

FILE COPY

JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE

**Materials Distributed**

**July 16, 2009**

June 17, 2009

3:00 - 4:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

Thompson, Chair  
Boggs  
Caputo  
Webster (absent)  
White  
Armstead  
Border

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by President Tomblin, properly adopted, the minutes of the May 28, 2009, meeting were approved.

2. Committee Reports/Requests: None

3. Lottery, General Revenue Reports and Unemployment Compensation Trust Fund

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended April 30, 2009; General Revenue Fund report for the month ended May 31, 2009; and the Unemployment Compensation Trust Fund report as of April 30, 2009. Distributed with each of the reports were an analysis and a summary of the reports.

4. PEIA, BRIM and CHIP Reports

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending April 30, 2009. Chuck Jones, BRIM, reported no overall unfunded liabilities. President Tomblin inquired of Mr. Jones whether BRIM had received any claims by the companies involved in the issue of funds defrauded from the Auditor's Office and Mr. Jones said no.

The following reports from CHIP were distributed: A report of enrollment for May 2009 and financial statements for period ending April 30, 2009.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for April 2009. Delegate Caputo requested a list of states that do not subsidize any portion of their state retiree's and retired public teacher's insurance premiums.

5. Real Estate Report, Department of Administration

A leasing report for May 1, 2009, through May 31, 2009, was distributed.

6. **Departments of Health and Human Resources (DHHR) Monthly Reports**

A Medicaid report dated June 2009 was distributed.

7. **Monthly Report on the Pharmaceutical Cost Management Council**

No report.

8. **Investment Management Board**

A Investment Management Board report dated April 30, 2009, was distributed.

9. **Workers' Compensation**

A Workers' Compensation report dated June 17, 2009, was distributed.

10. **Board of Treasury Investments Report Distribution**

A Board of Treasury Investments Report dated April 2009 was distributed.

The meeting was adjourned.

**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*

July 8, 2009

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

**Lottery Commission as of May 31, 2009 :**

Appears to be in good condition. Gross profit for July - May 2009 (FY 2009) was 1.00% lower than for July - May 2008 (FY 2008).

**General Revenue Fund as of June 30, 2009:**

Fiscal year end collections were at 99.97% of the yearly estimate.

**State Road Fund as of June 30, 2009:**

Fiscal year end collections were at 98.17 % of the yearly estimate.

**Unemployment Compensation Trust as of May 31, 2009:**

Regular benefits paid in July - May 2009 were \$ 72.7 million more than in July - May 2008. Total revenues for July- May 2009 were \$ 59.3 million more than in July - May 2008. Trust fund ending balance on May 31, 2009 was \$ 186,390,765.95.

*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 *elc*  
Director Budget Division  
Legislative Auditor's Office

Date: July 8, 2009

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

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the time period July 1, 2008 - May 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 \$ 1,376,076,000.00 for July - May 2009. Table games accounted for \$31,301,000.00 of this total. These gross receipts were \$ 1,400,663,000.00 for the same months of the preceding fiscal year, 2007-2008. Gross lottery revenue is down by 1.76% 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 - May 2009 was

Lottery

*Joint Committee on Government and Finance*  
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Lottery continued

\$615,169,000.00; for the previous July - May 2008 it was \$621,373,000.00. Expressed as a percentage, gross profit is 1.00% lower for fiscal year 2009 than for fiscal year 2008.

**Operating Income:**

Operating income was \$ 601,405,000.00 for July - May 2009. For July 2007 - May 2008 it was \$ 610,496,000.00. This was a decrease of 1.49%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$582,795,000.00 for July 2008- May 2009.

**Operating Transfers to the State of West Virginia:**

A total of \$ 582,795,000.00 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	\$ 9,997,000.00
School Building Authority	\$ 18,000,000.00
<b>SUBTOTAL BUDGETARY TRANSFERS</b>	<b>\$163,152,000.00</b>

**Excess Lottery Fund**

General Purpose Fund	65,000,000.00
Economic Development Fund	19,000,000.00
Excess Lottery Surplus	98,676,000.00
Education Improvement Fund	27,000,000.00
WV Infrastructure Council Fund	40,000,000.00
Higher Education Improvement Fund	10,000,000.00
State Park Improvement Fund	5,000,000.00
Refundable Credit	7,056,000.00
School Building Authority	19,000,000.00
<b>TOTAL EXCESS LOTTERY FUND</b>	<b>\$290,732,000.00</b>

Veterans Instant Ticket Fund 818,000.00

Table Games State Debt Reduction Fund 16,009,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$9,673,000.00

Lottery

Lottery continued

Development Office Promo Fund	\$2,638,000.00
Research Challenge Fund .5%	\$3,517,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,836,000.00
Parking Garage Fund .0625%	\$440,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$5,035,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$39,139,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$509,850,000.00</b>

\* CASH BASIS

Total Accrued last FY 2008:	166,967,000.00
Total Cash Distributions July-June :	509,850,000.00
Applied to FY 2008:	166,967,000.00
Total Applied to FY 2009	342,883,000.00
Accrued for FY 2008 as of May 31	000.00
Accrued for FY 2009 as of May 31	239,912,000.00

Lottery





P.O. BOX 2067  
CHARLESTON, WV 25327

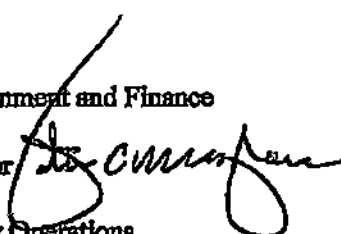
PHONE: (304) 558-0500  
FAX: (304) 558-3321

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 May 31, 2009

DATE: June 16, 2009

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

Financial statements of the Lottery for the month ending May 31, 2009 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$137,370,060 for the month of May.

Transfers of lottery revenue totaling \$48,343,752 made for the month of May 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 May 31, 2009 was 1,582 and 1,643 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](http://www.wvlottery.com)

LOTTERY FINANCIALS ATTACHMENTS



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**May 31, 2009**

**LOTTERY FINANCIALS ATTACHMENTS**

**WEST VIRGINIA LOTTERY**

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

ASSETS	May 31, 2009	June 30, 2008
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 256,008	\$ 180,463
Accounts receivable	38,430	36,846
Inventory	281	300
Current portion of investments held in trust	-	10
Other assets	<u>2,569</u>	<u>2,595</u>
Total Current Assets	<u>297,288</u>	<u>220,214</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	59,039	58,487
Investments held in trust, less current portion	-	126
Capital assets	17,608	17,598
Less accumulated depreciation and amortization	<u>(14,168)</u>	<u>(12,347)</u>
Net Capital Assets	<u>3,440</u>	<u>5,251</u>
Total Noncurrent Assets	<u>62,479</u>	<u>63,864</u>
Total Assets	<u>\$ 359,767</u>	<u>\$ 284,078</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 239,912	\$ 166,967
Estimated prize claims	13,545	12,967
Accounts payable	1,736	2,693
Other accrued liabilities	39,837	36,837
Current portion of deferred jackpot prize obligations	-	129
Total Current Liabilities	<u>294,730</u>	<u>219,593</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>294,730</u>	<u>219,593</u>
<b>Net Assets:</b>		
Invested in capital assets	3,440	5,251
Unrestricted assets (deficit)	(2,946)	(4,751)
Unrestricted assets- Committed ( see note 11)	5,498	5,498
Restricted assets ( see note 10)	<u>59,039</u>	<u>58,487</u>
Total Net Assets	<u>65,037</u>	<u>64,485</u>
Total Liabilities and Net Assets	<u>\$ 359,767</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 ELEVEN MONTH PERIOD ENDED MAY 31, 2009**

(In Thousands)  
 -Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2009	2008	2009	2008
Lottery revenues				
On-line games	\$ 8,942	\$ 6,858	\$ 77,955	\$ 81,422
Instant games	10,187	9,216	106,056	101,455
Racetrack video lottery	79,501	81,968	780,625	825,998
Limited video lottery	35,994	36,626	380,139	378,040
Table games	2,746	2,475	31,301	13,748
	<u>137,370</u>	<u>137,143</u>	<u>1,376,076</u>	<u>1,400,663</u>
Less commissions				
On-line games	625	480	5,457	5,700
Instant games	713	645	7,424	7,104
Racetrack video lottery	39,208	38,951	431,522	453,083
Limited video lottery	17,637	17,947	186,268	189,199
Table games	1,080	974	12,311	5,411
	<u>59,263</u>	<u>58,997</u>	<u>642,982</u>	<u>660,497</u>
Less on-line prizes	4,450	3,344	39,334	41,634
Less instant prizes	6,871	6,417	71,727	70,125
Less ticket costs	124	155	1,421	1,544
Less vendor fees and costs	547	482	5,443	5,490
	<u>11,992</u>	<u>10,398</u>	<u>117,925</u>	<u>118,793</u>
Gross profit	<u>66,115</u>	<u>67,748</u>	<u>615,169</u>	<u>621,373</u>
Administrative expenses				
Advertising and promotions	805	648	6,292	8,279
Wages and related benefits	766	640	8,186	6,536
Telecommunications	485	39	2,150	1,931
Contractual and professional	374	772	4,958	3,795
Rental	63	57	668	621
Depreciation and amortization	167	168	1,822	564
Other administrative expenses	59	70	847	1,457
	<u>2,719</u>	<u>2,394</u>	<u>24,923</u>	<u>23,183</u>
Other Operating Income	<u>4,573</u>	<u>3,241</u>	<u>11,159</u>	<u>12,306</u>
Operating Income	<u>67,969</u>	<u>68,595</u>	<u>601,405</u>	<u>610,496</u>
Nonoperating income (expense)				
Investment income	89	371	2,651	9,172
Nonoperating income - OPRB	-	-	-	-
Interest expense	-	(1)	(1)	(12)
Distributions to municipalities and counties	(705)	(718)	(7,451)	(7,410)
Distributions to racetracks-capital reinvestment	(2,842)	(3,305)	(13,257)	(15,087)
Distributions to the State of West Virginia	(64,492)	(64,847)	(582,795)	(593,885)
	<u>(67,950)</u>	<u>(68,500)</u>	<u>(600,853)</u>	<u>(609,222)</u>
Net income	<u>19</u>	<u>95</u>	<u>552</u>	<u>1,274</u>
Net assets, beginning of period	65,018	44,668	64,485	43,489
Net assets, end of period	<u>\$ 65,037</u>	<u>\$ 44,763</u>	<u>\$ 65,037</u>	<u>\$ 44,763</u>

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

**WEST VIRGINIA LOTTERY**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE ELEVEN MONTH PERIOD ENDED MAY 31, 2009**

(In Thousands)  
-Unaudited-

	2009	2008
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 1,385,650	\$ 1,412,090
Cash payments for:		
Personnel costs	(8,186)	(6,536)
Suppliers	(19,006)	(11,223)
Other operating costs	<u>(752,230)</u>	<u>(769,998)</u>
Cash provided by operating activities	<u>606,228</u>	<u>624,333</u>
<b>Cash flows from noncapital financing activities:</b>		
Nonoperating distributions to the State of West Virginia	(509,850)	(613,667)
Distributions to municipalities and counties	(7,403)	(7,331)
Distributions to racetrack from racetrack cap. reinv. fund	(15,369)	(20,997)
Deferred jackpot prize obligations and related interest paid	<u>(1)</u>	<u>(12)</u>
Cash used in noncapital financing activities	<u>(532,623)</u>	<u>(642,007)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	<u>(295)</u>	<u>(4,690)</u>
<b>Cash flows from investing activities:</b>		
Maturities of investments held in trust	137	182
Investment earnings received	<u>2,651</u>	<u>9,158</u>
Cash provided by investing activities	<u>2,788</u>	<u>9,340</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>76,098</b>	<b>(13,024)</b>
<b>Cash and cash equivalents - beginning of period</b>	<b><u>238,949</u></b>	<b><u>234,489</u></b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ <u>315,047</u></b>	<b>\$ <u>221,465</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 601,405	\$ 610,496
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,822	564
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(1,585)	(878)
(Increase) decrease in inventory	20	146
(Increase) decrease in other assets	25	(1,452)
Increase (decrease) in estimated prize claims	578	(648)
Increase (decrease) in accounts payable	(957)	(41)
Increase (decrease) in other accrued liabilities	<u>4,920</u>	<u>16,146</u>
Cash provided by operating activities	<u>\$ 606,228</u>	<u>\$ 624,333</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 basic 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**  
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**-Unaudited-**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

cancelable operating leases. Rental expense for the eleven months ended May 31, 2009 and May 31, 2008 approximated \$667,586 and \$620,751, 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 May 31, 2009 the carrying amounts of deposits (overdraft) with financial institutions were (\$35) thousand with a bank balance (overdraft) of \$8 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**  
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**NOTE 3 - CASH AND CASH EQUIVALENTS (continued)**

	<u>May 31, 2009</u>	<u>June 30, 2008</u>
Amount on deposit with the BTI	<u>\$315,082</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 May 31, 2009 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2008	Additions	Deletions	Historical Cost At May 31, 2009
Construction in Progress	\$ 285	\$ -	\$ (285)	\$ -
Improvements	1,120	50	-	1,170
Equipment	16,193	245	-	16,438
	\$ 17,598	\$ 295	\$ (285)	\$ 17,608

Accumulated Depreciation:

	Historical Cost At June 30, 2008	Additions	Deletions	Historical Cost At May 31, 2009
Improvements	\$ 1,002	\$ 71	\$ -	\$ 1,073
Equipment	11,345	1,751	-	13,096
	\$ 12,347	\$ 1,822	\$ -	\$ 14,169

**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 May 31, 2009 were \$6,030,494 and \$47,655,117

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

while related prize costs for the same periods were \$3,037,224 and \$23,874,611. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended May 31, 2009 were \$504,720 and \$4,332,921 while related prize costs for the same periods were \$253,746 and \$2,168,047.

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 May 31, 2009 the POWERBALL® prize reserve fund had a balance of \$104,586,483 of which the Lottery's share was \$2,379,720. 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**  
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**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 May 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	\$ 807,329	\$ 840,636	\$ 7,997,805	\$8,566,369
Credits (prizes) won	(727,466)	(758,243)	(7,213,197)	(7,736,811)
MWAP Contributions	(362)	(425)	(3,983)	(3,560)
Gross terminal income	<u>79,501</u>	<u>81,968</u>	<u>780,625</u>	<u>825,998</u>
Administrative costs	(100)	-	(17,522)	(17,524)
Net Terminal Income	<u>79,401</u>	<u>81,968</u>	<u>763,103</u>	<u>808,474</u>
Less distribution to agents	(39,208)	(38,951)	(431,522)	(453,083)
Racetrack video lottery revenues	<u>\$ 40,193</u>	<u>\$ 43,017</u>	<u>\$331,581</u>	<u>\$ 355,391</u>

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

	<u>May 31, 2009</u>	<u>Year-to Date</u>
State Lottery Fund	\$ 2,598	\$130,125
State Excess Lottery Revenue Fund	31,972	148,486
Capital Reinvestment Fund	2,842	13,257
Tourism Promotion Fund 1.375%	956	9,870
Development Office Promotion Fund .375 %	261	2,692
Research Challenge Fund .5 %	348	3,589
Capitol Renovation & Improvement Fund .6875 %	478	4,935
Parking Garage Fund .0625 %	43	449
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	695	5,178
Worker's Compensation Debt Reduction Fund 7 %	-	11,600
Total nonoperating distributions	<u>\$40,193</u>	<u>\$ 331,581</u>

**WEST VIRGINIA LOTTERY  
NOTES TO FINANCIAL STATEMENTS  
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**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 May 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	\$419,656	\$453,410	\$4,543,240	\$4,592,734
Credits (prizes) won	(383,662)	(416,784)	(4,163,101)	(4,214,694)
Gross terminal income	<u>\$35,994</u>	<u>\$36,626</u>	<u>\$380,139</u>	<u>\$378,040</u>
Administrative costs	(720)	(732)	(7,603)	(7,560)
Gross Profit	<u>35,274</u>	<u>35,894</u>	<u>\$372,536</u>	<u>\$370,480</u>
Commissions	(17,637)	(17,947)	(186,268)	(189,199)
Municipalities and Counties	(705)	(718)	(7,451)	(7,410)
Limited video lottery revenues	<u>\$16,932</u>	<u>\$17,229</u>	<u>\$178,817</u>	<u>\$173,871</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 May 31, 2009 were \$7,844,651 and \$89,430,153, 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>Current</u>	<u>Month</u>	<u>Year- to -Date</u>	
	2009	2008	2009	2008
Table Games Privilege Tax	\$ 2,746	\$ 2,475	\$31,301	\$13,748
Interest on Table Games Fund	-	3	22	26
Administrative Costs	<u>(235)</u>	<u>(212)</u>	<u>(2,683)</u>	<u>(1,179)</u>
Total Available for Distribution	2,511	2,266	28,640	12,595
<u>Less Distributions:</u>				
Racetrack Purse Funds	196	177	2,236	982
Thoroughbred & Greyhound Development Funds	157	141	1,788	785
Racing Commission Pension Plan	75	68	859	379
Municipalities/Counties	<u>652</u>	<u>588</u>	<u>7,428</u>	<u>3,265</u>
Total Distributions	1,080	974	12,311	5,411
State Debt Reduction Fund	<u>\$ 1,431</u>	<u>\$ 1,292</u>	<u>\$16,329</u>	<u>\$7,184</u>

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 May 31, 2009 the Lottery made such distributions and accrued additional distributions of \$60,278,876. 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 May 31, 2009 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$1,325,535.

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>May 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	-	9,997
School Building Authority	-	18,000
Total State Lottery Fund	\$ -	\$ 163,152



**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
 (continued)

<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ -	\$ 19,000
Higher Education Improvement Fund	-	10,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	27,000
State Park Improvement Fund	-	5,000
School Building Authority	-	19,000
Refundable Credit	857	7,056
Excess Lottery Surplus	43,588	98,676
West Va. Infrastructure Council	-	40,000
Total State Excess Lottery Revenue Fund	\$ 44,445	\$ 290,732
Total Budgetary distributions:	\$ 44,445	\$ 453,884
Veterans Instant Ticket Fund	\$ 56	\$ 818
<u>Other Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund 1.375%	\$ 808	\$ 9,673
Development Office Promotion Fund .375%	220	2,638
Research Challenge Fund .5%	293	3,517
Capitol Renovation & Improvement Fund .6875%	404	4,836
Parking Garage Fund .0625 %	37	440
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	588	5,035
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,350	\$ 39,139
Table Games State Debt Reduction Fund	\$ 1,493	16,009
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 48,344	\$ 509,850
Accrued nonoperating distributions, beginning	(223,764)	(166,967)
Accrued nonoperating distributions, end	239,912	239,912
Total nonoperating distributions to the State of West Virginia	\$ 64,492	\$ 582,795

**WEST VIRGINIA LOTTERY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**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 May 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>May 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**  
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**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
	<u>\$ 120</u>	<u>\$ 10</u>	<u>\$ 130</u>

\*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**  
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**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 May 31, 2009 are as follows (in thousands):

	<u>May 31, 2009</u>	<u>Year-to Date</u>
Lottery contributions	\$58	\$607
Employee contributions	25	264
Total contributions	<u>\$83</u>	<u>\$871</u>

**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**  
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**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: July 8, 2009

Re: Status of General Revenue Fund June 30, 2009

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

The net collections were **99.97%** of the estimate for the fiscal year as of June 30, 2009. **The amount BELOW estimate was \$ 1 million for the year.**

Personal Income Tax collections were \$ 67 million over the estimate for the fiscal year.

Severance tax collections were \$ 24 million over the estimate for the fiscal year.

Corporate income and business franchise collections were \$ 30.8 million below the estimate for the year.

Consumer sales and use tax was \$ 70.9 million below the estimate for the fiscal year.

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

**State Road Fund**

The state road fund was collected at 98.17% of the estimate for the fiscal year 2008-2009. The entire fund was \$ 11.6 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 \$ \$236,618,572.54 as of June 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
Transferred out per SB 1014 on June 9, 2009 Flood Recovery	26,500,000.00
Earnings and Revenues	- 44,321,044.94-
Balance June 30, 2009	236,619,572.54

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 236,006,002.65 as of June 30, 2009.

Balance July 1, 2008	291,275,042.97
Earnings	-55,269,040.32
Balance June 30, 2009	236,006,002.65

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

Balance July 1, 2008	45,019,318.96
Transfers for tax refunds	-38,557,255.15-



Transfers in from General Revenue	38,557,255.15
Balance June 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 June 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 June 30, 2009	27,319,224.03

Monthly Revenue Estimates  
as of June 30, 2009, WV FIMS

	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	131,700,000	112,048,801	-19,651,199	1,489,900,000	1,557,403,317	67,503,317
Consumer Sales Tax & Use Tax	95,283,000	78,799,416	-16,483,584	1,180,983,000	1,110,017,434	-70,965,566
Severance Tax	-44,200,000	-13,679,831	30,520,169	335,000,000	359,578,255	24,578,255
Corp Income /Business Franchise	51,700,000	56,686,284	4,986,284	301,100,000	270,237,027	-30,862,973
Business and Occupation	18,000,000	18,279,522	279,522	149,700,000	150,292,700	592,700
HB 102 - Lottery Transfers	0	0	0	127,900,000	127,900,000	0
Cigarette Tax	9,400,000	9,324,423	-75,577	107,000,000	108,903,702	1,903,702
Insurance Tax	100,000	172,554	72,554	104,500,000	103,322,336	-1,177,664
Interest Income	3,100,000	-2,548,077	-5,648,077	28,000,000	21,855,175	-6,144,825
Departmental Collections	1,020,000	1,146,140	126,140	16,300,000	14,597,288	-1,702,712
Liquor Profit Transfers	1,700,000	3,029,500	1,329,500	14,500,000	16,960,842	2,460,842
Property Transfer Tax	1,210,000	596,525	-613,475	13,000,000	8,537,130	-4,462,870
Refundable Credit Reim LTY	450,000	315,492	-134,508	10,000,000	7,371,723	-2,628,277
Beer Tax and Licenses	1,000,000	1,082,971	82,971	8,650,000	8,638,146	-11,854
Smokeless Tobacco Tax	420,000	535,369	115,369	5,400,000	6,190,897	790,897
Property Tax	90,000	81,599	-8,401	5,300,000	5,615,784	315,784
Business Franchise Fees	860,000	1,116,207	256,207	1,700,000	1,936,116	236,116
Miscellaneous Transfers	0	0	0	1,600,000	129,636	-1,470,364
Racing Fees	144,000	0	-144,000	1,100,000	480,348	-619,652
Miscellaneous Receipts	92,000	15,156,007	15,064,007	1,000,000	19,852,836	18,852,836
Charter Tax	0	103,945	103,945	100,000	423,696	323,696
Telecommunications Tax	0	9,738	9,738	0	229,556	229,556
Estate and Inheritance Tax	0	0	0	0	28,687	28,687
Video Lottery Transfers	0	415,927	415,927	0	1,049,231	1,049,231
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
<b>TOTALS</b>	<b>272,069,000</b>	<b>282,672,513</b>	<b>10,603,513</b>	<b>3,902,733,000</b>	<b>3,901,551,860</b>	<b>-1,181,140</b>
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		<b>103.90%</b>				
<b>TOTALS</b>	<b>272,069,000</b>	<b>282,672,513</b>	<b>10,603,513</b>	<b>3,902,733,000</b>	<b>3,901,551,860</b>	<b>-1,181,140</b>
Percent of Estimates					<b>99.97%</b>	
Collections this day		<b>-42,812,251</b>				

	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	29,600,000	42,707,929	13,107,929	380,000,000	384,538,525	4,538,525
Privilege Tax	15,245,000	13,178,757	-2,066,243	166,413,000	150,793,697	-15,619,303
Licenses & Registration	16,120,000	16,024,096	-95,904	90,003,000	89,427,900	-575,100
Highway Litter Control	304,000	230,941	-73,059	1,699,000	1,673,488	-25,512
<b>TOTALS</b>	<b>61,269,000</b>	<b>72,141,723</b>	<b>10,872,723</b>	<b>638,115,000</b>	<b>626,433,610</b>	<b>-11,681,390</b>

Percent of Estimates

117.75%

98.17%

Collections this day

20,775,150

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

REVENUE SHORTFALL RESERVE FUND A AS OF June 1, 2009 : \$253,397,613.84

REVENUE SHORTFALL RESERVE FUND B AS OF June 1, 2009 : \$205,774,178.72

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF June 1, 2009: \$7,837,697.20

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: July 7, 2009

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the May 31, 2009 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. May 2009 is the eleventh 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	\$216,716,633.18
Disbursements July 1, 2007 thru June 30, 2009	\$282,147,596.81
Balance May 31, 2009	\$186,390,765.95

ITEMS OF NOTE:

Regular benefits paid for July 2008 - May 2009 were \$72.7 million more than in July 2007 - May 2008.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 127 million more than the same months of the preceding fiscal year.

Receipts in July - May 2009 were \$ 59.3 million more than in July - May 2008. Overall ending trust fund balance was \$ 73 million less as of May 31, 2009 than on May 31, 2008. \*

West Virginia's unemployment rate for the month of May 2009 was 8.5 percent. National unadjusted employment rate was 9.1 percent.

Seasonally adjusted unemployment rates were 8.6 percent for West Virginia and 9.4 percent nationally.

Since May 2008 employment has decreased by 22,700, with a gain in the one area: 1,600 in educational and health services. Declines included 5,700 in trade, transportation, and utilities, 5,400 in manufacturing, 2,700 in construction, 2,800 in mining and logging, 2,800 in professional and business services, 1,700 in leisure and hospitality, 1,600 in financial activities, 500 in other services, 700 in information, and 400 in government.

