizatella, Chairman

Financial Update

Ted Cheatham
PEIA Director

Jason Haught, CPA
PEIA Chief Financial Officer

Chris Borcik, CPA
CCRC Actuaries

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Assets
For the Four Months Ending Saturday October 31, 2015
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

| (\$ 0 0 0 's) | | | | BUDGET VARIANCE | | PRIOR YR VARIANCE | |
|------------------|------------------|------------------|---|-----------------|---------------|-------------------|--------------|
| ACTUAL | BUDGET | PRIOR YR | | \$ | % | \$ | % |
| | | | PREMIUM REVENUE | | | | |
| \$154,783 | \$156,246 | \$156,246 | Health Insurance - State Gov. - Employers | (\$1,463) | (1%) | (\$1,463) | (1%) |
| 39,239 | 39,709 | 39,709 | Health Insurance - State Gov. - Employees | (470) | (1%) | (470) | (1%) |
| 36,356 | 36,337 | 37,337 | Health Insurance - Local Gov. - All | 19 | 0% | (981) | (3%) |
| 700 | 741 | 706 | Life Insurance | (41) | (6%) | (6) | (1%) |
| (3,070) | 3,075 | (547) | Interest and Investment Income | (6,145) | (200%) | (2,523) | 461% |
| 445 | 829 | 833 | Other Premium Revenue | (384) | (46%) | (388) | (47%) |
| 1,541 | 1,550 | 1,550 | Administrative Fees, Net of Refunds | (9) | (1%) | (9) | (1%) |
| 229,994 | 238,487 | 235,834 | TOTAL REVENUE | (8,493) | (4%) | (5,840) | (2%) |
| | | | OPERATING EXPENSES | | | | |
| 122,447 | 127,471 | 130,284 | Claims Expense - Medical | 5,024 | 4% | 7,837 | 6% |
| 39,992 | 40,734 | 40,752 | Claims Expense - Drugs | 742 | 2% | 760 | 2% |
| 12,563 | 12,108 | 13,027 | Payments to Managed Care Org. | (455) | (4%) | 464 | 4% |
| 4,109 | 4,715 | 4,543 | Administrative Service Fees | 606 | 13% | 434 | 10% |
| 702 | 746 | 710 | Life Insurance Expense | 44 | 6% | 8 | 1% |
| 529 | 483 | 483 | Wellness and Disease Management | (46) | (10%) | (46) | (10%) |
| 115 | 115 | 115 | ACA Comparative Effectiveness Fee | 0 | 0% | | 0% |
| 1,800 | 1,800 | 2,833 | ACA Reinsurance Contribution | 0 | 0% | 1,033 | 36% |
| 1,438 | 1,571 | 1,560 | Other Operating Expenses | 133 | 8% | 122 | 8% |
| 49,358 | 50,000 | 49,900 | WV RHBT Pay Go Premiums | 642 | 1% | 542 | 1% |
| 233,053 | 239,743 | 244,207 | TOTAL EXPENSES | 6,690 | 3% | 11,154 | 5% |
| (3,059) | (1,256) | (8,373) | YTD SURPLUS (DEFICIT) | (1,803) | (144%) | 5,314 | 63% |
| 129,978 | 129,978 | 181,388 | Total Net Assets, Beginning of Period | | | (51,410) | (28%) |
| \$126,047 | \$128,722 | \$173,015 | TOTAL NET ASSETS, END OF PERIOD | | | (\$46,968) | (27%) |

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For the Four Months Ending Saturday, October 31, 2015
(In Thousands)

