

File

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

April 16, 2002

Tuesday, January 8, 2002

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin (absent)
Craig
Sharpe
Wooton
Deem
Sprouse

House

Kiss, Chair
Amores (absent)
Mezzatesta
Michael
Staton
Hall
Trump

President Tomblin, Cochair, presided.

1. Approval of Minutes.

Upon motion by Speaker Kiss, properly seconded and adopted, the minutes of the December 11, 2001, meeting were approved.

2. Agriculture and Agri-business Committee.

A 2001 Interim Report from the Agriculture and Agri-business Committee was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

3. Joint Commission on Economic Development.

A 2001 Interim Report from the Joint Commission on Economic Development was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

4. Equal Pay Commission.

The statutorily required status report of the 2001 interim period from the Equal Pay Commission was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded

and adopted, the report was received.

5. **Forest Management Review Commission.**

The statutorily required Annual Report of the 2001 interim period from the Forest Management Review Commission was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

6. **Industrial Dust, Mining Permits and Dam Control Committee.**

Upon motion by Senator Wooton, properly seconded and adopted, this report was put at the end of the committee reports until the arrival of Senator Plymale at the meeting

7. **Insurance Rate and Forms Issues & Medical Malpractice Insurance Committee.**

A 2001 Interim Report from the Insurance Rate and Forms Issues and Medical Malpractice Insurance Committee was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

8. **Juvenile Foster Care, Detention and Placement Task Force.**

A 2001 Interim Report from the Juvenile Foster Care, Detention and Placement Task Force was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

9. **Logging Committee.**

A 2001 Interim Report from the Logging Committee was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

10. **Tax and Revenue Division Appeal Procedures Committee.**

A 2001 Interim Report from the Tax and Revenue Division Appeal Procedures Committee was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted,

the report was received.

11. **Joint Standing Committee on Education.**

Subcommittee reports for Education Subcommittee A and Education Subcommittee C for the 2001 interim period were distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the reports were received.

12. **Joint Standing Committee on Finance.**

Subcommittee reports for Finance Subcommittee A, Finance Subcommittee B and Finance Subcommittee C for the 2001 interim period were distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the reports were received.

13. **Joint Standing Committee on Government Organization.**

A 2001 Interim Report for Joint Standing Committee on Government Organization was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

14. **Joint Standing Committee on Pensions and Retirement.**

A 2001 Interim Report for the Joint Standing Committee on Pensions and Retirement was distributed to the Committee. Upon motion by Speaker Kiss, properly seconded and adopted, the report was received.

15. **Industrial Dust, Mining Permits and Dam Control Committee.**

Due to the absence of Senator Plymale, Mr. Joe Altizer briefed members on the activities of the Committee during the 2001 interim period.

16. **Department of Health and Human Resources Monthly Reports.**

Distributed to members of the Committee were the following: Medicaid Report for month

of November 2001; Welfare Reform Report for month of December 2001; and Colin Anderson Center Report for month of December 2001.

17. Lottery, Unemployment Compensation and Workers' Compensation Status Reports.

Distributed to members of the Committee were the following: Lottery Operations report for month ended November 2001; Unemployment Compensation Trust Fund report for month ended November 2001; and Workers' Compensation Trust Fund report for month ended November 2001. Attached with each of these reports was an analysis prepared by legislative staff.

18. General Revenue Report.

Distributed to members was a report on the status of the state's general revenue as of December 31, 2001.

19. Public Employees Insurance Agency.

Mr. Tom Susman, Executive Director of the Public Employees Insurance Agency, distributed the following information: (1) Public Employees Insurance Agency Balance Sheets, November 30, 2001 and 2000 Accrual Basis; (2) A letter to the President and Speaker from Mr. Susman concerning reimbursement for Direct Medical Education; (3) Memorandum to Joint Committee from Mr. Susman relating to Retiree Programs; (4) Memorandum to Retired Employees and Surviving Dependents from Mr. Susman relating to Premium and Drug Copay Assistance Programs – Fiscal Year 2002; (5) PEIA Claims Processed (Graph); (6) PEIA Monthly Management Report Per Capita Claims November 2001, FY 2002; (7) PEIA Monthly Management Report Per Capita Utilization November 2001, FY 2002; PEIA Monthly Management Report Total Claims November 2001, FY 2002.

Mr. Susman responded to questions from members of the Committee.

20. **State Road Audit.**

Discussion was continued from last month of the State Road Audit conducted by Suttle & Stalnaker, CPAs. Mr. Horace Emory of Suttle & Stalnaker, CPAs, responded to questions from members of the Committee.

21. **Annual Report to the Legislature.**

Upon motion by Speaker Kiss, properly seconded and adopted, the President and Speaker were authorized to file the Joint Committee's annual report with the Legislature.

22. **Select Committee on the Implementation of the Statewide Assessment and Accountability Systems for Public Education.**

Upon motion by Delegate Mezzatesta, properly seconded and adopted, the Joint Committee authorized the creation of a Select Committee on the Implementation of the Statewide Assessment and Accountability Systems for Public Education with the membership composition to be the same as that of the current Education Subcommittee D.

The meeting was adjourned.

2002 INTERIM STUDIES TOPICAL LIST

Statutory Committees:

Commission on Interstate Cooperation
Commission on Special Investigations
Council of Finance and Administration
Employee Suggestion Award Board
Equal Pay Commission
Joint Commission on Economic Development
Joint Committee on Government Operations
Joint Committee on Government and Finance
Legislative Oversight Commission on Education Accountability
Legislative Oversight Commission on Health and Human Resources Accountability
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority
(New) Legislative Oversight Commission on Workforce Investment for Economic Development (*Effective May 23, 2002*)
Legislative Rule-Making Review Committee
Forest Management Review Commission
WV Law Institute

Internship Committees:

Legislative Intern Committee (HCR 26 (2001))

- Frasure-Singleton Student Program
- Judith A. Herndon Legislative Fellows Program
- Graduate Student Internship Program (Walter Rollins Scholars Intern Program and Robert W. Burk, Jr. Student Intern Program)
- Legislative Information Internship

Standing Committees:

Joint Standing Committee on Education
Joint Standing Committee on Finance
Joint Standing Committee on Government Organization
Joint Standing Committee on the Judiciary
Joint Standing Committee on Pensions and Retirement

2002 Committees:

Ongoing

Joint Committee on Technology
Subcommittee on Parks and Recreation
Subcommittee on Post Audits

2002 Study Resolutions Adopted by the Legislature:

- HCR 25. Single Retirement Plan for Uniformed Services Public Employees
- HCR 27. Implementing a Medicaid Buy-in for People with Disabilities
- HCR 33. Recruitment and Retention of Volunteer Fire Fighters
- HCR 47. Retirement Program for Volunteer Fire Fighters and EMS Personnel
- HCR 50. Cost-of-Living Increase for Public Employees and State Teachers Retirement Systems
- HCR 51. Renovation and Restoration of State Capitol Complex
- HCR 53. Technical and Adult Education Services
- HCR 68. Health Care Practitioners Shortage
- HCR 73. Effects of Identity Theft and Proposed Federal Regulations Relating to Antiterrorist Measures
- HCR 76. Unemployment and Socioeconomic Problems Confronting African Americans
- HCR 84. Healthcare Delivery Study Commission (*6 members from each House appointed by President and Speaker. Chairs of Standing Committees on Health to be members. President and Speaker are to be ex officio members*)
- HCR 91. Nursing Homes Staffing.
- SCR 18. Vision Examination Required for Elementary School Children
- SCR 25. Economic Potential of Equestrian and Horse-related Activities and Tourism
- SCR 38. County and Municipal Land Use Planning
- SCR 41. Creation of a Joint Mineral Owners Trust and Mineral Conservation Act
- SCR 43. Controlled Substance Prescription Pain Medication Oxycodone
- SCR 53. Medical Malpractice Insurance
- SCR 54. Mandating Insurance Coverage for Certain Persons in Clinical Trials

2002 Study Resolutions Adopted by the House:

- HCR 6. Need for a Rehabilitation Subcode to the State Building Code (*Studied by Joint Government Organization in 2001*)
- HCR 13. Morbid Obesity in West Virginia (*See HCR 61*)
- HCR 29. Need to create a WV Forensic Science Task Force
- HCR 32. Develop a Means by Which the State Can Compete with Surrounding States and the Federal Correctional System
- HCR 41. Effectiveness of Suspension of Drivers' Licenses
- HCR 46. Feasibility and Method of Certifying Social Model Adult Day Services
- HCR 49. Computerizing Personal Property Tax Records and Payments of Tax for use by the DMV
- HCR 52. Truancy Diversion Social Work Program
- HCR 54. Processes for Evaluation Teachers
- HCR 56. Ways that Local Governments Can Be More Efficient, Less Costly and More Responsive to Citizens
- HCR 57. Implementation of 911 Cellular Emergency Service (*See SCR 36*)
- HCR 59. Develop Method of Funding for Program to Spay and Neuter Pet Animals in the State
- HCR 61. Effects of Obesity Epidemic in the State (*See HCR 13*)
- HCR 64. State Higher Education System and Its Developing, Focusing and Improving the National Center for Higher Education Management Systems
- HCR 65. Special Education in Public Schools
- HCR 66. Examination of Child Welfare Services Providers Licensing Requirements
- HCR 67. Licensure and Regulation of Psycho physiological Detection of Deception Examiners
- HCR 69. Laws and Regulations Concerning Surveyors in West Virginia
- HCR 72. Establishment or Enhancement of Retirement Benefits for All Employees of the Licensed Racing Association
- HCR 74. Various Governmental Entities Within the Executive Department
- HCR 82. Current Foster Care System (*See SCR 58*)
- HCR 83. Enforcement of Laws Prohibiting Underage Consumption of Alcohol
- HCR 85. Abuse and Neglect Prevention of Adults in Treatment Facilities and Care Homes
- HCR 86. Fees Dedicated to the Courthouse Facilities Improvement Fund
- HCR 92. Managed Timberland and Farmland Classifications for Assessment of Real Property for Ad Valorem Property Taxation

2002 Study Resolutions Adopted by the Senate:

- SCR 14. Establishment of Residential Community for Senior Citizens
- SCR 17. Allowing Counties and or Cities to Have Own Taxing Power
- SCR 21. Impact of Tax Revenue Loss When Federal and State Parks and Forests Geographically Expand
- SCR 34. Medicaid Aged and Disabled Waiver Program
- SCR 36. Implementation of 911 Cellular Emergency Service (*See HCR 57*)
- SCR 37. State and Local Governments Responsibilities in Flood Damage Prevention
- SCR 42. Proposed Legislation to Enact Clean Elections Act
- SCR 45. Prohibiting Menu Reciting Dialing Options on State Telephones
- SCR 48. Updating Roadway Standards on Turnpike
- SCR 51. Practice Guidelines for Reducing Medical Costs
- SCR 58. Study of Foster Care System (*See HCR 82*)
- SCR 61. Impact of Administrative and Regulatory Requirements Imposed by the State on the Care Home Industry
- SCR 63. Role of Bail Bondsmen in the State's Criminal Justice System
- SCR 65. Tax Implications on Loan Repayment for Physicians and Other Health Care Providers

2001 Interim Studies:

Agriculture and Agri-business Committee

Education Subcommittee A - Public Education

Education Subcommittee B - Higher Education

Education Subcommittee C - County School Boards of Education

Education Subcommittee D - Accountability

Electric Deregulation, Committee on

Finance Subcommittee A - Public Libraries; Annual/Sick Leave Policies; Board of Risk and Insurance Management

Finance Subcommittee B - Gray Machines

Finance Subcommittee C - Internet Taxation; Transaction Fees

Government Organization Subcommittee A - Local Government; 911 Cellular Emergency Service

Government Organization Subcommittee B - Practice of Pharmacy; Regulating Crematoriums; Revising Optometrist's prescriptive powers; Establishing Independent Board of Barbers and Cosmetologists

Government Organization Subcommittee C - Task Force to Study Rehabilitation Subcode to State Building Code; Transferring Statutory Provisions of Real Estate Commission to Chapter 30 of Code; Sunrise Process-Nursing Home Administrators; Sunrise Process-Court Reporters; Reinstatement of Licenses

Industrial Dust, Mining Permits and Dam Control Committee

Insurance Rate and Forms Issues (Mitchell v. Broadnax) and Medical Malpractice Insurance Committee (Subcommittees: Broadnax; Medical Malpractice Insurance)

Judiciary Subcommittee A - Licensing Private Investigators and Security Guards; Requiring Employees to Work in Excess of 40 Hours Per Week; Boot Camp Facilities

Judiciary Subcommittee B - Police Review Boards; Sale of "As Is" Vehicles; Genetic Testing; Child Lead Poisoning; Credit Card Distribution to College Students; Infancy Settlement Proceedings

Judiciary Subcommittee C - DUI; Corporate Law Revision; 911 Privacy Issues; Law-Enforcement Training, Education and Facilities

Judiciary Subcommittee D - Oversight of Subcommittees

Juvenile Foster Care, Detention and Placement Task Force

Logging Committee

Council to Research Surface Mining Operations

Tax and Revenue Division Appeal Procedures Committee

West Virginia Recodification Committee

AGENDA

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

Tuesday, April 16, 2002

11:00 - 12:00 Noon

Senate Finance Committee Room

1. APPROVAL OF JANUARY 8, 2002, MINUTES.
2. AUTHORIZATION OF 2002 INTERIM STUDIES.
3. AUTHORIZATION OF LEGISLATIVE AND CITIZEN MEMBER EXPENSES AND COMPENSATION FOR 2002 INTERIM MEETINGS.
4. AUTHORIZATION OF JUDGES OF COURT OF CLAIMS EXPENSES AND COMPENSATION.
5. AUTHORIZATION OF 2002 INTERIM MEETING DATES.
6. DISTRIBUTION OF MONTHLY/QUARTERLY REPORTS:
 - Reports from Department of Health and Human Resources on Medicaid, Welfare Reform and Colin Anderson Center;
 - Status Report from Lottery Commission;
 - Status Reports from the Bureau of Employment Programs on Unemployment Compensation and Workers' Compensation;
 - Status report on the State's general revenue prepared by legislative staff.
7. MONTHLY PRESENTATION AND DISTRIBUTION BY PEIA.
8. OTHER BUSINESS.
9. ADJOURNMENT.

