

File

**JOINT COMMITTEE ON
GOVERNMENT AND FINANCE**

Materials Distributed

August 20, 2002

Tuesday, July 16, 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 (absent)
Michael
Staton (absent)
Hall (absent)
Trump (absent)

President Tomblin, Cochair, presided.

1. Approval of Minutes.

Upon motion by Speaker Kiss , properly seconded and adopted, the minutes of the June 11, 2002, meeting were approved.

2. Parks and Recreation Subcommittee.

On behalf of the Subcommittee, Mr. John Homburg requested authorization and expense reimbursement for members of the Subcommittee to visit Twin Falls State Park, Little Beaver State Park, Pipestem State Park and Bluestone State Park on July 21, 22 and 23, 2002.

Upon motion by Senator Craig, properly seconded and adopted, this request was approved.

3. Metal Detectors.

At the request of the Committee, Mr. C. R. "Jay" Smithers, Deputy Director, Division of Protective Services, attended the meeting to update members on the status of the installation of metal detectors at the State Capitol Complex.

Upon motion by Senator Sharpe, properly seconded and adopted, discussion of metal detectors was delayed until the September meeting.

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

Distributed to members of the Committee were the following: Medicaid Report for months of April and May 2002; Welfare Reform Report for months of May and June 2002; and Colin Anderson Center Reports for June and July 2002.

Mr. Paul Nusbaum, Secretary, Department of Health and Human Resources (DHHR), updated the Committee on several areas in his department and responded to questions.

5. **Lottery, Unemployment Compensation and Workers' Compensation Status Reports.**

Distributed to members of the Committee were the following: Lottery Operations report for month ended May 2002; Unemployment Compensation Trust Fund report for month ended May 2002; and Workers' Compensation Trust Fund report for month ended April 2002. Attached with each of these reports was an analysis prepared by legislative staff.

6. **General Revenue Report.**

Distributed to members was a report on the status of the state's general revenue as of June 30, 2002.

7. **Public Employees Insurance Agency.**

Mr. Tom Susman, Executive Director of the Public Employees Insurance Agency, distributed the following information: (1) Balance Sheets, May 31, 2002 and 2001, Accrual Basis; (2) PEIA Monthly Management Report, Total Claims, May 2002; (3) PEIA Monthly Management Report, Per Capita Claims, May 2002; (4) PEIA Monthly Management Report, Per Capita Utilization, May 2002; (5) 2002 Express Scripts National Preferred Formulary

Mr. Susman updated members on several areas of his department and responded to questions.

8. Workers' Compensation Trust Fund Monthly Report.

Regarding the monthly Workers' Compensation report distributed to members, Senator Deem questioned how the deficit is affected when figures show that more cash is going out and less is coming in.

Ms. Ellen Clark, the Legislature's Budget Director, responded to this question by saying that the deficit gets bigger.

President Tomblin requested that someone from Workers' Compensation be invited to the September meeting.

9. Interim Meeting Dates.

The next interim meeting dates are August 18 - 20, in Wheeling, WV.

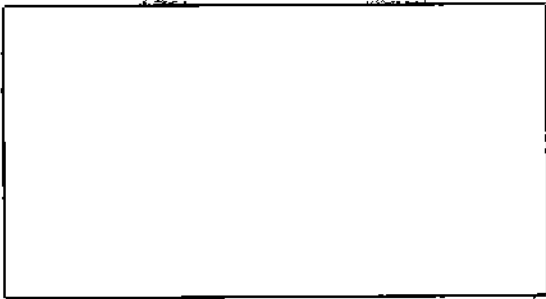
10. Metal Detectors.

Senator Sprouse moved that installation of metal detectors be delayed until the Committee receives the status report from the Division of Protective Services at the September meeting.

Following discussion, Mr. Smithers reported that a contract for Metal Detectors was being rebid by the Purchasing Division. He said there will be metal detectors for the three public entrances in the main Capitol Building (entrance near the Governor's Office, West Wing handicap entrance, entrance near the Attorney General's Office), and entrances in Buildings 3 and 7.

Senator Sharpe moved the previous question. Upon voice vote the motion failed.

The meeting was adjourned.



Joint Committee on Government and Finance

August 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 JUNE 2002		ACTUALS	PROJECTED	TOTAL
		07/01/01 THRU 06/30/02	06/30/02 THRU 06/30/02	SFY2002
REVENUE SOURCES				
BEG. BAL. 7/01/01		\$17,934,047		\$17,934,047
MATCHING FUNDS				
GENERAL REVENUE		183,212,014	0	183,212,014
LOTTERY - WAIVER		12,600,000	0	12,600,000
LOTTERY - TRANSFER		10,300,000	0	10,300,000
TRUST FUND APPROPRIATION		29,366,764	0	29,366,764
TRUST FUND BACKLOG		0	0	0
PROVIDER TAX		148,200,000	0	148,200,000
MCH TRANSFER		1,419,493	0	1,419,493
OTHER FUNDS		3,630,961	0	3,630,961
TOTAL MATCHING FUNDS		406,663,299	0	406,663,299
FEDERAL FUNDS		1,206,181,507	0	1,206,181,507
TOTAL REVENUE SOURCES		\$1,612,844,806	\$0	\$1,612,844,806
TOTAL EXPENDITURES:				
PROVIDER PAYMENTS		\$1,610,144,713	\$0	\$1,610,144,713
SUB - TOTAL		\$2,700,093.00		\$2,700,093.00
ACCOUNTS PAYABLE 06/30/02				(\$8,320,406.00)
BALANCE		\$2,700,093.00		(\$5,620,313.00)

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Y:\LOTUS\MED2000\SUMMARY

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

CATEGORY OF EXPENDITURES	ACTUALS SFY 2001	ORIGINAL ESTIMATE SFY 2002	ACTUAL SFY 2002	ESTIMATE JUNE 2002	ACTUAL JUNE 2002	ESTIMATE YEAR TO DATE JUNE 2002	ACTUAL YEAR TO DATE JUNE 2002	Incr/(Dec) Over ESTIMATE	PERCENT
INPATIENT HOSPITALS	\$148,711,099	\$154,744,868	144,757,167	\$9,149,358	\$12,482,982	\$147,082,048	\$144,757,167	(\$2,304,881)	-1.57%
MENTAL HEALTH HOSPITALS	36,154,352	30,834,361	31,357,325	3,230,664	\$2,375,270	\$32,687,188	\$31,357,325	(\$1,329,871)	-4.07%
OUTPATIENT HOSPITALS	65,545,731	74,158,061	78,481,173	8,133,271	\$8,042,073	\$76,847,808	\$78,491,173	\$2,643,365	3.44%
CLINICS	18,570,680	20,507,263	14,048,081	5,147,745	\$625,840	\$15,458,376	\$14,048,081	(\$1,411,315)	-9.13%
PHYSICIANS	121,231,871	133,881,484	125,284,230	8,828,020	\$7,458,175	\$126,597,517	\$125,284,230	(\$1,313,297)	-1.04%
LABS	6,064,464	6,147,285	6,028,507	468,801	\$501,445	\$6,140,089	\$6,028,507	(\$111,588)	-1.82%
DRUGS	248,488,703	286,730,481	280,668,500	28,263,416	\$24,835,554	\$284,158,053	\$280,668,500	(\$13,488,553)	-4.59%
OTHER PRACTITIONERS	15,275,872	11,555,096	15,092,555	2,512,611	\$1,391,557	\$15,481,278	\$15,092,555	(\$388,723)	-2.57%
DENTIST	22,817,233	29,343,470	28,188,878	2,384,819	\$2,458,847	\$28,028,973	\$28,188,878	\$159,903	0.54%
NURSING HOMES	281,627,475	282,075,715	300,920,127	25,133,550	\$24,528,681	\$300,820,127	\$300,920,127	\$917,965	0.27%
GROUP HOMES	47,442,068	50,112,045	44,831,289	1,894,455	\$3,480,820	\$44,607,663	\$44,831,289	\$323,606	0.73%
OTHER CARE	119,559,800	119,288,096	116,041,109	8,813,884	\$9,962,625	\$112,968,211	\$116,041,109	\$3,074,898	2.72%
EPBDT	4,084,361	4,177,766	4,202,328	332,220	\$347,318	\$4,238,863	\$4,202,328	(\$36,535)	-0.86%
MEDICARE BUY-IN	40,262,843	42,831,501	43,074,882	3,380,143	\$3,720,289	\$42,338,055	\$43,074,882	\$735,837	1.74%
FAMILY PLANNING	2,187,482	2,308,871	1,885,522	188,355	\$320,528	\$1,823,259	\$1,885,522	\$72,263	3.86%
HOME HEALTH	20,833,348	22,212,891	23,089,881	1,805,797	\$1,659,428	\$23,086,685	\$23,089,881	\$3,206	0.01%
RURAL HEALTH	24,447,227	24,683,231	26,207,864	2,771,474	\$2,173,877	\$26,006,175	\$26,207,864	\$201,689	0.78%
HOME & COMMUNITY - AGED/DISABLED	40,239,220	48,684,016	50,151,388	3,630,885	\$4,748,692	\$49,331,168	\$50,151,388	\$820,230	1.66%
HOME & COMMUNITY - MR/DD	87,574,478	113,153,708	118,624,111	8,803,878	\$11,324,353	\$120,315,787	\$118,624,111	(\$1,691,686)	-0.57%
PASARR	10,780	263,608	9,050	21,132	\$750	\$149,811	\$9,050	(\$140,861)	-83.96%
PERSONAL CARE	24,641,877	28,428,712	21,620,642	1,137,101	\$1,810,815	\$23,505,323	\$21,620,642	(\$1,884,681)	-8.02%
HOSPICE	1,347,397	1,832,660	1,430,813	141,138	\$181,747	\$1,867,681	\$1,430,813	(\$436,868)	-29.39%
TARGETED CASE MANAGEMENT	12,273,989	14,623,622	9,538,635	33,966	\$896,282	\$10,263,325	\$9,538,635	(\$723,690)	-7.05%
GROUP HEALTH PLAN	10,239	0	55,578	11,207	7,482	\$33,622	\$55,578	\$21,857	65.31%
MANAGED CARE	58,508,684	58,242,703	65,321,827	8,081,705	5,740,389	\$61,927,147	\$66,321,827	\$3,394,680	5.48%
SUB-TOTAL	1,452,342,485	1,588,903,628	1,554,030,448	123,745,596	131,442,945	\$1,568,037,519	\$1,554,030,448	(\$12,007,071)	-0.77%
LESS: DRUG REBATES	(44,602,150)	(63,052,739)	(61,342,486)	(6,124,753)	(1,013,803)	(\$57,978,824)	(\$51,342,486)	\$6,636,338	-11.45%
DSH PAYMENTS PRIVATE INSTITUTIONS	56,858,131	60,478,528	61,135,804	17,410,513	1,045,285	\$62,769,408	\$61,135,804	(\$1,633,604)	-2.60%
DSH PAYMENTS STATE INSTITUTIONS	17,114,495	25,501,838	27,752,739	7,487,609	0	\$28,623,889	\$27,752,739	\$1,129,750	4.24%
TOTAL	\$1,481,412,861	\$1,589,831,254	\$1,581,576,505	\$142,528,965	\$131,474,427	\$1,587,452,082	\$1,581,576,505	(\$5,875,587)	-0.37%

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

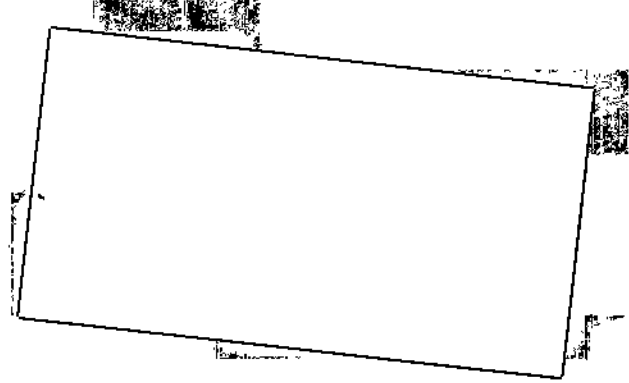
WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAL SERVICES TRUST FUND AND INTEREST REPORT
 FOR THE MONTH OF JUNE 2002
 SFY 2002

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	8,895,313.89
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 2.7 %		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 2.6 %		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 2.2 %		14,710.30	7,844,491.19
04/01/02	DEPOSIT	Special Appropriation	700,000.00		8,544,491.19
04/01/02	WITHDRAWAL	Match Drop	(2,618,000.00)		5,926,491.19
04/30/02	INTEREST	Rate AT 2.1 %		12,793.03	5,939,284.22
05/01/02	WITHDRAWAL	Facilities DSH Match	(991,071.40)		4,948,212.82
05/01/02	WITHDRAWAL	Eligibility Expansion		(280,043.19)	4,668,169.63
05/01/02	WITHDRAWAL	Private DSH Backlog	(3,559,358.23)		1,108,811.40
05/01/02	DEPOSIT	Special Appropriation	700,000.00		1,808,811.40
05/31/02	INTEREST	Rate AT 2.1 %		9,209.80	1,818,021.20
06/01/02	WITHDRAWAL	Facilities DSH Payment		4,677,363.00	6,495,384.20
06/01/02	WITHDRAWAL	Private DSH Backlog	(258,498.98)		6,236,885.22
06/01/02	WITHDRAWAL	Hospice		(203,895.31)	6,032,989.91
06/01/02	WITHDRAWAL	Special Appropriation	700,000.00		6,732,989.91
06/30/02	INTEREST	Rate AT 2.1 %		7,987.58	6,740,977.49
TOTALS			(18,032,285.87)	24,773,263.36	6,740,977.49

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

June 2002

HMO	PAYMENT	RECIPIENTS ENROLLED	AVERAGE COST PER RECIPIENT
THE HEALTH PLAN	\$2,917,198	31,861	\$91.56
CARELINK	\$1,491,421	16,328	\$91.34
TOTAL	\$4,408,619	48,189	\$91.49
ESTIMATED COMPOSITE ACTUARY RATE (THE 95% RATE IS \$92.08)			\$96.92
PERCENT ESTIMATED SAVINGS			5.61%



Joint Committee on Government and Finance

August 2002

Department of Health and Human Resources

WELFARE REFORM REPORT

**WV WORKS Caseload
2002**

County	January	February	March	April	May	June	July
Barbour (01)	208	208	206	207	203	192	190
Berkeley (02)	415	422	441	453	445	420	402
Boone (03)	371	388	385	371	341	324	328
Braxton (04)	149	153	151	151	122	117	121
Brooke (05)	106	110	107	90	85	83	80
Cabell (06)	705	700	695	714	665	633	646
Calhoun (07)	110	107	111	104	91	92	81
Clay (08)	115	109	114	107	106	100	103
Doddridge (09)	66	66	61	67	57	60	56
Fayette (10)	531	502	498	507	484	461	472
Gilmer (11)	55	55	58	60	54	54	58
Grant (12)	44	40	37	36	36	37	44
Greenbrier (13)	167	169	169	161	141	135	129
Hampshire (14)	93	93	97	100	94	94	93
Hancock (15)	198	194	182	189	164	157	158
Hardy (16)	49	53	48	49	49	50	54
Harrison (17)	625	629	630	627	574	562	550
Jackson (18)	143	139	142	145	124	115	131

County	January	February	March	April	May	June	July
Jefferson (19)	162	168	174	174	172	166	165
Kanawha (20)	1,279	1,278	1,292	1,248	1,168	1,130	1,164
Lewis (21)	179	185	190	195	178	178	168
Lincoln (22)	349	333	334	345	329	323	317
Logan (23)	404	378	388	391	376	364	376
Marion (24)	299	295	299	295	268	275	272
Marshall (25)	297	307	288	293	257	263	242
Mason (26)	266	261	251	248	252	245	242
Mercer (27)	894	905	926	908	880	830	860
Mineral (28)	100	100	100	93	91	90	90
Mingo (29)	574	553	541	525	523	500	509
Monongalia (30)	123	121	120	106	108	104	104
Monroe (31)	82	79	85	93	87	80	72
Morgan (32)	85	96	93	95	95	88	92
McDowell (33)	864	839	818	806	806	762	774
Nicholas (34)	156	156	156	158	153	138	153
Ohio (35)	308	286	283	282	272	258	262
Pendleton (36)	37	32	33	31	25	24	27
Pleasants (37)	49	51	52	45	44	38	42
Pocahontas (38)	26	27	31	36	30	29	28

County	January	February	March	April	May	June	July
Preston (39)	125	125	132	125	125	105	108
Putnam (40)	169	185	178	170	140	131	139
Raleigh (41)	700	705	713	716	671	646	626
Randolph (42)	113	118	120	128	110	111	97
Ritchie (43)	65	62	65	64	56	54	54
Roane (44)	119	123	132	124	106	101	103
Summers (45)	165	158	174	174	171	176	162
Taylor (46)	98	97	94	87	73	74	80
Tucker (47)	28	26	24	26	23	20	23
Tyler (48)	38	36	35	32	33	31	35
Upshur (49)	316	314	309	302	267	255	269
Wayne (50)	584	552	554	551	523	507	504
Webster (51)	181	182	177	175	164	160	157
Wetzel (52)	113	112	109	112	100	85	78
Wirt (53)	43	45	46	45	42	45	52
Wood (54)	750	760	785	788	707	688	650
Wyoming (55)	404	391	406	388	390	382	406
Total	14,694	14,578	14,639	14,512	13,650	13,142	13,197

Characteristics of the Current WV WORKS Caseload

- ✓ **4,431 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.**
- ✓ **580 cases currently receiving WV WORKS received TANF in another state before moving to West Virginia.**
- ✓ **120 cases in which the parents are excluded from the payment because they were convicted of a drug related felony after August 22, 1996.**
- ✓ **394 cases receive Medicaid but do not receive Food Stamps.**
- ✓ **936 cases receive Food Stamps but adults do not receive Medicaid.**
- ✓ **1,397 cases receive the Marriage Incentive. The incentive was increased to \$100 monthly effective July 1, 2000.**
- ✓ **1,534 adults receiving WV WORKS are employed.**

8/02

Supportive Services Payments: Types and Amounts
July 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. \$600 lifetime	\$68,270	\$19,916	582	\$152	\$88,186
Collateral: Items include grooming expenses, test fees and other expenses related to employment. \$150 lifetime	\$6,860	\$1,897	119	\$73	\$8,747
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. \$1,500 lifetime	\$148,139	\$45,137	419	\$461	\$193,276
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. \$5,000 year	\$1,390	\$150	10	\$154	\$1,540
Commercial Driver's License: Payment to purchase license. \$300 lifetime	\$484	\$0	4	\$121	\$484
Driver/Chauffeurs License: Does not include payment for test required due to traffic violations or classes required for DU; convictions. \$60 lifetime	\$47	\$18	3	\$22	\$65
Employer Incentive: Agreements between employers and local DHHR offices placing WV WORKS recipients in jobs. Employers are reimbursed 1/2 of the employee's wages for the first 200-600 work hours under these contracts.	\$4,209	\$769	14	\$356	\$4,978

Type	Current WV WORKS	Former WV WORKS	Number of Payments	Average Payment	Total Amount
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>\$300 lifetime</i>	\$570	\$435	10	\$100	\$1,005
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 lifetime</i>	\$21,020	\$16,617	30	\$1,255	\$37,637
Tools/Equipment: When needed for a verified offer of employment or for specialized training. <i>\$1,000 lifetime</i>	\$8,475	\$3,054	46	\$251	\$11,529
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-\$5 day; 40+ -\$8) \$200 month limit</i>	\$248,462	\$105,643	4,073	\$87	\$354,105
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>	\$34,532	\$9,825	172	\$258	\$44,357
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>	\$580	\$0	3	\$193	\$580
Total	\$543,028	\$203,461	5,485	\$136	\$746,489

Length of Time on Assistance

Number of Months	Number of Cases
12 months or less	3,180
13-24	2,480
25-36	1,500
37-48	895
49-60	478
Total	8,533

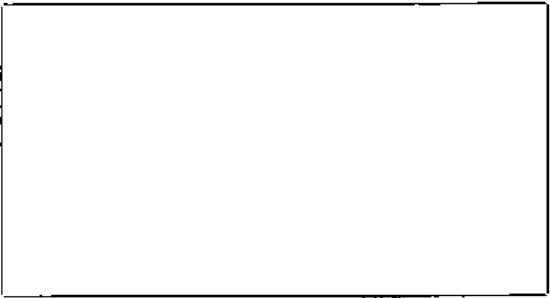
Does not include child only cases.

8/2/02

WORKS Closures Due to Expiration of 60 Months

Month	Number of Closures
12/01	108
1/02	40
2/02	23
3/02	29
4/02	21
5/02	25
6/02	44
7/02	29
Total	319

August 5, 2002



Joint Committee on Government and Finance

August 2002

Department of Health and Human Resources

COLIN ANDERSON CENTER REPORT



Colin Anderson Center Report

August 2002

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

Paul L. Nusbaum, Secretary

Colin Anderson Center Summary Report – August 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.

**Collin Anderson Center
 Summary Report - August 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 *EC*
Director Budget Division
Legislative Auditor's Office

Date: August 16, 2002

Re: Review of West Virginia Lottery Financial Information
As of June 30, 2002. (FY 2002)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the year ended June 30, 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 42.17% ABOVE the preceding fiscal year 2000-2001. This number does not include commission and prize deductions. Gross profit for July-June 2002 was \$327,265,000.00; for the previous fiscal year, July - June 2001 it was \$205,976,000.00. Expressed as a percentage, gross profit is **58.89% higher** in 2001-2002 than in fiscal year 2000-2001.

Joint Committee on Government and Finance

Net Income:

Net income for fiscal year ended June 30 2002 was \$317,398,000.00; the previous fiscal year it was \$189,237,000.00 This is an increase of 67.73%.

Operating Transfers to the State of West Virginia:

A total of \$ 317,398,000.00 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:

LOTTERY FUND

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	\$ 12,780,000.00
Department of Natural Resources	\$ 6,593,000.00
Division of Culture and History	\$ 7,531,000.00
Department of Education and Arts	\$ 7,652,000.00
State Building Commission	\$ 9,848,000.00
School Building Authority	\$ 18,000,000.00
SUBTOTAL BUDGETARY TRANSFERS	\$187,533,000.00

EXCESS LOTTERY FUND

General Revenue Fund	\$49,000,000.00
Education Improvement Fund	5,500,000.00
WV Infrastructure Council Fund	18,765,000.00
Higher Education Improvement Fund	7,506,000.00
State Park Improvement Fund	6,755,000.00
School Building Authority	18,765,000.00
TOTAL EXCESS LOTTERY FUND	106,291,000.00

Veterans Instant Ticket Fund**1,226,000.00**

VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund	\$16,842,000.00
Veterans Memorial Archives	\$100,000.00
John F. "Jack" Bennett Fund	\$20,000.00
Department of Administration	\$5,773,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$22,735,000.00
TOTAL TRANSFERS OF CASH	*\$317,785,000.00

* CASH BASIS

Actual accrual based accounting FY 2002: \$317,398,000.00.

Reconciliation:

July 1, 2001

Accrued from FY 2001 (86,972,000.00)

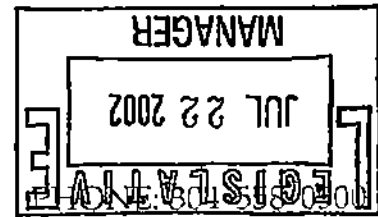
Cash transfers FY 2002 317,785,000.00

July 1, 2002

Accrued from FY 2002 86,585,000.00

Total Distributions FY2002 317,398,000.00

P.O. BOX 2067
CHARLESTON, WV 25327



FAX: 304-558-3321

Bob Wise
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance
FROM: John C. Musgrave, Director *John C. Musgrave*
RE: Monthly Report on Lottery Operations
Month Ending June 30, 2002
DATE: July 22, 2002

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

Financial statements of the Lottery for the month ending June 30, 2002 are attached. Lottery revenue, which includes on-line, instant and video lottery sales, was \$78,339,760 for the month of June.

Transfers of lottery revenue totaling \$75,043,896 were made for the month of June to the designated state agencies per House Bill 101, 102, Veterans' Fund 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 financial statements.

The number of active lottery retailers as of June 30, 2002, was 1,596.

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

JUNE 30, 2002

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2002
(Expressed in Thousands)

	CURRENT MONTH		YEAR TO DATE	
	2002	2001	2002	2001
Lottery revenues				
On-line games	\$ 5,744	\$ 5,953	\$ 112,581	\$ 84,401
Instant games	7,897	6,056	94,323	74,400
Racetrack video lottery	54,399	43,619	595,946	438,091
Limited video lottery	10,299	-	45,761	-
	<u>78,339</u>	<u>55,628</u>	<u>848,611</u>	<u>596,892</u>
Direct Costs				
Commissions				
On-line games	362	363	7,041	5,268
Instant games	494	378	5,896	4,650
Racetrack video lottery	25,850	28,499	354,763	286,275
Limited video lottery	7,065	-	31,392	-
	<u>33,771</u>	<u>29,240</u>	<u>399,092</u>	<u>296,193</u>
Prizes				
On-line prizes	3,075	3,025	56,194	42,291
Instant prizes	5,379	4,143	63,986	50,838
	<u>8,454</u>	<u>7,168</u>	<u>120,180</u>	<u>93,129</u>
Ticket Costs	<u>270</u>	<u>145</u>	<u>2,074</u>	<u>1,594</u>
Total Direct Costs	<u>42,495</u>	<u>36,553</u>	<u>521,346</u>	<u>390,916</u>
Gross profit	35,844	19,075	327,265	205,976
Operating expenses				
Vendor fees and costs	544	526	8,189	6,398
Advertising and promotions	412	469	7,821	6,979
Wages and related benefits	494	316	3,618	2,544
Telecommunications	220	(836)	3,519	2,093
Contractual and professional	(45)	72	1,734	1,502
Rental	47	31	576	372
Depreciation and amortization	1,025	47	1,659	501
Dep. & amortization to Donated capital	(963)	-	(963)	-
Other general expenses	127	52	927	536
	<u>1,861</u>	<u>677</u>	<u>27,080</u>	<u>20,925</u>
Other Operating Income	<u>459</u>	<u>106</u>	<u>15,517</u>	<u>1,206</u>
Operating Income	<u>34,442</u>	<u>18,504</u>	<u>315,702</u>	<u>186,257</u>
Nonoperating income(expense)				
Investment income	259	483	2,149	3,504
Interest expense	(33)	(25)	(453)	(524)
	<u>226</u>	<u>458</u>	<u>1,696</u>	<u>2,980</u>
Income before nonoperating distributions	34,668	18,962	317,398	189,237
Nonoperating distributions to the State of West Virginia	<u>34,668</u>	<u>18,962</u>	<u>317,398</u>	<u>189,237</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 TWELVE MONTH PERIOD ENDED JUNE 30, 2002
(Expressed in Thousands)

	2002	2001
Cash received from customers	\$ 838,882	\$ 594,954
Cash paid to employees	(3,521)	(2,492)
Cash paid to suppliers	(27,119)	(12,775)
Other operating cash payments	(521,740)	(391,208)
Net cash provided by (used for) operating activities	<u>286,502</u>	<u>188,479</u>
Cash flows from noncapital financing activities		
Transfers to the State of West Virginia	(317,785)	(149,817)
Deferred jackpot prize obligations and related interest paid	(1,428)	(1,428)
Cash used in noncapital financing activities	<u>(319,213)</u>	<u>(151,245)</u>
Cash flows from capital and related financing activities		
Purchase of fixed assets	<u>(699)</u>	<u>(2,191)</u>
Cash flows from investing activities		
Maturities of investments held in trust	1,426	1,426
Investment earnings received	2,217	2,867
Cash provided by investing activities	<u>3,643</u>	<u>4,293</u>
Increase (Decrease) in cash and cash equivalents	(29,767)	39,336
Cash and Cash Equivalents - beginning of period	<u>101,966</u>	<u>62,630</u>
Cash and Cash Equivalents - end of period	<u>\$ 72,199</u>	<u>\$ 101,966</u>

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

WEST VIRGINIA LOTTERY
BALANCE SHEETS
(Expressed in Thousands)

	June 30, 2002	June 30, 2001
ASSETS		
Current assets		
Cash and cash equivalents	\$ 72,199	\$ 101,966
Accounts receivable	33,363	8,118
Ticket Inventory	782	692
Other assets	972	1,169
Total current assets	<u>107,316</u>	<u>111,945</u>
Leasehold improvements and equipment	10,162	4,213
Less accumulated depreciation and amortization	(3,966)	(2,308)
	<u>6,196</u>	<u>1,905</u>
Investments held in trust	5,581	6,568
Total assets	<u>\$ 119,093</u>	<u>\$ 120,418</u>
LIABILITIES AND FUND EQUITY		
Current liabilities		
Accrued nonoperating distributions to the State of West Virginia	\$ 80,773	\$ 86,972
Estimated prize claims	11,983	9,907
Accounts payable	3,181	1,532
Other accrued liabilities	13,573	15,737
Total current liabilities	<u>109,510</u>	<u>114,148</u>
Deferred jackpot prize obligations	5,045	6,020
Fund equity		
Donated Capital	4,288	-
Retained earnings	250	250
Total fund equity	<u>4,538</u>	<u>250</u>
Total liabilities and fund equity	<u>\$ 119,093</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, HOT LOTTO, 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 twelve months ended June 30, 2002 and June 30, 2001 approximated \$576,153 and \$372,689, respectively. Sublease rental income for the twelve months ended June 30, 2002 and June 30, 2001 approximated \$103,728 and \$103,563, 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 \$501,000 and \$404,000 for fiscal years 2002 and 2001, 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 net 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>June 30, 2002</u>	<u>June 30, 2001</u>
Amount on deposit with the IMB	<u>\$72,199</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 HOT LOTTO 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 HOT LOTTO 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 June 30, 2002 were \$2,791,612 and \$75,911,123 while related prize costs for the same periods were \$1,485,694 and \$37,945,799.

**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 HOT LOTTO game for the month and year-to-date periods ended June 30, 2002 were \$305,199 and \$892,325 while related prize costs for the same periods were \$163,413 and \$446,165.

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 June 30, 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 9 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 on or after July 1, 2001 that each tracks share be reduced to 42% and the regular purse fund to 8% 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 June 30, 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</u> <u>2002</u>	<u>-Date</u> <u>2001</u>
Total credits played	\$633,117	\$511,422	\$6,962,001	\$5,140,616
Credits (prizes) won	(578,718)	(467,803)	(6,366,055)	(4,702,526)
Gross terminal income	<u>\$54,399</u>	<u>\$43,619</u>	<u>\$595,946</u>	<u>\$438,090</u>
Actual Administrative costs	15,812	(439)	(5,848)	(4,340)
Net Terminal Income	<u>\$70,211</u>	<u>\$43,180</u>	<u>\$590,098</u>	<u>\$433,750</u>
Less distribution to agents	(25,851)	(28,499)	(354,763)	(286,275)
Racetrack video lottery revenues	<u>\$44,360</u>	<u>\$14,681</u>	<u>\$235,335</u>	<u>\$147,475</u>

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

	<u>June 30, 2002</u>	<u>Year-to Date</u>
Lottery Fund	\$ -	\$130,125
Excess Lottery Fund	40,287	77,069
Capital Reinvestment Fund	2,193	5,811
Tourism Promotion Fund	1,410	16,748
Veterans Memorial Archives	-	100
John F."Jack" Bennett Fund	-	20
Department of Administration	470	5,462
Total transfers	<u>\$44,360</u>	<u>\$235,335</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 June 30, 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	119,208	\$504,739
Credits (prizes) won	(108,909)	(458,979)
Gross terminal income	<u>\$10,299</u>	<u>\$45,760</u>
Administrative costs	(206)	(915)
Gross Profit	<u>\$10,093</u>	<u>\$44,845</u>
Commissions	(7,065)	(31,392)
Limited video lottery revenues	<u>\$3,028</u>	<u>\$13,453</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 June 30, 2002 the Lottery made such distributions and accrued additional distributions of \$32,787,595. 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 June 30, 2002 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$502,875.

