



**West Virginia Retiree Health Benefit
Trust Fund
and
PEIA Finance Board Meeting
Thursday, June 25, 2020, 1:00 p.m.**

**Cooper's Rock Conference Room No. 1202, DEP Building, 601 57th Street, SE
Charleston, WV 25304**

Agenda

- Roll Call
- Call to Order
- Approval of Minutes
- Plan Year 2020 Financial Update
- COVID-19 Updates
- Public Comments
- Old Business
- New Business
- Next Meeting – September 17, 2020

Roll Call

Chairman

Members:

- Robert Paulson - Chairman
- Lee Diznoff
- Jason Myers
- Amanda Meadows
- Jared Robertson
- William "Bill" Milam
- Michael T. Smith
- Geoff Christian

Approval of Minutes

March 19, 2020

Chairman



Financial Plan Updates

Chris Borcik and/or Dave Bond

CONTINUING CARE ACTUARIES



West Virginia Public Employee Insurance Agency

	Fiscal Year 2020 (millions)			Fiscal Year 2021 (millions)		
	Mar-20			Mar-20		
	Financial Plan	Update	Change	Financial Plan	Update	Change
<u>Revenue</u>						
Premiums	\$ 743.8	\$ 746.9	\$ 3.1	\$ 743.8	\$ 746.9	\$ 3.1
Investment Income	5.0	2.5	(2.5)	11.7	12.5	0.8
Other	37.0	36.9	(0.1)	61.0	61.0	(0.1)
Total	\$ 785.8	\$ 786.3	\$ 0.5	\$ 816.5	\$ 820.3	\$ 3.8
<u>Expenses</u>						
Medical Claims	\$ 419.4	\$ 421.0	\$ 1.6	\$ 454.9	\$ 466.0	\$ 11.0
Drug Claims	151.4	136.6	(14.8)	170.3	160.0	(10.3)
Capitations	49.5	49.9	0.4	52.4	52.9	0.4
Administration & Wellness	32.2	26.1	(6.1)	33.2	22.8	(10.4)
WV RHBT Pay Go Premiums	140.6	141.4	0.7	135.0	135.0	-
ACA Expenses	-	0.4	0.4	-	0.4	0.4
Other Expenses	3.0	2.1	(0.9)	3.1	3.6	0.5
Total	\$ 796.1	\$ 777.4	\$ (18.6)	\$ 848.9	\$ 840.7	\$ (8.2)
Fiscal Year Results	\$ (10.3)	\$ 8.8	\$ 19.1	\$ (32.4)	\$ (20.4)	\$ 12.0
Ending Fund Balance	\$ 229.4	\$ 248.6	\$ 19.1	\$ 197.0	\$ 228.2	\$ 31.2
Required Reserve	\$ 120.9	\$ 117.6	\$ (3.3)	\$ 130.9	\$ 127.8	\$ (3.2)
Surplus/(Shortfall)	\$ 108.5	\$ 130.9	\$ 22.4	\$ 66.1	\$ 100.4	\$ 34.3

*The annual Medical Trend through May was 7.4%, while the plan assumption was 8.0%

