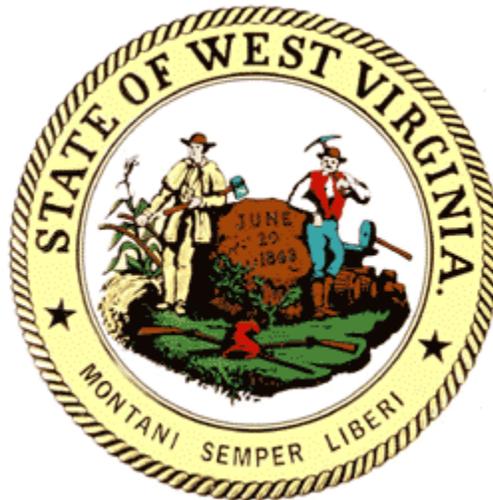




**CCRC**  
Actuaries, LLC

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# STATE OF WEST VIRGINIA



## **PUBLIC EMPLOYEES INSURANCE AGENCY**

**Quarterly Report  
March 31, 2007**

**Fiscal Years 2007-2011**

*June 2007*



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Finance Board  
West Virginia Public Employees Insurance Agency  
State Capitol Complex  
Building 5, Room 1001  
1900 Kanawha Boulevard, East  
Charleston, WV 25305-0710

Ladies and Gentlemen:

I, Dave Bond, am a Fellow of the Society of Actuaries, a Member of the American Academy of Actuaries, and the Managing Partner in the firm of CCRC Actuaries, LLC (“CCRC Actuaries”).

CCRC Actuaries has been retained by the West Virginia Public Employees Insurance Agency Finance Board (“Board”) to assist it as provided under Code of the West Virginia (“Code”), 1931, as amended. The Board has asked CCRC Actuaries to review the financial plan prepared and proposed by the Board for the fiscal year ending June 30, 2007 (“FY 2007”) and to provide quarterly financial reports. Our analysis is developed on an accrued and incurred reporting basis for a projection period of five years.

Under the statutory Code provisions, it is the Board’s responsibility to prepare a proposed financial plan designed to generate revenues sufficient to meet all insurance program and administrative costs of the West Virginia Public Employees Insurance Agency (“PEIA”). The Board is required to provide a financing plan in which the State Fund revenue costs are financed 81% by state employers and 19% by state employees in FY 2007, and 80% by state employers and 20% by state employees in subsequent fiscal years. In FY 2008, the 80% employer share and 20% employee share were achieved through a transfer of employer funds to the West Virginia Retiree Health Benefit Fund.

The Board is also charged with the responsibility to review actual costs incurred, any revised cost estimates, expenditures, and other factors affecting the fiscal stability of the plan and to make any modifications to the plan necessary to insure that the total financial requirements of PEIA for the fiscal year are met. We have been asked to review the proposed financial plan, and as supported by our work, to render an opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet estimated insurance program and administrative costs of PEIA through FY 2011.

In accordance with the Code provisions, in FY 2008, PEIA is projected to transfer excess reserves to the Trust Fund in the amount of \$27,679,595 and \$82,763,255 for FY 2006 and FY 2007, respectively.

The Medicaid / PEIA Hospital Bill has been extended and is anticipated to continue to provide PEIA with hospital savings. These hospital savings are assumed to increase by the medical trend assumptions through Fiscal Year 2008. We are assuming that the Bill will terminate at the end of Fiscal Year 2008 and hospital reimbursement will resume to previous levels which will increase plan expense. However, this increase in plan expense will be partially offset by the assumed direct transfer of \$6,000,000 in FY 2009 and later years.

CCRC Actuaries has provided preliminary forecasts for the fiscal years ending June 30, 2007 ("FY 2007"), June 30, 2008 ("FY 2008"), June 30, 2009 ("FY 2009"), June 30, 2010 ("FY 2010"), and June 30, 2011 ("FY 2011"). Our opinion of plan adequacy is based on the projections through FY 2011 using updated future revenue and plan modifications provided by the Board in the financial plan adopted in December 2006. This forecast is prepared for the Public Employee Insurance Agency, and does not include actuarial projections for the Trust Fund.

In reviewing the plan, CCRC Actuaries utilized information concerning the plan's prior experience, covered individuals, plan revenues, plan benefits, plan administrative costs, and other expenses. This information was developed and provided by PEIA, the plan's third party administrators and other sources. In our review, we completely relied on the accuracy of this information and did not perform any due diligence on the information.

It should be noted that since the adoption of the financial plan in December 2006, PEIA has experienced favorable claim expense. In the circumstances and subject to the conditions described herein, we believe the financial plan approved by the Board for FY 2006 through FY 2011 may be reasonably expected to generate sufficient revenues, when combined with the existing surplus, to meet estimated insurance program and administrative costs of PEIA. In addition, we are forecasting that PEIA will meet the 80% employer cost share and 20% employee cost share requirement for state revenue in FY 2008 based on the scheduled revenue increases of the financial plan approved and amended by the Board in December 2006. In FY 2007, PEIA received a direct transfer of \$6.7 million to offset the loss of employee premiums, which resulted in the 81% employer share and 19% employee share.

The conclusion of long-term solvency for the program over the five-year forecast is based on significant revenue increases in employer and employee premiums in later fiscal years of the plan through FY 2011 as approved by the Board in December 2006.

The preparation of any estimate of future health costs requires consideration of a broad array of complex social and economic events. Changes in reimbursement methodology, the emergence of new and expensive medical procedures and prescription drugs options, and the continuing evolution of the framework of the managed care options, as are contemplated in the Board's proposed plan, increase the level of uncertainty of such estimates. As such, the estimate of insurance program costs contains considerable uncertainty and variability and actual experience may not conform to the assumptions used.

Respectfully,



Dave Bond, F.S.A., M.A.A.A.  
Managing Partner



Bradley Paulis  
Reviewing Partner

# **West Virginia Public Employees Insurance Agency**

## **Report of Independent Actuary**

### **Financial Plan for FY 2007 – FY 2011**

#### **OVERVIEW**

This report analyzes revenues and expenses related to funding the health and life insurance benefits of active employees of the State and various Local Agencies, together with their dependents. This report is intended for the sole use of the Board, and any other use requires written approval by CCRC Actuaries.

This report was compiled utilizing claims data collected by PEIA's third party administrators through May 2007 for prescription drugs and medical claims. Enrollment data, administrative expenses, managed care capitations, and plan revenues were provided at special request from PEIA. Revenue assumptions are based on premium rates, assumed interest income and significant general and special revenue allocations provided by the Governor, some which have not been approved by the West Virginia Legislature. In addition, other information became available through presentations made at the Board meetings, which has been used in arriving at our conclusions.

