

# West Virginia Retiree Health Benefit Trust Fund & PEIA Finance Board Meeting

**Thursday, November 3, 2022, 1:00 p.m.**



# Agenda

- ▶ Roll Call
- ▶ Call to Order
- ▶ Approval of Minutes
- ▶ Public Hearing Presentation
- ▶ Public Comments
- ▶ Old Business
- ▶ New Business
- ▶ Next Meeting - December 15, 2022

# Roll Call

## Members:

- Mark Scott, Chairman
- Geoff Christian
- Amanda Meadows
- William “Bill” Milam
- Jason L. Myers
- Jared Robertson
- Michael T. Smith
- Damita Johnson
- Michael Cook

# Approval of Minutes

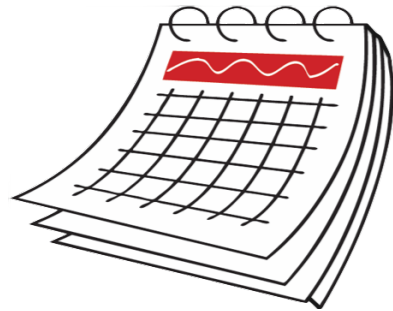
September 22, 2022

Chairman



# Public Hearing Presentation

Jason Hought, CFO (PEIA)



# Public Hearings Schedule

<u>Date</u>	<u>Location</u>	<u>Registration</u>	<u>Begins</u>
Wed. Nov. 9	Culture Center Charleston	5-6pm	6:00 pm
Thurs. Nov. 10	Beckley-Raleigh County Convention Center	5-6pm	6:00 pm
Tues. Nov. 15	Telephone Town Hall	-----	6:00pm
Wed. Nov. 16	Holiday Inn Martinsburg	5-6pm	6:00 pm
Thurs. Nov. 17	Holiday Inn Morgantown – Univ. Area IHG Hotel	5-6pm	6:00 pm
Fri. Nov. 18	The Highlands Event Center (Wheeling)	5-6pm	6:00 pm



# PEIA Public Hearings for FY 2024 (July 2023 – June 2024)

November 2022

## PEIA FY 2024 PLAN DISCUSSION - PREMIUMS

- State Fund Employees
  - No Change in '24
- Non-State Fund
  - 9.7% premium increase
- Non-Medicare Retirees
  - No Change
- Medicare Retirees – January 2024
  - No Change



## PEIA FY 2024 PLAN DISCUSSION – PLAN YEARS 2025-2027

- Per WV Code, PEIA must provide a five-year plan
- Information for the years 2025 – 2027 reflect current estimates based on current plan design and information
- As per WV Code, each plan year will be reevaluated during the annual financial plan process

