

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

May 28, 2009

February 10, 2009

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin
Helmick
Kessler
Sharpe (absent)
Caruth
Deem

House

Thompson, Chair
Boggs
Caputo
Webster
White
Armstead
Border

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by President Tomblin, properly adopted, the minutes of the January 13, 2009, meeting were approved.

2. Committee Reports

Upon motion by President Tomblin, properly adopted, the following committee reports for the 2008 interim period were accepted:

- Agriculture and Agri-business Committee (Senator Edgell and Delegate Stemple, Chairs)
- Joint Standing Committee on Finance (Senator Helmick and Delegate White, Chairs)
- Forest Management Review Commission (Senator Helmick and Delegate Crosier, Chairs)
- Joint Standing Committee on Government Organization (Senator Bowman and Delegate Morgan, Chairs)
- Park, Recreation and Natural Resources Subcommittee (Senator Fanning, Chair; Delegate Eldridge and Delegate Wells, Cochairs)
- Joint Standing Committee on Pensions and Retirement (Senator Foster and Delegate Spencer, Chairs)
- Select Committee B - Veterans' Issues (Senator Hunter and Delegate Fleischauer, Chairs)
- Select Committee C - Infrastructure (Senator Unger and Delegate Hrutkay, Chairs)
- Select Committee D - Health (Senator Prezioso and Delegate Perdue, Chairs)
- Select Committee E - Broadband (Senator Unger and Delegate Browning, Chairs)
- Select Committee F - Volunteer Fire Departments (Senator Chafin and Delegate Caputo, Chairs)
- Legislative Oversight Commission on Workforce Investment for Economic Development (Senator McCabe and Delegate Tucker, Chairs)

3. Committee Requests

Judiciary Subcommittee C - President Tomblin

Upon motion by President Tomblin, properly adopted, the lodging and meal expense reimbursement request for David Rottman, was approved.

4. **Overview of Impact of Federal Stimulus Package on the States - Molly Ramsdel**

Molly Ramsdel, NCSL, talked about the federal economic stimulus plan and answered questions on the potential effect that some of the proposals could have on West Virginia.

5. **Update on Teacher's Retirement System Merger - Anne Lambright**

Anne Lambright, Director, Consolidated Public Retirement Board, addressed buy back issues related to the Teacher's Retirement System merger.

6. **Lottery Commission, General Revenue Fund and Unemployment Compensation Trust Fund**

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended December 31, 2008; General Revenue Fund status report as of January 31, 2009 and the Unemployment Compensation Trust Fund status report as of December 31, 2008. Distributed with each of the reports was an analysis and summary of the reports.

7. **Department of Transportation Report Distribution - Danny Ellis**

Danny Ellis, Business Manager, Department of Highways answered questions from the Committee.

8. **PEIA, BRIM and CHIP Reports**

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for December 2008. Robert Ferguson, Cabinet Secretary, Department of Administration, said medical claims are running about the same rate as they were last year at this time and prescription claims are up 9%.

The following reports from CHIP were distributed: A report of enrollment for January 2009 and financial statements for period ending December 31, 2008. Secretary Ferguson said the new formula has been renewed for the next 4 ½ years and they are looking at an estimated \$43 million for the new formula.

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending December 31, 2008. Secretary Ferguson reported no unfunded liabilities in BRIM. Chuck Jones, Director, BRIM, addressed the lack of coverage for non-state employees in state owned vehicles. Mr. Jones also said that BRIM does not provide un-insured or under-insured motorist coverage for state vehicles.

9. **Leasing Report, Department of Administration**

A leasing report for the period of January 1, 2009, through January 30, 2009, was distributed.

10. **Department of Health and Human Resources (DHHR) Monthly Reports**

A Medicaid report dated February 2009 was distributed.

11. **Pharmaceutical Cost Management Council**

A Pharmaceutical Cost Management Council report was distributed. Shana Phares, Governor's Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, said the report was in response to a previous inquiry from the President.

12. **Investment Management Board**

An Investment Management Board report dated December 31, 2008, was distributed. Craig Slaughter, Executive Director, answered questions from the Committee.

13. **Workers' Compensation**

A Workers' Compensation report dated February 10, 2009, was distributed.

14. **Board of Treasury Report Distribution**

The Board of Treasury Investments Report dated, December 2008, was distributed.

The meeting was adjourned.

NOTE: The following reports were received after the February 2009 meeting and are available upon request at the Office of the Legislative Manager:

Legislative Oversight Commission on Health and Human Resources Accountability (Senator Prezioso and Delegate Perdue, Chairs)

Commission on Interstate Cooperation (Senator Jenkins and Delegate Pino, Chairs)

Study Resolutions Passed by One House

| | | |
|-----|----|--|
| HCR | 5 | - Requesting the Joint Committee on Government and Finance to study the safety issues of those who provide home visits to families in West Virginia |
| HCR | 6 | - Requesting the Joint Committee on Government and Finance reconstitute Select Committee A on Children, Juveniles and Other Matters |
| HCR | 7 | - Requesting the Joint Committee on Government and Finance to continue studying the needs, challenges and issues facing veterans |
| HCR | 46 | - Requesting the Joint Committee on Government and Finance to conduct a study on expanding the scope of practice for optometrists |
| HCR | 53 | - Requesting the Joint Committee on Government and Finance to conduct a study on identifying good perinatal health education models or developing models in West Virginia |
| HCR | 58 | - Requesting the Legislature to establish a Joint Legislative Committee on Substance Abuse and Public Assistance |
| HCR | 62 | - Requesting that the Joint Committee on Government and Finance authorize the study of the creation of art, entertainment and enterprise districts within political subdivisions |
| HCR | 65 | - Requesting that the Joint Committee on Government and Finance authorize the study of the financial condition and regulation of self-insurance pools |
| HCR | 70 | - Requesting that the Joint Committee on Government and Finance authorize a study of the law governing the West Virginia Board of Professional Engineers |
| HCR | 71 | - Requesting that the Joint Committee on Government and Finance authorize a study of the law governing the West Virginia Board of Architects |
| HCR | 72 | - Requesting that the Joint Committee on Government and Finance authorize a study of the law governing the West Virginia State Board of Pharmacy |

Study Resolutions Passed by One House

| | | |
|-----|----|---|
| HCR | 73 | - Requesting that the Joint Committee on Government and Finance authorize a study on the West Virginia Board of Social Work Examiners |
| HCR | 74 | - Requesting the Joint Committee on Government and Finance authorize a study of the feasibility of adopting a uniform lien filing system |
| HCR | 77 | - Requesting a study of compensating state troopers for off-duty time when required to be on standby to be called back to work |
| HCR | 82 | - Requesting that the Joint Committee on Government and Finance authorize a study of the Board of Optometry |
| HCR | 83 | - Requesting that the Joint Committee on Government and Finance authorize a study of the law governing the West Virginia Board of Physical Therapy |
| HCR | 84 | - Requesting that the Joint Committee on Government and Finance authorize a study on the Athletic Commission and the regulation of Mixed Martial Arts |
| HCR | 86 | - Requesting that the Joint Committee on Government and Finance study the safety, conservation, and preservation of all statewide trails |
| HCR | 88 | - Requesting the Joint Committee on Government and Finance to appoint a select interim committee to study the issue of a constitutional amendment to prohibit the state from recognizing same sex marriages |
| HCR | 91 | - Requesting the Joint Committee on Government and Finance to conduct a study on establishing a program to permit medicine aides who are certified to administer certain drugs |
| HCR | 93 | - Requesting the Committee on Government and Finance to conduct a study on methadone treatment centers in West Virginia |
| HCR | 95 | - Requesting a study of the higher education merit screening advisory committee |

Study Resolutions Passed by One House

| | | |
|-----|-----|--|
| HCR | 96 | - Requesting a study on regulating captive cervid farming as an agricultural business in West Virginia |
| HCR | 97 | - Requesting a study of a special lifetime senior hunting, fishing and trapping license |
| HCR | 99 | - Requesting the Joint Committee on Government and Finance to make a study on adequate and appropriate responses to the mental health needs of students |
| HCR | 100 | - Requesting the Joint Committee on Government and Finance to make a study on potential alternative methods for assisting county boards to meet the facility needs of their school systems |
| HCR | 101 | - Requesting the Joint Committee on Government and Finance to make a study on improving the ability of public schools to effectively recruit and employ well qualified graduates |
| HCR | 102 | - Requesting a study on the terms of lender credit card agreements between financial institutions and lender credit card borrowers |
| HCR | 103 | - Requesting a study relating to alternative programs and cost-effective programs to keep children in schools |
| HCR | 104 | - Requesting that the Joint Committee on Government and Finance authorize a study relating to whether a dependent child of an insurance policyholder should have the same insurance coverage for contraceptive health services as the policyholder |
| HCR | 105 | - Requesting the Joint Committee on Government and Finance to study mandatory coverage by health insurers all expenses associated with pregnancy and childbirth |
| HCR | 106 | - Conducting an interim study to compare the benefits and burdens upon all applicable parties regarding the creation and implementation by all state colleges, universities, and community colleges by providing paid childbirth leave |
| HCR | 107 | - Requesting the Joint Committee on Government and Finance to conduct a study of the feasibility of enacting a more comprehensive expungement statute |

Study Resolutions Passed by One House

| | | |
|-----|-----|--|
| HCR | 108 | - Requesting the Joint Committee on Government and Finance study the requirement that all state boards, commissions, committees or councils to be gender balanced and to have proportionate representation of minorities |
| HCR | 109 | - Requesting the Joint Committee on Government and Finance to study the advisability of enacting legislation to modernize the unemployment insurance program |
| HCR | 110 | - Requesting that the Joint Committee on Government and Finance authorize a study relating to requiring blasting contractors to notify the State Fire Marshal and local property owners |
| HCR | 114 | - Requesting the Joint Committee on Government and Finance to make a study on improving the ability of public schools to effectively recruit and employ well qualified graduates |
| HCR | 115 | - Requesting the Joint Committee on Government and Finance to study methods to remove the barriers to educational success that veterans face in the higher education system |
| HCR | 116 | - Requesting the Joint Committee on Government and Finance to study the need for personal leave benefits for higher education faculty |
| HCR | 118 | - Requesting a study to analyze and evaluate the operating practices, administrative procedures and legal issues associated with the state administration of the Division of Highways |
| HCR | 123 | - Requesting a study on the workers' compensation system and to determine what actions on the part of the legislature is necessary to address any problems |
| SCR | 4 | - Requesting Joint Committee on Government and Finance study gray energy research benefits |
| SCR | 5 | - Requesting Joint Committee on Government and Finance study deer/vehicle collision |
| SCR | 21 | - Requesting Joint Committee on Government and Finance study reclassifying counties |
| SCR | 24 | - Requesting Joint Committee on Government and Finance study implementing year-round school |

Study Resolutions Passed by One House

| | | |
|-----|----|---|
| SCR | 31 | - Requesting Joint Committee on Government and Finance study mountaintop removal site uses |
| SCR | 36 | - Requesting Joint Committee on Government and Finance study various higher education personnel administration and flexibility issues. |
| SCR | 49 | - Requesting Joint Committee on Government and Finance study benefits of establishing charter schools |
| SCR | 53 | - Requesting Joint Committee on Government and Finance study State Rail Plan |
| SCR | 54 | - Requesting Joint Committee on Government and Finance study green initiatives |
| SCR | 55 | - Requesting Joint Committee on Government and Finance study regulating railroad walkways |
| SCR | 57 | - Requesting Joint Committee on Government and Finance study proposed new state business and occupation tax on high-voltage electric power transmission lines |
| SCR | 59 | - Requesting Joint Committee on Government and Finance study improving and updating severance tax on natural gas and oil |
| SCR | 60 | - Requesting Joint Committee on Government and Finance study grants through Economic Development Grant Committee |
| SCR | 62 | - Requesting Joint Committee on Government and Finance study tax structure |
| SCR | 64 | - Requesting Joint Committee on Government and Finance study carbon dioxide cap and trade proposals |
| SCR | 65 | - Requesting Joint Committee on Government and Finance study fireworks' sale, storage and usage |
| SCR | 66 | - Requesting Joint Committee on Government and Finance study costs of highways, sewers and water projects |
| SCR | 67 | - Requiring Joint Committee on Government and Finance study asbestos trust disclosure issues |

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

May 5, 2009

Executive Summary of Lottery, Unemployment, General Revenue and State Road Fund Reports to Joint Committee

Lottery Commission as of March 31, 2009 :

Appears to be in good condition. Gross profit for July - March 2009 (FY 2009) was 0.58% lower than for July - March 2008 (FY 2008).

General Revenue Fund as of April 30, 2009:

Collections were at 99.91% of the yearly estimate as of April 30, 2009.

State Road Fund as of April 30, 2009:

Fund collections were at 98.66 % of the yearly estimate.

Unemployment Compensation Trust as of March 31, 2009:

Regular benefits paid in July - March 2009 were \$ 41 million more than in July - March 2008. Total revenues for July- March 2009 were \$ 40 million more than in July - March 2008. Trust fund ending balance on March 31, 2009 was \$ 171,595,960.62. *

Note:

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*



. 304-347-4870

MEMORANDUM

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
Honorable Members of the Joint Committee on Government and
Finance

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

Date: May 5, 2009

Re: Review of West Virginia Lottery Financial Information
As of March 31, 2009 (FY 2009)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the end of the third quarter of fiscal year 2009 (July - March 31, 2009) 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, table games and video lottery. These gross receipts totaled \$ 1,113,472,000.00 for July - March 2009. Table games accounted for \$25,690,000.00 of this total. These gross receipts were \$ 1,137,743,000.00 for the same months of the preceding fiscal year, 2007-2008. Gross lottery revenue is down by 2.13% from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - March 2009 was

Lottery

Joint Committee on Government and Finance
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Lottery continued

\$490,513,000.00; for the previous July - March 2008 it was \$493,350,000.00. Expressed as a percentage, gross profit is 0.58% lower for fiscal year 2009 than for fiscal year 2008.

Operating Income:

Operating income was \$ 472,716,000.00 for July - March 2009. For July 2007 - March 2008 it was \$ 477,880,000.00. This was a decrease of 1.08%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$460,320,000.00 for July 2008- March 2009.

Operating Transfers to the State of West Virginia:

A total of \$460,320,000.00 has been accrued to the state of West Virginia for fiscal year 2008-2009. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

| | |
|---------------------------------|------------------|
| Bureau of Senior Services | \$ 58,815,000.00 |
| Department of Education | \$ 35,191,000.00 |
| Library Commission | \$ 11,554,000.00 |
| Higher Education-Central Office | \$ 11,049,000.00 |
| Tourism | \$ 7,961,000.00 |
| Department of Natural Resources | \$ 3,492,000.00 |
| Division of Culture and History | \$ 5,880,000.00 |

Lottery

Lottery continued

| | |
|-------------------------------------|-------------------------|
| Department of Education and Arts | \$ 1,213,000.00 |
| State Building Commission | \$ 9,000,000.00 |
| School Building Authority | \$ 16,200,000.00 |
| SUBTOTAL BUDGETARY TRANSFERS | \$160,355,000.00 |

Excess Lottery Fund

| | |
|-----------------------------------|-------------------------|
| General Purpose Fund | 65,000,000.00 |
| Economic Development Fund | 17,100,000.00 |
| Excess Lottery Surplus | 18,604,000.00 |
| Education Improvement Fund | 27,000,000.00 |
| WV Infrastructure Council Fund | 40,000,000.00 |
| Higher Education Improvement Fund | 9,000,000.00 |
| State Park Improvement Fund | 5,000,000.00 |
| Refundable Credit | 4,051,000.00 |
| School Building Authority | 18,291,000.00 |
| | |
| TOTAL EXCESS LOTTERY FUND | \$204,046,000.00 |

Veterans Instant Ticket Fund 665,000.00

Table Games State Debt Reduction Fund 12,800,000.00

| | |
|------------------------------------|----------------|
| RACETRACK VIDEO LOTTERY TRANSFERS: | |
| Tourism Promotion Fund 1.375% | \$7,995,000.00 |

Lottery

Lottery continued

| | |
|---|--------------------------|
| Development Office Promo Fund | \$2,180,000.00 |
| Research Challenge Fund .5% | \$2,907,000.00 |
| Capitol Renovation and Improvement Fund .6875% | \$3,997,000.00 |
| Parking Garage Fund .0625% | \$363,000.00 |
| Parking Garage Fund 1% | \$500,000.00 |
| Cultural Facilities and Cap. Resources Fund .5% | \$1,500,000.00 |
| Capitol Dome & Cap. Improvements Fund .5% | \$3,814,000.00 |
| Workers Compensation Debt Reduction Fund 7% | \$11,000,000.00 |
| | |
| SUBTOTAL VIDEO LOTTERY TRANSFERS: | \$34,256,000.00 |
| TOTAL TRANSFERS | *\$412,122,000.00 |

* CASH BASIS

| | |
|--------------------------------------|----------------|
| Total Accrued last FY 2008: | 166,967,000.00 |
| Total Cash Distributions July-June : | 412,122,000.00 |
| Applied to FY 2008: | 166,967,000.00 |
| Total Applied to FY 2009 | 245,155,000.00 |
| Accrued for FY 2008 as of March 31 | 000.00 |
| Accrued for FY 2009 as of March 31 | 215,165,000.00 |

Lottery



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CHARLESTON, WV 25327

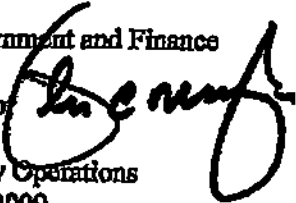
PHONE: (304) 558-0500
FAX: (304) 558-3321

Joe Manchin III
Governor

John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending March 31, 2009

DATE: April 17, 2009

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

Financial statements of the Lottery for the month ending March 31, 2009 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$134,994,687 for the month of March.

Transfers of lottery revenue totaling \$42,983,986 made for the month of March to the designated state agencies per Senate Bill 150, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 9 on pages 15 and 16 of the attached financial statements.

The number of traditional and limited retailers active as of March 31, 2009 was 1,587 and 1,649 respectively.

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/rd
Attachment

pc: Honorable Joe Manchin III
Virgil T. Helton, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission

www.wvlottery.com

LOTTERY FINANCIALS ATTACHMENTS



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

March 31, 2009

WEST VIRGINIA LOTTERY

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WEST VIRGINIA LOTTERY
BALANCE SHEETS
(In Thousands)
-Unaudited-

| ASSETS | March 31, 2009 | June 30, 2008 |
|--|-------------------|-------------------|
| Current Assets: | | |
| Cash and cash equivalents | \$ 217,583 | \$ 180,463 |
| Accounts receivable | 40,286 | 36,846 |
| Inventory | 364 | 300 |
| Current portion of investments held in trust | - | 10 |
| Other assets | 2,612 | 2,595 |
| Total Current Assets | <u>260,845</u> | <u>220,214</u> |
| Noncurrent Assets: | | |
| Restricted cash and cash equivalents | 59,011 | 58,487 |
| Investments held in trust, less current portion | - | 126 |
| Capital assets | 17,558 | 17,598 |
| Less accumulated depreciation and amortization | <u>(13,836)</u> | <u>(12,347)</u> |
| Net Capital Assets | <u>3,722</u> | <u>5,251</u> |
| Total Noncurrent Assets | <u>62,733</u> | <u>63,864</u> |
| Total Assets | <u>\$ 323,578</u> | <u>\$ 284,078</u> |
| LIABILITIES AND NET ASSETS | | |
| Current Liabilities: | | |
| Accrued nonoperating distributions to the States of West Virginia | \$ 215,165 | \$ 166,967 |
| Estimated prize claims | 12,742 | 12,967 |
| Accounts payable | 1,254 | 2,693 |
| Other accrued liabilities | 29,408 | 36,837 |
| Current portion of deferred jackpot prize obligations | - | 129 |
| Total Current Liabilities | <u>258,569</u> | <u>219,593</u> |
| Deferred jackpot prize obligations, less current portion | - | - |
| Total Liabilities | <u>258,569</u> | <u>219,593</u> |
| Net Assets: | | |
| Invested in capital assets | 3,722 | 5,251 |
| Unrestricted assets (deficit) | (3,222) | (4,751) |
| Unrestricted assets- Committed (see note 11) | 5,498 | 5,498 |
| Restricted assets (see note 10) | <u>59,011</u> | <u>58,487</u> |
| Total Net Assets | <u>63,009</u> | <u>64,485</u> |
| Total Liabilities and Net Assets | <u>\$ 323,578</u> | <u>\$ 284,078</u> |

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2009
(In Thousands)
- Unaudited -

| | CURRENT MONTH | | YEAR TO DATE | |
|--|------------------|------------------|------------------|------------------|
| | 2009 | 2008 | 2009 | 2008 |
| Lottery revenues | | | | |
| On-line games | \$ 6,608 | \$ 9,768 | \$ 62,219 | \$ 66,225 |
| Instant games | 11,164 | 10,597 | 87,788 | 83,274 |
| Racetrack video lottery | 76,077 | 79,629 | 628,899 | 673,040 |
| Limited video lottery | 37,833 | 37,346 | 308,876 | 306,254 |
| Table games | 3,291 | 2,603 | 23,690 | 8,950 |
| | <u>134,995</u> | <u>139,943</u> | <u>1,113,472</u> | <u>1,137,743</u> |
| Less commissions | | | | |
| On-line games | 463 | 683 | 4,356 | 4,636 |
| Instant games | 781 | 742 | 6,145 | 5,832 |
| Racetrack video lottery | 39,754 | 41,274 | 354,720 | 379,593 |
| Limited video lottery | 18,549 | 18,299 | 151,349 | 154,023 |
| Table games | 1,294 | 1,025 | 10,105 | 3,523 |
| | <u>60,841</u> | <u>62,023</u> | <u>526,675</u> | <u>547,547</u> |
| Less on-line prizes | 3,277 | 5,088 | 31,374 | 33,659 |
| Less instant prizes | 7,624 | 7,292 | 59,318 | 57,436 |
| Less ticket costs | 175 | 151 | 1,200 | 1,262 |
| Less vendor fees and costs | 504 | 590 | 4,392 | 4,489 |
| | <u>11,580</u> | <u>13,121</u> | <u>96,284</u> | <u>96,846</u> |
| Gross profit | <u>62,574</u> | <u>64,799</u> | <u>490,513</u> | <u>493,350</u> |
| Administrative expenses | | | | |
| Advertising and promotions | 499 | 675 | 4,955 | 7,076 |
| Wages and related benefits | 784 | 637 | 6,633 | 5,131 |
| Telecommunications | 25 | 219 | 1,504 | 1,671 |
| Contractual and professional | 496 | 255 | 4,155 | 2,780 |
| Rental | 59 | 58 | 549 | 504 |
| Depreciation and amortization | 166 | 37 | 1,489 | 359 |
| Other administrative expenses | 75 | 96 | 725 | 1,264 |
| | <u>2,074</u> | <u>1,977</u> | <u>20,010</u> | <u>18,785</u> |
| Other Operating Income | <u>119</u> | <u>736</u> | <u>2,213</u> | <u>3,315</u> |
| Operating Income | <u>60,619</u> | <u>63,558</u> | <u>472,716</u> | <u>477,880</u> |
| Nonoperating income (expense) | | | | |
| Investment income | 60 | 760 | 2,519 | 8,236 |
| Nonoperating income - OPEB | - | - | - | - |
| Interest expense | - | (1) | (1) | (10) |
| Distributions to municipalities and counties | (742) | (732) | (6,054) | (6,003) |
| Distributions to racetracks-capital reinvestment | (2,130) | (2,337) | (9,336) | (9,139) |
| Distributions to the State of West Virginia | (57,773) | (61,130) | (460,320) | (469,880) |
| | <u>(60,605)</u> | <u>(63,440)</u> | <u>(472,192)</u> | <u>(476,796)</u> |
| Net income | <u>14</u> | <u>118</u> | <u>524</u> | <u>1,084</u> |
| Net assets, beginning of period | <u>64,995</u> | <u>44,455</u> | <u>64,485</u> | <u>43,489</u> |
| Net assets, end of period | <u>\$ 65,009</u> | <u>\$ 44,573</u> | <u>\$ 65,009</u> | <u>\$ 44,573</u> |

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

WEST VIRGINIA LOTTERY ·
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2009

(In Thousands)
 -Unaudited-

| | 2009 | 2008 |
|---|--------------------------|--------------------------|
| Cash flows from operating activities: | | |
| Cash received from customers and other sources | \$ 1,112,244 | \$ 1,133,785 |
| Cash payments for: | | |
| Personnel costs | (6,633) | (5,131) |
| Suppliers | (16,104) | (13,667) |
| Other operating costs | (620,811) | (512,873) |
| Cash provided by operating activities | <u>468,696</u> | <u>602,114</u> |
| Cash flows from noncapital financing activities: | | |
| Nonoperating distributions to the State of West Virginia | (412,123) | (404,345) |
| Distributions to municipalities and counties | (5,970) | (5,910) |
| Distributions to racetrack from racetrack cap. reinv. fund | (15,369) | (8,031) |
| Deferred jackpot prize obligations and related interest paid | (1) | (10) |
| Cash used in noncapital financing activities | <u>(433,463)</u> | <u>(418,316)</u> |
| Cash flows from capital and related financing activities: | | |
| Purchases of capital assets | <u>(245)</u> | <u>-</u> |
| Cash flows from investing activities: | | |
| Maturities of investments held in trust | 137 | 182 |
| Investment earnings received | 2,520 | 8,223 |
| Cash provided by investing activities | <u>2,657</u> | <u>8,405</u> |
| Increase (decrease) in cash and cash equivalents | 37,645 | 192,203 |
| Cash and cash equivalents - beginning of period | 238,949 | 234,489 |
| Cash and cash equivalents - end of period | \$ <u>276,594</u> | \$ <u>426,692</u> |
| Reconciliation of operating income to net cash provided by operating activities: | | |
| Operating income | \$ 472,716 | \$ 477,880 |
| Adjustments to reconcile operating income to cash provided by operating activities: | | |
| Depreciation and amortization | 1,489 | 359 |
| Changes in operating assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (3,440) | (7,272) |
| (Increase) decrease in inventory | (64) | (23) |
| (Increase) decrease in other assets | (17) | (472) |
| Increase (decrease) in estimated prize claims | (224) | 127,354 |
| Increase (decrease) in accounts payable | (1,439) | 53 |
| Increase (decrease) in other accrued liabilities | (325) | 4,035 |
| Cash provided by operating activities | <u>\$ 468,696</u> | <u>\$ 602,114</u> |

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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." 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% of the gross amount received from each lottery shall be allocated for prizes and also provides for certain limitations on expenses necessary for operation and administration of the Lottery. To the extent available, remaining net profits are to be distributed 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 presented in the comprehensive annual financial report of the State as a blended proprietary fund component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Lottery is presented below.

BASIS OF PRESENTATION - The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, 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.

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual basis of accounting. Because of the Lottery's presentation in these financial statements as a special purpose government engaged in business type activities, there may be differences in presentation of amounts reported in these financial statements and the basic financial statements of the State as a result of major fund determination.

USE OF ESTIMATES - The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America 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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

LOTTERY GAME OPERATIONS – The West Virginia Lottery derives its revenues from four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and 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.

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

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 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 seven 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 board-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, currency, 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 racetrack 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 racetrack 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 racetrack video lottery and imposed certain restrictions limiting the licensing for operation of racetrack video lottery games to horse and dog

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack 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.

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating the games.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. Each racetrack licensed as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table 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.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits with the West Virginia Board of Treasury Investments (BTI) 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.

CAPITAL ASSETS – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cancelable operating leases. Rental expense for the nine months ended March 31, 2009 and March 31, 2008 approximated \$548,621 and \$504,144, respectively.

The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements, contributed and purchased equipment, comprised principally of technology property, 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 \$371,165 and \$298,548 of vacation and \$0 and \$467,954 of sick leave at June 30, 2008 and 2007, 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 hired prior to July 1, 2001, 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. For employees hired prior to July 1, 1988, the Lottery pays 100% of the post-retirement health care premium. The Lottery pays 50% of the premium for employees hired after June 30, 1988 through July 1, 2001. The estimated obligation for sick leave is based on historical retirement rates and current health care premiums applicable to employee hire dates. Employees hired after June 30, 2001 do not vest in unused sick leave upon retirement. As of June 30, 2008 sick leave obligations are included in the OPEB(Other Postemployment Benefits) liability in Note 15.

NET ASSETS -- Net assets are presented as restricted, unrestricted and invested in capital assets which represents the net book value of all property and equipment of the Lottery.

OPERATING REVENUES AND EXPENSES -- Operating revenues and expenses for proprietary funds such as the Lottery are revenues and expenses that result from providing services and producing and delivering goods and/or services. Operating revenues for the Lottery are derived from providing various types of lottery games. Operating expenses include commissions, prize costs, other direct costs of providing lottery games, and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 3 - CASH AND CASH EQUIVALENTS

At March 31, 2009 the carrying amounts of deposits (overdraft) with financial institutions were (\$10) thousand with a bank balance (overdraft) of \$41 thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
- Unaudited -

NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

| | | |
|--------------------------------|-----------------------|----------------------|
| | <u>March 31, 2009</u> | <u>June 30, 2008</u> |
| Amount on deposit with the BTI | <u>\$276,603</u> | <u>\$239,002</u> |

The deposits with the BTI 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 BTI 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 4 - CAPITAL ASSETS

A summary of capital asset activity for the period ended March 31, 2009 is as follows (in thousands):

Capital Assets:

| | Historical Cost At June 30, 2008 | Additions | Deletions | Historical Cost At March 31, 2009 |
|---------------------------|-------------------------------------|-----------|-----------|--------------------------------------|
| Construction in Progress | \$ 285 | \$ - | \$ (285) | \$ - |
| Improvements | 1,120 | - | - | 1,120 |
| Equipment | 16,193 | 245 | - | 16,438 |
| | \$ 17,598 | \$ 245 | \$ (285) | \$ 17,558 |
| Accumulated Depreciation: | | | | |
| | Historical Cost At June 30, 2008 | Additions | Deletions | Historical Cost At March 31, 2009 |
| Improvements | \$ 1,002 | \$ 57 | \$ - | \$ 1,059 |
| Equipment | 11,345 | 1,432 | - | 12,777 |
| | \$ 12,347 | \$ 1,489 | \$ - | \$ 13,836 |

NOTE 5 - 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 March 31, 2009 were \$3,825,524 and \$37,587,543

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY (continued)

while related prize costs for the same periods were \$1,784,886 and \$18,729,867. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended March 31, 2009 were \$340,144 and \$3,443,029 while related prize costs for the same periods were \$161,340 and \$1,717,397.

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 \$75,000,000 limit on the POWERBALL® Prize Reserve Fund and a \$25,000,000 limit on the Set 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 March 31, 2009 the POWERBALL® prize reserve fund had a balance of \$102,651,814 of which the Lottery's share was \$2,385,173. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to 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 first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

The second benchmark occurs when the current year gross terminal revenue meets the fiscal year 2001 gross terminal revenue. The four percent (4%) is no longer allocated for lottery administrative costs; instead the State receives this for distribution as specified by legislation or the State budget.

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack. After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 9. 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.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended March 31, 2009 and year-to-date follows (in thousands):

| | <u>Current</u> <u>2009</u> | <u>Month</u> <u>2008</u> | <u>Year- to -Date</u> <u>2009</u> | <u>2008</u> |
|----------------------------------|-------------------------------|-----------------------------|--------------------------------------|-------------------|
| Total credits played | \$ 782,048 | \$ 815,849 | \$ 6,453,478 | \$6,990,966 |
| Credits (prizes) won | (705,594) | (735,913) | (5,821,274) | (6,315,120) |
| MWAP Contributions | (377) | (307) | (3,305) | (2,806) |
| Gross terminal income | <u>76,077</u> | <u>79,629</u> | <u>628,899</u> | <u>673,040</u> |
| Administrative costs | (910) | (797) | (16,595) | (17,509) |
| Net Terminal Income | <u>75,167</u> | <u>78,832</u> | <u>612,304</u> | <u>655,531</u> |
| Less distribution to agents | (39,754) | (41,274) | (354,720) | (379,533) |
| Racetrack video lottery revenues | <u>\$ 35,413</u> | <u>\$ 37,558</u> | <u>\$257,584</u> | <u>\$ 275,998</u> |

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

| | <u>March 31, 2009</u> | <u>Year-to Date</u> |
|---|-----------------------|---------------------|
| State Lottery Fund | \$ 6,451 | \$121,577 |
| State Excess Lottery Revenue Fund | 23,995 | 93,315 |
| Capital Reinvestment Fund | 2,150 | 8,336 |
| Tourism Promotion Fund 1.375% | 934 | 8,029 |
| Development Office Promotion Fund .375 % | 255 | 2,190 |
| Research Challenge Fund .5 % | 340 | 2,919 |
| Capitol Renovation & Improvement Fund .6875 % | 467 | 4,014 |
| Parking Garage Fund .0625 % | 42 | 365 |
| Parking Garage Fund 1 % | - | 500 |
| Cultural Facilities & Capitol Resources Fund .5 % | - | 1,500 |
| Capitol Dome & Capitol Improvements Fund .5 % | 679 | 3,839 |
| Worker's Compensation Debt Reduction Fund 7 % | - | 11,000 |
| Total nonoperating distributions | <u>\$35,413</u> | <u>\$ 257,584</u> |

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended March 31, 2009 and year-to-date follows (in thousands):

| | <u>Current</u> <u>2009</u> | <u>Month</u> <u>2008</u> | <u>Year- to -Date</u> <u>2009</u> | <u>2008</u> |
|--------------------------------|-------------------------------|-----------------------------|--------------------------------------|------------------|
| Total credits played | \$440,708 | \$451,307 | \$3,707,484 | \$3,712,284 |
| Credits (prizes) won | (402,853) | (413,961) | (3,398,608) | (3,406,030) |
| Gross terminal income | <u>\$37,855</u> | <u>\$37,346</u> | <u>\$308,876</u> | <u>\$306,254</u> |
| Administrative costs | (757) | (747) | (6,178) | (6,125) |
| Gross Profit | 37,098 | 36,599 | \$302,698 | \$300,129 |
| Commissions | (18,549) | (18,299) | (151,349) | (154,023) |
| Municipalities and Counties | (742) | (732) | (6,054) | (6,003) |
| Limited video lottery revenues | <u>\$17,807</u> | <u>\$17,568</u> | <u>\$143,295</u> | <u>\$140,103</u> |

NOTE 8 - TABLE GAMES

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 8 – TABLE GAMES (continued)

Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Debt Reduction Fund.

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 9- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended March 31, 2009 were \$9,403,749 and \$73,400,144, respectively. The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

| | <u>Month</u> | <u>YTD</u> |
|--|--------------|------------|
| Table Games Privilege Tax | \$ 3,291 | \$25,690 |
| Interest on Table Games Fund | 1 | 21 |
| Administrative Costs | (282) | (2,202) |
| Total Available for Distribution | 3,010 | 23,509 |
| <u>Less Distributions:</u> | | |
| Racetrack Purse Funds | 235 | 1,835 |
| Thoroughbred & Greyhound Development Funds | 188 | 1,468 |
| Racing Commission Pension Plan | 90 | 705 |
| Municipalities/Counties | 781 | 6,097 |
| Total Distributions | 1,294 | 10,105 |
| State Debt Reduction Fund | \$ 1,716 | \$13,404 |

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2009 the State Legislature budgeted \$168,151,542 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$3,608,834 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State

Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended March 31, 2009 the Lottery made such distributions and accrued additional distributions of \$53,340,422. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. 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 6. As of March 31, 2009 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$850,220.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations.

A summary of the cash distributions made to certain state agencies to conform to the legislation follows (in thousands):

| <u>BUDGETARY DISTRIBUTIONS</u> | <u>March 31, 2009</u> | <u>Year-to-Date</u> |
|------------------------------------|-----------------------|---------------------|
| <u>State Lottery Fund:</u> | | |
| Bureau of Senior Services | \$ - | \$ 58,815 |
| Department of Education | - | 35,191 |
| Library Commission | - | 11,554 |
| Higher Education-Policy Commission | - | 11,049 |
| Tourism | - | 7,961 |
| Natural Resources | - | 3,492 |
| Division of Culture & History | - | 5,880 |
| Department of Education & Arts | - | 1,213 |
| Building Commission | 1,000 | 9,000 |
| School Building Authority | 1,800 | 16,200 |
| Total State Lottery Fund | <u>\$ 2,800</u> | <u>\$ 160,355</u> |

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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

| | | |
|---|-----------|------------|
| <u>State Excess Lottery Revenue Fund:</u> | | |
| Economic Development Fund | \$ 1,900 | \$ 17,100 |
| Higher Education Improvement Fund | 1,000 | 9,000 |
| General Purpose Account | - | 65,000 |
| Higher Education Improvement Fund | - | 27,000 |
| State Park Improvement Fund | 1,038 | 5,000 |
| School Building Authority | 3,182 | 18,291 |
| Refundable Credit | 1,954 | 4,051 |
| Excess Lottery Surplus | 18,604 | 18,604 |
| West Va. Infrastructure Council | 8,305 | 40,000 |
| Total State Excess Lottery Revenue Fund | \$ 35,983 | \$ 204,046 |
| Total Budgetary distributions: | \$ 38,783 | \$ 364,401 |
| Veterans Instant Ticket Fund | \$ 154 | \$ 665 |
| <u>Other Racetrack Video Lottery distributions:</u> | | |
| Tourism Promotion Fund 1.375% | \$ 865 | \$ 7,995 |
| Development Office Promotion Fund .375% | 236 | 2,180 |
| Research Challenge Fund .5% | 314 | 2,907 |
| Capitol Renovation & Improvement Fund .6875% | 432 | 3,997 |
| Parking Garage Fund .0625 % | 39 | 363 |
| Parking Garage Fund 1 % | - | 500 |
| Cultural Facilities & Cap. Resources Fund .5% | - | 1,500 |
| Capitol Dome & Cap. Improvements Fund .5% | 629 | 3,814 |
| Workers Compensation Debt Reduction Fund 7% | - | 11,000 |
| Total | \$ 2,515 | \$ 34,256 |
| Table Games State Debt Reduction Fund | \$ 1,532 | 12,800 |
| Total nonoperating distributions to the State of West Virginia (cash basis) | \$ 42,984 | \$ 412,122 |
| Accrued nonoperating distributions, beginning | (200,376) | (166,967) |
| Accrued nonoperating distributions, end | 215,165 | 215,165 |
| Total nonoperating distributions to the State of West Virginia | \$ 57,773 | \$ 460,320 |

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 10 -- RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. The lottery contributed \$16,305,938 to the fund for fiscal year 2008 plus related interest of \$1,354,095.

NOTE 11 -- COMMITMENTS

The Lottery Commission has set aside funds as unrestricted net assets for the acquisition of future assets. As of June 30, 2008, a balance of \$5,497,770 is available for this purpose.

NOTE 12 - 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 March 31, 2009, 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 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>March 31, 2009</u> | <u>June 30, 2008</u> |
|---|-----------------------|----------------------|
| Present value of deferred prize award obligations: | | |
| Discounted obligations outstanding | \$ - | \$ 120 |
| Imputed interest accrued | — | 9 |
| | - | 129 |
| Less current portion of discounted obligations and accrued interest | — | (129) |
| Long-term portion of deferred prize award obligations | \$ - | \$ - |

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

NOTE 12 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST
 (continued)

Cash payments on deferred prize obligations for the year are as follows (in thousands):

| <u>Year Ended</u> | <u>Original Discounted Obligations Outstanding</u> | <u>Imputed Interest</u> | <u>Total</u> |
|-------------------|--|-----------------------------|--------------|
| June 30, 2009* | 120 | 10 | 130 |
| | \$ 120 | \$ 10 | \$ 130 |

*Paid 8/15/2008

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 Board Of Treasury Investments on behalf of the Lottery and the jackpot prize winners, with investment maturities approximating deferred prize obligation installment due 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 13 - 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 defined benefit 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.

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 with age and credited service equal to eighty or greater 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 average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement.

**WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-**

NOTE 13 - RETIREMENT BENEFITS (continued)

Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% 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 not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending March 31, 2009 are as follows (in thousands):

| | <u>March 31, 2009</u> | <u>Year-to Date</u> |
|------------------------|-----------------------|---------------------|
| Lottery contributions | \$55 | \$494 |
| Employee contributions | 24 | 215 |
| Total contributions | \$79 | \$709 |

NOTE 14 - 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 their 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.

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

The State of West Virginia operated an exclusive state-managed workers' compensation insurance program (WCC) prior to December 31, 2005. A framework for the privatization of workers' compensation insurance in West Virginia was established with the passage of Senate Bill 1004 and the WCC trust fund was terminated effective December 31, 2005. A privatized business entity, BrickStreet Administrative Services (BAS), was established and became the administrator of the WCC Old Fund, beginning January 1, 2006, and thereafter for seven years, and will have all administrative and adjudicatory authority previously vested in the WCC trust fund in administering old law liabilities and otherwise processing and deciding old law claims. BAS will be paid a monthly administrative fee and rated premium to provide a prompt and equitable system for compensation for injury sustained in the course of and growing out of employment. The monthly administrative fee for the West Virginia Lottery has been set at a level consistent with prior year payments and the new rate or premium will be established on an experience rated basis. The West Virginia Lottery is required to participate in the new BrickStreet Administrative Services (BAS) experience rated pool, which is expected to be rate adjusted on a quarterly basis.

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 14 - RISK MANAGEMENT (continued)

agencies, institutions of higher education, 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 and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The GASB has issued Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans," and Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions" (OPEB). The State nor the Lottery has previously reported in its financial statements costs associated with future participation of retirees in health benefit plans. The GASB statements are based on the premise that the "costs" of employee services should be reported during the periods when the services are rendered. Beginning with fiscal year ending June 30, 2008, the State will implement accounting and financial reporting requirements as an employer under GASB Statement No. 45. The financial statements will report OPEB funded status and funding progress and any "premium subsidy" resulting from the pooling of retiree participants with active employees in the health benefit plans. For "employer" OPEB reporting the State will report "expense" on an accrual basis in the amount of the "annual required contribution" and a "liability" for the amount of the "annual required contribution" that was not actually paid.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Funds have not been set aside to pay future costs of retirees, but the Legislature in response to the GASB statements, has made statutory changes to create the West Virginia Retiree Health Benefit Trust Fund (RHBT), an irrevocable trust fund, in which employer contributions for future retiree health costs may be accumulated and invested, and which is expected to facilitate the separate financial reporting of OPEB. The legislation requires the RHBT to determine through an actuarial study, as prescribed by GASB No. 43, the ARC (Annual Required Contribution) which shall be sufficient to maintain the RHBT in an actuarially sound manner. The ARC shall be allocated to respective employers including the Lottery who are required by law to remit at least the minimum annual premium component of the ARC. Revenues collected by RHBT shall be used to fund current OPEB healthcare claims and administrative expenses with residue funds held in trust for future OPEB costs. The Annual Required Contribution rate is \$461.06 per employee per month. In fiscal year 2008, the Lottery paid premiums of \$98,625 and the State of West Virginia, through its General Revenue Fund on the Lottery's behalf, has paid \$472,247 towards the Annual Required Contribution. As of June 30, 2008 the Lottery carried a liability of \$10,073 on its balance sheet for OPEB.

NOTE 16 – NEW ACCOUNTING PRONOUNCEMENTS

The Governmental Accounting Standards Board (GASB) issued Statement No. 50, Pension Disclosures, an amendment of GASB Statements No. 25 and No. 27, in 2007. This Statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers that provide pension benefits. The reporting changes required by this Statement amend applicable note disclosure and RSI requirements of Statements No. 25, Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans, and No. 27, Accounting for Pensions by State and Local Governmental Employers, to conform with requirements of Statements No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, and No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. This Statement is effective for periods beginning after June 15, 2007, and management has not yet determined what impact, if any, it will have on the financial statements.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590*



, 304-347-4870

Memorandum

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
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: May 5, 2009

Re: Status of General Revenue Fund April 30, 2009

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the months of July - April of fiscal year 2008-2009. The status of the fund collections are as follows:

The net collections were **99.91%** of the estimate for the fiscal year as of April 30, 2009. **The amount BELOW estimate was \$ 2.8 million for the year.**

Personal Income Tax collections were \$ 48 million over the estimate for the fiscal year.

Severance tax collections were \$ 17 million over the estimate for the fiscal year.

Corporate income and business franchise collections were \$ 22.5 million below the estimate for the year.

Gen Rev /Stat ~~Joint~~ **Committee on Government and Finance**

State Road Fund

The state road fund was collected at 98.66% of the estimate for the months of July - April 2009. The entire fund was \$ 7 million below the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ \$242,817,138.85 as of April 30, 2009.

| | |
|--|---------------------------------------|
| Balance July 1, 2008 | 289,801,853.25 |
| Cash flow loan to General Revenue on July 1, 2008. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September. Repaid September 26, 2008. | - 58,000,000.00 +58,000,000.00 |
| Revenues July 1, 2007-June 30,2008 (Surplus from FY 2008 transferred in August 2008.) | 17,638,764.23 |
| Earnings | - 64,623,478.63- |
| Balance April 30, 2009 | 242,817,138.85 |

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 205,774,178.72 as of April 30, 2009.

| | |
|------------------------|-----------------|
| Balance July 1, 2008 | 291,275,042.97 |
| Earnings | -85,500,864.25- |
| Balance April 30, 2009 | 205,774,178.72 |

The Special Income Tax Reserve Fund had a cash balance of \$45,019,318.96 as of April 30, 2009.

| | |
|------------------------------|---------------|
| Balance July 1, 2008 | 45,019,318.96 |
| Revenues July 2008-June 2009 | -0- |
| Balance April 30, 2009 | 45,019,318.96 |

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of \$ 27,319,224.03 on April 30, 2009. This fund was created by HB 218 during the June 2008 special session to act as a reserve fund when the highways motor fuel excise tax fails to meet monthly revenue estimates.

| | |
|--|------------------|
| Balance July 1, 2008 Appropriated by supplemental SB 2019, June 2008 | \$ 40,000,000.00 |
| Transfers out to Highways Fund | - 12,680,775.97- |
| Balance April 30, 2009 | 27,319,224.03 |

Monthly Revenue Estimates
as of April 30, 2009, WVFIMS

| | MONTH ESTIMATES | NET MONTH COLLECTIONS | UNDER ESTIMATES VS ACTUAL COLLECTIONS | YTD ESTIMATES | NET YTD COLLECTIONS | YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS |
|---------------------------------|--------------------|-----------------------------|---|----------------------|---------------------------|--|
| Personal Income Tax | 225,700,000 | 243,709,061 | 18,009,061 | 1,205,100,000 | 1,253,299,752 | 48,199,752 |
| Consumer Sales Tax & Use Tax | 89,900,000 | 93,037,111 | 3,137,111 | 986,000,000 | 944,670,829 | -41,329,171 |
| Severance Tax | 37,900,000 | 24,704,734 | -13,195,267 | 340,300,000 | 357,324,774 | 17,024,774 |
| Corp Income /Business Franchise | 42,900,000 | 48,399,551 | 5,499,551 | 242,900,000 | 220,310,716 | -22,589,284 |
| Business and Occupation | 14,300,000 | 13,531,208 | -768,792 | 126,800,000 | 126,263,323 | -536,677 |
| HB 102 - Lottery Transfers | 25,000,000 | 36,483,871 | 11,483,871 | 115,000,000 | 120,087,850 | 5,087,850 |
| Insurance Tax | 24,800,000 | 15,562,180 | -9,237,820 | 104,100,000 | 94,967,232 | -9,132,768 |
| Cigarette Tax | 9,100,000 | 8,213,432 | -886,568 | 88,100,000 | 90,727,956 | 2,627,956 |
| Interest Income | 2,900,000 | 1,003,651 | -1,896,349 | 21,900,000 | 23,434,155 | 1,534,155 |
| Departmental Collections | 930,000 | 755,786 | -174,214 | 14,310,000 | 12,707,985 | -1,602,015 |
| Property Transfer Tax | 900,000 | 528,027 | -371,973 | 10,780,000 | 7,297,689 | -3,482,311 |
| Liquor Profit Transfers | 760,000 | 20,798 | -739,202 | 10,140,000 | 9,804,842 | -335,158 |
| Refundable Credit Reim LTY | 1,660,000 | 2,148,090 | 488,090 | 8,360,000 | 6,199,357 | -2,160,643 |
| Beer Tax and Licenses | 670,000 | 685,939 | 15,939 | 6,580,000 | 6,610,243 | 30,243 |
| Property Tax | 560,000 | 609,371 | 49,371 | 4,940,000 | 5,245,486 | 305,486 |
| Smokeless Tobacco Tax | 480,000 | 557,477 | 77,477 | 4,540,000 | 5,175,694 | 635,694 |
| Miscellaneous Transfers | 0 | 0 | 0 | 1,600,000 | 129,636 | -1,470,364 |
| Racing Fees | 298,000 | 21,455 | -276,545 | 850,000 | 450,848 | -399,152 |
| Miscellaneous Recelpts | 106,000 | 141,367 | 35,367 | 819,000 | 4,568,865 | 3,749,865 |
| Business Franchise Fees | 20,000 | 25,131 | 5,131 | 790,000 | 749,546 | -40,454 |
| Charter Tax | 0 | 13,815 | 13,815 | 100,000 | 276,822 | 176,822 |
| Telecommunications Tax | 0 | 9,078 | 9,078 | 0 | 207,410 | 207,410 |
| Estate and Inheritance Tax | 0 | 11,785 | 11,785 | 0 | 28,687 | 28,687 |
| Video Lottery Transfers | 0 | 22,730 | 22,730 | 0 | 616,900 | 616,900 |
| Special Revenue Transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| Cash Flow Transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTALS | 478,884,000 | 490,195,649 | 11,311,649 | 3,294,009,000 | 3,291,156,598 | -2,852,402 |
| Minus Cash Flow Transfer | 0 | 0 | 0 | 0 | 0 | 0 |
| Percent of Estimates | | 102.36% | | | | |
| TOTALS | 478,884,000 | 490,195,649 | 11,311,649 | 3,294,009,000 | 3,291,156,598 | -2,852,402 |
| Percent of Estimates | | | | | 99.91% | |
| Collections this day | | 34,875,117 | | | | |

Prepared by Legislative Auditor's Office, Budget Division

| | MONTH ESTIMATES | NET MONTH COLLECTIONS | MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS | YTD ESTIMATES | NET YTD COLLECTIONS | YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS |
|---------------------------------|--------------------|-----------------------------|---|--------------------|---------------------------|--|
| Gasoline & Motor Carrier Rd Tax | 34,700,000 | 34,122,492 | -577,508 | 318,400,000 | 321,046,818 | 2,646,818 |
| Privilege Tax | 14,222,000 | 12,976,153 | -1,245,847 | 136,766,000 | 126,256,437 | -10,509,563 |
| Licenses & Registration | 6,838,000 | 6,368,463 | -469,537 | 66,415,000 | 67,200,223 | 785,223 |
| Highway Litter Control | 129,000 | 120,153 | -8,847 | 1,254,000 | 1,312,434 | 58,434 |
| TOTALS | 55,889,000 | 53,587,260 | -2,301,740 | 522,835,000 | 515,815,912 | -7,019,088 |

Percent of Estimates

95.88%

98.66%

Collections this day

18,224,150

**MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND
 CASH BALANCE WITH TREASURER
 AS OF April 1, 2009: \$27,319,224.03**

REVENUE SHORTFALL RESERVE FUND A AS OF April 1, 2009 : \$237,106,698.80

REVENUE SHORTFALL RESERVE FUND B AS OF April 1, 2009 : \$197,807,668.41

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF April 1, 2009: \$45,019,318.96

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

To: Honorable Senate President Tomblin
Honorable House of Delegates Speaker Thompson
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: May 15, 2009

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the March 31, 2009 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. March 2009 is the ninth month of fiscal year 2008-2009.

For the fiscal year 2008-2009, the trust fund cash flow was as follows:

| | |
|---|------------------|
| Trust Fund Beginning Cash Balance 7-1-2008 | \$251,821,729.58 |
| Receipts July 1, 2007 thru June 30, 2009 | \$120,197,299.77 |
| Disbursements July 1, 2007 thru June 30, 2009 | \$200,423,069.11 |
| Balance March 31, 2009 | \$171,595,960.24 |

ITEMS OF NOTE:

Regular benefits paid for July 2008 - March 2009 were \$41 million more than in July 2007 - March 2008.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 76.2 million more than the same months of the preceding fiscal year.

Receipts in July - March 2009 were \$ 40 million more than in July - March 2008. Overall ending trust fund balance was \$ 41 million less as of March 31, 2009 than on March 31, 2008. *

West Virginia's unemployment rate for the month of March 2009 was 7.7 percent. National unadjusted employment rate was 9.0 percent.

Seasonally adjusted unemployment rates were 6.9 percent for West Virginia and 8.5% percent nationally.

Since March 2008 employment has decreased by 16,500, with gains in the following areas: 1,600 in mining and logging, 1,100 in educational and health services and 200 in government. Declines included 5,800 in trade, transportation, and utilities, 4,600 in manufacturing, 2,300 in construction, 2,300 in professional and business services, 1,700 in leisure and hospitality, 1,200 in financial activities, 800 in other services, and 700 in information.

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING JANUARY 2008 AND JANUARY 2009**

| | JANUARY 08 | FEBRUARY 08 | MARCH 08 | JANUARY 09 | FEBRUARY 09 | MARCH 09 | THREE MONTH TOTAL VARIANCE * |
|--|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|---------------------------------|
| Balance Forward | <u>\$243,787,348.28</u> | <u>\$233,170,891.82</u> | <u>\$228,864,898.78</u> | <u>\$231,788,020.62</u> | <u>\$215,071,498.24</u> | <u>\$200,835,522.93</u> | <u>(\$48,137,888.18)</u> |
| Add Receipts: | | | | | | | |
| 1. Bond Assessments | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 2. Regular Contributions | \$8,811,483.32 | \$10,364,183.69 | \$430,167.28 | \$5,788,787.85 | \$12,845,573.50 | \$484,887.61 | \$1,403,514.47 |
| 3. Federal Extended Benefits (EUC08) | \$0.00 | \$0.00 | \$0.00 | \$8,460,130.00 | \$3,839,930.00 | \$4,218,602.00 | \$13,209,662.00 |
| 4. Emergency Unemployment Funds (TEUC) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 5. Temp Federal Additional Comp (FAC) | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 6. UCFT (Federal Agencies) | \$380,100.00 | \$347,000.00 | \$0.00 | \$88,200.00 | \$100,000.00 | \$115,000.00 | (\$414,500.00) |
| 7. Special Administrative Transfer ** | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$2,389,768.00 | \$0.00 | \$2,389,768.00 |
| 8. Reed Act Funds | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 9. Treasury Interest Credits | \$0.00 | \$0.00 | \$2,840,704.28 | \$0.00 | \$0.00 | \$2,418,724.72 | (\$421,879.56) |
| 10. UCM (Military Agencies) | \$868,600.00 | \$864,000.00 | \$0.00 | \$280,700.00 | \$280,000.00 | \$288,000.00 | (\$83,900.00) |
| Total Monthly Receipts | <u>\$7,980,183.32</u> | <u>\$11,665,793.69</u> | <u>\$3,270,891.56</u> | <u>\$11,897,817.65</u> | <u>\$18,815,262.60</u> | <u>\$7,596,294.33</u> | <u>\$16,162,655.91</u> |
| Less Disbursements: | | | | | | | |
| Debt Bond Repayment | (Retired) | (Retired) | (Retired) | (Retired) | (Retired) | (Retired) | (Retired) |
| Regular Benefits | \$18,124,480.89 | 17,394,144.85 | 18,053,404.88 | \$22,614,243.49 | \$27,898,167.81 | \$32,127,948.06 | \$31,188,348.32 |
| Federal Extended Benefits (EUC08) | \$0.00 | 0.00 | 0.00 | \$5,278,814.00 | \$3,517,408.00 | \$4,288,205.00 | \$13,083,424.00 |
| Emergency Benefits (TEUC) | (\$1,630.00) | (2,011.00) | (430.00) | (\$888.45) | (\$326.00) | (\$817.53) | \$2,389.87 |
| Temp Federal Additional Comp (FAC) | \$0.00 | 0.00 | 0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| UCFT (Federal Workers) Benefits | \$108,401.75 | 88,282.28 | 108,160.28 | \$102,381.88 | \$108,128.53 | \$128,633.08 | \$28,589.13 |
| UCM (Military Workers) Benefits | \$278,893.40 | 241,842.88 | 272,401.98 | \$288,889.13 | \$283,042.19 | \$335,087.48 | \$123,280.78 |
| Reed Act Funds | \$71,094.82 | 41,260.00 | 780,000.00 | \$0.00 | \$1,044,818.58 | \$0.00 | \$172,474.96 |
| Other Adjustments | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total Monthly Disbursements | <u>\$18,677,120.66</u> | <u>\$17,771,289.82</u> | <u>\$17,194,637.25</u> | <u>\$28,294,340.03</u> | <u>\$32,851,237.61</u> | <u>\$38,875,857.02</u> | <u>\$44,678,488.13</u> |
| Trust Fund Balances | <u>\$233,170,891.82</u> | <u>\$228,864,898.78</u> | <u>\$213,081,231.10</u> | <u>\$215,071,498.24</u> | <u>\$200,835,522.93</u> | <u>\$171,895,880.24</u> | <u>(\$63,583,528.40)</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.

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,389,768 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.



Prescription Drug Report

MARCH 2009

WV PEIA - Monthly Trend

| Plan Demographics | Jan-09 | Feb-09 | Mar-09 | 2009 - 2009 Fiscal | 2007 - 2008 Fiscal | % Change |
|---|--------------|--------------|--------------|--------------------|--------------------|----------|
| Total Drug Cost | \$13,703,841 | \$12,838,608 | \$14,528,939 | \$118,148,418 | \$112,688,188 | 4.94% |
| Amount Paid By Plan Sponsor | \$11,218,188 | \$10,498,806 | \$11,887,031 | \$92,708,933 | \$98,406,161 | 7.29% |
| Amount Paid By Members | \$2,485,653 | \$2,339,802 | \$2,639,907 | \$25,439,485 | \$28,180,004 | -2.63% |
| Total Claims | 215,447 | 209,117 | 238,418 | 1,883,271 | 1,788,180 | 4.65% |
| Average Eligible Member | 160,767 | 161,489 | 161,668 | 169,713 | 166,668 | 2.67% |
| Average # of Rx's Per Member Per Month | 1.34 | 1.30 | 1.48 | 1.31 | 1.28 | 2.12% |
| Plan Paid Per Member Per Month (PMPM) | \$69.77 | \$63.02 | \$73.57 | \$64.50 | \$61.72 | 4.60% |
| Average Eligible Enrollees | 74,034 | 74,349 | 74,678 | 73,637 | 71,929 | 2.24% |
| Average # of Rx's Per Enrollee Per Month | 2.91 | 2.61 | 3.17 | 2.68 | 2.77 | 2.66% |
| Plan Paid Per Enrollee Per Month (PEPM) | \$151.53 | \$141.21 | \$169.39 | \$140.08 | \$133.47 | 4.66% |
| Rx Cost Share | | | | | | |
| Avg. Claim Cost to Plan | \$52.07 | \$60.21 | \$50.28 | \$49.23 | \$48.11 | 2.33% |
| Avg. Member Cost/Claim | \$11.54 | \$11.18 | \$11.17 | \$13.51 | \$14.58 | -7.32% |
| Percent Member Cost Share | 19.1% | 18.2% | 18.2% | 21.5% | 23.3% | -7.40% |
| Average Ingredient Costs | | | | | | |
| Single Source (no generics available) | \$178.97 | \$178.51 | \$178.97 | \$178.03 | \$165.79 | 12.95% |
| Multi-Source Brand (generics available) | \$49.68 | \$53.22 | \$52.55 | \$48.04 | \$58.00 | -20.43% |
| Generic Drugs | \$18.18 | \$17.74 | \$17.53 | \$18.85 | \$20.19 | -8.61% |
| Brand/Generic Dispensing Rates | | | | | | |
| Single Source (no generics) | 26.6% | 25.62% | 26.07% | 26.76% | 29.96% | -10.70% |
| Multi-Source Brand % (generics available) | 1.0% | 0.91% | 0.69% | 0.93% | 1.00% | -3.76% |
| Generic Drug | 72.4% | 73.27% | 73.04% | 72.29% | 69.06% | 4.69% |
| Generics Dispensed when available | 98.7% | 98.77% | 98.80% | 98.69% | 98.58% | 0.11% |
| Percent of Plan Cost for Single Source | 79.2% | 80.06% | 80.58% | 80.43% | 79.33% | 1.40% |
| Retail Pharmacy Program | | | | | | |
| Avg. Day Supply | 32.7 | 31.7 | 31.8 | 32.4 | 31.8 | 1.78% |
| Avg. Plan Cost/Day Supply | \$1.68 | \$1.57 | \$1.57 | \$1.51 | \$1.50 | 0.75% |
| Avg. Claim Cost to Plan | \$51.63 | \$49.76 | \$49.53 | \$49.83 | \$47.51 | 2.55% |
| Avg. Member Cost / Claim | \$11.47 | \$11.11 | \$11.10 | \$13.42 | \$14.48 | -7.29% |
| Percent Member Cost Share | 18.2% | 18.24% | 18.21% | 21.65% | 23.32% | -7.52% |
| Special Maint Network (% of claims filed) | 11.6% | 11.28% | 11.40% | 11.54% | 11.24% | 2.70% |
| Other Maint (% of claims filed) | 0.6% | 0.63% | 0.62% | 0.60% | 0.67% | 6.03% |
| Avg. Days Supply for Maint. Network | 87.5 | 87.5 | 87.5 | 87.5 | 87.5 | -0.09% |
| Total # Claims Fills 1-34 Days Supply | 184,654 | 180,740 | 203,882 | 1,622,750 | 1,569,475 | 4.06% |
| Total # Claims Fills 35-60 Day Supply | 1,633 | 1,460 | 1,671 | 13,282 | 11,837 | 11.96% |
| Total # Claims Fills 61-90 Day Supply | 27,188 | 28,125 | 28,637 | 230,688 | 208,738 | 10.61% |
| Total # Claims Fills 91+ Day Supply | 16 | 23 | 28 | 63 | 48 | 72.92% |
| Mail Service Program | | | | | | |
| Avg. Days Supply | 71.1 | 72.1 | 71.6 | 72.2 | 71.8 | 0.43% |
| Avg. Plan Cost/Days Supply | \$1.38 | \$1.37 | \$1.44 | \$1.32 | \$1.42 | -7.63% |
| Avg. Cost to Plan | \$96.84 | \$98.62 | \$102.94 | \$95.10 | \$102.41 | -7.13% |
| Avg. Member Cost/Claim | \$19.23 | \$18.45 | \$19.38 | \$23.28 | \$26.31 | -7.99% |
| Percent Member Cost Share | 18.6% | 18.48% | 18.66% | 18.67% | 19.82% | -0.76% |
| Total # Claims Fill 1-34 Days Supply | 697 | 509 | 690 | 4,669 | 4,689 | -4.71% |
| Total # Claims Fills 35-60 Days Supply | 11 | 6 | 8 | 52 | 45 | 16.56% |
| Total # Claims Fills 61-90 Days Supply | 1,289 | 1,255 | 1,389 | 11,690 | 11,161 | 3.84% |
| Total # Claims Fills 91+ Day Supply | 0 | 0 | 0 | - | - | - |
| Formulary Program | | | | | | |
| S/S Formulary Drugs (% by claim) | 21.6% | 20.91% | 21.18% | 21.91% | 22.95% | -4.68% |
| S/S Non-Formulary Drugs (% by claim) | 5.2% | 4.91% | 4.89% | 4.83% | 6.97% | -30.62% |
| M/S Drugs (% by claim) | 1.0% | 0.91% | 0.69% | 0.96% | 1.00% | -3.76% |
| Generic Drugs (% by claim) | 72.4% | 73.27% | 73.04% | 72.29% | 69.06% | 4.69% |
| S/S Formulary Drugs (% by \$) | 69.9% | 70.86% | 71.34% | 72.24% | 69.16% | 4.47% |
| Non-Formulary Drugs (% by \$) | 8.2% | 8.19% | 8.24% | 8.19% | 10.16% | -19.48% |
| M/S Drugs (% by \$) | 0.4% | 0.45% | 0.46% | 0.41% | 0.26% | 66.43% |
| Generic Drugs (% by \$) | 20.4% | 18.44% | 18.96% | 18.16% | 20.43% | -6.22% |
| Specialty Drugs | | | | | | |
| Total Drug Cost | \$1,410,078 | \$1,384,093 | \$1,448,748 | \$12,373,348 | \$10,829,328 | 18.78% |
| Amount Paid by Plan Sponsor | \$1,373,970 | \$1,328,169 | \$1,412,778 | \$12,027,904 | \$10,018,193 | 20.06% |
| Amount Paid by Members | \$36,608 | \$34,624 | \$38,970 | \$345,442 | \$311,135 | 11.03% |
| Total Claims | 731 | 696 | 741 | 6,349 | 5,739 | 10.63% |
| Avg # of Rx's per Member per Month | 0.00 | 0.00 | 0.00 | 0.004 | 0.004 | 7.75% |
| Plan Paid Per Member Per Month (PMPM) | \$3.54 | \$3.23 | \$3.74 | \$3.37 | \$2.18 | 18.94% |
| Avg Claim Cost to Plan | \$1,898.03 | \$1,908.71 | \$1,968.68 | \$1,894.48 | \$1,745.63 | 8.53% |
| Avg Claim Cost to Member | \$49.94 | \$48.19 | \$48.64 | \$54.41 | \$54.21 | 0.36% |
| Percent of Member Cost Share | 2.59% | 2.59% | 2.48% | 2.78% | 3.01% | -7.31% |
| Percent of Overall Drug Spend | 10.29% | 10.63% | 9.97% | 10.47% | 9.17% | 14.16% |

WV PEIA - Monthly Trend

| Plan Demographics | Jul-08 | Aug-08 | Sep-08 | Oct-08 | Nov-08 | Dec-08 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| Total Drug Cost | \$11,892,698 | \$12,321,699 | \$12,889,248 | \$13,423,697 | \$12,859,269 | \$13,996,516 |
| Amount Paid By Plan Sponsor | \$7,170,666 | \$9,269,674 | \$10,136,174 | \$10,829,067 | \$10,217,338 | \$11,461,821 |
| Amount Paid By Members | \$4,722,120 | \$3,051,825 | \$2,753,072 | \$2,594,640 | \$2,640,931 | \$2,533,694 |
| Total Claims | 197,036 | 193,028 | 206,369 | 212,938 | 200,694 | 223,209 |
| Average Eligible Member | 157,501 | 157,698 | 169,843 | 169,292 | 1,39,979 | 160,408 |
| Average # of Rx's Per Member Per Month | 1.19 | 1.22 | 1.29 | 1.34 | 1.29 | 1.39 |
| Plan Paid Per Member Per Month (PMPM) | \$45.53 | \$58.82 | \$53.81 | \$67.98 | \$63.91 | \$71.48 |
| Average Eligible Enrollees | 72,418 | 72,528 | 73,131 | 73,361 | 73,696 | 73,849 |
| Average # of Rx's Per Enrollee Per Month | 2.69 | 2.68 | 2.61 | 2.90 | 2.73 | 3.02 |
| Plan Paid Per Enrollee Per Month (PEPM) | \$99.02 | \$129.09 | \$138.60 | \$147.61 | \$139.93 | \$166.21 |
| Rx Cost Share | | | | | | |
| Avg. Claim Cost to Plan | \$98.34 | \$49.13 | \$49.36 | \$50.66 | \$50.91 | \$51.35 |
| Avg. Member Cost/Claim | \$26.26 | \$15.71 | \$13.41 | \$12.18 | \$11.68 | \$11.39 |
| Percent member Cost Share | 39.7% | 24.6% | 21.4% | 19.3% | 18.6% | 18.1% |
| Average Ingredient Costs | | | | | | |
| Single Source (no generics available) | \$173.18 | \$171.88 | \$173.80 | \$175.22 | \$174.60 | \$177.29 |
| Mult-Source Brand (generics available) | \$51.11 | \$41.15 | \$43.57 | \$42.63 | \$43.96 | \$50.18 |
| Generic Drugs | \$19.24 | \$19.66 | \$19.16 | \$19.19 | \$19.09 | \$19.22 |
| Brand/Generic Dispensing Rates | | | | | | |
| Single Source (no generics) | 27.66% | 27.85% | 27.02% | 26.9% | 26.78% | 26.32% |
| Mult-Source Brand % (generics available) | 1.04% | 0.97% | 0.96% | 1.0% | 0.96% | 0.98% |
| Generic Drug | 71.40% | 71.19% | 72.01% | 72.1% | 72.26% | 72.70% |
| Generic Dispensed when available | 99.57% | 99.66% | 99.68% | 99.7% | 99.69% | 99.67% |
| Percent of Plan Cost for Single Source | 85.88% | 61.83% | 60.53% | 79.9% | 79.45% | 78.89% |
| Retail Pharmacy Program | | | | | | |
| Avg. Day Supply | 32.5 | 33.3 | 32.6 | 32.3 | 32.3 | 32.3 |
| Avg. Plan Cost/Day Supply | \$1.16 | \$1.43 | \$1.49 | \$1.68 | \$1.66 | \$1.55 |
| Avg. Claim Cost to Plan | \$37.89 | \$47.78 | \$49.97 | \$60.48 | \$60.48 | \$60.97 |
| Avg. Member Cost / Claim | \$26.11 | \$18.58 | \$13.32 | \$12.11 | \$11.69 | \$11.28 |
| Percent Member Cost Share | 39.86% | 24.59% | 21.38% | 19.3% | 18.68% | 18.12% |
| Special Maint Netask (% of claims filled) | 10.96% | 11.96% | 11.90% | 11.4% | 11.68% | 11.67% |
| Other Maint (% of claims filled) | 0.63% | 0.69% | 0.69% | 0.6% | 0.67% | 0.62% |
| Avg. Days Supply for Maint. Netasks | 87.8 | 87.4 | 87.5 | 87.4 | 87.5 | 87.6 |
| Total # Claims Fills 1-34 Days Supply | 162,189 | 166,969 | 170,445 | 163,970 | 172,923 | 162,162 |
| Total # Claims Fills 35-60 Day Supply | 1,256 | 1,438 | 1,463 | 1,529 | 1,402 | 1,518 |
| Total # Claims Fills 61-90 Day Supply | 21,953 | 24,268 | 25,787 | 25,610 | 24,593 | 27,820 |
| Total # Claims Fills 91+ Day Supply | 4 | 6 | 2 | 2 | 2 | 2 |
| Mail Service Program | | | | | | |
| Avg. Days Supply | 78.0 | 73.6 | 72.4 | 71.6 | 71.5 | 70.7 |
| Avg. Plan Cost/Days Supply | \$1.14 | \$1.17 | \$1.33 | \$1.29 | \$1.38 | \$1.38 |
| Avg. Cost to Plan | \$96.90 | \$96.38 | \$96.59 | \$92.27 | \$98.74 | \$96.41 |
| Avg. Member Cost/Claim | \$39.77 | \$29.49 | \$24.30 | \$20.63 | \$19.64 | \$19.41 |
| Percent Member Cost Share | 31.40% | 26.45% | 20.11% | 18.3% | 18.69% | 18.90% |
| Total # Claims Fill 1-34 Days Supply | 397 | 469 | 473 | 647 | 630 | 664 |
| Total # Claims Fills 35-60 Days Supply | 6 | 8 | 3 | 6 | 1 | 5 |
| Total # Claims Fills 61-90 Days Supply | 1,306 | 1,299 | 1,198 | 1,306 | 1,243 | 1,299 |
| Total # Claims Fills 91+ Day Supply | 0 | 0 | 0 | 0 | 0 | 0 |
| Formulary Program | | | | | | |
| B/S Formulary Drugs (% by claim) | 22.60% | 22.92% | 22.19% | 22.2% | 22.21% | 21.85% |
| B/S Non-Formulary Drugs (% by claim) | 4.96% | 4.63% | 4.63% | 4.6% | 4.67% | 4.47% |
| M/S Drugs (% by claim) | 1.04% | 0.97% | 0.96% | 1.0% | 0.96% | 0.98% |
| Generic Drugs (% by claim) | 71.40% | 71.19% | 72.01% | 72.1% | 72.26% | 72.70% |
| B/S Formulary Drugs (% by \$) | 78.13% | 74.06% | 72.68% | 72.3% | 71.90% | 71.33% |
| B/S non-Formulary Drugs (% by \$) | 7.75% | 7.45% | 7.86% | 7.6% | 7.55% | 7.58% |
| M/S Drugs (% by \$) | 0.92% | 0.90% | 0.93% | 0.9% | 0.97% | 0.44% |
| Generic Drugs (% by \$) | 13.50% | 18.17% | 19.14% | 19.8% | 20.18% | 20.87% |
| Specialty Drugs | | | | | | |
| Total Drug Cost | \$1,374,104 | \$1,220,429 | \$1,383,475 | \$1,430,890 | \$1,274,697 | \$1,498,734 |
| Amount Paid by Plan Sponsor | \$1,311,459 | \$1,164,513 | \$1,329,262 | \$1,336,020 | \$1,242,114 | \$1,449,969 |
| Amount Paid by Members | \$62,645 | \$38,916 | \$34,163 | \$35,970 | \$32,583 | \$38,738 |
| Total Claims | 720 | 663 | 673 | 726 | 669 | 741 |
| Avg # of Rx's per Member per Month | 0.00 | 0.00 | 0.00 | 0.005 | 0.004 | 0.005 |
| Plan Paid Per Member Per Month (PMPM) | \$8.33 | \$7.61 | \$9.37 | \$9.76 | \$7.77 | \$9.04 |
| Avg Claim Cost to Plan | \$1,821.47 | \$1,789.00 | \$1,978.17 | \$1,924.17 | \$1,884.69 | \$1,966.81 |
| Avg Claim Cost to Member | \$87.01 | \$54.17 | \$50.79 | \$49.61 | \$49.44 | \$49.67 |
| Percent of Member Cost Share | 4.56% | 2.94% | 2.51% | 2.51% | 2.68% | 2.47% |
| Percent of Overall Drug Spend | 11.56% | 9.90% | 10.58% | 10.68% | 10.15% | 10.62% |



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 03/2009 - 03/2009
Previous Period: 03/2008 - 03/2008

| | Current Period | Previous Period | % Change |
|----------------------------|----------------|-----------------|----------|
| Overall Performance | | | |
| Plan Cost PMPM | \$73.57 | \$68.82 | 6.7 % |
| Average Mbrs/Month | 181,568 | 157,777 | 2.4 % |
| Average Subs/Month | 74,576 | 72,908 | 2.3 % |
| % Utilizing Members | 48.9 % | 47.3 % | 3.3 % |
| % Retail Utilizing Members | 48.6 % | 47.0 % | 3.4 % |
| % Mail Utilizing Members | 0.6 % | 0.6 % | -0.9 % |
| Rx Measures | | | |
| Rxs PMPM | 1.48 | 1.37 | 7.0 % |
| Retail Rxs PMPM | 1.45 | 1.38 | 7.1 % |
| Mail Rxs PMPM | 0.01 | 0.01 | 3.7 % |
| Average Admin Fee/Rx | \$0.00 | \$0.01 | -97.7 % |
| Avg Retail Admin Fee/Rx | \$0.00 | \$0.01 | -97.7 % |
| Avg Mail Admin Fee/Rx | \$0.00 | \$0.00 | 0.0 % |
| Average Plan Cost/Rx | \$60.28 | \$60.41 | -0.3 % |
| Avg Retail Plan Cost/Rx | \$49.83 | \$49.91 | -0.2 % |
| Avg Mail Plan Cost/Rx | \$102.94 | \$107.29 | -4.1 % |
| Average Mbr Contrib/Rx | \$11.17 | \$11.49 | -2.8 % |
| Avg Retail Mbr Contrib/Rx | \$11.10 | \$11.42 | -2.8 % |
| Avg Mail Mbr Contrib/Rx | \$19.38 | \$19.85 | -2.4 % |
| Average Ing Cost/Rx | \$69.94 | \$69.23 | -0.5 % |
| Avg Retail Ing Cost/Rx | \$69.41 | \$69.66 | -0.4 % |
| Avg Mail Ing Cost/Rx | \$122.32 | \$125.64 | -2.6 % |
| Average AWP/Rx | \$112.28 | \$105.39 | 6.5 % |
| Avg Retail AWP/Rx | \$111.29 | \$104.41 | 6.6 % |
| Avg Mail AWP/Rx | \$228.87 | \$216.70 | 5.6 % |
| Average Days Supply/Rx | 32.1 | 31.9 | 0.9 % |
| Avg Retail Days/Rx | 31.8 | 31.5 | 1.0 % |
| Avg Mail Days/Rx | 71.8 | 72.7 | -1.6 % |
| Average Plan Cost/Day | \$1.56 | \$1.58 | -1.2 % |
| Avg Retail Plan Cost/Day | \$1.57 | \$1.58 | -1.2 % |
| Avg Mail Plan Cost/Day | \$1.44 | \$1.47 | -2.5 % |
| % Plan Cost | 81.8 % | 81.4 % | 0.5 % |
| % Member Contribution | 18.2 % | 18.6 % | -2.1 % |
| % Retail Plan Cost | 81.8 % | 81.4 % | 0.5 % |
| % Retail Mbr Contrib | 18.2 % | 18.6 % | -2.2 % |
| % Mail Plan Cost | 84.2 % | 84.4 % | -0.3 % |
| % Mail Member Contrib | 15.8 % | 15.6 % | 1.5 % |



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 03/2009 - 03/2009

Previous Period: 03/2008 - 03/2008

| | Current Period | Previous Period | % Change |
|------------------------------|-----------------|-----------------|----------|
| Rx Sources | | | |
| % Mail Rxs | 0.8 % | 0.9 % | -3.1 % |
| % Retail Rxs | 99.1 % | 99.1 % | 0.1 % |
| % Member Submit Rxs | 0.0 % | 0.0 % | -86.2 % |
| Rx Types- | | | |
| Avg SSB Plan Cost/Rx | \$155.40 | \$139.08 | 11.8 % |
| Avg Retail SSB Plan Cost/Rx | \$154.45 | \$138.12 | 11.8 % |
| Avg Mail SSB Plan Cost/Rx | \$240.92 | \$226.01 | 7.1 % |
| Avg MSB Plan Cost/Rx | \$28.02 | \$12.22 | 112.9 % |
| Avg Retail MSB Plan Cost/Rx | \$28.23 | \$12.18 | 115.7 % |
| Avg Mail MSB Plan Cost/Rx | \$2.68 | \$25.14 | -89.4 % |
| Avg GEN Plan Cost/Rx | \$13.05 | \$15.39 | -15.2 % |
| Avg Retail GEN Plan Cost/Rx | \$12.91 | \$15.17 | -14.9 % |
| Avg Mail GEN Plan Cost/Rx | \$31.98 | \$43.14 | -25.9 % |
| % Single-Source Brand Rxs | 26.1 % | 28.3 % | -8.0 % |
| % Multi-Source Brand Rxs | 0.9 % | 1.0 % | -7.3 % |
| % Generic Rxs | 73.0 % | 70.7 % | 3.3 % |
| % Retail Single-Source Brand | 26.0 % | 28.3 % | -8.1 % |
| % Retail Multi-Source Brand | 0.9 % | 1.0 % | -7.7 % |
| % Retail Generic | 73.1 % | 70.8 % | 3.3 % |
| % Mail Single-Source Brand | 34.1 % | 35.3 % | -3.4 % |
| % Mail Multi-Source Brand | 1.0 % | 0.5 % | 98.7 % |
| % Mail Generic | 64.9 % | 64.2 % | 1.2 % |
| % Formulary Rxs | 93.9 % | 93.4 % | 0.5 % |
| % Retail Formulary Rxs | 93.8 % | 93.4 % | 0.5 % |
| % Mail Formulary Rxs | 92.5 % | 93.8 % | -1.4 % |
| % DAW Rxs | 0.5 % | 0.6 % | -17.6 % |
| % Retail DAW Rxs | 0.5 % | 0.5 % | -18.4 % |
| % Mail DAW Rxs | 0.6 % | 1.6 % | -63.6 % |
| % Generic Conversion | 98.8 % | 98.7 % | 0.1 % |
| % Retail GEN Conversion | 98.8 % | 98.7 % | 0.1 % |
| % Mail GEN Conversion | 98.8 % | 99.3 % | -0.7 % |
| Period Totals | | | |
| Total Plan Cost | \$11,887,031.35 | \$10,874,171.22 | 9.3 % |
| Retail Plan Cost | \$11,681,458.05 | \$10,672,462.15 | 9.5 % |
| Mail Plan Cost | \$205,573.30 | \$201,709.07 | 1.9 % |
| Total Member Contribution | \$2,639,907.37 | \$2,478,733.51 | 6.5 % |

