

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

Thursday, March 23, 2023, 1:00 p.m.

**Canaan Valley Conference Room, DEP/PEIA Building, 601 57th Street, SE
Charleston, WV 25304**



Agenda

- ▶ Roll Call
- ▶ Call to Order
- ▶ Approval of Minutes
- ▶ Adoption of Updated FY24
- ▶ Financial Statements YTD
- ▶ Legislative Session Update
- ▶ Public Comments
- ▶ Old Business
- ▶ New Business
- ▶ Next Meeting - March 30, 2023

Roll Call

Chairman

Members:

- Mark Scott, Chairman
- Geoff Christian
- Amanda Meadows
- William “Bill” Milam
- Jason Myers
- Jared Robertson
- Mike Smith
- Michael Cook
- Damita Johnson
- Doug Coffman
- Hugh Murray

Approval of Minutes

December 15, 2022

Chairman



Adoption of Updated Financial Plan FY24

Jason Hought, Acting Director and CFO (PEIA)



Spousal Coverage

W. Va. Code §5-16-13(b)(2)

To require that if an employee's spouse has health insurance available through a non-PEIA employer, then the employer may not cover any portion of premiums for the employee's spouse coverage, unless the employee adds his or her spouse to his or her coverage by paying the cost of the actuarial value of the plan. This does not apply to spouses of retired employees or non-mandatory (nonstate) employers. For purposes of this subsection, "actuarial value" means the value as recommended by healthcare actuaries under §5-16-5 of this code. Per PEIA's fiscal note, PEIA's State Plan will result in an estimated \$21,000,000 in savings for the changes to employee spouse eligibility. The monthly premium surcharge to keep a spouse on the family plan is currently estimated to be \$147.

SB 268: Relating to PEIA

PPB and Health Plan - Plan A:	\$149
PPB and Health Plan - Plan B:	\$139
PPB Plan C:	\$141
PPB - Plan D and Health Plan - Plan C:	\$147

- a) Any State Agency, Boards of Education, and College and University employee that:
 - Has a spouse on their PEIA plan, and
 - The spouse is eligible for their employer's health insurance,
 - Will pay a spousal surcharge of approximately \$139-149 starting 7/1/23 if spouse remains covered on PEIA.
- b) This **does not** apply to spouses of retirees or non-State employees
- c) This **does not** apply to spouses whose employers participate in PEIA
- d) This **does not** apply to active employees whose spouse is eligible for Medicare. This **does not** apply if the spouse is eligible for Medicaid or TriCare/Champus

Option 1: Premium Increases Only

▶ State Fund

- This option requires a 24.2% increase in employee premiums
 - The increase would vary based on plan, since enrollment and performance vary from plan to plan

▶ Non-State Fund

- This option requires a 15.6% increase

▶ Retiree Health Benefit Trust

- No premium increase

Premium Increases Only FY 2023-2027 (PEIA)

	2023	2024	2025	2026	2027
Additional Employer Premium	\$ -	\$ 108,100,000	\$ 62,000,000	\$ 67,500,000	\$ 74,000,000
Increase	0.0%	22.3%	10.5%	10.3%	10.3%
Local Fund Premium Increase	\$ 7,500,000	\$ 22,500,000	\$ 30,000,000	\$ 28,500,000	\$ 13,500,000
Increase	5.1%	15.6%	18.0%	14.5%	6.0%
Employee Premium	\$ -	\$ 28,900,000	\$ 15,500,000	\$ 16,900,000	\$ 18,500,000
Increase	0.0%	24.2%	10.5%	10.4%	10.3%
State Direct Transfer (State Budget Appropriations)	\$ 21,000,000	\$ -	\$ -	\$ -	\$ -
State Direct Transfer (PEIA Rainy Day Fund)	\$ 31,000,000	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Active State Medical	\$ -	\$ -	\$ -	\$ -	\$ -
		0.0%			
Board Decision Benefit Reduce/(Add) - Active State Drugs	\$ -	\$ -	\$ -	\$ -	\$ -
		0.0%			
Board Decision Benefit Reduce/(Add) - Active Local Medical	\$ -	\$ -	\$ -	\$ -	\$ -
		0.0%			
Board Decision Benefit Reduce/(Add) - Active Local Drugs	\$ -	\$ -	\$ -	\$ -	\$ -
		0.0%			
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000
Total Fund	2023	2024	2025	2026	2027
Beginning Reserve	152,074,575	103,492,189	111,407,231	115,051,500	134,978,951
Fiscal Year Results	(48,582,386)	7,915,042	3,644,269	19,927,450	13,999,435
<u>Ending Reserve</u>	<u>103,492,189</u>	<u>111,407,231</u>	<u>115,051,500</u>	<u>134,978,951</u>	<u>148,978,386</u>
<u>Minimum Actuarial Reserve Required</u>	<u>98,968,349</u>	<u>111,896,653</u>	<u>122,258,328</u>	<u>134,342,807</u>	<u>148,420,739</u>
PEIA Expenses	808,707,190	915,036,821	998,938,674	1,096,678,036	1,210,423,247
Reserve as a Percent of Expenses	12.8%	12.2%	11.5%	12.3%	12.3%
State Fund	2023	2024	2025	2026	2027
Beginning Reserve	119,804,037	84,687,747	98,376,230	100,126,554	108,650,570
Fiscal Year Results	(35,116,290)	13,688,484	1,750,324	8,524,015	10,968,936
<u>Ending Reserve</u>	<u>84,687,747</u>	<u>98,376,230</u>	<u>100,126,554</u>	<u>108,650,570</u>	<u>119,619,506</u>
<u>Minimum Actuarial Reserve Required</u>	<u>79,919,141</u>	<u>90,255,021</u>	<u>98,570,097</u>	<u>108,259,380</u>	<u>119,538,963</u>
PEIA Expenses	654,154,938	739,460,661	806,878,842	885,340,170	976,576,216
Reserve as a Percent of Expenses	12.9%	13.3%	12.4%	12.3%	12.2%
Local Fund	2023	2024	2025	2026	2027
Beginning Reserve	32,270,538	18,804,442	13,031,001	14,924,946	26,328,381
Fiscal Year Results	(13,466,096)	(5,773,442)	1,893,946	11,403,435	3,030,499
<u>Ending Reserve</u>	<u>18,804,442</u>	<u>13,031,001</u>	<u>14,924,946</u>	<u>26,328,381</u>	<u>29,358,880</u>
<u>Minimum Actuarial Reserve Required</u>	<u>19,049,209</u>	<u>21,641,632</u>	<u>23,688,231</u>	<u>26,083,427</u>	<u>28,881,776</u>
PEIA Expenses	154,552,252	175,576,160	192,059,832	211,337,865	233,847,030
Reserve as a Percent of Expenses	12.2%	7.4%	7.8%	12.5%	12.6%
State Share	80.3%	80.0%	80.0%	80.0%	80.0%
Employee Share	19.7%	20.0%	20.0%	20.0%	20.0%
Growth In Program Expenses	0.5%	5.4%	12.3%	9.5%	10.1%