The Code of the West Virginia establishes the actuarial reporting requirements for PEIA on an incurred basis for medical claims and capitations and on an accrued basis for administrative expenses and revenue for a period not to exceed five years. At the request of the Board, the reporting basis is based upon the separation of employees into two funds: Active Local Employee Fund and State Employee Fund. The Active Local Fund represents local governmental agencies, county governmental agencies and other public entities. The State Fund represents active state employees, college and university employees and county boards of education employees. The Active Local Fund and the State Fund are allocated administrative costs based on each fund's proportionate total revenue levels.

## KEY ASSUMPTIONS

### A. Enrollment Changes

These projections include the assumption that Preferred Provider Benefit (“PPB”) and managed care enrollment will not change from June 2007 enrollment levels for the duration of these forecasts for active employees.

In aggregate, June 2007 enrollment for active employees has slightly increased by 271 coverages since the end of FY 2006. Aggregate PPB enrollment has increased by 360 in total over the same period, while managed care enrollment experienced a slight decline with 89 fewer coverages.

In the State Fund, there continues to be a transfer of coverage from managed care to PPB coverage with overall active State enrollment decreased by 65 coverages from the end of FY 2006 to June 2007. In the Local Fund, the same phenomena have occurred with overall active Local enrollment increased by 336 coverages from the end of FY 2006 to June 2007.

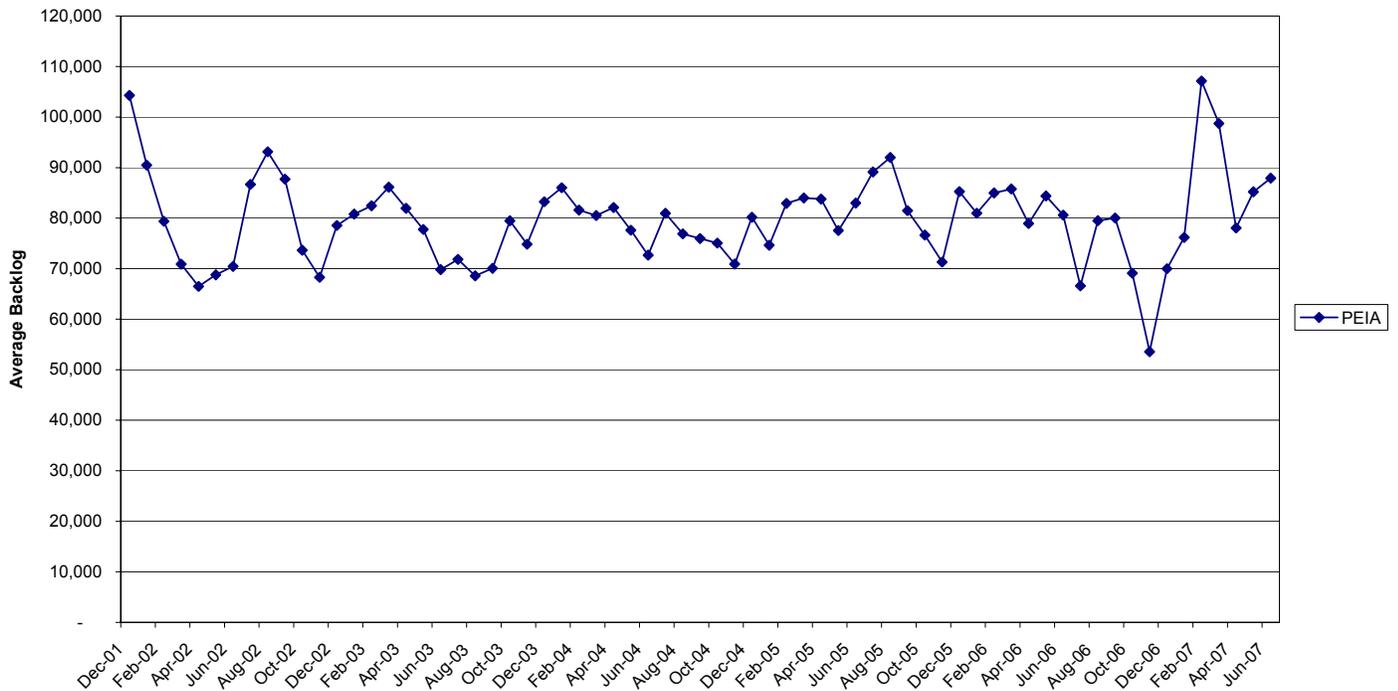
The following chart summarizes the current enrollment as of the selected monthly billing dates of June 2005, June 2006 and June 2007 for purposes of comparison:

PEIA Fund	Coverage	Preferred Provider Benefit			Managed Care		
		Jun-05	Jun-06	Jun-07	Jun-05	Jun-06	Jun-07
State Active	Single	18,783	18,838	19,363	3,476	3,388	3,449
	Children	4,948	4,933	4,990	708	673	644
	Family	30,993	30,737	30,179	4,382	4,105	3,984
	Total	54,724	54,508	54,532	8,566	8,166	8,077
Local Active	Single	3,549	3,767	3,930	383	376	380
	Children	592	594	575	155	157	154
	Family	4,397	4,503	4,695	103	119	118
	Total	8,538	8,864	9,200	641	652	652
Plan Total		63,262	63,372	63,732	9,207	8,818	8,729
Grand Total					72,469	72,190	72,461

## B. Changes in Claim Backlog

With the exception of the most recent increases in February 2007 and March 2007, the medical claim backlog has been relatively stable throughout Fiscal Year 2007.

WV PEIA Claim Backlog through June 2007



### C. Trend Analysis

CCRC Actuaries performed the detailed medical and prescription drugs trend analysis in the report titled, "Medical & Prescription Drugs Claims Trend Report - September, 2006". This report includes the detailed trend analysis of PEIA experience by medical and prescription drugs. Based on the analysis, we have reduced the FY 2007 Non-Medicare medical claim trend to 6.5%. Additionally, due to PEIA's favorable prescription drug experience, we have reduced our trend assumption for all prescription drugs coverage to 12.0% in FY 2007.

The current projection assumes the trends in the following table:

Claim Type	Previous Assumption FY 2007 Trend	Updated Assumption FY 2007 Trend
Active Local – Medical	8.5%	6.5%
State – Medical	8.5%	6.5%
Active Local – Drugs	17.0%	12.0%
State – Drugs	17.0%	12.0%

In addition, we have assumed that trends will remain the same for FY 2008 and then increase by 0.5% in each successive fiscal year beginning in FY 2009. At the Board's request, the baseline trend assumptions have been established to reflect the most likely or expected trends. In order to provide information on the impact of varying trend assumptions, two alternative trend scenarios were developed. The Optimistic Scenario incorporates trend assumptions 2.0% below the Baseline Scenario and the Pessimistic Scenario incorporates trend assumptions 2.0% above the Baseline Scenario.