| ACTUAL | BUDGET | PRIOR YR | | BUDGET VARIANCE | | PRIOR YR VARIANCE | |
|--|-----------|-----------|--|-----------------|--------|-------------------|--------|
| | | | | \$ | % | \$ | % |
| ADDITIONS | | | | | | | |
| Employer Premiums: | | | | | | | |
| \$1,063 | \$1,073 | \$1,080 | Health premiums | (\$10) | (1%) | (\$17) | (2%) |
| 41,116 | 41,700 | 41,553 | Pay Go Premiums | (584) | (1%) | (438) | (1%) |
| 46 | 0 | 41 | Annual required contributions | 46 | 0% | 4 | 11% |
| 42,224 | 42,773 | 42,674 | Total Employer Premiums | (549) | (1%) | (450) | (1%) |
| Member Premiums: | | | | | | | |
| 26,459 | 26,967 | 26,188 | Health premiums | (508) | (2%) | 272 | 1% |
| 8,244 | 8,300 | 8,337 | Pay Go Premiums | (56) | (1%) | (93) | (1%) |
| 7,869 | 8,014 | 7,632 | Life Insurance Premiums | (145) | (2%) | 236 | 3% |
| 42,572 | 43,281 | 42,156 | Total Member Premiums | (709) | (2%) | 415 | 1% |
| 84,796 | 86,054 | 84,831 | Total Premium Additions | (1,258) | (1%) | (35) | (0%) |
| Other Additions: | | | | | | | |
| 400 | 239 | 267 | Retiree Drug Subsidy | 161 | 67% | 133 | 50% |
| (9,027) | 15,789 | (2,282) | Investment Income | (24,817) | (157%) | (6,745) | 296% |
| 76,169 | 102,082 | 82,816 | TOTAL ADDITIONS | (25,913) | (23%) | (1,480) | (2%) |
| DEDUCTIONS | | | | | | | |
| 47,352 | 49,091 | 43,931 | Payments to Managed Care Org. | 1,739 | 4% | (3,421) | (8%) |
| 7,761 | 7,500 | 7,143 | Life Insurance Expense | (261) | (3%) | (618) | (9%) |
| 23,597 | 23,237 | 23,193 | Medical Claims Expense | (360) | (2%) | (404) | (2%) |
| 9,266 | 13,047 | 10,273 | Pharmacy Claims Expense | 3,781 | 29% | 1,007 | 10% |
| 10 | 10 | 10 | Comparative Effectiveness Research Fee | 0 | 0% | 0 | 0% |
| 183 | 183 | 283 | ACA Reinsurance Contribution | 0 | 0% | 100 | 35% |
| 592 | 679 | 637 | Administrative Service Fees (External) | 87 | 13% | 45 | 7% |
| 886 | 915 | 911 | Other Operating Expenses | 29 | 3% | 25 | 3% |
| 48 | 0 | 0 | Bad Debt Expense | (48) | 0% | (48) | 0% |
| 89,697 | 94,662 | 86,382 | TOTAL DEDUCTIONS | 4,967 | 5% | (3,314) | (4%) |
| (13,528) | 7,420 | (3,566) | NET POSITION INCREASE (DECREASE) | (20,948) | (282%) | (9,962) | (279%) |
| Net Position Restricted for Post Employment Benefits | | | | | | | |
| 704,592 | 704,592 | 691,558 | Beginning of Period Total Net Position | 0 | 0% | 13,034 | 2% |
| \$691,064 | \$712,012 | \$687,992 | End of Period Total Net Position | (\$20,948) | (3%) | \$3,072 | 0% |

Accrual Basis / Unaudited / Internal Use Only
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New Funding: How does this affect employees?

| | |
|-----------------------|--------------------------------|
| Active Employees | 12% Rate Increase (80/20 Rule) |
| Non-State Agencies | 4% Rate Increase (Parity) |
| Non-Medicare Retirees | 12% Rate Increase (Parity) |
| Medicare Retirees | 12% Rate Increase (Parity) |

Health Promotion Benefit Changes (Except Medicare Retirees)

- Face-2-Face diabetes program will become a two year program similar to weight management. After two successful years, members will graduate.
- Healthy Tomorrows reminder
 - Have a primary care provider
 - Submit your biometric form completed by your doctor
 - Submission must be in before May 15, 2016, to avoid an additional \$500 deductible for plan year FY 17
 - Start working with your doctor to get your numbers in range for FY 18
 - Considering a premium differential for FY 19 instead of the increased deductible

Proposed Benefit Adjustments for Plan Management

Non-State, State, Non-Medicare Retirees, Special Medicare

- Increase Urgent Care copay to \$50
 - Add Telehealth at \$40 copay (Legislation Needed)
 - For CCP members, charge \$40 copay for ANY non-CCP office visit
 - Remove Living Will Discount
 - Remove non-network out-of-state benefits

Proposed Benefit Adjustments

Non-State, State, Non-Medicare Retirees, Special Medicare

- Add \$500 emergency room copay for high risk behaviors:
 - Accidents while driving motorcycle or UTV/ATV without a helmet
 - DUI/DWI or Drug -related accidents
 - Failure to wear seatbelt(s)
- New fee schedule for select items = \$2,000,000 Plan savings