*The annual Drug Trend through May was 3.0%, while the plan assumption was 12.0%

West Virginia Retiree Health Benefit Trust

	Fiscal Year 2020 (millions)			Fiscal Year 2021 (millions)		
	Financial Plan	Mar-20 Update	Change	Financial Plan	Mar-20 Update	Change
<u>Revenue</u>						
Premiums	\$ 229.9	\$ 229.2	\$ (0.8)	\$ 223.0	\$ 220.7	\$ (2.3)
Annual Required Contributions	-	-	-	-	-	-
Life Insurance	24.9	25.0	0.1	26.2	26.2	0.1
Investment Income	21.7	-	(21.7)	89.1	87.7	(1.4)
Transfer from Premium Stabilization Reserve	-	-	-	-	-	-
General Revenue Transfer	35.0	35.0	-	30.0	30.0	-
Total	\$ 311.6	\$ 289.1	\$ (22.4)	\$ 368.3	\$ 364.6	\$ (3.7)
<u>Expenses</u>						
Medical Claims	\$ 55.1	\$ 54.1	\$ (1.0)	\$ 56.0	\$ 52.2	\$ (3.8)
Drug Claims	27.1	23.4	(3.7)	28.3	23.7	(4.6)
Capitations	111.5	112.5	1.0	121.7	110.3	(11.4)
Administration	5.5	5.2	(0.3)	5.4	5.1	(0.3)
Life Insurance	24.8	25.5	0.7	26.0	26.8	0.8
Retiree Assistance Program	1.9	1.8	(0.0)	2.0	2.0	(0.1)
ACA Expenses	-	0.0	0.0	-	0.0	0.0
Other Expenses	0.2	0.1	(0.2)	0.2	0.2	(0.0)
Total	\$ 226.1	\$ 222.6	\$ (3.5)	\$ 239.7	\$ 220.2	\$ (19.4)
Fiscal Year Results	\$ 85.5	\$ 66.5	\$ (18.9)	\$ 128.7	\$ 144.4	\$ 15.7
Ending Fund Balance	\$ 1,177.1	\$ 1,158.2	\$ (18.9)	\$ 1,305.8	\$ 1,302.6	\$ (3.2)

*The annual Non-Med Medical Trend through May was -0.2%, while the plan assumption was 8.0%

*The annual Non-Med Drug Trend through May was -6.9%, while the plan assumption was 12.0%

Financial Statements Year to Date

- Financial Statements

By: Jason Haught, CFO, PEIA

West Virginia Public Employees Insurance Agency
Statement of Net Position
 Thursday, April 30, 2020
 (Dollars in Thousands)
 (Unaudited-For Internal Use Only)

	CURRENT YR	PRIOR YR	VARIANCE	
			\$	%
Assets				
Current assets:				
Cash and cash equivalents	\$8,153	\$13,621	(\$5,468)	(40%)
Equity position in internal investment pool	74,348	12,084	62,264	515%
Premiums receivable:				
Other, less allowance for doubtful accounts	9,193	7,219	1,974	27%
Due From RHBT	6,173	4,973	1,200	24%
Accounts receivable:				
Provider refunds, less allowance for doubtful accounts	664	472	192	41%
Prescription rebates	25,866	19,200	6,666	35%
Other	27,560	23,634	3,926	17%
Total current assets	151,957	81,203	70,754	87%
Noncurrent assets:				
Equity position in internal investment pools	200,322	237,086	(36,764)	(16%)
Equity position in internal investment pool – restricted	10,073	11,344	(1,271)	(11%)
Capital assets, net of accumulated depreciation	98	148	(50)	(34%)
Total noncurrent assets	210,493	248,578	(38,085)	(15%)
Total assets	362,450	329,781	32,669	10%
Deferred Outflows of Resources Related to Pensions & OPEB	432	562	(130)	(23%)
Liabilities				
Current liabilities:				
IBNR	83,260	54,160	29,100	54%
Current claims payable	4,724	6,326	(1,602)	(25%)
Premium deficiency reserve	13,359		13,359	0%
Accounts payable	4,992	4,769	223	5%
Unearned revenue	10,374	10,245	129	1%
Other accrued liabilities	2,842	2,320	522	23%
Total current liabilities	119,551	77,820	41,731	54%
Noncurrent liabilities:				
Other Liabilities	938	1,151	(213)	(19%)
Other accrued liabilities: Premium stabilization fund	8,756	9,367	(611)	(7%)
Total liabilities	129,245	88,338	40,907	46%
Deferred Inflows of Resources Related to Pensions & OPEB	499	577	(78)	(14%)
Net position				
Invested in capital assets	98	148	(50)	(34%)
Actuarially Required Reserve	116,542	116,127	415	0%
PEIA PSR, Unrestricted	116,499	125,150	(8,651)	(7%)
Total net position	233,139	241,425	(8,286)	(3%)