2002 INTERIM DATES

April 14 - 16

May 19 - 21

June 23 - 25

July 14 - 16

August 18 - 20

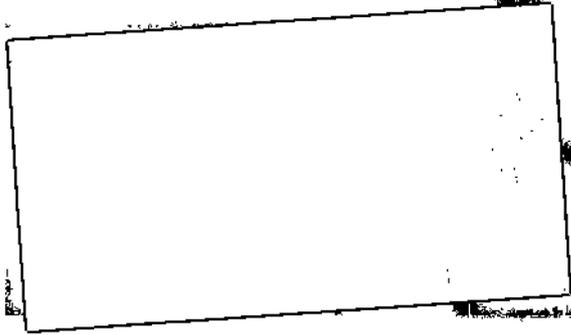
September 15 - 17

October 20 - 22

November 17 - 19

December 15 - 17

January 5 - 7, 2003



Joint Committee on Government and Finance

April 16, 2002

Department of Health and Human Resources

MEDICAID REPORT

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2002

MONTH OF FEBRUARY 2002	ACTUALS	PROJECTED	TOTAL
	07/01/01 THRU 02/28/02	03/01/02 THRU 06/30/02	SFY2002
REVENUE SOURCES			
BEG. BAL. 7/01/01	\$17,934,047		\$17,934,047
MATCHING FUNDS			
GENERAL REVENUE	114,644,686	65,862,901	180,507,587
LOTTERY - WAIVER	8,316,666	4,283,334	12,600,000
LOTTERY - TRANSFER	6,933,333	3,366,667	10,300,000
TRUST FUND APPROPRIATION	20,843,078	11,095,852	31,938,930
TRUST FUND BACKLOG	0	0	0
PROVIDER TAX	96,200,000	50,900,000	147,100,000
MCH TRANSFER	1,122,643	977,357	2,100,000
OTHER FUNDS	1,421,894	678,106	2,100,000
TOTAL MATCHING FUNDS	267,416,347	137,164,217	404,580,564
FEDERAL FUNDS	767,044,200	427,605,851	1,194,650,051
TOTAL REVENUE SOURCES	\$1,034,460,547	\$564,770,068	\$1,599,230,615
TOTAL EXPENDITURES:			
PROVIDER PAYMENTS	\$1,028,168,621	\$542,913,585	\$1,571,082,206
SUB - TOTAL	\$6,291,925.56		\$28,148,408.83
ACCOUNTS PAYABLE 02/28/02			(\$31,619,967.00)
BALANCE	\$6,291,925.56		(\$3,471,558.17)

DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MONTHLY FINANCIAL SUMMARY
 MONTH OF FEBRUARY 2002
 FISCAL YEAR 2001-2002

CATEGORY OF EXPENDITURES	ACTUALS SFY 2001	ORIGINAL ESTIMATE SFY 2002	CURRENT ESTIMATE SFY 2002	ESTIMATE FEBRUARY 2002	ACTUAL FEBRUARY 2002	ESTIMATE YEAR TO DATE FEBRUARY 2002	ACTUAL YEAR TO DATE FEBRUARY 2002	Incr/(Dec) Over ESTIMATE	PERCENT
INPATIENT HOSPITALS	\$146,711,093	\$154,744,886	150,897,925	\$11,889,307	\$5,868,407	\$102,845,157	\$93,698,277	(\$9,146,880)	-8.85%
MENTAL HEALTH HOSPITALS	38,154,352	30,634,361	31,481,268	2,308,191	(\$1,470,760)	20,100,816	\$21,824,270	1,723,454	8.57%
OUTPATIENT HOSPITALS	65,545,731	74,159,061	78,864,288	5,850,924	8,889,424	51,001,218	\$51,012,707	11,491	0.02%
CLINICS	18,570,680	20,507,263	16,898,352	1,321,311	1,026,271	12,256,514	\$10,250,185	(2,006,329)	-16.37%
PHYSICIANS	121,231,871	133,681,464	128,503,496	10,008,481	10,018,812	87,556,278	\$81,682,681	(5,803,585)	-8.74%
LABS	8,064,484	6,147,285	6,308,305	478,488	495,908	4,140,084	\$4,012,125	(127,869)	-3.09%
DRUGS	246,498,703	288,730,491	277,085,740	21,069,122	23,408,701	182,749,329	\$183,656,209	906,880	0.50%
OTHER PRACTITIONERS	15,275,872	11,556,088	12,004,525	773,877	1,121,687	8,979,825	\$9,840,809	2,981,184	42.43%
DENTIST	22,817,233	29,343,470	27,834,068	2,156,793	2,196,801	18,962,484	\$18,833,883	(128,481)	-0.68%
NURSING HOMES	281,627,475	292,075,715	297,801,948	22,751,526	26,784,708	188,181,637	\$188,868,973	2,687,336	1.37%
GROUP HOMES	47,442,068	50,112,045	50,019,438	3,918,280	3,627,587	33,937,416	\$28,975,015	(4,962,401)	-14.62%
OTHER CARE	119,559,800	116,288,098	122,697,422	9,375,181	9,215,702	80,484,690	\$76,677,723	(3,787,267)	-4.71%
EPSDT	4,094,361	4,177,769	4,342,323	325,821	304,909	2,834,632	\$2,798,872	(45,760)	-1.61%
MEDICARE BUY-IN	40,262,943	42,831,501	42,311,012	3,577,625	3,716,095	28,621,000	\$28,245,349	(375,651)	-1.31%
FAMILY PLANNING	2,187,482	2,308,871	2,173,702	184,636	116,788	1,570,659	\$1,081,081	(488,778)	-31.18%
HOME HEALTH	20,833,348	22,212,881	23,937,807	1,786,180	1,694,351	15,422,084	\$15,487,223	65,129	0.42%
RURAL HEALTH	24,447,227	24,883,231	22,621,516	1,700,341	2,085,728	15,563,109	\$16,429,280	866,171	5.57%
HOME & COMMUNITY - AGED/DISABLED	40,239,220	46,864,016	52,217,838	4,137,897	4,288,994	33,787,796	\$32,872,420	(915,376)	-2.71%
HOME & COMMUNITY - MR/DD	97,574,478	113,153,708	126,778,512	10,032,984	9,519,362	81,923,838	\$78,984,525	(4,929,313)	-6.02%
PASARR	10,780	253,606	171,288	21,085	875	168,784	\$6,040	(162,744)	-96.42%
PERSONAL CARE	24,841,977	26,429,712	25,038,916	2,034,770	1,979,652	17,542,512	\$14,540,942	(3,001,570)	-17.11%
HOSPICE	1,347,397	1,832,660	2,306,911	197,206	112,623	1,541,707	\$975,843	(565,764)	-36.70%
TARGETED CASE MANAGEMENT	12,273,989	14,623,622	11,531,104	976,841	728,669	8,835,482	\$8,346,331	(2,588,151)	-28.98%
GROUP HEALTH PLAN	10,239	0	6,121	0	6,159	0	\$25,681	25,681	
MANAGED CARE	56,508,694	58,242,703	60,559,508	4,853,559	5,751,835	38,828,472	\$42,749,117	3,920,645	10.10%
SUB-TOTAL	1,452,342,485	1,566,903,628	1,574,441,341	121,849,314	118,465,278	1,043,915,819	\$1,017,945,781	(25,970,058)	-2.49%
LESS: DRUG REBATES	(44,602,150)	(53,052,739)	(57,086,201)	(3,888,346)	(1,011,910)	(33,813,468)	(\$38,256,159)	(4,442,680)	13.14%
DSH PAYMENTS PRIVATE INSTITUTIONS	56,958,131	60,478,828	58,704,055	0	2,216,876	30,239,263	\$30,598,155	358,892	1.16%
DSH PAYMENTS STATE-INSTITUTIONS	17,114,495	25,501,839	26,652,978	0	5,326,518	12,750,520	\$22,612,768	9,861,849	77.34%
TOTAL	\$1,481,412,961	\$1,599,831,254	\$1,602,702,173	\$117,850,968	\$128,016,562	\$1,053,092,533	\$1,032,900,528	(\$20,192,007)	-1.92%

NOTE: This report is based on estimates of approved claims to be received during the year.

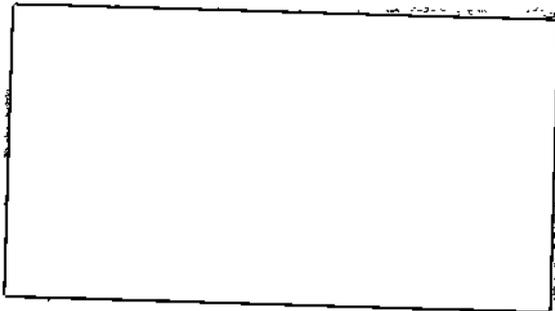
WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAL SERVICES TRUST FUND AND INTEREST REPORT
 FOR THE MONTH OF FEBRUARY 2001
 SFY 2002

TRANSFER DATE	ACTIVITY	DESCRIPTION	DEPOSIT (WITHDRAWAL) PRINCIPAL	INTEREST & DSH DEPOSITS (WITHDRAWAL)	TRUST FUND BALANCE
07/01/01	DEPOSIT	BEG. BAL	5,358,862.34		5,358,862.34
07/01/01	WITHDRAWAL	Eligibility Expansion		(106,171.34)	5,252,691.00
07/01/01	WITHDRAWAL	Facilities DSH Match	(1,455,834.00)		3,796,857.00
07/01/01	WITHDRAWAL	Private DSH Backlog	(323,846.00)		3,473,011.00
07/31/01	INTEREST	Rate AT 4.92 %		17,080.17	3,490,091.17
08/01/01	DEPOSIT	Facilities DSH Payment		9,577,580.50	13,067,671.67
08/01/01	WITHDRAWAL	Facilities DSH Match	(1,425,436.00)		11,642,235.67
08/31/01	INTEREST	Rate AT 4.2 %		26,435.36	11,668,671.03
09/01/01	WITHDRAWAL	Private DSH Backlog	(3,290,917.00)		8,377,754.03
09/01/01	DEPOSIT	DSH Cost Settlement		284,388.00	8,662,142.03
09/30/01	INTEREST	Rate AT 4.2 %		33,171.86	8,695,313.89
10/01/01	DEPOSIT	Special Appropriation	366,667.00		9,061,980.89
10/31/01	INTEREST	Rate AT 3.1 %		23,117.83	9,085,098.72
11/01/01	WITHDRAWAL	Facilities DSH Match	(1,317,248.60)		7,767,850.12
11/01/01	WITHDRAWAL	Private DSH Backlog	(271,728.00)		7,496,122.12
11/01/01	DEPOSIT	Special Appropriation	366,667.00		7,862,789.12
11/30/01	INTEREST	Rate AT 3.1 %		21,090.58	7,883,879.70
12/01/01	DEPOSIT	Facilities DSH Payment		5,326,517.50	13,210,397.20
12/01/01	WITHDRAWAL	Match Drop	(5,236,000.00)		7,974,397.20
12/01/01	DEPOSIT	Special Appropriation	366,667.00		8,341,064.20
12/01/01	WITHDRAWAL	Private DSH Backlog	(3,393,717.00)		4,947,347.20
12/31/01	INTEREST	Rate AT 3.1 %		12,577.12	4,959,924.32
01/01/02	DEPOSIT	Special Appropriation	600,000.00		5,559,924.32
01/01/02	DEPOSIT	Facilities DSH Payment		5,678,041.50	11,237,965.82
01/01/02	WITHDRAWAL	Facilities DSH Match	(1,404,180.00)		9,833,785.82
01/01/02	WITHDRAWAL	Match Drop	(2,618,000.00)		7,215,785.82
01/01/02	WITHDRAWAL	Special Appropriation	(1.00)		7,215,784.82
01/31/02	INTEREST	Rate AT 3.1 %		12,345.24	7,228,130.06
02/01/02	DEPOSIT	Special Appropriation	600,000.00		7,828,130.06
02/28/02	INTEREST	Rate AT 3.1 %		14,469.83	7,842,599.89
03/01/02	WITHDRAWAL	Eligibility Expansion		(385,506.00)	7,457,093.89
03/01/02	DEPOSIT	Special Appropriation	600,000.00		8,057,093.89
03/01/02	WITHDRAWAL	Private DSH Backlog	(227,313.00)		7,829,780.89
03/31/02	INTEREST	Rate AT 3.1 %		15,726.78	7,845,507.67
04/01/02	DEPOSIT	Special Appropriation	700,000.00		8,545,507.67
04/01/02	WITHDRAWAL	Hospice		(171,487.50)	8,374,020.17
04/30/02	INTEREST	Rate AT 3.1 %		16,156.91	8,390,177.08
05/01/02	WITHDRAWAL	Facilities DSH Match	(963,656.00)		7,426,521.08
05/01/02	WITHDRAWAL	Private DSH Backlog	(7,050,079.00)		376,442.08
05/01/02	DEPOSIT	Special Appropriation	700,000.00		1,076,442.08
05/31/02	INTEREST	Rate AT 3.1 %		14,892.42	1,091,334.50
06/01/02	WITHDRAWAL	Facilities DSH Payment		8,795,290.50	9,886,625.00
06/01/02	WITHDRAWAL	Match Drop	(2,618,000.00)		7,268,625.00
06/01/02	WITHDRAWAL	Hospice		(171,487.50)	7,097,137.50
06/01/02	WITHDRAWAL	Special Appropriation	700,000.00		7,797,137.50
06/30/02	INTEREST	Rate AT 3.1 %		14,575.79	7,811,713.29
TOTALS			(21,237,092.26)	29,048,805.55	7,811,713.29

DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
MOUNTAIN HEALTH TRUST

April 2002

HMO	PAYMENT	RECIPIENTS ENROLLED	AVERAGE COST PER RECIPIENT
THE HEALTH PLAN	\$2,885,579	31,683	\$91.08
CARELINK	\$1,508,023	16,610	\$90.79
TOTAL	\$4,393,602	48,293	\$90.98
ESTIMATED COMPOSITE ACTUARY RATE (THE 95% RATE IS \$92.08)			\$96.92
PERCENT ESTIMATED SAVINGS			6.13%