Proposed Fee Schedule for Selected Items

| PROCEDURE | FACILITY COMPONENT |
|---|--------------------|
| Colonoscopy (no biopsy) | \$768 |
| Colonoscopy (with biopsy) | \$780 |
| Upper Gastrointestinal Endoscopy (no biopsy) | \$550 |
| Upper Gastrointestinal Endoscopy (with biopsy) | \$692 |
| Transthoracic Echocardiogram (TTE) | \$108 |
| Heart Perfusion Imaging | \$576 |
| Sleep Study | \$603 |
| Cataract Surgery | \$1,070 |
| Cholecystectomy (laparoscopic) | \$3,905 |
| Complex Ear Drum Repair | \$3,648 |
| Ear Tube Placement (Tympanostomy) | \$1,910 |
| Hernia Repair - Laparoscopic (inguinal, umbilical or ventral) | \$4,158 |
| Hernia Repair (inguinal, umbilical or ventral) | \$2,696 |
| Lithotripsy | \$3,202 |
| Nasal Septum Repair | \$3,996 |
| Tonsillectomy | \$2,007 |
| Appendectomy (laparoscopic) | \$3,893 |
| Breast Biopsy (with stereotactic or ultrasound guidance) | \$694 |
| Excise Lesions (laparoscopic) | \$3,871 |
| Hysteroscopy (lesion removal and tubal ligation) | \$2,990 |
| Hysteroscopy (with biopsy) | \$1,949 |
| Laparoscopic Hysterectomy | \$3,924 |
| Vaginal Hysterectomy | \$3,034 |
| Vaginal Delivery | \$1,305 |
| Cesarean Section | \$2,156 |
| Anterior Cruciate Ligament Knee Surgery (ACL) | \$6,631 |
| Carpal Tunnel Surgery | \$1,493 |
| Knee Arthroscopy | \$2,397 |
| Rotator Cuff Repair (non-arthroscopic) | \$4,074 |
| Spinal Fusion (lumbar) | \$12,148 |
| Brain MRI (with and without contrast) | \$729 |
| Arm CT (no contrast) | \$217 |
| Knee MRI (with contrast) | \$572 |
| Neck CT (with and without contrast) | \$395 |
| CT Angiography of Head or Neck | \$465 |
| Leg MRI (no contrast) | \$404 |
| Hip MRI (with and without contrast) | \$664 |
| Brain CT (no contrast) | \$207 |
| Leg CT (with contrast) | \$345 |
| Spine CT (with and without contrast) | \$385 |
| Spine MRI (with contrast) | \$582 |
| Abdominal CT (no contrast) | \$229 |
| Face and Jaw CT (with contrast) | \$358 |
| Elbow MRI (no contrast) | \$405 |
| Shoulder MRI (with and without contrast) | \$664 |
| Chest CT (with contrast) | \$350 |

Proposed Rates Non-State Agency

FY 2016 Non-State Agency Premiums

| | Plan A | Plan B | Plan C | Plan D |
|-----------------------|----------|----------|----------|----------|
| 2016 PPB | Standard | Standard | Standard | Standard |
| Employee Only | \$ 496 | \$ 451 | \$ 314 | \$ 470 |
| Employee and Children | \$ 931 | \$ 821 | \$ 472 | \$ 883 |
| Family | \$ 1,027 | \$ 910 | \$ 633 | \$ 975 |

FY 2017 Non-State Agency Premiums

| | Plan A | Plan B | Plan C | Plan D |
|-----------------------|----------|----------|----------|----------|
| 2017 PPB | Standard | Standard | Standard | Standard |
| Employee Only | \$ 515 | \$ 466 | \$ 324 | \$ 486 |
| Employee and Children | \$ 961 | \$ 844 | \$ 485 | \$ 909 |
| Family | \$ 1,068 | \$ 942 | \$ 655 | \$ 1,012 |

