



JOINT COMMITTEE
ON GOVERNMENT & FINANCE
INTERIM BOOK

Materials Distributed
August 25, 2024



Joint Committee on Government & Finance Interim Book

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August 2024

West Virginia Department of Economic Development
Office of Broadband
Report to the
Joint Committee on Government and Finance

Prepared by the
West Virginia Office of Broadband
August 21, 2024

<https://broadband.wv.gov>

<https://internetforallwv.wv.gov>

American Rescue Plan Act (ARPA) Funding

The West Virginia Legislature's allocation of State Local Fiscal Recovery Funds (SLFRF) and General Revenue funding provided a historic \$100 million investment for broadband development in West Virginia. This funding will complement West Virginia's allocation of funds through the Capital Projects Funds (CPF), also part of the American Rescue Plan Act (ARPA). West Virginia was among the first four states in the nation to receive approval from the U.S. Treasury for funding under the ARPA CPF program in June 2022. West Virginia received \$136 million in ARPA CPF funding to support broadband development.

The ARPA SLFRF and CPF broadband funding allocations represent a major transition to state-led broadband development through which states will oversee the investment of broadband funding. CPF funding, combined with the Legislature's allocation of SLFRF funding in the amount of \$90 million and General Revenue Funding in the amount of \$10 million, provides a combined total of \$236 million for broadband development in West Virginia under ARPA.

To carry out the Governor's Billion Dollar Broadband Strategy, the West Virginia Department of Economic Development, Office of Broadband, in coordination with the West Virginia Broadband Enhancement Council, developed and launched the West Virginia Broadband Investment Plan (WVBIP). The WVBIP is designed to:

- Leverage Private Investment
- Involve Local Governments
- Encourage Public-Private Partnerships
- Connect the Unconnected

The WVBIP includes three separate programs for projects that can be awarded funding from Capital Projects Fund or State and Local Fiscal Recovery Fund (SLFRF). The programs were developed to align with ARPA rules and guidance and contain three well defined infrastructure grant initiatives.

Following Treasury guidelines, ARPA programs focus on last mile connections to locations without access to reliable wireline service of 25/3 Mbps. Deployed networks will deliver a minimum of 100/20 Mbps and are scalable to symmetrical 100 Mbps.

ARPA Key Performance Indicators

Progress reports are collected from grantees and submitted to the U.S. Treasury on a quarterly basis. The WVDED has awarded 42 ARPA funded projects.

Total investment to date includes \$108.1 million in U.S. Treasury Capital Projects Funds and \$64.4 million in State Local Fiscal Recovery Funds. Private investment has exceeded \$68 million, for a total investment of \$236 million under West Virginia's ARPA initiative.

Below lists the project status for active projects in construction:

LEAD Citynet Green Valley Line Extension - **Complete**
 LEAD Comcast Brooke, Hancock, Marshall, Ohio Line Extension - **Construction**
 LEAD Comcast Cabell, Kanawha, Morgan, Putnam Line Extension - **Construction**

LEAD	Prodigi North-Central Preston Extensions - Construction
LEAD	Prodigi West Preston-Valley District Extension - Construction
LEAD	Hardy Telecommunications - East Hardy Line Extension - Complete
LEAD	Citynet Shavers Fork, Helvetta, Crestview Line Extension - Complete
LEAD	Shentel North Fork - Complete
LEAD	Hardy Telecommunications - South Mill Creek Road Line Extension - Construction
LEAD	Prodigi East Monongalia and East Preston Rural Broadband - Construction
LEAD	Prodigi Preston to Barbour Rural Expansion - Construction
MBPS	Frontier Boone County - Turtle Creek - Construction
MBPS	Frontier West Mason - Construction
MBPS	Citynet Thornton, Gladesville & Morgantown South - Construction
MBPS	Micrologic Randolph County MBPS - Construction

Projects not under construction are currently in permitting through the West Virginia Division of Highways (WVDOH) and utility pole owners.

