

JOINT COMMITTEE ON  
GOVERNMENT AND FINANCE

Materials Distributed

August 11, 2010

**AGENDA**  
**JOINT COMMITTEE ON GOVERNMENT AND FINANCE**  
August 11, 2010

2:00 - 3:00 p.m.

**Senate Finance Room**

1. **Approval of July 21, 2010, minutes**
2. **Committee Reports/Requests:**
3. **Monthly/Quarterly Reports Distribution:**  
Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund,  
and General Revenue Fund
4. **Possible Outsourcing of IT Services**
5. **Video Lottery**
6. **Distribution of Stimulus Funds**
7. **Workforce WV Unemployment Compensation Trust Fund Distribution**
8. **Monthly/Quarterly Reports Distribution**  
PEIA  
BRIM  
CHIP  
Real Estate Report
9. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources**  
Medicaid Report
10. **Investment Management Board**
11. **Workers' Compensation**
12. **Other Business**
13. **Scheduled Interim Dates:** September 13-15 (Monday, Tuesday and Wednesday)  
October 11-13 (Monday, Tuesday and Wednesday)  
November 15-17 (Monday, Tuesday and Wednesday)  
December 13-15 (Monday, Tuesday and Wednesday)  
January 9-11 (Sunday, Monday and Tuesday)
14. **Adjournment**



July 21, 2010

2:00 - 3:00 p.m.

**Joint Committee on Government and Finance**

**Senate**

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

**House**

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

President Tomblin, Cochair, presided.

1. **Approval of Minutes**

Upon motion by Speaker Thompson, properly adopted, the minutes of the June 9, 2010, 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 May 31, 2010; General Revenue Fund report for the month ended June 30, 2010; and the Unemployment Compensation Trust Fund report as of May 31, 2010. Distributed with each of the reports were an analysis and a summary of the reports.

4. **Unemployment Compensation**

A report of the Unemployment Compensation Program in West Virginia was distributed. Russell Fry, Acting Executive Director, Workforce West Virginia gave an overview of booklet that was distributed. Upon motion of Senator Kessler, properly adopted, the committee requested that Mr. Fry prepare scenario projections regarding how to keep the unemployment compensation fund solvent.

**PEIA, BRIM and CHIP Reports**

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending May 31, 2010.

The following reports from CHIP were distributed: A report of enrollment for June 2010 and financial statements for period ending May 31, 2010.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for May 2010.

5. **Real Estate Report, Department of Administration**

A real estate report for June 1, 2010 through June 30, 2010, was distributed.

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

A Medicaid report dated July 2010 was distributed.

7. **Investment Management Board**

An Investment Management Board report dated May 31, 2010, was distributed.

7. **Workers' Compensation**

A Workers' Compensation report dated July 14, 2010, was distributed. A copy of a memo to Certain Volunteer Fire Departments and Others concerning their governmental immunity was distributed by Jane Cline, Insurance Commissioner.

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

A Board of Treasury Investments Report dated March 31, 2010 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*  
August 2, 2010



, 304-347-4870

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

**Lottery Commission as of June 30, 2010 :**

Appears to be in good condition. Gross profit for fiscal year 2010 was 10% lower than for fiscal year 2009.

**General Revenue Fund as of July 31, 2010:**

Revenue collections for the first month of the fiscal year 2011 were 107.65% of the July estimate.

**State Road Fund as of July 31, 2010**

Fund collections were at 69.83 % of the yearly estimate. This translates to a \$ 13 million dollar amount under estimated collections for the fiscal year. This low percentage of collections compared to estimate is not accurate; it was caused by a deposit timing difference. Last day of month, July 31, 2010 was on a Saturday. On Monday, August 2, a deposit of \$ 25 million was made to the Gasoline Tax fund.

**Unemployment Compensation Trust as of June 30, 2010:**

Regular benefits paid in fiscal year 2010 were \$ 70 million more than in fiscal year 2009. Total revenues for 2010 were \$ 231 million more than in 2009. Trust fund ending balance on June 30, 2010 was \$ 95,558,217.53.

*Joint Committee on Government and Finance*

Lottery



WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*

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



. 304-347-4870

MEMORANDUM

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

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

Date: August 1, 2010

Re: Review of West Virginia Lottery Financial Information  
As of June 30, 2010 (FY 2010)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for fiscal year 2009-2010 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 \$ 1,358,094,000.00 for fiscal year 2010. Table games accounted for \$31 million of this total. Historic Resort Hotel video lottery and table games enacted in 2009 accounted for \$1.6 million of total gross receipts. These gross receipts were \$ 1,493,036,000.00 for the preceding fiscal year, 2008-2009. Gross lottery revenue is down by 9.04% from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs)

Lottery

*Joint Committee on Government and Finance*

Lottery continued

for fiscal year 2010 was \$605,204,000.00; for the previous fiscal year it was \$673,026,000.00. Expressed as a percentage, gross profit is 10.08% lower for fiscal year 2010 than for fiscal year 2009.

**Operating Income:**

Operating income was \$ 589,025,000.00 for fiscal year 2010. For the preceding fiscal year it was \$ 656,675,000.00. This was a decrease of 10.30%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$568,945,000.00 for fiscal year 2010.

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

A total of \$568,945,000.00 has been accrued to the state of West Virginia for fiscal year 2009-2010. 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	\$ 57,187,000.00
Community and Technical College	\$3,497,000.00
Department of Education	\$ 34,343,000.00
Library Commission	\$ 11,195,000.00
Higher Education-Central Office	\$ 13,916,000.00
Tourism	\$ 7,606,000.00
Department of Natural Resources	\$ 3,450,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 5,881,000.00
Department of Education and Arts	\$ 1,192,000.00
State Building Commission	\$ 8,240,000.00
School Building Authority	\$ 17,997,000.00
<b><u>SUBTOTAL BUDGETARY TRANSFERS</u></b>	<b>\$164,504,000.00</b>

**Excess Lottery Fund**

General Purpose Fund	65,000,000.00
Economic Development Fund	19,000,000.00
Excess Lottery Surplus	160,993,000.00
Education Improvement Fund	10,000,000.00
WV Infrastructure Council Fund	40,000,000.00
Higher Education Improvement Fund	29,000,000.00
State Park Improvement Fund	5,000,000.00
Refundable Credit	8,371,000.00
School Building Authority	19,000,000.00
<b>TOTAL EXCESS LOTTERY FUND</b>	<b>\$356,364,000.00</b>

Historic Resort Hotel Distributions:

State General Revenue Fund	408,000.00
State Debt Reduction Fund	121,000.00
Tourism Promotion Fund	19,000.00
<b>Total Historic Hotel</b>	<b>548,000.00</b>

Veterans Instant Ticket Fund 467,000.00

Lottery

Lottery continued

Table Games State Debt Reduction Fund

16,670,000.00

<b>RACETRACK VIDEO LOTTERY TRANSFERS:</b>	
Tourism Promotion Fund 1.375%	\$9,645,000.00
Development Office Promo Fund	\$2,630,000.00
Research Challenge Fund .5%	\$3,507,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,822,000.00
Parking Garage Fund .0625%	\$439,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$5,014,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
<b>SUBTOTAL VIDEO LOTTERY TRANSFERS:</b>	<b>\$39,057,000.00</b>
<b>TOTAL TRANSFERS</b>	<b>*\$577,610,000.00</b>

\* CASH BASIS

Total Accrued last FY 2009:	202,184,000.00
Total Cash Distributions FY 2010:	577,610,000.00
Applied to FY 2009:	202,184,000.00
Total Applied to FY 2010	375,426,000.00
Accrued for FY 2010 as of June 30:	241,039,000.00

Lottery



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Joe Manchin III  
Governor

John C. Musgrave  
Director

**MEMORANDUM**

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director *John C. Musgrave*

RE: Monthly Report on Lottery Operations  
Month Ending June 30, 2010

DATE: July 20, 2010

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

Financial statements of the Lottery for the month ending June 30, 2010 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$109,074,544 for the month of June.

Transfers of lottery revenue totaling \$103,963,895 made for the month of June to the designated state agencies per House Bill 2010, 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 10 on pages 18 and 19 of the attached financial statements.

The number of traditional and limited retailers active as of June 30, 2010 was 1,571 and 1,622 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 FINANCIAL STATEMENT ATTACHMENT AUGUST 2010 INTERIMS



**WEST VIRGINIA LOTTERY**

**STATE OF WEST VIRGINIA**

**FINANCIAL STATEMENTS  
-UNAUDITED-**

**June 30, 2010**

**WEST VIRGINIA LOTTERY**

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

ASSETS	June 30, 2010	June 30, 2009
<b>Current Assets:</b>		
Cash and cash equivalents	\$ 256,355	\$ 225,355
Accounts receivable	26,986	33,311
Inventory	683	649
Current portion of investments held in trust	-	-
Other assets	2,273	2,555
Total Current Assets	<u>286,297</u>	<u>261,870</u>
<b>Noncurrent Assets:</b>		
Restricted cash and cash equivalents	8,355	69,870
Investments held in trust, less current portion	-	-
Capital assets	39,524	17,641
Less accumulated depreciation and amortization	<u>(16,175)</u>	<u>(14,335)</u>
Net Capital Assets	<u>23,349</u>	<u>3,306</u>
Total Noncurrent Assets	<u>31,704</u>	<u>73,176</u>
Total Assets	<u>\$ 318,001</u>	<u>\$ 335,046</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Accrued nonoperating distributions to the State of West Virginia	\$ 241,039	\$ 202,184
Estimated prize claims	13,128	12,939
Accounts payable	3,050	1,716
Other accrued liabilities	24,401	35,019
Current portion of deferred jackpot prize obligations	-	-
Total Current Liabilities	<u>281,618</u>	<u>251,858</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>281,618</u>	<u>251,858</u>
<b>Net Assets:</b>		
Invested in capital assets	23,349	3,306
Unrestricted assets	4,679	10,012
Restricted assets ( see note 12)	<u>8,355</u>	<u>69,870</u>
Total Net Assets	<u>36,383</u>	<u>83,188</u>
Total Liabilities and Net Assets	<u>\$ 318,001</u>	<u>\$ 335,046</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 TWELVE MONTH PERIOD ENDED JUNE 30, 2010**

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2010	2009	2010	2009
<b>Lottery revenues</b>				
On-line games	\$ 6,644	\$ 6,286	\$ 83,741	\$ 84,241
Instant games	9,100	7,798	97,483	113,854
Racetrack video lottery	58,609	67,607	746,208	848,233
Limited video lottery	31,864	32,350	397,287	412,489
Table games	2,662	2,919	31,726	34,219
Historic resort	195	-	1,649	-
	<u>109,074</u>	<u>116,960</u>	<u>1,358,094</u>	<u>1,493,036</u>
<b>Less commissions</b>				
On-line games	452	443	5,849	5,901
Instant games	638	545	6,824	7,969
Racetrack video lottery	29,505	32,127	414,988	463,649
Limited video lottery	15,614	15,852	194,671	202,120
Table games	1,046	1,148	12,473	13,458
Historic resort	100	-	847	-
	<u>47,355</u>	<u>50,115</u>	<u>635,652</u>	<u>693,097</u>
Less on-line prizes	3,353	3,117	41,818	42,451
Less instant prizes	6,129	5,271	66,165	76,999
Less ticket costs	167	108	1,511	1,528
Less vendor fees and costs	440	492	7,744	5,935
	<u>10,089</u>	<u>8,988</u>	<u>117,238</u>	<u>126,913</u>
<b>Gross profit</b>	<u>51,630</u>	<u>57,857</u>	<u>605,204</u>	<u>673,026</u>
<b>Administrative expenses</b>				
Advertising and promotions	856	868	7,349	7,160
Wages and related benefits	949	1,459	10,921	9,645
Telecommunications	45	57	648	2,208
Contractual and professional	302	72	4,741	5,030
Rental	57	60	697	727
Depreciation and amortization	142	167	1,840	1,988
Other administrative expenses	82	146	1,042	994
	<u>2,433</u>	<u>2,829</u>	<u>27,238</u>	<u>27,752</u>
<b>Other Operating Income</b>	<u>295</u>	<u>242</u>	<u>11,059</u>	<u>11,401</u>
<b>Operating Income</b>	<u>49,492</u>	<u>55,270</u>	<u>589,025</u>	<u>656,673</u>
<b>Nonoperating income (expense)</b>				
Investment income	35	69	390	2,721
Nonoperating income - OPEB	-	-	-	-
Interest expense	-	-	-	(2)
Distributions to municipalities and counties	(625)	(634)	(7,787)	(8,085)
Distributions - capital reinvestment	(1,948)	(2,726)	(11,968)	(15,983)
Distributions to the State of West Virginia	(46,323)	(33,828)	(568,945)	(616,623)
	<u>(48,861)</u>	<u>(37,119)</u>	<u>(588,310)</u>	<u>(637,972)</u>
<b>Net income before special item</b>	<u>631</u>	<u>18,151</u>	<u>715</u>	<u>18,703</u>
Special item - Return of revenue center construction funds	(40,000)	-	(40,000)	-
Special item - Return of Commission capital allocation for land acquisition	(7,520)	-	(7,520)	-
<b>Net Income</b>	<u>(46,889)</u>	<u>18,151</u>	<u>(46,805)</u>	<u>18,703</u>
Net assets, beginning of period	83,272	65,037	83,188	64,485
Net assets, end of period	<u>\$ 36,383</u>	<u>\$ 83,188</u>	<u>\$ 36,383</u>	<u>\$ 83,188</u>

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

**WEST VIRGINIA LOTTERY  
STATEMENTS OF CASH FLOWS  
FOR THE TWELVE MONTH PERIOD ENDED JUNE 30, 2010**

(In Thousands)  
-Unaudited-

	2010	2009
<b>Cash flows from operating activities:</b>		
Cash received from customers and other sources	\$ 1,375,478	\$ 1,507,972
Cash payments for:		
Personnel costs	(9,636)	(9,364)
Suppliers	(13,569)	(19,978)
Other operating costs	(760,067)	(819,998)
Cash provided by operating activities	<u>592,206</u>	<u>658,632</u>
<b>Cash flows from noncapital financing activities:</b>		
Nonoperating distributions to the State of West Virginia	(577,610)	(581,406)
Distributions to municipalities and counties	(7,796)	(8,108)
Distributions to racetrack from racetrack cap. reinv. fund		(15,370)
Deferred jackpot prize obligations and related interest paid	(15,822)	(1)
Cash used in noncapital financing activities	<u>(601,228)</u>	<u>(604,885)</u>
<b>Cash flows from capital and related financing activities:</b>		
Purchases of capital assets	<u>(21,883)</u>	<u>(329)</u>
<b>Cash flows from investing activities:</b>		
Maturities of investments held in trust	-	136
Investment earnings received	390	2,721
Cash provided by investing activities	<u>390</u>	<u>2,857</u>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(30,515)</b>	<b>56,275</b>
<b>Cash and cash equivalents - beginning of period</b>	<b>295,225</b>	<b>238,950</b>
<b>Cash and cash equivalents - end of period</b>	<b>\$ <u>264,710</u></b>	<b>\$ <u>295,225</u></b>
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income	\$ 589,025	\$ 656,675
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,840	1,988
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	6,325	3,535
(Increase) decrease in inventory	(34)	(348)
(Increase) decrease in other assets	282	40
Increase (decrease) in estimated prize claims	189	(29)
Increase (decrease) in accounts payable	1,334	(976)
Increase (decrease) in other accrued liabilities	(6,755)	(2,253)
Cash provided by operating activities	<u>\$ 592,206</u>	<u>\$ 658,632</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; Mega Millions®, a multi-state “jackpot” 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 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.

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

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

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.

Historic resort lottery games are a combination of self-activated video lottery games as well as table games which are located at a licensed historic resort hotel as defined by the WV Code. Video lotteries at the historic resort are board-operated games that 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 historic resort 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 historic resort lottery revenues:

- Video lottery revenues consisting of "gross terminal income" equivalent to all wagers, net of related prizes; and,
- Historic resort table games revenues consisting of 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 the private and local government entities are reported as commissions. The Lottery Act as amended has established specific requirements for historic resort video and table games lotteries and imposed certain restrictions limiting the licensing for operation of historic resort lottery games in West Virginia, subject to local county elections permitting the same. The legislation further

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

stipulates the distribution of revenues from historic resort lottery games, and requires any licensed historic resort 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 in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

**INVENTORY** – Inventory consists of instant game tickets available for sale to approved Lottery retailers and is carried at cost as determined by the specific identification method.

**OTHER ASSETS** – Other assets consist of deposits restricted for payment of certain Multi-State Lottery Association activities and prepaid expenses.

**CAPITAL ASSETS** – The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements 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.

**ADVERTISING AND PROMOTIONS** – The Lottery expenses the costs of advertising and promotions as they are incurred.

**COMPENSATED ABSENCES** – The Lottery has accrued \$500,740 and \$467,815 of at June 30, 2010 and 2009, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 16).

**NET ASSETS** – Net assets are presented as restricted, unrestricted and invested in capital assets which represent the net book value of all property and equipment of the Lottery. When an expense is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are applied first.

**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.

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

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At June 30, 2010 the carrying amounts of deposits (overdraft) with financial institutions were (\$60) thousand with a bank balance (overdraft) of \$6 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):

	June 30, 2010	June 30, 2009
Deposits with financial institutions	\$ (60)	\$ (23)
Cash on hand at the Treasurer's Office	40,006	22,110
Investments with BTI reported as cash equivalents	224,764	273,138
	<u>\$ 264,710</u>	<u>\$ 295,225</u>

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool. 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 twelve months ended June 30, 2010 is as follows (in thousands):

Capital Assets:	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At June 30, 2010
Construction in Progress	\$ -	\$ 20,174	\$ -	\$ 20,174
Land	-	1,434	-	1,434
Improvements	1,170	-	-	1,170
Equipment	16,471	275	-	16,746
	<u>\$ 17,641</u>	<u>\$ 21,883</u>	<u>\$ -</u>	<u>\$ 39,524</u>
Accumulated Depreciation:	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At June 30, 2010
Improvements	\$ 1,080	\$ 51	\$ -	\$ 1,131
Equipment	13,255	1,789	-	15,044
	<u>\$ 14,335</u>	<u>\$ 1,840</u>	<u>\$ -</u>	<u>\$ 16,175</u>

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

**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, the HOT LOTTO® game, and the MEGA MILLIONS® jackpot game on behalf of participating state lotteries. MUSL is currently comprised of 33 member state lotteries, including the District of Columbia and the United States Virgin Islands. MUSL is managed by a Board of Directors, which is comprised of the lottery directors or their designee from each of the party states. The Board of Directors' responsibilities to administer the Multi-State Lottery Powerball, Hot Lotto, and Mega Millions games are performed by advisory committees or panels staffed by officers and independent contractors appointed by the board. These officers and consultants serve at the pleasure of the board and the board prescribes their powers, duties and qualifications. The Executive Committee carries out the budgeting and financing of MUSL, while the board contracts the annual independent audit. A copy of the audit may be obtained by writing to the Multi-State Lottery Association, 1701-48th Street, Suite 210, West Des Moines, Iowa 50266-6723.

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®, HOT LOTTO® and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month and year ended June 30, 2010 is as follows:

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 3,733,334	\$ 48,593,678
Hot Lotto	449,912	6,447,315
Mega Millions	436,923	2,678,674
Total	\$ 4,620,169	\$ 57,719,667
<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,834,479	\$ 24,299,364
Hot Lotto	213,174	3,224,120
Mega Millions	260,464	1,384,136
Total	\$ 2,308,117	\$ 28,907,620

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. 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. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:



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

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

	PowerBall	Hot Lotto	Mega Millions
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$125,000,000	\$9,000,000	N/A*

\* Mega Millions prize reserve fund is currently in a negative position and therefore has no applicable cap.

At June 30, 2010, the Lotteries share of the prize reserve fund balances were as follows:

	Total Prize Reserve	Lottery Share
Powerball	\$ 113,399,532	\$ 2,385,173
Hot Lotto	6,491,541	392,458
Mega Millions	(629,706)	(11,044)
Total	\$ 119,261,367	\$ 2,766,587

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$15,991,948 at June 30, 2010, of which the Lottery's share was \$1,752,719.

**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 10 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.

**WEST VIRGINIA LOTTERY  
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**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

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 allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 10. 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 and year ended June 30, 2010 follows (in thousands):

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 662,689	\$ 693,189	\$ 8,188,573	\$ 8,690,994
Credits (prizes) won	(595,723)	(625,228)	(7,372,586)	(7,838,424)
Promotional credits played	(8,072)	-	(66,022)	-
MWAP Contributions	(285)	(354)	(3,757)	(4,337)
Gross terminal income	58,609	67,607	746,208	848,233
Administrative costs	(203)	-	(17,524)	(17,524)
Net Terminal Income	58,406	67,607	728,684	830,709
Less distribution to agents	(29,505)	(32,127)	(414,988)	(463,649)
Racetrack video lottery revenues	<u>\$ 28,901</u>	<u>\$ 35,480</u>	<u>\$ 313,696</u>	<u>\$ 367,060</u>

**WEST VIRGINIA LOTTERY  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 - RACETRACK VIDEO LOTTERY (continued)**

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

	June 30, 2010	Year-to-Date
State Lottery Fund	\$ 3,007	\$ 129,799
State Excess Lottery Revenue Fund	21,886	133,462
Capital Reinvestment Fund	1,942	11,915
Tourism Promotion Fund 1.375%	710	9,460
Development Office Promotion Fund .375 %	194	2,580
Research Challenge Fund .5 %	258	3,440
Capitol Renovation & Improvement Fund .6875 %	355	4,730
Parking-Garage Fund .0625 %	32	430
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	517	4,880
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 28,901</u>	<u>\$ 313,696</u>

**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 and year ended June 30, 2010 follows (in thousands):

**WEST VIRGINIA LOTTERY**  
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**NOTE 7 - LIMITED VIDEO LOTTERY (continued)**

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 369,374	\$ 382,191	\$ 4,659,212	\$ 4,925,431
Credits (prizes) won	(337,510)	(349,841)	(4,261,925)	(4,512,942)
Gross terminal income	\$ 31,864	\$ 32,350	\$ 397,287	\$ 412,489
Administrative costs	(637)	(646)	(7,946)	(8,249)
Gross Profit	31,227	31,704	389,341	404,240
Commissions	(15,614)	(15,852)	(194,671)	(202,120)
Municipalities and Counties	(625)	(634)	(7,787)	(8,085)
Limited video lottery revenues	<u>\$ 14,988</u>	<u>\$ 15,218</u>	<u>\$ 186,883</u>	<u>\$ 194,035</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 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:

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**NOTE 8 -- TABLE GAMES (continued)**

- 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 10- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended June 30, 2010 were \$7,604,664 and \$90,644,701, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Table Games Privilege Tax	\$ 2,662	\$ 2,919	\$ 31,726	\$ 34,219
Interest on Table Games Fund	-	-	3	22
Administrative costs	(229)	(250)	(2,720)	(2,933)
<b>Total Available for Distribution</b>	<b>2,433</b>	<b>2,669</b>	<b>29,009</b>	<b>31,308</b>
<u>Less Distributions:</u>				
Racetrack Purse Funds	190	209	2,266	2,444
Thoroughbred & Greyhound Development Funds	152	167	1,813	1,955
Racing Association Pension Plan	73	80	870	939
Municipalities/ Counties	631	692	7,524	8,120
<b>Total Distributions</b>	<b>1,046</b>	<b>1,148</b>	<b>12,473</b>	<b>13,458</b>
<b>State Debt Reduction Fund</b>	<b>\$ 1,387</b>	<b>\$ 1,521</b>	<b>\$ 16,536</b>	<b>\$ 17,850</b>

**NOTE 9 -- HISTORIC RESORT HOTEL**

In 2009, the Legislature passed Senate Bill 575 which permits video lottery and table games at a licensed historic resort hotel which is defined as "a resort hotel registered with the United States Department of the Interior as a national historic landmark in its National Registry of Historic Places having not fewer than five hundred guest rooms under common ownership and having substantial recreational guest amenities in addition to the gaming facility."

Historic Resort Video Lottery

According to Senate Bill 575, thirty six percent (36%) of gross terminal income is allocated to Historic Resort Hotel Fund and seventeen percent (17%) of gross terminal income is allocated to the Human Resource Benefit Fund. The remaining forty-seven percent (47%) of gross terminal income is then subject to a ten percent (10%) surcharge which is allocated to separate capital reinvestment funds for each licensed historic resort hotel. The remaining forty-two and three-tenths percent (42.3%) of gross terminal income is retained by the

**WEST VIRGINIA LOTTERY**  
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**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month and year ended June 30, 2010 and year-to-date follows (in thousands):

	<u>Current Month</u>	<u>Year-to-Date</u>
Total credits played	\$ 1,514	\$ 11,333
Credits (prizes) won	(1,369)	(10,175)
Promotional credits played	(11)	(25)
Gross terminal income	<u>134</u>	<u>1,133</u>
Capital reinvestment	(6)	(53)
Administrative costs	(7)	(61)
Hotel commissions	<u>(57)</u>	<u>(479)</u>
Net terminal income	64	540
Historic Resort Hotel Fund	41	347
Human Resource Benefit Fund	23	193

**Historic Resort Table Games**

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended June 30, 2010 were \$173,218 and \$1,475,617, 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 Month</u>	<u>Year-to-Date</u>
Table games privilege tax	\$ 61	\$ 516
Administrative Costs	<u>(8)</u>	<u>(66)</u>
Total Available for Distribution	53	450
Historic Resort Hotel Fund	44	376
Human Resource Benefit Fund	9	74

**Historic Resort Hotel Fund**

Of the monies deposited into the Historic Resort Hotel Fund, fifteen percent (15%) is allocated for lottery administrative costs. The remaining Historic Resort Hotel Fund net income (gross deposits less 15%) is distributed as follows:

- 1) Sixty-four percent (64%) is paid to the State of West Virginia General Revenue Fund;

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**NOTE 9 – HISTORIC RESORT HOTEL (continued)**

- 2) Nineteen percent (19%) is paid to the State Debt Reduction Fund;
- 3) Three percent (3%) is paid to the State of West Virginia Tourism Promotion Fund;
- 4) Four percent (4%) is paid to the county where the gaming facility is located;
- 5) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares to the remaining municipalities in the county where the gaming facility is located;
- 7) Two and one-half percent (2.5%) is divided and paid in equal shares, to each county commission in the state where the gaming facility is not located;
- 8) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

A summary of Historic Resort Hotel Fund revenues and related distributions is as follows (in thousands):

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 41	\$ 347
Historic Resort Table Games	44	376
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	85	723
Municipalities/ Counties	12	101
State General Revenue Fund	34	463
State Debt Reduction Fund	16	137
State Tourism Promotion Fund	3	22
<b>Total Distributions</b>	<b>\$ 85</b>	<b>\$ 723</b>

**NOTE 10- 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, 2010 the State Legislature budgeted \$166,010,000 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 \$3,920,843 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 year ended June 30, 2010 the Lottery made such distributions and accrued additional distributions of \$43,420,445. The Lottery is a non-appropriated state

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**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
**(continued)**

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. For the year ended June 30, 2010, the Lottery accrued additional distributions relating to racetrack video lottery operations of \$228,319.

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. Note 9 describes the Historic Resort Hotel statutory distributions to be made from historic resort 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>June 30, 2010</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 497	\$ 3,497
Bureau of Senior Services	-	57,187
Department of Education	-	34,343
Library Commission	-	11,195
Higher Education-Policy Commission	-	13,916
Tourism	-	7,606
Natural Resources	-	3,450
Division of Culture & History	-	5,881
Department of Education & Arts	-	1,192
Building Commission	-	8,240
School Building Authority	-	17,997
Total State Lottery Fund	<u>\$ 497</u>	<u>\$ 164,504</u>



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

**NOTE 10- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA**  
**(continued)**

State Excess Lottery Revenue Fund:

Economic Development Fund	\$ -	\$ 19,000
Higher Education Improvement Fund	-	10,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	29,000
State Park Improvement Fund	-	5,000
School Building Authority	-	19,000
Refundable Credit	594	8,371
Excess Lottery Surplus	98,804	160,993
West Va. Infrastructure Council	-	40,000
<b>Total State Excess Lottery Revenue Fund</b>	<b>\$ 99,398</b>	<b>\$ 356,364</b>

**Total Budgetary distributions:**

**\$ 99,895**                      **\$ 520,868**

**Veterans Instant Ticket Fund**

**\$ 36**                                      **\$ 467**

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 877	\$ 9,645
Development Office Promotion Fund .375%	239	2,630
Research Challenge Fund .5%	319	3,507
Capitol Renovation & Improvement Fund .6875%	438	4,822
Parking Garage Fund .0625 %	40	439
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	638	5,014
Workers Compensation Debt Reduction Fund 7%	-	11,000
<b>Total</b>	<b>\$ 2,551</b>	<b>\$ 39,057</b>

**Table Games State Debt Reduction Fund**

**\$ 1,398**                                      **\$ 16,670**

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 63	\$ 408
State Debt Reduction Fund	18	121
Tourism Promotion Fund	3	19
<b>Total</b>	<b>\$ 84</b>	<b>\$ 548</b>

**Total nonoperating distributions to the  
State of West Virginia (cash basis)**

**\$ 103,964**                                      **\$ 577,610**

**Accrued nonoperating distributions, beginning**

**(251,160)**                                      **(202,184)**

**Accrued nonoperating distributions, end**

**241,039**                                      **241,039**

**\$ 93,843**                                      **\$ 616,465**

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

**NOTE 11 – LEASES**

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 cancelable operating leases. Rental expense for the twelve months ended June 30, 2010 and June 30, 2009 approximated \$697,279 and \$727,138, respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Future rental receipts (in thousands) are as follows:

Year Ended June 30	Rental Receipts
2011	\$ 916
2012	939
2013	962
2014	986
2015	248
Total	\$ 4,051

**NOTE 12 – 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. Contributions to the fund for fiscal years ending June 30, 2010 and June 30, 2009 were as follows:

	June 30, 2010	June 30, 2009
Beginning balance	\$ 69,870	\$ 58,487
Additions		
Administrative surplus contribution		10,817
Fund interest	93	566
Deductions		
Asset acquisition	(21,608)	-
Surplus of excess funds	(40,000)	-
Ending balance	\$ 8,355	\$ 69,870

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

**NOTE 13 – SPECIAL ITEM**

On June 30, 2010, the Lottery purchased a building to serve as its new headquarters. This building and the related land is currently recorded as construction in progress (see Note 4). Subsequent to the building purchase, the Lottery determined that certain excess funds which were previously set aside for the purchase of assets were surplus funds and accordingly, were returned to the State of West Virginia. The return of these surplus funds is recorded as a component of accrued transfers to the State of West Virginia and represents an expense to the Lottery. For June 30, 2010, expenses related to the surplus of funds to the state of West Virginia are as follows:

	Net Income (Loss)
Operating Income	\$ 589,025
Nonoperating income (expense)	
Investment Income	390
Distributions to municipalities and counties	(7,787)
Distributions - capital reinvestment	(11,968)
	569,660
Income before distributions to State of West Virginia	569,660
Distributions to the State of West Virginia	
Distribution of normal profit	(566,538)
Special item - return of revenue center construction funds	(40,000)
Special Item - return of Commission capital allocation	(7,520)
Distribution of surplus committed assets (See Note 14)	(2,407)
	(616,465)
Total Distributions to the State of West Virginia	(616,465)
Net Income (Loss)	\$ (46,805)

**NOTE 14 – COMMITMENTS**

For the year ended June 30, 2010, the Lottery Commission has designated \$3,031,185 of unexpended administrative funds for the acquisition of capital assets. As of June 30, 2010 and 2009, \$5,921,057 and \$12,817,601, respectively, are included in unrestricted net assets and invested in capital assets for this purpose.