Joint Committee on Government and Finance

April 16, 2002

Department of Health and Human Resources

WELFARE REFORM REPORT

WV WORKS Caseload 2002

County	January	February	March
Barbour (01)	208	208	206
Berkeley (02)	415	422	441
Boone (03)	371	388	385
Braxton (04)	149	153	151
Brooke (05)	106	110	107
Cabell (06)	705	700	695
Calhoun (07)	110	107	111
Clay (08)	115	109	114
Doddridge (09)	66	66	61
Fayette (10)	531	502	498
Gilmer (11)	55	55	58
Grant (12)	44	40	37
Greenbrier (13)	167	169	169
Hampshire (14)	93	93	97
Hancock (15)	198	194	182
Hardy (16)	49	53	48
Harrison (17)	625	629	630
Jackson (18)	143	139	142
Jefferson (19)	162	168	174
Kanawha (20)	1,279	1,278	1,292
Lewis (21)	179	185	190
Lincoln (22)	349	333	334
Logan (23)	404	378	388
Marion (24)	299	295	299

County	January	February	March
Marshall (25)	297	307	288
Mason (26)	266	261	251
Mercer (27)	894	905	926
Mineral (28)	100	100	100
Mingo (29)	574	553	541
Monongalia (30)	123	121	120
Monroe (31)	82	79	85
Morgan (32)	85	96	93
McDowell (33)	864	839	818
Nicholas (34)	156	156	156
Ohio (35)	308	286	283
Pendleton (36)	37	32	33
Pleasants (37)	49	51	52
Pocahontas (38)	26	27	31
Preston (39)	125	125	132
Putnam (40)	169	185	178
Raleigh (41)	700	705	713
Randolph (42)	113	118	120
Ritchie (43)	65	62	65
Roane (44)	119	123	132
Summers (45)	165	158	174
Taylor (46)	98	97	94
Tucker (47)	28	26	24
Tyler (48)	38	36	35
Upshur (49)	316	314	309
Wayne (50)	584	552	554
Webster (51)	181	182	177

County	January	February	March
Wetzel (52)	113	112	109
Wirt (53)	43	45	46
Wood (54)	750	760	785
Wyoming (55)	404	391	406
Total	14,694	14,578	14,639

Characteristics of the Current WV WORKS Caseload

- ✓ **4,445 Child Only Cases—parents are not in the home and children are living with a relative, or parents are in the home, receive SSI and are excluded from the WV WORKS payment.**
- ✓ **587 cases currently receiving WV WORKS received TANF in another state before moving to West Virginia.**
- ✓ **104 cases in which the parents are excluded from the payment because they were convicted of a drug related felony after August 22, 1996.**
- ✓ **396 cases receive Medicaid but do not receive Food Stamps.**
- ✓ **1,407 cases receive Food Stamps but adults do not receive Medicaid.**
- ✓ **1,872 cases receive the Marriage Incentive. The Incentive was increased to \$100 monthly effective July 1, 2000.**
- ✓ **2,435 adults receiving WV WORKS are employed.**

3/02

Supportive Services Payments: Types and Amounts
March 2002

Type	Current WV WORKS	Former WV WORKS	Number of Payments	Average Payment	Total Amount
Clothing: Work or dress clothing when there is a verified offer of employment or short term training. <i>\$600 year</i>	\$120,412	\$36,539	1,012	\$155	\$156,951
Collateral: Items include grooming expenses, test fees and other expenses related to employment. <i>\$300 year</i>	\$18,673	\$5,613	248	\$98	\$24,286
Car Repair: For personally owned vehicles; Includes tires, mufflers, or brakes necessary to pass state inspection, state inspection stickers, license plates, vehicle insurance, and driver's education classes. Funds cannot be used to purchase a vehicle. <i>\$1,500 lifetime</i>	\$241,456	\$62,538	568	\$535	\$303,994
Contract Training: A training contract may be written when training is not available on a no-cost basis and the training will be provided to an individual or a group of participants. There is an expectation that the individuals will be able to find employment when they successfully complete the training course. <i>\$5,000 year</i>	\$2,279	\$300	10	\$258	\$2,579
Commercial Driver's License: Payment to purchase license. <i>\$600 lifetime</i>	\$0	\$0	0	\$0	\$0
Driver/Chauffeurs License: Does not include payment for test required due to traffic violations or classes required for DUI convictions. <i>\$120 lifetime</i>	\$0	\$0	0	\$0	\$0
Employer Incentive: Agreements between employers and local DHHR offices placing WV WORKS recipients in jobs. Employers are reimbursed ½ of the employee's wages for the first 200-600 work hours under these contracts.	\$3,515	\$1,481	14	\$357	\$4,996
Professional License: When the cost of the license is not paid by the employer or is not included in the cost of a training course, and obtaining the license is part of the course completion. <i>\$600 lifetime</i>	\$1,840	\$361	15	\$148	\$2,201

Type	Current WV WORKS	Former WV WORKS	Number of Payments	Average Payment	Total Amount
Relocation: When there is a verified offer of employment, the family can be relocated to a different state, a different area of the state, or to the same area if the move reduces travel time to one hour or less. <i>\$1,500 year</i>	\$7,437	\$9,099	17	\$973	\$16,536
Tools/Equipment: When needed for a verified offer of employment or for specialized training. <i>\$1,000 year</i>	\$9,620	\$3,969	37	\$367	\$13,589
Transportation: Payments are made based on miles traveled to employment or a work activity when there is a cost involved. Public transportation is reimbursed at actual cost. <i>(2-40 miles-\$10 day; 40+ -\$16) \$400 month limit</i>	\$879,021	\$274,227	6,345	\$150	\$953,248
Vehicle Insurance: Payment for vehicle insurance premium. Does not include vehicle insurance premium for vehicles leased through WV WHEELS as vendor is responsible for payment as part of the lease. <i>\$500 lifetime</i>	\$52,501	\$11,233	228	\$280	\$63,734
DUI offenses: Costs related to reinstatement of driver's license which have been revoked due to substance abuse. Includes DUI classes, license reinstatement fees, new license, ignition interlock system. Does not include fines, treatment programs or tests for drug and alcohol use. <i>\$500 lifetime</i>	\$1,036	\$427	6	\$244	\$1,463
Total	\$1,137,790	\$405,787	8,500	\$182	\$1,543,577

Length of Time on Assistance

Number of Months	Number of Cases
12 months or less	3,892
13-24	2,499
25-36	1,700
37-48	1,002
49-60	515
Total	9,608

Does not include child only cases.

3/02

Bureau for Children and Families-Program Caseloads

TANFWV WORKS:

June 2001 - 13,328 cases

February 2002 - 14,578 cases

Increased by 1,250 cases (9.37%)

Food Stamp Program:

June 2001 - 80,776 cases

February 2002 - 88,532 cases

Increased by 7,756 cases (9.6%)

Medicaid:

June 2001 - 264,087 individuals

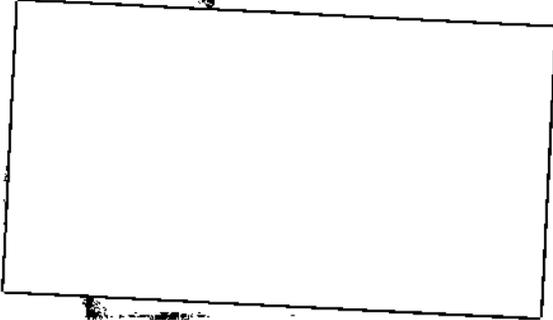
February 2002 - 280,281 individuals

Increased by 16,194 individuals (6.1%)

4/9/02

WORKS Closures Due to Expiration of 60 Months

Month	Number of Closures
12/01	108
1/02	40
2/02	23
3/02	29



Joint Committee on Government and Finance

April 2002

Department of Health and Human Resources

COLIN ANDERSON CENTER REPORT

Colin Anderson Center Report

April 2002

**West Virginia Department of Health
and Human Resources**

Paul L. Nusbaum, Secretary

Colin Anderson Center Summary Report – April 2002

The Colin Anderson Center (Center) was successfully closed on April 3, 1998. The Department of Health and Human Resources (Department) has completed all required monitoring for persons who left the Center.

Seventy-eight people were discharged from the Center into community settings in West Virginia, and one person was discharged from Ruby Memorial Hospital to Lakin Hospital. The individual who was discharged to Lakin Hospital expired four months after admission.

Two people were discharged to out-of-state placements at the request of their legal representatives. One of those individuals returned to West Virginia and resides at Pinecrest Hospital at the request of their legal representative.

Twelve people have died (all due to natural causes) since being discharged from the Center.

Therefore, sixty-six people continue to receive services and supports in West Virginia communities. Twenty people receive residential services in an ICF/MR facility. The ICF/MR facilities are between six and eight bed homes. Forty-six people receive residential services through the Home and Community-Based MR/DD Waiver Program. Home and Community-Based residential services are between one and four bed homes.

All those discharged from the Center receive day habilitation services from day programs, community-based day programs, volunteering, senior centers, supported employment and competitive employment.

Sixty-six people have had compliance clocks successfully completed. The compliance clock is the list of services identified prior to discharge by Center staff and community staff as needed services for the individual. Each compliance clock service is required to complete eighteen consecutive months of service. Zero compliance clocks remain active. The Department continues to monitor, on an individual basis, those who were discharged from the Colin Anderson Center.

**Colin Anderson Center
 Summary Report - April 2002
 Division of Developmental Disabilities
 Bureau for Behavioral Health and Health Facilities**

Date of Closure: April 3, 1998

Status	Total
Number Discharged in Community Settings	78
Number Discharged in Medical Settings	1
Total Number of Individuals Discharged	79

Total Number of Individuals Deceased Since Discharge (all due to natural causes)	12
---------------------------------------------------------------------------------------------	-----------

Number in ICF/MR Group Homes (6-8 Beds)	20
Number in MR/DD Waiver Residences (1-4 beds)	46
Total Currently in Community Settings	66

Number of Individuals with Compliance Clocks* Closed	66
Number of Individuals with Compliance Clocks* Open	0
Total Number of Individuals with Compliance Clocks*	66

*A compliance clock is a list of services an individual's treatment team identified prior to discharge as needed services for the individual. In order for a compliance clock to be closed, all of the identified services must be provided for a period of eighteen consecutive months. Zero compliance clocks remain active.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor

*Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

304-347-4870

MEMORANDUM

To: Joint Committee on Government and Finance
Honorable Senator Tomblin, Senate President
Honorable Delegate Robert Kiss, Speaker of the House

From: Ellen Clark, CPA *EL*
Director Budget Division
Legislative Auditor's Office

Date: April 14, 2002

Re: Review of West Virginia Lottery Financial Information
As of February 2002 (FY 2002)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the period ended February 28, 2002 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games and video lottery. These gross receipts were 40.45% ABOVE the preceding July - February of fiscal year 2000-2001. This number does not include commission and prize deductions. Gross profit for July - February 2002 was \$191,469,000.00; for the previous fiscal year, July - February 2001, it was \$129,604,000.00. Expressed as a percentage, gross profit is **47.73% higher** in 2001-2002 than in fiscal year 2000-2001.

Joint Committee on Government and Finance

Net Income:

Net income for months of July 2001 - February 2002 was \$ 181,354,000.00; the previous fiscal year it was \$116,323,000.00 This is an increase of 55.91%.

Operating Transfers to the State of West Virginia:

A total of \$ 182,309,000.00 has been accrued to the state of West Virginia for fiscal year 2001-2002. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 38,361,000.00
Department of Education	\$ 34,737,000.00
Educational Broadcasting Authority	\$ 2,600,000.00
Library Commission	\$ 9,752,000.00
Higher Education-Central Office	\$ 39,679,000.00
Tourism	\$ 12,870,000.00
Department of Natural Resources	\$ 6,503,000.00
Division of Culture and History	\$ 8,218,000.00
Department of Education and Arts	\$ 6,965,000.00
State Building Commission	\$ 8,000,000.00
School Building Authority	\$ 14,400,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$182,085,000.00

Excess Lottery Fund
 To: General Revenue: 6,049,000.00

Veterans Instant Ticket Fund 735,000.00

RACE TRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund	\$11,066,000.00
Veterans Memorial Archives	\$100,000.00
John F. "Jack" Bennett Fund	\$20,000.00
Department of Administration	\$3,848,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$15,034,000.00
TOTAL TRANSFERS	*\$203,903,000.00

* CASH BASIS

Actual accrual based accounting FY 2002: \$182,309,000.00



P.O. BOX 2067
CHARLESTON, WV 25327

PHONE: 304-558-0500
FAX: 304-558-3321

Bob Wise
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending February 28, 2002

DATE: March 20, 2002



This report of the Lottery operations is provided pursuant to the State Lottery Act.

Financial statements of the Lottery for the month ending February 28, 2002 are attached. Lottery revenue, which includes on-line, instant and video lottery sales, was \$70,001,828 for the month of February.

Transfers of lottery revenue totaling \$5,197,566 were made for the month of February to the designated state agencies per House Bill 101 and the Racetrack Video Lottery Act (§29-22A-10). The amount transferred to each agency is shown in Note 9 on page 13 of the attached statements.

The number of active retailers as of February 28, 2002, was 1612.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM/jt
Attachment

pc: Honorable Bob Wise
Brian Kastick, Cabinet Secretary - Tax & Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

FINANCIAL STATEMENTS

FEBRUARY 28, 2002

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2002
(Expressed in Thousands)

	CURRENT MONTH		YEAR TO DATE	
	2002	2001	2002	2001
Lottery revenues				
On-line games	\$ 6,262	\$ 8,409	\$ 84,808	\$ 56,302
Instant games	8,789	7,080	59,760	47,641
Racetrack video lottery	49,610	36,530	374,863	270,910
Limited video lottery	5,341	-	7,043	-
	<u>70,002</u>	<u>52,019</u>	<u>526,474</u>	<u>374,853</u>
Direct Costs				
Commissions				
On-line games	392	526	5,302	3,520
Instant games	543	442	3,730	2,978
Racetrack video lottery	31,433	23,918	237,513	177,163
Limited video lottery	3,664	-	4,832	-
	<u>36,032</u>	<u>24,886</u>	<u>251,377</u>	<u>183,661</u>
Prizes				
On-line prizes	3,012	4,180	41,857	28,127
Instant prizes	5,877	4,786	40,531	32,445
	<u>8,889</u>	<u>8,966</u>	<u>82,388</u>	<u>60,572</u>
Ticket Costs	<u>181</u>	<u>145</u>	<u>1,240</u>	<u>1,016</u>
Total Direct Costs	<u>45,102</u>	<u>33,997</u>	<u>335,005</u>	<u>245,249</u>
Gross profit	24,900	18,022	191,469	129,604
Operating expenses				
Vendor fees and costs	630	617	5,737	4,166
Advertising and promotions	691	610	5,484	4,423
Wages and related benefits	311	206	2,118	1,559
Telecommunications	310	384	2,398	1,822
Contractual and professional	132	36	1,137	845
Rental	55	32	381	245
Depreciation and amortization	63	47	447	313
Other general expenses	95	54	574	355
	<u>2,287</u>	<u>1,986</u>	<u>18,276</u>	<u>13,728</u>
Other Operating Income	<u>1,264</u>	<u>40</u>	<u>8,161</u>	<u>447</u>
Operating Income	<u>23,877</u>	<u>16,076</u>	<u>181,354</u>	<u>116,323</u>
Nonoperating income(expense)				
Investment income	160	237	1,268	1,983
Interest expense	(34)	(39)	(313)	(356)
	<u>126</u>	<u>198</u>	<u>955</u>	<u>1,627</u>
Income before nonoperating distributions	24,003	16,274	182,309	117,950
Nonoperating distributions to the State of West Virginia	<u>24,003</u>	<u>16,274</u>	<u>182,309</u>	<u>117,950</u>
Net income	-	-	-	-
Retained earnings, beginning of period	250	250	250	250
Retained earnings, end of period	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 250</u>	<u>\$ 250</u>

The accompanying notes are an integral part of these financial statements.