Premium Increases Only FY 2023-2027 (RHBT)

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ 2,177,844	\$ 2,286,706	\$ 2,396,351
Increase	0.0%	0.0%	10.0%	10.0%	10.0%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ 6,273,046	\$ 7,051,436	\$ 7,926,764
Increase	0.0%	0.0%	10.0%	10.0%	10.0%
General Revenue Transfer (OPEB Funding)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Revenue Transfer (Premium Offset)	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare	\$ -	\$ -	\$ -	\$ -	\$ -
		0.0%			
Board Decision Benefit Reduce/(Add) - Retiree Medicare	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)	\$ -	\$ -	\$ -	\$ -	\$ -
ACA PCORI Fees (Cost)	\$ (29,284)	\$ (30,841)	\$ (34,231)	\$ (37,623)	\$ (41,020)
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
Total RHBT Fund					
Beginning Reserve	\$ 1,624,971,153	\$ 1,754,697,446	\$ 1,845,932,392	\$ 1,963,940,713	\$ 2,083,207,750
Fiscal Year Results	115,726,293	162,478,098	169,417,056	178,374,614	187,438,339
Ending Total Reserve	1,754,697,446	1,845,932,392	1,963,940,713	2,083,207,750	2,202,079,950
Ending Premium Stabilization Reserve	\$ 282,106,504	\$ 210,863,352	\$ 159,454,616	\$ 100,347,038	\$ 31,780,899
Medicare Fund (Fiscal Year)					
Beginning Reserve	\$ 931,634,700	\$ 1,011,246,318	\$ 1,091,859,117	\$ 1,188,654,498	\$ 1,293,136,728
Fiscal Year Results	68,151,524	138,839,133	138,744,667	143,452,286	169,068,683
Ending Total Reserve	1,011,246,318	1,091,859,117	1,188,654,498	1,293,136,728	1,406,434,804
Ending Premium Stabilization Reserve	\$ 220,724,528	\$ 162,498,195	\$ 120,548,908	\$ 81,578,853	\$ 25,808,246
Non-Medicare Fund					
Beginning Reserve	\$ 693,336,451	\$ 743,451,127	\$ 754,073,276	\$ 775,286,215	\$ 790,071,025
Fiscal Year Results	47,574,769	23,638,967	30,672,389	34,922,332	18,369,656
Ending Total Reserve	743,451,127	754,073,276	775,286,215	790,071,025	795,645,149
Ending Premium Stabilization Reserve	\$ 61,381,976	\$ 48,365,157	\$ 38,905,708	\$ 18,768,185	\$ 5,972,653
*Actuarial Accrued Liability	\$ 1,756,185,713	\$ 1,767,903,755	\$ 1,770,059,292	\$ 1,767,235,505	\$ 1,759,719,792
Funded Status	92.5%	99.3%	104.3%	111.1%	118.4%
Growth In Program Expenses	-3.0%	12.9%	9.3%	9.2%	9.8%
Retiree Subsidy	\$ 77,403,060	\$ 98,932,921	\$ 109,482,993	\$ 118,635,547	\$ 129,620,508
Percent Paid By Retiree	46.3%	39.6%	39.0%	39.6%	40.0%

Option 2: Blended Approach 1

Premium increase with benefit changes

- ▶ Blended Approach 1 would require the following premium increases:
 - ▶ State Fund 19.2%
 - ▶ Non-State fund 12.5%
 - ▶ Retiree Health Benefit Trust no premium increase
- ▶ Benefit changes would include:
 - ▶ Medical deductible increase of 25% for Plans A, C and D
 - ▶ Plan B would be set 20% higher than plan A
 - ▶ Medical out-of-Pocket maximum increase of 25% for Plans A, C and D
 - ▶ Plan B would be set 20% higher than plan A
 - ▶ Prescription drug deductible and out-of-pocket maximum increase by 100% for Plans A, B and D
 - ▶ Plan A would increase from \$75 single/\$150 family to \$150 single/\$300 family
 - ▶ Plan C prescription deductible is combined with the medical deductible, so there would be no separate increase
 - ▶ Other benefit changes, **except** no PCP and Specialist office visit copay increases (next page)