\*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 MARCH 2008 AND MARCH 2009**

	<u>MARCH 08</u>	<u>APRIL 08</u>	<u>MAY 08</u>	<u>MARCH 09</u>	<u>APRIL 09</u>	<u>MAY 09</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
<b>Balance Forward</b>	<u>\$226,954,696.79</u>	<u>\$213,031,221.10</u>	<u>\$221,064,406.58</u>	<u>\$200,935,822.93</u>	<u>\$171,595,960.24</u>	<u>\$166,009,076.61</u>	<u>(\$123,509,964.69)</u>
<b>Add Receipts:</b>							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$430,157.28	\$23,212,888.72	\$54,075,440.72	\$484,987.61	\$23,632,654.48	\$53,988,625.48	\$387,980.85
3. Federal Extended Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$4,219,602.00	\$3,818,689.78	\$4,965,142.62	\$13,003,434.40
4. Emergency Unemployment Funds (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
6. Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$0.00	\$4,435,872.00	\$4,931,821.00	\$9,367,693.00
8. UCFE (Federal Agencies)	\$0.00	\$0.00	\$0.00	\$115,000.00	\$104,141.24	\$108,110.51	\$327,251.75
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Read Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Treasury Interest Credits	\$2,840,704.28	\$0.00	\$0.00	\$2,418,724.72	\$0.00	\$0.00	(\$421,979.56)
10. UCX (Military Agencies)	\$0.00	\$0.00	\$25,000.00	\$298,000.00	\$276,420.46	\$257,655.84	\$807,076.30
<b>Total Monthly Receipts</b>	<u>\$3,270,861.56</u>	<u>23,212,888.72</u>	<u>54,100,440.72</u>	<u>\$7,638,294.33</u>	<u>\$32,287,777.96</u>	<u>\$64,251,555.45</u>	<u>\$23,471,436.74</u>
<b>Less Disbursements:</b>							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	16,053,404.99	14,853,624.77	14,736,704.89	\$32,127,949.08	\$29,846,712.96	\$31,422,777.17	\$47,753,704.53
Federal Extended Benefits (EUC08)	0.00	0.00	0.00	\$4,286,205.00	\$3,757,131.68	\$6,065,169.72	\$14,108,506.40
Emergency Benefits (TEUC)	(430.00)	(3,284.03)	(1,321.06)	(\$317.58)	(\$380.00)	(\$392.00)	\$3,925.51
Temp Federal Additional Comp (FAC)	0.00	0.00	0.00	\$0.00	\$4,838,649.00	\$4,937,591.00	\$9,776,240.00
UCFE (Federal Workers) Benefits	109,160.28	83,806.75	76,893.47	\$126,933.08	\$111,790.60	\$127,642.77	\$96,705.83
UCX (Military Workers) Benefits	272,401.98	225,735.75	193,211.37	\$335,087.49	\$300,757.46	\$317,077.45	\$261,573.29
Read Act Funds	760,000.00	20,000.00	41,250.00	\$0.00	\$0.00	\$0.00	(\$821,280.00)
Other Adjustments	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Disbursements</b>	<u>\$17,194,637.25</u>	<u>15,179,703.24</u>	<u>15,046,738.67</u>	<u>\$38,875,857.02</u>	<u>\$38,854,661.69</u>	<u>\$42,669,866.11</u>	<u>\$71,179,405.56</u>
<b>Trust Fund Balance</b>	<u>\$213,031,221.10</u>	<u>221,064,406.58</u>	<u>260,118,108.63</u>	<u>\$171,595,960.24</u>	<u>\$166,009,076.61</u>	<u>\$166,390,766.95</u>	<u>(\$171,217,933.51)</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 \$2,369,769 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 29, 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*

**MAY 2009**

WV PEIA - Monthly Trend

Plan Demographics	Jan-09	Feb-09	Mar-09	Apr-09	May-09	2008 - 2009 Fiscal	2007 - 2008 Fiscal	% Change
Total Drug Cost	\$13,708,422	\$12,538,351	\$14,468,610	\$13,860,243	\$13,751,647	\$148,713,674	\$138,118,822	4.74%
Amount Paid By Plan Sponsor	\$11,222,145	\$10,500,693	\$11,845,542	\$11,442,279	\$11,378,677	\$118,496,460	\$108,236,120	8.71%
Amount Paid By Members	\$2,486,278	\$2,337,658	\$2,624,068	\$2,417,964	\$2,372,770	\$30,217,214	\$30,882,602	-2.16%
Total Claims	215,488	209,145	235,452	221,227	220,271	2,324,044	2,213,862	4.98%
Average Eligible Member	160,787	161,469	161,568	161,865	162,263	160,141	155,979	2.87%
Average # of Rx's Per Member Per Month	1.34	1.30	1.46	1.37	1.38	1.32	1.29	2.25%
Plan Paid Per Member Per Month (PMPM)	\$69.78	\$65.03	\$73.32	\$70.69	\$70.13	\$65.57	\$63.08	3.93%
Average Eligible Enrollees	74,034	74,349	74,578	74,753	74,834	73,775	72,128	2.26%
Average # of Rx's Per Enrollee Per Month	2.81	2.81	3.18	2.98	2.94	2.88	2.79	2.63%
Plan Paid Per Enrollee Per Month (PEPM)	\$151.58	\$141.24	\$168.84	\$163.07	\$151.58	\$142.32	\$138.42	4.33%
Rx Cost Share								
Avg. Claim Cost to Plan	\$62.08	\$60.21	\$50.31	\$51.72	\$51.68	\$49.70	\$48.88	1.65%
Avg. Member Cost/Claim	\$11.54	\$11.18	\$11.14	\$10.93	\$10.77	\$13.00	\$13.95	-8.79%
Percent member Cost Share	18.1%	18.2%	18.1%	17.4%	17.3%	20.7%	22.2%	-6.58%
Average Ingredient Costs								
Single Source (no generics available)	\$178.69	\$179.81	\$179.22	\$182.54	\$183.03	\$177.64	\$157.89	12.51%
Multi-Source Brand (generics available)	\$49.68	\$53.22	\$53.48	\$57.99	\$56.43	\$49.63	\$39.87	23.20%
Generic Drugs	\$19.19	\$17.78	\$17.63	\$18.04	\$17.93	\$18.80	\$20.05	-6.27%
Brand/Generic Dispensing Rates								
Single Source (no generics)	26.6%	25.82%	26.03%	26.0%	26.85%	26.67%	26.68%	-10.49%
Multi-Source Brand (generics available)	1.0%	0.81%	0.89%	0.9%	0.93%	0.88%	0.99%	-3.92%
Generic Drug	72.4%	73.27%	73.07%	73.1%	73.22%	72.45%	69.32%	4.55%
Generics Dispensed when available	98.7%	98.77%	98.79%	98.7%	98.74%	98.70%	98.59%	0.11%
Percent of Plan Cost for Single Source	79.2%	80.08%	80.57%	80.0%	80.11%	80.24%	79.27%	1.22%
Retail Pharmacy Program								
Avg. Day Supply	32.7	31.7	31.8	32.5	33.1	32.6	32.0	1.76%
Avg. Plan Cost/Day Supply	\$1.58	\$1.57	\$1.57	\$1.58	\$1.55	\$1.52	\$1.51	0.50%
Avg. Claim Cost to Plan	\$51.69	\$49.79	\$49.86	\$51.35	\$51.19	\$49.48	\$48.38	2.26%
Avg. Member Cost / Claim	\$11.47	\$11.11	\$11.07	\$10.88	\$10.70	\$12.88	\$13.68	-7.16%
Percent Member Cost Share	18.2%	18.24%	18.17%	17.5%	17.29%	20.63%	22.25%	-7.31%
Special Maint Netwk (% of claims filled)	11.8%	11.23%	11.38%	11.6%	11.97%	11.81%	11.27%	3.06%
Other Maint (% of claims filled)	0.6%	0.58%	0.62%	0.6%	0.65%	0.81%	0.57%	6.31%
Avg. Days Supply for Maint. Netwks	87.6	87.3	87.5	87.4	87.5	87.5	87.6	-0.09%
Total # Claims Fills 1-34 Days Supply	184,575	180,768	203,087	190,473	188,418	2,000,858	1,920,824	4.18%
Total # Claims Fills 35-60 Day Supply	1,532	1,463	1,663	1,638	1,663	15,538	14,701	12.46%
Total # Claims Fills 61-90 Day Supply	27,187	25,122	25,710	27,247	28,184	286,240	259,718	10.64%
Total # Claims Fills 91+ Day Supply	15	23	27	29	28	139	60	131.67%
Mall Service Program								
Avg. Days Supply	71.1	72.1	71.6	71.7	71.0	72.1	72.0	0.08%
Avg. Plan Cost/Days Supply	\$1.38	\$1.37	\$1.44	\$1.34	\$1.44	\$1.33	\$1.44	-7.76%
Avg. Cost to Plan	\$96.84	\$98.82	\$102.94	\$98.40	\$102.53	\$96.54	\$103.84	-7.71%
Avg. Member Cost/Claim	\$19.23	\$18.45	\$19.35	\$19.07	\$18.68	\$22.40	\$24.16	-7.28%
Percent Member Cost Share	18.6%	18.48%	18.82%	18.6%	18.40%	18.84%	18.67%	0.37%
Total # Claims Fill 1-34 Days Supply	567	609	689	643	606	5,604	5,899	-3.26%
Total # Claims Fills 35-60 Days Supply	11	5	8	3	10	65	61	27.45%
Total # Claims Fills 61-90 Days Supply	1,299	1,256	1,398	1,298	1,381	14,265	13,609	3.30%
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	.	.	
Formulary Program								
S/S Formulary Drugs (% by claim)	21.5%	20.81%	21.17%	21.2%	21.11%	21.75%	23.06%	-5.69%
S/S Non-Formulary Drugs (% by claim)	5.2%	4.81%	4.87%	4.8%	4.74%	4.62%	4.62%	-27.20%
M/S Drugs (% by claim)	1.0%	0.91%	0.89%	0.9%	0.93%	0.95%	0.99%	-3.92%
Generic Drugs (% by Claim)	72.4%	73.27%	73.07%	73.1%	73.22%	72.45%	69.32%	4.55%
S/S Formulary Drugs (% by \$)	69.9%	70.89%	71.37%	70.8%	70.77%	71.76%	69.57%	3.18%
S/S non-Formulary Drugs (% by \$)	0.2%	0.19%	0.20%	0.3%	0.34%	0.45%	0.70%	-12.66%
M/S Drugs (% by \$)	0.4%	0.48%	0.47%	0.6%	0.51%	0.44%	0.26%	68.37%
Generic Drugs (% by \$)	20.4%	19.44%	18.96%	19.4%	19.38%	19.32%	20.47%	-5.59%
Specialty Drugs								
Total Drug Cost	\$1,413,998	\$1,384,093	\$1,449,345	\$1,538,775	\$1,488,604	\$15,404,619	\$13,027,557	18.25%
Amount Paid by Plan Sponsor	\$1,377,342	\$1,329,159	\$1,413,428	\$1,503,384	\$1,452,235	\$14,889,298	\$12,848,426	16.50%
Amount Paid by Members	\$36,656	\$34,934	\$35,920	\$35,411	\$34,288	\$415,321	\$378,131	9.84%
Total Claims	734	696	740	732	725	7,810	7,184	9.02%
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.00	0.00	0.004	0.004	6.18%
Plan Paid Per Member Per Month (PMPM)	\$8.57	\$8.23	\$8.75	\$8.29	\$8.98	\$8.51	\$7.37	15.42%
Avg Claim Cost to Plan	\$1,878.49	\$1,909.71	\$1,910.03	\$2,063.78	\$2,063.08	\$1,819.24	\$1,765.69	6.70%
Avg Claim Cost to Member	\$49.84	\$50.19	\$48.84	\$48.38	\$47.27	\$53.18	\$52.79	0.75%
Percent of Member Cost Share	2.59%	2.56%	2.49%	2.30%	2.31%	2.70%	2.80%	-7.11%
Percent of Overall Drug Spend	10.31%	10.63%	10.02%	11.10%	10.81%	10.57%	9.38%	12.89%



WV PEIA - Monthly Trend

Plan Demographics	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
Total Drug Cost	\$11,892,007	\$12,322,383	\$12,881,141	\$13,428,054	\$12,559,140	\$13,894,697
Amount Paid By Plan Sponsor	\$7,189,678	\$9,290,271	\$10,137,603	\$10,830,830	\$10,217,919	\$11,480,624
Amount Paid By Members	\$4,722,329	\$3,032,091	\$2,763,638	\$2,698,124	\$2,341,221	\$2,534,073
Total Claims	187,045	183,060	208,403	213,006	200,723	223,239
Average Eligible Member	157,501	157,866	168,843	169,292	169,875	160,408
Average # of Rx's Per Member Per Month	1.19	1.22	1.28	1.34	1.28	1.39
Plan Paid Per Member Per Month (PMPM)	\$45.52	\$58.92	\$63.82	\$67.99	\$63.91	\$71.45
Average Eligible Enrollees	72,418	72,828	73,131	73,351	73,695	73,849
Average # of Rx's Per Enrollee Per Month	2.58	2.68	2.81	2.90	2.73	3.02
Plan Paid Per Enrollee Per Month (PEPM)	\$99.01	\$128.10	\$138.62	\$147.84	\$138.84	\$155.19
<b>Rx Cost Share</b>						
Avg. Claim Cost to Plan	\$38.33	\$48.12	\$49.35	\$50.88	\$50.91	\$51.34
Avg. Member Cost/Claim	\$28.25	\$15.71	\$13.41	\$12.18	\$11.68	\$11.35
Percent member Cost Share	39.7%	24.6%	21.4%	19.3%	18.6%	18.1%
<b>Average Ingredient Costs</b>						
Single Source (no generics available)	\$173.14	\$171.85	\$173.77	\$175.21	\$174.68	\$177.24
Multi-Source Brand (generics available)	\$51.11	\$41.22	\$43.64	\$42.90	\$46.95	\$50.16
Generic Drugs	\$19.24	\$18.86	\$18.17	\$18.19	\$19.09	\$19.22
<b>Brand/Generic Dispensing Rates</b>						
Single Source (no generics)	27.66%	27.85%	27.02%	26.9%	28.76%	28.32%
Multi-Source Brand % (generics available)	1.04%	0.97%	0.97%	1.0%	0.98%	0.98%
Generic Drug	71.40%	71.19%	72.01%	72.1%	72.26%	72.70%
Generics Dispensed when available	98.67%	98.65%	98.68%	98.7%	98.69%	98.67%
Percent of Plan Cost for Single Source	85.89%	81.82%	80.52%	79.8%	79.44%	78.83%
<b>Retail Pharmacy Program</b>						
Avg. Day Supply	32.5	33.3	32.8	32.3	32.3	32.3
Avg. Plan Cost/Day Supply	\$1.18	\$1.43	\$1.49	\$1.58	\$1.58	\$1.55
Avg. Claim Cost to Plan	\$37.88	\$47.77	\$48.97	\$50.48	\$50.48	\$50.96
Avg. Member Cost / Claim	\$28.11	\$18.58	\$13.32	\$12.11	\$11.59	\$11.28
Percent Member Cost Share	33.88%	24.59%	21.38%	19.3%	18.68%	18.13%
Special Maint Netax (% of claims filed)	10.96%	11.95%	11.90%	11.4%	11.58%	11.57%
Other Maint (% of claims filed)	0.63%	0.69%	0.69%	0.6%	0.56%	0.62%
Avg. Days Supply for Maint. Netax	87.8	87.4	87.5	87.4	87.8	87.8
Total # Claims Fills 1-34 Days Supply	182,194	185,858	178,478	183,894	172,945	182,189
Total # Claims Fills 35-60 Day Supply	1,265	1,438	1,483	1,828	1,403	1,518
Total # Claims Fills 61-90 Day Supply	21,684	24,270	28,601	25,624	24,600	27,631
Total # Claims Fills 91+ Day Supply	4	6	2	2	2	2
<b>Mail Service Program</b>						
Avg. Days Supply	76.0	73.6	72.4	71.9	71.8	70.7
Avg. Plan Cost/Days Supply	\$1.14	\$1.17	\$1.33	\$1.26	\$1.38	\$1.38
Avg. Cost to Plan	\$86.80	\$88.38	\$96.68	\$92.27	\$98.71	\$96.41
Avg. Member Cost/Claim	\$39.77	\$29.49	\$24.30	\$20.88	\$19.63	\$19.41
Percent Member Cost Share	31.40%	26.45%	20.11%	18.3%	18.59%	16.90%
Total # Claims Fill 1-34 Days Supply	397	468	473	547	630	594
Total # Claims Fills 35-60 Days Supply	6	6	3	8	1	6
Total # Claims Fills 61-90 Days Supply	1,308	1,288	1,198	1,305	1,242	1,299
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0
<b>Formulary Program</b>						
S/S Formulary Drugs (% by claim)	22.60%	22.91%	22.19%	22.2%	22.21%	21.86%
S/S Non-Formulary Drugs (% by claim)	4.98%	4.93%	4.83%	4.8%	4.57%	4.47%
M/S Drugs (% by claim)	1.04%	0.97%	0.97%	1.0%	0.98%	0.98%
Generic Drugs (% by Claim)	71.40%	71.19%	72.01%	72.1%	72.26%	72.70%
S/S Formulary Drugs (% by \$)	78.13%	74.08%	72.68%	72.3%	71.89%	71.33%
s/s non-Formulary Drugs (% by \$)	7.76%	7.45%	7.65%	7.5%	7.65%	7.56%
M/S Drugs (% by \$)	0.62%	0.30%	0.33%	0.3%	0.37%	0.44%
Generic Drugs (% by \$)	13.49%	18.18%	19.16%	19.6%	20.19%	20.68%
<b>Specialty Drugs</b>						
Total Drug Cost	\$1,374,104	\$1,220,429	\$1,363,475	\$1,432,132	\$1,276,030	\$1,468,734
Amount Paid by Plan Sponsor	\$1,311,459	\$1,184,513	\$1,329,282	\$1,398,112	\$1,242,397	\$1,449,898
Amount Paid by Members	\$62,645	\$35,916	\$34,193	\$38,020	\$33,633	\$36,736
Total Claims	720	683	673	726	680	741
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.006	0.004	0.005
Plan Paid Per Member Per Month (PMPM)	\$9.33	\$7.51	\$9.37	\$9.76	\$7.77	\$9.04
Avg Claim Cost to Plan	\$1,821.47	\$1,788.80	\$1,976.17	\$1,923.02	\$1,882.49	\$1,889.81
Avg Claim Cost to Member	\$87.01	\$84.17	\$90.78	\$49.81	\$49.44	\$49.57
Percent of Member Cost Share	4.56%	2.94%	2.51%	2.52%	2.56%	2.47%
Percent of Overall Drug Spend	11.56%	9.90%	10.56%	10.67%	10.16%	10.62%



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 05/2009 - 05/2009

Previous Period: 05/2008 - 05/2008

	Current Period	Previous Period	% Change
<b>Overall Performance</b>			
Plan Cost PMPM	\$70.31	\$70.28	0.1 %
Average Mbrs/Month	162,263	157,872	2.8 %
Average Subs/Month	74,934	73,073	2.6 %
% Utilizing Members	48.3 %	45.9 %	0.8 %
% Retail Utilizing Members	48.0 %	46.7 %	0.8 %
% Mail Utilizing Members	0.6 %	0.6 %	-0.5 %
<b>Rx Measures</b>			
Rxs PMPM	1.36	1.34	1.4 %
Retail Rxs PMPM	1.35	1.33	1.4 %
Mail Rxs PMPM	0.01	0.01	2.2 %
Average Admin Fee/Rx	\$0.00	\$0.01	-98.3 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-98.3 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$51.85	\$52.35	-1.3 %
Avg Retail Plan Cost/Rx	\$51.19	\$51.84	-1.2 %
Avg Mail Plan Cost/Rx	\$102.58	\$108.86	-5.9 %
Average Mbr Contrib/Rx	\$10.79	\$11.21	-3.8 %
Avg Retail Mbr Contrib/Rx	\$10.72	\$11.14	-3.8 %
Avg Mail Mbr Contrib/Rx	\$18.70	\$19.56	-4.4 %
Average Ing Cost/Rx	\$60.97	\$61.94	-1.6 %
Avg Retail Ing Cost/Rx	\$60.43	\$61.38	-1.5 %
Avg Mail Ing Cost/Rx	\$121.28	\$127.02	-4.5 %
Average AWP/Rx	\$116.53	\$108.75	7.2 %
Avg Retail AWP/Rx	\$115.44	\$107.77	7.1 %
Avg Mail AWP/Rx	\$236.33	\$217.92	8.5 %
Average Days Supply/Rx	33.4	33.0	1.4 %
Avg Retail Days/Rx	33.1	32.8	1.5 %
Avg Mail Days/Rx	71.2	72.1	-1.3 %
Average Plan Cost/Day	\$1.55	\$1.59	-2.7 %
Avg Retail Plan Cost/Day	\$1.55	\$1.59	-2.7 %
Avg Mail Plan Cost/Day	\$1.44	\$1.51	-4.6 %
% Plan Cost	82.7 %	82.4 %	0.4 %
% Member Contribution	17.3 %	17.6 %	-2.1 %
% Retail Plan Cost	82.7 %	82.3 %	0.5 %
% Retail Mbr Contrib	17.3 %	17.7 %	-2.1 %
% Mail Plan Cost	84.6 %	84.8 %	-0.2 %
% Mail Member Contrib	15.4 %	15.2 %	1.3 %



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 05/2009 - 05/2009

Previous Period: 05/2008 - 05/2008

	Current Period	Previous Period	% Change
<b>Rx Sources</b>			
% Mail Rxs	0.9 %	0.9 %	0.8 %
% Retail Rxs	99.1 %	99.1 %	0.0 %
% Member Submit Rxs	0.0 %	0.0 %	-83.4 %
<b>Rx Types</b>			
Avg SSB Plan Cost/Rx	\$159.87	\$145.41	9.9 %
Avg Retail SSB Plan Cost/Rx	\$158.86	\$144.48	10.0 %
Avg Mail SSB Plan Cost/Rx	\$248.87	\$229.52	8.4 %
Avg MSB Plan Cost/Rx	\$28.66	\$17.28	66.1 %
Avg Retail MSB Plan Cost/Rx	\$28.47	\$17.07	66.8 %
Avg Mail MSB Plan Cost/Rx	\$43.58	\$47.40	-8.1 %
Avg GEN Plan Cost/Rx	\$13.67	\$15.33	-10.8 %
Avg Retail GEN Plan Cost/Rx	\$13.51	\$15.09	-10.6 %
Avg Mail GEN Plan Cost/Rx	\$32.97	\$44.26	-25.5 %
% Single-Source Brand Rxs	25.9 %	28.4 %	-9.0 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-5.4 %
% Generic Rxs	73.2 %	70.6 %	3.7 %
% Retail Single-Source Brand	25.8 %	28.4 %	-9.0 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-6.0 %
% Retail Generic	73.2 %	70.6 %	3.7 %
% Mail Single-Source Brand	32.2 %	34.9 %	-7.9 %
% Mail Multi-Source Brand	1.3 %	0.7 %	90.3 %
% Mail Generic	66.5 %	64.4 %	3.3 %
% Formulary Rxs	94.0 %	93.5 %	0.5 %
% Retail Formulary Rxs	94.0 %	93.5 %	0.5 %
% Mail Formulary Rxs	92.6 %	92.7 %	-0.2 %
% DAW Rxs	0.5 %	0.6 %	-8.9 %
% Retail DAW Rxs	0.5 %	0.6 %	-5.6 %
% Mail DAW Rxs	0.7 %	1.6 %	-57.0 %
% Generic Conversion	98.7 %	98.6 %	0.1 %
% Retail GEN Conversion	98.7 %	98.6 %	0.1 %
% Mail GEN Conversion	98.1 %	98.9 %	-0.9 %
<b>Period Totals</b>			
Total Plan Cost	\$11,408,104.83	\$11,091,430.12	2.9 %
Retail Plan Cost	\$11,204,079.37	\$10,885,163.15	2.9 %
Mail Plan Cost	\$204,025.46	\$206,266.97	-1.1 %
Total Member Contribution	\$2,382,673.18	\$2,375,676.50	0.3 %



# Key Performance Indicators

Comprehensive Indicators  
WVA - WV Public Employees Ins

Current Period: 05/2009 - 05/2009  
Previous Period: 05/2008 - 05/2008

	Current Period	Previous Period	
Retail Member Contrib	\$2,345,477.41	\$2,338,651.95	0.3 %
Mail Member Contrib	\$37,195.77	\$37,024.55	0.5 %
<b>Total Rx Count</b>	<b>220,857</b>	<b>211,883</b>	<b>4.2 %</b>
Retail Rx Count	218,830	209,886	4.3 %
Member Submit Rxs	18	104	-82.7 %
Mail Rx Count	1,989	1,893	5.1 %
<b>Total Admin Fee</b>	<b>\$45.00</b>	<b>\$1,177.50</b>	<b>-96.2 %</b>
<b>Total UC Savings</b>	<b>\$10,260,944.80</b>	<b>\$8,669,202.61</b>	<b>18.4 %</b>
<b>Total Lost Savings</b>	<b>\$25,433.30</b>	<b>\$13,648.77</b>	<b>86.3 %</b>
<b>Demographics</b>			
Average Age	39.1	39.0	0.2 %
% Male Members	46.5 %	46.5 %	0.1 %
% Female Members	53.5 %	53.5 %	-0.1 %

## Graphs based on Current Period: 05/2009 - 05/2009

Claim Source by Rx Count



■ Mail ■ Mem... ■ Retail

Drug Type by Plan Cost



■ Gen... ■ MS... ■ SS...

Formulary Status by Rx Count



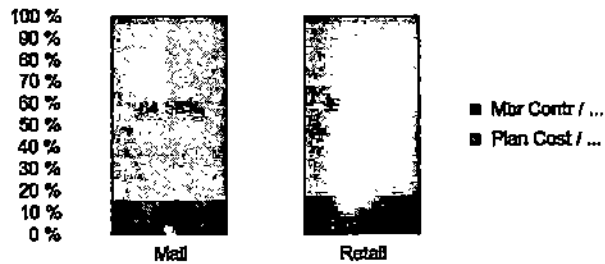
■ For... ■ Non...

Drug Formulary Status by Plan Cost



■ Bra... ■ Bra... ■ Gen...