The following chart summarizes the trend results observed for the plan using data through May 2007. It is important to note that these trends ***have not*** been adjusted to reflect savings as a result of the expansion of the drug rebate program or the claim savings due to changes in provider reimbursement methodologies, nor the changes in the benefit structure. In developing the claim cost projection, we have reflected for benefit and reimbursement changes as an adjustment to the gross trend assumption.

**PEIA Historical Trends (Active Local and State)**

<b>Fiscal Year</b>	<b>Active Local Medical</b>	<b>State Medical</b>	<b>Active Local Drugs</b>	<b>State Drugs</b>	<b>Total</b>
2003	2%	4%	19%	14%	7%
2004	-2%	10%	9%	7%	8%
2005	16%	7%	7%	20%	11%
2006	0%	2%	18%	7%	3%
2007	9%	2%	17%	11%	5%

**D. Enrollment, Claim, Expense and Revenue Assumptions**

Using PEIA paid claim data through May 2007 for medical claims and for prescription drugs claims, average annualized incurred unit claim costs were developed for the State Fund and the Local Fund for both self-funded and managed care coverages. CCRC Actuaries has developed the claim cost on an adjusted exposure basis using the respective expected claim cost for each coverage type. The adjusted exposure methodology weighs the expected claim cost under each coverage type for single, member and children, and family coverages based on observed differences in health care cost. For example, under this methodology single coverage types are given a weight of 1.0 exposure, whereas member and children coverages are given a greater weighting based on historical expected health care cost relationships. Based on this methodology, the projection of FY 2007 claims and expenses are summarized in the following chart. It should be noted that the chart reflects per policy information.

<b>Fiscal Year 2007 Projection</b>			<b>Revenue</b>		<b>Expenses</b>		
<b>Fund</b>	<b>Program</b>	<b>Policies</b>	<b>Monthly Employer Premiums</b>	<b>Monthly Employee Premiums</b>	<b>Monthly Medical Costs</b>	<b>Monthly Drugs Costs</b>	<b>Monthly Capitation Costs</b>
State	PPB	54,237	\$ 446	\$ 101	\$ 340	\$ 129	
	<u>Managed Care</u>	7,991	\$ 429	\$ 115			\$ 523
	Total	62,228					
Local	PPB	8,849	\$ 501	\$ -	\$ 356	\$ 115	
	<u>Managed Care</u>	630	\$ 479	\$ -			\$ 447
	Total	9,479					

Projected plan revenues, administrative expenses, life insurance premiums, and the amount to be spent on wellness programs were provided by PEIA. Interest income is currently allocated to each fund based on average reserve levels for each fund. The following chart summarizes the additional revenues from employers, employees and direct transfers assumed in the report.

**Board Decisions – December 2006**

<b>Source</b>	<b>Fiscal Year 2007</b>	<b>Fiscal Year 2008</b>	<b>Fiscal Year 2009</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>
<b>Additional State Employer Revenue</b>	\$5,000,000	\$0	\$30,000,000	\$40,000,000	\$55,000,000
<b>Additional Local Agency Revenue</b>	\$2,000,000	\$0	\$2,000,000	\$11,000,000	\$11,000,000
<b>Additional Employee Premiums</b>	\$11,700,000	\$0	\$7,500,000	\$10,000,000	\$13,800,000
<b>Direct Transfer</b>	\$6,700,000	\$0	\$6,000,000	\$6,000,000	\$6,000,000

Under House Bill 4654, enacted during the 2006 Regular Legislative Session, the Public Employees Insurance Agency Finance Board is allowed to delay the eighty-twenty split between employer and employee due to a partial offset by a legislative appropriation. As a result, the scheduled employee premium increase of \$18,400,000 has been reduced by \$6,700,000 to \$11,700,000 in FY 2007.

Future fiscal year state revenue increases will require legislative appropriation. Additional local agency revenue represents premium increases to be charged to local agencies. Additional employee premiums represent employee premiums paid by active employees participating in the State Fund

**E. Provider Reimbursement Changes**

The Medicaid / PEIA Hospital Bill has been extended and is anticipated to continue to provide PEIA with hospital savings. These hospital savings are assumed to increase by the medical trend assumptions in future years through Fiscal Year 2008. We are assuming that the Bill will terminate at the end of Fiscal Year 2008 and hospital reimbursement will resume to previous levels which will increase plan expense, and will be partially offset by the assumed direct transfer of \$6,000,000 in Fiscal Year 2009.

## **FISCAL YEAR 2007 FORECAST**

The financial forecast for FY 2007 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2007 projects accrued revenue of \$501,011,302 and incurred plan expenses of \$435,041,225 to produce a fiscal year surplus of \$65,970,077.

Under the Baseline Scenario, FY 2007 is projected to end with a reserve of \$284,517,419 and the FY 2008 expenditures of \$464,643,014, which represents 61% of projected expenditures. This projected reserve clearly meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$286,349,985 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$282,699,094.

## **FISCAL YEAR 2008 FORECAST**

The financial forecast for FY 2008 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2008 projects accrued revenue of \$478,174,793 and incurred plan expenses of \$464,643,014 to produce a fiscal year surplus of \$13,531,779.

Under the Baseline Scenario, FY 2008 is projected to end with a reserve of \$148,844,620 and the FY 2009 expenditures of \$520,492,659, which represents 29% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$155,320,999 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$142,328,456.

## **FISCAL YEAR 2009 FORECAST**

The financial forecast for FY 2009 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2009 projects accrued revenue of \$504,149,575 and incurred plan expenses of \$520,492,659 to produce a fiscal year deficit of (\$16,343,084).

Under the Baseline Scenario, FY 2009 is projected to end with a reserve of \$132,501,536 and the FY 2010 expenditures of \$565,512,545, which represents 23% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$157,166,849 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$107,355,206.

## **FISCAL YEAR 2010 FORECAST**

The financial forecast for FY 2010 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2010 projects accrued revenue of \$550,315,390 and incurred plan expenses of \$565,512,545 to produce a fiscal year deficit of (\$15,197,155).

Under the Baseline Scenario, FY 2010 is projected to end with a reserve of \$117,304,381 and the FY 2011 expenditures of \$617,089,903, which represents 19% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$170,842,579 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$62,061,779.

## **FISCAL YEAR 2011 FORECAST**

The financial forecast for FY 2011 under the Baseline scenario is presented in the Appendix. The Baseline forecast for FY 2011 projects accrued revenue of \$613,935,501 and incurred plan expenses of \$617,089,903 to produce a fiscal year deficit of (\$3,154,402).