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>June 30, 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	(90)	12,780
Natural Resources	90	6,593
Division of Culture & History	-	7,531
Department of Education & Arts	-	7,652
Building Commission	-	9,848
School Building Authority	-	18,000
Total Lottery Fund	\$ -	\$187,533
 <u>Excess Lottery Fund:</u>		
General Revenue Fund	15,882	49,000
Education Improvement Fund	5,500	5,500
WV Infrastructure Council Fund	18,765	18,765
Higher Education Improvement Fund	7,506	7,506
State Park Improvement Fund	6,755	6,755
School Building Authority	18,765	18,765
Total Excess Lottery Fund	\$73,173	\$106,291
Total Budgetary distributions:	\$73,173	\$293,824
Veterans Instant Ticket Fund	\$128	\$1,226
 <u>Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund	1,308	16,842
Veterans Memorial Archives	-	100
John F. "Jack" Bennett Fund	-	20
Department of Administration	435	5,773
Total	1,743	22,735
Total nonoperating distributions to the State of West Virginia (cash basis)	75,044	317,785
Accrued nonoperating distributions, beginning	(126,961)	(86,972)
Accrued nonoperating distributions, end	86,585	86,585
Total nonoperating distributions to the State of West Virginia	\$34,668	\$317,398

**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 June 30, 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>June 30, 2002</u>	<u>June 30, 2001</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$4,844	\$5,784
Imputed interest accrued	<u>201</u>	<u>236</u>
Total Deferred Jackpot Prize Award Obligations	<u>\$5,045</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 June 30, 2002 are as follows (in thousands) :

	<u>June 30, 2002</u>	<u>Year-to Date</u>
Lottery contributions (9.5%)	\$26	\$244
Employee contributions (4.5%)	11	116
Total contributions	\$37	\$360

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.

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: August 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 fiscal 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 June 30, 2002	\$209,216,934.87
Disbursements July 1 thro June 30, 2002	\$166,076,079.80
Balance June 30, 2002	\$280,390,998.85

(This balance is \$ 43,140,855.07 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 - June 2002 are \$33,417,358.08 HIGHER than the preceding July - June 2001.

Receipts are \$ 50,895,293.72 HIGHER than the previous July- June 2001. Overall disbursements are \$34,174,546.49 HIGHER than July - June 2001.

UNEMPLOYMENT RATES:

West Virginia's unemployment rate for the month of July 2002 was 6.0 percent. National unadjusted unemployment rate was 6.0 percent. Seasonally adjusted unemployment rates were 6.2 percent for West Virginia and 5.9 percent nationally.

During the past year (since July 2001) West Virginia's economy has declined by 9,500 jobs. The gains were 1,100 jobs in services. Losses include 3,900 in manufacturing, 1,000 in trade, 2,100 in government, 500 in transportation and public utilities, 2,700 in mining, 300 in finance, insurance and real estate and 100 in construction.

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

	<u>APRIL 01</u>	<u>MAY 01</u>	<u>JUNE 01</u>	<u>APRIL 02</u>	<u>MAY 02</u>	<u>JUNE 02</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$186,845,768.06</u>	<u>\$204,441,973.87</u>	<u>\$243,938,909.23</u>	<u>\$249,381,014.81</u>	<u>\$256,731,163.51</u>	<u>\$291,240,090.18</u>	<u>\$152,125,617.34</u>
Add Receipts:							
Bond Assessment	\$547.81	\$467.07	\$2,371.22	\$255.52	\$242.71	\$278.03	(\$2,609.84)
Regular Contributions	\$18,570,908.81	\$50,859,689.94	\$1,123,655.64	\$22,918,788.71	\$46,759,680.67	\$965,612.67	\$89,827.66
Extended Benefit Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Unemployment Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
TEUC Unemployment Funds	\$0.00	\$0.00	\$0.00	\$2,875,000.00	\$6,025,000.00	\$3,375,000.00	\$11,275,000.00
UCFE (Federal Agencies)	\$100,000.00	\$75,000.00	\$50,000.00	\$25,000.00	\$50,000.00	\$50,000.00	(\$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	\$0.00	\$0.00	\$3,868,390.25	\$0.00	\$0.00	\$4,189,322.48	\$530,932.23
UCX (Military Agencies)	<u>\$200,000.00</u>	<u>\$150,000.00</u>	<u>\$75,000.00</u>	<u>\$100,000.00</u>	<u>\$150,000.00</u>	<u>\$100,000.00</u>	<u>(\$75,000.00)</u>
Total Monthly Receipts	<u>\$18,871,458.62</u>	<u>\$51,085,157.01</u>	<u>\$4,919,417.11</u>	<u>\$25,919,044.23</u>	<u>\$51,984,923.38</u>	<u>\$8,690,213.08</u>	<u>\$11,718,149.95</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	NA
Regular Benefits	\$10,998,284.16	\$11,370,820.36	\$11,422,687.76	\$14,803,792.29	\$13,403,201.68	\$15,739,689.12	\$10,156,910.81
Extended Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Emergency Benefits	(\$480.00)	(\$715.00)	(\$630.00)	\$3,536,814.00	\$3,895,796.00	\$3,822,023.00	\$11,056,468.00
UCFE (Federal Workers)Benefits	\$100,799.68	\$70,450.70	\$62,553.62	\$62,016.52	\$61,138.28	\$46,637.22	(\$74,012.98)
UCX (Military Workers)Benefits	\$178,666.97	\$147,665.59	\$123,571.18	\$169,273.72	\$125,880.75	\$130,965.07	(\$26,814.20)
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 Disbursements	<u>\$11,276,250.81</u>	<u>\$11,588,221.65</u>	<u>\$11,608,182.56</u>	<u>\$18,568,895.53</u>	<u>\$17,475,998.71</u>	<u>\$19,539,304.41</u>	<u>\$21,112,541.63</u>
Trust Fund Balance	<u>\$204,441,973.87</u>	<u>\$243,938,909.23</u>	<u>\$237,250,143.78</u>	<u>\$256,731,163.51</u>	<u>\$291,240,090.18</u>	<u>\$280,380,998.85</u>	<u>\$142,731,226.66</u>

* 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
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, CPA *EC*
Director Budget Division
Legislative Auditor's Office

Date: August 14, 2002

Re: Workers' Compensation Trust Fund

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

Total receipts for the fiscal year are \$589,068,590.46 . This amount is \$ 26,164,125.06 LESS than the receipts reported for fiscal year 2000-2001 during the July to May time period.

Disbursements paid out for the fiscal year are \$ 696,176,889.27. This amount is \$ 90,376,935.03 HIGHER than the same time period last fiscal year.

Total administrative expenses for the eleven month period are \$ 46,482,788.52; which is \$3,042,434.23 HIGHER than the same eleven months of the previous fiscal year.

The ending cash balance as of May 31, 2002 was \$ 995,476,972.85. At the same date the previous fiscal year the cash balance was \$ 1,146,500,389.41 The difference is a \$151,023,416.56 DECREASE in ending cash 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 MARCH 2001 AND MARCH 2002**

RECEIPTS AND DISBURSEMENTS				BENEFITS			ADMINISTRATIVE EXPENSE
MONTH	RECEIPTS	DISBURSEMENTS	ENDING BALANCE	WCF	SELF-INSURERS	TOTAL	
BALANCE FORWARD *			\$1,238,205,863.02				
MAR 2001	\$ (33,704,087.71)	\$ 63,785,238.59	1,138,736,556.72	\$ 59,078,743.80	\$ 9,633,944.80	\$68,853,688.70	\$ 4,745,494.79
APR 2001	22,029,072.80	53,274,365.45	1,107,491,264.07	51,185,796.77	8,424,391.60	59,610,187.57	2,088,669.88
MAY 2001	100,760,066.78	61,750,940.42	1,146,509,389.41	56,421,310.28	8,498,534.37	64,819,844.65	5,328,630.14
TOTALS	689,086,070.85	\$178,790,544.48	N/A	\$168,626,849.85	\$28,556,871.07	\$193,183,720.92	\$12,163,894.61

RECEIPTS AND DISBURSEMENTS				BENEFITS			ADMINISTRATIVE EXPENSE
MONTH	RECEIPTS	DISBURSEMENTS	ENDING BALANCE	WCF	SELF-INSURERS	TOTAL	
BALANCE FORWARD *			\$1,011,571,322.84				
MAR 2002	3,826,852.74	63,578,154.77	951,822,120.91	59,370,808.83	11,059,107.97	\$70,439,916.80	4,205,345.94
APR 2002	124,213,884.05	68,341,643.07	1,008,694,361.88	64,711,983.47	9,578,171.82	74,290,135.29	4,628,678.60
MAY 2002	58,633,247.58	87,860,636.80	985,476,972.85	63,520,999.06	11,753,658.72	75,274,658.77	4,329,638.55
TOTALS	\$184,674,084.35	\$200,780,434.44	N/A	\$187,603,770.35	\$32,400,938.51	\$220,004,708.86	\$13,164,664.09

* 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
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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: August 18, 2002

Re: Status of General Revenue Fund July 31, 2002

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

The net year-to-date collections are **109.15%** of the estimate for the fiscal year as of July 31, 2002. **The amount above estimate is \$17,017,688.00 for the year.**

Consumer sales tax collections are \$1,832,014.00 ABOVE the estimate for the year. Collections of consumer sales tax were 102.66% of the yearly estimate.

Corporate net income tax collections are \$7,287,801.00 ABOVE the estimate.

Personal income tax collections for July are at 108.05% of the estimate.

Joint Committee on Government and Finance

On July 3, 2002, a transfer was made from the Rainy Day Fund to the General Revenue Fund in the amount of \$ 40,000,000.00. This is a loan which must be paid back to the Rainy Day Fund within 90 days of the loan. Cash flow demands in the beginning of the new fiscal year generally outpace the revenue collections, making this loan a necessity.

See attached schedule for details.

The Special Income Tax Reserve Fund had a cash balance of \$27,391,035.96 as of July 31, 2002.

Balance July 1, 2002	27,391,035.96
Revenues July 2002	00,000,000.00
Disbursements July 2002	00,000,000.00
Other adjustments	00,000,000.00
Balance July 31, 2002	27,391,035.96

The Rainy Day Fund (Revenue Shortfall Reserve Fund) had a cash balance of \$17,750,612.91 as of August 1, 2002.

Balance July 1, 2002	\$ 56,178,308.63
Revenues July 1, 2002-June 30, 2003 Surplus from 2002 (transferred 8-1-2002)	9,872,304.28
Disbursements July 1-June 30, 2003 Loan to General Revenue (transferred 7-3-2002) Flood Aid Per Senate Bill 2028 (Transferred 7-29-2002)	40,000,000.00 8,300,000.00
Balance August 1, 2002	17,750,612.91

GENERAL REVENUE FUND FY 2002-2003

Monthly Revenue Estimates, July 2002
as of July 31 , 2002 WVFIMS

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/ UNDER ESTIMATES		YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
			VS ACTUAL COLLECTIONS				
Business & Occupation Tax	6,000,000	3,804,501	-2,195,499		6,000,000	3,804,501	-2,195,499
Consumer Sales Tax	68,750,000	70,582,014	1,832,014		68,750,000	70,582,014	1,832,014
Personal Income Tax	74,300,000	80,283,803	5,983,803		74,300,000	80,283,803	5,983,803
Liquor Profit Transfers	800,000	1,015,000	215,000		800,000	1,015,000	215,000
Racing Fees	0	0	0		0	0	0
Beer Tax and Licenses	740,000	785,810	45,810		740,000	785,810	45,810
Cigarette Tax	3,100,000	3,916,481	816,481		3,100,000	3,916,481	816,481
Estate and Inheritance Tax	1,200,000	1,293,705	93,705		1,200,000	1,293,705	93,705
Business Franchise Fees	380,000	251,923	-128,077		380,000	251,923	-128,077
Charter Tax	1,520,000	2,234,292	714,292		1,520,000	2,234,292	714,292
Use Tax	9,600,000	10,649,305	1,049,305		9,600,000	10,649,305	1,049,305
Property Transfer Tax	770,000	683,439	-86,561		770,000	683,439	-86,561
Property Tax	70,000	86,695	16,695		70,000	86,695	16,695
Cash Flow Transfer	0	40,000,000	40,000,000		0	40,000,000	40,000,000
Insurance Tax	10,700,000	14,243,175	3,543,175		10,700,000	14,243,175	3,543,175
Departmental Collections	430,000	407,941	-22,059		430,000	407,941	-22,059
Corporate net Income Tax	1,700,000	8,987,801	7,287,801		1,700,000	8,987,801	7,287,801
Carrier Income Tax	0	0	0		0	0	0
Miscellaneous Receipts	170,000	74,647	-95,353		170,000	74,647	-95,353
Miscellaneous Transfers	500,000	0	-500,000		500,000	0	-500,000
Interest Income	1,300,000	2,086,260	786,260		1,300,000	2,086,260	786,260
Video Lottery Transfers	0	0	0		0	0	0
Severance Tax	0	1,332,153	1,332,153		0	1,332,153	1,332,153
Business Franchise Tax	2,900,000	-2,430,710	-5,330,710		2,900,000	-2,430,710	-5,330,710
Telecommunications Tax	700,000	2,322,548	1,622,548		700,000	2,322,548	1,622,548
Special Revenue Transfer	0	0	0		0	0	0
Smokeless Tobacco Tax	400,000	436,904	36,904		400,000	436,904	36,904
HB 102 - Lottery Transfers	0	0	0		0	0	0
TOTALS	186,030,000	243,047,688	57,017,688		186,030,000	243,047,688	57,017,688
Minus Cash Flow Transfer		40,000,000	40,000,000			40,000,000	40,000,000
TOTALS	186,030,000	203,047,688	17,017,688		186,030,000	203,047,688	17,017,688
Percent of Estimates		109.15%				109.15%	
Collections this day		21,992,380					

Prepared by Legislative Auditor's Office, Budget Division

STATE ROAD FUND FY 2002- 2003
Monthly REVENUE ESTIMATES, July 2002
as of July 31 , 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	8,800,000	9,975,717	1,175,717	8,800,000	9,975,717	1,175,717
Privilege Tax	14,500,000	17,421,319	2,921,319	14,500,000	17,421,319	2,921,319
Gasoline & Motor Carrier Rd T	19,547,000	19,209,066	-337,934	19,547,000	19,209,066	-337,934
Wholesale Fuel & Use Tax	6,788,000	5,968,591	-819,409	6,788,000	5,968,591	-819,409
Highway Litter Control Fund	150,000	207,075	57,075	150,000	207,075	57,075
TOTALS	49,785,000	52,781,768	2,996,768	49,785,000	52,781,768	2,996,768
Percent of Estimates		106.02%			106.02%	
Collections this day		3,850,369				

REVENUE SHORTFALL RESERVE FUND as of July 1, 2002: \$56,178,308.63

SPECIAL INCOME TAX REFUND RESERVE FUND as of July 1, 2002: \$27,391,035.96

GENERAL REVENUE FUND FY 2002-2003
 Monthly Revenue Estimates, July 2002
 as of July 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	6,000,000	3,804,501	63.41%	6,000,000	3,804,501	63.41%
Consumer's Sales Tax	68,750,000	70,582,014	102.66%	68,750,000	70,582,014	102.66%
Personal Income Tax	74,300,000	80,283,803	108.06%	74,300,000	80,283,803	108.06%
Liquor Profit Transfers	800,000	1,016,000	126.88%	800,000	1,016,000	126.88%
Racing Fees	0	0		0	0	
Beer Tax and Licenses	740,000	785,810	106.19%	740,000	785,810	106.19%
Cigarette Tax	3,100,000	3,916,481	126.34%	3,100,000	3,916,481	126.34%
Estate and Inheritance Tax	1,200,000	1,293,706	107.81%	1,200,000	1,293,706	107.81%
Business Franchise Registration	380,000	251,923	66.30%	380,000	251,923	66.30%
Charter Tax	1,520,000	2,234,292	146.99%	1,520,000	2,234,292	146.99%
Use Tax	9,600,000	10,649,306	110.93%	9,600,000	10,649,306	110.93%
Property Transfer Tax	770,000	883,439	88.76%	770,000	883,439	88.76%
Property Tax	70,000	86,698	123.85%	70,000	86,698	123.85%
Cash Flow Transfer	0	40,000,000		0	40,000,000	
Insurance Tax	10,700,000	14,243,173	133.11%	10,700,000	14,243,173	133.11%
Departmental Collections	430,000	407,941	94.87%	430,000	407,941	94.87%
Corporate Net Income Tax	1,700,000	8,987,801	528.69%	1,700,000	8,987,801	528.69%
Carrier Income Tax	0	0		0	0	
Miscellaneous Receipts	170,000	74,647	43.91%	170,000	74,647	43.91%
Miscellaneous Transfers	800,000	0	0.00%	800,000	0	0.00%
Interest Income	1,300,000	2,086,260	160.48%	1,300,000	2,086,260	160.48%
Video Lottery Transfers	0	0		0	0	
Severance Tax	0	1,332,153		0	1,332,153	
Business Franchise Tax	2,800,000	(2,430,710)	-83.82%	2,800,000	(2,430,710)	-83.82%
Telecommunications Tax	700,000	2,322,548	331.79%	700,000	2,322,548	331.79%
Special Revenue	0	0		0	0	
Smokeless Tobacco Tax	400,000	436,904	109.23%	400,000	436,904	109.23%
H.B. 102- Lottery Transfers	0	0		0	0	
TOTALS	186,030,000	243,047,687		186,030,000	243,047,687	109.15%
Minus Cash Flow Transfers		(40,000,000)			(40,000,000)	
TOTALS	186,030,000	203,047,687	109.15%	186,030,000	203,047,687	109.15%
Percent of Estimates		109.15%			109.15%	

STATE ROAD FUND FY 2002-2003
 REVENUE ESTIMATES AS OF JULY 2002
 as of July 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	8,800,000	9,975,717	113.36%	8,800,000	9,975,717	113.36%
Privilege Tax	14,500,000	17,421,319	120.15%	14,500,000	17,421,319	120.15%
Gasoline and Motor Carrier Road Tax	19,547,000	19,209,066	98.27%	19,547,000	19,209,066	98.27%
Wholesale Fuel and Use Tax	6,788,000	5,968,591	87.93%	6,788,000	5,968,591	87.93%
Highway Litter Control Fund	150,000	207,075	138.05%	150,000	207,075	138.05%
TOTALS	49,785,000	52,781,768	106.02%	49,785,000	52,781,768	106.02%

**West Virginia PEIA
Summary of Revenue Changes based on July 2002 Enrollment**

Original Finance Board Plan

<u>Fiscal Year</u>	<u>Employer Premium</u>	<u>Employee Premium</u>	<u>Employer Share</u>	<u>Employee Share</u>
2001	\$308,176,997	\$ 41,016,169	88.3%	11.7%
2002	297,313,359	49,016,684	85.8%	14.2%
2003	334,313,359	63,716,684	84.0%	16.0%
2004	376,313,359	78,416,684	82.8%	17.2%
2005	416,313,359	94,616,684	81.5%	18.5%
2006	464,313,359	110,816,684	80.7%	19.3%

Revision Based on July 2002 Enrollment

<u>Fiscal Year</u>	<u>Employer Premium</u>	<u>Employee Premium</u>	<u>Employer Share</u>	<u>Employee Share</u>
2001	\$308,176,997	\$ 41,016,169	88.3%	11.7%
2002	297,313,359	49,016,684	85.8%	14.2%
2003	333,413,359	68,016,684	83.1%	16.9%
2004	375,413,359	82,716,684	81.9%	18.1%
2005	415,413,359	98,916,684	80.8%	19.2%
2006	463,413,359	115,116,684	80.1%	19.9%

Summary of Changes to the Plan

	<u>Original Plan</u>	<u>July 2002 Update</u>	<u>Change</u>
Additional State Funds	\$ 37,000,000	\$ 36,100,000	\$ (900,000)
Local Fund Increase	\$ 8,100,000	\$ 10,100,000	\$ 2,000,000
Retiree Rate Increase	\$ 4,000,000	\$ 5,800,000	\$ 1,800,000
<u>Employee Contributions</u>	<u>\$ 14,700,000</u>	<u>\$ 19,000,000</u>	<u>\$ 4,300,000</u>
Revenue Increases Assumed	<u>\$ 63,800,000</u>	<u>\$ 71,000,000</u>	<u>\$ 7,200,000</u>

PEIA
Tobacco Users-PPB Plan Only
Aug-02

	<u>Policyholder Count Users</u>			<u>PPB Total</u>
	<u>Tier Policyholder</u>	<u>Tier All Other</u>	<u>Non- Users</u>	
County School Boards	3,121	7,082	17,932	28,135
College & University	1,022	1,475	4,754	7,251
State Agency	2,463	4,966	10,362	17,791
Non-State	1,322	2,341	4,263	7,926
Retirees	1,185	7,904	19,375	28,464
Total	9,113	23,768	56,686	89,567
Monthly Tobacco Charge/Policy	\$ 10.00	\$ 20.00		
Monthly Total Tobacco Premium	\$ 91,130.00	\$ 475,360.00		
Annual Premium	\$ 1,093,560.00	\$ 5,704,320.00		
Annual Combined Premium		\$ 6,797,880.00		

PEIA

MONTHLY MANAGEMENT REPORT

TOTAL CLAIMS

JUNE 2002

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

Page: 1

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	138,752.88	175,006.63	182,373.97	156,797.74	2,056,458.48	1,877,885.88
	MATERNITY	202,454.35	139,800.95	167,058.40	117,135.95	1,713,007.38	1,460,859.57
	MEDICAL AND SURGICAL	5,661,623.70	6,392,013.23	7,222,744.04	4,924,275.10	75,143,038.38	60,608,773.09
	NEONATAL COMPLICATIONS	93,713.21	67,211.65	96,352.35	60,685.82	803,900.65	652,732.55

SUM		6,096,544.14	6,774,032.46	7,668,528.76	5,258,894.61	79,716,404.89	64,600,251.09
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	8,824.56	16,530.33	20,947.21	15,182.94	186,241.34	191,367.17
	DIALYSIS	184,711.38	217,457.80	188,707.32	156,551.68	2,605,497.71	1,892,676.65
	EMERGENCY ROOM	202,344.64	182,272.06	165,400.71	114,492.58	2,224,208.68	1,442,734.12
	MATERNITY	14,918.85	23,795.70	31,693.93	14,533.32	268,773.28	196,529.88
	MEDICAL AND SURGICAL	3,459,009.24	3,346,218.56	3,580,035.12	2,583,094.72	40,033,596.82	31,682,364.76

SUM		3,869,808.67	3,786,274.45	3,986,784.29	2,883,855.24	45,318,317.83	35,405,672.58
PHARMACY	PRESCRIPTION DRUGS	10,016,841.35	9,325,589.55	8,134,177.04	6,935,703.47	113,789,738.94	84,004,895.90

SUM		10,016,841.35	9,325,589.55	8,134,177.04	6,935,703.47	113,789,738.94	84,004,895.90
PROFESSIONAL SERVICES	ADVANCED IMAGING	665,478.57	645,328.84	774,066.25	582,125.86	7,635,358.40	7,182,187.40
	AMBULANCE	2,434.79	15,079.34	56,059.55	159,218.44	127,327.29	1,820,976.69
	ANESTHESIA	619,924.99	569,599.45	592,779.20	440,773.80	6,862,339.15	5,440,586.27
	CARDIOVASCULAR MEDICINE	187,508.21	197,128.47	235,953.68	179,922.86	2,317,096.13	2,237,729.45
	CERVICAL CANCER SCREENING	56,503.16	43,684.64	38,912.61	23,528.53	541,806.24	302,830.38
	DME	432,904.45	371,146.07	470,995.37	298,648.59	4,415,661.96	3,766,799.14
	EVALUATION AND MANAGEMENT	3,201,029.80	3,362,079.86	3,741,675.00	2,880,448.83	39,804,313.08	38,507,717.90
	IMMUNIZATION	79,186.29	86,603.78	91,737.86	75,321.06	1,026,693.75	937,542.03
	INJECTION	524,877.08	547,374.16	750,164.79	428,977.29	6,343,202.24	5,428,326.68

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

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 JUNE 2002

Page: 2

Reporting Category	Type of Service	Current period	Rolling Avg 12 Months prior	Rolling Avg 12 Months prior	Current period	Rolling Avg 12 Months prior	Current period
PROFESSIONAL SERVICES	LAB AND PATHOLOGY	949,872.71	802,646.83	999,465.75	620,324.04	9,582,168.87	7,774,868.83
	MAMMOGRAPHY	151,800.49	163,905.42	158,636.79	137,007.37	1,960,028.74	1,701,706.60
	OTHER	969,419.54	602,441.88	532,998.38	311,402.40	7,665,723.70	4,061,402.85
	OTHER MEDICINE	1,102,745.23	1,072,472.15	1,340,453.40	902,675.89	12,631,957.62	11,371,339.33
	PHYSICAL MEDICINE	1,358,685.12	1,233,247.38	1,509,730.56	1,019,186.09	14,647,923.08	12,749,108.30
	PROSTATE CANCER SCREENING	357,822.06	348,394.37	380,365.67	268,990.27	4,158,188.88	3,350,476.17
	SURGICAL	19,801.11	17,301.80	24,567.36	14,597.99	202,855.40	183,184.73
*****		1,924,986.97	1,942,034.86	2,324,162.81	1,707,977.32	22,905,242.48	21,249,294.48
sum		12,604,980.57	12,020,469.29	14,022,725.03	10,051,126.64	142,827,687.01	125,066,077.23
sum		32,588,174.73	31,906,365.76	33,812,215.12	25,129,579.96	381,652,348.67	309,076,896.80

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

27 rows selected.

PEIA

MONTHLY MANAGEMENT REPORT

PER CAPITA CLAIMS

JUNE 2002

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

Page: 1

Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.7607	.9714	1.0902	.9466	11.3373	11.3253
	MATERNITY	1.1100	.7767	.9986	.7072	9.4439	8.8102
	MEDICAL AND SURGICAL	31.0398	35.5058	43.1750	29.7346	414.2657	365.5227
	NEONATAL COMPLICATIONS	.5138	.3736	.5760	.3680	4.4319	3.9365
***** SUM		33.4242	37.6275	45.8397	31.7564	439.4788	389.5947
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0484	.0918	.1252	.0917	1.0268	1.1541
	DIALYSIS	1.0127	1.2049	1.1280	.9451	14.3642	11.4145
	EMERGENCY ROOM	1.1094	1.0105	.9887	.6906	12.2621	8.7009
	MATERNITY	.0818	.1322	.1895	.0877	1.4818	1.1852
	MEDICAL AND SURGICAL	18.9640	18.5758	21.4002	15.6034	220.7064	191.0717
***** SUM		21.2162	21.0152	23.8316	17.4184	249.8412	213.5264
PHARMACY	PRESCRIPTION DRUGS	54.9172	51.7033	48.6232	41.8659	627.3261	506.6212
***** SUM		54.9172	51.7033	48.6232	41.8659	627.3261	506.6212
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.6485	3.5860	4.6271	3.5137	42.0939	43.3147
	AMBULANCE	.0133	.0855	.3351	.9616	.7020	10.9820
	ANESTHESIA	3.3987	3.1618	3.5434	2.6607	37.8323	32.8114
	CARDIOVASCULAR MEDICINE	1.0280	1.0955	1.4104	1.0857	12.7742	13.4954
	CERVICAL CANCER SCREENING	.3098	.2421	.2326	.1419	2.9870	1.8263
	DME	2.3734	2.0627	2.8154	1.8022	24.3437	22.7170
	EVALUATION AND MANAGEMENT	17.5496	18.6701	22.3664	17.3889	219.4423	214.1419
	IMMUNIZATION	.4341	.4810	.5484	.4545	5.6602	5.6542
	INJECTION	2.8776	3.0457	4.4842	2.5895	34.9703	32.7374

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
 JUNE 2002

Page: 2

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	LAB AND PATHOLOGY	5.2077	4.4595	5.9745	3.7439	52.8268	46.8891
	MAMMOGRAPHY	.8322	.9095	.9483	.8268	10.8057	10.2627
	OTHER	5.3148	3.3397	3.1861	1.8772	42.2614	24.4937
	OTHER IMAGING	6.0458	5.9605	8.0128	5.4461	69.6403	68.5789
	OTHER MEDICINE	7.4490	6.8521	9.0246	6.1522	80.7544	76.8880
	PHYSICAL MEDICINE	1.9618	1.9340	2.2737	1.6231	22.9242	20.2062
	PROSTATE CANCER SCREENING	.1086	.0962	.1469	.0881	1.1103	1.1048
	SURGICAL	10.5537	10.7918	13.8930	10.3114	126.2773	128.1514

SUM		69.1066	66.7738	83.8229	60.6676	787.4142	754.2552
SUM		178.6642	177.1198	202.1174	151.7083	2,104.0603	1,863.9976

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

27 rows selected.

PEIA

MONTHLY MANAGEMENT REPORT

PER CAPITA UTILIZATION

JUNE 2002

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

Page: 1

Reporting Category	Type of Service	Current Period 12 Months Encounters	Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0007	.0007	.0072	.0075
	MATERNITY	.0008	.0008	.0067	.0061
	MEDICAL AND SURGICAL	.0152	.0196	.1830	.1835
	NEONATAL COMPLICATIONS	.0001	.0001	.0015	.0015

sum		.0167	.0211	.1984	.1987
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0005	.0008	.0086	.0082
	DIALYSIS	.0043	.0030	.0469	.0212
	EMERGENCY ROOM	.0220	.0237	.2608	.2433
	MATERNITY	.0007	.0005	.0064	.0055
	MEDICAL AND SURGICAL	.0700	.0831	.8182	.8281

sum		.0975	.1111	1.1409	1.1063
PHARMACY	PRESCRIPTION DRUGS	.8758	.8727	11.1116	10.1673

	sum	.8758	.8727	11.1116	10.1673
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0252	.0311	.3001	.2814
	AMBULANCE	.0007	.0072	.0242	.0858
	ANESTHESIA	.0158	.0171	.1560	.1389
	CARDIOVASCULAR MEDICINE	.0082	.0104	.0968	.0985
	CERVICAL CANCER SCREENING	.0182	.0191	.2049	.2011
	DMS	.0373	.0362	.3510	.3393
	EVALUATION AND MANAGEMENT	.5011	.6232	6.0760	6.0991
	IMMUNIZATION	.0132	.0095	.1868	.1710
	INJECTION	.0232	.0323	.2858	.2935
	LAB AND PATHOLOGY	.1778	.2099	2.0950	1.9624

	sum				

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 UTILIZATION
 JUNE 2002

Page: 2

Reporting Category	Type of Service	Current Period 12 Months Encounters	Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	MAMMOGRAPHY	.0260	.0305	.3367	.3383
	OTHER	.0460	.0491	.5400	.4540
	OTHER IMAGING	.1393	.1748	1.6712	1.6601
	OTHER MEDICINE	.1942	.2355	2.2786	2.2155
	PHYSICAL MEDICINE	.0799	.0891	.9110	.8206
	PROSTATE CANCER SCREENING	.0059	.0073	.0731	.0722
	SURGICAL	.0863	.1001	1.0174	1.0216

SUM		1.3984	1.6825	16.6045	16.2534
		2.3884	2.6875	29.0554	27.7256

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

27 rows selected.