**NOTE 15 - 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.

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

**NOTE 15 - RETIREMENT BENEFITS (continued)**

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service 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. Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 11.0% 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 month and year ending June 30, 2010 are as follows (in thousands):

	June 30, 2010	Year-to-Date
Lottery contributions	\$ 66	\$ 832
Employee contributions	27	312
Total contributions	\$ 93	\$ 1,144

**NOTE 16 - 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 has 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.

**WORKERS' COMPENSATION INSURANCE**

The Lottery carries workers compensation insurance coverage through a privatized business entity, BrickStreet Mutual Insurance Company (BrickStreet), established January 1, 2006, and named the administrator of former state workers' compensation fund activities. BrickStreet is paid a monthly administrative fee and rated premium to provide compensation for injuries sustained in the course of employment. The monthly administrative fee for the Lottery has been set at levels consistent with prior year payments and any rate or premium increases will be established on an experience rated basis.

The Lottery participates in the BrickStreet experience rated pool, which is rate adjusted on a quarterly basis. The BrickStreet risk pool retains all risk related to the compensation of injured employees under the program in exchange for the premiums paid.

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

**NOTE 16 - RISK MANAGEMENT (continued)**

**PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)**

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher 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 17- OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retiree Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retiree post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57<sup>th</sup> Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

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

**NOTE 17- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)**

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

The ARC rate is \$901 and \$388 per employee per month for the years ending June 30, 2010 and 2009 respectively. Through June 30, 2010 and 2009, the Lottery has paid premiums of \$226,212 and \$185,563. As of June 30, 2010 and 2009, the Lottery has recorded a liability of \$1,484,546 and \$251,867 on its balance sheet for OPEB.

**NOTE 18- 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: August 2, 2010

Re: Status of General Revenue Fund July 31, 2010

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the month of July of fiscal year 2010-2011. The status of the fund collections are as follows:

The net collections were **107.65%** of the estimate for the fiscal year as of July 31, 2010. **The amount above estimate was \$24 million for the year.**

Personal Income Tax collections were \$ 3.9 million over the estimate for the fiscal year.

Consumer sales and use tax collections were \$2.3 million under the estimate for the fiscal year.

Liquor license renewal (once every ten years) accounted for \$ 13.7 million income to the general revenue fund.

*Joint Committee on Government and Finance*



**State Road Fund**

The state road fund was collected at 69.83% of the estimate for the months of July 2010. Privilege tax collections were \$ 247 thousand over the estimate. Gasoline tax was \$ 13.9 under the estimate. The entire fund was \$ 13.8 million below the estimate for the year. This amount under the estimate is due to a timing difference. The last day of the month was on a Saturday. A \$25 million deposit to the gasoline tax fund was credited on the first business day of August.

**Rainy Day and Personal Income Tax Reserve**

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ \$222,726,240.06 as of July 31, 2010.

Balance July 1, 2010	276,949,590.37
Cash flow loan to General Revenue on July 1, 2010. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; repaid in September.	- 56,000,000.00
Revenues (Surplus previous fiscal year)	
Earnings	1,776,649.69
Balance July 31, 2010	222,726,240.06

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 278,690,426.85 as of July 31, 2010.

Balance July 1, 2010	279,073,099.52
Earnings	- 382,672.67
Balance July 31, 2010	278,690,426.85

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of July 31, 2010.

Balance July 1, 2010	45,019,319.21
Revenues	-0-
Balance July 31, 2010	45,019,319.21

Monthly Revenue Estimates  
as of July 30, 2010 WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	108,200,000	112,160,255	3,960,255	108,200,000	112,160,255	3,960,255
Consumer Sales Tax & Use Tax	99,900,000	102,218,888	2,318,888	99,900,000	102,218,888	2,318,888
HB 102 - Lottery Transfers	49,000,000	54,404,503	5,404,503	49,000,000	54,404,503	5,404,503
Insurance Tax	24,600,000	23,696,215	-903,785	24,600,000	23,696,215	-903,785
Tobacco Products Tax	10,460,000	9,848,498	-611,502	10,460,000	9,848,498	-611,502
Severance Tax	5,700,000	5,515,044	-184,956	5,700,000	5,515,044	-184,956
Liquor License Renewal	5,560,000	13,755,023	8,195,023	5,560,000	13,755,023	8,195,023
Business and Occupation	4,600,000	6,492,769	1,892,769	4,600,000	6,492,769	1,892,769
Corp Income /Business Franchise	2,200,000	5,576,284	3,376,284	2,200,000	5,576,284	3,376,284
Interest Income	1,100,000	1,747,769	647,769	1,100,000	1,747,769	647,769
Liquor Profit Transfers	1,000,000	1,005,135	5,135	1,000,000	1,005,135	5,135
Property Transfer Tax	860,000	979,566	119,566	860,000	979,566	119,566
Beer Tax and Licenses	850,000	854,491	4,491	850,000	854,491	4,491
Departmental Collections	800,000	737,686	-62,314	800,000	737,686	-62,314
Miscellaneous Receipts	310,000	190,085	-119,915	310,000	190,085	-119,915
Business Franchise Fees	280,000	329,782	49,782	280,000	329,782	49,782
Property Tax	100,000	105,099	5,099	100,000	105,099	5,099
Miscellaneous Transfers	20,000	0	-20,000	20,000	0	-20,000
Refundable Credit Relm LTY	0	0	0	0	0	0
Racing Fees	0	20,810	20,810	0	20,810	20,810
Charter Tax	0	18,867	18,867	0	18,867	18,867
Telecommunications Tax	0	11,729	11,729	0	11,729	11,729
Estate and inheritance Tax	0	3,286	3,286	0	3,286	3,286
Video Lottery Transfers	0	20,859	20,859	0	20,859	20,859
Cash Flow Transfer	0	56,000,000	0	0	56,000,000	0
<b>TOTALS</b>	<b>315,540,000</b>	<b>395,692,646</b>	<b>80,152,646</b>	<b>315,540,000</b>	<b>395,692,646</b>	<b>80,152,646</b>
Minus Cash Flow Transfer	0	56,000,000	0	0	56,000,000	0
Percent of Estimates		<b>125.40%</b>			<b>125.40%</b>	
<b>TOTALS</b>	<b>315,540,000</b>	<b>339,692,646</b>	<b>24,152,646</b>	<b>315,540,000</b>	<b>339,692,646</b>	<b>24,152,646</b>
Percent of Estimates		<b>107.65%</b>			<b>107.65%</b>	
Collections this day		<b>38,563,088</b>				

STATE ROAD FUND FY 2010-2011  
 Monthly Revenue Estimates  
 as of July 30, 2010 WVFIMS

FINAL

	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	21,800,000	7,859,719	-13,940,281	21,800,000	7,859,719	-13,940,281
Privilege Tax	14,542,000	14,788,901	246,901	14,542,000	14,788,901	246,901
Licenses & Registration	9,478,000	9,308,951	-169,049	9,478,000	9,308,951	-169,049
Highway Litter Control	181,000	166,517	-14,483	181,000	166,517	-14,483
<b>TOTALS</b>	<b>46,001,000</b>	<b>32,124,088</b>	<b>-13,876,912</b>	<b>46,001,000</b>	<b>32,124,088</b>	<b>-13,876,912</b>
<b>Percent of Estimates</b>		<b>69.83%</b>			<b>69.83%</b>	
<b>Collections this day</b>		<b>5,572,598</b>				

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF July 1, 2010 : \$220,949,590.37

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF July 1, 2010 : \$279,073,099.52

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF July 1, 2010: \$45,019,319.21

NOTE: LAST DAY OF JULY WAS ON A SATURDAY. A DEPOSIT OF \$ 25 MILLION WAS MADE TO THE GASOLINE TAX FUND ON THE FIRST BUSINESS DAY OF AUGUST. THEREFORE, COLLECTIONS COMPARED TO ESTIMATE FOR JULY IS NOT AN ACCURATE COMPARISON AT 69 %.



WEST VIRGINIA LEGISLATURE  
*Office of the Legislative Auditor*

*Budget Division*  
*Building 1, Room 314-West Wing*  
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*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: August 1, 2010

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the June 2010 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. June is the end of fiscal year 2010.

For the fiscal year 2009-2010, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2009	\$193,165,088.22
Receipts July 1, 2009 thru June 30, 2010	\$510,824,932.13
Disbursements July 1, 2009 thru June 30, 2010	\$608,431,802.82
Balance June 30, 2010	\$95,558,217.53

ITEMS OF NOTE:

Regular benefits paid for fiscal year 2010 were \$70 million more than fiscal year 2009.

Federal emergency benefits totaled \$ 203 million for the fiscal year 2010; for fiscal year 2009 federal emergency benefits

*Joint Committee on Government and Finance*

Unemployment

totalled \$ 57 million.

Total disbursements were \$ 270 million more than the preceding fiscal year.

Receipts for 2010 were \$ 231 million more than in fiscal year 2009. Overall ending trust fund balance was \$ 97 million less on June 30, 2010 than on June 30, 2009.

West Virginia's unemployment rate for the month of June 2010 was 8.6 percent. National unadjusted employment rate was 9.6 percent.

Seasonally adjusted unemployment rates were 8.5 percent for West Virginia and 9.5 percent nationally.

Since June 2009 employment has decreased by 7,000. The declines were: 5,700 in government; 2,300 in trade, transportation and utilities; 1,100 in financial activities; 700 in mining and logging; 500 in professional and business services; and 100 in manufacturing. The gains in employment were: 1,600 in educational and health services; 900 in construction; 500 in other services; and 400 in leisure and hospitality.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE  
FOR THREE MONTHS STARTING APRIL 2009 AND APRIL 2010**

	APRIL 09	MAY 09	JUNE 09	APRIL 2010	MAY 2010	JUNE 2010	THREE MONTH TOTAL VARIANCE *
<b>Balance Forward</b>	<b><u>\$171,695,960.24</u></b>	<b><u>\$166,009,076.61</u></b>	<b><u>\$186,390,766.95</u></b>	<b><u>\$60,906,505.30</u></b>	<b><u>\$67,265,942.58</u></b>	<b><u>\$108,392,942.39</u></b>	<b><u>(\$286,430,412.63)</u></b>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$23,632,654.48	\$53,988,825.48	\$1,941,206.73	\$28,474,801.89	\$67,859,288.93	\$2,950,870.13	\$19,722,274.26
3. Federal Emergency Benefits (EUC08)	\$3,818,689.78	\$4,965,142.62	\$13,477,689.00	\$20,074,609.12	\$18,522,930.92	\$20,088,819.06	\$36,424,837.70
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$136,535.15	\$476,753.03	\$463,936.85	\$1,077,225.03
5. Temp Federal Additional Comp (FAC)	\$4,435,872.00	\$4,931,821.00	\$4,665,539.00	\$4,047,768.00	\$3,734,687.00	\$4,148,919.00	(\$2,101,858.00)
6. UCFE (Federal Agencies)	\$104,141.24	\$108,110.51	\$134,715.38	\$149,390.37	\$113,611.99	\$136,731.45	\$52,766.68
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. UC Modernization Incentive	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
10. Treasury Interest Credits	\$0.00	\$0.00	\$1,940,527.75	\$0.00	\$0.00	\$896,525.01	(\$1,044,002.74)
11. UCX (Military Agencies)	\$276,420.46	\$257,655.84	\$334,173.19	\$347,475.60	\$368,442.22	\$448,151.17	\$295,819.50
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$40,000,000.00	\$0.00	\$0.00	\$0.00	(\$40,000,000.00)
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Monthly Receipts</b>	<b><u>\$32,267,777.96</u></b>	<b><u>\$64,251,555.45</u></b>	<b><u>\$62,493,851.05</u></b>	<b><u>\$53,230,580.13</u></b>	<b><u>\$91,075,714.09</u></b>	<b><u>\$29,133,952.67</u></b>	<b><u>\$14,427,062.43</u></b>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$29,846,712.96	\$31,422,777.17	\$37,196,430.62	\$22,299,614.07	\$22,991,873.05	\$19,364,398.68	(\$33,810,034.95)
Federal Emergency Benefits (EUC08)	\$3,757,131.88	\$6,065,169.72	\$12,745,901.00	\$19,847,608.18	\$21,484,745.92	\$17,231,703.08	\$35,975,854.78
Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$150,249.15	\$472,940.61	\$451,772.27	\$1,074,962.03
Emergency Benefits (TEUC)	(\$380.00)	(\$392.00)	(\$330.00)	(\$180.00)	(\$190.00)	(\$769.12)	(\$37.12)
Temp Federal Additional Comp (FAC)	\$4,838,649.00	\$4,937,591.00	\$4,393,011.00	\$4,002,170.00	\$4,287,027.00	\$3,611,354.00	(\$2,268,700.00)
UCFE (Federal Workers) Benefits	\$111,790.50	\$127,642.77	\$137,128.22	\$152,381.95	\$127,577.91	\$128,129.10	\$31,527.47
UCX (Military Workers) Benefits	\$300,757.45	\$317,077.45	\$343,349.95	\$417,890.26	\$509,118.65	\$460,814.14	\$426,638.20
Reed Act Funds	\$0.00	\$0.00	\$895,177.57	\$0.00	\$85,623.07	\$713,612.83	(\$95,941.67)
Special Administrative Transfer**	\$0.00	\$0.00	\$8,860.42	\$1,409.24	\$9,998.07	\$7,662.55	\$10,209.44
<b>Total Monthly Disbursements</b>	<b><u>\$38,854,661.59</u></b>	<b><u>\$42,869,866.11</u></b>	<b><u>\$55,719,528.78</u></b>	<b><u>\$46,871,142.85</u></b>	<b><u>\$49,948,714.28</u></b>	<b><u>\$41,968,677.53</u></b>	<b><u>\$1,344,478.18</u></b>
<b>Trust Fund Balance</b>	<b><u>\$165,009,076.61</u></b>	<b><u>186,390,765.95</u></b>	<b><u>\$193,165,088.22</u></b>	<b><u>\$67,265,942.58</u></b>	<b><u>\$108,392,942.39</u></b>	<b><u>\$95,558,217.53</u></b>	<b><u>(\$273,347,828.29)</u></b>

\* 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 \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.





To: Joint Committee on Government and Finance  
From: Russell L. Fry, Acting Executive Director  
Re: Proposals to maintain solvency of the state Unemployment Compensation Trust Fund  
Date: August 4, 2010

As requested by the Joint Committee on July 21, WorkForce West Virginia has compiled proposals to maintain solvency of the state's Unemployment Compensation Trust Fund. These proposals are listed in order of the immediacy of their effect on Trust Fund solvency:

- One-time transfer of state funds sufficient to maintain solvency of the Trust Fund through 2011,
- Imposition of temporary assessments on employers and employees triggered when the Trust Fund balance reaches a pre-determined level,
- Increase taxable wage base,
- Increase tax rates on employers who have benefit charges in excess of contributions paid into the fund, and
- Increase staffing to identify and collect benefit overpayments.

Attached is a projection of Trust Fund balances through 2011. These projections are based on current year trends in benefits.

## UC TRUST FUND PROJECTIONS - 2010

August 4, 2010

Month	Revenues	Benefits	Trust Fund Balance
Balance 12/31/2009			123,000,000
January	6,034,000	31,578,000	97,456,000
February	16,419,000	28,000,000	85,875,000
March	5,220,000	30,188,000	60,907,000
April	28,659,000	22,300,000	67,266,000
May	64,119,000	22,992,000	108,393,000
June	6,529,000	19,364,000	95,558,000
July	13,034,000	19,131,000	89,461,000
August	28,363,000	28,675,000	89,149,000
September	873,000	22,557,000	67,465,000
October	10,248,000	20,461,000	57,252,000
November	18,750,000	22,577,000	53,425,000
December	666,000	22,315,000	31,776,000
<b>Totals</b>	<b>198,914,000</b>	<b>290,138,000</b>	<b>31,776,000</b>

## 2011

January	6,034,000	31,578,000	6,232,000
February	16,419,000	28,000,000	(5,349,000)
March	5,220,000	30,188,000	(30,317,000)
April	28,659,000	22,300,000	(23,958,000)
May	64,119,000	22,992,000	17,169,000
June	6,529,000	19,364,000	4,334,000
July	13,034,000	19,131,000	(1,763,000)
August	28,363,000	28,675,000	(2,075,000)
September	873,000	22,557,000	(23,759,000)
October	10,248,000	20,461,000	(33,972,000)
November	18,750,000	22,577,000	(37,799,000)
December	666,000	22,315,000	(59,448,000)
<b>Totals - 2011</b>	<b>198,914,000</b>	<b>290,138,000</b>	<b>(59,448,000)</b>

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# Prescription Drug Report June 2010

*West Virginia Legislative Interims  
August 2010*

### WV PEIA - Monthly Trend

Plan Demographics	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total Drug Cost	\$12,457,206	\$13,255,558	\$13,871,982	\$14,754,896	\$13,922,292	\$14,918,469
Amount Paid By Plan Sponsor	\$7,705,875	\$10,129,273	\$11,048,365	\$11,873,567	\$11,408,627	\$12,390,438
Amount Paid By Members	\$4,751,331	\$3,126,313	\$2,823,617	\$2,881,329	\$2,513,665	\$2,528,032
Total Claims	196,498	204,612	217,216	235,678	220,225	230,704
Average Eligible Member	162,225	162,451	163,415	164,742	165,228	165,674
Average # of Rx's Per Member Per Month	1.21	1.26	1.33	1.43	1.33	1.39
Plan Paid Per Member Per Month (PMPM)	\$47.50	\$62.35	\$67.61	\$72.07	\$69.05	\$74.79
Average Eligible Enrollees	74,591	74,667	75,147	75,821	76,108	76,323
Average # of Rx's Per Enrollee Per Month	2.63	2.74	2.89	3.11	2.89	3.02
Plan Paid Per Enrollee Per Month (PEPM)	\$103.31	\$135.66	\$147.02	\$156.60	\$149.90	\$162.34
<b>Rx Cost Share</b>						
Avg. Claim Cost to Plan	\$39.22	\$49.50	\$50.86	\$50.38	\$51.80	\$53.71
Avg. Member Cost/Claim	\$24.18	\$15.28	\$13.00	\$12.23	\$11.41	\$10.96
Percent member Cost Share	38.1%	23.6%	20.4%	19.5%	18.1%	16.9%
<b>Average Ingredient Costs</b>						
Single Source (no generics available)	\$189.40	\$191.81	\$191.40	\$181.08	\$186.85	\$197.05
Multi-Source Brand (generics available)	\$53.19	\$66.11	\$79.96	\$79.69	\$86.74	\$73.39
Generic Drugs	\$19.42	\$19.51	\$19.29	\$19.08	\$19.58	\$20.33
<b>Brand/Generic Dispensing Rates</b>						
Single Source (no generics)	24.84%	25.18%	24.73%	25.7%	24.92%	24.06%
Multi-Source Brand % (generics available)	0.95%	0.98%	0.99%	0.9%	0.98%	0.97%
Generic Drug	74.22%	73.84%	74.29%	73.4%	74.10%	74.96%
Generics Dispensed when available	98.74%	98.68%	98.88%	98.8%	98.70%	98.72%
Percent of Plan Cost for Single Source	65.39%	81.41%	79.86%	79.2%	78.25%	77.76%
<b>Retail Pharmacy Program</b>						
Avg. Day Supply	33.1	33.8	32.9	31.6	32.3	33.1
Avg. Plan Cost/Day Supply	\$1.17	\$1.45	\$1.53	\$1.58	\$1.59	\$1.61
Avg. Claim Cost to Plan	\$38.83	\$49.05	\$50.36	\$49.98	\$51.38	\$53.21
Avg. Member Cost / Claim	\$24.02	\$15.14	\$12.89	\$12.18	\$11.35	\$10.89
Percent Member Cost Share	38.22%	23.59%	20.38%	19.6%	18.10%	16.99%
Special Maint Netwk (% of claims filled)	11.66%	12.49%	12.25%	11.5%	11.89%	12.52%
Other Maint (% of claims filled)	0.66%	0.72%	0.73%	0.7%	0.67%	0.77%
Avg. Days Supply for Maint Netwks	87.3	87.3	87.4	87.3	87.3	87.4
Total # Claims Fills 1-34 Days Supply	168,176	173,358	184,728	202,548	188,291	195,513
Total # Claims Fills 35-60 Day Supply	1,544	1,665	1,741	1,811	1,738	1,851
Total # Claims Fills 61-90 Day Supply	24,672	27,463	28,723	29,206	28,188	31,221
Total # Claims Fills 91+ Day Supply	37	51	53	41	52	63
<b>Mail Service Program</b>						
Avg. Days Supply	71.8	71.5	71.3	71.2	69.8	70.8
Avg. Plan Cost/Days Supply	\$1.06	\$1.31	\$1.48	\$1.35	\$1.42	\$1.54
Avg. Cost to Plan	\$75.91	\$93.71	\$105.43	\$96.09	\$99.38	\$109.22
Avg. Member Cost/Claim	\$38.84	\$28.79	\$24.55	\$19.87	\$18.39	\$18.39
Percent Member Cost Share	33.85%	23.50%	18.89%	17.1%	15.62%	14.41%
Total # Claims Fill 1-34 Days Supply	603	616	594	628	638	637
Total # Claims Fills 35-60 Days Supply	11	8	8	12	12	9
Total # Claims Fills 61-90 Days Supply	1,455	1,450	1,369	1,432	1,306	1,410
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0
<b>Formulary Program</b>						
S/S Formulary Drugs (% by claim)	20.23%	20.61%	20.33%	21.5%	20.71%	19.97%
S/S Non-Formulary Drugs (% by claim)	4.61%	4.57%	4.39%	4.2%	4.21%	4.09%
M/S Drugs (% by claim)	0.95%	0.98%	0.99%	0.9%	0.98%	0.97%
Generic Drugs (% by Claim)	74.22%	73.84%	74.28%	73.4%	74.10%	74.96%
S/S Formulary Drugs (% by \$)	76.27%	72.27%	70.60%	70.5%	69.51%	68.97%
S/S Non-Formulary Drugs (% by \$)	9.13%	9.14%	9.26%	8.7%	8.74%	8.79%
M/S Drugs (% by \$)	0.52%	0.73%	1.03%	1.0%	1.12%	0.82%
Generic Drugs (% by \$)	14.08%	17.86%	19.11%	19.8%	20.63%	21.42%
<b>Specialty Drugs</b>						
Total Drug Cost	\$1,474,493	\$1,523,264	\$1,628,721	\$1,631,192	\$1,530,883	\$1,719,442
Amount Paid by Plan Sponsor	\$1,408,968	\$1,483,872	\$1,589,821	\$1,592,605	\$1,494,852	\$1,679,919
Amount Paid by Members	\$65,525	\$39,392	\$38,900	\$38,587	\$36,031	\$39,523
Total Claims	749	719	756	780	725	801
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.005	0.004	0.005
Plan Paid Per Member Per Month (PMPM)	\$8.69	\$9.13	\$9.73	\$9.67	\$9.05	\$10.14
Avg Claim Cost to Plan	\$1,881.13	\$2,063.60	\$2,102.94	\$2,041.80	\$2,081.86	\$2,097.28
Avg Claim Cost to Member	\$87.48	\$54.79	\$51.46	\$49.47	\$49.70	\$49.34
Percent of Member Cost Share	4.44%	2.59%	2.39%	2.37%	2.35%	2.30%
Percent of Overall Drug Spend	11.84%	11.49%	11.74%	11.06%	11.00%	11.53%

### WV PEIA - Monthly Trend

Plan Demographics	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	2009 - 2010	2008 - 2009	% Change
							Fiscal	Fiscal	
Total Drug Cost	\$14,900,899	\$14,085,365	\$16,371,798	\$15,425,339	\$15,557,609	\$17,841,630	\$176,772,320	\$162,148,314	9.02%
Amount Paid By Plan Sponsor	\$11,907,669	\$11,793,437	\$13,746,585	\$13,059,447	\$13,215,732	\$15,250,343	\$143,529,357	\$129,236,756	11.06%
Amount Paid By Members	\$2,402,230	\$2,291,928	\$2,625,213	\$2,365,892	\$2,342,127	\$2,591,287	\$33,242,962	\$32,911,558	1.01%
Total Claims	221,182	212,325	246,332	225,806	223,739	247,980	2,682,297	2,566,593	4.51%
Average Eligible Member	165,993	166,234	166,386	165,465	165,935	163,827	164,800	160,446	2.71%
Average # of Rx's Per Member Per Month	1.33	1.28	1.48	1.36	1.35	1.51	1.36	1.33	1.75%
Plan Paid Per Member Per Month (PMPM)	\$71.74	\$70.94	\$82.62	\$78.92	\$79.64	\$93.09	\$72.58	\$67.12	8.13%
Average Eligible Enrollees	76,467	76,624	76,800	76,646	77,026	77,148	76,131	73,933	2.97%
Average # of Rx's Per Enrollee Per Month	2.89	2.77	3.21	2.94	2.90	3.21	2.94	2.89	1.49%
Plan Paid Per Enrollee Per Month (PEPM)	\$155.72	\$153.91	\$178.99	\$189.94	\$171.57	\$197.68	\$157.11	\$145.67	7.85%
<b>Rx Cost Share</b>									
Avg. Claim Cost to Plan	\$53.84	\$55.54	\$55.81	\$57.83	\$59.07	\$61.50	\$53.51	\$50.35	6.27%
Avg. Member Cost/Claim	\$10.86	\$10.79	\$10.66	\$10.48	\$10.47	\$10.45	\$12.39	\$12.82	-3.35%
Percent member Cost Share	16.8%	16.3%	16.0%	15.3%	15.1%	14.5%	18.8%	20.3%	-7.35%
<b>Average Ingredient Costs</b>									
Single Source (no generics available)	\$200.26	\$206.06	\$205.41	\$208.91	\$209.55	\$214.10	\$195.45	\$178.44	11.21%
Multi-Source Brand (generics available)	\$77.54	\$82.59	\$76.88	\$82.77	\$78.71	\$71.15	\$75.90	\$50.13	51.40%
Generic Drugs	\$20.08	\$20.82	\$22.09	\$23.46	\$24.75	\$25.58	\$21.25	\$18.92	12.35%
<b>Brand/Generic Dispensing Rates</b>									
Single Source (no generics)	23.7%	23.57%	23.25%	23.2%	23.32%	23.75%	24.17%	26.59%	-9.12%
Multi-Source Brand (generics available)	0.9%	0.90%	0.88%	0.9%	0.91%	0.88%	0.93%	0.96%	-2.52%
Generic Drug	75.3%	75.52%	75.87%	75.9%	75.78%	75.37%	74.90%	72.45%	3.38%
Generics Dispensed when available	98.6%	98.82%	98.66%	98.8%	98.82%	98.84%	98.77%	98.70%	0.07%
Percent of Plan Cost for Single Source	77.9%	77.42%	75.78%	74.7%	73.66%	73.91%	77.47%	80.13%	-3.33%
<b>Retail Pharmacy Program</b>									
Avg. Day Supply	33.3	33.0	33.0	33.5	34.0	35.0	33.2	32.6	1.77%
Avg. Plan Cost/Day Supply	\$1.60	\$1.67	\$1.68	\$1.71	\$1.72	\$1.74	\$1.60	\$1.53	4.30%
Avg. Claim Cost to Plan	\$53.33	\$55.07	\$55.32	\$57.25	\$58.55	\$60.87	\$53.02	\$49.95	6.15%
Avg. Member Cost / Claim	\$10.79	\$10.72	\$10.59	\$10.42	\$10.41	\$10.38	\$12.31	\$12.74	-3.37%
Percent Member Cost Share	16.8%	16.30%	16.07%	15.4%	15.09%	14.57%	18.84%	20.32%	-7.28%
Special Maint Netwk (% of claims filled)	12.5%	12.39%	12.34%	12.4%	13.03%	14.16%	12.44%	11.75%	5.88%
Other Maint (% of claims filled)	0.7%	0.70%	0.78%	0.8%	0.73%	0.92%	0.74%	0.62%	20.25%
Avg. Days Supply for Maint Netwks	87.2	87.4	87.2	87.3	87.3	87.4	87.3	87.5	-0.19%
Total # Claims Fills 1-34 Days Supply	187,286	180,315	208,984	191,236	188,215	205,107	2,273,757	2,204,403	3.15%
Total # Claims Fills 35-60 Day Supply	1,903	1,663	2,139	1,907	1,943	2,278	22,184	18,578	19.41%
Total # Claims Fills 61-90 Day Supply	29,738	28,421	33,028	30,517	31,499	38,255	360,931	321,081	12.41%
Total # Claims Fills 91+ Day Supply	49	58	71	44	65	77	661	185	257.30%
<b>Mail Service Program</b>									
Avg. Days Supply	71.7	71.6	72.1	71.9	72.0	73.5	71.6	72.0	-0.57%
Avg. Plan Cost/Days Supply	\$1.46	\$1.52	\$1.55	\$1.66	\$1.61	\$1.77	\$1.48	\$1.34	10.85%
Avg. Cost to Plan	\$104.60	\$108.49	\$111.80	\$119.73	\$116.21	\$129.67	\$106.04	\$96.21	10.22%
Avg. Member Cost/Claim	\$18.10	\$18.96	\$17.95	\$16.96	\$17.21	\$17.51	\$21.27	\$22.23	-4.32%
Percent Member Cost Share	14.8%	14.88%	13.84%	12.4%	12.90%	11.90%	16.70%	18.77%	-10.99%
Total # Claims Fill 1-34 Days Supply	647	553	609	612	583	597	7,317	6,452	13.41%
Total # Claims Fills 35-60 Days Supply	10	8	7	7	7	16	115	78	47.44%
Total # Claims Fills 61-90 Days Supply	1,549	1,307	1,494	1,483	1,427	1,650	17,332	15,816	9.59%
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0	-	-	-
<b>Formulary Program</b>									
S/S Formulary Drugs (% by claim)	19.3%	19.20%	18.84%	19.0%	19.03%	19.41%	19.83%	21.76%	-8.87%
S/S Non-Formulary Drugs (% by claim)	4.4%	4.37%	4.40%	4.3%	4.29%	4.33%	4.34%	4.83%	-10.24%
M/S Drugs (% by claim)	0.9%	0.90%	0.88%	0.9%	0.91%	0.88%	0.93%	0.98%	-2.52%
Generic Drugs (% by Claim)	75.3%	75.52%	75.87%	75.9%	75.78%	75.37%	74.90%	72.45%	3.38%
S/S Formulary Drugs (% by \$)	69.0%	68.21%	66.75%	65.8%	64.53%	64.95%	68.49%	71.58%	-4.31%
s/s non-Formulary Drugs (% by \$)	8.9%	9.21%	9.02%	8.8%	9.14%	8.96%	8.98%	8.55%	4.94%
M/S Drugs (% by \$)	0.9%	0.86%	0.75%	0.8%	0.75%	0.60%	0.82%	0.44%	86.03%
Generic Drugs (% by \$)	21.3%	21.71%	23.48%	24.5%	25.58%	25.49%	21.71%	19.42%	11.77%
<b>Specialty Drugs</b>									
Total Drug Cost	\$1,551,158	\$1,644,363	\$1,848,916	\$1,802,370	\$1,694,172	\$1,932,890	\$19,981,864	\$17,276,379	15.66%
Amount Paid by Plan Sponsor	\$1,517,051	\$1,609,133	\$1,807,833	\$1,763,917	\$1,658,726	\$1,890,937	\$19,497,634	\$16,818,890	15.93%
Amount Paid by Members	\$34,107	\$35,230	\$41,083	\$38,453	\$35,446	\$41,953	\$484,230	\$457,389	5.87%
Total Claims	691	710	843	793	747	898	9,212	8,727	5.56%
Avg # of Rx's per Member per Month	0.00	0.00	0.01	0.00	0.00	0.01	0.005	0.005	2.77%
Plan Paid Per Member Per Month (PMPM)	\$9.14	\$9.68	\$10.87	\$10.66	\$10.00	\$11.54	\$9.86	\$8.74	12.86%
Avg Claim Cost to Plan	\$2,195.44	\$2,266.38	\$2,144.52	\$2,224.36	\$2,220.52	\$2,105.72	\$2,116.55	\$1,927.24	9.82%
Avg Claim Cost to Member	\$49.36	\$49.62	\$48.73	\$48.49	\$47.45	\$46.72	\$52.57	\$52.41	0.29%
Percent of Member Cost Share	2.20%	2.14%	2.22%	2.13%	2.09%	2.17%	2.42%	2.65%	-8.47%
Percent of Overall Drug Spend	10.84%	11.67%	11.29%	11.68%	10.89%	10.83%	11.30%	10.65%	6.09%



