

PEIA Finance Board Public Hearing Handout

Plan Year 2024 Amended Plan

Implementing SB 268

March 27-29, 2023

This Evening's Agenda

- ▶ Welcome
- ▶ Introduce PEIA Finance Board Members
- ▶ SB 268 Changes
- ▶ Proposed Plans Presentation
 - ▶ Spousal Surcharge
 - ▶ Premium Only
 - ▶ Blended Approach 1
 - ▶ Blended Approach 2
- ▶ Public Comment
 - ▶ Please limit comments to 5 minutes

Senate Bill 268

- ▶ Makes three substantial changes to PEIA effective July 1, 2023:
 - ▶ Imposes the spouse surcharge for active employee policyholders from state agencies, colleges, universities, and county boards of education whose spouses are offered employer-sponsored insurance coverage but who choose to get coverage through a plan offered by PEIA.
 - ▶ This change does not affect
 - ▶ non-state agencies,
 - ▶ retirees,
 - ▶ spouses who are employed by PEIA-participating agencies or are retired, or
 - ▶ spouses whose coverage is through Medicare, Medicaid, or TRICARE.
 - ▶ Increases health premiums to get the plan back to an 80/20 employer/employee premium split for state agencies, colleges, universities, and county boards of education by July 1, 2023.
 - ▶ Increasing reimbursement to providers to a minimum of 110% of Medicare's reimbursement.

Spouse Coverage

Spouse Surcharge by Plan

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 employee of a State Agency, Board of Education, College or University that:
 - Has a spouse on their PEIA plan, and
 - The spouse is eligible for their employer's health insurance,
 - Will pay a spousal surcharge starting 7/1/23 if spouse remains on PEIA plan
- 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 retired or is eligible for Medicare, 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

WV PEIA Financial Plan FY 2023 - FY 2027
Premium Only

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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%

WV RHBT Financial Plan FY 2023 - FY 2027
Premium Only

	<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>Total RHBT Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Medicare Fund (Fiscal Year)</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Non-Medicare Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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 PEIA & RHBT

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

Blended Approach 1

Proposed other benefit changes

	<u>Plans A & D</u>	<u>Plan B</u>
▶ 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 ER Treatment copay* from/to	\$100/\$200	\$100/\$200
*These services also require deductible and coinsurance	20%	30%

WV PEIA Financial Plan FY 2023 - FY 2027
Blended Approach 1

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>103,492,189</u>	<u>109,501,402</u>	<u>115,868,025</u>	<u>129,959,632</u>	<u>143,522,840</u>
Minimum Actuarial Reserve Required	<u>98,968,349</u>	<u>107,809,185</u>	<u>117,745,808</u>	<u>129,333,956</u>	<u>142,833,079</u>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>84,687,747</u>	<u>94,483,661</u>	<u>96,203,207</u>	<u>104,752,653</u>	<u>115,728,212</u>
Minimum Actuarial Reserve Required	<u>79,919,141</u>	<u>86,980,032</u>	<u>94,955,921</u>	<u>104,249,334</u>	<u>115,067,474</u>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>18,804,442</u>	<u>15,017,741</u>	<u>19,664,818</u>	<u>25,206,978</u>	<u>27,794,627</u>
Minimum Actuarial Reserve Required	<u>19,049,209</u>	<u>20,829,152</u>	<u>22,789,887</u>	<u>25,084,622</u>	<u>27,765,605</u>
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%

WV RHBT Financial Plan FY 2023 - FY 2027
Blended Approach 1

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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

<u>Total RHBT Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Medicare Fund (Fiscal Year)</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Non-Medicare Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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

Blended Approach 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 cost-sharing		
▶ Visits 1-20 from/ to	\$20/\$25	\$20/\$25
▶ Visits 21+ copay + coinsurance from/ to	\$25 + 20%/\$30 + 20%	\$25 + 30%/\$30 + 30%
▶ Increase Therapy cost-sharing		
▶ Visits 1-20 from/ to	\$20/\$25	\$20/\$25
▶ Visits 21+ copay + coinsurance from/ to	\$25 + 20%/\$25 + 30%	\$20 + 30%/\$25 + 30%
▶ Increase Massage Therapy cost-sharing		
▶ Visits 1-20 from/ to	\$10+20%/\$25+30%	\$10+30%/\$25+30%
▶ Visits 21+ copay + coinsurance from/ to	\$25 + 20%/\$25 + 30%	\$25+30%/\$30+30%
▶ Increase ER Treatment copay* from/to	\$100/\$200	\$100/\$200
* These services also require deductible and coinsurance	20%	30%

WV PEIA Financial Plan FY 2023 - FY 2027
Blended Approach 2

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
Ending Reserve	<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>
Minimum Actuarial Reserve Required	<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%

WV RHBT Financial Plan FY 2023 - FY 2027
Blended Approach 2

	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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

<u>Total RHBT Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Medicare Fund (Fiscal Year)</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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
<u>Non-Medicare Fund</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>
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%

Proposed Options Comparison

Plan Change	State Fund			Non-State Fund		
	Option 1	Option 2	Option 3	Option 1	Option 2	Option 3
Premium Increase	24.2%	19.2%	14.6%	15.6%	12.5%	9.7%
Increase Medical deductible for Plans A, C and D, and make Plan B deductible higher than Plan A	No	25% Plan B 20% > Plan A	50% Plan B 30% > Plan A	No	25% Plan B 20% > Plan A	35% Plan B 30% > Plan A
Increase Medical out-of-pocket maximum for Plans A, C and D, and make Plan B out-of-pocket maximum higher than Plan A	No	25% Plan B 20% > Plan A	50% Plan B 30% > Plan A	No	25% Plan B 20% > Plan A	35% Plan B 30% > Plan A
Increase prescription drug deductible by 100% for Plans A, B and D	No	Yes	Yes	No	Yes	Yes
Increase prescription drug out-of-pocket maximum by 100% for Plans A, B and D	No	Yes	Yes	No	Yes	Yes
Increase prescription drug copays by 100%	No	No	Yes	No	No	Yes
Change Specialty Drug cost-sharing from \$100/\$150 copay to 30% coinsurance	No	No	Yes	No	No	Yes
Increase PCP Copay from \$20 to \$25 per visit	No	No	Yes	No	No	Yes
Increase Specialist copay from \$40 to \$50 per visit	No	No	Yes	No	No	Yes
Increase inpatient copay from \$100 to \$200 per stay	No	Yes	Yes	No	Yes	Yes
Increase outpatient/ambulatory surgery copay from \$100 to \$200	No	Yes	Yes	No	Yes	Yes

Add Advanced Imaging (CT, MRI, PET, etc.) copay of \$50 per test	No	Yes	Yes	No	Yes	Yes
Increase Chiropractic Copay from \$20 to \$25 per visit for first 20 visits, and from \$25 to \$30 + 20% coinsurance for visits 21+	No	No	Yes	No	No	Yes
Increase Therapy Copay from \$20 to \$25 per visit for first 20 visits, and from \$25 to \$30 + 30% coinsurance for visits 21+	No	No	Yes	No	No	Yes
Increase Massage Therapy copay from \$10 to \$25 per visit for first 20 visits, and from \$25 to \$30 + 30% coinsurance for visits 21+	No	No	Yes	No	No	Yes
Increase ER Treatment copay from \$100 to \$200 per visit	No	Yes	Yes	No	Yes	Yes

Thank You for Attending This Hearing

The Finance Board will meet on March 30 at 1 p.m. to discuss the feedback they've received at these hearings and to adopt the new Plan Year 2024 Plan details will be published in the 2024 Shopper's Guide