July 23, 2002

Mr. Tom Susman, Director
WV Public Employees Insurance Agency
State Capital Complex
Building 5 - Room 101
1900 Kanawha Blvd., East
Charleston, WV 25305-0710

Dear Mr. Susman:

Horace Emery of Suttle & Stalnaker has provided us a final draft copy of the "Special Report on Applying Agreed Upon Procedures Pertaining to Plan Document Compliance" prepared for the West Virginia Public Employees Insurance Agency for the period August 1, 2001 through October 31, 2001. This report was prepared in follow-up to the initial report for the time period July 2000 through January 2001. The initial report made 19 recommendations for process improvements at Acordia National.

Overall Conclusions

On August 30, 2001 Acordia National provided an action plan with specific time frames to implement the 19 original recommendations. We are pleased to report that 14 of the action items were completed within the original timeframes set in the August 30th action plan. One recommendation, DRG Allocation, has not yet been implemented. This recommendation will not prevent processing errors from occurring. The benefit is a minor efficiency improvement. It is our intention to implement this recommendation but other programming priorities take precedence. A second recommendation for enhancement of durable medical equipment and home health visit claims cannot be implemented because the HCPCS code structure cannot be reconciled with the PELA current per visit reimbursement. We will work with PELA and Majesty to determine if a variation of this recommendation can be implemented.

The final three recommendations all related to enhancement of our Scan Systems OCR process to allow Medicare secondary payor claims and HCFA 1500 claims submitted in hard copy format to be scanned directly to the claims system with any elements unable to be read optically to be entered through a data entry process. Significant development work has been completed on this project. Originally we anticipated implementation in June 2002; we now expect to begin a phased implementation to optically read and automatically enter data elements by September 30, 2002.

Regarding the results of the draft report, attached to this letter is a spreadsheet that summarizes the report results. Listed below are a few highlights of the spreadsheet.

Acordia
One Hillcrest Drive, East
P.O. Box 1551 (ZIP 25326-1551)
Charleston, WV 25311-1697
Voice: 304.346.0611
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July 23, 2002

1. Of the 319 claims in the sample, only 42 were found with exceptions. Although this exception rate is higher than what we would like to see, we believe it is reasonable given the focused nature of the review. It is also important to note that 27 of the 42 exceptions were for the months of July and August which were prior to implementation of all the process improvement changes made as a result of the initial Suttle & Stalnaker review.
2. Of the \$310,330 paid on the claims in the review sample, \$6,085.80 was paid incorrectly resulting in an error percentage rate of 1.96%. Although this percentage is not comparable to a random sample audit, it does indicate superior performance based upon the focused nature of this review.
3. - It is important to note that 3 categories; inpatient in-network, over 65 and other party liability represent 82% of the total claims payments represented in this review. The calculated error percentage for these 3 categories is 0.22% for accuracy rating of 99.78%.

Although the statistics highlighted above and detailed on the attachment show excellent results there are payment categories, representing a relatively small amount of the total claims dollars paid, that continue to need our attention in improving our processes. Acordia is committed to continuous quality improvement and will work with PEIA and Suttle & Stalnaker/Majesty to improve results in these categories.

General Recommendations

1. Data Entry Automation. Acordia National is diligently working to automate this process. Significant programming resources have been assigned to this project. As explained earlier, the Scan System OCR implementation is progressing well. We hope to begin a phased implementation by the end of September.
2. Restructuring of Claims Unit. The claims unit has been restructured to allow specific claims processors to process the more difficult claims. Currently the system automatically routes claims received to the appropriate specialized examiner when the appropriate form type can be differentiated. Ensuring that all claims are properly routed to these specific processors will be enhanced with the implementation of recommendation #1.
3. Special Audits Quality Assurance Program. Special audits were incorporated beginning September 2001 and we continue to monitor and refine the process. Feedback to our processors is provided based upon the results of these special audits. We are developing accuracy expectations for these special audits which will be incorporated into our PEIA Special Audit Testing Procedures.

July 23, 2002

4. Fee Schedule Maintenance. New staff at PEIA has significantly enhanced this process. Although we believe it to be working very well, we will continue work with PEIA staff to refine and enhance the process where possible.

5. Assignment of Reimbursement Amounts.

Multiple Surgery Claims: Acordia National continues to closely monitor appropriate use of modifiers on multiple surgery claims. Results of the special audits through December 31, 2001 have already been reported to PEIA. The first quarter statistics for calendar year 2002 will be reported shortly.

Assistant Surgery Claims: The assistant surgery claim payment process is currently automated. Cases where both a multiple surgery and an assistant surgeon are present (approximately 20% of assistant surgery claims) do require manual intervention. We will reevaluate the programming necessary to automate this subprocess.

6. Potential Duplicate Claims. PEIA and Acordia National continue to educate providers concerning the proper procedure for Medicare crossover claims. At the regional provider workshops held this past June provider staff were told to not submit paper claims when PEIA is secondary to Medicare. PEIA's Provider Newsletter continues to reinforce the proper procedures.

7. Acordia National's Interface with Intracorp. Currently Acordia National receives a daily file of all inpatient precerts. This file is automatically loaded to Acordia National's system. Intracorp notifies Acordia National regarding case management and DME approvals primarily through a paper process. Due to the diverse nature of information communicated for these cases, the information exchange does not readily lend itself to electronic interface. We continue to work with Intracorp to improve the efficiency of both update methodologies.

We believe this letter addresses the primary recommendations of the draft report. If you have any questions, regarding the information in this letter please contact me directly at (304) 347-0730.

Sincerely,



Jennings L. Hart
Senior Vice President
Employee Benefits

cc: Andy Paterno
Rick Legg

State of West Virginia
Public Employees Insurance Agency
Balance Sheets
June 30, 2002 and 2001
Accrual Basis
(Unaudited-For Internal Use Only)
(Not Yet Final)

	<u>June</u> <u>2002</u>	<u>June</u> <u>2001</u>	<u>Increase</u> <u><Decrease></u>
Assets			
Cash and cash equivalents	\$ 89,331,275	\$ 107,675,362	\$ (18,344,087)
Deposits with third-party administrators	837,757	3,123,791	(2,286,034)
Premium accounts receivable-net of allowance for doubtful accounts	14,243,866	8,005,933	6,237,933
Other accounts receivable	5,265,767	4,350,033	915,734
Total current assets	109,678,665	123,155,119	(13,476,454)
Furniture and equipment, net of accumulated depreciation	160,731	221,531	(60,800)
Restricted cash-premium stabilization life insurance	1,698,206	3,607,558	(1,909,352)
Restricted cash-new computer system	1,000,000		1,000,000
Total assets	\$ 112,537,602	\$ 126,984,208	\$ (14,446,606)
Liabilities and Retained Earnings			
Claims payable	\$ 50,860,000	\$ 42,580,000	\$ 8,280,000
Premium deficiency reserve	10,242,297	7,242,000	(7,242,000)
Current claims payable	7,065,795	9,791,174	451,123
Accounts payable	840,631	8,885,733	(1,819,938)
Other accrued liabilities	840,631	714,207	126,424
Total liabilities	69,008,723	69,213,114	(204,391)
Retained earnings	43,528,879	57,771,094	(14,242,215)
Total liabilities and retained earnings	\$ 112,537,602	\$ 126,984,208	\$ (14,446,606)

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

State of West Virginia
Public Employees Insurance Agency
Statement of Revenues, Expenses and
Changes in Retained Earnings
June 30, 2002 and 2001
Accrual Basis
(Unaudited-For Internal Use Only)
(Not Yet Final)

	Budgeted Year Ended June 30, 2002	Actual Year Ended June 30, 2002	Budget Variance Percent	Actual Year Ended June 30, 2001	This Year vs Last Year Increase <Decrease>	This Year vs Last Year Variance Percent
Operating Revenue						
Premiums	\$ 345,600,819	\$ 347,332,502	0.50%	\$ 331,825,944	\$ 15,506,558	4.67%
Employer	73,056,934	71,331,153	-2.36%	64,668,714	6,662,439	10.30%
Employee						
Total Premiums	418,657,752	418,663,655	0.00%	396,494,658	22,168,997	5.59%
Less:						
Payments to managed care organizations	(48,000,000)	(46,818,034)	-2.46%	(71,609,138)	24,791,104	-34.62%
Life insurance premiums-basic	(5,299,704)	(5,144,232)	-2.93%	(5,047,339)	(96,893)	1.92%
Net premium revenue	365,358,048	366,701,389	0.37%	319,838,181	46,863,208	14.65%
Administrative fees, net of refunds	3,500,004	4,656,389	33.04%	4,612,838	43,551	0.94%
Net operating revenue	368,858,052	371,357,778	0.68%	324,451,019	46,906,759	14.46%
Operating Expenses						
Claims expense-medical	267,309,908	271,363,048	1.52%	234,046,754	37,316,294	15.94%
Claims expense-drugs	100,494,160	106,605,166	6.08%	82,172,890	24,432,276	29.73%
Administrative service fees	12,273,972	10,917,571	-11.05%	11,471,003	(553,432)	-4.82%
Other operating expenses	5,079,444	5,614,074	10.53%	5,283,378	330,696	6.26%
Total operating expense	385,157,484	394,499,859	2.43%	332,974,025	61,525,834	18.48%
Operating (deficit) surplus	(16,299,431)	(23,142,081)	41.98%	(8,523,006)	(14,619,075)	171.52%
Nonoperating Revenues						
Interest income,banks, net of fees	200,000	162,865	-18.57%	333,270	(170,405)	-51.13%
Interest income IMB	3,800,000	2,937,001	-22.71%	6,232,409	(3,295,408)	-52.88%
Operating transfers in	5,000,000	5,800,000	16.00%	10,000,000	(4,200,000)	-42.00%
Total nonoperating revenues	9,000,000	8,899,866	-1.11%	10,565,679	(7,665,813)	-46.28%
Net Surplus (Deficiency)	\$ (7,299,431)	(14,242,215)	95.11%	\$ 8,042,673	(22,284,386)	-277.08%
Retained Earnings, (deficiency) beginning of period		57,771,094		49,728,421	8,042,673	
Retained Earnings, end of period		\$ 43,528,879		\$ 57,771,094	\$ (14,242,215)	

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

State of West Virginia
Public Employees Insurance Agency
Statement of Revenues, Expenses and
Net Income (Loss)
Month of June 2002 and 2001
Accrual Basis
 (Unaudited-For Internal Use Only)
 (Not Yet Final)

	Actual Month of June 2002	Actual Month of June 2001	Increase (Decrease)
Operating Revenue			
Premiums			
Employer	\$ 30,401,723	\$ 26,581,275	\$ 3,820,448
Employee	4,935,275	5,403,212	(467,937)
	<hr/>	<hr/>	<hr/>
Total Premium	35,336,998	31,984,487	3,352,511
Less:			
Payments to managed care organizations	(3,919,602)	(6,140,017)	2,220,415
Life insurance premiums-basic	(431,690)	(422,956)	(8,734)
	<hr/>	<hr/>	<hr/>
Net premium revenue	30,985,706	25,421,514	5,564,192
Administrative fees, net of refunds	1,472,974	1,464,779	8,195
	<hr/>	<hr/>	<hr/>
Net operating revenue	32,458,680	26,886,293	5,572,387
Operating Expenses			
Claims expense-medical	14,931,987	24,048,832	(9,116,845)
Claims expense-drugs	10,555,166	9,483,585	1,071,581
Administrative service fees	430,651	1,081,963	(651,312)
Other operating expenses	429,840	696,736	(266,896)
	<hr/>	<hr/>	<hr/>
Total operating expense	26,347,644	36,311,116	(10,963,472)
	<hr/>	<hr/>	<hr/>
Operating loss	6,111,039	(9,424,823)	14,535,862
Nonoperating Revenues			
Interest income, from banks, net of fees	18,983	47,971	(28,988)
Interest income from IMB	140,374	402,640	(262,266)
Operating transfers in	483,000	833,000	(350,000)
	<hr/>	<hr/>	<hr/>
Total nonoperating revenues	642,357	1,283,611	(641,254)
	<hr/>	<hr/>	<hr/>
Net Income (Loss)	\$ 6,753,393	\$ (7,141,212)	\$ 13,894,605

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

WEST VIRGINIA PUBLIC EMPLOYEES
INSURANCE AGENCY

SPECIAL REPORT ON APPLYING
AGREED UPON PROCEDURES PERTAINING TO
PLAN DOCUMENT COMPLIANCE

FOR THE PERIOD OF
AUGUST 1, 2001 THROUGH OCTOBER 31, 2001

S **Stille &**
&S **Stainaker**

CERTIFIED PUBLIC ACCOUNTANT

Business Advisors & Consultants

A Professional Limited Liability Company

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EXECUTIVE SUMMARY



EXECUTIVE SUMMARY

April 11, 2002

Tom Susman, Executive Director
West Virginia Public Employees Insurance Agency
State Capitol Complex, Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305

The following pages include our report and related findings, comments and recommendations prepared as a result of our engagement to perform certain agreed-upon procedures related to Public Employees Insurance Agency (PEIA) claims processing done by Acordia National (Acordia), a subsidiary of Wells Fargo Insurance Brokerage.

PEIA requested that we perform this engagement as a review to test additional sample claims and identify areas where processes can continue to be improved, identify areas that may require additional monitoring by PEIA and report on the status of Acordia National's Action Plan addressing the recommendations of the previous report submitted in conjunction with the review of claims processed from July 1, 2000 through January 31, 2001. Our engagement focused on reviewing the processing procedures and testing of various types of claims. We performed similar agreed upon procedures engagements for PEIA related to Acordia and for Mountain State Blue Cross & Blue Shield's claims processing prior to Acordia being awarded the contract to perform the claims processing functions.

Summary of Procedures Performed

Acordia National's Action Plan and Processes Reviewed

- Claims Processing and Reimbursement Process
- Data Entry Automation
- Benefit Automation
- Restructuring of Claims Unit
- Quality Assurance and Special Audits
- Visit Benefit Maximums
- Assignment of Reimbursement Amounts
 - In-Network Physician Claims
 - In-Network Inpatient Claims
 - In-Network Outpatient Hospital Claims
 - Durable Medical Equipment and Home Health Visit Claims
 - Multiple Surgery Claims
 - Assistant Surgery Claims
- Potential Duplicate Claims
- Fee Schedule Maintenance

Specific Claims Processing and Reimbursement Tests

- Assistant Surgery Claims Test
- Multiple Surgery Claims Test
- Durable Medical Equipment Claims Test
- Home Health Claims Test
- In-State Inpatient Hospital Claims Test
- Outpatient Therapy Test
- Outpatient Mental Health Benefits Maximum Test
- Outpatient Mental Health Claims Test
- Medicare Primary Claims Test
- Other Party Liability Claims Test
- Over 65 PEIA Primary Claims Test
- Outpatient Pre-Certification Procedures Claims Test
 - Colonoscopies
 - Laparoscopies
 - Magnetic Resonance Imaging (MRIs)
- Potential Duplicate Claims Test

Testing Results

Processing errors were identified in the following areas:

- Assistant Surgery
- Multiple Surgery
- Durable Medical Equipment
- Home Health
- In-State Inpatient Hospital
- Outpatient Therapy
- Outpatient Mental Health
- Outpatient Mental Health Benefit Maximum
- Over 65 PEIA Primary
- Colonoscopy
- Laproscopy
- MRIs
- Potential Duplicate Claims

Overall Conclusions

Our current review concludes that Acordia National has made strides to implement the majority of the recommendations offered in our report of August, 2001. The findings of our current review reveal that this has been a slow process with extended implementation dates associated with programming issues and the automation of processes that will minimize the potential for payment errors. Although the intent to rectify the issues was clearly evident in our conversations with the Acordia National personnel, we are of the impression that complete resolution of the issues are dependent on Acordia National programming timetables and the priority status assigned to their completion. As a result, bits and pieces of the recommendations have been implemented; but not to the extent or in the timely manner we feel was warranted by the findings from the previous review. This is apparent in the case of absolute automation associated with the data entry functions, the ability to automatically route benefit types to specific claims examiners, the capability of the claims system to appropriately allocate DRG amounts for the claims examiners, etc. We strongly recommend that the Management Team of Acordia National re-visit the Action Plan designed to address the recommendations and adopt aggressive timetables for their completion. After which time, they should communicate their timetable to PEIA to complete all of the steps required within the specific time periods.

Based on our findings and the findings associated with the special audits implemented by Acordia National, there continue to be claims processing issues that result in payment errors. Until all of the appropriate automated mechanisms are in place to minimize potential payment errors, it becomes imperative that Acordia National utilize the findings of the special audits to assist with this process. Based on Acordia National's commitment to continue special audits as part of their regular Quality Assurance Program for the PEIA program, we recommend that an accuracy rate be established for each category and incorporated into the Quality Assurance Program as an expectation for their employees' performance. This will assist with the incentive to increase quality and provide the necessary accountability to monitor the progress of the various benefits and claim types associated with the special audits. The ongoing results of these audits should be routinely summarized and reported to PEIA. Additionally, we recommend that

PELA discuss performance guarantees associated with the special audits with Acordia National and agree to acceptable accuracy rates.

General Recommendations

Data Entry Automation

During our initial review, we identified the potential for data entry errors due to the manual entry of information by claims examiners. Acordia National has focused on automating this process and, at the time of our site visits, had accomplished the automation of this process associated with HCFA 1500 claims that are submitted to Acordia National through Electronic Data Interchange (EDI) or are transmitted from Medicare for secondary processing (Medicare Cross-over Claims).

In addition, a program to map the data elements on HCFA 1500 forms has been initiated in a test mode to be used in conjunction with paper claims received from providers and scanned through the OCR Scanning process. We reviewed the progress of this component in the test environment and, although in the preliminary stages, confirmed that Acordia National has initiated the efforts to achieve this commitment.

We recommend that Acordia National continue their automation efforts until all claims, regardless of the format received, are scanned into the claims processing system in a paperless process, removing the potential for data entry errors

Re-structuring of Claims Unit

We recommend that Acordia National continue to automate the process of assigning claims by using system enhancements such as linking unique expense codes to adjudicator numbers, in order to assure the appropriate claims are routed to a specific claims examiner that has been trained to focus on accurately processing certain benefit types.

Special Audits and Quality Assurance Program

Based on Acordia National's commitment to continue special audits as part of their regular Quality Assurance Program for the PEIA program, we recommend that an accuracy rate be established for each category and incorporated into the Quality Assurance Program as an expectation for their employees' performance. This will assist with the incentive to increase quality and provide the necessary accountability to monitor the progress of the various benefits and claim types associated with the special audits.

Fee Schedule Maintenance

We recommend that Acordia National and PEIA continue to refine the process and minimize the time frames associated with establishing the new fees and entering them into the Multicclaim system. Further, each year with the review of the PEIA fee schedule, the added fees and their associated codes should be incorporated into the next years' fee schedule at its onset.

Assignment of Reimbursement Amounts

Multiple Surgery Claims

While significant improvement in this area has occurred, we are still concerned regarding the number of potential errors associated with the improper use of modifiers. Providers often submit claims with incorrect modifiers or without modifiers when a modifier is needed leading to inaccurate payments based solely from the use of modifiers. Additionally, claims examiners may enter or assign modifiers incorrectly increasing the potential for errors. As a result, and because of the potential dollars involved, we strongly recommend that Acordia National closely monitor the appropriate use of modifiers on multiple surgery claims through their Quality Assurance Program and routinely report their findings to PEIA.

Assistant Surgery Claims

We recommend that Acordia National re-evaluate their ability to upgrade their computer system in order to develop a methodology to accurately automate this process. Until this type of automation is achieved, Acordia National should consider other processing enhancements or more intense review processes, and should closely monitor the assistant surgery claims through their Quality Assurance Program and routinely report their findings to PEIA.

Potential Duplicate Claims

During our discussions with Acordia National and our review of potential duplicate claims, it appears the primary reason for processing duplicate payments is associated with claims received through the Medicare Crossover process and the same claim being submitted directly from the provider of service. Therefore, we recommend that Acordia National and PEIA initiate provider education to communicate the appropriate process to be followed by providers in conjunction with the submission of Medicare secondary claims. An educational effort to inform providers of when they should submit Medicare secondary claims directly to Acordia National versus awaiting payment through the Medicare Crossover process should help minimize the potential for duplicate payments.

Acordia National's Interface with Intracorp

We recommend that PEIA more closely evaluate the relationship and communication between Intracorp and Acordia National. One observation during our review that raises some questions about the efficiency of the information exchanged is the lack of continuity in the pre-certification information we received from Acordia National for our sample claims. Some of the information was printed from Acordia National's computer screens, a second form of documentation was a hard copy of documentation provided to Acordia National from Intracorp and a third was documentation printed from the Intracorp computer screens. Due to the varied nature of the documentation we received, it remains a concern as to whether there is an efficient, consistent process available for the Acordia National claims examiners in viewing this information on a claim by claim basis.

Additionally, we recommend that PEIA assess the appropriateness of the fees assigned by Intracorp for payment to out of state providers for patients under case management. During our review of the claim samples, we observed examples of claims where Intracorp had approved a fee amount not found within the PEIA Fee Schedule or approved a fee higher than the in-state fee schedule amount. We recognize these providers are not in the state and/or part of the PEIA network through Beechstreet or MMO; however, because these services require pre-certification by Intracorp, more stringent negotiation of rates or review of other provider alternatives may be more financially advantageous for PEIA under certain scenarios. We recommend an assessment be performed to assure these fee amounts provide PEIA with the optimum savings intended in conjunction with case management.

Suttle & Stalaker, PLLC

SPECIAL REPORT ON APPLYING
AGREED UPON PROCEDURES PERTAINING TO
PLAN DOCUMENT COMPLIANCE



SPECIAL REPORT ON APPLYING
AGREED UPON PROCEDURES PERTAINING TO
PLAN DOCUMENT COMPLIANCE

April 11, 2002

Tom Susman, Executive Director
West Virginia Public Employees Insurance Agency
State Capitol Complex, Building 5, Room 1001
1900 Kanawha Boulevard, East
Charleston, WV 25305

We have performed the procedures enumerated below, for the payment period of August 1, 2001 through October 31, 2001, which were agreed upon by the West Virginia Public Employees Insurance Agency (PEIA), solely to assist you in performing a follow-up review of the current claims processing procedures of Acordia National, a subsidiary of Wells Fargo Insurance Brokerage, to test that claims were paid appropriately on behalf of eligible participants in accordance with the provisions of PEIA's Plan Document, to identify areas that may need process improvements and to provide feedback on the implementation of the changes outlined in the Action Plan submitted to PEIA by Acordia National. The sufficiency of the procedures is solely the responsibility of PEIA, the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose. The procedures performed were as follows:

1. We reviewed the changes identified by Acordia National, PEIA's third party administrator, to their claims processing procedures in accordance with their Action Plan relating to the Special Report on Applying Agreed Upon Procedures Pertaining to Plan Document Compliance dated January 9, 2002. This included an on-site evaluation of system changes and the status of their implementation within Acordia National.
2. We performed tests to determine that reimbursement to medical providers was determined and paid in accordance with the Plan Document, including compliance with co-pay or coinsurance provisions and pre-certification or pre-authorization requirements, for the items selected for testing.

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The specified procedures performed and the results are included on the following pages, along with our comments and recommendations.

We were not engaged to, and did not perform an examination, the objective of which would be an expression of an opinion on specified populations. Accordingly, we do not express such an opinion. The matters reported on the following pages relate only to the procedures performed for the items tested. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of PEIA and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes.

Suttle & Stalnaker, PLLC

SUMMARY OF ON-SITE EVALUATION
AND REVIEW OF CLAIMS PROCESSING
POLICIES AND PROCEDURES

GENERAL RECOMMENDATIONS AND
SUMMARY OF ON-SITE EVALUATION AND REVIEW OF
CLAIMS PROCESSING POLICIES AND PROCEDURES

Acordia National's Action Plan

We conducted site visits on January 24, 2002 and February 13, 2002 at the Acordia National office in Charleston. The primary focus of our site visits was to review the changes that were identified by Acordia National in their Action Plan Responding to Special Report on Applying Agreed Upon Procedures Pertaining to Plan Document Compliance, dated January 9, 2002, and to view the claims processing functions associated with various claim types. We performed this evaluation by meeting with the Director of Information Services and by observing claims examiners as they performed the functions associated with claims adjudication. During our site visits we observed a total of four non-supervisory claims examiners as they performed these functions.

Our general assessment associated with this portion of our review is detailed in the following sections of this report.

Claims Processing and Reimbursement

During our on-site visit to Acordia National, we observed their current claims processing system and its current automated capabilities related to claims adjudication.

Acordia National utilizes the Multicclaim system for processing claims. It provides the claims examiners with a Windows based module and is maintained and enhanced internally by the Program Development staff. The claims processing system incorporates software, purchased from HBOC, to perform the edits associated with provider-submitted unbundled codes.

Prior to our on-site visit, we asked for a variety of claim types to be retrieved for processing during our visit. Specifically, we asked to observe the processing of:

- Durable Medial Equipment claims
- Home Health Visit claims
- In-Network Inpatient claims
- Physical Therapy claims
- Physician claims that included multiple surgeries
- Physician claims that included assistant surgeries
- Outpatient mental health claims
- Facility outpatient surgery claims

Several comments associated with observing the claims processing functions are as follows:

Data Entry Automation

During our initial review, we identified the potential for data entry errors due to the manual entry of information by claims examiners. Acordia National has focused on automating this process and, at the time of our site visits had accomplished the automation of this process associated with HCFA 1500 claims that are submitted to Acordia National through Electronic Data Interchange (EDI) or are transmitted from Medicare for secondary processing (Medicare Cross-over Claims).

In addition, a program to map the data elements on HCFA 1500 forms has been initiated in a test mode to be used in conjunction with paper claims received from providers and scanned through the OCR Scanning process. We reviewed the progress of this component in the test environment and, although in the preliminary stages, confirmed that Acordia National has initiated the efforts to achieve this commitment.

At the time of our site visit, the claims examiners are still required to manually enter the following information on the paper HCFA 1500 claims processing screens and for all UB-92 claim forms:

- the patient's date of birth
- the date of service
- the place of service
- the provider federal tax identification number
- the cause code
- the expense code
- the ICD-9 diagnosis code(s)
- the revenue and/or procedure codes
- the DRG assignment from Intracorp, if applicable
- the DRG assignment of the Hospital, if applicable
- the patient account number
- the charges

Other initiatives toward minimizing potential data entry errors associated with our previous recommendations that have been accomplished by Acordia National include:

- generating the patient's name and relationship from the patient's date of birth by interfacing this information from their membership file.
- generating the PPO ID number by linking the provider federal tax identification number (FEIN) to a network ID located on a provider master file that is created for each provider. If multiple PPO ID's exist under a common FEIN, the claims examiner chooses the correct PPO ID from a drop-down menu list.
- generating the benefit year based on the first date of service of the claim.

Benefit Automation

During our previous review we identified that all of the PELA benefit design information utilized by the claims examiners in determining appropriate payment calculations is accessed via paper

manuals. Our on-site visit provided us with a review of automated benefit screens that had been created and implemented for another Acordia National customer. Similar screens that included the PEIA benefit information were being created and reviewed for accuracy, with anticipation of being moved into the production environment.

The benefit screens are color coded by benefit type to assist the claims examiners and customer service representatives with locating accurate benefit information. Additionally, documentation associated with the communication of benefits in conjunction with a telephone call can automatically be generated by choosing that information on the benefit screens.

Restructuring of Claims Units

One of the critical areas of concern identified from the previous review was that all claims processors were responsible for processing all claim types. We identified this as being a potentially high error area due to the complexity of the various benefit types and the responsibility for claims examiners to process all types of claims. We recommended that Acordia National re-structure the responsibilities of the claims examiners pertaining to the various claim types they are required to process. This would provide claims examiners with continuity pertaining to the benefits and reimbursement methodologies they are responsible for mastering and allow them to become experts at processing their designated portion of claim types. Additionally, it would provide the Quality Assurance Department with a mechanism to perform focused reviews based on the unit and their responsibilities associated with the PEIA benefit program.

Based on this recommendation, Acordia National has re-structured its claims examiners into areas of specialization. Specifically, the revised structure of the claims examiners is:

Out of State Providers	28	Claims Examiners
WV Inpatient Facilities	12	Claims Examiners
Durable Medical Equipment	1	Claims Examiner
Case Management	6	Claims Examiners
WV Outpatient	59	Claims Examiners
Anesthesiology	2	Claims Examiners
Ambulance	2	Claims Examiners
Home Health	5	Claims Examiners
Multiple Surgery	3	Claims Examiners
DHHR	1	Claims Examiner
Kidney Dialysis	1	Claims Examiner

Claims are routed to claims examiners from the mailroom based on whether the claim is submitted on a UB-92 claim form or a HCFA 1500 claim form. The inpatient claims are further sorted by in-state providers and out of state providers and distributed to the appropriate claims examiner's work file.

Although the initial steps have transpired to assign certain claim types to the designated personnel, system limitations still do not provide an automated process to route specific benefit types to individual processors. This must be performed through a manual process, requiring a processor to recognize a claim associated with a specific benefit type and manually route it to another processor that has responsibility for processing it. The lack of complete automation

associated with the assignment of certain benefit types within the Multicclaim system continues to allow for claims examiners without the appropriate expertise to potentially process claims inaccurately. The intent of our initial recommendation was to provide better continuity of claims administration. The focus was to allow claims examiners to go from generalist, where one claim may be a multiple surgery claim and the next claim a home health claim, to specialist in specific claims areas. We recommend that Acordia National continue to automate this process, using system enhancements; such as linking unique expense codes to adjudicator numbers, in order to assure the appropriate claims are routed to the specific claims examiner that has been trained to focus on accurately processing certain benefit types.

Quality Assurance and Special Audits

As a result of the findings in our previous review, we recommended that Acordia National conduct comprehensive, retrospective quality assurance audits for the benefit categories included in our previous review. Further, we recommended that Acordia National establish an action plan that includes a mechanism to assure that a valid random sample of all settled claims are reviewed, along with a mechanism to trend deficiencies identified during the review. We also recommended that the action plan include corrective measures to be implemented when a specific deficiency is identified through the audits. Recommended measures included implementing additional training for claims examiners, assigning high priority to claim system adaptations and procedures associated with timely adjustments of claims associated with the deficiencies.

Based on these previous recommendations, Acordia National has implemented special audits by benefit category and claim types. The special audits, implemented in October 2001 focused on the following claim and benefit types:

- Duplicate Claims
- Coordination of Benefits
- Home Health Claims
- Instate Inpatient Hospital Claims
- Office Claims
- Student Eligibility Claims
- Outpatient Therapy Maximums
- Ambulance Claims
- Hospice Care Claims
- Medicare Inpatient Deductible
- Outpatient Pre-certification Procedures
- Durable medical Equipment
- Assistant Surgery Claims
- Modifier 25 Claims
- Multiple Surgery Claims

As with their regular monthly quality assurance audits, Acordia National has focused on three error types associated with the special audits:

- Statistical Errors
- Payment Errors
- Dollar Errors

Acordia National provided us with the statistics associated with the special audits for the period of October 2001 through December 2001. As a result of our review of this information and discussions with Acordia National with regards to the use of this information in their on-going effort to increase the quality of claims processing associated with the PEIA account, we offer the following observations and recommendations:

Acordia National has indicated that they began their special audits in August 2001, choosing 5 to 10 claims for the various claim and benefit types. As is reflected in the October through December 2001 statistics, the number of claims included in their samples was increased based on their initial findings. They did not, however, provide us with specific information associated with a systematic approach that had been established to assure an appropriate number of claims were included in their sample relative to the number of claims submitted in each category. Additionally, we were not provided with an action plan with regards to how the sample each month would be adjusted based on their findings and the error rate found within each category.