Blended Approaches 1 and 2

Proposed other benefit changes

	<u>Plans A & D</u>	<u>Plan B</u>
▶ Increase PCP copay from/to	\$20/\$25	\$20/\$25
▶ Increase Specialist copay from/to	\$40/\$50	\$40/\$50
▶ Increase Inpatient copay* from/to	\$100/\$200	\$100/\$200
▶ Increase Outpatient Surgery copay* from/to	\$100/\$200	\$100/\$200
▶ Add Advanced Imaging (CT, MRI, PET, etc) copay*	\$50	\$50
▶ Increase Chiropractic copay* from/to	\$20-\$25/\$25-\$30	\$20-\$25/\$25-\$30
▶ Increase Massage Therapy copay* from/to	\$10-\$25/\$20-\$25	\$10-\$25/\$25-\$30
▶ Increase ER Treatment copay* from/to	\$100/\$200	\$100/\$200
*These services also require deductible and coinsurance	20%	30%

Blended Approach 1 FY 2023-2027 (PEIA)

	2023	2024	2025	2026	2027
Additional Employer Premium	\$ -	\$ 84,100,000	\$ 63,000,000	\$ 65,000,000	\$ 71,000,000
Increase	0.0%	17.3%	11.1%	10.3%	10.2%
Local Fund Premium Increase	\$ 7,500,000	\$ 18,000,000	\$ 30,000,000	\$ 19,000,000	\$ 18,200,000
Increase	5.1%	12.5%	18.5%	9.9%	8.6%
Employee Premium	\$ -	\$ 22,900,000	\$ 15,800,000	\$ 16,300,000	\$ 17,800,000
Increase	0.0%	19.2%	11.2%	10.4%	10.2%
State Direct Transfer (State Budget Appropriations)	\$ 21,000,000	\$ -	\$ -	\$ -	\$ -
State Direct Transfer (PEIA Rainy Day Fund)	\$ 31,000,000	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Active State Medical	\$ -	\$ (16,800,000)	\$ -	\$ -	\$ -
		3.6%			
Board Decision Benefit Reduce/(Add) - Active State Drugs	\$ -	\$ (9,400,000)	\$ -	\$ -	\$ -
		3.6%			
Board Decision Benefit Reduce/(Add) - Active Local Medical	\$ -	\$ (4,200,000)	\$ -	\$ -	\$ -
		3.5%			
Board Decision Benefit Reduce/(Add) - Active Local Drugs	\$ -	\$ (2,300,000)	\$ -	\$ -	\$ -
		3.8%			
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000
Total Fund	2023	2024	2025	2026	2027
Beginning Reserve	152,074,575	103,492,189	109,501,402	115,868,025	129,959,632
Fiscal Year Results	(48,582,386)	6,009,213	6,366,623	14,091,606	13,563,208
Ending Reserve	103,492,189	109,501,402	115,868,025	129,959,632	143,522,840
Minimum Actuarial Reserve Required	98,968,349	107,809,185	117,745,808	129,333,956	142,833,079
PEIA Expenses	808,707,190	882,337,076	962,838,506	1,056,607,223	1,165,721,967
Reserve as a Percent of Expenses	12.8%	12.4%	12.0%	12.3%	12.3%
State Fund	2023	2024	2025	2026	2027
Beginning Reserve	119,804,037	84,687,747	94,483,661	96,203,207	104,752,653
Fiscal Year Results	(35,116,290)	9,795,915	1,719,546	8,549,446	10,975,559
Ending Reserve	84,687,747	94,483,661	96,203,207	104,752,653	115,728,212
Minimum Actuarial Reserve Required	79,919,141	86,980,032	94,955,921	104,249,334	115,067,474
PEIA Expenses	654,154,938	713,260,751	777,965,432	853,259,796	940,804,303
Reserve as a Percent of Expenses	12.9%	13.2%	12.4%	12.3%	12.3%
Local Fund	2023	2024	2025	2026	2027
Beginning Reserve	32,270,538	18,804,442	15,017,741	19,664,818	25,206,978
Fiscal Year Results	(13,466,096)	(3,786,702)	4,647,078	5,542,160	2,587,649
Ending Reserve	18,804,442	15,017,741	19,664,818	25,206,978	27,794,627
Minimum Actuarial Reserve Required	19,049,209	20,829,152	22,789,887	25,084,622	27,765,605
PEIA Expenses	154,552,252	169,076,325	184,873,074	203,347,426	224,917,664
Reserve as a Percent of Expenses	12.2%	8.9%	10.6%	12.4%	12.4%
State Share	80.3%	80.0%	80.0%	80.0%	80.0%
Employee Share	19.7%	20.0%	20.0%	20.0%	20.0%
Growth In Program Expenses	0.5%	1.6%	12.4%	9.5%	10.1%

Blended Approach 1 FY 2023-2027 (RHBT)

