

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

July 21, 2010

June 9, 2010

2:00 - 3:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin
Helmick
Kessler
Plymale
Deem
Hall

House

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

Speaker Thompson, Cochair, presided.

1. **Approval of Minutes**

Upon motion by President Tomblin, properly adopted, the minutes of the May 26, 2010, meeting were approved.

2. **Committee Reports/Requests:**

Upon motion by President Tomblin, properly adopted, the Committee approved the expense reimbursement for Parks, Recreation and Natural Resources Subcommittee site visitations to North Bend Resort Park, North Bend Rail Trail and Blennerhassett Island Historical State Park on July 11, 12 and 13.

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

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended April 30, 2010; General Revenue Fund report for the month ended May 31, 2010; and the Unemployment Compensation Trust Fund report as of April 30, 2010. Distributed with each of the reports were an analysis and a summary of the reports.

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

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending April 30, 2010.

The following reports from CHIP were distributed: A report of enrollment for May 31, 2010 and financial statements for period ending April 30, 2010.

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

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

A real estate report for May 1, 2010 through May 31, 2010, was distributed. There was a discussion of the Lottery Commission's purchase of a headquarters building including costs, maintenance and usage.

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

A Medicaid report dated June 2010 was distributed.

7. **Workers' Compensation**

A Workers' Compensation report dated June 4, 2010, was distributed. There was a discussion of Workers' Compensation premiums for volunteer firefighters. Only five departments are covered under BRIM. Jane Cline, Insurance Commissioner, said she would work up figures to determine how much of a premium surcharge increase would be needed to cover the losses in Workers' Compensation payments to volunteer firefighters.

8. **Lottery Commission Distribution**

Agreement of Sale and Purchase

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
July 12, 2010



, 304-347-4870

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

Lottery Commission as of May 31, 2010 :

Appears to be in good condition. Gross profit for fiscal year 2010 as of May was 10.01% lower than for fiscal year 2009.

General Revenue Fund as of June 30, 2010:

Revenue collections for the fiscal year end were 99.22% of the estimated revenue for the year. This translates to a \$ 29.6 million dollar amount under estimated collections. This lag in collections was anticipated in December and budgeted expenditures were reduced 3.4% at that time.

State Road Fund as of June 30, 2010

Fund collections were at 99.45 % of the yearly estimate. This translates to a \$ 3.4 million dollar amount under estimated collections for the fiscal year.

Unemployment Compensation Trust as of May 31, 2010:

Regular benefits paid in fiscal year 2010 were \$ 118.7 million more than in fiscal year 2009. Total revenues for 2010 were \$ 264 million more than in 2009. Trust fund ending balance on May 31, 2010 was \$ 108,392,942.39.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



, 304-347-4870

MEMORANDUM

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

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

Date: July 12, 2010

Re: Review of West Virginia Lottery Financial Information
As of May 31, 2010 (FY 2010)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for July - May of 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 \$ 1,249,020,000.00 for July - May of fiscal year 2010. Table games accounted for \$29 million of this total. Historic Resort Hotel video lottery and table games enacted in 2009 accounted for \$1.4 million of total gross receipts. These gross receipts were \$ 1,376,076,000.00 for the same months of the preceding fiscal year, 2008-2009. Gross lottery revenue is down by 9.23% from the preceding fiscal year. This number does not

Lottery

Joint Committee on Government and Finance

Lottery continued

include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July - May 2010 was \$553,574,000.00; for the previous fiscal year it was \$615,169,000.00. Expressed as a percentage, gross profit is 10.01% lower for fiscal year 2010 than for fiscal year 2009.

Operating Income:

Operating income was \$ 539,533,000.00 for July - May 2010. For the preceding July- May it was \$ 601,405,000.00. This was a decrease of 10.29%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$522,622,000.00 for July- May 2010.

Operating Transfers to the State of West Virginia:

A total of \$522,622,000.00 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	\$3,000,000.00
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
SUBTOTAL BUDGETARY TRANSFERS	\$164,007,000.00

Excess Lottery Fund

General Purpose Fund	65,000,000.00
Economic Development Fund	19,000,000.00
Excess Lottery Surplus	62,189,000.00
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	7,777,000.00
School Building Authority	19,000,000.00
TOTAL EXCESS LOTTERY FUND	\$256,966,000.00

Historic Resort Hotel Distributions:

State General Revenue Fund	346,000.00
State Debt Reduction Fund	103,000.00
Tourism Promotion Fund	16,000.00
Total Historic Hotel	465,000.00

Veterans Instant Ticket Fund 395,000.00

Lottery

Lottery continued

Table Games State Debt Reduction Fund

15,272,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund 1.375%	\$8,768,000.00
Development Office Promo Fund	\$2,391,000.00
Research Challenge Fund .5%	\$3,188,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,383,000.00
Parking Garage Fund .0625%	\$399,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$4,377,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$36,506,000.00
TOTAL TRANSFERS	*\$473,646,000.00

* CASH BASIS

Total Accrued last FY 2009:	202,184,000.00
Total Cash Distributions July-May:	473,646,000.00
Applied to FY 2009:	202,184,000.00
Total Applied to FY 2010	271,462,000.00
Accrued for FY 2009 as of May	-0-
Accrued for FY 2010 as of May 31	251,160,000.00

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

RE: Monthly Report on Lottery Operations
Month Ending May 31, 2010

DATE: June 17, 2010

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

Financial statements of the Lottery for the month ending May 31, 2010 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$120,316,579 for the month of May.

Transfers of lottery revenue totaling \$42,053,830 made for the month of May 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 May 31, 2010 was 1,601 and 1,633 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

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

www.wvlottery.com

LOTTERY FINANCIAL STATEMENT ATTACHMENT JULY 2010 INTERIMS



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

FINANCIAL STATEMENTS
-UNAUDITED-

May 31, 2010

WEST VIRGINIA LOTTERY

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

ASSETS	May 31, 2010	June 30, 2009
Current Assets:		
Cash and cash equivalents	\$ 262,732	\$ 225,345
Accounts receivable	42,006	33,311
Inventory	714	649
Current portion of investments held in trust	-	-
Other assets	2,309	2,555
Total Current Assets	<u>307,761</u>	<u>261,870</u>
Noncurrent Assets:		
Restricted cash and cash equivalents	69,954	69,870
Investments held in trust, less current portion	-	-
Capital assets	17,916	17,641
Less accumulated depreciation and amortization	(16,033)	(14,335)
Net Capital Assets	<u>1,883</u>	<u>3,306</u>
Total Noncurrent Assets	<u>71,837</u>	<u>73,176</u>
Total Assets	<u>\$ 379,598</u>	<u>\$ 335,046</u>
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 251,160	\$ 202,184
Estimated prize claims	12,763	12,939
Accounts payable	2,331	1,716
Other accrued liabilities	30,070	35,019
Current portion of deferred jackpot prize obligations	-	-
Total Current Liabilities	<u>296,326</u>	<u>251,858</u>
Deferred jackpot prize obligations, less current portion	-	-
Total Liabilities	<u>296,326</u>	<u>251,858</u>
Net Assets:		
Invested in capital assets	1,883	3,306
Unrestricted assets (deficit)	(1,383)	(2,806)
Unrestricted assets- Committed (see note 12)	12,818	12,818
Restricted assets (see note 11)	69,954	69,870
Total Net Assets	<u>83,272</u>	<u>83,188</u>
Total Liabilities and Net Assets	<u>\$ 379,598</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 ELEVEN MONTH PERIOD ENDED MAY 31, 2010
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2010	2009	2010	2009
Lottery revenues				
On-line games	\$ 7,630	\$ 8,942	\$ 77,097	\$ 77,985
Instant games	8,373	10,187	88,333	106,056
Racetrack video lottery	67,488	79,301	687,899	780,628
Limited video lottery	33,944	33,994	363,423	380,139
Table games	2,681	2,746	29,064	31,301
Historic resort	201	-	1,454	-
	<u>120,317</u>	<u>137,370</u>	<u>1,249,020</u>	<u>1,376,076</u>
Less commissions				
On-line games	534	623	5,897	5,457
Instant games	586	713	6,186	7,424
Racetrack video lottery	33,079	39,208	335,483	431,522
Limited video lottery	16,632	17,637	179,057	186,263
Table games	1,054	1,080	11,427	12,311
Historic resort	93	-	747	-
	<u>53,980</u>	<u>59,263</u>	<u>588,297</u>	<u>642,982</u>
Less on-line prizes	3,899	4,450	38,463	39,334
Less instant prizes	5,700	6,871	60,836	71,727
Less ticket costs	118	124	1,344	1,421
Less vendor fees and costs	976	547	7,304	5,443
	<u>10,699</u>	<u>11,992</u>	<u>107,149</u>	<u>117,925</u>
Gross profit	<u>53,647</u>	<u>66,115</u>	<u>553,574</u>	<u>615,169</u>
Administrative expenses				
Advertising and promotions	216	805	6,493	6,292
Wages and related benefits	987	766	9,972	8,186
Telecommunications	52	483	603	2,150
Contractual and professional	363	374	4,439	4,988
Rental	57	63	640	668
Depreciation and amortization	145	167	1,698	1,822
Other administrative expenses	62	59	960	847
	<u>1,802</u>	<u>2,719</u>	<u>24,805</u>	<u>24,923</u>
Other Operating Income	<u>4,602</u>	<u>4,573</u>	<u>10,764</u>	<u>11,189</u>
Operating Income	<u>53,447</u>	<u>67,969</u>	<u>539,533</u>	<u>601,405</u>
Nonoperating income (expense)				
Investment income	47	89	355	2,631
Nonoperating income - OPEB	-	-	-	-
Interest expense	-	-	-	(1)
Distributions to municipalities and counties	(665)	(705)	(7,162)	(7,431)
Distributions -capital reinvestment	(1,961)	(2,842)	(10,020)	(13,257)
Distributions to the State of West Virginia	<u>(33,838)</u>	<u>(64,492)</u>	<u>(822,622)</u>	<u>(882,798)</u>
	<u>(38,456)</u>	<u>(67,048)</u>	<u>(839,389)</u>	<u>(900,856)</u>
Net income	<u>10</u>	<u>19</u>	<u>84</u>	<u>552</u>
Net assets, beginning of period	<u>83,262</u>	<u>65,018</u>	<u>83,188</u>	<u>64,485</u>
Net assets, end of period	<u>\$ 83,272</u>	<u>\$ 65,037</u>	<u>\$ 83,272</u>	<u>\$ 65,037</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ELEVEN MONTH PERIOD ENDED MAY 31, 2010

(In Thousands)
 -Unaudited-

	2010	2009
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,251,090	\$ 1,385,650
Cash payments for:		
Personnel costs	(8,720)	(8,186)
Suppliers	(12,727)	(19,006)
Other operating costs	(693,663)	(752,230)
Cash provided by operating activities	<u>533,980</u>	<u>606,228</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(473,646)	(509,850)
Distributions to municipalities and counties	(7,131)	(7,403)
Distributions to racetrack from racetrack cap. reliev. fund	(15,822)	(15,369)
Deferred jackpot prize obligations and related interest paid	-	(1)
Cash used in noncapital financing activities	<u>(496,599)</u>	<u>(532,623)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(275)</u>	<u>(295)</u>
Cash flows from investing activities:		
Maturities of investments held in trust	-	137
Investment earnings received	355	2,651
Cash provided by investing activities	<u>355</u>	<u>2,788</u>
Increase (decrease) in cash and cash equivalents	37,461	76,098
Cash and cash equivalents - beginning of period	<u>295,225</u>	<u>238,949</u>
Cash and cash equivalents - end of period	<u>\$ 332,686</u>	<u>\$ 315,047</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 539,533	\$ 601,405
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	1,698	1,822
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(8,695)	(1,585)
(Increase) decrease in inventory	(65)	20
(Increase) decrease in other assets	246	25
Increase (decrease) in estimated prize claims	(174)	578
Increase (decrease) in accounts payable	615	(957)
Increase (decrease) in other accrued liabilities	822	4,920
Cash provided by operating activities	<u>\$ 533,980</u>	<u>\$ 606,228</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

BASIS OF PRESENTATION – The West Virginia Lottery is a component unit of the State of West Virginia, and is accounted for as a proprietary fund special purpose government engaged in business type activities. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments," and with accounting principles generally accepted in the United States of America, the financial statements are prepared on the accrual basis of accounting which requires recognition of revenue when earned and expenses when incurred. As permitted by Governmental Accounting Standards Board (GASB) Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," the Lottery has elected not to adopt Financial Accounting Standards Board (FASB) statements and interpretations issued after November 30, 1989 unless the GASB specifically adopts such FASB statements or interpretations.

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

USE OF ESTIMATES – The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make certain estimates and develop assumptions that affect the amounts reported in the financial statements and related notes to financial statements. Actual results could differ from management's estimates.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

Revenue from instant games is recognized when game tickets are sold to the retailers, and the related prize expense is recorded based on the specific game prize structure. Instant ticket sales and related prizes do not include the value of free plays issued for the purpose of increasing the odds of winning a prize.

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 with the West Virginia Board of Treasury Investments (BTI) and are recorded at fair value.

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

OTHER ASSETS – Other assets consist primarily of deposits restricted for payment of certain Multi-State Lottery Association activities.

CAPITAL ASSETS – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the year-to-date ended May 31, 2010 and May 31, 2009 approximated \$639,569 and \$667,586, respectively.

The Lottery has adopted a policy of capitalizing assets with individual amounts exceeding \$25,000. These assets include leasehold improvements, contributed and purchased equipment, comprised principally of technology property, office furnishings and equipment necessary to administer lottery games, are carried at cost. Depreciation is computed by the straight-line method using three to ten year lives.

COMPENSATED ABSENCES – The Lottery has accrued \$467,815 and \$371,165 of at June 30, 2009 and 2008, 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 15).

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.

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 May 31, 2010 the carrying amounts of deposits (overdraft) with financial institutions were (\$50) thousand with a bank balance (overdraft) of \$31 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):

	May 31, 2010	June 30, 2009
Deposits with financial institutions	\$ (50)	\$ (23)
Cash on hand at the Treasurer's Office	33,900	22,110
Investments with BTI reported as cash equivalents	298,836	273,138
	<u>\$ 332,686</u>	<u>\$ 295,225</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the period ended May 31, 2010 is as follows (in thousands):

Capital Assets:	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At May 31, 2010
	Construction in Progress	\$ -	\$ -	\$ -
Improvements	1,170	-	-	1,170
Equipment	16,471	275	-	16,746
	<u>\$ 17,641</u>	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ 17,916</u>
Accumulated Depreciation:	Historical Cost At June 30, 2009	Additions	Deletions	Historical Cost At May 31, 2010
Improvements	\$ 1,080	\$ 51	\$ -	\$ 1,131
Equipment	13,255	1,647	-	14,902
	<u>\$ 14,335</u>	<u>\$ 1,698</u>	<u>\$ -</u>	<u>\$ 16,033</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 and HOT LOTTO® game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, and HOT LOTTO® is 50% of each drawing period's sales, with minimum jackpot levels. Revenues derived from the Lottery's participation in the MUSL POWERBALL® jackpot game for the month and year-to-date periods ended May 31, 2010 were \$4,401,841 and \$44,860,344 while related prize costs for the same periods were \$2,215,361 and \$22,464,885. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended May 31, 2010 were \$530,821 and \$5,997,403 while related prize costs for the same periods were \$274,453 and \$3,010,947. Revenues derived from the Lottery's participation in the MEGA MILLIONS® jackpot game for the month and year-to-date periods ended May 31, 2010 were \$590,937 and \$2,241,751 while related prize costs for the same periods were \$289,397 and \$1,123,672.

MUSL places 2% of each POWERBALL® drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL® Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At May 31, 2010 the POWERBALL® prize reserve fund had a balance of \$112,752,224 of which the Lottery's share was \$2,385,173. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 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.

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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

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 ended May 31, 2010 and year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 757,519	\$ 807,329	\$ 7,525,883	\$ 7,997,805
Credits (prizes) won	(681,463)	(727,466)	(6,776,863)	(7,213,197)
Promotional credits played	(8,231)	-	(57,950)	-
MWAP Contributions	(337)	(362)	(3,471)	(3,983)
Gross terminal income	67,488	79,501	687,599	780,625
Administrative costs	(502)	(100)	(17,063)	(17,522)
Net Terminal Income	66,986	79,401	670,536	763,103
Less distribution to agents	(35,079)	(39,208)	(385,483)	(431,522)
Racetrack video lottery revenues	<u>\$ 31,907</u>	<u>\$ 40,193</u>	<u>\$ 285,053</u>	<u>\$ 331,581</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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):

	May 31, 2010	Year-to-Date
State Lottery Fund	\$ 5,470	\$ 126,792
State Excess Lottery Revenue Fund	22,076	111,834
Capital Reinvestment Fund	1,955	9,973
Tourism Promotion Fund 1.375%	827	8,750
Development Office Promotion Fund .375 %	226	2,386
Research Challenge Fund .5 %	301	3,182
Capitol Renovation & Improvement Fund .6875 %	413	4,375
Parking Garage Fund .0625 %	38	398
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capital Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	601	4,363
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$ 31,987</u>	<u>\$ 285,053</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 ended May 31, 2010 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 7 - LIMITED VIDEO LOTTERY (continued)

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Total credits played	\$ 397,423	\$ 419,656	\$ 4,289,838	\$ 4,543,240
Credits (prizes) won	(363,479)	(383,662)	(3,924,415)	(4,163,101)
Gross terminal income	\$ 33,944	\$ 35,994	\$ 365,423	\$ 380,139
Administrative costs	(679)	(720)	(7,308)	(7,603)
Gross Profit	33,265	35,274	358,115	372,536
Commissions	(16,632)	(17,637)	(179,057)	(186,268)
Municipalities and Counties	(665)	(705)	(7,162)	(7,451)
Limited video lottery revenues	<u>\$ 15,968</u>	<u>\$ 16,932</u>	<u>\$ 171,896</u>	<u>\$ 178,817</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:

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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-to-date periods ended May 31, 2010 were \$7,661,117 and \$83,040,037, 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:

	Current Month		Year-to-Date	
	2010	2009	2010	2009
Table Games Privilege Tax	\$ 2,681	\$ 2,746	\$ 29,064	\$ 31,301
Interest on Table Games Fund	-	-	2	22
Administrative costs	(229)	(235)	(2,491)	(2,683)
Total Available for Distribution	2,452	2,511	26,575	28,640
<u>Less Distributions:</u>				
Racetrack Purse Funds	191	196	2,076	2,236
Thoroughbred & Greyhound Development Funds	153	157	1,661	1,788
Racing Association Pension Plan	74	75	797	859
Municipalities/ Counties	636	652	6,893	7,428
Total Distributions	1,054	1,080	11,427	12,311
State Debt Reduction Fund	<u>\$ 1,398</u>	<u>\$ 1,431</u>	<u>\$ 15,148</u>	<u>\$ 16,329</u>

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
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

NOTE 9 – HISTORIC RESORT HOTEL (continued)

historic resort hotel. A summary of historic resort hotel video lottery revenues for the month ended May 31, 2010 and year-to-date follows (in thousands):

Total credits played	\$ 1,084	\$ 9,819
Credits (prizes) won	(963)	(8,807)
Promotional credits played	(6)	(13)
Gross terminal income	<u>115</u>	<u>999</u>
Capital reinvestment	(5)	(47)
Administrative costs	(6)	(54)
Hotel commissions	(49)	(423)
Net terminal income	<u>55</u>	<u>475</u>
Historic Resort Hotel Fund	35	305
Human Resource Benefit Fund	20	170

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-to-date periods ended May 31, 2010 were \$245,380 and \$1,302,398, 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	\$ 86	\$ 456
Administrative Costs	(11)	(39)
Total Available for Distribution	<u>75</u>	<u>397</u>
Historic Resort Hotel Fund	63	332
Human Resource Benefit Fund	12	65

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;

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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):

	<u>Current Month</u>	<u>Year-to-Date</u>
Historic Resort Hotel Video Lottery	\$ 35	\$ 305
Historic Resort Table Games	63	332
Interest on Historic Resort Hotel Fund	-	-
Historic Resort Hotel Fund Net Income	<u>98</u>	<u>637</u>
Municipalities/ Counties	14	89
State General Revenue Fund	63	408
State Debt Reduction Fund	19	121
State Tourism Promotion Fund	3	19
Total Distributions	<u>\$ 99</u>	<u>\$ 637</u>

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 month ended May 31, 2010 the Lottery made such distributions and accrued additional distributions of \$51,970,943. The Lottery is a non-appropriated state

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

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. As of May 31, 2010 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$714,055.

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>May 31, 2010</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 500	\$ 3,000
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	\$ 500	\$ 164,007

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	963	7,777
Excess Lottery Surplus	37,066	62,189
West Va. Infrastructure Council	-	40,000
Total State Excess Lottery Revenue Fund	\$ 38,029	\$ 256,966

Total Budgetary distributions: **\$ 38,529** **\$ 420,973**

Veterans Instant Ticket Fund **\$ 35** **\$ 430**

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 714	\$ 8,768
Development Office Promotion Fund .375%	195	2,391
Research Challenge Fund .3%	259	3,188
Capitol Renovation & Improvement Fund .6875%	356	4,383
Parking Garage Fund .0625 %	33	399
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	520	4,377
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	\$ 2,077	\$ 36,506

Table Games State Debt Reduction Fund **\$ 1,332** **\$ 15,272**

Historic Resort Hotel distributions:

State General Revenue Fund	\$ 60	\$ 346
State Debt Reduction Fund	18	103
Tourism Promotion Fund	3	16
Total	\$ 81	\$ 465

Total nonoperating distributions to the State of West Virginia (cash basis) **\$ 42,054** **\$ 473,646**

Accrued nonoperating distributions, beginning	(237,356)	(202,184)
Accrued nonoperating distributions, end	251,160	251,160
	\$ 55,858	\$ 522,622

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
 -Unaudited-

NOTE 11 - 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, 2009 and June 30, 2008 were as follows:

	June 30, 2009	June 30, 2008
Beginning balance	\$ 58,487	\$ 40,827
Unexpended administrative contribution	10,817	16,306
Fund interest	567	1,354
Ending balance	\$ 69,871	\$ 58,487

NOTE 12 - COMMITMENTS

The Lottery Commission has set aside funds as unrestricted net assets for the acquisition of future assets. As of June 30, 2009, a balance of \$12,817,601 is available for this purpose.

NOTE 13 - RETIREMENT BENEFITS

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

Employees who retire at or after age sixty with five or more years of contributory service or who retire at or after age fifty-five and have completed twenty-five years of credited service with age and credited service equal to eighty or greater are eligible for retirement benefits as established by State statute. Retirement benefits are payable monthly for life, in the form of a straight-line annuity equal to two percent of the employee's average annual salary from the highest 36 consecutive months within the last 10 years of employment, multiplied by the number of years of the employee's credited service at the time of retirement. 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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 13 - RETIREMENT BENEFITS (continued)

performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending May 31, 2010 are as follows (in thousands):

	May 31, 2010	Year-to-Date
Lottery contributions	\$ 64	\$ 766
Employee contributions	26	285
Total contributions	\$ 90	\$ 1,051

NOTE 14 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools 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.

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State 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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 14 - RISK MANAGEMENT (continued)

established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

NOTE 15- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The 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 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

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.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 15- OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

Funding Policy (continued)

The ARC rate is \$388 and \$461 per employee per month for the years ending June 30, 2009 and 2008 respectively. Through June 30, 2009 and 2008, the Lottery has paid premiums of \$185,563 and \$98,625. For year ended June 30, 2008 (initial year of the Lottery's participation in the Trust), the State of West Virginia, on the Lottery's behalf, paid \$472,247 towards the Annual Required Contribution. As of June 30, 2009 and 2008, the Lottery has recorded a liability of \$251,867 and \$10,073 on its balance sheet for OPEB.

NOTE 16- NEW ACCOUNTING PRONOUNCEMENTS

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

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

Memorandum

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

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

Date: July 7, 2010

Re: Status of General Revenue Fund June 30, 2010

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the fiscal year 2009-2010. The status of the fund collections are as follows:

The net collections were **99.22%** of the estimate for the fiscal year 2010. **The amount BELOW estimate was \$29.6 million for the year.**

Personal Income Tax collections were \$ 75 million under the estimate for the fiscal year.

Consumer sales and use tax collections were \$48 million under the estimate for the fiscal year.

Severance tax collections were \$ 112 million over the estimate for the fiscal year.

Corporate income and business franchise collections were \$2 million over the estimate for the year.

Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 99.45% of the estimate for the fiscal year 2010. Privilege tax collections were \$ 12 million under the estimate. Gasoline tax was \$ 10.9 million above the estimate. The entire fund was \$ 3.4 million below the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ \$277,818,714.92 as of June 30, 2010.

Balance July 1, 2009	236,619,572.54
Cash flow loan to General Revenue on July 1, 2009. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; repaid in September.	- 56,000,000.00 + 56,000,000.00
Revenues July 1, 2008-June 30,2009 (Surplus from FY 2009 transferred in August 2009.)	11,067,940.85
Earnings	29,262,076.98
Balance June 30, 2010	276,949,590.37

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 279,073,099.52 as of June 30, 2010.

Balance July 1, 2009	236,006,002.65
Statutory Transfer according to WV Code 33-3-14 A,B,C Medical malpractice premiums	1,555,022.00
Earnings	41,512,074.87
Balance June 30, 2010	279,073,099.52

The Special Income Tax Reserve Fund had a cash balance of

\$45,019,319.21 as of June 30, 2010.

Balance July 1, 2009	45,019,319.21
Revenues	-0-
Balance June 30, 2010	45,019,319.21

Monthly Revenue Estimates
as of June 30, 2010 WV FIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	141,800,000	138,584,395	-3,215,605	1,522,000,000	1,446,852,095	-75,147,905
Consumer Sales Tax & Use Tax	91,800,000	81,348,684	-10,451,316	1,144,000,000	1,095,686,166	-48,313,834
Severance Tax	25,000,000	41,052,879	16,052,879	288,500,000	400,590,519	112,090,519
Corp Income /Business Franchise	48,000,000	51,872,744	3,872,744	230,800,000	232,859,183	2,059,183
Business and Occupation	15,300,000	15,454,077	154,077	136,500,000	133,386,079	-3,113,921
HB 102 - Lottery Transfers	0	710,560	710,560	127,900,000	127,900,000	0
Cigarette Tax	9,200,000	11,052,803	1,852,803	108,500,000	110,840,447	2,140,447
Insurance Tax	100,000	1,577,459	1,477,459	108,000,000	103,677,133	-4,322,868
Interest Income	2,100,000	252,531	-1,847,469	25,000,000	11,908,752	-13,093,248
Liquor License Renewal	17,300,000	21,544,114	4,244,114	17,300,000	21,544,114	4,244,114
Liquor Profit Transfers	680,000	2,684,750	2,004,750	16,000,000	14,557,551	-1,442,449
Departmental Collections	900,000	1,234,543	334,543	14,100,000	14,806,907	706,907
Property Transfer Tax	900,000	724,869	-175,131	10,300,000	7,933,085	-2,366,915
Refundable Credit Reim LTY	800,000	594,225	-205,775	10,000,000	8,370,988	-1,629,012
Beer Tax and Licenses	1,160,000	994,468	-165,532	8,650,000	8,434,752	-215,248
Smokeless Tobacco Tax	600,000	54,426	-545,574	6,000,000	3,487,899	-2,512,101
Property Tax	100,000	83,941	-16,059	5,800,000	5,833,626	33,626
Miscellaneous Receipts	100,000	278,312	178,312	5,150,000	5,883,594	733,594
Business Franchise Fees	950,000	1,259,428	309,428	1,800,000	2,125,209	325,209
Racing Fees	200,000	42,370	-157,630	1,000,000	335,929	-664,071
Miscellaneous Transfers	200,000	0	-200,000	700,000	239,287	-460,713
Charter Tax	0	15,434	15,434	0	175,549	175,549
Telecommunications Tax	0	8,299	8,299	0	76,375	76,375
Estate and Inheritance Tax	0	18,608	18,608	0	100,284	100,284
Video Lottery Transfers	0	95,559	95,559	0	968,619	968,619
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	357,190,000	371,539,477	14,349,477	3,788,000,000	3,758,372,124	-29,627,876
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		104.02%				
TOTALS	357,190,000	371,539,477	14,349,477	3,788,000,000	3,758,372,124	-29,627,876
Percent of Estimates		104.02%			99.22%	
Collections this day		10,327,801				

STATE ROAD FUND FY 2009-2010
 Monthly Revenue Estimates July 2009
 as of June 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	29,600,000	52,853,927	23,253,927	380,000,000	390,916,341	10,916,341
Privilege Tax	14,592,000	15,100,379	508,379	160,550,000	148,313,958	-12,236,042
Licenses & Registration	15,820,000	15,080,270	-739,730	89,407,000	87,387,701	-2,019,299
Highway Litter Control	299,000	208,822	-90,178	1,691,000	1,539,128	-151,872
TOTALS	60,311,000	83,243,399	22,932,399	631,648,000	628,157,129	-3,490,871

Percent of Estimates

138.02%

99.45%

Collections this day

29,079,037

REVENUE SHORTFALL RESERVE FUND 7005, Part A AS OF June 1, 2010 : \$277,818,714.92

REVENUE SHORTFALL RESERVE FUND 7006, Part B AS OF June 1, 2010 : \$287,887,618.81

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

Prepared by Legislative Auditor's Office, Budget Division

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



, 304-347-4870

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

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

Date: July 6, 2010

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the May 2010 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. May is the eleventh month of fiscal year 2009-2010.

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	\$481,690,979.46
Disbursements July 1, 2009 thru June 30, 2010	\$566,463,125.29
Balance May 31, 2010	\$108,392,942.39

ITEMS OF NOTE:

Regular benefits paid for July - May 2010 (fiscal year 2010) were \$118.7 million more than for July - May of fiscal year 2009.

Federal emergency benefits totaled \$ 186 million for the fiscal

Joint Committee on Government and Finance
Unemployment

year 2010; for last fiscal year federal emergency benefits totaled \$ 44.6 million during the same period.

Total disbursements were \$ 284 million more than the same months of the preceding fiscal year.

Receipts in July - May 2010 were \$ 264 million more than in July - May of fiscal year 2009. Overall ending trust fund balance was \$ 77.9 million less on May 31, 2010 than on May 31, 2009.

West Virginia's unemployment rate for the month of May 2010 was 8.6 percent. National unadjusted employment rate was 9.3 percent.

Seasonally adjusted unemployment rates were 8.9 percent for West Virginia and 9.7 percent nationally.

Since May 2009 employment has decreased by 3,800. The declines were: 2,800 in trade, transportation, and utilities; 1,300 in financial activities; 1,200 in mining and logging; 1,100 in manufacturing; 800 in professional and business services; 700 in leisure and hospitality; 400 in construction and 300 in information. The gains in employment were: 2,600 in government; 1,200 in educational and health services, and 1,000 in other services.