Draft for Discussion Only



# PEIA

Five Year Plan

WV PEIA Financial Plan FY 2022 - FY 2027

	2022	2023	2024	2025	2026	2027
<b>Additional Employer Premium</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Local Fund Premium Increase</b>	\$ -	\$ 7,500,000	\$ 15,100,000	\$ 23,000,000	\$ 19,000,000	\$ 23,000,000
Increase	0.0%	5.1%	9.7%	13.4%	9.8%	10.8%
<b>Employee Premium</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Increase	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>State Direct Transfer (State Budget Appropriations)</b>	\$ 21,000,000	\$ 21,000,000	\$ 40,000,000	\$ 204,000,000	\$ 283,500,000	\$ 376,500,000
<b>State Direct Transfer (PEIA Rainy Day Fund)</b>	\$ -	\$ 31,000,000	\$ 74,000,000	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduce/(Add) - Active State Medical</b>				\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduce/(Add) - Active State Drugs</b>						
<b>Board Decision Benefit Reduce/(Add) - Active Local Medical</b>						
<b>Board Decision Benefit Reduce/(Add) - Active Local Drugs</b>						
<b>ACA PCORI Fees (Cost)</b>	\$ (499,007)	\$ (495,175)	\$ (495,127)	\$ (495,127)	\$ (495,127)	\$ (495,127)
<b>Pay Go Premium Transfer</b>	\$ 74,847,859	\$ 60,000,000	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000
<b>Total Fund</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Beginning Reserve	245,525,012	152,074,575	103,473,910	111,479,908	120,961,878	132,549,680
Fiscal Year Results	(93,450,437)	(48,600,665)	8,005,998	9,481,970	11,587,803	14,458,738
Ending Reserve	152,074,575	103,473,910	111,479,908	120,961,878	132,549,681	147,008,418
Minimum Actuarial Reserve Required	96,665,416	100,893,022	109,652,915	119,872,087	131,832,666	145,881,692
PEIA Expenses	789,324,353	823,341,373	894,240,646	976,858,893	1,073,455,670	1,186,810,002
Reserve as a Percent of Expenses	19.3%	12.6%	12.5%	12.4%	12.3%	12.4%
<b>State Fund</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Beginning Reserve	192,300,320	119,804,037	82,375,010	89,517,446	97,219,015	106,753,426
Fiscal Year Results	(72,496,283)	(37,429,026)	7,142,436	7,701,570	9,534,411	11,427,009
Ending Reserve	119,804,037	82,375,011	89,517,446	97,219,016	106,753,426	118,180,435
Minimum Actuarial Reserve Required	78,010,441	81,319,962	88,371,532	96,593,980	106,213,397	117,507,859
PEIA Expenses	688,127,740	664,761,952	721,904,223	788,453,707	866,221,407	957,434,378
Reserve as a Percent of Expenses	18.8%	12.4%	12.4%	12.3%	12.3%	12.3%
<b>Local Fund</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Beginning Reserve	53,224,692	32,270,538	21,098,900	21,962,462	23,742,863	25,796,254
Fiscal Year Results	(20,954,154)	(11,171,639)	863,562	1,780,401	2,053,392	3,031,729
Ending Reserve	32,270,538	21,098,899	21,962,462	23,742,863	25,796,255	28,827,983
Minimum Actuarial Reserve Required	18,654,975	19,573,060	21,281,384	23,278,107	25,619,269	28,373,832
PEIA Expenses	151,196,613	158,579,421	172,336,423	188,405,186	207,234,263	229,375,625
Reserve as a Percent of Expenses	21.3%	13.3%	12.7%	12.6%	12.4%	12.6%
<b>State Share</b>	80.2%	80.2%	80.2%	80.2%	80.2%	80.2%
<b>Employee Share</b>	19.8%	19.8%	19.8%	19.8%	19.8%	19.8%
<b>Growth In Program Expenses</b>	0.7%	2.2%	1.2%	12.5%	9.6%	10.3%