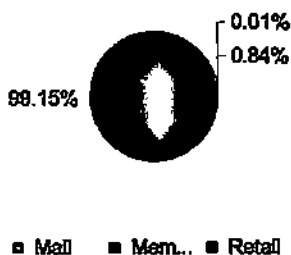
Key Performance Indicators
 Comprehensive Indicators
 WVA - WV Public Employees Ins

 Current Period: 03/2009 - 03/2009
 Previous Period: 03/2008 - 03/2008

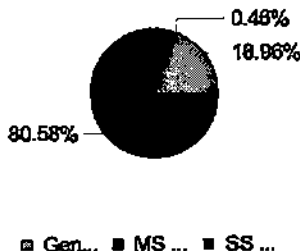
| | Current Period | Previous Period | |
|-----------------------|----------------|-----------------|--------------|
| Retail Member Contrib | \$2,601,201.06 | \$2,441,417.76 | 6.5 % |
| Mail Member Contrib | \$38,706.31 | \$37,316.75 | 3.7 % |
| Total Rx Count | 236,415 | 215,716 | 9.8 % |
| Retail Rx Count | 234,402 | 213,730 | 9.7 % |
| Member Submit Rxs | 16 | 106 | -84.9 % |
| Mail Rx Count | 1,997 | 1,880 | 6.2 % |
| Total Admin Fee | \$40.00 | \$1,697.50 | -97.5 % |
| Total UC Savings | \$9,456,466.23 | \$9,846,410.35 | -4.0 % |
| Total Lost Savings | \$19,245.82 | \$10,888.45 | 76.8 % |
| Demographics | | | |
| Average Age | 39.0 | 38.9 | 0.4 % |
| % Male Members | 46.5 % | 46.5 % | -0.0 % |
| % Female Members | 53.5 % | 53.5 % | 0.0 % |

Graphs based on Current Period: 03/2009 - 03/2009

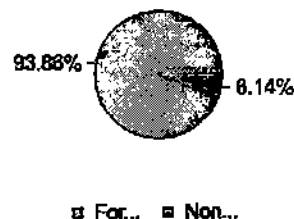
Claim Source by Rx Count



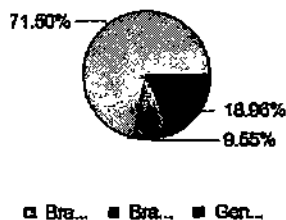
Drug Type by Plan Cost



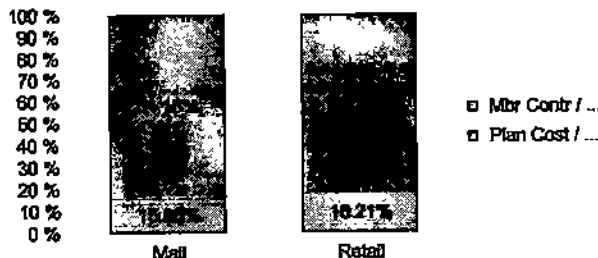
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 03/2009 - 03/2009



EXPRESS SCRIPTS®

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| Reporting Level 2 | Avg Mth Count | Avg Mth Util. Mth/Member | Rx Count | Plan Cost | Member Contr/Rx | Plan Cost/Rx | Mail % Rxs | Gen ¹ % Rxs | Form % Rxs | Gen Conv % | PMPM Plan Cost |
|---------------------------------|----------------|--------------------------|----------------|---------------------|-----------------|----------------|--------------|------------------------|---------------|---------------|----------------|
| COBRA (COBRA) | 318 | 200 | 724 | \$88,622 | \$12.01 | \$78.21 | 2.3 % | 68.5 % | 82.0 % | 98.4 % | \$179.19 |
| NON STATE AGENCIES (02) | 18,318 | 8,885 | 28,234 | \$1,182,488 | \$10.58 | \$48.07 | 0.8 % | 74.6 % | 94.8 % | 99.0 % | \$63.48 |
| NON STATE AGENCIES PLAN B (02B) | 2,311 | 956 | 2,551 | \$91,830 | \$12.28 | \$38.04 | 0.9 % | 77.4 % | 95.1 % | 99.4 % | \$39.78 |
| NON STATE RETIREES (08) | 1,398 | 928 | 3,703 | \$185,855 | \$10.82 | \$62.84 | 1.5 % | 72.7 % | 84.9 % | 98.8 % | \$143.02 |
| NON STATE RETIREES 60 (0860) | 24 | 19 | 77 | \$3,649 | \$4.33 | \$47.39 | 0.0 % | 72.7 % | 80.9 % | 88.2 % | \$152.03 |
| STATE AGENCIES (01) | 120,742 | 57,370 | 185,983 | \$8,280,842 | \$11.11 | \$50.04 | 0.8 % | 79.1 % | 93.7 % | 98.6 % | \$68.67 |
| STATE AGENCIES (01B) | 3,890 | 1,184 | 2,804 | \$94,943 | \$14.18 | \$38.48 | 1.3 % | 77.3 % | 93.6 % | 99.1 % | \$23.80 |
| STATE RETIREES (07) | 14,388 | 9,879 | 35,435 | \$1,871,715 | \$11.72 | \$58.94 | 1.1 % | 71.3 % | 93.8 % | 98.6 % | \$138.97 |
| STATE RETIREES ASST 60 (0760) | 103 | 78 | 404 | \$19,088 | \$3.12 | \$47.28 | 1.5 % | 78.0 % | 94.8 % | 99.1 % | \$186.32 |
| TEST GROUP (17022) | 1 | NA | NA | \$0 | NA | NA | NA | NA | NA | NA | NA |
| Grand Total | 181,588 | | 238,415 | \$11,887,031 | \$11.17 | \$50.28 | 0.8 % | 73.0 % | 93.9 % | 98.6 % | \$73.57 |

**Key Performance Indicators**

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2008 - 03/2009

Previous Period: 07/2007 - 03/2008

| | Current Period | Previous Period | % Change |
|----------------------------|----------------|-----------------|----------|
| Overall Performance | | | |
| Plan Cost PMPM | \$84.49 | \$81.68 | 4.8 % |
| Average Mbrs/Month | 169,713 | 155,556 | 2.7 % |
| Average Subs/Month | 73,637 | 71,829 | 2.2 % |
| % Utilizing Members | 45.2 % | 45.3 % | -0.1 % |
| % Retail Utilizing Members | 45.0 % | 45.0 % | -0.1 % |
| % Mail Utilizing Members | 0.5 % | 0.5 % | -2.5 % |
| Rx Measures | | | |
| Rxs PMPM | 1.31 | 1.28 | 2.1 % |
| Retail Rxs PMPM | 1.30 | 1.27 | 2.1 % |
| Mail Rxs PMPM | 0.01 | 0.01 | -1.3 % |
| Average Admin Fee/Rx | \$0.00 | \$0.01 | -80.1 % |
| Avg Retail Admin Fee/Rx | \$0.00 | \$0.01 | -80.1 % |
| Avg Mail Admin Fee/Rx | \$0.00 | \$0.00 | 0.0 % |
| Average Plan Cost/Rx | \$49.23 | \$48.05 | 2.4 % |
| Avg Retail Plan Cost/Rx | \$48.83 | \$47.66 | 2.7 % |
| Avg Mail Plan Cost/Rx | \$95.10 | \$102.44 | -7.2 % |
| Average Mbr Contrib/Rx | \$13.51 | \$14.57 | -7.3 % |
| Avg Retail Mbr Contrib/Rx | \$13.42 | \$14.47 | -7.3 % |
| Avg Mail Mbr Contrib/Rx | \$23.29 | \$25.29 | -7.9 % |
| Average Ing Cost/Rx | \$81.17 | \$80.92 | 0.4 % |
| Avg Retail Ing Cost/Rx | \$80.67 | \$80.33 | 0.6 % |
| Avg Mail Ing Cost/Rx | \$118.37 | \$126.22 | -6.2 % |
| Average AWP/Rx | \$111.53 | \$104.09 | 7.1 % |
| Avg Retail AWP/Rx | \$110.54 | \$103.14 | 7.2 % |
| Avg Mail AWP/Rx | \$225.47 | \$210.04 | 7.3 % |
| Average Days Supply/Rx | 32.8 | 32.2 | 1.8 % |
| Avg Retail Days/Rx | 32.4 | 31.9 | 1.7 % |
| Avg Mail Days/Rx | 72.2 | 71.9 | 0.4 % |
| Average Plan Cost/Day | \$1.50 | \$1.49 | 0.8 % |
| Avg Retail Plan Cost/Day | \$1.51 | \$1.49 | 0.9 % |
| Avg Mail Plan Cost/Day | \$1.32 | \$1.42 | -7.8 % |
| % Plan Cost | 78.5 % | 76.7 % | 2.3 % |
| % Member Contribution | 21.5 % | 23.3 % | -7.5 % |
| % Retail Plan Cost | 78.4 % | 76.7 % | 2.3 % |
| % Retail Mbr Contrib | 21.6 % | 23.3 % | -7.6 % |
| % Mail Plan Cost | 80.3 % | 80.2 % | 0.2 % |
| % Mail Member Contrib | 19.7 % | 19.8 % | -0.7 % |



Key Performance Indicators
Comprehensive Indicators
WVA - WV Public Employees Ins

Current Period: 07/2008 - 03/2009
Previous Period: 07/2007 - 03/2008

| | Current Period | Previous Period | % Change |
|---------------------|----------------|-----------------|----------|
| Rx Sources | | | |
| % Mail Rxs | 0.9 % | 0.9 % | -3.3 % |
| % Retail Rxs | 99.1 % | 99.0 % | 0.1 % |
| % Member Submit Rxs | 0.0 % | 0.1 % | -69.8 % |

| | | | |
|------------------------------|----------|----------|---------|
| Rx Types | | | |
| Avg SSB Plan Cost/Rx | \$148.05 | \$127.28 | 16.3 % |
| Avg Retail SSB Plan Cost/Rx | \$147.23 | \$126.41 | 16.5 % |
| Avg Mail SSB Plan Cost/Rx | \$224.65 | \$202.72 | 10.8 % |
| Avg MSB Plan Cost/Rx | \$20.90 | \$11.81 | 77.0 % |
| Avg Retail MSB Plan Cost/Rx | \$20.58 | \$11.70 | 75.9 % |
| Avg Mail MSB Plan Cost/Rx | \$50.42 | \$32.34 | 65.9 % |
| Avg GEN Plan Cost/Rx | \$13.04 | \$14.25 | -8.5 % |
| Avg Retail GEN Plan Cost/Rx | \$12.90 | \$14.04 | -8.1 % |
| Avg Mail GEN Plan Cost/Rx | \$30.91 | \$41.22 | -25.0 % |
| % Single-Source Brand Rxs | 26.7 % | 29.9 % | -10.6 % |
| % Multi-Source Brand Rxs | 1.0 % | 1.0 % | -4.1 % |
| % Generic Rxs | 72.3 % | 69.1 % | 4.7 % |
| % Retail Single-Source Brand | 26.7 % | 29.9 % | -10.6 % |
| % Retail Multi-Source Brand | 1.0 % | 1.0 % | -4.6 % |
| % Retail Generic | 72.4 % | 69.1 % | 4.6 % |
| % Mail Single-Source Brand | 33.0 % | 37.8 % | -13.0 % |
| % Mail Multi-Source Brand | 1.2 % | 0.6 % | 99.5 % |
| % Mail Generic | 65.8 % | 61.5 % | 7.0 % |
| % Formulary Rxs | 93.8 % | 91.5 % | 2.5 % |
| % Retail Formulary Rxs | 93.8 % | 91.5 % | 2.5 % |
| % Mail Formulary Rxs | 93.0 % | 90.4 % | 2.9 % |
| % DAW Rxs | 0.5 % | 0.6 % | -15.5 % |
| % Retail DAW Rxs | 0.5 % | 0.6 % | -15.0 % |
| % Mail DAW Rxs | 1.0 % | 1.5 % | -36.6 % |
| % Generic Conversion | 98.7 % | 98.6 % | 0.1 % |
| % Retail GEN Conversion | 98.7 % | 98.6 % | 0.1 % |
| % Mail GEN Conversion | 98.2 % | 99.0 % | -0.8 % |

| | | | |
|---------------------------|-----------------|-----------------|--------|
| Period Totals | | | |
| Total Plan Cost | \$92,700,519.11 | \$88,353,636.34 | 7.3 % |
| Retail Plan Cost | \$91,150,420.33 | \$84,705,547.42 | 7.6 % |
| Mail Plan Cost | \$1,550,098.78 | \$1,648,088.92 | -5.9 % |
| Total Member Contribution | \$26,434,931.83 | \$26,179,522.77 | -2.8 % |



Key Performance Indicators
Comprehensive Indicators
WVA - WV Public Employees Ins

Current Period: 07/2008 - 03/2009
Previous Period: 07/2007 - 03/2008

| | Current Period | Previous Period | |
|---------------------------|------------------------|------------------------|----------------|
| Retail Member Contrib | \$28,055,403.93 | \$28,772,681.49 | -2.8 % |
| Mail Member Contrib | \$379,527.80 | \$406,841.28 | -6.7 % |
| Total Rx Count | 1,883,152 | 1,797,018 | 4.8 % |
| Retail Rx Count | 1,868,430 | 1,779,822 | 4.9 % |
| Member Submit Rx | 423 | 1,005 | -57.9 % |
| Mail Rx Count | 18,289 | 16,089 | 1.3 % |
| Total Admin Fee | \$3,079.50 | \$14,778.00 | -79.2 % |
| Total UC Savings | \$72,116,005.12 | \$67,327,163.12 | 7.1 % |
| Total Lost Savings | \$132,444.35 | \$98,400.35 | 34.8 % |
| Demographics | | | |
| Average Age | 38.8 | 38.8 | 0.2 % |
| % Male Members | 46.5 % | 46.5 % | -0.0 % |
| % Female Members | 53.5 % | 53.5 % | 0.0 % |

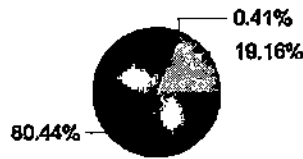
Graphs based on Current Period: 07/2008 - 03/2009

Claim Source by Rx Count



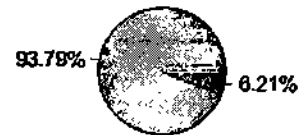
□ Mail ■ Mem... ■ Retail

Drug Type by Plan Cost



□ Gen... ■ MS... ■ SS...

Formulary Status by Rx Count



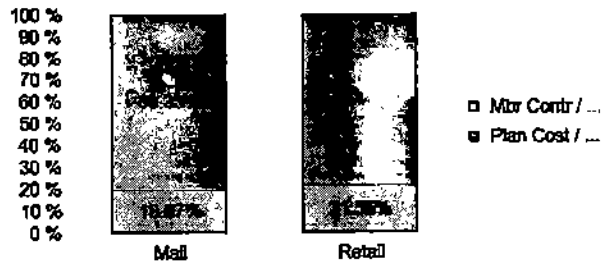
□ For... ■ Non...

Drug Formulary Status by Plan Cost



□ Bra... ■ Bra... ■ Gen...

Cost Share Distribution by Claim Source



Monthly Management Report
TOTAL CLAIMS
MARCH 2009



WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 MARCH 2009

Page: 1

| Reporting Category | Type of Service | Current Period FEIA Payments | Current Rolling Avg FEIA Payments | 12 Months Prior FEIA Payments | 12 Months Prior Rolling Avg FEIA Payments | Current Fiscal Yr FEIA Payments | Previous Fiscal Yr FEIA Payments |
|------------------------------|---------------------------|---------------------------------|---|----------------------------------|---|------------------------------------|-------------------------------------|
| INPATIENT HOSPITAL FACILITY | BEHAVIORAL | 226,646.63 | 174,889.27 | 59,884.20 | 159,531.15 | 1,733,297.60 | 1,229,141.05 |
| | MATERNITY | 176,825.80 | 153,318.94 | 116,253.71 | 159,740.07 | 1,354,561.86 | 1,393,238.55 |
| | MEDICAL AND SURGICAL | 7,136,607.39 | 6,209,463.22 | 4,838,140.51 | 5,698,055.72 | 53,805,308.71 | 50,093,279.02 |
| | NEONATAL COMPLICATIONS | 30,603.99 | 46,510.16 | 22,865.60 | 54,910.44 | 411,600.90 | 364,148.47 |
| | ***** sum | 7,570,683.81 | 6,584,181.59 | 5,037,144.02 | 6,072,237.37 | 57,304,769.07 | 53,079,807.09 |
| OUTPATIENT HOSPITAL FACILITY | BEHAVIORAL | 46,642.59 | 42,221.73 | 39,475.19 | 32,529.44 | 365,291.17 | 292,057.46 |
| | DIALYSIS | 191,212.86 | 122,485.56 | 139,578.84 | 139,162.30 | 1,022,801.17 | 1,198,886.39 |
| | EMERGENCY ROOM | 554,912.26 | 478,477.10 | 547,107.26 | 420,988.72 | 4,121,718.81 | 3,806,060.49 |
| | MATERNITY | 39,384.06 | 45,661.08 | 44,626.03 | 43,899.77 | 387,582.91 | 386,194.69 |
| | MEDICAL AND SURGICAL | 8,297,754.78 | 7,653,425.29 | 7,551,070.55 | 6,983,999.32 | 65,435,739.10 | 62,622,942.51 |
| ***** sum | 9,129,906.55 | 8,342,270.75 | 8,321,857.87 | 7,620,579.75 | 71,333,133.16 | 68,306,141.54 | |
| PHARMACY | PRESCRIPTION DRUGS | 10,804,571.10 | 10,114,275.81 | 9,394,703.40 | 10,108,515.30 | 91,347,049.53 | 84,883,629.15 |
| ***** sum | 10,804,571.10 | 10,114,275.81 | 9,394,703.40 | 10,108,515.30 | 91,347,049.53 | 84,883,629.15 | |
| PROFESSIONAL SERVICES | ADVANCED IMAGING | 488,909.03 | 548,850.05 | 592,481.60 | 524,238.04 | 4,535,495.00 | 4,614,636.80 |
| | AMBULANCE | 153,865.50 | 188,384.55 | 115,127.01 | 177,400.39 | 1,618,357.20 | 1,554,573.66 |
| | ANESTHESIA | 830,323.86 | 649,125.60 | 428,759.03 | 682,989.86 | 5,934,710.13 | 5,870,166.39 |
| | BEHAVIORAL | 339,096.49 | 319,958.18 | 412,330.54 | 315,309.82 | 2,661,637.37 | 2,733,506.82 |
| | CARDIOVASCULAR MEDICINE | 423,258.88 | 364,654.95 | 402,358.41 | 361,445.34 | 3,066,766.37 | 3,062,254.15 |
| | CERVICAL CANCER SCREENING | 15,364.09 | 18,865.99 | 21,621.34 | 21,799.64 | 161,568.00 | 196,267.71 |
| | DIALYSIS | 13,894.80 | 4,846.11 | 5,718.56 | 5,608.45 | 49,165.03 | 41,263.70 |
| | DME | 491,657.53 | 399,210.46 | 404,910.82 | 384,864.24 | 3,562,659.62 | 3,488,021.65 |

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
MARCH 2009

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| Reporting Category | Type of Service | Current Period PEIA Payments | Current Rolling Avg PEIA Payments | 12 Months Prior PEIA Payments | 12 Months Prior Rolling Avg PEIA Payments | Current Fiscal Yr PEIA Payments | Previous Fiscal Yr PEIA Payments |
|-----------------------|---------------------------|---------------------------------|---|----------------------------------|---|------------------------------------|-------------------------------------|
| PROFESSIONAL SERVICES | EVALUATION AND MANAGEMENT | 5,217,292.39 | 4,473,450.13 | 5,458,349.52 | 4,238,832.99 | 39,428,581.43 | 38,131,053.71 |
| | IMMUNIZATION | 337,053.14 | 294,999.49 | 239,581.82 | 328,476.55 | 2,889,558.30 | 2,875,963.58 |
| | INJECTION | 796,892.23 | 753,762.82 | 546,042.61 | 700,029.68 | 6,715,602.14 | 5,984,683.97 |
| | LAB AND PATHOLOGY | 790,762.50 | 666,011.59 | 721,969.69 | 637,872.36 | 5,623,016.69 | 5,345,391.12 |
| | MAMMOGRAPHY | 71,515.87 | 79,367.08 | 87,709.37 | 97,488.50 | 715,414.01 | 882,151.49 |
| | OTHER | 516,175.19 | 411,594.36 | 355,792.53 | 362,790.83 | 3,844,280.59 | 3,349,610.10 |
| | OTHER IMAGING | 1,015,592.49 | 721,027.22 | 911,985.68 | 781,738.52 | 6,241,600.04 | 6,968,326.42 |
| | OTHER MEDICINE | 659,312.07 | 694,319.97 | 610,475.74 | 661,506.66 | 5,904,456.34 | 6,120,236.09 |
| | PHYSICAL MEDICINE | 676,651.89 | 589,179.63 | 669,576.10 | 545,978.92 | 5,080,040.21 | 4,896,903.32 |
| | PROSTATE CANCER SCREENING | 13,943.23 | 15,466.88 | 14,184.22 | 14,989.46 | 129,044.87 | 121,669.85 |
| | SURGICAL | 2,648,805.61 | 2,430,866.73 | 2,502,923.55 | 2,438,659.30 | 20,844,241.53 | 21,163,404.65 |
| ***** | | 15,500,366.79 | 13,623,911.80 | 14,501,898.14 | 13,282,019.55 | 119,006,194.87 | 117,400,085.38 |
| ----- | | 43,005,528.25 | 38,664,639.95 | 37,255,603.43 | 37,083,351.97 | 338,991,146.63 | 323,669,663.16 |

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SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
NOTE: CLAIMS LISTED ARE ON A PAID BASIS
NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES



Monthly Management Report

PER CAPITA CLAIMS

MARCH 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 MARCH 2009

Page: 1

| Reporting Category | Type of Service | Current Period PEIA Payments | Current Rolling Avg PEIA Payments | 12 Months Prior PEIA Payments | 12 Months Prior Rolling Avg PEIA Payments | Current Fiscal Yr PEIA Payments | Previous Fiscal Yr PEIA Payments |
|------------------------------|---------------------------|------------------------------|-----------------------------------|-------------------------------|---|---------------------------------|----------------------------------|
| INPATIENT HOSPITAL FACILITY | BEHAVIORAL | 1.4577 | 1.1918 | .3977 | 1.1216 | 11.2856 | 8.2696 |
| | MATERNITY | 1.1373 | 1.0469 | .7721 | 1.1219 | 8.8197 | 9.3737 |
| | MEDICAL AND SURGICAL | 45.9005 | 42.4119 | 32.1320 | 40.0338 | 350.3303 | 337.0255 |
| | NEONATAL COMPLICATIONS | .1968 | .3178 | .1519 | .3872 | 2.6800 | 2.4500 |
| ***** | | | | | | | |
| sum | | 48.6923 | 44.9683 | 33.4536 | 42.6646 | 373.1156 | 357.1187 |
| OUTPATIENT HOSPITAL FACILITY | BEHAVIORAL | .3000 | .2883 | .2622 | .2286 | 2.3784 | 1.9650 |
| | DIALYSIS | 1.2298 | .8375 | .9270 | .9784 | 6.6595 | 8.0661 |
| | EMERGENCY ROOM | 3.5690 | 3.2664 | 3.6336 | 2.9586 | 26.8360 | 25.6070 |
| | MATERNITY | .2533 | .3116 | .2964 | .3083 | 2.5236 | 2.5983 |
| | MEDICAL AND SURGICAL | 53.3686 | 52.2651 | 50.1496 | 49.0725 | 426.0569 | 421.3246 |
| ***** | | | | | | | |
| sum | | 58.7208 | 56.9690 | 55.2687 | 53.5464 | 464.4553 | 459.5609 |
| PHARMACY | PRESCRIPTION DRUGS | 69.4917 | 68.9948 | 62.3938 | 71.0359 | 594.7674 | 571.0935 |
| ***** | | | | | | | |
| sum | | 69.4917 | 68.9948 | 62.3938 | 71.0359 | 594.7674 | 571.0935 |
| PROFESSIONAL SERVICES | ADVANCED IMAGING | 3.1445 | 3.7490 | 3.9349 | 3.6854 | 29.5309 | 31.0471 |
| | AMBULANCE | .9896 | 1.2858 | .7646 | 1.2464 | 10.5372 | 10.4591 |
| | ANESTHESIA | 5.3404 | 4.4315 | 2.8476 | 4.7992 | 38.6413 | 39.4942 |
| | BEHAVIORAL | 2.1810 | 2.1850 | 2.7384 | 2.2166 | 17.3301 | 18.3909 |
| | CARDIOVASCULAR MEDICINE | 2.7223 | 2.4918 | 2.6722 | 2.8414 | 19.9679 | 20.6027 |
| | CERVICAL CANCER SCREENING | .0988 | .1289 | .1436 | .1532 | 1.0520 | 1.3205 |
| | DIALYSIS | .0894 | .0331 | .0380 | .0395 | .3201 | .2776 |
| | DME | 3.1622 | 2.7250 | 2.6892 | 2.7038 | 23.1967 | 23.4673 |

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SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 MARCH 2009

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| Reporting Category | Type of Service | Current Period PEIA Payments | Current Rolling Avg PEIA Payments | 12 Months Prior PEIA Payments | 12 Months Prior Rolling Avg PEIA Payments | Current Fiscal Yr PEIA Payments | Previous Fiscal Yr PEIA Payments |
|-----------------------|---------------------------|---------------------------------|---|----------------------------------|---|------------------------------------|-------------------------------------|
| PROFESSIONAL SERVICES | EVALUATION AND MANAGEMENT | 33.5560 | 30.5415 | 36.2510 | 29.7939 | 256.7224 | 256.5441 |
| | IMMUNIZATION | 2.1678 | 2.0103 | 1.5912 | 2.3081 | 18.8141 | 19.3494 |
| | INJECTION | 5.1254 | 5.1433 | 3.6263 | 4.9202 | 43.7258 | 40.2647 |
| | LAB AND PATHOLOGY | 5.0859 | 4.5488 | 4.7949 | 4.4851 | 36.6119 | 33.9636 |
| | MAMMOGRAPHY | .4600 | .5417 | .5823 | .6853 | 4.6581 | 5.9351 |
| | OTHER | 3.3199 | 2.8094 | 2.3630 | 2.5485 | 25.0304 | 22.5360 |
| | OTHER IMAGING | 6.5320 | 4.9257 | 6.0568 | 5.4936 | 40.6395 | 46.8826 |
| | OTHER MEDICINE | 4.2405 | 4.7413 | 4.0544 | 4.6486 | 38.4444 | 41.1767 |
| | PHYSICAL MEDICINE | 4.3520 | 4.0223 | 4.4469 | 3.8367 | 33.0765 | 32.9462 |
| | PROSTATE CANCER SCREENING | .0897 | .1056 | .0942 | .1055 | .8402 | .8186 |
| | SURGICAL | 17.0363 | 16.6029 | 16.6229 | 17.1431 | 135.7184 | 142.3865 |
| | ***** | 99.6936 | 93.0229 | 96.3127 | 93.3542 | 774.8581 | 789.8629 |
| | ----- | 276.5985 | 263.9550 | 247.4288 | 260.6010 | 2,207.1963 | 2,177.6360 |

Sum
 5
 15

SOURCE: ACCORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES



Monthly Management Report

PER CAPITA UTILIZATION

MARCH 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
MARCH 2009

Page: 1

| Reporting Category | Type of Service | Current Period Encounters | 12 Months Prior Encounters | Current Fiscal Yr Encounters | Previous Fiscal Yr Encounters |
|------------------------------|---------------------------|---------------------------|----------------------------|------------------------------|-------------------------------|
| INPATIENT HOSPITAL FACILITY | BEHAVIORAL | .0005 | .0005 | .0051 | .0045 |
| | MATERNITY | .0010 | .0006 | .0072 | .0075 |
| | MEDICAL AND SURGICAL | .0099 | .0065 | .0745 | .0741 |
| | NEONATAL COMPLICATIONS | .0002 | .0002 | .0021 | .0028 |
| ***** | | | | | |
| sum | | .0115 | .0079 | .0888 | .0889 |
| OUTPATIENT HOSPITAL FACILITY | BEHAVIORAL | .0026 | .0029 | .0242 | .0235 |
| | DIALYSIS | .0040 | .0028 | .0263 | .0277 |
| | EMERGENCY ROOM | .0242 | .0294 | .2043 | .2226 |
| | MATERNITY | .0020 | .0028 | .0184 | .0206 |
| | MEDICAL AND SURGICAL | .2132 | .2268 | 1.7780 | 1.8692 |
| ***** | | | | | |
| sum | | .2460 | .2646 | 2.0512 | 2.1636 |
| PHARMACY | PRESCRIPTION DRUGS | .9565 | .8642 | 8.3194 | 8.2153 |
| ***** | | | | | |
| sum | | .9565 | .8642 | 8.3194 | 8.2153 |
| PROFESSIONAL SERVICES | ADVANCED IMAGING | .0232 | .0256 | .2037 | .2089 |
| | AMBULANCE | .0034 | .0028 | .0331 | .0374 |
| | ANESTHESIA | .0235 | .0122 | .1720 | .1698 |
| | BEHAVIORAL | .0361 | .0453 | .3333 | .3559 |
| | CARDIOVASCULAR MEDICINE | .0442 | .0357 | .2988 | .2974 |
| | CERVICAL CANCER SCREENING | .0040 | .0057 | .0434 | .0584 |
| | DIALYSIS | .0007 | .0004 | .0028 | .0038 |
| | DME | .0278 | .0225 | .2148 | .2213 |
| | EVALUATION AND MANAGEMENT | .5370 | .5996 | 4.2981 | 4.4241 |
| | IMMUNIZATION | .0238 | .0190 | .3807 | .3467 |

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
NOTE: CLAIMS LISTED ARE ON A PAID BASIS

17

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 MARCH 2009

Page: 2

| Reporting Category | Type of Service | Current Period Encounters | 12 Months Prior Encounters | Current Fiscal Yr Encounters | Previous Fiscal Yr Encounters |
|-----------------------|---------------------------|---------------------------|----------------------------|------------------------------|-------------------------------|
| PROFESSIONAL SERVICES | INJECTION | .0322 | .0347 | .2399 | .2452 |
| | LAB AND PATHOLOGY | .1639 | .1833 | 1.4100 | 1.5059 |
| | MAMMOGRAPHY | .0148 | .0159 | .1507 | .1588 |
| | OTHER | .0391 | .0290 | .3391 | .3086 |
| | OTHER IMAGING | .1246 | .1086 | .8227 | .8660 |
| | OTHER MEDICINE | .0850 | .0798 | .6710 | .6884 |
| | PHYSICAL MEDICINE | .1007 | .1056 | .8990 | .9317 |
| | PROSTATE CANCER SCREENING | .0050 | .0059 | .0541 | .0538 |
| | SURGICAL | .0809 | .0820 | .7031 | .7080 |
| ***** | | | | | |
| sum | | 1.3698 | 1.4137 | 11.2696 | 11.5902 |
| | | | | | |
| sum | | 2.5839 | 2.5505 | 21.7291 | 22.0580 |

18

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

29 rows selected.

**West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET**

DRAFT

| | March 31 | |
|--|-------------------|-------------------|
| | (In thousands) | |
| | 2009 | 2008 |
| ASSETS | | |
| Short Term Assets | | |
| Cash and Equivalents | \$ 25,151 | \$ 29,451 |
| Advance Deposit with Carrier/Trustee | 183,861 | 156,098 |
| Receivables - Net | 611 | 1,871 |
| Prepaid Insurance | 1,534 | 1,599 |
| Total Short Term Assets | 211,157 | 189,019 |
| Long Term Assets | | |
| Investments | 93,994 | 110,035 |
| Total Long Term Assets | 93,994 | 110,035 |
| TOTAL ASSETS | 305,151 | 299,054 |
| LIABILITIES | | |
| Short Term Liabilities | | |
| Accounts payable | 1,032 | 1,144 |
| Claims Payable | 297 | 17 |
| OPEB Liability | 35 | - |
| Agents Commissions Payable | 1,216 | 1,489 |
| Unearned Revenue | 8,043 | 9,154 |
| Current Estimated Claim Reserve | 51,597 | 53,041 |
| Total Short Term Liabilities | 62,220 | 64,845 |
| Long Term Liabilities | | |
| Compensated Absences | 52 | 200 |
| Estimated Noncurrent Claim Reserve | 114,040 | 110,521 |
| Total Long Term Liabilities | 114,092 | 110,721 |
| TOTAL LIABILITIES | 176,312 | 175,566 |
| Prior Year Net Assets | 127,630 | 97,547 |
| Current Year Earnings | 1,209 | 25,941 |
| TOTAL NET ASSETS | 128,839 | 123,488 |
| TOTAL LIABILITIES AND RETAINED EARNINGS | \$ 305,151 | \$ 299,054 |

DRAFT - Unaudited - Management Purposes Only

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the nine months ending

DRAFT

| | March 31 | |
|------------------------------|----------------|-----------|
| | (In thousands) | |
| | 2009 | 2008 |
| Operating Revenues | | |
| Premium Revenues | \$ 47,195 | \$ 55,541 |
| Less - Excess Insurance | (4,602) | (4,796) |
| Total Operating Revenues | 42,593 | 50,745 |
| Operating Expenses | | |
| Claims Expense | 30,754 | 31,233 |
| Property & MS Claims Expense | 4,717 | 2,235 |
| Personal Services | 970 | 989 |
| Operating Expenses | 2,220 | 2,438 |
| Total Operating Expenses | 38,661 | 36,895 |
| Operating Income (Loss) | 3,932 | 13,850 |
| Nonoperating Revenues | | |
| Court Fees | 23 | 22 |
| Investment Income | (2,746) | 12,069 |
| Total Nonoperating Revenues | (2,723) | 12,091 |
| Net Income (Loss) | 1,209 | 25,941 |

DRAFT - Unaudited - Management Purposes Only

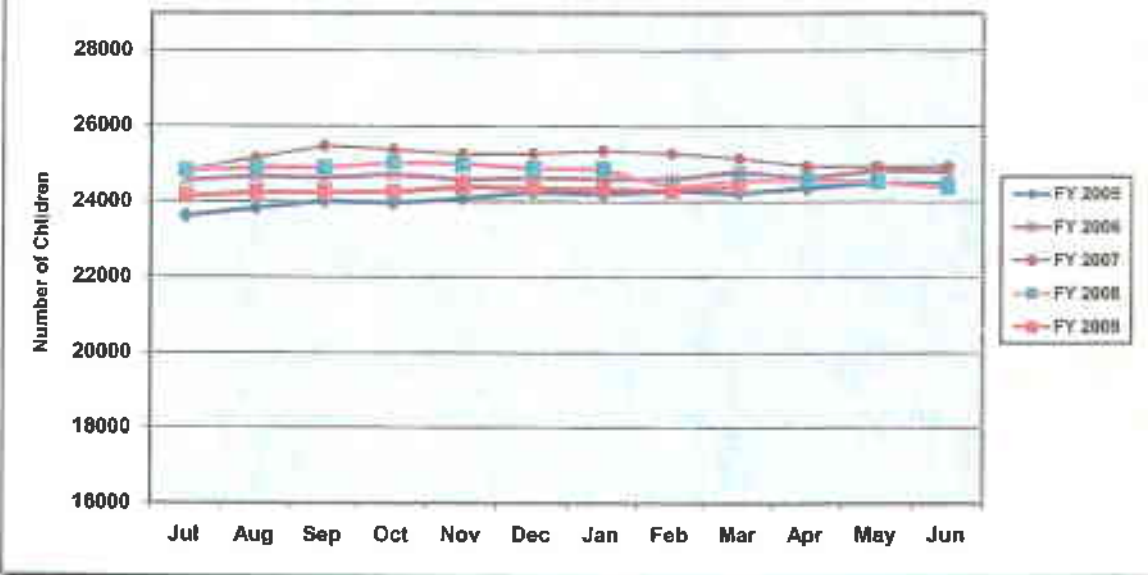


**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301
Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-558-2741
www.wvchlp.org**

Joint Committee on Government and Finance Report

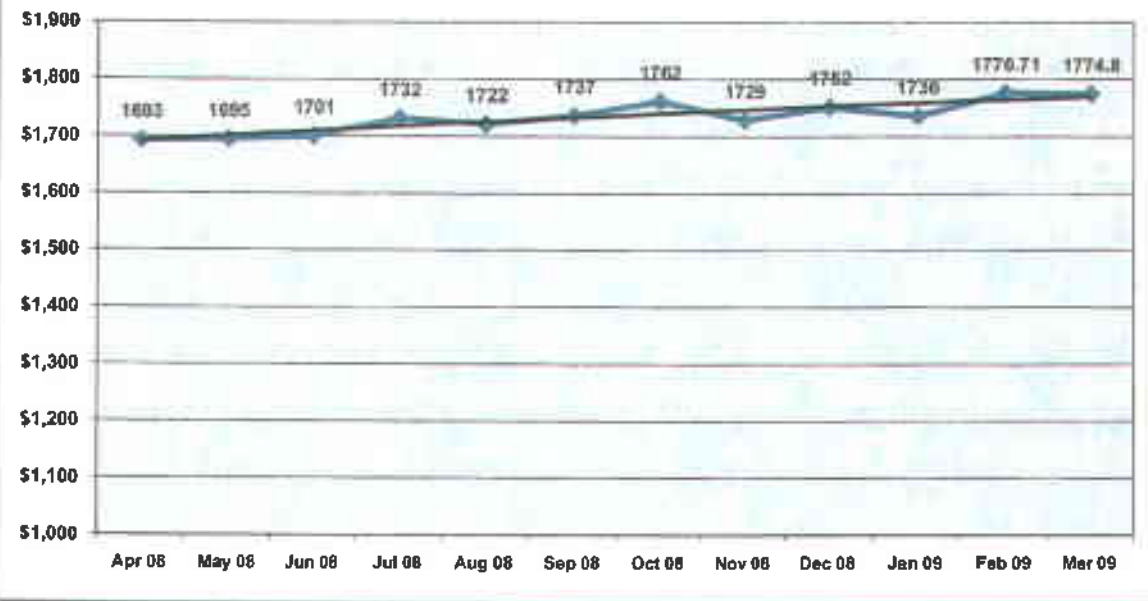
May 2009

WV CHIP Enrollment



April 30 2009 Enrollment 24,421

Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
March 2009 and 2008
(Accrual Basis)**

| | March 31, 2009 | March 31, 2008 | Variance | |
|---------------------------------------|-------------------------|------------------------|------------------------|----------------|
| Assets: | | | | |
| Cash & Cash Equivalents | \$9,686,396 | \$6,561,960 | \$3,124,436 | 48% |
| Due From Federal Government | \$2,969,064 | \$2,719,454 | \$249,610 | 9% |
| Due From Other Funds | \$669,049 | \$597,763 | \$71,286 | 12% |
| Accrued Interest Receivable | \$2,237 | \$20,000 | (\$17,763) | -89% |
| Fixed Assets, at Historical Cost | <u>\$70,282</u> | <u>\$61,569</u> | <u>\$8,713</u> | <u>14%</u> |
| Total Assets | <u>\$13,397,028</u> | <u>\$9,960,746</u> | <u>\$3,436,282</u> | <u>34%</u> |
| Liabilities: | | | | |
| Due to Other Funds | \$118,113 | \$307,217 | (\$189,104) | -62% |
| Deferred Revenue | \$3,419,760 | \$1,302,601 | \$2,117,159 | 163% |
| Unpaid Insurance Claims Liability | <u>\$3,520,000</u> | <u>\$3,010,000</u> | <u>\$510,000</u> | <u>17%</u> |
| Total Liabilities | <u>\$7,057,873</u> | <u>\$4,619,818</u> | <u>\$2,438,055</u> | <u>53%</u> |
| Fund Equity | <u>\$6,339,155</u> | <u>\$5,340,928</u> | <u>\$998,227</u> | <u>19%</u> |
| Total Liabilities and Fund Equity | <u>\$13,397,028</u> | <u>\$9,960,746</u> | <u>\$3,436,282</u> | <u>34%</u> |