Cost Share Distribution by Claim Source



# Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 06/2009 - 05/2009



EXPRESS SCRIPTS®

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	314	181	898	\$43,652	\$11.69	\$73.00	2.2 %	88.2 %	83.6 %	89.0 %	\$139.02
NON STATE AGENCIES (02)	18,432	8,048	23,443	\$1,123,008	\$10.28	\$47.80	0.9 %	74.2 %	84.6 %	89.0 %	\$60.93
NON STATE AGENCIES PLAN B (02B)	2,322	907	2,388	\$93,378	\$11.04	\$39.10	1.2 %	78.4 %	85.4 %	89.8 %	\$40.21
NON STATE RETIREES (08)	1,388	918	3,703	\$178,385	\$10.40	\$48.45	1.5 %	72.9 %	84.7 %	89.0 %	\$128.51
NON STATE RETIREES 60 (0860)	27	21	77	\$3,484	\$1.57	\$45.38	0.0 %	80.5 %	83.5 %	100.0 %	\$129.41
STATE AGENCIES (01)	121,107	64,214	153,600	\$7,913,041	\$10.75	\$51.55	0.8 %	73.2 %	83.8 %	88.7 %	\$65.34
STATE AGENCIES (01B)	4,050	1,118	2,465	\$93,916	\$13.81	\$38.10	1.3 %	75.9 %	83.0 %	88.4 %	\$23.18
STATE RETIREES (07)	14,482	9,612	34,203	\$1,935,944	\$11.26	\$58.80	1.2 %	71.7 %	84.1 %	88.6 %	\$133.58
STATE RETIREES ASST 80 (0760)	121	93	480	\$22,278	\$1.82	\$46.41	1.7 %	77.1 %	86.5 %	88.7 %	\$184.12
TEST GROUP (17022)	2	NA	NA	\$0	NA	NA	NA	NA	NA	NA	NA
<b>Grand Total</b>	<b>162,263</b>		<b>220,857</b>	<b>\$11,408,105</b>	<b>\$10.79</b>	<b>\$51.55</b>	<b>0.9 %</b>	<b>73.2 %</b>	<b>84.0 %</b>	<b>88.7 %</b>	<b>\$70.31</b>



# *Monthly Management Report*

**TOTAL CLAIMS**

**MAY 2009**

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

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	237,927.12	192,532.33	252,952.89	147,383.39	2,160,005.57	1,625,920.54
	MATERNITY	276,136.82	166,339.01	212,574.33	153,962.03	1,852,263.30	1,731,708.73
	MEDICAL AND SURGICAL	8,308,867.87	6,396,971.97	8,549,619.80	5,657,791.62	68,730,334.00	65,307,418.23
	NEONATAL COMPLICATIONS	36,107.03	41,472.88	43,616.62	44,028.19	460,538.93	488,781.80
	***** sum		8,859,038.84	6,797,316.18	9,058,763.64	6,003,165.23	73,203,141.80
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	47,407.37	42,737.68	58,392.17	33,622.62	456,829.89	395,556.98
	DIALYSIS	165,476.81	125,286.03	227,009.42	132,963.84	1,326,863.97	1,582,510.21
	EMERGENCY ROOM	758,102.88	491,936.26	674,555.12	429,516.50	5,473,941.32	4,921,030.32
	MATERNITY	52,650.82	45,942.76	74,093.79	42,294.81	485,970.00	497,402.64
	MEDICAL AND SURGICAL	12,101,479.80	7,875,193.16	11,601,066.56	6,966,028.21	86,860,965.00	81,633,224.95
***** sum		13,125,117.68	8,981,095.88	12,635,117.06	7,604,425.98	94,604,570.18	89,029,725.10
PHARMACY	PRESCRIPTION DRUGS	10,519,097.76	10,568,065.61	12,170,919.76	9,724,728.34	115,063,570.54	106,216,362.24
***** sum		10,519,097.76	10,568,065.61	12,170,919.76	9,724,728.34	115,063,570.54	106,216,362.24
PROFESSIONAL SERVICES	ADVANCED IMAGING	604,493.20	534,015.43	722,541.41	527,319.64	5,659,258.20	5,930,891.04
	AMBULANCE	212,346.52	202,887.70	300,402.11	168,033.28	2,094,375.13	1,982,987.86
	ANESTHESIA	956,041.15	681,764.83	918,218.68	656,325.52	7,527,177.20	7,434,705.34
	BEHAVIORAL	413,346.62	319,493.55	430,190.16	313,887.79	3,459,682.69	3,480,737.21
	CARDIOVASCULAR MEDICINE	494,710.98	365,554.95	493,135.58	362,803.46	3,966,792.24	3,970,805.16
	CERVICAL CANCER SCREENING	19,857.74	18,000.70	21,101.07	21,541.88	196,620.11	236,689.37
	DIALYSIS	16,799.40	6,670.09	6,785.97	4,900.31	82,806.67	51,180.43
	DME	536,829.53	406,479.04	414,484.13	392,282.36	4,513,226.06	4,315,766.84

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  
 MAY 2009

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		FEIA Payments	Rolling Avg FEIA Payments	FEIA Payments	Rolling Avg FEIA Payments	FEIA Payments	FEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	5,840,494.57	4,504,230.84	5,271,085.68	4,271,503.31	50,321,233.78	47,843,871.61
	IMMUNIZATION	280,745.79	304,527.96	264,504.64	303,389.69	3,431,892.40	3,385,186.21
	INJECTION	907,766.25	770,235.94	902,359.38	686,272.77	8,370,417.83	7,687,264.91
	LAB AND PATHOLOGY	1,042,903.91	677,942.30	913,183.17	631,426.13	7,487,629.07	7,005,907.12
	MAMMOGRAPHY	79,819.62	77,833.62	83,101.83	94,144.14	863,014.95	1,035,242.68
	OTHER	554,558.16	428,672.51	408,203.01	368,858.83	4,836,410.36	4,150,831.86
	OTHER IMAGING	1,106,202.83	736,119.00	885,296.31	792,722.86	8,230,984.58	8,659,309.86
	OTHER MEDICINE	792,723.39	706,986.60	739,763.80	699,908.53	7,838,989.82	7,898,646.70
	PHYSICAL MEDICINE	841,068.17	597,005.80	750,297.49	554,891.68	6,621,430.59	6,260,684.73
	PROSTATE CANCER SCREENING	13,672.53	15,705.37	20,871.51	14,417.31	159,790.90	156,511.88
	SURGICAL	3,249,483.68	2,437,001.32	3,124,217.96	2,399,483.24	26,599,217.80	26,865,382.26
*****							
sum		17,963,864.04	13,791,127.53	16,669,745.89	13,264,112.72	152,260,950.58	148,352,602.77
sum		50,467,118.32	39,737,605.21	50,534,546.35	36,996,432.27	435,132,233.10	412,752,519.41

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

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*Monthly Management Report*  
**PER CAPITA CLAIMS**

**MAY 2009**

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS  
 MAY 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	1.5280	1.3078	1.6781	1.0329	14.0611	10.9385
	MATERNITY	1.7734	1.1311	1.4102	1.0780	12.0577	11.6502
	MEDICAL AND SURGICAL	53.3622	43.5148	56.7192	39.8974	447.4165	439.3619
	NEONATAL COMPLICATIONS	.2319	.2826	.2894	.3084	2.9980	3.2883
*****							
sum		56.8956	46.2363	60.0969	42.0167	476.5333	465.2390
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.3043	.2906	.3874	.2352	2.9738	2.6611
	DIALYSIS	1.0627	.8521	1.5060	.9304	8.6375	10.6465
	EMERGENCY ROOM	4.8688	3.3429	4.4751	3.0060	35.6339	33.1067
	MATERNITY	.3381	.3124	.4915	.2958	3.1635	3.3463
	MEDICAL AND SURGICAL	77.7196	53.5468	76.9628	48.7471	565.4422	549.1954
*****							
sum		84.2937	58.3447	83.8228	53.2145	615.8510	598.9560
PHARMACY	PRESCRIPTION DRUGS	67.5570	71.7868	80.7433	68.0710	749.0338	714.5808
*****							
sum		67.5570	71.7868	80.7433	68.0710	749.0338	714.5808
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.8822	3.6329	4.7934	3.6914	36.8403	39.9006
	AMBULANCE	1.3638	1.3804	1.9929	1.1770	13.6338	13.3407
	ANESTHESIA	6.1400	4.6365	6.0916	4.5965	49.0000	50.0177
	BEHAVIORAL	2.6546	2.1714	2.8539	2.1966	22.5216	23.4170
	CARDIOVASCULAR MEDICINE	3.1772	2.4862	3.2715	2.5401	25.8228	26.7140
	CERVICAL CANCER SCREENING	.1275	.1223	.1400	.1509	1.2799	1.5924
	DIALYSIS	.1079	.0452	.0450	.0344	.5390	.3443
	DME	3.4477	2.7625	2.7497	2.7457	29.3799	29.0347
	*****						

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

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

Page: 2

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	37.5095	30.6079	34.9690	29.8928	327.5781	321.8743
	IMMUNIZATION	1.8030	2.0679	1.7548	2.1241	22.3407	22.7742
	INJECTION	5.8300	5.2359	5.9864	4.8050	54.4892	51.7168
	LAB AND PATHOLOGY	6.6979	4.6080	6.0582	4.4195	48.7425	47.1329
	MAMMOGRAPHY	.5126	.5293	.5513	.6596	5.6180	6.9647
	OTHER	3.5615	2.9139	2.7081	2.5819	31.4838	27.9251
	OTHER IMAGING	7.1044	5.0022	5.8732	5.5489	59.5816	58.2563
	OTHER MEDICINE	5.0911	4.8024	4.9077	4.8991	51.0298	53.1389
	PHYSICAL MEDICINE	5.4016	4.0567	4.9776	3.8827	43.1038	42.1194
	PROSTATE CANCER SCREENING	.0878	.1069	.1385	.1010	1.0402	1.0529
	SURGICAL	20.8692	16.5733	20.7264	16.7976	173.1540	180.7394
*****							
sum		115.3697	93.7421	110.5890	92.8450	991.1790	998.0564
sum		324.1159	270.1098	335.2520	256.1472	2,832.5971	2,776.8323

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

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# *Monthly Management Report*

**PER CAPITA UTILIZATION**

**MAY 2009**

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 MAY 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	.0008	.0015	.0063	.0068
	MATERNITY	.0014	.0011	.0092	.0094
	MEDICAL AND SURGICAL	.0120	.0107	.0934	.0930
	NEONATAL COMPLICATIONS	.0001	.0004	.0022	.0035
	***** sum	.0144	.0137	.1111	.1127
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0032	.0034	.0300	.0292
	DIALYSIS	.0035	.0040	.0337	.0355
	EMERGENCY ROOM	.0330	.0322	.2650	.2779
	MATERNITY	.0024	.0030	.0229	.0257
	MEDICAL AND SURGICAL	.2682	.2818	2.2544	2.3257
***** sum	.3102	.3243	2.6060	2.6941	
PHARMACY	PRESCRIPTION DRUGS	.9013	1.0537	10.3843	10.1156
***** sum		.9013	1.0537	10.3843	10.1156
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0279	.0271	.2570	.2589
	AMBULANCE	.0043	.0052	.0420	.0454
	ANESTHESIA	.0250	.0240	.2152	.2114
	BEHAVIORAL	.0450	.0482	.4211	.4416
	CARDIOVASCULAR MEDICINE	.0416	.0393	.3780	.3707
	CERVICAL CANCER SCREENING	.0052	.0056	.0526	.0695
	DIALYSIS	.0008	.0003	.0043	.0044
	DME	.0283	.0268	.2660	.2744
	EVALUATION AND MANAGEMENT	.5938	.5661	5.4264	5.4888
	IMMUNIZATION	.0219	.0181	.4216	.3821

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

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 MAY 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	.0333	.0319	.3038	.3069
	LAB AND PATHOLOGY	.1910	.1872	1.7695	1.8565
	MAMMOGRAPHY	.0173	.0179	.1830	.1917
	OTHER	.0408	.0375	.4145	.3799
	OTHER IMAGING	.1171	.1075	1.0443	1.0678
	OTHER MEDICINE	.0935	.0875	.8462	.8527
	PHYSICAL MEDICINE	.1200	.1237	1.1254	1.1576
	PROSTATE CANCER SCREENING	.0055	.0073	.0656	.0666
	SURGICAL	.0954	.0937	.8803	.8812
*****					
sum		1.5074	1.4550	14.1169	14.3081
sum		2.7334	2.8467	27.2183	27.2305

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

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

**DRAFT**

		<b>May 31</b>	
		<b>(In thousands)</b>	
		<b>2009</b>	<b>2008</b>
<b>ASSETS</b>			
Short Term Assets			
Cash and Equivalents	\$	28,967	\$ 27,450
Advance Deposit with Carrier/Trustee		179,110	158,082
Receivables - Net		678	7,298
Prepaid Insurance		511	533
Total Short Term Assets		<u>209,266</u>	<u>193,363</u>
Long Term Assets			
Investments		103,647	111,906
Total Long Term Assets		<u>103,647</u>	<u>111,906</u>
<b>TOTAL ASSETS</b>		<u><u>312,913</u></u>	<u><u>305,269</u></u>
<b>LIABILITIES</b>			
Short Term Liabilities			
Accounts payable		1,431	6,604
Claims Payable		42	130
OPEB Liability		35	-
Agents Commissions Payable		1,486	1,819
Unearned Revenue		6,331	6,684
Current Estimated Claim Reserve		52,560	53,340
Total Short Term Liabilities		<u>61,885</u>	<u>68,577</u>
Long Term Liabilities			
Compensated Absences		52	200
Estimated Noncurrent Claim Reserve		114,040	110,507
Total Long Term Liabilities		<u>114,092</u>	<u>110,707</u>
<b>TOTAL LIABILITIES</b>		<u>175,977</u>	<u>179,284</u>
Prior Year Net Assets		127,630	97,547
Current Year Earnings		9,306	28,438
<b>TOTAL NET ASSETS</b>		<u>136,936</u>	<u>125,985</u>
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$</b>	<u><u>312,913</u></u>	<b>\$</b> <u><u>305,269</u></u>

DRAFT - Unaudited - Management Purposes Only

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

**DRAFT**

	May 31	
	(In thousands)	
	2009	2008
Operating Revenues		
Premium Revenues	\$ 57,490	\$ 67,433
Less - Excess Insurance	(5,625)	(5,862)
Total Operating Revenues	51,865	61,571
Operating Expenses		
Claims Expense	39,256	39,386
Property & MS Claims Expense	5,094	1,911
Personal Services	1,193	1,210
Operating Expenses	2,634	2,978
Total Operating Expenses	48,177	45,485
Operating Income (Loss)	3,688	16,086
Nonoperating Revenues		
Court Fees	30	27
Investment Income	5,588	12,325
Total Nonoperating Revenues	5,618	12,352
Net income (Loss)	9,306	28,438

DRAFT - Unaudited - Management Purposes Only



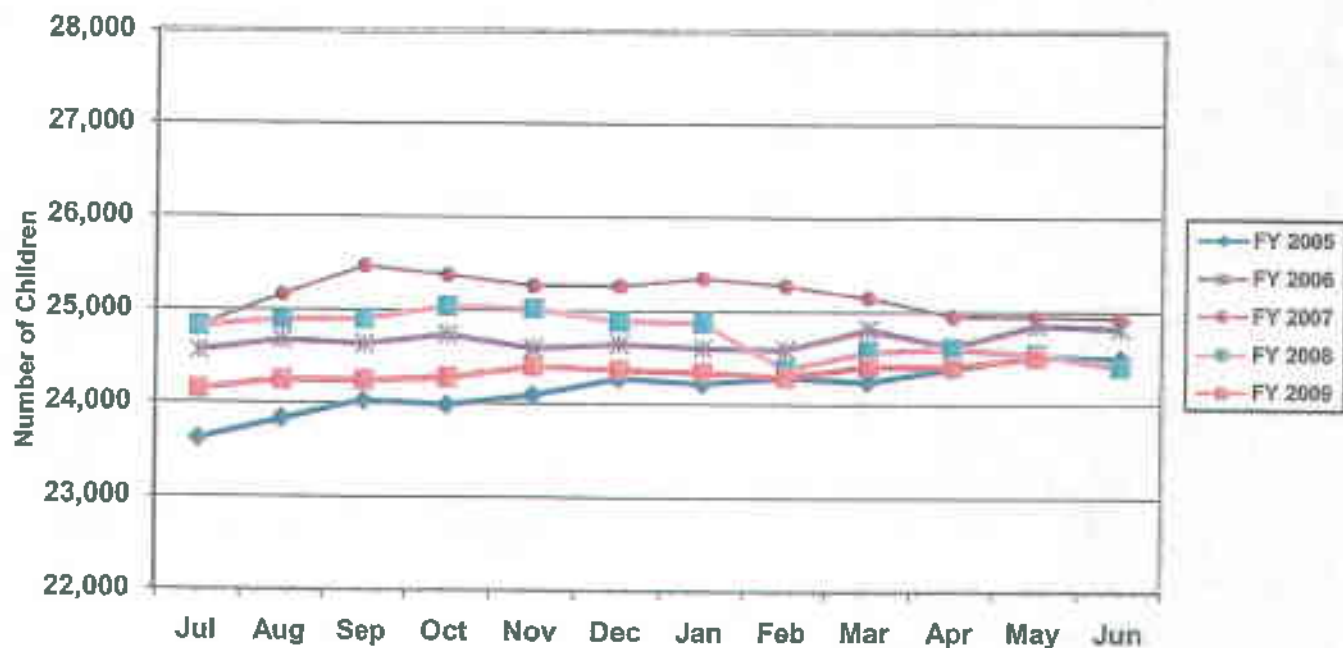


**West Virginia  
Children's Health Insurance Program  
1018 Kanawha Boulevard East  
Suite 209  
Charleston, WV 25301  
Phone: 304-558-2732  
Toll-Free: 1-877-WVA CHIP  
Fax: 304-558-2741  
[www.wvchip.org](http://www.wvchip.org)**

**Joint Committee on  
Government and Finance  
Report**

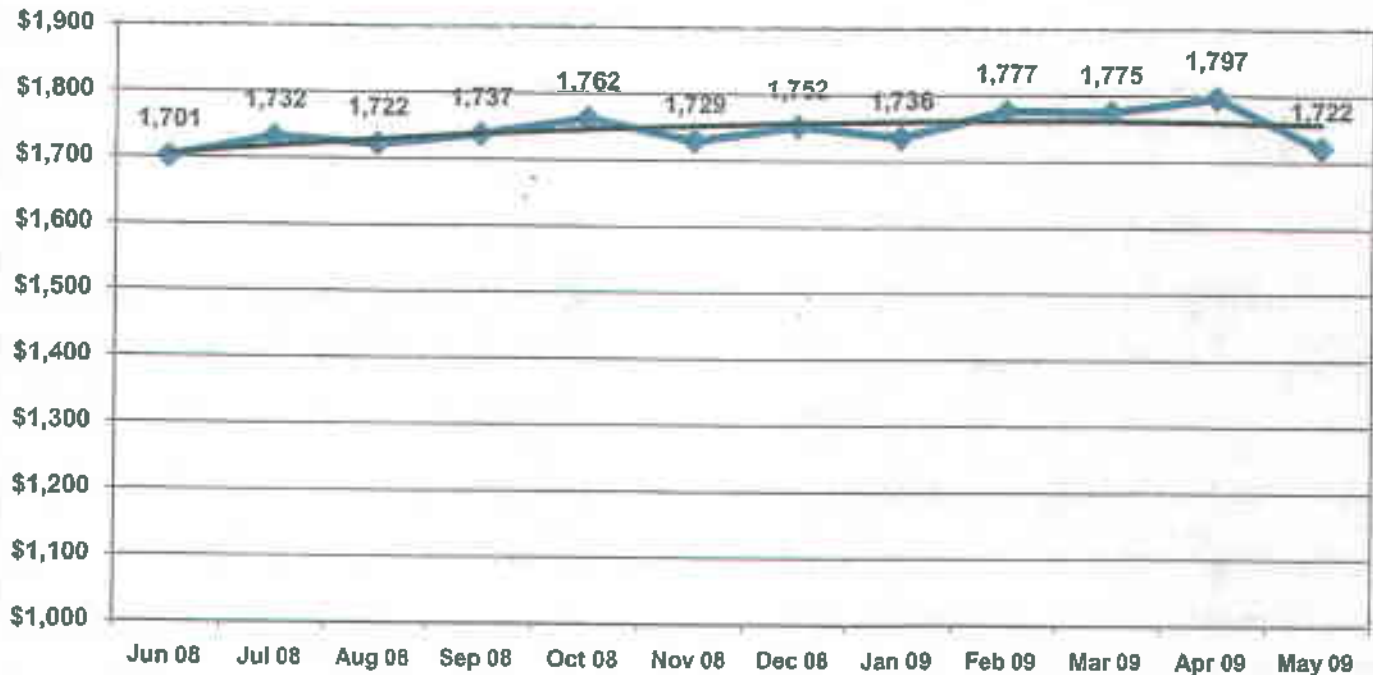
**July 2009**

## WV CHIP Enrollment



June 30, 2009 Enrollment 24,555

## Annualized Health Care Expenditures (Cost per Child)



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

	May 31, 2009	May 31, 2008	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$11,745,616	\$8,154,956	\$3,590,660	44%
Due From Federal Government	\$3,362,332	\$3,234,893	\$127,439	4%
Due From Other Funds	\$809,330	\$711,061	\$98,269	14%
Accrued Interest Receivable	\$3,585	\$18,977	(\$15,392)	-81%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
<b>Total Assets</b>	<b><u>\$15,991,145</u></b>	<b><u>\$12,181,456</u></b>	<b><u>\$3,809,689</u></b>	<b><u>31%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$280,927	\$215,954	\$64,973	30%
Deferred Revenue	\$3,422,947	\$903,576	\$2,519,371	279%
Unpaid Insurance Claims Liability	<u>\$4,120,000</u>	<u>\$3,730,000</u>	<u>\$390,000</u>	<u>10%</u>
<b>Total Liabilities</b>	<b><u>\$7,823,874</u></b>	<b><u>\$4,849,530</u></b>	<b><u>\$2,974,344</u></b>	<b><u>61%</u></b>
Fund Equity	<u>\$8,167,271</u>	<u>\$7,331,926</u>	<u>\$835,345</u>	<u>11%</u>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$15,991,145</u></b>	<b><u>\$12,181,456</u></b>	<b><u>\$3,809,689</u></b>	<b><u>31%</u></b>

## 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 Eleven Months Ending May 31, 2009 and May 31, 2008**  
**(Modified Accrual Basis)**

	May 31, 2009	May 31, 2008	Variance	
<b>Revenues:</b>				
Federal Grants	35,136,679	33,525,643	1,611,036	5%
State Appropriations	10,971,688	10,968,995	2,693	0%
Premium Revenues	130,106	79,851	50,255	63%
Investment Earnings	<u>103,499</u>	<u>222,994</u>	<u>(119,495)</u>	-54%
<b>Total Operating Revenues</b>	<b><u>46,341,972</u></b>	<b><u>44,797,483</u></b>	<b><u>1,544,489</u></b>	<b><u>3%</u></b>
<b>Operating Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	11,188,230	10,296,151	892,079	9%
Physicians & Surgical	9,099,259	8,824,757	274,502	3%
Prescribed Drugs	7,819,219	7,615,090	204,129	3%
Dental	4,583,569	4,524,085	59,484	1%
Inpatient Hospital Services	3,703,712	3,456,762	246,950	7%
Outpatient Mental Health	1,197,639	1,168,824	28,815	2%
Durable & Disposable Med. Equip.	1,113,655	1,036,214	77,441	7%
Inpatient Mental Health	687,328	541,140	146,188	27%
Vision	580,975	586,003	(5,028)	-1%
Therapy	425,518	350,985	74,533	21%
Medical Transportation	327,263	228,280	98,983	43%
Other Services	102,040	88,520	13,520	15%
Less: Collections*	<u>(666,042)</u>	<u>(565,759)</u>	<u>(100,283)</u>	<u>18%</u>
<b>Total Claims</b>	<b><u>40,162,365</u></b>	<b><u>38,151,052</u></b>	<b><u>2,011,313</u></b>	<b><u>5%</u></b>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	450,854	433,789	17,065	4%
Program Administration	1,995,330	1,886,409	108,921	6%
Eligibility	279,995	279,266	729	0%
Outreach & Health Promotion	121,852	80,391	41,461	52%
Current	<u>141,671</u>	<u>119,768</u>	<u>21,903</u>	<u>18%</u>
<b>Total Administrative</b>	<b><u>2,989,702</u></b>	<b><u>2,799,623</u></b>	<b><u>190,079</u></b>	<b><u>7%</u></b>
<b>Total Expenditures</b>	<b><u>43,152,067</u></b>	<b><u>40,950,675</u></b>	<b><u>2,201,392</u></b>	<b><u>5%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	3,189,905	3,846,808	(656,903)	-17%
<b>Fund Equity, Beginning</b>	<b><u>4,977,366</u></b>	<b><u>3,465,118</u></b>	<b><u>1,492,248</u></b>	<b><u>43%</u></b>
<b>Fund Equity, Ending</b>	<b><u>8,167,271</u></b>	<b><u>7,331,926</u></b>	<b><u>835,345</u></b>	<b><u>11%</u></b>

\* 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 Eleven Months Ended May 31, 2009

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	May-09	Apr-09	Mar-09
Projected Cost	\$42,533,167	\$38,988,736	\$40,100,891	(\$1,112,154)	-3%	\$3,544,431	\$3,639,126	\$5,133,053	\$3,835,575
Premiums	136,290	124,933	130,106	(\$5,174)	4%	11,358	\$18,087	\$16,052	15,420
Subrogation & Rebates	<u>530,825</u>	<u>494,658</u>	<u>665,669</u>	<u>(171,042)</u>	<u>32%</u>	<u>44,969</u>	<u>8,186</u>	<u>78,283</u>	<u>86,487</u>
Net Benefit Cost	41,857,252	\$38,369,148	\$39,305,086	(\$935,938)	-2%	3,488,104	3,612,852	5,038,738	3,733,668
Salaries & Benefits	\$515,488	\$472,529	\$450,856	\$21,673	5%	\$42,957	\$40,492	\$40,615	\$40,325
Program Administration	2,080,170	1,906,823	1,888,155	18,668	1%	173,348	179,885	93,944	286,615
Eligibility	318,670	292,114	235,693	56,421	19%	26,558	6,418	0	63,222
Outreach	81,895	75,070	106,846	(31,776)	-42%	6,825	10,870	3,780	17,354
Current Expense	<u>140,400</u>	<u>128,700</u>	<u>130,087</u>	<u>(1,387)</u>	<u>-1%</u>	<u>11,700</u>	<u>8,486</u>	<u>16,774</u>	<u>14,280</u>
Total Admin Cost	\$3,136,822	\$2,875,237	\$2,811,637	\$63,600	2%	\$261,385	\$245,751	\$155,113	\$421,796
Total Program Cost	<u>\$44,993,874</u>	<u>\$41,244,384</u>	<u>\$42,116,723</u>	<u>(\$872,339)</u>	<u>-2%</u>	<u>\$3,749,489</u>	<u>\$3,858,603</u>	<u>\$5,193,851</u>	<u>\$4,155,464</u>
Federal Share 81.98%	36,485,532	\$33,445,071	\$34,407,637	(962,566)	-3%	3,040,461	3,149,006	4,238,702	3,391,274
State Share 18.02%	<u>8,508,342</u>	<u>\$7,799,313</u>	<u>\$7,709,086</u>	<u>90,227</u>	<u>1%</u>	<u>709,028</u>	<u>709,597</u>	<u>955,149</u>	<u>764,190</u>
Total Program Cost **	<u>\$44,993,874</u>	<u>\$41,244,384</u>	<u>\$42,116,723</u>	<u>(\$872,339)</u>	<u>-2%</u>	<u>\$3,749,489</u>	<u>\$3,858,603</u>	<u>\$5,193,851</u>	<u>\$4,155,464</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:

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

# WVCHIP Enrollment Report

ATTACHMENT 1

June 2009

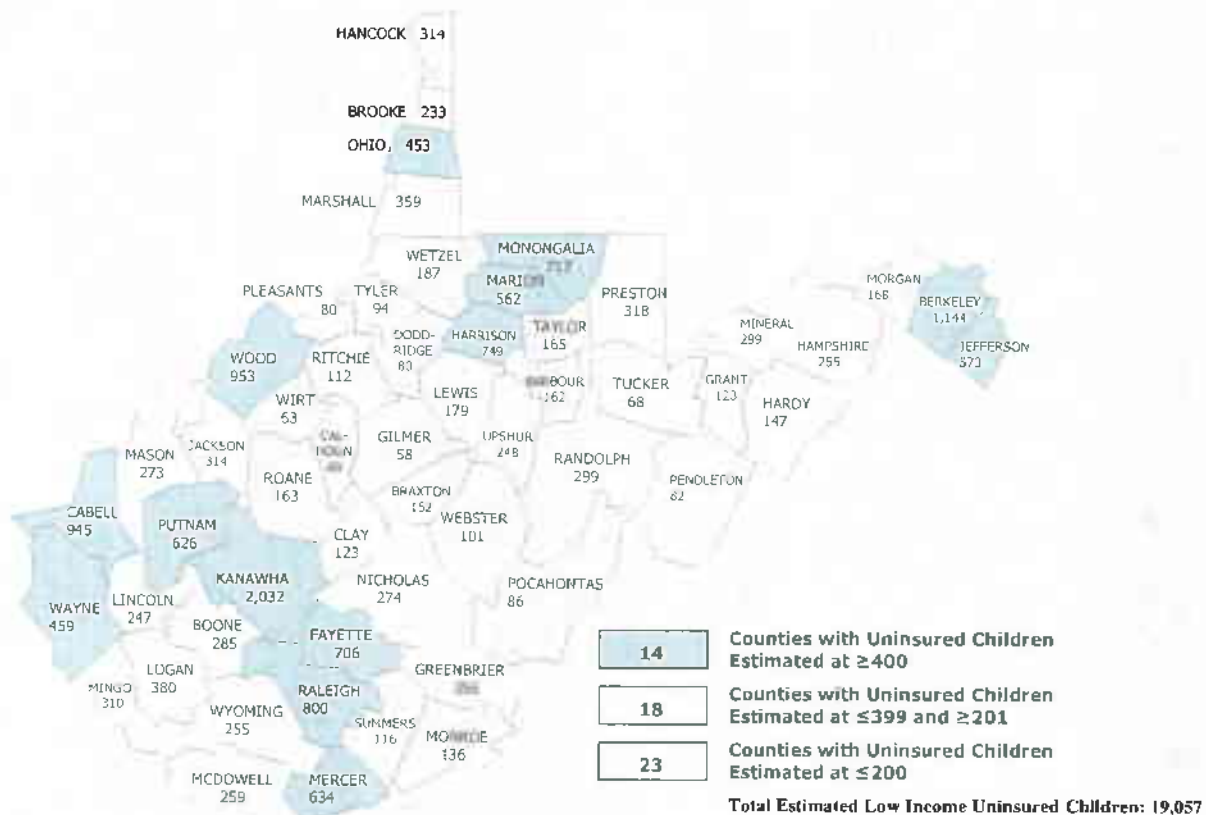
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-09	Total Medicaid Enrollment Jun-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007	2007
						Est. Uninsured 5%	# Children Uninsured Ranking*
Kanawha	40,647	2,203	16,452	18,655	45.9%	2,032	1
Berkeley	22,882	1,281	6,791	8,072	35.3%	1,144	2
Wood	19,063	1,149	7,865	9,014	47.3%	953	3
Cabell	18,900	987	8,052	9,039	47.8%	945	4
Raleigh	15,992	1,259	7,024	8,283	51.8%	800	5
Harrison	14,973	904	5,734	6,638	44.3%	749	6
Monongalia	14,346	740	4,058	4,798	33.4%	717	7
Mercer	12,687	1,088	6,566	7,654	60.3%	634	8
Putnam	12,522	714	3,115	3,829	30.6%	626	9
Jefferson	11,465	425	2,461	2,886	25.2%	573	10
Marion	11,245	717	4,245	4,962	44.1%	562	11
Fayette	9,692	897	4,670	5,567	57.4%	485	12
Wayne	9,176	547	4,063	4,610	50.2%	459	13
Ohio	9,068	552	2,952	3,504	38.6%	453	14
Logan	7,610	555	3,859	4,414	58.0%	380	15
Marshall	7,176	355	2,705	3,060	42.6%	359	16
Greenbrier	7,110	583	2,820	3,403	47.9%	356	17
Preston	6,354	478	2,313	2,791	43.9%	318	18
Jackson	6,277	378	2,511	2,889	46.0%	314	19
Hancock	6,270	354	2,319	2,673	42.6%	314	20
Mingo	6,204	392	3,053	3,445	55.5%	310	21
Mineral	5,973	294	1,967	2,261	37.9%	299	22
Randolph	5,971	447	2,556	3,003	50.3%	299	23
Boone	5,706	303	2,500	2,803	49.1%	285	24
Nicholas	5,478	412	2,534	2,946	53.8%	274	25
Mason	5,461	293	2,542	2,835	51.9%	273	26
McDowell	5,170	370	3,321	3,691	71.4%	259	27
Hampshire	5,110	278	2,014	2,292	44.9%	255	28
Wyoming	5,092	403	2,570	2,973	58.4%	255	29
Upshur	4,956	437	2,234	2,671	53.9%	248	30
Lincoln	4,945	394	2,526	2,920	59.1%	247	31
Brooke	4,658	306	1,495	1,801	38.7%	233	32
Wetzel	3,732	200	1,626	1,826	48.9%	187	33
Lewis	3,577	299	1,728	2,027	56.7%	179	34
Morgan	3,365	252	1,167	1,419	42.2%	166	35
Taylor	3,307	237	1,361	1,598	48.3%	165	36
Roane	3,266	271	1,690	1,961	60.0%	163	37
Barbour	3,248	294	1,498	1,792	55.2%	162	38
Braxton	3,044	190	1,536	1,726	56.7%	152	39
Hardy	2,950	148	1,145	1,293	43.8%	147	40
Monroe	2,728	188	1,055	1,243	45.6%	136	41
Grant	2,463	150	943	1,093	44.4%	123	42
Clay	2,454	198	1,403	1,601	65.2%	123	43
Summers	2,322	214	1,128	1,342	57.8%	116	44
Ritchie	2,234	150	951	1,101	49.3%	112	45
Webster	2,020	182	1,144	1,326	65.7%	101	46
Tyler	1,887	126	783	909	48.2%	94	47
Pocahontas	1,717	142	662	804	46.8%	86	48

# WVCHIP Enrollment Report

ATTACHMENT 1

June 2009

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-09	Total Medicaid Enrollment Jun-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Pendleton	1,632	101	466	567	34.8%	82	49
Doddridge	1,607	135	718	853	53.1%	80	50
Pleasants	1,593	96	533	629	39.5%	80	51
Calhoun	1,389	127	854	981	70.6%	69	52
Tucker	1,354	150	497	647	47.8%	68	53
Wirt	1,268	109	537	646	51.0%	63	54
Gilmer	1,154	101	542	643	55.7%	58	55
<b>Totals</b>	<b>382,490</b>	<b>24,555</b>	<b>153,854</b>	<b>178,409</b>	<b>46.6%</b>	<b>19,125</b>	



**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

*JULY 2009*

Department of Administration

State Children's Health Insurance Program  
UPDATE





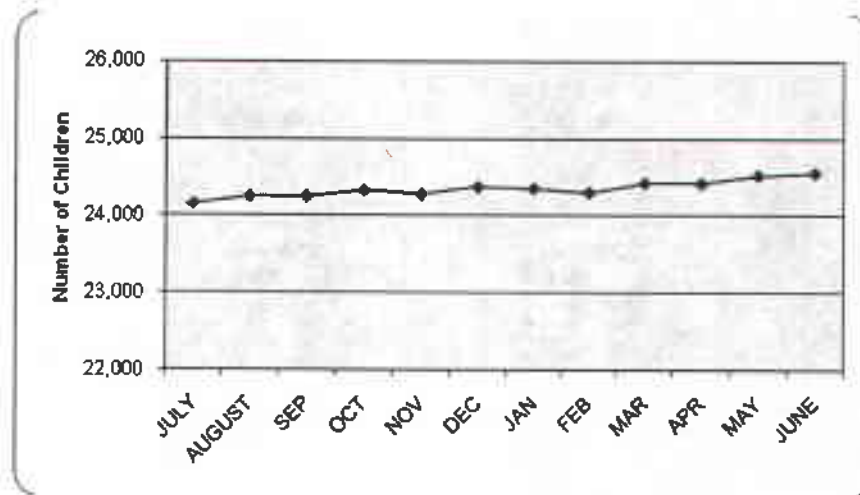
# WV CHILDREN'S HEALTH INSURANCE AGENCY

## REPORT FOR JULY 2009

### I. Enrollment on June 2009: 24,555

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: July 2008 through June 2009



Enrollee Totals: April 2009 to June 2009

Month	Total	I Year	Total
April	1,884	Average	1,850
May	1,771	High	2,084
June	1,548	Low	1,616

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

Month	Total	I Year	Total
April	710	Average	691
May	648	High	838
June	543	Low	543

### II. Re-enrollment for 3 Month Period: March 2009 to May 2009

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
March	1,985	1,151	58%	253	13%	581	29%
April	1,705	1,098	64%	168	10%	439	26%
May	1,615	994	62%	119	7%	468	29%

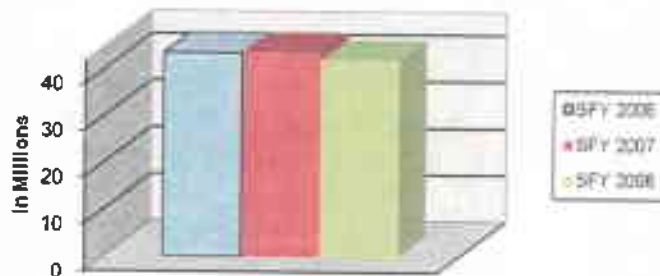
### III. Financial Activity

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

The average annualized claims cost per child for the month ended May 2009 was \$1,855.

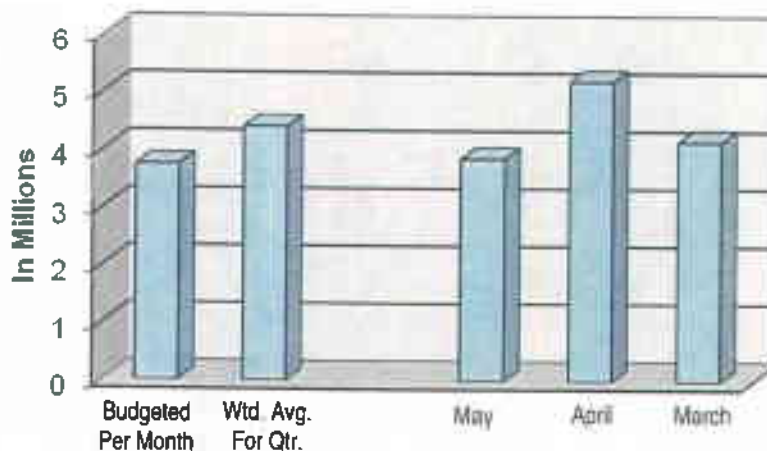
#### Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008

	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
<b>Total Costs</b>	<b>43,574,093</b>	<b>100.00</b>	<b>43,809,481</b>	<b>100.00</b>	<b>42,233,661</b>	<b>100.00</b>



#### Monthly Budgeted and Current 3 Month Period: March 2009 – May 2009

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			May 2009	April 2009	March 2009
Federal	3,040,461	3,592,994	3,149,006	4,238,702	3,391,274
State	709,028	809,645	709,597	955,149	764,190
<b>Total</b>	<b>3,749,489</b>	<b>4,402,639</b>	<b>3,858,603</b>	<b>5,193,851</b>	<b>4,155,464</b>



**IV. Other Highlights**

**New Federal Funding Allotment**

- ◆ In late June, the Centers for Medicare and Medicaid Services announced and made available to states their first allotment under the newly revised CHIP reauthorization funding formula.
- ◆ WVCHIP's revised 2009 federal allotment under the new formula is \$43.26 million in federal funds. This represents an increase of \$18.25 million in federal funds for the coming year.
- ◆ Any unused funds from 2009 may be carried forward by the State for a period of one year before they expire to a new federal fund that will be used for any state that experiences a shortfall.

# WVCHIP Enrollment Report

ATTACHMENT 1

June 2009

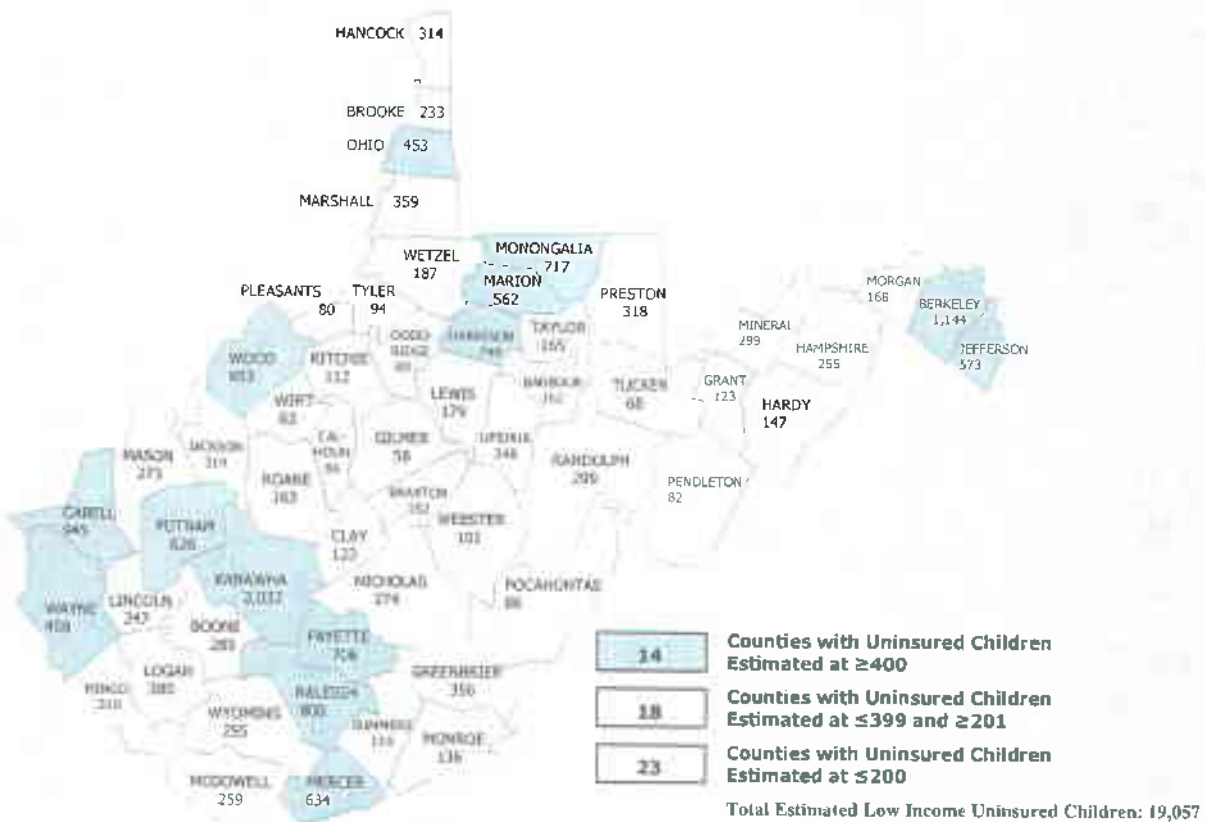
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# WVCHIP Enrollment Report

ATTACHMENT 1

June 2009

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**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 Eleven Months Ending May 31, 2009 and May 31, 2008**  
**(Modified Accrual Basis)**

	May 31, 2009	May 31, 2008	Variance	
<b>Revenues:</b>				
Federal Grants	35,136,679	33,525,643	1,611,036	5%
State Appropriations	10,971,688	10,968,995	2,693	0%
Premium Revenues	130,106	79,851	50,255	63%
Investment Earnings	<u>103,499</u>	<u>222,994</u>	<u>(119,495)</u>	-54%
<b>Total Operating Revenues</b>	<b><u>46,341,972</u></b>	<b><u>44,797,483</u></b>	<b><u>1,544,489</u></b>	<b><u>3%</u></b>
<b>Operating Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	11,188,230	10,296,151	892,079	9%
Physicians & Surgical	9,099,259	8,824,757	274,502	3%
Prescribed Drugs	7,819,219	7,615,090	204,129	3%
Dental	4,583,569	4,524,085	59,484	1%
Inpatient Hospital Services	3,703,712	3,456,762	246,950	7%
Outpatient Mental Health	1,197,639	1,168,824	28,815	2%
Durable & Disposable Med. Equip.	1,113,655	1,036,214	77,441	7%
Inpatient Mental Health	687,328	541,140	146,188	27%
Vision	580,975	586,003	(5,028)	-1%
Therapy	425,518	350,985	74,533	21%
Medical Transportation	327,263	228,280	98,983	43%
Other Services	102,040	88,520	13,520	15%
Less: Collections*	<u>(666,042)</u>	<u>(565,759)</u>	<u>(100,283)</u>	<u>18%</u>
<b>Total Claims</b>	<b><u>40,162,365</u></b>	<b><u>38,151,052</u></b>	<b><u>2,011,313</u></b>	<b><u>5%</u></b>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	450,854	433,789	17,065	4%
Program Administration	1,995,330	1,886,409	108,921	6%
Eligibility	279,995	279,266	729	0%
Outreach & Health Promotion	121,852	80,391	41,461	52%
Current	<u>141,671</u>	<u>119,768</u>	<u>21,903</u>	<u>18%</u>
<b>Total Administrative</b>	<b><u>2,989,702</u></b>	<b><u>2,799,623</u></b>	<b><u>190,079</u></b>	<b><u>7%</u></b>
<b>Total Expenditures</b>	<b><u>43,152,067</u></b>	<b><u>40,950,675</u></b>	<b><u>2,201,392</u></b>	<b><u>5%</u></b>
<b>Excess of Revenues</b>				
Over (Under) Expenditures	3,189,905	3,846,808	(656,903)	-17%
<b>Fund Equity, Beginning</b>	<b><u>4,977,366</u></b>	<b><u>3,485,118</u></b>	<b><u>1,492,248</u></b>	<b><u>43%</u></b>
<b>Fund Equity, Ending</b>	<b><u>8,167,271</u></b>	<b><u>7,331,926</u></b>	<b><u>835,345</u></b>	<b><u>11%</u></b>

\* 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  
May 2009 and 2008  
(Accrual Basis)**

	May 31, 2009	May 31, 2008	Variance	
<b>Assets:</b>				
Cash & Cash Equivalents	\$11,745,616	\$8,154,956	\$3,590,660	44%
Due From Federal Government	\$3,362,332	\$3,234,893	\$127,439	4%
Due From Other Funds	\$809,330	\$711,061	\$98,269	14%
Accrued Interest Receivable	\$3,585	\$18,977	(\$15,392)	-81%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
<b>Total Assets</b>	<b><u>\$15,991,145</u></b>	<b><u>\$12,181,456</u></b>	<b><u>\$3,809,689</u></b>	<b><u>31%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$280,927	\$215,954	\$64,973	30%
Deferred Revenue	\$3,422,947	\$903,576	\$2,519,371	279%
Unpaid Insurance Claims Liability	<u>\$4,120,000</u>	<u>\$3,730,000</u>	<u>\$390,000</u>	<u>10%</u>
<b>Total Liabilities</b>	<b><u>\$7,823,874</u></b>	<b><u>\$4,849,530</u></b>	<b><u>\$2,974,344</u></b>	<b><u>61%</u></b>
Fund Equity	<u>\$8,167,271</u>	<u>\$7,331,926</u>	<u>\$835,345</u>	<u>11%</u>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$15,991,145</u></b>	<b><u>\$12,181,456</u></b>	<b><u>\$3,809,689</u></b>	<b><u>31%</u></b>

**PRELIMINARY FINANCIAL STATEMENTS**

Unaudited - For Management Purposes Only - Unaudited

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

<b>Investment Account</b>
---------------------------

Funds Invested	\$10,702,497
Interest Earned	<u>103,499</u>
<b>Total</b>	<b><u>\$10,805,996</u></b>

Unaudited - For Management Purposes Only - Unaudited



## **Department of Administration Real Estate Division Leasing Report**

For the period of June 1, 2009 through June 30, 2009

### **NEW CONTRACT OF LEASE**

#### **DIVISION OF NATURAL RESOURCES**

**NAT-130** New contract of lease for 1 year consisting of one boat slip at the current annual rate of \$1,133.04, with the Huntington Yacht Club, in the City of Huntington, West Virginia.

#### **EDUCATION AND STATE EMPLOYEES GRIEVANCE BOARD**

**EGB-014** New contract of lease for 1 year containing 5,691 square feet of office space at the current annual PSF rate or \$7.38, with Margaret Workman, in the City of Charleston, Kanawha County, West Virginia.

### **STRAIGHT RENEWALS**

#### **DIVISION OF NATURAL RESOURCES**

**NAT-121** Renewal for 2 years consisting of land at the current annual rate of \$350.00, with Charles R. Herriott in the City of Springfield, Hampshire County, West Virginia.

#### **EDUCATIONAL BROADCASTING AUTHORITY**

**EBA-072** Renewal for 3 years consisting of a tower/monitoring site at the current monthly rate of \$160.00, with Zane Hammack dba Hammack Communications, in the City of Beverly, Randolph County, West Virginia.

#### **WEST VIRGINIA STATE POLICE**

**PSA-098** Renewal for 1 year containing 1,000 square feet of office space at the current annual PSF rate of \$11.40, full service including parking, with Donnie W. Turner in the City of Bluefield, Mercer County, West Virginia.

**PSA-050** Renewal for 2 years containing 1,136 square feet of office space at the current annual PSF rate of \$6.34, including electric, with Raymond L. and Kathryn M. Baker in the City of Grantsville, Calhoun County, West Virginia.

**STRAIGHT RENEWALS-DEPARTMENT OF ADMINISTRATION**

**DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-133** Renewal for 8 months containing 30,902 square feet of office space at the current annual PSF rate of \$14.75, full service, with the Department of Administration in the City of Beckley, Raleigh County, West Virginia.

**RENEWAL/RENT INCREASE**

**SOUTHERN WEST VIRGINIA COMMUNITY AND TECHNICAL COLLEGE**

**SWV-014** Renewal for 1 year containing 3,900 square feet of office space with an increase in rent from \$0.92 annual PSF rate to \$1.08 annual PSF rate, including water, sewer, trash and janitorial services, with Hill Realty, Inc. in the City of Logan, Logan County, West Virginia.

**REAL ESTATE COMMISSION**

**REC-002** Renewal for 5 years containing 3,606 square feet of office space with an increase in rent from \$11.25 annual PSF rate to \$12.37 annual PSF rate, full service, with KVB Partners in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF CORRECTIONS**

**COR-050** Renewal for 1 year containing 1,316 square feet of office space with an increase in rent from \$10.50 annual PSF rate to \$12.00 annual PSF rate, full service excluding janitorial service, with David P. Moore and Carol Sue Moore, and David K. Moore and Dianna J. Moore, in the City of Ripley, Jackson County, West Virginia.

**STATE TAX DEPARTMENT**

**TAX-039** Renewal for 5 years containing 256 square feet of office space with an increase in rent from \$10.08 annual PSF rate to \$18.75 annual PSF rate, full service, with Hill Properties, LLC in the City of Lewisburg, Greenbrier County, West Virginia.

**WV BOARD OF EXAMINERS FOR SPEECH, PATHOLOGY, AND AUDIOLOGY**

**SPA-001** Renewal for 5 years containing 768 square feet of office space with an increase in rent from \$10.16 annual PSF rate to \$10.94 annual PSF rate, full service, with the Upshur County Development Authority, in the City of Buckhannon, Upshur County, West Virginia.

**CONTINUATION OF RENEWAL/RENT INCREASE**

**WEST VIRGINIA STATE POLICE**

**PSA-067** Renewal for 3 years consisting of a tower/monitoring site with an increase in rent from \$100.00 per month to \$125.00 per month, including electric, with Miller Communication, Inc., in the City of Vienna, Wood County, West Virginia.

**WORKFORCE WEST VIRGINIA**

**WWV-013-SUB** Sub-lease renewal for 6 months containing 5,209 square feet of office space with an increase in rent from \$12.50 annual PSF rate to \$13.60 annual PSF rate, full service, with WORK4WV-Region 1, Inc., in the City of Beckley, Raleigh County, West Virginia.

**RENEWAL/INCREASE SQUARE FOOTAGE**

**WORKFORCE WEST VIRGINIA**

**WWV-010** Renewal for 1 year increasing square footage from 1,376 square feet to 1,577 square feet at the current annual PSF rate of \$11.00, full service, with Aide's Discount Store Inc., in the City of Fairlea, Greenbrier County, West Virginia.

**INCREASE SQUARE FOOTAGE**

**WORKFORCE WEST VIRGINIA**

**WWV-005** Increase square footage from 317 to 1,361 square feet of office space at the current annual PSF rate of \$14.60, full service, with Berkley Business Park Associates, LC., in the City of Martinsburg, Berkeley County, West Virginia.

**NON-RENEWAL**

**NEW RIVER COMMUNITY AND TECHNICAL COLLGE**

**NRC-008** New River Community and Technical College no longer needs space located in the library at the Nicholas County Campus. Lease expires June 30, 2009.