Acordia National has indicated that the special audit findings are reviewed with claims examiners who are identified as having made errors. Additional training is also provided for the entire staff based on the audit results. They have also indicated that the special audits will be an on-going part of the Quality Assurance Program provided for the PEIA program.

As specified in our original report, we recommend that Acordia National establish and share with PEIA their criteria for determining their sample size, along with their action plan for increasing the sample size of their audits based on a certain error rate. Our review of the October through December 2001 statistics identified that there continues to be an increasing number of payment errors in the following areas:

- Multiple Surgery Claims
- Duplicate Claims
- In-State Inpatient Claims
- Outpatient Therapy Claims
- Modifier 25 Claims

Additionally, we recommend that Acordia National share the statistical findings with PEIA in a timely manner and PEIA determine the action that should transpire associated with adjustments for a given category.

Based on Acordia National's commitment to continue the special audits as part of their regular Quality Assurance Program for the PEIA program, we recommend that an accuracy rate be established for each category and incorporated into the Quality Assurance Program as an expectation for their employees' performance. This will assist with the incentive to increase quality and provide the necessary accountability to monitor the progress of the various benefits and claim types associated with the special audits.

Assignment of Reimbursement Amounts

Based on the various claim types we requested to view, we were able to observe the Multicclaim system capabilities associated with appropriate generation of fee amounts and their allocation on a claim basis.

In-Network Physician Claims

During the processing of physician claims, the system generates the fee schedule amount for in-network providers based on the CPT code entered on a specific line item. Additionally, it also calculates the appropriate deductible amounts and benefit percentages associated with the individual patient.

The Multicclaim system also now automatically multiplies the number of units entered for a specific line item by the fee associated with the CPT code on the line item. This feature has been implemented as a result of the recommendations from the previous review.

In-Network Inpatient Claims

During our previous review of in-patient hospital claims, we identified that the system generates a DRG amount for in-network facilities for use by the claims examiner. The system did not, however, allocate the DRG amount throughout the line items of the claim until it had been exhausted, automatically denying charges on line items that may exist after the DRG amount has been exceeded. The claims examiner had to manually allocate the DRG amount, using a calculator to subtract the line item amounts from the DRG amount until it has been exhausted and manually enter those amounts on the claims processing screen. Should an error occur in their calculations, there was not a system edit to prohibit the claim from being paid incorrectly. We recommended that this process be automated within the Multicclaim System.

According to Acordia National's Action Plan, this automation was to be completed by February 28, 2002. This remained a manual process at the time of our site visits, which was prior to the expected implementation date. Subsequently, we re-visited Acordia National to view this automated process in place. The system now does not allow a claims examiner to pay more than the DRG amount. In the event a claims examiner attempts to pay more than the assigned DRG amount, the system forces the claims examiner to either go back and re-allocate the payment amount or to pend the claim. This change does prevent the system from allowing an overpayment; however, we feel that additional system programming will further reduce the potential for errors and provide markedly better efficiency.

We recommend that Acordia National revise their system programming to do several additional steps as it relates to inpatient claims. First, the system should only allow payment for the DRG amount unless the claim is denied as a duplicate or if the claim is an adjustment to a previous claim. This would further reduce errors because the claims examiner then could not pay less than the DRG amount. Second, the system should automatically allocate the payment amount through the line items on the claim until it has been exhausted. This will prevent the claims examiner from manually allocating an incorrect amount and increase efficiency because the claims examiners will no longer have to take the time to manually calculate these amounts. Third, Acordia National should continue working towards updating the system to be able to recognize the data on all scanned images. Currently, approximately twenty percent of the inpatient claims come in a non-electronic format and must be manually entered. This manual intervention creates the possibility of an incorrect DRG number being entered for a claim. There is no way the system can catch this type of error. Lastly, we recommend that PEIA put in place a monitoring mechanism that assures hospitals are appropriately assigning DRG numbers. Because Acordia National pays the inpatient claims from the hospital assigned DRG numbers, this is the only way to monitor their assignment.

The Multicclaim system generates outlier calculations based on data entered by the claims examiner utilized in determining any eligible outlier payments. If an outlier payment is generated, the claim must be pended to the Cost Containment Unit to review for appropriate charges prior to paying the claim.

In-Network Outpatient Hospital Claims

During the claims processing of outpatient hospital claims, the Multicclaim system calculates the discount percentage of 42%, per line item.

During our previous review, we identified claims errors as a result of inaccurate processing of line items on outpatient hospital claims that are subject to reimbursement from the PEIA Fee Schedule. These services require the provider to submit accurate CPT codes in conjunction with the line items and the claims examiner must enter the CPT code for these line items for claims that are not received via EDI or electronically from Medicare. At the time of our previous review, there was no edit in the Multicclaim system to alert the processors that a line item should be considered for payment at an alternative rate. As a result of our previous recommendations associated with this issue, a system edit has been implemented to alert the claims examiner that a revenue code requires a CPT code and should be considered for payment via the PEIA Fee Schedule.

Multiple Surgery Claims

Our previous review identified numerous claims processing errors associated with the calculation of multiple surgical procedures and the appropriate reduction required based on the methodology that exists within the PEIA Multiple Surgery guidelines. These errors were a result of the manual calculation of these services by claims examiners.

Acordia National has implemented a feature into the Multicclaim system to assist with the calculation and reduction of reimbursement associated with Multiple Surgery claims. The system automatically makes this assignment as long as the claims examiner uses the correct modifier. Manual intervention is only required if greater than four multiple surgery procedures occur. The number of errors, and the dollars associated with those errors, has substantially decreased from the first review; however, there are still a number of errors relating to improper overpayment of line items associated with these claims.

While significant improvement in this area has occurred, we are still concerned regarding the number of potential errors associated with the improper use of modifiers. Providers often submit claims with incorrect modifiers or without modifiers when a modifier is needed leading to inaccurate payments based solely from the use of modifiers. Additionally, claims examiners may enter or assign modifiers incorrectly increasing the potential for errors. As a result, and because of the potential dollars involved, we strongly recommend that Acordia National closely monitor the appropriate use of modifiers on multiple surgery claims through their Quality Assurance Program and routinely report their findings to PEIA.

Assistant Surgery Claims

Our previous review identified numerous claims processing errors associated with the calculations of assistant surgical procedures and the appropriate reduction required based on the methodology that exists within the PEIA Plan Document. These errors were a result of the manual calculation of these services by claims examiners.

Acordia National has indicated that their system is unable to accommodate the programming of tables associated with multiple variables. In this case, the system can either identify the procedure as a multiple surgery or as an assistant surgery, but not both.

Because of the potential dollar amounts involved with these claims, we strongly recommend that Acordia National re-evaluate their ability to upgrade their computer system in order to develop a methodology to accurately automate this process. Until this type of automation is achieved, Acordia National should consider other processing enhancements or more intense review processes, and should closely monitor the assistant surgery claims through their Quality Assurance Program and routinely report their findings to PEIA.

Potential Duplicate Claims

As a result of concerns arising from the previous review, Acordia National has implemented a new procedure for identifying potential duplicate claims. Suspected duplicate claims are identified during processing through a methodology built in the system and are suspended for further review. Every morning a data run is generated of the suspended claims from the previous day. These claims are reviewed by management to determine if they are actually a duplicate claim. This information is reviewed by the claims examiner and used as a tool, when necessary, to identify individuals that may require additional training. Additionally, Acordia National is working with Mike Madalena to continue to refine the reports sent to them for comparison of potential duplicate claims. Acordia National informed us that through this process, the number of potential duplicate claims on this report has decreased from approximately four hundred to approximately sixty per report.

During our discussions with Acordia National and our review of potential duplicate claims, it appears the primary reason for processing duplicate payments is associated with claims received through the Medicare Crossover process and the same claim being submitted directly from the provider of service. Therefore, we recommend that Acordia National and PEIA initiate provider education to communicate the appropriate process to be followed by providers in conjunction with the submission of Medicare secondary claims. An educational effort to inform providers of when they should submit Medicare secondary claims directly to Acordia National versus awaiting payment through the Medicare Crossover process should help minimize the potential for duplicate payments.

Fee Schedule Maintenance

One of the recommendations from our previous review was to develop an all inclusive in-state fee schedule for all of the CPT and HCPCS codes that possibly can be submitted for services provided to a PEIA enrollee. Numerous claims were being pended within Acordia National for pricing, and claims examiners were confused with regards to the correct reimbursement amount. As a result, inconsistencies in payment amounts were generated.

Since the completion of the previous review, PEIA has adopted a new fee schedule beginning October 1, 2001. This fee schedule consolidates various fee schedules and a multitude of PEIA memorandums. As a result, the number and dollar amount associated with internal pended claims has been substantially reduced. Additionally, PEIA has identified a process internally that allows Acordia National to submit services not on the fee schedule and have a fee assigned to them. That fee is then communicated back to Acordia National for processing the pended claim. During our initial review period, this process sometimes took an extensive amount of time. Now the process is usually completed in two weeks or less. Additionally, Acordia National now incorporates the new fees into their system in two weeks or less.

We recommend that Acordia National and PEIA continue to refine this process and minimize the time frames associated with establishing the new fees and entering them into the Multicclaim system. Further, each year with the review of the PEIA fee schedule, the added fees and their associated codes should be incorporated into the next years' fee schedule at its onset.

Durable Medical Equipment and Home Health Visit Claims

During our previous and current review, the claims examiner must manually assign the reimbursement amounts associated with these services. The system does not provide the claims examiner with the appropriate amounts. The Multicclaim system does calculate the benefit percentage. If a fee does not exist on the fee schedule for a CPT or HCPCS code, the claims examiner must pend the claim to obtain a reimbursement amount.

Acordia National indicated in both their Action Plan and during our site visit that these fees cannot be automated because the HCPCS code structure cannot be reconciled with PEIA's current per visit reimbursement. We recommend further review and discussion with regards to this process, particularly in light of the fact that a significant number of the errors found in the test samples were cases where claims' examiners allowed fees higher than the fee schedule amount.

Durable Medical Equipment Fee Schedule and Home Health Fee Schedule

At the time of our initial review, the Durable Medical Equipment Fee Schedule and Home Health Fee Schedules were not all inclusive and did not include a multitude of HCPCS (pronounced "hick-picks" and is an acronym for Health Care Financing Administration Common Procedure Coding System) codes that can be submitted by providers for reimbursement.

Since the completion of our on-site review, PEIA has adopted a new fee schedule beginning February 1, 2002. Utilizing this new fee schedule should reduce the potential for errors that are a result of assigning fees that are not on the fee schedule. We found a number of these types of errors in our review. Additionally, the new fee schedule consolidates the various fee schedules that previously existed and also incorporates J-Codes (drugs) so that claims examiners no longer have to manually calculate the Average Wholesale Price (AWP).

Acordia National's Interface with Intracorp

During the process of reviewing several claim types in our previous and current review, we assessed the current processes and interface with Intracorp. The claims examiner has access to an episode screen that, during the time of our review, was uploaded from Intracorp to Acordia National on a daily basis. While processing a claim that includes a benefit that requires pre-certification, the claims examiner must access the episode screen associated with the patient identification number and locate a corresponding episode for the date of service on the claim. If there is not an episode on file, the claims examiner telephones Intracorp to identify if there was a pre-certification. If there is not a pre-certification on file, the information must be faxed to Intracorp to determine medical necessity. If the service meets the medical necessity guidelines, the claims examiner must manually apply the penalty percentage to the claim. The claim is denied if the service does not meet the medical necessity guidelines.

The information for patients that require case management by Intracorp is sent to Acordia National via hard copy. Acordia National has one individual assigned full-time to manually enter this information in their system. The paper copy of the case management information is then scanned into the system to be maintained as a permanent record.

We recommend that PEIA more closely evaluate the relationship and communication between Intracorp and Acordia National. One observation during our review that raises some questions about the efficiency of the information exchanged is the lack of continuity in the pre-certification information we received from Acordia National for our sample claims. Some of the information was printed from Acordia National's computer screens, a second form of documentation was a hard copy of documentation provided to Acordia National from Intracorp and a third was documentation printed from the Intracorp computer screens. Due to the varied nature of the documentation we received, it remains a concern as to whether there is an efficient, consistent process available for the Acordia National claims examiners in viewing this information on a claim by claim basis.

Additionally, we recommend that PEIA assess the appropriateness of the fees assigned by Intracorp for payment to out of state providers for patients under case management. During our review of the claim samples, we observed examples of claims where Intracorp had approved a fee amount not found within the PEIA Fee Schedule or approved a fee higher than the in-state fee schedule amount. We recognize these providers are not in the state and/or part of the PEIA network through Beechstreet or MMO; however, because these services require pre-certification by Intracorp, more stringent negotiation of rates or review of other provider alternatives may be more financially advantageous for PEIA under certain scenarios. We recommend an assessment be performed to assure these fee amounts provide PEIA with the optimum savings intended in conjunction with case management.

CLAIMS PROCESSING AND
REIMBURSEMENT TESTING

CLAIMS PROCESSING AND REIMBURSEMENT TESTING

After completing our on-site evaluation and review of the general claims processing policies and procedures associated with the administration of the PEIA benefit plan, we conducted claims processing and reimbursement tests.

The scope of our work relating to claims processing and reimbursement testing was as follows:

- Tested reimbursement calculations associated with Assistant Surgery claims.
- Tested reimbursement calculations associated with Multiple Surgery claims.
- Tested reimbursement calculations associated with Durable Medical Equipment (DME) claims.
- Tested reimbursement calculations associated with the Home Health claims.
- Tested the claims processing and reimbursement calculations associated with in-state hospitals subject to a DRG reimbursement methodology.
- Tested the appropriate payment of claims associated with the Outpatient Therapy benefit and its corresponding benefit maximum.
- Tested the appropriate payment of claims associated with the Outpatient Mental Health benefit and its corresponding benefit maximum.
- Tested the appropriate reimbursement calculations of claims for enrollees with Medicare as a primary payor and PEIA as a secondary payor.
- Tested the appropriate reimbursement calculations of claims for enrollees over the age of 65 with PEIA as a primary payor.
- Tested the appropriate reimbursement calculations for enrollees with another payor as primary and PEIA as a secondary payor.
- Tested appropriate payment of claims for certain outpatient procedures requiring pre-certification. These services included Colonoscopies, Laparoscopies, and Magnetic Resonance Imaging (MRI's).
- Tested the appropriate processing of claims that had a potential to be a duplicate submission of charges for the same services.

The extent of the testing and the results are as follows:

Assistant Surgery Claims Test

We tested the accuracy of the reimbursement calculations associated with assistant surgery claims by performing the following procedures:

- We selected a sample of thirty-five (35) assistant surgery claims to assure the appropriate reimbursement calculation associated with this benefit. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

The PEIA Assistant Surgery guidelines indicate the payment rate is 16% of the fee schedule amount for the primary surgical procedure and 8% for the second through fourth additional surgical procedures. We also tested to assure that the Multiple and Assistant Surgery guidelines were applied appropriately to the payment of claims.

The results of these procedures are as follows:

- Five (5) exceptions, resulting in a net underpayment of \$443.64, were found as a result of these procedures.
 - The five (5) exceptions involved claims where the claims examiner inaccurately calculated the Assistant Surgery reimbursement percentage.

Multiple Surgery Claims Test

We tested the accuracy of the reimbursement calculations associated with physician claims that included multiple surgical procedures by performing the following procedures:

- We selected a sample of twenty (20) claims submitted by physicians that included multiple surgical procedures. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

We reviewed the HCFA-1500 claim form and the Claim History screens to assure the claims were paid according to the Plan Document and that the reimbursement calculations were correct according to the PEIA Multiple Surgery guidelines. The guidelines indicate the payment rate is 100% of the fee schedule amount for the primary surgical procedure and 50% of the fee schedule amount for additional surgical procedures.

The results of these procedures are as follows:

- Eight (8) exceptions, resulting in a net overpayment amount of \$427.89, were found as a result of these procedures as follows:
 - Five (5) exceptions were a result of multiple surgical procedures that were subject to the multiple surgery guidelines but each procedure was considered at 100% of the fee schedule amount.

- One (1) exception was the result of a claims examiner allowing payment at 50% of the fee schedule amount for a second procedure that was not subject to the multiple surgery guidelines and should have been paid at 100% of the fee schedule amount.
- One (1) exception was the result of a claims examiner paying the incorrect procedure as primary.
- One (1) exception was the result of a claims examiner allowing a 50% reduction in the fee schedule amount instead of paying the lesser charge at 80%.

Durable Medical Equipment Claims Test

We tested the accuracy of the reimbursement calculations associated with durable medical equipment claims by performing the following procedures:

- We selected a sample of thirty-five (35) claims to determine if they were paid based on the PEIA Fee Schedule for Durable Medical Equipment & Supplies. The paid dates for the sample of claims used for this test were from August 3, 2001 to September 28, 2001.

The fee schedule amount was compared with the allowed amount on the claim.

The results of these procedures are as follows:

- Eight (8) exceptions, resulting in a net overpayment of \$667.99, were found as a result of these procedures.
 - Seven (7) exceptions involved claims examiners' allowing billed charges for services not on the PEIA Fee Schedule for Durable Medical Equipment & Supplies.
 - One (1) exception involved a claims examiner approving a higher fee than the PEIA Fee Schedule for Durable Medical Equipment & Supplies amount.

Home Health Claims Test

We tested the accuracy of the reimbursement calculations associated with home health claims by performing the following procedures:

- We selected a sample of thirty-two (32) claims to determine if they were paid based on the PEIA Home Health Fee Schedule. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

The fee schedule amount was compared with the allowed amount on the claim.

The results of these procedures are as follows:

- Nine (9) exceptions, resulting in a net overpayment of \$421.72, were found as a result of these procedures.
 - Four (4) exceptions containing eleven (11) instances involved a claims examiner approving a higher fee than the PEIA Home Health Fee Schedule amount.
 - Five (5) exceptions were a result of a claims examiner approving the billed charges for supplies instead of reducing the charge by the 5% discount.

In-State Inpatient Hospital Claims Test

We tested the accuracy of the reimbursement calculations associated with inpatient in-state hospital claims by performing the following procedures:

- We selected a sample of thirty-five claims (35) to determine if they were paid utilizing an accurate DRG amount in the final disposition of the claim. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 12, 2001.

The results of these procedures are as follows:

- One (1) exception, resulting in a net overpayment of \$352.36, was found as a result of these procedures.
 - The one (1) exception involved the overpayment of a DRG amount due to a claims examiner allowing an incorrect DRG amount.

Outpatient Therapy Claims Test

We tested the accuracy of the reimbursement calculations associated with outpatient therapy claims by performing the following procedures:

- We selected a sample of thirty (30) claims to determine if they were paid based on the PEIA RBRVS Fee Schedule. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

The fee schedule amount was compared with the allowed amount on the claim.

- Two (2) exceptions, resulting in a net overpayment of \$40.18, were found as a result of these procedures.
 - One (1) exception was a result of a claims examiner allowing a fee higher than the fee schedule amount.
 - One (1) exception was a result of a claims examiner allowing billed charges for a service that was not on the fee schedule.

Outpatient Mental Health Benefits Maximum Test

We tested the appropriate payment of claims associated with the outpatient mental health benefit maximum, by performing the following procedures:

- We selected a sample of twenty (20) enrollees who had seventy-three (73) outpatient mental health claims submitted throughout the data period. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

We reviewed the claims history screens associated with these enrollees to assure that the outpatient mental health benefit was not exceeded during a benefit year.

The results of these procedures are as follows:

- One (1) exception resulting in a net overpayment of \$80.00, was found as a result of these procedures.
 - The one (1) exception was a result of a claims examiner incorrectly assigning a visit code on the claim resulting in the visit not being classified; therefore, not being counted by the system towards the benefit maximum.

Note: Due to the limited time parameters associated with the data period, our sample included only four enrollees that exceeded the outpatient mental health benefit maximum.

Outpatient Mental Health Claims

We tested the accuracy of the reimbursement calculations associated with outpatient mental health by performing the following procedures:

- We selected a sample of twenty (20) claims from enrollees to determine if they were paid based on the PEIA RBRVS Fee Schedule. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 26, 2001.

The fee schedule amount was compared with the allowed amount on the claim.

The results of these procedures are as follows:

- Two (2) exceptions, resulting in a net overpayment of \$330.35, were found as a result of these procedures.
 - One (1) exception was a result of an adjustment to a claim with multiple dates of service. The claims examiner allowed a fee higher than the fee schedule amount on the adjusted claim.
 - One (1) exception was a result of the claims examiner allowing an incorrect percentage of the Reasonable & Customary charges for an out of state provider.

Medicare Primary Claims Test

We tested the appropriate payment of claims associated with claims for enrollees that are designated as having Medicare as a primary payor by performing the following:

- We selected a sample of nineteen (19) claims for enrollees that included a primary payment by Medicare. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 19, 2001.

We reviewed the HCFA-1500 or UB-92 claim form, the Claim History screens and Medicare Explanation of Benefits to assure accurate payment of the claims based on the Medicare coordination of benefits methodology described in the Plan Document.

The results of these procedures are as follows:

- No exceptions were found as a result of this procedure

Other Party Liability Claims Test

We tested the appropriate payment of claims associated with claims for enrollees that are designated as having another insurance company as a primary payor by performing the following:

- We selected a sample of twenty (20) claims for enrollees that included a primary payment by another insurance company. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 19, 2001.

We reviewed the HCFA-1500 or UB-92 claim form, the Claim History screens and Primary Carriers Explanation of Benefits to assure accurate payment of the claims based on the coordination of benefits with other plans methodology described in the Plan Document.

The results of these procedures are as follows:

- No exceptions were found as a result of this procedure

Over 65 PEIA Primary

We tested the appropriate payment of claims associated with claims for enrollees that are over the age of 65 and having PEIA as the primary payor by performing the following:

- We selected a sample of thirteen (13) claims for enrollees that consisted of PEIA issuing the primary payment. The paid dates for the sample of claims used for this test were from August 3, 2001 to October 19, 2001.

We confirmed that for all of the samples, the PEIA beneficiary was still actively employed.

The results of these procedures are as follows:

- One (1) exception, resulting in a net overpayment of \$0.84, was found as a result of these procedures.
- The one (1) exception was the result of a claims examiner allowing a fee higher than the fee schedule amount.

Outpatient Pre-certification Procedures Claims Test

We tested the appropriate payment of claims associated with outpatient procedures that require pre-certification by performing the following:

- We selected three samples of claims for each of the following outpatient procedures:
 - Colonoscopies Twenty (20) claims
 - Laparoscopies Twenty (20) claims
 - Magnetic Resonance Imaging (MRIs) Twenty (20) claims

We reviewed the Claim History screens and requested documentation associated with the pre-certification process to assure accurate payment of claims.

The results of these procedures are as follows:

Colonoscopies

The paid dates for the sample of claims used for this test were from August 3, 2001 to October 19, 2001.

- Four (4) exceptions, resulting in a net overpayment of \$1,848.04, were found as a result of these procedures.
 - Two (2) exceptions were a result of claims examiners inaccurately allowing the billed charges for an in-state hospital with an out-of-state billing address.
 - One (1) exception was the result of a claims examiner allowing a fee higher than the fee schedule amount.
 - One (1) exception was the result of a claims examiner paying one of the line items in error as a duplicate and denying the rest of the charges on the claim. The entire claim should have been denied as a duplicate claim.

Laparoscopies

The paid dates for the sample of claims used for this test were from July 20, 2001 to October 26, 2001.

- One (1) exception, resulting in a net overpayment of \$1,362.22, was found as a result of these procedures.
 - The one (1) exception was a result of a claim from a provider that did not initiate proper pre-certification. The claims examiner did not calculate and apply the 30% pre-certification penalty that is applicable when pre-certification is required and not obtained.

Magnetic Resonance Imaging (MRIs)

The paid dates for the sample of claims used for this test were from August 3, 2001 to October 19, 2001.

- Two (2) exceptions, resulting in a net overpayment of \$190.57, were found as a result of these procedures.
 - One (1) exception was a result of a claims examiner paying the claim without pre-certification.
 - One (1) exception was a result of a claims examiner allowing a fee that was not on the fee schedule.

Potential Duplicate Claims Test

We tested the appropriate processing of claims that had a potential to be a duplicate submission of charges for the same services by performing the following:

- We selected a sample of fifteen (15) enrollees who had claims that met the criteria of being possible duplicate claims. We reviewed the HCFA-1500 or UB-92 claim form and the Claim History screens to identify if they were duplicate claims, and if they were duplicates, whether they were denied during claims processing as duplicate claims. Based on information provided by Acordia National, the methodology within the Multicclaim System associated with issuing an edit to the claims examiner to check for possible duplicate claims, is as follows:
 - The system should generate a possible duplicate claim edit if two of the three following criteria exists: same date of service, same charge amount or same provider number.

The results of these procedures are as follows:

- Nine (9) exceptions were found. In each of these cases, the errors were found prior to our review; however, because these claims were originally processed in error, they are included as exceptions for purposes of this review.
 - Six (6) of the exceptions were on claims where refunds were identified by providers and refunds were processed.
 - Three (3) of the exceptions were on claims that Acordia identified in their review and requested a refund.

* * * * *

ATTACHMENT I

**ACORDIA NATIONAL ACTION PLAN RESPONDING TO
SPECIAL REPORT ON APPLYING AGREED UPON PROCEDURES PERTAINING TO PLAN DOCUMENT COMPLIANCE
JANUARY 9, 2002**

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
QA-02	<p>Present audit results for additional categories to PEIA quarterly.</p> <ul style="list-style-type: none"> Results of the additional claim audits will be presented with the quarterly results beginning with audit results for claims audited in October 2001. 	Marcia Nutter Vicki Jones	10/01/2001	Presentation of results are pending.	See Attachment I and page 18, Quality Assurance and Special Audits
IS-01	<p>Route paper Medicare claims to ScanSystem OCR data entry process to forward to Medicare batch adjudication.</p> <ul style="list-style-type: none"> Involves the development of data entry application which will pull data from scanned images and (1) forward them to batch adjudication or (2) pend them for review by a claims examiner. 	John Thomas Julia Reiser	03/31/2002 12/31/2001	<p>Functional analysis and database design completed.</p> <p>Staff resource identified, programming started and is 60% completed.</p> <p>Target completion date is now end of March 2002.</p>	See page 16, Data Entry Automation
CP-07	<p>Automate allocation of DRG allowance to individual claims detail lines.</p>	John Thomas Julia Reiser	02/28/2002	Analysis of project started in November 2001.	See page 20, In-Patient Network Claims
UM-01	<p>Incorporate to extent possible selection of correct Intracorp authorization to claim being processed when multiple authorizations exist for same episode of care.</p>	John Thomas Julia Reiser	02/28/02	Requires evaluation of feasibility before commitment to programming can be made.	See page 24, Acordia National's Interface with Intracorp
CP-08	<p>Develop online coverage sheet database.</p> <ul style="list-style-type: none"> This function has been in development for the past 10 months. 	Bev Burdette Jackie Henderson	03/31/2002	<p>Currently in testing with other clients.</p> <p>Phased implementation scheduled to begin in</p>	See page 16, Data Entry Automation

Reference Prefix Key: CP – Claims Processing, IS – Information Systems, QA – Quality Assurance, UM – Utilization Management

ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
				September 2001.	
IS-02	<p>Mapping of HCFA 1500 data elements into OCR scanning system with Incremental Incorporation of data elements into the scanning and data entry process.</p> <ul style="list-style-type: none"> • Pilot of mapping of the HCFA 1500 data elements and testing of reading service details is completed. • As full mapping of each data element on the HCFA-1500 is completed, the information will be incorporated into the scanning and data entry process for the HCFA-1500 claim forms eliminating the need for data entry of the element. • A validation and scanning error process will be utilized for mapped fields that cannot be accurately scanned. 	John Thomas Julia Reiser	Incremental process	Will start mapping in January 2002.	See page 16, Data Entry Automation
IS-03	<p>Routing all HCFA 1500 forms to the ScanSystem data entry process.</p> <ul style="list-style-type: none"> • Once the claims are entered, they will be mapped to the input format for submission to batch adjudication. This initial phase will reduce examiner entry requirements for non-Medicare crossover claims by creating auto pended claims in the Multicclaim system. • Maps for batch adjudication will be created and claims will be routed through the complete batch adjudication process. 	John Thomas Julia Reiser	06/15/2002	Programming to be initiated.	See page 16, Data Entry Automation

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
	<ul style="list-style-type: none"> The next step will be development of a data entry process for UB-92s and other claims formats. 				
CP-10	<p>Automate calculation of home health fees and DME fees.</p> <ul style="list-style-type: none"> DME fees, when they have been provided by PEIA, are automatically calculated. DME codes with out fees will be handled by the automatic pending of all claims for codes without fees addressed in CP-04. Information systems staff reviewed the current capability of the system to determine if automation of home health fees can be implemented without additional programming. 	John Thomas Julia Reiser	To Be Determined	<p><u>09/10/2001</u> Acordia National staff concluded that automation of home health fees cannot be programmed because the HCPCS code structure cannot be reconciled with PEIA's per visit reimbursement for home health.</p> <p>Acordia National staff will prepare a summary of its findings for PEIA review.</p> <p>Programming deferred.</p>	See page 24, Durable Medical Equipment and Home Health Visit Claims

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

ITEMS PREVIOUSLY REPORTED AS COMPLETED

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
QA-03	<p>Retrain designated Quality Analysts assigned to PEIA audits on the account, plan design, payment methodology and the claims targeted for review.</p> <ul style="list-style-type: none"> Quality Assurance manager designated 2 Quality Analysts and 1 Senior Quality Analyst to be assigned to the PEIA account. Quality Analysts participated in the reinforcement training given to the claims processing staff on 8/20/01. Team Leader of the QA group provided additional reinforcement training on the fee schedule, DRG calculation with emphasis on the claim categories identified in the process review. 	Marcia Nutter Vicki Jones	08/20/2001	COMPLETED.	See Attachment I and page 18, Quality Assurance and Special Audits
CP-09	<p>Evaluate possible system enhancements to further tighten controls to avoid duplicate payments.</p> <ul style="list-style-type: none"> Acordia National senior staff evaluated current system controls and concluded that they are adequate. The review identified manual overrides by examiners as the primary reason for duplicate payments. This is addressed in CP-03 below. 	John Thomas Julia Reiser Bev Burdette	08/21/2001	COMPLETED.	See Page 23, and page 35 Potential Duplicate Claims and Duplicate Claims Test
CP-03	<p>Implement daily reviews of all duplicate overrides and correct identified duplicate payments prior to processing of payments.</p> <ul style="list-style-type: none"> Daily reviews of the duplicate overrides have 	Charlotte Stover	08/21/2001	COMPLETED.	See Page 23, and page 35 Potential Duplicate

Reference Prefix Key: CP - Claims Processing, IS - Information Systems, QA - Quality Assurance, UM - Utilization Management

ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
	been implemented. Any identified duplicate payments are reviewed by a supervisor prior to final payment processing.				Claims and Duplicate Claims Test
CP-01	<p>Designate specific staff to process specific types of claims:</p> <p>Inpatient Case Management Anesthesia Ambulance Multiple Surgery Durable Medical Equipment Home Health</p> <ul style="list-style-type: none"> • PEIA Team manager reorganized work flow in processing unit so that claims in the categories listed above are routed to assigned staff trained to process the specific type of claim. 	Charlotte Stover	08/23/01	COMPLETED.	See page 17, Restructuring of Claims Units
CP-02	<p>Alert examiners when CPT code is required on hospital outpatient bills.</p> <ul style="list-style-type: none"> • Message feature has been added to the claims system. • Parameters to drive the appropriate message for specific codes have been implemented. 	Bev Burdette Jackie Henderson	08/23/2001	COMPLETED.	See page 21, In-Network Outpatient Hospital Claims
CP-06	<p>Automate calculation of payments for multiple surgeries in same claim including those submitted for assistant surgeons.</p> <ul style="list-style-type: none"> • The system will automatically calculate 150% of the fee schedule for codes billed with modifier 50. 	John Thomas Julia Reiser	09/15/2001	<p>COMPLETED.</p> <p><u>09/10/2001</u> The programming has been completed and referred to quality assurance testing.</p>	See page 22, Multiple Surgery Claims and Assistant Surgery Claims

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
	<ul style="list-style-type: none"> • If bilateral codes are billed separately, they will be lumped and paid at 150%. • The system will automatically calculate 50% of the fee schedule for codes billed with modifier 51. • If multiple surgery codes are billed without the modifier, the modifier will be added to the secondary codes. 			<p>Scheduled for full implementation on September 15th.</p> <p><u>09/24/2001</u> Programming Implemented on September 23rd.</p>	
IS-04	<p>Enhance ScanSystem to collect patient date of birth and use it to pre-fill proper dependent name and relationship information into claims system.</p> <ul style="list-style-type: none"> • ScanSystem software has been modified to pre-fill dependent name and relationship using the date of birth. 	John Thomas Julia Reiser	09/15/2001	<p>COMPLETED.</p> <p><u>09/10/2001</u> Quality Assurance and pre-implementation testing is complete.</p> <p>Scheduled for full release on September 15th.</p> <p><u>09/24/2001</u> Programming Implemented on September 23rd.</p>	See page 16, Data Entry Automation
QA-01	<p>Add additional quality assurance audits each month that target claims for the specified benefit categories:</p> <ul style="list-style-type: none"> • Quality assurance will expand its monthly sample of PEIA claims to include: <ul style="list-style-type: none"> Multiple Surgery Duplicates Other Party Liability Home Health Outpatient Precertification Procedures: <ul style="list-style-type: none"> Colonoscopies 	Marcia Nutter Vicki Jones Information Systems	10/01/2001	<p>COMPLETED.</p> <p>Additional audits of all targeted claim categories are now implemented.</p> <p><u>09/10/2001</u> Assigned Quality Assurance staff are auditing claims in these categories using existing reports.</p> <p>Full implementation pending.</p>	See page 18, Quality Assurance and Special Audits

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
	<p>Laparoscopies Magnetic Resonance Imaging (MRIs) Durable Medical Equipment In-State Inpatient Hospital Office Visit Student Eligibility</p> <ul style="list-style-type: none"> Filters to identify claims in each of these categories have been designed and programming to implement these filters has been started. Once filters implemented, they will be applied to claims paid in August 2001. 				
CP-04	<p>Modify system to automatically pend any claims for codes for which no fee is assigned and generate a report and request to PEIA for fee determination.</p> <ul style="list-style-type: none"> Information Systems will develop a weekly report of codes needing allowances in electronic format and automatically e-mail it to PEIA Member Services Administrator (Gloria Long), Acordia Team Manager, Acordia Account Representative and Second Account Executive. 	John Thomas Julia Reiser	11/15/2001	<p>COMPLETED. <u>11/26/01</u> Programming implemented on November 25th.</p> <p><u>11/12/01</u> Programming is in quality assurance and benefit analyst is testing. QA testing must be completed before full implementation which is now expected to be completed weekend of November 24-25.</p> <p><u>10/29/2001</u> Information Systems' programming continues and system modification is on schedule to be completed on or</p>	See page 23, Fee Schedule Maintenance

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
				before 11/15/2001. <u>08/30/2001</u> Programming started.	
CP-05	<p>Add validation step to DRG claims entry process to ensure claims allowed amount is never greater than DRG allowance.</p> <ul style="list-style-type: none"> Validation will be integrated into the claims administration processes on Multi-Claim. 	John Thomas Julia Reiser	11/15/01	<p>COMPLETED. <u>11/26/01</u> Programming implemented on November 25th.</p> <p><u>11/12/01</u> Programming is in quality assurance and benefit analyst is testing. QA testing must be completed before full implementation which is now expected to be completed weekend of November 24-25.</p> <p><u>10/29/2001</u> Information Systems' programming continues and addition of validation step is on schedule to be completed on or before 11/15/2001.</p> <p><u>08/30/2001</u> Programming started.</p>	See page 20, In-Network Inpatient Claims
IS-05	<p>Enhance system to allow first date of service on claim to generate benefit year to include splitting of claims that span benefit years.</p>	John Thomas Julia Reiser	11/15/2001	<p>COMPLETED. <u>11/26/01</u> Programming implemented on</p>	See page 16, Data Entry Automation

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ACORDIA NATIONAL ACTION PLAN: JANUARY 9, 2002

REF	RECOMMENDATION/ ACTION PLAN COMPONENT	RESPONSIBLE STAFF	COMPLETED/ DUE DATE	STATUS	Cross Reference to Current Report
	<ul style="list-style-type: none"> • System software will be revised by generating the benefit year from the first date of service. <p>Note: Currently system does not allow entry of a benefit year that conflicts with date of service.</p>			<p>November 25th.</p> <p><u>11/12/01</u> Programming is in quality assurance and benefit analyst is testing. QA testing must be completed before full implementation which is now expected to be completed weekend of November 24-25.</p> <p><u>10/29/2001</u> Information Systems' programming continues and system modification to automatically generate benefit year is on schedule to be completed on or before 11/15/2001.</p> <p><u>08/30/2001</u> Programming started.</p>	

Reference Prefix Key: CP – Claims Processing, IS – Information Systems, QA – Quality Assurance, UM – Utilization Management

ATTACHMENT II

List of Paid Dates for Claims Processing and Reimbursement Test Exceptions

Test Performed	Paid Date
Assistant Surgery Claims	08/17/2001
Assistant Surgery Claims	08/17/2001
Assistant Surgery Claims	08/10/2001
Assistant Surgery Claims	08/10/2001
Assistant Surgery Claims	10/12/2001
Multiple Surgery Claims	10/05/2001
Multiple Surgery Claims	08/31/2001
Multiple Surgery Claims	09/14/2001
Multiple Surgery Claims	10/26/2001
Multiple Surgery Claims	10/19/2001
Multiple Surgery Claims	10/05/2001
Multiple Surgery Claims	08/10/2001
Multiple Surgery Claims	08/03/2001
Durable Medical Equipment Claims	08/17/2001
Durable Medical Equipment Claims	09/28/2001
Durable Medical Equipment Claims	08/03/2001
Durable Medical Equipment Claims	08/31/2001
Durable Medical Equipment Claims	08/03/2001
Durable Medical Equipment Claims	08/03/2001
Durable Medical Equipment Claims	08/10/2001
Durable Medical Equipment Claims	08/31/2001
Home Health Claims	08/03/2001
Home Health Claims	10/19/2001
Home Health Claims	08/03/2001
Home Health Claims	08/10/2001
Home Health Claims	08/10/2001
Home Health Claims	09/28/2001
Home Health Claims	08/03/2001
Home Health Claims	09/28/2001
Home Health Claims	08/31/2001
In-State Inpatient Hospital Claims	08/17/2001
Outpatient Therapy Claims	08/10/2001
Outpatient Therapy Claims	08/10/2001
Outpatient Mental Health Claims	08/17/2001
Outpatient Mental Health Claims	10/26/2001
Over 65 PEIA Primary	08/03/2001
Colonoscopies	09/14/2001
Colonoscopies	08/03/2001
Colonoscopies	08/31/2001
Colonoscopies	10/05/2001
Laparoscopies	07/27/2001
Magnetic Resonance Imaging (MRI's)	10/19/2001
Magnetic Resonance Imaging (MRI's)	09/07/2001
Duplicate Claims	08/10/2001
Duplicate Claims	08/03/2001
Duplicate Claims	08/03/2001
Duplicate Claims	08/10/2001
Duplicate Claims	08/03/2001
Duplicate Claims	08/24/2001
Duplicate Claims	08/24/2001
Duplicate Claims	08/24/2001
Duplicate Claims	08/24/2001



State of West Virginia

OFFICE OF THE STATE TREASURER
CHARLESTON, WV 25305

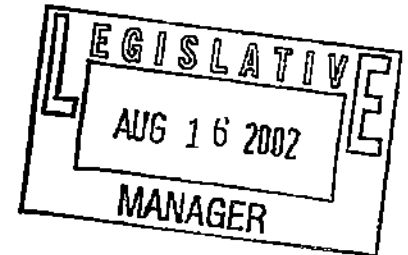
JOHN D. PERDUE
STATE TREASURER

August 16, 2002

JERRY SIMPSON
ASSISTANT STATE TREASURER

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Members of the Joint Committee on Government and Finance
West Virginia Legislature
Building I, Room E-132
State Capitol Complex
Charleston, West Virginia 25305-0610



Dear Sir or Madam:

During the last session of the Legislature, Senate Bill 566 was passed and in accordance with the provisions of West Virginia Code §12-4-16, this is the first quarterly report concerning the transfer of funds as required by this code section. Since this is the first report, listed below are the code sections found that my office is responsible for adhering to. If your staff discovers others we have missed, please advise me of this oversight and I will include them in the next report.

Division of Banking - Fund 3041

§ 31A-2-8 "At the end of each fiscal year, if the fund contains a sum of money in excess of twenty percent of the appropriated budget of the division of banking, the amount of the excess shall be transferred to the general revenue fund of the state."

Department of Agriculture - Fund 1412

§ 19-12A-6a "That when the aggregate of said funds so collected and deposited in the special revenue account in any fiscal year total one million five hundred thousand dollars, the commission shall deposit any funds collected in excess thereof in the general revenue fund of the state."

Auditor's Office - Land Department - Fund 1206

§ 11A-3-36 "The surplus over and above the amount of one hundred thousand dollars, remaining in the fund at the end of any fiscal year, shall be paid by the auditor into the general school fund."

Auditor's Office - Securities Regulation Fund - Fund 1225

§ 32-4-406(b) "If, at the end of any fiscal year the balance in the operating fund exceeds three hundred fifty thousand dollars, the excess shall be withdrawn from the special fund and deposited in the general revenue fund."

Members of the Joint Committee on Government and Finance

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Auditor's Office – Public Utilities Division - Fund 1227

§ 11-6-26 “On the thirty-first day of July in each fiscal year, if the balance in the operating fund exceeds fifty thousand dollars, the excess shall be withdrawn from the special fund and deposited in the general fund of the state.”

Attorney General – Antitrust Enforcement - Fund 1507

§ 47-18-19 “the first three hundred thousand dollars in this fund shall not expire at the end of each fiscal year but shall, by operation of law, be automatically reappropriated from year to year and all sums in excess of three hundred thousand dollars remaining in such fund shall expire at the end of each fiscal year and shall revert to the general revenue fund.”

Secretary of State – Fees to be charged - Fund 1612

§ 59-1-2(g) “Any balance in the service fees and collections account established by this section which exceeds five hundred thousand dollars as of the thirtieth day of June, two thousand three, and each year thereafter, shall be expired to the state fund, general revenue fund.”

Tax Commissioner – Criminal Investigation Division - Fund 7073

§ 11-9-2a(d) “On the last day of each fiscal year, unencumbered funds in the special revenue account in excess of seventy-five thousand dollars shall be transferred to the general revenue fund.”

Division of Corrections – Prison Industries - Fund 6303

§ 28-5B-14 “When, in the opinion of the governor, the “prison industries account” has reached a sum in excess of the requirements of this article, the excess shall be transferred by the commissioner of the division of corrections to the state fund, general revenue, and if the governor does not make such determination, any excess above one million dollars shall be transferred to the state fund, general revenue, by the commissioner of the division of corrections at the end of each fiscal year.”

Racing Commission – Disposition of permit fees, registration fees and fines - Fund 7300

§ 19-23-14 “Any balance in said relief fund at any time in excess of five thousand dollars, less any relief obligations then outstanding, shall thereupon be transferred by the racing commission to the state treasurer for deposit to the credit of the general revenue fund of this state.”

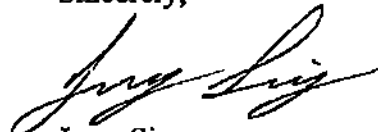
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All Boards created in Chapter 30 of the Code

§ 30-1-10(a) "When the special fund of any board accumulates to an amount which exceeds twice the annual budget of the board or ten thousand dollars, whichever is greater, the excess amount shall be transferred by the state treasurer to the state general revenue fund."

As of August 15, 2002, the funds listed on the attachment were transferred to the general revenue fund.

Sincerely,



Jerry Simpson
Assistant Treasurer

attachment(s)

ATTACHMENT

Division of Banking - Fund 3041

The appropriated budget for Fund 3041 for the 2003 FY is \$2,429,664. The cash balance as of the end of the 2002 FY was \$464,159.66. Therefore, since the cash balance in this fund does not exceed the allowable balance, no transfer was required.

Department of Agriculture - Fund 1412

According to our records the balance in Fund Number 1412 as of June 30, 2002 was \$2,111.32. Therefore, since the balance does not exceed the allowable balance, no transfer was made.

State Auditor's Office -- Land Department - Fund 1206

The balance on July 31, 2002, after thirteenth-month processing, for this fund was \$106,814.27. A transfer was made by the Auditor's Office into the "Irreducible School Fund" (Fund 9400) for \$6,814.17.

State Auditor's Office - Securities Regulation Fund - Fund 1225

The balance on July 31, 2002, after thirteenth-month processing, for this fund was \$360,250.02. A transfer was made to the general revenue fund (Fund 0116) for \$10,250.02.

State Auditor's Office -- Public Utilities Division - Fund 1227

The balance on July 31, 2002 for this fund was \$16,136.05. Therefore, since the balance does not exceed the allowable balance, no transfer was made.

Attorney's General Office -- Antitrust Enforcement - Fund 1507

According to our records the balance in Fund 1507 as of June 30, 2002 was \$312,632.62. A transfer was made to the general revenue fund (Fund 0116) for \$12,632.62.

Secretary of State's Office -- Service Fees & Collections - Fund 1612

According to our records the balance in Fund 1612 as of July 31, 2002 was \$893,757.98. Although this balance exceeds that authorized by § 59-1-2 (g) by \$393,757.98, no transfer is required until June 30, 2003.

Tax Commissioner -- Criminal Investigation Division - Fund 7073

According to our records the balance in Fund 7073 as of July 31, 2002 was \$137,641.69. A transfer was made to the general revenue fund (Fund 0116) for \$62,641.69.

Division of Corrections -- Prison Industries - Fund 6303

According to our records the balance in Fund 6303 as of June 30, 2002 was \$613,303.09. Therefore, since the balance does not exceed the allowable balance, no transfer was made.

Racing Commission -- Medical Expenses - Fund 7300

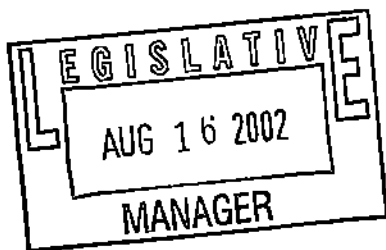
According to our records the balance in Fund 7300 as of June 30, 2002 was \$57,159.90. It appears that transfers are being made throughout the year. Since our office has no way of determining the outstanding relief obligations, no transfer was made.

West Virginia Code §31-1-10 requires the State Treasurer's Office to make transfers of excess funds for all boards authorized within this code section. Since this involves substantial research on the part of our office to determine the amount to be transferred, a separate report will be prepared on these funds.

West Virginia State Treasurer's Office
John D. Perdue, Treasurer

Debt Position Report

As of June 30, 2002



Including debt information for 4th Quarter, Fiscal Year 2002

Definitions Used Throughout This Report

General Obligation Bonds

General obligation bonds are secured by the full faith and credit of the State of West Virginia. If the general revenues or dedicated funds are insufficient to pay the debt service on the bonds, the State must levy taxes in an amount sufficient to pay such debt service. To issue general obligation bonds, an amendment to the West Virginia Constitution must be approved by a 2/3rds vote of both houses of the West Virginia Legislature and a majority of the voters.

Revenue Bonds (which rely on the general fund for debt service payments)

The only agency to issue this type of obligation has been the West Virginia School Building Authority. The bonds are secured by a pledge of revenue and a moral commitment of the State of West Virginia to appropriate funds to make up any deficiency of the revenues needed to pay the debt service. The West Virginia Supreme Court ruled on July 22, 1993, that this funding mechanism could no longer be used when it constitutes a new debt of the State.

Lottery Revenue Bonds

Revenue bonds are secured by a dedicated revenue stream (certain funds of the West Virginia Lottery).

Revenue Bonds

Revenue bonds are secured solely by a specified revenue stream, often with a lien imposed on the revenues. The revenue stream may be a tax or assessment or the revenues of the project financed.

Lease Obligations

For purposes of reporting, lease obligations do not include operating leases of the state and its agencies, but do include certain mortgage agreements of the Department of Natural Resources and other various state agencies. A lease agreement is a lease in which the lessee (person leasing from another) assumes substantially all the risks and benefits associated with the asset, which must meet one or more of the following criteria:

- a) The lease transfers ownership of the leased asset at the end of the lease term.
- b) The lease terms and conditions contain a bargain purchase option which allows the State to buy the leased asset for substantially less than the estimated value of the leased item.

c) The term of the lease is 75% or more of the estimated economic life of the leased asset. Estimated economic life is the estimated useful life of the asset for the purpose for which it was intended, regardless of the term of the lease. For example, if a copier with an estimated economic life of 10 years were leased for 8 years, it would meet this criterion.

d) The Present Value of the Future Minimum Lease Payments at the beginning of the lease equals or exceeds 90% of the fair value of the asset.

Notes/Other Debt

Notes are short-term debt obligations, generally with a term of five years or less. Forms of notes include tax anticipation notes, revenue anticipation notes, grant anticipation notes and certificates of participation.

This report does not attempt to examine claims and judgements, accrued compensated absences or unpaid pension costs.

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Chapter 1 - West Virginia Tax Supported Debt Outstanding

West Virginia ended the 2001 fiscal year with a net tax supported debt of \$1.5 billion. This debt calculation includes General Obligation Bonds, Revenue Bonds of the School Building Authority which rely on an appropriation from the general revenue fund for debt service, Lottery Revenue Bonds and lease obligations of various state agencies.

Type of Debt	Principal Outstanding June 30, 2002	Percentage of gross tax supported debt outstanding
General Obligation Bonds State Road Bonds Better School Building Bonds Infrastructure Bonds	\$ 539,540,000 4,000,000 285,663,910	41.71%
Revenue Bonds (which rely on the general fund) School Building Authority	296,505,000	14.91%
Lottery Revenue Bonds School Building Authority State Building Commission	48,155,000 68,915,000	5.89%
Revenue Bonds Education, Dept. of Huntington Toll Bridge Rail Authority, WV Regional Jail Authority State Colleges & Universities	2,295,776 2,295,000 2,155,000 108,080,000 350,615,290	23.41%
Lease Obligations All agencies	279,914,402	14.08%
Gross Tax Supported Debt	\$ 1,988,134,378	100.0%
Deductions (refundings, reserve funds, adjustment, etc.) Huntington Toll Bridge Leases, Various School Building Authority State Building Commission State Colleges & Universities	2,295,000 3,618 21,860,000 3,188,041 8,611,825	
Deductions (for self-supporting revenue bond issues) Education Rail Authority, WV Reg. Jail & Correc. Fac. Auth. State Colleges & Universities	2,295,776 2,155,000 108,080,000 342,003,465	
Net Tax Supported Debt	\$ 1,497,641,652	

General Obligation Bonds

Approximately \$829.2 million of West Virginia's \$1.5 billion in outstanding tax supported debt as of June 30, 2002 consists of General Obligation (GO) Bonds. West Virginia's GO Bonds have been issued for road construction, school construction and infrastructure development. All of these bonds carry a pledge of the state to levy taxes if funds are insufficient to meet debt service. The two most recent GO authorizations have been completely issued which were \$550 million in GO road bonds and \$300 million issued through the West Virginia Infrastructure & Jobs Development Council.

West Virginia's population has declined since 1996 and the most recent estimate (2001 estimate of 1,801,916) saw a decline of approximately 0.4% since 2000. Chart 1 shows how the GO debt per person has risen from \$138 in 1996 to \$460 per person in 2002.

Road Bonds

Bonds issued for construction and maintenance of state roads include the following:

- Better Highways Amendment of 1973, and
- The Safe Roads Amendment of 1996.

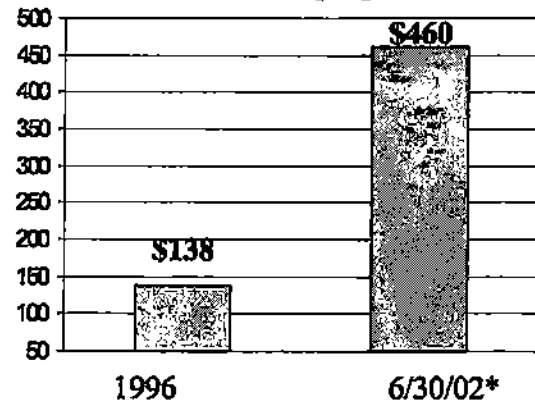
At June 30, 2002, the principal outstanding on all road bonds totaled \$539.5 million. The Safe Roads Amendment authorized up to \$550 million in GO bonds which have been completely issued as of June 30, 2002.

The combined debt service on all Safe Road Bonds peaks at approximately \$50 million dollars in fiscal year 2012, drops to approximately \$37 million for fiscal years 2013 through 2016, and levels out at \$23.5 million until maturity in fiscal year 2025.

School Building Bonds

The citizens of West Virginia have not passed a General Obligation Bond amendment for school construction and maintenance since 1972. At June 30, 2002, there remained a principal outstanding of \$4 million dollars which will be retired on June 1, 2004.

Chart 1 - GO debt per person



*Calculation based on estimated 2001 U.S. Census totals (estimated population of 1,801,916)

Infrastructure Improvement Bonds

The principal outstanding at June 30, 2002, for the Infrastructure Improvement Amendment was \$285.6 million. These bonds are repaid from a dedication of the first \$24 million dollars of coal severance tax and the taxing pledge of the state to meet any deficiencies. The West Virginia Infrastructure & Jobs Development Council (through the West Virginia Water Development Authority) has also issued \$45 million of infrastructure improvement revenue bonds which are included in the "non tax-supported" totals in Chapter 2 of this report.

School Building Authority Capital Improvement Revenue Bonds

The School Building Authority Capital Improvement Revenue Bonds which utilize General Revenue appropriations for repayment include four original and three refunding issuances. The net principal outstanding at June 30, 2002 was \$274.6 million. No additional bonds are anticipated to be issued utilizing the funding source available for debt service on these previously issued bonds.

Lottery Revenue Bonds

The State's Lottery Revenue Bonds outstanding, as of June 30, 2002, total \$117 million. This total includes one issue of the School Building Authority and one issue of the State Building Commission.

Revenue Bonds

There are various agencies and authorities which have statutory authority to issue Revenue Bonds. Since these bonds are self-supporting and derive their debt service payments from revenues of a particular program or project, the principal amount is deducted when calculating West Virginia's Net Tax Supported Debt. As noted on page 1, Revenue Bonds constitute approximately 23% of the state's gross debt.

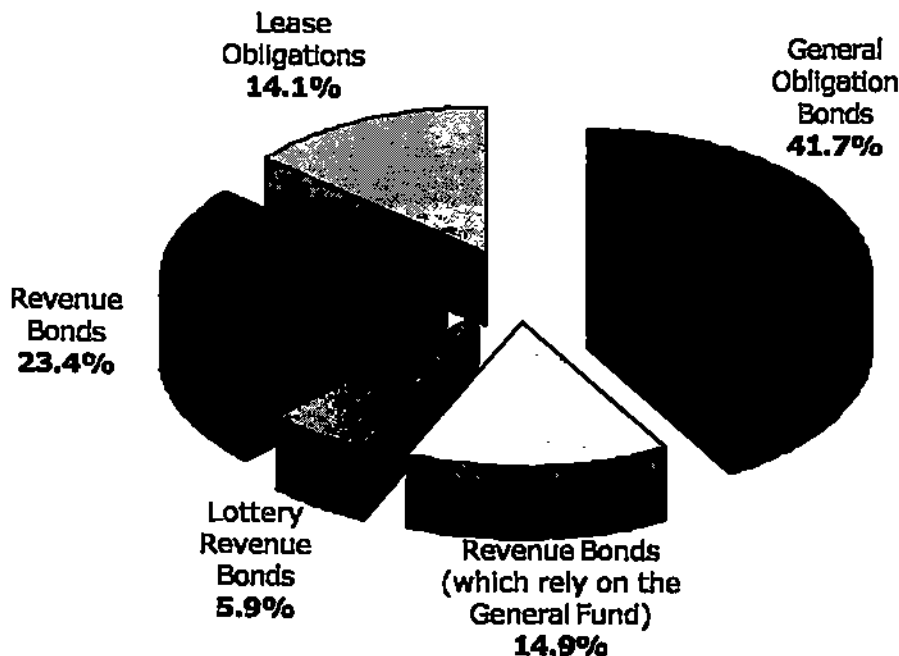
Lease Obligations

The State of West Virginia depends on lease obligations to finance many projects relating to capital improvements. This is evidenced through the issuance of Lease Revenue Bonds. Such bonds are issued by various non-state entities (ex. County Commissions, Urban Renewal Authorities) which are backed by a lease purchase agreement between the particular entity and the State of West Virginia. These bonds are typically more costly to the state due to the increased need and demand for bond insurance and the higher interest rates offered to investors. These higher interest rates are paid since the revenue source of the bonds are subject to annual appropriations of the West Virginia Legislature.

Other Debt

The only debt instrument considered "other debt" in previous reports was the "investment" of Public Employees' Retirement System funds for construction projects of the Regional Jails and Correctional Facilities Authority. This obligation was retired with proceeds from an Economic Development Authority bond issue. The bonds are backed by a lease agreement with the Department of Administration.

Chart 2 - Gross Tax Supported Debt Outstanding
By Type of Debt - June 30, 2002



Chapter 2: West Virginia Non-Tax Supported Debt Outstanding

West Virginia had a non-tax supported debt of \$2.7 billion outstanding as of June 30, 2002. Please note that the total for the Hospital Finance Authority includes various issues which have been advanced refunded and approximately \$30 million in short term notes issued by the Housing Development Fund. For additional information, please refer to Appendix B.

ISSUER	PRINCIPAL OUTSTANDING JUNE 30, 2002	PERCENTAGE OF TOTAL DEBT OUTSTANDING
Economic Development Authority	\$ 627,146,664	22.8%
Hospital Finance Authority	633,322,665	23.0%
Housing Development Authority	983,734,754	35.8%
Infrastructure & Jobs Development Council	45,000,000	1.6%
Parkway Authority	115,889,938	4.2%
Public Energy Authority	110,860,000	4.0%
Solid Waste Management	2,530,000	0.1%
Water Development Authority	232,225,000	8.5%
Gross Total	\$ 2,750,709,021	100.0%
<less escrow, refunding, early bond redemption, etc.>	<36,678,475>	
TOTAL	\$ 2,714,030,546	

West Virginia Economic Development Authority

Contact:

Dave Fontalbert

West Virginia Economic Development Authority

Building 6, Room 525

State Capitol Complex

Charleston, West Virginia 25305

Security: Bonds issued by the West Virginia Economic Development Authority are payable solely from loan repayments made by borrowers. Neither the State's full faith and credit nor its taxing power are pledged toward the payment of the Bonds.

Purpose: In conjunction with banking corporations and institutions, savings & loans associations, insurance companies, and other such financial institutions, to develop and advance the business prosperity and economic welfare of the State of West Virginia; to encourage and to assist in the location of new business and industry and to stimulate and assist in expansion of all kinds of business activity which promote business development and maintain the economic stability of the State.

West Virginia Hospital Finance Authority

Contact:

Sarah Hamrick

Hospital Finance Authority

One Players Club Drive

Charleston, West Virginia 25305

Security: Bonds issued by the West Virginia Hospital Finance Authority are revenue bonds payable solely from loan repayments made by the hospitals. Additionally, the loan may be secured by a deed of trust or security interest in and on the applicable property, including the hospital facilities. Neither the State's full faith and credit nor its taxing powers is pledged toward the repayment of the bonds.

Purpose: To provide a mechanism by which hospitals may provide and maintain at a reasonable cost, facilities, structures and services needed to provide WV citizens good health care at reasonable cost. The authority may lend money to hospitals for the acquisition, construction, improvement or alteration of hospital facilities or to refund any previous debts or indebtedness.

West Virginia Housing Development Fund

Contact:

Joe Hatfield

WV Housing Development

814 Virginia St., E.

Charleston, West Virginia 25301

Security: Bonds issued by the West Virginia Housing Development Fund are revenue bonds payable solely from loan repayments made by borrowers. Neither the State's full faith and credit nor its taxing powers is pledged toward the repayment or payment of the bonds.

Purpose: To make loans to West Virginia families for construction and purchase of single dwelling and multiple family dwelling housing.

West Virginia Parkway Authority

Contact:

Gregory C. Barr

West Virginia Parkway Authority

P.O. Box 1469

Charleston, West Virginia 25325

Security: Bonds issued by the West Virginia Parkway Authority are revenue bonds payable solely from revenues the Parkway Authority. Neither the State's full faith and credit nor its taxing power are pledged toward the repayment or payment of the Bonds.

Purpose: To pay off old bond debt, repay the State for upgrading of the West Virginia Turnpike, and pay for additional projects on the Turnpike.

West Virginia Public Energy Authority

Contact:

Bryan Archer

West Virginia State Treasurer's Office

Building 1, Room E-145

State Capitol Complex

Charleston, West Virginia 25305

Security: Bonds issued by the West Virginia Public Energy Authority are revenue bonds payable solely from loan repayments made by borrowers. Neither the State's full faith nor its taxing power is pledged toward the repayment or payment of the Bonds.

Purpose: House Bill 4030, passed during the 1994 Regular Legislative Session, terminated the ability of the Authority to initiate, acquire, construct, finance or issue bonds for electric power projects and transmission facilities, or to exercise the power of eminent domain with respect to any project; however, the Authority may still exercise any power expressly granted pursuant to the enabling legislation with respect to any project or facility previously constructed or acquired, any existing contractual obligations, or any outstanding bonded indebtedness.

West Virginia Solid Waste Management Board

Contact:

Charles Jordan

West Virginia Solid Waste Management Board

1615 Washington Street, East

Charleston, West Virginia 25311-2126

Security: Bonds issued by the West Virginia Solid Waste Management Board are revenue bonds payable solely from loan repayments made by borrowers. Neither the State's full faith nor its taxing power is pledged toward the repayment or payment of the Bonds.