Under the Baseline Scenario, FY 2011 is projected to end with a reserve of \$114,149,979 and the FY 2012 expenditures of \$676,288,288, which represents 17% of projected expenditures. This projected reserve meets the 10% of program expense requirement under the Baseline Scenario assumptions. Under the Optimistic Scenario, the ending reserve is expected to increase to \$209,336,846 and under the Pessimistic Scenario, the ending reserve is expected to decrease to \$14,736,057.

## **LITIGATION**

The forecasts presented in the attached tables do not contemplate any additional revenues or expenses to be generated from litigation activities.

## **SUMMARY**

With projected changes to the plan as adopted by the PEIA Finance Board, we are forecasting that the plan will meet the 10% reserve target through the projection period ending with the Fiscal Year 2011 using the Baseline assumptions. These projections are based on significant revenue increases projected by PEIA and are contingent on legislative approval. These forecasts are based on assumptions including the estimated cost and savings of plan changes, expected trend levels and exposure levels. The continued enrollment changes of the managed care options, changes in physician, ambulatory and hospital provider reimbursement, possible changes in methodology of managed care premium calculation, and changes in the prescription drugs program, can be expected to further exacerbate the difficulty of projecting future medical and drugs claim levels and lags. These projections do not incorporate any anticipated effects of national or state health care reform, such as universal health insurance initiatives and Medicaid reform. As such, actual results deviating from those amounts projected in these pages should not be unexpected. With the legislatively mandated requirement of a five-year projection, it should be assumed that constant modifications would be required.

**APPENDIX - BASELINE SCENARIO  
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
FINANCIAL FORECAST  
FISCAL YEAR 2007**

**PERIOD 7/1/2006 - 6/30/2007**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 53,190,115	\$ 290,525,246	\$ 343,715,361
Employer Premiums - MCO	3,623,174	41,098,323	44,721,497
Employee Premiums - PPB	-	66,013,740	66,013,740
Employee Premiums - MCO	-	11,040,016	11,040,016
Direct Transfers	-	6,700,000	6,700,000
Investment Income	2,483,883	20,516,117	23,000,000
COBRA Premiums	343,373	1,156,627	1,500,000
Administrative Fees	317,346	4,003,342	4,320,688
<b>Total Revenue</b>	<b>\$ 59,957,891</b>	<b>\$ 441,053,411</b>	<b>\$ 501,011,302</b>
<u>Program Expenses</u>			
Medical Claims	\$ 37,807,695	\$ 221,253,212	\$ 259,060,907
Prescription Drug Claims	12,248,532	83,881,311	96,129,843
Managed Care Capitations	3,379,904	50,194,536	53,574,440
Administration	2,145,522	15,782,573	17,928,095
Life Insurance	732,969	5,391,758	6,124,727
Wellness	227,380	1,672,620	1,900,000
Director's Discretionary Fund	45,550	277,663	323,213
<b>Total Expenses</b>	<b>\$ 56,587,552</b>	<b>\$ 378,453,673</b>	<b>\$ 435,041,225</b>
Initial UAAL OPEB Funding	\$ -	\$ -	\$ -
<b>Fiscal Year Results</b>	<b>\$ 3,370,339</b>	<b>\$ 62,599,738</b>	<b>\$ 65,970,077</b>
Beginning Plan Reserve	22,506,324	196,041,018	218,547,342
Ending Plan Reserve	\$ 25,876,663	\$ 258,640,756	\$ 284,517,419

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 5,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 2,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 11,700,000	Active Local	6.5%	12.0%
Direct Transfers	\$ 6,700,000	State	6.5%	12.0%
		Capitations		10.0%
		Administrative Expense		5.0%

**APPENDIX - BASELINE SCENARIO  
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
FINANCIAL FORECAST  
FISCAL YEAR 2008**

**PERIOD 7/1/2007 - 6/30/2008**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 52,030,914	\$ 284,879,663	\$ 336,910,577
Employer Premiums - MCO	3,544,212	40,299,686	43,843,898
Employee Premiums - PPB	-	64,730,939	64,730,939
Employee Premiums - MCO	-	10,825,483	10,825,483
Direct Transfers	-	-	-
Investment Income	1,561,385	14,510,971	16,072,356
COBRA Premiums	336,701	1,134,151	1,470,852
Administrative Fees	317,346	4,003,342	4,320,688
<b>Total Revenue</b>	<b>\$ 57,790,558</b>	<b>\$ 420,384,235</b>	<b>\$ 478,174,793</b>
<u>Program Expenses</u>			
Medical Claims	\$ 41,573,709	\$ 235,533,404	\$ 277,107,113
Prescription Drug Claims	13,450,065	89,184,918	102,634,983
Managed Care Capitations	3,548,899	52,704,263	56,253,162
Administration	2,252,798	16,571,702	18,824,500
Life Insurance	769,617	5,661,346	6,430,963
Wellness	227,380	1,672,620	1,900,000
Director's Discretionary Fund	216,230	1,276,063	1,492,293
<b>Total Expenses</b>	<b>\$ 62,038,698</b>	<b>\$ 402,604,316</b>	<b>\$ 464,643,014</b>
Initial UAAL OPEB Funding	\$ 4,761,728	\$ 34,000,000	\$ 38,761,728
PEIA Mandatory Transfer to WV RHBT 2007	8,690,433	74,072,821	82,763,255
PEIA Mandatory Transfer to WV RHBT 2006	2,906,455	24,773,140	27,679,595
Fiscal Year Results	\$ (4,248,140)	\$ 17,779,919	\$ 13,531,779
Beginning Plan Reserve	25,876,663	258,640,756	284,517,419
Ending Plan Reserve	5,269,907	143,574,713	\$ 148,844,620

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ -	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ -	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ -	Active Local	6.5%	12.0%
Direct Transfers	\$ -	State	6.5%	12.0%
		Capitations		5.0%
		Administrative Expense		5.0%

**APPENDIX - BASELINE SCENARIO  
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
FINANCIAL FORECAST  
FISCAL YEAR 2009**