**Joint Committee on Government and Finance**

**June 2009**

**Department of Health and Human Resources**

**MEDICAID REPORT**

April 2009 Data

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

MONTH OF APRIL 2009

	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2008	SFY2009	Current Month Apr-09	Current Month Apr-08	Year To-Date Thru 04/30/09	04/01/08 Thru 06/30/09
<b>EXPENDITURES:</b>						
Inpatient Hospital Services	224,743,060	233,876,634	18,338,382	19,894,882	218,168,748	23,618,888
Inpatient Hospital Services - DSH Adjustment Payments	55,888,017	57,752,400	-	-	40,848,760	18,905,640
Mental Health Facilities	44,424,999	47,803,433	4,457,720	4,582,337	40,602,849	7,000,784
Mental Health Facilities - DSH Adjustment Payments	18,758,630	18,774,000	-	-	14,078,707	4,697,293
Nursing Facility Services	431,721,637	461,013,786	40,535,284	38,603,829	388,340,870	72,672,916
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	68,149,889	63,658,818	8,888,687	5,203,974	62,469,739	10,608,080
Physicians Services ***	122,768,471	125,182,523	16,588,320	16,187,640	118,608,663	6,863,870
Outpatient Hospital Services	104,588,483	111,471,368	11,580,601	10,728,231	100,741,187	10,730,178
Prescribed Drugs	337,815,160	363,600,438	34,232,220	34,086,279	281,487,979	62,102,467
Drug Rebate Offset - National Agreement	(107,877,904)	(102,165,200)	(28,158,280)	(21,683,688)	(117,283,929)	18,118,729
Drug Rebate Offset - State Sidecar Agreement	(28,028,617)	(31,623,600)	(7,634,381)	(8,773,738)	(29,730,973)	(1,892,627)
Dental Services ***	37,877,318	42,380,682	3,528,602	4,079,731	33,195,861	9,164,711
Other Practitioners Services	28,859,342	28,893,748	2,158,974	2,801,183	16,612,842	10,381,108
Clinic Services	38,381,528	34,754,933	4,338,147	3,344,871	33,183,256	1,558,678
Lab & Radiological Services	8,222,268	9,200,885	1,111,459	690,894	8,342,490	858,396
Home Health Services	29,970,379	31,860,060	3,548,794	3,089,740	27,839,782	4,110,269
Hysterectomies/Sterilizations	615,828	620,120	64,484	60,068	399,045	121,076
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	2,419,032	2,843,119	209,040	263,116	1,894,655	1,049,284
Rural Health Clinic Services	6,710,171	7,433,055	928,657	718,644	6,300,824	1,132,230
Medicare Health Insurance Payments - Part A Premiums	17,124,133	18,671,400	1,413,258	1,638,880	13,770,885	4,900,518
Medicare Health Insurance Payments - Part B Premiums	67,880,223	76,481,100	6,913,435	6,268,425	58,765,425	18,708,678
120% - 134% Of Poverty	4,004,192	-	342,991	-	3,681,468	(3,681,468)
135% - 176% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	-	-	-	-
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	257,013,357	287,842,700	27,137,277	22,328,668	241,158,771	28,783,929
Medicaid Health Insurance Payments: Group Health Plan Payments	338,296	488,200	38,822	44,731	323,780	141,410
Home & Community-Based Services (MR/DD)	218,374,534	260,704,640	20,602,498	25,087,808	184,887,697	65,738,843
Home & Community-Based Services (Aged/Disabled)	68,632,681	88,658,233	7,723,681	8,616,022	66,680,240	21,886,683
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services	37,798,505	42,173,850	3,313,788	4,066,279	31,458,517	10,717,032
Targeted Case Management Services	8,438,816	7,817,608	385,801	754,538	3,691,297	4,228,311
Primary Care Case Management Services	718,208	810,500	47,811	77,933	618,987	291,533
Hospice Benefits	12,383,108	13,460,400	1,315,788	1,294,288	12,083,809	1,396,791
Emergency Services Undocumented Aliens	-	-	8,246	-	8,248	(8,248)
Federally Qualified Health Center	17,475,447	19,888,688	1,573,199	1,887,231	14,424,704	6,181,893
Other Care Services	121,772,650	137,481,167	11,922,870	13,281,942	107,858,280	28,622,887
Less: Recoupments	-	-	(234,688)	-	(234,688)	234,688
<b>NET EXPENDITURES:</b>	<b>2,238,331,734</b>	<b>2,428,523,252</b>	<b>198,084,434</b>	<b>200,024,891</b>	<b>1,888,878,287</b>	<b>439,644,956</b>
Collections: Third Party Liability (line 9A on CMS-84)	(4,696,459)	-	-	-	(3,311,628)	3,311,626
Collections: Probate (line 9B on CMS-84)	(178,773)	-	-	-	(85,937)	85,937
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-84)	(196,610)	-	-	-	(13,241)	13,241
Collections: Other (line 9D on CMS-84)	(4,109,627)	-	-	-	(2,973,875)	2,973,876
<b>NET EXPENDITURES and CMS-84 ADJUSTMENTS:</b>	<b>2,228,261,266</b>	<b>2,428,523,252</b>	<b>198,084,434</b>	<b>200,024,891</b>	<b>1,883,483,619</b>	<b>448,038,633</b>

Plus: Medicaid Part D Expenditures

Plus: State Only Medicaid Expenditures \*\*\*

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables (1)

TOTAL EXPENDITURES

29,322,809	29,268,500	2,824,709	2,831,587	24,912,229	5,069,271
4,078,889	3,634,695	486,086	349,609	3,872,039	(237,144)
2,282,882,843	\$2,463,128,847	\$189,174,228	203,255,987	\$2,012,287,868	\$450,889,799
3,830,907	4,042,871	462,334	388,718	3,912,490	430,241
\$2,286,483,560	\$2,467,169,318	\$189,638,562	203,644,705	\$2,016,880,317	\$451,289,001

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

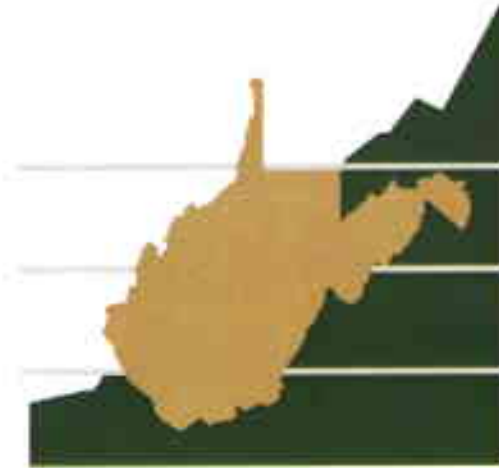
\*\*\* CMS is currently reviewing portions of these payments. Until review is completed these expenditures will be classified as state-only on the CMS-64. With all outside reviews, there is a potential for a portion of these costs to remain state-only if any of them are disallowed.

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

10 Months Actuals      2 Months Remaining

MONTH OF APRIL 2009	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2008	Current Month Ended 4/30/09	Year-To-Date Thru 4/30/09	6/1/2009 Thru 06/30/09	SFY2009
<b>REVENUE SOURCES</b>					
Beg. Bal. (5084/1020 prior mth)	26,493,079	32,729,313	\$34,833,065		\$34,833,065
<b>MATCHING FUNDS</b>					
General Revenue (0403/189)	393,705,687	40,640,959	318,423,769	75,281,918	393,705,687
Rural Hospitals Under 150 Beds (0403/940)	2,596,001	216,334	2,163,334	432,666	2,596,000
Tertiary Funding (0403/547)	4,856,000	404,667	4,046,667	809,333	4,856,000
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	1,917,826	22,190,403	1,182,175	23,372,578
Lottery Transfer (5405/874)	10,300,000	1,800,000	10,300,000	0	10,300,000
Trust Fund Appropriation (5185/189)	14,337,873		19,784,219	10,772,375	30,556,594
Provider Tax (5090/189)	171,383,668	14,000,000	133,798,391	31,861,614	165,660,004
Certified Match	19,347,764	1,474,536	18,903,143	6,302,856	23,205,998
Reimbursables - Amount Reimbursed	3,721,481	277,507	3,278,447	768,224	4,042,671
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	301,154	36,932	361,736	(351,736)	0
CMS - 64 Adjustments	(5,968,538)		1,981,444	-1,981,444	0
<b>TOTAL MATCHING FUNDS</b>	664,346,748	\$93,498,072	\$568,152,608	\$125,075,880	\$693,228,667
<b>FEDERAL FUNDS</b>	1,630,783,428	156,396,598	1,499,522,880	\$299,761,861	\$1,799,274,641
<b>TOTAL REVENUE SOURCES</b>	<b>2,285,130,176</b>	<b>\$248,894,668</b>	<b>\$2,067,675,488</b>	<b>\$424,827,841</b>	<b>\$2,492,503,428</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	2,266,483,550	\$199,638,592	2,015,860,317	\$451,289,001	\$2,467,169,318
<b>TOTAL</b>	<b>28,646,626</b>	<b>\$49,258,106</b>	<b>\$51,795,170</b>		<b>\$25,334,111</b>

Note: FMAP (08' - 74.25% applicable July - Sept. 2008) ( 09' - 73.73% applicable Oct. 2008 - June 2009)  
 (1) This amount will revert to State Only if not reimbursed.



**West Virginia Investment Management Board**

Monthly Performance Report

May 31, 2009



## West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of May 31, 2009

	Asset \$	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>9,040,729,351</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>7,220,873,615</b>	<b>79.9</b>							
Public Employees' Retirement System	3,217,048,890	35.6	6.4	19.0	-16.4	-20.0	-2.8	2.5	3.6
Teachers' Retirement System	3,383,323,256	37.4	6.0	17.9	-16.8	-21.2	-3.4	2.2	3.4
Teachers' Employers Cont. Collection A/C	40,490,569	0.4	0.0	0.1	1.0	1.2	-	-	-
EMS Retirement System	16,461,031	0.2	6.2	18.7	-15.9	-19.5	-	-	-
Public Safety Retirement System	360,228,535	4.0	6.3	18.9	-16.4	-20.1	-2.9	2.4	3.7
Judges' Retirement System	87,713,571	1.0	6.3	18.7	-16.3	-20.0	-2.9	2.5	3.6
State Police Retirement System	39,333,377	0.4	6.2	18.8	-16.0	-19.7	-2.7	2.5	3.6
Deputy Sheriffs' Retirement System	76,274,386	0.8	6.3	18.9	-16.2	-19.8	-2.8	2.5	3.6
<b>Insurance Assets</b>	<b>1,320,807,646</b>	<b>14.6</b>							
Workers' Compensation Old Fund	668,976,431	7.4	5.0	13.9	-10.4	-13.0	-0.2	-	-
Workers' Comp. Self-Insured Guaranty Risk Pool	6,775,724	0.1	0.0	0.1	1.0	1.2	3.7	-	-
Workers' Comp. Uninsured Employers Fund	8,480,969	0.1	0.0	0.1	1.0	1.2	3.7	-	-
Pnuemoconiosis	222,676,468	2.5	4.7	12.3	-8.7	-10.7	0.5	-	-
Board of Risk & Insurance Mgmt.	103,646,918	1.1	4.9	12.7	-5.2	-7.4	1.8	-	-
Public Employees' Insurance Agency	113,524,004	1.3	4.6	11.8	-7.2	-9.0	1.1	-	-
WV Retiree Health Benefit Trust Fund	196,727,132	2.2	4.3	10.8	-0.9	-2.1	-	-	-
<b>Endowment Assets</b>	<b>499,048,090</b>	<b>5.5</b>							
Wildlife Fund	29,766,983	0.3	6.3	18.9	-16.4	-20.7	-2.8	2.5	4.5
Prepaid Tuition Trust	72,416,815	0.8	7.4	22.7	-14.1	-18.5	-1.9	3.1	-
Revenue Shortfall Reserve Fund	162,474,245	1.8	6.3	19.0	-18.2	-22.3	-	-	-
Revenue Shortfall Reserve Fund - Part B	234,390,047	2.6	6.2	18.5	-18.6	-22.8	-	-	-

## West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of May 31, 2009

	Asset \$	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	9,044,926,104	100.00							
Total Equity Composite	4,479,274,511	49.52	9.11	31.16	-25.90	-31.84	-7.28	1.27	2.36
<i>Total Equity Policy Index</i>			<i>9.51</i>	<i>33.14</i>	<i>-28.13</i>	<i>-34.04</i>	<i>-7.93</i>	<i>0.63</i>	<i>1.40</i>
Excess Return			-0.40	-1.98	2.23	2.20	0.65	0.64	0.96
US Equity Composite	2,100,904,596	23.23	4.74	24.25	-28.44	-33.74	-9.16	-1.19	0.71
<i>Russell 3000 Index</i>			<i>5.34</i>	<i>26.62</i>	<i>-26.81</i>	<i>-32.85</i>	<i>-8.40</i>	<i>-1.52</i>	<i>-1.00</i>
Excess Return			-0.60	-2.37	-1.63	-0.89	-0.76	0.33	1.71
Large Cap Composite	1,788,376,615	19.77	4.98	24.34	-27.87	-33.59	-8.83	-1.97	-1.79
<i>S&amp;P 500</i>			<i>5.59</i>	<i>25.83</i>	<i>-26.36</i>	<i>-32.57</i>	<i>-8.24</i>	<i>-1.90</i>	<i>-1.71</i>
Excess Return			-0.61	-1.49	-1.51	-1.02	-0.59	-0.07	-0.08
Non-Large Cap Composite	312,527,981	3.46	3.34	23.81	-30.21	-34.30	-9.76	0.01	4.93
<i>Russell 2500 Index</i>			<i>3.05</i>	<i>29.78</i>	<i>-27.54</i>	<i>-33.45</i>	<i>-9.64</i>	<i>-0.51</i>	<i>4.08</i>
Excess Return			0.29	-5.97	-2.67	-0.85	-0.12	0.52	0.85
International Equity Composite	2,378,369,915	26.30	13.29	37.94	-23.67	-30.32	-4.21	5.69	5.71
<i>MSCI AC World ex USA</i>			<i>13.69</i>	<i>39.76</i>	<i>-29.79</i>	<i>-35.55</i>	<i>-5.04</i>	<i>5.63</i>	<i>3.51</i>
Excess Return			-0.40	-1.82	6.12	5.23	0.83	0.06	2.20
Fixed Income Composite	2,492,333,054	27.56	4.54	10.99	-2.41	-3.24	2.92	3.57	5.63
<i>Fixed Income Policy</i>			<i>1.12</i>	<i>3.70</i>	<i>4.14</i>	<i>3.83</i>	<i>5.94</i>	<i>4.80</i>	<i>5.78</i>
Excess Return			3.42	7.29	-6.55	-7.07	-3.02	-1.23	-0.15
TRS Annuity	198,197,099	2.19	0.37	1.05					
Cash Composite	262,310,692	2.90	0.03	0.13	1.14	1.31	3.71	3.44	3.42
<i>Citigroup 90 Day T-Bill + 15bps</i>			<i>0.03</i>	<i>0.10</i>	<i>0.91</i>	<i>1.05</i>	<i>3.33</i>	<i>3.19</i>	<i>3.34</i>
Excess Return			0.00	0.03	0.23	0.26	0.38	0.25	0.08
Private Equity Composite	480,865,417	5.32	-0.78	-1.02	-22.29	-22.25			
Real Estate Composite	37,511,659	0.41	-0.42	0.92	-19.73	-22.87			
Hedge Funds Composite	1,094,433,672	12.10	2.88	4.94	-8.80				

## West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of May 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	21.5	21.3	3.8	3.8	28.6	25.0	27.4	30.0	6.4	10.0	0.5	0.0	11.5	10.0	0.4	0.0
Teachers' Retirement System	21.6	21.3	3.8	3.8	28.6	25.0	19.1	30.0	6.7	10.0	0.5	0.0	11.2	10.0	2.5	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	20.9	21.3	3.7	3.8	27.7	25.0	27.3	30.0	8.4	10.0	0.5	0.0	9.0	10.0	2.5	0.0
Public Safety Retirement System	21.4	21.3	3.8	3.8	28.6	25.0	27.6	30.0	7.7	10.0	0.6	0.0	10.2	10.0	0.1	0.0
Judges' Retirement System	21.4	21.3	3.8	3.8	28.4	25.0	27.3	30.0	8.2	10.0	0.5	0.0	9.7	10.0	0.6	0.0
State Police Retirement System	21.1	21.3	3.7	3.8	28.0	25.0	27.4	30.0	8.1	10.0	0.5	0.0	9.5	10.0	1.6	0.0
Deputy Sheriffs' Retirement System	21.3	21.3	3.8	3.8	28.3	25.0	27.7	30.0	7.9	10.0	0.5	0.0	9.9	10.0	0.6	0.0

### Insurance Assets

Workers' Compensation Old Fund	13.2	12.8	2.3	2.3	17.6	15.0	38.9	40.0	0.0	0.0	0.0	0.0	18.9	20.0	9.1	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
Pneumoconiosis	8.9	8.5	1.6	1.5	11.9	10.0	54.4	55.0	0.0	0.0	0.0	0.0	19.1	20.0	4.2	5.0
Board of Risk & Insurance Mgmt.	8.9	8.5	1.6	1.5	11.7	10.0	58.8	60.0	0.0	0.0	0.0	0.0	19.0	20.0	0.0	0.0
Public Employees' Insurance Agency	6.7	6.4	1.2	1.1	8.9	7.5	64.1	65.0	0.0	0.0	0.0	0.0	19.1	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	2.2	2.1	0.4	0.3	3.0	2.5	94.4	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

### Endowment Assets

Wildlife Fund	21.3	21.3	3.8	3.8	28.3	25.0	27.8	30.0	7.9	10.0	0.6	0.0	9.8	10.0	0.5	0.0
Prepaid Tuition Trust	25.0	25.5	4.4	4.5	33.2	30.0	36.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.0
Revenue Shortfall Reserve Fund	23.0	25.5	3.5	4.5	30.3	30.0	17.4	20.0	0.0	0.0	0.0	0.0	18.3	20.0	7.6	0.0
Revenue Shortfall Reserve Fund - Part B	22.2	25.5	3.3	4.5	29.8	30.0	17.4	20.0	0.0	0.0	0.0	0.0	18.4	20.0	8.9	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 May 31, 2009

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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

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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 informational purposes only and should not be construed to be an offer to buy or sell any securities, investment consulting, or investment management services.



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# Status Report Workers' Compensation

Joint Committee on  
Government & Finance

7/16/09

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*Provided by the West Virginia Offices of the Insurance Commissioner*



## Old Fund / Debt Reduction

	FY2009	FY2008	Change
<b>Revenues</b>			
Personal Income Tax	95,400,000	95,400,000	-
Severance Tax	125,672,963	124,294,965	1,377,998
Debt Reduction Surcharge	40,115,329	29,662,848	10,452,481
Self-Insured Debt Reduction Surcharge	6,568,235	7,477,936	(909,701)
Video Lottery	11,000,000	11,000,000	-
Employer Premium	2,945,070	2,679,526	265,544
Other Income - Return of Unclaimed Property	39,392	50,460	(11,068)
<b>Total Revenues</b>	<b>281,740,989</b>	<b>270,565,735</b>	<b>11,175,254</b>
Surplus Note Principal Payments	145,000,000	40,000,000	105,000,000
Investment / Interest Earnings (Losses)	(94,861,549)	7,402,971	(102,264,520)
<b>Expenditures</b>			
Public Employees Insurance	105,117	137,115	(31,998)
Payment of Claims	251,860,952	260,588,335	(8,727,383)
Contractual/Professional	20,185,265	23,957,895	(3,772,630)
<b>Total Expenditures</b>	<b>272,151,333</b>	<b>284,683,345</b>	<b>(12,532,012)</b>
<b>Closing Transfer from Private Carrier Fund</b>	<b>1,946,351</b>	<b>-</b>	<b>1,946,351</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>61,674,457</b>	<b>33,285,361</b>	<b>28,389,096</b>
Cash Beginning Balances	734,195,514		
<b>Cash Ending Balances</b>	<b>795,869,972</b>		

## Old Fund Liability Estimate

(excluding LAE)  
(discounted)  
June FY2009

	FY2009	June
Beginning Reserve Amount		2,280,864,915
Claim Payments		20,198,750
Estimated Ending Reserve Amount		2,269,917,586

**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)  
June, FY2009**

	June 30, 2008	June 30, 2009	Change
<b>Assets:</b>			
Cash and Cash Equivalents	713,576	795,870	82,294
Receivables, Net:	24,256	24,256	0
Surplus Note	162,759	17,759	(145,000)
Total Assets	<u>900,591</u>	<u>837,885</u>	<u>(62,706)</u>
<b>Liabilities:</b>			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,407,700	2,269,918	(137,782)
Other Liabilities	490	490	0
Total Liabilities	<u>2,408,190</u>	<u>2,270,408</u>	<u>(137,782)</u>
<b>Net Assets:</b>			
Unrestricted	<u>(1,507,599)</u>	<u>(1,432,523)</u>	<u>75,076</u>
Total Net Assets	<u><u>(1,507,599)</u></u>	<u><u>(1,432,523)</u></u>	<u><u>75,076</u></u>

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

## Workers' Compensation Old Revenue & Expenditures

Cash Basis

~~May~~  
June  
Report

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008	YTD - Calendar Year 2009 January 1 - June 30
<b>Revenue</b>				
Statutory Transfers*	\$ 286,613,362	\$ 261,975,877	\$ 287,088,650	\$ 257,463,637
Collections	8,316,798	1,041,116	3,265,870	811,050
Investment Income	50,201,026	40,659,223	(168,342,828)	69,763,231
<b>Total Revenue</b>	<u>\$ 325,131,186</u>	<u>\$ 303,676,215</u>	<u>\$ 122,011,692</u>	<u>\$ 328,037,918</u>
<b>Expenditures</b>				
Claim Payments	\$ 355,245,366	\$ 284,445,313	\$ 249,839,063	\$ 124,500,492
Administrative/Other Expense	\$ 21,630,179	\$ 24,710,582	\$ 23,576,238	\$ 10,149,841
<b>Total Expenditures</b>	<u>\$ 376,875,545</u>	<u>\$ 309,155,895</u>	<u>\$ 273,415,301</u>	<u>\$ 134,650,333</u>
* Workers' Compensation Commission Initial fund transfer January 2006				
	711,094,830			
• Payments on Surplus Note				
		8,841,297	102,782,602	87,093,151
<b>Invested Balance with WVIMB</b>				
at year end	647,444,812	635,908,034	591,375,200	663,976,431
<b>Invested Balance with BTI</b>				
6/30/09 at year end	-	-	-	7,000,000
<b>Invested with BTI</b>				
7/1/09 - FY 2010				<u>\$123,500,000</u>
			<b>Total BTI Investment</b>	<b>\$130,500,000</b>

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

**June Report**

	<b>7/1/07 : 6/30/08</b>	<b>7/1/08 : 6/30/09</b>
	Previous 12 month period.	Current 12 month period.
<b>Claims benefits paid:</b>		
Medical	4,216,466.10	3,631,644.81
Permanent Total Disability	12,705,096.33	10,481,925.07
Permanent Partial Disability	1,251,457.90	592,668.91
Temporary Total Disability	274,448.93	143,914.93
Settlement Agreements	371,246.66	211,279.82
Fatals	2,831,376.60	2,265,406.34
104 weeks	435,527.13	465,580.06
<b>Total</b>	<b>22,085,619.64</b>	<b>17,792,419.93</b>
Claims credits and overpayments	<u>(369,925.10)</u>	<u>(185,709.60)</u>
<b>Total claims paid</b>	<b><u>21,715,694.54</u></b>	<b><u>17,606,710.33</u></b>

# Coal Workers Fund

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009	YTD FY 2008	Change
<b>Revenues</b>							
Investment Earnings (Losses)	(9,601,885)	(42,804,488)	(606,214)	24,578,196	(28,434,390)	4,050,316	(32,484,706)
Other Income - Return of Unclaimed Property	-	-	-	132	132	-	
<b>Total Revenues</b>	<b>(9,601,885)</b>	<b>(42,804,488)</b>	<b>(606,214)</b>	<b>24,578,328</b>	<b>(28,434,259)</b>	<b>4,050,316</b>	<b>(32,484,706)</b>
<b>Expenditures</b>							
Payment of Claims	3,259,857	2,974,861	2,587,207	2,573,394	11,395,319	11,137,185	258,134
Deposit Refunds	-	(359)	-	-	(359)	79,771	(80,130)
<b>Total Expenditures</b>	<b>3,259,857</b>	<b>2,974,502</b>	<b>2,587,207</b>	<b>2,573,394</b>	<b>11,394,960</b>	<b>11,216,956</b>	<b>178,004</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(12,861,742)</b>	<b>(45,778,990)</b>	<b>(3,193,421)</b>	<b>22,004,934</b>	<b>(39,829,218)</b>	<b>(7,166,640)</b>	<b>(32,662,710)</b>
Cash Beginning Balances	261,695,430	248,833,689	203,054,699	199,861,278	261,695,430		
<b>Cash Ending Balances</b>	<b>248,833,689</b>	<b>203,054,699</b>	<b>199,861,278</b>	<b>221,866,212</b>	<b>221,866,212</b>		

## UNINSURED

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009	YTD FY 2008	Change
<b>Revenues</b>							
Fines and Penalties	270,014	222,462	227,222	257,470	977,167	1,199,865	(222,698)
Investment Earnings (Losses)	45,653	33,134	15,253	6,866	100,906	336,086	(235,180)
<b>Total Revenues</b>	<b>315,666</b>	<b>255,596</b>	<b>242,475</b>	<b>264,336</b>	<b>1,078,074</b>	<b>1,535,951</b>	<b>(457,877)</b>
<b>Expenditures</b>							
Payment of Claims	184,161	230,905	119,220	119,745	654,031	873,058	(219,027)
<b>Total Expenditures</b>	<b>184,161</b>	<b>230,905</b>	<b>119,220</b>	<b>119,745</b>	<b>654,031</b>	<b>873,058</b>	<b>(219,027)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>131,505</b>	<b>24,691</b>	<b>123,255</b>	<b>144,592</b>	<b>424,043</b>	<b>662,893</b>	<b>(238,850)</b>
Cash Beginning Balances	8,164,225	8,295,731	8,320,422	8,443,677	8,164,225		
<b>Cash Ending Balances</b>	<b>8,295,731</b>	<b>8,320,422</b>	<b>8,443,677</b>	<b>8,588,268</b>	<b>8,588,268</b>		