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 06/2010 - 06/2010

Previous Period: 06/2009 - 06/2009

	Current Period	Previous Period	% Change
<b>Overall Performance</b>			
Plan Cost PMPM	\$93.27	\$81.37	14.6 %
Average Mbrs/Month	163,827	163,809	0.0 %
Average Subs/Month	77,148	75,677	1.9 %
% Utilizing Members	47.8 %	46.7 %	2.4 %
% Retail Utilizing Members	47.5 %	46.4 %	2.4 %
% Mail Utilizing Members	0.6 %	0.6 %	2.7 %
<b>Rx Measures</b>			
Rxs PMPM	1.52	1.46	4.1 %
Retail Rxs PMPM	1.50	1.44	4.1 %
Mail Rxs PMPM	0.01	0.01	2.7 %
Average Admin Fee/Rx	\$0.00	\$0.00	-92.3 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-92.3 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$61.49	\$55.85	10.1 %
Avg Retail Plan Cost/Rx	\$60.87	\$55.45	9.8 %
Avg Mail Plan Cost/Rx	\$129.77	\$98.58	31.6 %
Average Mbr Contrib/Rx	\$10.46	\$10.99	-4.8 %
Avg Retail Mbr Contrib/Rx	\$10.39	\$10.90	-4.6 %
Avg Mail Mbr Contrib/Rx	\$17.52	\$20.32	-13.8 %
Average Ing Cost/Rx	\$70.76	\$65.41	8.2 %
Avg Retail Ing Cost/Rx	\$70.05	\$64.91	7.9 %
Avg Mail Ing Cost/Rx	\$147.29	\$118.88	23.9 %
Average AWP/Rx	\$125.27	\$120.23	4.2 %
Avg Retail AWP/Rx	\$124.08	\$119.21	4.1 %
Avg Mail AWP/Rx	\$254.82	\$229.51	11.0 %
Average Days Supply/Rx	35.3	34.6	2.2 %
Avg Retail Days/Rx	35.0	34.2	2.2 %
Avg Mail Days/Rx	73.5	71.8	2.4 %
Average Plan Cost/Day	\$1.74	\$1.62	7.7 %
Avg Retail Plan Cost/Day	\$1.74	\$1.62	7.4 %
Avg Mail Plan Cost/Day	\$1.77	\$1.37	28.5 %
% Plan Cost	85.5 %	83.6 %	2.3 %
% Member Contribution	14.5 %	16.4 %	-11.6 %
% Retail Plan Cost	85.4 %	83.6 %	2.2 %
% Retail Mbr Contrib	14.6 %	16.4 %	-11.2 %
% Mail Plan Cost	88.1 %	82.9 %	6.3 %
% Mail Member Contrib	11.9 %	17.1 %	-30.4 %



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 06/2010 - 06/2010

Previous Period: 06/2009 - 06/2009

	Current Period	Previous Period	% Change
<b>Rx Sources</b>			
% Mail Rxs	0.9 %	0.9 %	-1.4 %
% Retail Rxs	99.1 %	99.0 %	0.0 %
% Member Submit Rxs	0.0 %	0.0 %	-84.9 %
<b>Rx Types</b>			
Avg SSB Plan Cost/Rx	\$191.25	\$164.76	16.1 %
Avg Retail SSB Plan Cost/Rx	\$189.97	\$163.95	15.9 %
Avg Mail SSB Plan Cost/Rx	\$304.15	\$237.94	27.8 %
Avg MSB Plan Cost/Rx	\$42.01	\$26.94	55.9 %
Avg Retail MSB Plan Cost/Rx	\$40.99	\$26.53	54.5 %
Avg Mail MSB Plan Cost/Rx	\$123.88	\$89.19	38.9 %
Avg GEN Plan Cost/Rx	\$20.80	\$16.50	26.0 %
Avg Retail GEN Plan Cost/Rx	\$20.49	\$16.35	25.3 %
Avg Mail GEN Plan Cost/Rx	\$57.07	\$34.30	66.4 %
% Single-Source Brand Rxs	23.8 %	26.5 %	-10.2 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-8.3 %
% Generic Rxs	75.4 %	72.6 %	3.8 %
% Retail Single-Source Brand	23.7 %	26.4 %	-10.3 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-8.9 %
% Retail Generic	75.4 %	72.6 %	3.8 %
% Mail Single-Source Brand	29.1 %	31.4 %	-7.3 %
% Mail Multi-Source Brand	1.2 %	0.7 %	75.3 %
% Mail Generic	69.7 %	67.9 %	2.6 %
% Formulary Rxs	94.0 %	93.9 %	0.1 %
% Retail Formulary Rxs	94.0 %	93.9 %	0.1 %
% Mail Formulary Rxs	92.5 %	93.6 %	-1.2 %
% DAW Rxs	0.5 %	0.5 %	11.3 %
% Retail DAW Rxs	0.5 %	0.5 %	11.3 %
% Mail DAW Rxs	0.8 %	0.7 %	10.4 %
% Generic Conversion	98.8 %	98.7 %	0.2 %
% Retail GEN Conversion	98.8 %	98.7 %	0.2 %
% Mail GEN Conversion	98.3 %	99.0 %	-0.7 %
<b>Period Totals</b>			
Total Plan Cost	\$15,279,679.57	\$13,329,950.63	14.6 %
Retail Plan Cost	\$14,986,266.56	\$13,112,879.42	14.3 %
Mail Plan Cost	\$293,413.01	\$217,071.21	35.2 %
Total Member Contribution	\$2,598,856.35	\$2,622,057.28	-0.9 %



# Key Performance Indicators

## Comprehensive Indicators

### WVA - WV Public Employees Ins

Current Period: 06/2010 - 06/2010  
 Previous Period: 06/2009 - 06/2009

	Current Period	Previous Period	
<b>Retail Member Contrib</b>	\$2,559,243.64	\$2,577,323.45	- 0.7 %
<b>Mail Member Contrib</b>	\$39,612.71	\$44,733.83	-11.4 %
<b>Total Rx Count</b>	248,478	238,679	4.1 %
<b>Retail Rx Count</b>	246,206	236,407	4.1 %
<b>Member Submit Rxs</b>	11	70	-84.3 %
<b>Mail Rx Count</b>	2,261	2,202	2.7 %
<b>Total Admin Fee</b>	\$27.50	\$342.50	-92.0 %
<b>Total UC Savings</b>	\$10,486,530.83	\$9,800,092.59	7.0 %
<b>Total Lost Savings</b>	\$30,313.87	\$22,081.75	37.3 %

#### Demographics

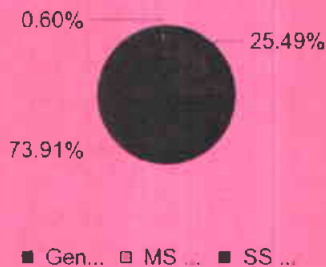
<b>Average Age</b>	39.4	39.1	0.7 %
<b>% Male Members</b>	46.6 %	46.5 %	0.1 %
<b>% Female Members</b>	53.4 %	53.5 %	-0.1 %

### Graphs based on Current Period: 06/2010 - 06/2010

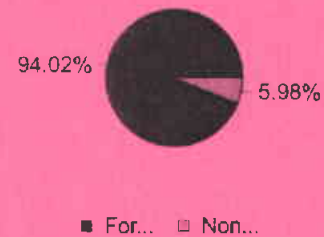
Claim Source by Rx Count



Drug Type by Plan Cost



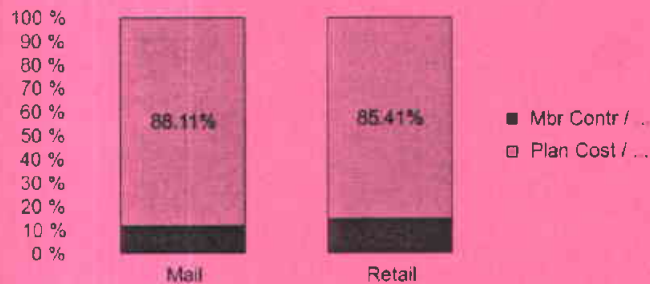
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



# Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 06/2010 - 06/2010



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)	322	182	730	\$51,038	\$10.18	\$69.91	3.7 %	77.9 %	94.5 %	99.6 %	\$158.50
NON STATE AGENCIES (02)	18,343	8,406	26,360	\$1,514,844	\$10.16	\$57.47	0.8 %	76.3 %	94.3 %	99.1 %	\$82.58
NON STATE AGENCIES PLAN B (02B)	3,735	1,544	4,363	\$220,700	\$11.61	\$50.58	2.9 %	79.9 %	94.7 %	99.4 %	\$59.09
NON STATE RETIREES (08)	1,414	959	4,245	\$294,165	\$10.06	\$69.30	1.3 %	74.4 %	94.7 %	99.0 %	\$208.04
NON STATE RETIREES 60 (0860)	16	11	49	\$1,915	\$3.61	\$39.08	0.0 %	81.6 %	93.9 %	97.6 %	\$119.68
STATE AGENCIES (01)	120,272	55,490	170,278	\$10,405,859	\$10.41	\$61.11	0.8 %	75.3 %	93.9 %	98.8 %	\$86.52
STATE AGENCIES (01B)	4,675	1,380	3,128	\$147,658	\$12.56	\$47.21	1.2 %	78.7 %	93.4 %	99.0 %	\$31.58
STATE RETIREES (07)	14,983	10,249	38,987	\$2,619,072	\$10.71	\$67.18	1.1 %	74.0 %	94.2 %	98.7 %	\$174.80
STATE RETIREES ASST 60 (0760)	67	56	338	\$24,429	\$1.66	\$72.28	1.5 %	77.8 %	96.2 %	100.0 %	\$364.61
<b>Grand Total</b>	<b>163,827</b>		<b>248,478</b>	<b>\$15,279,680</b>	<b>\$10.46</b>	<b>\$61.49</b>	<b>0.9 %</b>	<b>75.4 %</b>	<b>94.0 %</b>	<b>98.8 %</b>	<b>\$93.27</b>



## Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2009 - 06/2010

Previous Period: 07/2008 - 06/2009

	Current Period	Previous Period	% Change
<b>Overall Performance</b>			
Plan Cost PMPM	\$72.59	\$66.82	8.6 %
Average Mbrs/Month	164,800	160,446	2.7 %
Average Subs/Month	76,131	73,933	3.0 %
% Utilizing Members	46.0 %	45.6 %	1.0 %
% Retail Utilizing Members	45.7 %	45.3 %	1.0 %
% Mail Utilizing Members	0.6 %	0.5 %	8.9 %
<b>Rx Measures</b>			
Rxs PMPM	1.36	1.33	1.9 %
Retail Rxs PMPM	1.34	1.32	1.9 %
Mail Rxs PMPM	0.01	0.01	7.9 %
Average Admin Fee/Rx	\$0.00	\$0.00	-59.8 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-59.8 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$53.51	\$50.21	6.6 %
Avg Retail Plan Cost/Rx	\$53.02	\$49.80	6.5 %
Avg Mail Plan Cost/Rx	\$106.06	\$96.18	10.3 %
Average Mbr Contrib/Rx	\$12.39	\$12.81	-3.2 %
Avg Retail Mbr Contrib/Rx	\$12.31	\$12.73	-3.3 %
Avg Mail Mbr Contrib/Rx	\$21.27	\$22.22	-4.3 %
Average Ing Cost/Rx	\$64.59	\$61.48	5.1 %
Avg Retail Ing Cost/Rx	\$64.01	\$60.98	5.0 %
Avg Mail Ing Cost/Rx	\$127.32	\$118.39	7.5 %
Average AWP/Rx	\$118.49	\$113.00	4.9 %
Avg Retail AWP/Rx	\$117.40	\$111.99	4.8 %
Avg Mail AWP/Rx	\$235.82	\$227.18	3.8 %
Average Days Supply/Rx	33.6	33.0	1.8 %
Avg Retail Days/Rx	33.2	32.6	1.8 %
Avg Mail Days/Rx	71.6	72.0	-0.6 %
Average Plan Cost/Day	\$1.59	\$1.52	4.7 %
Avg Retail Plan Cost/Day	\$1.60	\$1.53	4.6 %
Avg Mail Plan Cost/Day	\$1.48	\$1.34	10.9 %
% Plan Cost	81.2 %	79.7 %	1.9 %
% Member Contribution	18.8 %	20.3 %	-7.5 %
% Retail Plan Cost	81.2 %	79.6 %	1.9 %
% Retail Mbr Contrib	18.8 %	20.4 %	-7.4 %
% Mail Plan Cost	83.3 %	81.2 %	2.5 %
% Mail Member Contrib	16.7 %	18.8 %	-11.0 %



## Key Performance Indicators

## Comprehensive Indicators

## WVA - WV Public Employees Ins

Current Period: 07/2009 - 06/2010

Previous Period: 07/2008 - 06/2009

	Current Period	Previous Period	% Change
<b>Rx Sources</b>			
% Mail Rxs	0.9 %	0.9 %	5.9 %
% Retail Rxs	99.1 %	99.1 %	-0.0 %
% Member Submit Rxs	0.0 %	0.0 %	-20.1 %
<b>Rx Types</b>			
Avg SSB Plan Cost/Rx	\$171.52	\$151.40	13.3 %
Avg Retail SSB Plan Cost/Rx	\$170.43	\$150.56	13.2 %
Avg Mail SSB Plan Cost/Rx	\$269.39	\$228.82	17.7 %
Avg MSB Plan Cost/Rx	\$47.15	\$23.22	103.1 %
Avg Retail MSB Plan Cost/Rx	\$46.59	\$22.91	103.4 %
Avg Mail MSB Plan Cost/Rx	\$107.78	\$52.40	105.7 %
Avg GEN Plan Cost/Rx	\$15.51	\$13.48	15.0 %
Avg Retail GEN Plan Cost/Rx	\$15.31	\$13.34	14.7 %
Avg Mail GEN Plan Cost/Rx	\$39.00	\$31.46	24.0 %
% Single-Source Brand Rxs	24.2 %	26.6 %	-9.0 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-2.5 %
% Generic Rxs	74.9 %	72.5 %	3.3 %
% Retail Single-Source Brand	24.1 %	26.5 %	-9.0 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-2.3 %
% Retail Generic	74.9 %	72.5 %	3.3 %
% Mail Single-Source Brand	28.8 %	32.7 %	-11.8 %
% Mail Multi-Source Brand	0.9 %	1.2 %	-20.3 %
% Mail Generic	70.2 %	66.2 %	6.2 %
% Formulary Rxs	94.2 %	93.8 %	0.4 %
% Retail Formulary Rxs	94.2 %	93.8 %	0.4 %
% Mail Formulary Rxs	92.8 %	93.0 %	-0.1 %
% DAW Rxs	0.5 %	0.5 %	-0.9 %
% Retail DAW Rxs	0.5 %	0.5 %	-0.7 %
% Mail DAW Rxs	0.8 %	0.9 %	-16.4 %
% Generic Conversion	98.8 %	98.7 %	0.1 %
% Retail GEN Conversion	98.8 %	98.7 %	0.1 %
% Mail GEN Conversion	98.7 %	98.3 %	0.4 %
<b>Period Totals</b>			
Total Plan Cost	\$143,558,109.66	\$128,648,844.50	11.6 %
Retail Plan Cost	\$140,932,312.62	\$126,500,742.11	11.4 %
Mail Plan Cost	\$2,625,797.04	\$2,148,102.39	22.2 %
Total Member Contribution	\$33,250,191.96	\$32,822,332.00	1.3 %

## Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2009 - 06/2010

Previous Period: 07/2008 - 06/2009

	Current Period	Previous Period	
Retail Member Contrib	\$32,723,689.41	\$32,325,976.97	1.2 %
Mail Member Contrib	\$526,502.55	\$496,355.03	6.1 %
<b>Total Rx Count</b>	<b>2,682,767</b>	<b>2,562,450</b>	<b>4.7 %</b>
Retail Rx Count	2,657,325	2,539,297	4.6 %
Member Submit Rxs	685	819	-16.4 %
Mail Rx Count	24,757	22,334	10.8 %
<b>Total Admin Fee</b>	<b>\$2,670.00</b>	<b>\$6,344.50</b>	<b>-57.9 %</b>
Total UC Savings	\$133,311,574.01	\$101,102,805.19	31.9 %
Total Lost Savings	\$308,180.41	\$199,927.31	54.1 %
<b>Demographics</b>			
Average Age	38.9	38.9	-0.0 %
% Male Members	46.6 %	46.5 %	0.2 %
% Female Members	53.4 %	53.5 %	-0.1 %

### Graphs based on Current Period: 07/2009 - 06/2010

Claim Source by Rx Count



■ Mail □ Mem... ■ Retail

Drug Type by Plan Cost



■ Gen... □ MS... ■ SS...

Formulary Status by Rx Count



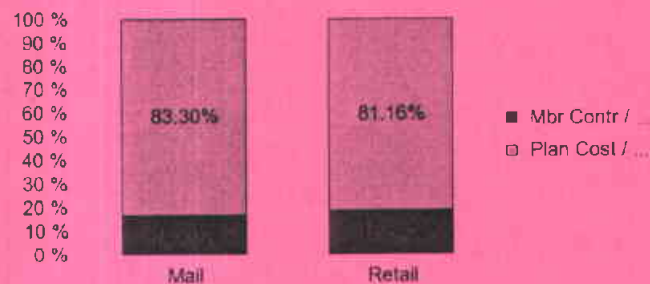
■ For... □ Non...

Drug Formulary Status by Plan Cost



■ Bra... □ Bra... ■ Gen...

Cost Share Distribution by Claim Source



■ Mbr Contr / ... □ Plan Cost / ...



# Monthly Management Report Per Capita Claims June 2010

*West Virginia Legislative Interims  
August 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS  
 JUNE 2010

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.5851	1.5087	1.1458	1.2989	17.8355	15.1878
	MATERNITY	1.2968	1.0451	.7573	1.1662	12.5678	12.8044
	MEDICAL AND SURGICAL	40.3588	44.3260	41.4883	43.3618	509.5098	488.3983
	NEONATAL COMPLICATIONS	.1802	.3011	.1858	.2785	3.4728	3.1785
*****							
sum		43.4209	47.1810	43.5871	46.1055	543.3860	519.5690
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2367	.3111	.4073	.2843	3.4093	3.3804
	DIALYSIS	.5164	.8888	1.0368	.8162	9.7105	9.6693
	EMERGENCY ROOM	3.5431	3.7099	4.4600	3.3876	41.8216	40.0766
	MATERNITY	.2834	.2910	.2723	.3000	3.3654	3.4319
	MEDICAL AND SURGICAL	55.3524	54.3507	63.5393	53.7811	617.7514	628.5630
*****							
sum		59.9319	59.5515	69.7157	58.5693	676.0583	685.1212
PHARMACY	PRESCRIPTION DRUGS	76.0063	74.5140	68.9238	69.2969	865.3218	798.9205
*****							
sum		76.0063	74.5140	68.9238	69.2969	865.3218	798.9205
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.3170	2.6896	3.0373	3.5654	30.2482	39.8283
	AMBULANCE	1.5543	1.5609	1.5105	1.3301	18.0313	15.1338
	ANESTHESIA	4.0401	4.6074	4.3502	4.6555	52.7338	53.2908
	BEHAVIORAL	2.2649	2.2691	2.3476	2.1610	26.0598	24.8489
	CARDIOVASCULAR MEDICINE	2.0270	2.1506	2.5564	2.4859	24.2305	28.3532
	CERVICAL CANCER SCREENING	.0976	.1200	.1033	.1218	1.3751	1.3815
	DIALYSIS	.1137	.1012	.0870	.0508	1.1927	.6262
	DME	2.5884	2.8159	3.3521	2.8320	31.6641	32.7112

SOURCE: WELLS FARGO 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 - PER CAPITA CLAIMS  
 JUNE 2010

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	28.4968	32.5555	31.0238	30.9257	372.3081	358.2440
	IMMUNIZATION	1.3778	1.9854	1.4345	2.0787	22.8011	23.7372
	INJECTION	4.7520	4.7106	4.3308	5.2390	54.7036	58.7440
	LAB AND PATHOLOGY	4.9449	4.9765	5.8652	4.6781	56.3913	54.5794
	MAMMOGRAPHY	.6841	.9401	.8508	.9651	10.6470	11.0475
	OTHER	2.2383	2.5822	2.5718	2.5601	29.3961	29.4345
	OTHER IMAGING	4.0092	4.7793	5.3614	5.1250	53.6707	58.8902
	OTHER MEDICINE	3.1785	4.5165	4.4179	4.8335	50.7629	55.3837
	PHYSICAL MEDICINE	4.2177	4.2271	5.1244	4.1063	47.7770	48.2019
	PROSTATE CANCER SCREENING	.0751	.0808	.1876	.1028	.8157	1.2284
	SURGICAL	15.7316	16.4744	18.1261	16.6386	187.2697	191.1253
***** sum		84.7087	94.1430	96.6387	94.4555	1,072.0788	1,086.7901
sum		264.0678	275.3896	278.8654	268.4271	3,156.8449	3,090.4009

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS  
 NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINSTRATIVE FEES, OR RECOVERIES





# Monthly Management Report Total Claims June 2010

*West Virginia Legislative Interims  
August 2010*

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

JUNE 2010

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr		Previous Fiscal Yr	
		Current Period PEIA Payments	Rolling Avg 12 Months Prior PEIA Payments	Current Period PEIA Payments	Rolling Avg 12 Months Prior PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	253,429.46	230,308.18	180,063.09	191,280.18	2,837,064.48	2,340,068.66	2,837,064.48	2,340,068.66
	MATERNITY	207,331.31	159,366.03	120,576.10	171,635.89	1,999,147.53	1,972,839.40	1,999,147.53	1,972,839.40
	MEDICAL AND SURGICAL	6,452,484.88	6,759,529.79	6,519,879.38	6,376,909.30	81,046,963.02	75,250,213.38	81,046,963.02	75,250,213.38
	NEONATAL COMPLICATIONS	28,807.12	46,066.97	29,197.23	40,847.08	552,413.56	489,736.16	552,413.56	489,736.16
	sum	6,942,052.77	7,195,270.97	6,849,715.80	6,780,672.45	86,435,588.59	80,052,857.60	86,435,588.59	80,052,857.60
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	37,836.24	47,374.59	64,013.43	41,822.28	542,317.87	520,843.32	542,317.87	520,843.32
	DIALYSIS	82,555.21	135,418.21	162,937.92	120,158.31	1,544,635.86	1,489,801.89	1,544,635.86	1,489,801.89
	EMERGENCY ROOM	566,470.69	565,576.61	700,882.92	498,898.57	6,652,507.09	6,174,824.24	6,652,507.09	6,174,824.24
	MATERNITY	45,304.14	44,402.22	42,797.92	44,155.84	535,332.91	528,767.92	535,332.91	528,767.92
	MEDICAL AND SURGICAL	8,849,630.47	8,283,363.08	9,985,196.26	7,916,894.26	98,264,791.16	96,846,161.26	98,264,791.16	96,846,161.26
sum	9,581,796.75	9,076,134.72	10,955,828.45	8,621,929.26	107,539,584.89	105,560,398.63	107,539,584.89	105,560,398.63	
PHARMACY	PREScription DRUGS	12,151,730.49	11,360,424.49	10,831,379.20	10,197,007.49	137,645,445.22	123,094,074.30	137,645,445.22	123,094,074.30
	sum	12,151,730.49	11,360,424.49	10,831,379.20	10,197,007.49	137,645,445.22	123,094,074.30	137,645,445.22	123,094,074.30
PROFESSIONAL SERVICES	ADVANCED IMAGING	370,437.36	409,868.07	477,313.36	524,178.08	4,811,540.86	6,136,571.56	4,811,540.86	6,136,571.56
	AMBULANCE	248,496.62	238,090.53	237,370.09	195,549.74	2,868,212.85	2,311,745.22	2,868,212.85	2,311,745.22
	ANESTHESIA	545,916.98	702,167.40	583,632.06	684,916.70	8,388,293.69	8,210,809.26	8,388,293.69	8,210,809.26
	BEHAVIORAL	362,104.90	346,009.63	368,523.53	318,089.92	4,145,296.96	3,828,606.22	4,145,296.96	3,828,606.22
	CARDIOVASCULAR MEDICINE	324,077.02	327,664.13	401,736.43	365,686.23	3,854,310.12	4,368,528.67	3,854,310.12	4,368,528.67
	CERVICAL CANCER SCREENING	15,599.07	18,281.01	16,235.32	17,897.09	218,735.85	212,855.43	218,735.85	212,855.43
	DIALYSIS	18,176.98	15,435.05	13,678.35	7,504.54	189,719.19	96,485.02	189,719.19	96,485.02
	DME	413,825.18	429,143.10	526,775.17	416,674.49	5,036,767.20	5,040,001.23	5,036,767.20	5,040,001.23
	sum	2,378,133.48	2,576,659.16	2,670,214.59	2,354,100.39	28,540,491.51	27,408,607.64	28,540,491.51	27,408,607.64
	sum	29,765,386.99	28,447,430.81	32,737,429.55	27,768,704.10	343,621,125.21	325,915,939.83	343,621,125.21	325,915,939.83

SOURCE: WELLS FARGO 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  
 JUNE 2010

Page: 2

Reporting Category	Type of Service	Current Period PEIA Payments	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
			Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	4,556,018.77	4,961,821.10	4,875,388.69	4,551,681.58	59,222,483.26	55,196,622.47	
	IMMUNIZATION	220,278.82	302,673.59	225,432.21	305,881.39	3,626,929.69	3,657,324.61	
	INJECTION	759,746.83	718,538.71	680,585.91	770,686.51	8,701,625.46	9,051,003.74	
	LAB AND PATHOLOGY	790,573.98	758,435.67	921,715.01	688,752.36	8,970,087.06	8,409,344.08	
	MAMMOGRAPHY	109,364.66	143,162.05	133,702.99	141,859.18	1,693,606.31	1,702,156.56	
	OTHER	357,850.98	393,524.71	404,161.22	376,569.53	4,675,986.28	4,535,133.16	
	OTHER IMAGING	640,979.83	728,241.21	842,551.79	754,527.88	8,537,322.53	9,073,536.37	
	OTHER MEDICINE	508,167.34	688,408.02	694,279.77	711,399.90	8,074,783.77	8,533,269.59	
	PHYSICAL MEDICINE	674,313.04	644,233.08	805,301.94	604,570.03	7,599,808.11	7,426,732.53	
	PROSTATE CANCER SCREENING	11,999.16	12,269.11	29,481.61	15,105.46	129,746.89	189,272.51	
	SURGICAL	2,515,132.19	2,510,173.59	2,848,509.89	2,447,440.13	29,788,705.39	29,447,727.69	
.....								
sum		13,543,059.71	14,348,139.76	15,186,775.34	13,898,970.71	170,533,961.47	167,447,725.92	
sum		42,218,639.72	41,979,969.94	43,823,698.79	39,498,579.92	502,154,580.17	476,155,056.45	

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



# Monthly Management Report Per Capita Utilization June 2010

*West Virginia Legislative Interims  
August 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 JUNE 2010

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	.0009	.0006	.0098	.0070
	MATERNITY	.0012	.0006	.0105	.0098
	MEDICAL AND SURGICAL	.0075	.0071	.0997	.1003
	NEONATAL COMPLICATIONS	.0001	.0001	.0012	.0023
	*****				
sum		.0098	.0084	.1212	.1194
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0025	.0039	.0384	.0339
	DIALYSIS	.0026	.0047	.0536	.0384
	EMERGENCY ROOM	.0221	.0287	.2815	.2935
	MATERNITY	.0028	.0019	.0271	.0247
	MEDICAL AND SURGICAL	.1837	.2242	2.3954	2.4763
*****					
sum		.2137	.2634	2.7961	2.8669
PHARMACY	PRESCRIPTION DRUGS	.8833	.8774	11.3908	11.0435
*****					
sum		.8833	.8774	11.3908	11.0435
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0191	.0213	.2605	.2779
	AMBULANCE	.0035	.0036	.0465	.0455
	ANESTHESIA	.0181	.0185	.2344	.2335
	BEHAVIORAL	.0383	.0407	.4856	.4614
	CARDIOVASCULAR MEDICINE	.0290	.0323	.3784	.4098
	CERVICAL CANCER SCREENING	.0041	.0041	.0549	.0566
	DIALYSIS	.0008	.0005	.0081	.0048
	DME	.0210	.0247	.2838	.2904
	EVALUATION AND MANAGEMENT	.4314	.4836	5.8375	5.9034
	IMMUNIZATION	.0165	.0173	.4314	.4380

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY  
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION  
 JUNE 2010

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	.0248	.0296	.3291	.3330
	LAB AND PATHOLOGY	.1440	.1644	1.9688	1.9320
	MAMMOGRAPHY	.0125	.0139	.1975	.2051
	OTHER	.0224	.0275	.3727	.3692
	OTHER IMAGING	.0829	.0904	1.1279	1.1334
	OTHER MEDICINE	.0670	.0753	.9087	.9204
	PHYSICAL MEDICINE	.0902	.1085	1.1748	1.2327
	PROSTATE CANCER SCREENING	.0041	.0072	.0559	.0728
	SURGICAL	.0716	.0820	.9283	.9613
*****					
sum		1.1014	1.2455	15.0849	15.2814
sum		2.2081	2.3947	29.3930	29.3111

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES  
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

BRIM

West Virginia Board of Risk and Insurance Management  
UNAUDITED BALANCE SHEET

**DRAFT**

	June 30	
	2010	2009
	(in thousands)	
<b>ASSETS</b>		
Short Term Assets		
Cash and Equivalents	\$ 29,613	\$ 32,181
Advance Deposit with Carrier/Trustee	184,925	174,215
Receivables - Net	1,193	1,139
Prepaid Insurance	-	-
Total Short Term Assets	215,731	207,535
Long Term Assets		
Investments	120,331	105,461
Total Long Term Assets	120,331	105,461
<b>TOTAL ASSETS</b>	<b>336,062</b>	<b>312,996</b>
<b>LIABILITIES</b>		
Short Term Liabilities		
Accounts payable	314	520
Claims Payable	163	158
OPEB Liability	-	87
Agents Commissions Payable	1,153	1,247
Unearned Revenue	6,629	7,235
Current Estimated Claim Reserve	42,204	48,650
Total Short Term Liabilities	50,463	57,897
Long Term Liabilities		
Compensated Absences	66	58
Estimated Noncurrent Claim Reserve	103,618	104,083
Total Long Term Liabilities	103,684	104,141
<b>TOTAL LIABILITIES</b>	154,147	162,038
Prior Year Net Assets	150,958	127,630
Current Year Earnings/Prior Year Earnings	30,957	23,328
<b>TOTAL NET ASSETS</b>	181,915	150,958
<b>TOTAL LIABILITIES AND RETAINED EARNINGS</b>	<b>\$ 336,062</b>	<b>\$ 312,996</b>

DRAFT - Unaudited - Management Purposes Only



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

**DRAFT**

	2010	June 30	2009
	(in thousands)		
Operating Revenues			
Premium Revenues	\$ 58,008	\$	62,427
Less - Excess Insurance	(6,257)		(5,944)
Total Operating Revenues	51,751		56,483
Operating Expenses			
Claims Expense	36,010		31,204
Property & MS Claims Expense	6,210		5,400
Personal Services	1,271		1,349
General & Administrative Expense	2,416		2,545
Total Operating Expenses	45,907		40,498
Operating Income	5,844		15,985
Nonoperating Revenues			
Court Fees	32		31
Investment Income	25,081		7,312
Total Nonoperating Revenues	25,113		7,343
Net Income	30,957		23,328