**PERIOD 7/1/2008 - 6/30/2009**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 52,287,966	\$ 303,202,707	\$ 355,490,673
Employer Premiums - MCO	3,561,722	42,891,703	46,453,425
Employee Premiums - PPB	-	69,245,510	69,245,510
Employee Premiums - MCO	-	11,580,491	11,580,491
Direct Transfers	-	6,000,000	6,000,000
Investment Income	547,909	8,943,920	9,491,829
COBRA Premiums	358,701	1,208,258	1,566,959
Administrative Fees	317,346	4,003,342	4,320,688
<b>Total Revenue</b>	<b>\$ 57,073,644</b>	<b>\$ 447,075,931</b>	<b>\$ 504,149,575</b>
<u>Program Expenses</u>			
Medical Claims	\$ 44,389,599	\$ 269,090,726	\$ 313,480,325
Prescription Drug Claims	15,101,106	100,132,668	115,233,774
Managed Care Capitations	3,903,789	57,974,689	61,878,478
Administration	2,365,438	17,400,287	19,765,725
Life Insurance	808,098	5,944,413	6,752,511
Wellness	227,380	1,672,620	1,900,000
Director's Discretionary Fund	205,629	1,276,217	1,481,846
<b>Total Expenses</b>	<b>\$ 67,001,039</b>	<b>\$ 453,491,620</b>	<b>\$ 520,492,659</b>
Initial UAAL OPEB Funding	\$ -	\$ -	\$ -
PEIA Mandatory Transfer to WV RHBT 2008	-	-	-
<b>Fiscal Year Results</b>	<b>\$ (9,927,395)</b>	<b>\$ (6,415,689)</b>	<b>\$ (16,343,084)</b>
Beginning Plan Reserve	5,269,907	143,574,713	148,844,620
Ending Plan Reserve	\$ (4,657,488)	\$ 137,159,024	\$ 132,501,536

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 30,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 2,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 7,500,000	Active Local	7.0%	12.5%
Direct Transfers	\$ 6,000,000	State	7.0%	12.5%
		Capitations		10.0%
		Administrative Expense		5.0%

**APPENDIX - BASELINE SCENARIO  
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
FINANCIAL FORECAST  
FISCAL YEAR 2010**

**PERIOD 7/1/2009 - 6/30/2010**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 60,809,520	\$ 329,512,058	\$ 390,321,578
Employer Premiums - MCO	4,142,188	46,613,480	50,755,668
Employee Premiums - PPB	-	75,689,762	75,689,762
Employee Premiums - MCO	-	12,658,216	12,658,216
Direct Transfers	-	6,000,000	6,000,000
Investment Income	82,586	8,817,545	8,900,131
COBRA Premiums	382,140	1,287,207	1,669,347
Administrative Fees	317,346	4,003,342	4,320,688
<b>Total Revenue</b>	<b>\$ 65,733,780</b>	<b>\$ 484,581,610</b>	<b>\$ 550,315,390</b>
<u>Program Expenses</u>			
Medical Claims	\$ 47,618,250	\$ 288,662,879	\$ 336,281,129
Prescription Drug Claims	17,030,351	112,925,140	129,955,491
Managed Care Capitations	4,294,168	63,772,158	68,066,326
Administration	2,483,710	18,270,301	20,754,011
Life Insurance	848,503	6,241,634	7,090,137
Wellness	227,380	1,672,620	1,900,000
Director's Discretionary Fund	203,200	1,262,251	1,465,451
<b>Total Expenses</b>	<b>\$ 72,705,562</b>	<b>\$ 492,806,983</b>	<b>\$ 565,512,545</b>
Initial UAAL OPEB Funding	\$ -	\$ -	\$ -
PEIA Mandatory Transfer to WV RHBT 2009	-	-	-
<b>Fiscal Year Results</b>	<b>\$ (6,971,782)</b>	<b>\$ (8,225,373)</b>	<b>\$ (15,197,155)</b>
Beginning Plan Reserve	(4,657,488)	137,159,024	132,501,536
Ending Plan Reserve	\$ (11,629,270)	\$ 128,933,651	\$ 117,304,381

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 40,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 11,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 10,000,000	Active Local	7.5%	13.0%
Direct Transfers	\$ 6,000,000	State	7.5%	13.0%
		Capitations		10.0%
		Administrative Expense		5.0%

**APPENDIX - BASELINE SCENARIO  
PEIA - ACTIVE LOCAL AND STATE**

**WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
FINANCIAL FORECAST  
FISCAL YEAR 2011**

**PERIOD 7/1/2010 - 6/30/2011**

	<b>Active Local Fund</b>	<b>State Fund</b>	<b>PEIA Total</b>
<u>Revenues</u>			
Employer Premiums - PPB	\$ 69,153,379	\$ 368,123,099	\$ 437,276,478
Employer Premiums - MCO	4,710,550	52,075,481	56,786,031
Employee Premiums - PPB	-	85,144,022	85,144,022
Employee Premiums - MCO	-	14,239,329	14,239,329
Direct Transfers	-	6,000,000	6,000,000
Investment Income	(231,572)	8,622,101	8,390,529
COBRA Premiums	407,109	1,371,315	1,778,424
Administrative Fees	317,346	4,003,342	4,320,688
<b>Total Revenue</b>	<b>\$ 74,356,812</b>	<b>\$ 539,578,689</b>	<b>\$ 613,935,501</b>
<u>Program Expenses</u>			
Medical Claims	\$ 51,319,918	\$ 311,102,475	\$ 362,422,393
Prescription Drug Claims	19,291,250	127,916,751	147,208,001
Managed Care Capitations	4,723,585	70,149,374	74,872,959
Administration	2,607,895	19,183,816	21,791,711
Life Insurance	890,928	6,553,716	7,444,644
Wellness	227,380	1,672,620	1,900,000
Director's Discretionary Fund	200,930	1,249,265	1,450,195
<b>Total Expenses</b>	<b>\$ 79,261,886</b>	<b>\$ 537,828,017</b>	<b>\$ 617,089,903</b>
Initial UAAL OPEB Funding	\$ -	\$ -	\$ -
PEIA Mandatory Transfer to WV RHBT 2010	-	-	-
<b>Fiscal Year Results</b>	<b>\$ (4,905,074)</b>	<b>\$ 1,750,672</b>	<b>\$ (3,154,402)</b>
Beginning Plan Reserve	(11,629,270)	128,933,651	117,304,381
Ending Plan Reserve	\$ (16,534,344)	\$ 130,684,323	\$ 114,149,979

**KEY ASSUMPTIONS**

Additional State Employer Premiums	\$ 55,000,000	<b>Claim and Other Expense Trends</b>		
Additional Local Agency Revenue	\$ 11,000,000	<u>Eligibility</u>	<u>Medical</u>	<u>Drugs</u>
Additional State Employee Premiums	\$ 13,800,000	Active Local	8.0%	13.5%
Direct Transfers	\$ 6,000,000	State	8.0%	13.5%
		Capitations		10.0%
		Administrative Expense		5.0%