Proposed Premium Increase

Active Employees

| Salary Range | | Current Premium | | | | 2017 Percentage | | | | 2017 Flat Dollar | | | |
|-----------------|--------|-----------------|-----------|----------|-----------|-----------------|-----------|----------|-----------|------------------|-----------|----------|-----------|
| | | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D |
| Single Coverage | | Single Coverage | | | | Single Coverage | | | | Single Coverage | | | |
| 0 | 20000 | \$ 53.00 | \$ 33.20 | \$ 77.40 | \$ 44.00 | \$ 56.00 | \$ 35.00 | \$ 80.00 | \$ 48.00 | \$ 62.00 | \$ 40.00 | \$ 85.00 | \$ 51.00 |
| 20001 | 30000 | \$ 70.00 | \$ 38.80 | \$ 77.40 | \$ 58.40 | \$ 75.00 | \$ 41.00 | \$ 80.00 | \$ 63.00 | \$ 79.00 | \$ 46.00 | \$ 85.00 | \$ 65.00 |
| 30001 | 36000 | \$ 77.00 | \$ 42.00 | \$ 77.40 | \$ 64.70 | \$ 82.00 | \$ 44.00 | \$ 80.00 | \$ 68.00 | \$ 86.00 | \$ 49.00 | \$ 85.00 | \$ 72.00 |
| 36001 | 42000 | \$ 83.00 | \$ 43.60 | \$ 77.40 | \$ 69.20 | \$ 88.00 | \$ 46.00 | \$ 80.00 | \$ 72.00 | \$ 92.00 | \$ 51.00 | \$ 85.00 | \$ 76.00 |
| 42001 | 50000 | \$ 98.00 | \$ 50.00 | \$ 77.40 | \$ 82.70 | \$ 103.00 | \$ 52.00 | \$ 80.00 | \$ 86.00 | \$ 107.00 | \$ 57.00 | \$ 85.00 | \$ 90.00 |
| 50001 | 62500 | \$ 121.00 | \$ 59.60 | \$ 77.40 | \$ 101.60 | \$ 128.00 | \$ 62.00 | \$ 80.00 | \$ 106.00 | \$ 130.00 | \$ 67.00 | \$ 85.00 | \$ 109.00 |
| 62501 | 75000 | \$ 135.00 | \$ 66.80 | \$ 77.40 | \$ 114.20 | \$ 142.00 | \$ 69.00 | \$ 80.00 | \$ 118.00 | \$ 144.00 | \$ 74.00 | \$ 85.00 | \$ 121.00 |
| 75001 | 100000 | \$ 164.00 | \$ 78.80 | \$ 77.40 | \$ 138.50 | \$ 171.00 | \$ 81.00 | \$ 80.00 | \$ 143.00 | \$ 173.00 | \$ 86.00 | \$ 85.00 | \$ 146.00 |
| 100001 | 125000 | \$ 207.00 | \$ 116.40 | \$ 77.40 | \$ 175.40 | \$ 215.00 | \$ 119.00 | \$ 80.00 | \$ 179.79 | \$ 216.00 | \$ 123.00 | \$ 85.00 | \$ 182.40 |
| 125001 + | | \$ 237.00 | \$ 138.80 | \$ 77.40 | \$ 201.50 | \$ 245.00 | \$ 142.00 | \$ 80.00 | \$ 206.54 | \$ 246.00 | \$ 146.00 | \$ 85.00 | \$ 208.50 |

