



WV PEIA

Public Hearings

FY 2026 (July 2025 - June 2026)

PEIA & RHBT Finance Board Members

- ❖ Sarah Long, Acting Chairperson
- ❖ Geoff Christian
- ❖ Amanda Meadows
- ❖ William “Bill” Milam
- ❖ Jason Myers
- ❖ Jared Robertson
- ❖ Mike Smith
- ❖ Michael Cook
- ❖ Damita Johnson
- ❖ Doug Coffman
- ❖ Hugh Murray

Proposed Board Decisions



Premium Increases:

*Average state employee premium increase - \$31.50/month

	Proposed	vs 5 year plan	Value (\$M)
State Fund	14%*	10.7%	\$27.3
Local Fund	16%	11.0%	\$9.3
			\$36.6

	Proposed	vs 5 year plan
Non-Medicare	12%	10.0%
Medicare	12%	10.0%

Employer Administrative Fee Increase:

The State and Local fund employer administrative fee will increase by \$2.50

Deductible & Out of Pocket Maximum (OOPM) Increases:

*Will impact Non-Medicare retirees as well

Plan C deductible increase on average \$990

	Proposed Increase*	Avg Ded Increase	Avg MOOP Increase	Value (\$M)
State Fund	40%	\$355	\$1,610	\$23.7
Local Fund	40%	\$310#	\$1,545	\$6.3
				\$30.0

Inpatient Services Copays:

*Will impact Non-Medicare retirees as well

	Proposed Inpatient OOS HLOB Copay*	Current Inpatient OOS HLOB Copay	Proposed Semi-Private Room (In State) Copay*	Current Semi-Private Room (In State) Copay	Value (\$M)
State Fund	\$250	\$100	\$250	\$100	\$1.3
Local Fund	\$250	\$100	\$250	\$100	\$0.3
					\$1.6

Outpatient Copays:

*Will impact Non-Medicare retirees as well

Plan C deductible increases \$990

	Proposed Outpatient Surgery Copay*	Current Outpatient Surgery Copay	Proposed Advance Imaging Copay	Current Advanced Imaging Copay	Value (\$M)
State Fund	\$250	\$100	\$100	\$0	\$4.2
Local Fund	\$250	\$100	\$100	\$0	\$1.1
					\$5.3

Therapy Copays and Coinsurances:

*Deductible and coinsurance also apply.

#Will impact Non-Medicare Retirees as well

	Proposed Outpatient Massage Therapy Copay#	Current Outpatient Massage Therapy Copay	Value (\$M)
State Fund	\$30/\$35	\$10/\$25	\$3.0
Local Fund	\$30/\$35	\$10/\$25	\$0.7
			\$3.7

Emergency Room Copays:

*Will impact Non-Medicare Retirees as well

	Proposed ER Non-Emergency Copay*	Current ER Non-Emergency Copay	Value (\$M)
State Fund	\$200	\$100	\$0.4
Local Fund	\$200	\$100	\$0.1
			\$0.5

Rx Copays:

* Will impact Non-Medicare retirees as well

	Proposed Increase* #	Proposed Copay (generic/brand)	Current Copay (generic/brand)	Value (\$M)
State Fund	2x	\$20/\$50	\$10/\$25	\$11.3
Local Fund	2x	\$20/\$50	\$10/\$25	\$2.7
				\$14.0

Spousal Surcharge:

#SB268 requires policyholder to pay the actuarial value of the cost of adding the spouse to the plan

*Average.

	Proposed Spousal Surcharge*#	Current Spousal Surcharge*	Value (\$M)
State Fund	\$350	\$147	\$21.2

Total:

Category	Value (\$M)
Premiums	\$36.6
Ded/OOPM	\$30.0
Inpatient Services	\$1.6
Outpatient Services	\$5.3
Therapies	\$3.7
ER	\$0.5
Rx Copays	\$14.0
Spousal Surcharge	\$21.2
Total	\$112.9