DRAFT - Unaudited - Management Purposes Only



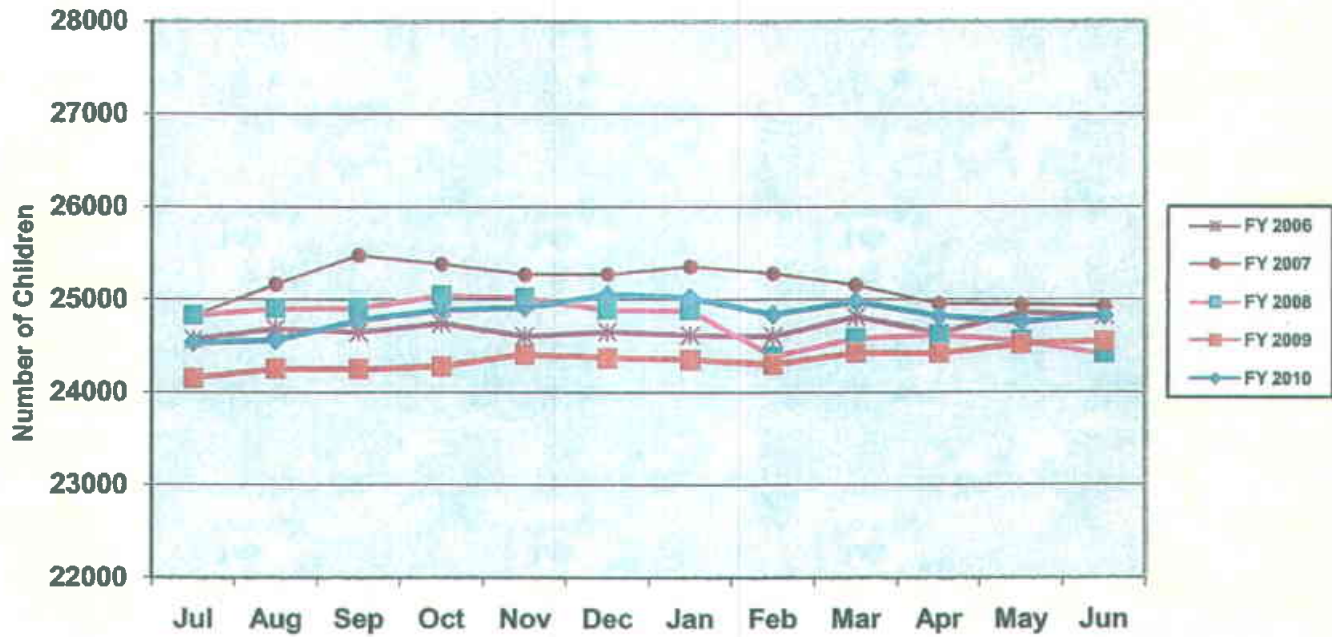


**West Virginia  
Children's Health Insurance Program  
1018 Kanawha Boulevard East  
Suite 209  
Charleston, WV 25301  
Phone: 304-558-2732  
Toll-Free: 1-877-WVA CHIP  
Fax: 304-558-2741  
[www.wvchip.org](http://www.wvchip.org)**

**Joint Committee on  
Government and Finance  
Report**

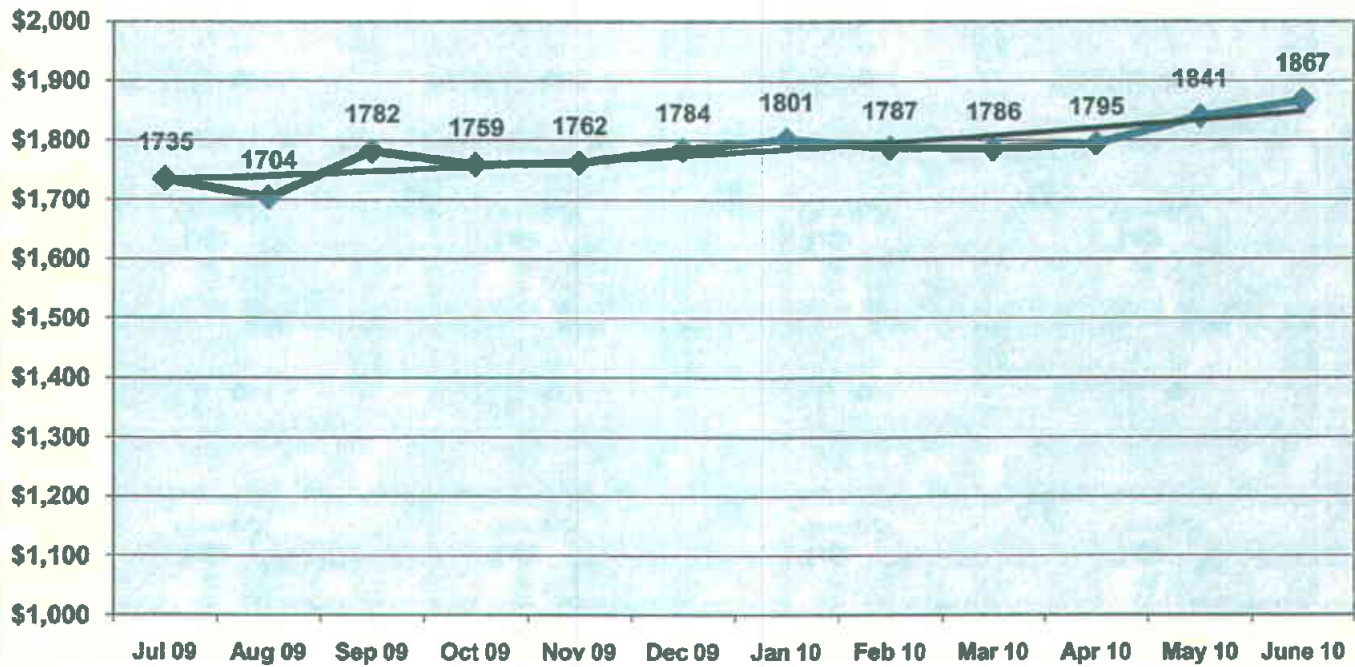
**August 2010**

## WV CHIP Enrollment



July 31 Enrollment 24,725

## Annualized Health Care Expenditures (Cost per Child)



**West Virginia Children's Health Insurance Program  
Comparative Balance Sheet  
June 2010 and 2009  
(Accrual Basis)**

	June 30, 2010	June 30, 2009	Variance	
<b>Assets:</b>				
Cash	\$184,859	\$102,926	\$81,933	80%
Investments	\$12,145,487	\$10,849,481	\$1,296,006	12%
Due From Federal Government	\$3,572,312	\$2,996,053	\$576,259	19%
Due From Other Funds	\$793,217	\$675,131	\$118,086	17%
Accrued Interest Receivable	\$18,060	\$3,500	\$14,560	416%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	<u>(\$544)</u>	<u>-1%</u>
<b>Total Assets</b>	<b><u>\$16,783,672</u></b>	<b><u>\$14,697,373</u></b>	<b><u>\$2,086,299</u></b>	<b><u>14%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$355,529	\$256,634	\$98,895	39%
Deferred Revenue	(\$84,591)	\$916,683	(\$1,001,274)	-109%
Unpaid Insurance Claims Liability	<u>\$4,010,000</u>	<u>\$3,414,550</u>	<u>\$595,450</u>	<u>17%</u>
<b>Total Liabilities</b>	<b><u>\$4,280,938</u></b>	<b><u>\$4,587,867</u></b>	<b><u>(\$306,929)</u></b>	<b><u>-7%</u></b>
<b>Fund Equity</b>	<b><u>\$12,502,734</u></b>	<b><u>\$10,109,506</u></b>	<b><u>\$2,393,228</u></b>	<b><u>24%</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$16,783,672</u></b>	<b><u>\$14,697,373</u></b>	<b><u>\$2,086,299</u></b>	<b><u>14%</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 Twelve Months Ending June 30, 2010 and June 30, 2009**  
**(Modified Accrual Basis)**

	June 30, 2010	June 30, 2009	Variance	
<b>Revenues</b>				
Federal Grants	39,054,391	38,289,446	764,945	2%
State Appropriations	10,599,637	10,971,688	(372,051)	-3%
Premium Revenues	344,894	150,892	194,002	129%
Investment Income:				
Investment Earnings	143,476	106,999	36,477	34%
Unrealized Gain On Investments*	129,375	0	129,375	100%
Total Investment Income	<u>272,851</u>	<u>106,999</u>	<u>165,852</u>	<u>155%</u>
<b>Total Revenues</b>	<b><u>50,271,773</u></b>	<b><u>49,519,025</u></b>	<b><u>752,748</u></b>	<b><u>2%</u></b>
<b>Expenditures:</b>				
Claims:				
Outpatient Services	12,429,766	12,039,069	390,697	3%
Physicians & Surgical	9,882,786	9,692,383	190,403	2%
Prescribed Drugs	8,713,527	8,353,732	359,795	4%
Dental	5,132,382	4,921,403	210,979	4%
Inpatient Hospital Services	3,510,655	3,880,590	(369,935)	-10%
Outpatient Mental Health	1,346,876	1,304,259	42,617	3%
Durable & Disposable Med. Equip.	1,234,069	1,200,580	33,489	3%
Inpatient Mental Health	797,671	740,324	57,347	8%
Vision	728,175	591,725	136,450	23%
Therapy	501,063	463,922	37,141	8%
Medical Transportation	318,781	341,704	(22,923)	-7%
Other Services	112,516	146,680	(34,164)	-23%
Less: Collections**	<u>(606,211)</u>	<u>(709,494)</u>	<u>103,283</u>	<u>-15%</u>
Total Claims	<u>44,102,056</u>	<u>42,966,877</u>	<u>1,135,179</u>	<u>3%</u>
General and Admin Expenses:				
Salaries and Benefits	493,312	490,749	2,563	1%
Program Administration	2,461,031	2,178,074	282,957	13%
Eligibility	406,420	318,877	87,543	27%
Outreach & Health Promotion	288,303	128,013	160,290	125%
Current	<u>127,423</u>	<u>184,039</u>	<u>(56,616)</u>	<u>-31%</u>
Total Administrative	<u>3,776,489</u>	<u>3,299,752</u>	<u>476,737</u>	<u>14%</u>
<b>Total Expenditures</b>	<b><u>47,878,545</u></b>	<b><u>46,266,629</u></b>	<b><u>1,611,916</u></b>	<b><u>3%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>2,393,228</b>	<b>3,252,396</b>	<b>(859,168)</b>	<b>-26%</b>
<b>Fund Equity, Beginning</b>	<b><u>10,109,506</u></b>	<b><u>6,857,110</u></b>	<b><u>3,252,396</u></b>	<b><u>47%</u></b>
<b>Fund Equity, Ending</b>	<b><u>12,502,734</u></b>	<b><u>10,109,506</u></b>	<b><u>2,393,228</u></b>	<b><u>24%</u></b>

\* Short Term Bond Fund Investment began in November 2009

\*\* 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 2010  
For the Twelve Months Ended June 30, 2010**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Jun-10</u>	<u>May-10</u>	<u>Apr-10</u>
Projected Cost	\$48,693,584	\$48,693,584	\$44,565,400	\$4,128,184	8%	\$4,057,799	\$3,508,569	\$3,839,782	\$4,469,935
Premiums	305,826	305,826	344,894	(\$39,068)	13%	25,486	38,015	27,277	29,977
Subrogation & Rebates	<u>623,650</u>	<u>623,650</u>	<u>603,888</u>	<u>19,762</u>	-3%	<u>51,971</u>	<u>139,568</u>	<u>85,864</u>	<u>696</u>
Net Benefit Cost	47,764,108	\$47,764,108	\$43,616,617	\$4,147,491	9%	3,980,342	3,330,985	3,726,641	4,439,262
Salaries & Benefits	\$581,411	\$581,411	\$493,311	\$88,100	15%	\$48,451	\$40,111	\$40,111	\$40,882
Program Administration	2,665,833	2,665,833	2,321,379	344,454	13%	222,153	93,571	49,718	-134,371
Eligibility	295,243	295,243	411,444	(116,201)	-39%	24,604	0	79,953	15,824
Outreach	300,000	300,000	292,676	7,324	2%	25,000	3,497	35,565	35,830
Current Expense	<u>352,772</u>	<u>352,772</u>	<u>158,783</u>	<u>193,989</u>	55%	<u>29,398</u>	<u>4,915</u>	<u>12,123</u>	<u>11,114</u>
Total Admin Cost	\$4,195,259	\$4,195,259	\$3,677,593	\$517,666	12%	\$349,605	\$142,094	\$217,470	-\$30,721
Total Program Cost	<u>\$51,959,367</u>	<u>\$51,959,367</u>	<u>\$47,294,210</u>	<u>\$4,665,157</u>	9%	<u>\$4,329,947</u>	<u>\$3,473,079</u>	<u>\$3,944,111</u>	<u>\$4,408,541</u>
Federal Share 81.83%	42,489,772	\$42,489,772	\$38,675,336	3,814,436	9%	3,540,814	2,842,020	3,227,466	3,607,509
State Share 18.17%	<u>9,469,595</u>	<u>\$9,469,595</u>	<u>\$8,618,874</u>	<u>850,721</u>	9%	<u>789,133</u>	<u>631,058</u>	<u>716,645</u>	<u>801,032</u>
Total Program Cost **	<u>\$51,959,367</u>	<u>\$51,959,367</u>	<u>\$47,294,210</u>	<u>\$4,665,157</u>	9%	<u>\$4,329,947</u>	<u>\$3,473,079</u>	<u>\$3,944,111</u>	<u>\$4,408,541</u>

\* Positive percentages indicate favorable variances

\*\* Budgeted Year Based on CCRC Actuary 6/30/2009 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

- 1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/09 Final worksheet Net Paid Program Costs.
- 2/. Federal Share for FFY 2009 is 81.61%. Federal Share for FFY 2010 (10/1/09 - 9/30/10) is set at 81.83%.

# WVCHIP Enrollment Report

ATTACHMENT 1

July 2010

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-10	Total Medicaid Enrollment Jul-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Barbour	3,248	268	1,624	1,892	58.3%	162	38
Berkeley	22,882	1,309	7,549	8,858	38.7%	1,144	2
Boone	5,706	311	2,683	2,994	52.5%	285	24
Braxton	3,044	220	1,527	1,747	57.4%	152	39
Brooke	4,658	289	1,539	1,828	39.2%	233	32
Cabell	18,900	1,050	8,401	9,451	50.0%	945	4
Calhoun	1,389	116	903	1,019	73.4%	69	52
Clay	2,454	171	1,463	1,634	66.6%	123	43
Doddridge	1,607	132	707	839	52.2%	80	50
Fayette	9,692	831	4,781	5,612	57.9%	485	12
Gilmer	1,154	88	606	694	60.2%	58	55
Grant	2,463	171	986	1,157	47.0%	123	42
Greenbrier	7,110	616	2,880	3,496	49.2%	356	17
Hampshire	5,110	287	2,201	2,488	48.7%	255	28
Hancock	6,270	354	2,380	2,734	43.6%	314	20
Hardy	2,950	160	1,238	1,398	47.4%	147	40
Harrison	14,973	942	6,008	6,950	46.4%	749	6
Jackson	6,277	403	2,786	3,189	50.8%	314	19
Jefferson	11,465	446	2,766	3,212	28.0%	573	10
Kanawha	40,647	2,291	17,134	19,425	47.8%	2,032	1
Lewis	3,577	300	1,812	2,112	59.0%	179	34
Lincoln	4,945	376	2,756	3,132	63.3%	247	31
Logan	7,610	577	4,033	4,610	60.6%	380	15
Marion	11,245	723	4,408	5,131	45.6%	562	11
Marshall	7,176	356	2,808	3,164	44.1%	359	16
Mason	5,461	291	2,686	2,977	54.5%	273	26
McDowell	5,170	321	3,396	3,717	71.9%	259	27
Mercer	12,687	1,147	6,812	7,959	62.7%	634	8
Mineral	5,973	299	2,100	2,399	40.2%	299	22
Mingo	6,204	374	3,310	3,684	59.4%	310	21
Monongalia	14,346	753	4,262	5,015	35.0%	717	7
Monroe	2,728	220	1,128	1,348	49.4%	136	41
Morgan	3,365	253	1,204	1,457	43.3%	168	35
Nicholas	5,478	404	2,676	3,080	56.2%	274	25
Ohio	9,068	512	3,013	3,525	38.9%	453	14
Pendleton	1,632	108	516	624	38.2%	82	49
Pleasants	1,593	98	562	660	41.4%	80	51
Pocahontas	1,717	143	710	853	49.7%	86	48
Preston	6,354	487	2,476	2,963	46.6%	318	18
Putnam	12,522	676	3,386	4,062	32.4%	626	9
Raleigh	15,992	1,270	7,372	8,642	54.0%	800	5
Randolph	5,971	423	2,630	3,053	51.1%	299	23
Ritchie	2,234	139	938	1,077	48.2%	112	45
Roane	3,266	305	1,686	1,991	61.0%	163	37
Summers	2,322	211	1,191	1,402	60.4%	116	44
Taylor	3,307	217	1,413	1,630	49.3%	165	36
Tucker	1,354	124	506	630	46.5%	68	53
Tyler	1,887	123	806	929	49.2%	94	47

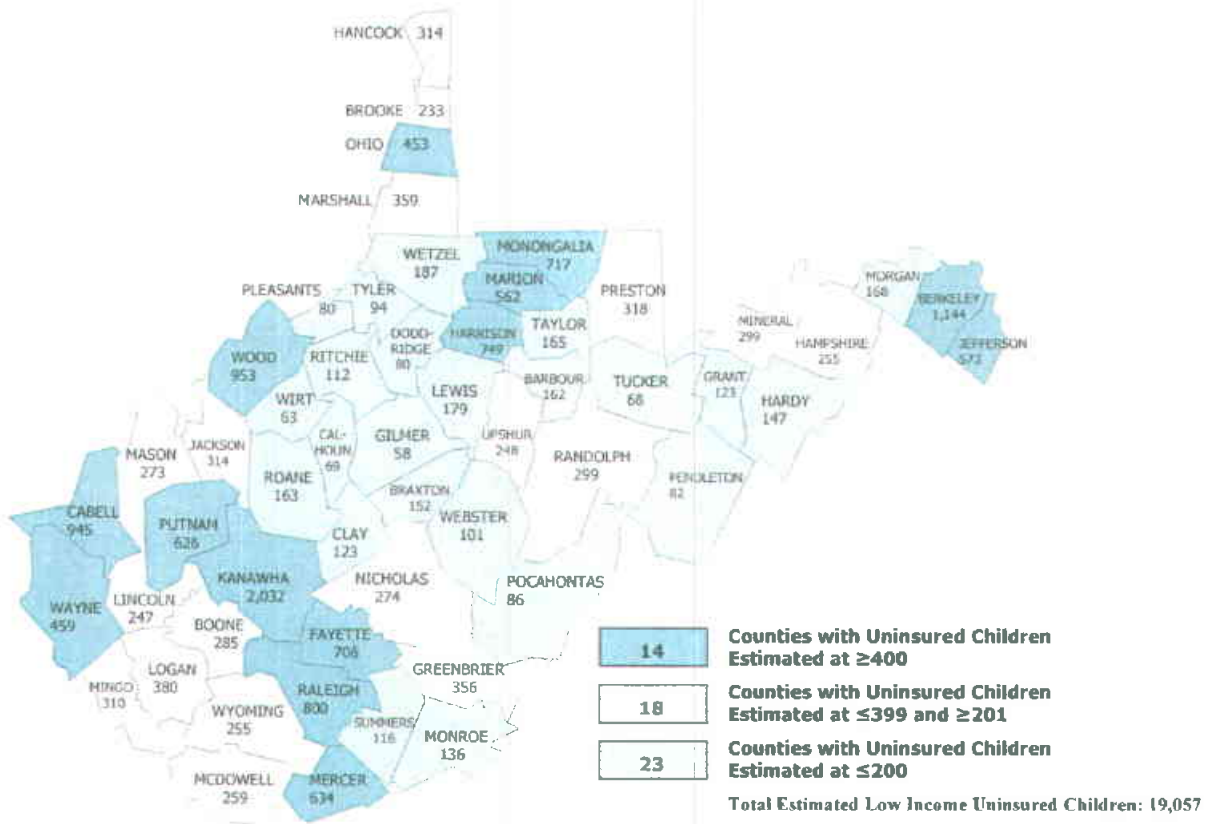


# WVCHIP Enrollment Report

ATTACHMENT 1

July 2010

County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-10	Total Medicaid Enrollment Jul-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009	2009
						Est. Uninsured 5%	# Children Uninsured Ranking*
Upshur	4,956	395	2,363	2,758	55.7%	248	30
Wayne	9,176	600	4,127	4,727	51.5%	459	13
Webster	2,020	152	1,243	1,395	69.1%	101	46
Wetzel	3,732	186	1,722	1,908	51.1%	187	33
Wirt	1,268	112	582	694	54.7%	63	54
Wood	19,063	1,160	8,399	9,559	50.1%	953	3
Wyoming	5,092	435	2,629	3,064	60.2%	255	29
<b>Totals</b>	<b>382,490</b>	<b>24,725</b>	<b>161,823</b>	<b>186,548</b>	<b>48.8%</b>	<b>19,125</b>	



**Note 1:** The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. 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:** It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Legislative Oversight Commission on  
Health and Human Resources Accountability

*AUGUST 2010*

Department of Administration

State Children's Health Insurance Program  
UPDATE



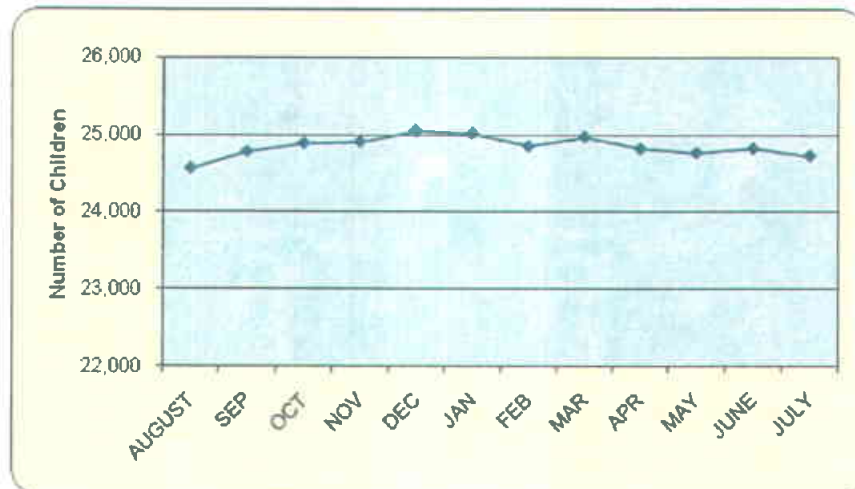
# WV CHILDREN'S HEALTH INSURANCE AGENCY

## REPORT FOR AUGUST 2010

### I. Enrollment on July 2010: 24,725

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: August 2009 through July 2010



Enrollee Totals: May 2010 to July 2010

Month	Total	1 Year	Total
May	1,616	Average	1,877
June	1,510	High	2,265
July	1,599	Low	1,489

New Enrollee (Never Before on CHIP) Totals: May 2010 to July 2010

Month	Total	1 Year	Total
May	601	Average	737
June	610	High	909
July	565	Low	565

### II. Re-enrollment for 3 Month Period: April 2010 to June 2010

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
April	1,842	1,175	64%	44	2%	604	33%
May	1,595	1,002	63%	115	7%	463	29%
June	1,868	1,116	60%	107	6%	613	33%

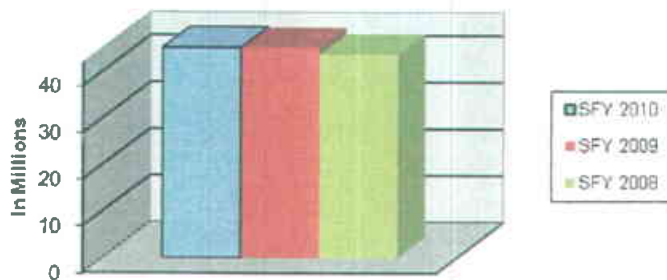
**III. Financial Activity**

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

*The average annualized claims cost per child for the month ended June 2010 was \$2,014.*

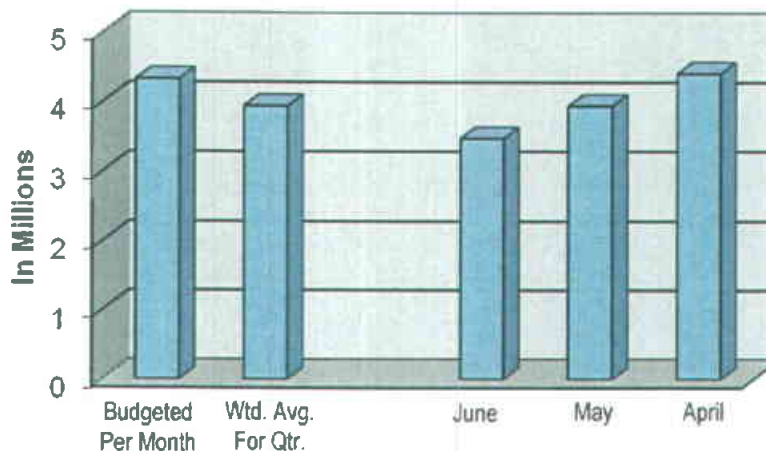
**Annual Expenditures for a 3 Year Period: SFY 2008 – SFY 2010**

	SFY 2010	FFP% 2010	SFY 2009	FFP% 2009	SFY 2008	FFP% 2008
Federal	38,675,336	81.83	37,550,029	81.61	35,626,232	81.98
State	8,618,874	18.17	8,417,193	18.39	7,947,861	18.02
<b>Total Costs</b>	<b>47,294,210</b>	<b>100.00</b>	<b>45,967,222</b>	<b>100.00</b>	<b>43,574,093</b>	<b>100.00</b>



**Monthly Budgeted and Current 3 Month Period: April 2010 – June 2010**

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			June 2010	May 2010	April 2010
Federal	3,540,814	3,225,665	2,842,020	3,227,466	3,607,509
State	789,133	716,245	631,058	716,645	801,032
<b>Total</b>	<b>4,329,947</b>	<b>3,941,910</b>	<b>3,473,078</b>	<b>3,944,111</b>	<b>4,408,541</b>



**IV. Other Highlights**

- ◆ At the July 29, 2010, meeting of the West Virginia Children's Health Insurance Board, the Board approved the SFY 2011 Financial Plan which included a total increase of \$1.3 million in dental fees that mirrors those recently put into effect by Medicaid. Other adjustments included some service limit changes necessary to fully comply with CHIPRA requirements for mental health parity.
- ◆ At the same Board meeting, there was a discussion about allowing medical providers to perform an early preventive dental program for preschool children. The West Virginia Dental Association and the American Academy of Pediatrics, West Virginia Chapter, agreed to form a small study group to develop a written brief recommending how to best put such a program in effect. The brief is expected to be available prior to the next Board meeting. The PEW Center on the States just recently issued a dental health review for all states in eight benchmarks and West Virginia rated an "F" having only met two benchmarks. Having payer policies in effect for early (preschool) preventive dental care by medical providers would allow the State to meet a third, and it is expected that recent dental fee increases will achieve a fourth benchmark.
- ◆ Planning is almost completed which will allow CHIP Premium members to make premium payments online starting September 1, 2010.