**Attachment - PEIA  
Historical Monthly Medical and Drug Trends  
FY 2003 to FY 2007**

<b>Fiscal Year 2003</b>												
<b>Exposure</b>	<u><b>Jul-02</b></u>	<u><b>Aug-02</b></u>	<u><b>Sep-02</b></u>	<u><b>Oct-02</b></u>	<u><b>Nov-02</b></u>	<u><b>Dec-02</b></u>	<u><b>Jan-03</b></u>	<u><b>Feb-03</b></u>	<u><b>Mar-03</b></u>	<u><b>Apr-03</b></u>	<u><b>May-03</b></u>	<u><b>Jun-03</b></u>
<b>Local Medical</b>	16,558	16,454	16,395	16,334	16,332	16,383	16,099	16,368	16,225	17,583	16,156	16,123
<b>State Medical</b>	121,509	121,141	121,292	121,630	121,774	121,747	121,170	122,009	121,970	121,962	121,838	121,677
<b>Local Drugs</b>	16,558	16,454	16,395	16,334	16,332	16,383	16,099	16,368	16,225	17,583	16,156	16,123
<b>State Drugs</b>	121,509	121,141	121,292	121,630	121,774	121,747	121,170	122,009	121,970	121,962	121,838	121,677
<b>Local Medical</b>	\$102.25	\$116.90	\$116.08	\$122.53	\$106.73	\$126.95	\$128.69	\$127.35	\$132.19	\$115.69	\$149.93	\$139.80
<b>State Medical</b>	113.64	116.51	113.10	120.28	117.72	113.44	132.42	116.33	134.65	133.84	131.67	146.37
<b>Local Drugs</b>	19.82	30.77	33.56	37.98	36.61	41.08	41.88	38.32	43.23	39.78	44.84	48.65
<b>State Drugs</b>	<u>23.70</u>	<u>36.42</u>	<u>39.93</u>	<u>42.64</u>	<u>41.82</u>	<u>45.79</u>	<u>45.47</u>	<u>41.58</u>	<u>47.00</u>	<u>46.03</u>	<u>48.31</u>	<u>52.06</u>
<b>Total</b>	\$259.41	\$300.60	\$302.66	\$323.42	\$302.89	\$327.26	\$348.46	\$323.58	\$357.07	\$335.34	\$374.75	\$386.89
<b>Change From Prior Year - Month to Month Analysis</b>												
<b>Local Medical</b>	-3.3%	-2.1%	19.4%	-3.4%	-3.6%	32.7%	-4.5%	-0.7%	-8.3%	-9.2%	9.9%	6.1%
<b>State Medical</b>	11.1%	3.7%	9.7%	-0.4%	-2.2%	2.3%	10.2%	0.4%	8.7%	1.0%	1.3%	7.6%
<b>Local Drugs</b>	26.3%	12.5%	23.6%	18.1%	14.9%	24.6%	21.9%	16.8%	19.5%	8.7%	17.9%	23.7%
<b>State Drugs</b>	<u>26.7%</u>	<u>17.7%</u>	<u>24.7%</u>	<u>16.2%</u>	<u>16.0%</u>	<u>17.7%</u>	<u>12.0%</u>	<u>7.9%</u>	<u>11.1%</u>	<u>7.8%</u>	<u>11.9%</u>	<u>11.9%</u>
<b>Total</b>	7.0%	3.6%	16.6%	2.2%	1.3%	17.5%	5.7%	2.6%	3.1%	-1.2%	7.8%	9.4%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>												
<b>Local Medical</b>			4.0%			6.9%			-4.6%			2.5%
<b>State Medical</b>			8.0%			-0.2%			6.5%			3.4%
<b>Local Drugs</b>			19.9%			19.3%			19.4%			16.9%
<b>State Drugs</b>			<u>22.5%</u>			<u>16.7%</u>			<u>10.4%</u>			<u>10.6%</u>
<b>Total</b>			8.9%			6.7%			3.8%			5.4%
<b>Change From Prior Year - Year to Year Analysis</b>												
<b>Local Medical</b>			-3.9%			-2.3%			0.8%			1.8%
<b>State Medical</b>			21.1%			2.6%			3.6%			4.3%
<b>Local Drugs</b>			15.7%			16.0%			18.9%			18.7%
<b>State Drugs</b>			<u>67.5%</u>			<u>24.5%</u>			<u>16.5%</u>			<u>14.2%</u>
<b>Total</b>			13.0%			4.2%			5.5%			6.0%

**Attachment - PEIA  
Historical Monthly Medical and Drug Trends  
FY 2003 to FY 2007**

<b>Fiscal Year 2004</b>												
<b>Exposure</b>	<u>Jul-03</u>	<u>Aug-03</u>	<u>Sep-03</u>	<u>Oct-03</u>	<u>Nov-03</u>	<u>Dec-03</u>	<u>Jan-04</u>	<u>Feb-04</u>	<u>Mar-04</u>	<u>Apr-04</u>	<u>May-04</u>	<u>Jun-04</u>
<b>Local Medical</b>	18,570	18,760	18,857	18,772	18,947	19,019	18,994	18,920	18,945	19,120	18,407	18,411
<b>State Medical</b>	120,687	120,102	120,226	120,850	121,139	119,665	119,945	119,896	119,922	120,013	120,053	119,944
<b>Local Drugs</b>	18,570	18,760	18,857	18,772	18,947	19,019	18,994	18,920	18,945	19,120	18,407	18,411
<b>State Drugs</b>	120,687	120,102	120,226	120,850	121,139	119,665	119,945	119,896	119,922	120,013	120,053	119,944
<b>Local Medical</b>	\$117.42	\$101.01	\$108.28	\$122.59	\$105.85	\$102.43	\$116.92	\$121.08	\$142.25	\$129.97	\$133.04	\$147.12
<b>State Medical</b>	114.50	133.61	117.09	134.32	117.78	136.15	135.26	132.75	157.24	144.76	146.55	171.25
<b>Local Drugs</b>	22.34	33.72	39.04	41.72	38.24	55.37	44.36	42.57	49.25	45.84	43.32	40.64
<b>State Drugs</b>	21.44	40.32	35.23	48.13	46.05	66.71	51.22	49.17	56.07	51.29	47.06	31.49
<b>Total</b>	\$275.70	\$308.66	\$299.65	\$346.76	\$307.92	\$360.66	\$347.77	\$345.57	\$404.80	\$371.86	\$369.97	\$390.50
<b>Change From Prior Year - Month to Month Analysis</b>												
<b>Local Medical</b>	14.8%	-13.6%	-6.7%	0.1%	-0.8%	-19.3%	-9.1%	-4.9%	7.6%	12.3%	-11.3%	5.2%
<b>State Medical</b>	0.8%	14.7%	3.5%	11.7%	0.0%	20.0%	2.1%	14.1%	16.8%	8.2%	11.3%	17.0%
<b>Local Drugs</b>	12.7%	9.6%	16.3%	9.9%	4.5%	34.8%	5.9%	11.1%	13.9%	15.2%	-3.4%	-16.5%
<b>State Drugs</b>	-9.5%	10.7%	-11.8%	12.9%	10.1%	45.7%	12.7%	18.3%	19.3%	11.4%	-2.6%	-39.5%
<b>Total</b>	6.3%	2.7%	-1.0%	7.2%	1.7%	10.2%	-0.2%	6.8%	13.4%	10.9%	-1.3%	0.9%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>												
<b>Local Medical</b>			-2.5%			-7.1%			-2.1%			1.2%
<b>State Medical</b>			6.4%			10.5%			10.9%			12.3%
<b>Local Drugs</b>			13.0%			17.0%			10.3%			-2.6%
<b>State Drugs</b>			-3.1%			23.5%			16.7%			-11.3%
<b>Total</b>			2.5%			6.5%			6.7%			3.2%
<b>Change From Prior Year - Year to Year Analysis</b>												
<b>Local Medical</b>			0.4%			-2.9%			-2.2%			-2.5%
<b>State Medical</b>			4.0%			6.6%			7.7%			10.2%
<b>Local Drugs</b>			17.3%			16.8%			14.3%			8.7%
<b>State Drugs</b>			9.1%			11.2%			12.9%			6.5%
<b>Total</b>			4.6%			4.6%			5.4%			4.8%