MA-PD Plan 1 & Special Medicare Plan

Benefit	Current	Proposed
Medical MOOP	\$ 1,350	\$ 1,900
Medical Deductible	\$ 150	\$ 300
Inpatient	\$ 100	\$ 200
Outpatient	\$ 100	\$ 200
ER	\$ 50	\$ 100
Part B rx	\$ -	\$ 20
Specialist therapies	\$ -	\$ 20
Rx deductible	\$ 75	\$ 150
Rx Generic copay	\$ 5	\$ 10
Rx Brand copay	\$ 15	\$ 30

MA-PD Plan 2

Benefit	Current	Proposed
Medical MOOP	\$ 2,325	\$ 2,650
Medical Deductible	\$ 375	\$ 525
Inpatient	\$ 150	\$ 250
Outpatient	\$ 115	\$ 215
ER	\$ 65	\$ 115
Part B rx	\$ -	\$ 30
Specialist therapies	\$ -	\$ 30
Rx deductible	\$ 150	\$ 225
Rx Generic copay	\$ 5	\$ 10
Rx Brand copay	\$ 20	\$ 35

Benefit Assistance

Benefit	Current	Proposed
Assistance Medical Deductible	\$ 50	\$ 100
Assistance OOP	\$ 600	\$ 900
Assistance Rx Generic copay	\$ 5	\$ 10
Assistance Rx Brand copay	\$ 15	\$ 30

Current 10 Salary Index Codes

Employee Salary		Number of Policies				
		<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan D</u>	<u>HMHP</u>
\$ -	\$ 30,400	4,033	862	880	145	552
\$ 30,401	\$ 40,400	8,130	1,688		269	1,142
\$ 40,401	\$ 46,400	4,869	1,375		185	708
\$ 46,401	\$ 52,400	6,368	1,888		229	1,030
\$ 52,401	\$ 60,400	6,965	2,014		175	1,019
\$ 60,401	\$ 72,900	6,058	1,559		119	837
\$ 72,901	\$ 85,400	2,102	659		48	280
\$ 85,401	\$ 110,400	1,428	583		27	165
\$ 110,401	\$ 135,400	355	182		3	48
\$ 135,401	+	262	139		2	49

Proposed 5 Salary Index Codes

Employee Salary		Number of Policies				
		<u>Plan A</u>	<u>Plan B</u>	<u>Plan C</u>	<u>Plan D</u>	<u>HMHP</u>
\$ -	\$ 40,400	12,163	2,550	880	414	1,694
\$ 40,401	\$ 52,400	11,237	3,263		414	1,738
\$ 52,401	\$ 72,900	13,023	3,573		294	1,856
\$ 72,901	\$ 110,400	3,530	1,242		75	445
\$ 110,401	+	617	321		5	97