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine Months Ending March 31, 2009 and March 31, 2008
(Modified Accrual Basis)

| | March 31, 2009 | March 31, 2008 | Variance | |
|------------------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| Revenues: | | | | |
| Federal Grants | 27,156,582 | 26,022,441 | 1,134,141 | 4% |
| State Appropriations | 7,351,031 | 7,349,227 | 1,804 | 0% |
| Premium Revenues | 95,967 | 62,842 | 33,125 | 53% |
| Investment Earnings | <u>98,105</u> | <u>189,354</u> | <u>(91,249)</u> | -48% |
| Total Operating Revenues | <u>34,701,685</u> | <u>33,623,864</u> | <u>1,077,821</u> | <u>3%</u> |
| Operating Expenditures: | | | | |
| Claims: | | | | |
| Outpatient Services | 8,460,553 | 7,819,057 | 641,496 | 8% |
| Physicians & Surgical | 7,001,268 | 6,702,001 | 299,267 | 4% |
| Prescribed Drugs | 6,339,071 | 5,988,826 | 350,245 | 6% |
| Dental | 3,616,952 | 3,571,683 | 45,269 | 1% |
| Inpatient Hospital Services | 2,750,808 | 2,750,863 | (55) | 0% |
| Outpatient Mental Health | 907,759 | 890,281 | 17,478 | 2% |
| Durable & Disposable Med. Equip. | 885,592 | 815,348 | 70,244 | 9% |
| Vision | 452,573 | 446,214 | 6,359 | 1% |
| Inpatient Mental Health | 448,582 | 416,256 | 32,326 | 8% |
| Therapy | 317,624 | 282,916 | 34,708 | 12% |
| Medical Transportation | 237,341 | 183,440 | 53,901 | 29% |
| Other Services | 74,669 | 69,746 | 4,923 | 7% |
| Less: Collections* | <u>(578,919)</u> | <u>(504,378)</u> | <u>(74,541)</u> | <u>15%</u> |
| Total Claims | <u>30,913,873</u> | <u>29,432,253</u> | <u>1,481,620</u> | <u>5%</u> |
| General and Admin Expenses: | | | | |
| Salaries and Benefits | 369,747 | 361,117 | 8,630 | 2% |
| Program Administration | 1,622,801 | 1,581,768 | 41,033 | 3% |
| Eligibility | 236,674 | 243,468 | (6,794) | -3% |
| Outreach & Health Promotion | 92,546 | 56,451 | 36,095 | 64% |
| Current | <u>104,255</u> | <u>92,997</u> | <u>11,258</u> | <u>12%</u> |
| Total Administrative | <u>2,426,023</u> | <u>2,335,801</u> | <u>90,222</u> | <u>4%</u> |
| Total Expenditures | <u>33,339,896</u> | <u>31,768,054</u> | <u>1,571,842</u> | <u>5%</u> |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | 1,361,789 | 1,855,810 | (494,021) | -27% |
| Fund Equity, Beginning | <u>4,977,366</u> | <u>3,485,118</u> | <u>1,492,248</u> | <u>43%</u> |
| Fund Equity, Ending | <u>6,339,155</u> | <u>5,340,928</u> | <u>998,227</u> | <u>19%</u> |

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2009
 For the Nine Months Ended March 31, 2009

| | Budgeted for Year | Year to Date Budgeted Amt | Year to Date Actual Amt | Year to Date Variance* | | Monthly Budgeted Amt | Mar-09 | Feb-09 | Jan-09 |
|------------------------|----------------------|------------------------------|----------------------------|---------------------------|------------|-------------------------|--------------------|--------------------|--------------------|
| Projected Cost | \$42,533,167 | \$31,899,875 | \$31,328,712 | \$571,163 | 2% | \$3,544,431 | \$3,835,575 | \$3,744,182 | \$3,200,568 |
| Premiums | 136,290 | 102,218 | 95,967 | \$6,251 | -6% | 11,358 | 15,420 | 13,327 | 11,728 |
| Subrogation & Rebates | <u>539,625</u> | <u>404,719</u> | <u>579,249</u> | <u>(174,531)</u> | <u>43%</u> | <u>44,969</u> | <u>86,487</u> | <u>42,545</u> | <u>85,831</u> |
| Net Benefit Cost | 41,857,252 | \$31,392,939 | \$30,653,496 | \$739,443 | 2% | 3,488,104 | 3,733,668 | 3,688,310 | 3,123,010 |
| Salaries & Benefits | \$515,486 | \$386,615 | \$389,749 | \$16,866 | 4% | \$42,957 | \$40,325 | \$40,133 | \$41,318 |
| Program Administration | 2,080,170 | 1,580,128 | 1,614,528 | (54,398) | -3% | 173,348 | 286,615 | 200,530 | 90,139 |
| Eligibility | 318,670 | 239,003 | 229,275 | 9,728 | 4% | 26,556 | 63,222 | 3,080 | 0 |
| Outreach | 81,895 | 61,421 | 92,396 | (30,975) | -50% | 6,825 | 17,354 | 2,224 | 8,375 |
| Current Expense | <u>140,400</u> | <u>105,300</u> | <u>104,827</u> | <u>473</u> | <u>0%</u> | <u>11,700</u> | <u>14,280</u> | <u>14,228</u> | <u>11,483</u> |
| Total Admin Cost | \$3,136,622 | \$2,352,466 | \$2,410,773 | (\$58,307) | -2% | \$261,385 | \$421,796 | \$260,175 | \$151,315 |
| Total Program Cost | <u>\$44,993,874</u> | <u>\$33,745,405</u> | <u>\$33,064,269</u> | <u>\$681,136</u> | <u>2%</u> | <u>\$3,749,489</u> | <u>\$4,155,464</u> | <u>\$3,948,485</u> | <u>\$3,274,325</u> |
| Federal Share 81.98% | 36,485,532 | \$27,364,149 | \$27,019,929 | 344,220 | 1% | 3,040,461 | 3,391,274 | 3,222,356 | 2,672,176 |
| State Share 18.02% | <u>8,508,342</u> | <u>\$6,381,256</u> | <u>\$6,044,340</u> | <u>336,917</u> | <u>5%</u> | <u>709,028</u> | <u>764,190</u> | <u>726,128</u> | <u>602,148</u> |
| Total Program Cost ** | <u>\$44,993,874</u> | <u>\$33,745,405</u> | <u>\$33,064,269</u> | <u>\$681,136</u> | <u>2%</u> | <u>\$3,749,489</u> | <u>\$4,155,464</u> | <u>\$3,948,485</u> | <u>\$3,274,325</u> |

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2008 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calcs Above:

Notes:

- Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/08 Final worksheet Net Paid Program Costs.
- Federal Share for FFY 2008 is 81.98%. Federal Share for FFY 2009 (10/1/08 - 9/30/09) is set at 81.61%.

WV CHIP Enrollment Report

ATTACHMENT 1

April 2009

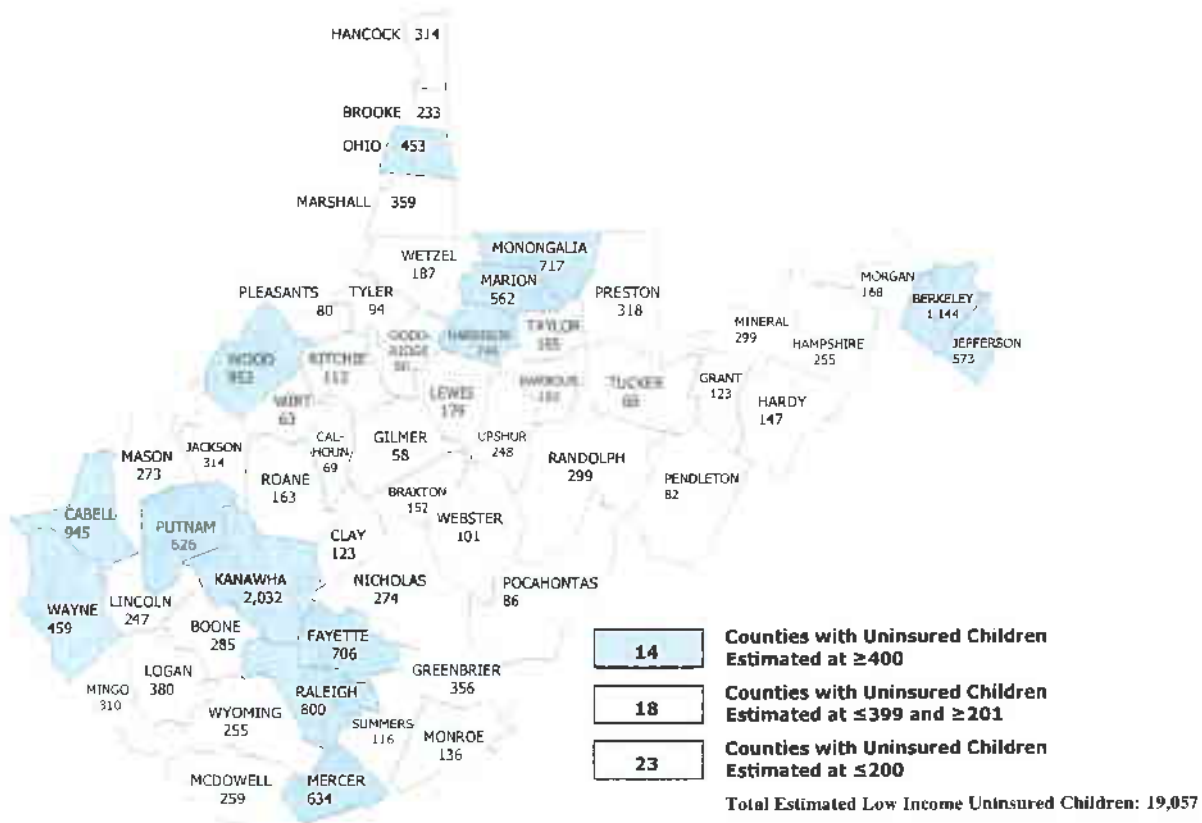
| County Ranking | County Pop. 2005 Est. (0-18 Yrs) | Total CHIP Enrollment Apr-09 | Total Medicaid Enrollment Apr-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid Enrollment % of Population | 2007 Est Uninsured 5% | 2007 # Children Uninsured Ranking* |
|----------------|----------------------------------|------------------------------|----------------------------------|--------------------------------|--|-----------------------|------------------------------------|
| Kanawha | 40,647 | 2,187 | 16,472 | 18,659 | 45.9% | 2,032 | 1 |
| Berkeley | 22,882 | 1,253 | 6,496 | 7,749 | 33.9% | 1,144 | 2 |
| Wood | 19,063 | 1,127 | 7,745 | 8,872 | 46.5% | 953 | 3 |
| Cabell | 18,900 | 993 | 7,960 | 8,953 | 47.4% | 945 | 4 |
| Raleigh | 15,992 | 1,227 | 6,935 | 8,162 | 51.0% | 800 | 5 |
| Harrison | 14,973 | 909 | 5,746 | 6,655 | 44.4% | 749 | 6 |
| Monongalia | 14,346 | 741 | 4,128 | 4,869 | 33.9% | 717 | 7 |
| Mercer | 12,687 | 1,096 | 6,515 | 7,611 | 60.0% | 634 | 8 |
| Putnam | 12,522 | 676 | 3,066 | 3,742 | 29.9% | 626 | 9 |
| Jefferson | 11,465 | 406 | 2,385 | 2,791 | 24.3% | 573 | 10 |
| Marion | 11,245 | 699 | 4,224 | 4,923 | 43.8% | 562 | 11 |
| Fayette | 9,692 | 912 | 4,547 | 5,459 | 56.3% | 485 | 12 |
| Wayne | 9,176 | 556 | 4,063 | 4,619 | 50.3% | 459 | 13 |
| Ohio | 9,068 | 550 | 2,898 | 3,448 | 38.0% | 453 | 14 |
| Logan | 7,610 | 536 | 3,775 | 4,311 | 56.7% | 380 | 15 |
| Marshall | 7,176 | 364 | 2,649 | 3,013 | 42.0% | 359 | 16 |
| Greenbrier | 7,110 | 576 | 2,721 | 3,297 | 46.4% | 356 | 17 |
| Preston | 6,354 | 475 | 2,305 | 2,780 | 43.8% | 318 | 18 |
| Jackson | 6,277 | 373 | 2,529 | 2,902 | 46.2% | 314 | 19 |
| Hancock | 6,270 | 360 | 2,241 | 2,601 | 41.5% | 314 | 20 |
| Mingo | 6,204 | 374 | 3,104 | 3,478 | 56.1% | 310 | 21 |
| Mineral | 5,973 | 302 | 2,001 | 2,303 | 38.6% | 299 | 22 |
| Randolph | 5,971 | 434 | 2,514 | 2,948 | 49.4% | 299 | 23 |
| Boone | 5,706 | 295 | 2,503 | 2,798 | 49.0% | 285 | 24 |
| Nicholas | 5,478 | 405 | 2,522 | 2,927 | 53.4% | 274 | 25 |
| Mason | 5,461 | 297 | 2,561 | 2,858 | 52.3% | 273 | 26 |
| McDowell | 5,170 | 381 | 3,270 | 3,651 | 70.6% | 259 | 27 |
| Hampshire | 5,110 | 266 | 1,935 | 2,201 | 43.1% | 255 | 28 |
| Wyoming | 5,092 | 423 | 2,530 | 2,953 | 58.0% | 255 | 29 |
| Upshur | 4,956 | 435 | 2,235 | 2,670 | 53.9% | 248 | 30 |
| Lincoln | 4,945 | 409 | 2,564 | 2,973 | 60.1% | 247 | 31 |
| Brooke | 4,658 | 294 | 1,455 | 1,749 | 37.5% | 233 | 32 |
| Wetzel | 3,732 | 219 | 1,620 | 1,839 | 49.3% | 187 | 33 |
| Lewis | 3,577 | 298 | 1,705 | 2,003 | 56.0% | 179 | 34 |
| Morgan | 3,365 | 244 | 1,165 | 1,409 | 41.9% | 168 | 35 |
| Taylor | 3,307 | 236 | 1,327 | 1,563 | 47.3% | 165 | 36 |
| Roane | 3,266 | 267 | 1,669 | 1,936 | 59.3% | 163 | 37 |
| Barbour | 3,248 | 290 | 1,491 | 1,781 | 54.8% | 162 | 38 |
| Braxton | 3,044 | 194 | 1,549 | 1,743 | 57.3% | 152 | 39 |
| Hardy | 2,950 | 170 | 1,121 | 1,291 | 43.8% | 147 | 40 |
| Monroe | 2,728 | 186 | 1,018 | 1,204 | 44.1% | 136 | 41 |
| Grant | 2,463 | 141 | 907 | 1,048 | 42.5% | 123 | 42 |
| Clay | 2,454 | 191 | 1,369 | 1,560 | 63.6% | 123 | 43 |
| Summers | 2,322 | 213 | 1,127 | 1,340 | 57.7% | 116 | 44 |
| Ritchie | 2,234 | 142 | 904 | 1,046 | 46.8% | 112 | 45 |
| Webster | 2,020 | 182 | 1,126 | 1,308 | 64.8% | 101 | 46 |
| Tyler | 1,887 | 126 | 772 | 898 | 47.6% | 94 | 47 |
| Pocahontas | 1,717 | 148 | 670 | 818 | 47.6% | 86 | 48 |

WV CHIP Enrollment Report

ATTACHMENT 1

April 2009

| County Ranking | County Pop 2005 Est (0-18 Yrs) | Total CHIP Enrollment Apr-09 | Total Medicaid Enrollment Apr-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid Enrollment % of Population | 2007 Est Uninsured 5% | 2007 # Children Uninsured Ranking* |
|----------------|--------------------------------|------------------------------|----------------------------------|--------------------------------|--|-----------------------|------------------------------------|
| Pendleton | 1,632 | 101 | 434 | 535 | 32.8% | 82 | 49 |
| Doddridge | 1,607 | 128 | 694 | 822 | 51.1% | 80 | 50 |
| Pleasants | 1,593 | 106 | 506 | 612 | 38.4% | 80 | 51 |
| Calhoun | 1,389 | 130 | 817 | 947 | 68.2% | 69 | 52 |
| Tucker | 1,354 | 158 | 483 | 641 | 47.3% | 68 | 53 |
| Wirt | 1,268 | 115 | 566 | 681 | 53.7% | 63 | 54 |
| Gilmer | 1,154 | 105 | 531 | 636 | 55.1% | 58 | 55 |
| Totals | 382,490 | 24,421 | 152,165 | 176,586 | 46.2% | 19,125 | |



Note 1: The most recent estimate for uninsured children statewide from the US Census Current Population Survey is 8%. CHIP uses a 5% estimate to reflect the percentage of uninsured children for outreach purposes who could qualify for CHIP or Medicaid. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: Since it has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP asserts that a 5% uninsured estimate is a more realistic target number for outreach.

Legislative Oversight Commission on
Health and Human Resources Accountability

MAY 2009

Department of Administration

State Children's Health Insurance Program
UPDATE



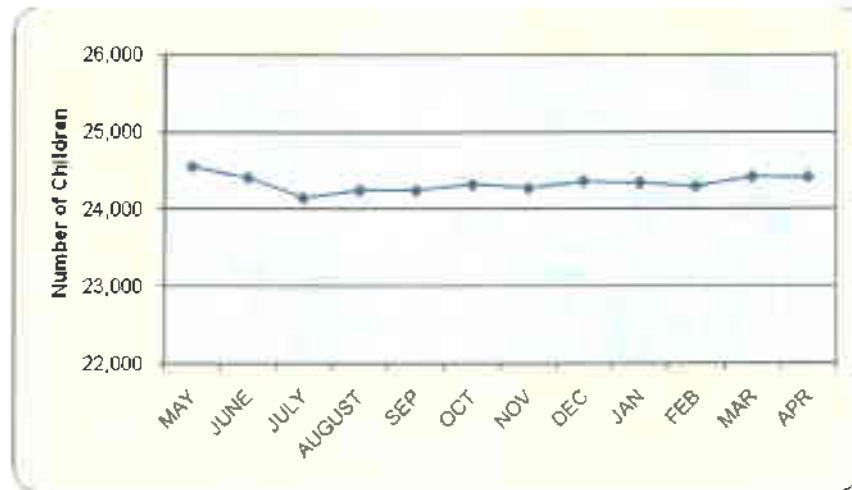
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR MAY 2009

I. Enrollment on April 30, 2009: 24,421

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: May 2008 through April 2009



Enrollee Totals: February 2009 to April 2009

| Month | Total | 1 Year Average | Total |
|----------|-------|----------------|-------|
| February | 1,780 | Average | 1,742 |
| March | 2,078 | High | 2,078 |
| April | 1,884 | Low | 1,406 |

New Enrollee (Never Before on CHIP) Totals: February 2009 to April 2009

| Month | Total | 1 Year Average | Total |
|----------|-------|----------------|-------|
| February | 725 | Average | 710 |
| March | 726 | High | 838 |
| April | 710 | Low | 581 |

II. Re-enrollment for 3 Month Period: February 2009 to April 2009

| Total Forms Mailed | | Enrolled within Notice Period | | Reopened Cases After Closure | | Final Closures | |
|--------------------|-------|-------------------------------|-----|------------------------------|-----|----------------|-----|
| Month | Total | # | % | # | % | # | % |
| February | 1,951 | 1,063 | 55% | 341 | 17% | 547 | 28% |
| March | 1,985 | 1,151 | 58% | 253 | 13% | 581 | 29% |
| April | 1,705 | 1,098 | 64% | 168 | 10% | 439 | 26% |

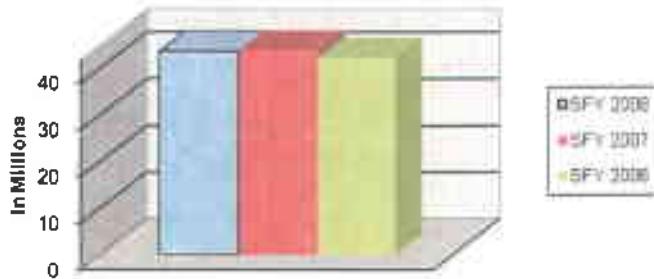
III. Financial Activity

Please see this month's financial statement at Attachment 2.

The average annualized claims cost per child for the month ended March 2009 was \$1,914.

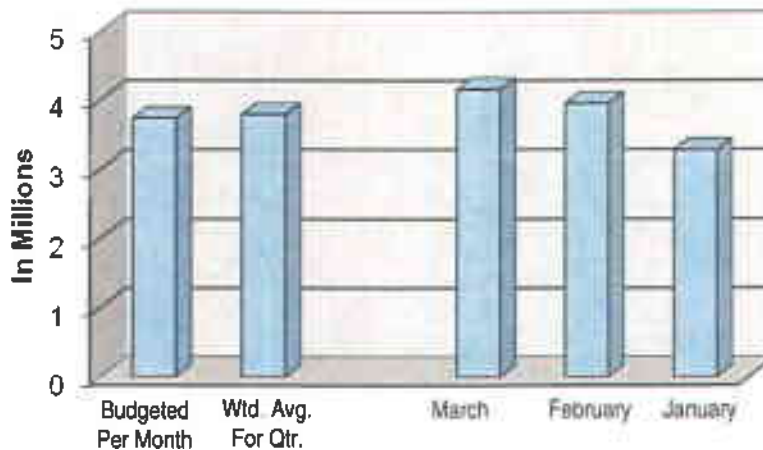
Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008

| | SFY 2008 | FFP% 2008 | SFY 2007 | FFP% 2007 | SFY 2006 | FFP% 2006 |
|--------------------|-------------------|----------------------|-------------------|----------------------|-------------------|----------------------|
| Federal | 35,626,232 | 81.98 | 35,472,537 | 80.97 | 34,247,276 | 81.09 |
| State | 7,947,861 | 18.02 | 8,336,944 | 19.03 | 7,986,385 | 18.91 |
| Total Costs | 43,574,093 | 100.00 | 43,809,481 | 100.00 | 42,233,661 | 100.00 |



Monthly Budgeted and Current 3 Month Period: January 2009 – March 2009

| | Budgeted Per Month | Wtd. Avg. For Qtr. | Actual | | |
|--------------|--------------------|--------------------|------------------|------------------|------------------|
| | | | March 2009 | February 2009 | January 2009 |
| Federal | 3,028,695 | 3,095,269 | 3,391,274 | 3,222,358 | 2,672,176 |
| State | 706,285 | 697,488 | 764,190 | 726,126 | 602,148 |
| Total | 3,734,980 | 3,792,757 | 4,155,464 | 3,948,484 | 3,274,342 |



IV. Other Highlights

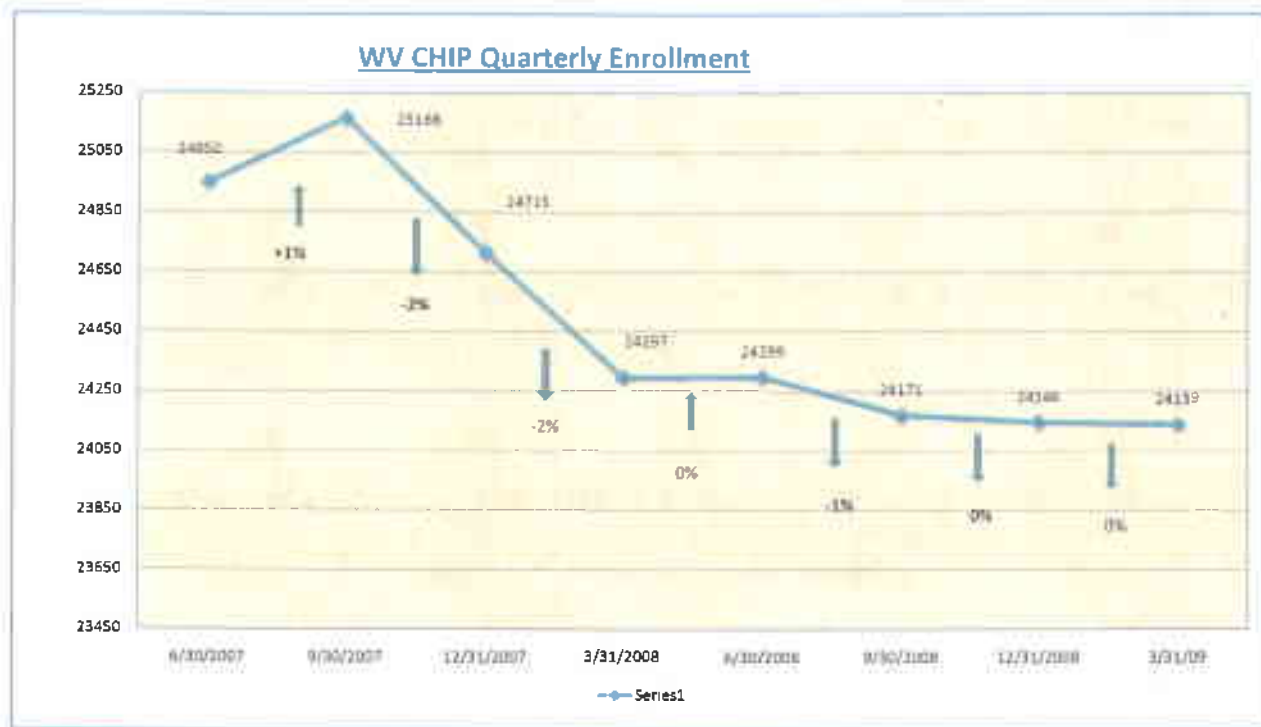
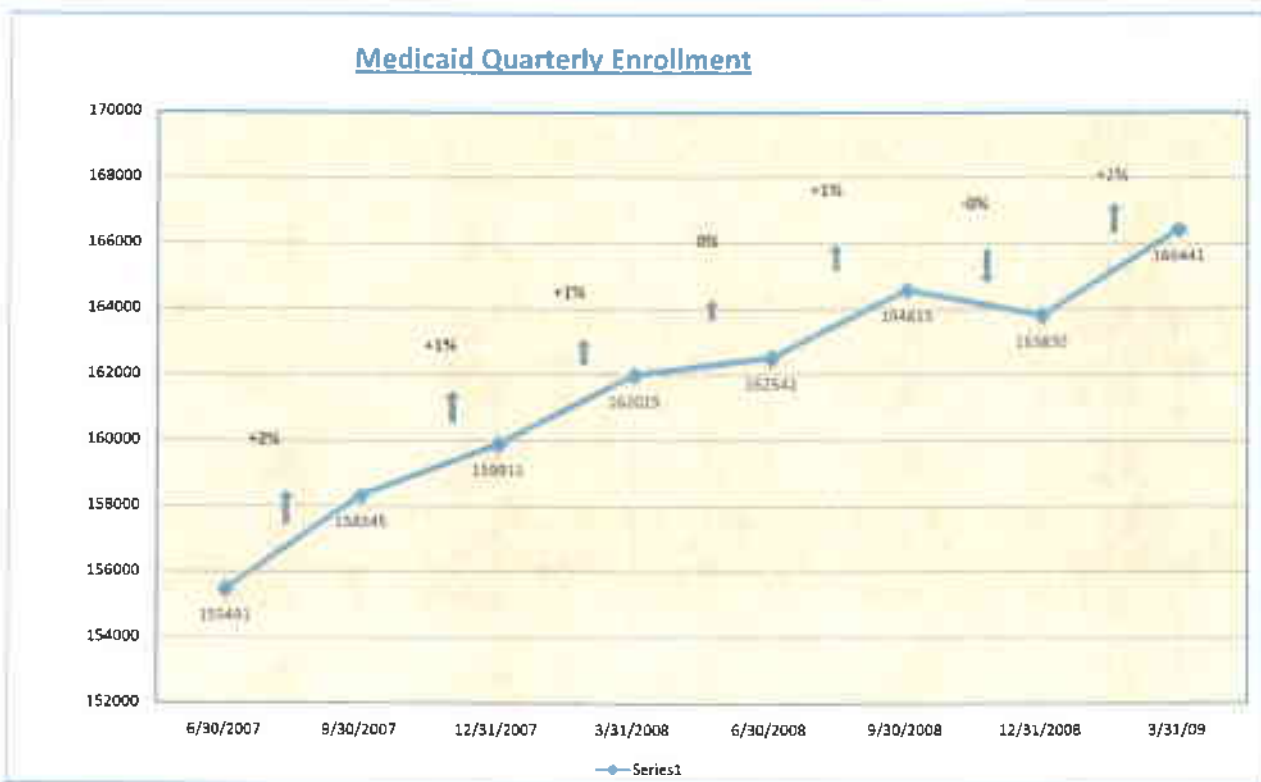
Changes Under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)

- ◆ **Financial:** At present, information and guidance from the Centers for Medicare and Medicaid Services (CMS) concerning changes to law under the reauthorized Act (CHIPRA) is slowly being released on a section by section basis. At this point the Agency is still awaiting official confirmation of its 2009 allotment – still expected to be in the \$40 to \$43 million range in federal funds. At the same time the Agency is reviewing new mandates under the law in order to assure compliance.
- ◆ **New Mandates:** These involve assuring mental health parity, assuring a benchmarked level of dental benefits, and preparing to change to a prospective payment system for Community Health Centers. One other mandate is that CHIP applicants are now subject to the same citizenship documentation requirements as Medicaid applicants. CHIP is hopeful that DHHR will be able to implement social security data matches to prevent this from being a barrier to enrollment.
- ◆ **New Coverage Options:** New latitude exists for states to exercise coverage options for supplemental dental services coverage, provide premium assistance for Employer Sponsored Plans, coverage for pregnant women, and coverage of legal immigrants.
- ◆ **Performance Bonus:** Since the re-based formula is structured to encourage further enrollment growth, there is a performance bonus that states may qualify for if they target further growth. If West Virginia qualified to be eligible, the performance bonus would go to the Medicaid agency since they often see a larger increase in enrollment when states expand coverage to children. The bonus is also meant to encourage states to streamline their enrollment and renewal processes. The Agency hopes to explore with DHHR the possibility of whether or not we can undertake any initiative in these areas.

CHIP Enrollment Trends

- ◆ During the past year the Agency has been asked about its slight decline in enrollment. A comparison of CHIP and Medicaid enrollment trends over the past 18 months seems to clearly reflect the economic climate that as employment and income have dropped lower, Medicaid bears the brunt with an increased enrollment trend, and working families in CHIP have also had decreases in income or employment may now qualify under Medicaid instead of CHIP (please refer to attached graphs for the period of June 2007 to March 2009).
- ◆ Despite this trend WVCHIP is running some paid advertisements to continue to raise awareness of expanded income guidelines now permitting families of 4 with a household income up to \$55,125 to enroll when they pay a premium share.

CHIP and Medicaid Child Enrollment Changes between June 2007 and March 2009



CHIP Decrease:

- Since September 2007 CHIP enrollment has experienced an overall enrollment decline of 1,027, a 4% decrease over a 15 month period.

Medicaid Increase:

- Since September 2007 Medicaid enrollment has shown an overall enrollment growth of 8,096, a 5% increase over the same 15 month period.

WV CHIP Enrollment Report

ATTACHMENT 1

April 2009

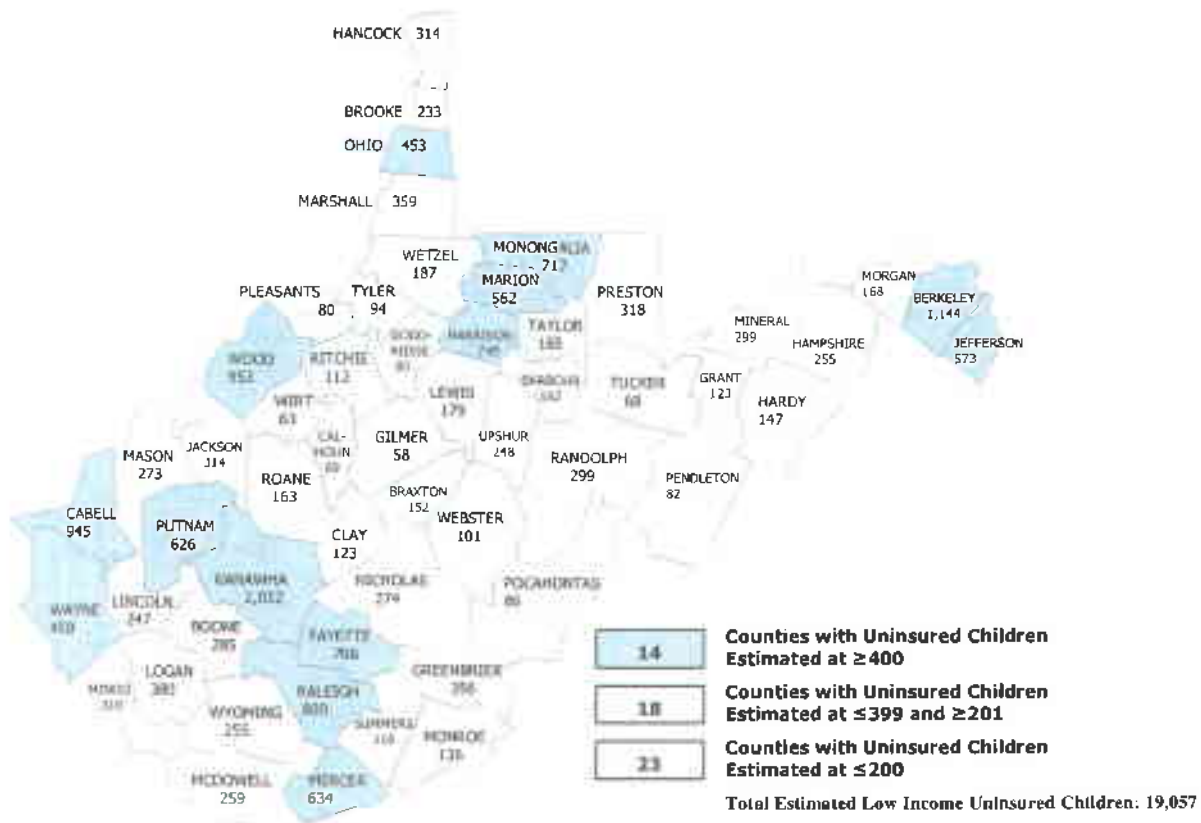
| County Ranking | County Pop 2005 Est (0-18 Yrs) | Total CHIP Enrollment Apr-09 | Total Medicaid Enrollment Apr-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid Enrollment % of Population | 2007 Est Uninsured 5% | 2007 # Children Uninsured Ranking* |
|----------------|--------------------------------------|------------------------------------|--|--------------------------------------|--|--------------------------------|---|
| Kanawha | 40,647 | 2,187 | 16,472 | 18,659 | 45.9% | 2,032 | 1 |
| Berkeley | 22,882 | 1,259 | 6,496 | 7,749 | 33.9% | 1,144 | 2 |
| Wood | 19,063 | 1,127 | 7,745 | 8,872 | 46.5% | 953 | 3 |
| Cabell | 18,900 | 993 | 7,960 | 8,953 | 47.4% | 945 | 4 |
| Raleigh | 15,992 | 1,227 | 6,935 | 8,162 | 51.0% | 800 | 5 |
| Harrison | 14,973 | 909 | 5,746 | 6,655 | 44.4% | 749 | 6 |
| Monongalia | 14,346 | 741 | 4,128 | 4,869 | 33.9% | 717 | 7 |
| Mercer | 12,687 | 1,096 | 6,515 | 7,611 | 60.0% | 634 | 8 |
| Putnam | 12,522 | 676 | 3,066 | 3,742 | 29.9% | 626 | 9 |
| Jefferson | 11,465 | 406 | 2,385 | 2,791 | 24.3% | 573 | 10 |
| Marion | 11,245 | 699 | 4,224 | 4,923 | 43.8% | 562 | 11 |
| Fayette | 9,692 | 912 | 4,547 | 5,459 | 56.3% | 485 | 12 |
| Wayne | 9,176 | 556 | 4,063 | 4,619 | 50.3% | 459 | 13 |
| Ohio | 9,068 | 550 | 2,898 | 3,448 | 38.0% | 453 | 14 |
| Logan | 7,610 | 536 | 3,775 | 4,311 | 56.7% | 380 | 15 |
| Marshall | 7,176 | 364 | 2,649 | 3,013 | 42.0% | 359 | 16 |
| Greenbrier | 7,110 | 576 | 2,721 | 3,297 | 46.4% | 356 | 17 |
| Preston | 6,354 | 475 | 2,305 | 2,780 | 43.8% | 318 | 18 |
| Jackson | 6,277 | 373 | 2,529 | 2,902 | 46.2% | 314 | 19 |
| Hancock | 6,270 | 360 | 2,241 | 2,601 | 41.5% | 314 | 20 |
| Mingo | 6,204 | 374 | 3,104 | 3,478 | 56.1% | 310 | 21 |
| Mineral | 5,973 | 302 | 2,001 | 2,303 | 38.6% | 299 | 22 |
| Randolph | 5,971 | 434 | 2,514 | 2,948 | 49.4% | 299 | 23 |
| Boone | 5,706 | 295 | 2,503 | 2,798 | 49.0% | 285 | 24 |
| Nicholas | 5,478 | 405 | 2,522 | 2,927 | 53.4% | 274 | 25 |
| Mason | 5,461 | 297 | 2,561 | 2,858 | 52.3% | 273 | 26 |
| McDowell | 5,170 | 381 | 3,270 | 3,651 | 70.6% | 259 | 27 |
| Hampshire | 5,110 | 266 | 1,935 | 2,201 | 43.1% | 255 | 28 |
| Wyoming | 5,092 | 423 | 2,530 | 2,953 | 58.0% | 255 | 29 |
| Upshur | 4,956 | 435 | 2,235 | 2,670 | 53.9% | 248 | 30 |
| Lincoln | 4,945 | 409 | 2,564 | 2,973 | 60.1% | 247 | 31 |
| Brooke | 4,658 | 294 | 1,455 | 1,749 | 37.5% | 233 | 32 |
| Wetzel | 3,732 | 219 | 1,620 | 1,839 | 49.3% | 187 | 33 |
| Lewis | 3,577 | 298 | 1,705 | 2,003 | 56.0% | 179 | 34 |
| Morgan | 3,365 | 244 | 1,165 | 1,409 | 41.9% | 168 | 35 |
| Taylor | 3,307 | 236 | 1,327 | 1,563 | 47.3% | 165 | 36 |
| Foane | 3,266 | 267 | 1,669 | 1,936 | 59.3% | 163 | 37 |
| Barbour | 3,248 | 290 | 1,491 | 1,781 | 54.8% | 162 | 38 |
| Braxton | 3,044 | 194 | 1,549 | 1,743 | 57.3% | 152 | 39 |
| Hardy | 2,950 | 170 | 1,121 | 1,291 | 43.8% | 147 | 40 |
| Monroe | 2,728 | 186 | 1,018 | 1,204 | 44.1% | 136 | 41 |
| Grant | 2,463 | 141 | 907 | 1,048 | 42.5% | 123 | 42 |
| Clay | 2,454 | 191 | 1,369 | 1,560 | 63.6% | 123 | 43 |
| Summers | 2,322 | 213 | 1,127 | 1,340 | 57.7% | 116 | 44 |
| Ritchie | 2,234 | 142 | 904 | 1,046 | 46.8% | 112 | 45 |
| Webster | 2,020 | 182 | 1,126 | 1,308 | 64.8% | 101 | 46 |
| Tyler | 1,887 | 126 | 772 | 898 | 47.6% | 94 | 47 |
| Pocahontas | 1,717 | 148 | 670 | 818 | 47.6% | 86 | 48 |

WV CHIP Enrollment Report

ATTACHMENT 1

April 2009

| County Ranking | County Pop 2005 Est. (0-18 Yrs) | Total CHIP Enrollment Apr-09 | Total Medicaid Enrollment Apr-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid Enrollment % of Population | 2007 | 2007 |
|-------------------|---------------------------------------|------------------------------------|--|--------------------------------------|--|-------------------------|-------------------------------------|
| | | | | | | Est. Uninsured 5% | # Children Uninsured Ranking* |
| Pendleton | 1,632 | 101 | 434 | 535 | 32.8% | 82 | 49 |
| Doddridge | 1,607 | 128 | 694 | 822 | 51.1% | 80 | 50 |
| Pleasants | 1,593 | 106 | 506 | 612 | 38.4% | 80 | 51 |
| Calhoun | 1,389 | 130 | 817 | 947 | 68.2% | 69 | 52 |
| Tucker | 1,354 | 158 | 483 | 641 | 47.3% | 68 | 53 |
| Wirt | 1,268 | 115 | 566 | 681 | 53.7% | 63 | 54 |
| Gilmer | 1,154 | 105 | 531 | 636 | 55.1% | 58 | 55 |
| Totals | 382,490 | 24,421 | 152,165 | 176,586 | 46.2% | 19,125 | |



Note 1: The most recent estimate for uninsured children statewide from the US Census Current Population Survey is 8%. CHIP uses a 5% estimate to reflect the percentage of uninsured children for outreach purposes who could qualify for CHIP or Medicaid. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: Since it has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP asserts that a 5% uninsured estimate is a more realistic target number for outreach.