## Self Insured Fund

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2009	YTD FY 2008	Change
<b>Revenues</b>							
Guaranty Risk Pool Assessments	461,231	346,826	486,392	472,740	1,767,189	1,690,771	76,418
Investment Earnings (Losses)	29,366	22,719	11,144	5,288	68,617	156,657	(88,140)
<b>Total Revenues</b>	<b>490,597</b>	<b>369,545</b>	<b>497,536</b>	<b>478,028</b>	<b>1,835,706</b>	<b>1,847,428</b>	<b>(11,722)</b>
<b>Expenditures</b>							
Payment of Claims	18,982	5,108	9,943	10,342	44,376	64,770	(20,394)
<b>Total Expenditures</b>	<b>18,982</b>	<b>5,108</b>	<b>9,943</b>	<b>10,342</b>	<b>44,376</b>	<b>64,770</b>	<b>(20,394)</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>471,615</b>	<b>364,437</b>	<b>487,593</b>	<b>467,686</b>	<b>1,791,331</b>	<b>1,782,658</b>	<b>8,673</b>
Cash Beginning Balances	5,177,977	5,649,592	6,014,029	6,501,622	5,177,977		
<b>Cash Ending Balances</b>	<b>5,649,592</b>	<b>6,014,029</b>	<b>6,501,622</b>	<b>6,969,308</b>	<b>6,969,308</b>		

# OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

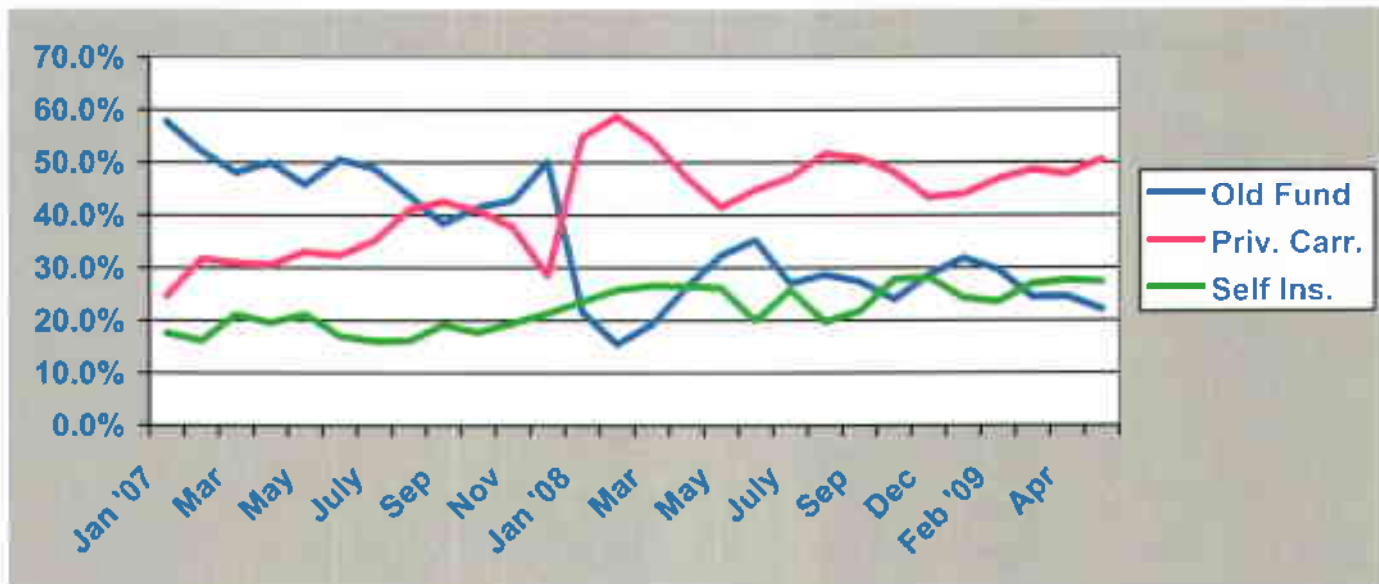
June 25, 2009

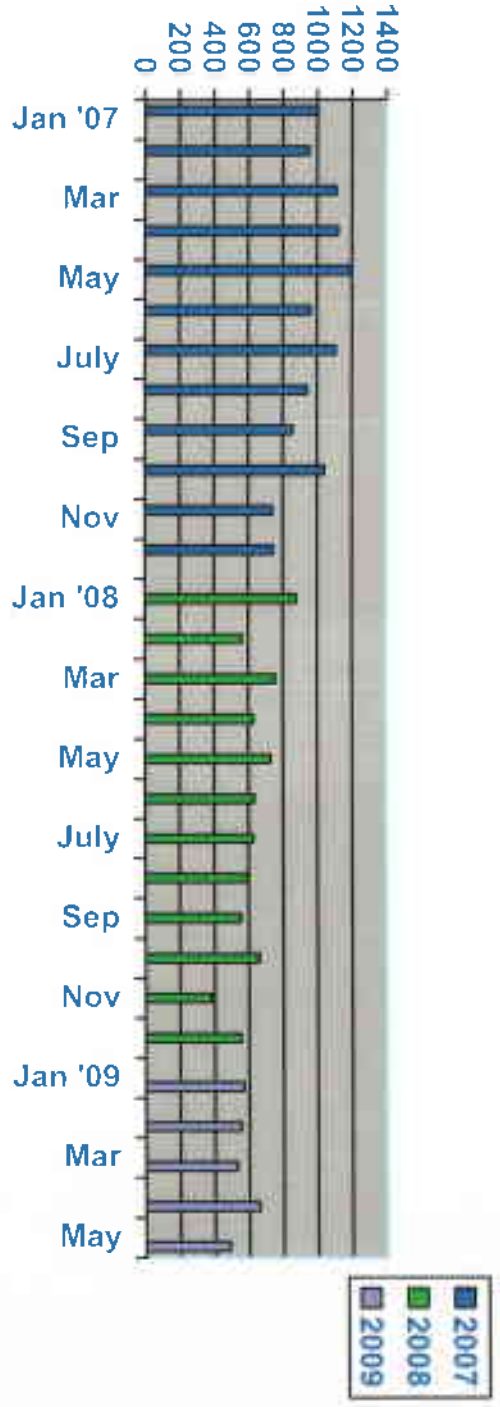
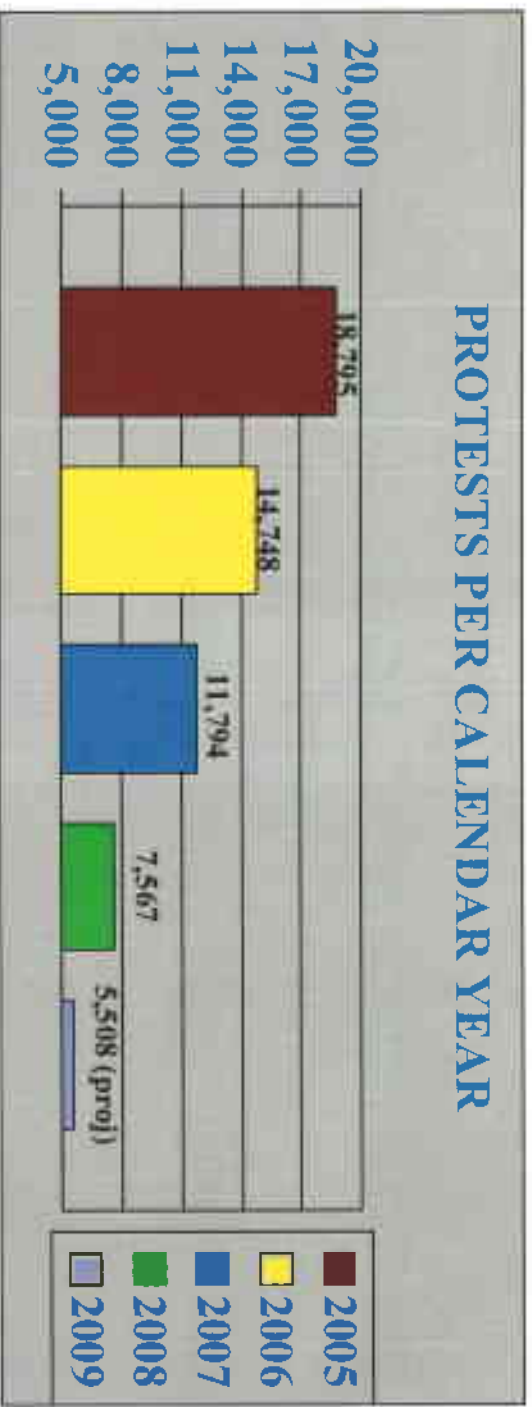
## I. Statistical Analysis

A. Protests Acknowledged: 2008 May 2009  
7567 486 2139

### Fund Involved:

FUND	2006	2007	% of protests	2008	% of protests	May '09	% of protests	2009	% of protests
Old Fund	8,146	4,433	56.68%	1,592	26.18%	93	22.09%	619	26.56%
Priv. Carrier	2,207	3,370	25.13%	2,971	48.86%	213	50.59%	1,108	47.53%
Others									
Self-Insured	2,264	1,772	18.19%	1,518	24.96%	115	27.32%	604	25.91%
Subtotal	12,617	9,575		6,081		421		2,331	
Temporary	2,131	2,219		1,486		65		467	
Total	14,748	11,794		7,567		486		2,798	





B. Issues Resolved:       $\frac{2008}{8,094}$        $\frac{\text{May}}{446}$        $\frac{2009}{2653}$

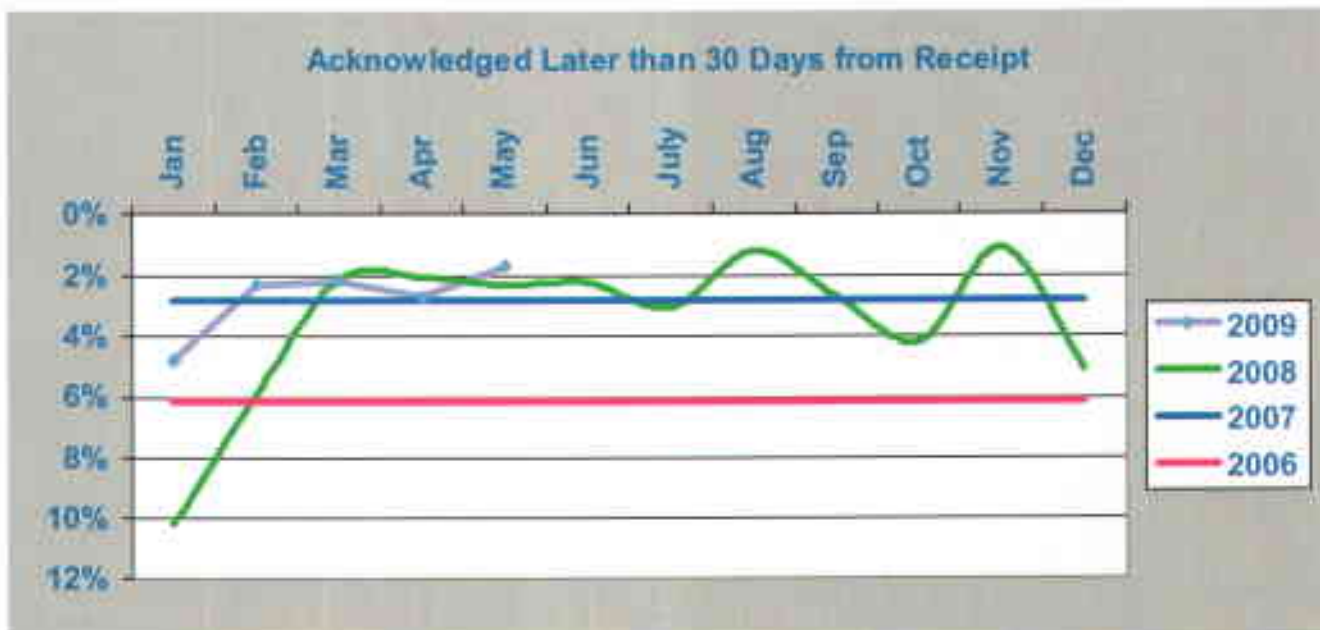


**C. Pending Caseload Report**

<b>PENDING END OF MAY</b>	<b>4,134</b>
PENDING 1 MONTH BEFORE	4,122
PENDING 2 MONTHS BEFORE	4,132
PENDING 3 MONTHS BEFORE	4,209
PENDING 6 MONTHS BEFORE	
PENDING 12 MONTHS BEFORE	5,395

**D. Acknowledgment Timeliness:**

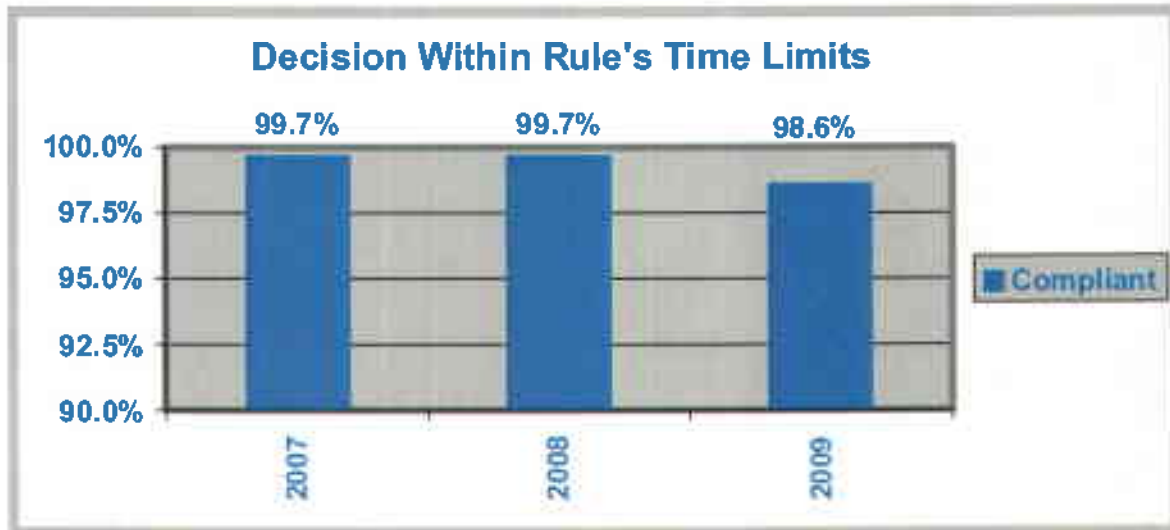
	<u>2008</u>	<u>May</u>	<u>YTD</u>
1. Protest Ackn. >30 days	3.6%	1.7%	2.7%
2. Protest Ackn. 24-30 days	2.3%	0.7%	2.2%
3. Protest Ackn. 11-23 days	19.0%	15.2%	19.9%
4. Protest Ackn. <11 days	75.1%	82.4%	75.2%



**E. Protests Resolved:**

	<u>MAY '09</u>	<u>2009</u>
1. Protests decided:	310	1815
2. Withdrawals:	69	360
3. "No Evidence" Dismissals:	48	308

<b>F. Final Decision Timeliness</b>	<b><u>2008</u></b>	<b><u>MAY</u></b>	<b><u>2009</u></b>
1. <30 days:	59.6%	47.0%	48.7%
2. 30-60 days:	26.2%	36.9%	34.0%
3. 60-90 days:	13.9%	12.6%	15.9%
4. +90 days:	0.3%	3.5%	1.4%



<b>G. Time Standard Compliance</b>	<b><u>2008</u></b>	<b><u>MAY</u></b>	<b><u>2009</u></b>
	91.2%	79.2%	79.6%

Thursday, June 04, 2009

### Time Standard Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Timestandard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	26	21	80.8%	5	19.2%
DEP BEN 104	1	1	100%	0	0%
OPBD	26	7	26.9%	19	73.1%
REOPENING	15	13	86.7%	2	13.3%
TTD	8	8	100%	0	0%
DEP BEN FATAL	3	0	0%	3	100%
PPD	37	37	100%	0	0%
REHABILITATION	1	1	100%	0	0%
TRMT/EQUIP CL	34	33	97.1%	1	2.9%
TRMT/EQUIP EM	1	1	100%	0	0%
<b>Total Motions</b>	<b>152</b>	<b>122</b>	<b>79.2%</b>	<b>30</b>	<b>20.8%</b>

Thursday, June 04, 2009

### Final Decision Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
OP NON-MED	4	0	0.0%	4	100.0%	0	0.0%	0	0.0%
OPBD	36	21	58.3%	7	19.4%	8	22.2%	0	0.0%
PTD ENTITLEMENT	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
REOPENING	29	13	44.8%	10	34.5%	4	13.8%	2	6.9%
TRMT/EQUIP CL	84	41	48.8%	38	45.2%	4	4.8%	1	1.2%
TTD	21	5	23.8%	7	33.3%	3	14.3%	6	28.6%
APPLICATION THRESHOLD	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
COMPENSABILITY	67	30	44.8%	27	40.3%	8	11.9%	2	3.0%
DEP BEN FATAL	10	3	30.0%	3	30.0%	4	40.0%	0	0.0%
IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PPD	58	33	56.9%	20	34.5%	5	8.6%	0	0.0%
REHABILITATION	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
TRMT/EQUIP EM	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
<b>Totals</b>	<b>317</b>	<b>149</b>	<b>47.0%</b>	<b>117</b>	<b>36.9%</b>	<b>40</b>	<b>12.6%</b>	<b>11</b>	<b>3.5%</b>

## Motion Resolution Compliance

Report Dates: From 5/1/2009 thru 5/31/2009

Time standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
COMPENSABILITY	184	174	94.6%	10	5.4%
DEP BEN FATAL	32	29	90.6%	3	9.4%
IEB DETERMINATION	4	3	75%	1	25%
PPD	139	127	91.4%	12	8.6%
PTD ENTITLEMENT	22	17	77.3%	5	22.7%
REHABILITATION	2	0	0%	2	100%
REOPENING	60	53	88.3%	7	11.7%
TRMT/EQUIP CL	143	134	93.7%	9	6.3%
TRMT/EQUIP EM	2	2	100%	0	0%
TTD	62	56	90.3%	6	9.7%
APPLICATION THRESHOLD	2	2	100%	0	0%
BENEFIT OVERPAYMENT	2	1	50%	1	50%
BENEFIT RATE	2	2	100%	0	0%
OP NON-MED	9	7	77.8%	2	22.2%
OPBD	51	42	82.4%	9	17.6%
TEMP	1	1	100%	0	0%
<b>Total Motions</b>	<b>717</b>	<b>650</b>	<b>81.9%</b>	<b>67</b>	<b>18.1%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

Thursday, June 04, 2009

## Acknowledgement Goal

Report Dates: From 5/1/2009 thru 5/31/2009

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>COMPENSABILITY</b>	Total: 71	2	2.8%	1	1.4%	12	16.9%	56	78.9%
CCS - CL SEC CONDITION	15	0	0.0%	0	0.0%	3	20.0%	12	80.0%
CHC - CL COMPENSABILITY	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIS - CL SI SEC CONDITION	13	1	7.7%	0	0.0%	0	0.0%	12	92.3%
CPI - CL SI REJECT CLAIM	4	0	0.0%	0	0.0%	1	25.0%	3	75.0%
CPJ - CL REJECT CLAIM	30	0	0.0%	1	3.3%	5	16.7%	24	80.0%
CQR - CL SI REJ OCCDISEASE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRZ - CL REJ OCC DISEASE	6	1	16.7%	0	0.0%	3	50.0%	2	33.3%
<b>DEP BEN FATAL</b>	Total: 4	1	25.0%	0	0.0%	2	50.0%	1	25.0%
CDF - CL DENY/GRNT DTH BEN	4	1	25.0%	0	0.0%	2	50.0%	1	25.0%
<b>OP NON-MED</b>	Total: 5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CIR - CL SI NON- MED ORDER	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CNR - CL NON- MED ORDER	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
<b>OPBD</b>	Total: 25	0	0.0%	0	0.0%	9	36.0%	16	64.0%
CAO - CL ADD BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBF - CL % BOARD FINDING	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CSF - CL% SI BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CSO - CL SI AD BRD FINDING	11	0	0.0%	0	0.0%	8	72.7%	3	27.3%
EAO - EM ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF - EM % BOARD FINDING	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
ESF - EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
ESO - EM SI AD BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>PPD</b>	Total: 117	2	1.7%	1	0.9%	9	7.7%	105	89.7%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CAA - CL ADDL % AWARD D/G	21	0	0.0%	1	4.8%	0	0.0%	20	95.2%
CAD - CL % AWARD DENY/GRNT	72	2	2.8%	0	0.0%	9	12.5%	61	84.7%
CIE - CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIG - CL SI %AWARD DNY/GNT	23	0	0.0%	0	0.0%	0	0.0%	23	100.0%
<b>PTD ENTITLEMENT</b>	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIT - CL SI DENY/GRANT PTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>REOPENING</b>	Total: 25	0	0.0%	0	0.0%	4	16.0%	21	84.0%
CIQ - CL SI DY/GNT R/O PPD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIY - CL SI DY/GNT R/O TTD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIZ - CL SI D/G R/O TRTMT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJV - CL DNY/GRNT R/O PPD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CRD - CL DENY/GRNT R/O TTD	13	0	0.0%	0	0.0%	2	15.4%	11	84.6%
CRO - CL DY/GRNT R/O TRTMT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>TRMT/EQUIP CL</b>	Total: 119	1	0.8%	0	0.0%	22	18.5%	96	80.7%
C1Y - CL SI TRMT GRANT	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CBX - CL TRMT DENY	78	1	1.3%	0	0.0%	18	23.1%	59	75.6%
CHH - CL AUTH HA/RPR D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CSX - CL SI TRMT DENY	36	0	0.0%	0	0.0%	3	8.3%	33	91.7%
CYY - CL TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>TTD</b>	Total: 54	1	1.9%	1	1.9%	5	9.3%	47	87.0%
CCC - CL CLOSING THE CLAIM	41	1	2.4%	1	2.4%	0	0.0%	39	95.1%
CIC - CL SI CLSING THE CLM	8	0	0.0%	0	0.0%	1	12.5%	7	87.5%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJS - CL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CPX - CL INITIAL TTD	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CSG - CL SI INITIAL TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
Totals:	421	7	1.7%	3	0.7%	64	15.2%	347	82.4%

## Resolution of Issues

**Report Dates: Decision Date from 5/1/2009 thru 5/31/2009**

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	12	0	0	10	83.3	1	8.3	1	8.3	0	0	0	0	0	0	0	0
OP NON-MED	7	0	0	4	57.1	0	0	3	42.9	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	40	8	20	21	52.5	3	7.5	6	15	0	0	2	5	0	0	0	0
TRMT/EQUIP CL	117	38	32.5	39	33.3	15	12.8	17	14.5	5	4.3	3	2.6	0	0	0	0
COMPENSABILITY	78	31	39.7	29	37.2	4	5.1	7	9	2	2.6	3	3.8	2	2.6	0	0
DEP BEN 104	1	0	0	0	0	1	100	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
OPBD	52	4	7.7	32	61.5	2	3.8	13	25	0	0	0	0	0	0	1	1.9
PPD	91	23	25.3	31	34.1	19	20.9	16	17.6	0	0	2	2.2	0	0	0	0
REHABILITATION	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
TRMT/EQUIP EM	2	1	50	1	50	0	0	0	0	0	0	0	0	0	0	0	0
TTD	40	8	20	13	32.5	3	7.5	14	35	0	0	2	5	0	0	0	0
<b>Totals</b>	<b>446</b>	<b>114</b>	<b>25.6</b>	<b>185</b>	<b>41.5</b>	<b>48</b>	<b>10.8</b>	<b>77</b>	<b>17.3</b>	<b>7</b>	<b>1.6</b>	<b>12</b>	<b>2.7</b>	<b>2</b>	<b>0.4</b>	<b>1</b>	<b>0.2</b>

### OOJ – Petition for Attorney Fees for Unreasonable Denial

<b>Petitions received 9/1/2005 through 5/31/2009</b>	<b>31</b>
Petitions denied on face:	12
Petitions denied by ALJ Decision:	12
Petitions granted:	3
Petitions withdrawn through settlement:	2
Petitions currently pending:	2



## OOJ- Failure to Timely Act Process

### Failure to Timely Act Petitions filed since 9/1/05

Filed: 94  
Denied/dismissed: 43  
Withdrawn: 6  
Reports to OIC: 39  
Pending: 6

### Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<b>2005</b>	13	13	14	25	16	9	9	19	11	10	16	4	<b>159</b>
<b>2006</b>	7	0	2	1	7	4	8	2	5	7	6	3	<b>52</b>
<b>2007</b>	12	4	5	5	1	12	9	4	5	5	4	2	<b>68</b>
<b>2008</b>	3	2	1	11	1	6	11	8	6	4	8	4	<b>65</b>
<b>2009</b>	5	6	5	4	10	14							<b>44</b>

Joe Manchin, III  
Governor

James D. Gray  
Chairman

W. Jack Sievers  
Member

Rita Hedrick-Heimick  
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.