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE EIGHT MONTH PERIOD ENDED FEBRUARY 28, 2002
(Expressed in Thousands)

	2002	2001
Cash received from customers	\$ 534,727	\$ 375,767
Cash paid to employees	(2,124)	(1,566)
Cash paid to suppliers	(23,657)	(9,922)
Other operating cash payments	(334,460)	(245,283)
Net cash provided by (used for) operating activities	<u>174,486</u>	<u>118,996</u>
Cash flows from noncapital financing activities		
Transfers to the State of West Virginia	(203,903)	(137,774)
Deferred jackpot prize obligations and related interest paid	(827)	(827)
Cash used in noncapital financing activities	<u>(204,730)</u>	<u>(138,601)</u>
Cash flows from capital and related financing activities		
Purchase of fixed assets	<u>(692)</u>	<u>(2,133)</u>
Cash flows from investing activities		
Maturities of investments held in trust	1,251	1,251
Investment earnings received	1,268	1,459
Cash provided by investing activities	<u>2,519</u>	<u>2,710</u>
Increase (Decrease) in cash and cash equivalents	(28,417)	(19,028)
Cash and Cash Equivalents - beginning of period	101,966	62,630
Cash and Cash Equivalents - end of period	<u>\$ 73,549</u>	<u>\$ 43,602</u>

The accompanying notes are an integral
part of these financial statements.

WEST VIRGINIA LOTTERY
BALANCE SHEETS
(Expressed in Thousands)

	February 28, 2002	June 30, 2001
ASSETS		
Current assets		
Cash and cash equivalents	\$ 73,549	\$ 101,966
Accounts receivable	7,957	8,118
Ticket Inventory	556	692
Other assets	825	1,169
Total current assets	<u>82,887</u>	<u>111,945</u>
Leasehold improvements and equipment	4,912	4,213
Less accumulated depreciation and amortization	<u>(2,754)</u>	<u>(2,308)</u>
	<u>2,158</u>	<u>1,905</u>
Investments held in trust	5,663	6,568
Total assets	<u>\$ 90,708</u>	<u>\$ 120,418</u>
 LIABILITIES AND FUND EQUITY		
Current liabilities		
Accrued nonoperating distributions to the State of West Virginia	\$ 55,367	\$ 86,972
Estimated prize claims	12,436	9,907
Accounts payable	2,149	1,532
Other accrued liabilities	15,000	15,737
Total current liabilities	<u>84,952</u>	<u>114,148</u>
Deferred jackpot prize obligations	5,506	6,020
Fund equity		
Retained earnings	<u>250</u>	<u>250</u>
Total liabilities and fund equity	<u>\$ 90,708</u>	<u>\$ 120,418</u>

The accompanying notes are an integral
part of these financial statements.

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 1. LEGISLATIVE ENACTMENT

The West Virginia Lottery (Lottery) was established by the State Lottery Act (Act) passed April 13, 1985, which created a special fund in the State Treasury designated as the "State Lottery Fund," a component unit of the State of West Virginia. The purpose of the Act was to establish and implement a state-operated lottery under the supervision of a state lottery commission (Commission) and a director. The Commission, consisting of seven members, and the Director are appointed by the Governor. Under the Act, the Commission has certain powers and the duty to establish rules for conducting games, to select the type and number of gaming systems or games and to enter into contracts and agreements, and to do all acts necessary or incidental to the performance of its duties and exercise of its power and duty to operate the Lottery in a highly efficient manner. The Act provides that a minimum annual average of 45 percent of the gross amount received from each lottery shall be allocated for prizes and provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be transferred to the State of West Virginia. As the State is able to impose its will over the Lottery, the Lottery is considered a component unit of the State and its financial statements are discretely presented in the comprehensive annual financial report of the State.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below. These policies were applied on a basis consistent with that of the preceding year.

BASIS OF PRESENTATION – The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary type enterprise fund. In accordance with generally accepted accounting principles, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

USE OF ESTIMATES – The preparation of the financial statements requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from three basic types of lottery games: instant, on-line, and video type games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. Retailers and bonded agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

Sales of on-line lottery tickets are made by licensed agents to the public with the use of computerized terminals. On-line games include POWERBALL, a multi-state "jackpot" game, ROLLDOWN, a multi-state "lotto" game, Cash25 "lotto" game, Daily 3 and 4 "numbers" games, and Travel, a daily "keno" game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

Commissions are paid to instant game retailers and on-line agents at the rate of six and one quarter percent of gross sales. A portion of the commission not to exceed one and one quarter percent of gross sales may be paid from unclaimed prize moneys. The amount paid from unclaimed prize moneys is credited against prize costs. In addition, retailers and agents are paid limited bonus incentives that include prize shares on winning tickets they sold and a ticket cashing bonus on winning tickets they cash. On a weekly basis, retailers and agents must remit amounts due to the Lottery. Retailers may not be able to order additional instant tickets if payment has not been made for the previous billing period, while an agent's on-line terminal may be rendered inactive if payment is not received each week. No one retailer or agent accounts for a significant amount of the Lottery's sales or accounts receivable. Historically credit losses have been nominal and no allowance for doubtful accounts receivable is considered necessary.

Racetrack video lottery is a self-activated video version of lottery games. The keyboard operated games allow a player to place bets for the chance to be awarded credits which can either be redeemed for cash or be replayed as additional bets. The coin operated games allow a player to use coins or tokens to place bets for the chance to receive coin or token awards which may be redeemed for cash or used for replay in the coin operated games. The video lottery games' prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions.

Racetrack video lottery legislation has established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

The Lottery has contracted with a private vendor to manufacture, distribute and provide data processing support for instant and on-line lottery games. Under the terms of the agreement the Lottery pays a percentage of gross revenues for the processing and maintenance of the games.

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

CASH AND CASH EQUIVALENTS – Cash and cash equivalents consist of interest-earning deposits with the West Virginia Investment Management Board (IMB) and are recorded at fair value.

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and are carried at cost.

OTHER ASSETS – Other assets consist primarily of deposits restricted for payment of certain Multi-State Lottery Association activities, and promotional items for which re-sale is not intended.

LEASEHOLD IMPROVEMENTS AND EQUIPMENT – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. A portion of these facilities are subleased to the Lottery's game vendors. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the eight months ended February 28, 2002 and February 28, 2001 approximated \$380,658 and \$244,998, respectively. Sublease rental income for the eight months ended February 28, 2002 and February 28, 2001 approximated \$69,152 and \$68,987, respectively.

Leasehold improvements and purchased equipment, comprised principally of office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

COMPENSATED ABSENCES – The Lottery has accrued \$404,000 and \$351,000 for fiscal years 2001 and 2000, respectively, for estimated obligations that may arise in connection with compensated absences for vacation and sick leave at the current rate of employee pay. Employees fully vest in all earned but unused vacation. In accordance with State personnel policies, employees vest in unused sick leave only upon retirement, at which time such unused leave can be converted into employer paid premiums for post-retirement health care coverage or additional periods of credited service for purposes of determining retirement benefits.

NOTE 3. ACCOUNTING PRONOUNCEMENT

In June 1999, the GASB issued Statement No. 34, "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments". This statement establishes financial reporting standards for state and local governments by revising the basic financial statement requirements and also requiring a management's discussion and analysis to introduce the basic financial statements and to provide an analytical overview of the entity's financial activities. The Lottery intends to adopt the provisions of this statement for the fiscal year ending June 30, 2002, which is consistent with the State of West Virginia's planned adoption period. Because the Lottery is an enterprise fund, the adoption of GASB Statement No. 34 is not expected to have a material effect on the financial statements.

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 4. LEGISLATIVE ENACTMENT

During the fiscal year ended June 30, 2001 the West Virginia Legislature approved House Bill 102, which included the Limited Video Lottery Act. Under this bill, up to 9,000 video lottery terminals will be placed in limited licensed retailer areas restricted for adult amusement. These licensed retailers must hold a qualifying permit for the sale on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The addition of these responsibilities in future years is expected to generate a substantial increase in video lottery revenues and related expenses, including commission, personnel and administrative.

House Bill 102 also contains language that changes, for fiscal years beginning on or after July 1, 2001, the State's share of racetrack video lottery revenue as well as the distribution percentage paid to racetracks and one other private entity associated with the racing industry (See Note 7) after the gross terminal income benchmark amount for fiscal year ending June 30, 2001 has been met.

NOTE 5. CASH AND CASH EQUIVALENTS

A summary of the amount on deposit with the West Virginia Investment Management Board (IMB) follows (in thousands):

	<u>February 28, 2002</u>	<u>June 30, 2001</u>
Amount on deposit with the IMB	<u>\$73,549</u>	<u>\$101,966</u>

The deposits with the IMB are part of the State of West Virginia's consolidated investment cash liquidity pool and are not separately identifiable as to specific types of securities. Investment income is pro-rated to the Lottery at rates specified by the IMB based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

NOTE 6. PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL jackpot lotto game and the three day a week ROLLDOWN game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL, and ROLLDOWN is 50% of each drawing period's sales, with minimum jackpot levels.

Revenues derived from the Lottery's participation in the MUSL POWERBALL jackpot game for the month and year-to-date periods ended February 28, 2002 were \$3,195,860 and \$61,123,346 while related prize costs for the same periods were \$1,619,765 and \$30,503,864.

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 6. PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

Revenues derived from the Lottery's participation in the ROLLDOWN game for the month and year-to-date periods ended February 28, 2002 were \$57,799 and \$564,217 while related prize costs for the same periods were \$24,928 and \$277,501.

MUSL places 2% of each POWERBALL drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$52,000,000 limit on the POWERBALL prize reserve fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At February 28, 2002 the POWERBALL prize reserve funds had a balance of \$77,000,000 of which the Lottery's share was \$2,979,140. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 7. RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates that sixty-six percent (66%) of racetrack video lottery revenues, net of prizes (gross terminal income) and lottery administrative costs (such costs limited to 4% of revenues), shall be allocated, in lieu of commissions, to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county governments (2%). The remaining income (34% of gross terminal revenues less administrative costs) from racetrack video lottery shall be made available for transfers to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 8 titled "Nonoperating Distributions to the State of West Virginia."

The Racetrack Video Lottery Act was amended in 1999 and requires for fiscal years beginning July 1, 1999 the local county government share (2%) be split 50-50 with incorporated municipalities for certain tracks after the effected tracks have met their fiscal year 1999 net terminal revenue benchmark.

The Racetrack Video Lottery Act was further also amended in 2001 and requires for fiscal years beginning July 1, 2001 that each tracks share be reduced to 42% as well as a 2% to one of the private entities associated with the racing industry after each tracks net terminal revenue has reached the fiscal year 2001 net terminal revenue benchmark. In addition, after the fiscal year 2001 benchmark is met, the 4% for administrative costs is to be transferred to the excess lottery revenue fund; a 10% surcharge is deducted (58% will be transferred to the state excess lottery revenue fund and 42% will be held by the Lottery in a separate capital reinvestment fund) from gross terminal revenue. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund. A summary of racetrack video lottery revenues for the month ended February 28, 2002 and year-to-date follows (in thousands):

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 7. RACETRACK VIDEO LOTTERY (continued)

	<u>Current</u> <u>2002</u>	<u>Month</u> <u>2001</u>	<u>Year- to -Date</u> <u>2002</u>	<u>2001</u>
Total credits played	\$579,366	\$433,800	\$4,381,074	\$3,174,896
Credits (prizes) won	(529,756)	(397,270)	(4,006,211)	(2,903,986)
Gross terminal income	<u>\$49,610</u>	<u>\$36,530</u>	<u>\$374,863</u>	<u>\$270,910</u>
Administrative costs	(1,984)	(291)	(14,995)	(2,481)
Net Terminal Income	<u>\$47,626</u>	<u>\$36,239</u>	<u>\$359,868</u>	<u>\$268,429</u>
Less distribution to agents	(31,433)	(23,918)	(237,512)	(177,163)
Racetrack video lottery revenues	<u>\$16,193</u>	<u>\$12,321</u>	<u>\$122,356</u>	<u>\$91,266</u>

A summary of video lottery revenues accrued or deferred for certain state funds to conform with the legislation follows (in thousands):

	<u>February 28, 2002</u>	<u>Year-to Date</u>
Lottery Fund	\$14,288	\$107,962
Tourism Promotion Fund	1,429	10,796
Veterans Memorial Archives	-	100
John F."Jack" Bennett Fund	-	20
Department of Administration	476	3,478
Total transfers	<u>\$16,193</u>	<u>\$122,356</u>

NOTE 8. LIMITED VIDEO LOTTERY

The Limited Video Lottery legislation stipulates that two percent (2%) of gross terminal income be deposited into the state lottery fund for administrative costs. Then, thirty percent (30%) of gross profits are to be transferred to the excess lottery fund. The remaining 70% of gross profit is paid to retailers and/or operators as prescribed in the Act, these amounts are recorded as limited video lottery commissions in the financial statements. A summary of limited video lottery revenues for the month ended February 28, 2002 and year-to-date follows (in thousands):

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 8. LIMITED VIDEO LOTTERY (continued)

	<u>Current Month</u>	<u>Year-to-Date</u>
Total credits played	53,693	\$69,934
Credits (prizes) won	(48,352)	(62,891)
Gross terminal income	\$5,341	\$7,043
Administrative costs	(107)	(141)
Gross Profit	\$5,234	\$6,902
Commissions	(3,664)	(4,832)
Limited video lottery revenues	<u>\$1,570</u>	<u>\$2,070</u>

NOTE 9. NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

As required under its enabling legislation, retained earnings of the Lottery may not exceed \$250,000. Therefore, the Lottery periodically transfers surplus funds, exclusive of amounts derived from racetrack video lottery, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2002 the State Legislature budgeted \$186,562,158 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. The enabling legislation specifies that required payments to the West Virginia State Building Commission and School Building Authority for debt service have priority for payment in instances when estimated profits are not sufficient to provide for payment of all budgeted distributions. During the month ended February 28, 2002 the Lottery made such distributions and accrued additional distributions of \$22,098,241. The Lottery does not have a legally adopted annual budget.

Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 7. As of February 28, 2002 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$266,521.

The Racetrack Video Lottery Act stipulates that video lottery revenue will be distributed as follows: Lottery Fund distributions as specified in the State budget (30%); Tourism Promotion Fund (3%); and the Veterans Memorial Fund, the Veterans Memorial Archives, the John F. "Jack" Bennett Fund, or the Department of Administration (1%). A summary of the cash distributions made to certain state agencies to conform with the legislation follows (in thousands):

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

**NOTE 9. NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)**

<u>BUDGETARY DISTRIBUTIONS</u>	<u>February 28, 2002</u>	<u>Year-to-Date</u>
<u>Lottery Fund:</u>		
Bureau of Senior Services	\$ -	\$38,361
Department of Education	-	34,737
Educational Broadcasting Authority	-	2,600
Library Commission	-	9,752
Higher Education-Central Office	-	39,679
Tourism	-	12,870
Natural Resources	-	6,503
Division of Culture & History	-	8,218
Department of Education & Arts	-	6,965
Building Commission	1,000	8,000
School Building Authority	1,800	14,400
Total Lottery Fund	<u>\$2,800</u>	<u>\$182,085</u>
 <u>Excess Lottery Fund:</u>		
General Revenue Fund	403	6,049
Total Excess Lottery Fund	<u>\$403</u>	<u>\$6,049</u>
 Total Budgetary distributions:		
	<u>\$3,203</u>	<u>\$188,134</u>
 Veterans Instant Ticket Fund		
	\$102	\$735
 <u>Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund	1,419	11,066
Veterans Memorial Archives	-	100
John F. "Jack" Bennett Fund	-	20
Department of Administration	473	3,848
Total	<u>1,892</u>	<u>15,034</u>
Total nonoperating distributions to the State of West Virginia (cash basis)	5,197	203,903
Accrued nonoperating distributions, beginning	(46,572)	(86,972)
Accrued nonoperating distributions, end	<u>65,378</u>	<u>65,378</u>
Total nonoperating distributions to the State of West Virginia	<u>\$24,003</u>	<u>\$182,309</u>

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 10. DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST

Prior to becoming a member of the Multi-State Lottery in 1988, the prize structure of certain games operated solely by the Lottery included jackpot prizes. The Lottery, at its discretion, could choose to award such prizes in the form of either a lump sum payment or in equal installments over a period of 10 or 20 years, through February 28, 2002, the Lottery has awarded twenty-one deferred jackpot prizes totaling approximately \$28,868,786. Deferred prize awards were recognized as prize liabilities equivalent to the present value of future prize payments discounted at interest rates for government securities in effect on the date prizes were won. The imputed interest portion of the deferred prize awards is calculated using the effective interest method at rates ranging from 7.11% to 9.13%. A summary of the present value of the remaining obligations for deferred jackpot prize awards follows (in thousands):

	<u>February 28, 2002</u>	<u>June 30, 2001</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$5,266	\$5,784
Imputed interest accrued	<u>240</u>	<u>236</u>
Total Deferred Jackpot Prize Award Obligations	<u>\$5,506</u>	<u>\$6,020</u>

The Lottery has purchased long-term investments consisting principally of zero coupon government securities to fund deferred jackpot prize award obligations. Such investments are maintained in a separate trust fund administered by the West Virginia Investment Management Board on behalf of the Lottery and the jackpot prize winners, with investment maturities approximating deferred prize obligation installment dates. Investments are carried at fair value determined by quoted market prices for the specific obligation or for similar obligations. Changes in fair value are included as part of investment income. In accordance with Statement No. 3 of the Government Accounting Standards Board, these investments are classified as to level of risk in Category 1, which includes investments that are insured or registered, or for which the securities are held by the State or its agent in the State's name.

NOTE 11. RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, Building 5, Room 1000, State Capitol Complex, Charleston, West Virginia 25305-0720.

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 11. RETIREMENT BENEFITS (continued)

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service are eligible for retirement benefits as established by state statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's final average salary, multiplied by the number of years of the employee's credited service at the time of retirement.

Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 9.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are actuarially determined; however actuarial valuations are performed to assist the Legislature in determining appropriate values. The Lottery and employees contributions, for the period ending February 28, 2002 are as follows (in thousands) :

	<u>February 28, 2002</u>	<u>Year-to Date</u>
Lottery contributions (9.5%)	\$21	\$149
Employee contributions (4.5%)	10	72
Total contributions	\$31	\$221

NOTE 12. RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools have issued separate audited financial reports on its operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WORKERS' COMPENSATION FUND (WCF)

West Virginia operates an exclusive state-managed Workers' Compensation Insurance Fund (WCF), which means that private insurance companies cannot offer coverage to employers. In accordance with Chapter 23 of the Workers' Compensation Law (the Law), generally, every employer who has a payroll must have coverage except for employers in the agricultural industry with five or fewer employees, volunteer organizations, domestic workers and employers qualifying for territorial coverage. WCF's general objective is to provide a prompt and equitable system for compensation for injury sustained in the course of and growing out of employment. West Virginia Code §21A-3 established the Compensation Programs Performance Council (the Performance Council) to oversee the unemployment compensation system and the workers' compensation system. The Performance Council is responsible for recommending legislation and establishing regulations designed to ensure the effective administration and financial viability of WCF; approval of base premium rates and analyzing

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 12. RISK MANAGEMENT (continued)

opportunities for internal operational improvements. The WCF risk pool retains all risk related to the compensation of injured employees under the program.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher educations, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

The PEIA risk pool retains all risks for the health and prescription features of its indemnity plan. PEIA has fully transferred the risks of coverage to the Managed Care Organization (MCO) Plan to the plan provider, and has transferred the risks of the life insurance coverage to a third party insurer. PEIA presently charges equivalent premiums for participants in either the indemnity plan or the MCO Plan. Altogether, PEIA insures approximately 205,000 individuals, including participants and dependents.

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer, under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

NOTE 13. SUBSEQUENT EVENT

The Lottery was named, among other parties, in a civil action filed on July 19, 2001, whereby a request for a preliminary injunction was made by a group of plaintiffs which requested the Lottery discontinue all video lottery operations as a result of the passage of House Bill 102, which included the Limited Video Lottery Act (see Note 4), which was enacted and became effective April 21, 2001. The United States District Court of Southern West Virginia, by order dated August 31, 2001, dismissed the case for

**WEST VIRGINIA LOTTERY
NOTES TO THE FINANCIAL STATEMENTS**

NOTE 13. SUBSEQUENT EVENT (continued)

lack of jurisdiction. On September 24, 2001, the plaintiffs appealed this order in the United States Court of Appeals for the Fourth Circuit. The financial statements of the Lottery have not been adjusted for the effect of this matter, if any, as the likelihood of an unfavorable outcome is not determinable.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590

304-347-4870

To: Honorable Earl Ray Tomblin, Senate President
Honorable Robert Kiss, Speaker of the House
Honorable Members of the Joint Committee on Government
and Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 14, 2002

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the monthly reports of the Unemployment Compensation Trust Fund we received from the Bureau of Employment Programs.

For the eighth month (February 2002) of year 2001-2002, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2001	\$237,250,143.78
Receipts July 1, 2001 thro February 28, 2002	\$80,691,452.92
Disbursements July 1 thro February 28, 2002	\$93,448,465.56
Balance February 28, 2002	\$224,493,131.14

(This balance is \$ 16,810,520.48 higher than at same time period in the last fiscal year.)

Joint Committee on Government and Finance

ITEMS OF NOTE:

Regular benefits paid for July - February 2002 are \$ 11,018,867.98 HIGHER than the preceding July - February 2001.

Receipts are \$ 1,512,775.31 HIGHER than the previous July-February 2001. Overall disbursements are \$11,122,362.67 HIGHER than July - February 2001.

UNEMPLOYMENT RATES:

West Virginia's unemployment rate for the month of February 2002 was 6.5 percent. The national unemployment rate for February 2002 was 6.1 percent. Seasonally adjusted unemployment rates were 5.6 percent for West Virginia and 5.5 percent nationally.

During the past year West Virginia's economy has declined by 400 jobs. The gains were 3,000 jobs in services, 2,100 in mining and 800 in finance, insurance and real estate, and 1,100 in construction. Losses include 5,100 in manufacturing, 400 in trade, 1,500 in government and 400 in transportation and public utilities.

**FINANCIAL CONDITION OF THE UNEMPLOYMENT COMPENSATION TRUST FUND
MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING FEBRUARY 2001 AND FEBRUARY 2002**

	DECEMBER 00	JANUARY 01	FEBRUARY 01	DECEMBER 01	JANUARY 02	FEBRUARY 02	THREE MONTH TOTAL VARIANCE *
Balance Forward	\$228,032,873.42	\$220,873,882.87	\$209,780,780.82	\$246,305,603.71	\$239,823,829.42	\$227,384,287.07	\$54,826,173.99
Add Receipts:							
Bond Assessment	\$348.37	\$2,714.87	\$1,304.51	\$35.98	\$238.03	\$249.86	(\$3,843.88)
Regular Contributions	\$549,801.90	\$5,490,028.55	\$10,684,052.32	\$494,788.73	\$5,722,800.03	\$11,381,417.83	\$875,123.82
Extended Benefit Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Unemployme	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
UCFE (Federal Agencies)	\$75,000.00	\$150,000.00	\$125,000.00	\$75,000.00	\$100,000.00	\$75,000.00	(\$100,000.00)
Reduced Tax Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Treasury Interest Credits	\$3,670,246.05	\$0.00	\$0.00	\$3,880,712.49	\$0.00	\$0.00	\$210,468.44
UCX (Military Agencies)	\$150,000.00	\$200,000.00	\$150,000.00	\$150,000.00	\$200,000.00	\$150,000.00	\$0.00
Total Monthly Receipts	\$4,445,398.32	\$5,842,743.42	\$10,960,356.83	\$4,600,537.20	\$6,023,038.06	\$11,608,687.69	\$981,746.38
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	NA
Regular Benefits	\$11,579,292.99	\$16,410,554.02	\$12,786,394.16	\$11,035,982.61	\$17,965,630.88	\$14,234,666.57	\$2,460,038.89
Extended Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Benefits	(\$816.00)	(\$1,190.00)	(\$410.00)	(\$245.00)	(\$420.00)	(\$404.00)	\$1,347.00
UCFE (Federal Workers)	\$95,134.49	\$134,088.18	\$129,439.53	\$77,873.55	\$93,485.37	\$94,557.63	(\$92,745.65)
UCX (Military Workers)B	\$130,875.69	\$192,382.97	\$143,113.30	\$168,600.33	\$203,983.56	\$169,004.02	\$75,215.95
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Disbursemen	\$11,804,487.17	\$16,735,835.17	\$13,058,536.99	\$11,282,211.49	\$18,262,679.81	\$14,497,824.22	\$2,443,856.19
Trust Fund Balance	\$220,873,882.87	\$209,780,780.82	\$207,882,810.86	\$239,823,829.42	\$227,384,287.07	\$224,493,131.14	\$63,384,084.18

* Three month total variance column is the difference between the sum of the previous year's three months data for each category and the current year's three months data. The purpose of the report is to show significant changes in receipts, disbursements, or balances.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

*Budget Division
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304-347-4870

MEMORANDUM

To: Honorable Senator Earl Ray Tomblin, Senate President
Honorable Delegate Robert Kiss, Speaker of the House
Honorable Members of the Joint Committee on Government and Finance

From: Ellen Clark, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 14, 2002

Re: Workers' Compensation Trust Fund

We have reviewed the monthly report of receipts and disbursements for the Workers' Compensation Trust Fund for the month ended January 31, 2002. (FY 2001-2002)

Total receipts for the fiscal year are \$334,678,723.75 . This amount is \$ 87,795,180.11 LESS than the receipts reported for fiscal year 2000-2001 during the July to January time period.

Disbursements paid out for the fiscal year are \$ 435,374,775.27. This amount is \$ 58,765,967.60 HIGHER than the same time period last fiscal year.

Total administrative expenses for this seven month period are \$ 29,087,353.36; which is \$2,010,033.22 HIGHER than the same seven months of the previous fiscal year.

The ending trust fund balance as of January 31, 2002 was \$ 1,001,889,220.14. At the same date the previous fiscal year the trust fund balance was \$ 1,182,932,724.32. The difference is a \$ 181,043,504.18 DECREASE in ending trust fund balance.

These calculations are based upon cash received and cash disbursed, (i.e. similar to a checkbook register). Accrual based calculations would change the financial data significantly.