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine Months Ending March 31, 2009 and March 31, 2008
(Modified Accrual Basis)

| | March 31, 2009 | March 31, 2008 | Variance | |
|------------------------------------|--------------------------|--------------------------|-------------------------|-------------------|
| Revenues: | | | | |
| Federal Grants | 27,156,582 | 26,022,441 | 1,134,141 | 4% |
| State Appropriations | 7,351,031 | 7,349,227 | 1,804 | 0% |
| Premium Revenues | 95,967 | 62,842 | 33,125 | 53% |
| Investment Earnings | <u>98,105</u> | <u>189,354</u> | <u>(91,249)</u> | -48% |
| Total Operating Revenues | <u>34,701,685</u> | <u>33,623,864</u> | <u>1,077,821</u> | <u>3%</u> |
| Operating Expenditures: | | | | |
| Claims: | | | | |
| Outpatient Services | 8,460,553 | 7,819,057 | 641,496 | 8% |
| Physicians & Surgical | 7,001,268 | 6,702,001 | 299,267 | 4% |
| Prescribed Drugs | 6,339,071 | 5,988,826 | 350,245 | 6% |
| Dental | 3,616,952 | 3,571,683 | 45,269 | 1% |
| Inpatient Hospital Services | 2,750,808 | 2,750,863 | (55) | 0% |
| Outpatient Mental Health | 907,759 | 890,281 | 17,478 | 2% |
| Durable & Disposable Med. Equip. | 885,592 | 815,348 | 70,244 | 9% |
| Vision | 452,573 | 446,214 | 6,359 | 1% |
| Inpatient Mental Health | 448,582 | 416,256 | 32,326 | 8% |
| Therapy | 317,624 | 282,916 | 34,708 | 12% |
| Medical Transportation | 237,341 | 183,440 | 53,901 | 29% |
| Other Services | 74,669 | 69,746 | 4,923 | 7% |
| Less: Collections* | <u>(578,919)</u> | <u>(504,378)</u> | <u>(74,541)</u> | <u>15%</u> |
| Total Claims | <u>30,913,873</u> | <u>29,432,253</u> | <u>1,481,620</u> | <u>5%</u> |
| General and Admin Expenses: | | | | |
| Salaries and Benefits | 369,747 | 361,117 | 8,630 | 2% |
| Program Administration | 1,622,801 | 1,581,768 | 41,033 | 3% |
| Eligibility | 236,674 | 243,468 | (6,794) | -3% |
| Outreach & Health Promotion | 92,546 | 56,451 | 36,095 | 64% |
| Current | <u>104,255</u> | <u>92,997</u> | <u>11,258</u> | <u>12%</u> |
| Total Administrative | <u>2,426,023</u> | <u>2,335,801</u> | <u>90,222</u> | <u>4%</u> |
| Total Expenditures | <u>33,339,896</u> | <u>31,768,054</u> | <u>1,571,842</u> | <u>5%</u> |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | 1,361,789 | 1,855,810 | (494,021) | -27% |
| Fund Equity, Beginning | <u>4,977,366</u> | <u>3,485,118</u> | <u>1,492,248</u> | <u>43%</u> |
| Fund Equity, Ending | <u>6,339,155</u> | <u>5,340,928</u> | <u>998,227</u> | <u>19%</u> |

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
March 2009 and 2008
(Accrual Basis)**

| | March 31, 2009 | March 31, 2008 | Variance | |
|---------------------------------------|-------------------------|------------------------|------------------------|----------------|
| Assets: | | | | |
| Cash & Cash Equivalents | \$9,686,396 | \$6,561,960 | \$3,124,436 | 48% |
| Due From Federal Government | \$2,969,064 | \$2,719,454 | \$249,610 | 9% |
| Due From Other Funds | \$669,049 | \$597,763 | \$71,286 | 12% |
| Accrued Interest Receivable | \$2,237 | \$20,000 | (\$17,763) | -89% |
| Fixed Assets, at Historical Cost | <u>\$70,282</u> | <u>\$61,569</u> | <u>\$8,713</u> | <u>14%</u> |
| Total Assets | <u>\$13,397,028</u> | <u>\$9,960,746</u> | <u>\$3,436,282</u> | <u>34%</u> |
| Liabilities: | | | | |
| Due to Other Funds | \$118,113 | \$307,217 | (\$189,104) | -62% |
| Deferred Revenue | \$3,419,760 | \$1,302,601 | \$2,117,159 | 163% |
| Unpaid Insurance Claims Liability | <u>\$3,520,000</u> | <u>\$3,010,000</u> | <u>\$510,000</u> | <u>17%</u> |
| Total Liabilities | <u>\$7,057,873</u> | <u>\$4,619,818</u> | <u>\$2,438,055</u> | <u>53%</u> |
| Fund Equity | <u>\$6,339,155</u> | <u>\$5,340,928</u> | <u>\$998,227</u> | <u>19%</u> |
| Total Liabilities and Fund Equity | <u>\$13,397,028</u> | <u>\$9,960,746</u> | <u>\$3,436,282</u> | <u>34%</u> |

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended March 31, 2009
(Accrual Basis)

| |
|---------------------------|
| Investment Account |
|---------------------------|

| | |
|-----------------|---------------------------|
| Funds Invested | \$8,535,406 |
| Interest Earned | <u>98,105</u> |
| Total | <u>\$8,633,511</u> |

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Leasing Report
For the period of February 1, 2009 through April 30, 2009

NEW CONTRACT OF LEASE

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-187 New contract of lease for 5 years containing 8,002 square feet of office space at the PSF rate of \$19.75, Lessor to provide janitorial and garbage service, snow and ice removal, and maintain HVAC unit, with Pin Oak Properties, LLC, in the City of White Hall, Marion County.

HHR-186 New contract of lease for 10 years containing 4,300 square feet of space in a Group Home at the PSF rate of \$12.95, with Jeff Kiess and Sharon Kiess, in the City of Independence, Preston County.

INSURANCE COMMISSION

INS-027 New contract of lease for 5 years containing 3,105 square feet of office space at the PSF rate of \$15.50, Lessor to provide janitorial services and snow removal, electric for Suite 103; gas, water and sewage service for Suite 102 and 103, with Veteran's Square II, LLC., in the City of Fairmont, Marion County.

DEPARTMENT OF MILITARY AFFAIRS AND PUBLIC SAFETY

ADG-023 New contract of lease for 1 year containing 16,000 square feet of office space at the PSF rate of \$18.50, full service, with Posler Limited Partnership by Dickinson Fuel Company, Inc., in the City of Charleston, Kanawha County.

NEW RIVER COMMUNITY AND TECHNICAL COLLEGE

NRC-013 New contract of lease for 1 year to cancel out NRC-0112, containing 5,400 square feet of classroom space at the PSF rate of \$6.42, Lessor to provide water and sewage service, with Virginian Land Company, LLC, in the City of Lewisburg, Greenbrier County.

NRC-014 New contract of lease for 3 years containing 3,000 square feet of office space at the PSF rate of \$14.00, full service excluding snow removal, with Sharon Mahaffey, in the City of Beckley, Raleigh County.

CONTINUATION OF NEW CONTRACTS OF LEASE

JACKSON PIERCE PUBLIC AFFAIRS, INC

JPA-002 New contract of sub-lease for 1 year containing 200 square feet of office space at the PSF rate of \$12.00, full service, with WorkForce WV, in the City of Morgantown, Monongalia County.

EJK CONSERVATION DISTRICT

ECD-001 New contract of lease for 1 year containing 410 square feet of office space at the PSF rate of \$9.10, full service excluding gas and janitorial service, with Allegheny Power, in the City of Gassaway, Braxton County.

WV CONSERVATION AGENCY

SCC-011 New contract of lease for 2 years containing 450 square feet of office space at the PSF rate of \$20.00, full service, with Northern Panhandle Conservation District, in the City of McMechen, Marshall County.

NEW CONTRACT OF SUB-LEASE

DIVISION OF REHABILITATION SERVICES

DRS-094 New contract of sub-lease for 10 years containing 524 square feet of office space at the PSF rate of \$12.60, full service, with South Western Region 2 WorkForce Investment Board, in the City of Hurricane, Putnam County.

STRAIGHT RENEWALS

HUMAN RIGHTS COMMISSION

HRC-002 Renewal for 1 year containing 489 square feet of office space at the same PSF rate of \$7.36, full service, with West Virginia Division of Highways, in the City of Huntington, Cabell County.

PUBLIC EMPLOYEES INSURANCE AGENCY

PEI-002 Renewal for 1 year containing 4,000 square feet of storage space at the same PSF rate of \$1.20, full service, with the Corey Realty Company, in the City of Charleston, Kanawha County.

CONTINUATION OF STRAIGHT RENEWALS

DEVELOPMENTAL DISABILITIES PLANNING COUNCIL

DDC-001 Renewal for 2 years containing 2,490 square feet of office space at the same PSF rate of \$9.50, full service excluding janitorial service, with C. W. Moore, Jr., in the City of Charleston, Kanawha County.

RACING COMMISSION

RAC-001 Renewal for 3 years containing 1,850 square feet of office space at the same PSF rate of \$12.95, full service, with Hillcrest Office Park, LLC, in the City of Charleston, Kanawha County.

DIVISION OF VETERANS AFFAIRS

VET-001 Renewal for 1 year containing 12,800 square feet of office space at the same PSF rate of \$5.20, full service, with County Commission of Nicholas County, in the City of Summersville, Nicholas County.

LOTTERY COMMISSION

LOT-010 Renewal for 5 years containing 268 square feet of office space at the same PSF rate of \$12.00, full service, with Racing Corporation of WV, dba Tri-State Racetrack and Gaming Center, in the City of Cross Lanes, Kanawha County.

LOT-006 Renewal for 1 year containing 190 square feet of office space at the same PSF rate of \$8.00, full service, with Wheeling Island Gaming, Inc., in the City of Wheeling, Ohio County.

EDUCATION AND STATE EMPLOYEES GRIEVANCE BOARD

EGB-006 Renewal for 5 months containing 3,150 square feet of office space at the same PSF rate of \$7.49, with Pine Grove Realty, Inc., in the City of Charleston, Kanawha County.

DIVISION OF TOURISM

TOR-006 Renewal for 1 year containing 2,400 square feet of office space at the same PSF rate of \$13.75, full service excluding janitorial service, with Morgantown Mall, in the City of Morgantown, Monongalia County.

CONTINUATION OF STRAIGHT RENEWALS

WEST VIRGINIA BOARD OF CHIROPRACTIC EXAMINERS

BCE-004 Renewal for 1 year containing 373 square feet of office space at the same PSF rate of \$9.65, full service, with Barbour Childress, in the City of South Charleston, Kanawha County.

WV MESSAGE THERAPY LICENSURE BOARD

BMT-004 Renewal for 2 years containing 553 square feet of office space at the same PSF rate of \$12.00, full service, with Kanawha Investment Corporation, in the City of Charleston, Kanawha County.

WV MEDICAL IMAGING & RADIATION THERAPY TECHNOLOGY BOARD OF EXAMINERS

RTB-003 Renewal for 5 years containing 672 square feet of office space at the same PSF rate of \$6.25, with SHJIV Inc. dba Quick Check, in the City of Cool Ridge, Raleigh County.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-189 Renewal for 1 year containing 12,000 square feet of office space at the same PSF rate of \$7.00, with Kapourales Properties, LLC, in the City of Wayne, Wayne County.

HHR-185 Renewal for 1 year containing 14,385 square feet of office space at the same PSF rate of \$6.30, with Mike and Wanda Allie and Fatmie Ollie, in the City of Logan, Logan County.

HHR-184 Renewal for 2 years containing 9,981 square feet of office space at the same PSF rate of \$11.00, full service, with O.V. Smith and Sons of Big Chimney, Inc., in the City of Buckhannon, Upshur County.

HHR-183 Renewal for 1 year containing 750 square feet of storage space at the same PSF rate of \$3.20, full service, with Marjory Gherke, in the City of Grantsville, Calhoun County.

HHR-182 Renewal for 2 years containing 1,400 square feet of office space at the same PSF rate of \$18.65, full service, with K.V.G. Association, in the City of Elizabeth, Wirt County.

CONTINUATION OF STRAIGHT RENEWALS

HHR-181 Renewal for 1 year containing 6,292 square feet of office space at the same PSF rate of \$3.83, with Stephen and Joan Satterfield, in the City of Grantsville, Calhoun County.

HHR-180 Renewal for 2 years containing 14,703 square feet of office space at the same PSF rate of \$8.52, Lessor to provide snow removal and janitorial service, with Gregory B. Skidmore, in the City of Flatwoods, Braxton County.

HHR-179 Renewal for 1 year containing 1,518 square feet of office space at the same PSF rate of \$3.93, with Mike and Wanda Allie and Fatmie Ollie, in the City of Logan, Logan County.

HHR-165 Renewal for 2 years containing 2,332 square feet of office space at the same PSF rate of \$8.85, full service, with R & G Building, in the City of St. Albans, Kanawha County.

HHR-157 Renewal for 2 years containing 17,881 square feet of office space at the same PSF rate of \$6.20, Lessor to provide water and sewage fees only, with George and Rose Yates, in the City of Wheeling, Ohio County.

HHR-149 Renewal for 1 year containing 6,652 square feet of office space at the same PSF rate of \$6.25, Lessor to provide water and sewage fees only, with Bruce and Mary Catherine Hyre, in the City of Petersburg, Grant County.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-179 Renewal for 3 years containing 10 square feet of tower/air monitoring site space at the same annual rate of \$240.00, Lessor to provide electric only, with Central Boaz Public Service District, in the City of Boaz, Wood County.

DEP-159 Renewal for 1 year containing 150 square feet of storage space at the same PSF rate of \$4.80, with Mt. Springs Enterprises, in the City of Mt. Storm, Grant County.

DEP-143 Renewal for 5 years containing 240 square feet of tower/air monitoring site space at the same annual rate of \$1.00, with the West Virginia National Guard, in the City of Moundsville, Marshall County.

DEP-140 Renewal for 5 years containing 300 square feet of tower/air monitoring site space at the same annual rate of \$1.00, Lessor to provide electric only, with the Raleigh County Board of Education, in the City of Beckley, Raleigh County.

DEP-136 Renewal for 5 years containing 252 square feet of tower/air monitoring site space at the same annual rate of \$1.00, Tenant is responsible for its own electric and janitorial services, with Hancock County Board of Education.

CONTINUATION OF STRAIGHT RENEWALS

DEP-135 Renewal for 5 years containing 240 square feet of tower/air monitoring site space at the same annual rate of \$1.00, Tenant is responsible for its own electric and janitorial services, with Hancock County Board of Education, in the City of Chester, Hancock County.

DEP-127 Renewal for 5 years containing 300 square feet of tower/air monitoring site space at the same annual rate of \$1.00, Tenant is responsible for its own electric and janitorial services, with the City of Morgantown, in the City of Morgantown, Monongalia County.

DIVISION OF NATURAL RESOURCES

NAT-125 Renewal for 2 years containing 200 square feet of storage space at the same PSF rate of \$6.60, Tenant is responsible for its own snow and trash removal, with Loudon Preferred Storage, in the City of South Charleston, Kanawha County.

NAT-104 Renewal for 3 years consisting of a fly-fishing, catch and release area, with Tieche Angus Farm, Second Creek, Greenbrier County.

NAT-093 Renewal for 3 years consisting of a fly-fishing, catch and release area, with Rockwell P. Ward, Second Creek, Greenbrier County.

WEST VIRGINIA STATE POLICE

PSA-080 Renewal for 1 year containing 3,600 square feet of office space at the same PSF rate of \$4.50, with K & R Enterprises, in the City of Fairmont, Marion County.

PSA-078 Renewal for 1 year containing 2,670 square feet of office space at the same PSF rate of 3.00, full service, with the Boone County Commission, in the City of Danville, Boone County.

PSA-044 Renewal for 5 years consisting of tower/air monitoring site space at the same annual rate of \$1.00, with the Department of Natural Resources, in the Timber Ridge District of Morgan and Hampshire Counties.

PSA-030 Renewal for 5 years consisting of a piece of land at the same monthly rate of \$150.00, with James H. and April D. Blake, in the Washington District of Marshall County.

DIVISION OF REHABILITATION SERVICES

DRS-053 Renewal for 1 year containing 8,000 square feet of office space at the same PSF rate of \$9.71, full service, with Wesbanco Properties Inc., in the City of Wheeling, Ohio County.

CONTINUATION OF STRAIGHT RENEWALS

DIVISION OF VETERANS AFFAIRS

VET-028 Renewal for 1 year containing 600 square feet of office space at the same PSF rate of \$6.60, full service, with the Roane County Committee on Aging, in the City of Spencer, Roane County.

EDUCATIONAL BROADCASTING AUTHORITY

EBA-020 Renewal for 5 years containing only land necessary for a tower base, building and helicopter pad at the same annual rate of \$2,000.00, with Capon Springs and Farms, Inc., in the area of Capon Pinnacle, Hampshire County.

EBA-003 Renewal for 3 years containing 2 acres of tower/monitoring space at the same monthly rate of \$125.00, with Darryl E. Newton, in the City of Parkersburg, Wood County.

EBA-008 Renewal for 2 years containing 2 acres of tower/monitoring space at the same monthly rate of \$250.00, with Herbert and Marsha Smith, in the Lincoln District, Marion County.

DEPARTMENT OF EDUCATION

EDU-016 Renewal for 1 year containing 3,412 square feet of office space at the same PSF rate of \$10.50, full service, with Egan Management Company, in the City of Charleston, Kanawha County.

DIVISION OF JUVENILE SERVICES

DJS-015 Renewal for 1 year containing 200 square feet of storage space at the same PSF rate of \$10.80, full service, with Dunbar Better Mini Storage, in the City of Dunbar, Kanawha County.

STATE RAIL AUTHORITY

SRA-003 Renewal for 1 year containing 1,512 square feet of ticket office, waiting area, and common area, at the same PSF rate of \$7.44, full service, with City of Martinsburg, in the City of Martinsburg, Berkeley County.

INCREASE SQUARE FOOTAGE/RENT

EDUCATIONAL BROADCASTING AUTHORITY

EBA-085 Increasing square footage by 96 square feet for a total of 1,571 square feet and increasing rent from \$2,066.36 (\$16.81 annual per square foot rate) to \$2,169.68 (\$16.57 annual per square foot rate), full service, with West Virginia Educational Broadcasting Authority, in the City of Morgantown, Monongalia County.

RENEWAL AND INCREASING SQUARE FOOTAGE

HHR-171 Renewal for 1 year increasing square footage by 507 square feet of office space for a total of 1,940 square feet at the PSF rate of \$8.79, full service, with The Methodist Building, in the City of Wheeling, Ohio County.

RENEWAL AND INCREASING SQUARE FOOTAGE/RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-159 Renewal for 3 years increasing square footage by 398 square feet of office space for a total of 1,298 square feet and increasing rent from \$318.75 (\$4.25 annual per square foot rate) to \$600.33 (\$5.55 annual per square foot rate), with James Neher, in the City of Middlebourne, Tyler County.

RENEWAL/RENT INCREASE

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-191 Renewal for 5 years containing 25,080 square feet of office space with an increase from \$20,900.00 per month (\$10.00 annual per square foot rate) to \$21,422.50 per month (\$10.25 annual per square foot rate), Lessor responsible for snow and ice removal, parking lot maintenance, and replacement of lighting tubes, with Aikens Investments, in the City of Martinsburg, Berkeley County.

HHR-169 Renewal for 1 year containing 300 square feet of storage space with an increase from \$180.00 per month (\$10.80 annual per square foot rate) to \$255.00 per month (\$10.20 annual per square foot rate), full service, with Dunbar Better Mini Storage, in the City of Dunbar, Kanawha County.

HHR-144 Renewal for 1 year containing 3,837 square feet of classroom space with an increase from \$2,014.42 per month (\$6.30 annual per square foot rate) to \$2,119.94 per month (\$6.63 annual per square foot rate), full service, with Hickman and Noss, LLC, in the City of Clarksburg, Harrison County.

CONTINUATION OF RENEWAL/RENT INCREASE

DIVISION OF NATURAL RESOURCES

NAT-115 Renewal for 5 years containing 14,620 square feet of office space with an increase from \$6,746.67 per month (\$5.54 annual per square foot rate) to \$7,336.05 per month (\$6.02 annual per square foot rate), Lessor is responsible for janitorial, trash, and snow removal, with Petrucci Brothers, in the City of Farmington, Marion County.

NAT-107 Renewal for 3 years containing 300 square feet of storage space with an increase from \$115.00 per month (\$4.60 annual per square foot rate) to \$120.00 per month (\$4.80 annual per square foot rate), Lessor to provide snow and trash removal only, with Southern Mini Storage, in the City of Nitro, Kanawha County.

DIVISION OF CORRECTIONS

COR-081 Renewal for 1 year consisting of an entire facility for classroom/lodging space with an increase from \$11,500 per month to \$11,845 per month, Lessor to provide trash and janitorial services only, with WV Baptist Conference Center (Parchment Valley), in the City of Ripley, Jackson County.

WEST VIRGINIA STATE POLICE

PSA-066 Renewal for 1 year containing 3,200 square feet of office space with an increase from \$600.00 per month (\$2.25 annual per square foot rate) to \$660.00 per month (\$2.48 annual per square foot rate), Lessor to provide janitorial services only, with the Quincy Center, in the City of Charleston, Kanawha County.

DEPARTMENT OF TAX AND REVENUE

TAX-038 Renewal for 3 years containing 384 square feet of office space with an increase from \$350.00 per month (\$10.94 annual per square foot rate) to \$370.00 per month (\$11.56 annual per square foot rate), full service excluding janitorial services, with Main Street Partners, in the City of Princeton, Mercer County.

DIVISION OF MOTOR VEHICLES

DMV-026 Renewal for 10 years containing 8,428 square feet of office space with an increase from \$8252.42 per month (\$11.75 annual per square foot rate) to \$8828.33 per month (\$12.57 annual per square foot rate), full service, with Hal-Don Enterprises, Inc., in the City of Moundsville, Marshall County.

DMV-025 Renewal for 10 years containing 6,000 square feet of office space with an increase from \$5,750.00 per month (\$11.50 annual per square foot rate) to \$6,625.00 per month (\$13.25 annual per square foot rate), full service, with McRo Enterprises Inc., in the City of Point Pleasant, Mason County.

CONTINUATION OF RENEWAL/RENT INCREASE

DMV-024 Renewal for 3 years containing 8,000 square feet of office space with an increase from \$7,666.67 per month (\$11.50 annual per square foot rate) to \$7,860.00 per month (\$11.79 annual per square foot rate), full service, with Goldsmit-Black, Inc., in the City of Parkersburg, Wood County.

BOARD OF EXAMINERS OF PSYCHOLOGISTS

PSY-001 Renewal for 1 year containing 600 square feet of office space, with an increase from \$375.00 per month (\$7.50 annual per square foot rate) to \$386.25 per month (\$7.73 annual per square foot rate), full service, with 1206 Virginia, Inc., in the City of Charleston, Kanawha County.

WV BOARD OF EXAMINERS IN COUNSELING

BEC-001 Renewal for 3 years containing 590 square feet of office space, with an increase from \$565.00 per month (\$11.49 annual per square foot rate) to \$590.00 per month (\$12.00 annual per square foot rate) the first year, then \$608.00 per month (\$12.37 annual per square foot rate) the second year, then \$626.00 per month (\$12.73 annual per square foot rate) the third year, full service, with R.B Tracy as attorney in fact for Betty G. Linger and Thomas Linger and in his own right, in the City of Charleston, Kanawha County.

STATE TREASURER'S OFFICE

STO-008 Renewal for 1 year containing 492 square feet of office space, with an increase from \$500.00 per month (\$12.20 annual per square foot rate) to \$550.00 per month (\$13.41 annual per square foot rate) full service excluding custodial service, with Co-Owners, Inc., in the City of Morgantown, Monongalia County.

DIVISION OF FORESTRY

FOR-006 Renewal for 3 years containing 300 square feet of office space, with an increase from \$200.00 per month (\$6.59 annual per square foot rate) to \$230.00 per month (\$9.20 annual per square foot rate), full service, with James W. and Dinah W. Courier, in the City of Keyser, Mineral County.

OFFICE OF ECONOMIC OPPORTUNITY-GOVERNOR'S OFFICE

GCC-006 Renewal for 2 years containing 300 square feet of office space, with an increase from \$180.00 per month to \$195.00 per month, full service, with YWCA of Marion County, in the City of Fairmont, Marion County.

CONTINUATION OF RENEWAL/RENT INCREASE

DIVISION OF JUVENILE SERVICES

DJS-003 Renewal for 1 year containing 12,266 square feet of office space, with a 5% increase from \$10,081.13 per month (\$9.86 annual per square foot rate) to \$10,582.49 per month (\$10.35 annual per square foot rate), full service, with L. A. Development Company, in the City of Charleston, Kanawha County.

RENEWAL/DECREASING SQUARE FOOTAGE

WEST VIRGINIA DEPARTMENT OF AGRICULTURE

AGR-042 Renewal for 3 years containing 600 square feet of office space, decreasing square footage by 100 square feet for a total of 500 square feet, at the current PSF rate of \$6.00, full service excluding snow removal and janitorial service, with Wesbanco Inc., in the City of Sistersville, Tyler County.

CANCELLED LEASES

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-142 Cancelled lease effective midnight August 31, 2009, consisting of storage site space at the current annual rate of \$1.00, with General Services Administration, in the City of Wheeling, Ohio County.

DEP-132 Cancelled lease effective midnight August 31, 2009, consisting of tower/air monitoring site space at the current annual rate of \$1.00, with West Virginia University, in the City of Morganton, Monongalia County.

DEP-129 Cancelled lease effective midnight August 31, 2009, consisting of tower/air monitoring site space at the current annual rate of \$1.00, with the City of Wheeling, in the City of Wheeling, Ohio County.

DEP-128 Cancelled lease effective midnight August 31, 2009, consisting of tower/air monitoring site space at the current annual rate of \$1.00, with the City of Charleston, in the City of Charleston, Kanawha County.

JACKSON PIERCE PUBLIC AFFAIRS, INC

JPA-001 Cancelled lease effective January 1, 2009, containing 250 square feet of office space at the PSF rate of \$8.50, full service, with Bureau of Employment Programs, in the City of Fairmont, Marion County.

CANCELLED LEASES

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-151 Cancelled lease effective May 31, 2009, containing 480 square feet of office space at the PSF rate of \$9.75, full service excluding janitorial service, with Riverview Presbyterian Church, in the City of Charleston, Kanawha County.

DEPARTMENT OF ADMINISTRATION/RENEWAL

STATE TAX DEPARTMENT

TAX-025 Renewal for 1 year containing 2,120 square feet of office space at the PSF rate of \$15.50, full service, with the Department of Administration, in the City of Parkersburg, Wood County.

DIVISION OF VETERANS AFFAIRS

VET-015 Renewal for 1 year containing 500 square feet of office space at the PSF rate of \$14.75, full service, with the Department of Administration, in the City of Charleston, Kanawha County.

PRISON INDUSTRIES

PRI-001 Renewal for 1 year containing 34,834 square feet of warehousing/storage space at the annual rate of \$1.00, with Department of Administration, in the City of Charleston, Kanawha County.

DEPARTMENT OF MILITARY AFFAIRS AND PUBLIC SAFETY

MAP-002 Renewal for 1 year containing 3,476 square feet of office space at the PSF rate of \$9.50, full service, with the Department of Administration, in the City of Charleston, Kanawha County.

REGION 2 WORKFORCE INVESTMENT BOARD, INC.

WB2-001 Renewal for 1 year containing 4,059 square feet of office space at the PSF rate of \$13.00, full service, with Department of Administration, in the City of Huntington, Wayne County.

LOTTERY COMMISSION

LOT-009 Renewal for 1 year containing 3,346 square feet of office space at the PSF rate of \$13.00, full service, with Department of Administration, in the City of Weirton, Hancock County.

Department of Administration

Leasing Report for the period of February 1, 2009 through April 30, 2009

There were a total of 88 leasing changes for the period of February 1, 2009 through April 30, 2009 and they are as follows:

- **9 - New Contracts of Lease**
- **1 – New Contract of Sub-lease**
- **45 – Straight Renewals**
- **1 – Increasing Square Footage/Rent**
- **1 – Renewing, Increasing Square Footage**
- **1 – Renewing, Increasing Square Footage/Rent**
- **17 – Renewing and Increasing Rent**
- **1 – Renewing and Decreasing Square Footage**
- **6 – Cancellation of Leases**
- **6 – Department of Administration Renewals**

BUREAU OF SENIOR SERVICES

Lease Number: BSS-002-914

Lessor: CHARLESTON TOWN CENTER COMPANY LP

Lease Commencement Date 1-Oct-04
Lease Term 10 Years
Lease Expiration Date 30-Sep-14
Square Footage 10,808

| Lease Year | Rental Rate | % Increase | Square Feet | Annual Rent |
|------------|-------------|------------|-------------------|------------------------------|
| 2004-2005 | \$12.00 | | 10,808 | \$129,696.00 |
| 2005-2006 | \$12.24 | 2.00% | 10,808 | \$132,289.92 |
| 2006-2007 | \$12.48 | 1.96% | 10,808 | \$134,883.84 |
| 2007-2008 | \$12.73 | 2.00% | 10,808 | \$137,585.84 |
| 2008-2009 | \$12.98 | 1.96% | 10,808 | \$140,287.84 |
| 2009-2010 | \$13.24 | 2.00% | 10,808 | \$143,097.92 |
| 2010-2011 | \$13.50 | 1.96% | 10,808 | \$145,908.00 |
| 2011-2012 | \$13.77 | 2.00% | 10,808 | \$148,826.16 |
| 2012-2013 | \$14.05 | 2.03% | 10,808 | \$151,852.24 |
| 2013-2014 | \$14.33 | 1.99% | 10,808 | \$154,878.64 |
| | | | Total Rent | <u>\$1,419,306.40</u> |

Tax escalation clause with the base year stated as the first year that the improvements reflect on the county's tax books

Lessor pays utilities and trash removal

Tenant pays for Janitorial Services Only

Joint Committee on Government and Finance

May 2009

Department of Health and Human Resources

MEDICAID REPORT

March 2009 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2009

| MONTH OF MARCH 2009 | ACTUALS | TOTAL | ACTUALS | Estimated | ACTUALS | PROJECTED |
|--|----------------------|----------------------|----------------------|----------------------|---------------------------|------------------------|
| | SFY2008 | SFY2008 | Current Month Mar-09 | Current Month Mar-09 | Year To-Date Thru 3/31/09 | 04/01/09 Thru 08/30/09 |
| EXPENDITURES: | | | | | | |
| Inpatient Hospital Services | 224,743,080 | 233,876,834 | 27,781,666 | 25,312,658 | 180,724,754 | 42,950,881 |
| Inpatient Hospital Services - DSH Adjustment Payments | 55,898,017 | 57,752,400 | - | - | 40,846,760 | 16,806,640 |
| Mental Health Facilities | 44,424,889 | 47,803,433 | 3,981,555 | 3,885,869 | 38,143,935 | 11,459,498 |
| Mental Health Facilities - DSH Adjustment Payments | 18,758,680 | 18,774,000 | - | - | 14,076,707 | 4,697,293 |
| Nursing Facility Services | 431,721,537 | 461,013,765 | 36,815,877 | 38,446,476 | 347,682,007 | 113,321,778 |
| Intermediate Care Facilities - Public Providers | - | - | - | - | - | - |
| Intermediate Care Facilities - Private Providers | 58,149,889 | 63,050,810 | 4,681,357 | 5,203,874 | 46,686,173 | 16,486,837 |
| Physicians Services *** | 122,789,471 | 125,162,523 | 12,898,935 | 8,884,842 | 102,798,470 | 22,388,053 |
| Outpatient Hospital Services | 104,588,493 | 111,471,386 | 14,484,251 | 8,580,985 | 89,188,418 | 22,302,949 |
| Prescribed Drugs | 337,816,180 | 353,800,438 | 28,077,509 | 27,278,223 | 257,214,290 | 86,386,145 |
| Drug Rebate Offset - National Agreement | (107,877,804) | (102,165,200) | (7,919,700) | (4,898,188) | (82,130,678) | (10,034,522) |
| Drug Rebate Offset - State Sidebar Agreement | (28,028,617) | (31,823,600) | (568,474) | (1,453,830) | (22,086,878) | (9,526,822) |
| Dental Services *** | 37,877,318 | 42,380,562 | 3,514,879 | 3,283,785 | 28,667,031 | 12,713,631 |
| Other Practitioners Services | 26,659,342 | 28,893,748 | 2,142,684 | 2,240,948 | 18,362,684 | 12,641,084 |
| Clinic Services | 38,381,526 | 34,764,833 | 4,484,143 | 2,876,977 | 30,291,180 | 4,463,743 |
| Lab & Radiological Services | 8,222,288 | 9,200,885 | 799,779 | 712,715 | 7,224,234 | 1,878,651 |
| Home Health Services | 29,870,378 | 31,850,050 | 2,480,933 | 2,471,782 | 24,273,876 | 7,676,376 |
| Hysterectomies/Sterilizations | 816,828 | 620,120 | 30,430 | 40,048 | 334,581 | 185,539 |
| Pregnancy Terminations | - | - | - | - | - | - |
| EPSDT Services | 2,418,032 | 2,843,118 | 191,285 | 228,492 | 1,885,816 | 1,257,304 |
| Rural Health Clinic Services | 6,710,171 | 7,433,055 | 593,888 | 673,315 | 5,373,487 | 2,059,568 |
| Medicare Health Insurance Payments - Part A Premiums | 17,124,133 | 18,671,400 | 1,428,146 | 1,655,960 | 12,357,599 | 6,313,801 |
| Medicare Health Insurance Payments - Part B Premiums | 87,980,223 | 76,481,100 | 5,787,113 | 6,288,425 | 52,841,890 | 22,618,110 |
| 120% - 134% Of Poverty | 4,004,192 | - | 330,841 | - | 3,318,476 | (3,318,475) |
| 135% - 175% Of Poverty | - | - | - | - | - | - |
| Coinsurance And Deductibles | - | - | - | - | - | - |
| Medicaid Health Insurance Payments: Managed Care Organizations (MCO) | 257,013,357 | 267,842,700 | 21,882,236 | 22,328,558 | 214,022,643 | 53,820,057 |
| Medicaid Health Insurance Payments: Group Health Plan Payments | 336,298 | 485,200 | 33,291 | 35,785 | 287,988 | 177,232 |
| Home & Community-Based Services (MR/DD) | 218,374,534 | 260,704,840 | 21,788,342 | 20,054,246 | 174,486,189 | 86,238,441 |
| Home & Community-Based Services (Aged/Disabled) | 65,632,681 | 88,556,233 | 7,288,950 | 8,812,018 | 58,824,726 | 28,631,507 |
| Community Supported Living Services | - | - | - | - | - | - |
| Programs Of All-Inclusive Care Elderly | - | - | - | - | - | - |
| Personal Care Services | 37,799,505 | 42,173,550 | 3,028,757 | 3,244,223 | 28,141,739 | 14,031,810 |
| Targeted Case Management Services | 6,438,616 | 7,817,608 | 363,092 | 603,831 | 3,225,486 | 4,592,112 |
| Primary Care Case Management Services | 718,208 | 810,500 | 47,718 | 62,348 | 471,168 | 338,344 |
| Hospice Benefits | 12,363,106 | 13,460,400 | 1,333,212 | 1,035,416 | 10,747,823 | 2,712,677 |
| Emergency Services Undocumented Aliens | - | - | - | - | - | - |
| Federally Qualified Health Center | 17,475,447 | 19,586,686 | 1,312,227 | 1,509,785 | 12,851,385 | 6,735,312 |
| Other Care Services | 121,772,650 | 137,481,167 | 11,185,615 | 10,609,554 | 86,228,337 | 41,251,830 |
| Less: Recoupments | - | - | (127,401) | - | (973,758) | 973,758 |
| NET EXPENDITURES: | 2,238,331,734 | 2,429,523,252 | 209,046,954 | 197,384,912 | 1,793,116,334 | 638,407,918 |

Collections: Third Party Liability (line 9A on CMS-64)

Collections: Probate (line 9B on CMS-64)

Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)

Collections: Other (line 9D on CMS-64)

| | | | | | | |
|---|------------------------|------------------------|----------------------|----------------------|------------------------|----------------------|
| (4,595,459) | | | | (2,269,473) | 2,269,473 | |
| (178,773) | | | | (84,772) | 84,772 | |
| (188,810) | | | | (12,845) | 12,845 | |
| (4,109,827) | | | | (1,916,474) | 1,916,474 | |
| NET EXPENDITURES and CMS-64 ADJUSTMENTS: | 2,226,251,268 | 2,429,523,252 | 209,045,954 | 197,384,812 | 1,788,852,770 | 640,670,482 |
| Plus: Medicaid Part D Expenditures | 29,322,509 | 29,988,500 | 2,870,028 | 2,305,269 | 22,287,521 | 7,680,879 |
| Plus: State Only Medicaid Expenditures | 4,078,889 | 3,634,895 | 352,132 | 278,807 | 3,386,954 | 247,941 |
| TOTAL MEDICAID EXPENDITURES | 2,262,662,643 | \$2,463,126,647 | \$212,088,114 | 199,949,798 | \$1,814,527,245 | \$848,599,402 |
| Plus: Reimbursables ⁽¹⁾ | 3,830,807 | 4,042,671 | 399,898 | 310,975 | 3,150,095 | 892,578 |
| TOTAL EXPENDITURES | \$2,266,483,550 | \$2,467,169,318 | \$212,487,809 | \$200,260,763 | \$1,817,677,341 | \$849,491,977 |

(1) This amount will revert to State Only if not reimbursed.