Purpose: To make loans or grants to persons or governmental agencies through acquisition, construction, reconstruction, enlargement, improvement, furnishing, equipment, equipping, maintaining, repairing, or operating solid waste disposal projects within the State.

West Virginia Water Development Authority

Contact:

Daniel B. Yonkosky

West Virginia Water Development Authority

180 Association Drive

Charleston, West Virginia 25311

Security: Bonds issued by the West Virginia Water Development Authority are revenue bonds payable solely from loan repayments made by borrowers and moral obligation of the State to replenish the debt service reserve fund established with respect to its bonds. Neither the State's full faith and credit nor its taxing powers is pledged toward the repayment or payment of the bonds.

Purpose: To make loans available to local municipalities and public service districts for the financing of water projects including construction, refurbishing, improvement, maintenance, repairing, operation, and other such water development projects.

Chapter 3: West Virginia Bonds Issued April 1, 2002 - June 30, 2002

This chapter attempts to provide a brief overview of bonds which were issued by West Virginia State agencies for the period of April 1, 2002 through June 30, 2002. This is not a comprehensive listing of all municipal bonds issued in West Virginia. This information is for statistical purposes only and is not a complete summary of the Bonds or the security thereof. For more detailed information you may wish to contact the debt management division of the West Virginia State Treasurer's Office at (304) 558-5000.

The West Virginia Housing Development Fund issued \$100,079,754 of bonds for single-family housing purposes. The 2002 Series A bonds were a private placement with Fannie Mae and the remaining series B, C and D were negotiated sales with Goldman Sachs. A "Report of Final Sale" was not available at the time of publication.

Chapter 4: Leases

Following is a list of leases entered into by state agencies for the quarter ending June 30, 2002.

Agency: Administration - Travel Management
Amount: \$ 4,088,287
Interest Rate: 4.34%
Maturity: 05/08/2006
Purpose: Vehicles

Agency: Fairmont State College
Amount: \$ 110,898
Interest Rate: 4.09%
Maturity: 04/26/2005
Purpose: Computer Equipment

Agency: Fairmont State College
Amount: \$ 528,214
Interest Rate: 2.75%
Maturity: 01/01/2005
Purpose: Computer Equipment

Agency: Division of Natural Resources
Amount: \$ 487,688
Interest Rate: 4.28%
Maturity: 04/05/2006
Purpose: Vehicles

Agency: WVNET
Amount: \$ 107,712
Interest Rate: 3.97%
Maturity: 05/07/2005
Purpose: SP Upgrade/Computer Equipment

Agency: West Virginia State Police
Amount: \$ 839,998
Interest Rate: N/A
Maturity: 01/13/2017
Purpose: Williamson Detachment

Agency: West Virginia University
Amount: \$16,620
Interest Rate: 11.29%
Maturity: 04/01/2005
Purpose: Gateway E-3600

Agency: West Virginia University
Amount: \$32,928
Interest Rate: 7.5%
Maturity: 03/06/2007
Purpose: Xerox Digital Copier

Agency: West Virginia University
Institute of Technology
Amount: \$85,000
Interest Rate: 6.0%
Maturity: 12/31/2004
Purpose: Property - 321, 2nd Ave.

Chapter 5: Debt Retirement & Reduction Fiscal Year 2003

The general obligation debt incurred in the 1970s for roads and schools will be completely retired by 2004 while the Better Roads Amendment of 1964 and the Roads Development Amendment of 1968 bonds have already been retired. The Infrastructure Bonds are currently the longest term General Obligation Bonds with a final maturity of November 2026. The following is a list of various obligations which will mature in fiscal year 2003. It is provided for informational purposes only and is not intended to be an accurate depiction of the amount or timing of the final payment.

- | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1) Lease Obligation
Dept. of Administration - Travel Management
Original issue amount - \$4,208,940
Final payment - \$91,230 on November 27, 2002</p> | <p>9) Lease Obligation
Division of Natural Resources
Original issue amount - \$659,140
Final payment - \$12,747 on July 1, 2002</p> |
| <p>2) Lease Obligation
Dept. of Administration - Travel Management
Original issue amount - \$55,101
Final payment - \$10,312 on August 4, 2002</p> | <p>10) Lease Obligation
Division of Natural Resources
Original issue amount - \$136,800
Final payment - \$2,631 on August 20, 2002</p> |
| <p>3) Lease Obligation
Dept. of Administration - IS&C
Original issue amount - \$351,257
Final payment - \$8,493 on June 1, 2003</p> | <p>11) Lease Obligation
Division of Natural Resources
Original issue amount - \$304,555
Final payment - \$5,821 on December 23, 2002</p> |
| <p>4) Lease Obligation
Department of Agriculture
Original issue amount - \$24,975
Final payment - \$570 on November 1, 2002</p> | <p>12) Revenue Bonds
School Building Authority, Series 1992A
Bonds called on 7/1/02 - \$21,860,000 with a 2% call premium.
Maturities called:
Serials: 2003 through and including 2007
Term Bonds: 2012 & 2022.</p> |
| <p>5) Lease Obligation
Fairmont State College
Original issue amount - \$583,900
Final payment - \$17,608 on August 4, 2002</p> | <p>13) Revenue Bonds
School Building Authority, Series 1992B
Bonds called on 7/15/02 - \$31,325,000.
\$3,580,000 called with a 2% premium and \$27,745,000 called at par.
Maturities called:
Serials: 2003 through and including 2007
Term Bonds: 2012 & 2015.</p> |
| <p>6) Lease Obligation
Marshall University
Original issue amount - \$156,650
Final payment - \$3,022 on September 29, 2002</p> | <p>14) Lease Obligation
Department of Tax and Revenue
Original issue amount - \$1,407,012
Final payment - \$24,816 on October 1, 2002</p> |
| <p>7) Lease Obligation
Marshall University
Original issue amount - \$490,000
Final payment - \$56,423 on April 23, 2003</p> | <p>15) General Obligation Road Bond (dtd. 6/1/78)
Original issue amount - \$50,000,000
Final payment - \$2,000,000 on June 1, 2003</p> |
| <p>8) Lease Obligation
Marshall University
Original issue amount - \$47,962
Final payment - \$988 on June 1, 2003</p> | |

- 16) Lease Obligation
West Liberty State College
Original issue amount - \$42,527
Final payment - \$932 on December 15, 2002
- 17) Lease Obligation
WVNET
Original issue amount - \$168,350
Final payment - \$5,078 on August 4, 2002
- 18) Lease Obligation
WVNET
Original issue amount - \$111,458
Final payment - \$20,493 on October 1, 2002
- 19) Lease Obligation
WV State Police
Original issue amount - \$15,960
Final payment - \$286 on August 1, 2002
- 20) Lease Obligation
West Virginia University
Original issue amount - \$66,721
Final payment - \$1,295 on October 15, 2002
- 21) Lease Obligation
West Virginia University
Original issue amount - \$43,868
Final payment - \$857 on March 31, 2003
- 22) Lease Obligation
West Virginia University
Original issue amount - \$650,000
Final payment - \$74,737 on June 26, 2003
- 23) Lease Obligation
West Virginia University
Original issue amount - \$97,595
Final payment - \$2,958 on October 15, 2002
- 24) Lease Obligation
West Virginia University
Original issue amount - \$50,165
Final payment - \$1,572 on December 1, 2002
- 25) Lease Obligation
West Virginia University
Original issue amount - \$14,552
Final payment - \$456 on February 1, 2003
- 26) Lease Obligation
West Virginia University
Original issue amount - \$50,695
Final payment - \$1,090 on June 1, 2003
- 27) Lease Obligation
West Virginia University
Original issue amount - \$110,943
Final payment - \$3,384 on April 11, 2003
- 28) Lease Obligation
West Virginia University
Original issue amount - \$139,152
Final payment - \$4,062 on January 31, 2003
- 29) Lease Obligation
West Virginia University
Original issue amount - \$10,791
Final payment - \$317 on February 1, 2003
- 30) Lease Obligation
West Virginia University - Institute of Tech.
Original issue amount - \$11,607
Final payment - \$380 on March 1, 2003

Chapter 6: Tax Supported Debt Reserve Funds

There are no reserve accounts required for the General Obligation issues of the state. Descriptions of General Obligation payments are included to explain the funding source from which debt service is paid. Other tax supported bond issues are included to explain the various funding sources and the debt service reserve requirements on the particular issues.

General Obligation Better School Building Amendment of 1972

The Better School Building Amendment bonds are paid from the state's General Revenue Fund. Debt service is paid by the West Virginia State Treasurer as it becomes due and payable.

General Obligation Better Highways Amendment of 1973

The Better Highways bonds are paid from funds held in the Road Fund. The amendment will be completely retired on February 1, 2006.

General Obligation Safe Roads Amendment of 1996

The Safe Roads bonds are paid from a debt service fund which is administered by the West Virginia State Treasurer's Office. The Division of Highways makes a monthly transfer to this fund from the Road Fund. The monthly transfer amount is equal to 10% of the annual debt service requirement on all Safe Roads Bonds.

General Obligation Infrastructure Improvement Amendment

The Infrastructure bonds are paid from the dedication of the first \$24 million in severance tax collections. The fund is administered by the West Virginia Water Development Authority acting on behalf of the West Virginia

Infrastructure and Jobs Development Council. The Treasurer acts as paying agent for the bonds.

Moral Obligation School Building Authority Capital Improvement Revenue Bonds

The debt service on these particular bonds is paid from an annual appropriation of General Revenue funds by the Legislature. There are three "new money" issues and three refunding issuances. The refunding bonds established debt service funds to pay debt service on the refunded bonds when they are called, plus any premium which may be due. The table on page 14 details the refunded bonds as of June 30, 2002.

School Building Authority Capital Improvement Lottery Revenue Bonds

West Virginia was not the first but was close behind Florida and Oregon in issuing revenue bonds secured by state lottery revenue. This particular issue for the School Building Authority was issued in 1994 and is secured by a first lien on the net proceeds of the Lottery Fund.

There is a debt service reserve fund which was established when the bonds were issued. This reserve is currently funded with a debt service reserve fund surety bond with an original face amount of \$13.5 million.

State Building Commission Lottery Revenue Bonds

The State Building Commission issued Lottery Revenue bonds in 1997 for the purpose of providing funds for education, arts, science and tourism. The bonds are secured by a second lien on the net proceeds of the Lottery Fund.

The bonds had a reserve fund balance of slightly more than \$3.0 million (market value) as of June 30, 2002 and a surety bond with an original face amount of \$7.3 million.

**Moral Obligation School Building Authority
Capital Improvement Revenue Bonds - Refunded bonds
as of June 30, 2002**

Series	Maturity Refunded	Amount to be Refunded	Redemption Date	Redemption Price	Refunded by Series	Premium	Total Due
1992A							
	7/1/03	570,000	7/1/02	102%	1997B	11,400.00	581,400.00
	7/1/04	605,000	7/1/02	102%	1997B	12,100.00	617,100.00
	7/1/05	640,000	7/1/02	102%	1997B	12,800.00	652,800.00
	7/1/06	680,000	7/1/02	102%	1997B	13,600.00	693,600.00
	7/1/07	720,000	7/1/02	102%	1997B	14,400.00	734,400.00
	7/1/08	770,000	7/1/02	102%	1997B	15,400.00	785,400.00
	7/1/12	3,600,000	7/1/02	102%	1997A	72,000.00	3,672,000.00
	7/1/22	14,275,000	7/1/02	102%	1997A	285,500.00	14,560,500.00
		21,860,000					22,297,200.00
1992B							
	7/1/03	180,000	7/15/02	102%	2002A	3,600.00	183,600.00
	7/1/04	190,000	7/15/02	102%	2002A	3,800.00	193,800.00
	7/1/05	2,820,000	7/15/02	102%	2002A	56,400.00	2,876,400.00
	7/1/06	190,000	7/15/02	102%	2002A	3,800.00	193,800.00
	7/1/07	200,000	7/15/02	102%	2002A	4,000.00	204,000.00
	7/1/12	12,920,000	7/15/02	Par	2002A	0.00	12,920,000.00
	7/1/15	14,825,000	7/15/02	Par	2002A	0.00	14,825,000.00
		31,325,000					31,396,600.00

Chapter 7 - Tax Supported Debt Amortization

General Obligation Bonds

Road Bonds (as of June 30, 2002)

Better Highways Amendment of 1973
 Principal Outstanding: \$18,660,000
 Final Maturity: February 1, 2006

Safe Roads Amendment of 1996
 Principal Outstanding: \$520,880,000
 Final Maturity: June 1, 2025

All General Obligation Road Bonds				
(as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	28,170,000	19,329,455	47,499,455	361,690,000
2001	20,665,000	24,195,758	44,860,758	451,025,000
2002	21,485,000	28,508,293	49,993,293	539,540,000
2003	22,040,000	27,955,942	49,995,942	517,500,000
2004	23,070,000	26,928,470	49,998,470	494,430,000
2005	24,215,000	25,781,023	49,996,023	470,215,000
2006	25,370,000	24,627,598	49,997,598	444,845,000
2007	26,465,000	23,531,888	49,996,888	418,380,000
2008	27,795,000	22,200,733	49,995,733	390,585,000
2009	29,200,000	20,798,580	49,998,580	361,385,000
2010	30,700,000	19,296,764	49,996,764	330,685,000
2011	32,275,000	17,721,264	49,996,264	298,410,000
2012	33,980,000	16,017,983	49,997,983	264,430,000
2013	24,350,000	14,269,853	38,619,853	240,080,000
2014	24,045,000	12,933,447	36,978,447	216,035,000
2015	25,375,000	11,608,727	36,983,727	190,660,000
2016	26,775,000	10,208,064	36,983,064	163,885,000
2017	14,705,000	8,816,602	23,521,602	149,180,000
2018	15,470,000	8,051,739	23,521,739	133,710,000
2019	16,300,000	7,220,739	23,520,739	117,410,000
2020	17,140,000	6,377,945	23,517,945	100,270,000
2021	18,035,000	5,483,525	23,518,525	82,235,000
2022	18,985,000	4,536,388	23,521,388	63,250,000
2023	19,980,000	3,538,688	23,518,688	43,270,000
2024	21,030,000	2,488,025	23,518,025	22,240,000
2025	22,240,000	1,278,800	23,518,800	0

General Obligation Bonds

Better School Building Bonds (as of June 30, 2002)

Principal Outstanding: \$4,000,000

Final Maturity: June 1, 2004

All General Obligation Better School Building Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	6,000,000	1,004,000	7,004,000	12,000,000
2001	4,000,000	679,000	4,679,000	8,000,000
2002	4,000,000	454,000	4,454,000	4,000,000
2003	2,000,000	244,000	2,244,000	2,000,000
2004	2,000,000	122,000	2,122,000	0

Infrastructure Improvement Bonds (as of June 30, 2002)

Principal Outstanding: \$285,663,910

Final Maturity: November 1, 2028

All General Obligation Infrastructure Improvement Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	3,285,000	12,785,961	16,070,961	292,853,910
2001	3,420,000	12,554,951	15,974,951	289,433,910
2002	3,770,000	12,306,399	16,076,399	285,663,910
2003	3,985,000	12,037,923	16,022,923	281,678,910
2004	4,230,000	11,761,970	15,991,970	277,448,910
2005	4,435,000	11,485,030	15,920,030	273,013,910
2006	7,492,418	12,171,945	19,664,363	265,521,492
2007	10,632,336	12,865,844	23,498,180	254,889,156
2008	10,712,837	12,791,566	23,504,403	244,176,320
2009	10,806,713	12,697,313	23,504,025	233,369,607
2010	10,894,566	12,600,312	23,494,878	222,475,041
2011	11,031,070	12,463,466	23,494,536	211,443,971
2012	11,226,585	12,470,804	23,697,389	200,217,386
2013	11,357,656	11,863,502	23,221,158	188,859,731
2014	11,599,238	11,652,281	23,251,519	177,260,493
2015	11,906,955	11,375,917	23,282,872	165,353,538
2016	12,269,406	11,027,643	23,297,049	153,084,132
2017	12,588,173	10,716,840	23,305,013	140,495,959
2018	13,040,816	10,302,338	23,343,153	127,455,144
2019	13,537,510	9,823,293	23,360,803	113,917,634
2020	12,959,750	10,429,094	23,388,844	100,957,884
2021	13,305,916	10,100,703	23,406,619	87,651,968
2022	13,678,124	9,777,708	23,455,831	73,973,844
2023	14,139,741	9,332,580	23,472,321	59,834,103
2024	14,101,828	9,382,560	23,484,388	45,732,275
2025	14,624,946	8,869,253	23,494,199	31,107,329
2026	15,319,275	8,172,769	23,492,044	15,788,054
2027	15,788,054	7,697,782	23,485,836	0

Moral Obligation Bonds

School Building Authority Capital Improvement Revenue Bonds
(as of June 30, 2002) *

Principal Outstanding (net): \$274,645,000
Final Maturity: July 1, 2022

All Moral Obligation School Building Authority Capital Improvement Revenue Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	6,425,000	16,242,120	22,667,120	286,650,000
2001	6,830,000	15,837,670	22,667,670	279,820,000
2002	5,175,000	15,398,905	20,573,905	274,645,000
2003	8,220,000	15,125,905	23,345,905	266,425,000
2004	8,640,000	14,712,220	23,352,220	257,785,000
2005	9,040,000	14,309,080	23,349,080	248,745,000
2006	9,520,000	13,826,135	23,346,135	239,225,000
2007	10,075,000	13,271,618	23,346,618	229,150,000
2008	10,690,000	12,656,778	23,346,778	218,460,000
2009	11,355,000	12,003,503	23,358,503	207,105,000
2010	12,010,000	11,335,343	23,345,343	195,095,000
2011	12,650,000	10,698,213	23,348,213	182,445,000
2012	13,360,000	9,992,953	23,352,953	169,085,000
2013	14,105,000	9,238,818	23,343,818	154,980,000
2014	14,905,000	8,442,424	23,347,424	140,075,000
2015	15,730,000	7,612,455	23,342,455	124,345,000
2016	16,625,000	6,725,625	23,350,625	107,720,000
2017	17,640,000	5,788,335	23,428,335	90,080,000
2018	18,605,000	4,821,075	23,426,075	71,475,000
2019	19,625,000	3,800,875	23,425,875	51,850,000
2020	20,685,000	2,739,600	23,424,600	31,165,000
2021	21,785,000	1,649,613	23,434,613	9,380,000
2022	7,490,000	501,650	7,991,650	1,890,000
2023	1,890,000	103,950	1,993,950	0

* - Bonds were issued in July 2002 which caused a current refunding of the 1992B School Building Authority Bonds. This schedule is as of June 30, 2002 and does not reflect the current refunding issue of July 2002.

Lottery Revenue Bonds

School Building Authority Capital Improvement

Lottery Revenue Bonds (as of June 30, 2002)

Principal Outstanding: \$48,155,000

Final Maturity: July 1, 2004

All School Building Authority Lottery Revenue Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	12,810,000	4,852,781	17,662,781	75,925,000
2001	13,480,000	4,112,119	17,592,119	62,445,000
2002	14,290,000	3,261,156	17,551,156	48,155,000
2003	15,185,000	2,387,516	17,572,516	32,970,000
2004	16,030,000	1,509,594	17,539,594	16,940,000
2005	16,940,000	529,375	17,469,375	0

State Building Commission Lottery Revenue Bonds

(as of June 30, 2002)

Principal Outstanding: \$68,915,000

Final Maturity: July 1, 2010

All State Building Commission Lottery Revenue Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	5,450,000	4,395,863	9,845,863	80,735,000
2001	5,750,000	4,087,863	9,837,863	74,985,000
2002	6,070,000	3,777,988	9,847,988	68,915,000
2003	6,370,000	3,466,988	9,836,988	62,545,000
2004	6,690,000	3,140,488	9,830,488	55,855,000
2005	7,025,000	2,797,613	9,822,613	48,830,000
2006	7,375,000	2,419,175	9,794,175	41,455,000
2007	7,780,000	2,002,413	9,782,413	33,675,000
2008	8,210,000	1,562,688	9,772,688	25,465,000
2009	8,660,000	1,109,588	9,769,588	16,805,000
2010	9,115,000	642,994	9,757,994	7,690,000
2011	7,690,000	201,863	7,891,863	0

Revenue Bonds

Department of Education - Cedar Lakes, Series A&B (as of June 30, 2002)

Principal Outstanding: \$2,295,776

Final Maturity: October 1, 2025

Department of Education - Cedar Lakes Revenue Bonds, Series A & B (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	44,940	136,032	180,972	2,380,942
2001	39,318	141,654	180,972	2,341,624
2002	45,848	135,124	180,972	2,295,776
2003	48,889	132,083	180,972	2,246,888
2004	51,806	129,166	180,972	2,195,081
2005	54,898	126,074	180,972	2,140,183
2006	58,175	122,797	180,972	2,082,008
2007	61,647	119,325	180,972	2,020,361
2008	65,327	115,645	180,972	1,955,034
2009	69,226	111,746	180,972	1,885,808
2010	73,358	109,614	182,972	1,812,449
2011	77,737	103,235	180,972	1,734,712
2012	82,378	98,594	180,972	1,652,334
2013	87,295	93,677	180,972	1,565,039
2014	92,506	88,466	180,972	1,472,533
2015	98,028	82,944	180,972	1,374,505
2016	103,881	77,091	180,972	1,270,624
2017	110,082	70,890	180,972	1,160,542
2018	116,654	64,318	180,972	1,043,888
2019	123,618	57,354	180,972	920,270
2020	130,999	49,973	180,972	789,271
2021	138,820	42,152	180,972	650,451
2022	147,108	33,864	180,972	503,343
2023	155,891	25,081	180,972	347,451
2024	165,199	15,773	180,972	182,252
2025	148,591	6,307	154,899	33,661
2026	33,661	322	33,983	0

Department of Transportation - Huntington Toll Bridge Revenue Bonds
(as of June 30, 2002)

Principal Outstanding: \$2,295,000*

Final Maturity: January 1, 2005

Department of Transportation - Huntington Toll Bridge Revenue Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	810,000	151,145	961,145	3,275,000
2001	815,000	121,175	936,175	2,460,000
2002	165,000	91,020	256,020	2,295,000
2003	390,000	84,915	474,915	1,905,000
2004	965,000	70,485	1,035,485	940,000
2005	940,000	34,780	974,780	0

*Note: Escrowed to maturity

Revenue Bonds

West Virginia Rail Authority Revenue Bonds (as of June 30, 2002)

Principal Outstanding: \$2,155,000
Final Maturity: July 1, 2007

West Virginia Rail Authority Revenue Bonds (as of June 30, 2002)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	250,000	206,205	456,205	2,700,000
2001	265,000	190,205	455,205	2,435,000
2002	280,000	172,980	452,980	2,155,000
2003	300,000	154,220	454,220	1,855,000
2004	320,000	133,820	453,820	1,535,000
2005	345,000	111,420	456,420	1,190,000
2006	370,000	86,925	456,925	820,000
2007	395,000	60,285	455,285	425,000
2008	425,000	31,450	456,450	0

West Virginia Regional Jail & Correctional Facility Authority Revenue Bonds (as of June 30, 2002)

Principal Outstanding: \$108,080,000
Final Maturity: July 1, 2021

Regional Jail & Correctional Fac. Authority Revenue Bonds, Series 98 A,B & C (as of June 30, 2001)				
Fiscal Year	Principal Due	Interest Due	Total Debt Service	Principal Outstanding
2000	3,325,000	5,957,341	9,282,341	114,170,000
2001	2,980,000	5,820,444	8,800,444	111,190,000
2002	3,110,000	5,680,729	8,790,729	108,080,000
2003	3,265,000	5,527,616	8,792,616	104,815,000
2004	3,420,000	5,366,329	8,786,329	101,395,000
2005	3,585,000	5,196,741	8,781,741	97,810,000
2006	3,760,000	5,018,514	8,778,514	94,050,000
2007	3,940,000	4,831,044	8,771,044	90,110,000
2008	4,130,000	4,633,726	8,763,726	85,980,000
2009	4,335,000	4,426,326	8,761,326	81,645,000
2010	4,550,000	4,208,626	8,758,626	77,095,000
2011	4,770,000	3,974,981	8,744,981	72,325,000
2012	5,015,000	3,724,381	8,739,381	67,310,000
2013	5,270,000	3,458,223	8,728,223	62,040,000
2014	5,550,000	3,175,263	8,725,263	56,490,000
2015	5,840,000	2,873,069	8,713,069	50,650,000
2016	6,150,000	2,550,838	8,700,838	44,500,000
2017	6,480,000	2,211,406	8,691,406	38,020,000
2018	6,830,000	1,853,700	8,683,700	31,190,000
2019	7,195,000	1,476,778	8,671,778	23,995,000
2020	7,585,000	1,080,569	8,665,569	16,410,000
2021	7,990,000	664,044	8,654,044	8,420,000
2022	8,420,000	225,181	8,645,181	0

Appendix A

Debt By Type

Quarter Ending June 30, 2002

Type of Debt	Organization	Principal Outstanding 3/31/02	Debt Issued 4/1/02 through 6/30/02	Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments - Defeatance, Refunding, Debt Called, etc.	Adjusted Principal Outstanding
General Obligation Bonds								
	Education							
	Barker School Building	8,000,000	-	2,000,000	182,000	4,000,000	-	4,000,000
	Infrastructure & Jobs Dev'p							
	All Issues	288,663,910	-	-	8,087,688	288,663,910	-	288,663,910
	Transportation							
	Barker Highways	24,860,000	-	8,000,000	348,900	18,660,000	-	18,660,000
	Safe Roads	630,408,000	-	8,628,000	13,828,028	620,880,000	-	620,880,000
Total General Obligation Bonds		948,728,910		17,628,000	20,244,208	828,210,910		828,210,910

Revenue Bonds (paid from the General Revenue Fund)								
	School Building Authority	298,608,000	-	2,088,000	3,781,478	298,608,000	21,860,000	274,848,000
Total Revenue Bonds (paid from GRF)		298,608,000		2,088,000	3,781,478	298,608,000	21,860,000	274,848,000

Lottery Revenue Bonds								
	School Building Authority	48,188,000	-	1,518,600	281,468	48,188,000	-	48,188,000
	State Building Commission	68,918,000	-	-	-	68,918,000	-	68,918,000
Total Lottery Revenue Bonds		117,106,000		1,518,600	281,468	117,106,000		117,106,000

Revenue Bonds								
	Economic Development	630,041,997	-	2,898,333	3,734,831	627,148,664	-	627,148,664
	Education, Dept. of	2,307,862	-	11,788	33,487	2,285,778	-	2,285,778
	Higher Education Central Office	244,400,868	-	13,600,000	8,837,378	230,800,868	8,670,000	221,830,868
	Hospital Finance Authority	627,188,887	11,000,000	4,887,022	3,882,828	633,322,668	27,000,000	608,322,668
	Housing Development Fund	883,648,000	100,078,794	8,630,000	24,309,808	884,984,784	9,228,478	894,869,278
	Infrastructure & Jobs Dev'p	48,000,000	-	-	1,234,763	48,000,000	-	48,000,000
	Marshall University	47,808,000	-	-	1,148,823	47,808,000	-	47,808,000
	Parkway Authority	122,084,838	-	8,188,000	1,848,408	118,898,838	-	118,898,838
	Public Energy Authority	110,860,000	-	-	-	110,860,000	-	110,860,000
	Rail Authority	2,188,000	-	78,000	38,566	2,188,000	-	2,188,000
	Regional Jail	108,080,000	-	-	-	108,080,000	-	108,080,000
	Solid Waste Management	2,630,000	-	-	-	2,630,000	-	2,630,000
	Transportation, Dept. of							
	Huntington Toll Bridge	2,288,000	-	-	-	2,288,000	2,288,000	-
	Water Development	232,228,000	-	-	8,903,300	232,228,000	460,000	231,778,000
	West Liberty College	120,000	-	-	-	120,000	-	120,000
	West Virginia State College	3,277,897	-	-	-	3,277,897	-	3,277,897
	West Virginia University	62,028,000	-	13,313,176	2,071,241	68,711,828	(58,178)	68,770,000
Total Revenue Bonds		4,126,142,629	110,078,794	60,787,208	48,082,604	3,188,518,067	67,886,300	3,130,924,797

The adjustment represents the premium paid at the time the bonds were called.