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

	<u>MARCH 09</u>	<u>APRIL 09</u>	<u>MAY 09</u>	<u>MARCH 2010</u>	<u>APRIL 2010</u>	<u>MAY 2010</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$200,936,522.93</u>	<u>\$171,696,960.24</u>	<u>\$166,009,076.61</u>	<u>\$85,916,762.90</u>	<u>\$80,906,606.30</u>	<u>\$67,265,942.58</u>	<u>(\$323,461,349.00)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions	\$484,967.81	\$23,632,654.48	\$53,988,825.48	\$1,403,368.11	\$28,474,801.89	\$67,859,288.93	\$19,631,011.36
3. Federal Emergency Benefits (EUC08)	\$4,219,602.00	\$3,818,689.78	\$4,965,142.62	\$26,060,716.96	\$20,074,609.12	\$18,522,930.92	\$51,654,822.60
4. Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$332,375.00	\$136,535.15	\$476,753.03	\$945,664.17
5. Temp Federal Additional Comp (FAC)	\$0.00	\$4,435,872.00	\$4,931,821.00	\$5,661,837.00	\$4,047,768.00	\$3,734,687.00	\$4,076,599.00
6. UCFE (Federal Agencies)	\$115,000.00	\$104,141.24	\$108,110.51	\$227,720.89	\$149,390.37	\$113,611.99	\$163,471.50
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	\$2,418,724.72	\$0.00	\$0.00	\$1,055,895.47	\$0.00	\$0.00	(\$1,362,829.25)
11. UCX (Military Agencies)	\$298,000.00	\$276,420.46	\$257,655.84	\$372,296.95	\$347,475.60	\$368,442.22	\$258,138.47
12. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
13. CMA Receipts	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Monthly Receipts	<u>\$7,536,294.33</u>	<u>\$32,267,777.96</u>	<u>\$64,251,555.45</u>	<u>\$35,114,211.37</u>	<u>\$53,230,580.13</u>	<u>\$91,075,714.09</u>	<u>\$75,364,877.85</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	\$32,127,949.05	\$29,846,712.96	\$31,422,777.17	\$30,188,248.04	\$22,299,614.07	\$22,991,873.05	(\$17,817,706.02)
Federal Emergency Benefits (EUC08)	\$4,286,205.00	\$3,757,131.88	\$6,065,169.72	\$23,463,540.84	\$19,847,608.18	\$21,464,745.92	\$50,667,388.54
Federal Share Extended Benefits (EB)	\$0.00	\$0.00	\$0.00	\$326,900.77	\$150,249.15	\$472,940.61	\$850,090.53
Emergency Benefits (TEUC)	(\$317.58)	(\$380.00)	(\$392.00)	(\$380.00)	(\$180.00)	(\$190.00)	\$359.58
Temp Federal Additional Comp (FAC)	\$0.00	\$4,838,649.00	\$4,937,591.00	\$5,154,555.00	\$4,002,170.00	\$4,287,027.00	\$3,667,512.00
UCFE (Federal Workers) Benefits	\$126,933.06	\$111,790.50	\$127,642.77	\$250,157.86	\$152,381.95	\$127,577.91	\$163,751.19
UCX (Military Workers) Benefits	\$335,087.49	\$300,757.45	\$317,077.45	\$406,485.09	\$417,890.26	\$509,118.65	\$380,571.61
Reed Act Funds	\$0.00	\$0.00	\$0.00	\$328,395.86	\$0.00	\$85,623.07	\$414,018.93
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$6,547.71	\$1,408.24	\$1,998.07	\$17,955.02
Total Monthly Disbursements	<u>\$36,875,857.02</u>	<u>\$38,854,661.59</u>	<u>\$42,869,866.11</u>	<u>\$60,124,469.97</u>	<u>\$46,871,142.85</u>	<u>\$49,948,714.28</u>	<u>\$38,343,941.38</u>
Trust Fund Balance	<u>\$171,696,960.24</u>	<u>165,009,076.61</u>	<u>\$186,390,765.85</u>	<u>\$80,906,505.30</u>	<u>\$67,265,942.58</u>	<u>\$108,392,942.39</u>	<u>(\$286,430,412.63)</u>

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

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 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.



Prescription Drug Report May 2010

*West Virginia Legislative Interims
July 2010*

WV PEIA - Monthly Trend

Plan Demographics	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Total Drug Cost	\$12,487,113	\$13,294,824	\$13,871,717	\$14,764,868	\$13,822,163	\$14,818,308
Amount Paid by Plan Sponsor	\$7,705,782	\$10,125,481	\$11,048,100	\$11,873,474	\$11,408,448	\$12,390,373
Amount Paid by Members	\$4,781,331	\$3,129,343	\$2,823,617	\$2,891,414	\$2,413,715	\$2,427,934
Total Claims	198,498	204,588	217,208	235,870	220,217	230,701
Average Eligible Member	162,228	162,481	163,415	164,742	165,228	166,574
Average # of Rx's Per Member Per Month	1.21	1.28	1.33	1.43	1.33	1.39
Plan Paid Per Member Per Month (PMPM)	\$47.50	\$62.35	\$67.81	\$72.07	\$69.05	\$74.78
Average Eligible Enrollees	74,681	74,687	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	\$136.68	\$147.02	\$156.60	\$149.90	\$162.34
Rx Cost Share						
Avg. Claim Cost to Plan	\$39.22	\$49.81	\$50.88	\$50.38	\$51.81	\$53.71
Avg. Member Cost/Claim	\$24.18	\$16.28	\$13.00	\$12.23	\$11.41	\$10.98
Percent member Cost Share	38.1%	23.6%	20.4%	19.6%	18.1%	18.9%
Average Ingredient Costs						
Single Source (no generics available)	\$189.40	\$181.82	\$181.41	\$181.03	\$186.85	\$187.05
Multi-Source Brand (generics available)	\$53.19	\$58.11	\$79.97	\$79.69	\$66.74	\$73.39
Generic Drugs	\$19.42	\$19.60	\$19.28	\$19.08	\$19.58	\$20.33
Brand/Generic Dispensing Rates						
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%	74.28%	73.4%	74.10%	74.96%
Generics Dispensed when available	98.74%	98.68%	98.68%	98.8%	98.70%	98.72%
Percent of Plan Cost for Single Source	85.39%	81.42%	79.86%	79.2%	78.26%	77.76%
Retail Pharmacy Program						
Avg. Day Supply	33.1	33.8	32.9	31.8	32.3	33.1
Avg. Plan Cost/Day Supply	\$1.17	\$1.48	\$1.53	\$1.58	\$1.59	\$1.81
Avg. Claim Cost to Plan	\$38.83	\$49.05	\$50.38	\$49.98	\$51.38	\$53.21
Avg. Member Cost / Claim	\$24.02	\$16.14	\$12.69	\$12.18	\$11.35	\$10.89
Percent Member Cost Share	38.22%	23.59%	20.38%	19.8%	18.10%	18.89%
Special Mail Network (% of claims filled)	11.88%	12.49%	12.25%	11.5%	11.88%	12.62%
Other Mail (% of claims filled)	0.66%	0.72%	0.73%	0.7%	0.67%	0.77%
Avg. Days Supply for Mail Network	87.3	87.3	87.4	87.3	87.3	87.4
Total # Claims Fills 1-34 Days Supply	168,175	173,354	184,722	202,547	188,288	195,510
Total # Claims Fills 35-60 Day Supply	1,544	1,668	1,741	1,811	1,738	1,851
Total # Claims Fills 61-90 Day Supply	24,870	27,441	28,719	29,199	28,183	31,221
Total # Claims Fills 91+ Day Supply	37	51	63	41	62	63
Mail Service Program						
Avg. Days Supply	71.8	71.5	71.3	71.2	69.8	70.8
Avg. Plan Cost/Days Supply	\$1.08	\$1.31	\$1.48	\$1.35	\$1.42	\$1.54
Avg. Cost to Plan	\$78.81	\$93.71	\$105.43	\$98.09	\$99.38	\$109.22
Avg. Member Cost/Claim	\$38.84	\$28.79	\$24.55	\$19.87	\$18.39	\$18.39
Percent Member Cost Share	33.86%	23.50%	18.89%	17.1%	15.62%	14.41%
Total # Claims Fill 1-34 Days Supply	603	818	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	1,460	1,369	1,432	1,308	1,410
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	0
Formulary Program						
S/S Formulary Drugs (% by claim)	20.23%	20.01%	20.33%	21.5%	20.71%	19.97%
S/S Non-Formulary Drugs (% by claim)	4.81%	4.57%	4.39%	4.2%	4.21%	4.09%
M/S Drugs (% by claim)	0.89%	0.98%	0.89%	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 \$)	78.27%	72.27%	70.60%	70.5%	69.51%	68.97%
M/S non-Formulary Drugs (% by \$)	8.13%	8.14%	8.28%	8.7%	8.74%	8.79%
M/S Drugs (% by \$)	0.82%	0.73%	1.03%	1.0%	1.12%	0.82%
Generic Drugs (% by \$)	14.08%	17.88%	18.11%	19.8%	20.63%	21.42%
Specialty Drugs						
Total Drug Cost	\$1,474,493	\$1,523,284	\$1,625,721	\$1,631,192	\$1,530,883	\$1,719,442
Amount Paid by Plan Sponsor	\$1,408,868	\$1,483,872	\$1,568,821	\$1,592,605	\$1,494,862	\$1,679,819
Amount Paid by Members	\$65,625	\$39,392	\$38,900	\$38,587	\$36,021	\$39,623
Total Claims	749	719	758	780	725	801
Avg # of Rx's per Member per Month	0.00	0.00	0.00	0.00	0.00	0.00
Plan Paid Per Member Per Month (PMPM)	\$8.69	\$9.13	\$9.73	\$9.67	\$9.08	\$10.14
Avg Claim Cost to Plan	\$1,881.13	\$2,083.80	\$2,102.84	\$2,041.80	\$2,081.68	\$2,097.28
Avg Claim Cost to Member	\$87.48	\$84.78	\$81.48	\$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%	11.63%

WV PEIA - Monthly Trend

Plan Demographics	Jan-10	Feb-10	Mar-10	Apr-10	May-10	2009 - 2010 Fiscal	2008 - 2009 Fiscal	% Change
Total Drug Cost	\$14,309,741	\$14,085,068	\$16,370,434	\$15,428,356	\$15,621,433	\$168,995,040	\$148,713,674	9.11%
Amount Paid By Plan Sponsor	\$11,907,698	\$11,793,162	\$13,745,499	\$13,063,039	\$13,267,769	\$128,331,720	\$116,496,480	11.11%
Amount Paid By Members	\$2,402,146	\$2,291,904	\$2,624,934	\$2,368,318	\$2,353,664	\$30,663,320	\$30,217,214	1.48%
Total Claims	221,172	212,306	246,304	225,805	224,515	2,434,978	2,324,044	4.77%
Average Eligible Member	168,993	168,234	168,388	166,485	166,935	164,888	160,141	2.96%
Average # of Rx's Per Member Per Month	1.33	1.28	1.48	1.38	1.35	1.34	1.32	1.76%
Plan Paid Per Member Per Month (PMPM)	\$71.74	\$70.94	\$82.61	\$78.94	\$79.99	\$70.75	\$68.57	7.91%
Average Eligible Enrollees	76,487	76,624	76,900	76,646	77,029	76,038	73,778	3.07%
Average # of Rx's Per Enrollee Per Month	2.89	2.77	3.21	2.94	2.91	2.91	2.88	1.65%
Plan Paid Per Enrollee Per Month (PEPM)	\$168.72	\$163.91	\$179.88	\$169.89	\$172.25	\$163.43	\$142.32	7.81%
Rx Cost Share								
Avg. Claim Cost to Plan	\$53.84	\$58.58	\$56.81	\$57.85	\$59.10	\$52.70	\$49.70	6.06%
Avg. Member Cost/Claim	\$10.68	\$10.80	\$10.63	\$10.48	\$10.48	\$12.59	\$13.00	-3.16%
Percent member Cost Share	18.6%	18.3%	18.0%	18.3%	18.1%	19.3%	20.7%	-7.00%
Average Ingredient Costs								
Single Source (no generics available)	\$200.27	\$206.08	\$205.43	\$208.68	\$209.41	\$198.59	\$177.64	10.83%
Multi-Source Brand (generics available)	\$77.54	\$82.69	\$78.73	\$82.81	\$78.51	\$78.31	\$49.83	53.14%
Generic Drugs	\$20.08	\$20.82	\$22.09	\$23.48	\$24.77	\$20.82	\$18.80	10.78%
Brand/Generic Dispensing Rates								
Single Source (no generics)	23.7%	23.57%	23.25%	23.2%	23.35%	24.21%	26.67%	-8.87%
Multi-Source Brand (generics available)	0.9%	0.90%	0.88%	0.9%	0.91%	0.84%	0.86%	-1.94%
Generic Drug	75.3%	75.52%	75.88%	75.9%	75.75%	74.95%	72.48%	3.28%
Generics Dispensed when available	86.8%	88.82%	88.85%	88.8%	88.82%	88.76%	88.70%	0.07%
Percent of Plan Cost for Single Source	77.9%	77.42%	76.78%	74.7%	73.67%	77.89%	80.24%	-2.93%
Retail Pharmacy Program								
Avg. Day Supply	33.3	33.0	33.0	33.5	34.0	33.0	32.5	1.68%
Avg. Plan Cost/Day Supply	\$1.60	\$1.67	\$1.68	\$1.71	\$1.72	\$1.58	\$1.52	3.83%
Avg. Claim Cost to Plan	\$53.33	\$56.08	\$56.32	\$57.27	\$58.57	\$52.23	\$49.48	5.54%
Avg. Member Cost / Claim	\$10.79	\$10.72	\$10.59	\$10.42	\$10.42	\$12.51	\$12.88	-2.77%
Percent Member Cost Share	18.8%	18.30%	18.07%	18.4%	18.11%	19.32%	20.63%	-8.36%
Special Maint Netwk (% of claims filed)	12.5%	12.39%	12.34%	12.4%	13.08%	12.27%	11.61%	5.67%
Other Maint (% of claims filed)	0.7%	0.70%	0.76%	0.8%	0.73%	0.73%	0.81%	19.31%
Avg. Days Supply for Maint. Netwk	87.2	87.4	87.2	87.3	87.3	87.3	87.5	-0.21%
Total # Claims Fills 1-34 Days Supply	187,278	180,289	208,862	191,238	188,823	2,069,182	2,000,995	3.41%
Total # Claims Fills 35-60 Day Supply	1,902	1,884	2,140	1,908	1,958	19,919	16,538	20.46%
Total # Claims Fills 61-90 Day Supply	29,738	28,420	33,031	30,620	31,660	322,790	268,240	12.77%
Total # Claims Fills 91+ Day Supply	49	58	71	44	68	684	139	320.14%
Mail Service Program								
Avg. Days Supply	71.7	71.8	72.1	71.9	72.0	71.4	72.1	-0.68%
Avg. Plan Cost/Days Supply	\$1.48	\$1.62	\$1.55	\$1.68	\$1.62	\$1.45	\$1.33	9.17%
Avg. Cost to Plan	\$104.80	\$108.49	\$111.80	\$119.73	\$116.83	\$103.70	\$96.84	8.20%
Avg. Member Cost/Claim	\$18.10	\$18.96	\$17.95	\$16.68	\$17.26	\$21.85	\$22.40	-3.36%
Percent Member Cost Share	14.8%	14.88%	13.84%	12.4%	12.69%	17.27%	18.84%	-8.84%
Total # Claims Fill 1-34 Days Supply	647	653	609	612	593	6,720	6,804	18.76%
Total # Claims Fills 35-60 Days Supply	10	8	7	7	7	69	65	52.31%
Total # Claims Fills 61-90 Days Supply	1,549	1,307	1,494	1,481	1,431	15,694	14,265	9.95%
Total # Claims Fills 91+ Day Supply	0	0	0	0	0	-	-	-
Formulary Program								
S/S Formulary Drugs (% by claim)	19.3%	19.20%	18.85%	19.0%	19.06%	19.67%	21.75%	-8.63%
S/S Non-Formulary Drugs (% by claim)	4.4%	4.37%	4.40%	4.3%	4.30%	4.34%	4.82%	-9.96%
M/S Drugs (% by claim)	0.8%	0.90%	0.88%	0.9%	0.91%	0.94%	0.85%	-1.94%
Generic Drugs (% by Claim)	76.3%	75.52%	75.68%	75.9%	75.76%	74.86%	72.48%	3.28%
S/S Formulary Drugs (% by \$)	69.0%	69.21%	66.78%	66.9%	64.52%	68.91%	71.79%	-4.00%
S/S non-Formulary Drugs (% by \$)	8.9%	9.21%	9.03%	8.8%	9.15%	8.63%	8.48%	6.22%
M/S Drugs (% by \$)	0.0%	0.68%	0.74%	0.8%	0.75%	0.85%	0.44%	82.68%
Generic Drugs (% by \$)	21.3%	21.71%	23.45%	24.6%	25.58%	21.28%	19.32%	10.05%
Specialty Drugs								
Total Drug Cost	\$1,581,158	\$1,644,383	\$1,848,918	\$1,808,248	\$1,694,068	\$18,052,748	\$16,404,619	17.19%
Amount Paid by Plan Sponsor	\$1,517,061	\$1,609,133	\$1,807,833	\$1,767,793	\$1,658,627	\$17,610,474	\$14,889,288	17.49%
Amount Paid by Members	\$34,107	\$35,230	\$41,083	\$38,463	\$38,441	\$442,272	\$415,321	6.49%
Total Claims	691	710	843	793	748	8,313	7,810	6.44%
Avg # of Rx's per Member per Month	0.00	0.00	0.01	0.00	0.00	0.008	0.004	3.38%
Plan Paid Per Member Per Month (PMPM)	\$9.14	\$9.68	\$10.87	\$10.68	\$10.00	\$9.71	\$9.51	14.10%
Avg Claim Cost to Plan	\$2,186.44	\$2,266.58	\$2,144.82	\$2,229.26	\$2,223.38	\$2,118.43	\$1,919.24	10.38%
Avg Claim Cost to Member	\$49.38	\$49.62	\$48.73	\$48.49	\$47.51	\$53.20	\$53.18	0.06%
Percent of Member Cost Share	2.20%	2.14%	2.22%	2.13%	2.09%	2.46%	2.70%	-9.13%
Percent of Overall Drug Spend	10.84%	11.67%	11.29%	11.71%	10.84%	11.35%	10.57%	7.40%



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 05/2010 - 05/2010
 Previous Period: 05/2009 - 05/2009

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$80.06	\$69.90	14.5 %
Average Mbrs/Month	165,935	162,263	2.3 %
Average Subs/Month	77,026	74,934	2.8 %
% Utilizing Members	46.1 %	46.2 %	-0.2 %
% Retail Utilizing Members	45.8 %	45.9 %	-0.2 %
% Mail Utilizing Members	0.6 %	0.6 %	6.6 %
Rx Measures			
Rxs PMPM	1.36	1.36	-0.0 %
Retail Rxs PMPM	1.34	1.34	0.0 %
Mail Rxs PMPM	0.01	0.01	-1.0 %
Average Admin Fee/Rx	\$0.00	\$0.00	-93.8 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-93.8 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$59.08	\$51.58	14.5 %
Avg Retail Plan Cost/Rx	\$58.56	\$51.12	14.6 %
Avg Mail Plan Cost/Rx	\$116.53	\$102.15	14.1 %
Average Mbr Contrib/Rx	\$10.49	\$10.75	-2.5 %
Avg Retail Mbr Contrib/Rx	\$10.43	\$10.68	-2.4 %
Avg Mail Mbr Contrib/Rx	\$17.25	\$18.65	-7.5 %
Average Ing Cost/Rx	\$68.36	\$60.87	12.3 %
Avg Retail Ing Cost/Rx	\$67.77	\$60.32	12.4 %
Avg Mail Ing Cost/Rx	\$133.78	\$120.80	10.7 %
Average AWP/Rx	\$121.82	\$116.43	4.7 %
Avg Retail AWP/Rx	\$120.87	\$115.34	4.8 %
Avg Mail AWP/Rx	\$238.57	\$235.67	1.2 %
Average Days Supply/Rx	34.4	33.4	2.8 %
Avg Retail Days/Rx	34.0	33.1	2.9 %
Avg Mail Days/Rx	72.0	71.0	1.5 %
Average Plan Cost/Day	\$1.72	\$1.54	11.4 %
Avg Retail Plan Cost/Day	\$1.72	\$1.55	11.4 %
Avg Mail Plan Cost/Day	\$1.62	\$1.44	12.4 %
% Plan Cost	84.9 %	82.7 %	2.6 %
% Member Contribution	15.1 %	17.3 %	-12.6 %
% Retail Plan Cost	84.9 %	82.7 %	2.6 %
% Retail Mbr Contrib	15.1 %	17.3 %	-12.6 %
% Mail Plan Cost	87.1 %	84.6 %	3.0 %
% Mail Member Contrib	12.9 %	15.4 %	-16.5 %



Key Performance Indicators
Comprehensive Indicators
WVA - WV Public Employees Ins

Current Period: 05/2010 - 05/2010
Previous Period: 06/2009 - 05/2009

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	-1.0 %
% Retail Rxs	99.1 %	99.1 %	0.0 %
% Member Submt Rxs	0.0 %	0.0 %	-85.6 %
Rx Types			
Avg SSB Plan Cost/Rx	\$186.34	\$159.88	16.6 %
Avg Retail SSB Plan Cost/Rx	\$185.24	\$158.88	16.6 %
Avg Mail SSB Plan Cost/Rx	\$290.71	\$247.36	17.5 %
Avg MSB Plan Cost/Rx	\$48.90	\$28.28	73.0 %
Avg Retail MSB Plan Cost/Rx	\$49.12	\$28.06	75.0 %
Avg Mail MSB Plan Cost/Rx	\$20.49	\$43.56	-53.0 %
Avg GEN Plan Cost/Rx	\$19.98	\$13.68	45.9 %
Avg Retail GEN Plan Cost/Rx	\$19.68	\$13.52	45.6 %
Avg Mail GEN Plan Cost/Rx	\$51.91	\$33.09	56.9 %
% Single-Source Brand Rxs	23.4 %	25.8 %	-9.6 %
% Multi-Source Brand Rxs	0.9 %	0.9 %	-2.7 %
% Generic Rxs	75.7 %	73.2 %	3.4 %
% Retail Single-Source Brand	23.3 %	25.8 %	-9.5 %
% Retail Multi-Source Brand	0.9 %	0.9 %	-2.3 %
% Retail Generic	75.8 %	73.3 %	3.4 %
% Mail Single-Source Brand	27.2 %	32.2 %	-15.5 %
% Mail Multi-Source Brand	0.8 %	1.3 %	-39.2 %
% Mail Generic	72.0 %	66.5 %	8.3 %
% Formulary Rxs	94.1 %	94.0 %	0.0 %
% Retail Formulary Rxs	94.1 %	94.0 %	0.0 %
% Mail Formulary Rxs	92.5 %	92.5 %	-0.0 %
% DAW Rxs	0.5 %	0.5 %	-1.2 %
% Retail DAW Rxs	0.5 %	0.5 %	-1.9 %
% Mail DAW Rxs	1.1 %	0.7 %	55.2 %
% Generic Conversion	98.8 %	98.7 %	0.1 %
% Retail GEN Conversion	98.8 %	98.7 %	0.1 %
% Mail GEN Conversion	98.9 %	98.1 %	0.8 %
Period Totals			
Total Plan Cost	\$13,284,390.27	\$11,341,762.25	17.1 %
Retail Plan Cost	\$13,048,874.45	\$11,137,877.31	17.2 %
Mail Plan Cost	\$235,515.82	\$203,884.94	15.5 %
Total Member Contribution	\$2,358,372.34	\$2,364,948.32	-0.3 %

Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 05/2010 - 05/2010
 Previous Period: 05/2009 - 05/2009

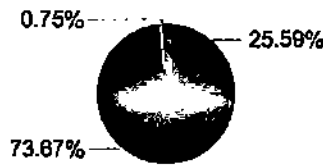
	Current Period	Previous Period	
Retail Member Contrib	\$2,323,516.10	\$2,327,717.54	- 0.2 %
Mall Member Contrib	\$34,856.24	\$37,230.78	-6.4 %
Total Rx Count	224,850	219,893	2.3 %
Retail Rx Count	222,820	217,836	2.3 %
Member Submit Rxs	9	61	-85.2 %
Mall Rx Count	2,021	1,996	1.3 %
Total Admin Fee	\$22.50	\$352.50	-93.6 %
Total UC Savings	\$11,339,109.71	\$10,207,801.96	11.1 %
Total Lost Savings	\$24,364.04	\$25,482.38	-4.4 %
Demographics			
Average Age	39.1	39.1	0.1 %
% Male Members	46.6 %	46.5 %	0.2 %
% Female Members	53.4 %	53.5 %	-0.1 %

Graphs based on Current Period: 05/2010 - 05/2010

Claim Source by Rx Count



Drug Type by Plan Cost



Formulary Status by Rx Count



■ Mall □ Mem... ■ Retail

■ Gen... □ MS ... ■ SS ...

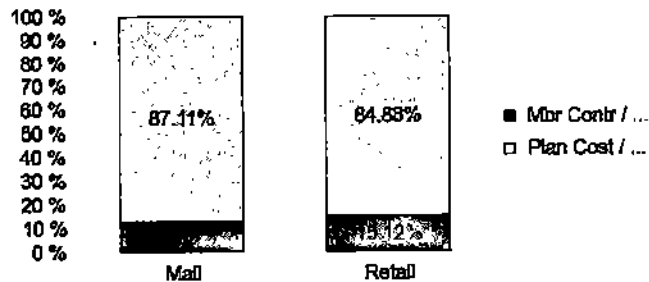
■ For... □ Non...

Drug Formulary Status by Plan Cost



■ Bra... □ Bra... ■ Gen...

Cost Share Distribution by Claim Source



Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 05/2010 - 05/2010



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)	311	185	629	\$61,831	\$10.50	\$98.30	4.0 %	77.7 %	94.9 %	99.8 %	\$168.81
NON STATE AGENCIES (02)	18,324	8,335	24,256	\$1,317,290	\$10.18	\$54.31	0.9 %	76.8 %	94.3 %	99.0 %	\$71.89
NON STATE AGENCIES PLAN B (02B)	3,700	1,548	4,014	\$188,548	\$11.69	\$49.46	2.8 %	80.3 %	95.3 %	99.4 %	\$53.66
NON STATE RETIREES (08)	1,418	933	3,701	\$215,229	\$9.75	\$68.15	1.1 %	75.7 %	94.9 %	99.0 %	\$151.78
NON STATE RETIREES 60 (0860)	17	10	48	\$1,882	\$2.33	\$36.57	0.0 %	87.0 %	97.8 %	100.0 %	\$98.96
STATE AGENCIES (01)	122,460	54,228	153,790	\$9,041,161	\$10.41	\$58.79	0.8 %	75.7 %	94.0 %	98.8 %	\$73.83
STATE AGENCIES (01B)	4,760	1,369	3,001	\$139,889	\$12.69	\$48.81	1.0 %	77.8 %	94.2 %	99.2 %	\$28.39
STATE RETIREES (07)	14,881	8,852	35,184	\$2,296,629	\$10.88	\$65.31	1.1 %	74.3 %	94.0 %	98.7 %	\$154.33
STATE RETIREES ASST 60 (0760)	84	52	249	\$12,129	\$2.23	\$48.71	0.0 %	81.1 %	95.2 %	100.0 %	\$189.52
Grand Total	165,935		224,850	\$13,284,390	\$10.49	\$59.08	0.8 %	76.7 %	94.1 %	98.8 %	\$80.08



**Monthly Management Report
Per Capita Claims
May 2010**

*West Virginia Legislative Interims
July 2010*

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

Page: 1

Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.3192	1.5230	1.5259	1.3101	16.1215	14.0645
	MATERNITY	1.0281	1.1070	1.7710	1.1331	11.1806	12.0607
	MEDICAL AND SURGICAL	43.5327	45.0597	53.2890	43.5914	465.4577	447.5258
	NEONATAL COMPLICATIONS	.6052	.2675	.2316	.2831	3.2672	2.9987

SUM		46.4852	47.9573	56.8175	46.3176	496.0270	476.6497
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.3446	.3067	.3040	.2911	3.1479	2.9746
	DIALYSIS	.8612	.9039	1.0613	.8536	9.1232	8.6396
	EMERGENCY ROOM	3.8401	3.7890	4.8621	3.3487	37.9759	35.6426
	MATERNITY	.3181	.2919	.3377	.3129	3.0577	3.1643
	MEDICAL AND SURGICAL	55.0041	56.1733	77.6129	53.6400	557.9364	565.5802

SUM		60.3680	61.4648	84.1780	58.4463	611.2410	616.0014
PHARMACY	PRESCRIPTION DRUGS	73.4220	73.5064	64.0249	70.6397	783.0608	730.9792

SUM		73.4220	73.5064	64.0249	70.6397	783.0608	730.9792
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.7704	2.7788	3.8769	3.6394	27.7118	36.8493
	AMBULANCE	1.4914	1.5456	1.3619	1.3828	16.3466	13.6372
	ANESTHESIA	4.7951	4.7114	6.1316	4.6446	48.3112	49.0119
	BEHAVIORAL	2.4376	2.2816	2.6510	2.1752	23.6065	22.5271
	CARDIOVASCULAR MEDICINE	2.1707	2.2321	3.1728	2.4906	22.0281	25.8291
	CERVICAL CANCER SCREENING	.1109	.1211	.1274	.1227	1.2675	1.2803
	DIALYSIS	.1574	.0966	.1077	.0453	1.0704	.5392
	DME	3.0419	2.8433	3.4430	2.7672	28.8464	29.3871

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
 MAY 2010

Page: 2

Reporting Category	Type of Service	Current Period PEIA Payments	Current Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	12 Months Prior Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	31.1103	33.0244	37.4580	30.6606	341.1100	327.6581
	IMMUNIZATION	1.3525	2.0198	1.8006	2.0715	21.2570	22.3462
	INJECTION	4.1113	4.8477	5.8220	5.2450	49.5561	54.5025
	LAB AND PATHOLOGY	5.6965	5.0491	6.6887	4.6160	51.0389	48.7544
	MAMMOGRAPHY	.7157	.9619	.9913	.9635	9.8854	10.2127
	OTHER	2.6011	2.6169	3.0773	2.4857	26.9445	26.8981
	OTHER IMAGING	4.2421	5.0153	7.0946	5.0108	49.2719	53.5946
	OTHER MEDICINE	3.5886	4.6358	5.0841	4.8105	47.2145	51.0422
	PHYSICAL MEDICINE	4.4443	4.2985	5.3942	4.0636	43.2140	43.1143
	PROSTATE CANCER SCREENING	.0737	.0818	.0877	.1071	.7347	1.0405
	SURGICAL	17.4693	16.7238	20.8406	16.6024	170.1828	173.1962
***** sum		92.3806	95.8855	115.2113	93.9046	979.5982	991.4210
sum		272.6559	278.8139	320.2317	269.3082	2,869.9270	2,815.0513