West Virginia Public Employees Insurance Agency
Statement of Changes in Plan Net Position
For the Ten Months Ending Thursday, April 30, 2020
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
			OPERATING REVENUE				
			Premium Revenue				
\$314,800	\$313,954	\$307,143	Health Insurance - State Gov. - Employers	\$946	0%	\$7,657	2%
100,357	101,794	102,231	Health Insurance - State Gov. - Employees	(1,437)	(1%)	(1,874)	(2%)
88,097	84,111	82,802	Health Insurance - Local Gov. - All	3,986	5%	5,295	6%
3,979	3,776	3,921	Administrative Fees, Net of Refunds	203	5%	58	1%
1,313	1,284	1,182	Other Premium Revenue	29	2%	131	11%
<u>508,546</u>	<u>504,919</u>	<u>497,279</u>	Total Operating Revenue	<u>3,627</u>	<u>1%</u>	<u>11,267</u>	<u>2%</u>
			NON-OPERATING REVENUE				
935	1,166	1,133	Life Insurance	(231)	(20%)	(198)	(17%)
25,833	8,333	25,833	Direct Transfer	17,500	210%	0	0%
(4,203)	9,047	8,898	Interest and Investment Income	(13,250)	(146%)	(13,101)	(147%)
117,825	116,667	126,971	WV RHBT Pay Go Premiums	1,158	1%	(9,146)	(7%)
<u>140,390</u>	<u>135,213</u>	<u>162,835</u>	Total Non-Operating Revenue	<u>5,177</u>	<u>4%</u>	<u>(22,445)</u>	<u>(14%)</u>
<u>648,936</u>	<u>640,132</u>	<u>660,114</u>	TOTAL REVENUE	<u>8,804</u>	<u>1%</u>	<u>(11,178)</u>	<u>(2%)</u>
			EXPENSES				
348,110	355,778	319,406	Claims Expense - Medical	7,668	2%	(28,704)	(9%)
111,561	125,556	112,578	Claims Expense - Drugs	13,995	11%	1,017	1%
41,549	40,952	38,835	Payments to Managed Care Org.	(597)	(1%)	(2,714)	(7%)
17,684	11,510	9,776	Administrative Service Fees	(6,174)	(54%)	(7,908)	(81%)
319	1,250	301	Wellness and Disease Management	931	74%	(18)	(6%)
3,727	4,530	4,087	Other Operating Expenses	803	18%	360	9%
1,411	1,072	1,022	Life Insurance Expense	(339)	(32%)	(389)	(38%)
0	0	267	ACA Comparative Effectiveness Fee	0	0%	267	100%
117,825	116,667	126,971	WV RHBT Pay Go Premiums	(1,158)	(1%)	9,146	7%
<u>642,186</u>	<u>657,315</u>	<u>613,243</u>	TOTAL EXPENSES	<u>15,129</u>	<u>2%</u>	<u>(28,943)</u>	<u>(5%)</u>
<u>6,750</u>	<u>(17,183)</u>	<u>46,871</u>	YTD Surplus (Deficit)	<u>23,933</u>	<u>(139%)</u>	<u>(40,121)</u>	<u>(86%)</u>
<u>226,389</u>	<u>226,389</u>	<u>194,554</u>	Total Net Position, Beginning of Period	<u>226,389</u>	<u>0%</u>	<u>31,835</u>	<u>16%</u>
116,542	116,542	116,127	End of Period Net Position, Actuarially Required Reserve	0	0%	415	0%
116,597	92,664	125,298	End of Period Net Position, PEIA PSR	23,933	26%	(8,701)	(7%)
<u>\$233,139</u>	<u>\$209,206</u>	<u>\$241,425</u>	Total Net Position, End of Period	<u>\$23,933</u>	<u>11%</u>	<u>(\$8,286)</u>	<u>(3%)</u>

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF PLAN NET POSITION
Thursday, April 30, 2020
In Thousands