	2023	2024	2025	2026	2027
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ -	\$ 0	\$ 0
Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ 6,273,046	\$ 7,051,436	\$ 7,926,764
Increase	0.0%	0.0%	10.0%	10.0%	10.0%
General Revenue Transfer (OPEB Funding)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Revenue Transfer (Premium Offset)	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare	\$ -	\$ (3,200,000)	\$ -	\$ -	\$ -
		3.6%			
Board Decision Benefit Reduce/(Add) - Retiree Medicare	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)	\$ -	\$ -	\$ -	\$ -	\$ -
ACA PCORI Fees (Cost)	\$ (29,284)	\$ (30,841)	\$ (34,231)	\$ (37,623)	\$ (41,020)
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000

	2023	2024	2025	2026	2027
Total RHBT Fund					
Beginning Reserve	\$ 1,624,971,153	\$ 1,754,697,446	\$ 1,849,132,647	\$ 1,968,787,978	\$ 2,088,076,715
Fiscal Year Results	115,726,293	162,478,098	169,657,075	178,738,159	187,803,511
Ending Total Reserve	1,754,697,446	1,849,132,647	1,968,787,978	2,088,076,715	2,205,289,677
Ending Premium Stabilization Reserve	\$ 282,106,504	\$ 214,063,607	\$ 164,061,862	\$ 104,612,440	\$ 34,021,891
Medicare Fund (Fiscal Year)					
Beginning Reserve	\$ 931,634,700	\$ 1,011,246,318	\$ 1,091,859,117	\$ 1,188,939,535	\$ 1,293,709,394
Fiscal Year Results	68,151,524	136,223,595	137,881,606	144,037,090	171,000,457
Ending Total Reserve	1,011,246,318	1,091,859,117	1,188,939,535	1,293,709,394	1,407,292,621
Ending Premium Stabilization Reserve	\$ 220,724,528	\$ 165,113,732	\$ 124,312,544	\$ 85,045,313	\$ 27,628,083
Non-Medicare Fund					
Beginning Reserve	\$ 693,336,451	\$ 743,451,127	\$ 757,273,530	\$ 779,848,441	\$ 794,367,319
Fiscal Year Results	47,574,769	26,254,504	31,775,467	34,701,070	16,803,056
Ending Total Reserve	743,451,127	757,273,530	779,848,441	794,367,319	797,997,056
Ending Premium Stabilization Reserve	\$ 61,381,976	\$ 48,949,875	\$ 39,749,318	\$ 19,567,127	\$ 6,393,808
*Actuarial Accrued Liability	\$ 1,756,185,713	\$ 1,767,903,755	\$ 1,770,059,292	\$ 1,767,235,505	\$ 1,759,719,792
Funded Status	92.5%	99.3%	104.5%	111.4%	118.7%
Growth In Program Expenses	-3.0%	10.7%	9.2%	9.2%	9.7%
Retiree Subsidy	\$ 77,403,060	\$ 95,732,666	\$ 108,076,002	\$ 118,977,392	\$ 131,644,918
Percent Paid By Retiree	46.3%	40.4%	38.6%	38.2%	37.8%

Option 3: Blended Approach 2 (State plan & RHBT) Premium increase with benefit changes

- ▶ Includes a 14.6% State Fund employee premium increase and no retiree premium increase
- ▶ Non-Medicare Benefit changes would include:
 - ▶ Medical deductible increase of 50% for Plans A, C and D
 - ▶ Plan B would be set 30% higher than plan A
 - ▶ Medical out-of-Pocket maximum increase of 50% for Plans A, C and D
 - ▶ Plan B would be set 30% higher than plan A
 - ▶ Prescription drug deductible and out-of-pocket maximum increase by 100% for Plans A, B and D
 - ▶ Plan A would increase from \$75 single/\$150 family to \$150 single/\$300 family
 - ▶ Plan C prescription deductible is combined with the medical deductible, so there would be no separate increase
 - ▶ Prescription drug copays increase by 100% and change Specialty cost sharing from \$100/\$150 to 30% coinsurance

Blended Approach 2 (Non-State plan)

Premium increase with benefit changes

- ▶ Blended approach 2 would require a 9.7% premium increase
- ▶ Benefit changes would include:
 - ▶ Medical deductible increase of 35% for Plans A, C and D
 - ▶ Plan B would be set 30% higher than plan A
 - ▶ Medical out-of-Pocket maximum increase of 35% for Plans A, C and D
 - ▶ Plan B would be set 30% higher than plan A
 - ▶ Prescription drug deductible and out-of-pocket maximum increase by 100% for Plans A, B and D
 - ▶ Plan A would increase from \$75 single/\$150 family to \$150 single/\$300 family
 - ▶ Plan C prescription deductible is combined with the medical deductible, so there would be no separate increase
 - ▶ Prescription drug copays increase by 100% and change Specialty cost sharing from \$100/\$150 copay to 30% coinsurance
 - ▶ Other benefit changes shown on slide 11 would apply

Blended Approach 2 FY 2023-2027 (PEIA)