### 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:** July 7, 2009

**Re:** Workers' Compensation Board of Review Monthly Report

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Attached, please find the Board of Review's June 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:

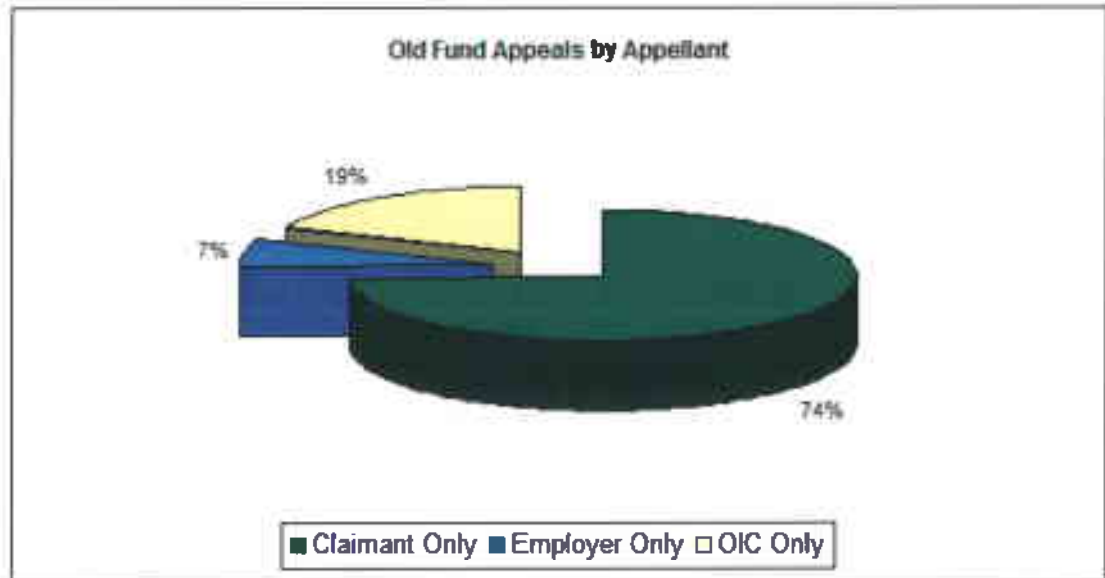
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by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

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

## Appeals Received From June 1, 2009 Thru June 30, 2009

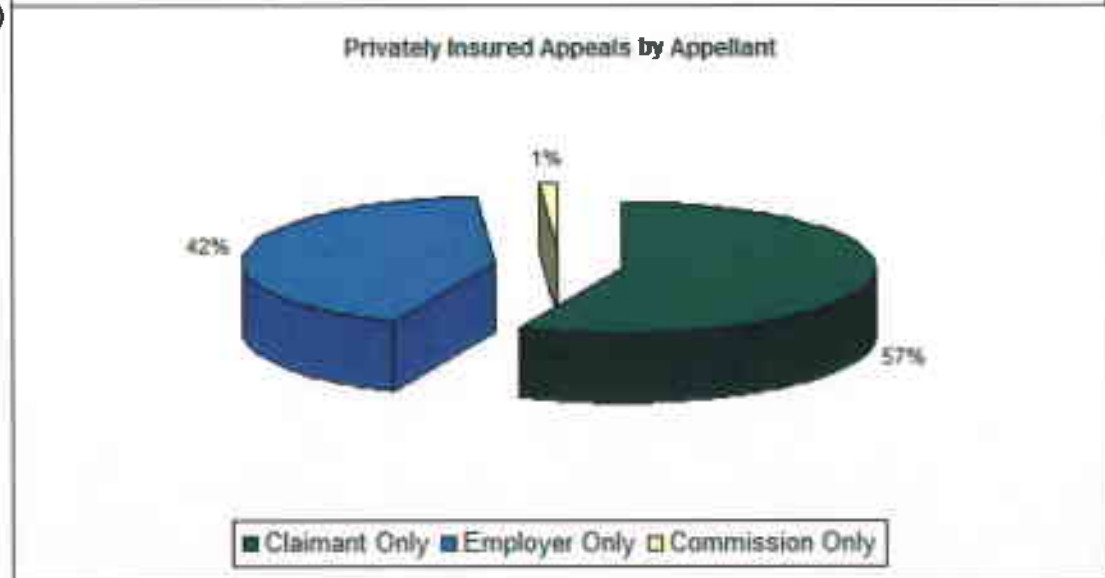
### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	43
Employer Only	4
OIC Only	11
<b>Old Fund Total</b>	<b>58</b>



### Privately Ins. Fund Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	47
Employer Only	35
Commission Only	1
<b>New Fund Total</b>	<b>83</b>
<b>Total Appeals</b>	<b>141</b>

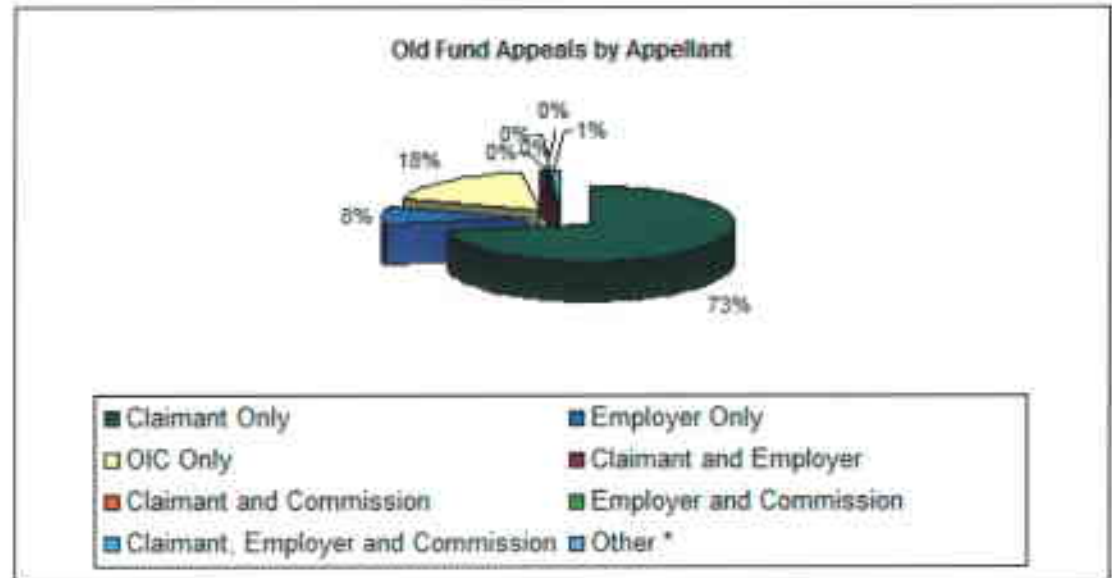


Appeals counted more than once:

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

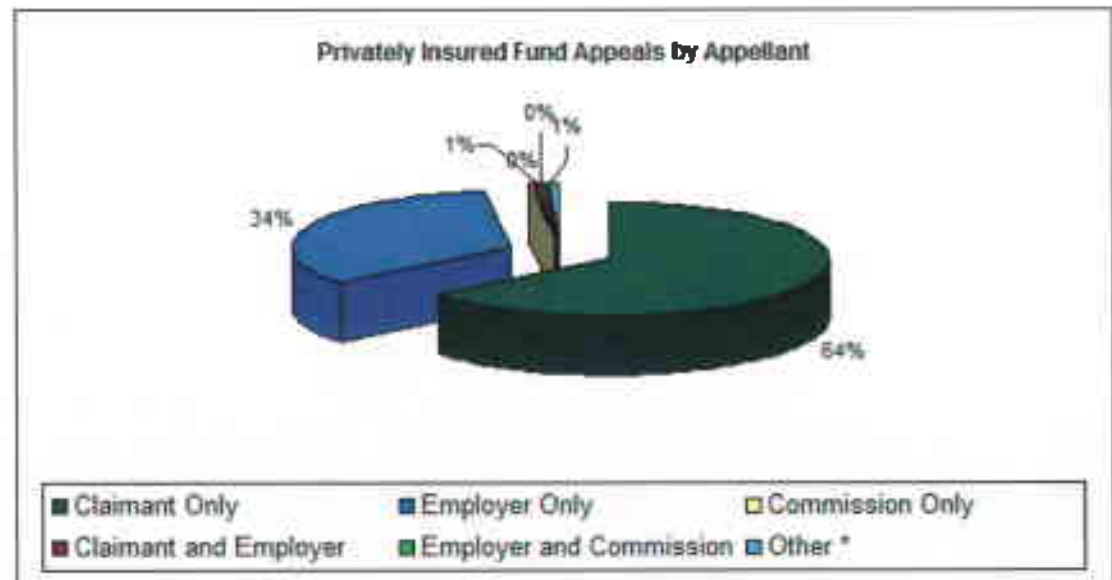
### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	742
Employer Only	85
OIC Only	184
Claimant and Employer	5
Claimant and Commission	2
Employer and Commission	1
Claimant, Employer and Commission	1
Other *	11
<b>Old Fund Total</b>	<b>1031</b>



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

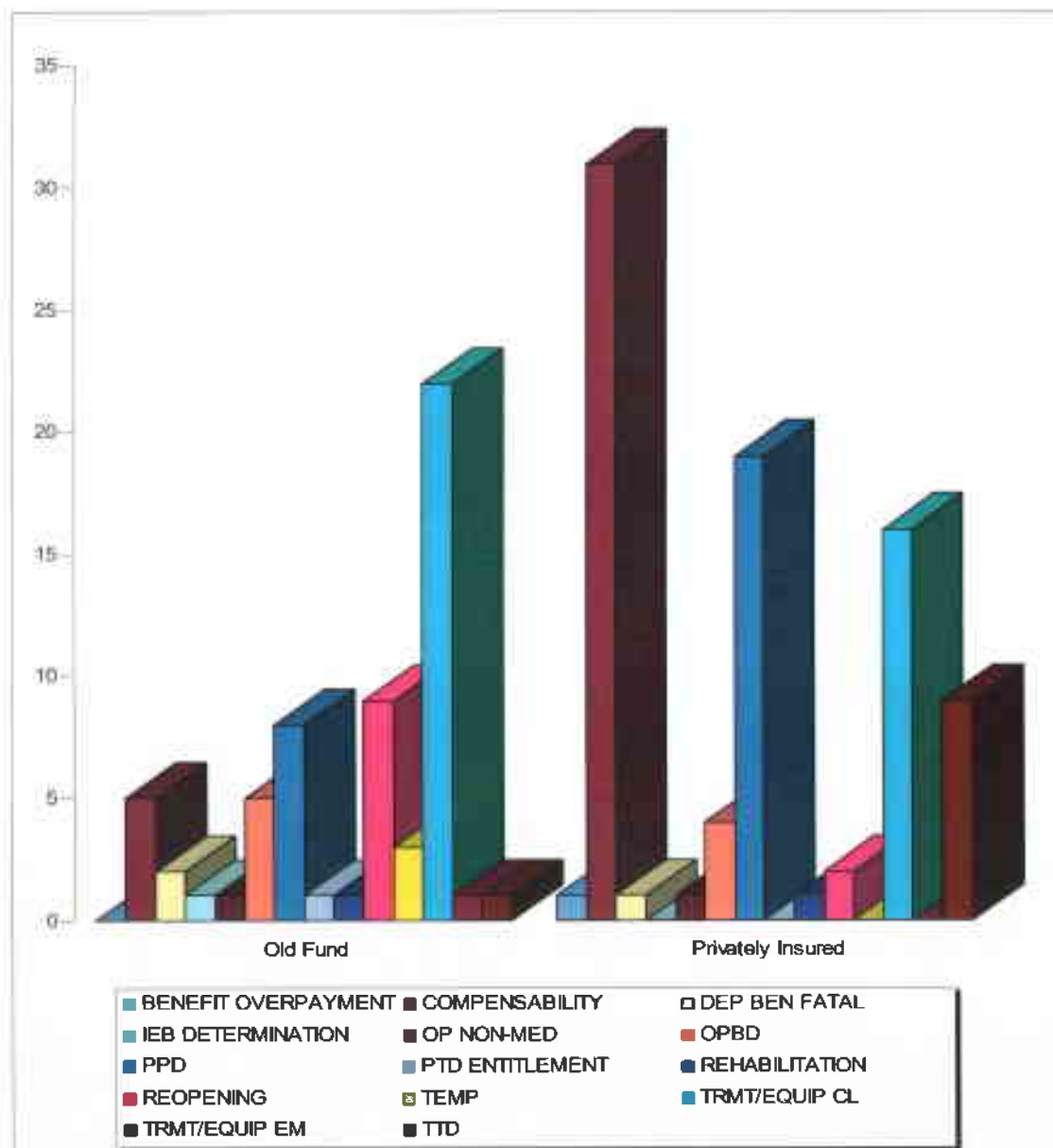
Appellant	Count
Claimant Only	660
Employer Only	350
Commission Only	2
Claimant and Employer	7
Employer and Commission	1
Other *	10
<b>New Fund Total</b>	<b>1030</b>
<b>Total Appeals</b>	<b>2061</b>



\* Appeals requiring research

Appeals counted more than once: 4

**Appeals Received By Issue**  
**Old Fund Appeals (DOI < July -1-2005) vs New Fund Appeals (DOI > June -30-2005)**  
**From June 1, 2009 Thru June 30, 2009**

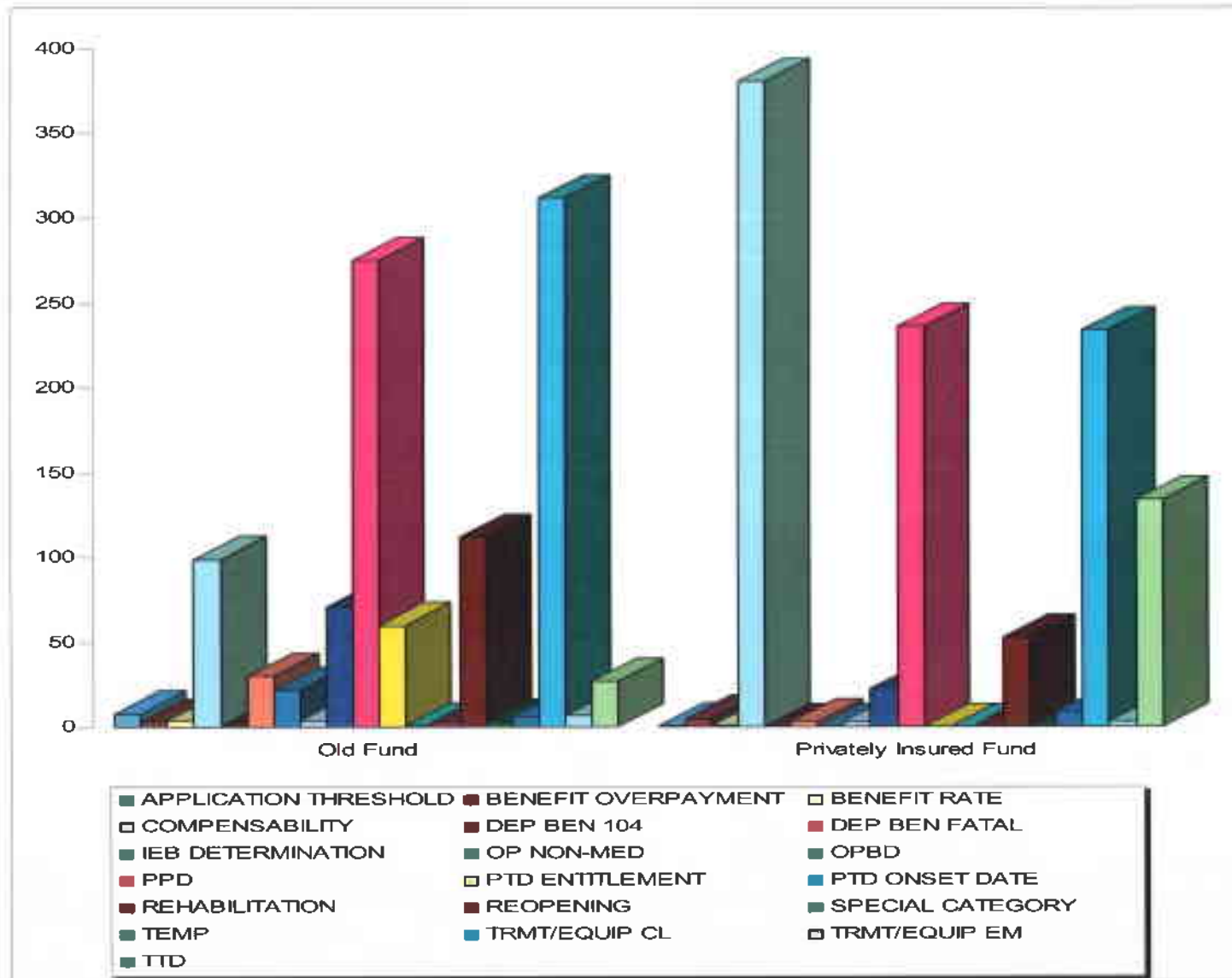


**Appeals Received By Issue - *Continued***  
**Old Fund Appeals (DOI < July -1-2005) vs New Fund Appeals (DOI > June -30-2005)**  
**From June 1, 2009 Thru June 30, 2009**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT					
OVERPAYMENT	1	0	0.0	1	100.0
COMPENSABILITY	36	5	13.9	31	86.1
DEP BEN FATAL	3	2	66.7	1	33.3
IEB DETERMINATION	1	1	100.0	0	0.0
OP NON-MED	2	1	50.0	1	50.0
OPBD	9	5	55.6	4	44.4
PPD	27	8	29.6	19	70.4
PTD ENTITLEMENT	1	1	100.0	0	0.0
REHABILITATION	2	1	50.0	1	50.0
REOPENING	11	9	81.8	2	18.2
TEMP	3	3	100.0	0	0.0
TRMT/EQUIP CL	38	22	57.9	16	42.1
TRMT/EQUIP EM	1	1	100.0	0	0.0
TTD	10	1	10.0	9	90.0
<b>Totals</b>	<b>145</b>	<b>60</b>	<b>41.4</b>	<b>85</b>	<b>58.6</b>

Appeals counted more than once: 8  
2043130 (2008019550 DOI: 11/08/2007 TRMT/EQUIP CL)  
2043130 (2008019550 DOI: 11/08/2007 TTD)  
2043201 (2008039309 DOI: 04/15/2008 COMPENSABILITY)  
2043201 (2008039309 DOI: 04/15/2008 TTD)  
2043232 (2005008761 DOI: 06/26/2004 COMPENSABILITY)  
2043232 (2005008761 DOI: 06/26/2004 TRMT/EQUIP CL)  
2043257 (2004037434 DOI: 12/15/2003 COMPENSABILITY)  
2043257 (2004037434 DOI: 12/15/2003 TRMT/EQUIP CL)

**Appeals Received By Issue**  
**Old Fund Appeals (DOI < July -1-2005) vs New Fund Appeals (DOI > June -30-2005)**  
**From June 1, 2009 Thru June 30, 2009**

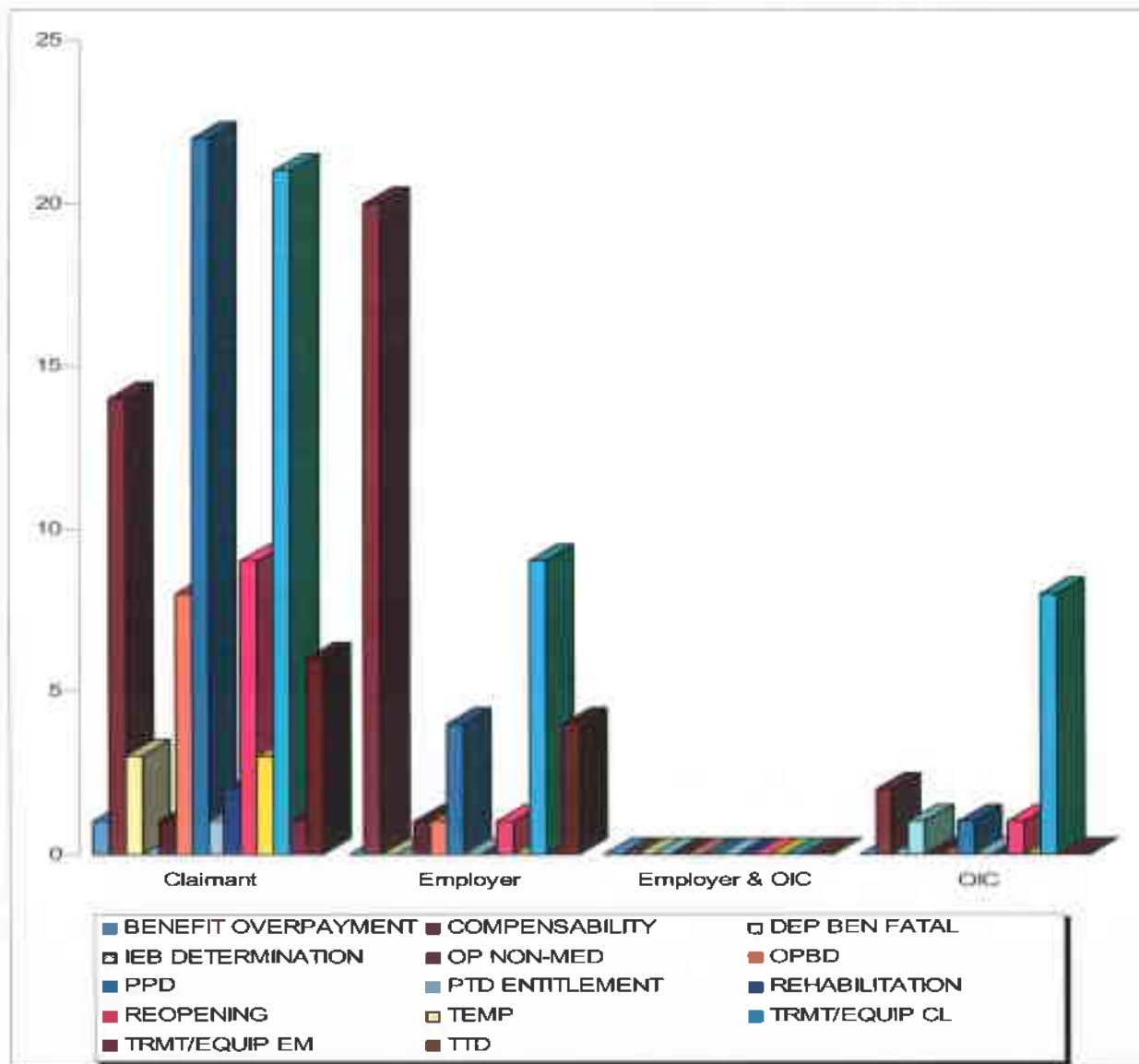


**Appeals Received By Issue - *Continued***  
**Old Fund Appeals (DOI < July -1-2005) vs New Fund Appeals (DOI > June -30-2005)**  
**From June 1, 2009 Thru June 30, 2009**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	8	8	88.9	1	11.1
BENEFIT OVERPAYMENT	8	3	37.5	5	62.5
BENEFIT RATE	5	4	80.0	1	20.0
COMPENSABILITY	479	99	20.7	380	79.3
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	33	30	90.9	3	9.1
IEB DETERMINATION	22	22	100.0	0	0.0
OP NON-MED	7	4	57.1	3	42.9
OPBD	94	71	75.5	23	24.5
PPD	511	275	53.8	236	46.2
PTD ENTITLEMENT	60	60	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REHABILITATION	5	3	60.0	2	40.0
REOPENING	165	112	67.9	53	32.1
SPECIAL CATEGORY	3	3	100.0	0	0.0
TEMP	15	6	40.0	9	60.0
TRMT/EQUIP CL	546	312	57.1	234	42.9
TRMT/EQUIP EM	10	7	70.0	3	30.0
TTD	161	27	16.8	134	83.2
<b>Totals</b>	<b>2135</b>	<b>1048</b>	<b>49.1</b>	<b>1087</b>	<b>50.9</b>



## Appeals Received By Issue From June 1, 2009 Thru June 30, 2009



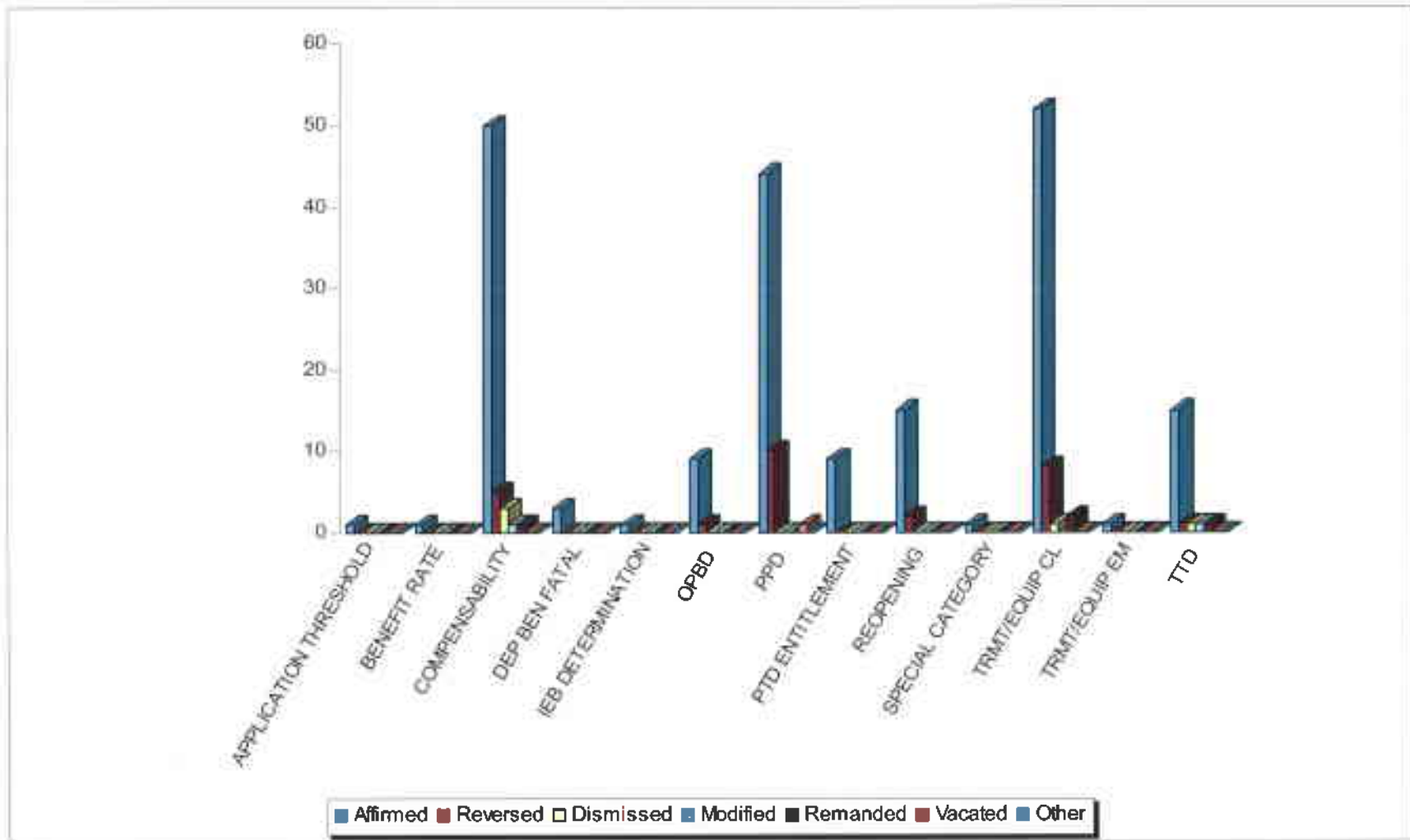
**Appeals Received By Issue**  
**From June 1, 2009 Thru June 30, 2009**