PEIA Five Year Plan

	2024	2025	2026	2027	2028	2029
Additional Employer Premium	\$ 108,100,000	\$ 62,700,000	\$ 92,900,000	\$ 70,000,000	\$ 82,000,000	\$ 135,000,000
Increase	22.4%	10.4%	14.0%	9.3%	9.9%	14.9%
Local Fund Premium Increase	\$ 22,500,000	\$ 22,800,000	\$ 29,900,000	\$ 27,000,000	\$ 27,000,000	\$ 24,000,000
Increase	15.9%	13.9%	16.0%	12.5%	11.1%	8.9%
Employee Premium	\$ 28,900,000	\$ 15,700,000	\$ 38,700,000	\$ 9,500,000	\$ 16,500,000	\$ 33,800,000
Increase	24.2%	10.7%	*14.0%	4.7%	7.8%	14.8%
State Direct Transfer (Budget Appropriations)	\$ -	\$ 87,000,000	\$ -	\$ -	\$ -	\$ -
Local Direct Transfer (Budget Appropriations)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Board Decision Benefit Reduce/(Add) - Active State Medical	\$ -	\$ -	\$ 35,500,000	\$ -	\$ -	\$ -
			6.2%			
Board Decision Benefit Reduce/(Add) - Active State Drugs	\$ -	\$ -	\$ 13,700,000	\$ -	\$ -	\$ -
			3.7%			
Board Decision Benefit Reduce/(Add) - Active Local Medical	\$ -	\$ -	\$ 7,900,000	\$ -	\$ -	\$ -
			6.0%			
Board Decision Benefit Reduce/(Add) - Active Local Drug:	\$ -	\$ -	\$ 3,300,000	\$ -	\$ -	\$ -
			3.8%			
ACA PCORI Fees (Cost)	\$ (513,511)	\$ (512,514)	\$ (512,514)	\$ (512,514)	\$ (512,514)	\$ (512,514)
Pay Go Premium Transfer	\$ -	\$ 29,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Total Fund	2024	2025	2026	2027	2028	2029
Beginning Reserve	124,829,897	81,953,400	89,302,736	144,733,011	177,580,541	182,819,974
Fiscal Year Results	(42,876,496)	7,349,336	55,430,275	32,847,530	5,239,433	16,239,295
<u>Ending Reserve</u>	<u>81,953,400</u>	<u>89,302,736</u>	<u>144,733,011</u>	<u>177,580,541</u>	<u>182,819,974</u>	<u>199,059,269</u>
<u>Minimum Actuarial Reserve Required</u>	<u>120,019,259</u>	<u>132,784,636</u>	<u>138,480,029</u>	<u>154,889,074</u>	<u>174,196,654</u>	<u>196,977,659</u>
PEIA Expenses	979,082,737	1,082,079,644	1,128,964,963	1,261,301,660	1,416,885,100	1,600,317,746
Reserve as a Percent of Expenses	8.4%	8.3%	12.8%	14.1%	12.9%	12.4%
State Fund	2024	2025	2026	2027	2028	2029
Beginning Reserve	97,585,797	65,806,630	87,831,623	133,337,693	153,369,905	147,166,571
Fiscal Year Results	(31,779,166)	22,024,993	45,506,069	20,032,212	(6,203,334)	14,484,946
<u>Ending Reserve</u>	<u>65,806,630</u>	<u>87,831,623</u>	<u>133,337,693</u>	<u>153,369,905</u>	<u>147,166,571</u>	<u>161,651,517</u>
<u>Minimum Actuarial Reserve Required</u>	<u>97,862,972</u>	<u>108,241,318</u>	<u>112,860,310</u>	<u>126,192,657</u>	<u>141,875,115</u>	<u>160,373,378</u>
PEIA Expenses	799,468,646	883,279,654	921,379,729	1,028,985,731	1,155,445,138	1,304,486,506
Reserve as a Percent of Expenses	8.2%	9.9%	14.5%	14.9%	12.7%	12.4%
Local Fund	2024	2025	2026	2027	2028	2029
Beginning Reserve	27,244,100	16,146,770	1,471,113	11,395,319	24,210,636	35,653,404
Fiscal Year Results	(11,097,330)	(14,675,657)	9,924,206	12,815,317	11,442,768	1,754,349
<u>Ending Reserve</u>	<u>16,146,770</u>	<u>1,471,113</u>	<u>11,395,319</u>	<u>24,210,636</u>	<u>35,653,404</u>	<u>37,407,753</u>
<u>Minimum Actuarial Reserve Required</u>	<u>22,156,288</u>	<u>24,543,317</u>	<u>25,619,719</u>	<u>28,696,417</u>	<u>32,321,538</u>	<u>36,604,282</u>
PEIA Expenses	179,614,091	198,799,990	207,585,234	232,315,929	261,439,962	295,831,241
Reserve as a Percent of Expenses	9.0%	0.7%	5.5%	10.4%	13.6%	12.6%
State Share	80.3%	80.3%	79.0%	80.3%	80.0%	80.0%
Employee Share	19.7%	19.7%	21.0%	20.4%	20.0%	20.0%
Growth In Program Expenses	15.2%	13.5%	2.5%	11.6%	12.2%	12.9%

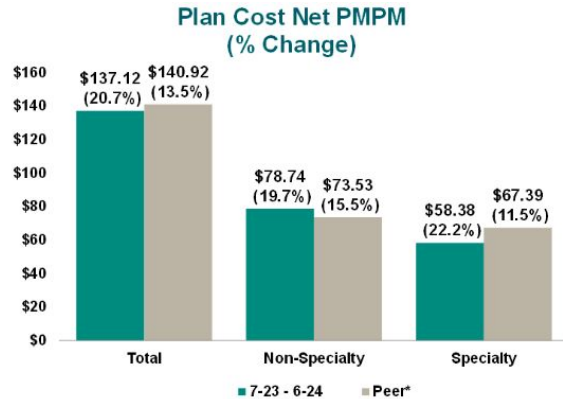
*The employee base premiums are proposed to increase 14.0%, or \$22.8M. The additional \$15.9M premium increase is the anticipated amount from the change in the spousal surcharge.