	2023	2024	2025	2026	2027
Additional Employer Premium	\$ -	\$ 62,100,000	\$ 63,000,000	\$ 62,000,000	\$ 68,000,000
Increase	0.0%	12.8%	11.6%	10.2%	10.2%
Local Fund Premium Increase	\$ 7,500,000	\$ 14,000,000	\$ 30,000,000	\$ 15,000,000	\$ 19,500,000
Increase	5.1%	9.7%	19.0%	8.0%	9.6%
Employee Premium	\$ -	\$ 17,400,000	\$ 15,800,000	\$ 15,500,000	\$ 17,000,000
Increase	0.0%	14.6%	11.6%	10.2%	10.2%
State Direct Transfer (State Budget Appropriations)	\$ 21,000,000	\$ -	\$ -	\$ -	\$ -
State Direct Transfer (PEIA Rainy Day Fund)	\$ 31,000,000	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Active State Medical	\$ -	\$ (31,100,000)	\$ -	\$ -	\$ -
		6.9%			
Board Decision Benefit Reduce/(Add) - Active State Drugs	\$ -	\$ (20,000,000)	\$ -	\$ -	\$ -
		7.9%			
Board Decision Benefit Reduce/(Add) - Active Local Medical	\$ -	\$ (6,200,000)	\$ -	\$ -	\$ -
		5.3%			
Board Decision Benefit Reduce/(Add) - Active Local Drugs	\$ -	\$ (4,900,000)	\$ -	\$ -	\$ -
		8.4%			
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000
Total Fund	2023	2024	2025	2026	2027
Beginning Reserve	152,074,575	103,492,189	107,406,054	114,845,605	126,038,853
Fiscal Year Results	(48,582,386)	3,913,865	7,439,552	11,193,247	12,501,556
<u>Ending Reserve</u>	<u>103,492,189</u>	<u>107,406,054</u>	<u>114,845,605</u>	<u>126,038,853</u>	<u>138,540,408</u>
<u>Minimum Actuarial Reserve Required</u>	<u>98,968,349</u>	<u>104,121,552</u>	<u>113,651,664</u>	<u>124,763,643</u>	<u>137,705,208</u>
PEIA Expenses	808,707,190	852,836,019	930,085,358	1,020,044,723	1,124,699,002
Reserve as a Percent of Expenses	12.8%	12.6%	12.3%	12.4%	12.3%
State Fund	2023	2024	2025	2026	2027
Beginning Reserve	119,804,037	84,687,747	91,795,711	93,414,281	101,199,514
Fiscal Year Results	(35,116,290)	7,107,965	1,618,570	7,785,232	10,055,323
<u>Ending Reserve</u>	<u>84,687,747</u>	<u>91,795,711</u>	<u>93,414,281</u>	<u>101,199,514</u>	<u>111,254,836</u>
<u>Minimum Actuarial Reserve Required</u>	<u>79,919,141</u>	<u>83,867,029</u>	<u>91,506,022</u>	<u>100,405,286</u>	<u>110,762,553</u>
PEIA Expenses	654,154,938	688,356,723	750,366,242	822,507,415	906,364,936
Reserve as a Percent of Expenses	12.9%	13.3%	12.4%	12.3%	12.3%
Local Fund	2023	2024	2025	2026	2027
Beginning Reserve	32,270,538	18,804,442	15,610,343	21,431,324	24,839,339
Fiscal Year Results	(13,466,096)	(3,194,100)	5,820,981	3,408,015	2,446,233
<u>Ending Reserve</u>	<u>18,804,442</u>	<u>15,610,343</u>	<u>21,431,324</u>	<u>24,839,339</u>	<u>27,285,572</u>
<u>Minimum Actuarial Reserve Required</u>	<u>19,049,209</u>	<u>20,254,524</u>	<u>22,145,642</u>	<u>24,358,357</u>	<u>26,942,656</u>
PEIA Expenses	154,552,252	164,479,296	179,719,116	197,537,308	218,334,066
Reserve as a Percent of Expenses	12.2%	9.5%	11.9%	12.6%	12.5%
State Share	80.3%	80.0%	80.0%	80.0%	80.0%
Employee Share	19.7%	20.0%	20.0%	20.0%	20.0%
Growth In Program Expenses	0.5%	-1.8%	12.5%	9.4%	10.0%

Blended Approach 2 FY 2023-2027 (RHBT)

	2023	2024	2025	2026	2027
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 0	\$ -	\$ 0	\$ 0
Increase	0.0%	0.0%	0.0%	0.0%	0.0%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ 6,273,046	\$ 7,051,436	\$ 7,926,764
Increase	0.0%	0.0%	10.0%	10.0%	10.0%
General Revenue Transfer (OPEB Funding)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Revenue Transfer (Premium Offset)	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare	\$ -	\$ (5,500,000)	\$ -	\$ -	\$ -
		6.3%			
Board Decision Benefit Reduce/(Add) - Retiree Medicare	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)	\$ -	\$ -	\$ -	\$ -	\$ -
ACA PCORI Fees (Cost)	\$ (29,284)	\$ (30,841)	\$ (34,231)	\$ (37,623)	\$ (41,020)
Pay Go Premium Transfer	\$ 59,359,661	\$ -	\$ 29,000,000	\$ 29,000,000	\$ 29,000,000