# WVCHIP Enrollment Report

ATTACHMENT 1

July 2010

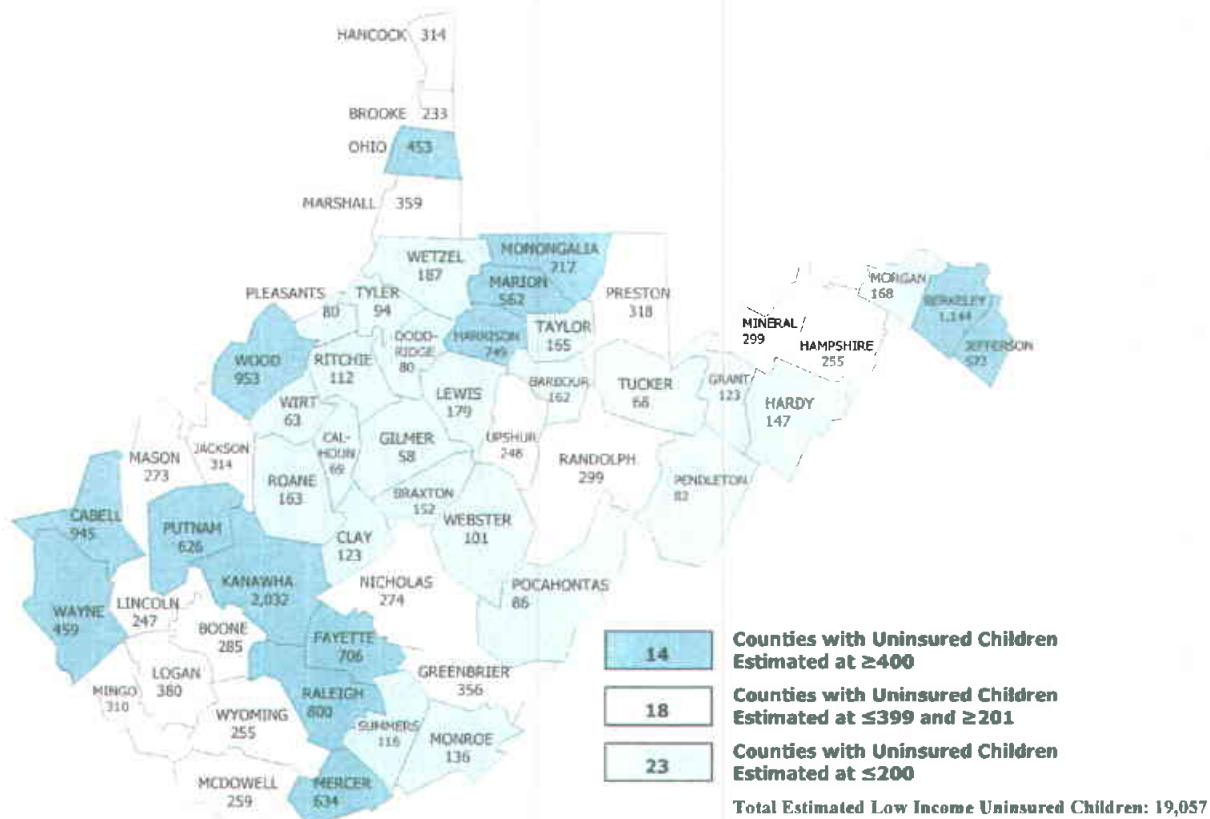
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jul-10	Total Medicaid Enrollment Jul-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Barbour	3,248	268	1,624	1,892	58.3%	162	38
Berkeley	22,882	1,309	7,549	8,858	38.7%	1,144	2
Boone	5,706	311	2,683	2,994	52.5%	285	24
Braxton	3,044	220	1,527	1,747	57.4%	152	39
Brooke	4,658	289	1,539	1,828	39.2%	233	32
Cabell	18,900	1,050	8,401	9,451	50.0%	945	4
Calhoun	1,389	116	903	1,019	73.4%	69	52
Clay	2,454	171	1,463	1,634	66.6%	123	43
Doddridge	1,607	132	707	839	52.2%	80	50
Fayette	9,692	831	4,781	5,612	57.9%	485	12
Gilmer	1,154	88	606	694	60.2%	58	55
Grant	2,463	171	986	1,157	47.0%	123	42
Greenbrier	7,110	616	2,880	3,496	49.2%	356	17
Hampshire	5,110	287	2,201	2,488	48.7%	255	28
Hancock	6,270	354	2,380	2,734	43.6%	314	20
Hardy	2,950	160	1,238	1,398	47.4%	147	40
Harrison	14,973	942	6,008	6,950	46.4%	749	6
Jackson	6,277	403	2,786	3,189	50.8%	314	19
Jefferson	11,465	446	2,766	3,212	28.0%	573	10
Kanawha	40,647	2,291	17,134	19,425	47.8%	2,032	1
Lewis	3,577	300	1,812	2,112	59.0%	179	34
Lincoln	4,945	376	2,756	3,132	63.3%	247	31
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# WVCHIP Enrollment Report

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July 2010

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**Note 2:** It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Twelve Months Ending June 30, 2010 and June 30, 2009**  
**(Modified Accrual Basis)**

	June 30, 2010	June 30, 2009	Variance	
<b>Revenues</b>				
Federal Grants	39,054,391	38,289,446	764,945	2%
State Appropriations	10,599,637	10,971,688	(372,051)	-3%
Premium Revenues	344,894	150,892	194,002	129%
Investment Income:				
Investment Earnings	143,476	106,999	36,477	34%
Unrealized Gain On Investments*	129,375	0	129,375	100%
Total Investment Income	<u>272,851</u>	<u>106,999</u>	<u>165,852</u>	<u>155%</u>
<b>Total Revenues</b>	<b><u>50,271,773</u></b>	<b><u>49,519,025</u></b>	<b><u>752,748</u></b>	<b><u>2%</u></b>
<b>Expenditures:</b>				
<b>Claims:</b>				
Outpatient Services	12,429,766	12,039,069	390,697	3%
Physicians & Surgical	9,882,786	9,692,383	190,403	2%
Prescribed Drugs	8,713,527	8,353,732	359,795	4%
Dental	5,132,382	4,921,403	210,979	4%
Inpatient Hospital Services	3,510,655	3,880,590	(369,935)	-10%
Outpatient Mental Health	1,346,876	1,304,259	42,617	3%
Durable & Disposable Med. Equip.	1,234,069	1,200,580	33,489	3%
Inpatient Mental Health	797,671	740,324	57,347	8%
Vision	728,175	591,725	136,450	23%
Therapy	501,063	463,922	37,141	8%
Medical Transportation	318,781	341,704	(22,923)	-7%
Other Services	112,516	146,680	(34,164)	-23%
Less: Collections**	<u>(606,211)</u>	<u>(709,494)</u>	<u>103,283</u>	<u>-15%</u>
Total Claims	<u>44,102,056</u>	<u>42,966,877</u>	<u>1,135,179</u>	<u>3%</u>
<b>General and Admin Expenses:</b>				
Salaries and Benefits	493,312	490,749	2,563	1%
Program Administration	2,461,031	2,178,074	282,957	13%
Eligibility	406,420	318,877	87,543	27%
Outreach & Health Promotion	288,303	128,013	160,290	125%
Current	<u>127,423</u>	<u>184,039</u>	<u>(56,616)</u>	<u>-31%</u>
Total Administrative	<u>3,776,489</u>	<u>3,299,752</u>	<u>476,737</u>	<u>14%</u>
<b>Total Expenditures</b>	<b><u>47,878,545</u></b>	<b><u>46,266,629</u></b>	<b><u>1,611,916</u></b>	<b><u>3%</u></b>
<b>Excess of Revenues</b>				
<b>Over (Under) Expenditures</b>	<b>2,393,228</b>	<b>3,252,396</b>	<b>(859,168)</b>	<b>-26%</b>
<b>Fund Equity, Beginning</b>	<b><u>10,109,506</u></b>	<b><u>6,857,110</u></b>	<b><u>3,252,396</u></b>	<b><u>47%</u></b>
<b>Fund Equity, Ending</b>	<b><u>12,502,734</u></b>	<b><u>10,109,506</u></b>	<b><u>2,393,228</u></b>	<b><u>24%</u></b>

\* Short Term Bond Fund Investment began in November 2009

\*\* 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  
June 2010 and 2009  
(Accrual Basis)**

	June 30, 2010	June 30, 2009	Variance	
<b>Assets:</b>				
Cash	\$184,859	\$102,926	\$81,933	80%
Investments	\$12,145,487	\$10,849,481	\$1,296,006	12%
Due From Federal Government	\$3,572,312	\$2,996,053	\$576,259	19%
Due From Other Funds	\$793,217	\$675,131	\$118,086	17%
Accrued Interest Receivable	\$18,060	\$3,500	\$14,560	416%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	<u>(\$544)</u>	<u>-1%</u>
<b>Total Assets</b>	<b><u>\$16,783,672</u></b>	<b><u>\$14,697,373</u></b>	<b><u>\$2,086,299</u></b>	<b><u>14%</u></b>
<b>Liabilities:</b>				
Due to Other Funds	\$355,529	\$256,634	\$98,895	39%
Deferred Revenue	(\$84,591)	\$916,683	(\$1,001,274)	-109%
Unpaid Insurance Claims Liability	<u>\$4,010,000</u>	<u>\$3,414,550</u>	<u>\$595,450</u>	<u>17%</u>
<b>Total Liabilities</b>	<b><u>\$4,280,938</u></b>	<b><u>\$4,587,867</u></b>	<b><u>(\$306,929)</u></b>	<b><u>-7%</u></b>
<b>Fund Equity</b>	<b><u>\$12,502,734</u></b>	<b><u>\$10,109,506</u></b>	<b><u>\$2,393,228</u></b>	<b><u>24%</u></b>
<b>Total Liabilities and Fund Equity</b>	<b><u>\$16,783,672</u></b>	<b><u>\$14,697,373</u></b>	<b><u>\$2,086,299</u></b>	<b><u>14%</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 March 31, 2010**  
**(Accrual Basis)**

**Investment Account**

Funds Invested	\$12,145,486
Interest Earned	<u>184,859</u>
<b>Total</b>	<b><u>\$12,330,345</u></b>

Unaudited - For Management Purposes Only - Unaudited

1. Introduction

2. Market Overview

3. Economic Factors

4. Demographic Trends

5. Real Estate Outlook

6. Conclusion

**Department of Administration Real Estate Division Leasing Report**  
For the period of July 1, 2010 through July 31, 2010

**NEW CONTRACT OF LEASE**

**DEPARTMENT OF EDUCATION**

**EDU-023** New Contract of Lease for 1 year consisting of 408 square feet of storage space at the per square foot rate of \$4.12, in the City of Ripley, Jackson County, West Virginia.

**DEPARTMENT OF MILITARY AFFAIRS AND PUBLIC SAFETY**

**ADG-025** New Contract of Lease for 3 years consisting of 7,219 square feet, on 3<sup>rd</sup> floor, of office space at the per square foot rate of \$12.00, full service, in the City of Charleston, Kanawha County, West Virginia.

**ADG-024** New Contract of Lease for 3 years consisting of 7,219 square feet, on 2<sup>nd</sup> floor, of office space at the per square foot rate of \$12.00, full service, in the City of Charleston, Kanawha County, West Virginia.

**STRAIGHT RENEWAL**

**DIVISION OF VETERANS AFFAIRS**

**VET-030** Renewal for 3 years consisting of 3,821 square feet of office space at the current annual per square foot rate of \$10.40, full service, in the City of Charleston, Kanawha County, West Virginia.

**STATE TREASURER'S OFFICE**

**STO-009** Renewal for 3 years consisting of 3,189 square feet of office space at the current annual per square foot rate of \$9.41, parking only, in the City of Charleston, Kanawha County, West Virginia.

**WEST VIRGINIA ETHICS COMMISSION**

**ETH-002** Renewal for 3 years consisting of 3,140 square feet of office space at the current annual per square foot rate of \$11.78, full service, in the City of Charleston, Kanawha County, West Virginia.

**DIVISION OF MINERS' HEALTH, SAFETY AND TRAINING**

**MHS-004** Renewal for 1 year consisting of 14,185 square feet of office space at the current annual per square foot rate of \$8.78, parking and snow removal only, in the City of Charleston, Kanawha County, West Virginia.

**ADJUTANT GENERAL'S OFFICE**

**ADG-021** Renewal for 1 year consisting of 683 square feet of office space at the current annual per square foot rate of \$ 37.28, full service, in the City of Charleston, Kanawha County, West Virginia.

**ADG-015** Renewal for 1 year consisting of 224 square feet of office space at the current annual per square foot rate of \$13.39, full service, in the City of Huntington, Cabell County, West Virginia.

**ADG-014** Renewal for 1 year consisting of 143 square feet of office space at the current annual per square foot rate of \$6.29, full service, in the City of Institute, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL CONTINUED**

### **DIVISION OF CORRECTIONS**

**COR-077** Renewal for 1 month consisting of 1,600 square feet of office space at the current annual per square foot rate of \$13.72, full service without janitorial, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF ENVIRONMENTAL PROTECTION**

**DEP-159** Renewal for 1 year consisting of 150 square feet of storage space at the current annual per square foot rate of \$4.80, in the City of Mt. Storm, Grant County, West Virginia.

### **DIVISION OF REHABILITATION SERVICES**

**DRS-086** Renewal for month-to-month consisting of 795 square feet of office space at the current annual per square foot rate of \$6.75, water, sewer & electric, in the City of Logan, Logan County, West Virginia.

**DRS-039** Renewal for month-to-month consisting of 1,750 square feet of office space at the current annual per square foot rate of \$6.68, janitorial, in the City of Logan, Logan County, West Virginia.

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

**EGB-014** Renewal for 3 months consisting of 5,691 square feet of office space at the current annual per square foot rate of \$7.38, parking, in the City of Charleston, Kanawha County, West Virginia.

**EGB-011** Renewal for 1 year consisting of a waiting room and a hearing room at the current monthly rate of \$500.00, full service, in the City of Beckley, Raleigh County, West Virginia.

### **DEPARTMENT OF HEALTH AND HUMAN RESOURCES**

**HHR-185** Renewal for month-to-month consisting of 14,385 square feet of office space at the current annual per square foot rate of \$6.30, parking, in the City of Logan, Logan County, West Virginia.

**HHR-179** Renewal for month-to-month consisting of 1,518 square feet of office space at the current annual per square foot rate of \$3.93, in the City of Logan, Logan County, West Virginia.

**HHR-156** Renewal for 1 year consisting of 1,000 square feet of storage space at the current annual square foot rate of \$2.01, in the City of Charleston, Kanawha County, West Virginia.

### **OFFICES OF THE INSURANCE COMMISSIONER**

**INS-017** Renewal for 1 year consisting of 26,305 square feet of office space at the current annual per square foot rate of \$11.60, full service, in the City of Charleston, Kanawha County, West Virginia.

**INS-016** Renewal for 1 year consisting of 4,990 square feet of office space at the current annual per square foot rate of \$11.60, full service, in the City of Charleston, Kanawha County, West Virginia.

### **DEPARTMENT OF REVENUE**

**TAX-002** Renewal for 3 years consisting of 14,400 square feet of storage space at the current annual per square foot rate of \$1.79, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL CONTINUED**

### **NORTHERN PANHANDLE WORKFORCE INVESTMENT BOARD**

**NPW-001** Renewal for 1 year consisting of 1,332 square feet of office space at the current annual per square foot rate of \$13.00, full service, in the City of Weirton, Brooke County, West Virginia.

### **COMMISSION OF SPECIAL INVESTIGATIONS**

**CSI-002** Renewal for 5 years consisting of 3,260 square feet of office space at the current annual per square foot rate of \$12.50 for the first year and increasing to the per square foot rate of \$12.75 starting the second year of term, full service, in the City of Charleston, Kanawha County, West Virginia.

## **STRAIGHT RENEWAL-DOA OWNED**

### **DEPARTMENT OF ADMINISTRATION**

**F&A-005 (OFFICE OF TECHNOLOGY)** Renewal for 1 year consisting of 19,173 square feet of office space at the current annual per square foot rate of \$9.50, full service without parking, in the City of Charleston, Kanawha County, West Virginia.

### **STATE TAX DEPARTMENT**

**TAX-030** Renewal for 1 year consisting of 7,799 square feet of office space at the current annual per square foot rate of \$9.50, full service without parking, in the City of Charleston, Kanawha County, West Virginia.

### **DIVISION OF PUBLIC TRANSIT**

**PTA-001** Renewal for 1 year consisting of 2,356 square feet of office space at the current annual per square foot rate of \$9.50, full service without parking, in the City of Charleston, Kanawha County, West Virginia.

## **RENEWAL WITH RENOVATIONS**

### **DIVISION OF MOTOR VEHICLES**

**DMV-039** Renewal for 5 years consisting of 6,700 square feet of office space at the current annual per square foot rate of \$11.75, renovations to be done include painting, installation of new carpet, repair of broken tiles and awning installed above front entryway, full service, in the City of Romney, Hampshire County, West Virginia.

## **DECREASE IN SQUARE FOOTAGE – DOA OWNED**

### **DEPARTMENT OF ADMINISTRATION**

**F&A-030 (OFFICE OF TECHNOLOGY)** Decrease in square footage from 39,585 square feet to 4,220 square feet office space at the current annual per square foot rate of \$10.00, full service, in the City of Charleston, Kanawha County, West Virginia.

**CANCELLATION**

**BUREAU OF EMPLOYMENT PROGRAMS**

**EMS-066** Lease cancellation consisting of 9,000 square feet of office space, in the City of Elkins, Randolph County, West Virginia.





**Joint Committee on Government and Finance**

**August 2010**

**Department of Health and Human Resources**

**MEDICAID REPORT**

May 2010 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 EXPENDITURES BY PROVIDER TYPE  
 SFY2010

Note: The Centers for Medicare and Medicaid Services (CMS) has mandated changes to reporting of Medicaid expenditures. The report below reflects the updated categorizations by provider type, which is the new format for future quarterly CMS 64 reports. The Department is in the process of re-coding the data and reports to comply with the mandated reporting changes. At the present time, we are only able to present provider type detail for the Current Month and Year-to-Date (YTD) Actuals. Prior year Actuals and Projected SFY 2010 Budget provider type detail will be updated when the coding changes are complete and data validation and quality assurance processes have been performed.

MONTH OF MAY 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month May-10	Current Month May-10	Year To-Date Thru 5/31/10	6/1/10 Thru 06/30/10
<b>EXPENDITURES:</b>						
Inpatient Hospital - Reg. Payments	260,946,991	127,598,926	10,170,513	10,645,000	188,961,252	(61,362,326)
Inpatient Hospital - DSH	54,483,945	55,411,679	13,771,923	17,691,000	54,952,962	458,717
Inpatient Hospital - Supplemental Payments	-	114,140,000	-	-	21,207,700	92,932,300
Inpatient Hospital - GME Payments	-	4,073,000	1,257,905	1,018,000	4,919,343	(846,343)
Mental Health Facilities	47,960,442	55,718,940	5,730,392	4,647,000	65,072,087	(9,353,147)
Mental Health Facilities - DSH Adjustment Payments	18,798,469	19,055,754	4,721,761	4,722,000	18,887,045	188,709
Nursing Facility Services - Regular Payments	464,023,240	491,237,896	38,860,059	40,930,000	433,356,211	57,881,685
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,246,071	63,402,719	5,137,462	5,284,000	58,306,106	5,096,613
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	143,420,126	125,926,808	10,380,613	10,078,000	115,107,956	10,818,853
Physicians Services - Supplemental Payments ***	-	22,755,000	-	-	41,046,663	(18,291,663)
Outpatient Hospital Services - Regular Payments	120,824,371	118,191,964	7,914,759	9,864,000	87,306,801	30,885,163
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	341,993,862	367,593,429	30,480,022	30,878,000	309,812,326	57,781,103
Drug Rebate Offset - National Agreement	(130,951,220)	(126,794,904)	(2,514,969)	(10,566,000)	(138,161,473)	11,366,569
Drug Rebate Offset - State Sidebar Agreement	(30,810,728)	(30,333,652)	(323,747)	(2,528,000)	(21,618,993)	(8,714,660)
Dental Services	40,350,098	48,900,576	2,987,120	4,082,000	40,202,776	8,697,800
Other Practitioners Services - Regular Payments	22,381,183	7,815,652	1,083,371	698,000	11,104,324	(3,288,672)
Other Practitioners Services - Supplemental Payments ***	-	-	-	-	-	-
Clinic Services	39,855,489	14,837,984	775,329	1,247,000	4,700,569	10,137,415
Lab & Radiological Services	10,177,238	10,836,738	1,820,621	923,000	11,654,041	(817,303)
Home Health Services	32,661,694	35,989,518	4,048,485	3,035,000	37,186,863	(1,197,344)
Hysterectomies/Sterilizations	516,259	574,054	16,873	48,000	214,287	359,767
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	2,247,631	2,599,669	111,420	217,000	1,648,355	951,314
Rural Health Clinic Services	7,793,506	8,537,239	594,190	716,000	7,628,636	908,602
Medicare Health Insurance Payments - Part A Premiums	14,821,458	19,088,436	1,456,870	1,591,000	15,792,335	3,296,101
Medicare Health Insurance Payments - Part B Premiums	70,371,344	77,246,842	6,957,762	6,424,000	69,316,682	7,930,160
120% - 134% Of Poverty	4,405,674	5,101,770	468,631	432,000	4,762,293	339,477
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	-	-	645,691	-	6,664,298	(6,664,298)
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	294,697,012	265,059,331	24,246,871	22,088,000	303,593,742	(38,534,410)
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	393,790	415,852	-	35,000	368,733	47,119
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (MR/DD)	233,468,853	256,920,094	20,383,750	22,123,000	225,395,428	31,524,666
Home & Community-Based Services (Aged/Disabled)	80,034,343	89,794,000	7,106,901	6,771,000	85,629,343	4,164,657
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-

MONTH OF MAY 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month May-10	Current Month May-10	Year To-Date Thru 5/31/10	5/1/10 Thru 06/30/10
Personal Care Services - Regular Payments	37,675,865	42,577,777	3,185,476	3,550,000	37,659,678	4,918,099
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - Institutional Transitioning	-	-	-	-	-	-
Targeted Case Management Services - State Wide	4,309,095	5,811,539	336,228	472,000	3,542,813	2,068,726
Primary Care Case Management Services	609,744	691,427	28,671	58,000	373,449	317,978
Hospice Benefits	14,499,070	15,246,730	1,789,994	1,271,000	15,918,691	(671,961)
Emergency Services Undocumented Aliens	59,318	-	23,942	-	159,182	(159,182)
Federally Qualified Health Center	16,761,540	20,206,125	1,528,401	1,693,000	16,980,042	3,226,093
Non-Emergency Medical Transportation	-	4,502,000	1,945,561	375,000	7,647,209	(3,145,209)
Physical Therapy	-	2,076,000	180,808	173,000	1,727,985	348,015
Occupational Therapy	-	656,000	17,373	55,000	188,123	467,877
Services for Speech, Hearing & Language	-	504,000	20,932	42,000	285,124	238,876
Prosthetic Devices, Dentures, Eyeglasses	-	680,000	142,384	57,000	1,745,265	(1,065,265)
Diagnostic Screening & Preventive Services	-	-	39,000	-	341,378	(341,378)
Nurse Mid-Wife	-	-	22,958	-	323,001	(323,001)
Emergency Hospital Services	-	-	850,208	-	8,498,503	(8,498,503)
Critical Access Hospitals	-	5,507,000	3,104,826	459,000	25,463,976	(19,956,976)
Nurse Practitioner Services	-	1,550,000	109,045	129,000	1,005,759	544,241
School Based Services	-	44,095,000	5,147,943	3,674,000	48,676,082	(4,581,082)
Rehabilitative Services (Non-School Based)	-	64,792,000	6,545,412	5,399,000	68,814,931	(4,022,931)
Private Duty Nursing	-	3,119,000	387,387	260,000	3,064,202	54,798
Other Care Services	128,150,532	51,022,601	1,997,184	4,362,000	32,310,342	18,712,258
Less: Recoupments	-	-	(73,655)	-	(192,710)	192,710
<b>NET EXPENDITURES:</b>	<b>2,410,196,304</b>	<b>2,514,532,515</b>	<b>225,620,654</b>	<b>215,122,000</b>	<b>2,339,531,715</b>	<b>175,000,801</b>
Collections: Third Party Liability (line 9A on CMS-64)	(6,038,342)	-	-	-	(5,207,838)	5,207,838
Collections: Probate (line 9B on CMS-64)	(122,220)	-	-	-	(145,347)	145,347
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(13,769)	-	-	-	(1,188)	1,188
Collections: Other (line 9D on CMS-64)	(5,509,009)	-	-	-	(2,641,676)	2,641,676
<b>NET EXPENDITURES and CMS-64 ADJUSTMENTS:</b>	<b>2,398,512,964</b>	<b>2,514,532,515</b>	<b>225,620,654</b>	<b>215,122,000</b>	<b>2,331,535,666</b>	<b>182,996,850</b>
Plus: Medicaid Part D Expenditures	27,747,652	31,999,237	-	2,481,480	23,936,817	8,062,420
Plus: State Only Medicaid Expenditures ***	4,583,431	3,846,891	420,215	289,548	5,688,472	(1,841,582)
<b>TOTAL MEDICAID EXPENDITURES</b>	<b>2,430,844,047</b>	<b>\$2,550,378,643</b>	<b>\$226,040,869</b>	<b>\$217,873,028</b>	<b>\$2,361,160,954</b>	<b>\$189,217,888</b>
Plus: Reimbursables <sup>(1)</sup>	4,329,882	4,787,584	504,522	335,665	5,139,961	(352,397)
<b>TOTAL EXPENDITURES</b>	<b>\$2,435,173,930</b>	<b>\$2,555,166,207</b>	<b>\$226,545,391</b>	<b>\$218,208,693</b>	<b>\$2,366,300,915</b>	<b>\$188,865,291</b>

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

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

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES  
 BUREAU FOR MEDICAL SERVICES  
 MEDICAID CASH REPORT  
 SFY2010

11 Months Actuals      1 Months Remaining

MONTH OF MAY 2010


REVENUE SOURCES

	ACTUALS SFY2009	ACTUALS Current Month Ended 5/31/10	ACTUALS Year-To-Date Thru 5/31/10	PROJECTED 6/1/2010 Thru 6/30/10	TOTAL SFY2010
Beg. Bal. (5084/1020 prior mth)	34,933,055	160,645,314	\$116,583,948		\$116,583,948
<b>MATCHING FUNDS</b>	-				
General Revenue (0403/189)	393,705,687	30,892,934	221,452,271	45,863,297	267,315,568
MRDD Waiver (0403/466)	-	8,838,883	71,514,600	8,838,883	80,353,483
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,379,667	216,333	2,596,000
Tertiary Funding (0403/547)	4,856,000	529,667	5,826,334	529,666	6,356,000
Lottery Waiver (Less 550,000) (5405/539)	23,272,578	3,000,000	25,772,578	-2,500,000	23,272,578
Lottery Transfer (5405/871)	10,300,000	1,170,000	8,670,000	0	8,670,000
Trust Fund Appropriation (5185/189)	19,784,219		0	30,556,594	30,556,594
Provider Tax (5090/189)	165,400,000	17,078,187	148,437,507	16,220,783	164,658,290
Certified Match	19,399,722	1,248,012	12,821,398	3,008,942	15,830,340
Reimbursables - Amount Reimbursed	4,348,906	35,991	4,403,942	383,622	4,787,564
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	428,344	51,461	(510,057)	510,057	0
CMS - 64 Adjustments	1,098,690		(210,128)	210,128	0
<b>TOTAL MATCHING FUNDS</b>	680,123,202	\$223,706,783	\$617,142,061	\$103,838,304	\$720,980,365
<b>FEDERAL FUNDS</b>	1,874,489,691	188,354,597	1,935,939,605	\$153,852,365	\$2,089,791,970
<b>TOTAL REVENUE SOURCES</b>	<b>2,554,612,893</b>	<b>\$412,061,380</b>	<b>\$2,553,081,666</b>	<b>\$257,690,669</b>	<b>\$2,810,772,335</b>
<b>TOTAL EXPENDITURES:</b>					
Provider Payments	2,435,173,930	\$226,545,391	\$2,366,300,915	\$188,865,291	\$2,555,166,207
<b>TOTAL</b>	<b>119,438,964</b>	<b>\$185,515,989</b>	<b>\$186,780,751</b>		<b>\$255,606,128</b>

Note: FMAP (09' - 83.05% applicable July - Sept. 2009) ( 10' - 83.05% applicable Oct. 2009 - June 2010)  
 (1) This amount will revert to State Only if not reimbursed.

**Investment Management  
Board**





West Virginia Investment Management Board

**Monthly Performance Report**

June 30, 2010

*STRATEGIC INVESTMENT SOLUTIONS, INC.*

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333 Bush Street, Suite 2000  
San Francisco, CA 94104  
(415) 362-3484

**West Virginia Investment Management Board**  
 Participant Plans Allocation & Performance Net of Fees  
 As of June 30, 2010

	6/30/2009		6/30/2010		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>WVIMB Fund Assets</b>	<b>9,178,609</b>	<b>100.0</b>	<b>10,658,972</b>	<b>100.0</b>							
<b>Pension Assets</b>	<b>7,342,235</b>	<b>80.0</b>	<b>8,456,704</b>	<b>79.4</b>							
Public Employees' Retirement System	3,243,754	35.3	3,682,115	34.5	-0.9	-4.2	16.0	16.0	-2.9	3.3	4.3
Teachers' Retirement System	3,513,001	38.3	4,099,339	38.5	-1.0	-4.3	15.2	15.2	-3.7	2.8	4.0
Teachers' Employers Cont. Collection A/C	6	0.0	355	0.0	0.0	0.0	0.1	0.1	1.7		
EMS Retirement System	16,870	0.2	23,345	0.2	-1.0	-4.5	15.7	15.7			
Public Safety Retirement System	362,924	4.0	404,446	3.8	-0.9	-4.2	16.1	16.1	-3.0	3.2	4.4
Judges' Retirement System	88,310	1.0	102,814	1.0	-0.9	-4.2	16.0	16.0	-3.0	3.3	4.3
State Police Retirement System	40,321	0.4	52,739	0.5	-0.9	-4.1	16.0	16.0	-2.8	3.3	4.4
Deputy Sheriffs' Retirement System	77,050	0.8	91,548	0.9	-0.9	-4.1	16.0	16.0	-2.9	3.3	4.4
Municipal Police & Firefighter Retirement System			3	0.0	0.0						
<b>Insurance Assets</b>	<b>1,331,404</b>	<b>14.5</b>	<b>1,632,789</b>	<b>15.3</b>							
Workers' Compensation Old Fund	670,648	7.3	888,780	8.3	0.5	0.4	14.6	14.6	0.8		
Workers' Comp. Self-Insured Guaranty Risk Pool	6,794	0.1	8,066	0.1	0.0	0.0	0.1	0.1	1.8		
Workers' Comp. Uninsured Employers Fund	8,537	0.1	8,852	0.1	0.0	0.0	0.1	0.1	1.8		
Pneumoconiosis	224,354	2.4	244,191	2.3	0.1	-1.0	13.4	13.4	1.6		
Board of Risk & Insurance Mgmt.	105,461	1.1	120,331	1.1	0.1	-0.9	14.1	14.1	3.1	4.8	
Public Employees' Insurance Agency	115,072	1.3	131,127	1.2	0.3	-0.2	14.0	14.0	2.7		
WV Retiree Health Benefit Trust Fund	200,538	2.2	229,477	2.2	1.0	1.6	14.4	14.4			
AccessWV			1,965	0.0	-0.4	-5.1					
<b>Endowment Assets</b>	<b>504,970</b>	<b>5.5</b>	<b>569,479</b>	<b>5.3</b>							
Wildlife Fund	30,069	0.3	34,874	0.3	-0.9	-4.2	16.0	16.0	-2.9	3.3	5.6
Prepaid Tuition Trust	73,291	0.8	77,283	0.7	-1.2	-4.2	17.2	17.2	-1.6	4.1	4.9
Revenue Shortfall Reserve Fund	163,763	1.8	178,632	1.7	1.0	1.9	18.5	18.5	-2.8		
Revenue Shortfall Reserve Fund - Part B	237,835	2.6	278,690	2.6	-0.1	-1.9	16.5	16.5	-3.6		

**West Virginia Investment Management Board**  
 Composite Asset Allocation & Performance Net of Fees  
 As of June 30, 2010

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	10,663,603	100.00							
Total Equity Composite	4,331,728	40.62	-2.74	-10.17	17.17	17.17	-8.87	1.75	2.16
<i>Total Equity Policy Index</i>			-3.50	-11.75	13.36	13.36	-10.49	0.42	0.87
Excess Return			0.76	1.58	3.81	3.81	1.62	1.33	1.29
US Equity Composite	2,072,375	19.43	-5.39	-10.92	16.02	16.02	-9.85	-0.58	0.91
<i>Russell 3000 Index</i>			-5.75	-11.32	15.72	15.72	-9.47	-0.48	-0.92
Excess Return			0.36	0.40	0.30	0.30	-0.38	-0.10	1.83
Large Cap Composite	1,714,780	16.08	-5.25	-11.05	14.91	14.91	-9.70	-0.90	-1.70
<i>S&amp;P 500 Index</i>			-5.23	-11.43	14.43	14.43	-9.81	-0.79	-1.59
Excess Return			-0.02	0.38	0.48	0.48	0.11	-0.11	-0.11
Non-Large Cap Composite	357,595	3.35	-6.06	-10.26	22.19	22.19	-9.05	0.50	5.66
<i>Russell 2500 Index</i>			-7.14	-9.98	24.03	24.03	-7.99	0.98	4.15
Excess Return			1.08	-0.28	-1.84	-1.84	-1.06	-0.48	1.51
International Equity Composite	2,259,353	21.19	-0.18	-9.53	17.61	17.61	-8.02	5.62	4.19
<i>MSCI AC World ex US Index</i>			-1.26	-12.26	10.88	10.88	-10.27	3.84	2.29
Excess Return			1.08	2.73	6.73	6.73	2.25	1.78	1.90
Fixed Income Composite	3,356,997	31.48	1.16	2.15	15.05	15.05	5.70	4.96	6.92
<i>Fixed Income Policy</i>			1.55	3.14	10.60	10.60	7.60	5.57	6.49
Excess Return			-0.39	-0.99	4.45	4.45	-1.90	-0.61	0.43
Core Fixed Income	1,558,573	14.62	1.49	3.69	10.77	10.77			
<i>Barclays Capital Aggregate</i>			1.57	3.49	9.50	9.50			
Excess Return			-0.08	0.20	1.27	1.27			
Total Return Fixed Income	1,798,424	16.86	0.87	0.83	16.71	16.71	6.23	5.73	7.61
<i>Barclays Capital US Universal</i>			1.55	3.14	10.60	10.60	7.22	5.56	6.59
Excess Return			-0.68	-2.31	6.11	6.11	-0.99	0.17	1.02
TRS Annuity	152,429	1.43	0.36	1.10	4.50	4.50			
Cash Composite	290,439	2.72	0.02	0.04	0.14	0.14	1.80	3.00	2.84
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.02	0.08	0.31	0.31	1.72	2.92	2.85
Excess Return			0.00	-0.04	-0.17	-0.17	0.08	0.08	-0.01
Private Equity Composite	912,457	8.56	1.04	4.20	18.66	18.66			
Real Estate Composite	495,396	4.65	1.29	3.54	5.67	5.67			
Hedge Funds Composite	1,124,157	10.54	-0.43	-0.49	10.20	10.20			



**West Virginia Investment Management Board**  
**Participant Plans Allocation vs. Targets**  
**As of June 30, 2010**

	Domestic Equity		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 %
<b>Pension Assets</b>														
Public Employees' Retirement System	22.8	25.0	25.0	25.0	24.7	24.0	10.9	10.0	5.9	6.0	10.3	10.0	0.4	0.0
Teachers' Retirement System	22.6	25.0	24.6	25.0	22.9	24.0	10.7	10.0	5.8	6.0	10.1	10.0	3.3	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	100.0	100.0
EMS Retirement System	23.4	25.0	25.6	25.0	21.4	24.0	10.9	10.0	6.0	6.0	10.5	10.0	2.2	0.0
Public Safety Retirement System	22.3	25.0	24.4	25.0	24.5	24.0	10.4	10.0	5.7	6.0	10.1	10.0	2.6	0.0
Judges' Retirement System	22.8	25.0	25.0	25.0	25.2	24.0	10.6	10.0	5.8	6.0	10.3	10.0	0.3	0.0
State Police Retirement System	22.4	25.0	24.6	25.0	25.2	24.0	10.4	10.0	5.8	6.0	10.1	10.0	1.5	0.0
Deputy Sheriffs' Retirement System	22.7	25.0	24.8	25.0	25.3	24.0	10.6	10.0	5.8	6.0	10.2	10.0	0.6	0.0
Municipal Police & Firefighter Retirement System	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

**Insurance Assets**

Workers' Compensation Old Fund	4.3	5.0	4.8	5.0	68.3	80.0	0.0	0.0	0.0	0.0	11.9	0.0	10.7	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	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	100.0	100.0
Pneumoconiosis	8.9	10.0	9.7	10.0	56.6	55.0	0.0	0.0	0.0	0.0	20.0	20.0	4.8	5.0
Board of Risk & Insurance Mgmt.	8.8	10.0	9.8	10.0	61.4	60.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
Public Employees' Insurance Agency	6.6	7.5	7.2	7.5	66.3	65.0	0.0	0.0	0.0	0.0	19.9	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	2.2	2.5	2.4	2.5	95.4	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AccessWV	19.3	25.0	46.7	25.0	34.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

**Endowment Assets**

Wildlife Fund	22.7	25.0	24.9	25.0	25.6	24.0	10.6	10.0	5.8	6.0	10.2	10.0	0.2	0.0
Prepaid Tuition Trust	32.8	35.8	18.8	19.2	47.1	45.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Revenue Shortfall Reserve Fund	0.0	0.0	0.0	0.0	88.0	100.0	0.0	0.0	0.0	0.0	11.9	0.0	0.1	0.0
Revenue Shortfall Reserve Fund - Part B	13.4	15.0	14.7	15.0	59.1	70.0	0.0	0.0	0.0	0.0	12.3	0.0	0.5	0.0

**Statutory Limitations**

- Public Equity - 75%
- International Proportions of Equity, Fixed Income, and Real Estate - 30%
- Real Estate - 25%
- Private Equity and Hedge Funds - 20% in aggregate

**West Virginia Investment Management Board**

Footnotes

As of June 30, 2010

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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, 18% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Endowment Assets at June 30, 2009 included Prepaid Tuition Trust Escrow assets of \$11,518. This account was closed on September 1, 2009.