***CMS is currently reviewing portions of these payments. Until review is completed these expenses will be classified as state-only on the CMS-64. With all outside reviews, there is a potential for a portion of these costs to remain state-only if any of them are disallowed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2009

9 Months Actuals 3 Months Remaining

| MONTH OF MARCH 2009 | ACTUALS | ACTUALS | ACTUALS | PROJECTED | TOTAL |
|--|----------------------|-----------------------------|---------------------------|------------------------|------------------------|
| | SFY2008 | Current Month Ended 3/31/09 | Year-To-Date Thru 3/31/09 | 4/1/2009 Thru 06/30/09 | SFY2009 |
| REVENUE SOURCES | | | | | |
| Beg. Bal. (5084/1020 prior mth) | 26,493,078 | 4,084,861 | \$34,933,055 | | \$34,933,055 |
| MATCHING FUNDS | | | | | |
| General Revenue (0403/189) | 393,705,687 | 32,475,474 | 277,782,810 | 115,922,877 | 393,705,687 |
| Rural Hospitals Under 150 Beds (0403/040) | 2,598,001 | 216,333 | 1,947,000 | 649,000 | 2,598,000 |
| Tertiary Funding (0403/547) | 4,856,000 | 404,668 | 3,642,000 | 1,214,000 | 4,856,000 |
| Lottery Waiver (Less 650,000) (5405/530) | 23,272,578 | | 20,272,578 | 3,100,000 | 23,372,578 |
| Lottery Transfer (5405/571) | 10,300,000 | | 8,500,000 | 1,800,000 | 10,300,000 |
| Trust Fund Appropriation (5185/189) | 14,337,873 | | 19,784,219 | 10,772,375 | 30,558,594 |
| Provider Tax (5090/189) | 171,383,668 | 15,770,404 | 119,798,391 | 45,861,814 | 165,660,004 |
| Certified Match | 19,347,764 | 2,118,223 | 16,896,691 | 7,309,307 | 23,205,998 |
| Reimbursables - Amount Reimbursed | 3,721,481 | 285,862 | 2,898,939 | 1,043,732 | 4,042,671 |
| Other Revenue (MWIN, Eascheated Warrants, etc.) 5084/4010 & 4016 | 301,164 | 38,208 | 314,804 | (314,804) | 0 |
| CMS - 84 Adjustments | (5,988,638) | | 973,419 | -973,419 | 0 |
| TOTAL MATCHING FUNDS | 664,348,748 | \$55,373,853 | \$508,843,906 | \$186,384,682 | \$683,228,587 |
| FEDERAL FUNDS | 1,630,783,428 | 189,846,798 | 1,344,126,284 | \$455,148,557 | \$1,789,274,841 |
| TOTAL REVENUE SOURCES | 2,295,130,178 | \$245,220,851 | \$1,850,970,190 | \$641,533,239 | \$2,492,603,428 |
| TOTAL EXPENDITURES: | | | | | |
| Provider Payments | 2,268,483,550 | \$212,467,809 | \$1,817,677,341 | \$648,491,977 | \$2,487,169,318 |
| TOTAL | 28,846,828 | \$32,752,841 | \$33,292,849 | | \$25,334,111 |

Note: FMAP (08' - 74.25% applicable July - Sept. 2008) (08' - 73.73% applicable Oct. 2008 - June 2009
 (1) This amount will revert to State Only if not reimbursed.

**West Virginia
Pharmaceutical Cost Management Council**

**Presentation to the Joint Committee on Government
and Finance**

May 28, 2009

**Shana Kay Phares
Governor's Pharmaceutical Advocate
304-558-0079**

The West Virginia Pharmaceutical Cost Management Council
2008 Prescription Drug Advertising Expense Report
Preliminary Data Summary

On April 14, 2008, the Prescription Drug Advertising Expense Reporting Rule, WV CSR 206-1, became a permanent rule following passage by the Legislature during the regular 2008 Legislative Session, signature by the Governor and final filing by the agency.

Contextual facts to understand the data:

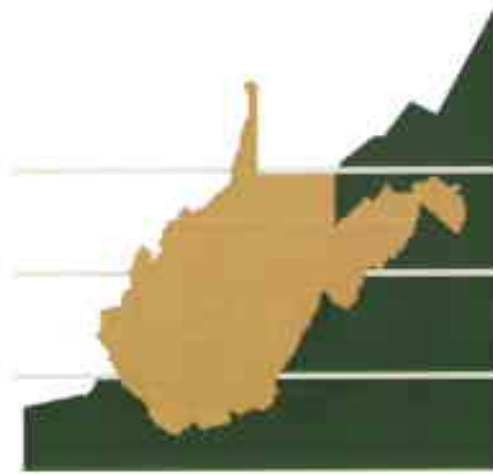
- The reporting period covers calendar year 2008.
- 123 pharmaceutical manufacturers and labelers filed reports; 3 of those reports have been returned for amendment and the data will be included in the Council's final report.
- The West Virginia Board of Medicine reports that there are **3,830** medical doctors and podiatrists licensed and practicing in West Virginia. The West Virginia Board of Osteopathy reports that there are **745** osteopathic doctors practicing in West Virginia. The West Virginia Board of Nursing reports that there are **577** nurse practitioners with prescribing authority in West Virginia.
- Under both the statute (W.Va. Code 5A-3C-13) and Legislative Rule (CSR 201-1), only aggregated data may be disclosed to the public.

Aggregated data:

- **123** manufacturers and labelers filed reports under the Legislative Rule with 93 reports indicating spending activities.
- Companies reported making **15,382** gifts, grants, or payments to West Virginia prescribers from January – December 2008. Companies reported a cumulative gift, grant and payment amount for the annual period so a prescriber may have received several payments from the individual company that result in the amount reported. Payments, as discussed in

this summary, means the total amount of money from an individual company to a prescriber during the reporting period.

- There are **4,675** doctors and **577** nurse practitioners with prescribing authority and **15,380** payments were made; therefore some prescribers received payments from multiple companies and some prescribers may have not received any payments.
- Highest amount paid to an individual prescriber by a single company in the annual reporting period fell in the **\$125,001 - \$127,500** payment category. One prescriber received this level of payment.
- **42** payments of **\$20,000** or more were made to prescribers from individual companies.
- **574** payments of **\$2,500** or more were made to prescribers from individual companies.
- **14,808** payments were made from individual companies to prescribers in the lowest payment category of **\$100 - \$2,500**.
- Total reported payments to pharmacies: **\$99,798**.
- Total reported payments to patient advocacy groups operating in West Virginia: **\$11,500** (payment from 1 company to 1 group).
- Total direct to consumer (DTC) advertising **\$30,997,972.60**.



West Virginia Investment Management Board

Monthly Performance Report

March 31, 2009

West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of March 31, 2009

| | Asset \$ | % | 1 Month | 3 Month | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--|----------------------|--------------|------------|------------|-------|-----------|-----------|-----------|------------|
| WVIMB Fund Assets | 7,975,586,800 | 100.0 | | | | | | | |
| Pension Assets | 6,338,445,986 | 79.5 | | | | | | | |
| Public Employees' Retirement System | 2,824,956,820 | 35.4 | 4.0 | -4.5 | -26.9 | -27.8 | -7.4 | -0.8 | 2.3 |
| Teachers' Retirement System | 2,978,857,346 | 37.3 | 3.9 | -4.0 | -26.6 | -28.4 | -7.7 | -1.0 | 2.2 |
| Teachers' Employers Cont. Collection A/C | 27,219,824 | 0.3 | 0.0 | 0.1 | 1.0 | 1.6 | - | - | - |
| EMS Retirement System | 13,836,916 | 0.2 | 4.0 | -4.4 | -26.3 | -29.0 | - | - | - |
| Public Safety Retirement System | 318,938,401 | 4.0 | 4.0 | -4.5 | -26.9 | -27.9 | -7.5 | -0.9 | 2.4 |
| Judges' Retirement System | 74,450,089 | 0.9 | 4.0 | -4.4 | -26.6 | -27.6 | -7.4 | -0.8 | 2.3 |
| State Police Retirement System | 33,660,104 | 0.4 | 4.0 | -4.4 | -26.5 | -27.4 | -7.3 | -0.8 | 2.2 |
| Deputy Sheriffs' Retirement System | 66,526,486 | 0.8 | 4.0 | -4.5 | -26.7 | -27.6 | -7.4 | -0.8 | 2.3 |
| Insurance Assets | 1,197,994,495 | 15.0 | | | | | | | |
| Workers' Compensation Old Fund | 600,993,830 | 7.5 | 2.7 | -1.7 | -19.3 | -19.7 | -3.7 | - | - |
| Workers' Comp. Self-Insured Guaranty Risk Pool | 6,380,242 | 0.1 | 0.0 | 0.1 | 1.0 | 1.6 | 4.0 | - | - |
| Workers' Comp. Uninsured Employers Fund | 8,361,623 | 0.1 | 0.0 | 0.1 | 1.0 | 1.6 | 4.0 | - | - |
| Pnuemoconiosis | 204,209,442 | 2.6 | 2.2 | -0.4 | -16.9 | -17.4 | -2.8 | - | - |
| Board of Risk & Insurance Mgmt. | 93,994,073 | 1.2 | 2.2 | 0.0 | -14.0 | -14.6 | -1.7 | - | - |
| Public Employees' Insurance Agency | 103,563,853 | 1.3 | 2.0 | 0.4 | -15.4 | -15.7 | -2.2 | - | - |
| WV Retiree Health Benefit Trust Fund | 180,491,432 | 2.3 | 1.7 | 1.4 | -9.1 | -9.6 | - | - | - |
| Endowment Assets | 439,146,319 | 5.5 | | | | | | | |
| Wildlife Fund | 25,955,297 | 0.3 | 4.0 | -4.5 | -26.8 | -27.6 | -7.4 | -0.8 | 3.2 |
| Prepaid Tuition Trust | 61,843,258 | 0.8 | 4.8 | -5.6 | -26.6 | -27.4 | -7.3 | -0.7 | - |
| Prepaid Tuition Trust Escrow | 3,357,751 | 0.0 | 1.4 | 2.0 | -8.1 | -8.5 | 0.7 | 1.4 | - |
| Revenue Shortfall Reserve Fund | 142,218,400 | 1.8 | 4.2 | -5.4 | -28.4 | -29.1 | - | - | - |
| Revenue Shortfall Reserve Fund - Part B | 205,771,613 | 2.6 | 4.0 | -5.3 | -28.5 | -29.3 | - | - | - |

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of March 31, 2009

| | Asset \$ | % | 1 Month | 3 Month | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--|---------------|--------|------------|------------|--------|-----------|-----------|-----------|------------|
| Investment Pools Composite | 7,979,904,568 | 100.00 | | | | | | | |
| Total Equity Composite | 3,589,264,329 | 44.98 | 7.45 | -10.97 | -39.30 | -40.56 | -13.62 | -3.18 | 0.67 |
| <i>Total Equity Policy Index</i> | | | 8.42 | -10.71 | -41.48 | -42.22 | -14.55 | -3.77 | -0.34 |
| Excess Return | | | -0.97 | -0.26 | 2.18 | 1.66 | 0.93 | 0.59 | 1.01 |
| US Equity Composite | 1,804,051,123 | 22.61 | 8.45 | -11.04 | -37.54 | -37.79 | -13.83 | -4.14 | -0.26 |
| <i>Russell 3000 Index</i> | | | 8.76 | -10.80 | -37.14 | -38.20 | -13.55 | -4.59 | -2.25 |
| Excess Return | | | -0.31 | -0.24 | -0.40 | 0.41 | -0.28 | 0.45 | 1.99 |
| Large Cap Composite | 1,533,572,546 | 19.22 | 8.62 | -11.11 | -36.98 | -38.13 | -13.43 | -4.69 | -3.06 |
| <i>S&P 500</i> | | | 8.76 | -11.01 | -36.35 | -38.09 | -13.06 | -4.76 | -3.00 |
| Excess Return | | | -0.14 | -0.10 | -0.63 | -0.04 | -0.37 | 0.07 | -0.06 |
| Non-Large Cap Composite | 270,478,577 | 3.39 | 7.48 | -10.61 | -39.42 | -37.29 | -14.66 | -3.34 | 4.84 |
| <i>Russell 2500 Index</i> | | | 9.13 | -11.43 | -39.07 | -38.23 | -15.98 | -4.45 | 3.33 |
| Excess Return | | | -1.65 | 0.82 | -0.35 | 0.94 | 1.32 | 1.11 | 1.51 |
| International Equity Composite | 1,785,213,206 | 22.37 | 6.47 | -10.92 | -41.09 | -43.35 | -12.08 | -0.55 | 3.17 |
| <i>MSCI AC World ex USA</i> | | | 8.07 | -10.62 | -45.71 | -46.18 | -12.75 | -0.24 | 0.89 |
| Excess Return | | | -1.60 | -0.30 | 4.62 | 2.83 | 0.67 | -0.31 | 2.28 |
| Fixed Income Composite | 2,302,643,840 | 28.86 | 1.45 | 1.92 | -10.80 | -11.16 | -0.33 | 0.91 | 4.58 |
| <i>Fixed Income Policy</i> | | | 1.50 | 0.39 | 1.93 | 1.11 | 5.08 | 3.72 | 5.49 |
| Excess Return | | | -0.05 | 1.53 | -12.73 | -12.27 | -5.41 | -2.81 | -0.91 |
| TRS Annuity | 251,720,645 | 3.15 | 0.37 | 1.08 | | | | | |
| Cash Composite | 197,882,953 | 2.48 | 0.06 | 0.16 | 1.06 | 1.64 | 3.96 | 3.45 | 3.48 |
| <i>Citigroup 90 Day T-Bill + 15bps</i> | | | 0.03 | 0.09 | 0.85 | 1.29 | 3.58 | 3.22 | 3.42 |
| Excess Return | | | 0.03 | 0.07 | 0.21 | 0.35 | 0.38 | 0.23 | 0.06 |
| Private Equity Composite | 555,540,989 | 6.96 | 0.46 | -0.10 | -21.13 | -21.81 | | | |
| Real Estate Composite | 37,244,491 | 0.47 | 0.20 | -0.42 | -20.30 | -23.22 | | | |
| Hedge Funds Composite | 1,045,607,321 | 13.10 | 0.25 | 3.63 | -12.87 | | | | |

West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of March 31, 2009

| | Large Cap | | Non-Large Cap | | Int'l Equity | | Fixed Income | | Private Equity | | Real Estate | | Hedge Funds | | Cash | |
|--|-----------|----------|---------------|----------|--------------|----------|--------------|----------|----------------|----------|-------------|----------|-------------|----------|----------|----------|
| | Actual % | Target % | Actual % | Target % | Actual % | Target % | Actual % | Target % | Actual % | Target % | Actual % | Target % | Actual % | Target % | Actual % | Target % |
| Pension Assets | | | | | | | | | | | | | | | | |
| Public Employees' Retirement System | 21.0 | 21.3 | 3.7 | 3.8 | 24.4 | 25.0 | 28.7 | 30.0 | 8.6 | 10.0 | 0.6 | 0.0 | 12.3 | 10.0 | 0.6 | 0.0 |
| Teachers' Retirement System | 20.9 | 21.3 | 3.7 | 3.8 | 24.3 | 25.0 | 20.4 | 30.0 | 8.6 | 10.0 | 0.5 | 0.0 | 12.0 | 10.0 | 1.0 | 0.0 |
| Teachers' Employers Cont. Collection A/C | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| EMS Retirement System | 20.6 | 21.3 | 3.6 | 3.8 | 24.0 | 25.0 | 27.3 | 30.0 | 9.9 | 10.0 | 0.6 | 0.0 | 10.2 | 10.0 | 3.8 | 0.0 |
| Public Safety Retirement System | 21.1 | 21.3 | 3.8 | 3.8 | 24.6 | 25.0 | 28.2 | 30.0 | 10.2 | 10.0 | 0.6 | 0.0 | 11.1 | 10.0 | 0.4 | 0.0 |
| Judges' Retirement System | 21.1 | 21.3 | 3.7 | 3.8 | 24.5 | 25.0 | 28.5 | 30.0 | 10.2 | 10.0 | 0.6 | 0.0 | 10.9 | 10.0 | 0.5 | 0.0 |
| State Police Retirement System | 20.7 | 21.3 | 3.7 | 3.8 | 24.1 | 25.0 | 28.0 | 30.0 | 10.0 | 10.0 | 0.6 | 0.0 | 10.6 | 10.0 | 2.2 | 0.0 |
| Deputy Sheriffs' Retirement System | 21.0 | 21.3 | 3.7 | 3.8 | 24.4 | 25.0 | 28.6 | 30.0 | 10.1 | 10.0 | 0.6 | 0.0 | 10.8 | 10.0 | 0.8 | 0.0 |
| Insurance Assets | | | | | | | | | | | | | | | | |
| Workers' Compensation Old Fund | 12.4 | 12.8 | 2.2 | 2.3 | 14.5 | 15.0 | 38.9 | 40.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.8 | 20.0 | 11.2 | 10.0 |
| Workers' Comp. Self-Insured Guaranty Risk Pool | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| Workers' Comp. Uninsured Employers Fund | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 100.0 | 100.0 |
| Pnuemoconiosis | 8.4 | 8.5 | 1.5 | 1.5 | 9.8 | 10.0 | 54.6 | 55.0 | 0.0 | 0.0 | 0.0 | 0.0 | 21.0 | 20.0 | 4.8 | 5.0 |
| Board of Risk & Insurance Mgmt. | 8.4 | 8.5 | 1.5 | 1.5 | 9.8 | 10.0 | 58.4 | 60.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.7 | 20.0 | 1.3 | 0.0 |
| Public Employees' Insurance Agency | 6.3 | 6.4 | 1.1 | 1.1 | 7.3 | 7.5 | 63.4 | 65.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.6 | 20.0 | 1.3 | 0.0 |
| WV Retiree Health Benefit Trust Fund | 2.1 | 2.1 | 0.4 | 0.3 | 2.4 | 2.5 | 94.4 | 95.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.7 | 0.0 |
| Endowment Assets | | | | | | | | | | | | | | | | |
| Wildlife Fund | 20.9 | 21.3 | 3.7 | 3.8 | 24.4 | 25.0 | 28.8 | 30.0 | 10.1 | 10.0 | 0.6 | 0.0 | 10.8 | 10.0 | 0.6 | 0.0 |
| Prepaid Tuition Trust | 25.2 | 25.5 | 4.5 | 4.5 | 29.3 | 30.0 | 38.4 | 40.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.7 | 0.0 |
| Prepaid Tuition Trust Escrow | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 98.8 | 100.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 | 0.0 |
| Revenue Shortfall Reserve Fund | 22.9 | 25.5 | 3.4 | 4.5 | 27.0 | 30.0 | 20.6 | 20.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.9 | 20.0 | 5.1 | 0.0 |
| Revenue Shortfall Reserve Fund - Part B | 22.1 | 25.5 | 3.3 | 4.5 | 26.3 | 30.0 | 20.5 | 20.0 | 0.0 | 0.0 | 0.0 | 0.0 | 20.1 | 20.0 | 7.7 | 0.0 |

Statutory Limitations

- Public Equity - 75%
- International Equity - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

West Virginia Investment Management Board

Footnotes

As of March 31, 2009

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Aggregate

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate

AXA Policy Index is 100% S&P Developed ex USA Small Cap as of April 2007. Prior periods were 100% MSCI World ex USA Small Cap.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of manager fees. Returns shorter than one year are unannualized.

DISCLAIMER

As of March 31, 2009

Summit Strategies Group (Summit) has prepared this report for the exclusive use by the client for which it was prepared. The information herein was obtained from various sources, such as the client's custodian(s) accounting statements, commercially available databases, and other economic and financial market data sources. While Summit believes these sources to be reliable, Summit does not guarantee nor shall be liable for the market values, returns or other information contained in this report. The market commentary, portfolio holdings and characteristics are as of the date shown and are subject to change. Past performance is not an indication of future performance. No graph, chart, or formula can, in and of itself, be used to determine which securities or investments to buy or sell. Any forward-looking projection contained herein is based on assumptions that Summit believes may be reasonable, but are subject to a wide range of risks, uncertainties and the possibility of loss. Accordingly, there is no assurance that any estimated performance figures will occur in the amounts and during the periods indicated, or at all. Actual results and performance will differ from those expressed or implied by such forward-looking projections. Any information contained in this report is for information purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting or investment management services.





Status Report Workers' Compensation

Joint Committee on Government &
Finance

5/28/09

Provided by the West Virginia Offices of the Insurance Commissioner



Old Fund / Debt Reduction

FY2009-FY2008

COMPARISON

April FY2009

YEAR TO DATE

| | FY2009 | FY2008 | Change | FY2008 Annual |
|--|----------------------|---------------------|---------------------|--------------------|
| Revenues | | | | |
| Personal Income Tax | 74,200,000 | 74,200,000 | - | 95,400,000 |
| Severance Tax | 75,819,213 | 78,193,224 | (2,374,011) | 124,294,765 |
| Debt Reduction Surcharge | 40,041,569 | 29,662,848 | 10,378,721 | 29,662,848 |
| Self-Insured Debt Reduction Surcharge | 5,612,268 | 6,383,251 | (770,983) | 7,477,936 |
| Video Lottery | 11,000,000 | 11,000,000 | - | 11,000,000 |
| Employer Premium | 2,688,208 | 2,257,335 | 430,873 | 2,679,526 |
| Other Income - Return of Unclaimed Property | 39,392 | 27,271 | 12,121 | 50,460 |
| Total Revenues | 209,400,650 | 201,723,929 | 7,676,721 | 270,565,535 |
| Surplus Note Principal Payments | 60,000,000 | - | 60,000,000 | 40,000,000 |
| Investment / Interest Earnings (Losses) | (162,377,331) | (7,976,964) | (154,400,367) | 7,402,971 |
| Expenditures | | | | |
| Public Employees Insurance | 96,525 | 126,017 | (29,492) | 137,115 |
| Payment of Claims | 210,826,090 | 219,398,226 | (8,572,136) | 260,588,335 |
| Contractual/Professional | 16,427,965 | 20,653,846 | (4,225,881) | 23,957,894 |
| Total Expenditures | 227,350,580 | 240,178,089 | (12,827,509) | 284,683,344 |
| Excess (Deficiency) of Revenues over Expenditures | (120,327,261) | (46,431,124) | (73,896,137) | 33,285,162 |
| Cash Beginning Balances | 736,141,865 | 700,910,351 | 35,231,514 | 700,910,351 |
| Cash Ending Balances | 615,814,604 | 654,479,227 | (38,664,623) | 734,195,513 |

Old Fund Liability Estimate

(excluding LAE)

(discounted)

April FY2009

| | FY2009 | April |
|---------------------------------|--------|---------------|
| Beginning Reserve Amount | | 2,304,477,742 |
| Claim Payments | | 21,418,991 |
| Estimated Ending Reserve Amount | | 2,292,403,891 |

Note:

The interim estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month.

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. The estimate is updated monthly.

WEST VIRGINIA
OFFICES OF THE INSURANCE COMMISSIONER
SCHEDULE OF NET ASSETS
Workers' Compensation Old Fund - Debt Reduction
(In Thousands)

April, FY2009

| | June 30, 2008 | April 30, 2009 | Change |
|---|---------------------------|---------------------------|------------------------|
| Assets: | | | |
| Cash and Cash Equivalents | 713,576 | 615,815 | (97,761) |
| Receivables, Net: | 24,256 | 24,256 | 0 |
| Surplus Note | 162,759 | 102,759 | (60,000) |
| Total Assets | <u>900,591</u> | <u>742,830</u> | <u>(157,761)</u> |
| Liabilities: | | | |
| Estimated Liability for Unpaid Claims and Claim Adjustment Expense | 2,407,700 | 2,292,404 | (115,296) |
| Other Liabilities | 490 | 490 | 0 |
| Total Liabilities | <u>2,408,190</u> | <u>2,292,894</u> | <u>(115,296)</u> |
| Net Assets: | | | |
| Unrestricted | <u>(1,507,599)</u> | <u>(1,550,064)</u> | <u>(42,465)</u> |
| Total Net Assets | <u><u>(1,507,599)</u></u> | <u><u>(1,550,064)</u></u> | <u><u>(42,465)</u></u> |

*Debt Reduction estimates are updated on a monthly basis. See note on "Old Fund Liability Estimate" sheet.

Workers' Compensation Old Fund Revenue & Expenditures
Cash Basis

April Report

| | Calendar Year 2006 | Calendar Year 2007 | Calendar Year 2008 | Calendar Year 2009 January 1 - April 30 |
|--|---------------------------|---------------------------|---------------------------|--|
| Revenue | | | | |
| Statutory Transfers* | 266,613,362 | 261,975,877 | 287,088,650 | 81,546,157 |
| Collections | 8,316,798 | 1,041,116 | 3,265,870 | 1,601,056 |
| Investment Income | 50,201,026 | 40,659,223 | (168,342,828) | 3,624,915 |
| Total Revenue | <u>325,131,186</u> | <u>303,676,215</u> | <u>122,011,692</u> | <u>86,772,128</u> |
| Expenditures | | | | |
| Claim Payments | (355,245,366) | (284,445,313) | (249,839,063) | 83,465,630 |
| Administrative/Other Expense | (21,630,179) | (24,710,582) | (23,576,238) | 6,383,950 |
| Total Expenditures | <u>(376,875,545)</u> | <u>(309,155,895)</u> | <u>(273,415,301)</u> | <u>89,849,580</u> |
| | | | | |
| Workers' Compensation Commission Initial fund transfer January 2006 | 711,094,830 | | | |
| | | | | |
| * Payments from BrickStreet Insurance on Surplus Note | | | 100,015,205 | |
| | | | | |
| Invested Balance with WVIMB at period end | 647,444,812 | 635,908,034 | 591,375,200 | 583,800,116 |

**Workers' Compensation Old Fund Benefit Payments
Average Monthly Payments**

April Report

| | Previous 12-Month Period 05/01/07 to 04/30/08 | Current 12-Month Period 05/01/08 to 04/30/09 |
|---------------------------------|--|---|
| Claims benefits paid: | | |
| Medical | \$ 4,234,117.63 | \$ 4,312,487.62 |
| Permanent Total Disability | 12,786,037.13 | 12,509,571.21 |
| Permanent Partial Disability | 1,497,786.59 | 726,824.22 |
| Temporary Total Disability | 322,032.29 | 182,889.06 |
| Settlement Agreements | 444,637.87 | 248,086.04 |
| Fatals | 2,834,620.57 | 2,736,520.54 |
| 104 weeks | 437,331.85 | 540,381.85 |
| Total | 22,545,670.53 | 21,256,760.54 |
| Claims credits and overpayments | (348,058.41) | (270,654.73) |
| Total claims paid | \$ 22,197,612.12 | \$ 20,984,621.41 |

Coal Workers Fund

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | YTD FY 2009 |
|--|---------------------|---------------------|--------------------|--------------------|---------------------|
| Revenues | | | | | |
| Investment Earnings (Losses) | (9,601,885) | (42,804,488) | (606,214) | 4,400,135 | (48,612,452) |
| Other Income - Return of Unclaimed Property | - | - | - | 132 | 132 |
| Total Revenues | (9,601,885) | (42,804,488) | (606,214) | 4,400,266 | (48,612,320) |
| Expenditures | | | | | |
| Payment of Claims | 3,259,857 | 2,974,861 | 2,587,207 | 1,018,804 | 9,840,729 |
| Deposit Refunds | - | (359) | - | - | (359) |
| Total Expenditures | 3,259,857 | 2,974,502 | 2,587,207 | 1,018,804 | 9,840,370 |
| Excess (Deficiency) of Revenues over Expenditures | (12,861,742) | (45,778,990) | (3,193,421) | 3,381,462 | (58,452,690) |
| Cash Beginning Balances | 261,695,430 | 248,833,689 | 203,054,699 | 199,861,278 | 261,695,430 |
| Cash Ending Balances | 248,833,689 | 203,054,699 | 199,861,278 | 203,242,740 | 203,242,740 |

UNINSURED

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | YTD FY 2009 |
|--|------------------|------------------|------------------|----------------|------------------|
| Revenues | | | | | |
| Fines and Penalties | 270,014 | 222,462 | 227,222 | 103,034 | 822,732 |
| Investment Earnings (Losses) | 45,653 | 33,134 | 15,253 | 3,020 | 97,060 |
| Total Revenues | 315,666 | 255,596 | 242,475 | 106,054 | 919,791 |
| Expenditures | | | | | |
| Payment of Claims | 184,161 | 230,905 | 119,220 | 32,909 | 567,195 |
| Total Expenditures | 184,161 | 230,905 | 119,220 | 32,909 | 567,195 |
| Excess (Deficiency) of Revenues over Expenditures | 131,505 | 24,691 | 123,255 | 73,145 | 362,596 |
| Cash Beginning Balances | 8,164,225 | 8,295,731 | 8,320,422 | - | 8,164,225 |
| Cash Ending Balances | 8,295,731 | 8,320,422 | 8,443,677 | 73,145 | 8,516,822 |

Self Insured Fund

| | 1st Quarter | 2nd Quarter | 3rd Quarter | 4th Quarter | YTD FY 2009 |
|--|------------------|------------------|------------------|------------------|------------------|
| Revenues | | | | | |
| Guaranty Risk Pool Assessments | 461,231 | 346,826 | 486,392 | 49,972 | 1,344,420 |
| Investment Earnings (Losses) | 29,366 | 22,719 | 11,144 | 2,305 | 65,535 |
| Total Revenues | 490,597 | 369,545 | 497,536 | 52,277 | 1,409,955 |
| Expenditures | | | | | |
| Payment of Claims | 18,982 | 5,108 | 9,943 | 4,544 | 38,577 |
| Total Expenditures | 18,982 | 5,108 | 9,943 | 4,544 | 38,577 |
| Excess (Deficiency) of Revenues over Expenditures | 471,615 | 364,437 | 487,593 | 47,733 | 1,371,378 |
| Cash Beginning Balances | 5,177,977 | 5,649,592 | 6,014,029 | 6,501,622 | 5,177,977 |
| Cash Ending Balances | 5,649,592 | 6,014,029 | 6,501,622 | 6,549,368 | 6,549,368 |

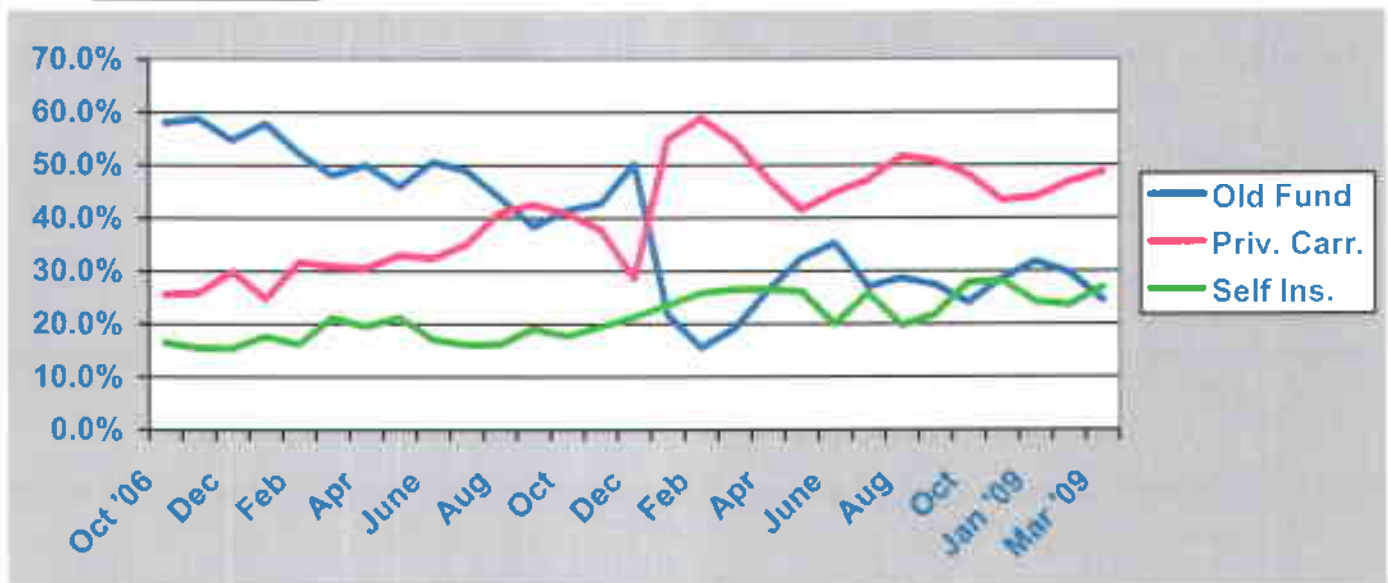
OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL April 30, 2009

I. Statistical Analysis

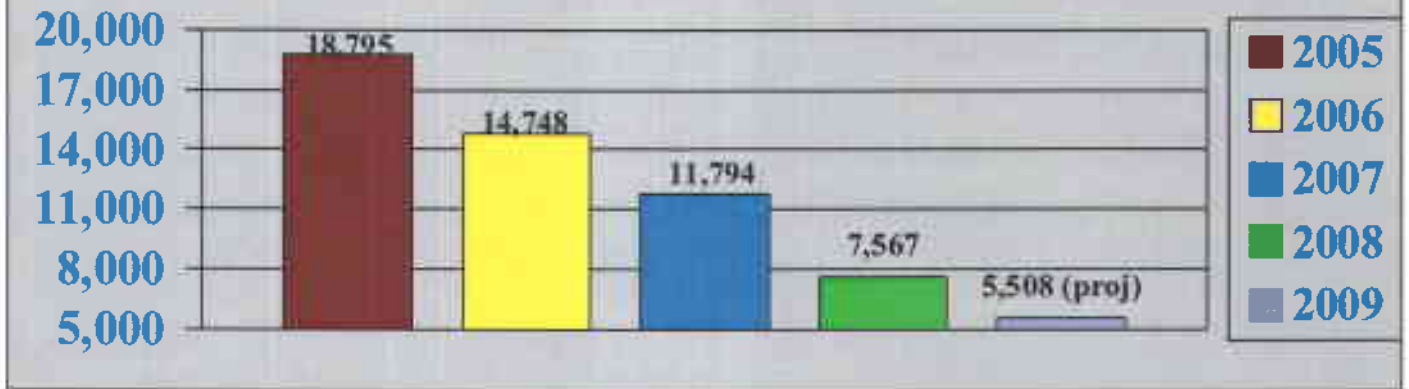
| | | |
|---------------------------|-------------|-----------------------------|
| | <u>2008</u> | <u>March</u> <u>2009</u> |
| A. Protests Acknowledged: | 7567 | 531 |
| 1653 | | |

| FUND | 2006 | 2007 | % of protests | 2008 | % of protests | Mar. '09 | % of protests | 2009 | % of protests |
|---------------|--------|--------|---------------|-------|---------------|----------|---------------|------|---------------|
| Old Fund | 8,146 | 4,433 | 56.68% | 1,592 | 26.18% | 110 | 24.44% | 397 | 28.66% |
| Priv. Carrier | 2,207 | 3,370 | 25.13% | 2,971 | 48.86% | 219 | 48.67% | 644 | 46.50% |
| Others | | | | | | | | | |
| Self-Insured | 2,264 | 1,772 | 18.19% | 1,518 | 24.96% | 121 | 26.89% | 344 | 24.84% |
| Subtotal | 12,617 | 9,575 | | 6,081 | | 450 | | 1385 | |
| Temporary | 2,131 | 2,219 | | 1,486 | | 81 | | 268 | |
| Total | 14,748 | 11,794 | | 7,567 | | 531 | | 1653 | |

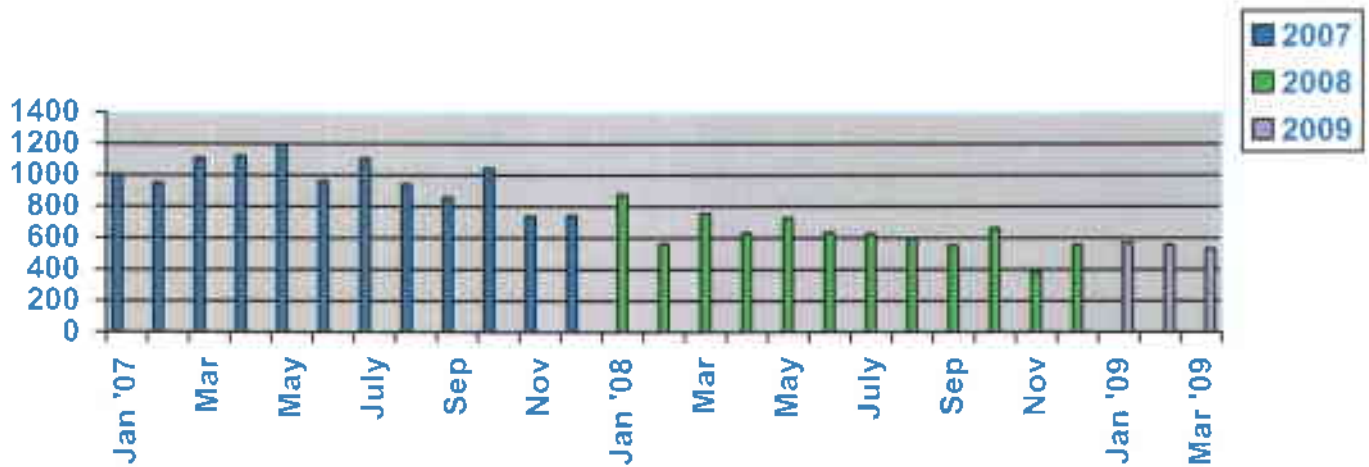
Fund Involved:



PROTESTS PER CALENDAR YEAR



PROTESTS BY MONTH



2009

B. Issues Resolved:
1668

2008

8,094

Mar.