RHBT Five Year Plan

	2024	2025	2026	2027	2028	2029
Retiree Premium Increase- Non-Medicare (Fiscal Year)	\$ -	\$ 2,095,400	\$ 2,632,858	\$ 3,500,869	\$ 4,450,320	\$ 5,647,310
Increase	0.0%	10.0%	12.0%	15.0%	17.5%	20.0%
Retiree Premium Increase - Medicare (Calendar Year)	\$ -	\$ -	\$ 7,147,945	\$ 9,823,034	\$ 13,195,068	\$ 17,826,973
Increase	0.0%	0.0%	12.0%	15.0%	17.5%	20.0%
General Revenue Transfer (OPEB Funding)	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare Medical	\$ -	\$ -	\$ 4,300,000	\$ -	\$ -	\$ -
			6.3%			
Board Decision Benefit Reduce/(Add) - Retiree Non-Medicare Drugs	\$ -	\$ -	\$ 1,300,000	\$ -	\$ -	\$ -
			2.9%			
Board Decision Benefit Reduce/(Add) - Humana MAPD (Calendar Year)	\$ -	\$ -	\$ 32,600,000	\$ -		
ACA PCORI Fees (Cost)	\$ (32,485)	\$ (32,378)	\$ (36,786)	\$ (41,200)	\$ (45,618)	\$ (50,042)
Pay Go Premium Transfer	\$ -	\$ 29,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000
Total RHBT Fund	2024	2025	2026	2027	2028	2029
Beginning Reserve	\$ 1,795,665,986	\$ 1,945,516,893	\$ 2,044,324,186	\$ 2,110,822,565	\$ 2,162,768,807	\$ 2,205,633,332
Fiscal Year Results	230,612,334	174,837,010	182,244,313	61,515,668	42,864,525	33,285,857
Ending Total Reserve	1,945,516,893	2,044,324,186	2,110,822,565	2,162,768,807	2,205,633,332	2,238,919,188
Ending Premium Stabilization Reserve	\$ 201,345,077	\$ 125,315,360	\$ 9,569,426	\$ -	\$ -	\$ -
Medicare Fund (Fiscal Year)	2024	2025	2026	2027	2028	2029
Beginning Reserve	\$ 1,034,340,027	\$ 1,150,486,292	\$ 1,234,650,076	\$ 1,302,334,197	\$ 1,368,677,491	\$ 1,440,800,543
Fiscal Year Results	183,228,886	147,202,614	150,429,701	74,248,759	72,123,052	80,342,029
Ending Total Reserve	1,150,486,292	1,234,650,076	1,302,334,197	1,368,677,491	1,440,800,543	1,521,142,572
Ending Premium Stabilization Reserve	\$ 153,689,875	\$ 90,651,045	\$ 7,905,465	\$ -	\$ -	\$ (0)
Non-Medicare Fund	2024	2025	2026	2027	2028	2029
Beginning Reserve	\$ 761,325,958	\$ 795,030,600	\$ 809,674,106	\$ 808,488,363	\$ 794,091,311	\$ 764,832,785
Fiscal Year Results	47,383,448	27,634,393	31,814,612	(12,733,092)	(29,258,525)	(47,056,170)
Ending Total Reserve	795,030,600	809,674,106	808,488,363	794,091,311	764,832,785	717,776,615
Ending Premium Stabilization Reserve	\$ 47,655,202	\$ 34,664,315	\$ 1,663,961	\$ -	\$ -	\$ 0
*Actuarial Accrued Liability (BOY)	\$ 1,860,270,546	\$ 1,903,880,796	\$ 1,939,322,709	\$ 1,962,704,349	\$ 1,980,594,040	\$ 1,989,393,744
Funded Status	96.5%	102.2%	105.4%	107.5%	109.2%	110.9%
*Present Value of Benefits (BOY)	\$ 2,021,862,806	\$ 2,063,062,405	\$ 2,095,209,670	\$ 2,116,051,773	\$ 2,131,991,389	\$ 2,139,636,898
Funded Status	88.8%	94.3%	97.6%	99.8%	101.4%	103.1%
Growth In Program Expenses	15.5%	14.2%	13.8%	13.8%	11.1%	11.7%
Retiree Subsidy	\$ 108,309,100	\$ 132,663,717	\$ 154,761,634	\$ 175,791,512	\$ 190,358,318	\$ 204,839,148
Percent Paid By Retiree	37.2%	32.9%	31.4%	31.7%	33.5%	36.0%