Total RHBT Fund	2023	2024	2025	2026	2027
Beginning Reserve	\$ 1,624,971,153	\$ 1,754,697,446	\$ 1,851,431,590	\$ 1,973,861,781	\$ 2,096,492,849
Fiscal Year Results	115,726,293	162,478,098	169,829,496	179,118,695	188,434,722
Ending Total Reserve	1,754,697,446	1,851,431,590	1,973,861,781	2,096,492,849	2,217,725,003
Ending Premium Stabilization Reserve	\$ 282,106,504	\$ 216,362,550	\$ 168,963,244	\$ 112,475,618	\$ 45,273,050
Medicare Fund (Fiscal Year)	2023	2024	2025	2026	2027
Beginning Reserve	\$ 931,634,700	\$ 1,011,246,318	\$ 1,091,859,117	\$ 1,189,156,143	\$ 1,294,164,266
Fiscal Year Results	68,151,524	134,344,692	135,974,636	141,896,861	168,472,746
Ending Total Reserve	1,011,246,318	1,091,859,117	1,189,156,143	1,294,164,266	1,407,975,512
Ending Premium Stabilization Reserve	\$ 220,724,528	\$ 166,992,636	\$ 128,315,025	\$ 91,426,287	\$ 36,764,787
Non-Medicare Fund	2023	2024	2025	2026	2027
Beginning Reserve	\$ 693,336,451	\$ 743,451,127	\$ 759,572,475	\$ 784,705,640	\$ 802,328,587
Fiscal Year Results	47,574,769	28,133,409	33,854,860	37,221,836	19,961,976
Ending Total Reserve	743,451,127	759,572,475	784,705,640	802,328,587	809,749,495
Ending Premium Stabilization Reserve	\$ 61,381,976	\$ 49,369,914	\$ 40,648,219	\$ 21,049,330	\$ 8,508,262
*Actuarial Accrued Liability	\$ 1,756,185,713	\$ 1,767,903,755	\$ 1,770,059,292	\$ 1,767,235,505	\$ 1,759,719,792
Funded Status	92.5%	99.3%	104.6%	111.7%	119.1%
Growth In Program Expenses	-3.0%	9.2%	9.2%	9.1%	9.6%
Retiree Subsidy	\$ 77,403,060	\$ 93,433,723	\$ 105,473,563	\$ 116,015,596	\$ 128,256,937
Percent Paid By Retiree	46.3%	41.0%	39.2%	38.8%	38.4%

Financial Statements Year to Date

Jason Hought, Acting Director and CFO (PEIA)



West Virginia Public Employees Insurance Agency

Statement of Net Position

Tuesday, January 31, 2023

(Dollars in Thousands)

(Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$25,153	\$20,187	\$4,966	25%
Equity position in internal investment pool	23,907	27,370	(3,463)	(13%)
Accounts receivable:				
Premium, less allowance for doubtful accounts	13,036	12,943	93	1%
Due From RHBT	16,543	11,880	4,663	39%
Prescription rebates	32,648	31,821	827	3%
Appropriations due from State of West Virginia	(667)	12,250	(12,917)	(105%)
Other	2,065	1,427	638	45%
Total current assets	112,685	117,878	(5,193)	(4%)
Noncurrent assets:				
Equity position in internal investment pools	170,501	211,302	(40,801)	(19%)
Equity position in internal investment pool – restricted	4,406	8,705	(4,299)	(49%)
Capital assets, net of accumulated depreciation				
Leases	334	613	(279)	(46%)
Right to use	45	31	14	45%
Postemployment Benefits- Pension & OPEB	933	(752)	1,685	(224%)
Total noncurrent assets	176,219	219,899	(43,680)	(20%)
Total assets	288,904	337,777	(48,873)	(14%)
Deferred outflows of resources related to pension & OPEB	586	706	(120)	(17%)
Liabilities				
Current liabilities:				
Incurred but not reported reserve	97,490	88,540	8,950	10%
Current claims payable	6,006	7,961	(1,955)	(25%)
Premium deficiency reserve	58,649	83,166	(24,517)	(29%)
Accounts payable	6,571	2,931	3,640	124%
Unearned revenue	4,624	9,034	(4,410)	(49%)
Other accrued liabilities	2,775	2,448	327	13%
Total current liabilities	176,115	194,080	(17,965)	(9%)
Noncurrent liabilities:				
Life Insurance premium stabilization reserve	4,111	9,403	(5,292)	(56%)
Long term lease liability	348	627	(279)	(44%)
Total liabilities	180,574	204,110	(23,615)	(12%)
Deferred inflows of resources related to pension & OPEB	1,662	620	1,042	168%
Net position				
Invested in capital assets	379	644	(265)	(41%)
Unrestricted	106,875	133,108	(26,233)	(20%)
Total net position	107,254	133,752	(26,498)	(20%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Seven Months Ending Tuesday, January 31, 2023
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$255,409	\$257,477	\$239,380	Health Insurance - State Gov. - Employers	(\$2,068)	(1%)	\$16,029	7%
69,564	70,359	70,452	Health Insurance - State Gov. - Employees	(795)	(1%)	(888)	(1%)
81,708	83,948	73,780	Health Insurance - Local Gov. - All	(2,240)	(3%)	7,928	11%
2,786	2,718	2,794	Administrative Fees, Net of Refunds	68	3%	(8)	(0%)
1,239	1,110	1,115	Other Premium Revenue	129	12%	124	11%
410,706	415,612	387,521	Total Operating Revenue	(4,906)	(1%)	23,185	6%
NON-OPERATING REVENUE							
1,170	1,416	1,324	Life Insurance	(246)	(17%)	(154)	(12%)
30,333	30,333	12,250	Direct Transfer	0	0%	18,083	148%
6,480	6,586	370	Interest and Investment Income	(106)	(2%)	6,110	1,651%
34,626	35,000	57,806	WV RHBT Pay Go Premiums	(374)	(1%)	(23,180)	(40%)
72,609	73,335	71,750	Total Non-Operating Revenue	(726)	(1%)	859	1%
483,315	488,947	459,271	TOTAL REVENUE	(5,632)	(1%)	24,044	5%
EXPENSES							
285,540	289,565	265,563	Claims Expense - Medical	4,025	1%	(19,977)	(8%)
99,852	120,063	115,869	Claims Expense - Drugs	20,211	17%	16,017	14%
31,743	33,818	31,937	Payments to Managed Care Org.	2,075	6%	194	1%
13,264	12,865	12,169	Administrative Service Fees	(399)	(3%)	(1,016)	(8%)
52	1,200	143	Wellness and Disease Management	1,148	96%	91	64%
3,057	3,086	2,616	Other Operating Expenses	29	1%	(441)	(17%)
1,072	1,292	1,232	Life Insurance Expense	220	17%	160	13%
280	417	544	ACA Comparative Effectiveness Fee	137	33%	264	49%
34,626	35,000	57,806	WV RHBT Pay Go Premiums	374	1%	23,180	40%
469,486	497,306	487,879	TOTAL EXPENSES	27,820	6%	18,472	4%
13,829	(8,359)	(28,608)	YTD Surplus (Deficit)	22,188	(265%)	42,437	(48%)
93,425	93,425	162,360	Total Net Position, Beginning of Period	0	0%	(68,935)	(42%)
\$107,254	\$85,066	\$133,752	Total Net Position, End of Period	\$115,692	136%	(\$26,498)	(20%)