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
May 2010**

*West Virginia Legislative Interims
July 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 MAY 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	.0005	.0008	.0088	.0063
	MATERNITY	.0009	.0014	.0091	.0092
	MEDICAL AND SURGICAL	.0078	.0120	.0915	.0934
	NEONATAL COMPLICATIONS	.0001	.0001	.0011	.0022
	***** sum		.0094	.0144	.1106
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0032	.0032	.0356	.0300
	DIALYSIS	.0056	.0035	.0506	.0338
	EMERGENCY ROOM	.0228	.0329	.2573	.2651
	MATERNITY	.0024	.0024	.0242	.0229
	MEDICAL AND SURGICAL	.2225	.2679	2.1944	2.2549
***** sum		.2565	.3098	2.5621	2.6066
PHARMACY	PRESCRIPTION DRUGS	.8753	.8625	10.4249	10.1814
***** sum		.8753	.8625	10.4249	10.1814
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0220	.0278	.2395	.2571
	AMBULANCE	.0040	.0043	.0427	.0420
	ANESTHESIA	.0208	.0249	.2146	.2153
	BEHAVIORAL	.0413	.0449	.4438	.4212
	CARDIOVASCULAR MEDICINE	.0303	.0416	.3467	.3780
	CERVICAL CANCER SCREENING	.0042	.0052	.0505	.0526
	DIALYSIS	.0010	.0008	.0072	.0043
	DME	.0237	.0282	.2608	.2661
	EVALUATION AND MANAGEMENT	.4717	.5930	5.3637	5.4277
	IMMUNIZATION	.0163	.0219	.4117	.4217

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
 MAY 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	.0280	.0333	.3018	.3038
	LAB AND PATHOLOGY	.1633	.1907	1.8105	1.7700
	MAMMOGRAPHY	.0137	.0184	.1836	.1915
	OTHER	.0280	.0325	.3476	.3422
	OTHER IMAGING	.0895	.1169	1.0368	1.0446
	OTHER MEDICINE	.0756	.0933	.8351	.8464
	PHYSICAL MEDICINE	.0965	.1198	1.0760	1.1257
	PROSTATE CANCER SCREENING	.0043	.0054	.0513	.0657
	SURGICAL	.0789	.0952	.8500	.8805
.....					
sum		1.2130	1.4982	13.8739	14.0564
sum		2.3542	2.6850	26.9715	26.9555

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



**Monthly Management Report
Total Claims
May 2010**

*West Virginia Legislative Interims
July 2010*

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 MAY 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	213,728.50	232,324.73	237,927.12	192,532.33	2,583,635.02	2,160,005.57
	MATERNITY	166,576.69	168,496.04	276,136.82	166,339.01	1,791,816.22	1,852,263.30
	MEDICAL AND SURGICAL	7,052,987.07	6,864,186.53	8,308,867.87	6,396,971.97	74,594,478.14	68,730,334.00
	NEONATAL COMPLICATIONS	98,048.99	40,905.14	36,107.03	41,472.88	523,606.44	460,538.93

SUM		7,531,341.25	7,305,912.43	8,859,038.84	6,797,316.18	79,493,535.82	73,203,141.80
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	55,831.92	46,672.54	47,407.37	42,737.68	504,481.63	456,829.89
	DIALYSIS	139,525.07	137,580.86	165,476.81	125,286.03	1,462,080.65	1,326,863.97
	EMERGENCY ROOM	622,150.02	576,906.02	788,102.88	491,936.26	6,086,036.40	5,473,941.32
	MATERNITY	51,541.38	44,494.68	52,650.82	45,942.76	490,028.77	483,970.00
	MEDICAL AND SURGICAL	8,911,536.82	8,549,191.66	12,101,479.80	7,875,193.16	89,415,160.69	86,860,965.00

SUM		9,780,585.21	9,354,845.76	13,125,117.68	8,581,095.88	97,957,788.14	94,604,870.18
PHARMACY	PRESCRIPTION DRUGS	11,895,545.57	11,201,031.83	9,982,833.59	10,379,348.01	125,493,714.73	112,262,695.10

SUM		11,895,545.57	11,201,031.83	9,982,833.59	10,379,348.01	125,493,714.73	112,262,695.10
PROFESSIONAL SERVICES	ADVANCED IMAGING	448,841.70	422,839.03	604,493.20	534,015.43	4,441,103.50	5,659,258.20
	AMBULANCE	241,633.08	235,649.98	212,346.52	202,887.70	2,619,716.23	2,094,375.13
	ANESTHESIA	776,883.81	717,097.18	956,041.15	681,764.83	7,742,376.71	7,527,177.20
	BEHAVIORAL	394,923.39	347,544.90	413,346.62	319,493.55	3,783,192.06	3,489,682.69
	CARDIOVASCULAR MEDICINE	351,691.66	339,582.40	494,710.98	365,554.95	3,530,233.10	3,966,792.24
	CERVICAL CANCER SCREENING	17,960.35	18,439.12	19,857.74	18,000.70	203,136.78	196,620.11
	DIALYSIS	25,802.54	14,709.79	16,799.40	6,670.09	171,542.21	82,806.67
	DME	492,829.40	432,809.78	536,829.53	406,479.04	4,622,942.02	4,513,226.06

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 EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 MAY 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	5,040,371.27	5,028,498.04	5,840,494.57	4,504,230.84	54,666,464.49	50,321,233.78
	IMMUNIZATION	219,120.29	307,809.05	280,745.79	304,527.96	3,406,650.87	3,431,892.40
	INJECTION	666,097.89	738,677.74	907,766.25	770,235.94	7,941,878.63	8,370,417.83
	LAB AND PATHOLOGY	922,924.61	768,433.95	1,042,903.91	677,942.30	8,179,513.08	7,487,629.07
	MAMMOGRAPHY	115,958.50	146,379.11	154,563.13	141,431.47	1,584,241.65	1,568,453.57
	OTHER	421,412.64	398,391.54	479,814.63	365,074.66	4,318,135.30	4,130,971.94
	OTHER IMAGING	687,291.39	763,150.49	1,106,202.83	736,119.00	7,896,342.70	8,230,984.58
	OTHER MEDICINE	581,406.51	706,017.76	792,723.39	706,986.60	7,566,616.43	7,838,989.82
	PHYSICAL MEDICINE	720,042.93	654,318.52	841,068.17	597,005.80	6,925,495.07	6,621,430.59
	PROSTATE CANCER SCREENING	11,942.24	12,413.30	13,672.53	15,705.37	117,747.73	159,790.90
	SURGICAL	2,830,308.02	2,545,104.90	3,249,483.68	2,437,001.32	27,273,573.20	26,599,217.80

sum		14,967,142.22	14,597,866.58	17,963,864.04	13,791,127.53	156,990,901.76	152,260,950.58
sum		44,174,614.25	42,459,656.60	49,930,884.15	39,548,887.60	459,935,940.45	432,331,357.66

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

PEIA
July 2010 Interim Talking Points

- **The May 2010 prescription drug and medical claims reports are available for your review.**
- **PEIA is running 5% higher than last year in Medical claims paid,**
- **And the Rx claims are 11% higher than last year.**

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

DRAFT

	May 31	
	2010	2009
	(in thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 25,307	\$ 28,967
Advance Deposit with Carrier/Trustee	186,122	179,110
Receivables - Net	1,158	678
Prepaid Insurance	521	511
Total Short Term Assets	213,108	209,266
Long Term Assets		
Investments	120,185	103,647
Total Long Term Assets	120,185	103,647
TOTAL ASSETS	333,293	312,913
LIABILITIES		
Short Term Liabilities		
Accounts payable	1,356	1,431
Claims Payable	133	42
OPEB Liability	-	35
Agents Commissions Payable	1,153	1,486
Unearned Revenue	5,645	6,331
Current Estimated Claim Reserve	42,204	52,560
Total Short Term Liabilities	50,491	61,885
Long Term Liabilities		
Compensated Absences	58	52
Estimated Noncurrent Claim Reserve	103,618	114,040
Total Long Term Liabilities	103,676	114,092
TOTAL LIABILITIES	154,167	175,977
Prior Year Net Assets	150,958	127,630
Current Year Earnings/Prior Year Earnings	28,168	9,306
TOTAL NET ASSETS	179,126	136,936
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 333,293	\$ 312,913

DRAFT - Unaudited - Management Purposes Only

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

DRAFT

	2010	May 31	2009
	(in thousands)		
Operating Revenues			
Premium Revenues	\$ 53,517	\$	57,490
Less - Excess Insurance	(5,737)		(5,625)
Total Operating Revenues	47,780		51,865
Operating Expenses			
Claims Expense	32,619		39,256
Property & MS Claims Expense	5,941		5,094
Personal Services	1,168		1,193
General & Administrative Expense	2,306		2,634
Total Operating Expenses	42,034		48,177
Operating Income	5,746		3,688
Nonoperating Revenues			
Court Fees	30		30
Investment Income	22,392		5,588
Total Nonoperating Revenues	22,422		5,618
Net Income	28,168		9,306

DRAFT - Unaudited - Management Purposes Only

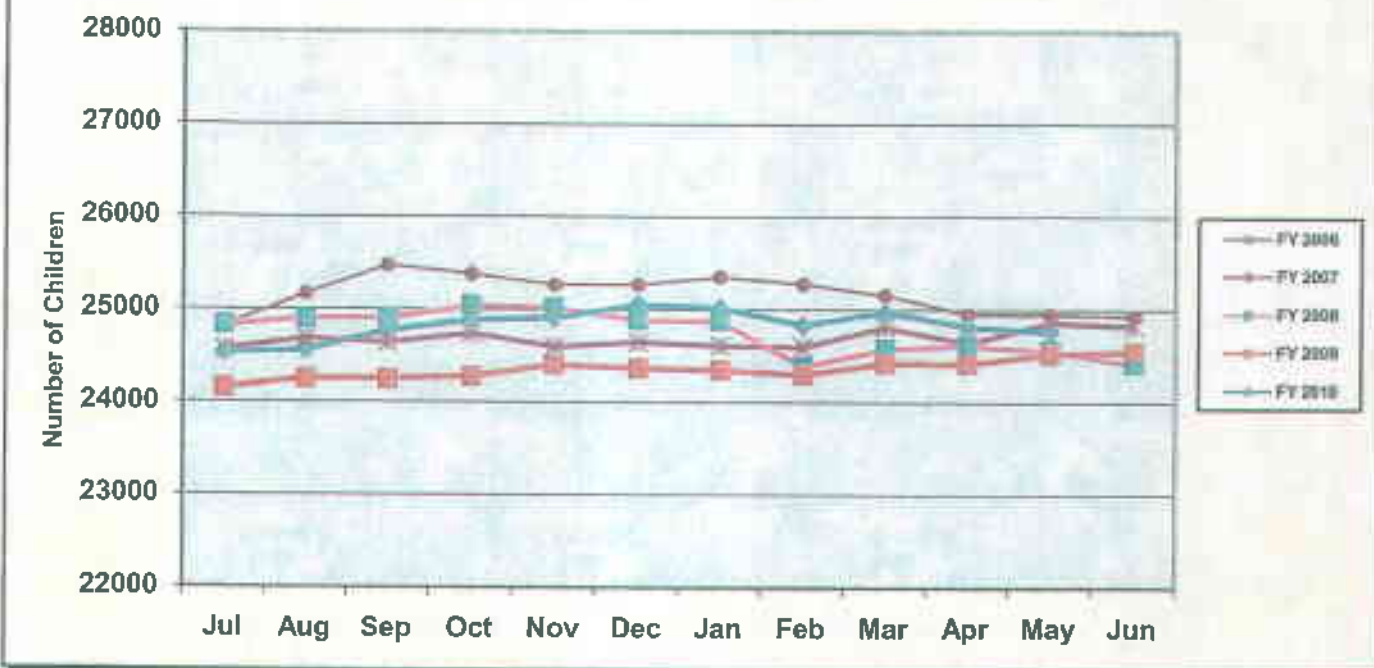


**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301
Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
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www.wvchip.org**

**Joint Committee on
Government and Finance
Report**

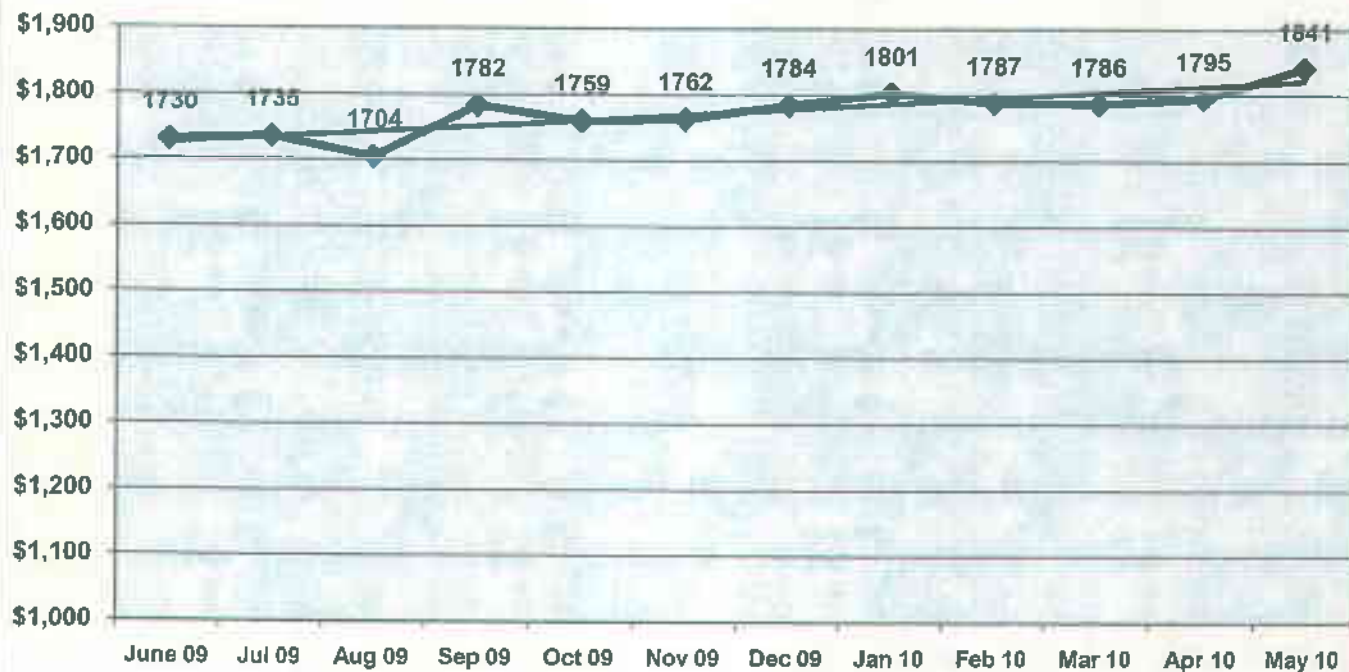
July 2010

WV CHIP Enrollment



June 30 Enrollment 24,824

Annualized Health Care Expenditures (Cost per Child)



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

	May 31, 2010	May 31, 2009	Variance	
Assets:				
Cash	\$930,549	\$939,619	(\$9,070)	-1%
Investments	\$12,787,664	\$10,805,996	\$1,981,668	18%
Due From Federal Government	\$3,524,257	\$3,362,332	\$161,925	5%
Due From Other Funds	\$782,546	\$809,330	(\$26,784)	-3%
Accrued Interest Receivable	\$19,423	\$3,585	\$15,838	442%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	(\$544)	-1%
Total Assets	<u>\$18,114,176</u>	<u>\$15,991,144</u>	<u>\$2,123,032</u>	13%
Liabilities:				
Due to Other Funds	\$276,803	\$280,927	(\$4,124)	-1%
Deferred Revenue	\$2,973,620	\$3,422,946	(\$449,326)	-13%
Unpaid Insurance Claims Liability	<u>\$4,030,000</u>	<u>\$4,120,000</u>	(\$90,000)	-2%
Total Liabilities	<u>\$7,280,423</u>	<u>\$7,823,873</u>	<u>(\$543,450)</u>	-7%
Fund Equity	<u>\$10,833,754</u>	<u>\$8,167,271</u>	<u>\$2,666,483</u>	33%
Total Liabilities and Fund Equity	<u>\$18,114,176</u>	<u>\$15,991,144</u>	<u>\$2,123,032</u>	13%

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes In Fund Balances
For the Eleven Months Ending May 31 2010 and May 31, 2009
(Modified Accrual Basis)

	May 31, 2010	May 31, 2009	Variance	
Operating Revenues				
Federal Grants	36,024,471	35,136,679	887,792	3%
State Appropriations	10,599,637	10,971,688	(372,051)	-3%
Premium Revenues	<u>306,879</u>	<u>130,106</u>	<u>176,773</u>	<u>136%</u>
Total Operating Revenues	46,930,987	46,238,473	692,514	1%
Non-Operating Revenues				
Investment Earnings	125,416	103,499	21,917	21%
Unrealized Gain On Investments*	<u>83,900</u>	<u>0</u>	<u>83,900</u>	<u>100%</u>
Total Non-Operating Revenues	209,316	103,499	105,817	102%
Total Revenues	<u>47,140,302</u>	<u>46,341,972</u>	<u>798,330</u>	<u>2%</u>
Expenditures:				
Claims:				
Outpatient Services	11,335,334	11,188,230	147,104	1%
Physicians & Surgical	9,110,195	9,099,259	10,936	0%
Prescribed Drugs	8,162,318	7,819,219	343,099	4%
Dental	4,794,127	4,583,589	210,558	5%
Inpatient Hospital Services	3,209,800	3,703,712	(493,912)	-13%
Durable & Disposable Med. Equip.	1,164,072	1,113,655	50,417	5%
Outpatient Mental Health	1,211,651	1,197,639	14,012	1%
Inpatient Mental Health	761,727	687,328	74,399	11%
Vision	678,993	580,975	98,018	17%
Therapy	444,724	425,518	19,206	5%
Medical Transportation	290,500	327,263	(36,763)	-11%
Other Services	98,796	102,040	(3,244)	-3%
Less: Collections**	<u>(466,643)</u>	<u>(666,042)</u>	<u>199,399</u>	<u>-30%</u>
Total Claims	<u>40,795,594</u>	<u>40,162,365</u>	<u>633,229</u>	<u>2%</u>
General and Admin Expenses:				
Salaries and Benefits	453,201	450,854	2,347	1%
Program Administration	2,328,696	1,995,330	333,366	17%
Eligibility	359,430	279,995	79,435	28%
Outreach & Health Promotion	283,032	121,852	161,180	132%
Current	<u>131,308</u>	<u>141,671</u>	<u>(10,363)</u>	<u>-7%</u>
Total Administrative	<u>3,555,687</u>	<u>2,989,702</u>	<u>565,985</u>	<u>19%</u>
Total Expenditures	<u>44,351,281</u>	<u>43,152,067</u>	<u>1,199,194</u>	<u>3%</u>
Excess of Revenues				
Over (Under) Expenditures	2,579,726	3,189,905	(610,179)	-19%
Fund Equity, Beginning	<u>8,254,028</u>	<u>4,977,366</u>	<u>3,276,662</u>	<u>66%</u>
Fund Equity, Ending	<u>10,833,754</u>	<u>8,167,271</u>	<u>2,666,483</u>	<u>33%</u>

* 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 Eleven Months Ended May 31, 2010**

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	May-10	Apr-10	Mar-10
Projected Cost	\$48,693,584	\$44,835,785	\$41,058,831	\$3,578,955	8%	\$4,057,799	\$3,839,782	\$4,469,935	\$3,915,442
Premiums	305,828	280,341	306,879	(\$26,539)	9%	25,486	27,277	29,977	36,576
Subrogation & Rebates	<u>623,650</u>	<u>571,679</u>	<u>464,319</u>	<u>107,360</u>	-19%	<u>51,971</u>	<u>85,864</u>	<u>696</u>	<u>69,939</u>
Net Benefit Cost	47,764,108	\$43,783,766	\$40,285,632	\$3,498,133	8%	3,980,342	3,726,641	4,439,262	3,808,927
Salaries & Benefits	\$581,411	\$532,960	\$453,200	\$79,760	15%	\$48,451	\$40,111	\$40,882	\$40,111
Program Administration	2,665,833	2,443,680	2,227,808	215,872	9%	222,153	49,718	-134,371	230,448
Eligibility	295,243	270,639	411,444	(140,805)	-52%	24,604	79,953	15,824	71,819
Outreach	300,000	275,000	289,179	(14,179)	-5%	25,000	35,565	35,830	9,154
Current Expense	<u>352,772</u>	<u>323,374</u>	<u>153,868</u>	<u>169,506</u>	52%	<u>29,398</u>	<u>12,123</u>	<u>11,114</u>	<u>10,552</u>
Total Admin Cost	\$4,195,259	\$3,845,654	\$3,535,499	\$310,155	8%	\$349,605	\$217,470	-\$30,721	\$381,884
Total Program Cost	<u>\$51,959,367</u>	<u>\$47,629,420</u>	<u>\$43,821,131</u>	<u>\$3,808,289</u>	8%	<u>\$4,329,947</u>	<u>\$3,944,111</u>	<u>\$4,408,541</u>	<u>\$4,170,811</u>
Federal Share 81.83%	42,489,772	\$38,948,958	\$35,833,316	3,115,642	8%	3,540,814	3,227,468	3,607,509	3,412,075
State Share 18.17%	<u>9,469,595</u>	<u>\$8,680,462</u>	<u>\$7,987,816</u>	<u>692,648</u>	8%	<u>789,133</u>	<u>716,645</u>	<u>801,032</u>	<u>757,836</u>
Total Program Cost **	<u>\$51,959,367</u>	<u>\$47,629,420</u>	<u>\$43,821,131</u>	<u>\$3,808,289</u>	8%	<u>\$4,329,947</u>	<u>\$3,944,111</u>	<u>\$4,408,541</u>	<u>\$4,170,811</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

June 2010

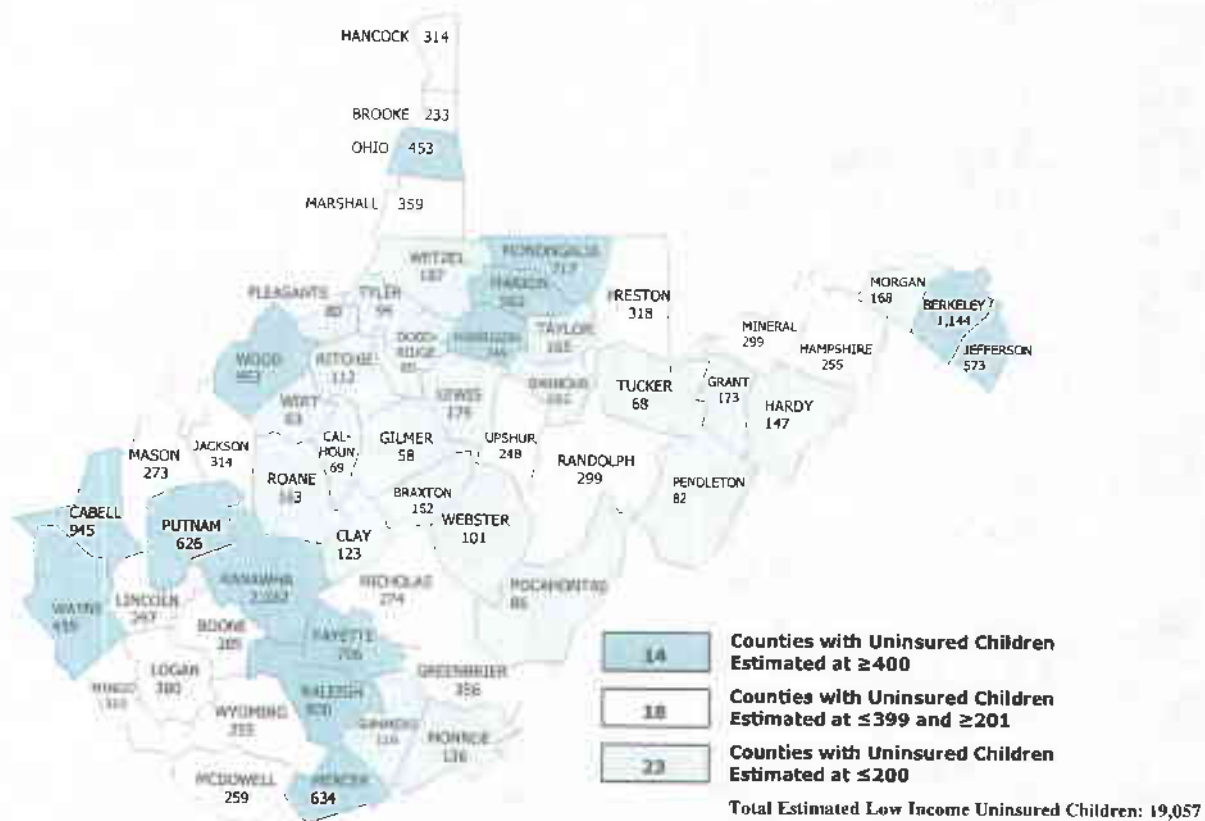
County	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Jun-10	Total Medicaid Enrollment Jun-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Barbour	3,248	260	1,638	1,898	58.4%	162	38
Berkeley	22,882	1,298	7,553	8,851	38.7%	1,144	2
Boone	5,706	308	2,710	3,018	52.9%	285	24
Braxton	3,044	228	1,556	1,784	58.6%	152	39
Brooke	4,658	293	1,568	1,861	40.0%	233	32
Cabell	18,900	1,064	8,438	9,502	50.3%	945	4
Calhoun	1,389	121	896	1,017	73.2%	69	52
Clay	2,454	181	1,464	1,645	67.0%	123	43
Doddridge	1,607	132	719	851	52.9%	80	50
Fayette	9,592	863	4,823	5,686	58.7%	485	12
Gilmer	1,154	83	615	698	60.5%	58	55
Grant	2,463	168	1,004	1,172	47.6%	123	42
Greenbrier	7,110	622	2,904	3,526	49.6%	356	17
Hampshire	5,110	301	2,182	2,483	48.6%	255	28
Hancock	6,270	360	2,409	2,769	44.2%	314	20
Hardy	2,950	166	1,234	1,400	47.5%	147	40
Harrison	14,973	940	6,007	6,947	46.4%	749	6
Jackson	6,277	403	2,764	3,167	50.5%	314	19
Jefferson	11,465	438	2,778	3,216	28.1%	573	10
Kanawha	40,647	2,280	17,241	19,521	48.0%	2,032	1
Lewis	3,577	303	1,801	2,104	58.8%	179	34
Lincoln	4,945	390	2,720	3,110	62.9%	247	31
Logan	7,610	588	4,057	4,645	61.0%	380	15
Marion	11,245	717	4,422	5,139	45.7%	562	11
Marshall	7,176	367	2,816	3,183	44.4%	359	16
Mason	5,461	302	2,698	3,000	54.9%	273	26
McDowell	5,170	322	3,403	3,725	72.0%	259	27
Mercer	12,687	1,168	6,805	7,973	62.8%	634	8
Mineral	5,973	299	2,078	2,377	39.8%	299	22
Mingo	6,204	378	3,324	3,702	59.7%	310	21
Monongalia	14,346	746	4,289	5,035	35.1%	717	7
Monroe	2,728	231	1,125	1,356	49.7%	136	41
Morgan	3,365	252	1,219	1,471	43.7%	168	35
Nicholas	5,478	411	2,716	3,127	57.1%	274	25
Ohio	9,068	514	3,014	3,528	38.9%	453	14
Pendleton	1,632	105	524	629	38.6%	82	49
Pleasants	1,593	97	568	665	41.7%	80	51
Pocahontas	1,717	143	709	852	49.6%	86	48
Preston	6,354	473	2,498	2,971	46.8%	318	18
Putnam	12,522	688	3,341	4,029	32.2%	626	9
Raleigh	15,992	1,290	7,360	8,650	54.1%	800	5
Randolph	5,971	421	2,641	3,062	51.3%	299	23
Ritchie	2,234	134	954	1,088	48.7%	112	45
Roane	3,266	302	1,710	2,012	61.6%	163	37
Summers	2,322	207	1,184	1,391	59.9%	116	44
Taylor	3,307	221	1,436	1,657	50.1%	165	36
Tucker	1,354	129	529	658	48.6%	68	53
Tyler	1,887	131	804	935	49.6%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

June 2010

County	County Pop 2005 Est (0-18 Yrs)	Total CHIP Enrollment Jun-10	Total Medicaid Enrollment Jun-10	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	389	2,355	2,744	55.4%	248	30
Wayne	9,176	601	4,140	4,741	51.7%	459	13
Webster	2,020	139	1,216	1,355	67.1%	101	46
Wetzel	3,732	184	1,735	1,919	51.4%	187	33
Wirt	1,268	109	582	691	54.5%	63	54
Wood	19,063	1,145	8,446	9,591	50.3%	953	3
Wyoming	5,092	419	2,672	3,091	60.7%	255	29
Totals	382,490	24,824	162,394	187,218	48.9%	19,125	



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

JULY 2010

Department of Administration

State Children's Health Insurance Program
UPDATE



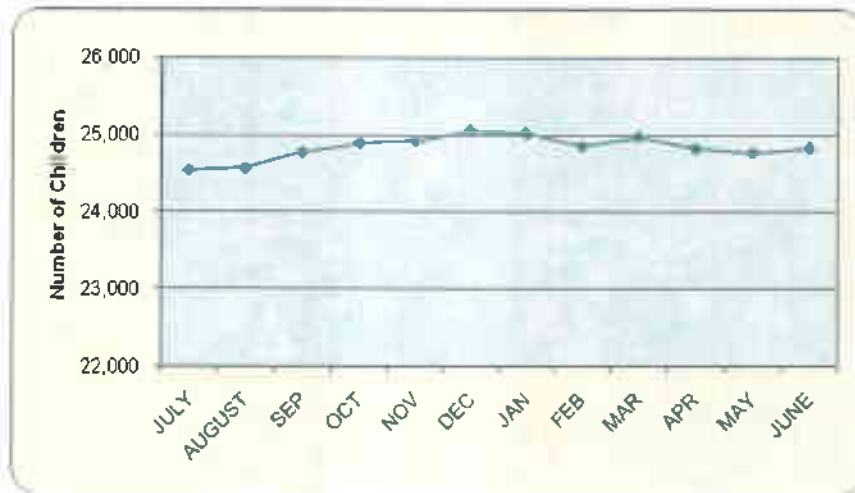
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JULY 2010

I. Enrollment on June 2010: 24,824

See Attachment 1 for enrollment by county.

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



Enrollee Totals: April 2010 to June 2010

Month	Total	1 Year Average	Total
April	1,631	1,881	1,881
May	1,616	High	2,269
June	1,510	Low	1,493

New Enrollee (Never Before on CHIP) Totals: April 2010 to June 2010

Month	Total	1 Year Average	Total
April	578	742	742
May	601	High	909
June	610	Low	575

II. Re-enrollment for 3 Month Period: March 2010 to May 2010

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
March	1,856	1,134	61%	145	8%	549	30%
April	1,842	1,175	64%	44	2%	604	33%
May	1,595	1,002	63%	115	7%	463	29%

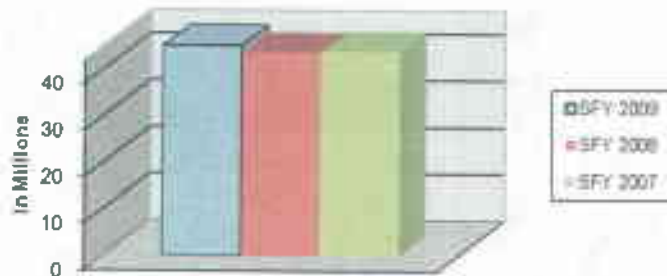
III. Financial Activity

Please see this month's financial statement at Attachment 2

The average annualized claims cost per child for the month ended May 2010 was \$1,992.