Lease Obligations								
	Administration							
	Secretary, Office of the	214,653,633	-	1,128,633	1,781,711	213,424,000	-	213,424,000
	Building Fund	8,083,818	-	237,634	60,780	8,848,294	-	8,848,294
	Travel Management	9,684,434	4,088,287	948,374	14,728	13,024,407	-	13,024,407
	IS&C	28,184	-	-	-	28,184	-	28,184
	Agriculture, Dept. of	4,448	-	1,840	70	2,808	-	2,808
	Auditor's Office	1,472,688	-	128,378	11,821	1,344,308	-	1,344,308
	Corrections, Division of	28,272	-	-	-	28,272	-	28,272
	WV Correctional Institute	1,418,878	-	107,787	18,884	1,311,118	-	1,311,118
	Education, Dept. of	1,248	-	1,248	18	0	-	0
	Educational Broadcasting	1,817,212	-	38,577	22,287	1,578,634	-	1,578,634
	Environmental Protection							
	Environmental Quality Board	838	-	111	33	724	-	724
	Falmouth State College	311,894	832,112	104,128	7,784	848,977	-	848,977
	Glenville State College	330,228	-	11,821	4,080	348,608	-	348,608
	Health & Human Resources	18,888,000	-	417,501	182,778	18,247,489	-	18,247,489
	Labor, Division of	81,407	-	81,407	2,338	(0)	-	0
	Marshall University	8,000,892	-	134,893	103,632	4,868,668	-	4,868,668
	MU Grad. College	6,712,777	-	40,860	38,862	6,671,917	-	6,671,917
	Natural Resources	1,144,268	883,828	301,848	13,308	1,388,141	-	1,388,141
	Pub. Employees' Incom. Agency	3,618	-	-	-	3,618	3,618	-
	Supreme Court	28,842	-	4,888	682	24,944	-	24,944
	Southern WV Com & Tech. College	189,381	-	12,801	888	178,650	-	178,650

West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Type
 Quarter Ending June 30, 2002
 Note: This is an unaudited report

Type of Debt	Organization	Principal Outstanding 3/31/02	Debt Issued 4/1/02 through 6/30/02	Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments - Deferrals, Refunding, Debt Called, etc.	Adjusted Principal Outstanding
Lease Obligations	Tax. Dept. of	667,448	-	69,812	7,381	597,634	-	597,634
	Tourism, Division of	26,111	-	-	-	26,111	-	26,111
	West Liberty State College	1,567,624	-	-	-	1,567,624	-	1,567,624
	WV Network	107,828	107,712	39,119	3,097	178,423	-	178,423
	WV State Police	481,180	839,898	61,083	8,338	1,260,078	-	1,260,078
	WV University	8,642,808	49,548	639,547	133,060	8,362,908	-	8,362,908
	WVU at Parkersburg	291,472	-	9,689	4,684	281,783	-	281,783
	WVU - Inst. of Tech.	59,803	86,000	9,593	2,761	135,010	-	135,010
Total Lease Obligations		278,009,394	6,363,466	4,462,277	2,394,821	278,614,902	3,818	278,618,720

Notes/Other Debt								
	Housing Development Fund	28,640,000	28,640,000	28,640,000	118,939	28,640,000	-	28,640,000
Total Notes/Other Debt		28,640,000	28,640,000	28,640,000	118,939	28,640,000		28,640,000

GRAND TOTAL		4,694,089,733	147,063,289	108,978,073	78,841,302	4,739,643,269	69,449,918	4,689,394,481
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Appendix B

Debt By Agency

Quarter ending June 30, 2002

West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Agency - Unaudited
 Quarter Ending June 30, 2002

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02	
ADMINISTRATION, DEPT. OF						
Secretary, Office of the	LEASE OBLIGATIONS		30,422,000	29,751,500	.	
			4,210,000	3,988,333	.	
			8,215,000	5,709,000	.	
			5,385,000	5,210,000	.	
			9,880,000	9,880,000	.	
	2002A		146,626,000	145,626,000	.	
	2002B1		7,160,000	7,160,000	.	
2002B2		7,130,000	7,130,000	.		
Building Fund	LOTTERY REVENUE BOND					
	ISSUE DTD. 1/1/87		89,788,000	69,915,000	.	
	Revenue Bonds					
	ISSUE DTD. 08/1/88A		31-20	84,210,000	88,750,000	.
	ISSUE DTD. 08/1/88B		31-20	8,410,000	7,700,000	.
	ISSUE DTD. 08/1/88C		31-20	14,876,000	13,630,000	.
	LEASE OBLIGATIONS					
				2,085,000	842,500	.
				1,000,000	697,603	.
				1,650,000	1,039,582	.
			1,920,000	720,000	.	
			3,685,000	2,320,000	.	
			18,300	6,371	.	
			283,000	197,160	.	
			340,000	282,802	.	
Travel Management	LEASE OBLIGATIONS					
		FLT08002	2,978,281	1,502,519	.	
		FLT0800	4,208,940	711,188	.	
		FLT92121	3,372,802	2,520,912	.	
		FLT92121A	69,101	10,044	.	
		FLT00200	897,104	638,684	.	
		FLT16022	6,486,447	4,311,378	.	
		FLT16020A	363,372	282,073	.	
		FLT22719	4,088,297	.	4,088,297	
L.S.C		ISC88180	91,135	5,403	.	
		ISC96330	361,257	19,780	.	
Finance						
Purchasing						
AGRICULTURE, DEPT. OF						
Land Division	LEASE OBLIGATION		6A-3-3	24,975	4,449	
					.	
AUDITOR'S OFFICE						
	LEASE OBLIGATION		6A-3-3	1,800,000	1,472,688	

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Deferrals, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
68,600	381,078	29,686,000	.	29,686,000	11/01/22	6.16%	DEIR - Diamond Building - Charleston
27,600	55,834	3,860,833	.	3,860,833	11/01/22	6.65%	DEIR - Diamond Parking Garage - Charleston
35,000	79,570	6,674,000	.	6,674,000	08/01/24	6.53%	Capital Parking Garage Project
30,000	60,607	6,180,000	.	6,180,000	10/31/25	6.01%	State Police/DMV Office Building
.	.	8,880,000	.	8,880,000	09/01/28	6.07%	Huntington Office Building - Various State Agencies
970,833	1,180,323	144,854,187	.	144,854,187	04/01/28	6.07%	Repay IRS Investment & Various Conventional Facilities
.	.	7,160,000	.	7,160,000	04/01/28	6.07%	Latin Conventional Facility
.	.	7,130,000	.	7,130,000	10/31/25	6.07%	Tiger Martin Juvenile Detention Center
.	.	68,816,000	.	68,816,000	07/01/10	6.11%	Various Projects - Education, Arts, etc
.	.	88,760,000	.	88,760,000	07/01/21	4.81%	Regional Jail Refunding
.	.	7,700,000	.	7,700,000	07/01/21	4.81%	Regional Jail Lease Renewal
.	.	13,630,000	.	13,630,000	07/01/21	4.81%	Schools/Lease Renewal
82,500	8,891	760,000	.	760,000	09/01/04	6.03%	Refinance Parkersburg Building
18,781	11,752	678,722	.	678,722	08/28/09	6.80%	PSB Building
33,750	13,245	1,005,832	.	1,005,832	12/01/08	6.06%	Refinance Huntington Building
79,583	10,614	640,417	.	640,417	08/01/04	6.04%	Refinance Marlborough Building
.	.	2,320,000	.	2,320,000	04/01/08	6.02%	Refinance Beckley Building
868	87	6,403	.	6,403	11/01/03	5.47%	Fork Truck
5,937	2,401	181,223	.	181,223	08/08/06	4.82%	Deer Access
18,145	3,862	248,658	.	248,658	12/01/06	6.17%	Personal Property
195,480	.	1,307,069	.	1,307,069	02/04/04	6.32%	Vehicles
264,325	.	446,881	.	446,881	11/27/02	4.28%	Vehicles
.	.	2,620,612	.	2,620,612	03/11/09	4.73%	Aircraft
.	.	10,044	.	10,044	08/04/02	6.34%	Aircraft Security System
61,111	.	476,673	.	476,673	04/04/02	6.25%	Vehicles
328,417	.	3,882,960	.	3,882,960	04/20/08	4.36%	Vehicles
20,818	.	271,168	.	271,168	08/20/06	4.71%	Vehicles
78,143	14,786	4,010,144	.	4,010,144	06/03/08	4.34%	Vehicles
.	.	6,403	.	6,403	03/31/02	8.84%	Postal Equipment
.	.	18,780	.	18,780	08/01/03	7.50%	Mail Inventory
1,840	70	2,809	.	2,809	11/30/02	7.44%	Mailing Equipment
.	.	.	.	.	.	.	No Debt Reported
128,378	11,821	1,344,308	.	1,344,308	12/21/04	3.35%	Computer Equipment

West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Agency - Unaudited
 Quarter Ending June 30, 2002

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02
CORRECTIONS, DIVISION OF	LEASE OBLIGATIONS	5A-3-3	36,802	26,272	.
WV Correctional Industries		PR1 2469A	1,006,958	634,050	.
		PR1 2469A	474,878	289,358	.
		PR1 2469A	113,878	70,871	.
		CPF 78203	1,018,421	414,497	.
ECONOMIC DEVELOPMENT AUTHORITY	REVENUE BONDS	31-15			
			15,000,000	11,530,000	.
			8,000,000	3,188,687	.
			7,000,000	3,400,000	.
			80,000,000	84,600,000	.
			140,000,000	131,600,000	.
			2,820,000	2,160,000	.
			3,500,000	3,800,000	.
			5,500,000	5,265,000	.
			4,000,000	3,775,000	.
			4,500,000	4,390,000	.
			8,820,000	8,820,000	.
			3,150,000	3,180,000	.
		See "Administration"			.
			2,668,000	2,485,000	.
			3,000,000	2,380,000	.
			3,000,000	2,380,000	.
			81,715,000	65,600,000	.
			238,286,000	218,870,330	.
			48,008,000	42,870,000	.
			28,000,000	28,000,000	.
			14,020,000	14,020,000	.
EDUCATION, DEPT. OF	LEASE OBLIGATION		18,000	1,249	.
	REVENUE BONDS	18-2-18a			
	Issue DTD 86A		1,897,500	1,788,781	.
	Issue DTD 86B		600,000	548,780	.
Better School Building Amendment	GENERAL OBLIGATION BONDS				
	ISSUE DTD 871/79	CONSTITUTION	50,000,000	8,000,000	.
EDUCATIONAL BROADCASTING AUTHORITY	LEASE OBLIGATION		1,800,000	1,435,818	.
			302,339	181,388	.
ENVIRONMENTAL PROTECTION, DEPARTMENT OF					
Air Quality Board					
Environmental Quality Board	LEASE OBLIGATION	5A-3-3	1,358	836	.

Principal Paid 4/1/02 through 8/30/02	Interest Paid 4/1/02 through 8/30/02	Principal Outstanding 8/30/02	Adjustments (Defeasance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
		25,272		25,272	03/31/05		Mt. Glen - Postal System
68,875	9,861	587,175		587,175	11/15/04	4.90%	Two Xerox 6180 DocuCenters (new)
32,894	7,970	268,394		268,394	08/15/04	8.00%	Two Xerox 6180 DocuCenters (currently installed)
7,918	1,033	63,053		63,053	08/15/04	8.00%	Xerox DocuColor 40 (currently installed)
		414,497		414,497	01/28/04	8.16%	Two Sakural Offset Presses & Gickinger Co. press
250,000	384,611	11,280,000		11,280,000	11/01/23	6.85%	Edgewood Summit Project
833,333	78,522	2,333,334		2,333,334	08/30/09	Variable	NRX Spunk Plug Mill (USA), Inc. Project 94A-8943
1,200,000	114,790	2,200,000		2,200,000	08/30/04	5.00%	NRX Spunk Plug Mill (USA), Inc. Project Spt. '03
		84,600,000		84,600,000	05/01/48	7.50%	Onal Graphics, Inc. 95AB
		131,600,000		131,600,000	05/01/48	7.50%	Onal Graphics, Inc. 98ABCO
232,000	28,640	1,828,000		1,828,000	05/15/10	5.37%	Central Supply, Inc.
		3,600,000		3,600,000	07/01/08	5.75%	Quality Engineered Steels
240,000	26,450	5,025,000		5,025,000		Variable	Smith Services Inc.
		3,775,000		3,775,000	05/01/18	Variable	TLM Aircraft, LLC
		4,360,000		4,360,000	12/01/16	Variable	Robberlin, Inc.
140,000	210,630	8,780,000		8,780,000	11/01/29	7.05%	Edgewood Summit Project, etc. '89
		3,160,000		3,160,000		8.75%	Quality Engineered Steels - Refunding
					08/01/24	6.50%	Capital Parking Garage
		2,485,000		2,485,000	02/01/16	5.80%	Tax Exempts - Series A
		2,390,000		2,390,000	09/01/15	Variable	Coastal Lumber Products - 90A
		2,390,000		2,390,000	09/01/16	Variable	Coastal Lumber Products - 90B
	385,487	55,800,000		55,800,000	05/01/08	Variable	Toyota Motor Manufacturing - 87A
	1,522,810	218,870,330		218,870,330	06/01/08	Variable	Toyota Motor Manufacturing - 87B
	312,008	42,870,000		42,870,000	08/24/09	Variable	Toyota Motor Manufacturing - 88A
	119,340	28,000,000		28,000,000	04/01/25	Variable	Stromwell Jackson Lake SP - 2000A
	661,773	14,020,000		14,020,000	04/01/30	Variable	Stromwell Jackson Lake SP - 2000B
1,249	16				08/30/02	7.65%	Telephone Workmail
8,915	25,240	1,749,868		1,749,868	10/02/25	6.75%	Cedar Lakes Lodge - Sec. '85 A
2,871	8,217	546,910		546,910	10/02/25	6.00%	Cedar Lakes Lodge - Sec. '85 B
2,000,000	182,000	4,000,000		4,000,000	08/01/04	5.85%	School Construction
23,678	18,860	1,412,137		1,412,137	12/31/04	5.50%	Refinance 600 Capital Street - Charleston
14,899	2,417	168,497		168,497	01/21/06	5.48%	Communications System
							No Debt
111	33	724		724	11/29/03	18.38%	Telephone System

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02
FAIRMONT STATE COLLEGE					
	LEASE OBLIGATIONS	5A-3-3	169,000	96,607	.
			583,800	88,860	.
			234,851	129,628	.
			110,898	.	110,898
			528,214	.	528,214
GLENNVILLE STATE COLLEGE					
	LEASE OBLIGATION		503,128	360,229	.
HEALTH & HUMAN RESOURCES, DEPT. OF					
Barbers and Cosmetologists, Board of					
Behavioral Health and Health Facilities, Bureau of					
Child Support Enforcement, Bureau for					
Children and Families, Bureau for					
Deaf and Hard-of-Hearing, Commission for					
Developmental Disabilities Planning Council					
Secretary, Office of the					
Health Care Authority					
Hearing Aid Dealers, Board of					
Human Rights Commission					
Human Services					
Medical Services, Bureau for					
Medicine, WV Board of					
Nursing Home Administrators Licensing Board					
Public Health, Bureau for					
Registration for Seminars, Board of					
Women's Commission					

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defassance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
6,488	1,870	89,011	.	89,011	07/01/08	8.03%	Computer Equipment
51,882	842	34,978	.	34,978	08/04/02	6.55%	Computer Equipment
11,721	1,811	117,805	.	117,805	10/18/04	6.82%	Telephone Equipment
6,811	747	106,087	.	106,087	04/28/06	4.09%	Computer Equipment
28,219	2,384	488,895	.	488,895	01/01/06	2.76%	Computer Equipment
11,821	4,080	348,608	.	348,608	11/27/08	4.68%	Lighting, heating & HVAC

(See Hospital Finance Authority)

(See Administration - Building Council)

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02
HIGHER EDUCATION CENTRAL OFFICE					
	REVENUE BONDS				
	ISSUE DTD 4/1/77	18-12B	30,880,000	3,176,000	.
	ISSUE DTD 8/1/77	18-12B	61,700,000	9,588,000	.
	ISSUE DTD 11/1/82	18B-10-B	101,606,000	70,766,000	.
	ISSUE DTD 11/1/82	18B-10-B	49,826,000	27,400,000	.
	ISSUE DTD 03/15/88	18B-1 et. seq.	15,000,000	12,516,000	.
	ISSUE DTD 11/1/87A	18B-1 et. seq.	12,810,000	11,880,000	.
	ISSUE DTD 11/1/87B	18B-1 et. seq.	9,820,000	9,340,000	.
	ISSUE DTD 6/1/88A	18B-1 et. seq.	66,028,000	64,085,000	.
	ISSUE DTD 6/16/2000A	18B-1 et. seq.	38,690,868	38,690,868	.
	ISSUE DTD 6/16/2000B	18B-1 et. seq.	9,380,000	9,076,000	.
HOSPITAL FINANCE AUTHORITY					
	REVENUE BONDS				
	ISSUE DATED 12/1/85		102,800,000	42,400,000	.
	ISSUE DATED 11/1/87		6,600,000	3,200,000	.
	ISSUE DATED 11/1/87		31,000,000	18,300,000	.
	ISSUE DATED 7/1/82		23,230,000	20,035,000	.
	ISSUE DATED 10/1/82		4,770,000	3,655,000	.
	ISSUE DATED 1/1/83		16,000,000	16,000,000	.
	Note: Issue was advance refunded. Bonds will be called on Jan 1, 2003.				
	ISSUE DATED 8/1/83		72,836,000	57,586,000	.
	ISSUE DATED 3/1/84		6,895,000	6,780,000	.
	ISSUE DATED 5/1/84		29,785,000	24,286,000	.
	ISSUE DATED 7/1/86		31,470,000	28,906,000	.
	ISSUE DATED 9/1/86		73,420,000	64,630,000	.
	ISSUE DATED 12/1/86		4,180,000	3,246,000	.
	ISSUE DATED 12/1/86		2,080,000	1,640,000	.
	ISSUE DATED 8/13/87		21,715,000	16,685,000	.
	ISSUE DATED 11/1/87		3,806,000	2,388,000	.
	ISSUE DATED 11/18/88		44,348,000	44,346,000	.
	ISSUE DATED 3/1/89		4,516,000	4,376,000	.
	ISSUE DATED 3/1/89		3,210,000	3,046,000	.
	ISSUE DATED 12/1/89		23,000,000	23,000,000	.

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defeasance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
1,080,000	86,260	2,086,000	2,096,000	-	04/01/04	5.88%	Facilities Construction
3,010,000	280,768	6,576,000	6,576,000	-	04/01/04	5.75%	Facilities Construction
4,765,000	2,088,684	66,890,000	.	66,890,000	04/01/12	5.81%	Refunding Issue (Col. Sys.)
2,780,000	807,609	24,620,000	.	24,620,000	04/01/12	5.67%	Refunding Issue (Col. Sys.)
570,000	340,818	11,845,000	.	11,845,000	04/01/18	5.61%	Library/Information Center (Marshall University)
236,000	289,461	11,845,000	.	11,845,000	04/01/27	5.30%	Facilities Construction
180,000	236,428	8,160,000	.	8,160,000	04/01/27	6.30%	Facilities Construction
680,000	1,419,718	63,105,000	.	63,105,000	04/01/28	6.18%	Various Projects - WVU
.	.	38,690,868	.	38,690,868	04/01/31	6.18%	Various Projects - WVU
180,000	281,669	8,686,000	.	8,686,000	04/01/26	6.84%	Marshall Univ. Medical Center
.	.	42,400,000	.	42,400,000	12/01/26	VARIABLE RATE	WVU State Revenue Bonds VIA Mid-Atlantic State, Inc. (1995 Series A two F)
.	.	3,200,000	.	3,200,000	10/01/10	VARIABLE RATE	St. Joseph's Project Variable Rate Weekly Demand
.	.	18,300,000	.	18,300,000	10/01/12	VARIABLE RATE	St. Mary Hospital Project WVU State Weekly Demand
.	.	20,036,000	.	20,036,000	01/01/18	6.18%	WVU Med. Corp. Refunding Issue, G2 A
.	128,418	3,555,000	.	3,555,000	10/01/14	7.10%	Gen. Obs. Med. Office Building, G2A
.	.	16,000,000	16,000,000	.	09/01/23	6.68%	CAMC 1993 Series A
2,780,000	1,631,706	54,786,000	.	54,786,000	08/01/18	5.36%	WVU Hospitals, Inc. SRS 1993
.	.	5,760,000	.	5,760,000	03/01/18	6.83%	Fairmont General Hospital, 94A
.	.	24,288,000	.	24,288,000	01/01/18	6.25%	Cabell Huntington Hospital, 94A
.	.	28,806,000	.	28,806,000	07/01/20	7.20%	Logan Series 1996
.	.	54,630,000	.	54,630,000	08/01/13	6.63%	CAMC, 95A
.	123,538	3,246,000	.	3,246,000	11/01/16	7.63%	Yeary Valley Haven, Ser. 03 Refunding Issue
.	62,400	1,640,000	.	1,640,000	11/01/16	7.63%	Raleigh Manor, Ser. 05 Refunding Issue
417,601	182,776	16,247,489	.	16,247,489	08/01/09	5.00%	Dept. of Health & Human Resources Project (Refunding)
.	80,078	2,388,000	.	2,388,000	01/01/08	5.50%	Fairmont General Hospital, Inc. series 1997
1,340,000	1,027,984	43,006,000	.	43,006,000	08/01/22	Variable	WVU Hospitals, Inc. Series 1998
.	.	4,375,000	.	4,375,000	08/01/18	6.86%	Maize's Project 1999A
.	.	3,045,000	.	3,045,000	08/01/18	6.86%	Maize's Project 1999B (Refunding)
.	.	23,000,000	.	23,000,000	01/03/01	Variable	CAMC, Inc. 99C

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 8/30/02	
HOSPITAL FINANCE AUTHORITY (continued)	ISSUE DATED 12/1/89		3,660,000	3,171,448	.	
	ISSUE DATED 12/1/89		3,660,000	3,185,612	.	
	ISSUE DATED 6/01/00A		63,225,000	61,480,000	.	
	ISSUE DATED 6/01/00B		24,476,000	24,476,000	.	
	ISSUE DATED 8/17/2000 Summersville 2000B1 Brexton 2000B2 City Hospital 2001C1 Cabell Huntington 2002A1		140,000,000	127,180,000 5,480,000 1,870,000 4,825,000 .	11,000,000	
	ISSUE DATED 8/18/2000		4,616,365	3,694,557	.	
	ISSUE DATED 8/1/2001		2,412,879	2,241,308	.	
	ISSUE DATED 2/1/2002		4,806,957	4,826,842	.	
	VETERANS BONUS AMENDMENT	CONSTITUTION				
	HOUSING DEVELOPMENT FUND	REVENUE BONDS				
	SINGLE-FAMILY MORTG. REV. BONDS					
	ISSUE DTD 3/1/82 SRS BCD	31-18	118,615,000	81,860,000	.	
	ISSUE DTD 8/1/83 SRS A	31-18	24,776,000	14,140,000	.	
	ISSUE DTD 1/1/84 SRS AB	31-18	60,000,000	39,160,000	.	
	ISSUE DTD 8/15/84 SRS CD	31-18	50,000,000	37,365,000	.	
	ISSUE DTD 3/15/85 SRS A	31-18	28,000,000	23,310,000	.	
	ISSUE DTD 1/16/86 SRS AB	31-18	60,000,000	35,476,000	.	
	ISSUE DTD 8/12/88 SRS C	31-18	25,000,000	23,725,000	.	
	ISSUE DTD 2/26/87 SRS AB	31-18	80,000,000	38,116,000	.	
	ISSUE DTD 3/1/87 SRS C	31-18	48,040,000	48,040,000	.	
	ISSUE DTD 6/16/87 SRS D	31-18	28,000,000	23,800,000	.	
	ISSUE DTD 2/1/83 SRS AB	31-18	88,865,000	84,215,000	.	
	ISSUE DTD 8/17/88 SRS E	31-18	78,160,000	67,880,000	.	
	ISSUE DTD 2/10/89 SRS AB	31-18	50,000,000	48,885,000	.	
	ISSUE DTD 2/16/00 SRS AB	31-18	60,000,000	48,495,000	.	
	ISSUE DTD 8/3/00 SRS C	31-18	36,000,000	36,000,000	.	
	ISSUE DTD 2/15/01 SRS AB	31-18	66,000,000	66,000,000	.	
	ISSUE DTD 9/18/01 SRS C	31-18	60,000,000	60,000,000	.	
	ISSUE DTD 5/29/02 SRS A	31-18	26,000,000	.	25,000,000	
	ISSUE DTD 8/18/02 SRS BC	31-18	40,034,754	.	40,034,754	
	ISSUE DTD 6/18/02 SRS DE	31-18	36,046,000	.	36,046,000	
	MULTI-FAMILY MORTG. REV. BONDS					
	ISSUE DTD 12/18/71 SRS A	31-18	12,166,000	5,160,000	.	
	ISSUE DTD 3/1/82 SERIES A	31-18	20,546,000	18,020,000	.	
	ISSUE DTD 8/1/82 SERIES E	31-18	10,365,000	7,480,000	.	
	ISSUE DTD 4/7/83 SERIES A	31-18	18,600,000	16,826,000	.	
	ISSUE DTD 10/21/88 SRS F	31-18	2,236,000	1,835,000	.	
	ISSUE DTD 12/21/00 SRS D	31-18	7,600,000	6,826,000	.	
	ISSUE DTD 1/7/02 SRS 2001D	31-18	79,686,000	79,686,000	.	

Note: This adjustment represents accr. compounded int. payable

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Deferrals, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
88,864	45,166	3,082,684	.	3,082,684	12/21/09	6.76%	HealthNet, Inc. 69A
83,560	45,538	3,111,961	.	3,111,961	12/21/09	6.76%	HealthNet, Inc. 69B
.	.	91,480,000	.	91,480,000	09/01/30	6.84%	C&MC Series 2000A
.	.	24,476,000	.	24,476,000	08/01/30	6.76%	Oak Hill Series 2000B
.	468,383	127,180,000	11,000,000	116,180,000	08/01/30	Variable	WVHA Pooled Loan Financing Program, Series 2000
.	21,130	5,480,000	.	5,480,000			
155,000	7,803	1,815,000	.	1,815,000			
.	18,688	4,826,000	.	4,826,000			
.	13,884	11,000,000	.	11,000,000			
144,417	46,555	3,460,140	.	3,460,140	08/08/07	6.28%	Fairmont General & First Health Care
87,635	27,818	2,163,674	.	2,163,674	09/01/08	6.03%	WFO Med Corp
187,638	64,661	4,638,306	.	4,638,306	11/01/07	4.69%	Fairmont General - First Capital Leasing
1,020,000	2,183,216	60,940,000	3,705,000	67,235,000	06/01/24	7.08%	Single Family Housing
305,000	373,604	13,835,000	295,000	13,540,000	11/01/21	6.32%	Single Family Housing
160,000	1,079,608	39,010,000	420,000	38,590,000	11/01/28	6.62%	Single Family Housing
490,000	1,200,207	38,866,000	840,000	38,026,000	05/01/28	6.44%	Single Family Housing
.	763,403	23,310,000	580,000	22,730,000	11/01/27	6.68%	Single Family Housing
1,185,000	848,139	34,280,000	240,000	34,040,000	06/01/23	6.27%	Single Family Housing
.	740,220	23,726,000	495,000	23,230,000	11/01/31	6.24%	Single Family Housing
820,000	1,018,886	35,186,000	186,000	35,000,000	08/01/27	6.83%	Single Family Housing
.	1,325,868	48,040,000	.	48,040,000	11/01/26	6.78%	Single Family Housing
.	890,549	23,800,000	.	23,800,000	11/01/32	6.78%	Single Family Housing
300,000	2,178,438	83,915,000	895,000	83,220,000	11/01/32	6.25%	Single Family Housing
3,375,000	1,785,845	54,515,000	.	54,515,000	11/01/08	8.10%	Single Family Housing
616,000	1,151,871	48,370,000	225,000	48,145,000	11/01/30	6.00%	Single Family Housing
416,000	1,485,612	48,080,000	1,186,000	46,895,000	11/01/31	6.88%	Single Family Housing
.	1,060,000	35,000,000	240,000	34,760,000	11/01/34	6.47%	Single Family Housing
.	1,708,833	86,000,000	160,000	86,860,000	11/01/37	6.31%	Single Family Housing
.	1,810,568	60,000,000	.	60,000,000	11/01/32	6.20%	Single Family Housing
.	.	25,000,000	.	25,000,000	11/01/33	6.44%	Single Family Housing
.	.	40,034,764	(16,525)	40,018,239	11/01/37	6.66%	Single Family Housing
.	.	35,046,000	.	35,046,000	11/01/15	3.81%	Single Family Housing
.	154,800	5,160,000	.	5,160,000	12/16/13	6.00%	Multi-family Housing
175,000	819,021	17,848,000	.	17,848,000	06/01/24	7.08%	Multi-family Housing
145,000	227,738	7,305,000	.	7,305,000	06/01/24	6.07%	Multi-family Housing
205,000	433,386	15,620,000	.	15,620,000	11/01/21	6.44%	Multi-family Housing
53,000	55,148	1,880,000	.	1,880,000	11/01/13	8.70%	Multi-family Housing
276,000	228,784	8,860,000	.	8,860,000	08/01/10	6.58%	Multi-family Housing
.	1,323,976	79,686,000	.	79,686,000	11/01/32		Multi-family Housing

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ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02	
HOUSING DEVELOPMENT FUND	Short-term Interim Financing & Other Notes					
		ISSUE DTD 3/18/02 SERIES C	31-18	28,605,000	28,605,000	.
		ISSUE DTD 3/19/02 SERIES D	31-18	3,135,000	3,135,000	.
		ISSUE DTD 6/17/02 SERIES E	31-18	28,605,000	.	28,605,000
		ISSUE DTD 6/17/02 SERIES F	31-18	3,135,000	.	3,135,000
LABOR, DIVISION OF	LEASE OBLIGATION	6A-3-3	384,656	81,407	.	
MARSHALL UNIVERSITY	REVENUE BONDS					
		ISSUE DTD 1/1/69	18B-10-10	3,500,000	1,299,000	.
		ISSUE DTD 6/1/01	18-23	48,810,000	48,810,000	.
	LEASE OBLIGATIONS					
				1,900,000	1,844,008	.
				275,000	85,818	.
				158,650	17,823	.
				490,000	150,878	.
				47,862	13,873	.
				3,000,000	2,861,801	.
				32,622	23,339	.
				17,311	10,740	.
				221,210	182,575	.
	MARSHALL UNIVERSITY GRADUATE COLLEGE	LEASE OBLIGATION	6A-3-3	4,100,000	3,572,047	.
				3,530,470	3,140,730	.
NATURAL RESOURCES, DIVISION OF	LEASE OBLIGATIONS					
			20-1-7	160,000	50,000	.
				382,700	261,800	.
				158,586	78,298	.
				26,926	28,926	.
				68,000	.	68,000
				1,140	.	1,140
				109,232	4,472	.
				659,140	50,367	.
				138,900	12,887	.
				304,655	58,768	.
				682,407	16,730	.
				824,139	420,578	.
				208,319	186,384	.
				487,688	.	487,688
PARKWAYS, ECONOMIC DEVELOPMENT AND TOURISM AUTHORITY	REVENUE BONDS					
		ISSUE DTD 02/15/93	17-16A	118,780,687	68,284,938	.
		ISSUE DTD 12/01/01A	17-16A	8,695,000	5,695,000	.
		ISSUE DTD 12/01/01B	17-16A	5,800,000	5,800,000	.
		ISSUE DTD 2/01/02	17-16A	44,205,000	44,205,000	.
PEJA	LEASE OBLIGATION	6A-3-3	63,119	3,818	.	