Joint Committee on Government and Finance

**WORKERS' COMPENSATION FUND
UNAUDITED STATEMENT OF RECEIPTS AND DISBURSEMENTS (CASH BASIS)
FOR THE THREE MONTHS STARTING NOVEMBER 2000 AND NOVEMBER 2001**

RECEIVED
EMPLOYERS' PERS. DIV.
2002 FEB 20 P 1:17
FAM ACCOUNTING SERVICES

RECEIPTS AND DISBURSEMENTS			
MONTH	RECEIPTS	DISBURSEMENTS	ENDING BALANCE
BALANCE FORWARD *			\$1,207,993,220.27
NOV 2000	\$ 50,083,268.88	\$ 55,450,317.05	1,202,628,172.08
DEC 2000	(11,180,027.27)	50,120,518.81	1,141,345,628.00
JAN 2001	104,124,931.83	62,537,835.51	1,182,932,724.32
TOTALS	\$143,048,173.42	\$188,108,669.37	N/A

BENEFITS			ADMINISTRATIVE EXPENSE
WCF	SELF-INSURERS	TOTAL	
\$ 51,250,528.38	\$ 8,112,781.72	\$59,363,308.10	\$ 4,199,790.67
47,025,141.82	8,103,442.02	55,128,583.84	3,095,374.99
58,680,953.76	9,005,396.64	67,686,350.40	3,858,881.75
\$156,956,621.96	\$25,221,620.38	\$182,178,242.34	\$11,152,047.41

MONTH	RECEIPTS	DISBURSEMENTS	ENDING BALANCE
BALANCE FORWARD *			\$971,863,869.42
NOV 2001	\$ 89,007,277.81	\$ 58,275,609.93	1,002,895,537.40
DEC 2001	37,844,740.18	55,738,781.52	884,801,498.04
JAN 2002	88,991,274.81	89,903,550.71	1,001,889,220.14
TOTALS	\$213,843,292.88	\$183,917,942.16	N/A

WCF	SELF-INSURERS	TOTAL	ADMINISTRATIVE EXPENSE
\$ 53,791,912.23	\$ 9,641,310.53	\$63,333,222.76	\$ 4,483,697.70
52,000,980.95	9,267,705.96	61,268,686.91	3,737,820.57
85,037,184.10	11,785,203.87	76,802,387.97	4,868,386.81
\$170,830,037.28	\$30,574,220.36	\$201,404,257.64	\$13,087,904.88

* Balance forward amount includes \$210,000,000 transferred from the Coal-Workers' Pneumoconiosis Fund in December 1990

Notes: Accrual basis financial information could significantly change the data provided.

This report includes the Workers' Compensation Fund and the Disabled Workers' Relief Fund. It does not include the Employers' Excess Liability Fund or the Coal-Workers' Pneumoconiosis Fund.

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor

*Budget Division
Building 1, Room 332 West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*

304-347-4870

Memorandum

To: Honorable Senator Earl Ray Tomblin, Senate President
Honorable Delegate Robert Kiss, Speaker of the House
Honorable Members of the Joint Committee on Government and
Finance

From: Ellen Clark, C.P.A. *EC*
Director Budget Division
Legislative Auditor's Office

Date: April 14, 2002

Re: Status of General Revenue Fund March 31, 2002

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the month of March 2002. The status of the fund collections are as follows:

The net year-to-date collections are **101.82%** of the estimate for the fiscal year as of March 31, 2002. **The amount over estimate is \$ 35,404,992.87 for the year.** (See Note 1)

Consumer sales tax collections are \$ 8,631,709.34 ABOVE the estimate for the year. Collections of consumer sales tax were 101.32% of the yearly estimate.

Corporate net income tax collections are at 78.99% of the estimate. Corporate net income tax refunds for the first three months of the calendar year have totaled \$ 31,019,654.75. This accounts for 35.43% of the total general revenue tax refunds in all categories.

Personal income tax collections for July - March are at 102.50% of the estimate.

Joint Committee on Government and Finance

Smokeless tobacco tax collections which began January 1, 2002 are \$ 542,244.21 over the year to date estimate of \$ 400,000.00.

The Special Income Tax Reserve Fund had a cash balance of \$23,625,035.96 as of March 31, 2002.

Balance July 1, 2001	26,625,035.96
Revenues July 2001-March 2001	00,000,000.00
Disbursements July 2001 - March 2002	00,000,000.00
Other adjustments	00,000,000.00
Balance March 31, 2002	23,625,035.96

See Note 2

The Rainy Day Fund (Revenue Shortfall Reserve Fund) had a cash balance of \$63,178,308.63 as of March 31, 2002.

Balance July 1, 2001	79,085,243.86
Revenues July 1-June 30, 2002 Surplus from 2001 (transferred 8-1-2001)	+ 15,755,064.77
Disbursements July 1-June 30, 2002 Loan to General Revenue (transferred 7-6-2001) Loan repaid on September 27, 2001	- 40,000,000.00 + 40,000,000.00
Legislative Appropriation for flood relief (House Bill 402) Passed August 8, 2001.	- 30,162,000.00
Legislative Appropriation for flood relief (House Bill 512) to Governors Civil Contingent Fund October 1, 2001 (signed by Governor 9-25- 01)	- 1,500,000.00
Balance March 31, 2002	63,178,308.63

State Road Fund

The collections in the state road fund are at 102.98% of the yearly estimate as of March 31, 2002. This translates to a \$11,792,572.48 excess over the estimate.

The category over the estimate is the privilege tax which is collected on the certificate of title at the time a vehicle is purchased. This category is \$ 11,842,655.76 over the estimate. Licenses and registration taxes are \$ 3,345,795.47 over the estimate for the period July 2001 through March 2002.

Notes:

Note 1

The Department of Administration, Division of Finance, amended the general revenue estimate at the end of March. The change in estimate occurred in the insurance tax category. This total estimate was changed from \$65,500,000.00 to \$74,900,000.00, which was an increase of \$ 9,400,000.00 for the fiscal year. This revises the total general revenue fund estimate from \$2,800,100,000.00 to \$ 2,809,500,000.00. This change will be reflected in our April 2002 general revenue report. (If we had revised our March report to reflect this change the total collections would have been 101.53% of the estimate, instead of 101.82% of the estimate.)

Note 2

On April 2 and April 4, 2002, transfers totaling \$7,023,139.94 were made according to West Virginia Code 11-21-93 from the treasury personal income tax reserve fund to the personal income tax account in the tax division to accommodate the refunding of personal income taxes.

GENERAL REVENUE FUND FY 2001-2002

Monthly Revenue Estimates, July 2001
as of March 29, 2002 WVFIMS

Fiscal

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/ UNDER ESTIMATES		NET YTD COLLECTIONS	YEARLY OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
			VS ACTUAL COLLECTIONS	YTD ESTIMATES		
Business & Occupation Tax	17,800,000	20,012,600.81	2,212,600.81	122,700,000	122,420,198.63	-279,801.37
Consumer Sales Tax	64,600,000	65,972,567.37	1,372,567.37	654,000,000	662,631,709.34	8,631,709.34
Personal Income Tax	70,000,000	67,263,628.18	-2,736,371.82	693,780,000	711,107,679.37	17,327,679.37
Liquor Profit Transfers	0	0.00	0.00	5,200,000	5,237,593.08	37,593.08
Racing Fees	0	0.00	0.00	1,250,000	1,000,000.00	-250,000.00
Beer Tax and Licenses	570,000	635,467.52	65,467.52	5,260,000	5,599,135.51	339,135.51
Cigarette Tax	2,670,000	2,270,694.11	-399,305.89	23,840,000	24,301,552.37	461,552.37
Estate and Inheritance Tax	2,170,000	787,753.77	-1,382,246.23	14,360,000	10,685,508.55	-3,674,491.45
Business Franchise Fees	40,000	19,212.64	-20,787.36	460,000	734,450.35	274,450.35
Charter Tax	60,000	94,670.69	34,670.69	2,420,000	2,968,567.24	548,567.24
Use Tax	4,800,000	4,890,423.20	90,423.20	59,400,000	56,972,401.88	-2,427,598.12
Property Transfer Tax	400,000	413,420.60	13,420.60	5,100,000	5,440,305.88	340,305.88
Property Tax	640,000	534,369.03	-105,630.97	3,020,000	2,816,338.96	-203,661.04
Cash Flow Transfer	0	0.00	0.00	0	0.00	0.00
Insurance Tax	24,100,000	29,412,954.78	5,312,954.78	52,000,000	60,454,755.03	8,454,755.03
Departmental Collections	1,620,000	1,304,751.72	-315,248.28	9,960,000	8,092,875.70	-1,867,124.30
Corporate net Income Tax	22,800,000	20,862,499.92	-1,937,500.08	72,700,000	57,422,647.18	-15,277,352.82
Carrier Income Tax	0	0.00	0.00	0	0.00	0.00
Miscellaneous Receipts	1,400,000	126,719.57	-1,273,280.43	2,460,000	2,231,642.06	-228,357.94
Miscellaneous Transfers	0	301,359.00	301,359.00	500,000	552,795.55	52,795.55
Interest Income	1,920,000	1,570,844.86	-349,155.14	17,250,000	17,293,202.24	43,202.24
Video Lottery Transfers	0	105,781.40	105,781.40	0	670,243.67	670,243.67
Severance Tax	18,200,000	17,071,502.99	-1,128,497.01	106,300,000	117,604,808.58	11,304,808.58
Business Franchise Tax	22,300,000	27,529,244.52	5,229,244.52	64,600,000	82,884,308.12	18,284,308.12
Telecommunications Tax	950,000	1,207,059.01	257,059.01	7,900,000	9,268,963.75	1,368,963.75
Special Revenue Transfer	0	0.00	0.00		494.62	
Smokeless Tobacco Tax	200,000	369,114.41	169,114.41	400,000	942,244.21	542,244.21
HB 102 - Lottery Transfers	6,900,000	3,684,941.00		18,400,000	9,330,571.00	
TOTALS	264,140,000	266,441,581.10	2,301,581.10	1,943,260,000	1,978,664,992.87	35,404,992.87
Minus Cash Flow Transfer		0.00	0.00		0.00	0.00
TOTALS	264,140,000	266,441,581.10	2,301,581.10	1,943,260,000	1,978,664,992.87	35,404,992.87
Percent of Estimates		100.87%			101.82%	
Collections this day		\$24,453,008.10				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2001- 2002
Monthly REVENUE ESTIMATES, July 2001
as of March 29, 2002 WVFIMS

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/ UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
Licenses & Registration	6,400,000	7,070,920.39	670,920.39	52,400,000	55,745,795.47	3,345,795.47
Privilege Tax	15,000,000	14,270,216.28	-729,783.72	115,450,000	127,292,655.76	11,842,655.76
Gasoline & Motor Carrier Rd Tax	18,900,000	16,709,883.53	-2,190,116.47	170,605,000	168,295,857.62	-2,309,142.38
Wholesale Fuel & Use Tax	5,800,000	4,988,142.56	-811,857.44	55,500,000	54,353,760.66	-1,146,239.34
Highway Litter Control Fund	132,000	219,359.50	87,359.50	1,129,000	1,188,502.97	59,502.97
TOTALS	46,232,000	43,258,522.26	-2,973,477.74	395,084,000	406,876,572.48	11,792,572.48
Percent of Estimates		93.57%			102.98%	
Collections this day		\$925,960.14				

REVENUE SHORTFALL RESERVE FUND as of March 1, 2002: \$63,178,308.63

SPECIAL INCOME TAX REFUND RESERVE FUND as of March 1, 2002: \$23,625,035.96

GENERAL REVENUE FUND FY 2001-2002
 Monthly Revenue Estimates, July 1, 2001
 as of March 31, 2002

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY PERCENT OF ESTIMATE COLLECTED	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY PERCENT OF ESTIMATE COLLECTED
Business and Occupation Tax	17,800,000.00	20,012,600.81	112.43%	122,700,000.00	122,420,198.83	99.77%
Consumer's Sales Tax	84,800,000.00	85,972,587.37	102.12%	654,000,000.00	862,831,709.34	101.32%
Personal Income Tax	70,000,000.00	67,263,628.18	96.09%	693,780,000.00	711,107,879.37	102.50%
Liquor Profit Transfers	0.00	0.00		5,200,000.00	5,237,593.08	100.72%
Racing Fees	0.00	0.00		1,250,000.00	1,000,000.00	80.00%
Beer Tax and Licenses	570,000.00	638,487.52	111.49%	5,280,000.00	5,899,135.51	108.45%
Cigarette Tax	2,670,000.00	2,270,694.11	85.04%	23,840,000.00	24,301,582.37	101.94%
Estate and Inheritance Tax	2,170,000.00	787,753.77	36.30%	14,380,000.00	10,885,508.65	74.41%
Business Franchise Registration	40,000.00	19,212.84	48.03%	480,000.00	734,480.39	159.86%
Charter Tax	80,000.00	94,870.69	117.78%	2,420,000.00	2,988,867.24	122.87%
Use Tax	4,800,000.00	4,890,423.20	101.88%	59,400,000.00	59,972,401.88	95.91%
Property Transfer Tax	400,000.00	413,420.60	103.36%	5,100,000.00	5,440,305.88	106.67%
Property Tax	840,000.00	534,369.03	63.60%	3,020,000.00	2,816,338.98	93.26%
Cash Flow Transfer	0.00	0.00		0.00	0.00	
Insurance Tax	24,100,000.00	29,412,954.78	122.05%	52,000,000.00	60,454,755.03	116.26%
Departmental Collections	1,620,000.00	1,304,751.72	80.54%	9,960,000.00	8,092,875.70	81.25%
Corporate Net Income Tax	22,800,000.00	20,882,499.82	91.50%	72,700,000.00	67,422,847.18	78.99%
Carrier Income Tax	0.00	0.00		0.00	0.00	
Miscellaneous Receipts	1,400,000.00	126,719.57	9.05%	2,460,000.00	2,231,642.08	90.72%
Miscellaneous Transfers	0.00	301,359.00		500,000.00	552,795.55	110.56%
Interest Income	1,920,000.00	1,870,844.86	97.44%	17,260,000.00	17,293,202.24	100.25%
Video Lottery Transfers	0.00	105,781.40		0.00	670,243.87	
Severance Tax	18,200,000.00	17,071,502.99	93.80%	108,300,000.00	117,804,808.58	110.83%
Business Franchise Tax	22,300,000.00	27,329,244.52	122.55%	84,800,000.00	82,884,308.12	128.30%
Telecommunications Tax	950,000.00	1,207,059.01	127.06%	7,900,000.00	9,268,963.75	117.33%
Special Revenue	0.00	0.00		0.00	494.62	
Smokeless Tobacco Tax	200,000.00	389,114.41	194.56%	400,000.00	942,244.21	235.56%
H.B. 102- Lottery Transfers	8,900,000.00	3,684,841.00	41.39%	18,400,000.00	9,330,571.00	50.71%
TOTALS	284,140,000.00	288,441,581.10	101.52%	1,943,260,000.00	1,978,664,992.87	101.82%
Minus Cash Flow Transfers		0.00				
TOTALS	284,140,000.00	288,441,581.10	101.87%	1,943,260,000.00	1,978,664,992.87	101.82%
Percent of Estimates		100.87%				