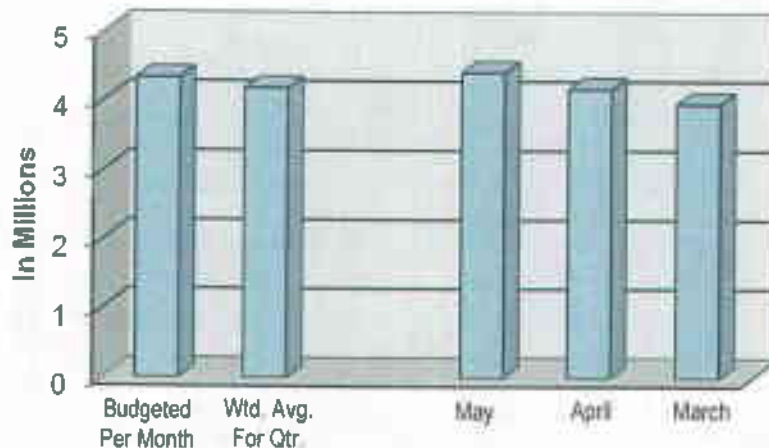
Annual Expenditures for a 3 Year Period: SFY 2007 – SFY 2009

	SFY 2009	FFP% 2009	SFY 2008	FFP% 2008	SFY 2007	FFP% 2007
Federal	37,550,029	81.61	35,626,232	81.98	35,472,537	80.97
State	8,417,193	18.39	7,947,861	18.02	8,336,944	19.03
Total Costs	45,967,222	100.00	43,574,093	100.00	43,809,481	100.00



Monthly Budgeted and Current 3 Month Period: March 2010 – May 2010

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			May 2010	April 2010	March 2010
Federal	3,540,814	3,415,983	3,227,466	3,607,509	3,412,975
State	789,133	758,504	716,645	801,032	757,836
Total	4,329,947	4,174,488	3,944,111	4,408,541	4,170,811



IV. Other Highlights

- ◆ *Nothing to report.*

WVCHIP Enrollment Report

ATTACHMENT 1

June 2010

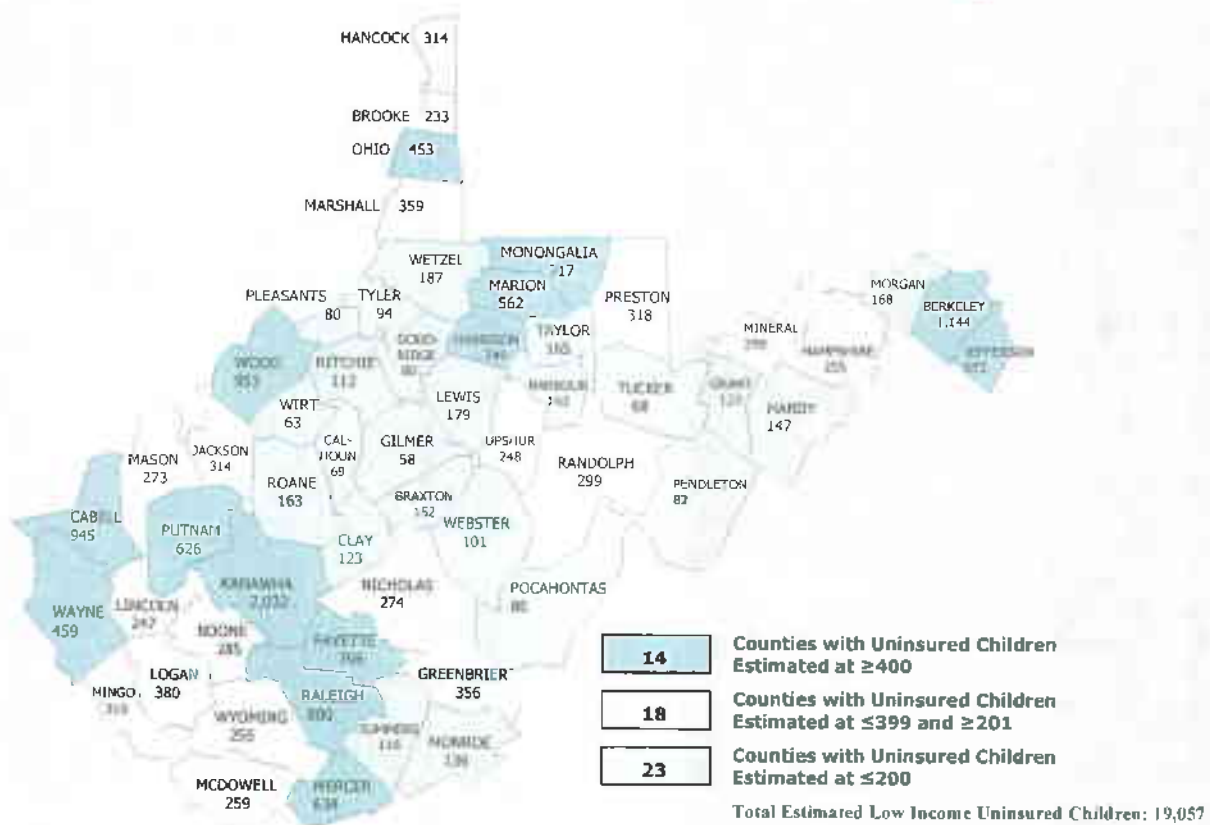
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WVCHIP Enrollment Report

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West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes In Fund Balances
For the Eleven Months Ending May 31 2010 and May 31, 2009
(Modified Accrual Basis)

ATTACHMENT 2

	May 31, 2010	May 31, 2009	Variance	
Operating Revenues				
Federal Grants	36,024,471	35,136,679	887,792	3%
State Appropriations	10,599,637	10,971,688	(372,051)	-3%
Premium Revenues	<u>306,879</u>	<u>130,106</u>	<u>176,773</u>	<u>136%</u>
Total Operating Revenues	46,930,987	46,238,473	692,514	1%
Non-Operating Revenues				
Investment Earnings	125,416	103,499	21,917	21%
Unrealized Gain On Investments*	<u>83,900</u>	<u>0</u>	<u>83,900</u>	<u>100%</u>
Total Non-Operating Revenues	209,316	103,499	105,817	102%
Total Revenues	<u>47,140,302</u>	<u>46,341,972</u>	<u>798,330</u>	<u>2%</u>
Expenditures:				
Claims:				
Outpatient Services	11,335,334	11,188,230	147,104	1%
Physicians & Surgical	9,110,195	9,099,259	10,936	0%
Prescribed Drugs	8,162,318	7,819,219	343,099	4%
Dental	4,794,127	4,583,569	210,558	5%
Inpatient Hospital Services	3,209,800	3,703,712	(493,912)	-13%
Durable & Disposable Med. Equip.	1,164,072	1,113,655	50,417	5%
Outpatient Mental Health	1,211,651	1,197,639	14,012	1%
Inpatient Mental Health	761,727	687,328	74,399	11%
Vision	678,993	580,975	98,018	17%
Therapy	444,724	425,518	19,206	5%
Medical Transportation	290,500	327,263	(36,763)	-11%
Other Services	98,796	102,040	(3,244)	-3%
Less: Collections**	<u>(466,643)</u>	<u>(666,042)</u>	<u>199,399</u>	<u>-30%</u>
Total Claims	<u>40,795,594</u>	<u>40,162,365</u>	<u>633,229</u>	<u>2%</u>
General and Admin Expenses:				
Salaries and Benefits	453,201	450,854	2,347	1%
Program Administration	2,328,696	1,995,330	333,366	17%
Eligibility	359,430	279,995	79,435	28%
Outreach & Health Promotion	283,032	121,852	161,180	132%
Current	<u>131,308</u>	<u>141,671</u>	<u>(10,363)</u>	<u>-7%</u>
Total Administrative	<u>3,555,667</u>	<u>2,989,702</u>	<u>565,965</u>	<u>19%</u>
Total Expenditures	<u>44,351,261</u>	<u>43,152,067</u>	<u>1,199,194</u>	<u>3%</u>
Excess of Revenues				
Over (Under) Expenditures	2,579,726	3,189,905	(610,179)	-19%
Fund Equity, Beginning	<u>8,254,028</u>	<u>4,977,366</u>	<u>3,276,662</u>	<u>66%</u>
Fund Equity, Ending	<u>10,833,754</u>	<u>8,167,271</u>	<u>2,666,483</u>	<u>33%</u>

* 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
May 2010 and 2009
(Accrual Basis)**

	May 31, 2010	May 31, 2009	Variance	
Assets:				
Cash	\$930,549	\$939,619	(\$9,070)	-1%
Investments	\$12,787,664	\$10,805,996	\$1,981,668	18%
Due From Federal Government	\$3,524,257	\$3,362,332	\$161,925	5%
Due From Other Funds	\$782,546	\$809,330	(\$26,784)	-3%
Accrued Interest Receivable	\$19,423	\$3,585	\$15,838	442%
Fixed Assets, at Historical Cost	<u>\$69,738</u>	<u>\$70,282</u>	(\$544)	-1%
Total Assets	<u>\$18,114,176</u>	<u>\$15,991,144</u>	<u>\$2,123,032</u>	13%
Liabilities:				
Due to Other Funds	\$276,803	\$280,927	(\$4,124)	-1%
Deferred Revenue	\$2,973,620	\$3,422,946	(\$449,326)	-13%
Unpaid Insurance Claims Liability	<u>\$4,030,000</u>	<u>\$4,120,000</u>	(\$90,000)	-2%
Total Liabilities	<u>\$7,280,423</u>	<u>\$7,823,873</u>	<u>(\$543,450)</u>	-7%
Fund Equity	<u>\$10,833,754</u>	<u>\$8,167,271</u>	<u>\$2,666,483</u>	33%
Total Liabilities and Fund Equity	<u>\$18,114,176</u>	<u>\$15,991,144</u>	<u>\$2,123,032</u>	13%

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	\$12,662,248
Interest Earned	<u>125,416</u>
Total	<u>\$12,787,664</u>

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report
For the period of June 1, 2010 through June 30, 2010

NEW CONTRACT OF LEASE

WORKFORCE WEST VIRGINIA

WWV-018 New Contract of Lease for 5 years consisting of 7,500 square feet of office space at the per square foot rate of \$19.00, full service, in the City of Bridgeport, Harrison County, West Virginia.

WWV-021 New Contract of Lease for 1 year consisting of 200 square feet of storage space at the current monthly rate of \$190.00, electric only, in the City of South Charleston, Kanawha County, West Virginia.

STRAIGHT RENEWAL

WEST VIRGINIA STATE POLICE

PSA-008 Renewal for 1 year consisting of 1,980 square feet of office space at the current annual per square foot rate of \$5.45, in the City of Clay, Clay County, West Virginia.

PSA-010 Renewal for 1 year consisting of 1,272 square feet of office space at the current annual per square foot rate of \$2.84, in the City of Richwood, Nicholas County, West Virginia.

PSA-061 Renewal for 5 years consisting of space for a communication radio antenna at the 300 foot level on a tower located in Rotary Park at the current monthly rate of \$175.00, in the City of Huntington, Cabell County, West Virginia.

PSA-118 Renewal for 1 year consisting of 2,400 square feet of office space at the current monthly rate of \$500.00, in the City of Wayne, Wayne County, West Virginia.

PSA-122 Renewal for 5 years consisting of 3,000 square feet of office/storage space at the current monthly rate of \$100.00, in the City of Lewisburg, Greenbrier County, West Virginia.

PSA-123 Renewal for 1 year consisting of 225 square feet of office/storage space at the current annual per square foot rate of \$16.00, full service, in the City of Morgantown, Monongalia County, West Virginia.

WEST VIRGINIA COMMISSION FOR NATIONAL AND COMMUNITY SERVICE

NCS-004 Renewal for 1 year consisting of 4,136 square feet of office space at the current annual per square foot rate of \$7.89, full service, in the City of Charleston, Kanawha County, West Virginia.

SMALL BUSINESS DEVELOPMENT CENTER

SBD-001 Renewal for 1 year consisting of office space at the current monthly rate of \$1,040.00, full service, no parking, in the City of Martinsburg, Berkeley County, West Virginia.

WORKFORCE WEST VIRGINIA

WWV-017 Renewal for 1 year consisting of 324 square feet of office space at the current annual per square foot rate of \$37.04, full service, in the City of Pt. Pleasant, Mason County, West Virginia.

STRAIGHT RENEWAL CONTINUED

WEST VIRGINIA CONSERVATION AGENCY

SCC-004 Renewal for month-to-month consisting of 303 square feet of office space at the current annual per square foot rate of \$7.85, full service, in the City of Gassaway, Braxton County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-043 Renewal on a month-to-month consisting of 541 square feet of office space at the current annual per square foot rate of \$7.85, full service, in the City of Gassaway, Braxton County, West Virginia.

STRAIGHT RENEWAL-DOA OWNED

OFFICES OF THE INSURANCE COMMISSIONER

INS-019 Renewal for 1 year consisting of 952 square feet of office space at the current annual per square foot rate of \$9.50, full service, in the City of Parkersburg, Wood County, West Virginia.

STATE TAX DEPARTMENT

TAX-010 Renewal for 1 year consisting of 3,506 square feet of office space at the current annual per square foot rate of \$14.75, full service without parking, in the City of Beckley, Raleigh County, West Virginia.

TAX-007 Renewal for 1 year consisting of 63,297 square feet of office space at the current annual per square foot rate of \$5.50, in the City of Charleston, Kanawha County, West Virginia.

PRISON INDUSTRIES

PRI-001 Renewal for 1 year consisting of 34,834 square feet of warehouse and office space at the current annual rate of \$1.00, parking, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ADMINISTRATION, FINANCE DIVISION

F&A-027 Renewal for 1 year consisting of 9,640 square feet of office space at the current annual per square foot rate of \$11.50, full service, in the City of Charleston, Kanawha County, West Virginia.

DECREASE IN SQUARE FOOTAGE – DOA OWNED

DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT

OES-015 Decrease in square footage from 9,000 square feet to 4,000 square feet of combined office and storage space at the current annual per square foot rate of \$4.89, in the City of Big Chimney, Kanawha County, West Virginia.

INCREASE IN SQUARE FOOTAGE

WORKFORCE WEST VIRGINIA

WWV-015 Increase in square footage from 5,609 square feet to 6,574 square feet of office space at the current annual per square foot rate of \$16.50, full service, in the City of Fairmont, Marion County, West Virginia.

HEALTH CARE AUTHORITY

HCA-001 Renewal for 1 year with an increase in square footage from 16,795 square feet to 18,400 square feet of office space at the current annual per square foot rate of \$11.38, full service, in the City of Charleston, Kanawha County, West Virginia.

Joint Committee on Government and Finance

July 2010

Department of Health and Human Resources

MEDICAID REPORT

April 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 84 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 APRIL 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month Apr-10	Current Month Apr-10	Year To-Date Thru 4/30/10	5/1/10 Thru 06/30/10
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	260,046,991	127,698,928	16,916,108	10,845,000	178,790,739	(51,101,813)
Inpatient Hospital - DSH	64,483,848	66,411,679	-	-	41,181,039	14,230,640
Inpatient Hospital - Supplemental Payments	-	114,140,000	5,301,926	5,302,000	21,207,700	62,932,300
Inpatient Hospital - (MHI) Payments	-	4,073,000	-	-	3,661,438	411,662
Mental Health Facilities	47,960,442	53,718,940	6,600,705	4,647,000	59,341,695	(3,622,755)
Mental Health Facilities - DSH Adjustment Payments	18,766,469	19,055,754	-	-	14,166,284	4,889,470
Nursing Facility Services - Regular Payments	484,023,240	491,237,898	41,561,036	40,930,000	394,488,152	86,741,744
Nursing Facility Services - Supplemental Payments	-	-	-	-	-	-
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,248,071	63,402,719	5,439,118	5,284,000	53,168,644	10,234,075
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	143,420,126	128,926,808	12,379,127	10,078,000	104,727,343	21,198,466
Physicians Services - Supplemental Payments ***	-	22,765,000	6,985,685	5,669,000	41,048,663	(18,291,663)
Outpatient Hospital Services - Regular Payments	120,824,371	118,161,684	6,599,441	6,664,000	79,390,731	38,601,233
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	341,993,682	397,593,429	33,397,666	30,576,000	279,332,304	68,261,126
Drug Rebate Offset - National Agreement	(130,651,220)	(126,794,604)	(29,055,887)	(10,568,000)	(135,646,604)	6,851,600
Drug Rebate Offset - State Sidebar Agreement	(30,810,728)	(30,333,652)	(6,289,452)	(2,628,000)	(21,295,246)	(9,038,407)
Dental Services	40,360,088	48,600,676	4,169,592	4,082,000	37,215,696	11,684,920
Other Practitioners Services - Regular Payments	22,381,163	7,816,662	1,177,107	698,000	10,020,953	(2,205,301)
Other Practitioners Services - Supplemental Payments ***	-	-	-	-	-	-
Clinic Services	39,888,489	14,837,994	321,773	1,247,000	3,926,240	10,912,744
Lab & Radiological Services	10,177,238	10,638,736	1,306,669	923,000	9,833,420	1,003,318
Home Health Services	32,681,694	35,899,618	3,761,466	3,036,000	33,136,376	2,851,141
Hysterectomies/Sterilizations	618,269	674,054	21,810	48,000	197,414	376,640
Pregnancy Terminations	-	-	-	-	-	-
EP&DT Services	2,247,631	2,569,669	140,327	217,000	1,836,936	1,062,734
Rural Health Clinic Services	7,793,506	8,537,239	731,669	716,000	7,034,448	1,602,792
Medicare Health Insurance Payments - Part A Premiums	14,821,458	19,088,439	1,433,602	1,591,000	14,336,468	4,752,971
Medicare Health Insurance Payments - Part B Premiums	70,371,344	77,246,842	6,887,268	6,424,000	62,356,920	14,887,922
120% - 134% Of Poverty	4,405,674	5,101,770	443,326	432,000	4,263,662	608,108
135% - 175% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	817,636	-	6,018,607	(8,018,607)
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	294,697,012	266,059,331	29,019,330	22,068,000	279,346,671	(14,287,639)
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	393,780	415,652	38,716	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	256,920,084	22,077,410	21,411,000	205,011,678	51,908,416
Home & Community-Based Services (Aged/Disabled)	80,034,343	89,794,000	8,841,278	7,483,000	78,622,442	11,271,658

MONTH OF April, 2010	ACTUALS	TOTAL	ACTUALS	ESTIMATED	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month Apr-10	Current Month Apr-10	Year To-Date Thru 4/30/10	6/1/10 Thru 06/30/10
EXPENDITURES:						
Home & Community-Based Services (State Plan 1915(f) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	37,876,888	42,577,777	3,781,120	3,650,000	34,474,202	8,103,575
Personal Care Services - 6DS 1915(f)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	0	-	-	-	0
Targeted Case Management Services - Institutional Transitioning	-	-	-	-	-	-
Targeted Case Management Services - State Wide	4,309,088	5,811,839	308,289	472,000	3,208,685	2,404,854
Primary Care Case Management Services	809,744	891,427	28,895	53,000	344,778	346,848
Hospice Benefits	14,499,070	15,246,730	1,838,318	1,271,000	14,128,697	1,118,033
Emergency Services Undocumented Aliens	59,318	-	12,384	-	135,240	(135,240)
Federally Qualified Health Center	18,781,840	20,206,125	1,489,632	1,693,000	18,481,841	4,784,484
Non-Emergency Medical Transportation	-	4,602,000	1,880,882	375,000	6,701,948	(1,189,048)
Physical Therapy	-	2,078,000	191,170	173,000	1,647,177	828,823
Occupational Therapy	-	858,000	18,060	68,000	170,780	485,250
Services for Speech, Hearing & Language	-	504,000	21,358	42,000	244,182	259,808
Prosthetic Devices, Dentures, Eyeglasses	-	680,000	170,803	67,000	1,602,881	(922,681)
Diagnostic Screening & Preventive Services	-	40,890	40,890	-	302,378	(302,378)
Nurse Mid-Wife	-	-	27,819	-	300,043	(300,043)
Emergency Hospital Services	-	-	894,840	-	7,849,809	(7,849,809)
Critical Access Hospitals	-	5,507,000	2,816,118	459,000	22,359,180	(16,852,180)
Nurse Practitioner Services	-	1,550,000	123,850	129,000	898,714	853,266
School Based Services	-	44,095,000	6,885,201	3,874,000	43,828,139	669,881
Rehabilitative Services (Non-School Based)	-	84,792,000	8,565,668	8,399,000	62,269,819	2,622,481
Private Duty Nursing	-	3,119,000	332,826	280,000	2,878,815	442,185
Other Care Services	128,180,532	51,022,801	1,858,232	4,362,000	30,313,158	20,709,442
Less: Recoupments	-	-	(119,056)	-	(119,056)	119,056
NET EXPENDITURES:	2,410,186,304	2,814,532,515	212,049,857	202,682,000	2,113,911,052	400,621,454
Collections: Third Party Liability (line 9A on CMS-84)	(6,038,342)	-	-	-	(5,207,838)	5,207,838
Collections: Probate (line 9B on CMS-84)	(122,220)	-	-	-	(148,347)	148,347
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-84)	(13,789)	-	-	-	(1,188)	1,188
Collections: Other (line 9D on CMS-84)	(5,809,009)	-	-	-	(2,641,676)	2,641,676
NET EXPENDITURES and CMS-84 ADJUSTMENTS:	2,388,512,864	2,814,532,515	212,049,857	202,682,000	2,108,916,013	408,617,603
Plus: Medicaid Part D Expenditures	27,747,882	31,899,237	-	3,079,850	23,838,617	8,062,420
Plus: State Only Medicaid Expenditures ***	4,683,431	3,846,891	835,185	381,634	5,268,257	(1,421,397)
TOTAL MEDICAID EXPENDITURES	2,430,844,047	\$2,850,378,643	\$212,885,011	206,120,784	\$2,138,120,886	\$415,258,626
Plus: Reimbursables (1)	4,329,862	4,787,584	584,178	419,581	4,636,439	152,125
TOTAL EXPENDITURES	\$2,435,173,930	\$2,855,166,207	\$213,469,181	206,540,365	\$2,139,755,525	\$415,410,681

(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-84. 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

10 Months Actuals 2 Months Remaining

MONTH OF APRIL 2010

	ACTUALS SFY2009	ACTUALS Current Month Ended 4/30/10	ACTUALS Year-To-Date Thru 4/30/10	PROJECTED 6/1/2010 Thru 6/30/10	TOTAL SFY2010
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	34,833,055	142,218,083	\$116,583,948		\$116,583,948
MATCHING FUNDS					
General Revenue (0403/188)	393,705,687	30,892,934	190,559,337	78,786,231	267,315,568
MRDD Waiver (0403/468)	-	8,838,883	62,875,717	17,877,786	80,353,483
Rural Hospitals Under 150 Beds (0403/840)	2,699,000	218,334	2,183,334	432,666	2,698,000
Tertiary Funding (0403/547)	4,858,000	528,867	5,286,867	1,059,333	6,356,000
Lottery Waiver (Less 550,000) (5408/839)	23,272,578	900,000	22,772,578	500,000	23,272,578
Lottery Transfer (5408/871)	10,300,000		7,500,000	1,170,000	8,670,000
Trust Fund Appropriation (6185/189)	19,784,219		0	30,558,594	30,558,594
Provider Tax (5090/189)	165,400,000	12,895,673	131,359,320	33,298,970	164,668,290
Certified Match	19,399,722	1,568,737	11,573,388	4,256,864	15,830,340
Reimbursables - Amount Reimbursed	4,348,906	787,949	4,387,951	419,613	4,787,564
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	428,344	51,232	(581,517)	581,517	0
CMS - 84 Adjustments	1,098,880		(210,128)	210,128	0
TOTAL MATCHING FUNDS	680,123,202	\$188,899,492	\$554,080,593	\$168,899,772	\$720,980,366
FEDERAL FUNDS	1,874,488,691	175,431,040	1,747,585,008	\$342,206,962	\$2,089,791,970
TOTAL REVENUE SOURCES	2,554,812,893	\$374,130,532	\$2,301,665,601	\$509,108,734	\$2,810,772,335
TOTAL EXPENDITURES:					
Provider Payments	2,435,173,830	\$213,489,191	2,138,758,526	\$416,410,681	\$2,555,168,207
TOTAL	118,438,964	\$160,681,341	\$161,910,076	\$255,608,128

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.



West Virginia Investment Management Board

Monthly Performance Report

May 31, 2010

STRATEGIC INVESTMENT SOLUTIONS, INC.

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 May 31, 2010

	6/30/2009		5/31/2010		Performance %						
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
WVIMB Fund Assets	9,178,609	100.0	10,657,929	100.0							
Pension Assets	7,342,235	80.0	8,468,637	79.5							
Public Employees' Retirement System	3,243,754	35.3	3,721,148	34.9	-4.7	0.4	17.1	18.2	-2.9	3.8	4.7
Teachers' Retirement System	3,513,001	38.3	4,031,924	37.8	-4.7	0.4	16.3	17.3	-3.7	3.3	4.4
Teachers' Employers' Conf. Collection A/C	6	0.0	43,014	0.4	0.0	0.0	0.1	0.1	1.9		
EMS Retirement System	15,870	0.2	23,312	0.2	-4.9	0.4	16.9	18.0			
Public Safety Retirement System	362,924		400,411				17.1	18.2	-3.1	3.7	4.8
Judges' Retirement System	88,310	1.0	104,022	1.0	-4.7	0.5	17.1	18.2	-3.0	3.7	4.7
State Police Retirement System	40,321	0.4	52,485	0.5	-4.7		17.0				4.8
Deputy Sheriffs' Retirement System	77,050	0.8	92,321	0.9	-4.7	0.5	17.0	18.2	-3.0	3.8	4.8
Municipal Police & Firefighter Retirement System											
Insurance Assets	1,331,404	14.5	1,619,987	15.2							
Workers' Compensation Old Fund	670,648	7.3	878,292	8.2	-1.3	1.2	14.0	15.3	0.4		
Workers' Comp. Self-Insured Guaranty Risk Pool	6,794	0.1	8,045	0.1	0.0	0.0	0.1	0.1	2.0		
Workers' Comp. Uninsured Employers Fund	8,537		8,822				0.1				
Pneumoconiosis	224,354	2.4	244,776	2.3	-2.3	1.0	13.4	14.8	1.4		
Board of Risk & Insurance Mgmt.	105,461	1.1	120,000	1.1	-2.3	1.0	14.0	15.5	2.8	5.0	
Public Employees' Insurance Agency	115,072	1.3	130,719	1.2	-1.9	1.2	13.6	15.2	2.3		
WV Retiree Health Benefit Trust Fund	200,538	2.2	227,174		-0.8	1.6	13.3	15.0			
AccessWV			1,974	0.0	-5.8						
Endowment Assets	504,970	5.5	569,305	5.3							
Wildlife Fund	30,069	0.3	35,161	0.3	-4.7	0.4	17.0	18.1	-3.9	3.7	5.7
Prepaid Tuition Trust	73,291	0.8	78,210	0.7	-4.2	0.4	18.6	19.8	-1.6	4.6	5.3
Revenue Shortfall Reserve Fund	163,763		176,871				17.3	18.3			
Revenue Shortfall Reserve Fund - Part B	237,835	2.6	279,073	2.6	-3.1	0.8	16.7	17.7	-3.9		

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of May 31, 2010

	Asset (\$000)	%	Performance %						
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Investment Pools Composite	10,662,989	100.00							
Total Equity Composite	4,440,590	41.64	-8.75	-1.71	20.47	21.00	-8.39	2.68	2.80
<i>Total Equity Policy Index</i>			-9.16	-2.53	17.48	17.05	-9.71	1.46	1.62
Excess Return			0.41	0.82	2.99	3.95	1.32	1.22	1.18
US Equity Composite	2,213,862	20.76	-7.67	0.16	22.63	23.50	-8.80	0.83	1.75
<i>Russell 3000 Index</i>			-7.90	0.02	22.78	23.20	-8.24	0.84	-0.04
Excess Return			0.23	0.14	-0.15	0.30	-0.56	-0.01	1.79
Large Cap Composite	1,833,223	17.19	-7.72	-0.32	21.27	22.25	-8.73	0.28	-0.96
<i>S&P 500 Index</i>			-7.99	-0.89	20.75	20.99	-8.69	0.31	-0.81
Excess Return			0.27	0.57	0.52	1.26	-0.04	-0.03	-0.15
Non-Large Cap Composite	380,639	3.57	-7.38	2.63	30.08	30.30	-7.71	2.42	6.79
<i>Russell 2500 Index</i>			-7.45	4.35	33.56	35.07	-6.25	3.14	5.60
Excess Return			0.07	-1.72	-3.48	-4.77	-1.46	-0.72	1.19
International Equity Composite	2,226,728	20.88	-9.81	-3.53	17.82	18.05	-7.84	6.13	4.74
<i>MSCI AC World ex US Index</i>			-10.41	-5.05	12.29	11.09	-9.64	4.49	2.85
Excess Return			0.60	1.52	5.53	6.96	1.80	1.64	1.89
Fixed Income Composite	3,270,146	30.67	-0.42	1.75	13.73	15.79	5.03	4.90	7.06
<i>Fixed Income Policy</i>			0.45	1.70	8.91	9.74	6.94	5.36	6.54
Excess Return			-0.87	0.05	4.82	6.05	-1.91	-0.46	0.52
Core Fixed Income	1,524,923	14.30	1.02	2.05	9.14	9.70			
<i>Barclays Capital Aggregate</i>			0.84	1.77	7.81	8.42			
Excess Return			0.18	0.28	1.33	1.28			
Total Return Fixed Income	1,745,223	16.37	-1.64	1.48	15.70	18.06	5.59	5.77	7.78
<i>Barclays Capital US Universal</i>			0.45	1.70	8.91	9.74	6.52	5.38	6.65
Excess Return			-2.09	-0.22	6.79	8.32	-0.93	0.39	1.13
TRS Annuity	151,878	1.42	0.37	1.12	4.12	4.50			
Cash Composite	271,147	2.54	0.01	0.03	0.12	0.14	1.94	3.05	2.87
<i>Citigroup 90 Day T-Bill + 15 bps</i>			0.03	0.07	0.28	0.31	1.85	2.96	2.89
Excess Return			-0.02	-0.04	-0.16	-0.17	0.09	0.09	-0.02
Private Equity Composite	881,616	8.27	0.34	6.04	17.44	17.88			
Real Estate Composite	489,076	4.59	-0.27	2.26	4.32	4.17			
Hedge Funds Composite	1,158,536	10.87	-1.39	1.53	10.68	12.51			

West Virginia Investment Management Board
Participant Plans Allocation vs. Targets
 As of May 31, 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 %

Pension Assets

Public Employees' Retirement System	24.4	25.0	24.8	25.0	24.2	24.0	10.3	10.0	5.8	6.0	10.2	10.0	0.3	0.0
Teachers' Retirement System	24.3	25.0	24.5	25.0	22.0	24.0	10.4	10.0	5.8	6.0	10.2	10.0	2.0	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	10.0	10.0
EMS Retirement System	24.7	25.0	25.2	25.0	21.8	24.0	10.8	10.0	5.9	6.0	10.5	10.0	1.3	0.0
Public Safety Retirement System	24.1	25.0	24.8	25.0	24.0	24.0	10.0	10.0	5.8	6.0	10.2	10.0	0.0	0.0
Judges' Retirement System	24.1	25.0	24.5	25.0	24.6	24.0	10.5	10.0	5.8	6.0	10.2	10.0	0.3	0.0
State Police Retirement System	23.8	25.0	24.2	25.0	24.8	24.0	10.4	10.0	5.8	6.0	10.2	10.0	0.0	0.0
Deputy Sheriffs' Retirement System	23.0	25.0	24.4	25.0	24.8	24.0	10.5	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 Obl. Fund	4.6	5.0	4.7	5.0	64.3	60.0	0.0	0.0	0.0	0.0	14.7	0.0	11.7	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	9.5	10.0	9.8	10.0	55.8	55.0	0.0	0.0	0.0	0.0	20.1	20.0	4.7	5.0
Board of Risk & Insurance Mgmt.	9.6	10.0	9.8	10.0	60.7	60.0	0.0	0.0	0.0	0.0	20.1	20.0	0.6	0.0
Public Employees' Insurance Agency	7.1	7.5	7.3	7.5	65.6	65.0	0.0	0.0	0.0	0.0	20.0	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	2.3	0.0	0.0	2.5	95.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
AccessWV	21.7	25.0	39.3	25.0	39.1	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Endowment Assets

Widlife Fund	24.0	25.0	24.8	25.0	24.6	24.0	10.3	10.0	5.8	6.0	10.2	10.0	0.2	0.0
Prepaid Tuition Trust	34.5	35.0	18.5	19.3	45.7	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	85.1	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund - Part B	14.2	15.0	14.0	15.0	55.9	70.0	0.0	0.0	0.0	0.0	14.8	0.0	0.6	0.0

Statutory Limitations

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

West Virginia Investment Management Board

Footnotes

As of May 31, 2010

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.