**RHBT**

Five Year Plan

Draft for Discussion Only

**WV RHBT Financial Plan FY 2022 - FY 2027**

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<b>Retiree Premium Increase- Non-Medicare (Fiscal Year)</b>	\$ 144,895	\$ -	\$ -	\$ 2,282,161	\$ 2,401,819	\$ 2,523,517
Increase	0.0%	0.0%	0.0%	10.0%	10.0%	10.0%
<b>Retiree Premium Increase - Medicare (Calendar Year)</b>	\$ (8,087,554)	\$ -	\$ -	\$ 6,374,615	\$ 7,171,111	\$ 8,065,797
Increase	-19.5%	0.0%	0.0%	10.0%	10.0%	10.0%
<b>General Revenue Transfer (OPEB Funding)</b>	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
<b>General Revenue Transfer (Premium Offset)</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare</b>						
<b>Board Decision Benefit Reduce/(Add) - Retiree Medicare</b>						
<b>Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)</b>						
<b>ACA PCORI Fees (Cost)</b>	\$ (30,220)	\$ (30,088)	\$ (33,274)	\$ (36,435)	\$ (39,599)	\$ (42,768)
<b>Pay Go Premium Transfer</b>	\$ 74,847,859	\$ 60,000,000	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
<b>Total RHBT Fund</b>						
Beginning Reserve	\$ 1,673,023,134	\$ 1,624,971,153	\$ 1,774,389,760	\$ 1,861,235,835	\$ 1,973,619,791	\$ 2,085,850,637
Fiscal Year Results	(248,051,981)	138,500,541	163,775,984	170,366,083	178,879,953	187,391,698
Ending Total Reserve	1,624,971,153	1,774,389,760	1,861,235,835	1,973,619,791	2,085,850,637	2,195,929,255
Ending Premium Stabilization Reserve	\$ 268,106,504	\$ 279,024,570	\$ 202,094,660	\$ 144,112,533	\$ 77,463,426	\$ 150,346
<b>Medicare Fund (Fiscal Year)</b>						
Beginning Reserve	\$ 924,793,632	\$ 931,634,700	\$ 1,029,633,355	\$ 1,113,724,265	\$ 1,213,219,528	\$ 1,320,587,517
Fiscal Year Results	(154,935,761)	89,136,297	146,444,433	146,421,755	153,708,503	178,848,563
Ending Total Reserve	931,634,700	1,029,633,355	1,113,724,265	1,213,219,528	1,320,587,517	1,437,050,950
Ending Premium Stabilization Reserve	\$ 209,264,435	\$ 218,126,792	\$ 155,773,269	\$ 108,846,777	\$ 62,506,264	\$ 121,134
<b>Non-Medicare Fund</b>						
Beginning Reserve	\$ 748,225,501	\$ 693,336,451	\$ 744,756,404	\$ 747,511,569	\$ 760,400,261	\$ 765,263,118
Fiscal Year Results	(93,116,221)	49,364,244	17,331,552	23,944,327	25,171,450	8,543,135
Ending Total Reserve	693,336,451	744,756,404	747,511,569	760,400,261	765,263,118	758,878,303
Ending Premium Stabilization Reserve	\$ 58,842,069	\$ 60,897,777	\$ 46,321,391	\$ 35,265,756	\$ 14,957,162	\$ 29,212
<b>*Actuarial Accrued Liability</b>	\$ 1,736,270,764	\$ 1,756,185,713	\$ 1,767,903,755	\$ 1,770,059,292	\$ 1,767,235,505	\$ 1,759,719,792
<b>Funded Status</b>	<b>96.4%</b>	<b>92.5%</b>	<b>100.4%</b>	<b>105.2%</b>	<b>111.7%</b>	<b>118.5%</b>
<b>Growth In Program Expenses</b>	-27.4%	5.4%	9.8%	9.4%	9.4%	10.0%
<b>Retiree Subsidy</b>	\$ 76,429,677	\$ 91,165,561	\$ 106,417,718	\$ 117,944,325	\$ 128,159,415	\$ 140,448,904
<b>Percent Paid By Retiree</b>	48.5%	42.1%	38.7%	38.0%	38.5%	38.8%

## PEIA FY 2024 PLAN DISCUSSION- BENEFITS

- State Fund - Plan B deductibles and out of pockets adjusted to have amounts at each salary index vs. the current two levels
  - Plan B medical coinsurance, copays and prescription benefits will not change
- Plan C deductibles will increase to \$1,500 for employee only and \$3,000 for employee with children and family policy tiers per IRS guidelines
- Addition of residential services benefit
- Mandatory participation in the SaveOnSP manufacturer assistance program for specialty prescriptions

# PEIA FY 2024 PLAN DISCUSSION- BENEFITS – PLAN B PROPOSED CHANGES

<b>Current PLAN B</b>								
Salary Tie	Annual Deductible				Out-of-Pocket Maximum			
	Single	Children	Family	EE Family	Single	Children	Family	EE Family
1	\$ 725	\$ 1,450	\$ 1,450	\$ 1,450	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
2	\$ 725	\$ 1,450	\$ 1,450	\$ 1,450	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
3	\$ 725	\$ 1,450	\$ 1,450	\$ 1,450	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
4	\$ 725	\$ 1,450	\$ 1,450	\$ 1,450	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
5	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
6	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
7	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
8	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
9	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
10	\$ 1,225	\$ 1,950	\$ 1,950	\$ 1,950	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
Average	\$ 928	\$ 1,682	\$ 1,706	\$ 1,706	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000