| Salary Range | | Current Premium | | | | 2017 Percentage | | | | 2017 Flat Dollar | | | |
|----------------|--------|-----------------|-----------|-----------|-----------|-----------------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|
| | | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D |
| Employee/Child | | Employee/Child | | | | Employee/Child | | | | Employee/Child | | | |
| 0 | 20000 | \$ 110.00 | \$ 58.80 | \$ 172.40 | \$ 92.60 | \$ 119.00 | \$ 63.00 | \$ 183.00 | \$ 98.85 | \$ 125.00 | \$ 68.00 | \$ 182.00 | \$ 101.60 |
| 20001 | 30000 | \$ 134.00 | \$ 68.40 | \$ 172.40 | \$ 113.30 | \$ 145.00 | \$ 73.00 | \$ 183.00 | \$ 121.00 | \$ 149.00 | \$ 77.00 | \$ 182.00 | \$ 122.00 |
| 30001 | 36000 | \$ 143.00 | \$ 71.60 | \$ 172.40 | \$ 120.50 | \$ 155.00 | \$ 77.00 | \$ 183.00 | \$ 129.00 | \$ 158.00 | \$ 81.00 | \$ 182.00 | \$ 130.00 |
| 36001 | 42000 | \$ 156.00 | \$ 75.60 | \$ 172.40 | \$ 132.20 | \$ 168.00 | \$ 81.00 | \$ 183.00 | \$ 140.00 | \$ 171.00 | \$ 85.00 | \$ 182.00 | \$ 141.00 |
| 42001 | 50000 | \$ 190.00 | \$ 98.00 | \$ 172.40 | \$ 161.00 | \$ 204.00 | \$ 104.00 | \$ 183.00 | \$ 170.00 | \$ 205.00 | \$ 107.00 | \$ 182.00 | \$ 170.00 |
| 50001 | 62500 | \$ 232.00 | \$ 130.80 | \$ 172.40 | \$ 197.00 | \$ 249.00 | \$ 139.00 | \$ 183.00 | \$ 208.33 | \$ 247.00 | \$ 140.00 | \$ 182.00 | \$ 206.00 |
| 62501 | 75000 | \$ 264.00 | \$ 150.80 | \$ 172.40 | \$ 224.00 | \$ 282.00 | \$ 159.00 | \$ 183.00 | \$ 236.00 | \$ 279.00 | \$ 160.00 | \$ 182.00 | \$ 233.00 |
| 75001 | 100000 | \$ 327.00 | \$ 193.20 | \$ 172.40 | \$ 278.00 | \$ 348.00 | \$ 202.00 | \$ 183.00 | \$ 291.00 | \$ 342.00 | \$ 202.00 | \$ 182.00 | \$ 287.00 |
| 100001 | 125000 | \$ 390.00 | \$ 246.80 | \$ 172.40 | \$ 332.00 | \$ 413.00 | \$ 257.00 | \$ 183.00 | \$ 346.11 | \$ 405.00 | \$ 256.00 | \$ 182.00 | \$ 341.00 |
| 125001 + | | \$ 447.00 | \$ 286.80 | \$ 172.40 | \$ 380.60 | \$ 472.00 | \$ 298.00 | \$ 183.00 | \$ 394.87 | \$ 462.00 | \$ 296.00 | \$ 182.00 | \$ 389.60 |

| Salary Range | | Current Premium | | | | 2017 Percentage | | | | 2017 Flat Dollar | | | |
|--------------|--------|-----------------|-----------|-----------|-----------|-----------------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|
| | | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D | PLAN A | PLAN B | PLAN C | PLAN D |
| Family | | Family | | | | Family | | | | Family | | | |
| 0 | 20000 | \$ 157.00 | \$ 98.80 | \$ 292.10 | \$ 133.10 | \$ 174.00 | \$ 107.00 | \$ 315.00 | \$ 144.00 | \$ 182.00 | \$ 110.00 | \$ 304.00 | \$ 144.00 |
| 20001 | 30000 | \$ 206.00 | \$ 126.00 | \$ 292.10 | \$ 174.50 | \$ 228.00 | \$ 136.00 | \$ 315.00 | \$ 189.00 | \$ 231.00 | \$ 137.00 | \$ 304.00 | \$ 186.00 |
| 30001 | 36000 | \$ 233.00 | \$ 139.60 | \$ 292.10 | \$ 197.90 | \$ 258.00 | \$ 152.00 | \$ 315.00 | \$ 214.00 | \$ 258.00 | \$ 151.00 | \$ 304.00 | \$ 209.00 |
| 36001 | 42000 | \$ 262.00 | \$ 155.60 | \$ 292.10 | \$ 222.20 | \$ 289.00 | \$ 168.00 | \$ 315.00 | \$ 239.00 | \$ 287.00 | \$ 167.00 | \$ 304.00 | \$ 233.00 |
| 42001 | 50000 | \$ 312.00 | \$ 188.40 | \$ 292.10 | \$ 265.40 | \$ 342.00 | \$ 202.00 | \$ 315.00 | \$ 284.00 | \$ 337.00 | \$ 199.00 | \$ 304.00 | \$ 276.00 |
| 50001 | 62500 | \$ 379.00 | \$ 231.60 | \$ 292.10 | \$ 323.00 | \$ 416.00 | \$ 249.00 | \$ 315.00 | \$ 346.00 | \$ 404.00 | \$ 243.00 | \$ 304.00 | \$ 334.00 |
| 62501 | 75000 | \$ 412.00 | \$ 255.60 | \$ 292.10 | \$ 350.90 | \$ 450.00 | \$ 273.00 | \$ 315.00 | \$ 375.00 | \$ 437.00 | \$ 267.00 | \$ 304.00 | \$ 362.00 |
| 75001 | 100000 | \$ 497.00 | \$ 324.40 | \$ 292.10 | \$ 423.80 | \$ 540.00 | \$ 344.00 | \$ 315.00 | \$ 451.00 | \$ 522.00 | \$ 335.00 | \$ 304.00 | \$ 435.00 |
| 100001 | 125000 | \$ 614.00 | \$ 411.60 | \$ 292.10 | \$ 523.70 | \$ 665.00 | \$ 436.00 | \$ 315.00 | \$ 553.81 | \$ 639.00 | \$ 423.00 | \$ 304.00 | \$ 534.70 |
| 125001 + | | \$ 714.00 | \$ 480.40 | \$ 292.10 | \$ 609.20 | \$ 769.00 | \$ 505.00 | \$ 315.00 | \$ 641.00 | \$ 739.00 | \$ 491.00 | \$ 304.00 | \$ 620.00 |