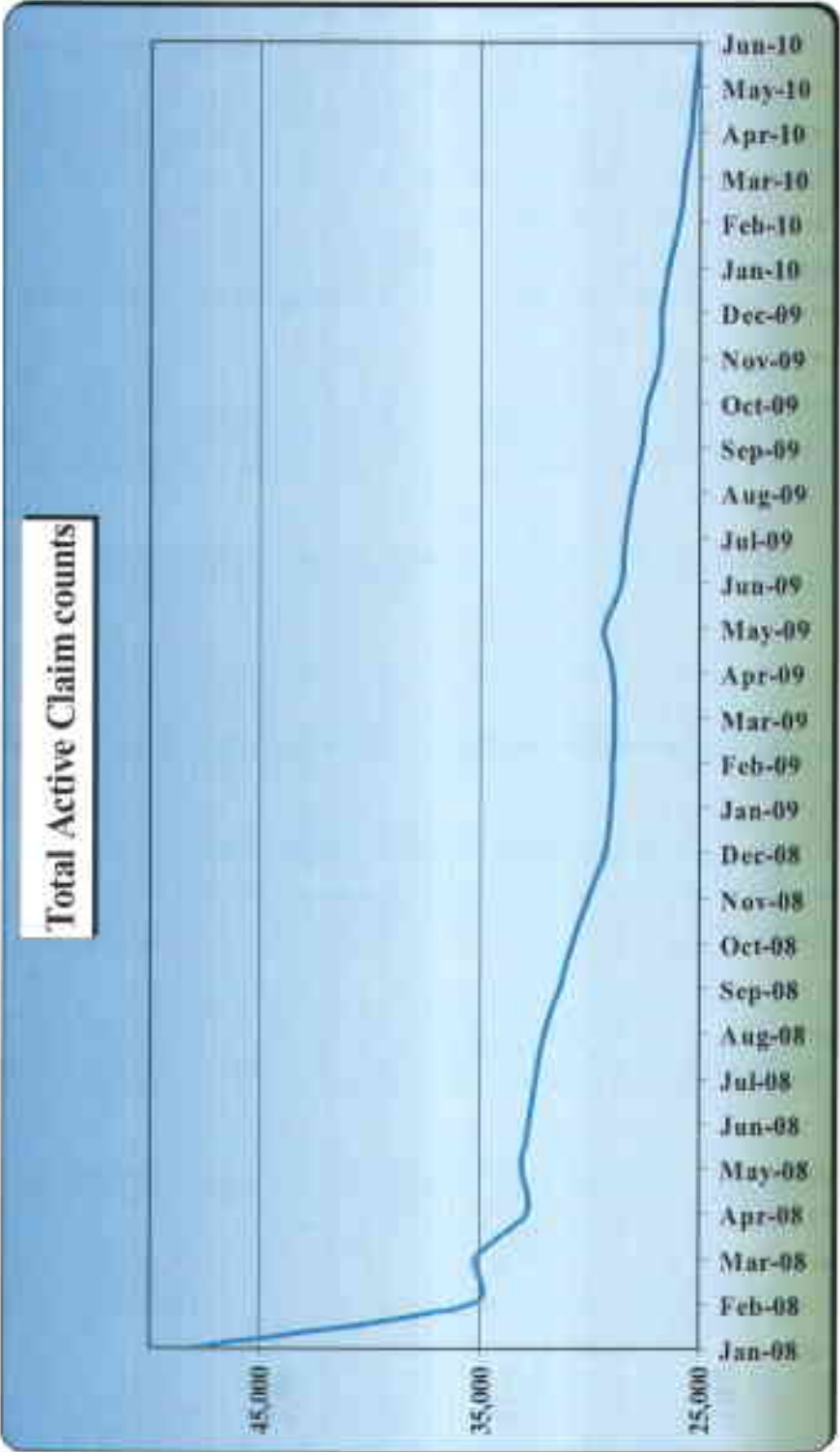
Status Report Workers' Compensation

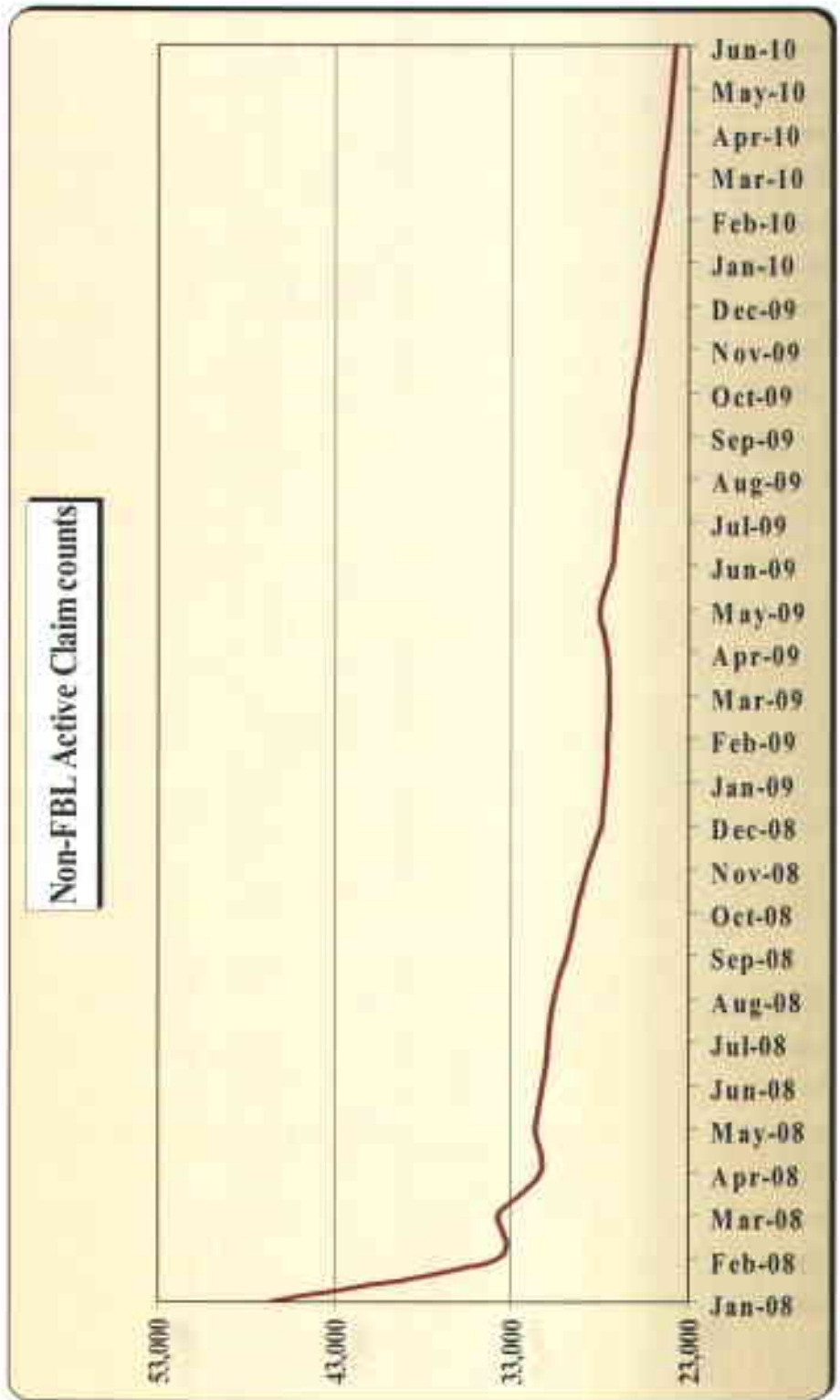
Joint Committee on
Government & Finance

7/14/10

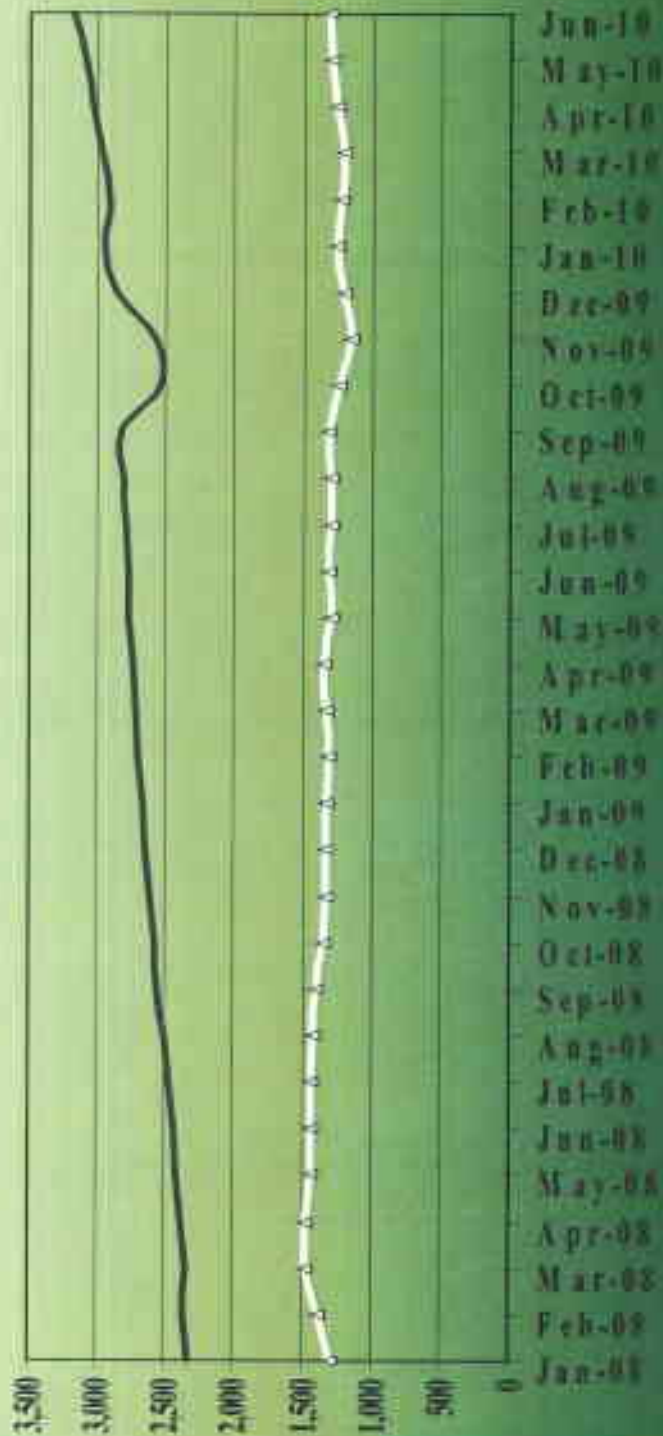
Provided by the West Virginia Offices of the Insurance Commissioner





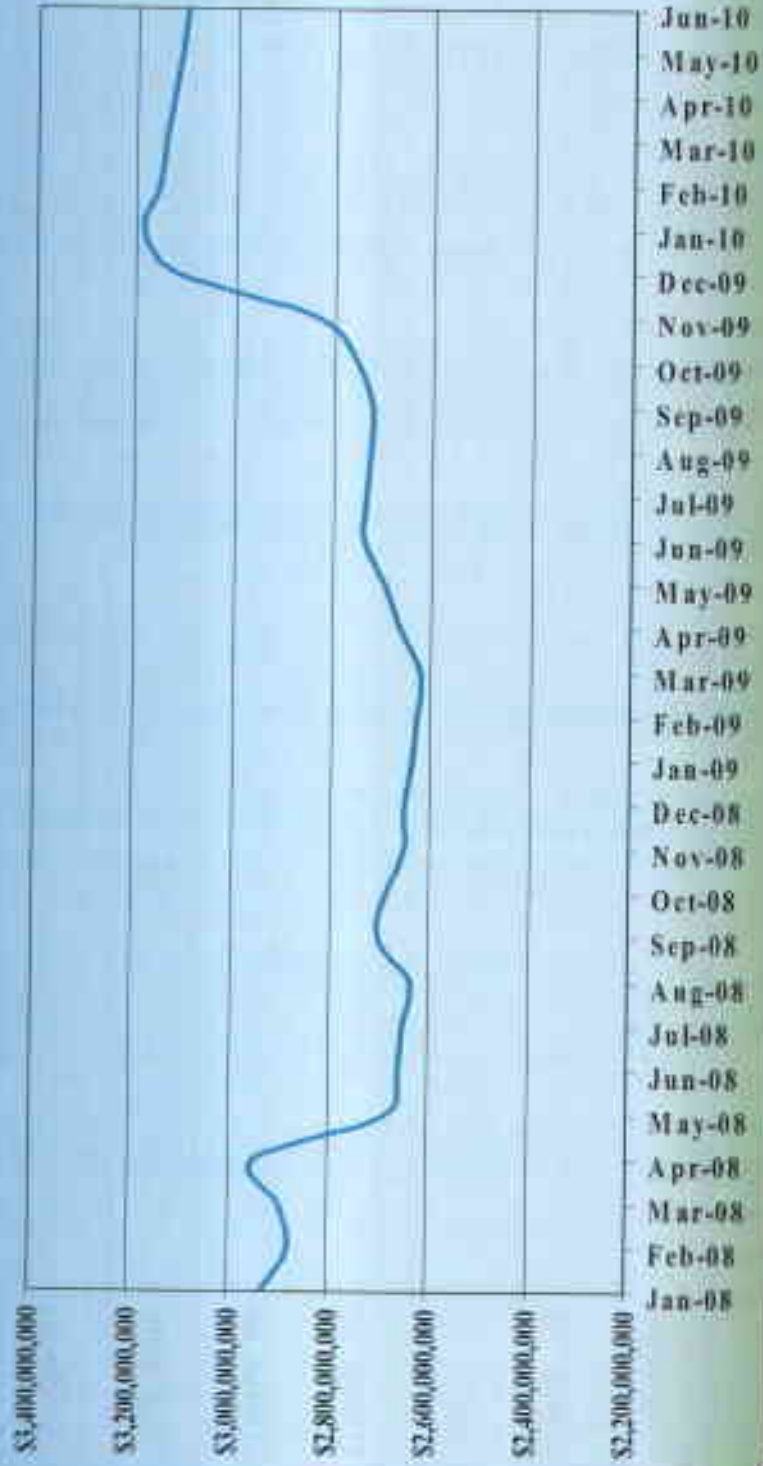


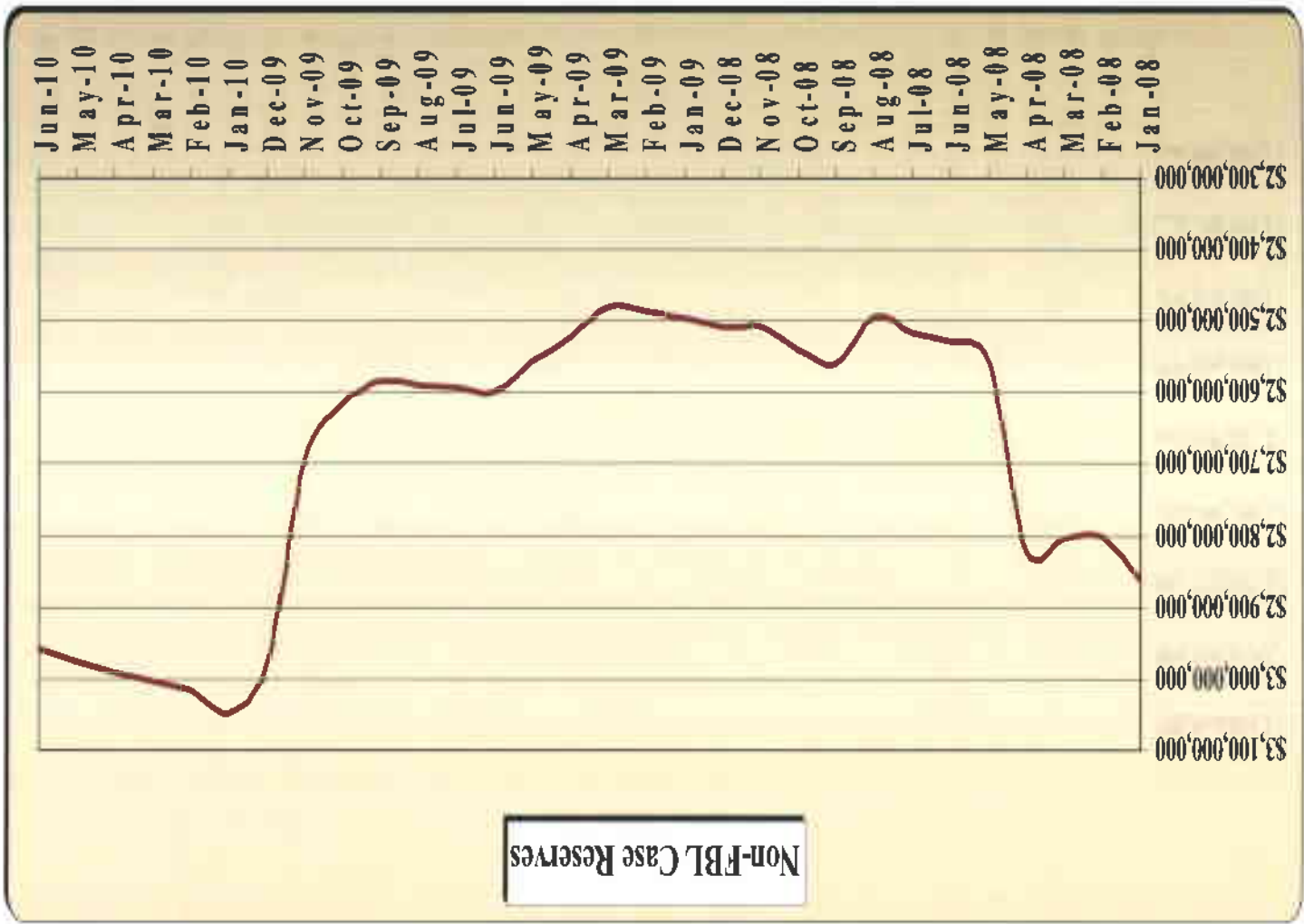
FBL Active Claim counts

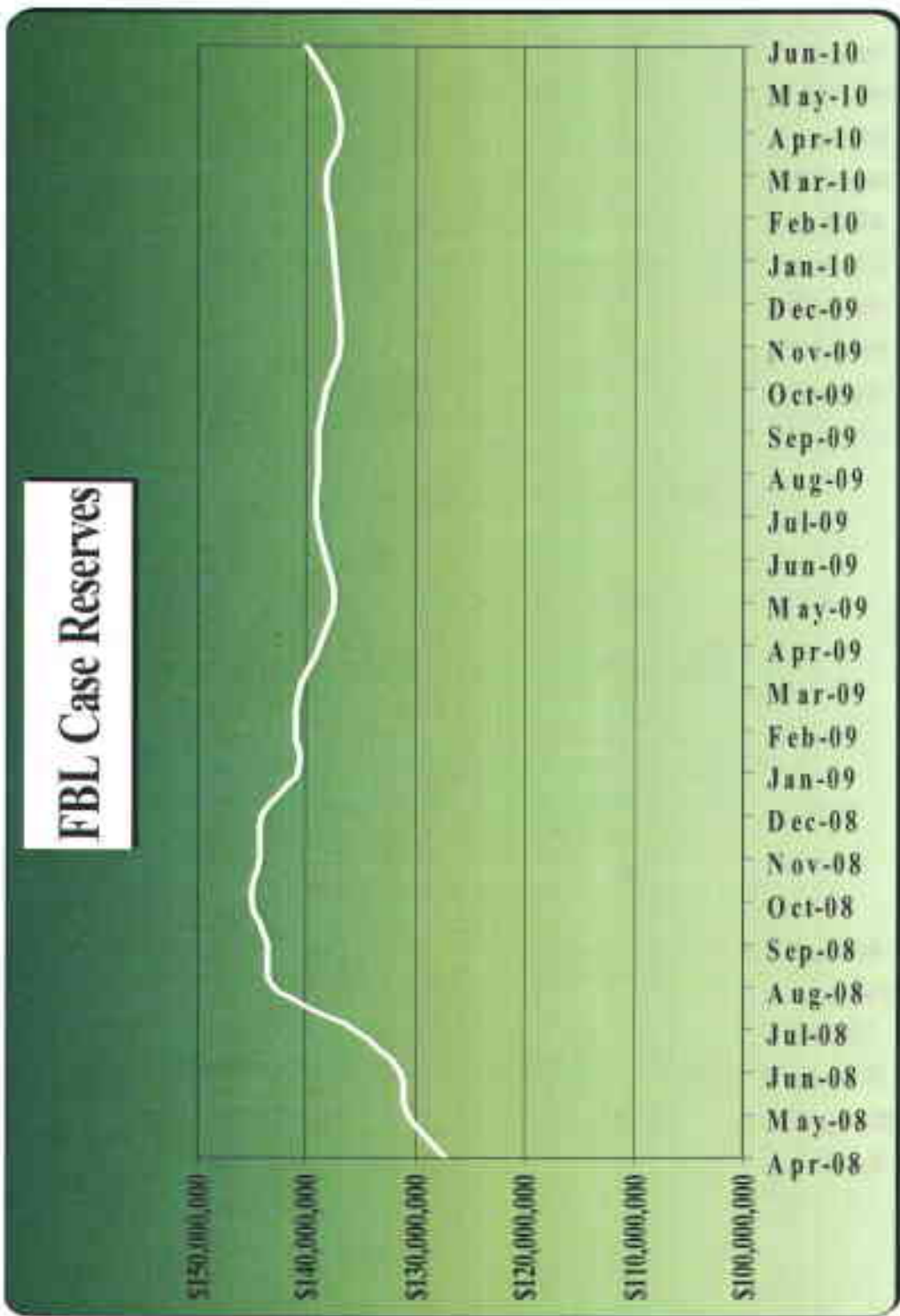


o Active FBL Claims — Total FBL Claims

Total Case Reserves







6/30/2010

	Sedgwick	Wells Fargo	American Mining	Totals
Total Claims	19,837	2,373	2,814	25,024
Non-FBL	19,837	2,239	1,634	23,710
FBL	0	134	1,180	1,314

FBL	
Inactive	All Total
1,808	3,122

	Sedgwick	Wells Fargo	American Mining	Totals
Total Reserves	\$2,526,321,863	\$277,017,237	\$296,008,546	\$3,099,347,646
Non-FBL Reserves	\$2,526,321,863	\$244,558,511	\$188,350,326	\$2,959,230,701
FBL Reserves	\$0	\$32,458,725	\$107,658,220	\$140,116,945

Prior Month	
Total	Change
\$3,116,371,703	-0.5%
\$2,978,638,044	-0.7%
\$137,733,659	1.7%

	Sedgwick	Wells Fargo	American Mining	Totals
Med Only	1,623	5	405	2,033
PTD	7,080	590	350	8,020
PPD	5,514	1,013	669	7,196
TTD	1,055	1	26	1,082
TPD	1	0	0	1
Settlement (payments)	0	14	13	27
Fatal	1,632	492	171	2,295
Partial Awd	13	124	0	137
OP/OD	2,919	2,042	963	2,919
Total NonFBL	19,837	2,239	1,634	23,710
Total FBL	0	134	1,180	1,314
Total	19,837	2,373	2,814	25,024

Prior Month	
Total	Change
2,046	-0.6%
8,066	-0.6%
7,360	-2.3%
1,090	-0.7%
1	0.0%
25	7.4%
2,303	-0.3%
121	11.7%
2,941	-0.8%
23,953	-1.0%
1,290	1.8%
25,243	-0.9%

WEST VIRGINIA
OFFICES OF THE INSURANCE COMMISSIONER
SCHEDULE OF NET ASSETS
Workers' Compensation Old Fund - Debt Reduction
(In Thousands)
June FY2010

	June 30, 2009	June 30, 2010	Change
Assets:			
Cash and Cash Equivalents	800,819	888,536	87,717
Receivables, Net:	<u>63,343</u>	<u>19,843</u>	<u>(43,500)</u>
Total Assets	<u>864,162</u>	<u>908,379</u>	<u>44,217</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,163,500	1,983,608	(179,892)
Other Liabilities	<u>244</u>	<u>244</u>	<u>0</u>
Total Liabilities	<u>2,163,744</u>	<u>1,983,852</u>	<u>(179,892)</u>
Net Assets:			
Unrestricted	<u>(1,299,582)</u>	<u>(1,075,473)</u>	<u>224,109</u>
Total Net Assets	<u>(1,299,582)</u>	<u>(1,075,473)</u>	<u>224,109</u>

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

Old Fund Liability Estimate

	FY2010	June
Undiscounted Beginning Reserve Amount		3,117,611,609
Claim Payments		26,966,485
Undiscounted Ending Reserve Amount		3,090,645,124
Estimated Ending Reserve Amount - Discounted at 5%		1,983,608,152

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 \$26,966,485 for June 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

	thru June 2009						
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	Y-T-D FY2010	Y-T-D FY2009	Change
Revenues							
Personal Income Tax	-	31,800,000	31,800,000	31,800,000	95,400,000	95,400,000	-
Severance Tax	19,566,893	25,804,529	23,549,257	22,662,628	91,673,307	125,672,963	(34,099,656)
Debt Reduction Surcharge	7,949,567	10,748,646	10,314,656	10,581,253	39,594,122	40,118,329	(521,207)
Self-Insured Debt Reduction Surcharge	1,335,879	1,822,841	2,019,768	1,383,562	6,662,051	6,568,235	(6,184)
Video Lottery	11,000,000	-	-	-	11,000,000	11,000,000	-
Employer Premium	572,113	639,559	238,481	333,686	1,783,840	2,945,070	(1,161,230)
Other Income - Return of Unclaimed Property	-	31,194	49	64,378	95,620	39,392	56,228
Total Revenues	40,414,462	70,846,769	67,922,211	66,825,508	248,008,940	281,740,989	(35,732,049)
Surplus Note Principal Payments	43,500,000	-	-	-	43,500,000	145,000,000	(101,500,000)
Investment / Interest Earnings (Losses)	52,210,253	28,292,679	11,717,661	9,998,105	102,218,697	(94,861,549)	197,080,246
Expenditures							
Public Employees Insurance	7,937	23,558	20,544	23,790	75,829	105,117	(29,287)
Payment of Claims*	65,253,474	65,309,583	67,920,202	80,481,865	278,965,124	251,860,952	27,104,172
Contractual/Professional	5,065,476	5,110,419	4,659,889	5,184,918	20,020,702	20,185,265	(164,562)
Total Expenditures	70,326,887	70,443,560	72,600,634	85,690,574	299,061,656	272,161,333	26,910,322
Excess (Deficiency) of Revenues over Expenditures	66,797,818	28,695,987	7,039,237	(8,866,961)	92,665,981	69,728,107	32,937,875
Cash Beginning Balances	795,869,972	861,667,790	890,363,678	897,402,915	795,869,972		
Cash Ending Balances	861,667,790	890,363,678	897,402,915	888,535,954	888,535,954		

* Payments coded as settlements of \$33,198,771 are included. Of the \$33 million settlement payments made during FY2010, \$17.6 million were paid during the 4th Quarter.

Old Fund / Debt Reduction

YEAR TO DATE

	FY2010	FY2009	Change	FY2009 Annual
Revenues				
Personal Income Tax	96,400,000	95,400,000	-	96,400,000
Severance Tax	91,573,307	125,672,963	(34,099,656)	125,672,963
Debt Reduction Surcharge	39,594,122	40,115,329	(521,207)	40,115,329
Self-Insured Debt Reduction Surcharge	6,562,051	6,568,235	(6,184)	6,568,235
Video Lottery	11,000,000	11,000,000	-	11,000,000
Employer Premium	1,783,840	2,945,070	(1,161,230)	2,945,070
Other Income - Return of Unclaimed Property	95,620	39,392	56,228	39,392
Total Revenues	246,008,940	281,740,989	(35,732,049)	281,740,989
Surplus Note Principal Payments	43,500,000	145,000,000	(101,500,000)	145,000,000
Investment / Interest Earnings (Losses)	102,218,697	(94,861,549)	197,080,246	(94,861,549)
Expenditures				
Public Employees Insurance	75,829	105,117	(29,287)	105,117
Payment of Claims	278,965,124	251,860,952	27,104,172	251,860,952
Contractual/Professional	20,020,702	20,185,265	(164,562)	20,185,265
Total Expenditures	299,061,656	272,151,333	26,910,322	272,151,333
Excess (Deficiency) of Revenues over Expenditures	92,665,981	59,728,107	32,937,875	59,728,107
Cash Beginning Balances	795,869,972	736,141,865	59,728,107	736,141,865
Cash Ending Balances	888,535,954	795,869,972	92,665,982	795,869,972

**Workers' Compensation Old Fund Balances
Cash Basis**

June 2010 Report

	Calendar Year 2008	Calendar Year 2009	Calendar Year 2010
Revenue			
Statutory Transfers	\$ 287,088,650	\$ 406,717,692	\$ 137,930,649
Collections	3,265,870	2,022,724	572,167
Investment Income	(168,342,828)	50,266,163	21,715,765
Total Revenue	\$122,011,692	\$ 559,006,579	\$ 160,218,582
Expenditures			
Claim Payments	\$ (249,839,063)	\$ (255,063,549)	\$ (148,402,067)
Administrative/Other Expense	\$ (23,576,238)	\$ (20,357,232)	\$ 9,889,141)
Total Expenditures	\$ (273,415,301)	\$ (275,420,781)	\$ 158,291,208)
Payments on Surplus Note	102,782,602	130,593,151	-
Invested Balance with WVMB at year end	591,375,200	799,903,742	884,254,114
Invested Balance with BTI at year end	-	85,558,628	3,142,514

Workers' Compensation Old Fund Benefit Payments

June Report

	7/1/07 : 6/30/08 12 month period	7/1/08 : 6/30/09 12 month period	7/1/09 : 6/30/10 Current 12 month period
Claims benefits paid:*			
Medical	4,216,466.10	4,296,649.61	4,817,950.99
Permanent Total Disability	12,705,096.33	12,512,742.53	12,732,420.88
Permanent Partial Disability	1,251,457.90	680,987.68	407,527.16
Temporary Total Disability	274,448.93	169,475.85	110,200.26
Settlement Agreements	371,246.66	268,303.45	2,012,127.91
Fatals	2,831,376.60	2,711,468.71	2,901,851.82
104 weeks	435,527.13	551,281.78	532,884.83
Loss Adjustment Expense	-		371,134.56
Total	22,085,619.64	21,190,909.62	23,886,098.51
Claims credits and overpayments	(369,925.10)	(217,740.97)	(360,653.91)
Total claims paid	21,715,694.54	20,973,168.65	23,525,444.60

*Beginning April, 2010, the OIC is making efforts to isolate expense data as a separate component from medical. Future monthly reports may contain additional information regarding settlement activity.