	CURRENT YR	PRIOR YR	\$	%
			VARIANCE	
ASSETS				
Cash - Operating Fund	\$11,466	\$12,076	(\$610)	(5%)
INVESTMENTS				
WV Board of Treasury Investments	123,339	84,802	38,537	45%
WV Investment Management Board	1,014,170	983,759	30,411	3%
Total Investments	<u>1,137,509</u>	<u>1,068,561</u>	<u>68,948</u>	<u>6%</u>
Due From / (To) WV PEIA	(6,173)	(4,975)	(1,198)	24%
PREMIUM ACCOUNTS RECEIVABLE				
Premium Accounts Receivable	2,852	2,623	229	9%
Less: Allowance for Doubtful Accounts	(468)	(468)	-	0%
Net - Premium Accounts Receivable	<u>2,384</u>	<u>2,155</u>	<u>229</u>	<u>11%</u>
Other Receivables	889	(153)	1,042	(681%)
TOTAL ASSETS	<u>1,146,075</u>	<u>1,077,664</u>	<u>68,411</u>	<u>6%</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pension	179	269	(90)	(33%)
Deferred Outflows of Resources Related to OPEB	69	34	35	103%
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>248</u>	<u>303</u>	<u>(55)</u>	<u>(18%)</u>
LIABILITIES				
Claims payable	11,170	8,120	(3,050)	(38%)
Accounts payable	20	26	6	23%
Accrued Liabilities	12,931	12,808	(123)	(1%)
TOTAL LIABILITIES	<u>24,121</u>	<u>20,954</u>	<u>(3,167)</u>	<u>(15%)</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pension	171	239	68	28%
Deferred Inflows of Resources Related to OPEB	103	77	(26)	(34%)
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>274</u>	<u>316</u>	<u>42</u>	<u>13%</u>
Net Position- PSR	38,107	38,107	-	0%
Net Position- Restricted	1,083,821	1,018,487	65,231	6%
NET POSITION RESTRICTED	<u>1,121,928</u>	<u>1,056,697</u>	<u>65,231</u>	<u>6%</u>
FOR POST EMPLOYMENT BENEFITS	<u>\$1,121,928</u>	<u>\$1,056,697</u>	<u>\$65,231</u>	<u>6%</u>

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Ten Months Ending Thursday, April 30, 2020
In Thousands

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
ADDITIONS							
Employer Premiums:							
\$2,425	\$2,424	\$2,504	Health premiums - Non Par	\$1	0%	(\$79)	(3%)
11,858	12,169	13,010	Health Premiums - RLC Health, Life	(311)	(3%)	(1,152)	(9%)
117,814	116,667	126,971	Pay Go Premiums	1,147	1%	(9,157)	(7%)
25,000	25,000	25,000	State appropriation - OPEB	-	0%	-	0%
4,167	4,167	4,167	State appropriation - Premium	-	0%	-	0%
161,264	160,427	171,652	Total Employer Premiums	837	1%	(10,388)	(6%)
Other Additions:							
667	1,000	1,209	Retiree Drug Subsidy	(333)	(33%)	(542)	(45%)
(26,245)	51,097	41,305	Investment Income	(77,342)	(151%)	(67,550)	(164%)
135,686	212,524	214,166	TOTAL ADDITIONS	(76,838)	(36%)	(78,480)	(37%)
DEDUCTIONS							
93,733	94,975	105,840	Payments to Managed Care Org.	1,242	1%	12,107	11%
21,262	20,750	19,792	Life Insurance Expense	(512)	(2%)	(1,470)	(7%)
44,030	55,649	43,253	Medical Claims Expense	11,619	21%	(777)	(2%)
19,546	26,031	23,670	Pharmacy Claims Expense	6,485	25%	4,124	17%
-	-	27	Comparative Effectiveness Research Fee	-	0%	27	100%
1,715	1,425	1,212	Administrative Service Fees (External)	(290)	(20%)	(503)	(42%)
(56,693)	(59,699)	(55,823)	Member Health premiums	(3,006)	5%	870	(2%)
(20,809)	(20,763)	(19,842)	Member Life Insurance Premiums	46	(0%)	967	(5%)
2,635	3,213	2,455	Other Operating Expenses	578	18%	(180)	(7%)
105,419	121,581	120,584	TOTAL DEDUCTIONS	16,162	13%	15,165	13%
30,267	90,943	93,582	NET POSITION INCREASE (DECREASE)	(60,676)	(67%)	(63,315)	(68%)
Net Position Restricted for Post Employment Benefits							
1,091,661	1,091,661	963,115	Beginning of Period Total Net Position	-	0%	128,546	13%
1,083,821	1,144,497	1,018,590	End of Period Net Position - Restricted	(60,676)	(5%)	65,231	6%
38,107	38,107	38,107	End of Period Net Position - PSR	-	0%	-	0%
\$1,121,928	\$1,182,604	\$1,056,697	End of Period Total Net Position	(\$60,676)	(5%)	\$65,231	6%