5 Year Plan

State and Non-State

WV PEIA Financial Plan FY 2016 - FY 2020 (Scenario 2)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------|----------------|----------------|----------------|----------------|
| Additional Employer Premium | \$ - | \$ 66,800,000 | \$ 30,000,000 | \$ 36,000,000 | \$ 48,000,000 |
| Increase | 0% | 14% | 6% | 6% | 8% |
| Local Fund Premium Increase | \$ (3,000,000) | \$ 3,150,000 | \$ 10,000,000 | \$ 22,000,000 | \$ 11,000,000 |
| Increase | -3% | 3% | 9% | 18% | 8% |
| Employee Premium | \$ - | \$ 14,200,000 | \$ 7,500,000 | \$ 9,000,000 | \$ 12,000,000 |
| Increase | 0% | 12% | 6% | 6% | 8% |
| Board Decision Benefit Reduction - Active State Medical | \$ 13,500,000 | \$ 4,075,000 | \$ - | \$ - | \$ - |
| Board Decision Benefit Reduction - Active State Drugs | \$ 10,700,000 | \$ 23,400,000 | | | |
| Board Decision Benefit Reduction - Active Local Medical | \$ 3,900,000 | \$ 825,000 | \$ - | \$ - | \$ - |
| Board Decision Benefit Reduction - Active Local Drugs | \$ 1,800,000 | \$ - | | | |
| Board Decision Benefit Reduction - Managed Care Capitations | \$ 5,124,387 | \$ - | \$ - | \$ - | \$ - |
| PPACA Reinsurance Contributions (Cost) | \$ (5,400,000) | \$ (1,800,000) | \$ - | \$ - | \$ - |
| PPACA Comparative Effectiveness Research Fees (Cost) | \$ (315,719) | \$ (315,506) | \$ (315,364) | \$ (315,295) | \$ - |
| Pay Go Premium Transfer | \$ 150,000,000 | \$ 180,000,000 | \$ 190,000,000 | \$ 200,000,000 | \$ 210,000,000 |
| Total Fund | 2016 | 2017 | 2018 | 2019 | 2020 |
| Beginning Reserve | \$ 172,454,821 | \$ 134,842,312 | \$ 142,347,559 | \$ 144,982,934 | \$ 151,195,868 |
| Fiscal Year Results | (37,612,509) | 7,505,248 | 2,635,374 | 6,212,935 | 9,414,550 |
| Ending Reserve | 134,842,312 | 142,347,559 | 144,982,934 | 151,195,868 | 160,610,419 |
| Percent of Expenses | 17% | 17% | 16% | 15% | 15% |
| State Fund | 2016 | 2017 | 2018 | 2019 | 2020 |
| Beginning Reserve | \$ 125,916,799 | \$ 92,330,919 | \$ 110,348,226 | \$ 122,453,504 | \$ 126,994,835 |
| Fiscal Year Results | (33,585,880) | 18,017,307 | 12,105,278 | 4,541,331 | 7,658,983 |
| Ending Reserve | 92,330,919 | 110,348,226 | 122,453,504 | 126,994,835 | 134,653,818 |
| Percent of Expenses | 14% | 16% | 16% | 15% | 15% |
| Local Fund | 2016 | 2017 | 2018 | 2019 | 2020 |
| Beginning Reserve | \$ 46,538,023 | \$ 42,511,394 | \$ 31,999,335 | \$ 22,529,432 | \$ 24,201,033 |
| Fiscal Year Results | (4,026,629) | (10,512,059) | (9,469,903) | 1,671,601 | 1,755,568 |
| Ending Reserve | 42,511,394 | 31,999,335 | 22,529,432 | 24,201,033 | 25,956,601 |
| Percent of Expenses | 33% | 24% | 15% | 15% | 15% |
| State Share | 79.7% | 80.0% | 80.0% | 80.0% | 80.0% |
| Employee Share | 20.3% | 20.0% | 20.0% | 20.0% | 20.0% |
| Growth In Program Expenses | -2.9% | 5.2% | 6.7% | 7.6% | 7.5% |