Coal Workers Fund

	Thru June 09						
	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2010	YTD FY 2009	Change
Revenues							
Investment Earnings (Losses)	16,196,622	9,993,366	3,681,189	2,352,970	32,224,147	(28,434,390)	60,668,637
Other Income - Return of Unclaimed Property	-	-	-	898	898	132	767
Total Revenues	16,196,622	9,993,366	3,681,189	2,353,869	32,225,046	(28,434,259)	60,659,304
Expenditures							
Payment of Claims	2,468,123	2,607,548	2,543,941	2,358,509	9,978,121	11,396,319	(1,417,198)
Contractual / Professional	15,011	20,036	-	3,478	38,524	(359)	38,883
Total Expenditures	2,483,133	2,627,583	2,543,941	2,361,987	10,016,645	11,394,960	(1,378,315)
Excess (Deficiency) of Revenues over Expenditures	13,713,489	7,365,782	1,137,248	(8,119)	22,208,401	(39,829,218)	62,037,619
Cash Beginning Balances	221,866,212	235,579,701	242,945,483	244,082,731	221,866,212		
Cash Ending Balances	236,579,701	242,945,483	244,082,731	244,074,613	244,074,613		

Self Insured Fund

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2010	Thru June 09 YTD FY 2009	Change
Revenues							
Guaranty Risk Pool Assessments	281,149	428,666	328,505	418,407	1,456,727	1,767,189	(310,462)
Investment Earnings (Losses)	3,510	2,240	1,345	2,142	9,237	68,517	(59,280)
Total Revenues	284,660	430,906	329,850	420,548	1,465,964	1,835,706	(369,742)
Expenditures							
Payment of Claims	6,352	8,441	77,617	12,410	104,821	44,376	60,445
Contractual / Professional	5,672	26,623	11,705	492	44,493	-	44,493
Total Expenditures	12,024	35,065	89,322	12,902	149,313	44,376	104,937
Excess (Deficiency) of Revenues over Expenditures	272,635	395,842	240,527	407,647	1,316,651	1,791,331	(474,680)
Cash Beginning Balances	6,969,308	7,241,943	7,637,784	7,878,312	6,969,308		
Cash Ending Balances	7,241,943	7,637,784	7,878,312	8,285,959	8,285,959		

UNINSURED

thru June
09

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	YTD FY 2010	YTD FY 2009	Change
Revenues							
Fines and Penalties	253,742	219,373	169,797	249,893	892,806	977,167	(84,361)
Investment Earnings (Losses)	4,325	2,672	1,532	2,394	10,923	100,906	(89,984)
Total Revenues	258,068	222,045	171,329	252,287	903,729	1,078,074	(174,345)
Expenditures							
Payment of Claims	93,185	154,467	166,945	163,221	577,819	654,031	(76,212)
Contractual/Professional	3,137	5,031	403	164	8,735	-	8,735
Total Expenditures	96,322	159,498	167,348	163,385	586,554	654,031	(67,477)
Excess (Deficiency) of Revenues over Expenditures	161,745	62,547	3,981	88,902	317,176	424,043	(106,867)
Cash Beginning Balances	8,588,268	8,750,013	8,812,561	8,816,542	8,588,268		
Cash Ending Balances	8,750,013	8,812,561	8,816,542	8,905,444	8,905,444		

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

July 6, 2010

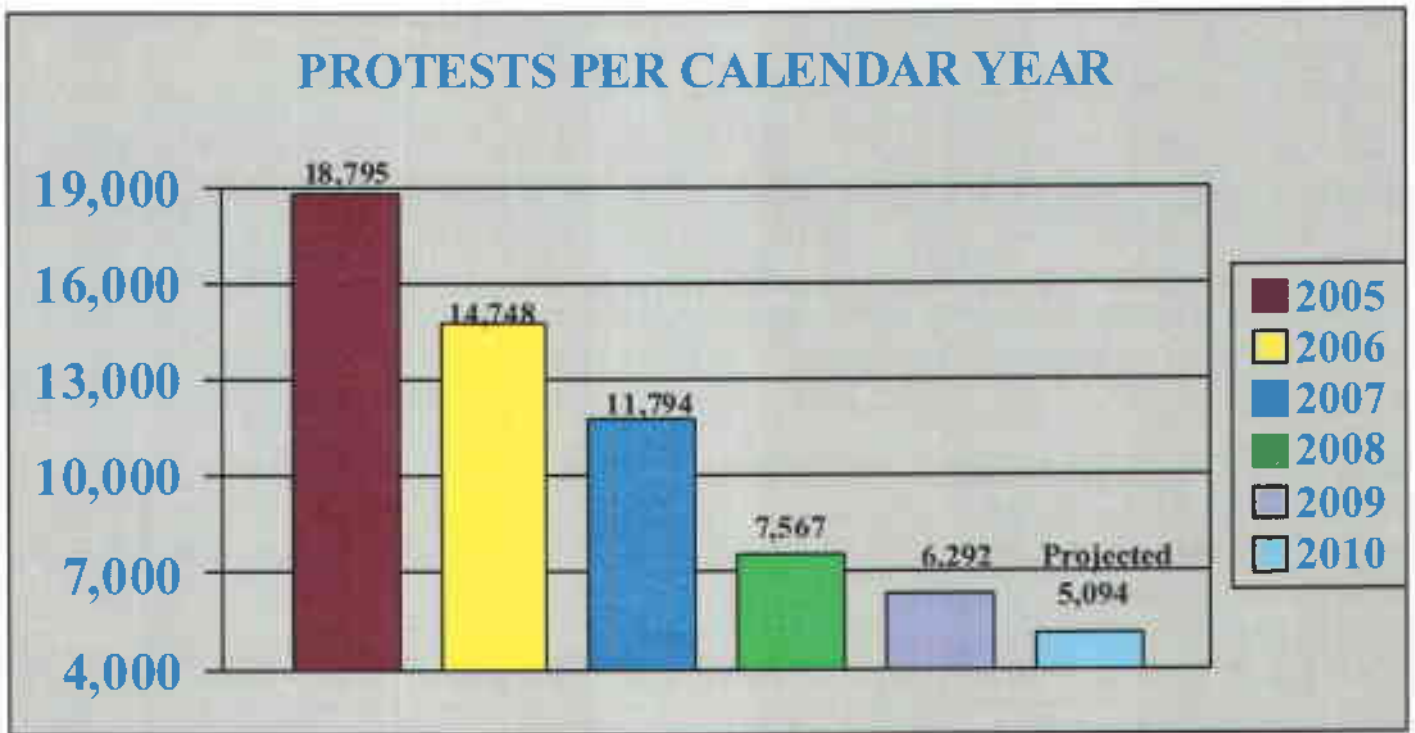
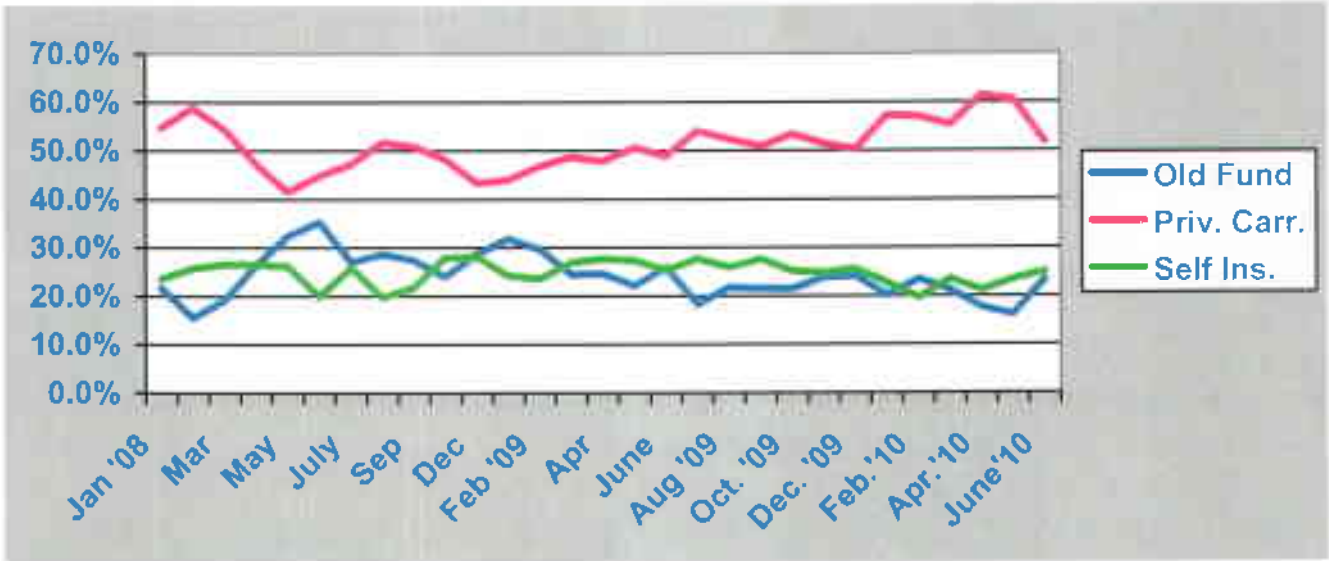
Statistical Analysis

2009 June 2010

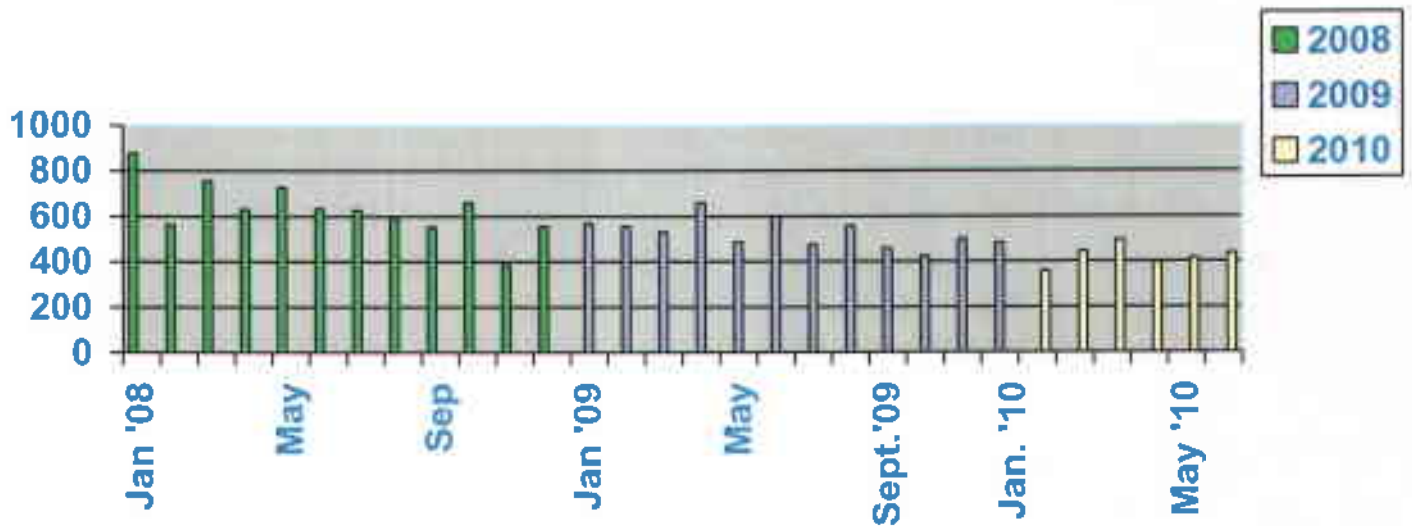
A. *Protests Acknowledged:* 6292 437 2547

Fund Involved:

FUND	2009	% of protests	June '10	% of protests	2010	% of protests
Old Fund	1277	24.13%	102	23.34%	520	20.42%
Priv. Carrier	2661	50.28%	226	51.72%	1453	57.05%
Self-Insured	1354	25.59%	109	24.94%	574	22.53%
Subtotal	5292		437		2547	
Temporary	1000		76		486	
Total	6292		513		3033	



PROTESTS BY MONTH

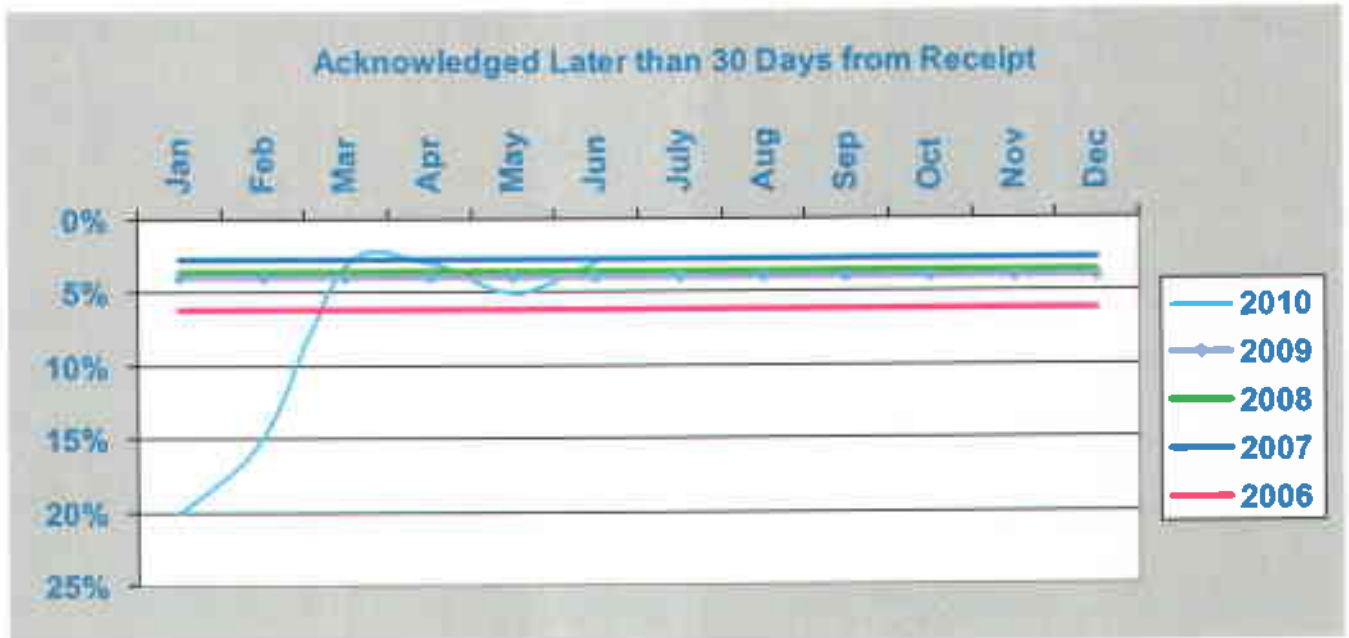


B. Issues Resolved: 2009 June 2010
5680 459 2809

C. Pending Caseload Report

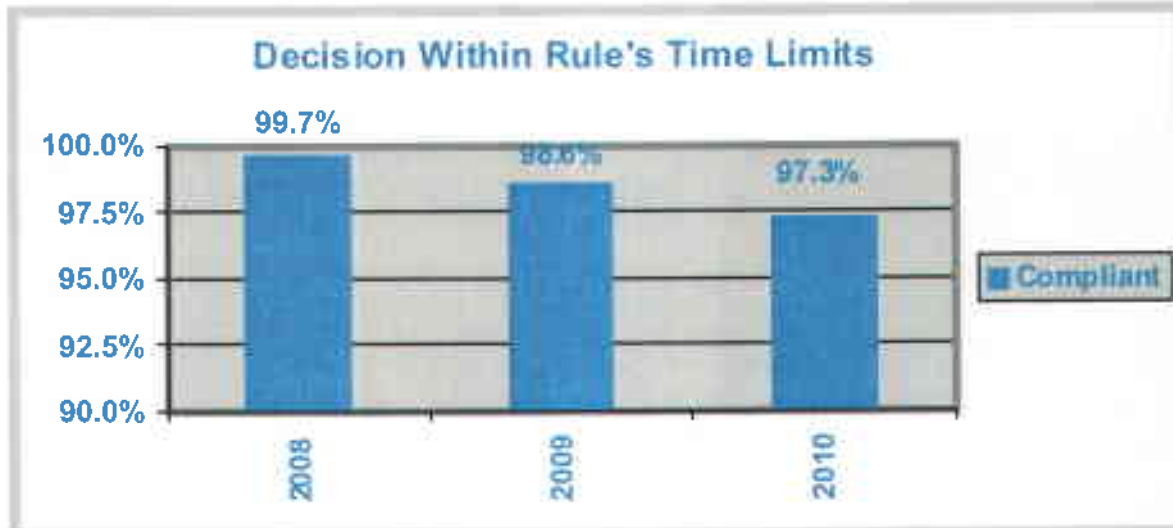
PENDING END OF June, 2010	3719
PENDING 1 MONTH BEFORE	3753
PENDING 2 MONTHS BEFORE	3738
PENDING 3 MONTHS BEFORE	3839
PENDING 6 MONTHS BEFORE	4026
PENDING 12 MONTHS BEFORE	4173

D. Acknowledgment Timeliness:	2009	June	YTD
1. Protest Ackn. >30 days	4.0%	3.0%	7.8%
2. Protest Ackn. 24-30 days	3.0%	0.7%	2.3%
3. Protest Ackn. 11-23 days	22.6%	18.5%	24.4%
4. Protest Ackn. <11 days	70.4%	77.8%	65.5%



E. Protests Resolved:	June '10	2010
1. Protests decided:	274	1797
2. Withdrawals:	67	536
3. "No Evidence" Dismissals:	82	362

F. Final Decision Timeliness	2009	June'10	2010
1. <30 days:	49.2%	47.8%	45.7%
2. 30-60 days:	29.3%	28.3%	29.2%
3. 60-90 days:	20.1%	21.7%	22.3%
4. +90 days:	1.4%	2.2%	2.7%



G. Time Standard Compliance	2009	June	2010
	88.9%	87.3%	89.3%

Tuesday, July 06, 2010

Time Standard Compliance

Report Dates: From 6/1/2010 thru 6/30/2010

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
IEB DETERMINATION	2	1	50%	1	50%
REOPENING	20	15	75%	5	25%
SPECIAL CATEGORY	1	1	100%	0	0%
TRMT/EQUIP CL	51	43	84.3%	8	15.7%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
COMPENSABILITY	23	17	73.9%	6	26.1%
OPBD	4	3	75%	1	25%
PPD	60	60	100%	0	0%
PTD ENTITLEMENT	1	0	0%	1	100%
TTD	26	24	92.3%	2	7.7%
Total	189	165	87.3%	24	12.7%

Final Decision Compliance

Report Dates: From 6/1/2010 thru 6/30/2010

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
FAILURE TO ACT 15 DAY	2	1	50.0%	1	50.0%	0	0.0%	0	0.0%
OP NON-MED	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
OPBD	6	5	83.3%	0	0.0%	1	16.7%	0	0.0%
TTD	37	14	37.8%	10	27.0%	11	29.7%	2	5.4%
BENEFIT OVERPAYMENT	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
COMPENSABILITY	49	20	40.8%	17	34.7%	11	22.4%	1	2.0%
DEP BEN FATAL	3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
FAILURE TO ACT 30 DAY	3	3	100.0%	0	0.0%	0	0.0%	0	0.0%
IEB DETERMINATION	3	0	0.0%	2	66.7%	1	33.3%	0	0.0%
PPD	54	26	48.1%	15	27.8%	13	24.1%	0	0.0%
PTD ENTITLEMENT	7	2	28.6%	1	14.3%	1	14.3%	3	42.9%
REOPENING	31	16	51.6%	10	32.3%	5	16.1%	0	0.0%
TRMT/EQUIP CL	78	44	56.4%	20	25.6%	14	17.9%	0	0.0%
Totals	276	132	47.8%	78	28.3%	60	21.7%	6	2.2%

Tuesday, July 06, 2010

Motion Resolution Compliance

Report Dates: From 6/1/2010 thru 6/30/2010

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
BENEFIT RATE	1	1	100%	0	0%
COMPENSABILITY	213	201	94.4%	12	5.6%
DEP BEN FATAL	23	23	100%	0	0%
PPD	202	196	97%	6	3%
REOPENING	70	65	92.9%	5	7.1%
SPECIAL CATEGORY	1	1	100%	0	0%
TTD	99	95	96%	4	4%
APPLICATION THRESHOLD	6	4	66.7%	2	33.3%
BENEFIT OVERPAYMENT	1	1	100%	0	0%
FAILURE TO ACT 15 DAY	1	1	100%	0	0%
IEB DETERMINATION	9	9	100%	0	0%
OP NON-MED	7	7	100%	0	0%
OPBD	52	51	98.1%	1	1.9%
PTD ENTITLEMENT	6	6	100%	0	0%
TEMP	2	1	50%	1	50%
TRMT/EQUIP CL	203	196	96.6%	7	3.4%
Total	896	858	95.8%	38	4.2%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Report Dates: From 6/1/2010 thru 6/30/2010

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
BENEFIT OVERPAYMENT	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBO - CL BEN. OVERPAYMENT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
COMPENSABILITY	Total: 98	4	4.1%	1	1.0%	29	29.6%	64	65.3%
CCS - CL SEC.CONDITION	10	0	0.0%	0	0.0%	1	10.0%	9	90.0%
CHC - CL COMPENSABILITY	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CIM - CL SI COMPENSABLE	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIS - CL SI SEC.CONDITION	10	0	0.0%	0	0.0%	3	30.0%	7	70.0%
CPI - CL SI REJECT CLAIM	11	1	9.1%	0	0.0%	4	36.4%	6	54.5%
CPJ - CL REJECT CLAIM	48	3	6.3%	1	2.1%	15	31.3%	29	60.4%
CQR - CL SI REJ OCCDISEASE	5	0	0.0%	0	0.0%	4	80.0%	1	20.0%
CRZ - CL REJ OCC DISEASE	6	0	0.0%	0	0.0%	1	16.7%	5	83.3%
DEP BEN FATAL	Total: 3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CDF - CL DENY/GRNT DTH BEN	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIF - CL SI DY/GNT	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
DTH BEN FAILURE TO ACT 10 DAY	Total: 1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
C5N - CL FTA NOT COVERED	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 3	1	33.3%	1	33.3%	1	33.3%	0	0.0%
C01 - CL FTA INJ COMPENSAB	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
C03 - CL FTA TREATMENT	2	1	50.0%	0	0.0%	1	50.0%	0	0.0%
FAILURE TO ACT 30 DAY	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
C7A - CL FTA RO TTD/MED	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
C7E - CL FTA CPLY OJ/BR/SC	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
IEB DETERMINATION	Total: 4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
CEB - CL IEB DETERMINATION	4	0	0.0%	0	0.0%	2	50.0%	2	50.0%
OPBD	Total: 12	1	8.3%	0	0.0%	2	16.7%	9	75.0%
CAO - CL ADD BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CBF - CL % BOARD FINDING	3	1	33.3%	0	0.0%	1	33.3%	1	33.3%
CSF - CL% SI BOARD FINDING	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CSO - CL SI AD.BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
EBF - EM % BOARD FINDING	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
ESO - EM SI AD.BRD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PPD	Total: 113	1	0.9%	0	0.0%	17	15.0%	95	84.1%
CAA - CL ADDL % AWARD D/G	17	1	5.9%	0	0.0%	2	11.8%	14	82.4%
CAD - CL % AWARD DENY/GRNT	67	0	0.0%	0	0.0%	11	16.4%	56	83.6%
CIE - CL SI ADD% AWARD D/G	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CIG - CL SI %AWARD DNY/GNT	26	0	0.0%	0	0.0%	4	15.4%	22	84.6%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIT - CL SI DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPB - CL GRNT/DNY VOC REHA	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CPV - CL DY/GRNT REHAB PLN	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REOPENING	Total: 19	0	0.0%	0	0.0%	1	5.3%	18	94.7%
CIQ - CL SI DY/GNT R/O PPD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIY - CL SI DY/GNT R/O TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJV - CL DNY/GRNT R/O PPD	6	0	0.0%	0	0.0%	0	0.0%	6	100.0%
CLH - CL DNY/GRNT R/O PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CRD - CL DENY/GRNT R/O TTD	9	0	0.0%	0	0.0%	1	11.1%	8	88.9%
TRMT/EQUIP CL	Total: 133	2	1.5%	1	0.8%	23	17.3%	107	80.5%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CBX - CL TRMT DENY	100	2	2.0%	1	1.0%	16	16.0%	81	81.0%
CIH - CL SI AUT/RPR HA D/G	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CKN - CL D/G PROV CHNG	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CSX - CL SI TRMT DENY	29	0	0.0%	0	0.0%	5	17.2%	24	82.8%
CYY - CL TRMT GRANT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
TTD	Total: 44	3	6.8%	0	0.0%	6	13.6%	35	79.5%
CCC - CL CLOSING THE CLAIM	26	3	11.5%	0	0.0%	5	19.2%	18	69.2%
CIC - CL SI CLSING THE CLM	12	0	0.0%	0	0.0%	1	8.3%	11	91.7%
CIJ - CL SI TTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CJS - CL TTD	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CPX - CL INITIAL TTD	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
Totals: Claims 388	437	13	3.0%	3	0.7%	81	18.5%	340	77.8%

Resolution of Issues Tuesday, July 06, 2010

Report Dates: Decision Date from 6/1/2010 thru 6/30/2010

TRMT/EQUIP CL	118	27	22.9	50	42.4	14	11.9	25	21.2	1	0.8	0	0	1	0.8	0	0
TTD	58	11	19	25	43.1	9	15.5	12	20.7	0	0	1	1.7	0	0	0	0
Totals	459	85	18.5	173	37.7	82	17.9	104	22.7	7	1.5	5	1.1	3	0.7	0	0
BENEFIT OVERPAYMENT	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	68	12	17.6	33	48.5	8	11.8	10	14.7	2	2.9	2	2.9	1	1.5	0	0
DEP BEN FATAL	5	0	0	3	60	0	0	2	40	0	0	0	0	0	0	0	0
OPBD	22	0	0	6	27.3	4	18.2	12	54.5	0	0	0	0	0	0	0	0
PPD	124	21	16.9	30	24.2	38	30.6	31	25	2	1.6	2	1.6	0	0	0	0
REOPENING APPLICATION	43	8	18.6	19	44.2	7	16.3	6	14	2	4.7	0	0	1	2.3	0	0
THRESHOLD FAILURE TO ACT 15 DAY	2	0	0	0	0	1	50	1	50	0	0	0	0	0	0	0	0
IEB DETERMINATION	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
OP NON-MED	4	0	0	3	75	0	0	1	25	0	0	0	0	0	0	0	0
PTD ENTITLEMENT	5	2	40	0	0	0	0	3	60	0	0	0	0	0	0	0	0
SPECIAL CATEGORY	7	4	57.1	3	42.9	0	0	0	0	0	0	0	0	0	0	0	0
	1	0	0	0	0	1	100	0	0	0	0	0	0	0	0	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 6/30/10

	41
Petitions denied on face:	14
Petitions denied by ALJ Decision:	17
Petitions granted:	4
Petitions withdrawn through settlement:	2
Petitions currently pending:	4

Failure to Timely Act Process

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

Filed:	171
Denied/dismissed:	66
Withdrawn:	10
Reports to OIC:	86
Pending	9

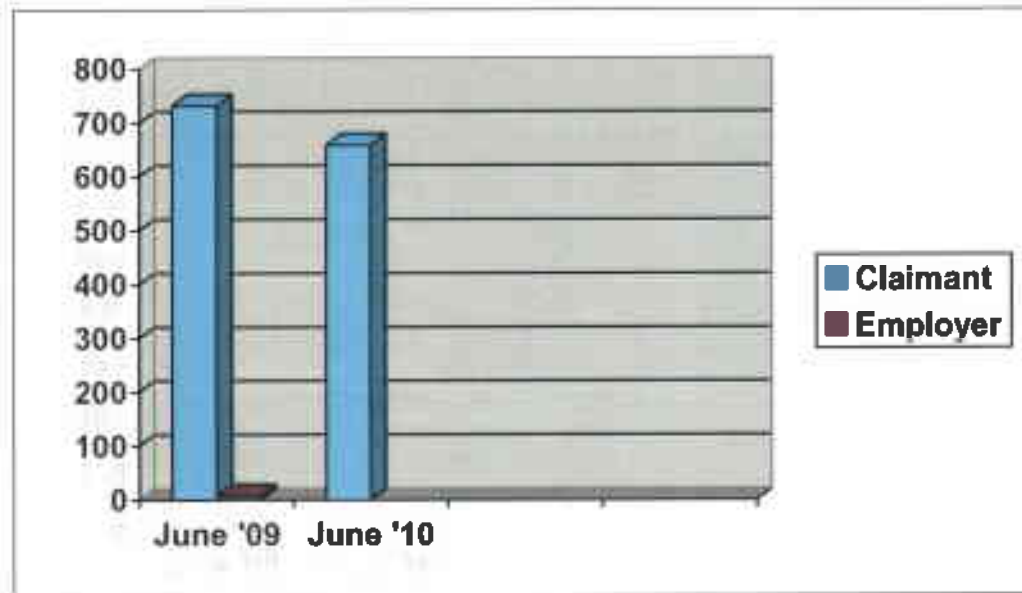
Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2006	7	0	2	1	7	4	8	2	5	7	6	3	52
2007	12	4	5	5	1	12	9	4	5	5	4	2	68
2008	3	2	1	11	1	6	11	8	6	4	8	4	65
2009	5	6	5	4	10	14	10	6	12	4	5	9	90
2010	13	2	6	9	4	7							41

OOJ – Pending Treatment Issues

Pending Treatment Issues			Comparison to Prior Mo/Year	
Party	Month June '10	% Protests	Month June '10	% Protests
Claimant	659	17.72%	732	17.54%
Employer	0		8	0.19%
Total	659	17.72%	740	17.73%

Pending Treatment Issues



Pro Se Claimant Information

Pending Protests Involving Pro Se Claimants: 561

Pending Claims Involving Pro Se claimants: 512

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

MEMORANDUM

To: Jane L. Cline, Commissioner
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

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:

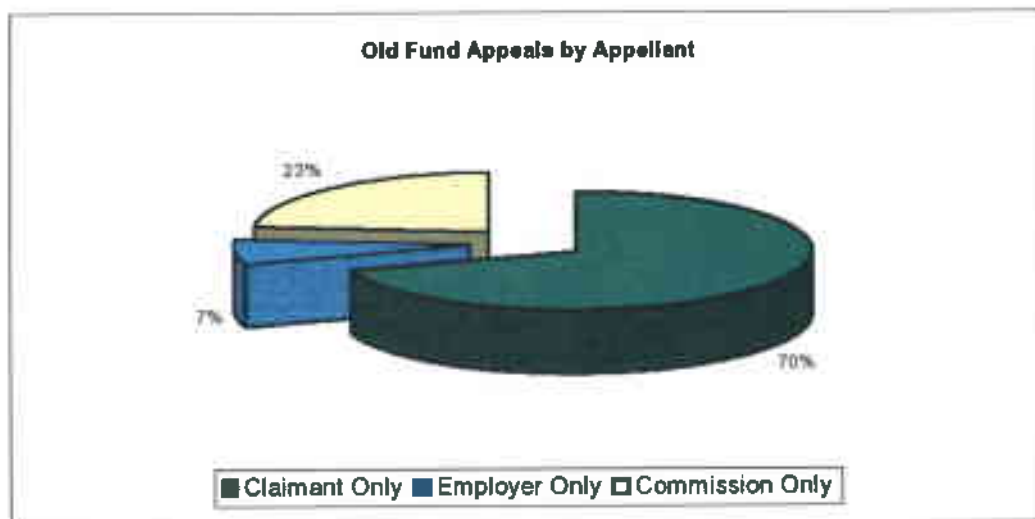
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by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

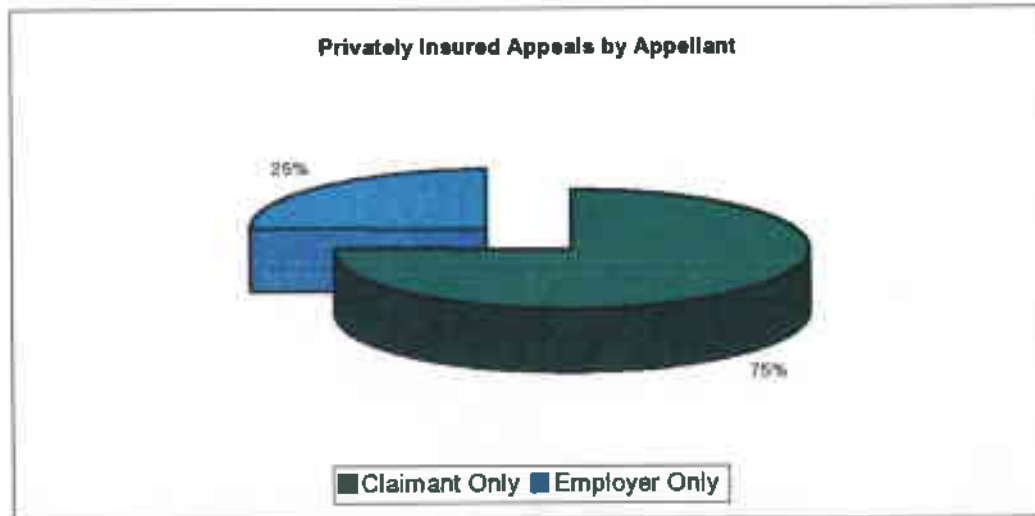
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	42
Employer Only	4
Commission Only	14
Old Fund Total	60



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

Appellant	Count
Claimant Only	52
Employer Only	17
Privately Insured Total	69
Total Appeals	129

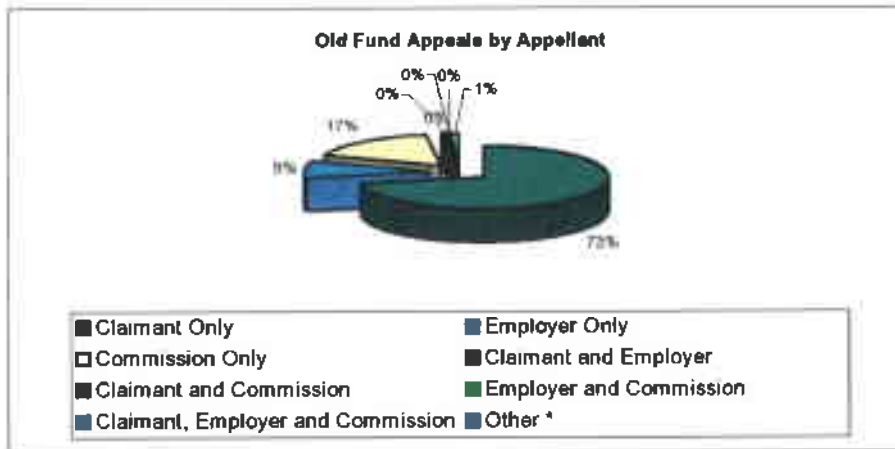


Appeals counted more than once:

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

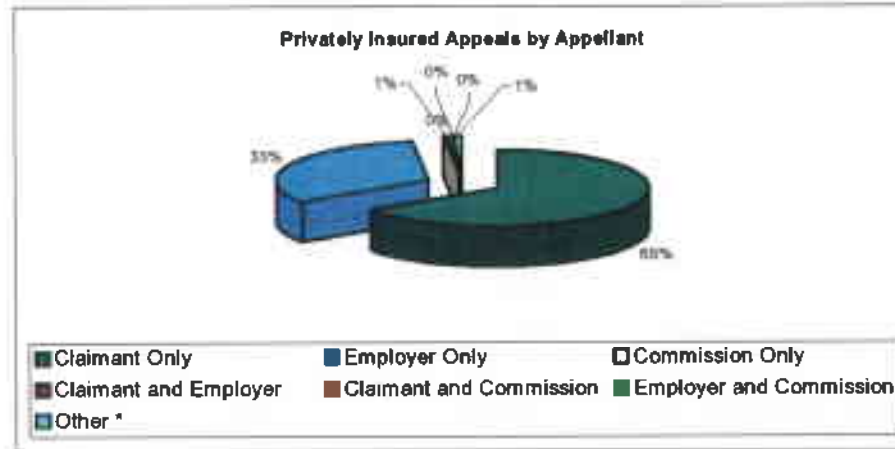
Old Fund Appeals (DOI < Jul-1-2005)

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
Old Fund Total	1616



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
Privately Insured Total	1869
Total Appeals	3485

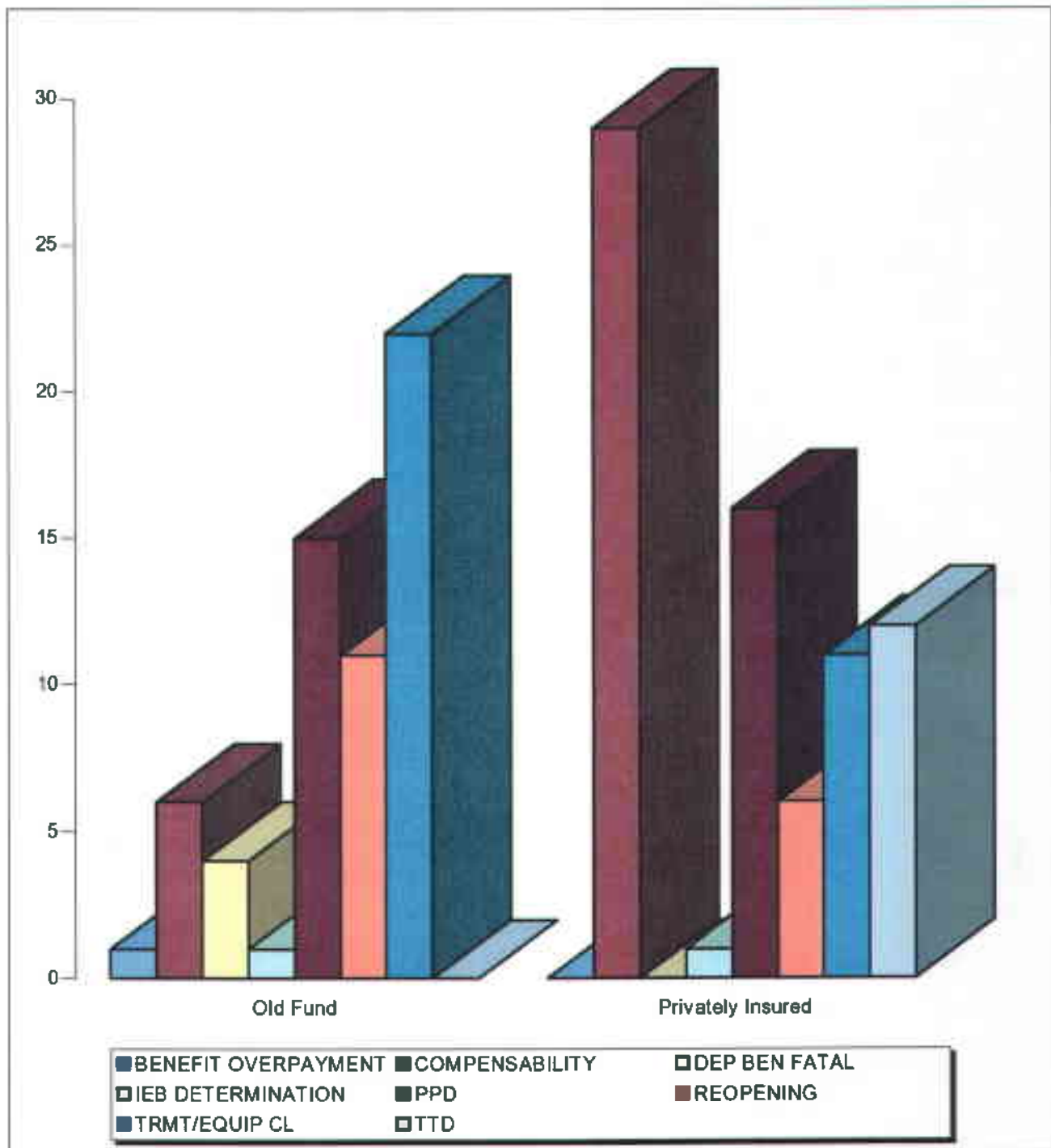


* Appeals requiring research

Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-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
Totals	135	60	44.4	75	55.6

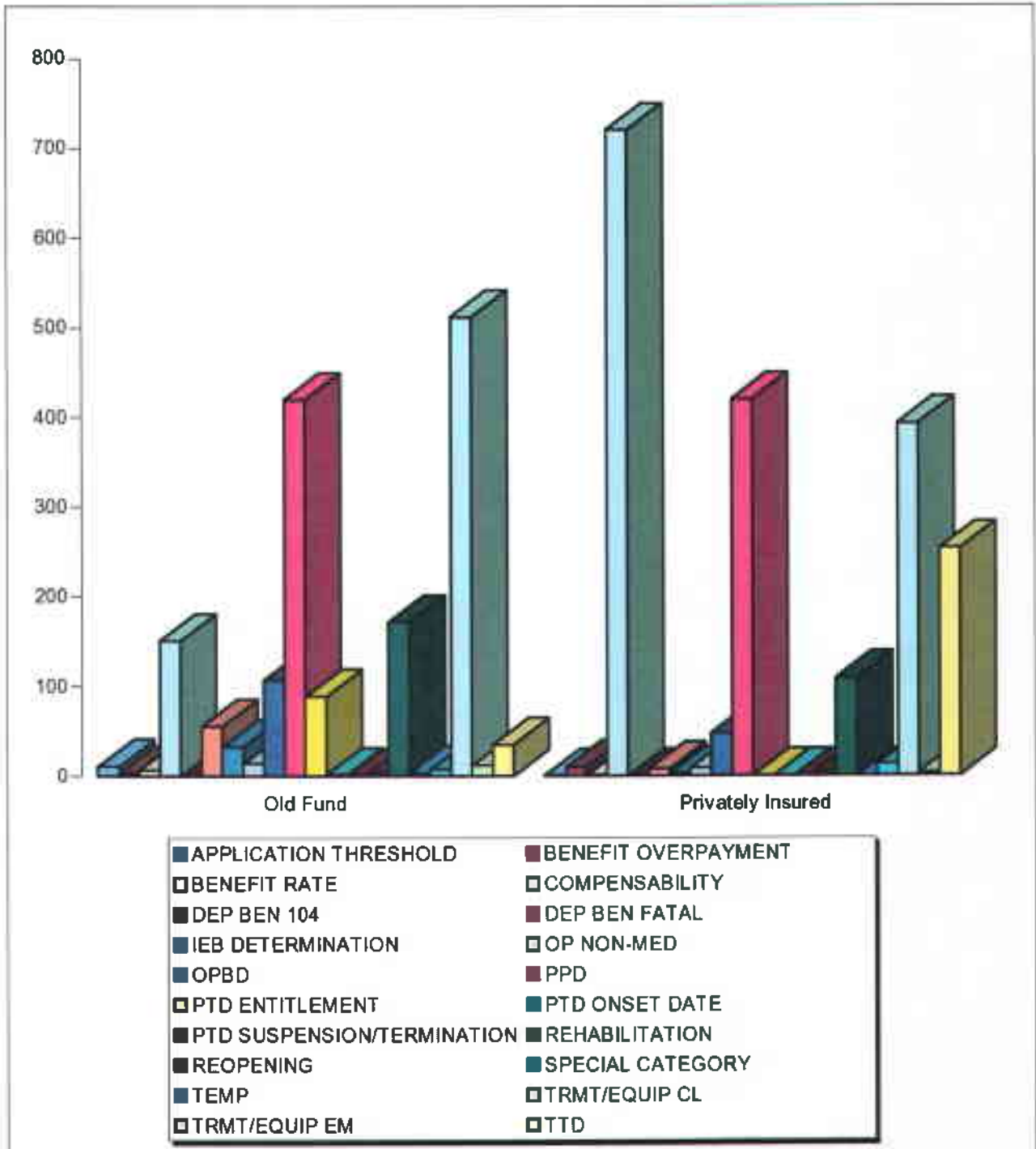
Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2010 Thru June 30, 2010



Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-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/TERMINA	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
Totals	3642	1643	45.1	1998	54.9

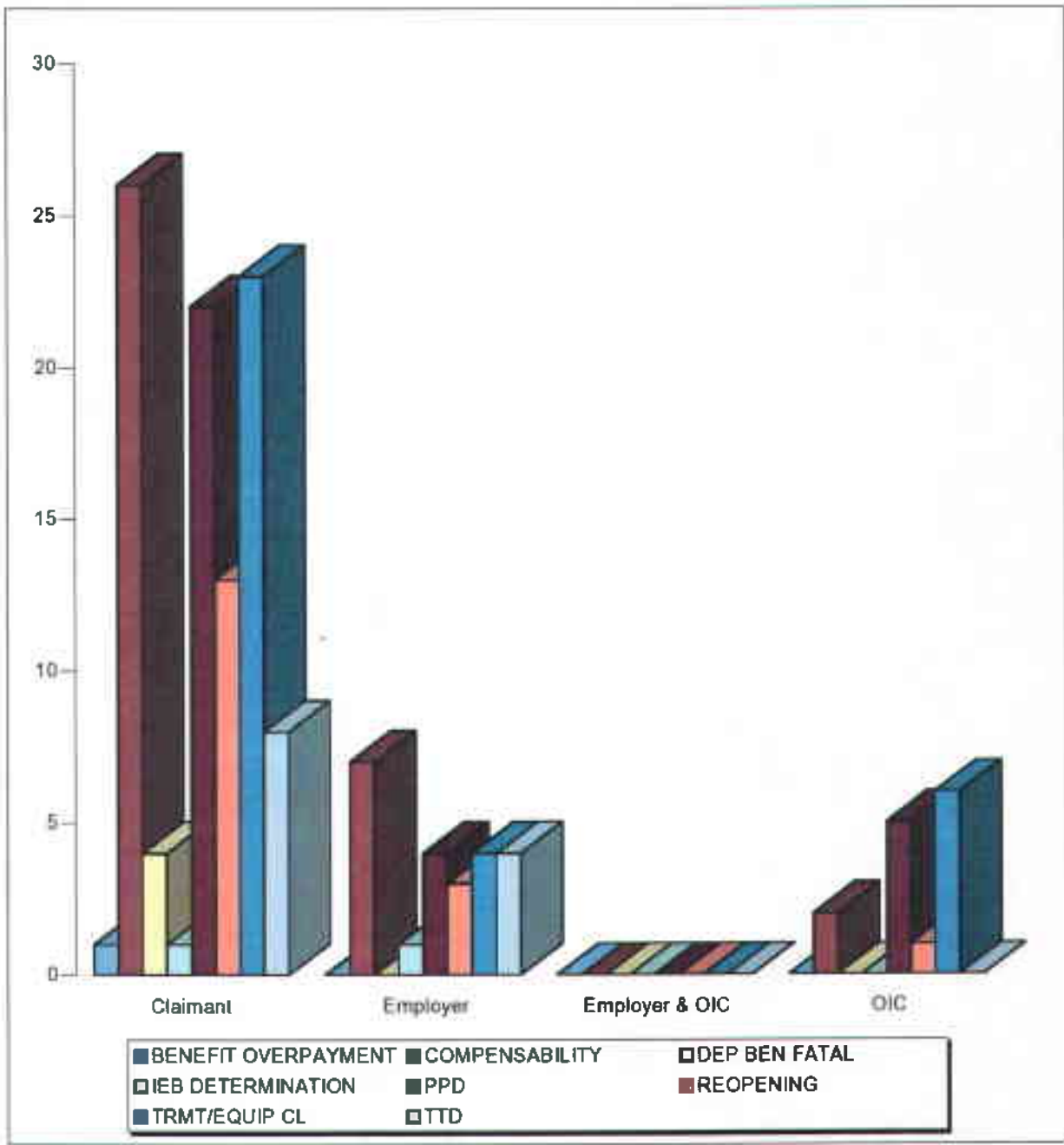
Yearly Appeals Received By Issue
Old Fund Appeals (DOI < Jul-1-2005) vs Privately Insured Appeals (DOI > Jun-30-2005)
From June 1, 2008 Thru June 30, 2010



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
Totals	135	98	72.6	23	17.0	0	0.0	14	10.4

Appeals Received By Issue
From June 1, 2010 Thru June 30, 2010



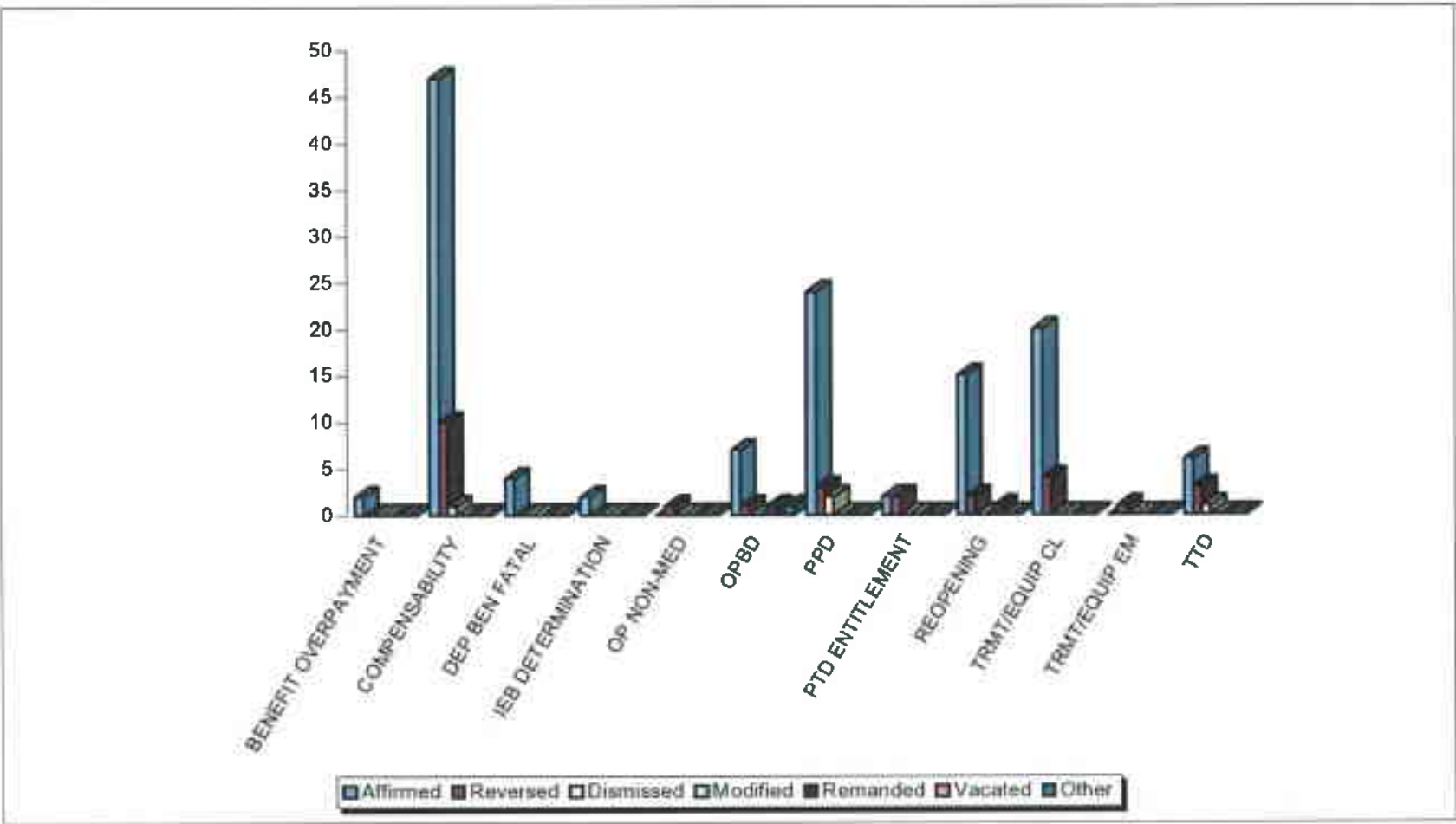
**WORKER COMPENSATION BOARD OF REVIEW
FOR JUNE 2010**

Appealed By	BOR Disposition	Disposition			Total		
		Count	Disp %	Total %	Date	Disp %	Total %
CLAIMANT	AFFIRMED	63	92.2%	53.5%	420	91.5%	60.0%
	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		
CLAIMANT/EMPLOYER	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		
EMPLOYER	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			
DIVISION/OIC	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		
Grand Totals		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
Totals	163	129	79.1	27	16.6	4	2.5	0	0.0	2	1.2	0	0.0	1	0.6

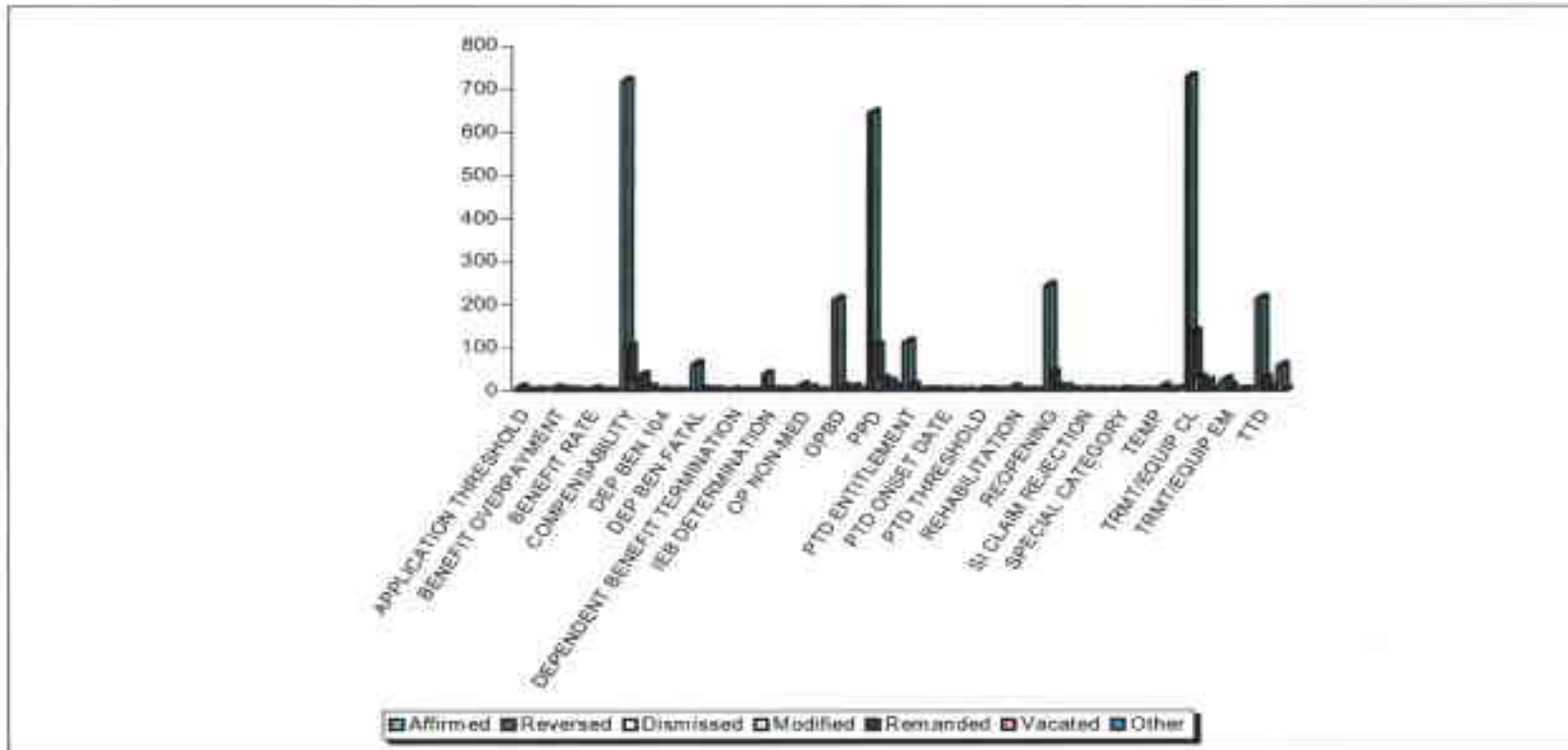
Dispositions By Issues
BOR Orders Mailed From June 1, 2010 Thru June 30, 2010



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 TERMINA	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
Totals	3854	3045	79.0	460	11.9	123	3.2	13	0.3	115	3.0	61	1.6	30	0.8

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



Revenue Recovery Activity	May 2010
COLLECTION ACTIVITY	
	\$ 20,598.87
Receipts - Old Fund (Employer out of business)	\$ 51,646.05
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 15,432.26
Receipts - Payment Agreements	
Receipts - Collection Agency	\$ 776
# of active accounts uninsured (cumulative)	\$ 2,708,564.14
\$ of active accounts uninsured (cumulative)	1,822
Telephone contacts	11
Walk-ins	
LIENS	
	126
Liens sent to county clerks for recordation	55
Liens sent to county clerks for release	159
Intent to lien letters sent to employer/owner/officer/member	
INJUNCTIONS	
	14
Affidavits for injunction submitted to legal	6
Hearings attended	
# of injunction complaints filed	9
# of injunctions granted	4
# of agreed orders entered	4
PAYMENT AGREEMENTS	
	4
# of repayment agreements applications	4
Agreements set up	93
Total # of agreements on system (cumulative)	15
Intent to void letters mailed	4
Agreements voided	
MISCELLANEOUS	
	52
Terminations Processed	203
Rule 11 Letters Mailed	3
Rule 11 hearings	
Uninsured Policies Resolved	244
All Cash Receipts from WC accounts	\$ 87,677.18

Workers' Compensation Rules Update

A special meeting of the Industrial Council was held on June 23, 2010 for the purpose of considering the draft of the INDC's Safety Study which has been conducted pursuant to W. Va. Code Section 23-2C-5(c)(6). At the special meeting, the INDC discussed the draft and recommended changes. A motion was made, seconded and adopted to approve OIC staff to complete the report in final form consistent with changes requested during the meeting and to file the report with the Joint Committee on Government and Finance prior to July 2010 interims.

It is anticipated that the INDC will consider final action on proposed Title 85, Series 22 (Medical Review Rule) at its next regular meeting on July 12, 2010. The rule would require 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.

In addition, the public hearing is scheduled at that time on proposed amendments to Title 85, Series 32 (State Agency Revocation or Refusal to Grant, Issue or Renew Contracts, Licenses, Permits, Certificates or Other Authority to Conduct a Trade, Profession or Business to or with an Employing Unit in Default of its Workers' Compensation Obligations).

- **Summary of Rule:** Rule 32 is a rule addressing procedures and processes applicable to the obligation of other WV state agencies to revoke licenses, permits, certificates, etc., of businesses who are in default status regarding workers' compensation.
- **Summary of changes being made:** This amendment is being made in section 7 of the draft to create a process whereby state agencies may make a request to the OIC for a determination of the exempt status of any employer regarding workers' compensation. The changes are being made due to the pending elimination of the employer exemption letter process in Title 85, series 8, a process whereby any employer can make a request to the Commissioner for a letter of exemption from WV's workers' compensation requirement. In light of the elimination of this process, it was determined that there still needed to be a process for state agencies to confirm an employer's compliance status, and that the appropriate place to create this process is Rule 32.

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Quarterly Board Meeting
July 29, 2010

OPERATING REPORT **LEGISLATIVE**

MAY 31, 2010

JUN 29 2010

MANAGER

Board of Treasury Investments

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

Board of Directors

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer III,
State Auditor

Martin Glasser, Esq.
Attorney
Appointed by the
Governor

Jack Rossi, CPA
Appointed by the
Governor

Executive Staff

Executive Director
Glenda Probst,
CPA, CTP

Chief Financial
Officer

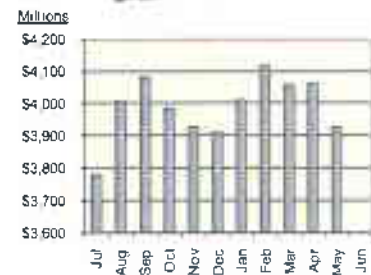
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$3,926,077,000

Last Month
\$4,060,143,000

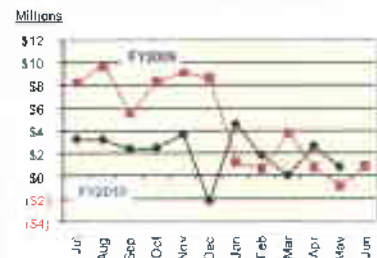
Beginning of Fiscal Year
\$3,663,992,000



7.2% Growth This Fiscal Year

Total Net Income & Gains

Fiscal Year
\$22,452,000



Fiscal Year Comparison

Money Market Pools

As of May 31, 2010

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1942%	.1897%	.1783%	44 Days	\$2.8 Billion
WV Gov't Money Market	.1582%	.1615%	.1557%	45 Days	\$247.5 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

THE ECONOMIC STATE

MAY 2010

Economic News Remains Positive

Much of the economic news remained positive in May:

- Manufacturing expanded in May for the tenth straight month as the IMS Manufacturing Index fell from 60.4 to 59.7. (Although dropping slightly, a level above 50.0 indicates expansion).
- Consumer confidence rose to 63.3, the highest level in two years and exceeded estimates that ranged from 53.0 to 62.8.
- Consumer spending rose in March (data released in May) by the most in five months.
- Work began on more houses in April (data released in May) than at any time in over a year as wholesale prices decreased unexpectedly showing a growing economy without inflation.
- Regarding inflation, the CPI dropped by 0.1%, outpacing the expected 0.1% increase while the core rate was unchanged from the prior month.