**Attachment - PEIA  
Historical Monthly Medical and Drug Trends  
FY 2003 to FY 2007**

<b>Fiscal Year 2005</b>												
<b>Exposure</b>												
	<u>Jul-04</u>	<u>Aug-04</u>	<u>Sep-04</u>	<u>Oct-04</u>	<u>Nov-04</u>	<u>Dec-04</u>	<u>Jan-05</u>	<u>Feb-05</u>	<u>Mar-05</u>	<u>Apr-05</u>	<u>May-05</u>	<u>Jun-05</u>
<b>Local Medical</b>	18,373	18,414	18,320	18,319	18,306	18,299	18,246	18,257	18,212	18,273	18,323	18,285
<b>State Medical</b>	122,468	121,480	121,782	122,279	122,346	122,599	122,844	122,799	122,800	122,948	123,051	123,004
<b>Local Drugs</b>	18,373	18,414	18,320	18,319	18,306	18,299	18,246	18,257	18,212	18,273	18,323	18,285
<b>State Drugs</b>	122,468	121,480	121,782	122,279	122,346	122,599	122,844	122,799	122,800	122,948	123,051	123,004
<b>Local Medical</b>	\$128.11	\$120.19	\$151.48	\$133.09	\$130.67	\$117.60	\$128.43	\$128.72	\$135.30	\$146.02	\$165.31	\$193.45
<b>State Medical</b>	128.50	143.54	135.30	130.49	138.99	142.57	147.00	153.79	154.37	152.59	154.74	180.13
<b>Local Drugs</b>	33.78	38.01	50.73	38.01	46.78	54.05	48.22	47.82	43.21	35.91	37.80	55.91
<b>State Drugs</b>	<u>52.31</u>	<u>42.67</u>	<u>54.75</u>	<u>42.56</u>	<u>53.25</u>	<u>59.37</u>	<u>54.62</u>	<u>53.59</u>	<u>60.01</u>	<u>55.88</u>	<u>57.71</u>	<u>63.97</u>
<b>Total</b>	\$342.70	\$344.42	\$392.26	\$344.15	\$369.69	\$373.58	\$378.27	\$383.93	\$392.89	\$390.40	\$415.56	\$493.45
<b>Change From Prior Year - Month to Month Analysis</b>												
<b>Local Medical</b>	9.1%	19.0%	39.9%	8.6%	23.4%	14.8%	9.8%	6.3%	-4.9%	12.4%	24.3%	31.5%
<b>State Medical</b>	12.2%	7.4%	15.6%	-2.8%	18.0%	4.7%	8.7%	15.8%	-1.8%	5.4%	5.6%	5.2%
<b>Local Drugs</b>	51.2%	12.7%	30.0%	-8.9%	22.3%	-2.4%	8.7%	12.3%	-12.3%	-21.7%	-12.7%	37.6%
<b>State Drugs</b>	<u>143.9%</u>	<u>5.8%</u>	<u>55.4%</u>	<u>-11.6%</u>	<u>15.6%</u>	<u>-11.0%</u>	<u>6.6%</u>	<u>9.0%</u>	<u>7.0%</u>	<u>8.9%</u>	<u>22.6%</u>	<u>103.2%</u>
<b>Total</b>	24.3%	11.6%	30.9%	-0.8%	20.1%	3.6%	8.8%	11.1%	-2.9%	5.0%	12.3%	26.4%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>												
<b>Local Medical</b>			22.4%			15.3%			3.2%			23.1%
<b>State Medical</b>			11.5%			6.1%			7.0%			5.4%
<b>Local Drugs</b>			28.8%			2.6%			2.3%			-0.1%
<b>State Drugs</b>			<u>54.4%</u>			<u>-3.6%</u>			<u>7.5%</u>			<u>36.8%</u>
<b>Total</b>			22.1%			7.1%			5.2%			14.8%
<b>Change From Prior Year - Year to Year Analysis</b>												
<b>Local Medical</b>			3.0%			8.3%			9.7%			15.9%
<b>State Medical</b>			11.3%			10.2%			9.2%			7.4%
<b>Local Drugs</b>			12.1%			8.3%			6.1%			6.8%
<b>State Drugs</b>			<u>17.6%</u>			<u>9.8%</u>			<u>7.5%</u>			<u>19.6%</u>
<b>Total</b>			9.1%			9.2%			8.8%			11.9%