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2001-2002
 REVENUE ESTIMATES AS OF JULY 2001
 as of March 31, 2002

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	PERCENT OF MONTH ESTIMATE COLLECTED	YTD ESTIMATES	NET YTD COLLECTIONS	PERCENT OF YEAR ESTIMATE COLLECTED
Licenses and Registration	6,400,000.00	7,070,920.39	110.48%	52,400,000.00	55,745,795.47	106.39%
Privilege Tax	15,000,000.00	14,270,216.28	95.13%	115,450,000.00	127,292,655.76	110.26%
Gasoline and Motor Carrier Road Tax	18,900,000.00	18,709,883.53	98.41%	170,805,000.00	168,295,857.62	98.65%
Wholesale Fuel and Use Tax	5,800,000.00	4,988,142.56	86.00%	55,500,000.00	54,363,760.86	97.93%
Highway Litter Control Fund	132,000.00	219,359.50	166.18%	1,129,000.00	1,188,502.97	105.27%
TOTALS	46,232,000.00	43,258,522.26	93.57%	395,084,000.00	406,876,672.48	102.98%

State of West Virginia
Public Employees Insurance Agency
Balance Sheets

February 28, 2002 and 2001
Accrual Basis
(Unaudited-For Internal Use Only)

Assets	February 2002	February 2001	Increase <Decrease>
Cash and cash equivalents	\$ 104,946,534	\$ 124,216,694	\$ (19,270,160)
Deposits with third-party administrators	1,791,827	4,826,327	(3,034,500)
Premium accounts receivable-net of allowance for doubtful accounts	11,977,431	10,957,955	1,019,476
Other accounts receivable	3,433,528	915,280	2,518,248
Total current assets	122,149,320	140,916,256	(18,766,936)
Furniture and equipment, net of accumulated depreciation	158,561	216,293	(57,732)
Restricted cash-premium stabilization life insurance	3,607,615	3,607,511	104
Restricted cash-new computer system	1,000,000		1,000,000
Total assets	\$ 128,915,496	\$ 144,740,060	\$ (17,824,564)
Liabilities and Retained Earnings			
Claims payable	\$ 50,920,000	\$ 44,470,000	\$ 6,450,000
Premium deficiency reserve	7,242,000	7,242,000	7,242,000
Unearned revenue	2,808,000	4,452,293	(1,644,293)
Current claims payable	7,469,592	5,428,458	(5,428,458)
Accounts payable	961,157	8,878,125	(1,408,533)
Other accrued liabilities		585,122	376,035
Total liabilities	69,400,749	83,813,998	5,586,751
Retained earnings	57,514,747	80,926,062	(23,411,315)
Total liabilities and retained earnings	\$ 128,915,496	\$ 144,740,060	\$ (17,824,564)

For internal use only. See financial comments.
Prepared March 14, 2002

State of West Virginia
Public Employees Insurance Agency
Statement of Revenues, Expenses and
Changes in Retained Earnings
February 28, 2002 and 2001
Accrual Basis
(Unaudited-For Internal Use Only)

	Budgeted Eight Months Ended Feb 28, 2002	Actual Eight Months Ended Feb 28, 2002	Budget Variance Percent	Actual Eight Months Ended Feb 28, 2001	This Year vs Last Year Increase <Decrease>	This Year vs Last Year Variance Percent
Operating Revenue						
Premiums						
Employer	\$ 230,400,546	\$ 229,633,895	-0.33%	\$ 221,601,952	\$ 8,031,943	3.62%
Employee	48,704,623	48,260,500	-0.91%	42,812,960	5,447,540	12.72%
Total Premiums	279,105,168	277,894,395	-0.43%	264,414,912	13,479,483	5.10%
Less						
Payments to managed care organizations	(32,000,000)	(31,172,446)	-2.59%	(47,598,526)	16,426,080	-34.51%
Life insurance premiums-basic	(3,533,136)	(3,416,971)	-3.29%	(3,356,243)	(60,728)	1.81%
Net premium revenue	243,572,032	243,304,978	-0.11%	213,460,143	29,844,835	13.98%
Administrative fees, net of refunds	2,333,336	2,281,775	-2.21%	2,272,267	9,508	0.42%
Net operating revenue	245,905,368	245,586,753	-0.13%	215,732,410	29,854,343	13.84%
Operating Expenses						
Claims expense-medical	176,114,955	172,473,854	-2.07%	134,998,147	37,475,707	27.76%
Claims expense-drugs	61,407,460	67,677,428	10.21%	49,405,448	18,271,980	36.98%
Administrative service fees	8,182,648	7,783,911	-4.87%	7,838,317	(54,406)	-0.69%
Other operating expenses	3,386,296	3,650,428	7.80%	3,372,350	278,078	8.25%
Total operating expense	249,091,359	251,585,621	1.00%	195,614,262	55,971,359	28.61%
Operating (deficit) surplus	(3,185,990)	(5,998,868)	88.29%	20,118,148	(26,117,015)	-129.82%
Nonoperating Revenues						
Interest income, banks, net of fees	133,333	116,847	-12.36%	131,844	(14,997)	-11.37%
Interest income IMB	2,533,331	2,292,674	-9.50%	4,280,649	(1,987,975)	-46.44%
Operating transfers in	3,333,328	3,333,000	-0.01%	6,667,000	(3,334,000)	-50.01%
Total nonoperating revenues	5,999,992	5,742,521	-4.29%	11,079,493	(5,336,972)	-48.17%
Net Surplus	\$ 2,814,002	(256,347)	-109.11%	31,197,641	(31,453,988)	-100.82%
Retained Earnings, (deficiency) beginning of period	=====	57,771,094	=====	49,728,421	8,042,673	=====
Retained Earnings, end of period		\$ 57,514,747		\$ 80,926,062	\$ (23,411,315)	

For internal use only See financial comments
Prepared March 14, 2002

State of West Virginia
Public Employees Insurance Agency
Statement of Revenues, Expenses and
Net Loss
Month of February 2002 and 2001
Accrual Basis
 (Unaudited-For Internal Use Only)

	Actual Month of February 2002	Actual Month of February 2001	Increase (Decrease)
Operating Revenue			
Premiums			
Employer	\$ 28,919,385	\$ 28,170,817	\$ 748,568
Employee	6,039,539	5,191,163	848,376
Total Premium	34,958,924	33,361,980	1,596,944
Less:			
Payments to managed care organizations	(3,910,038)	(6,004,169)	2,094,131
Life insurance premiums-basic	(430,893)	(420,242)	(10,651)
Net premium revenue	30,617,993	26,937,569	3,680,424
Administrative fees, net of refunds	281,640	313,504	(31,864)
Net operating revenue	30,899,633	27,251,073	3,648,560
Operating Expenses			
Claims expense-medical	21,120,650	22,730,291	(1,609,641)
Claims expense-drugs	10,659,086	7,324,848	3,334,238
Administrative service fees	1,103,421	981,469	121,952
Other operating expenses	472,879	715,704	(242,825)
Total operating expense	33,356,036	31,752,312	1,603,724
Operating loss	(2,456,403)	(4,501,239)	2,044,836
Nonoperating Revenues			
Interest income, from banks, net of fees	7,586	32,751	(25,165)
Interest income from IMB	276,799	532,674	(255,875)
Operating transfers in	416,000	834,000	(418,000)
Total nonoperating revenues	700,385	1,399,425	(699,040)
Net Loss	\$ (1,756,018)	\$ (3,101,814)	\$ 1,345,796

For internal use only See financial comments.
 Prepared March 13, 2002

**State of West Virginia
Public Employees Insurance Agency
Financial Comments**

**Month of February 2002 and 2001
Accrual Basis
(Unaudited-For Internal Use Only)**

1) Effective July 1, 2000, the PEIA changed third party administrators. The process of medical claims adjudication and payment was taken over by Accordia National from Mountain State Blue Cross Blue Shield. Merck-Medco through its subsidiary ,Paid Prescriptions Plus, took over the adjudication and payment of prescription drug claims. Because of the many complexities involved in the adjudication and payment of medical and drug claims, it took the new third party administrators quite some time to begin paying these claims on a timely basis.

2) The new third party administrators also had difficulty adjusting their systems of reporting to the PEIA's actuary. Consequently the actuary was unable to develop credible estimates of claims which had been incurred but not yet paid , claims payable, until late in the spring of year 2001.

3) Because of the difficulties discussed above, the amounts reported in these financial statements may not accurately reflect the PEIA's financial position and the results of its operations for the periods indicated.

4) Because these financial statements were prepared very shortly after the end of the month, there may be some unknown expenses attributable to these periods.

5) At the plan year end June 30, 2001 approximately 6,800 health policyholders transferred from managed care coverage to the preferred provider benefit plan. This resulted in total enrollment increase of approximately 10% from the prior year and is expected to produce a similar increase in claims expense in the year ending in 2002.

PEIA

Monthly Management Report

Total Claims

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
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Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	185,013.49	179,790.51	273,206.46	127,855.67	1,275,876.30	1,084,469.03
	MATERNITY	142,911.12	132,780.08	134,234.85	111,249.98	998,076.01	856,898.33
	MEDICAL AND SURGICAL	6,095,254.55	6,242,866.05	5,100,255.23	4,214,479.62	46,844,520.82	31,543,901.99
	NEONATAL COMPLICATIONS	26,452.66	51,830.62	33,465.76	67,044.03	337,608.50	375,386.73
***** Sum		6,449,631.82	6,607,267.26	5,541,162.30	4,520,629.30	49,456,081.63	33,860,656.08
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	23,562.25	15,443.87	21,898.38	13,797.20	113,033.07	117,451.96
	EMERGENCY ROOM	196,039.70	160,286.13	149,477.57	88,803.19	1,328,960.60	801,699.02
	MATERNITY	38,157.53	18,750.16	18,226.43	12,839.61	156,587.45	108,184.36
	MEDICAL AND SURGICAL	3,353,343.25	3,306,925.65	3,522,315.65	2,582,112.32	25,567,126.92	19,627,990.95
***** Sum		3,611,102.73	3,501,405.80	3,711,918.03	2,697,552.33	27,165,708.04	20,655,326.29
PHARMACY	PRESCRIPTION DRUGS	9,499,913.27	8,967,258.93	7,557,941.68	6,185,015.20	74,019,073.99	48,474,891.11
***** Sum		9,499,913.27	8,967,258.93	7,557,941.68	6,185,015.20	74,019,073.99	48,474,891.11
PROFESSIONAL SERVICES	ADVANCED IMAGING	654,830.29	666,841.99	698,050.62	522,418.19	4,915,619.22	4,222,822.20
	AMBULANCE	223,125.46	235,035.82	309,327.98	149,776.28	1,581,156.20	1,397,820.56
	ANESTHESIA	752,814.10	527,387.52	593,426.93	393,862.05	4,254,395.23	3,206,944.11
	CARDIOVASCULAR MEDICINE	184,664.10	199,492.08	216,134.31	154,171.54	1,437,140.55	1,312,435.25
	CERVICAL CANCER SCREENING	50,968.72	36,416.42	25,663.59	18,644.49	319,394.30	159,922.54
	DME	408,499.17	358,642.69	422,192.08	243,694.80	2,532,170.30	1,992,086.83
	EVALUATION AND MANAGEMENT	3,655,404.50	3,207,954.69	3,368,198.22	2,624,698.08	24,715,558.46	21,440,613.80
	IMMUNIZATION	79,718.93	84,849.21	91,261.59	64,141.36	677,413.81	608,308.04
	INJECTION	572,193.60	536,437.63	647,323.54	372,112.53	3,926,207.92	2,992,412.97
	LAB AND PATHOLOGY	826,362.85	757,091.93	760,709.55	526,077.77	5,521,077.56	4,145,189.92

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
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Reporting Category	Type of Service	Current		12 Months Prior		Rolling Avg		Current Fiscal Yr		Previous Fiscal Yr	
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	MAMMOGRAPHY	160,807.78	159,421.41	152,404.55	120,042.67	1,287,974.60	1,068,221.00				
	OTHER	432,649.13	336,117.35	415,524.77	251,524.26	2,900,525.63	2,198,344.14				
	OTHER IMAGING	1,115,362.03	1,016,919.78	1,121,158.39	760,547.08	7,284,178.94	6,374,378.20				
	OTHER MEDICINE	1,328,290.79	1,170,305.51	1,213,660.85	914,552.02	8,695,238.36	7,286,050.63				
	PHYSICAL MEDICINE	349,914.87	327,558.68	292,059.04	228,579.81	2,491,180.00	1,853,106.14				
	PROSTATE CANCER SCREENING	16,930.11	16,992.10	18,623.74	12,100.11	115,173.62	96,146.83				
	SURGICAL	1,929,294.83	1,906,089.51	2,081,506.57	1,523,724.12	14,141,750.37	12,670,182.50				
SUM		12,741,831.26	11,543,554.31	12,427,236.32	8,880,667.18	86,796,155.07	73,024,985.66				
SUM		32,302,479.08	30,619,486.30	29,238,258.33	22,283,864.00	237,437,018.73	176,015,859.14				

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

26 rows selected.