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West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Tuesday, January 31, 2023
In Thousands

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
ASSETS				
Cash - Operating Fund	\$17,574	\$37,953	(\$20,379)	(54%)
INVESTMENTS				
WV Board of Treasury Investments	50,478	68,570	(18,092)	(26%)
WV Investment Management Board	1,698,010	1,637,157	60,853	4%
Total Investments	1,748,488	1,705,727	42,761	3%
Due From / (To) WV PEIA	(16,502)	(11,880)	(4,622)	39%
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	1,498	2,506	(1,008)	(40%)
Less: Allowance for Doubtful Accounts	(500)	(177)	(323)	182%
Net - Premium Accounts Receivable	998	2,329	(1,331)	(57%)
Other Receivables	4,747	3,411	1,336	39%
TOTAL ASSETS	1,755,305	1,737,540	17,765	1%
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	243	249	(6)	(2%)
Deferred Outflows of Resources Related to OPEB	67	121	(54)	(45%)
TOTAL DEFERRED OUTFLOWS OF RESOURCES	310	370	(60)	(16%)
LIABILITIES				
Claims payable	8,830	10,750	1,920	18%
Accounts payable	13	19	6	32%
Accrued Liabilities	2,718	7,046	4,328	61%
TOTAL LIABILITIES	11,561	17,815	6,254	35%
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	646	21	(625)	(2,976%)
Deferred Inflows of Resources Related to OPEB	249	313	64	20%
TOTAL DEFERRED INFLOWS OF RESOURCES	895	334	(561)	(168%)
Net Position- PSR	282,107	268,107	14,000	5%
Net Position- Restricted	1,461,052	1,451,654	9,398	1%
NET POSITION RESTRICTED				
FOR POST EMPLOYMENT BENEFITS	\$1,743,159	\$1,719,761	\$23,398	1%

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Seven Months Ending January 31, 2023
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			ADDITIONS				
			Employer Premiums:				
\$1,182	\$1,206	\$1,240	Health premiums - Non Par	(\$24)	(2%)	(\$58)	(5%)
5,407	5,540	6,498	Health Premiums - RLC Health, Life	(133)	(2%)	(1,091)	(17%)
34,626	35,000	57,806	Pay Go Premiums	(374)	(1%)	(23,180)	(40%)
17,500	17,500	17,500	State appropriation - OPEB	-	0%	-	0%
58,715	59,246	83,044	Total Employer Premiums	(531)	(1%)	(24,329)	(29%)
			Other Additions:				
467	583	467	Retiree Drug Subsidy	(116)	(20%)	-	0%
91,398	79,309	25,422	Investment Income	12,089	15%	65,976	260%
150,580	139,138	108,933	TOTAL ADDITIONS	11,442	8%	41,647	38%
			DEDUCTIONS				
25,889	27,298	51,391	Payments to Managed Care Org.	1,409	5%	25,502	50%
15,416	16,436	15,697	Life Insurance Expense	1,020	6%	281	2%
26,789	31,902	31,513	Medical Claims Expense	5,113	16%	4,724	15%
11,616	17,142	15,312	Pharmacy Claims Expense	5,526	32%	3,696	24%
882	957	963	Administrative Service Fees (External)	75	8%	81	8%
(34,148)	(34,842)	(38,591)	Member Health premiums	(694)	2%	(4,443)	12%
(15,383)	(16,417)	(15,634)	Member Life Insurance Premiums	(1,034)	6%	(251)	2%
1,332	1,745	1,545	Other Operating Expenses	413	24%	213	14%
32,393	44,234	62,196	TOTAL DEDUCTIONS	11,828	27%	29,803	48%
118,187	94,904	46,737	NET POSITION INCREASE (DECREASE)	23,270	25%	71,450	153%
			Net Position Restricted for Post Employment Benefits				
1,624,972	1,624,972	1,673,024	Beginning of Period Total Net Position	-	0%	(48,052)	(3%)
1,461,052	1,437,769	1,451,654	End of Period Net Position - Restricted	23,283	2%	9,398	1%
282,107	282,107	268,107	End of Period Net Position - PSR	-	0%	14,000	5%
\$1,743,159	\$1,719,876	\$1,719,761	End of Period Total Net Position	\$23,283	1%	\$23,398	1%

2023 Legislative Update

William Hicks, General Counsel (PEIA)



SB 268: Relating to PEIA

Completed legislative action on March 6, 2023, effective from passage. Sent to the Governor on March 7, 2023.