**Attachment - PEIA  
Historical Monthly Medical and Drug Trends  
FY 2003 to FY 2007**

<b>Fiscal Year 2006</b>												
<b>Exposure</b>	<u><b>Jul-05</b></u>	<u><b>Aug-05</b></u>	<u><b>Sep-05</b></u>	<u><b>Oct-05</b></u>	<u><b>Nov-05</b></u>	<u><b>Dec-05</b></u>	<u><b>Jan-06</b></u>	<u><b>Feb-06</b></u>	<u><b>Mar-06</b></u>	<u><b>Apr-06</b></u>	<u><b>May-06</b></u>	<u><b>Jun-06</b></u>
<b>Local Medical</b>	18,398	18,387	18,285	18,385	18,333	18,668	18,733	18,741	18,849	18,784	18,820	18,826
<b>State Medical</b>	122,500	121,838	121,777	122,675	122,882	122,768	122,200	122,059	122,144	122,294	122,315	122,251
<b>Local Drugs</b>	18,398	18,387	18,285	18,385	18,333	18,668	18,733	18,741	18,849	18,784	18,820	18,826
<b>State Drugs</b>	122,500	121,838	121,777	122,675	122,882	122,768	122,200	122,059	122,144	122,294	122,315	122,251
<b>Local Medical</b>	\$106.81	\$145.82	\$128.26	\$142.78	\$120.75	\$139.20	\$144.81	\$142.06	\$162.78	\$153.40	\$150.04	\$149.36
<b>State Medical</b>	129.43	152.55	141.84	138.17	139.03	148.37	151.56	141.80	162.89	145.28	166.99	179.43
<b>Local Drugs</b>	29.20	46.36	48.56	49.30	51.02	53.15	53.91	53.91	59.54	54.47	60.48	65.82
<b>State Drugs</b>	33.96	50.78	53.16	55.40	56.90	60.52	60.88	58.38	65.76	61.13	66.17	71.05
<b>Total</b>	\$299.40	\$395.51	\$371.82	\$385.65	\$367.69	\$401.23	\$411.16	\$396.15	\$450.98	\$414.28	\$443.69	\$465.66
<b>Change From Prior Year - Month to Month Analysis</b>												
<b>Local Medical</b>	-16.6%	21.3%	-15.3%	7.3%	-7.6%	18.4%	12.8%	10.4%	20.3%	5.1%	-9.2%	-22.8%
<b>State Medical</b>	0.7%	6.3%	4.8%	5.9%	0.0%	4.1%	3.1%	-7.8%	5.5%	-4.8%	7.9%	-0.4%
<b>Local Drugs</b>	-13.5%	22.0%	-4.3%	29.7%	9.0%	-1.7%	11.8%	12.7%	37.8%	51.7%	60.0%	17.7%
<b>State Drugs</b>	-35.1%	19.0%	-2.9%	30.2%	6.9%	1.9%	11.5%	8.9%	9.6%	9.4%	14.7%	11.1%
<b>Total</b>	-12.6%	14.8%	-5.2%	12.1%	-0.5%	7.4%	8.7%	3.2%	14.8%	6.1%	6.8%	-5.6%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>												
<b>Local Medical</b>			-4.7%			5.6%			14.6%			-10.3%
<b>State Medical</b>			4.0%			3.3%			0.2%			0.9%
<b>Local Drugs</b>			1.3%			10.5%			20.2%			39.5%
<b>State Drugs</b>			-7.9%			11.4%			10.0%			11.7%
<b>Total</b>			-1.2%			6.2%			8.9%			1.9%
<b>Change From Prior Year - Year to Year Analysis</b>												
<b>Local Medical</b>			9.1%			7.0%			9.7%			0.5%
<b>State Medical</b>			5.6%			5.0%			3.2%			2.0%
<b>Local Drugs</b>			1.5%			3.6%			8.3%			18.0%
<b>State Drugs</b>			7.0%			11.0%			11.7%			6.7%
<b>Total</b>			6.6%			6.3%			7.3%			3.9%

**Attachment - PEIA  
Historical Monthly Medical and Drug Trends  
FY 2003 to FY 2007**

<b>Fiscal Year 2007</b>											
<b>Exposure</b>	<u><b>Jul-06</b></u>	<u><b>Aug-06</b></u>	<u><b>Sep-06</b></u>	<u><b>Oct-06</b></u>	<u><b>Nov-06</b></u>	<u><b>Dec-06</b></u>	<u><b>Jan-07</b></u>	<u><b>Feb-07</b></u>	<u><b>Mar-07</b></u>	<u><b>Apr-07</b></u>	<u><b>May-07</b></u>
<b>Local Medical</b>	18,635	18,808	18,731	18,817	18,930	17,424	18,993	19,027	19,093	19,120	19,113
<b>State Medical</b>	121,253	120,597	120,348	121,654	121,847	117,391	121,513	121,498	121,574	121,648	121,707
<b>Local Drugs</b>	18,635	18,808	18,731	18,817	18,930	17,424	18,993	19,027	19,093	19,120	19,113
<b>State Drugs</b>	121,253	120,597	120,348	121,654	121,847	117,391	121,513	121,498	121,574	121,648	121,707
<b>Local Medical</b>	<u>\$117.42</u>	<u>\$153.21</u>	<u>\$141.75</u>	<u>\$164.07</u>	<u>\$151.51</u>	<u>\$180.77</u>	<u>\$177.55</u>	<u>\$150.11</u>	<u>\$175.44</u>	<u>\$161.71</u>	<u>\$162.05</u>
<b>State Medical</b>	127.24	151.29	130.89	140.89	156.39	144.71	162.27	148.11	168.66	157.74	158.36
<b>Local Drugs</b>	24.63	53.60	55.51	60.23	61.65	65.72	65.05	59.34	67.40	62.34	76.88
<b>State Drugs</b>	<u>29.67</u>	<u>57.39</u>	<u>60.54</u>	<u>63.53</u>	<u>63.17</u>	<u>68.86</u>	<u>68.45</u>	<u>62.26</u>	<u>71.26</u>	<u>66.48</u>	<u>80.35</u>
<b>Total</b>	\$298.95	\$415.50	\$388.69	\$428.72	\$432.72	\$460.06	\$473.32	\$419.82	\$482.76	\$448.27	\$477.64
<b>Change From Prior Year - Month to Month Analysis</b>											
<b>Local Medical</b>	9.9%	5.1%	10.5%	14.9%	25.5%	29.9%	22.6%	5.7%	7.8%	5.4%	8.0%
<b>State Medical</b>	-1.7%	-0.8%	-7.7%	2.0%	12.5%	-2.5%	7.1%	4.4%	3.5%	8.6%	-5.2%
<b>Local Drugs</b>	-15.6%	15.6%	14.3%	22.2%	20.9%	23.6%	20.7%	10.1%	13.2%	14.4%	27.1%
<b>State Drugs</b>	<u>-12.7%</u>	<u>13.0%</u>	<u>13.9%</u>	<u>14.7%</u>	<u>11.0%</u>	<u>13.8%</u>	<u>12.4%</u>	<u>6.7%</u>	<u>8.4%</u>	<u>8.7%</u>	<u>21.4%</u>
<b>Total</b>	-0.1%	5.1%	4.5%	11.2%	17.7%	14.7%	15.1%	6.0%	7.0%	8.2%	7.7%
<b>Change From Prior Year - Quarter to Quarter Analysis</b>											
<b>Local Medical</b>			8.3%			23.2%			11.9%		
<b>State Medical</b>			-3.4%			3.9%			5.0%		
<b>Local Drugs</b>			7.8%			22.2%			14.6%		
<b>State Drugs</b>			<u>7.0%</u>			<u>13.2%</u>			<u>9.2%</u>		
<b>Total</b>			3.4%			14.5%			9.3%		
<b>Change From Prior Year - Year to Year Analysis</b>											
<b>Local Medical</b>			3.5%			7.8%			7.3%		
<b>State Medical</b>			0.3%			0.4%			1.6%		
<b>Local Drugs</b>			19.5%			22.5%			20.8%		
<b>State Drugs</b>			<u>10.2%</u>			<u>10.7%</u>			<u>10.4%</u>		
<b>Total</b>			5.0%			7.1%			7.2%		