PEIA

Monthly Management Report

Per Capita Claims

February 2002

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 FEBRUARY 2002

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.0124	1.0348	1.6400	.7797	7.0258	6.5528
	MATERNITY	.7820	.7620	.8058	.6783	5.4961	5.1777
	MEDICAL AND SURGICAL	33.3546	35.8088	30.6163	25.7107	257.9573	190.6005
	NEONATAL COMPLICATIONS	.1448	.2983	.2009	.4099	1.8591	2.2682
***** sum		35.2938	37.9039	33.2631	27.5786	272.3383	204.5992
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.1289	.0890	.1315	.0841	.6224	.7097
	EMERGENCY ROOM	1.0728	.9159	.8973	.5405	7.3181	4.8442
	MATERNITY	.2088	.1076	.1094	.8623	.8623	.6537
	MEDICAL AND SURGICAL	18.3503	18.9436	21.1441	15.7537	140.7897	118.5999
***** sum		19.7608	20.0563	22.2823	16.4564	149.5926	124.8075
PHARMACY	PRESCRIPTION DRUGS	51.9857	51.1827	45.3696	37.6907	407.5985	292.9041
***** sum		51.9857	51.1827	45.3696	37.6907	407.5985	292.9041
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.5834	3.8287	4.1903	3.1829	27.0687	25.5159
	AMBULANCE	1.2210	1.3554	1.8569	.9120	8.7069	8.4462
	ANESTHESIA	4.1196	3.0235	3.5623	2.4004	23.4275	19.3776
	CARDIOVASCULAR MEDICINE	1.0105	1.1464	1.2974	.9388	7.9139	7.9302
	CERVICAL CANCER SCREENING	.2789	.2076	.1541	.1135	1.7588	.9663
	DME	2.2354	2.0659	2.5344	1.4860	13.9438	12.0370
	EVALUATION AND MANAGEMENT	20.0032	18.3954	20.2190	15.9889	136.1004	129.5525
	IMMUNIZATION	.4362	.4850	.5478	.3899	3.7303	3.6756
	INJECTION	3.1312	3.0833	3.8858	2.2692	21.6203	18.0813
	LAB AND PATHOLOGY	4.5220	4.3517	4.5665	3.2071	30.4027	25.0468

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
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Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	MAMMOGRAPHY	.8800	.9109	.9149	.7303	7.0924	6.4546
	OTHER	2.3676	1.9177	2.4944	1.5310	15.9722	13.2832
	OTHER IMAGING	6.1035	5.8518	6.7302	4.6321	40.1116	38.5165
	OTHER MEDICINE	7.2697	6.7230	7.2855	5.5741	47.8818	44.0251
	PHYSICAL MEDICINE	1.9148	1.8785	1.7533	1.3924	13.7181	11.1972
	PROSTATE CANCER SCREENING	.0926	.0980	.1118	.0738	.6342	.5810
	SURGICAL	10.5575	10.9427	12.4951	9.2834	77.8739	76.5582

sum		69.7262	66.2654	74.5995	54.1057	477.9577	441.2452
sum		176.7665	175.4083	175.5145	135.8314	1,307.4870	1,063.5560

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

26 rows selected.

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Per Capita Utilization

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 FEBRUARY 2002

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Reporting Category	Type of Service	Current Period 12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0007	.0047	.0047
	MATERNITY	.0006	.0043	.0036
	MEDICAL AND SURGICAL	.0170	.1167	.1076
	NEONATAL COMPLICATIONS	.0001	.0009	.0011
SUM	.0184	.1266	.1169	
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0011	.0058	.0056
	EMERGENCY ROOM	.0228	.1679	.1529
	MATERNITY	.0007	.0039	.0034
	MEDICAL AND SURGICAL	.0722	.5222	.5380
SUM	.0968	.6998	.6999	
PHARMACY	PRESCRIPTION DRUGS	.8982	7.5352	6.2390
	SUM	.8982	7.5352	6.2390
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0278	.1954	.1743
	AMBULANCE	.0112	.0611	.0599
	ANESTHESIA	.0175	.0980	.0865
	CARDIOVASCULAR MEDICINE	.0086	.0624	.0624
	CERVICAL CANCER SCREENING	.0188	.1353	.1307
	DME	.0347	.2119	.2097
	EVALUATION AND MANAGEMENT	.5659	3.8781	3.9070
	IMMUNIZATION	.0210	.1499	.1300
	INJECTION	.0278	.1848	.1880
	LAB AND PATHOLOGY	.1928	1.3334	1.2160
	MAMMOGRAPHY	.0306	.2260	.2255

SOURCE: MOUNTAIN STATE, ACCORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
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Reporting Category	Type of Service	Current Period 12 Months		Prior Current Fiscal Yr		Previous Fiscal Yr	
		Encounters	Encounters	Encounters	Encounters	Encounters	Encounters
PROFESSIONAL SERVICES	OTHER	.0425	.0424	.2854	.2854	.2854	.2854
	OTHER IMAGING	.1526	.1518	1.0607	1.0607	1.0435	1.0435
	OTHER MEDICINE	.2065	.1981	1.4617	1.4617	1.4083	1.4083
	PHYSICAL MEDICINE	.0800	.0720	.5765	.5765	.5063	.5063
	PROSTATE CANCER SCREENING	.0067	.0070	.0469	.0469	.0453	.0453
	SURGICAL	.0986	.0928	.6498	.6498	.6739	.6739
Sum		1.5438	1.4938	10.6173	10.6173	10.3527	10.3527
Sum		2.5572	2.4872	18.9789	18.9789	17.4086	17.4086

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

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Total Claims

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
JANUARY 2002

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	144,649.93	177,416.45	116,161.22	127,529.13	1,090,862.81	811,262.57
	MATERNITY	123,752.46	129,139.29	80,062.93	113,355.89	855,164.89	722,663.48
	MEDICAL AND SURGICAL	5,927,241.40	6,078,779.53	3,958,203.12	4,172,847.23	40,749,266.27	26,443,646.76
	NEONATAL COMPLICATIONS	60,086.12	54,630.00	93,678.66	61,714.23	311,155.84	341,920.97
***** sum		6,255,729.91	6,439,965.26	4,248,105.93	4,475,446.48	43,006,449.81	28,319,493.78
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	12,954.08	15,159.09	9,536.75	13,966.63	89,470.82	95,553.58
	EMERGENCY ROOM	193,694.59	153,579.97	113,220.67	85,141.44	1,132,920.90	652,221.45
	MATERNITY	28,647.29	17,647.79	15,418.87	12,696.08	118,429.92	89,957.93
	MEDICAL AND SURGICAL	3,614,869.30	3,190,306.28	2,215,436.88	2,587,855.97	22,213,783.67	16,105,675.30
***** sum		3,850,165.26	3,376,693.13	2,353,613.17	2,699,660.12	23,554,605.31	16,943,408.26
PHARMACY	PRESCRIPTION DRUGS	13,726,404.39	8,434,387.48	7,331,946.98	6,036,741.92	64,519,160.72	40,916,949.43
***** sum		13,726,404.39	8,434,387.48	7,331,946.98	6,036,741.92	64,519,160.72	40,916,949.43
PROFESSIONAL SERVICES	ADVANCED IMAGING	649,925.81	655,910.91	518,752.90	521,235.07	4,260,788.93	3,524,771.58
	AMBULANCE	194,565.16	233,400.20	174,937.62	149,335.00	1,358,030.74	1,088,492.58
	ANESTHESIA	471,484.45	516,386.04	339,466.71	394,525.71	3,501,581.13	2,613,517.18
	CARDIOVASCULAR MEDICINE	177,737.24	197,848.19	158,010.58	152,142.97	1,252,476.45	1,096,300.94
	CERVICAL CANCER SCREENING	45,335.83	34,514.13	22,508.43	18,072.55	268,425.58	134,258.95
	DME	327,544.28	353,942.17	271,137.96	240,649.09	2,123,671.13	1,569,894.75
	EVALUATION AND MANAGEMENT	3,204,880.95	3,182,910.66	2,904,352.55	2,592,920.37	21,060,153.96	18,072,415.58
	IMMUNIZATION	79,945.23	84,882.22	80,341.40	62,580.39	597,694.88	517,046.45
	INJECTION	510,421.79	525,557.73	379,862.98	375,288.69	3,354,014.32	2,345,089.43
	LAB AND PATHOLOGY	825,659.93	735,620.01	567,996.87	518,498.01	4,694,714.71	3,384,480.37

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES

NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	MAMMOGRAPHY	209,113.19	153,246.04	135,008.70	119,468.12	1,127,166.82	915,816.45
	OTHER	451,633.93	353,395.75	658,974.75	218,580.31	2,467,876.50	1,782,819.37
	OTHER IMAGING	921,374.95	1,009,610.60	833,664.80	748,250.10	6,168,816.91	5,253,219.81
	OTHER MEDICINE	1,188,696.36	1,147,814.95	918,809.67	926,844.78	7,366,947.57	6,072,389.78
	PHYSICAL MEDICINE	340,137.77	320,669.26	257,464.66	223,496.13	2,141,265.13	1,561,037.10
	PROSTATE CANCER SCREENING	17,990.14	16,755.85	15,155.14	11,711.24	98,243.51	77,523.09
	SURGICAL	1,893,351.97	1,870,331.84	1,464,259.94	1,521,710.11	12,212,455.54	10,588,675.93

sum		11,509,798.98	11,392,796.53	9,700,705.66	8,795,308.64	74,054,323.81	60,597,749.34
sum		35,342,098.54	29,643,842.40	23,634,371.74	22,007,157.16	205,134,539.65	146,777,600.81

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.7926	1.0264	.6963	.7789	6.0097	4.9049
	MATERNITY	.6781	.7453	.4813	.6921	4.7112	4.3692
	MEDICAL AND SURGICAL	32.4784	35.0686	23.7957	25.4968	224.4916	159.8789
	NEONATAL COMPLICATIONS	.3292	.3177	.5632	.3781	1.7142	2.0673
***** SUM		34.2783	37.1580	25.5385	27.3460	236.9266	171.2203
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0710	.0879	.0573	.0852	.4929	.5777
	EMERGENCY ROOM	1.0614	.8838	.6807	.5192	6.2414	3.9433
	MATERNITY	.1570	.1022	.0927	.0775	.6524	.5439
	MEDICAL AND SURGICAL	19.8077	18.3940	13.3186	15.8126	122.3779	97.3753
***** SUM		21.0970	19.4679	14.1493	16.4945	129.7646	102.4402
PHARMACY	PRESCRIPTION DRUGS	75.2140	48.5634	44.0778	36.8585	355.4422	247.3848
***** SUM		75.2140	48.5634	44.0778	36.8585	355.4422	247.3848
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.5613	3.7900	3.1186	3.1813	23.4731	21.3108
	AMBULANCE	1.0661	1.3536	1.0517	.9112	7.4815	6.5811
	ANESTHESIA	2.5835	2.9769	2.0408	2.4081	19.2905	15.8014
	CARDIOVASCULAR MEDICINE	.9739	1.1438	.9499	.9280	6.9000	6.6283
	CERVICAL CANCER SCREENING	.2484	.1981	.1353	.1103	1.4788	.8117
	DME	1.7948	2.0513	1.6300	1.4703	11.6995	9.4916
	EVALUATION AND MANAGEMENT	17.5612	18.3785	17.4602	15.8251	116.0224	109.2662
	IMMUNIZATION	.4381	.4885	.4830	.3811	3.2928	3.1261
	INJECTION	2.7969	3.0391	2.2836	2.2930	18.4776	14.1785
	LAB AND PATHOLOGY	4.5242	4.2572	3.4147	3.1667	25.8636	20.4626

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	MAMMOGRAPHY	1.1458	.8826	.8116	.7283	6.2097	5.5370
	OTHER	2.4747	2.0407	3.9616	1.3358	13.5958	10.7790
	OTHER IMAGING	5.0487	5.8450	5.0118	4.5655	33.9846	31.7611
	OTHER MEDICINE	6.5135	6.6374	5.5237	5.6599	40.5852	36.7138
	PHYSICAL MEDICINE	1.8638	1.8513	1.5478	1.3639	11.7964	9.4381
	PROSTATE CANCER SCREENING	.0986	.0973	.0911	.0715	.5412	.4687
	SURGICAL	10.3746	10.8067	8.8028	9.2868	67.2796	64.0194

sum		63.0681	65.8390	58.3182	53.6866	407.9723	366.3753
sum		193.6575	171.0283	142.0839	134.3856	1,130.1058	887.4207

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

PEIA

Monthly Management Report

Per Capita Utilization

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
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Reporting Category	Type of Service	Current Period 12 Months		Prior Current Fiscal Yr		Previous Fiscal Yr	
		Encounters	Encounters	Encounters	Encounters	Encounters	Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0006	.0007	.0041	.0038	.0038	.0038
	MATERNITY	.0005	.0004	.0038	.0031	.0031	.0031
	MEDICAL AND SURGICAL	.0157	.0146	.1016	.0881	.0881	.0881
	NEONATAL COMPLICATIONS	.0001	.0001	.0008	.0008	.0008	.0008
SUM		.0170	.0157	.1102	.0959	.0959	.0959
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0009	.0008	.0048	.0049	.0049	.0049
	EMERGENCY ROOM	.0264	.0182	.1470	.1308	.1308	.1308
	MATERNITY	.0005	.0004	.0032	.0029	.0029	.0029
	MEDICAL AND SURGICAL	.0786	.0717	.4558	.4692	.4692	.4692
SUM		.1064	.0910	.6109	.6078	.6078	.6078
PHARMACY	PRESCRIPTION DRUGS	1.2868	.8514	6.6618	5.3757	5.3757	5.3757
	SUM	1.2868	.8514	6.6618	5.3757	5.3757	5.3757
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0282	.0251	.1692	.1500	.1500	.1500
	AMBULANCE	.0108	.0091	.0512	.0506	.0506	.0506
	ANESTHESIA	.0119	.0116	.0826	.0737	.0737	.0737
	CARDIOVASCULAR MEDICINE	.0082	.0089	.0545	.0540	.0540	.0540
	CERVICAL CANCER SCREENING	.0174	.0159	.1177	.1149	.1149	.1149
	DME	.0279	.0325	.1812	.1791	.1791	.1791
	EVALUATION AND MANAGEMENT	.5533	.5551	3.3488	3.3896	3.3896	3.3896
	IMMUNIZATION	.0351	.0238	.1320	.1133	.1133	.1133
	INJECTION	.0324	.0290	.1595	.1603	.1603	.1603
	LAB AND PATHOLOGY	.1913	.1585	1.1537	1.0435	1.0435	1.0435
	MAMMOGRAPHY	.0389	.0334	.1976	.1973	.1973	.1973

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
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Reporting Category	Type of Service	Current Period 12 Months		Prior Current Fiscal Yr		Previous Fiscal Yr	
		Encounters	Encounters	Encounters	Encounters	Encounters	Encounters
PROFESSIONAL SERVICES							
	OTHER	.0437	.0437	.2451	.2452		
	OTHER IMAGING	.1491	.1425	.9171	.9016		
	OTHER MEDICINE	.2070	.1935	1.2708	1.2274		
	PHYSICAL MEDICINE	.0829	.0714	.5025	.4413		
	PROSTATE CANCER SCREENING	.0069	.0061	.0407	.0386		
	SURGICAL	.0950	.0886	.5587	.5888		
SUM		1.5399	1.4487	9.1827	8.9693		

SUM 2.9501 2.4068 16.5656 15.0487

SOURCE: MOUNTAIN STATE, ACORDIA NATIONAL, PCS HEALTH, AND MERCK-MEDCO PAID CLAIMS TAPES
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