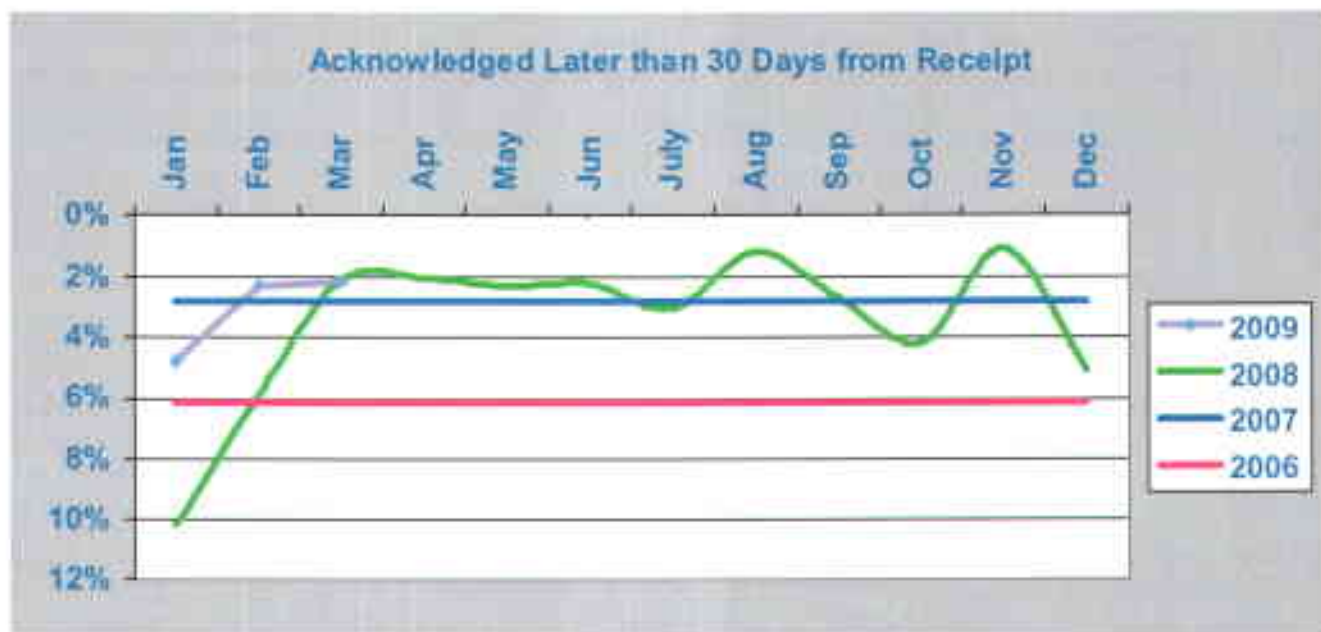
533

C. Pending Caseload Report

| | |
|-----------------------------|--------------|
| PENDING END OF MARCH | 4,132 |
| PENDING 1 MONTH BEFORE | 4,209 |
| PENDING 2 MONTHS BEFORE | 4,285 |
| PENDING 3 MONTHS BEFORE | 4,388 |
| PENDING 6 MONTHS BEFORE | 4,837 |
| PENDING 12 MONTHS BEFORE | 5,545 |

D. Acknowledgment Timeliness:

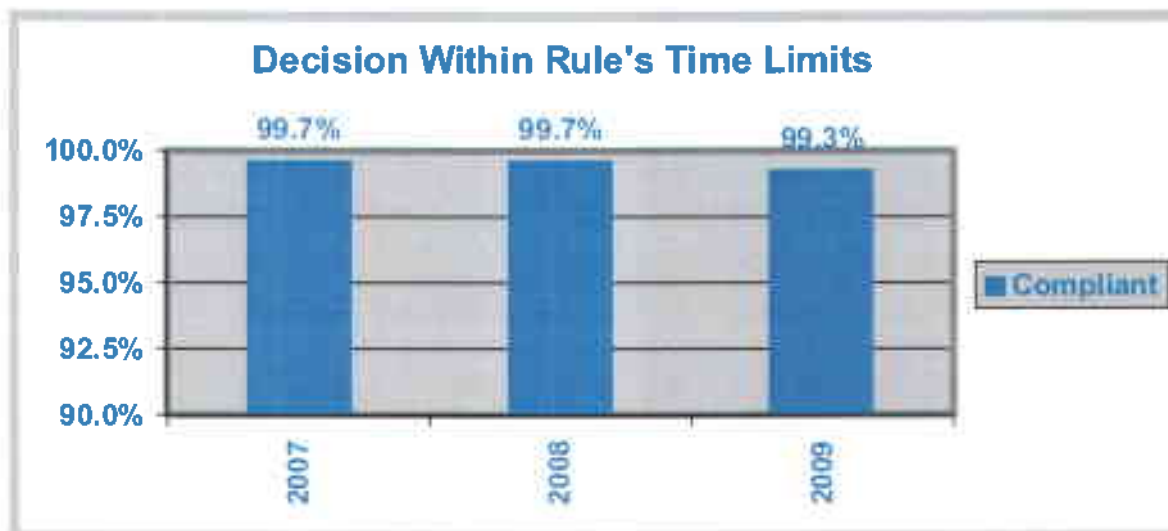
| | <u>2008</u> | <u>MAR</u> | <u>2009</u> |
|-----------------------------|-------------|------------|-------------|
| 1. Protest Ackn. >30 days | 3.6% | 2.2% | 3.1% |
| 2. Protest Ackn. 24-30 days | 2.3% | 1.3 % | 2.6% |
| 3. Protest Ackn. 11-23 days | 19.0% | 19.6% | 23.6% |
| 4. Protest Ackn. <11 days | 75.1% | 76.9% | 70.7% |



E. Protests Resolved:

| | <u>MAR '09</u> | <u>2009</u> |
|------------------------------|----------------|-------------|
| 1. Protests decided: | 373 | 1140 |
| 2. Withdrawals: | 53 | 218 |
| 3. "No Evidence" Dismissals: | 66 | 198 |

| F. Final Decision Timeliness | <u>2008</u> | <u>MAR</u> | <u>2009</u> |
|-------------------------------------|--------------------|-------------------|--------------------|
| 1. <30 days: | 59.6% | 48.4% | 47.0% |
| 2. 30-60 days: | 26.2% | 34.8% | 37.1% |
| 3. 60-90 days: | 13.9% | 15.2% | 15.1% |
| 4. +90 days: | 0.3% | 1.6% | 0.7% |



| G. Time Standard Compliance | <u>2008</u> | <u>MAR</u> | <u>2009</u> |
|------------------------------------|--------------------|-------------------|--------------------|
| | 91.2% | 80.4% | 81.2% |

Time Standard Compliance

Report Dates: From 3/1/2009 thru 3/31/2009

| Time standard | Total Closed | Timely | | Late | |
|----------------------|--------------|------------|--------------|-----------|--------------|
| | | Count | Percent | Count | Percent |
| BENEFIT RATE | 1 | 1 | 100% | 0 | 0% |
| COMPENSABILITY | 30 | 28 | 93.3% | 2 | 6.7% |
| DEP BEN FATAL | 2 | 2 | 100% | 0 | 0% |
| IEB DETERMINATION | 2 | 1 | 50% | 1 | 50% |
| OP NON-MED | 3 | 3 | 100% | 0 | 0% |
| OPBD | 18 | 13 | 72.2% | 5 | 27.8% |
| PPD | 51 | 51 | 100% | 0 | 0% |
| REOPENING | 18 | 15 | 83.3% | 3 | 16.7% |
| SPECIAL CATEGORY | 1 | 1 | 100% | 0 | 0% |
| TTD | 17 | 13 | 76.5% | 4 | 23.5% |
| PTD ENTITLEMENT | 1 | 0 | 0% | 1 | 100% |
| TRMT/EQUIP CL | 46 | 42 | 91.3% | 4 | 8.7% |
| Total Motions | 190 | 170 | 80.4% | 20 | 19.6% |

Final Decision Compliance

Report Dates: From 3/1/2009 thru 3/31/2009

| Description | Issues Resolved | Days to Decision | | | | | | | |
|-----------------------|-----------------|------------------|--------------|------------|--------------|-----------|--------------|----------|-------------|
| | | < 30 Days | | 30 - 60 | | 61 - 90 | | > 90 | |
| | | Count | % | Count | % | Count | % | Count | % |
| BENEFIT OVERPAYMENT | 2 | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| OP NON-MED | 4 | 1 | 25.0% | 2 | 50.0% | 1 | 25.0% | 0 | 0.0% |
| OPBD | 29 | 20 | 69.0% | 7 | 24.1% | 2 | 6.9% | 0 | 0.0% |
| PTD ENTITLEMENT | 6 | 0 | 0.0% | 1 | 16.7% | 3 | 50.0% | 2 | 33.3% |
| REOPENING | 26 | 11 | 42.3% | 6 | 23.1% | 9 | 34.6% | 0 | 0.0% |
| SPECIAL CATEGORY | 1 | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| TRMT/EQUIP EM | 1 | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| COMPENSABILITY | 93 | 38 | 40.9% | 33 | 35.5% | 20 | 21.5% | 2 | 2.2% |
| DEP BEN FATAL | 3 | 2 | 66.7% | 1 | 33.3% | 0 | 0.0% | 0 | 0.0% |
| FAILURE TO ACT 15 DAY | 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| IEB DETERMINATION | 4 | 2 | 50.0% | 2 | 50.0% | 0 | 0.0% | 0 | 0.0% |
| PPD | 85 | 42 | 49.4% | 37 | 43.5% | 6 | 7.1% | 0 | 0.0% |
| TRMT/EQUIP CL | 90 | 53 | 58.9% | 32 | 35.6% | 5 | 5.6% | 0 | 0.0% |
| TTD | 29 | 10 | 34.5% | 9 | 31.0% | 8 | 27.6% | 2 | 6.9% |
| Totals | 374 | 181 | 48.4% | 130 | 34.8% | 57 | 15.2% | 6 | 1.6% |

Motion Resolution Compliance

Report Dates: From 3/1/2009 thru 3/31/2009

| Time standard | Total Motions | Timely * | | Late ** | |
|----------------------------------|------------------|------------|--------------|-----------|-------------|
| | | Count | Percent | Count | Percent |
| APPLICATION THRESHOLD | 1 | 1 | 100% | 0 | 0% |
| BENEFIT OVERPAYMENT | 4 | 4 | 100% | 0 | 0% |
| COMPENSABILITY | 229 | 225 | 98.3% | 4 | 1.7% |
| DEPENDENT BENEFIT TERMINATION | 1 | 1 | 100% | 0 | 0% |
| IEB DETERMINATION | 7 | 7 | 100% | 0 | 0% |
| OP NON-MED | 21 | 21 | 100% | 0 | 0% |
| PPD | 193 | 192 | 99.5% | 1 | 0.5% |
| REOPENING | 73 | 73 | 100% | 0 | 0% |
| TRMT/EQUIP CL | 189 | 189 | 100% | 0 | 0% |
| TRMT/EQUIP EM | 2 | 2 | 100% | 0 | 0% |
| TTD | 102 | 100 | 98% | 2 | 2% |
| DEP BEN FATAL | 24 | 17 | 70.8% | 7 | 29.2% |
| OPBD | 61 | 53 | 86.9% | 8 | 13.1% |
| PTD ENTITLEMENT | 10 | 10 | 100% | 0 | 0% |
| REHABILITATION | 1 | 1 | 100% | 0 | 0% |
| TEMP | 1 | 1 | 100% | 0 | 0% |
| Total Motions | 919 | 897 | 97.1% | 22 | 2.9% |

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 3/1/2009 thru 3/31/2009

| Description | Protests Acknowledged | Days to Acknowledge Protests | | | | | | | |
|------------------------------|-----------------------|------------------------------|---------|-------|---------|-------|---------|-------|---------|
| | | > 30 | | 30-24 | | 23-11 | | < 11 | |
| | | Count | Percent | Count | Percent | Count | Percent | Count | Percent |
| BENEFIT OVERPAYMENT | Total: 2 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% |
| CBO - CL BEN. OVERPAYMENT | 2 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% |
| BENEFIT RATE | Total: 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| CS2 - CL SI PRSTS BEN RATE | 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| COMPENSABILITY | Total: 88 | 2 | 2.3% | 0 | 0.0% | 22 | 25.0% | 64 | 72.7% |
| CCS - CL SEC.CONDITION | 21 | 0 | 0.0% | 0 | 0.0% | 1 | 4.8% | 20 | 95.2% |
| CHC - CL COMPENSABILITY | 3 | 0 | 0.0% | 0 | 0.0% | 1 | 33.3% | 2 | 66.7% |
| CIM - CL SI COMPENSABLE | 3 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% |
| CIS - CL SI SEC.CONDITION | 3 | 0 | 0.0% | 0 | 0.0% | 1 | 33.3% | 2 | 66.7% |
| CPI - CL SI REJECT CLAIM | 10 | 2 | 20.0% | 0 | 0.0% | 4 | 40.0% | 4 | 40.0% |
| CPJ - CL REJECT CLAIM | 42 | 0 | 0.0% | 0 | 0.0% | 15 | 35.7% | 27 | 64.3% |
| CQR - CL SI REJ OCCDISEASE | 3 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% |
| CRZ - CL REJ OCC DISEASE | 3 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% |
| DEP BEN FATAL | Total: 8 | 0 | 0.0% | 0 | 0.0% | 2 | 25.0% | 6 | 75.0% |
| CDF - CL DENY/GRNT DTH BEN | 6 | 0 | 0.0% | 0 | 0.0% | 2 | 33.3% | 4 | 66.7% |
| CIF - CL SI DY/GNT DTH BEN | 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| EIF - EM SI DY/GNT DTH BEN | 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| FAILURE TO ACT 10 DAY | Total: 3 | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% | 0 | 0.0% |
| C5N - CL FTA NOT COVERED | 3 | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% | 0 | 0.0% |
| IEB DETERMINATION | Total: 2 | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| CEB - CL IEB DETERMINATION | 2 | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| OP NON-MED | Total: 11 | 0 | 0.0% | 0 | 0.0% | 1 | 9.1% | 10 | 90.9% |
| CIR - CL SI NON-MED ORDER | 5 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 5 | 100.0% |
| CNR - CL NON-MED ORDER | 6 | 0 | 0.0% | 0 | 0.0% | 1 | 16.7% | 5 | 83.3% |
| OPBD | Total: 20 | 3 | 15.0% | 1 | 5.0% | 6 | 30.0% | 10 | 50.0% |
| CAO - CL ADD BOARD FINDING | 4 | 0 | 0.0% | 0 | 0.0% | 1 | 25.0% | 3 | 75.0% |
| CBF - CL % BOARD FINDING | 8 | 1 | 12.5% | 1 | 12.5% | 2 | 25.0% | 4 | 50.0% |
| CSO - CL SI AD.BRD FINDING | 4 | 2 | 50.0% | 0 | 0.0% | 1 | 25.0% | 1 | 25.0% |
| EBF - EM % BOARD FINDING | 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| ESF - EM% SI BOARD FINDING | 3 | 0 | 0.0% | 0 | 0.0% | 1 | 33.3% | 2 | 66.7% |

| | | | | | | | | | |
|----------------------------|------------|-----------|-------------|----------|-------------|-----------|--------------|------------|--------------|
| PPD | Total: 115 | 2 | 1.7% | 0 | 0.0% | 22 | 19.1% | 91 | 79.1% |
| CAA - CL ADDL % AWARD D/G | 11 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 11 | 100.0% |
| CAD - CL % AWARD DENY/GRNT | 74 | 1 | 1.4% | 0 | 0.0% | 11 | 14.9% | 62 | 83.8% |
| CIE - CL SI ADD% AWARD D/G | 3 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 3 | 100.0% |
| CIG - CL SI %AWARD DNY/GNT | 27 | 1 | 3.7% | 0 | 0.0% | 11 | 40.7% | 15 | 55.6% |
| PTD ENTITLEMENT | Total: 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| CKC - CL DENY/GRANT PTD | 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| PTD ONSET DATE | Total: 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| CIO - CL SI ONSET DT ISSUE | 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| REHABILITATION | Total: 2 | 0 | 0.0% | 0 | 0.0% | 1 | 50.0% | 1 | 50.0% |
| CIV - CL SI DY/GRNT RHB PL | 1 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% |
| CPV - CL DY/GRNT REHAB PLN | 1 | 0 | 0.0% | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% |
| REOPENING | Total: 30 | 0 | 0.0% | 3 | 10.0% | 9 | 30.0% | 18 | 60.0% |
| CIQ - CL SI DY/GNT R/O PPD | 2 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% |
| CIY - CL SI DY/GNT R/O TTD | 4 | 0 | 0.0% | 1 | 25.0% | 1 | 25.0% | 2 | 50.0% |
| CIZ - CL SI D/G R/O TRTMT | 1 | 0 | 0.0% | 1 | 100.0% | 0 | 0.0% | 0 | 0.0% |
| CJV - CL DNY/GRNT R/O PPD | 11 | 0 | 0.0% | 0 | 0.0% | 6 | 54.5% | 5 | 45.5% |
| CLH - CL DNY/GRNT R/O PTD | 2 | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| CRD - CL DENY/GRNT R/O TTD | 6 | 0 | 0.0% | 1 | 16.7% | 0 | 0.0% | 5 | 83.3% |
| CRO - CL DY/GRNT R/O TRTMT | 4 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 4 | 100.0% |
| TRMT/EQUIP CL | Total: 116 | 1 | 0.9% | 1 | 0.9% | 9 | 7.8% | 105 | 90.5% |
| C1Y - CL SI TRMT GRANT | 3 | 0 | 0.0% | 1 | 33.3% | 0 | 0.0% | 2 | 66.7% |
| CBX - CL TRMT DENY | 77 | 1 | 1.3% | 0 | 0.0% | 6 | 7.8% | 70 | 90.9% |
| CSX - CL SI TRMT DENY | 34 | 0 | 0.0% | 0 | 0.0% | 3 | 8.8% | 31 | 91.2% |
| CYY - CL TRMT GRANT | 2 | 0 | 0.0% | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% |
| TTD | Total: 50 | 2 | 4.0% | 1 | 2.0% | 10 | 20.0% | 37 | 74.0% |
| CCC - CL CLOSING THE CLAIM | 35 | 2 | 5.7% | 1 | 2.9% | 3 | 8.6% | 29 | 82.9% |
| CIC - CL SI CLSING THE CLM | 11 | 0 | 0.0% | 0 | 0.0% | 4 | 36.4% | 7 | 63.6% |
| CJS - CL TTD | 2 | 0 | 0.0% | 0 | 0.0% | 1 | 50.0% | 1 | 50.0% |
| CPX - CL INITIAL TTD | 2 | 0 | 0.0% | 0 | 0.0% | 2 | 100.0% | 0 | 0.0% |
| Totals: | 450 | 10 | 2.2% | 6 | 1.3% | 88 | 19.6% | 346 | 76.9% |

Resolution of Issues

Report Dates: Decision Date From 3/1/2009 thru 3/31/2009

| Time Standard Categories | Decisions Issued | Reversed | | Affirmed | | Affirmed by Rule | | Dismissed | | Modified | | Moot | | Other | | Remanded | |
|--------------------------|------------------|------------|-------------|------------|-------------|------------------|-------------|-----------|-------------|----------|------------|-----------|----------|----------|------------|----------|----------|
| | | Count | % | Count | % | Count | % | Count | % | Count | % | Count | % | Count | % | Count | % |
| BENEFIT RATE | 1 | 0 | 0 | 0 | 0 | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| DEP BEN FATAL | 5 | 0 | 0 | 3 | 60 | 0 | 0 | 2 | 40 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| OP NON-MED | 6 | 1 | 16.7 | 3 | 50 | 0 | 0 | 1 | 16.7 | 0 | 0 | 1 | 16.7 | 0 | 0 | 0 | 0 |
| OPBD | 42 | 3 | 7.1 | 26 | 61.9 | 5 | 11.9 | 8 | 19 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PPD | 139 | 29 | 20.9 | 55 | 39.6 | 27 | 19.4 | 24 | 17.3 | 0 | 0 | 4 | 2.9 | 0 | 0 | 0 | 0 |
| TTD | 49 | 5 | 10.2 | 24 | 49 | 7 | 14.3 | 11 | 22.4 | 0 | 0 | 2 | 4.1 | 0 | 0 | 0 | 0 |
| BENEFIT OVERPAYMENT | 2 | 0 | 0 | 2 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| COMPENSABILITY | 116 | 35 | 30.2 | 51 | 44 | 5 | 4.3 | 14 | 12.1 | 6 | 5.2 | 5 | 4.3 | 0 | 0 | 0 | 0 |
| IEB DETERMINATION | 7 | 0 | 0 | 4 | 57.1 | 1 | 14.3 | 2 | 28.6 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| PTD ENTITLEMENT | 8 | 4 | 50 | 2 | 25 | 0 | 0 | 2 | 25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REOPENING | 32 | 13 | 40.6 | 12 | 37.5 | 2 | 6.3 | 2 | 6.3 | 1 | 3.1 | 2 | 6.3 | 0 | 0 | 0 | 0 |
| SPECIAL CATEGORY | 1 | 1 | 100 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TRMT/EQUIP CL | 123 | 28 | 22.8 | 56 | 45.5 | 18 | 14.6 | 15 | 12.2 | 2 | 1.6 | 2 | 1.6 | 2 | 1.6 | 0 | 0 |
| TRMT/EQUIP EM | 2 | 1 | 50 | 0 | 0 | 0 | 0 | 1 | 50 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Totals | 533 | 120 | 22.5 | 238 | 44.7 | 66 | 12.4 | 82 | 15.4 | 9 | 1.7 | 16 | 3 | 2 | 0.4 | 0 | 0 |

**Joe
Manchin, III**

Governor

James D. Gray
Chairman

W. Jack Stevens
Member

Rita Hedrick-Helmick
Member

Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page
an equal opportunity/affirmative action employer

MEMORANDUM

To: Jane L. Cline, Commissioner
Charles Bayless, Chairman
Dan Marshall
Bill Dean
Walter Pellish
Honorable Carrie Webster, House Judiciary Chair
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Senator Don Caruth

From: James D. Gray, Chairman

Date: May 6, 2009

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's April 2009 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received. These reports include the following:

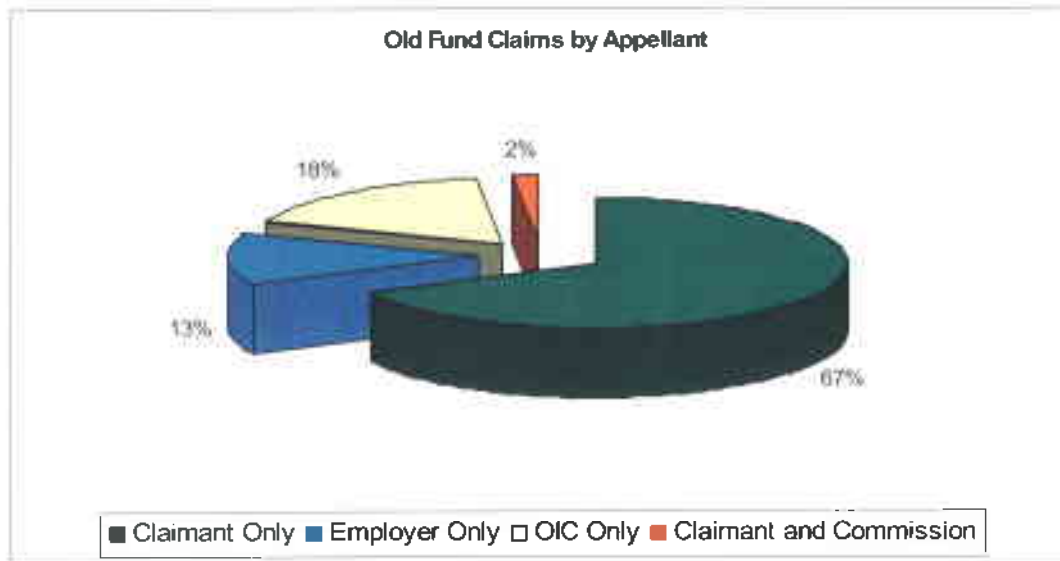
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by Issue
8. Yearly Summary of Dispositions by Issue

Please do not hesitate to contact me in the event of any questions.

Appeals Received From April 1, 2009 Thru April 30, 2009

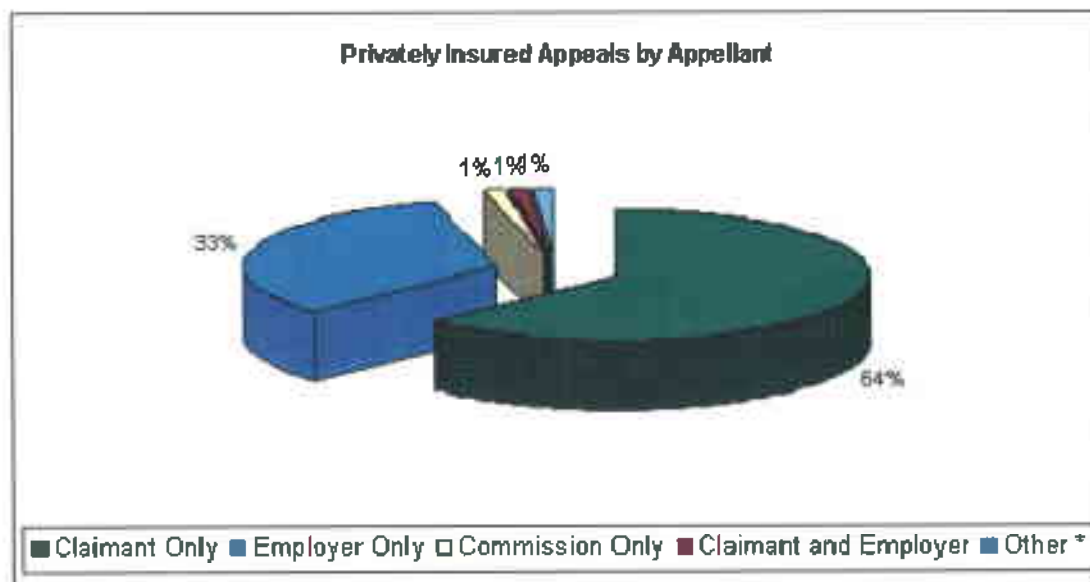
Old Fund Appeals (DOI < Jul-1-2005)

| Appellant | Count |
|-----------------------|-----------|
| Claimant Only | 42 |
| Employer Only | 8 |
| OIC Only | 11 |
| Claimant and OIC | 1 |
| Old Fund Total | 62 |



Privately Insured Appeals (DOI > Jun-30-2005)

| Appellant | Count |
|--------------------------------|------------|
| Claimant Only | 49 |
| Employer Only | 26 |
| OIC Only | 1 |
| Claimant and Employer | 1 |
| Other * | 1 |
| Privately Insured Total | 78 |
| Total Appeals | 140 |



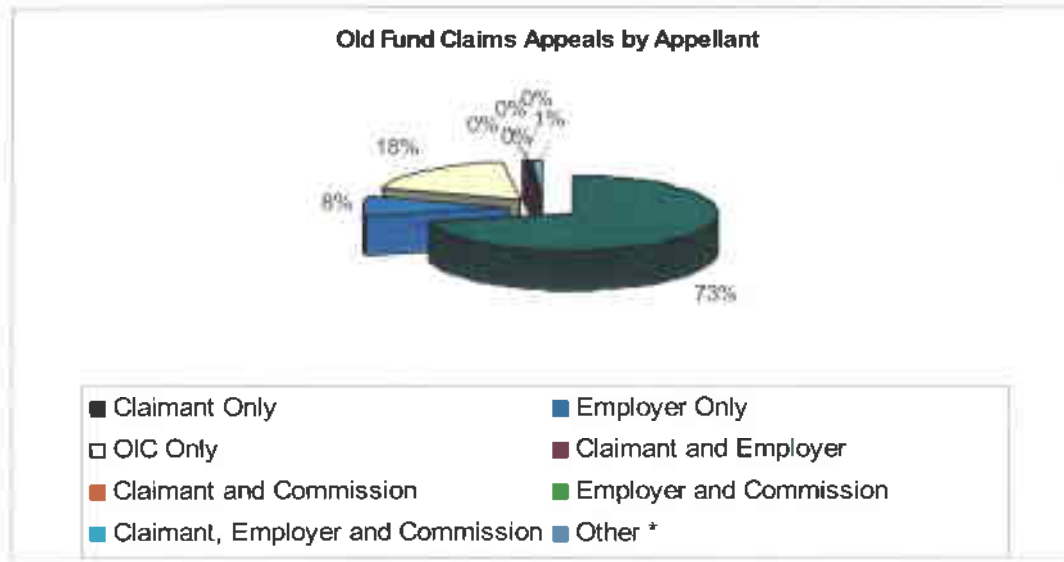
* Appeals requiring research

Appeals counted more than once:

Yearly Appeals Received From June 1, 2008 Thru April 30, 2009

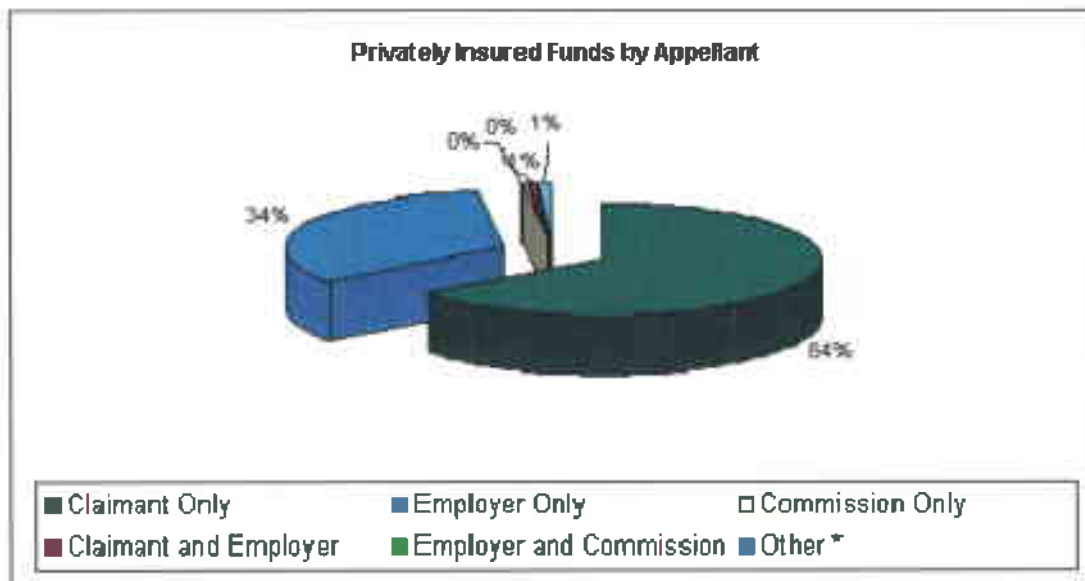
Old Fund Appeals (DOI < Jul-1-2005)

| Appellant | Count |
|----------------------------|------------|
| Claimant Only | 657 |
| Employer Only | 76 |
| OIC Only | 165 |
| Claimant and Employer | 4 |
| Claimant and OIC | 2 |
| Employer and OIC | 1 |
| Claimant, Employer and OIC | 1 |
| Other * | 11 |
| Old Fund Total | 917 |



Privately Insured Appeals (DOI > Jun-30-2005)

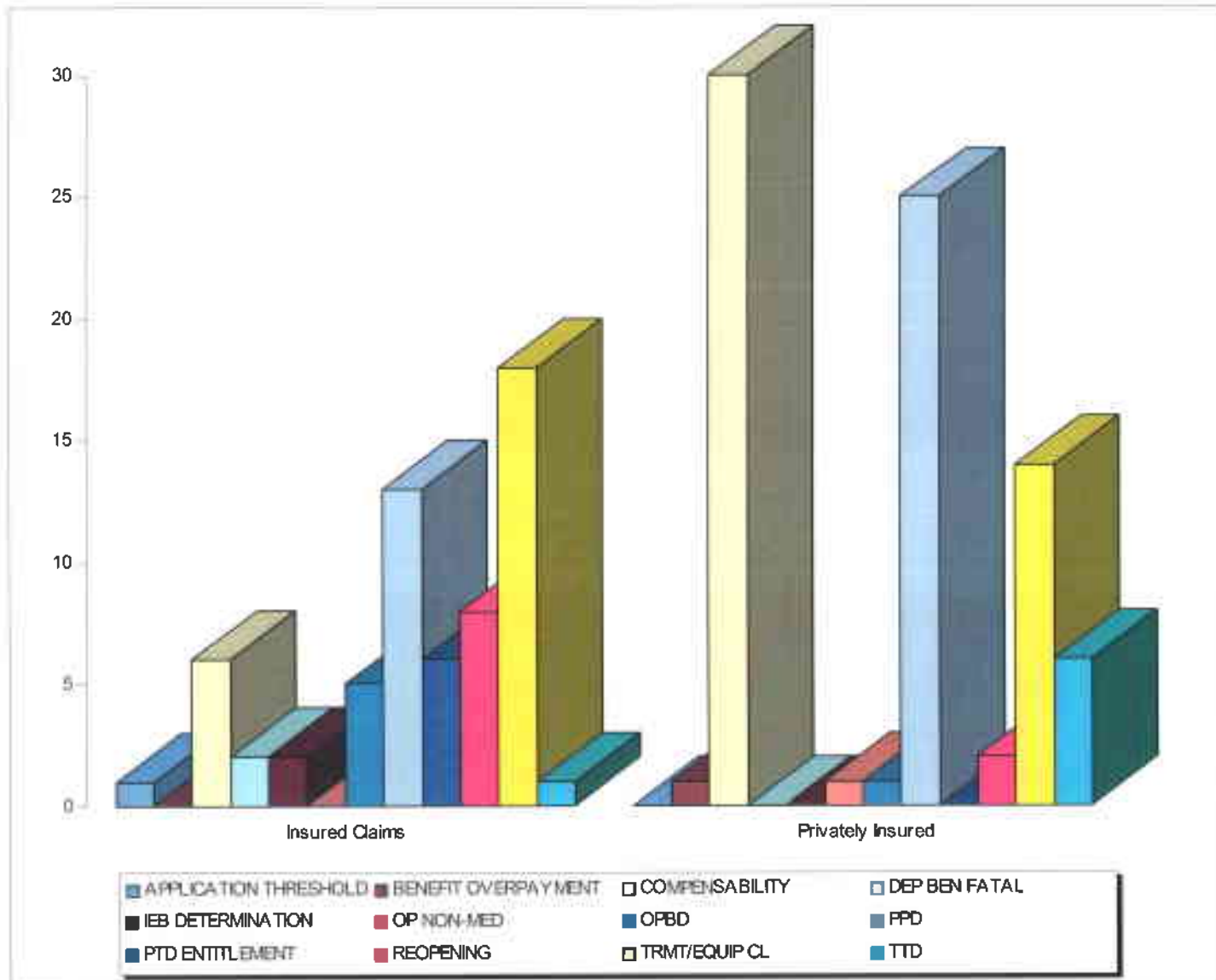
| Appellant | Count |
|-----------------------|-------------|
| Claimant Only | 567 |
| Employer Only | 294 |
| OIC Only | 1 |
| Claimant and Employer | 5 |
| Employer and OIC | 1 |
| Other * | 9 |
| New Fund Total | 877 |
| Total Appeals | 1794 |



* Appeals requiring research

Appeals counted more than once: 5

Appeals Received By Issue
Privately Insured Appeals (DOI > Jul-1-2005) vs Old Fund Appeals (DOI < Jul-1-2005)
From April 1, 2009 Thru April 30, 2009



Appeals Received By Issue
Privately Insured Appeals (DOI > Jul-1-2005) vs Old Fund Appeals (DOI < Jul-1-2005)
From April 1, 2009 Thru April 30, 2009

| Type of Issue | Total Issues | Insured Claims | | Privately Insured | |
|-----------------------|--------------|----------------|-------------|-------------------|-------------|
| | | # | % | # | % |
| APPLICATION THRESHOLD | 1 | 1 | 100.0 | 0 | 0.0 |
| BENEFIT OVERPAYMENT | 1 | 0 | 0.0 | 1 | 100.0 |
| COMPENSABILITY | 36 | 6 | 16.7 | 30 | 83.3 |
| DEP BEN FATAL | 2 | 2 | 100.0 | 0 | 0.0 |
| IEB DETERMINATION | 2 | 2 | 100.0 | 0 | 0.0 |
| OP NON-MED | 1 | 0 | 0.0 | 1 | 100.0 |
| OPBD | 6 | 5 | 83.3 | 1 | 16.7 |
| PPD | 38 | 13 | 34.2 | 25 | 65.8 |
| PTD ENTITLEMENT | 6 | 6 | 100.0 | 0 | 0.0 |
| REOPENING | 10 | 8 | 80.0 | 2 | 20.0 |
| TRMT/EQUIP CL | 32 | 18 | 56.3 | 14 | 43.8 |
| TTD | 7 | 1 | 14.3 | 6 | 85.7 |
| Totals | 142 | 62 | 43.7 | 80 | 56.3 |

Appeals counted more than once:

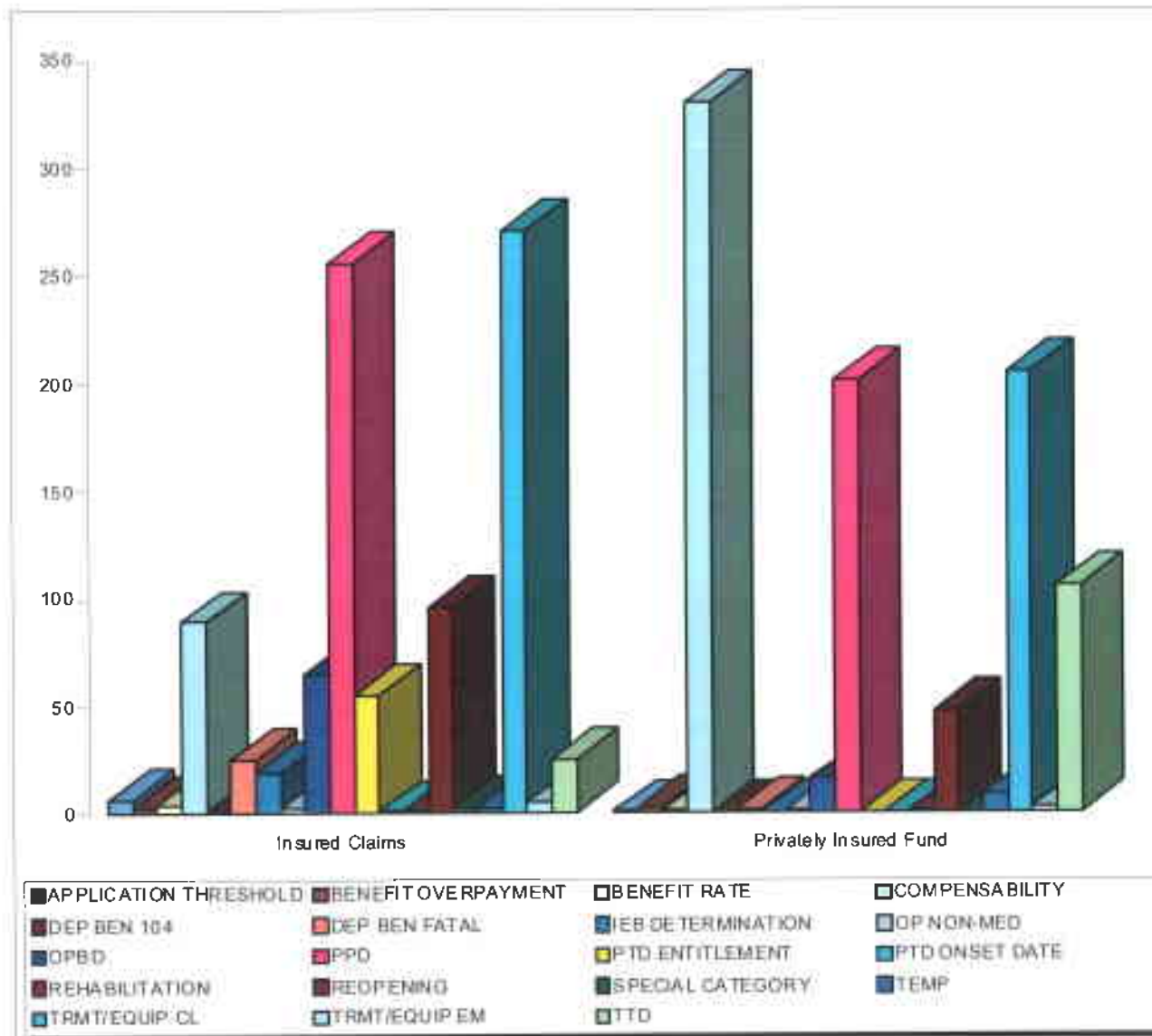
2042932 (2008014118 DOI: 09/25/2007 REOPENING)

2042932 (2008014118 DOI: 09/25/2007 TTD)

2042987 (2006039320 DOI: 04/25/2006 BENEFIT OVERPAYMENT)

2042987 (2006039320 DOI: 04/25/2006 TRMT/EQUIP CL)