What is driving the cost increases?

1) Rate of inflation in and utilization of prescription drugs



- PEIA PMPM remains below peer, however, inflationary trend is greater than peer.
- It is important for PEIA to arrest the trend through comparative effectiveness initiatives, 340b partnerships, benefit adjustments, and wellness programs.

Plan Performance			
	7-23 - 6-24	7-22 - 6-23	Change %
AWP	\$945,795,746	\$861,646,128	9.8%
Network & Mail Discount			
Savings (includes dispensing fees)	-\$482,921,022	-\$457,076,034	5.7%
Tax	\$64,604	\$25,090	157.5%
Gross Cost	\$462,939,327	\$404,595,184	14.4%
Member Cost	-\$58,294,986	-\$59,741,699	-2.4%
Copay/Deductible	-\$29,226,800	-\$31,009,233	-5.7%
SaveOnSP	-\$29,068,187	-\$28,732,467	1.2%
Plan Cost	\$404,272,699	\$344,419,659	17.4%
Rebates*	-\$147,754,343	-\$124,342,206	18.8%
Plan Cost Net	\$256,518,356	\$220,077,453	16.6%
Members	155,898	161,476	-3.5%
Gross Cost PMPM	\$247.46	\$208.80	18.5%
Plan Cost PMPM	\$216.10	\$177.75	21.6%
Rebates PMPM	\$78.98	\$64.17	23.1%
Plan Cost Net PMPM	\$137.12	\$113.58	20.7%

What is driving the cost increases?

2) Utilization of GLP-1s

A Glance at GLP-1

GLP-1 drugs were responsible for \$52.5M, which is 19.9% of your overall cost

GLP-1s accounted for \$10.25 (43.6%) of the total \$23.54 Net PMPM increase.

What is driving the cost increases?

3) SB268 and Increased reimbursement to providers

- ~\$70M year over year increase paid to health care providers as a result of SB268
- SB268 mandated the spousal surcharge at the actuarial value of covering the spouse
- SB268 formalized the 80/20 rule
- Expecting ~\$5M in SFY25 to independent pharmacies as a result of SB453

4) Substantial increases in Medicare Advantage due to Inflation Reduction Act

Public Comment



Date	City	Location	Time
Nov. 7, 2024	Beckley	Beckley-Raleigh Convention Center 200 Armory Drive, Beckley, WV 25801	Registration: 5:30-6pm Begins: 6pm
Nov. 12, 2024	Martinsburg	Holiday Inn Martinsburg 301 Foxcroft Avenue, Martinsburg, WV 25401	Registration: 5:30-6pm Begins: 6pm
Nov. 14, 2024	Wheeling	The Highlands Event Center 355 Wharton Circle, Suite 253, Triadelphia, WV 26059	Registration: 5:30-6pm Begins: 6pm
Nov. 18, 2024	Virtual Town Hall	Join by <u>computer or smartphone</u> Link: meet.google.com/fxe-wtgm-peg Join by <u>phone</u> Phone Number: 1-413-350-0825 PIN Number: 426 346 783#	No Registration Period. Begins: 6pm
Nov. 19, 2024	Morgantown	The Erickson Alumni Center 1 Alumni Drive, Morgantown, WV 26506	Registration: 5:30-6pm Begins: 6pm
Nov. 21, 2024	Charleston	The Culture Center 1900 Kanawha Boulevard East, Charleston, WV 25305	Registration: 5:30-6pm Begins: 6pm

If you would like to request a copy of today's meeting materials or if you have any questions, please contact:

Email:

PEIAComments@wv.gov