<b>Proposed PLAN B</b>								
Salary Tie	Annual Deductible				Out-of-Pocket Maximum			
	Single	Children	Family	EE Family	Single	Children	Family	EE Family
1	\$ 430	\$ 860	\$ 860	\$ 860	\$ 2,400	\$ 4,800	\$ 4,800	\$ 4,800
2	\$ 490	\$ 1,000	\$ 1,000	\$ 1,000	\$ 2,800	\$ 5,500	\$ 5,500	\$ 5,500
3	\$ 560	\$ 1,130	\$ 1,130	\$ 1,130	\$ 3,000	\$ 6,000	\$ 6,000	\$ 6,000
4	\$ 600	\$ 1,190	\$ 1,190	\$ 1,190	\$ 3,400	\$ 6,600	\$ 6,600	\$ 6,600
5	\$ 620	\$ 1,260	\$ 1,260	\$ 1,260	\$ 3,600	\$ 7,300	\$ 7,300	\$ 7,300
6	\$ 790	\$ 1,580	\$ 1,580	\$ 1,580	\$ 3,700	\$ 7,400	\$ 7,400	\$ 7,400
7	\$ 830	\$ 1,660	\$ 1,660	\$ 1,660	\$ 3,700	\$ 7,600	\$ 7,600	\$ 7,600
8	\$ 860	\$ 1,720	\$ 1,720	\$ 1,720	\$ 3,800	\$ 7,700	\$ 7,700	\$ 7,700
9	\$ 960	\$ 1,920	\$ 1,920	\$ 1,920	\$ 4,000	\$ 7,900	\$ 7,900	\$ 7,900
10	\$ 1,090	\$ 2,140	\$ 2,140	\$ 2,140	\$ 4,300	\$ 8,600	\$ 8,600	\$ 8,600
Average	\$ 620	\$ 1,275	\$ 1,320	\$ 1,320	\$ 3,264	\$ 6,634	\$ 6,736	\$ 6,736

# PLAN B PROPOSED CHANGE CALCULATIONS

Draft for Discussion Only



**State Fund Employee Health - Employee Only**

<b>Salary</b>	<b>PPB Plan A</b>	<b>PPB Plan B</b>	<b>Annual Premium Savings</b>	<b>Deductible Savings</b>	<b>Out of Pocket Maximum Change</b>	<b>Total Changes</b>
\$0 - \$28,100	\$ 64	\$ 44	\$ 235	\$ 295	\$ 600	\$ 1,130
\$28,101 - \$38,100	\$ 81	\$ 50	\$ 369	\$ 235	\$ 200	\$ 804
\$38,101 - \$44,100	\$ 88	\$ 53	\$ 417	\$ 165	\$ -	\$ 582
\$44,101 - \$50,100	\$ 94	\$ 55	\$ 466	\$ 125	\$ (400)	\$ 191
\$50,101 - \$58,100	\$ 109	\$ 61	\$ 576	\$ 605	\$ (600)	\$ 581
\$58,101 - \$70,600	\$ 132	\$ 71	\$ 734	\$ 435	\$ (700)	\$ 469
\$70,601 - \$83,100	\$ 146	\$ 78	\$ 820	\$ 395	\$ (700)	\$ 515
\$83,101 - \$108,100	\$ 176	\$ 90	\$ 1,027	\$ 365	\$ (800)	\$ 592
\$108,101 - \$133,100	\$ 219	\$ 127	\$ 1,103	\$ 265	\$ (1,000)	\$ 368
\$133,101 - +	\$ 249	\$ 150	\$ 1,191	\$ 135	\$ (1,300)	\$ 26

**State Fund Health - Employee and Child(ren)**

<b>Salary</b>	<b>PPB Plan A</b>	<b>PPB Plan B</b>	<b>Annual Premium Savings</b>	<b>Deductible Savings</b>	<b>Out of Pocket Maximum Change</b>	<b>Total Changes</b>
\$0 - \$28,100	\$ 127	\$ 74	\$ 638	\$ 590	\$ 1,200	\$ 2,428
\$28,101 - \$38,100	\$ 151	\$ 83	\$ 820	\$ 450	\$ 500	\$ 1,770
\$38,101 - \$44,100	\$ 160	\$ 87	\$ 881	\$ 320	\$ -	\$ 1,201
\$44,101 - \$50,100	\$ 174	\$ 91	\$ 991	\$ 260	\$ (600)	\$ 651
\$50,101 - \$58,100	\$ 208	\$ 113	\$ 1,138	\$ 690	\$ (1,300)	\$ 528
\$58,101 - \$70,600	\$ 250	\$ 146	\$ 1,251	\$ 370	\$ (1,400)	\$ 221
\$70,601 - \$83,100	\$ 283	\$ 166	\$ 1,398	\$ 290	\$ (1,600)	\$ 88
\$83,101 - \$108,100	\$ 346	\$ 208	\$ 1,657	\$ 230	\$ (1,700)	\$ 187
\$108,101 - \$133,100	\$ 410	\$ 262	\$ 1,772	\$ 30	\$ (1,900)	\$ (98)
\$133,101 - +	\$ 467	\$ 302	\$ 1,982	\$ (190)	\$ (2,600)	\$ (808)