- Amends **W. Va. Code §5-16-5(d)(4)** to require the PEIA Director and the PEIA Finance Board may only use revenue estimates from the Governor to maintain an actuarially recommended reserve fund and to maintain premium cost-sharing percentages at 80/20, effective July 1, 2023.
- Amends **W. Va. Code §5-16-5(c)(1)** to require that all financial plans shall establish “[t]he minimum level of reimbursement at 110% of the Medicare amount for all providers: Provided, That the plan shall reimburse a West Virginia hospital that provides inpatient medical care to a beneficiary, covered by the state and non-state plans, at a minimum rate of 110% of the Medicare diagnosis-related group rate for the admission, or the Medicare per diem, per day rate applicable to a critical access hospital, as appropriate: Provided, however, That the rates established pursuant to this subdivision do not apply to any Medicare primary retiree health plan.”
- Amends **W. Va. Code §5-16-13(b)(2)** to require that If an employee’s spouse has health insurance available through a non-PEIA employer, then the State employer may not cover any portion of premiums for the employee’s spouse coverage, unless the employee adds his or her spouse to his or her coverage by paying the cost of the actuarial value of the plan. This does not apply to spouses of retired employees or non-mandatory (nonstate) employers.

SB 268: Relating to PEIA (cont.)

- Amends **W. Va. Code §5-16-4(b)(4) and (5)** to clarify existing fiduciary duty requirements of the PEIA Finance Board and codifies an annual fiduciary training and completion of conflict-of-interest forms to serve as a member of the Finance Board.
- Creates new **W. Va. Code §5-16-31** requiring an actuarial study of the solvency of the Plan to be presented to the Joint Committee on Government and Finance on or before July 1, 2024.
- Amends **W. Va. Code §5-16-7(a)(13)** to remove a reduction in value of life insurance for active employees over the age of 65 so that the benefit now requires that “group life and accidental death insurance herein provided shall be in the amount of \$10,000 for every employee.

SB 267: Updating Law Regarding Prior Authorizations

Completed legislative action on March 8, 2023, effective 90 days from passage on June 6, 2023.
Sent to the Governor on March 10, 2023.

- Amends **W. Va. Code §5-16-7f** to require use of PEIA's established electronic portal for all Prior Authorization forms
- Requires PEIA to include the portal web address on members' insurance cards.
- Changes and significantly shortens timeframes for processing of electronically submitted prior authorizations and related appeals of rejected prior authorization requests.
- Changes the existing "gold card" prior authorization exemption standards and processes
- Creates new **W. Va. Code §5-16-7f(m) and (n)** to introduce new reporting requirements to the Office of the Insurance Commissioner (OIC) to oversee compliance with this section and gives the OIC the authority to impose a civil penalty for violation of this section.

SB 577: Reducing Copay Cap on Insulin & Devices

Completed legislative action on March 11, 2023, effective January 1, 2024. Not yet sent to the Governor.

- Amends **W. Va. Code §5-16-2 and -7g** to mirror the changes made in SB 268 as set forth in more detail below.
- Amends **W. Va. Code §5-16-2** to change the definition of “Device” as it relates to diabetic treatment as follows: "Device" means a blood glucose test strip, glucometer, continuous glucose monitor (CGM), lancet, lancing device, or insulin syringe used to cure, diagnose, mitigate, prevent, or treat diabetes or low blood sugar, but does not include insulin pumps.

SB 577: Reducing Copay Cap on Insulin & Devices (cont.)

- Amends **W. Va. Code §5-16-7g** “Coverage for prescription insulin drugs” as follows:
 - Changes cost sharing for a thirty-day supply of a covered prescription insulin drug from not exceeding \$100.00 to not exceeding \$35.00 in aggregate, including situations where the covered person is prescribed more than one insulin drug, per thirty-day supply, regardless of the amount or type of insulin needed to fill such covered person’s prescription.
 - Adds cost sharing for a thirty-day supply of covered device(s) may not exceed \$100.00 in aggregate, including situations where the covered person is prescribed more than one device, per thirty-day supply.
 - Each cost-share maximum is covered regardless of the person's deductible, copayment, coinsurance, or any other cost-sharing requirement.

HB 2029: Repealing the Creation of an All-payer Claims Database

Completed legislative action on February 2, 2023, effective from passage. Approved by the Governor on February 13, 2023.

- Repeals **W. Va. Code §§33-4A-1 through 18** thereby eliminating authority for the existence of an all-payer claims database.

Public Comments

Chairman



Old Business

New Business

- ▶ **March 27: Public Notice (6pm - Culture Center)**
1900 Kanawha Blvd E, Charleston, WV 25305
Building 9 at the Capitol Complex
- ▶ **March 28: Public Notice (6pm - Hampton Inn)**
325 Granville Square Morgantown, WV 26501
- ▶ **March 28: Public Notice (6pm - Mountain Health Arena)**
1 Civic, Center Plaza Huntington, WV 25701
- ▶ **March 29: Public Notice (6pm - Holiday Inn)**
301 Foxcroft Avenue Martinsburg, WV 25401

Schedule Next Meeting

March 30, 2023



Adjourn



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

Erika Smith

(304) 957-2620

erika.m.smith@wv.gov

Or

Kathy Lester

(304)-352-0284

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