At least one statistic provided a level of caution at first glance: retail sales. In May, Retail sales declined by an unexpected 1.2% from a month earlier. A closer look at the drop showed some positives:

- The rate is approximately 7% higher than it was one year earlier.
- It appears that the high unemployment rate was not the cause of the drop. Rather, the drop was most likely caused by the expiration of a government rebate on energy efficient appliances.

On the job front, the May employment statistics showed that they too were different than one would think at first glance. On June 4th, confidence that the economy was moving along was jolted when it was announced that 431,000 new jobs had been created in May. This was significantly below the 536,000 economists had predicted and included 411,000 temporary census workers.

So while many of the statistics reflect a continuation of the economy recovering, the employment statistics would have you wondering for how long. There is no question that without stronger growth in employment and incomes, it will be difficult to sustain the recovery in consumer spending. Many will be paying close attention to the employment reports in the coming months for signs that growth in private sector jobs is continuing.

Interest rates fell during May amid lower inflation concerns and doubts over a continued recovery. Fragile European market conditions led to a "flight to quality" in US Treasuries across the yield curve. Yields on 2-10 year maturities dropped 20 to 36 basis points (bps) while 30 year bond yields ended the month down 31 basis points. Spreads on 2-10 year maturities flattened by 17 bps to 269 bps, while 10 - 30 year spreads widened by 6 bps to 92 bps. Futures contracts signal the expectation of the Fed action will be to keep rates at the current 0% - 0.25% for the remainder of the year.

The Barclays Capital Aggregate index returned 0.84% for the month as most spread sectors underperformed their same duration Treasury securities. Concerns over European sovereign debt and our potential financial reform combined to create less liquidity and higher volatility for the majority on non-Treasury sectors. The mortgage market held up well as international money seeking a safe haven helped bring mortgage rates back near 50-year lows.

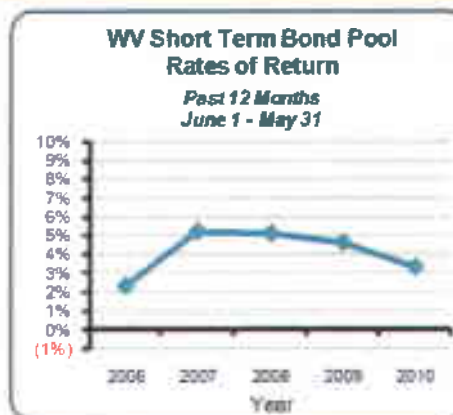
The Merrill Lynch 3-Month T-Bill Index returned 0.01% in March trailing the 0.26% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. The 3-Month T-Bills returned 0.12% for the year while the 1-3 Year Government / Corporate Index A+ returned 2.94%.

West Virginia Board of Treasury Investments Financial Highlights as of May 31, 2010

WV Short Term Bond Pool

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

<u>June 1 - May 31</u>	<u>Return</u>	<u>Net Assets At May 31 (In Millions)</u>
2010	3.3%	\$ 450.4
2009	4.6%	\$ 326.2
2008	5.1%	\$ 355.4
2007	5.2%	\$ 228.9
2006	2.3%	\$ 265.9



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

Summary of Value and Earnings (In Thousands)

<u>Pool</u>	<u>Net Asset Value</u>	<u>May Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 2,800,426	\$ 440	\$ 3,648
WV Gov't Money Market	247,450	33	296
WV Short Term Bond	450,433	(370)	11,070
WV Bank	60,060	24	437
Loss Amortization	187,462	227	3,355
Loans *	132,929	328	2,869
Reserve	30,121	10	308
Participant Accounts	17,196	72	469
	<u>\$ 3,926,077</u>	<u>\$764</u>	<u>\$ 22,452</u>

Percent of Total Net Asset Value

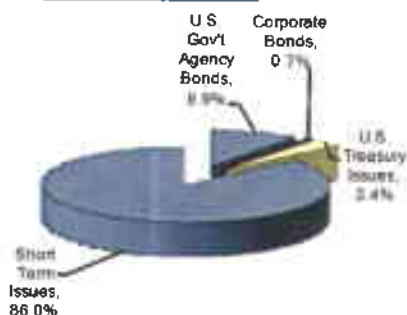


- Participant Accounts, 0.4%
- Reserve, 0.8%
- Loans, 3.4%
- Loss Amortization, 4.8%
- WV Bank 1.5%
- WV Short Term Bond, 11.5%
- WV Gov't Money Market, 6.3%
- WV Money Market, 71.3%

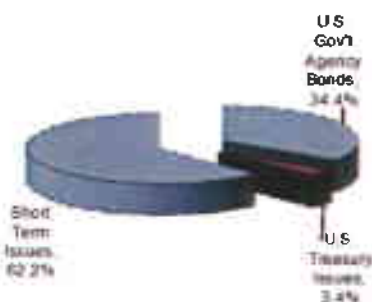
* There have been \$700,000 in writedowns on venture capital loans in the Loan Pool this fiscal year.

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

WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

MAY 31, 2010

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments						
At amortized cost	\$ 2,799,538	\$ 247,354		\$ 60,000	\$ 162,712	\$ 13,937
At fair value			\$ 448,840		187,462	3,191
Cash						
Collateral for securities loaned	126,008		64,958			
Other assets	1,138	121	2,545	60	342	68
Total assets	2,926,684	247,475	516,343	60,060	350,516	17,196
Liabilities						
Payable for securities loaned	126,008		64,958			
Other liabilities	250	25	952		4	
Total liabilities	126,258	25	65,910	-	4	-
Net Assets	\$ 2,800,426	\$ 247,450	\$ 450,433	\$ 60,060	\$ 350,512	\$ 17,196
Investment income						
Interest and dividends	\$ 392	\$ 58	\$ 1,171	\$ 24	\$ 342	\$ 36
Securities lending income						
Provision for securities lending loss						
Net accretion (amortization)	227	(8)	(253)		605	(13)
Provision for uncollectible loans						
Total investment income	619	50	918	24	947	23
Expenses						
Fees	180	17	50		4	
Securities lending borrower rebates						
Bad debt expense						
Total expenses	180	17	50	-	4	-
Net investment income	439	33	868	24	943	23
Net realized gain (loss) from investments						
Net increase (decrease) in fair value of investments			(1,238)		(378)	49
Net gain (loss) from investments	-	-	(1,238)	-	(378)	49
Net increase (decrease) in net assets from operations	440	33	(370)	24	565	72
Distributions to participants	437	33	869	24	338	-
Participant activity						
Purchases, reinvestment of units and contributions	710,856	29,457	1,763	24	352	1,094
Redemptions and withdrawals	816,396	57,909			317	2,052
Inter-pool transfers in	20,019					
Inter-pool transfers out				20,019		
Net increase (decrease) in net assets from participant activity	(85,521)	(28,452)	1,763	(19,995)	35	(958)
Increase (decrease) in net assets	(85,518)	(28,452)	524	(19,995)	262	(886)
Net assets at beginning of period	2,885,944	275,902	449,009	80,055	350,250	18,082
Net assets at end of period	\$ 2,800,426	\$ 247,450	\$ 450,433	\$ 60,060	\$ 350,512	\$ 17,196

(President Tomblin presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
July 21, 2010

2:00 - 3:00 p.m.

Senate Finance Room

1. Approval of June 9, 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. Unemployment Compensation: *Russell Fry, Acting Executive Director*
5. Monthly/Quarterly Reports Distribution: *Robert Ferguson, Jr., Secretary, Dept. of Administration*

PEIA
BRIM
CHIP
Real Estate Report
6. Monthly/Quarterly Report Distribution from Department of Health and Human Resources: *Patsy Hardy, Cabinet Secretary, DHHR*

Medicaid Report
7. Possible Outsourcing of IT Services: *Kyle Schafer, Chief Technology Officer and Kelley Goes, Secretary, Department of Commerce*
8. Investment Management Board: *Craig Slaughter, Executive Director*
9. Workers' Compensation: *Jane Cline, Insurance Commissioner*
10. Other Business
11. Scheduled Interim Dates: August 9-11 (Monday, Tuesday and Wednesday)
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)
12. Adjournment

West Virginia *WorkForce*



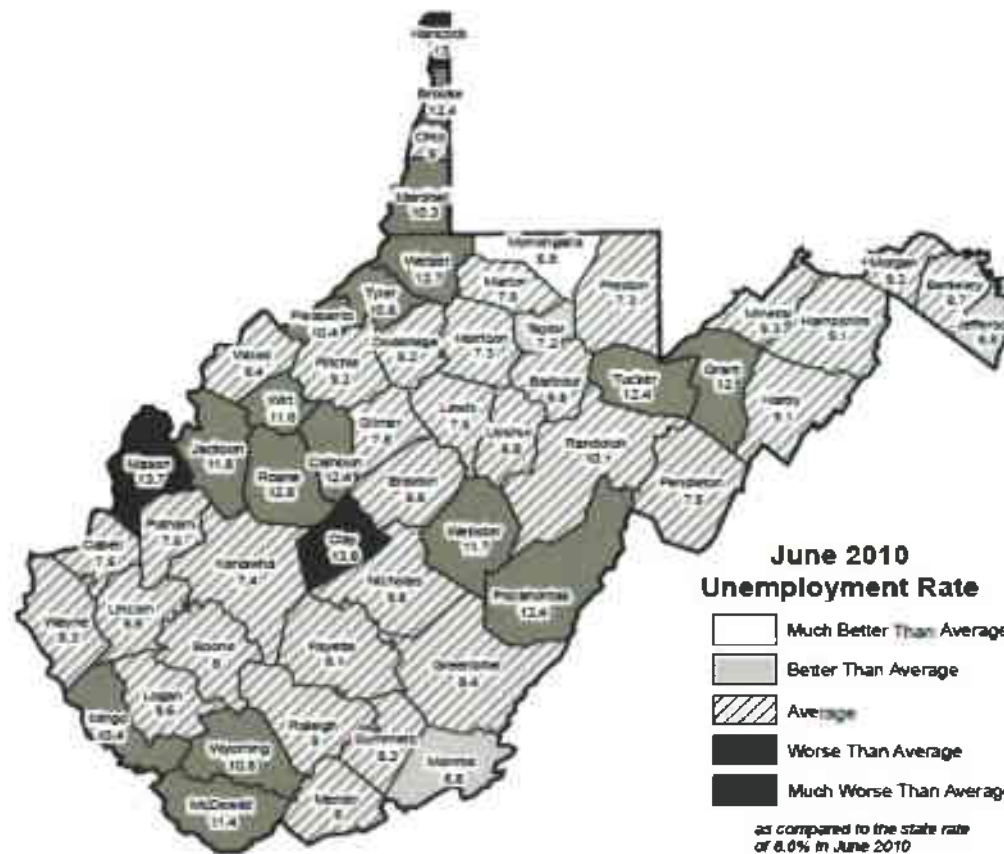
Review of the Unemployment Compensation Program in West Virginia

Russell L. Fry, Acting Executive Director
WorkForce West Virginia
Joint Committee on Government and Finance
July 21, 2010



West Virginia
WEST VIRGINIA

West Virginia Unemployment By County



Employer Funded

Wage base of \$12,000 taxed at rates of 1.5% to 8.5%

98.67% of employer contributions are collected

4/05-1/10

Total deposits \$743,752,214

Total delinquencies \$5,206,632

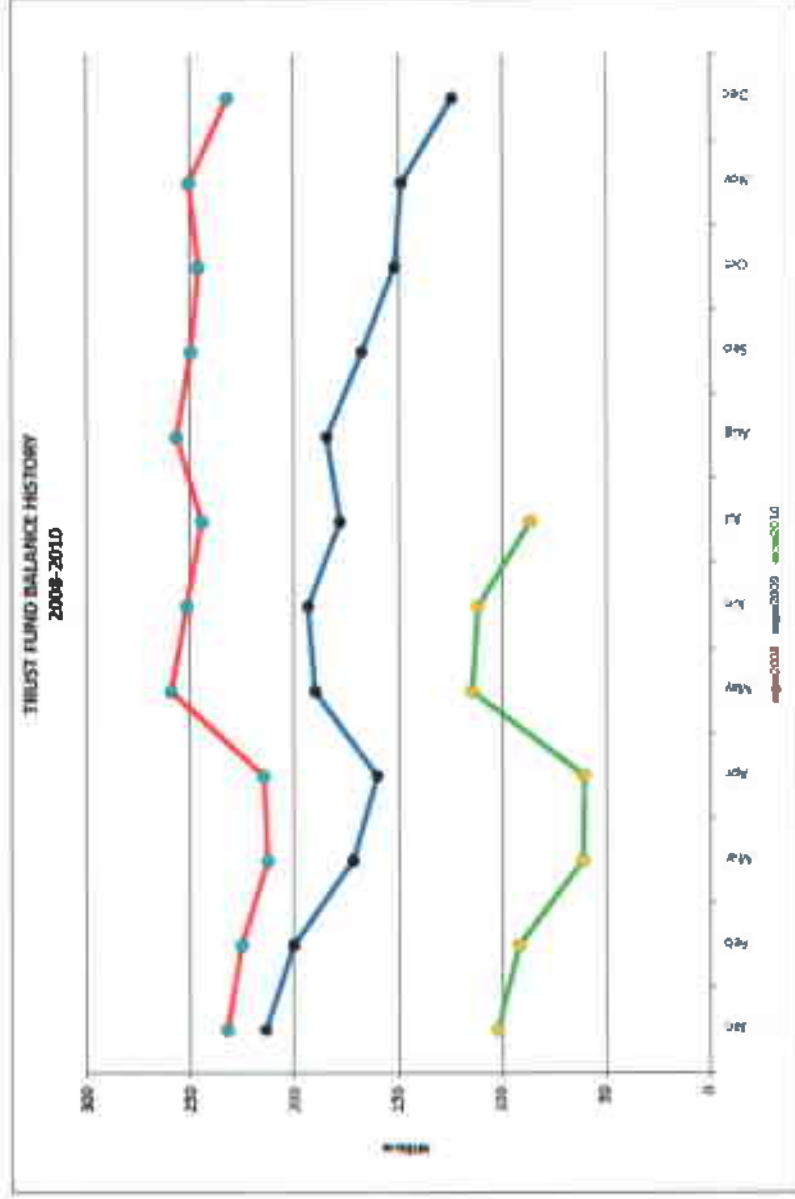
Total uncollectable \$4,696,618

Current initiatives to improve collections

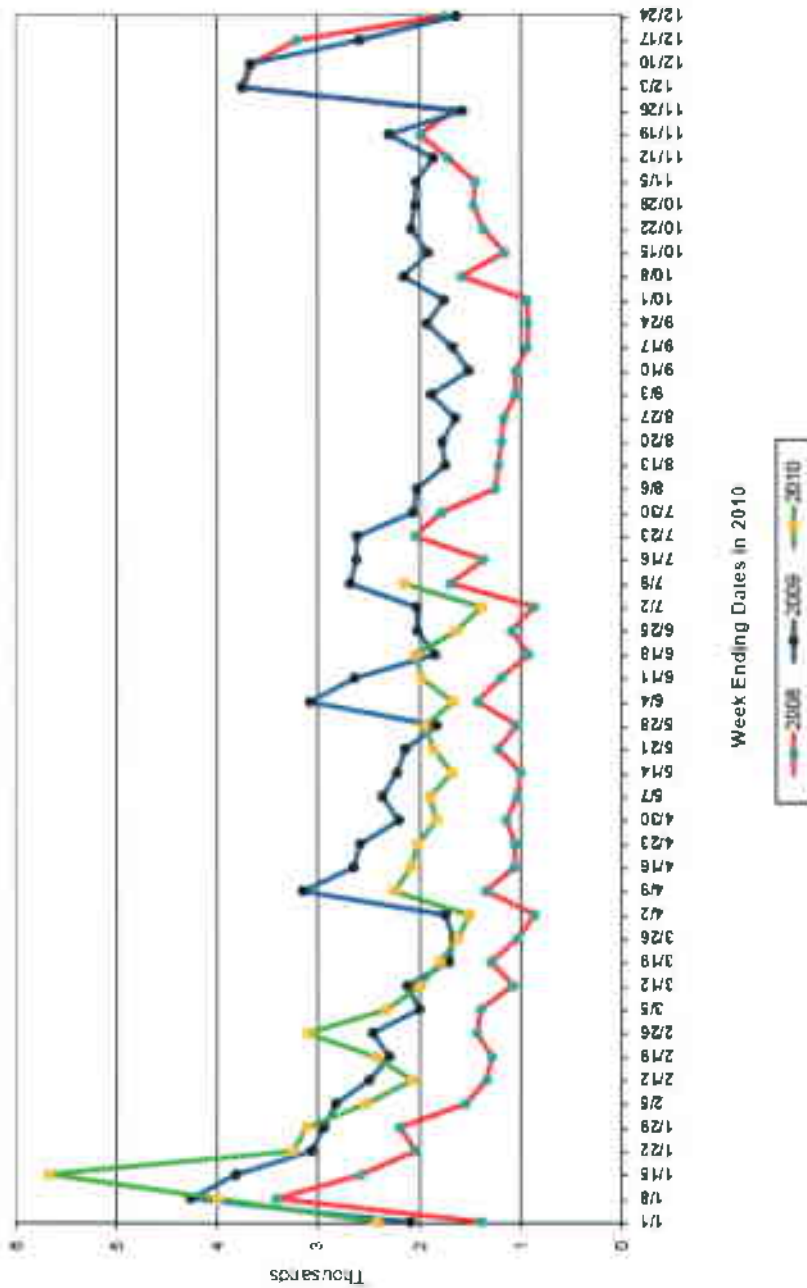
Online employer contribution services (expected late 2010)

Phone notification system (expected early 2011)

Trust Fund
Balance History 2008-2010

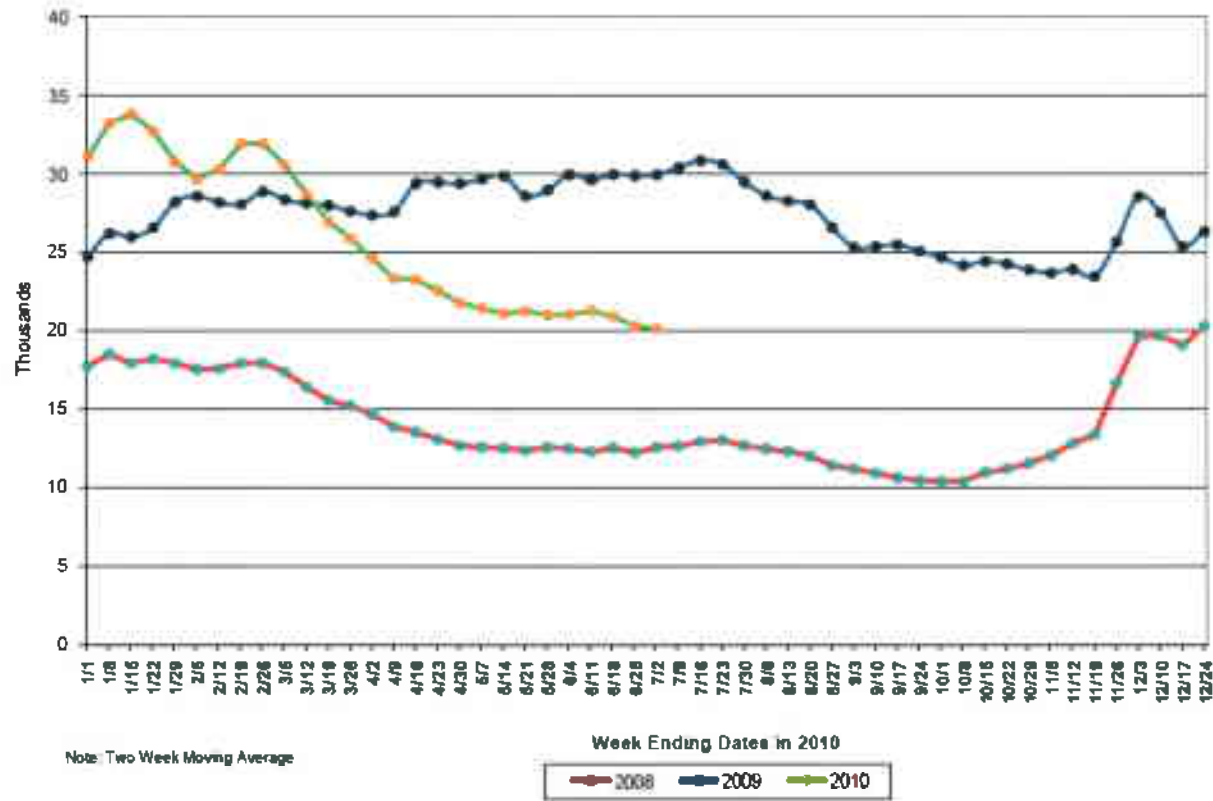


INITIAL CLAIMS



Weeks claimed 2008-2010

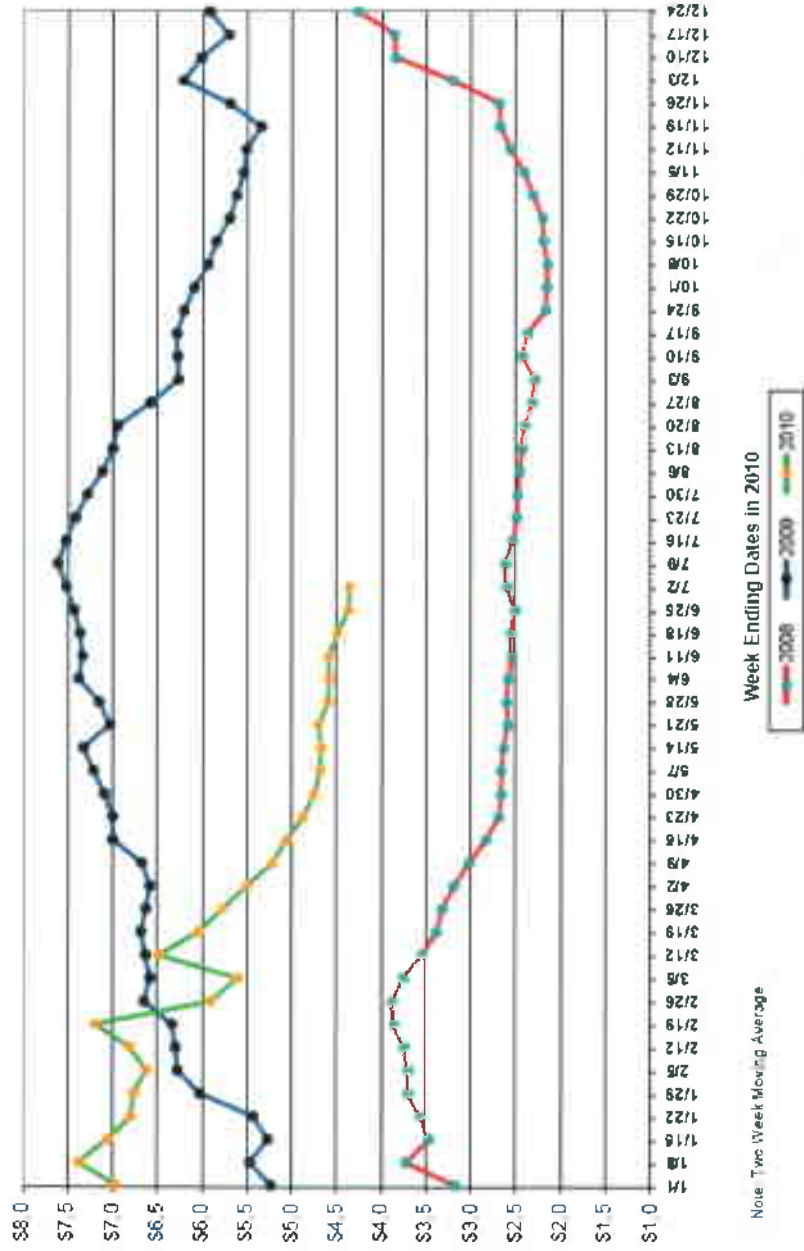
WEEKS CLAIMED



7.21.10

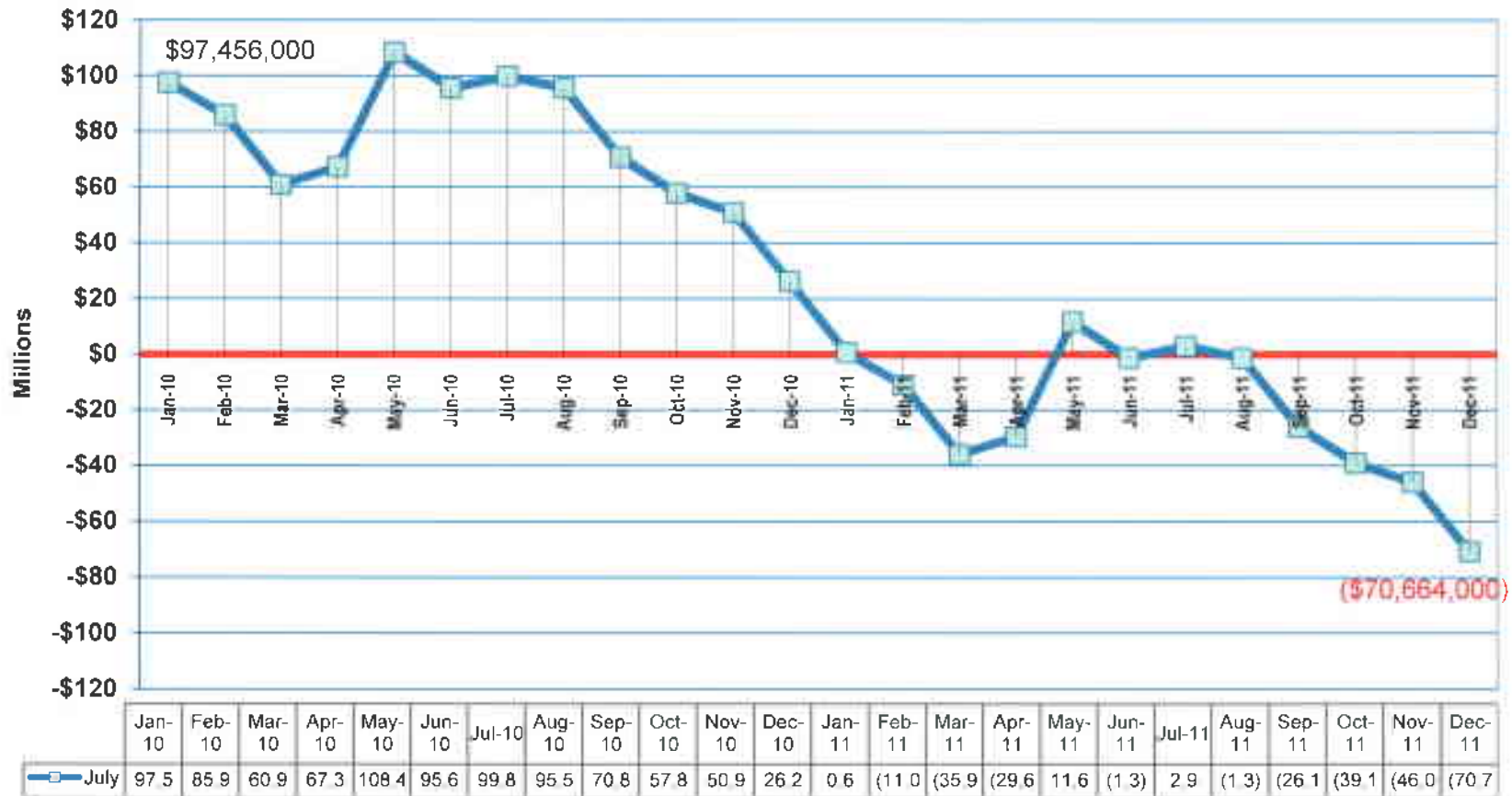
Benefits paid 2008-2010

BENEFITS PAID



Note: Two Week Moving Average

Trust fund balance projection January 2010-December 2011



Federal Unemployment Tax Act (FUTA)

West Virginia
WorkForce

- According to Federal Unemployment Tax Act, a tax is levied on covered employers at a rate of 6.2% on wages up to \$7,000 per year.
- There is a credit against the federal tax of 5.4% to employers in states with no overdue federal UI Loans. Employers pay a federal tax rate of 0.8% or a maximum of \$56 per covered employee per year.
- If states have outstanding loans over 2 years, employers can lose at least 0.3% point from the federal credit, which increases the net tax rate by 0.3% in the first year it is overdue, and an additional 0.3% for each succeeding year until the loan is repaid. This is needed to repay the outstanding federal loan and interest due.
- The FUTA credit reduction results in an additional \$21 per employee in the first year that loans are not repaid, and an additional \$21 in each succeeding year that loans are not repaid.

32 states are borrowing from federal government as of 6/22/10 totaling **\$39.1 billion**

Alabama	\$283,001,164.19	Michigan	\$3,814,145,999.11
Arizona	\$33,289,228.12	Minnesota	\$634,608,599.19
Arkansas	\$330,853,383.31	Missouri	\$722,116,933.16
California	\$7,534,038,172.43	Nevada	\$465,045,635.83
Colorado	\$202,965,185.05	New Jersey	\$1,749,563,533.98
Connecticut	\$498,452,705.05	New York	\$3,176,873,427.71
Delaware	\$12,901,505.48	North Carolina	\$2,363,980,615.25
Florida	\$1,612,500,000.00	Ohio	\$2,314,186,799.00
Georgia	\$416,000,000.00	Pennsylvania	\$3,008,614,960.83
Idaho	\$202,401,700.22	Rhode Island	\$225,472,937.00
Illinois	\$2,239,582,343.13	South Carolina	\$886,662,351.97
Indiana	\$1,739,415,133.42	Texas	\$1,417,124,596.69
Kansas	\$88,159,421.40	Vermont	\$32,657,064.94
Kentucky	\$795,100,000.00	Virgin Islands	\$15,289,406.98
Maryland	\$133,840,764.71	Virginia	\$346,876,000.00
Massachusetts	\$387,313,005.04	Wisconsin	\$1,424,768,541.29

West Virginia program compared to other states

Taxable Wage Base

Highest - Washington - \$35,700

Lowest - 8 states - \$7,000*

West Virginia - \$12,000

*Note: \$7,000 is minimum as mandated by federal law

Maximum Tax Rate

Highest - Maryland – 13.5%

Lowest - 16 states - 5.4%

West Virginia - 8.5%

Maximum Weekly Benefit Amount

Highest - Massachusetts - \$942

Lowest - Mississippi - \$235

West Virginia - \$424

West Virginia program
compared to surrounding states

West Virginia
WorkForce

State	Maximum Tax Rate	Benefit Payment	Loan Amount
Maryland*	13.5%	\$410	\$133,840,764.71
Ohio*	9.40%	\$508	\$2,314,186,799.90
Kentucky*	10.00%	\$415	\$795,100,000.00
Virginia*	6.68%	\$378	\$346,876,000.00
Pennsylvania*	10.3836%	\$572	\$3,008,614,960.83
West Virginia	8.50%	\$424	\$0.00

Why is West Virginia not broke?

- Raised base wage last year from \$8,000 to \$12,000
- Received \$40 million trust fund infusion from Insurance Commission
- West Virginia collects 98% of employer contributions
- West Virginia is well above the national average in accuracy of benefit payments

Other initiatives to protect solvency:

- Increased field investigation staff to reveal fraudulent claimant activity
- Hired additional staff to collect delinquencies

Russell L. Fry
Acting Executive Director
WorkForce West Virginia

304-558-7024

Russell.L.Fry@wv.gov

www.workforcewv.org