**State Employee Health - Family**

Salary	PPB Plan A	PPB Plan B	Annual Premium Savings	Deductible Savings	Out of Pocket Maximum Change	Total Changes
\$0 - \$28,100	\$ 185	\$ 118	\$ 800	\$ 590	\$ 1,200	\$ 2,590
\$28,101 - \$38,100	\$ 234	\$ 145	\$ 1,069	\$ 450	\$ 500	\$ 2,019
\$38,101 - \$44,100	\$ 261	\$ 159	\$ 1,228	\$ 320	\$ -	\$ 1,548
\$44,101 - \$50,100	\$ 291	\$ 175	\$ 1,387	\$ 260	\$ (600)	\$ 1,047
\$50,101 - \$58,100	\$ 341	\$ 207	\$ 1,609	\$ 690	\$ (1,300)	\$ 999
\$58,101 - \$70,600	\$ 409	\$ 251	\$ 1,892	\$ 370	\$ (1,400)	\$ 862
\$70,601 - \$83,100	\$ 442	\$ 275	\$ 2,003	\$ 290	\$ (1,600)	\$ 693
\$83,101 - \$108,100	\$ 528	\$ 343	\$ 2,216	\$ 230	\$ (1,700)	\$ 746
\$108,101 - \$133,100	\$ 646	\$ 431	\$ 2,577	\$ 30	\$ (1,900)	\$ 707
\$133,101 - +	\$ 747	\$ 499	\$ 2,972	\$ (190)	\$ (2,600)	\$ 182

**State Employee Health - Family with Employee Spouse**

Salary	PPB Plan A	PPB Plan B	Annual Premium Savings	Deductible Savings	Out of Pocket Maximum Change	Total Changes
\$0 - \$28,100	\$ 148	\$ 91	\$ 688	\$ 590	\$ 1,200	\$ 2,478
\$28,101 - \$38,100	\$ 186	\$ 108	\$ 932	\$ 450	\$ 500	\$ 1,882
\$38,101 - \$44,100	\$ 209	\$ 123	\$ 1,030	\$ 320	\$ -	\$ 1,350
\$44,101 - \$50,100	\$ 228	\$ 133	\$ 1,140	\$ 260	\$ (600)	\$ 800
\$50,101 - \$58,100	\$ 270	\$ 155	\$ 1,385	\$ 690	\$ (1,300)	\$ 775
\$58,101 - \$70,600	\$ 325	\$ 189	\$ 1,631	\$ 370	\$ (1,400)	\$ 601
\$70,601 - \$83,100	\$ 365	\$ 219	\$ 1,755	\$ 290	\$ (1,600)	\$ 445
\$83,101 - \$108,100	\$ 460	\$ 295	\$ 1,981	\$ 230	\$ (1,700)	\$ 511
\$108,101 - \$133,100	\$ 579	\$ 383	\$ 2,354	\$ 30	\$ (1,900)	\$ 484
\$133,101 - +	\$ 668	\$ 451	\$ 2,603	\$ (190)	\$ (2,600)	\$ (187)

## QUESTIONS AND PUBLIC COMMENTS

- Please limit your comments to 5 minutes.

Draft for Discussion Only

# Public Comments

Chairman



# Old Business

# New Business

# Schedule Next Meeting

Chairman

*December 15, 2022*



# Adjourn

## Chairman





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

**Erika Smith**

(304) 957-2620

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Or

**Kathy Lester**

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