CCRC Actuaries, LLC

1/14/2016

Proposed Benefit Adjustments

Non-Medicare Retiree

- 12% Premium Increase
- See Active Page

Proposed Rates Non-Medicare Retirees

| Non-Medicare Policyholder Only | | |
|--------------------------------|------------------|------------------|
| | 2016 Standard | 2017 Standard |
| Under 5 years | \$ 1,054.65 | \$ 1,173.30 |
| 5 to 9 years | \$ 844.52 | \$ 939.53 |
| 10 to 14 years | \$ 651.17 | \$ 724.43 |
| 15 to 19 years | \$ 455.72 | \$ 506.99 |
| 20 to 24 years | \$ 340.84 | \$ 379.19 |
| 25 or more years | \$ 264.34 | \$ 294.08 |

| Non-Medicare Policyholder with Non-Medicare Dependents | | |
|--|------------------|------------------|
| | 2016 Standard | 2017 Standard |
| Under 5 years | \$ 2,509.63 | \$ 2,791.97 |
| 5 to 9 years | \$ 2,008.51 | \$ 2,234.46 |
| 10 to 14 years | \$ 1,513.80 | \$ 1,684.11 |
| 15 to 19 years | \$ 1,022.21 | \$ 1,137.21 |
| 20 to 24 years | \$ 726.35 | \$ 808.06 |
| 25 or more years | \$ 528.99 | \$ 588.50 |

| Non-Medicare Policyholder with Medicare Dependents | | |
|--|------------------|------------------|
| | 2016 Standard | 2017 Standard |
| Under 5 years | \$ 1,758.82 | \$ 1,956.69 |
| 5 to 9 years | \$ 1,407.86 | \$ 1,566.24 |
| 10 to 14 years | \$ 1,048.46 | \$ 1,166.42 |
| 15 to 19 years | \$ 690.91 | \$ 768.64 |
| 20 to 24 years | \$ 478.27 | \$ 532.07 |
| 25 or more years | \$ 333.60 | \$ 371.13 |

Proposed Benefit Adjustments

Medicare Retiree

- 12% Premium Increase
- Remove Living Will Discount

Proposed Rates Medicare Retiree

| Medicare Policyholder Only | | | Medicare Policyholder with Non-Medicare Dependents | | | Medicare Policyholder with Medicare Dependents | | |
|----------------------------|------------------|------------------|--|------------------|------------------|--|------------------|------------------|
| | 2016 Standard | 2017 Standard | | 2016 Standard | 2017 Standard | | 2016 Standard | 2017 Standard |
| Under 5 years | \$ 437.46 | \$ 479.02 | Under 5 years | \$ 1,463.73 | \$ 1,602.79 | Under 5 years | \$ 900.34 | \$ 985.87 |
| 5 to 9 years | \$ 398.08 | \$ 435.90 | 5 to 9 years | \$ 1,331.06 | \$ 1,457.52 | 5 to 9 years | \$ 818.88 | \$ 896.68 |
| 10 to 14 years | \$ 293.17 | \$ 321.02 | 10 to 14 years | \$ 1,001.64 | \$ 1,096.80 | 10 to 14 years | \$ 592.13 | \$ 648.38 |
| 15 to 19 years | \$ 188.25 | \$ 206.13 | 15 to 19 years | \$ 672.22 | \$ 736.09 | 15 to 19 years | \$ 365.41 | \$ 400.12 |
| 20 to 24 years | \$ 126.20 | \$ 138.19 | 20 to 24 years | \$ 473.67 | \$ 518.67 | 20 to 24 years | \$ 227.73 | \$ 249.37 |
| 25 or more years | \$ 84.46 | \$ 92.48 | 25 or more years | \$ 341.68 | \$ 374.14 | 25 or more years | \$ 138.61 | \$ 151.78 |