UMR COVID-19 INFORMATION

COVID-19 Summary through 6/13/2020

WEST VIRGINIA PEIA (77700000)



There are 7 known coronaviruses (including COVID-19) that infect humans, including some that cause mild upper-respiratory tract illnesses like the common cold. COVID-19 is a novel corona virus, meaning it is a new strain. Because it is new, there was no COVID-19 specific diagnosis code available for providers to use. **New codes were approved for diagnosing confirmed COVID-19 cases beginning April 1, 2020.**

In the interim, the Centers for Disease Control (CDC) directed providers to use the non-specific coronavirus code B97.29 that was historically used to report on non-COVID-19 coronaviruses. The interim B97.29 code is not conclusive for a COVID-19 diagnosis. COVID-related codes have been grouped together based upon the likelihood of a positive diagnosis and are presented within this report. Reporting of COVID-19 cases may be understated for several reasons:

- Testing and diagnosis may be understated due to provider coding and billing processes.
- Claims may be submitted with a presenting diagnosis (e.g. 'respiratory illness') and may not include any diagnosis directly related to COVID.
- Reporting is based on claim experience and does not account for members who do not seek medical care.
- Claims with newer coding may be pended while reimbursement logic is updated and will not appear in this report until holds are released.
- Reporting may be understated as claims for most recent services may not have yet processed.

Member Advocacy Summary

Counts represent member interactions with UMR about Coronavirus/COVID-19 in the context of patient advocacy - members do not necessarily have COVID-19.

Customer Service Interactions:	279
Care Management Interactions:	653

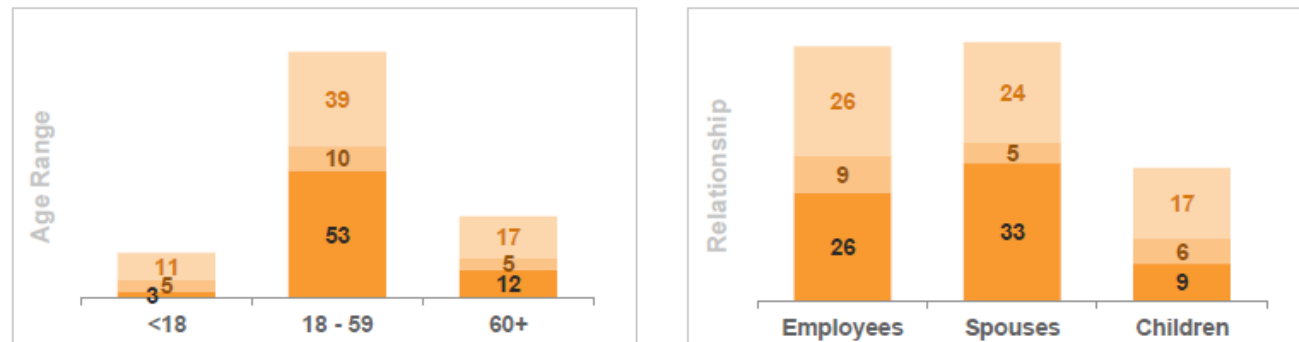
2020 Year-to-Date Claims Summary (see Appendix on page 2 for detailed criteria)