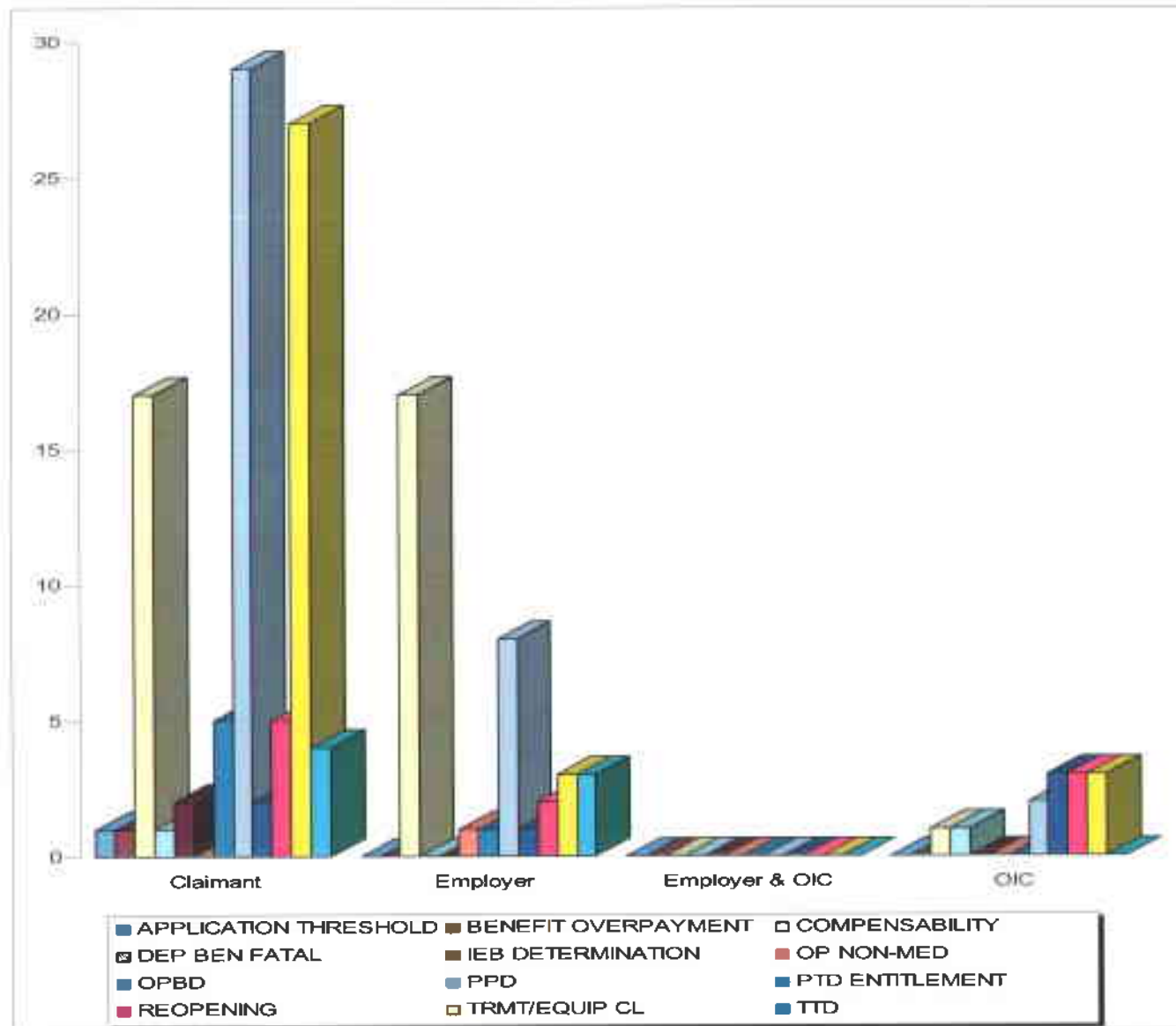
Yearly Appeals Received By Issue
Old Fund Appeals (DOI > Jul-1-2005) vs Privately Insured Appeals (DOI < Jun-30-2005)
From June 1, 2008 Thru April 30, 2009



Yearly Appeals Received By Issue
Old Fund Appeals (DOI > Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2008 Thru April 30, 2009

| Type of Issue | Total Issues | Old Fund Claims | | Privately Insured | |
|-----------------------|--------------|-----------------|-------------|-------------------|-------------|
| | | # | % | # | % |
| APPLICATION THRESHOLD | 8 | 7 | 87.5 | 1 | 12.5 |
| BENEFIT OVERPAYMENT | 6 | 3 | 50.0 | 3 | 50.0 |
| BENEFIT RATE | 5 | 4 | 80.0 | 1 | 20.0 |
| COMPENSABILITY | 419 | 89 | 21.2 | 330 | 78.8 |
| DEP BEN 104 | 1 | 1 | 100.0 | 0 | 0.0 |
| DEP BEN FATAL | 27 | 25 | 92.6 | 2 | 7.4 |
| IEB DETERMINATION | 19 | 19 | 100.0 | 0 | 0.0 |
| OP NON-MED | 5 | 3 | 60.0 | 2 | 40.0 |
| OPBD | 81 | 65 | 80.2 | 16 | 19.8 |
| PPD | 456 | 255 | 55.9 | 201 | 44.1 |
| PTD ENTITLEMENT | 55 | 55 | 100.0 | 0 | 0.0 |
| PTD ONSET DATE | 1 | 1 | 100.0 | 0 | 0.0 |
| REHABILITATION | 3 | 2 | 66.7 | 1 | 33.3 |
| REOPENING | 144 | 96 | 66.7 | 48 | 33.3 |
| SPECIAL CATEGORY | 3 | 3 | 100.0 | 0 | 0.0 |
| TEMP | 12 | 3 | 25.0 | 9 | 75.0 |
| TRMT/EQUIP CL | 475 | 270 | 56.8 | 205 | 43.2 |
| TRMT/EQUIP EM | 8 | 5 | 62.5 | 3 | 37.5 |
| TTD | 131 | 25 | 19.1 | 106 | 80.9 |
| Totals | 1859 | 931 | 50.1 | 928 | 49.9 |

Appeals Received By Issue From April 1, 2009 Thru April 30, 2009



Appeals Received By Issue
From April 1, 2009 Thru April 30, 2009

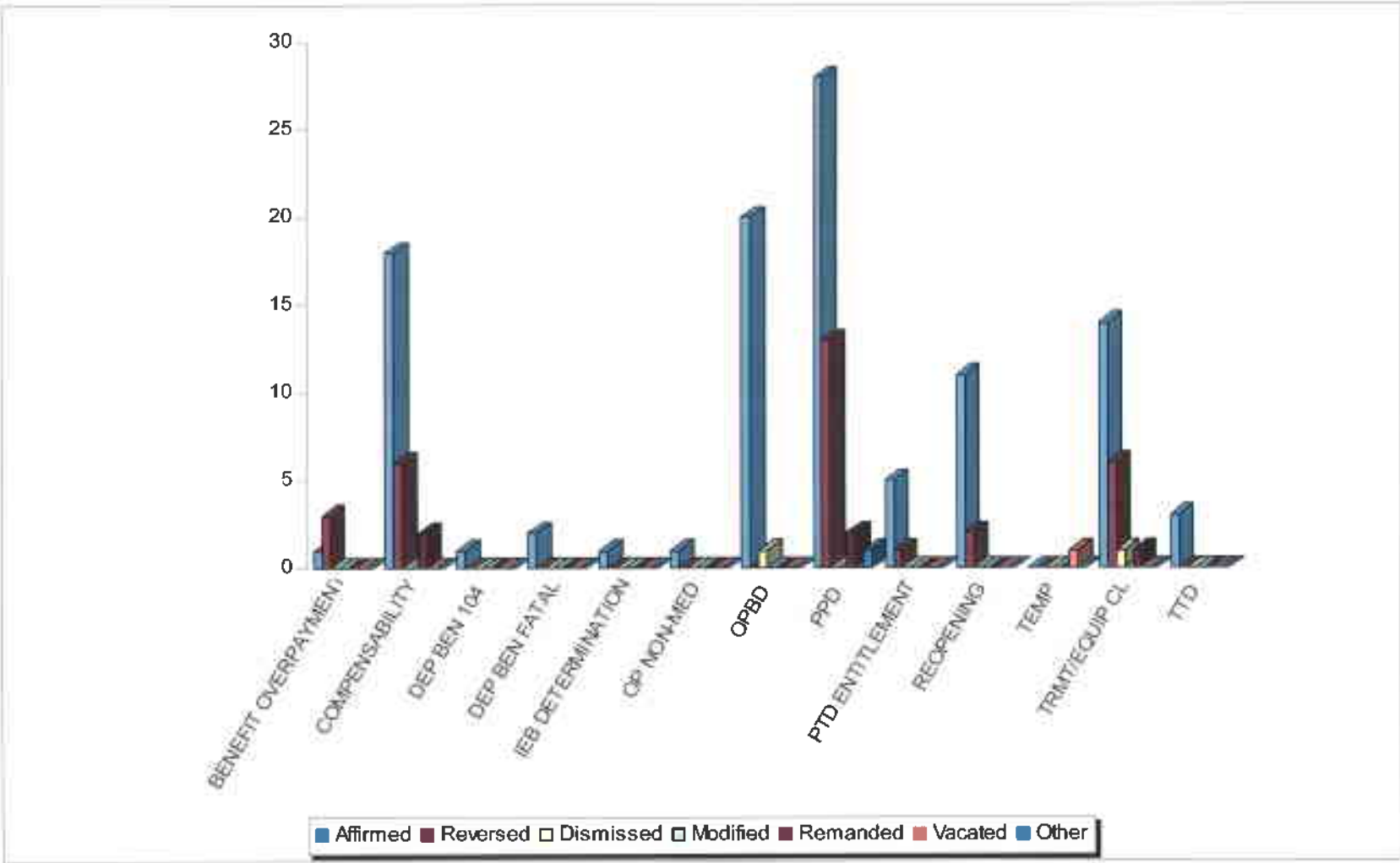
| Type of Issue | Total Issues | Claimant | | Employer | | OIC | | Emp and OIC | |
|-------------------------------|--------------|-----------|-------------|-----------|-------------|----------|------------|-------------|------------|
| | | # | % | # | % | # | % | # | % |
| APPLICATION THRESHOLD BENEFIT | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OVERPAYMENT | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| COMPENSABILITY | 35 | 17 | 48.6 | 17 | 48.6 | 0 | 0.0 | 1 | 2.9 |
| DEP BEN FATAL | 2 | 1 | 50.0 | 0 | 0.0 | 0 | 0.0 | 1 | 50.0 |
| IEB DETERMINATION | 2 | 2 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OP NON-MED | 1 | 0 | 0.0 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 |
| OPBD | 6 | 5 | 83.3 | 1 | 16.7 | 0 | 0.0 | 0 | 0.0 |
| PPD | 39 | 29 | 74.4 | 8 | 20.5 | 0 | 0.0 | 2 | 5.1 |
| PTD ENTITLEMENT | 6 | 2 | 33.3 | 1 | 16.7 | 0 | 0.0 | 3 | 50.0 |
| REOPENING | 10 | 5 | 50.0 | 2 | 20.0 | 0 | 0.0 | 3 | 30.0 |
| TRMT/EQUIP CL | 33 | 27 | 81.8 | 3 | 9.1 | 0 | 0.0 | 3 | 9.1 |
| TTD | 7 | 4 | 57.1 | 3 | 42.9 | 0 | 0.0 | 0 | 0.0 |
| Totals | 143 | 94 | 65.7 | 36 | 25.2 | 0 | 0.0 | 13 | 9.1 |

Appeals counted more than once:
2042877: Appellant: CLAIMANT
2042877: Appellant: EMPLOYER
2042930: Appellant: CLAIMANT
2042930: Appellant: OIC

**WORKER COMPENSATION BOARD OF REVIEW
FOR APRIL 2009**

| Appealed By | BOR Disposition | Disposition | | Total % | Year to Date | Year to Date | |
|--------------------------|--------------------|-------------|--------|---------|--------------|--------------|---------|
| | | Count | Disp % | | | Disp % | Total % |
| CLAIMANT | AFFIRMED | 71 | 81.6% | 51.4% | 377 | 86.5% | 56.7% |
| | DISMISSED | | | | 3 | 0.7% | 0.5% |
| | MODIFY | | | | 1 | 0.2% | 0.2% |
| | MOOT | | | | 2 | 0.5% | 0.3% |
| | REMAND | 4 | 4.6% | 2.9% | 16 | 3.7% | 2.4% |
| | REVERSE | 11 | 12.6% | 8.0% | 36 | 8.3% | 5.4% |
| | VACATE | 1 | 1.1% | 0.7% | 1 | 0.2% | 0.2% |
| | Total Dispositions | 87 | | | 436 | | |
| CLAIMANT/EMPLOYER | AFFIRMED | | | | 4 | 80.0% | 0.6% |
| | REVERSE | | | | 1 | 20.0% | 0.2% |
| | Total Dispositions | | | | 5 | | |
| EMPLOYER | ABEYANCE | | | | 1 | 0.6% | 0.2% |
| | AFFIRMED | 24 | 75.0% | 17.4% | 110 | 68.3% | 16.5% |
| | DISMISSED | 1 | 3.1% | 0.7% | 3 | 1.9% | 0.5% |
| | MODIFY | | | | 2 | 1.2% | 0.3% |
| | MOOT | | | | 1 | 0.6% | 0.2% |
| | REMAND | 1 | 3.1% | 0.7% | 4 | 2.5% | 0.6% |
| | REVERSE | 6 | 18.8% | 4.3% | 40 | 24.8% | 6.0% |
| | Total Dispositions | 32 | | | 161 | | |
| DIVISION/OIC | AFFIRMED | 5 | 26.3% | 3.6% | 32 | 50.8% | 4.8% |
| | MODIFY | | | | 2 | 3.2% | 0.3% |
| | REMAND | | | | 2 | 3.2% | 0.3% |
| | REVERSE | 14 | 73.7% | 10.1% | 27 | 42.9% | 4.1% |
| | Total Dispositions | 19 | | | 63 | | |
| Grand Totals | | 138 | | | 665 | | |

Dispositions By Issues
BOR Orders Mailed From April 1, 2009 Thru April 30, 2009

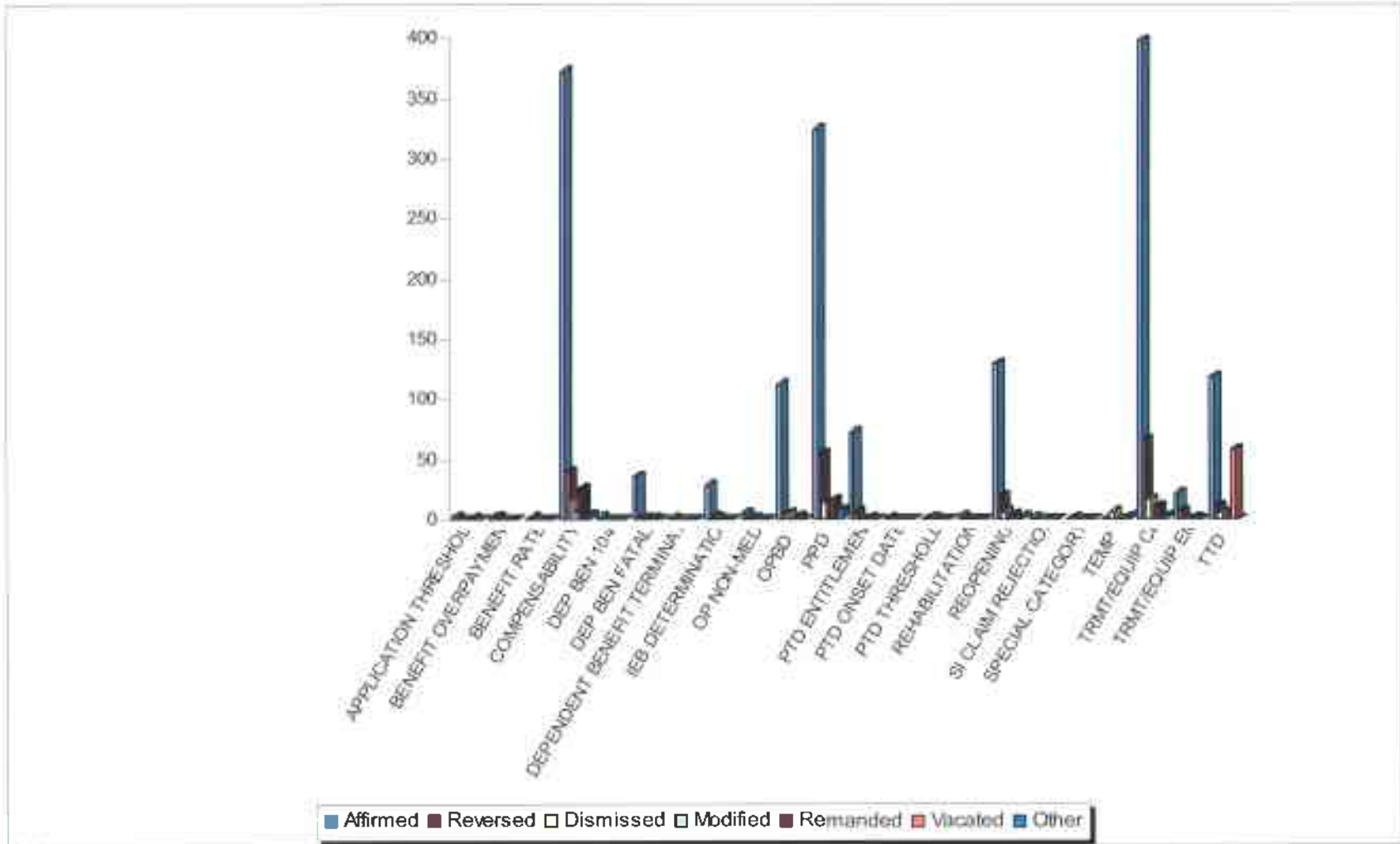


Dispositions By Issues
BOR Orders Mailed From April 1, 2009 Thru April 30, 2009

| Type of Issue | Issues | Affirmed | | Reversed | | Dismissed | | Modified | | Remanded | | Vacated | | Other | |
|---------------------|------------|------------|-------------|-----------|-------------|-----------|------------|----------|------------|----------|------------|----------|------------|----------|------------|
| | | # | % | # | % | # | % | # | % | # | % | # | % | # | % |
| BENEFIT OVERPAYMENT | 4 | 1 | 25.0 | 3 | 75.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| COMPENSABILITY | 26 | 18 | 69.2 | 6 | 23.1 | 0 | 0.0 | 0 | 0.0 | 2 | 7.7 | 0 | 0.0 | 0 | 0.0 |
| DEP BEN 104 | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| DEP BEN FATAL | 2 | 2 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| IEB DETERMINATION | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OP NON-MED | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OPBD | 21 | 20 | 95.2 | 0 | 0.0 | 1 | 4.8 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| PPD | 44 | 28 | 63.6 | 13 | 29.5 | 0 | 0.0 | 0 | 0.0 | 2 | 4.5 | 0 | 0.0 | 1 | 2.3 |
| PTD ENTITLEMENT | 6 | 5 | 83.3 | 1 | 16.7 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| REOPENING | 13 | 11 | 84.6 | 2 | 15.4 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TEMP | 1 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 100.0 | 0 | 0.0 |
| TRMT/EQUIP CL | 22 | 14 | 63.6 | 6 | 27.3 | 1 | 4.5 | 0 | 0.0 | 1 | 4.5 | 0 | 0.0 | 0 | 0.0 |
| TTD | 3 | 3 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| Totals | 145 | 105 | 72.4 | 31 | 21.4 | 2 | 1.4 | 0 | 0.0 | 5 | 3.4 | 1 | 0.7 | 1 | 0.7 |

Appeals counted in multiple categories: 4

Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru April 30, 2009



Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru April 30, 2009

| Type of Issue | Issues | Affirmed | | Reversed | | Dismissed | | Modified | | Remanded | | Vacated | | Other | |
|-------------------------------|-------------|-------------|-------------|------------|-------------|-----------|------------|----------|------------|-----------|------------|-----------|------------|-----------|------------|
| | | # | % | # | % | # | % | # | % | # | % | # | % | # | % |
| APPLICATION THRESHOLD | 4 | 3 | 75.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 1 | 25.0 | 0 | 0.0 | 0 | 0.0 |
| BENEFIT OVERPAYMENT | 4 | 1 | 25.0 | 3 | 75.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| BENEFIT RATE | 2 | 0 | 0.0 | 2 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| COMPENSABILITY | 466 | 372 | 79.8 | 40 | 8.6 | 17 | 3.6 | 5 | 1.1 | 26 | 5.6 | 1 | 0.2 | 4 | 0.9 |
| DEP BEN 104 | 2 | 2 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| DEP BEN FATAL | 39 | 36 | 92.3 | 1 | 2.6 | 1 | 2.6 | 0 | 0.0 | 1 | 2.6 | 0 | 0.0 | 0 | 0.0 |
| DEPENDENT BENEFIT TERMINATION | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| IEB DETERMINATION | 31 | 28 | 90.3 | 2 | 6.5 | 1 | 3.2 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OP NON-MED | 7 | 5 | 71.4 | 1 | 14.3 | 1 | 14.3 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| OPBD | 124 | 112 | 90.3 | 4 | 3.2 | 5 | 4.0 | 0 | 0.0 | 3 | 2.4 | 0 | 0.0 | 0 | 0.0 |
| PPD | 418 | 324 | 77.5 | 54 | 12.9 | 14 | 3.3 | 2 | 0.5 | 16 | 3.8 | 0 | 0.0 | 8 | 1.9 |
| PTD ENTITLEMENT | 79 | 72 | 91.1 | 6 | 7.6 | 0 | 0.0 | 0 | 0.0 | 1 | 1.3 | 0 | 0.0 | 0 | 0.0 |
| PTD ONSET DATE | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| PTD THRESHOLD | 2 | 0 | 0.0 | 1 | 50.0 | 1 | 50.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| REHABILITATION | 3 | 3 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| REOPENING | 162 | 129 | 79.6 | 19 | 11.7 | 6 | 3.7 | 2 | 1.2 | 4 | 2.5 | 0 | 0.0 | 2 | 1.2 |
| SI CLAIM REJECTION | 1 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| SPECIAL CATEGORY | 1 | 0 | 0.0 | 1 | 100.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 |
| TEMP | 10 | 0 | 0.0 | 1 | 10.0 | 6 | 60.0 | 0 | 0.0 | 0 | 0.0 | 1 | 10.0 | 2 | 20.0 |
| TRMT/EQUIP CL | 495 | 397 | 80.2 | 66 | 13.3 | 16 | 3.2 | 0 | 0.0 | 11 | 2.2 | 0 | 0.0 | 3 | 0.6 |
| TRMT/EQUIP EM | 29 | 21 | 72.4 | 7 | 24.1 | 0 | 0.0 | 0 | 0.0 | 1 | 3.4 | 0 | 0.0 | 0 | 0.0 |
| TTD | 198 | 118 | 59.6 | 11 | 5.6 | 5 | 2.5 | 0 | 0.0 | 6 | 3.0 | 58 | 29.3 | 0 | 0.0 |
| Totals | 2079 | 1626 | 78.2 | 219 | 10.5 | 73 | 3.5 | 9 | 0.4 | 70 | 3.4 | 60 | 2.9 | 19 | 0.9 |

| Revenue Recovery Activity | April 2009 |
|---|----------------------|
| COLLECTION ACTIVITY | |
| Receipts - Old Fund (Employer out of business) | \$ 41,370.42 |
| Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers) | \$ 88,064.46 |
| Receipts - Payment Agreements | \$ 29,374.28 |
| Receipts - Collection Agency | \$ - |
| # of active accounts uninsured (cumulative) | 826 |
| \$ of active accounts uninsured (cumulative) | \$ 2,640,519.37 |
| Telephone contacts | 2,190 |
| Walk-ins | 16 |
| LIENS | |
| Liens sent to county clerks for recordation | 106 |
| Liens sent to county clerks for release | 65 |
| Intent to lien letters sent to employer/owner/officer/member | 73 |
| INJUNCTIONS | |
| Affidavits for injunction submitted to legal | 33 |
| Hearings attended | 2 |
| # of injunction complaints filed | 17 |
| # of injunctions granted | 1 |
| # of agreed orders entered | 1 |
| PAYMENT AGREEMENTS | |
| # of repayment agreements applications | 4 |
| Agreements set up | 5 |
| Total # of agreements on system (cumulative) | 112 |
| Intent to void letters mailed | 6 |
| Agreements voided | 1 |
| MISCELLANEOUS | |
| Terminations Processed | 370 |
| Rule 11 Letters Mailed | 313 |
| Rule 11 hearings | 2 |
| Uninsured Policies Resolved | 340 |
| All Cash Receipts from WC accounts | \$ 158,809.16 |

APR 22 2009

MANAGER

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES
 Board Meeting
 April 30, 2009
 CD Auction
 May 13, 2009

OPERATING REPORT MARCH 2009

Board of Treasury Investments
 1900 Kanawha Boulevard East
 Suite E-122
 Charleston WV 25305
 (304) 340-1578
 www.wvbt.com

Board of Directors
 John D. Perdue, State Treasurer, Chairman
 Joe Manchin III, Governor

Glen B. Gainer III, State Auditor
 Martin Glasser, Esq. Attorney Appointed by the Governor

Jack Rossi, CPA Appointed by the Governor

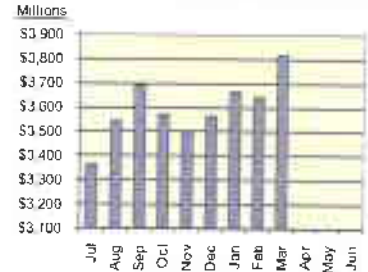
Executive Staff
 Executive Director
 Glenda Probst, CPA, CTP
 Chief Financial Officer
 Kara K. Brewer, CPA, MBA

Total Net Assets Under Management

\$3,818,630,000

Last Month
\$3,642,826,000

Beginning of Fiscal Year
\$3,364,534,000

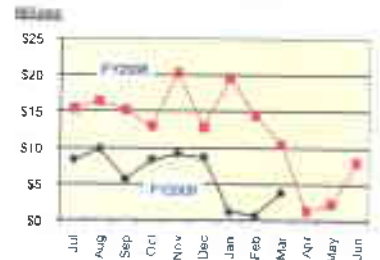


13.5% Growth This Fiscal Year

Total Net Income & Gains

This Month
\$3,783,000

Fiscal Year
\$55,272,000



Fiscal Year Comparison

Money Market Pools

As of March 31, 2009

| Pool | Dividend Factor * | 1-Day Yield ** | 7-Day Yield ** | 30-Day Avg. Yield ** | W.A.M. *** | Assets |
|-----------------------|-------------------|----------------|----------------|----------------------|------------|-----------------|
| WV Money Market | 0.00023750 | .2294% | .2565% | .2890% | 36 Days | \$2.7 Billion |
| WV Gov't Money Market | 0.00023012 | .1915% | .2204% | .2800% | 41 Days | \$401.0 Million |

* Dividend factor represents the monthly dividend amount per share.

** Yields represent the simple money market yield net of fees.

*** W.A.M. is the weighted average maturity.

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
MARCH 2009

Market Rebound Sparks Encouragement

The financial markets rebounded in March as investors' pent-up optimism was modestly rewarded with some encouragement on the economic front. The rebound has many speculating that the economy has now bottomed out and the worst is now behind us. There remains another group who believe we have yet to see the bottom.

On the plus side:

- The G-20 meeting pledged \$1 trillion in emergency aid to prevent a further financial decline.
- Mark-to-market accounting rules are being relaxed.
- The new \$1 trillion Public-Private Investment program could rid banks of toxic assets.
- New home sales rose by 4.7% in February.
- Durable goods orders rose in February by 3.4% reversing six straight months of decline.
- Consumer confidence rose to 26 in March, a small uptick from the 25.3 level in February.

On the negative side:

- Banks are expected to sustain \$1 trillion of additional write-downs.
- The \$1 trillion TALF is experiencing investor reluctance.
- 17 of the G-20 members have implemented 47 new trade restrictions.
- The U.S. unemployment rate rose to 8.5% with the loss of an additional 663,000 jobs in April.
- Home prices in 20 U.S. cities fell 19% in February from a year earlier, marking the fastest drop on record, while foreclosures surged 29.9% in February.

Five State Banks Take Home \$5 Million Each

Five West Virginia banks each took home \$5 million with successful interest rate bids during the West Virginia Board of Treasury Investments' 18th online certificate of deposit auction in April.

Freedom Bank of Belington, Wesbanco, United, Main Street of Wheeling, and Fifth Third of Huntington each successfully bid on \$5 million in April.

BB&T is the leader in the bidding action, with \$83 million captured since the first auction in May 2006. Wesbanco is second at \$61 million, and United is third at \$46.5 million. Freedom Bank of Belington, a much smaller institution, is fourth with cumulative winnings of \$41 million.

In all, the auctions have earned the state \$1.1 million more than if it had simply purchased Treasury bills without competition. The BTI has placed a total of \$454 million on deposit since the auctions began.

While a case can be made either way regarding where we actually are in this recession, one thing remains painfully clear: The deteriorating job market is likely to dampen consumer confidence. Additionally, higher taxes and banks' reluctance to lend should hinder business's need to create jobs in the near future and keep the economy down.

Rates across the yield curve fell in response to the Federal Reserve's announcement of its decision to purchase \$300 billion of longer term Treasury securities. The 2-year yield closed down 17 basis points while the yield on the 10-year Treasury note fell 0.36% to 2.66%, and the 30-year bond ended the month down 0.18% to close out at 3.53%. By month-end, spreads on the front end of the curve (2-10 year) had narrowed by 19 basis points to 186 basis points while the back end of the curve (10-30 year) steepened by 18 basis points to 87 basis points, and the Fed Funds Rate continued to fluctuate in the 0.00% - 0.25% range.

The Barclays Capital U.S. Aggregate Index returned 1.39% during the month, while most spread sectors outperformed their same duration Treasuries. CMBS issues rebounded sharply in March in response to an expanded version of the TALF. Credit underperformed the overall market during the month, with the Finance and Insurance industries faring the worst. The Citigroup 90-Day T-Bill Index returned 0.02% in March trailing the 0.49% return of the Citigroup 1-3 Year Government / Corporate Index. For the trailing 12 month period, the 90-Day T-Bills returned 1.13% while the 1-3 Year Government / Corporate Index returned 2.85%.

West Virginia Board of Treasury Investments

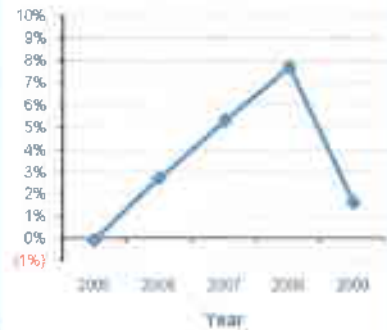
Financial Highlights as of March 31, 2009

WV Short Term Bond Pool

Rates of Return for the Past 12 Months *Net of All Fees*

| April 1 - March 31 | Return | Net Assets At March 31 <i>(In Millions)</i> |
|-----------------------|--------|---|
| 2009 | 1.6% | \$ 285.2 |
| 2008 | 7.7% | \$ 401.2 |
| 2007 | 5.3% | \$ 227.9 |
| 2006 | 2.7% | \$ 265.0 |
| 2005 | (0.1%) | \$ 258.1 |

WV Short Term Bond Pool
Rates of Return
Past 12 Months
April 1 - March 31

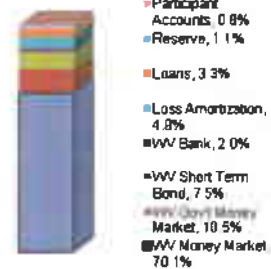


Prior to July 2007, the WV Short Term Bond Pool was known as the Enhanced Yield Pool

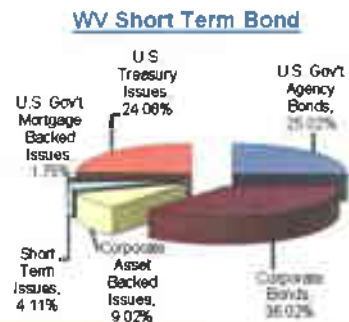
Summary of Value and Earnings *(In Thousands)*

| Pool | Net Asset Value | March Net Income <i>(Loss)</i> | Fiscal YTD Net Income <i>(Loss)</i> |
|-----------------------|---------------------|--------------------------------------|--|
| WV Money Market | \$ 2,675,372 | \$ 659 | \$ 27,971 |
| WV Gov't Money Market | 400,950 | 76 | 2,216 |
| WV Short Term Bond | 285,165 | 1,128 | 8,261 |
| WV Bank | 75,302 | 89 | 1,855 |
| Loss Amortization | 185,035 | 1,239 | 12,958 |
| Loans | 126,729 | 428 | 1,050 |
| Reserve | 41,577 | 15 | 81 |
| Participant Accounts | 28,500 | 149 | 880 |
| | \$ 3,818,630 | \$ 3,783 | \$ 55,272 |

Percent of Total Net Asset Value



Securities by Type for Operating Pools *(Percentage of Asset Value)*



WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
SCHEDULE OF NET ASSETS, OPERATIONS & CHANGES IN NET ASSETS –
UNAUDITED

MARCH 31, 2009

(IN THOUSANDS)

| | WV Money Market Pool | WV Government Money Market Pool | WV Short Term Bond Pool | WV Bank Pool | Other Pools | Participant Directed Accounts |
|--|-------------------------|--|-------------------------------|------------------|-------------------|-------------------------------------|
| Assets | | | | | | |
| Investments: | | | | | | |
| At amortized cost | \$ 2,878,838 | \$ 400,867 | | \$ 75,000 | \$ 167,890 | \$ 25,026 |
| At fair value | - | - | \$ 283,198 | - | 185,035 | 3,151 |
| Cash | - | - | - | - | - | - |
| Collateral for securities loaned | 286,701 | - | 129,317 | - | - | - |
| Other assets | 1,824 | 117 | 2,581 | 302 | 420 | 324 |
| Total assets | 3,167,363 | 400,984 | 415,096 | 75,302 | 353,345 | 28,501 |
| Liabilities | | | | | | |
| Payable for securities loaned | 286,701 | - | 129,317 | - | - | - |
| Other liabilities | 205,290 | 34 | 614 | - | - | 1 |
| Total liabilities | 491,991 | 34 | 129,931 | - | 4 | 1 |
| Net Assets | \$ 2,675,372 | \$ 400,950 | \$ 285,165 | \$ 75,302 | \$ 353,341 | \$ 28,500 |
| Investment income | | | | | | |
| Interest and dividends | \$ 709 | \$ 73 | \$ 911 | \$ 89 | \$ 447 | \$ 71 |
| Securities lending income | - | - | - | - | - | - |
| Provision for securities lending loss | (811) | (63) | (244) | - | - | - |
| Net accretion (amortization) | 921 | 86 | (116) | - | 557 | (13) |
| Provision for uncollectible loans | - | - | - | - | - | - |
| Total investment income | 819 | 96 | 551 | 89 | 1,004 | 58 |
| Expenses | | | | | | |
| Fees | 160 | 20 | 31 | - | 4 | 1 |
| Securities lending borrower rebates | - | - | - | - | - | - |
| Bad debt expense | - | - | - | - | - | - |
| Total expenses | 160 | 20 | 31 | - | 4 | 1 |
| Net investment income | 659 | 76 | 520 | 89 | 1,000 | 57 |
| Net realized gain (loss) | | | | | | |
| from investments | - | - | 21 | - | - | - |
| Net increase (decrease) | - | - | 21 | - | - | - |
| in fair value of investments | - | - | 587 | - | 682 | 92 |
| Net gain (loss) from investments | - | - | 608 | - | 682 | 92 |
| Net increase (decrease) in net assets from operations | 659 | 76 | 1,128 | 89 | 1,682 | 149 |
| Distributions to participants | 599 | 71 | 541 | 89 | 443 | - |
| Participant activity | | | | | | |
| Purchases, reinvestment of units and contributions | 732,613 | 182,444 | 374 | 89 | 2,077 | 98 |
| Redemptions and withdrawals | 688,119 | 54,891 | 871 | - | - | 12 |
| Inter-pool transfers in | 25,341 | - | - | 25,000 | - | - |
| Inter-pool transfers out | 25,000 | - | - | 25,341 | - | - |
| Net increase (decrease) in net assets from participant activity | 44,835 | 127,553 | (497) | (252) | 2,077 | 46 |
| Increase (decrease) in net assets | 44,895 | 127,558 | 90 | (252) | 3,316 | 195 |
| Net assets at beginning of period | 2,630,477 | 273,392 | 285,075 | 75,554 | 350,025 | 28,305 |
| Net assets at end of period | \$ 2,675,372 | \$ 400,950 | \$ 285,165 | \$ 75,302 | \$ 353,341 | \$ 28,500 |

(President Tomblin presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
May 28, 2009

12:00 - 1:00 p.m.

Senate Finance Room

1. Approval of February 10, 2009, minutes
2. 2009 Interim Committees and Studies

MOVE that the President and Speaker be authorized to establish interim committees as they deem appropriate and to appoint as many members as desired to any committee other than statutory committees.

MOVE the committee co-chairs be authorized to establish subcommittees with the approval of the President and the Speaker, study additional issues as approved by the President and Speaker and assign studies to appropriate subcommittee with approval to the President and Speaker.

MOVE the following committees be authorized to meet during the 2009 Interim Period:

Statutory Committees:

Commission on Interstate Cooperation
Commission on Special Investigations
Council of Finance and Administration
Employee Suggestion Award Board
Equal Pay Commission
Higher Education Capital Project & Facilities — *stricken*
Joint Commission on Economic Development
Joint Committee on Government Operations
Joint Committee on Government and Finance
Joint Legislative Oversight Commission on State Water Resources
Legislative Oversight Commission on Education Accountability
Legislative Oversight Commission on Health and Human Resources Accountability
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority
Legislative Oversight Commission on Workforce Investment for Economic Development
Legislative Rule-Making Review Committee
Forest Management Review Commission
WV Law Institute

Standing Committees:

Joint Standing Committee on Education
Joint Standing Committee on Finance
Joint Standing Committee on Government Organization

Joint Standing Committee on the Judiciary
Joint Standing Committee on Pensions and Retirement

MOVE the following committees be created and authorized to meet during the 2009 Interim Period:

Agriculture and Agri-business Committee
Joint Committee on Technology
Legislative Intern Committee
Parks, Recreation and Natural Resources Subcommittee
Post Audits Subcommittee
Select Committee on Children, Juveniles, and other Issues
Select Committee on Health
Select Committee on Minority Issues
Select Committee on PEIA Seniors and Long Term Care

MOVE the study resolutions be assigned to interim committees as follows on the handout given to all the Committee Members in their booklets.

MOVE that for all committees, subcommittees and commissions meeting during the interim period for which there are an unequal number of Delegates and Senators, all motions considered must be adopted by a separate majority vote of the committee members from each legislative body.

MOVE that the members of the Legislature performing interim duties as a member of legislative committees and commissions authorized to meet, as provided by West Virginia Code §4-1-1, be authorized to receive interim compensation, travel expense reimbursement and interim expense reimbursement.

MOVE that the following dates be approved for Interim Meetings:

Proposed Interim Dates: May 26-28 (Tuesday, Wednesday, and Thursday)
June 15-17 (Monday, Tuesday, and Wednesday)
July 14-16 (Tuesday, Wednesday, and Thursday)
August 10-12 (Monday, Tuesday, and Wednesday)
September 14-16 (Monday, Tuesday, and Wednesday)
October 13-15 (Tuesday, Wednesday, and Thursday)
November 17-19 (Tuesday, Wednesday, and Thursday)
December 7-9 (Monday, Tuesday, and Wednesday)
January 10-12 (Sunday, Monday, and Tuesday)

3. Monthly/Quarterly Reports Distribution:

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund

4. Monthly/Quarterly Reports Distribution: Robert Ferguson, Jr., Secretary, Dept. of Administration ✓

PEIA
BRIM
CHIP
Real Estate Report

5. Monthly/Quarterly Report Distribution from Department of Health and Human Resources: Martha Walker, Cabinet Secretary, DHHR ✓

Medicaid Report

6. Monthly Report on the Pharmaceutical Cost Management Council: Shana Phares, Acting Pharmaceutical Advocate ✓

7. Investment Management Board Distribution: Craig Slaughter, Executive Director ✓

8. Workers' Compensation: Jane Cline, Insurance Commissioner ✓

9. Board of Treasury Report Distribution

10. WV Division of Highways Annual Audit - Contract

MOVE that the Legislative Manager be authorized to enter into a contract with Gibbons & Kawash for conducting the Division of Highways Audit.

11. Other Business

12. Adjournment