5 Year Plan

Non-Medicare & Medicare Retiree

WV RHBT Financial Plan FY 2016 - FY 2020 (Scenario 2)

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|----------------|----------------|----------------|----------------|----------------|
| Retiree Premium Increase- Non-Medicare (Fiscal Year) | \$ - | \$ 3,877,349 | \$ 1,887,496 | \$ 3,362,628 | \$ 3,323,314 |
| Increase | 0% | 10% | 4% | 7% | 6% |
| Retiree Premium Increase - Medicare (Calendar Year) | \$ - | \$ 4,892,189 | \$ 25,447,433 | \$ 20,155,593 | \$ 24,913,069 |
| Increase | 0% | 10% | 49% | 25% | 24% |
| General Revenue Transfer | \$ - | \$ - | \$ 30,000,000 | \$ 30,000,000 | \$ 30,000,000 |
| Board Decision Benefit Reduction - Retiree Non-Medicare | \$ 3,900,000 | \$ 3,600,000 | \$ - | \$ - | \$ - |
| Board Decision Benefit Reduction - Managed Care Capitations | \$ 584,102 | \$ - | \$ - | \$ - | \$ - |
| Board Decision Benefit Reduction - Humana MAPD (Calendar Year 2017) | \$ - | \$ - | \$ - | \$ - | \$ - |
| Reinsurance Contributions (Cost) | \$ (550,000) | \$ (200,000) | \$ - | \$ - | \$ - |
| Comparative Effectiveness Research Fees (Cost) | \$ (30,826) | \$ (31,601) | \$ (32,408) | \$ (33,249) | \$ - |
| Pay Go Premium Transfer | \$ 150,000,000 | \$ 180,000,000 | \$ 190,000,000 | \$ 200,000,000 | \$ 210,000,000 |
| Maximum Allowable Pay-Go | | | | | |

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------------------|------------------|------------------|------------------|------------------|------------------|
| Beginning Reserve | \$ 705,087,213 | \$ 732,803,426 | \$ 772,663,743 | \$ 845,195,663 | \$ 927,268,231 |
| Fiscal Year Results | 55,916,214 | 59,269,499 | 72,531,919 | 82,072,568 | 86,566,319 |
| Ending Total Reserve | 732,803,426 | 772,663,743 | 845,195,663 | 927,268,231 | 1,013,834,550 |
| Ending Premium Stabilization Reserve | \$ 19,409,182 | \$ - | \$ - | \$ - | \$ - |
| *Actuarial Accrued Liability | \$ 3,743,700,000 | \$ 3,899,600,000 | \$ 4,044,600,000 | \$ 4,181,000,000 | \$ 4,297,300,000 |
| Funded Status | 19.6% | 19.8% | 20.9% | 22.2% | 23.6% |
| Growth In Program Expenses | 6.1% | 7.8% | 9.9% | 10.5% | 11.0% |
| Retiree Subsidy | \$ 193,833,983 | \$ 210,252,866 | \$ 220,720,541 | \$ 226,935,953 | \$ 238,804,975 |
| Percent Paid By Retiree | 29.7% | 29.4% | 32.6% | 37.4% | 40.7% |

* Estimated Result

CCRC Actuaries, LLC

Prepared 1/14/2016

Public Comment

Jason Pizatella, Chairman

Voting of the FY2017 Financial Plan

Jason Pizatella, Chairman

Members:

- ☐ Brian Donat
- ☐ James W. Dailey, II
- ☐ Troy Giatras
- ☐ Elaine Harris
- ☐ William “Bill” Ihlenfeld
- ☐ William “Bill” Milam
- ☐ Michael T. Smith
- ☐ Joshua Sword

Director Update

Ted Cheatham
PEIA Director

Old Business

Jason Pizatella
Chairman

New Business

Jason Pizatella
Chairman

Schedule Next Meeting

April 21, 2016, 1:00 pm

Jason Pizatella
Chairman

Adjourn

Jason Pizatella
Chairman

If you want to request a copy of today's meeting materials, please contact:

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