COVID-19 Dx	Members	Allowed	Paid
Confirmed Case	68	\$345,209	\$185,303
Probable Case	20	\$139,948	\$113,601
Possible Case	67	\$638,617	\$595,098
All COVID-19	155	\$1,123,775	\$894,002

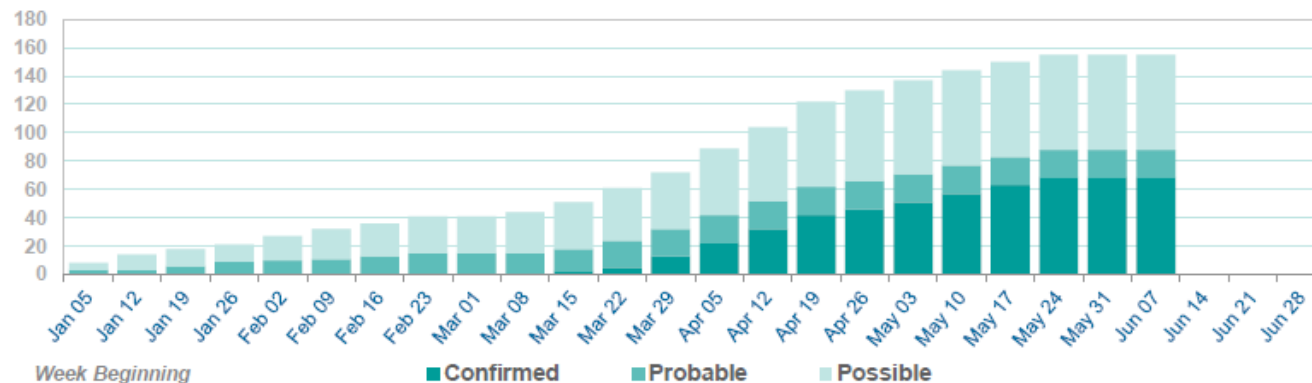
Testing Summary

COVID-19 Tests	
Viral Test: Unique Members	2,402
Antibody Test: Unique Members	0
Avg. Allowed: Per Mem/All Tests	\$71.33
Average Paid: Per Mem/All Tests	\$71.24

Member Demographic Breakout



Cumulative Count of Members



HUMANA COVID-19 INFORMATION

HUMANA COVID-19 REPORT

<u>Cohorts</u>		<u>Need addressed by HUM</u>
1 COVID Positive <i>Includes presumed positive or awaiting results</i>	In SNF or hospital	Facilitate movement into post-acute or home setting, and provide support for managing needs through the transition
	At home	Provide help to stay at home until treatment is necessary
2 Not COVID Positive Most vulnerable	Urgent	Ensure consistent access to care among those with high dependency on the medical system – in home when possible Ensure basic life essentials are in place – food, medications, supplies, access to behavioral health support
	Non-urgent	Ensure complex medical needs are met, even if member has no urgent SDOH gaps
3 Not COVID Positive Vulnerable		Ensure primary and preventive care is in place to keep members out of the strained health care system. Surface and escalate any urgent needs
4 Not COVID Positive Least vulnerable		Provide educational support and self-service resources to manage the disruption to daily life

Cohort 1 – SNF or hospital	30 members
Cohort 1 – at home	86 members
Cohort 2 – Urgent	1,347 members
Cohort 2 – Non-urgent	3,390 members
Cohort 3	9,739 members
Cohort 4	37,149 members

Public Comments

Chairman



Old Business

New Business

Schedule Next Meeting

Chairman

September 17, 2020

Adjourn

Chairman



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

Kenna DeRaimo

(304) 957-2620

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