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.

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

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





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# Status Report Workers' Compensation

Joint Committee on  
Government & Finance

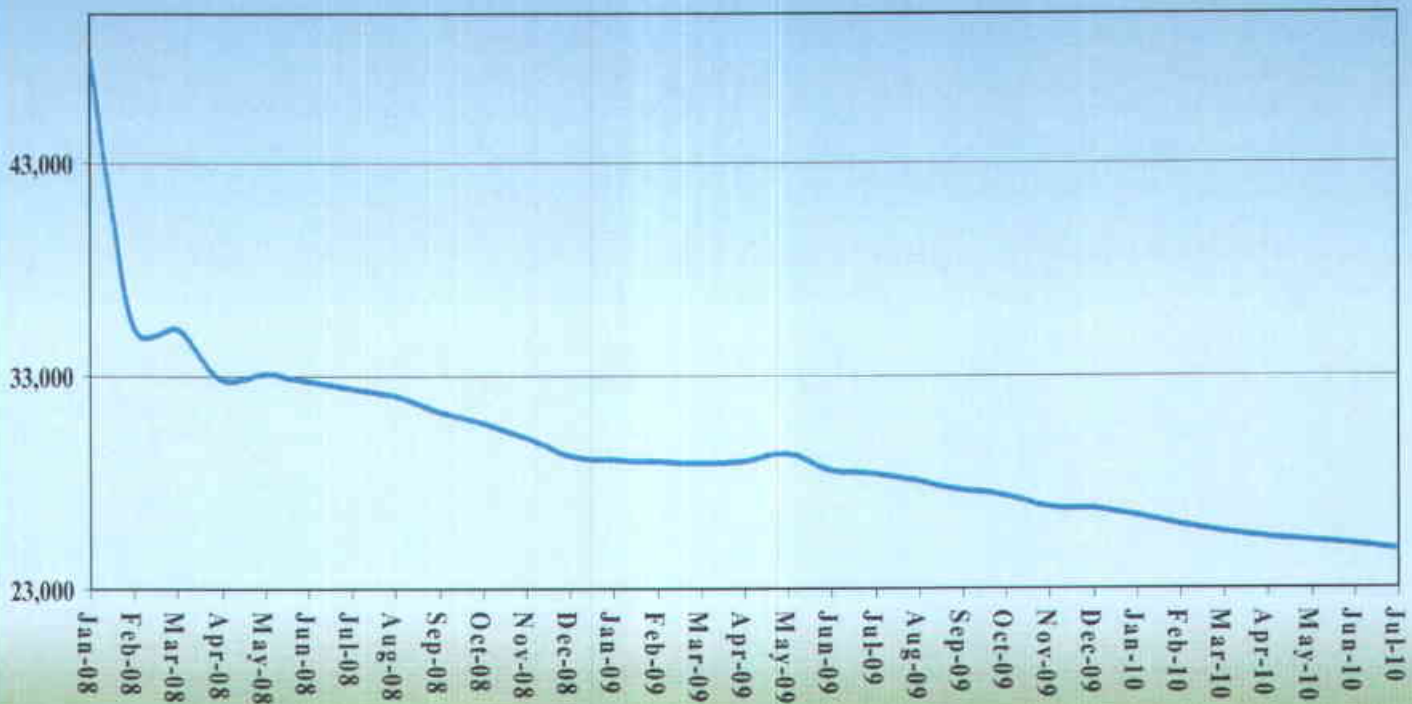
08/05/10

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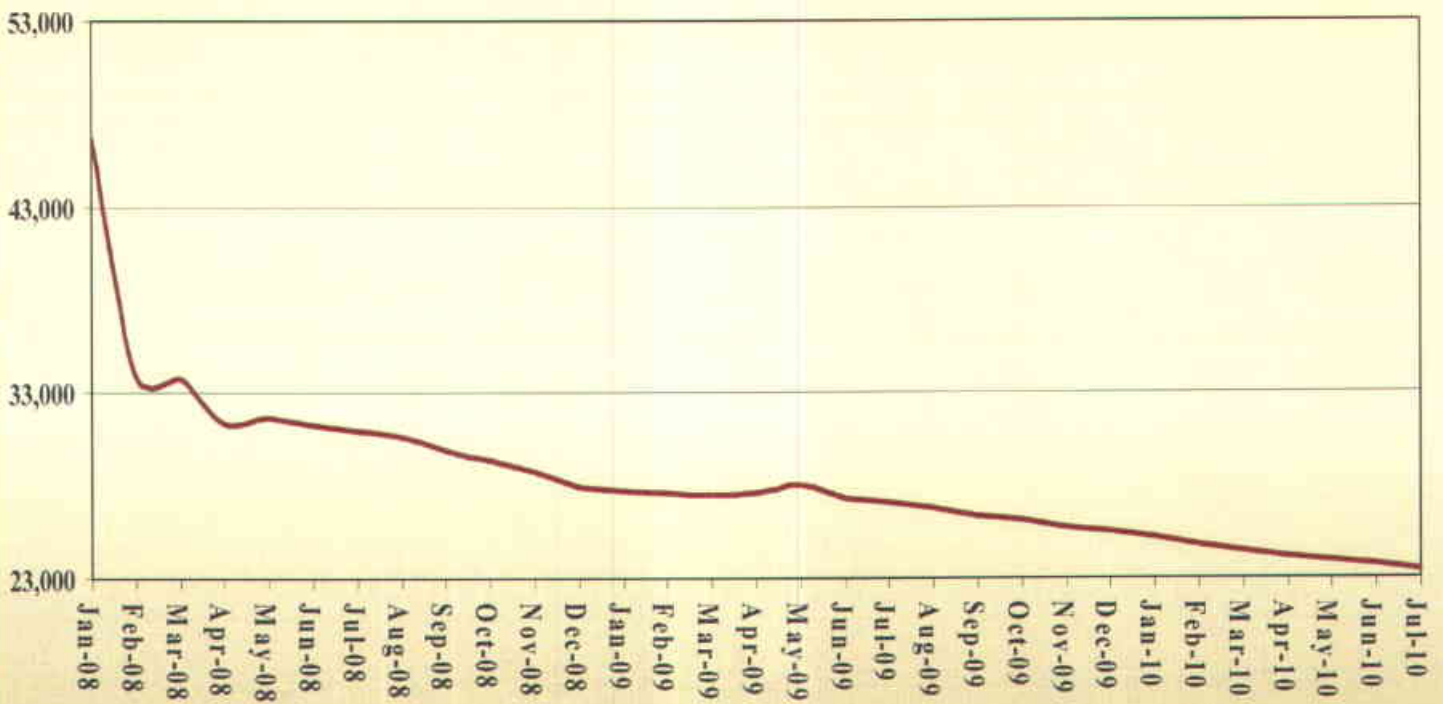
*Provided by the West Virginia Offices of the Insurance Commissioner*



Total Active Claim counts



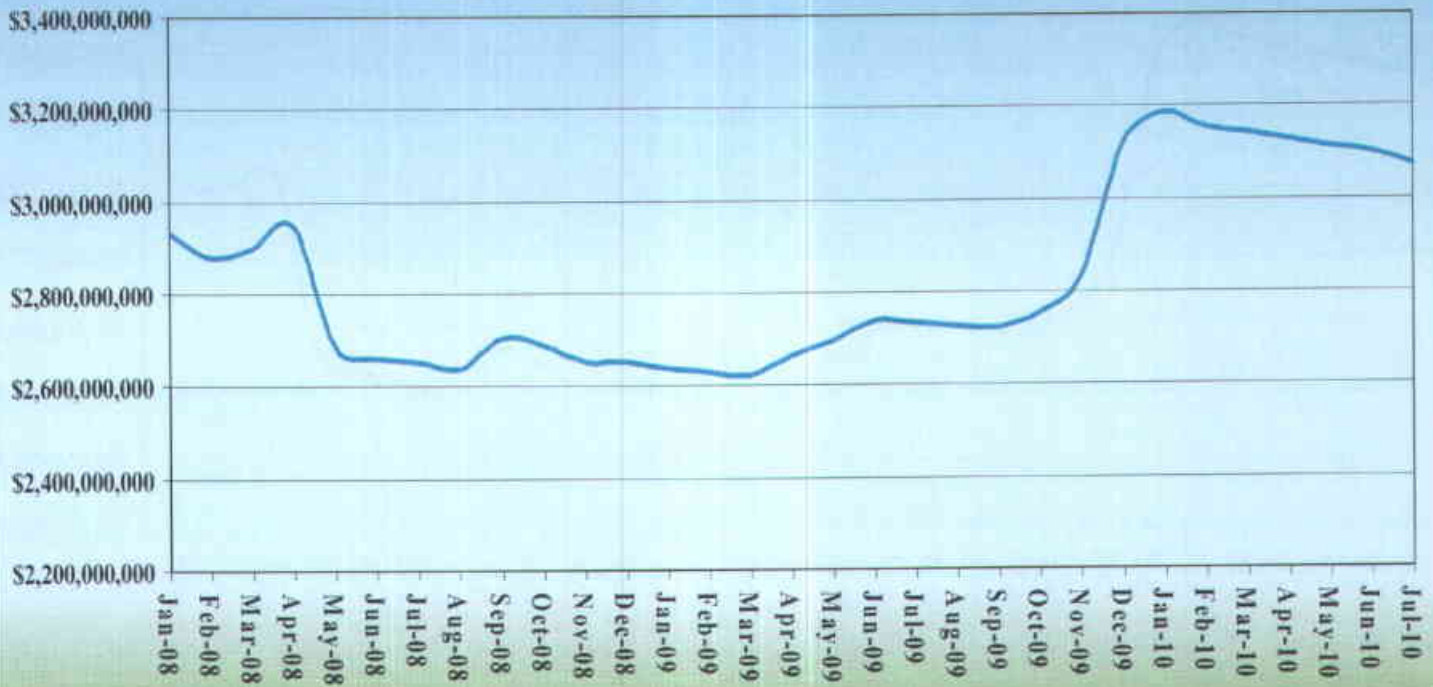
Non-FBL Active Claim counts



### FBL Active Claim counts

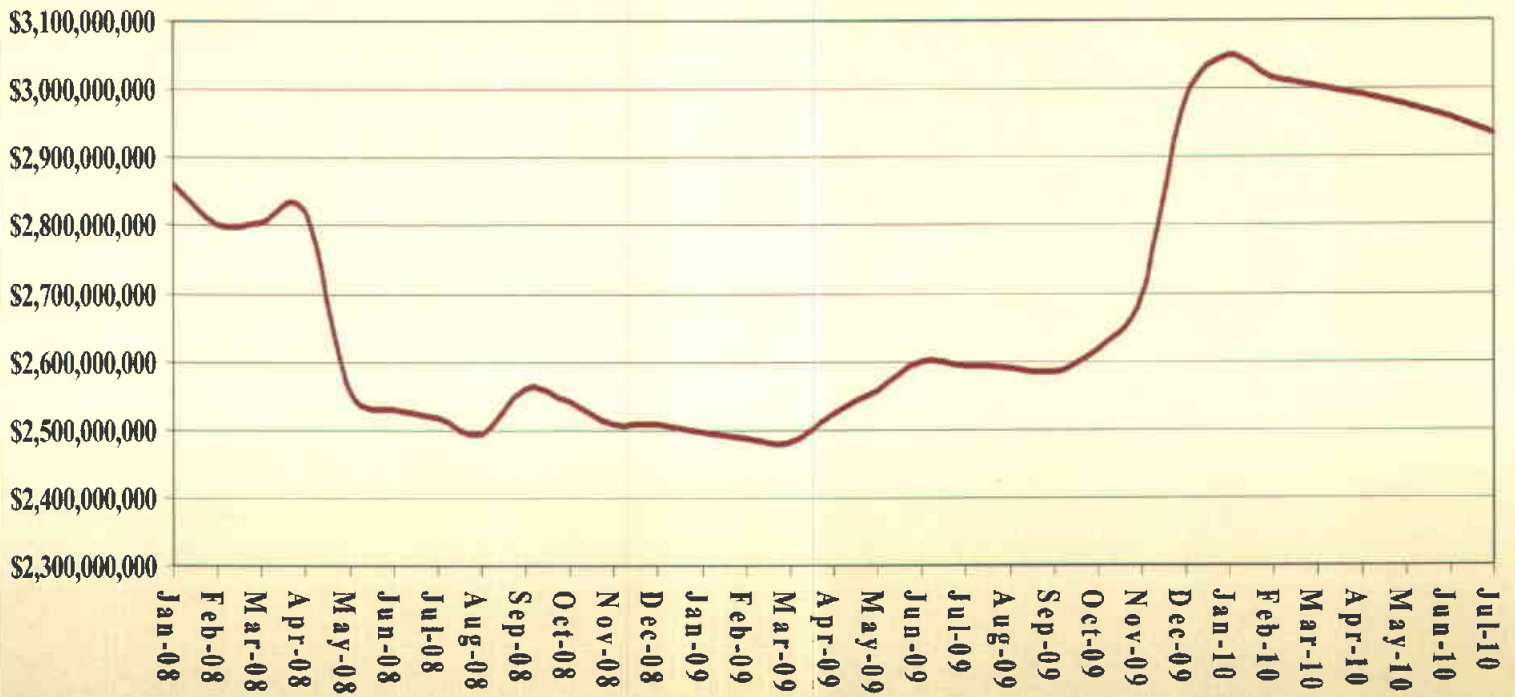


## Total Case Reserves

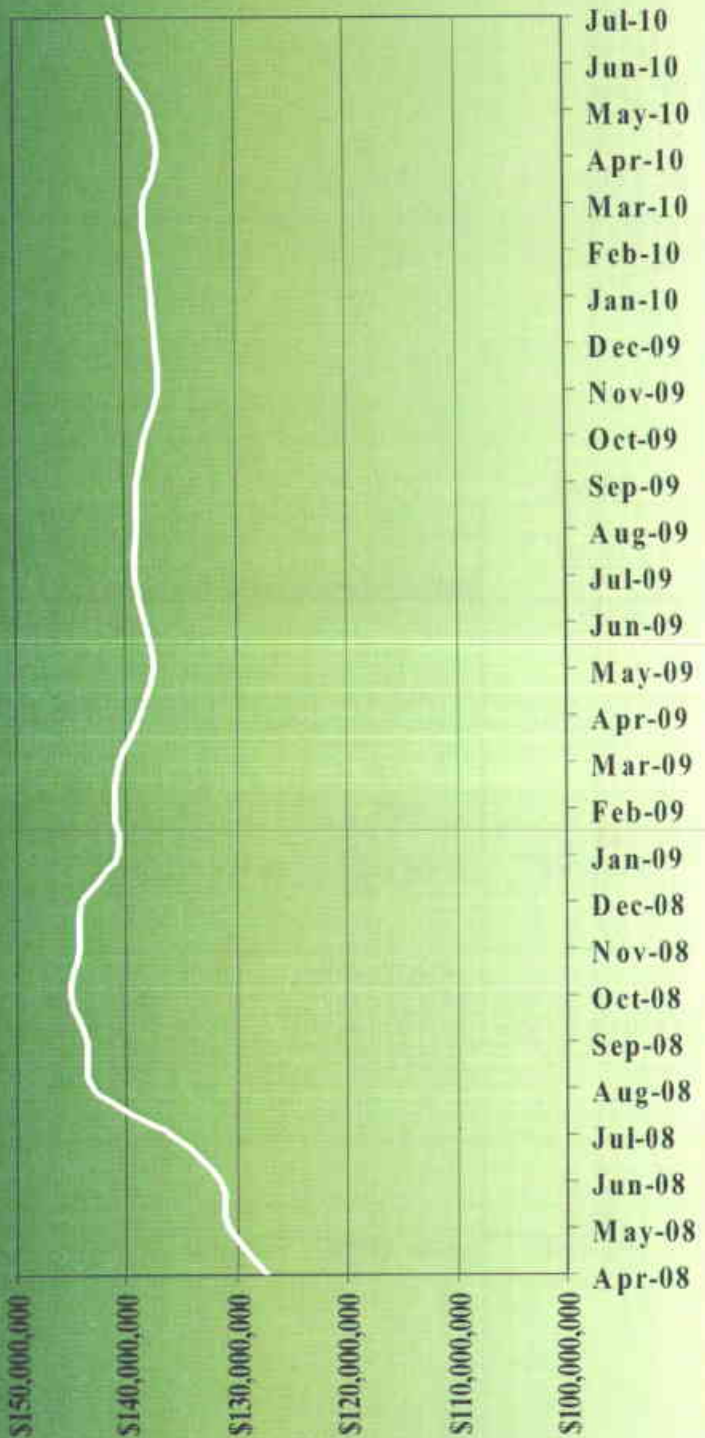




Non-FBL Case Reserves



# FBL Case Reserves



7/31/2010

	Sedgwick	Wells Fargo	American Mining	Totals
<b>Total Claims</b>	19,592	2,344	2,851	24,787
<b>Non-FBL</b>	19,592	2,215	1,611	23,418
<b>FBL</b>	0	129	1,240	1,369

FBL	
Inactive	All Total
1,554	2,923

	Sedgwick	Wells Fargo	American Mining	Totals
<b>Total Reserves</b>	\$2,503,782,886	\$273,550,665	\$297,217,366	\$3,074,550,917
<b>Non-FBL Reserves</b>	\$2,503,782,886	\$241,185,380	\$188,391,868	\$2,933,360,135
<b>FBL Reserves</b>		\$32,365,285	\$108,825,498	\$141,190,783

Prior Month	
Total	Change
\$3,099,347,646	-0.8%
\$2,959,230,701	-0.9%
\$140,116,945	0.8%

	Sedgwick	Wells Fargo	American Mining	Totals
<b>Med Only</b>	1,615	3	391	2,009
<b>PTD</b>	7,033	584	348	7,965
<b>PPD</b>	4,923	999	659	6,581
<b>TTD</b>	1,016	0	26	1,042
<b>TPD</b>	0	0	0	0
<b>Settlement (payments)</b>	0	14	13	27
<b>Fatal</b>	1,610	490	174	2,274
<b>Partial Awd</b>	16	125	0	141
<b>OP/OD</b>	3,379	2,021	954	3,379
<b>Total NonFBL</b>	19,592	2,215	1,611	23,418
<b>Total FBL</b>	0	129	1,240	1,369
<b>Total</b>	19,592	2,344	2,851	24,787

Prior Month	
Total	Change
2,033	-1.2%
8,020	-0.7%
7,196	-9.3%
1,082	-3.8%
1	-100.0%
27	0.0%
2,295	-0.9%
137	2.8%
2,919	13.6%
23,710	-1.2%
1,314	4.0%
25,024	-1.0%

WEST VIRGINIA  
OFFICES OF THE INSURANCE COMMISSIONER  
SCHEDULE OF NET ASSETS  
Workers' Compensation Old Fund – Debt Reduction  
(In Thousands)  
July FY2011

	June 30, 2010	July 31, 2010	Change
Assets:			
Cash and Cash Equivalents	888,536	886,716	(1,820)
Receivables, Net:	<u>19,843</u>	<u>19,843</u>	<u>-</u>
Total Assets	<u>908,379</u>	<u>906,559</u>	<u>(1,820)</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	1,983,608	1,967,581	(16,027)
Other Liabilities	<u>244</u>	<u>244</u>	<u>-</u>
Total Liabilities	<u>1,983,852</u>	<u>1,967,825</u>	<u>(16,027)</u>
Net Assets:			
Unrestricted**	<u>(1,075,473)</u>	<u>(1,061,266)</u>	<u>14,207</u>
Total Net Assets	<u><u>(1,075,473)</u></u>	<u><u>(1,061,266)</u></u>	<u><u>14,207</u></u>

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

\*\*Reduction in the outstanding claims liability, combined with the reduction in cash and cash equivalents resulted in

## Old Fund Liability Estimate

FY2011

July

Undiscounted Beginning Reserve Amount	3,090,645,123
Claim Payments	24,050,024
Undiscounted Ending Reserve Amount	3,066,595,100
Estimated Ending Reserve Amount - Discounted at 5%	1,967,590,652

**Note:**

The discounted 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. Claims payments were **\$24,050,024 for July 2010.**

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. This calculation has been prepared in order to provide an interim estimate on the status of the deficit.

## Old Fund / Debt Reduction FY2011

	1st Quarter	Y-T-D FY2011	Y-T-D FY2010	Change
<b>Revenues</b>				
Personal Income Tax	-	-	-	-
Severance Tax	5,116,780	5,116,780	7,253,815	(2,137,036)
Debt Reduction Surcharge	8,769,529	8,769,529	8,014,948	754,580
Self-Insured Debt Reduction Surcharge	1,401,615	1,401,615	874,595	527,020
Video Lottery	3,885,342	3,885,342	4,186,365	(301,023)
Employer Premium	113,956	113,956	61,252	52,704
Other Income - Return of Unclaimed Property	-	-	-	-
<b>Total Revenues</b>	<b>19,287,221</b>	<b>19,287,221</b>	<b>20,390,976</b>	<b>(1,103,755)</b>
Surplus Note Principal Payments	-	-	-	-
Investment / Interest Earnings (Losses)	4,527,113	4,527,113	6,672,199	(2,145,086)
<b>Expenditures</b>				
Claims Benefits Paid:				
Medical	4,632,088	4,632,088	4,976,865	(344,777)
Permanent Total Disability	11,551,636	11,551,636	12,687,369	(1,135,733)
Permanent Partial Disability	254,935	254,935	475,956	(221,021)
Temporary Disability	23,671	23,671	276,940	(253,270)
Fatals	2,519,576	2,519,576	2,642,471	(122,895)
104 weeks death benefit	528,884	528,884	440,441	88,442
Settlement Agreements	4,669,443	4,669,443	436,147	4,233,296
Loss Adjustment Expenses	450,588	450,588	135,441	315,146
Total	24,630,820	24,630,820	22,071,631	2,559,189
Less: Claims credits and overpayments	580,797	580,797	172,069	408,728
Total Benefits Paid	24,050,024	24,050,024	21,899,562	2,150,461
Administrative Expenses	1,584,349	1,584,349	1,722,127	(137,778)
<b>Total Expenditures</b>	<b>25,634,373</b>	<b>25,634,373</b>	<b>23,621,689</b>	<b>2,012,683</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,820,039)</b>	<b>(1,820,039)</b>	<b>3,441,486</b>	
Cash Beginning Balances	888,535,954	888,535,954	845,233,155	
<b>Cash Ending Balances</b>	<b>886,715,915</b>	<b>886,715,915</b>	<b>848,674,641</b>	

# Old Fund / Debt Reduction 1<sup>st</sup> Quarter FY2011

	July 2010	Quarter-to-Date
<b>Revenues</b>		
Personal Income Tax	-	-
Severance Tax	5,116,779.70	5,116,779.70
Debt Reduction Surcharge	8,769,528.72	8,769,528.72
Self-Insured Debt Reduction Surcharge	1,401,614.89	1,401,614.89
Video Lottery	3,885,341.88	3,885,341.88
Employer Premium	113,955.91	113,955.91
Other Income - Return of Unclaimed Property	-	-
<b>Total Revenues</b>	<b>19,287,221.10</b>	<b>19,287,221.10</b>
*Investment / Interest Earnings (Losses)	<b>4,527,112.81</b>	<b>4,527,112.81</b>
<b>Expenditures</b>		
Claims Benefits Paid:		
Medical	4,632,087.97	4,632,087.97
Permanent Total Disability	11,551,635.68	11,551,635.68
Permanent Partial Disability	254,935.24	254,935.24
Temporary Disability	23,670.59	23,670.59
Fatafs	2,519,576.31	2,519,576.31
104 weeks death benefit	528,883.58	528,883.58
Settlement Agreements	4,669,443.34	4,669,443.34
Loss Adjustment Expenses	450,587.51	450,587.51
Total	24,630,820.22	24,630,820.22
Less: Claims credits and overpayments	580,796.53	580,796.53
Total Benefits Paid	24,050,023.69	24,050,023.69
Administrative Expenses	1,584,348.85	1,584,348.85
<b>Total Expenditures</b>	<b>25,634,372.54</b>	<b>25,634,372.54</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(1,820,038.63)</b>	<b>(1,820,038.63)</b>
Cash Beginning Balance	888,535,953.68	888,535,953.68
<b>Cash Ending Balances</b>	<b>886,715,915.05</b>	<b>886,715,915.05</b>

# COAL WORKERS PNEUMOCONIOSIS FUND

## Quarterly Summary

### July FY2011

	1st Quarter	YTD FY 2011	YTD FY 2010	Change
<b>Revenues</b>				
Investment Earnings (Losses)	154,163	154,163	2,538,560	(2,384,397)
Other Income - Return of Unclaimed Property	-	-	-	-
<b>Total Revenues</b>	<u>154,163</u>	<u>154,163</u>	<u>2,538,560</u>	<u>(2,384,397)</u>
<b>Expenditures</b>				
Payment of Claims	837,009	837,009	1,013,165	(176,156)
Contractual / Professional	-	-	-	-
<b>Total Expenditures</b>	<u>837,009</u>	<u>837,009</u>	<u>1,013,165</u>	<u>(176,156)</u>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<u>(682,847)</u>	<u>(682,847)</u>	<u>1,525,395</u>	<u>(2,208,242)</u>
Cash Beginning Balances	<u>244,074,613</u>	<u>244,074,613</u>		
<b>Cash Ending Balances</b>	<u>243,391,766</u>	<u>243,391,766</u>		



**SELF-INSURED FUND**  
**Quarterly Summary**  
**FY2011**

	1st Quarter	YTD FY 2011	YTD FY 2010	Change
<b>Revenues</b>				
Guaranty Risk Pool Assessments	277,971	277,971	265,352	12,619
Investment Earnings (Losses)	888	888	1,325	(438)
<b>Total Revenues</b>	<b>278,858</b>	<b>278,858</b>	<b>266,677</b>	<b>12,181</b>
<b>Expenditures</b>				
Payment of Claims	1,709	1,709	2,325	(616)
Contractual / Professional	9,255	9,255	-	9,255
<b>Total Expenditures</b>	<b>10,965</b>	<b>10,965</b>	<b>2,325</b>	<b>8,639</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>267,894</b>	<b>267,894</b>	<b>264,352</b>	<b>3,542</b>
Cash Beginning Balances	8,285,959	8,285,959		
<b>Cash Ending Balances</b>	<b>8,553,852</b>	<b>8,553,852</b>		

## UNINSURED FUND Quarterly Summary July FY2011

	1st Quarter	YTD FY 2011	YTD FY 2010	Change
<b>Revenues</b>				
Fines and Penalties	65,898	65,898	97,446	(31,548)
Investment Earnings (Losses)	973	973	1,665	(692)
<b>Total Revenues</b>	<b>66,871</b>	<b>66,871</b>	<b>99,111</b>	<b>(32,240)</b>
<b>Expenditures</b>				
Payment of Claims	67,149	67,149	29,978	37,171
Contractual/Professional	-	-	-	-
<b>Total Expenditures</b>	<b>67,149</b>	<b>67,149</b>	<b>29,978</b>	<b>37,171</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(278)</b>	<b>(278)</b>	<b>69,133</b>	<b>(69,411)</b>
Cash Beginning Balances	8,905,444	8,905,444		
<b>Cash Ending Balances</b>	<b>8,905,166</b>	<b>8,905,166</b>		

# OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

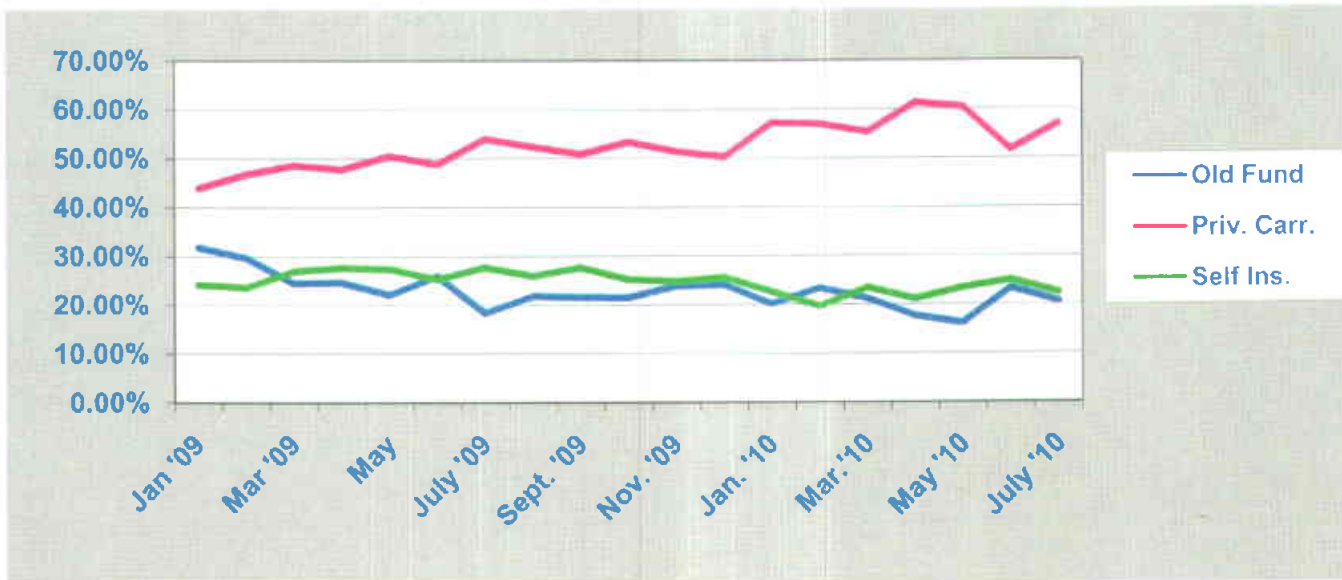
August 3, 2010

## I. Statistical Analysis

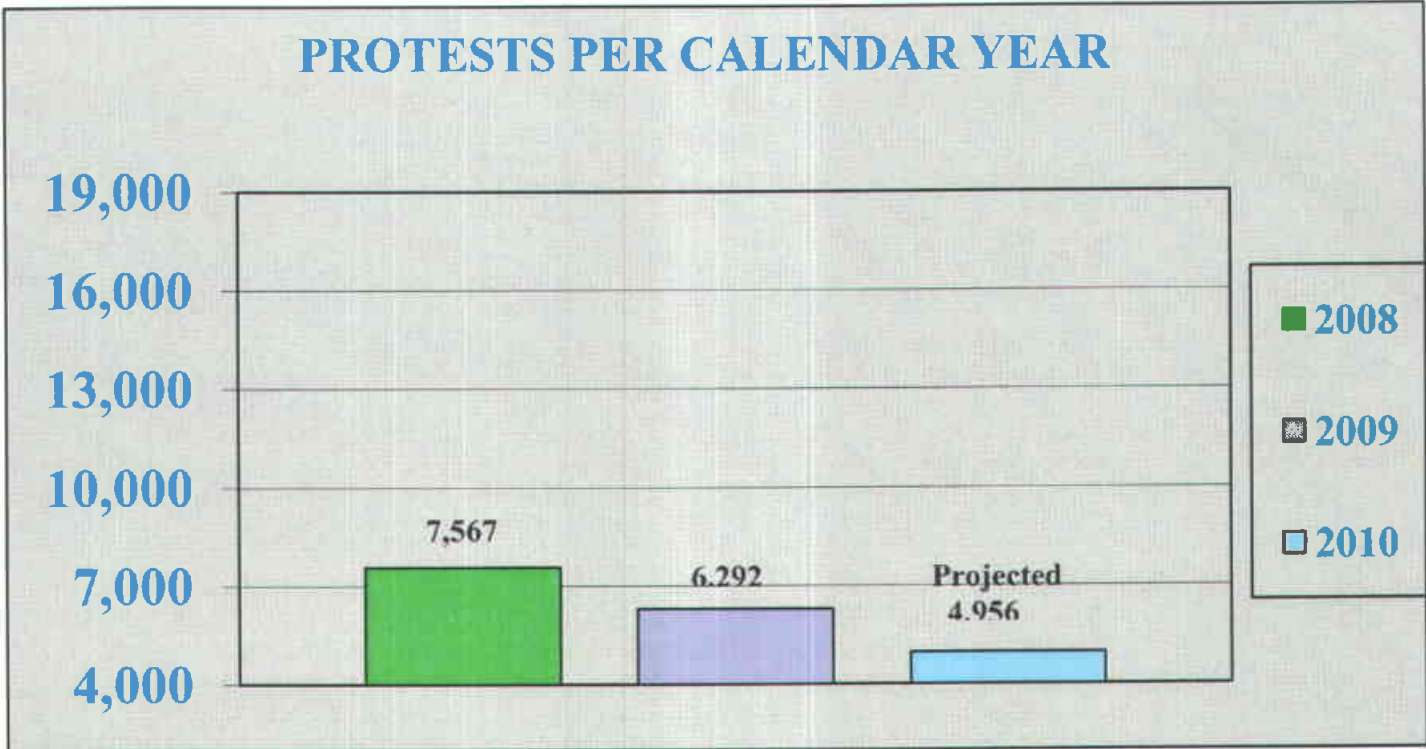
A. Protests Acknowledged:                      2009                      July                      2010  
    6292                      345                      2892

### Fund Involved:

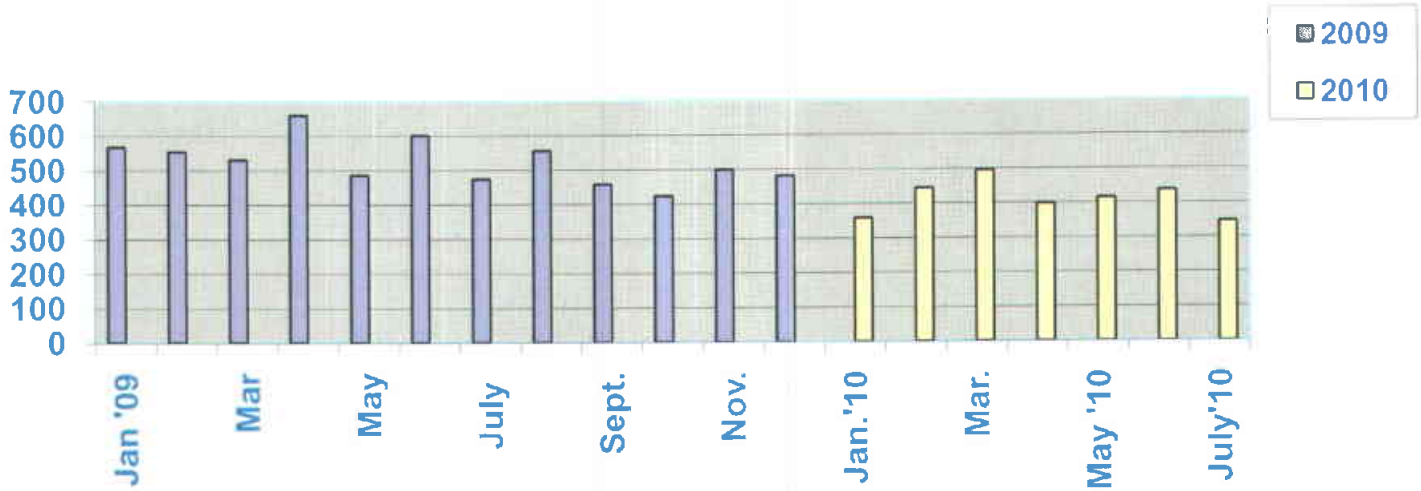
FUND	2009	% of protests	July '10	% of protests	2010	% of protests
Old Fund	1277	24.13%	75	21.74%	595	20.57%
Priv. Carrier	2661	50.28%	197	57.10%	1650	57.06%
Self-Insured	1354	25.59%	73	21.16%	647	22.37%
Subtotal	5292		345		2892	
Temporary	1000		73		559	
Total	6292		418		3451	



## PROTESTS PER CALENDAR YEAR



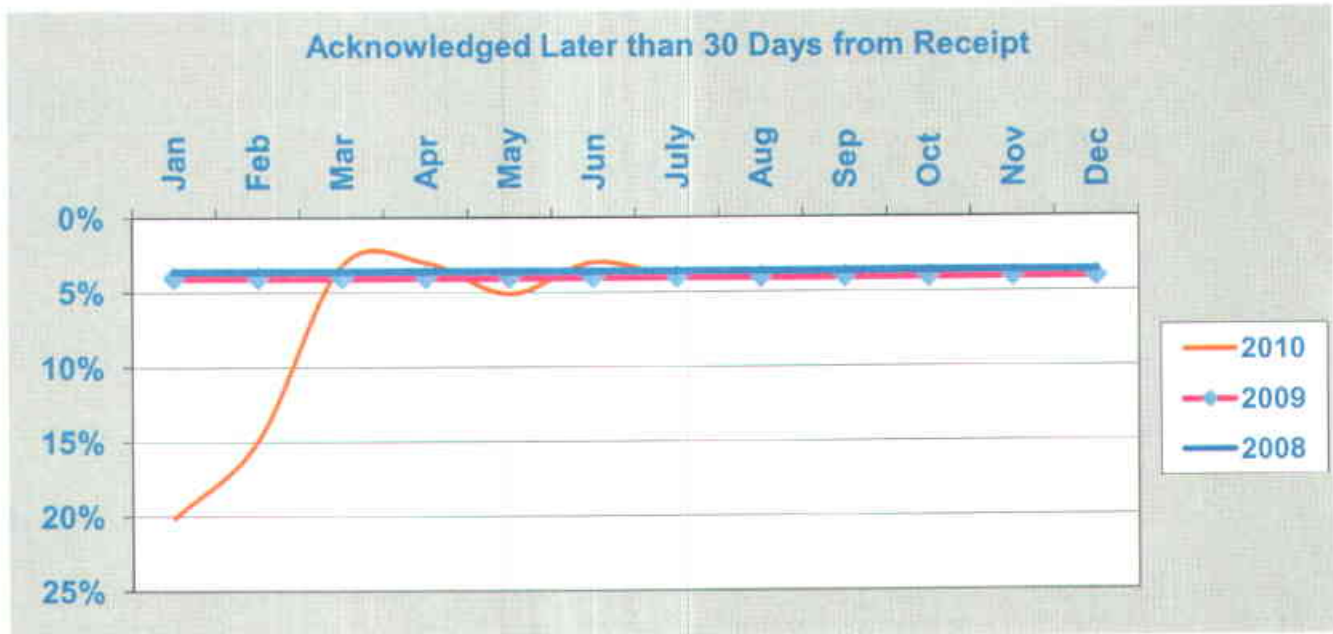
## PROTESTS BY MONTH



B.	Issues Resolved:	<u>2009</u> 5680	<u>July</u> 363	<u>2010</u> 3172
C.	Pending Caseload Report			

<b>PENDING END OF July, 2010</b>	<b>3693</b>
PENDING 1 MONTH BEFORE	3719
PENDING 2 MONTHS BEFORE	3753
PENDING 3 MONTHS BEFORE	3738
PENDING 6 MONTHS BEFORE	3897
PENDING 12 MONTHS BEFORE	4113

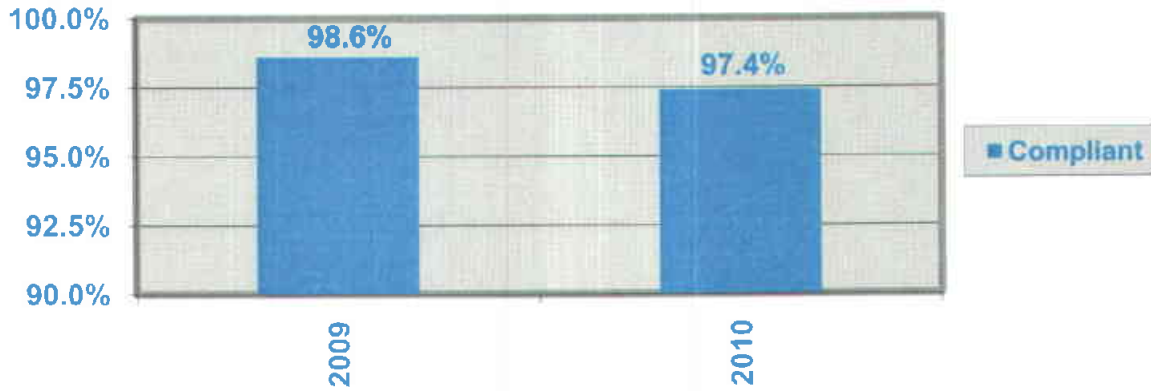
<b>D. Acknowledgment Timeliness:</b>	<u>2009</u>	<u>July</u>	<u>YTD</u>
1. Protest Ackn. >30 days	4.0%	4.1%	7.4%
2. Protest Ackn. 24-30 days	3.0%	2.0%	2.3%
3. Protest Ackn. 11-23 days	22.6%	22.9%	24.2%
4. Protest Ackn. <11 days	70.4%	71.0%	66.1%



<b>E. Protests Resolved:</b>	<u>July '10</u>	<u>2010</u>
1. Protests decided:	219	2016
2. Withdrawals:	69	605
3. "No Evidence" Dismissals:	44	406

<b>F. Final Decision Timeliness</b>	<b>2009</b>	<b>July '10</b>	<b>2010</b>
1. <30 days:	49.2%	42.5%	45.3%
2. 30-60 days:	29.3%	36.5%	30.1%
3. 60-90 days:	20.1%	19.3%	22.0%
4. +90 days:	1.4%	1.7%	2.6%

**Decision Within Rule's Time Limits**



<b>G. Time Standard Compliance</b>	<b>2009</b>	<b>July</b>	<b>2010</b>
	88.9%	84.6%	88.7%

Tuesday, August 03, 2010

### Time Standard Compliance

Report Dates: From 7/1/2010 thru 7/31/2010

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	21	16	76.2%	5	23.8%
BENEFIT OVERPAYMENT	2	2	100%	0	0%
DEP BEN FATAL	2	1	50%	1	50%
PTD ONSET DATE	1	0	0%	1	100%
TTD	18	17	94.4%	1	5.6%
OPBD	3	2	66.7%	1	33.3%
IEB DETERMINATION	2	1	50%	1	50%
REOPENING	9	6	66.7%	3	33.3%
PPD	40	40	100%	0	0%
REHABILITATION	1	1	100%	0	0%
TRMT/EQUIP CL	37	29	78.4%	8	21.6%
<b>Total</b>	<b>136</b>	<b>115</b>	<b>84.6%</b>	<b>21</b>	<b>15.4%</b>

### Final Decision Compliance

Report Dates: From 7/1/2010 thru 7/31/2010

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
OP NON-MED	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
PTD ENTITLEMENT	4	0	0.0%	1	25.0%	2	50.0%	1	25.0%
REHABILITATION	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
IEB DETERMINATION	3	0	0.0%	1	33.3%	2	66.7%	0	0.0%
TTD	29	17	58.6%	9	31.0%	3	10.3%	0	0.0%
COMPENSABILITY	51	19	37.3%	15	29.4%	15	29.4%	2	3.9%
DEP BEN FATAL	3	1	33.3%	2	66.7%	0	0.0%	0	0.0%
PPD	54	25	46.3%	18	33.3%	11	20.4%	0	0.0%

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
PTD ONSET DATE	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	2	0	0.0%	2	100.0%	0	0.0%	0	0.0%
OPBD	4	2	50.0%	2	50.0%	0	0.0%	0	0.0%
REOPENING	16	8	50.0%	6	37.5%	2	12.5%	0	0.0%
TRMT/EQUIP CL	63	27	42.9%	26	41.3%	9	14.3%	1	1.6%
<b>Totals</b>	<b>233</b>	<b>99</b>	<b>42.5%</b>	<b>85</b>	<b>36.5%</b>	<b>45</b>	<b>19.3%</b>	<b>4</b>	<b>1.7%</b>



Tuesday, August 03, 2010

### Motion Resolution Compliance

Report Dates: From 7/1/2010 thru 7/31/2010

Times Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	2	2	100%	0	0%
OP NON-MED	9	9	100%	0	0%
OPBD	49	47	95.9%	2	4.1%
APPLICATION THRESHOLD	1	1	100%	0	0%
COMPENSABILITY	185	176	95.1%	9	4.9%
FAILURE TO ACT 30 DAY	1	1	100%	0	0%
TEMP	2	2	100%	0	0%
TTD	85	79	92.9%	6	7.1%
PPD	147	143	97.3%	4	2.7%
REHABILITATION	1	1	100%	0	0%
REOPENING	40	35	87.5%	5	12.5%
TRMT/EQUIP CL	156	147	94.2%	9	5.8%
IEB DETERMINATION	3	3	100%	0	0%
DEP BEN FATAL	22	21	95.5%	1	4.5%
PTD ENTITLEMENT	11	10	90.9%	1	9.1%
<b>Total</b>	<b>714</b>	<b>677</b>	<b>94.8%</b>	<b>37</b>	<b>5.2%</b>

\* Action Date < Motion Date

\*\* Action Date > Motion Date

Tuesday, August 03, 2010

### Acknowledgement Goal

Report Dates: From 7/1/2010 thru 7/31/2010

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>BENEFIT OVERPAYMENT</b>	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBO - CL BEN. OVERPAYMENT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
<b>COMPENSABILITY</b>	Total: 65	6	9.2%	3	4.6%	18	27.7%	38	58.5%
CCS - CL SEC.CONDITION	14	1	7.1%	0	0.0%	3	21.4%	10	71.4%
CHC - CL COMPENSABILITY	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CIM - CL SI COMPENSABLE	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIS - CL SI SEC.CONDITION	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPI - CL SI REJECT CLAIM	7	0	0.0%	1	14.3%	3	42.9%	3	42.9%
CPJ - CL REJECT CLAIM	27	2	7.4%	2	7.4%	8	29.6%	15	55.6%
CQR - CL SI REJ OCCDISEASE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRZ - CL REJ OCC DISEASE	7	3	42.9%	0	0.0%	1	14.3%	3	42.9%
<b>IEB DETERMINATION</b>	Total: 1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CEB - CL IEB DETERMINATION	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
<b>OP NON-MED</b>	Total: 1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
CIR - CL SI NON-MED ORDER	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
<b>OPBD</b>	Total: 9	0	0.0%	0	0.0%	1	11.1%	8	88.9%
CAO - CL ADD BOARD FINDING	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
CBF - CL % BOARD FINDING	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
ESF - EM% SI BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>PPD</b>	Total: 90	2	2.2%	0	0.0%	13	14.4%	75	83.3%
CAA - CL ADDL % AWARD D/G	9	0	0.0%	0	0.0%	0	0.0%	9	100.0%
CAD - CL % AWARD DENY/GRNT	59	1	1.7%	0	0.0%	8	13.6%	50	84.7%
CIE - CL SI ADD% AWARD D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CIG - CL SI %AWARD DNY/GNT	21	1	4.8%	0	0.0%	4	19.0%	16	76.2%
<b>PTD ENTITLEMENT</b>	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CKC - CL DENY/GRANT PTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
<b>REHABILITATION</b>	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIV - CL SI DY/GRNT RHB PL	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>REOPENING</b>	Total: 32	2	6.3%	0	0.0%	5	15.6%	25	78.1%
CIY - CL SI DY/GNT R/O TTD	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CJV - CL DNY/GRNT R/O PPD	11	2	18.2%	0	0.0%	2	18.2%	7	63.6%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CLH - CL DNY/GRNT R/O PTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CRD - CL DENY/GRNT R/O TTD	14	0	0.0%	0	0.0%	2	14.3%	12	85.7%
<b>SPECIAL CATEGORY</b>	Total: 1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
CNW - CL SPL CATEGORY	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
<b>TRMT/EQUIP CL</b>	Total: 89	0	0.0%	1	1.1%	25	28.1%	63	70.8%
C1Y - CL SI TRMT GRANT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBX - CL TRMT DENY	61	0	0.0%	1	1.6%	17	27.9%	43	70.5%
CSX - CL SI TRMT DENY	21	0	0.0%	0	0.0%	7	33.3%	14	66.7%
CYY - CL TRMT GRANT	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
<b>TTD</b>	Total: 53	3	5.7%	1	1.9%	16	30.2%	33	62.3%
CCC - CL CLOSING THE CLAIM	40	1	2.5%	1	2.5%	9	22.5%	29	72.5%
CIC - CL SI CLSING THE CLM	9	1	11.1%	0	0.0%	5	55.6%	3	33.3%
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CJS - CL TTD	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
CPX - CL INITIAL TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
<b>Totals: Claims 312</b>	<b>345</b>	<b>14</b>	<b>4.1%</b>	<b>7</b>	<b>2.0%</b>	<b>79</b>	<b>22.9%</b>	<b>245</b>	<b>71.0%</b>

Tuesday, August 03, 2010

### Resolution of Issues

Report Dates: Decision Date from 7/1/2010 thru 7/31/2010

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
BENEFIT OVERPAYMENT	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	3	0	0	3	100	0	0	0	0	0	0	0	0	0	0	0	0
FAILURE TO ACT 30 DAY	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
IEB DETERMINATION	3	1	33.3	2	66.7	0	0	0	0	0	0	0	0	0	0	0	0
OP NON-MED	5	0	0	0	0	0	0	4	80	1	20	0	0	0	0	0	0
TTD	47	9	19.1	19	40.4	4	8.5	14	29.8	0	0	1	2.1	0	0	0	0
PTD ENTITLEMENT	5	2	40	2	40	0	0	1	20	0	0	0	0	0	0	0	0
PTD ONSET DATE	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
REOPENING	21	3	14.3	12	57.1	2	9.5	3	14.3	0	0	1	4.8	0	0	0	0
TRMT/EQUIP CL	89	18	20.2	37	41.6	11	12.4	16	18	3	3.4	4	4.5	0	0	0	0

<b>COMPENSABILITY</b>	68	17	25	28	41.2	3	4.4	17	25	3	4.4	0	0	0	0	0	0
<b>OPBD</b>	11	1	9.1	3	27.3	0	0	7	63.6	0	0	0	0	0	0	0	0
<b>PPD</b>	106	13	12.3	38	35.8	23	21.7	32	30.2	0	0	0	0	0	0	0	0
<b>REHABILITATION</b>	2	0	0	2	100	0	0	0	0	0	0	0	0	0	0	0	0
<b>Totals</b>	<b>363</b>	<b>64</b>	<b>17.6</b>	<b>147</b>	<b>40.5</b>	<b>44</b>	<b>12.1</b>	<b>95</b>	<b>26.2</b>	<b>7</b>	<b>1.9</b>	<b>6</b>	<b>1.7</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

**Petitions received 9/1/2005 through  
7/31/2010**

	<b>42</b>
Petitions denied on face:	14
Petitions denied by ALJ Decision:	17
Petitions granted:	4
Petitions withdrawn through settlement:	2
Petitions currently pending:	5

**Failure to Timely Act Process**

**Petitions filed 9/1/05 through 6/30/10**

Filed:	<b>173</b>
Denied/dismissed:	66
Withdrawn:	11
Reports to OIC:	88
Pending	8

**Expedited Hearings Scheduled**

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
<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	10	6	12	4	5	9	<b>90</b>
<b>2010</b>	13	2	6	9	4	7	12						<b>53</b>

**OOJ – Pending Treatment Issues**

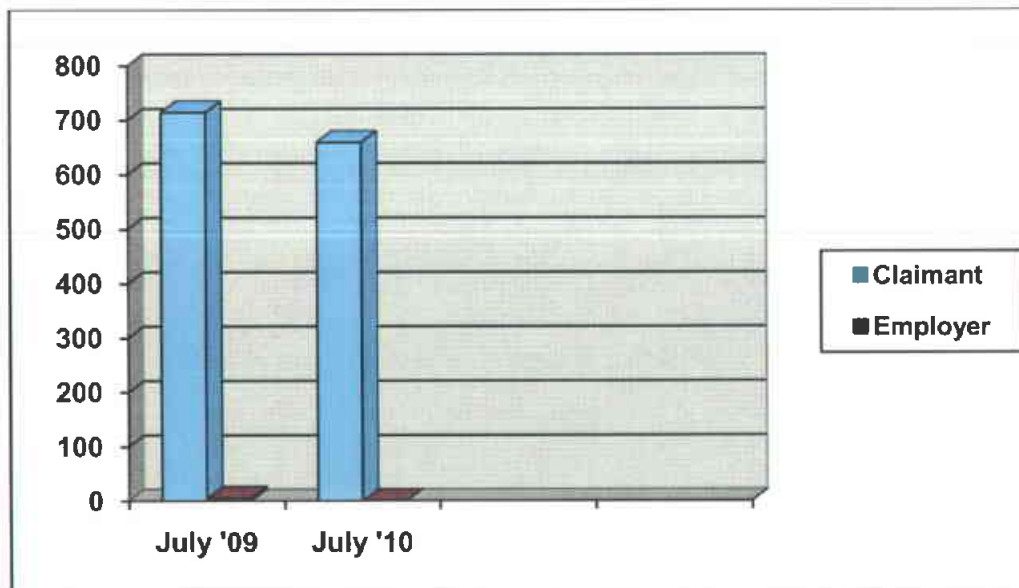
**Pending Treatment Issues**

**Comparison to Prior  
Mo/Year**



Party	Month July '10	% Protests	Month July '09	% Protests
Claimant	659	17.84%	714	17.36%
Employer	0		5	0.12%
<b>Total</b>	<b>659</b>	<b>17.84%</b>	<b>719</b>	<b>17.48%</b>

**Pending Treatment Issues**



**Pro Se Claimant Information**

Pending Protests Involving Pro Se Claimants: 542

Pending Claims Involving Pro Se claimants: 499

Joe Manchin, III  
Governor

W. Jack Stevens  
Chairman

James D. Gray  
Member

Rita Hedrick-Helmick  
Member

## Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston  
All communications should be addressed to the Board of Review  
at the address shown at the bottom of this page.

### MEMORANDUM

**To:** Jane L. Cline, Commissioner  
Bill Dean, Chairman  
Kent Hartsog, Vice Chairman  
Dan Marshall  
Honorable Brooks McCabe  
Honorable Nancy Peoples Guthrie  
Jim Dissen

**From:** W. Jack Stevens, Chairman

**Date:** July 6, 2010

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

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Attached, please find the Board of Review's June 2010 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:

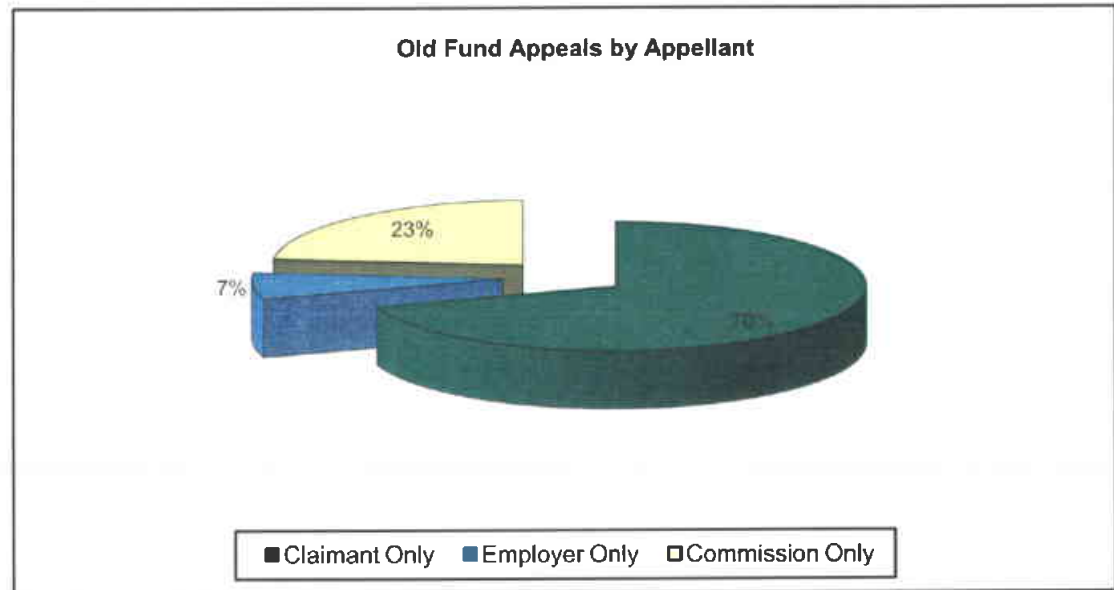
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by 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, 2010 Thru June 30, 2010

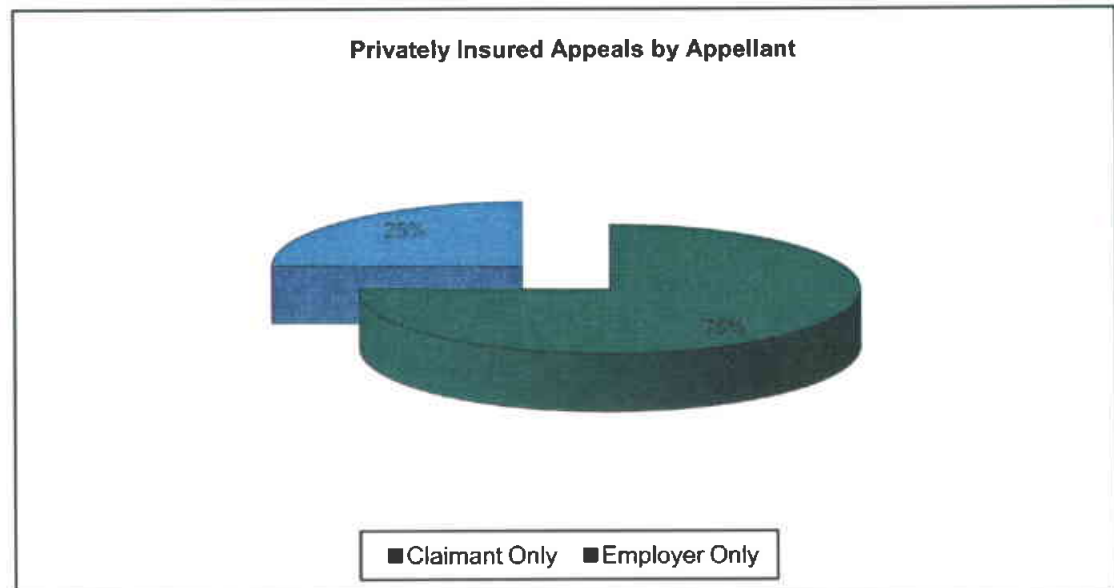
### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	42
Employer Only	4
Commission Only	14
<b>Old Fund Total</b>	<b>60</b>



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

Appellant	Count
Claimant Only	52
Employer Only	17
<b>Privately Insured Total</b>	<b>69</b>
<b>Total Appeals</b>	<b>129</b>

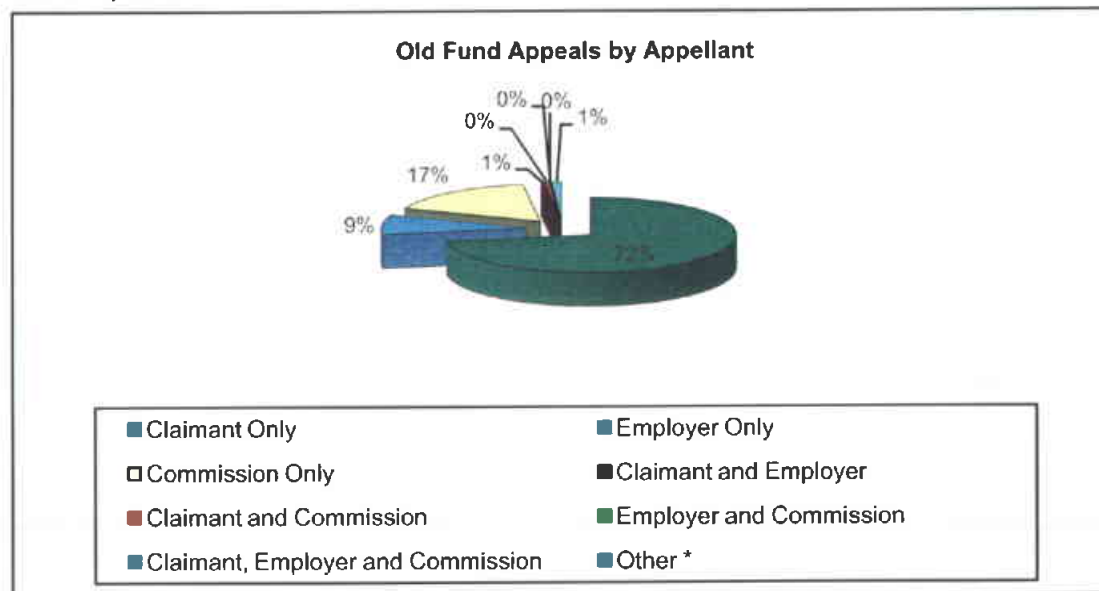


Appeals counted more than once:

## Yearly Appeals Received From June 1, 2008 Thru June 30, 2010

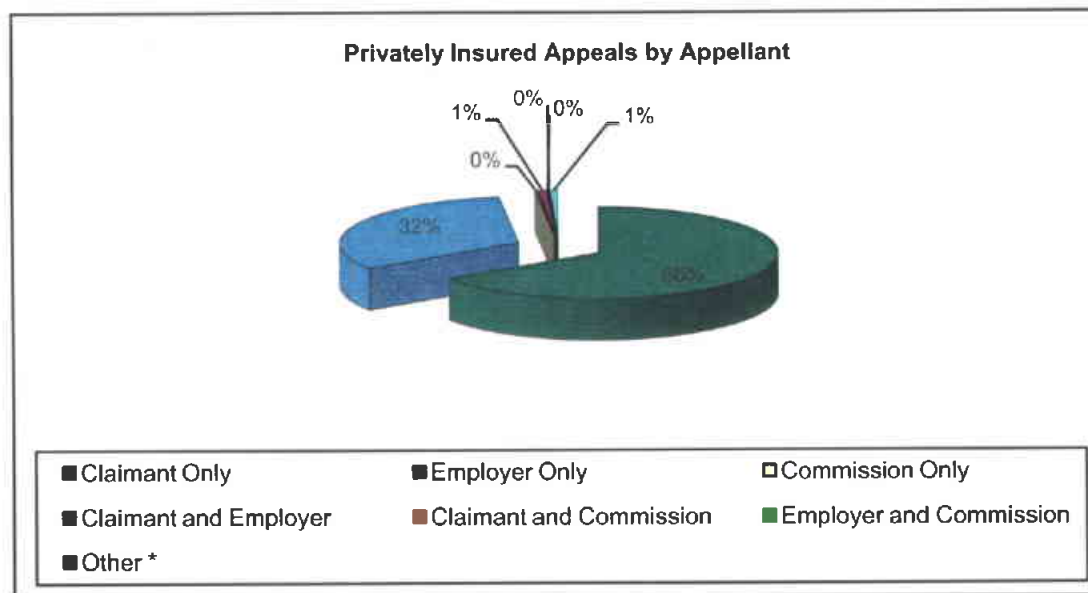
### Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	1169
Employer Only	139
Commission Only	277
Claimant and Employer	6
Claimant and Commission	6
Employer and Commission	1
Claimant, Employer and Commission	1
Other *	17
<b>Old Fund Total</b>	<b>1616</b>



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

Appellant	Count
Claimant Only	1227
Employer Only	610
Commission Only	3
Claimant and Employer	14
Claimant and Commission	1
Employer and Commission	1
Other *	13
<b>Privately Insured Total</b>	<b>1869</b>



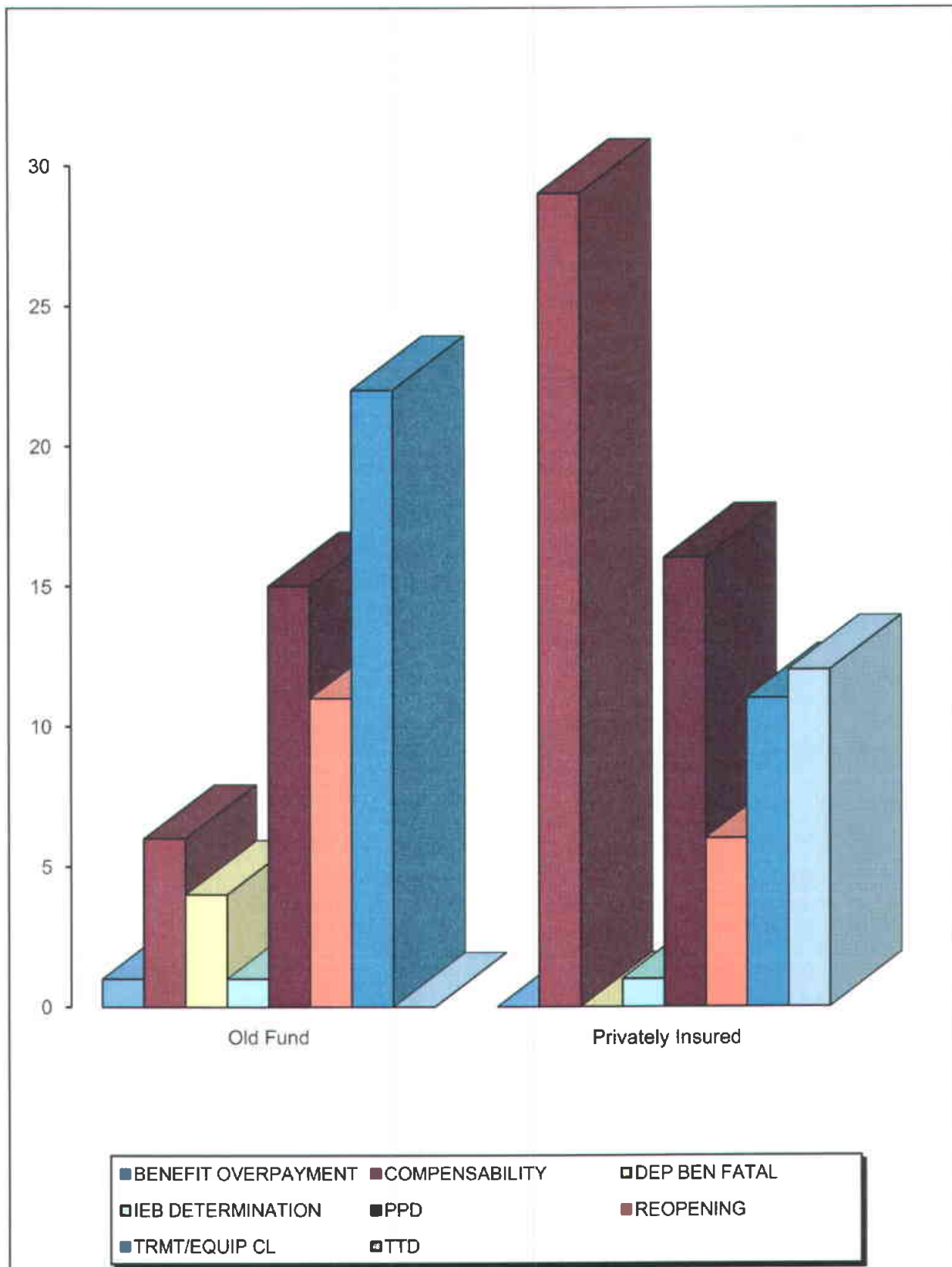
Total Appeals 3485

\* Appeals requiring research

**Appeals Received By Issue**  
**Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)**  
**From June 1, 2010 Thru June 30, 2010**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
BENEFIT OVERPAYMENT	1	1	100.0	0	0.0
COMPENSABILITY	35	6	17.1	29	82.9
DEP BEN FATAL	4	4	100.0	0	0.0
IEB DETERMINATION	2	1	50.0	1	50.0
PPD	31	15	48.4	16	51.6
REOPENING	17	11	64.7	6	35.3
TRMT/EQUIP CL	33	22	66.7	11	33.3
TTD	12	0	0.0	12	100.0
<b>Totals</b>	<b>135</b>	<b>60</b>	<b>44.4</b>	<b>75</b>	<b>55.6</b>

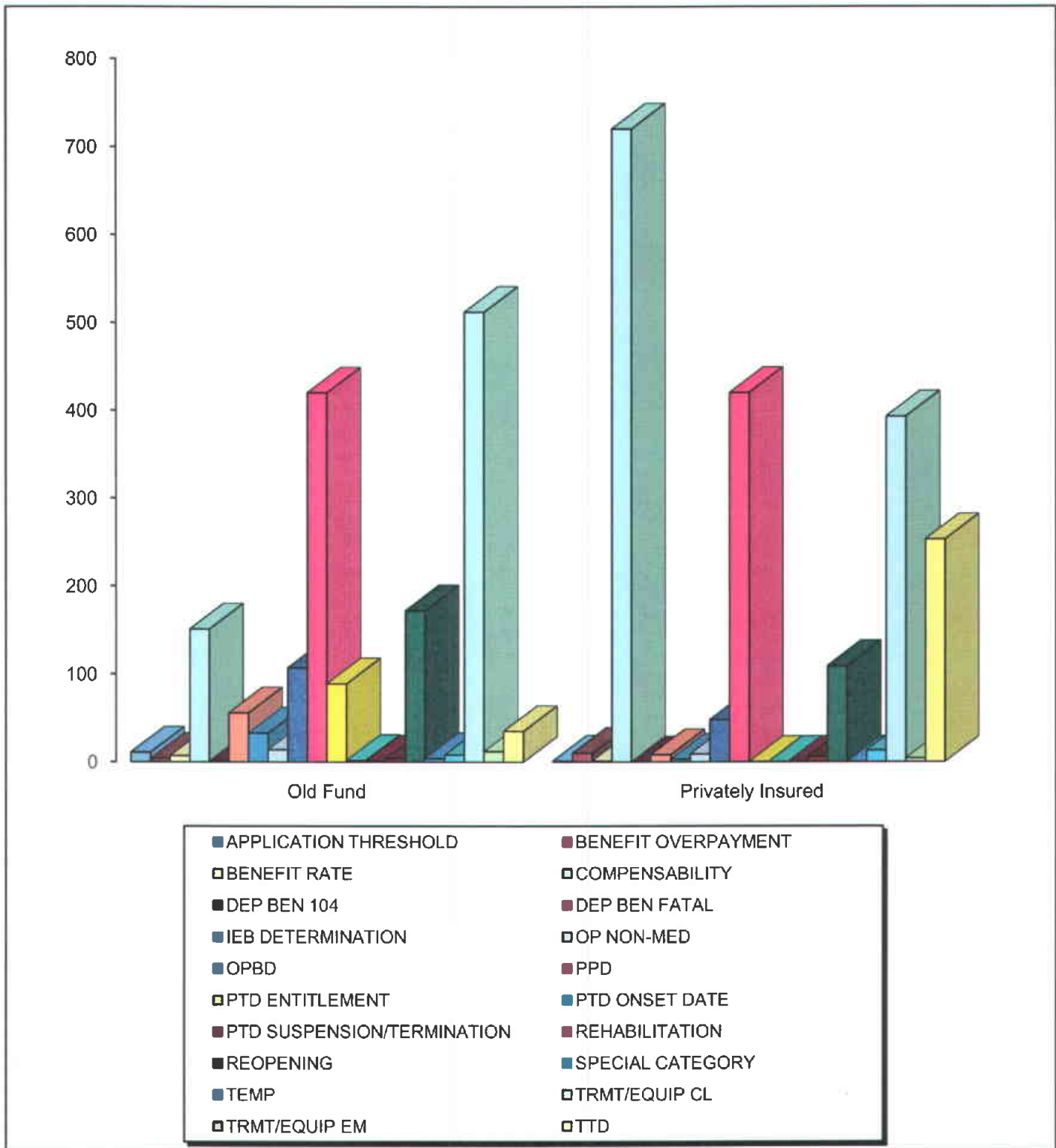
**Appeals Received By Issue**  
**Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)**  
**From June 1, 2010 Thru June 30, 2010**



**Yearly Appeals Received By Issue**  
**Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)**  
**From June 1, 2008 Thru June 30, 2010**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	12	11	91.7	1	8.3
BENEFIT OVERPAYMENT	14	4	28.6	10	71.4
BENEFIT RATE	8	7	87.5	1	12.5
COMPENSABILITY	872	151	17.3	720	82.6
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	64	56	87.5	8	12.5
IEB DETERMINATION	36	33	91.7	3	8.3
OP NON-MED	23	14	60.9	9	39.1
OPBD	155	107	69.0	48	31.0
PPD	840	420	50.0	420	50.0
PTD ENTITLEMENT	89	89	100.0	0	0.0
PTD ONSET DATE	2	2	100.0	0	0.0
PTD					
SUSPENSION/TERMINATION	1	1	100.0	0	0.0
REHABILITATION	10	4	40.0	6	60.0
REOPENING	281	172	61.2	109	38.8
SPECIAL CATEGORY	4	4	100.0	0	0.0
TEMP	21	8	38.1	13	61.9
TRMT/EQUIP CL	905	512	56.6	393	43.4
TRMT/EQUIP EM	16	12	75.0	4	25.0
TTD	288	35	12.2	253	87.8
<b>Totals</b>	<b>3642</b>	<b>1643</b>	<b>45.1</b>	<b>1998</b>	<b>54.9</b>

**Yearly Appeals Received By Issue**  
**Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)**  
**From June 1, 2008 Thru June 30, 2010**

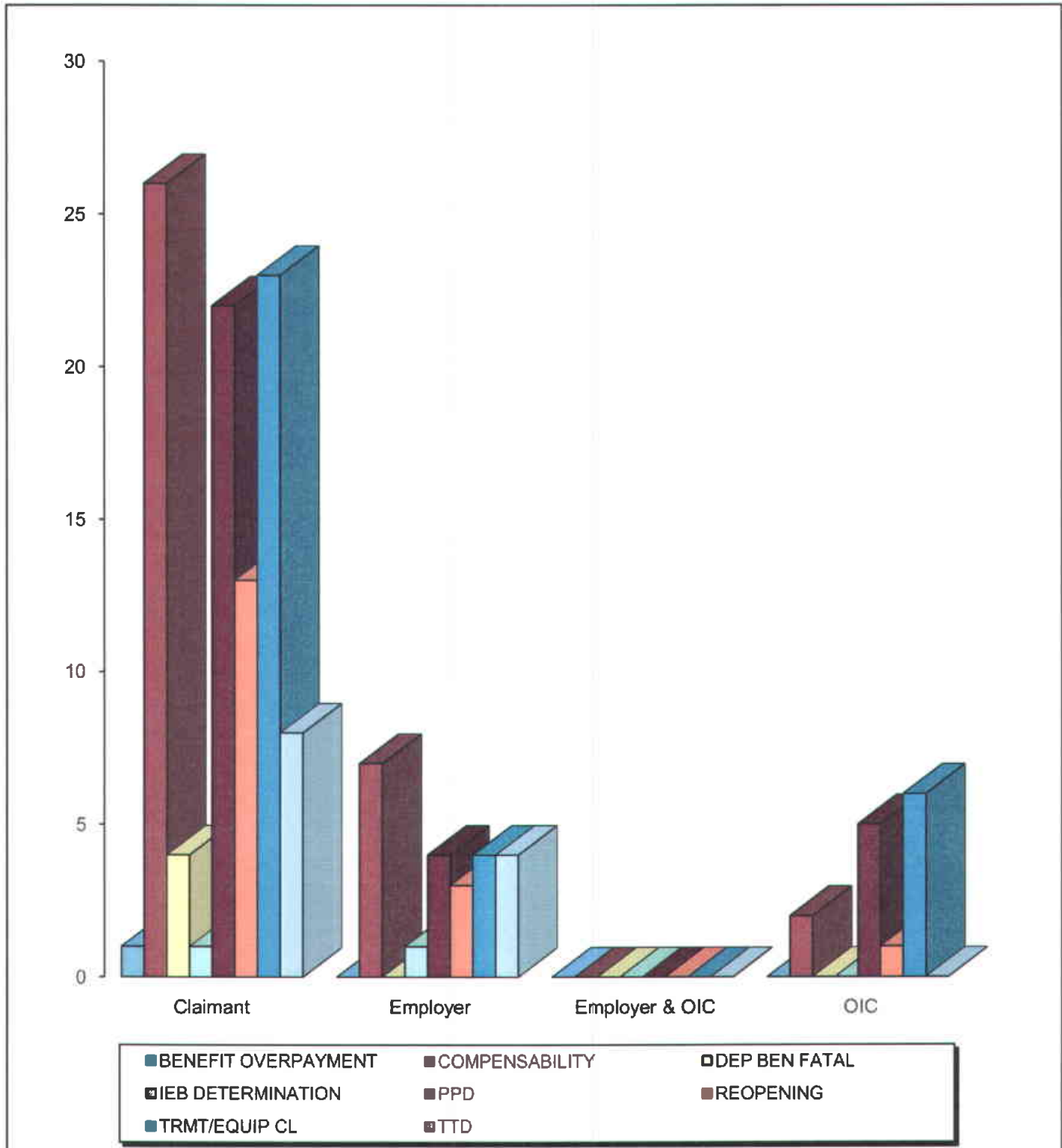




**Appeals Received by Issue  
From June 1, 2010 Thru June 30, 2010**

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	35	26	74.3	7	20.0	0	0.0	2	5.7
DEP BEN FATAL	4	4	100.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	2	1	50.0	1	50.0	0	0.0	0	0.0
PPD	31	22	71.0	4	12.9	0	0.0	5	16.1
REOPENING	17	13	76.5	3	17.6	0	0.0	1	5.9
TRMT/EQUIP CL	33	23	69.7	4	12.1	0	0.0	6	18.2
TTD	12	8	66.7	4	33.3	0	0.0	0	0.0
<b>Totals</b>	<b>135</b>	<b>98</b>	<b>72.6</b>	<b>23</b>	<b>17.0</b>	<b>0</b>	<b>0.0</b>	<b>14</b>	<b>10.4</b>

**Appeals Received by Issue  
From June 1, 2010 Thru June 30, 2010**



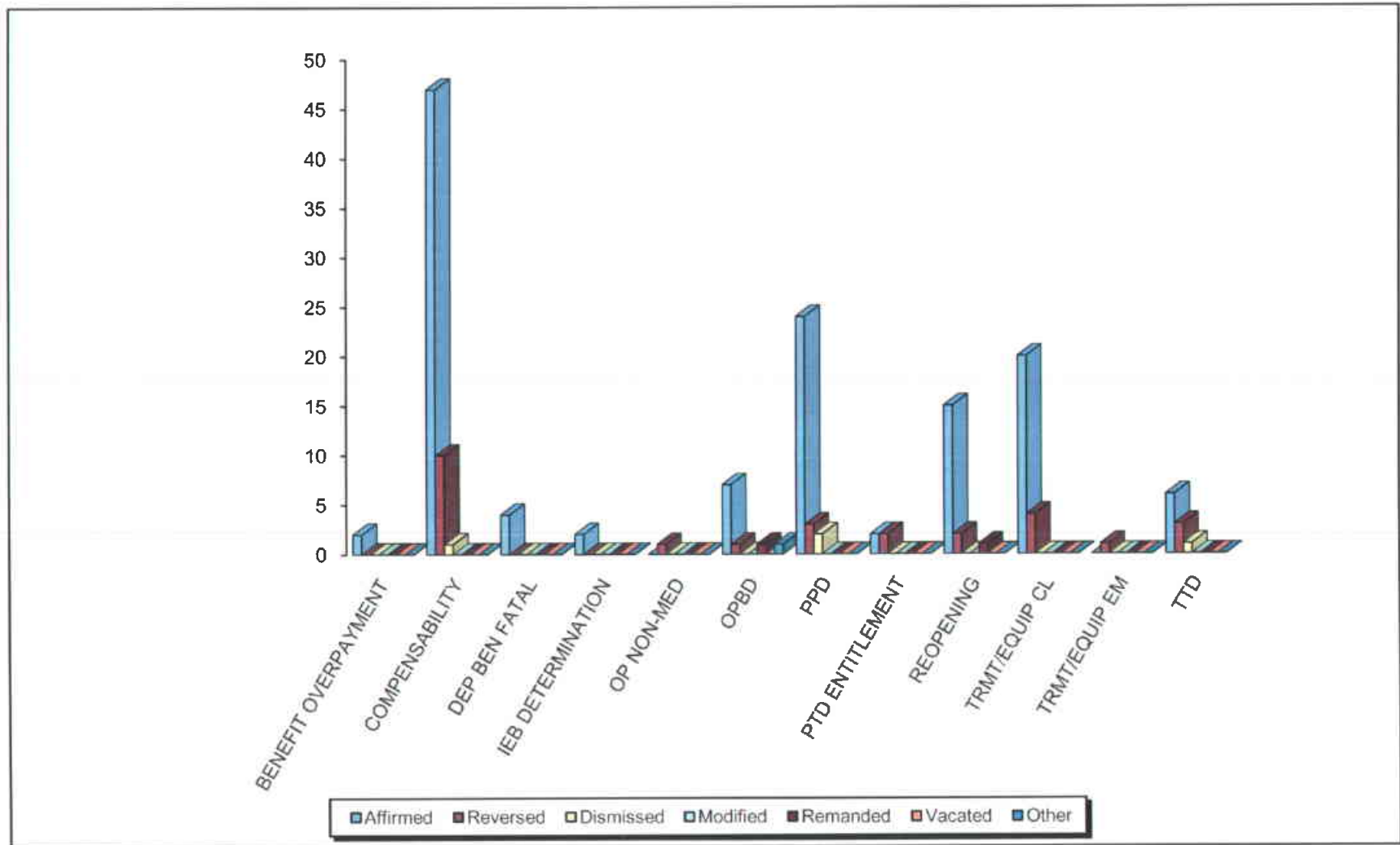
**WORKER COMPENSATION BOARD OF REVIEW  
FOR JUNE 2010**

Appealed By	BOR Disposition	Disposition			Year to Date		
		Count	Disp %	Total %	Date	Disp %	Total %
<b>CLAIMANT</b>	AFFIRMED	83	92.2%	53.5%	420	91.5%	60.6%
	DISMISSED				1	0.2%	0.1%
	MOOT	1	1.1%	0.6%	4	0.9%	0.6%
	REMAND	2	2.2%	1.3%	14	3.1%	2.0%
	REVERSE	4	4.4%	2.6%	20	4.4%	2.9%
	Total Dispositions	90			459		
<b>CLAIMANT/EMPLOYER</b>	AFFIRMED	1	50.0%	0.6%	2	40.0%	0.3%
	REVERSE	1	50.0%	0.6%	3	60.0%	0.4%
	Total Dispositions	2			5		
<b>EMPLOYER</b>	ABEYANCE				1	0.6%	0.1%
	AFFIRMED	34	66.7%	21.9%	104	60.8%	15.0%
	DISMISSED				2	1.2%	0.3%
	MOOT				3	1.8%	0.4%
	REMAND				7	4.1%	1.0%
	REVERSE	17	33.3%	11.0%	54	31.6%	7.8%
Total Dispositions	51			171			
<b>DIVISION/OIC</b>	AFFIRMED	9	75.0%	5.8%	31	53.4%	4.5%
	DISMISSED				1	1.7%	0.1%
	REVERSE	3	25.0%	1.9%	26	44.8%	3.8%
	Total Dispositions	12			58		
<b>Grand Totals</b>		155			693		

**Dispositions By Issues**  
**BOR Orders Mailed From June 1, 2010 Thru June 30, 2010**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
BENEFIT OVERPAYMENT	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	58	47	81.0	10	17.2	1	1.7	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	4	4	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	10	7	70.0	1	10.0	0	0.0	0	0.0	1	10.0	0	0.0	1	10.0
PPD	29	24	82.8	3	10.3	2	6.9	0	0.0	0	0.0	0	0.0	0	0.0
PTD ENTITLEMENT	4	2	50.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	18	15	83.3	2	11.1	0	0.0	0	0.0	1	5.6	0	0.0	0	0.0
TRMT/EQUIP CL	24	20	83.3	4	16.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP EM	1	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TTD	10	6	60.0	3	30.0	1	10.0	0	0.0	0	0.0	0	0.0	0	0.0
<b>Totals</b>	<b>163</b>	<b>129</b>	<b>79.1</b>	<b>27</b>	<b>16.6</b>	<b>4</b>	<b>2.5</b>	<b>0</b>	<b>0.0</b>	<b>2</b>	<b>1.2</b>	<b>0</b>	<b>0.0</b>	<b>1</b>	<b>0.6</b>

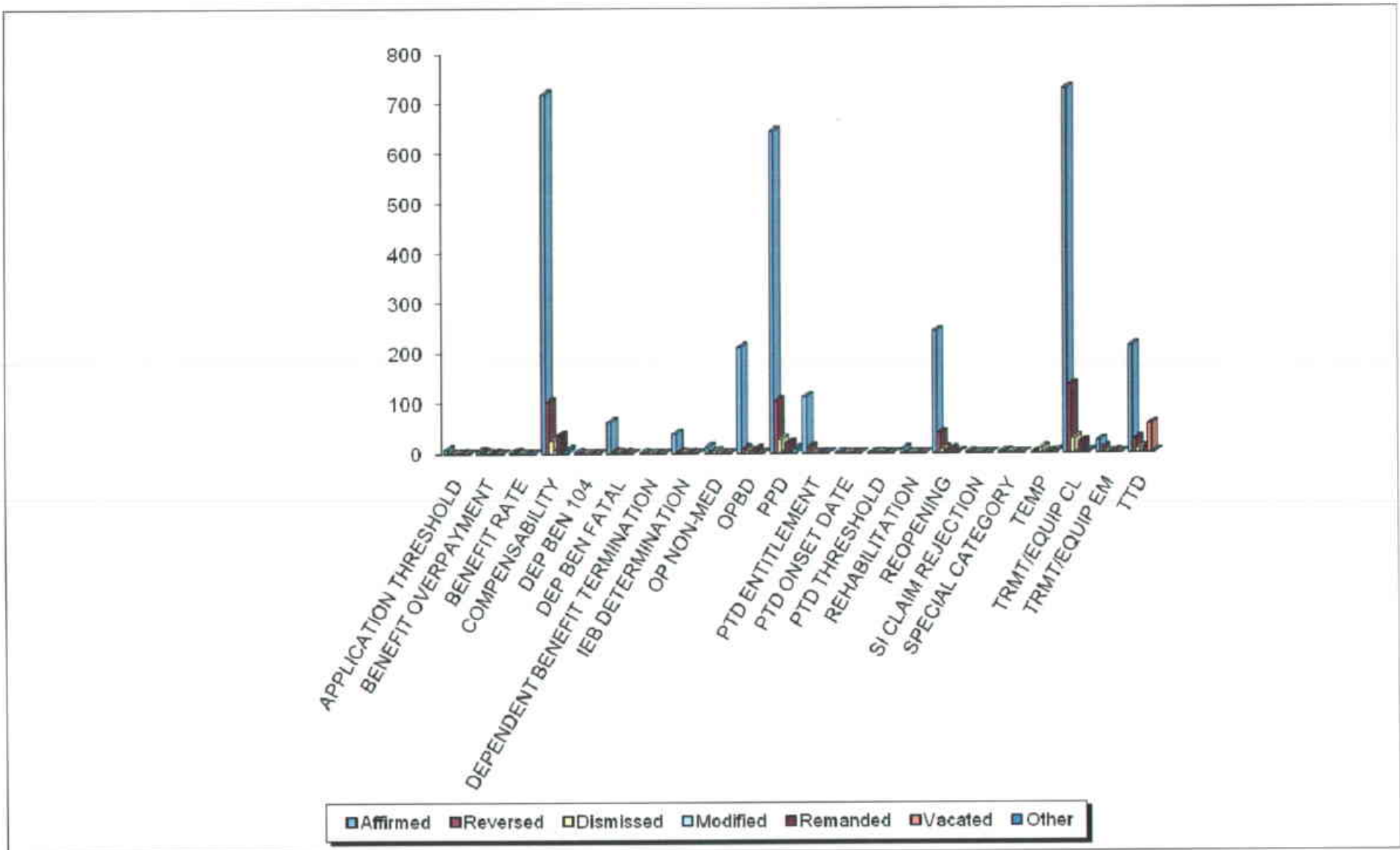
**Dispositions By Issues**  
**BOR Orders Mailed From June 1, 2010 Thru June 30, 2010**



**Yearly Dispositions By Issues**  
**BOR Orders Mailed From June 1, 2008 Thru June 30, 2010**

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	9	8	88.9	0	0.0	0	0.0	0	0.0	1	11.1	0	0.0	0	0.0
BENEFIT OVERPAYMENT	12	6	50.0	3	25.0	1	8.3	0	0.0	2	16.7	0	0.0	0	0.0
BENEFIT RATE	5	2	40.0	3	60.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	905	719	79.4	103	11.4	26	2.9	7	0.8	37	4.1	1	0.1	8	0.9
DEP BEN 104	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	70	63	90.0	3	4.3	2	2.9	0	0.0	2	2.9	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	43	39	90.7	2	4.7	1	2.3	0	0.0	1	2.3	0	0.0	0	0.0
OP NON-MED	21	13	61.9	3	14.3	5	23.8	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	235	212	90.2	9	3.8	5	2.1	0	0.0	8	3.4	0	0.0	1	0.4
PPD	810	644	79.5	105	13.0	28	3.5	2	0.2	21	2.6	1	0.1	9	1.1
PTD ENTITLEMENT	127	113	89.0	12	9.4	0	0.0	0	0.0	1	0.8	0	0.0	1	0.8
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	8	8	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	304	244	80.3	40	13.2	8	2.6	3	1.0	7	2.3	0	0.0	2	0.7
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	3	1	33.3	2	66.7	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	17	0	0.0	2	11.8	9	52.9	0	0.0	1	5.9	1	5.9	4	23.5
TRMT/EQUIP CL	921	729	79.2	136	14.8	29	3.1	0	0.0	22	2.4	0	0.0	3	0.3
TRMT/EQUIP EM	36	25	69.4	9	25.0	0	0.0	0	0.0	2	5.6	0	0.0	0	0.0
TTD	321	214	66.7	27	8.4	8	2.5	1	0.3	10	3.1	58	18.1	2	0.6
<b>Totals</b>	<b>3854</b>	<b>3045</b>	<b>79.0</b>	<b>460</b>	<b>11.9</b>	<b>123</b>	<b>3.2</b>	<b>13</b>	<b>0.3</b>	<b>115</b>	<b>3.0</b>	<b>61</b>	<b>1.6</b>	<b>30</b>	<b>0.8</b>

**Yearly Dispositions By Issues**  
**BOR Orders Mailed From June 1, 2008 Thru June 30, 2010**



<b>Revenue Recovery Activity</b>	<b>June 2010</b>
<b>COLLECTION ACTIVITY</b>	
Receipts - Old Fund (Employer out of business)	\$ 7,522.88
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 73,110.63
Receipts - Payment Agreements	\$ 24,877.01
Receipts - Collection Agency	\$ -
# of active accounts uninsured (cumulative)	765
\$ of active accounts uninsured (cumulative)	\$ 2,832,487.78
Telephone contacts	1,785
Walk-ins	17
<b>LIENS</b>	
Liens sent to county clerks for recordation	65
Liens sent to county clerks for release	79
Intent to lien letters sent to employer/owner/officer/member	151
<b>INJUNCTIONS</b>	
Affidavits for injunction submitted to legal	13
Hearings attended	5
# of injunction complaints filed	5
# of injunctions granted	5
# of agreed orders entered	0
<b>PAYMENT AGREEMENTS</b>	
# of repayment agreements applications	6
Agreements set up	6
Total # of agreements on system (cumulative)	93
Intent to void letters mailed	17
Agreements voided	0
<b>MISCELLANEOUS</b>	
Terminations Processed	69
Rule 11 Letters Mailed	251
Rule 11 hearings	3
<b>Uninsured Policies Resolved</b>	268
<b>All Cash Receipts from WC accounts</b>	\$ 105,510.52



## **Workers' Compensation Rules Update**

The INDC considered the final action on proposed Title 85, Series 22 (Medical Review Rule) at its regular meeting on July 12, 2010. The rule was voted down by the Council when it was presented for a final vote.

The new rule 22 entitled "Medical Review" would have required medical review by a physician (e.g., medical director of TPA/insurer) prior to denial by an adjuster only in the following instances:

- 1) A treatment request for surgery;
- 2) A treatment request for durable medical equipment;
- 3) The compensability of a claim or specified diagnosis where the denial is based upon a finding that there is no medical causal relationship between the alleged occupational occurrence and the alleged occupational injury/disease; and
- 4) A prescription drug request when the patient is at MMI and the meds requested have been authorized in the claim continuously for 90 days the meds were authorized within 90 days of an IME.