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defassance, Refunding, etc.)	Adjusted Principal Outstanding	FBIAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
28,505,000	104,568	.	.	.	06/17/02	1.60%	Interim Financing
3,135,000	12,368	.	.	.	08/17/02	1.60%	Interim Financing
.	.	28,505,000	.	28,505,000	09/18/02	1.70%	Interim Financing
.	.	3,135,000	.	3,135,000	09/18/02	1.70%	Interim Financing
81,407	2,336	.	.	.	10/14/02	6.74%	Heavy Scale Trucks, Pusher Aides
.	.	1,285,000	.	1,285,000	01/01/09	6.00%	University Center
.	1,148,823	48,810,000	.	48,810,000	05/01/31	6.23%	Residence Hall Complex and other projects
32,878	49,320	1,811,127	.	1,811,127	07/01/17	6.00%	M.U. Football Stadium Fan. Seating
.	.	85,818	.	85,818	12/01/03	5.97%	Building at 7th Ave and 20th St
8,848	220	8,877	.	8,877	09/29/02	5.12%	Printing Press & Workstation
52,184	4,259	108,514	.	108,514	04/23/03	5.30%	Stadium Astro Turf
2,671	294	11,302	.	11,302	08/01/03	9.38%	EPIC 3000-MODEDAX 3000 System
18,423	39,276	2,845,478	.	2,845,478	09/01/24	5.50%	Mit Ohio Valley Center
1,492	686	21,847	.	21,847	08/30/05	12.00%	Two Cannon (E650) Copiers
1,058	312	8,884	.	8,884	08/30/04	12.00%	Cannon (E650) Copier
19,362	8,168	163,213	.	163,213	08/30/05	10.50%	Kerox 8110 Copier System
.	.	3,572,047	.	3,572,047	07/01/17	5.87%	Academic Building
40,860	35,882	3,089,870	.	3,089,870	02/01/16	4.50%	Reference Administration Building
.	.	50,000	.	50,000	08/01/03	No Interest Rate	Land Acquisition
130,800	.	130,800	.	130,800	12/01/03	No Interest Rate	Land Acquisition
.	.	78,288	.	78,288	03/26/03	No Interest Rate	Land Acquisition
.	.	28,925	.	28,925	06/01/02	No Interest Rate	Land Acquisition
.	.	66,000	.	66,000	09/18/02	No Interest Rate	Land Acquisition
.	.	1,140	.	1,140	07/31/02	No Interest Rate	Land Acquisition
4,472	37	.	.	.	05/28/02	6.44%	Admi/Parks Telecom
37,873	568	12,684	.	12,684	07/01/02	6.01%	Parks - Gen. Maint. Equipment
7,743	160	5,224	.	5,224	08/20/02	6.78%	Parks - Telephone System
22,384	892	34,372	.	34,372	12/24/02	5.52%	Parks Houseboats
15,730	68	.	.	.	04/18/02	5.82%	Park Vehicles
52,048	6,307	368,530	.	368,530	02/17/04	6.26%	Law Enforcement Vehicles
12,284	1,842	154,080	.	154,080	05/18/05	4.54%	Misc. heavy equip., golf course maintenance
18,701	3,443	468,887	.	468,887	04/06/06	4.28%	Vehicles
3,630,000	810,713	62,684,838	.	62,684,838	09/18/19	5.91%	Refunding Issue
310,000	88,424	5,385,000	.	5,385,000	08/01/18	6.54%	Caperton Center Refunding Issue
.	72,218	5,800,000	.	5,800,000	06/01/10	5.01%	Caperton Center Expansion
2,265,000	674,060	41,950,000	.	41,950,000	08/18/19	4.63%	Refunding Issue
.	.	3,618	3,618	.	06/01/01	5.90%	Copier

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ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02
PUBLIC ENERGY AUTHORITY	REVENUE BONDS				
	ISSUE DTD 9/1/89	6D-1	80,000,000	80,000,000	.
	ISSUE DTD 1/08/90	6D-1	40,000,000	30,860,000	.
RAIL AUTHORITY, WV	REVENUE BOND	29-18	4,000,000	2,166,000	.
REGIONAL JAIL AUTHORITY					
SCHOOL BUILDING AUTHORITY	REVENUE BONDS (with appropriated debt service from the General Revenue Fund)				
	ISSUE DTD 7/1/80B	18-8D	103,180,000	11,815,000	.
	ISSUE DTD 6/30/82A	18-8D	26,016,000	22,398,000	.
	ISSUE DTD 6/30/82B	18-8D	32,576,000	31,498,000	.
	ISSUE DTD 2/1/87A	18-8D	130,896,000	127,600,000	.
	ISSUE DTD 8/1/87B	18-8D	106,086,000	103,000,000	.
	LOTTERY REVENUE BONDS				
	ISSUE DTD 11/10/84	18-8D	136,600,000	48,156,000	.
SOLID WASTE MANAGEMENT BOARD	REVENUE BONDS				
	ISSUE DTD 8/1/90 SERIES C	22C-3	3,216,000	2,630,000	.
SOUTHERN WV COMMUNITY & TECHNICAL COLLEGE	LEASE OBLIGATION				
			230,416	189,361	.
SUPREME COURT OF APPEALS	LEASE OBLIGATION				
			66,468	29,642	.
TAX & REVENUE, DEPT. OF	LEASE OBLIGATIONS				
			1,407,012	170,721	.
			18,239	9,413	.
			429,404	364,263	.
		139,829	123,049	.	
TOURISM, DIVISION OF	LEASE OBLIGATIONS				
			123,872	28,111	.
TRANSPORTATION, DEPT. OF	GENERAL OBLIGATION BONDS				
	BETTER HIGHWAYS AMENDMENT				
	ISSUE DTD 6/1/77	CONSTITUTION	60,000,000	2,000,000	.
	ISSUE DTD 6/1/79	CONSTITUTION	60,000,000	4,000,000	.
	ISSUE DTD 6/1/79	CONSTITUTION	60,000,000	6,000,000	.
	ISSUE DTD 7/1/82	CONSTITUTION	68,760,000	12,660,000	.
	SAFE ROAD AMENDMENT				
	ISSUE DTD 7/1/89A	CONSTITUTION	220,000,000	204,080,000	.
	ISSUE DTD 7/1/89A	CONSTITUTION	110,000,000	108,325,000	.
	ISSUE DTD 7/1/00A	CONSTITUTION	110,000,000	110,000,000	.
	ISSUE DTD 7/1/01A	CONSTITUTION	110,000,000	110,000,000	.
	REVENUE BONDS				
	HUNTINGTON TOLL BRIDGE				
	ISSUE DTD 1/1/66	17-17	18,600,000	2,285,000	.
Public Port Authority					.

Principal Paid 4/1/02 through 8/30/02	Interest Paid 4/1/02 through 8/30/02	Principal Outstanding 8/30/02	Adjustments (Defeasance, Refunding, etc.)	Adjusted Principal Outstanding	FISCAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
.	.	80,000,000	.	80,000,000	01/01/17	Variable	To Finance Coal Waste Powerplant
.	.	30,860,000	.	30,860,000	01/01/08	6.60%	To Finance Coal Waste Powerplant
76,000	38,565	2,155,000	.	2,165,000	07/01/07	6.89%	South Branch Valley Railroad
.	189,377	11,815,000	.	11,815,000	08/30/20	6.84%	School Construction and Maintenance
133,750	7,891	22,395,000	21,860,000	535,000	08/30/22	6.66%	School Construction and Maintenance
42,500	466,283	31,495,000	.	31,495,000	08/30/16	6.33%	Refunding Issue
228,750	1,782,468	127,800,000	.	127,800,000	08/20/22	6.55%	Refunding Issue
1,650,000	1,346,478	103,000,000	.	103,000,000	07/01/21	6.47%	Refunding Issue
1,518,500	281,459	48,155,000	.	48,155,000	07/01/04	6.97%	School Construction and Maintenance
.	.	2,530,000	.	2,530,000	08/01/16	8.13%	Solid Waste (Disposal Ser. Bonds (Loss Program))
12,801	586	178,580	.	178,580	11/14/04	3.06%	Equipment for ICI classroom
4,688	682	24,844	.	24,844	09/30/03	8.76%	Kodak Image Source Copier
72,528	1,918	88,182	.	88,182	10/01/02	6.87%	Image-enabled Resilience Processing System (OM4)
806	112	8,608	.	8,608	12/31/04	4.80%	Coke Copier 00620
20,015	3,981	344,248	.	344,248	05/09/06	4.43%	R-Class Server 01 002A
6,463	1,389	118,586	.	118,586	07/30/08	4.63%	Raid Disc Storage 01 007b
.	.	28,111	.	28,111	03/01/02	7.10%	Telephone System
2,000,000	52,600	.	.	.	08/01/02	6.08%	Highway Construction
2,000,000	114,000	2,000,000	.	2,000,000	08/01/03	6.66%	Highway Construction
2,000,000	182,000	4,000,000	.	4,000,000	08/01/04	6.86%	Highway Construction
.	.	12,680,000	.	12,680,000	02/01/08	6.64%	Refunding Issue
.	5,016,548	204,080,000	.	204,080,000	08/01/23	4.87%	Highway Construction
1,306,000	2,862,903	106,020,000	.	106,020,000	08/01/17	6.28%	Highway Construction
.	3,144,218	110,000,000	.	110,000,000	08/01/26	6.84%	Highway Construction
8,220,000	2,613,353	101,780,000	.	101,780,000	08/01/13	4.38%	Highway Construction
.	.	2,286,000	2,286,000	.	01/01/06	UNKNOWN	Toll Bridge Construction
.	.	.	.	.	.	.	No Debt Reported

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 8/30/02
WATER DEVELOPMENT AUTHORITY					
	REVENUE BONDS				
	ISSUE DTD 8/01/81A	22C-1	14,860,000	460,000	.
	ISSUE DTD 3/16/83A-D	22C-1	68,840,000	62,160,000	.
	ISSUE DTD 3/16/83B-D	22C-1	18,120,000	17,650,000	.
	ISSUE DTD 7/1/83A-1	22C-1	33,766,000	29,550,000	.
	ISSUE DTD 8/15/84A	22C-1	11,175,000	5,366,000	.
	ISSUE DTD 12/1/85A	22C-1	24,165,000	22,390,000	.
	ISSUE DTD 12/1/85B	22C-1	13,428,000	12,785,000	.
	ISSUE DTD 8/1/89A	22C-1	41,475,000	40,665,000	.
	ISSUE DTD 1/1/00A	22C-1	22,085,000	21,645,000	.
	ISSUE DTD 8/1/00B	22C-1	10,805,000	10,805,000	.
	ISSUE DTD 1/1/02A	22C-1	8,650,000	8,650,000	.
WEST LIBERTY STATE COLLEGE					
	REVENUE BONDS				
	ISSUE DTD 11/1/87	18B-10-10	600,000	120,000	.
	LEASE OBLIGATIONS				
			42,627	12,916	.
			8,660	1,830	.
			2,489,574	1,942,679	.
WV INFRASTRUCTURE & JOBS DEVELOPMENT COUNCIL					
	GENERAL OBLIGATION BONDS				
	ISSUE DTD 4/1/86a	31-15B	35,300,000	35,300,000	.
	ISSUE DTD 4/1/86b	31-15B	14,700,000	13,880,000	.
	ISSUE DTD 4/1/86c	31-15B	10,000,000	8,260,000	.
	ISSUE DTD 12/1/86d	31-15B	60,000,000	47,805,000	.
	ISSUE DTD 12/1/86e	31-15B	7,000,000	4,850,000	.
	ISSUE DTD 2/1/89a	31-15B	68,000,000	66,350,000	.
	ISSUE DTD 2/1/89b	31-15B	10,000,000	8,325,000	.
	ISSUE DTD 2/1/89c	31-15B	14,000,000	11,000,000	.
	ISSUE DTD 5/1/89a	31-15B	69,693,910	69,693,910	.
	ISSUE DTD 5/1/89b	31-15B	7,300,000	7,300,000	.
	ISSUE DTD 5/1/89c	31-15B	14,000,000	14,000,000	.
	REVENUE BONDS				
	ISSUE DTD 10/1/00a	31-15A	45,000,000	45,000,000	.
WV NETWORK FOR EDUCATIONAL TELECOMPUTING					
	LEASE OBLIGATIONS				
			168,350	25,044	.
			111,458	39,280	.
			49,065	43,602	.
			107,712	.	107,712
WV STATE COLLEGE					
	REVENUE BONDS				
			3,471,858	3,277,597	.
WV STATE POLICE					
	LEASE OBLIGATIONS				
		6A-3-3	16,860	2,001	.
			144,000	110,400	.
			2,485	301	.
			63,797	23,002	.

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defassance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
-	16,830	450,000	450,000	-	11/01/04	7.29%	Loan Program II
-	1,732,204	52,160,000	-	52,160,000	11/01/29	6.88%	Refund various GSA, GSA, GSA, GSA and G1A bonds
-	508,691	17,650,000	-	17,650,000	11/01/33	5.88%	Loan Program II
-	788,736	29,550,000	-	29,550,000	11/01/26	6.60%	To refund a portion of 1992A bonds
-	162,093	5,385,000	-	5,385,000	11/01/24	6.62%	Loan Program II
-	603,620	22,390,000	-	22,390,000	11/01/33	6.55%	Refund various GSA, GSA, GSA, G1A and G4A bonds
-	338,149	12,785,000	-	12,785,000	11/01/36	6.43%	Loan Program II
-	1,030,874	40,685,000	-	40,685,000	11/01/39	6.23%	Loan Program I
-	-	21,845,000	-	21,845,000	07/01/38	8.34%	Loan Program III
-	-	10,905,000	-	10,905,000	07/01/40	6.76%	Loan Program III
-	125,204	8,650,000	-	8,650,000	11/01/26	4.78%	Refund G1A Bonds
-	-	120,000	-	120,000	11/01/07	3.00%	Student Union G7B
-	-	12,918	-	12,918	12/16/02	4.80%	Metabolic Cart Unit
-	-	1,930	-	1,930	04/30/02	5.15%	Treatment for use with Metabolic Unit
-	-	1,942,679	-	1,942,679	01/11/09	6.85%	ERTAC
-	1,043,463	35,300,000	-	35,300,000	11/01/29	6.88%	Infrastructure & Economic Development
-	404,685	13,890,000	-	13,890,000	11/01/16	6.85%	Infrastructure & Economic Development
-	220,078	8,250,000	-	8,250,000	11/01/11	7.05%	Infrastructure & Economic Development
-	1,324,822	47,906,000	-	47,906,000	11/01/29	6.55%	Infrastructure & Economic Development
-	160,851	4,850,000	-	4,850,000	11/01/11	6.58%	Infrastructure & Economic Development
-	1,704,480	68,350,000	-	68,350,000	11/01/29	6.11%	Infrastructure & Economic Development
-	238,785	9,325,000	-	9,325,000	11/01/17	6.16%	Infrastructure & Economic Development
-	343,613	11,000,000	-	11,000,000	11/01/11	6.30%	Infrastructure & Economic Development
-	-	69,693,810	-	69,693,810	11/01/26	6.28%	Infrastructure & Economic Development
-	188,008	7,300,000	-	7,300,000	11/01/22	6.12%	Infrastructure & Economic Development
-	470,853	14,000,000	-	14,000,000	11/01/18	6.69%	Infrastructure & Economic Development
-	1,234,753	45,000,000	-	45,000,000	10/01/38	6.81%	Infrastructure & Economic Development
14,968	271	10,088	-	10,088	08/04/02	6.60%	Communications upgrade (routers & firewall)
19,382	1,131	19,918	-	19,918	10/04/02	6.76%	ES&O Environmental Manager
1,873	1,339	41,529	-	41,529	08/30/08	12.60%	Keene Copies
2,822	368	104,880	-	104,880	05/07/06	3.97%	SP Upgrade (computer equipment)
-	-	3,277,597	-	3,277,597	09/01/28	6.33%	Recreation of Document
1,143	1	858	-	858	08/31/02	0.15%	Mailing Equipment
1,800	-	108,500	-	108,500	07/31/17	0.00%	Detachment Office
-	-	301	-	301	09/30/00	1.50%	Mailing Equipment
2,761	253	20,241	-	20,241	02/28/04	4.57%	Telephone Equipment

West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Agency - Unaudited
 Quarter Ending June 30, 2002

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02		
WV STATE POLICE			384,283	278,711	.		
			36,673	28,821	.		
			21,096	18,824	.		
			839,898	.	839,898		
	VETERANS BONUS AMENDMENT	CONSTITUTION	.	.	.		
	KOREAN BONUS AMENDMENT	CONSTITUTION	.	.	.		
	VETERAN BONUS AMENDMENT	CONSTITUTION	.	.	.		
WV UNIVERSITY	REVENUE BONDS						
	The \$68,176 adjustment represents the premium paid at the time the bonds were called.	ISSUE DTD 5/1/82	18-23-16	15,026,000	12,160,000	.	
		ISSUE DTD 10/9/87A		13,710,000	11,836,000	.	
		ISSUE DTD 10/9/87B		10,736,000	10,736,000	.	
		STUDENT UNION 12/1/87A		3,000,000	2,316,000	.	
		STUDENT UNION 12/1/87B		38,000,000	38,000,000	.	
		ATHL. FAC. 12/1/87A		3,260,000	2,740,000	.	
		ATHL. FAC. 12/1/87B		4,260,000	4,260,000	.	
		LEASE OBLIGATIONS					
			708909		19,554	1,187	.
			104224		68,721	7,428	.
			108446		43,888	8,836	.
			108266207828		860,000	212,848	.
			302388		87,696	20,317	.
			300763		88,854	37,637	.
		207884		28,238	17,791	.	
	50000903		60,166	13,687	.		
	60002327		14,862	4,820	.		
	80006048		84,173	60,671	.		
	60006263		60,696	18,863	.		
	60002772		110,843	42,448	.		
	80001797		138,162	40,022	.		
	80007330		18,300	10,300	.		
	60008287		348,223	289,282	.		
	50008917		11,208	7,868	.		
	50008080		69,877	68,289	.		
	50008081		70,514	68,820	.		
	Up1 - Finance		3,968,266	3,286,682	.		
	60011612		18,760	18,692	.		
	60010981		10,791	3,428	.		
	50011665-01		4,133,787	3,808,081	.		
	50011665-02		2,308,887	1,820,858	.		
	60014602		16,620	.	16,620		
	50014767		32,828	.	32,828		
WVU AT PARKERSBURG	LEASE OBLIGATION	6A-3-3	580,000	281,472	.		

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defeasance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
17,821	5,462	260,790	.	260,790	09/05/06	8.00%	Telephone Equipment
2,030	583	27,791	.	27,791	08/30/06	8.00%	Telephone Equipment
2,086	48	14,829	.	14,829	02/14/04	1.13%	Telephone Equipment
23,333	.	816,686	.	816,686	01/31/17	0.00%	Williamson Detachment
.
12,208,175	348,168	(58,175)	(58,175)	.	06/30/17	Variable	Downbury Revenue Bonds
655,000	288,684	11,280,000	.	11,280,000	08/01/17	5.10%	Downbury Refunding Revenue Bonds Series A
.	288,376	10,735,000	.	10,735,000	05/01/22	5.10%	Downbury Revenue Bonds Series B
180,000	53,346	2,125,000	.	2,125,000	05/01/18	6.18%	Stn. Union Revenue Refunding Bonds Series A
220,000	942,188	37,780,000	.	37,780,000	06/01/27	6.18%	Stn. Union Revenue Bonds Series B
140,000	66,235	2,600,000	.	2,600,000	05/01/16	6.17%	Attn. Fac. Revenue Refunding Bonds Series A
.	106,260	4,260,000	.	4,260,000	06/01/27	6.17%	Attn. Fac. Revenue Bonds Series B
1,187	17	0	.	.	08/01/02	8.50%	Konica 7050
3,878	208	3,752	.	3,752	10/15/02	8.24%	Konax 8100A
2,385	181	7,450	.	7,450	03/31/03	8.00%	Konax OC 288 Digital Copier
69,154	5,584	143,784	.	143,784	08/28/03	5.24%	Sports Editing Systems
8,624	251	11,693	.	11,693	10/16/02	5.78%	Base Ops Laptop PCs
6,416	483	31,122	.	31,122	03/27/03	6.46%	Luxon Tech Floor Systems
1,238	446	16,493	.	16,493	04/14/05	10.30%	Microphone
4,472	244	8,215	.	8,215	12/01/02	8.00%	Konax 6050
1,280	88	3,540	.	3,540	02/01/03	8.00%	Konax 6045ca
2,784	1,519	47,887	.	47,887	11/30/06	12.20%	Dell Scanner & Printer
2,763	506	14,090	.	14,090	08/08/03	10.50%	Sierra Printer/Processor
9,545	608	32,901	.	32,901	04/11/03	8.16%	Dell Computers
11,693	293	28,129	.	28,129	01/31/03	6.25%	Picovox Mass Spectrometer
1,340	145	8,950	.	8,950	01/31/04	5.88%	Canon Image Runner
14,340	6,680	274,942	.	274,942	02/28/08	8.00%	Konax Print Module
883	257	7,076	.	7,076	04/01/04	13.42%	Toshiba Copier
3,044	1,148	55,246	.	55,246	03/31/08	8.00%	Konax Digital Copier
3,072	1,158	55,748	.	55,748	03/31/08	8.00%	Konax Digital Copier
89,748	53,059	3,205,848	.	3,205,848	08/21/09	6.50%	Athletic Stomach & Capital Projects
931	110	15,781	.	15,781	05/15/04	2.89%	Fuji Ministar Auto
923	29	2,503	.	2,503	02/01/03	3.72%	Canon Digital Copier
111,700	42,308	3,584,381	.	3,584,381	07/26/09	4.49%	Capital Projects
188,662	18,116	1,634,134	.	1,634,134	07/26/04	4.12%	IBM Data Processing Equipment
.	.	16,620	.	16,620	04/01/08	11.28%	Saturn E-3600
1,300	608	31,628	.	31,628	03/06/07	7.50%	Konax Digital Copier
8,689	4,684	281,783	.	281,783	06/06/08	6.50%	Building (Display)

West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Agency - Unaudited
 Quarter Ending June 30, 2002

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 through 6/30/02
WVU - Institute of Technology	LEASE OBLIGATIONS	PO 80005 PO 80008	11,807 78,781 86,000	4,608 64,898	. . 86,000
Total			6,641,878,009	4,894,089,733	147,083,239
Agencies Reporting No Debt:					
ACCOUNTANCY, BOARD OF					
ADJUTANT GENERAL					
AERONAUTICS COMMISSION					
ALCOHOL BEVERAGE CONTROL COMMISSION					
ARCHITECTS, BOARD OF					
ARMORY BOARD					
ATTORNEY GENERAL					
BANKING COMMISSION					
BLUEFIELD STATE COLLEGE					
CHIROPRACTIC EXAMINERS, BOARD OF					
CONCORD COLLEGE					
CONSOLIDATED PUBLIC RETIREMENT BOARD					
COUNSELING, EXAMINERS IN					
COURT OF CLAIMS					
CULTURE & HISTORY					
DENTIST & DENTAL HYGIENISTS, EXAMINERS FOR					
DEVELOPMENT OFFICE					
EMBALMERS & FUNERAL DIRECTORS, BOARD OF					
EMERGENCY SERVICES, OFFICE OF					
EMPLOYMENT PROGRAMS, BUREAU OF					
ENGINEERS, REGISTRATION FOR PROFESSIONAL					
ENVIRONMENTAL PROTECTION DIVISION OF					
Air Quality Board					
ENVIRONMENTAL QUALITY BOARD					
ETHICS COMMISSION					
FIRE COMMISSION					
FORESTERS, REGISTRATION FOR					
FORESTRY DIVISION					
GEOLOGIC & ECONOMIC SURVEY					
GOVERNOR'S OFFICE					
Cabinet on Children and Families					
Chief Technology Office					
Economic Opportunity, Office of					
Rural Development Council					
GRIEVANCE BOARD, EDUCATION & STATE EMPLOYEES					
INSURANCE COMMISSION					
LAND SURVEYORS, EXAMINERS FOR					
LANDSCAPE ARCHITECTS, BOARD OF					
LEGISLATURE, WV					
LIBRARY COMMISSION					
MINERS' HEALTH SAFETY & TRAINING					
MOTOR VEHICLES					
MUNICIPAL BOND COMMISSION					
NORTHERN COMMUNITY COLLEGE					
NURSES, EXAMINERS FOR LICENSED & PRACTICAL					
NURSES, EXAMINERS OF REGISTERED PROFESSIONAL					
OCCUPATIONAL THERAPY, BOARD OF					
OIL & GAS CONSERVATION					
OPTOMETRY, BOARD OF					
OSTEOPATHY, BOARD OF					
PHARMACY, BOARD OF					

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defeasance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
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1,031	109	3,574	-	3,574	03/01/03	11.01%	Digital duplicator
2,408	589	52,588	-	52,588	09/01/05	6.50%	Dental chairs & Operational stools
6,153	2,084	78,847	-	78,847	12/31/04	6.00%	Property located at 321 Second Avenue

105,978,073	76,841,302	4,738,843,398	68,448,918	4,669,394,480			
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West Virginia State Treasurer's Office
 Quarterly Debt Management Report, Debt by Agency - Unaudited
 Quarter Ending June 30, 2002

ORGANIZATION	DEBT OBLIGATION	STATUTORY AUTHORITY	Original Debt Issuance	Principal Outstanding 03/31/02	Debt Issued 4/1/02 Through 6/30/02
PHYSICAL THERAPY, BOARD OF					
PAROLE BOARD, WV					
PROSECUTING ATTORNEYS INSTITUTE, WV					
PSYCHOLOGISTS, EXAMINERS OF					
POTOMAC STATE COLLEGE					
PUBLIC DEFENDER SERVICES					
PUBLIC SERVICE COMMISSION					
RACING COMMISSION					
RADIOLOGIC TECHNOLOGY, EXAMINERS OF					
REAL ESTATE COMMISSION					
REAL ESTATE LICENSING AND CERTIFICATION BOARD					
REHABILITATION SERVICES DIVISION					
RESPIRATORY CARE, BOARD OF					
RISK AND INSURANCE MANAGEMENT, BOARD OF					
SCHOOLS FOR THE DEAF & BLIND					
SECRETARY OF STATE					
SENIOR SERVICES, BUREAU OF					
SHEPHERD COLLEGE					
SOCIAL WORK EXAMINERS					
SOUTHERN WV COMM COLLEGE					
SPEECH, LANGUAGE EXAMINERS BOARD					
TREASURER'S OFFICE					
VETERANS AFFAIRS					
VETERINARY MEDICINE, BOARD OF					
WV LOTTERY COMMISSION					
WV SCHOOL OF OSTEOPATHIC MEDICINE					
WV STATE CONSERVATION COMMITTEE					

Principal Paid 4/1/02 through 6/30/02	Interest Paid 4/1/02 through 6/30/02	Principal Outstanding 6/30/02	Adjustments (Defasance, Refunding, etc.)	Adjusted Principal Outstanding	FINAL MATURITY DATE	INTEREST RATE	PURPOSE OF DEBT
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Joint Committee on Government and Finance

August 2002

Department of Health and Human Resources

MEDICAID BUDGET PROJECTIONS

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

SFY 2003	ACTUALS	PROJECTED	TOTAL
	07/01/02 THRU 06/30/03	07/01/02 THRU 06/30/03	SFY 2003
REVENUE SOURCES			
BEG. BAL. 7/01/01	\$0	\$2,700,093	\$2,700,093
MATCHING FUNDS			
GENERAL REVENUE	0	173,143,195	173,143,195
LOTTERY - WAIVER	0	12,550,000	12,550,000
LOTTERY - TRANSFER	0	10,300,000	10,300,000
TRUST FUND APPROPRIATION	0	37,767,526	37,767,526
TRUST FUND BACKLOG	0	0	0
PROVIDER TAX	0	145,800,000	145,800,000
MCH TRANSFER	0	1,500,000	1,500,000
OTHER FUNDS	0	2,100,000	2,100,000
TOTAL MATCHING FUNDS	0	385,860,814	385,860,814
FEDERAL FUNDS	0	1,163,507,397	1,163,507,397
TOTAL REVENUE SOURCES	\$0	\$1,549,368,212	\$1,549,368,212
TOTAL EXPENDITURES:			
PROVIDER PAYMENTS	\$0	\$1,737,342,292	\$1,737,342,292
SUB - TOTAL	\$0.00		(\$187,974,080.00)
ACCOUNTS PAYABLE 06/30/02			(\$8,320,406.00)
BALANCE	\$0.00		(\$196,294,486.00)

16-Aug-02

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DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MONTHLY FINANCIAL SUMMARY
 STATE FISCAL YEAR 2002-2003

CATEGORY OF EXPENDITURES	ACTUALS SFY 2002	ESTIMATE SFY 2003
INPATIENT HOSPITALS	\$144,757,167	\$187,891,976
MENTAL HEALTH HOSPITALS	\$33,302,649	31,448,296
OUTPATIENT HOSPITALS	\$79,491,173	85,148,756
CLINICS	\$14,048,061	14,477,475
PHYSICIANS	\$123,338,896	132,661,177
LABS	\$8,028,507	6,148,438
DRUGS	\$280,668,500	327,636,966
OTHER PRACTITIONERS	\$15,092,555	16,168,613
DENTIST	\$29,186,876	32,958,828
NURSING HOMES	\$300,920,127	315,318,503
GROUP HOMES	\$44,931,289	48,224,576
OTHER CARE	\$116,041,109	111,585,605
EPSDT	\$4,202,325	4,300,484
MEDICARE BUY-IN	\$43,074,892	42,931,501
FAMILY PLANNING	\$1,895,522	1,090,137
HOME HEALTH	\$23,089,891	22,720,678
RURAL HEALTH	\$26,207,864	26,241,472
HOME & COMMUNITY - AGED/DISABLED	\$50,151,388	50,668,857
HOME & COMMUNITY - MR/DD	\$119,624,111	141,514,196
PERSONAL CARE	\$21,620,642	32,705,365
HOSPICE	\$1,430,813	2,603,836
TARGETED CASE MANAGEMENT	\$9,539,635	12,371,066
MANAGED CARE	\$65,321,827	67,689,354
SUB-TOTAL	\$1,554,030,448	1,714,506,155
LESS: DRUG REBATES	(\$51,342,486)	(53,052,739)
DSH PAYMENTS PRIVATE INSTITUTIONS	\$61,135,804	52,862,327
DSH PAYMENTS STATE INSTITUTIONS	27,752,739	23,026,549
TOTAL	\$1,591,576,505	\$1,737,342,292

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

Inpatient Hospital estimate includes an increase of 31 million resulting from the transfer of 6 million from PEIA and an additional 1.7 million appropriation for hospital safety net services.

West Virginia Public Employees Insurance Agency
Original and Restated IBNR

	Jun-01	Jul-01	Aug-01	Sep-01	Oct-01	Nov-01	Dec-01	Jan-02	Feb-02	Mar-02	Apr-02	May-02	Jun-02	Jul-02
Original IBNR														
NonMedicare Medical	29,140,000	36,770,000	36,960,000	38,800,000	40,800,000	41,050,000	41,400,000	40,280,000	38,610,000	36,500,000	41,300,000	40,850,000	39,900,000	41,170,000
Medicare Medical	9,810,000	9,110,000	8,230,000	7,270,000	7,400,000	6,900,000	7,900,000	7,920,000	7,350,000	6,820,000	6,760,000	6,830,000	7,090,000	7,740,000
NonMedicare Drugs	2,380,000	1,400,000	1,360,000	910,000	850,000	1,400,000	2,000,000	2,120,000	3,120,000	280,000	2,360,000	730,000	2,550,000	1,730,000
Medicare Drugs	1,250,000	950,000	720,000	700,000	470,000	1,200,000	1,250,000	1,190,000	1,840,000	150,000	1,410,000	560,000	1,320,000	1,110,000
Total Original IBNR	42,580,000	48,230,000	47,270,000	47,680,000	49,520,000	50,550,000	52,550,000	51,510,000	50,920,000	43,750,000	51,830,000	48,970,000	50,860,000	51,750,000
Paid through 06-30-2002	49,055,183	49,132,646	44,249,987	46,019,197	47,679,224	45,827,531	49,697,683	50,963,205	49,447,551	39,807,383	37,504,570	29,821,876	19,944,789	
Remaining IBNR <i>(using 6 Month factors)</i>	442,133	535,682	688,403	877,981	1,223,407	1,665,795	2,279,999	3,397,524	4,934,529	7,338,941	11,266,602	17,999,340	29,715,083	
Restated IBNR	49,497,316	49,668,328	44,938,389	46,897,178	48,902,631	47,493,327	51,977,682	54,360,729	54,382,080	47,146,323	48,771,172	47,821,216	49,659,872	
Change	6,917,316 16.2%	1,438,328 3.0%	-2,331,611 -4.9%	-782,822 -1.6%	-617,369 -1.2%	-3,056,673 -6.0%	-572,318 -1.1%	2,850,729 5.5%	3,462,080 6.8%	3,396,323 7.8%	-3,058,828 -1.9%	-1,148,784 -2.3%	-1,200,128 -2.4%	
Restated IBNR														
NonMedicare Medical	39,259,839	39,959,649	37,168,949	38,752,651	39,698,983	39,317,245	43,739,363	44,541,303	43,984,732	38,417,934	39,923,940	38,652,170	38,910,165	
Medicare Medical	7,004,524	6,891,995	6,225,155	6,554,361	7,228,055	6,796,267	7,368,481	8,459,998	8,494,578	7,438,604	7,453,048	6,750,826	6,895,923	
NonMedicare Drugs	2,072,245	1,697,823	1,039,160	889,450	1,249,904	461,153	560,730	579,669	904,171	707,957	899,052	1,539,907	2,542,005	
Medicare Drugs	1,160,708	1,118,862	505,124	700,717	725,690	918,662	309,109	779,759	998,599	581,828	495,131	878,313	1,311,780	
	49,497,316	49,668,328	44,938,389	46,897,178	48,902,631	47,493,327	51,977,682	54,360,729	54,382,080	47,146,323	48,771,172	47,821,216	49,659,872	
	0	0	0	0	0	0	0	0	0	0	0	0	0	0