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
BENEFIT									
OVERPAYMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	36	14	38.9	20	55.6	0	0.0	2	5.6
DEP BEN FATAL	3	3	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	0	0.0	0	0.0	0	0.0	1	100.0
OP NON-MED	2	1	50.0	1	50.0	0	0.0	0	0.0
OPBD	9	8	88.9	1	11.1	0	0.0	0	0.0
PPD	27	22	81.5	4	14.8	0	0.0	1	3.7
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0
REHABILITATION	2	2	100.0	0	0.0	0	0.0	0	0.0
REOPENING	11	9	81.8	1	9.1	0	0.0	1	9.1
TEMP	3	3	100.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	38	21	55.3	9	23.7	0	0.0	8	21.1
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0
TTD	10	6	60.0	4	40.0	0	0.0	0	0.0
<b>Totals</b>	<b>145</b>	<b>92</b>	<b>63.4</b>	<b>40</b>	<b>27.6</b>	<b>0</b>	<b>0.0</b>	<b>13</b>	<b>9.0</b>

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

Appealed By	BOR Disposition	Disposition		Year to Date	Year to Date	
		Count	Disp %		Total %	Disp %
<b>CLAIMANT</b>	AFFIRMED	147	91.9%	617	88.8%	59.4%
	DISMISSED			4	0.6%	0.4%
	MODIFY	1	0.6%	2	0.3%	0.2%
	MOOT			2	0.3%	0.2%
	REMAND	2	1.3%	21	3.0%	2.0%
	REVERSE	10	6.3%	48	6.9%	4.6%
	VACATE			1	0.1%	0.1%
	Total Dispositions	160		695		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	1	50.0%	5	62.5%	0.5%
	DISMISSED			1	12.5%	0.1%
	REVERSE	1	50.0%	2	25.0%	0.2%
	Total Dispositions	2		8		
<b>EMPLOYER</b>	ABEYANCE			1	0.4%	0.1%
	AFFIRMED	40	81.6%	170	73.0%	16.4%
	DISMISSED			4	1.7%	0.4%
	MODIFY			2	0.9%	0.2%
	MOOT			1	0.4%	0.1%
	REMAND	1	2.0%	5	2.1%	0.5%
	REVERSE	8	16.3%	50	21.5%	4.8%
	Total Dispositions	49		233		
<b>DIVISION/OIC</b>	ABEYANCE			1	1.0%	0.1%
	AFFIRMED	15	53.6%	54	52.4%	5.2%
	MODIFY			2	1.9%	0.2%
	REMAND	1	3.6%	3	2.9%	0.3%
	REVERSE	11	39.3%	42	40.8%	4.0%
	VACATE	1	3.6%	1	1.0%	0.1%
	Total Dispositions	28		103		
<b>Grand Totals</b>	<b>239</b>		<b>1039</b>			

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

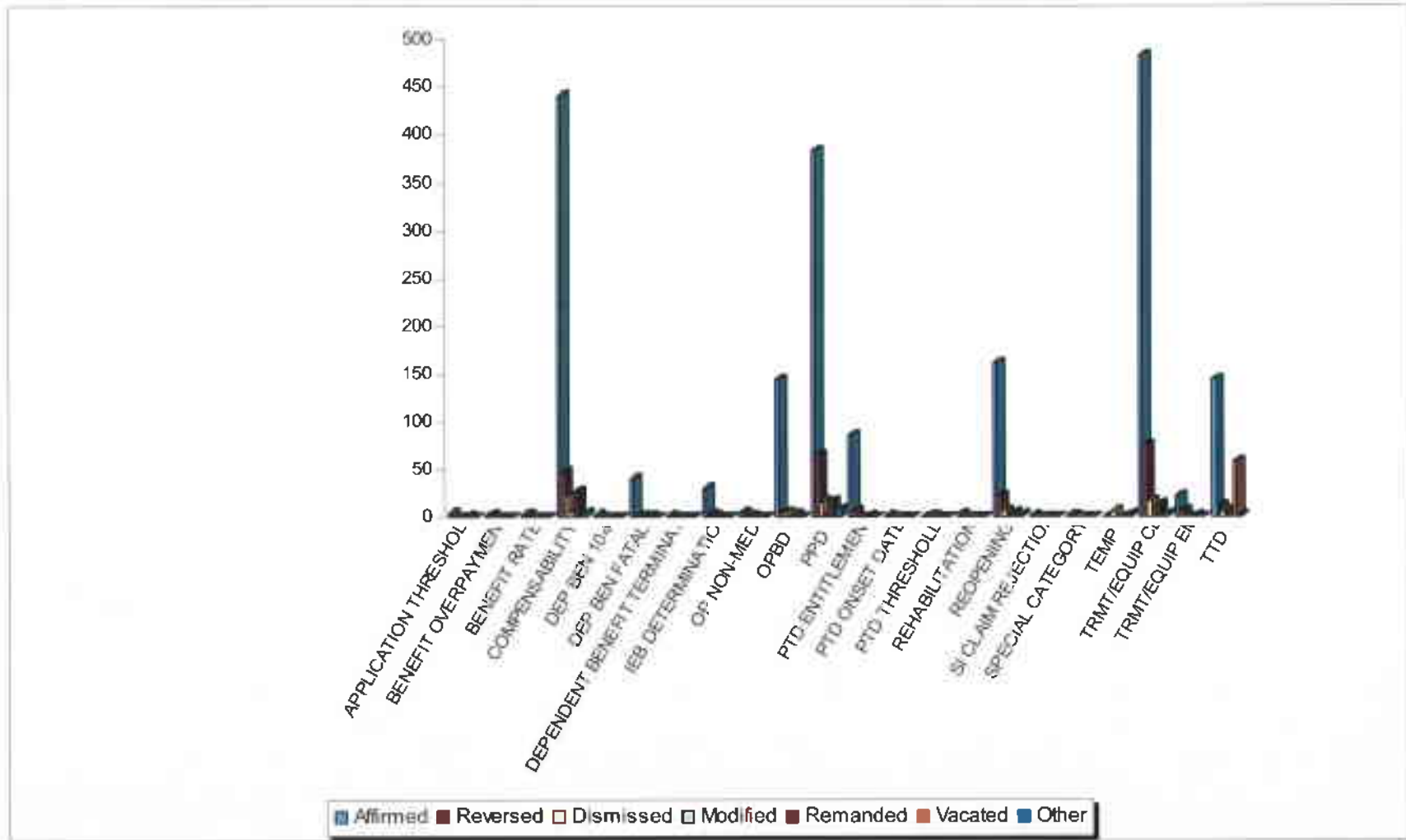


**Dispositions By Issues**  
**BOR Orders Mailed From June 1, 2009 Thru June 30, 2009**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT RATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	60	50	83.3	5	8.3	3	5.0	1	1.7	1	1.7	0	0.0	0	0.0
DEP BEN FATAL	3	3	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
OPBD	10	9	90.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	55	44	80.0	10	18.2	0	0.0	0	0.0	0	0.0	1	1.8	0	0.0
PTD ENTITLEMENT	9	9	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	17	15	88.2	2	11.8	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
SPECIAL CATEGORY	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	63	52	82.5	8	12.7	1	1.6	0	0.0	2	3.2	0	0.0	0	0.0
TRMT/EQUIP EM	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	19	15	78.9	1	5.3	1	5.3	1	5.3	1	5.3	0	0.0	0	0.0
<b>Totals</b>	<b>241</b>	<b>202</b>	<b>83.8</b>	<b>27</b>	<b>11.2</b>	<b>5</b>	<b>2.1</b>	<b>2</b>	<b>0.8</b>	<b>4</b>	<b>1.7</b>	<b>1</b>	<b>0.4</b>	<b>0</b>	<b>0.0</b>

Appeals counted in multiple categories: 4

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



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

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	5	4	80.0	0	0.0	0	0.0	0	0.0	1	20.0	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	4	2	50.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	549	441	80.3	47	8.6	22	4.0	6	1.1	27	4.9	1	0.2	4	0.7
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	43	40	93.0	1	2.3	1	2.3	0	0.0	1	2.3	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	33	30	90.9	2	6.1	1	3.0	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	157	144	91.7	5	3.2	5	3.2	0	0.0	3	1.9	0	0.0	0	0.0
PPD	492	383	77.8	65	13.2	16	3.3	2	0.4	17	3.5	1	0.2	8	1.6
PTD ENTITLEMENT	94	86	91.5	7	7.4	0	0.0	0	0.0	1	1.1	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	198	161	81.3	22	11.1	7	3.5	2	1.0	4	2.0	0	0.0	2	1.0
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	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	11	0	0.0	2	18.2	6	54.5	0	0.0	0	0.0	1	9.1	2	18.2
TRMT/EQUIP CL	594	483	81.3	75	12.6	17	2.9	0	0.0	14	2.4	0	0.0	3	0.5
TRMT/EQUIP EM	30	22	73.3	7	23.3	0	0.0	0	0.0	1	3.3	0	0.0	0	0.0
TTD	230	144	62.6	12	5.2	6	2.6	1	0.4	8	3.5	58	25.2	1	0.4
<b>Totals</b>	<b>2463</b>	<b>1955</b>	<b>79.4</b>	<b>253</b>	<b>10.3</b>	<b>83</b>	<b>3.4</b>	<b>11</b>	<b>0.4</b>	<b>77</b>	<b>3.1</b>	<b>61</b>	<b>2.5</b>	<b>20</b>	<b>0.8</b>

<b>Revenue Recovery Activity</b>	<b>May 2009</b>
<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund (Employer out of business)	\$ 36,752.90
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 55,788.78
Receipts - Payment Agreements	\$ 27,503.26
Receipts - Collection Agency	\$ -
# of active accounts uninsured (cumulative)	833
\$ of active accounts uninsured (cumulative)	\$ 2,548,698.11
Telephone contacts	1,668
Walk-ins	16
<b>LIENS</b>	
Liens sent to county clerks for recordation	135
Liens sent to county clerks for release	114
Intent to lien letters sent to employer/owner/officer/member	43
<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	13
Hearings attended	3
# of injunction complaints filed	7
# of injunctions granted	1
# of agreed orders entered	0
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	4
Agreements set up	6
Total # of agreements on system (cumulative)	104
Intent to void letters mailed	5
Agreements voided	5
<b>MISCELLANEOUS</b>	
Terminations Processed	247
Rule 11 Letters Mailed	236
Rule 11 hearings	4
<b>Uninsured Policies Resolved</b>	234
<b>All Cash Receipts from WC accounts</b>	\$ 120,044.94



## Workers' Compensation Rules Update

The following Title 85, Series 1, 9 and 32 workers' compensation proposed rule amendments were presented to and approved by the Industrial Council ("INDC") during its meeting on June 25, 2009 for initial filing with the Secretary of State. The proposed rule amendments were filed with the Secretary of State on June 26, 2009 for public hearing/comment period. The public hearing will be held during the INDC meeting on July 30, 2009 at 3:00 PM, and the public comment period will end at that time.

### Title 85, Series 1 - "Claims Management and Administration"

#### Proposed amendment:

- ❖ **Summary of changes:** The Rule is being amended to reflect changes in the West Virginia Code (WV Code § 23-4-8) pursuant to Senate Bill 537 (passed April 11, 2009, effective July 10, 2009), related to travel reimbursement. Below is a summary of the specific changes being made to the rule.
- ❖ **Section 15:** Amended to reflect that claimants shall receive mileage reimbursement at the mileage reimbursement rate provided for in the West Virginia Department of Administration's Purchasing Division Travel Rules as authorized by W. Va. Code §12-3-11 for all travel related treatment. States that the mileage reimbursement shall be determined based upon the shortest practicable route between the claimant's residence and the provider. Also clarifies that a responsible party, as described in subsection 2.12 of the rule, is not required to reimburse a claimant for travel expenses more frequently than once every three months, unless an amount in excess of \$100 in total reimbursement owed is involved or action is taken to administratively close the claim.

### Title 85, Series 9 - "Workers' Compensation Uninsured Employers' Fund"

#### Proposed amendment:

- ❖ **Summary of changes:** This amendment is for the purpose of reflecting changes to the law made in the West Virginia Code (WV Code §§ 23-2A-1 and 23-2C-8) pursuant to Senate Bill 537 (passed April 11, 2009, effective July 10, 2009), related to subrogation and the Uninsured Employers' Fund appeals process.
- ❖ **Subsection 4.5:** Amended to clarify that the Insurance Commissioner's initial decision to accept or not accept a claim into the Uninsured Employers' Fund is protestable to the Office Of Judges (previously protestable before a hearing examiner at a hearing scheduled by the Insurance Commissioner).
- ❖ **Section 5.** Amended to reflect that the Insurance Commissioner, on behalf of the Uninsured Employers' Fund, has a right to statutory subrogation against any claim made by an Uninsured Employers' Fund claimant, his or her dependents or personal representatives, against a third-party for injury or exposure from which the claim arose, and that the Commissioner may recover on behalf of the Uninsured Employers' Fund all amounts paid or to be paid to the claimant from the

Uninsured Employers' Fund. Also amended to reflect that the claimant, his or her representatives or dependents, or any attorney representing the claimant or his or her dependents or representatives, must provide the Commissioner reasonable notice of a claim being made against a thirty-party, as well as reasonable notice prior to the disbursement of any recovery.

**Title 85, Series 32 - "State Agency Revocation Or Refusal To Grant, Issue Or Renew Contracts, Licenses, Permits, Certificates Or Other Authority To Conduct A Trade, Profession Or Business To Or With An Employing Unit In Default Of Its Workers' Compensation Obligations"**

**Proposed amendment:**

- ❖ **Summary of changes:** This amendment is for the purpose of making procedural, stylistic and technical changes to this rule necessary as a result of the transition of regulatory authority from the former Workers' Compensation Commission to the West Virginia Offices of the Insurance Commissioner. None of these changes are substantive in nature.

# BOARD OF TREASURY INVESTMENTS

**CALENDAR NOTES**

CD Auction  
July 8, 2009

Board Meeting  
August 13, 2009

## OPERATING REPORT

### MAY 2009

**Board of Treasury Investments**

1900 Kanawha Boulevard East  
Suite E-122  
Charleston WV 25305  
(304) 340-1578  
www.wvbti.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

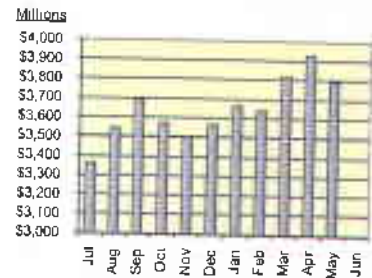
Chief Financial Officer  
Kara K. Brewer,  
CPA, MBA

### Total Net Assets Under Management

**\$3,793,322,000**

Last Month  
**\$3,926,217,000**

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



**12.7% Growth This Fiscal Year**

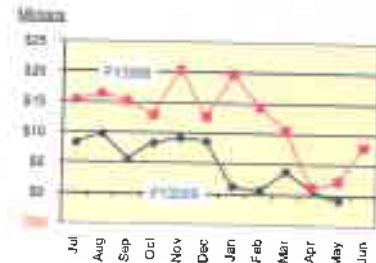
### Total Net Income & Gains

This Month

**\$(865,000)\***

Fiscal Year

**\$55,146,000**



\*Net Loss due to write down on Venture Capital Loans held in the State Loan Pool

Fiscal Year Comparison

### Money Market Pools

As of May 31, 2009

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Assets
WV Money Market	3120%	3195%	3755%	45 Days	\$2.7 Billion
WV Gov't Money Market	1527%	1612%	1825%	49 Days	\$332.6 Million

\* 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**  
**MAY 2009**

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**Signs Indicate an Economic Rebound Has Begun**

The aggressive fiscal policies, liberal monetary policy, massive liquidity injections into the banking system, deleveraging of corporate balance sheets, and low interest rates have all helped the U.S. economy avert a major collapse. In fact, many of the economic reports continue to indicate that the worst is now behind us and an economic rebound has begun.

Although the economic news is encouraging, many investors continue to remain cautious choosing to sit on cash awaiting a stock market pull-back from its upturn over recent months. This was anecdotally supported by a recent Wall Street Journal article that pointed out that the value of money market funds exceeded stock funds in May for the first time in 16 years.

The budding recovery can be seen in the moderating job losses which fell to 345,000 in May from a revised 504,000 in April. However the unemployment rate continued to rise hitting 9.4% in May, the highest level since 1983 and many believe this will top out at above 10% before it is over.

While investors remain cautious, the consumer appears optimistic as retail sales rose for the third time in five months in May and consumer sentiment rose again in June marking the fourth straight monthly increase and, while below forecasts, is now at its highest point in nine months. However, rising gasoline prices (now up 54% from January) and higher mortgage rates have the potential to undermine early signs of stabilization in household spending.

While mortgage rates are inching upward, the housing market showed signs of a rebound amid a rash of unexpected gains in May. Home starts, which measure new residential construction, increased 17% in May, far exceeding the expected rate of 7%. Building permits, a leading indicator of future building activity, also beat forecasts rising 4%.

Record levels of US Treasury debt issuance continued in May and when combined with improving financial and economic conditions, led to higher interest rates across the yield curve as some of the previous "flight to quality" premium was taken out of the Treasury market. The largest rate increases occurred at the long end of the curve with the 10 year note closing up 34 bps to 3.46% and the 30-year bond ending up 31 bps to 4.34%.

At month end, spreads across the front of the yield-curve (2-10 year) had widened by 32 bps to 254 bps, while yields at the back end of the curve (10-30 year) contracted slightly to 88 bps.

The Barclays Capital Aggregate Index returned 0.73% during the month, while all spread sectors outperformed their same-duration Treasury issues. ABS and CMBS both continued to rally due to the favorable technicals that are driven by government support via the implementation of the TALF program.

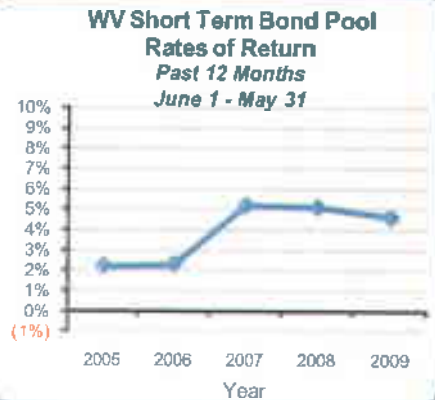
The Merrill Lynch 3-Month T-Bill Index returned 0.02% in May trailing the 0.57% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. Year to date, the 3-Month T-Bills returned 0.08% while the 1-3 Year Government / Corporate Index A+ returned 1.2%.

# West Virginia Board of Treasury Investments Financial Highlights as of May 31, 2009

## WV Short Term Bond Pool

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

June 1 - May 31	Return	Net Assets At May 31 <i>(In Millions)</i>
2009	4.6%	\$ 326.2
2008	5.1%	\$ 355.4
2007	5.2%	\$ 228.9
2006	2.3%	\$ 265.9
2005	2.2%	\$ 260.4



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

## Summary of Value and Earnings *(In Thousands)*

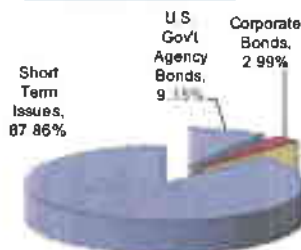
Pool	Net Asset Value	May Net Income <i>(Loss)</i>	Fiscal YTD Net Income <i>(Loss)</i>
WV Money Market	\$ 2,658,567	\$ 864	\$ 29,272
WV Gov't Money Market	332,581	52	2,334
WV Short Term Bond	326,243	1,207	10,037
WV Bank	100,152	59	1,970
Loss Amortization	184,513	223	12,436
Loans	119,787	(3,314)	(1,885)
Reserve	44,135	38	133
Participant Accounts	27,344	6	849
	<b>\$ 3,793,322</b>	<b>\$ (865)</b>	<b>\$ 55,146</b>

### Percent of Total Net Asset Value

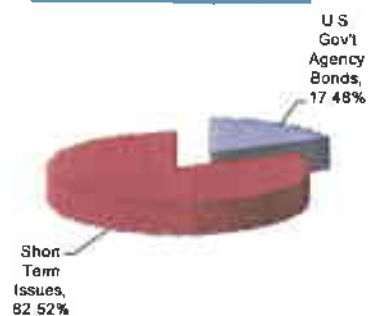


## Securities by Type for Operating Pools *(Percentage of Asset Value)*

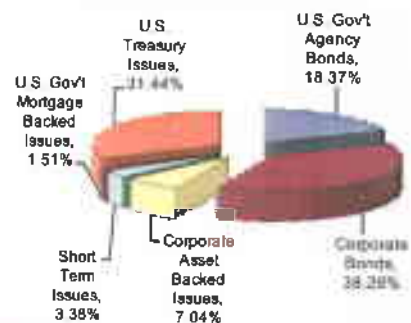
### WV Money Market



### WV Gov't Money Market



### WV Short Term Bond



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

**MAY 31, 2009**

*(IN THOUSANDS)*

	WV					Participant Directed Accounts
	WV Money Market Pool	Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	
<b>Assets</b>						
<b>Investments</b>						
At amortized cost	\$ 2,657,614	\$ 332,509		\$ 100,000	\$ 163,501	\$ 24,129
At fair value	-	-	\$ 329,189	-	184,513	3,048
Cash	-	-	-	-	-	-
Collateral for securities loaned	248,858	-	114,562	-	-	-
Other assets	1,186	103	2,131	152	425	168
<b>Total assets</b>	<u>2,907,658</u>	<u>332,612</u>	<u>445,882</u>	<u>100,152</u>	<u>348,439</u>	<u>27,345</u>
<b>Liabilities</b>						
Payable for securities loaned	248,858	-	114,562	-	-	-
Other liabilities	233	31	5,077	-	4	1
<b>Total liabilities</b>	<u>249,091</u>	<u>31</u>	<u>119,639</u>	<u>-</u>	<u>4</u>	<u>1</u>
<b>Net Assets</b>	<u>\$ 2,658,567</u>	<u>\$ 332,581</u>	<u>\$ 326,243</u>	<u>\$ 100,152</u>	<u>\$ 348,435</u>	<u>\$ 27,344</u>
<b>Investment Income</b>						
Interest and dividends	\$ 498	\$ 68	\$ 929	\$ 59	\$ 426	\$ 73
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	(176)	(65)	(243)	-	-	-
Net accretion (amortization)	686	76	(112)	-	581	(13)
Provision for uncollectible loans	-	-	-	-	(3,698)	-
<b>Total investment income</b>	<u>1,008</u>	<u>74</u>	<u>574</u>	<u>59</u>	<u>(2,691)</u>	<u>60</u>
<b>Expenses</b>						
Fees	147	22	35	-	4	1
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
<b>Total expenses</b>	<u>147</u>	<u>22</u>	<u>35</u>	<u>-</u>	<u>4</u>	<u>1</u>
<b>Net investment income</b>	<u>861</u>	<u>52</u>	<u>539</u>	<u>59</u>	<u>(2,695)</u>	<u>59</u>
<b>Net realized gain (loss)</b>						
from investments	3	-	540	-	-	-
Net increase (decrease) in fair value of investments	-	-	119	-	(358)	(33)
Net gain (loss) from investments	<u>3</u>	<u>-</u>	<u>659</u>	<u>-</u>	<u>(358)</u>	<u>(33)</u>
<b>Net increase (decrease) in net assets from operations</b>	<u>864</u>	<u>52</u>	<u>1,207</u>	<u>59</u>	<u>(3,053)</u>	<u>6</u>
<b>Distributions to participants</b>	1,499	50	1,088	59	(3,276)	-
<b>Participant activity</b>						
Purchases, reinvestment of units and contributions	600,701	16,702	612	59	1,291	1,085
Redemptions and withdrawals	693,544	53,650	150	-	3,693	2,022
Inter-pool transfers in	25,000	-	-	50,000	-	-
Inter-pool transfers out	50,000	-	-	25,000	-	-
<b>Net increase (decrease) in net assets from participant activity</b>	<u>(117,843)</u>	<u>(36,948)</u>	<u>462</u>	<u>25,059</u>	<u>(2,402)</u>	<u>(931)</u>
Increase (decrease) in net assets	(118,478)	(36,946)	581	25,059	(2,179)	(931)
Net assets at beginning of period	2,777,045	369,527	325,662	75,093	350,614	28,275
<b>Net assets at end of period</b>	<u>\$ 2,658,567</u>	<u>\$ 332,581</u>	<u>\$ 326,243</u>	<u>\$ 100,152</u>	<u>\$ 348,435</u>	<u>\$ 27,344</u>

(President Tomblin presides)

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
July 16, 2009

3:00 - 4:00 p.m.

Senate Finance Room

1. Approval of June 17, 2009, minutes

2. Committee Reports/Requests:

**Parks, Recreation and Natural Resources Subcommittee** (Senator Fanning, Chair; Delegate Eldridge, Chair) *Requests expense reimbursement for site visitations to Stonewall Jackson State Park, Holly River State Park and Cedar Creek State Park on July 27, 28 and 29, 2009. - John Homburg*

**MOVE** that expense reimbursement be approved for site visitations for the Parks, Recreation and Natural Resources Subcommittee members.

**Equal Pay Commission** (Senator Palumbo, Chair; Delegate Mahan, Chair) *Requests expense reimbursement in the amount of \$500 for guest speaker, Dr. Alkaldry. - Delegate Mahan*

**MOVE** that expense reimbursement in the amount of \$500 for Dr. Alkaldry be approved.

**Judiciary Subcommittee B** (Senator Oliverio, Chair; Delegate Fleischauer, Chair) *Requests funds in the amount of \$15,000 for a study to be conducted by Marshall University, of the economic costs of mandatory contraceptive and pregnancy care coverage for dependent minors by health insurers in WV. - Staff Counsel (Joe Altizer or Rita Pauley)*

**MOVE** that \$15,000 be approved for the study to be done for Judiciary Subcommittee B, by Marshall University.

3. Monthly/Quarterly Reports Distribution:

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

4. Monthly/Quarterly Reports Distribution; Secretary Ferguson

PEIA

BRIM

CHIP

Real Estate Report

5. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources: John Law**  
Medicaid Report
6. **Monthly Report on the Pharmaceutical Cost Management Council: Shana Phares, Acting Pharmaceutical Advocate**
7. **Investment Management Board Distribution: Craig Slaughter**
8. **Workers' Compensation: Mary Jane Pickens, General Counsel**
9. **Board of Treasury Report Distribution**
10. **Other Business**
11. **Scheduled Interim Dates:** 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)
12. **Adjournment**