Current ARPA Projects

ARPA Funds Awarded to Date

\$172.46 Million

- \$108.1 Million CPF
- \$64.4 Million SLFRF

Matching Funds \$68.01 Million

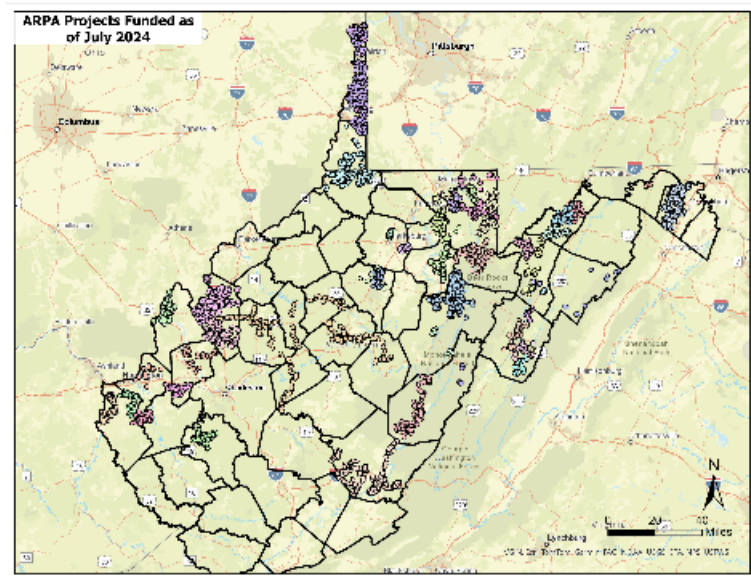
Total Investment \$236.28 Million

Last-Mile Projects 42

Total Miles of New Plant 3,875

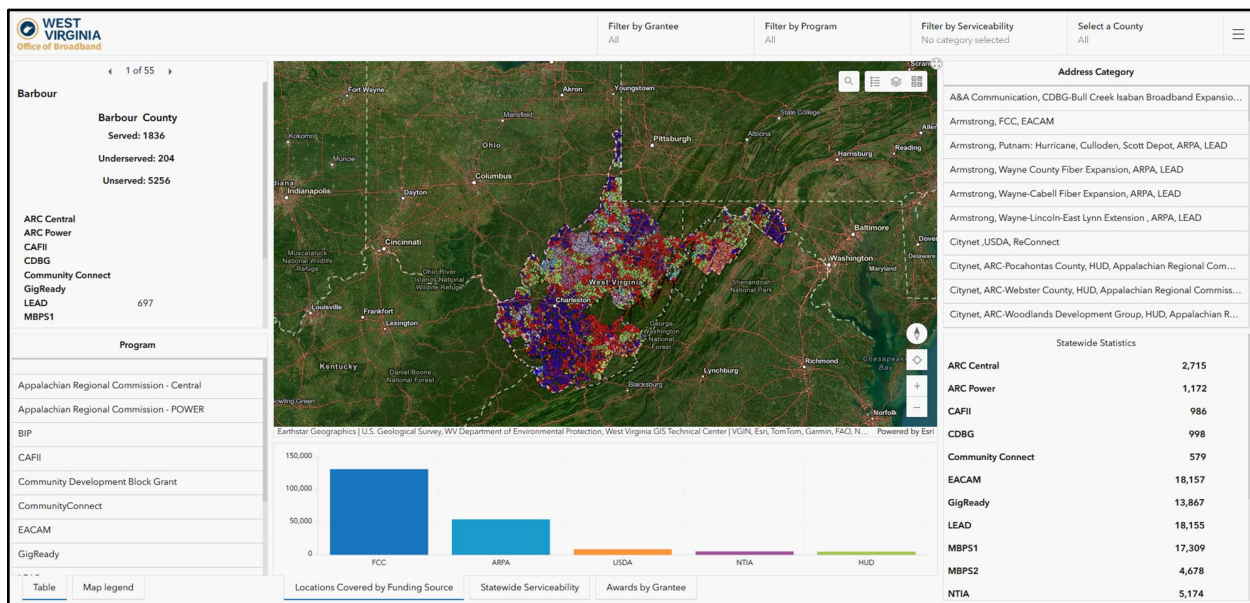
41 Counties

39,617 Targeted Locations



West Virginia Broadband Dashboard

To demonstrate broadband availability across West Virginia, the WVDED has created an interactive application for end users to learn more about all funding sources including ARPA project details. Using the CostQuest Fabric data, broadband availability is represented at the address level. The data is currently under review by CostQuest to ensure compliance with the License User Agreement. This dashboard will be available at broadband.wv.gov.



Infrastructure Investment and Jobs Act (IIJA) Broadband Programs

In June 2023, NTIA announced that West Virginia would be awarded \$1.2 billion in federal Broadband Equity, Access and Deployment (BEAD) funding for broadband development in West Virginia. BEAD is administered by the National Telecommunication and Information Administration (NTIA). This historic investment in broadband infrastructure and related digital inclusion efforts will support West Virginia's universal broadband access vision:

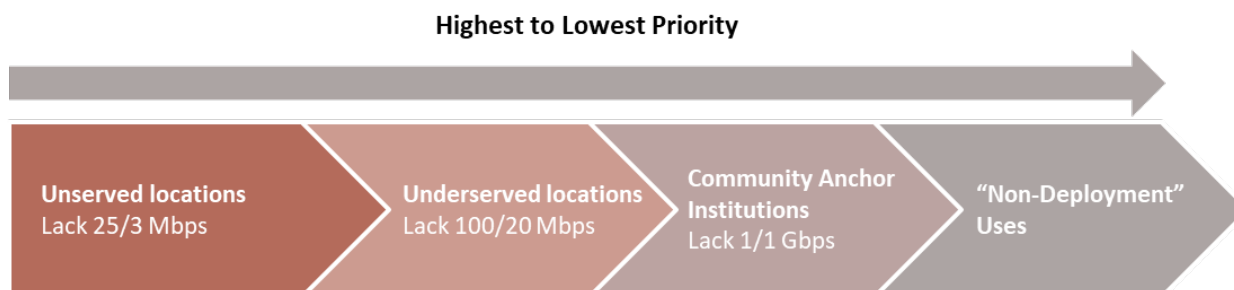
West Virginia Vision for Digital Equity and BEAD

Achieve universal broadband coverage and digital equity throughout the State through aggressive broadband deployment goals and a commitment to closing the digital divide through robust equity and inclusion initiatives.

The BEAD application requires several steps: a Five-Year Action Plan, Initial Proposal Volumes I and II, followed by a Final Proposal. Additionally, the BEAD Program requires states to coordinate efforts with

Digital Equity planning, capacity building, and workforce development. West Virginia's Initial Proposal Volumes I and II will build upon the goals, objectives, and strategies outlined in West Virginia's BEAD Five-Year Action Plan.

As directed by NTIA, BEAD funding places the highest priority on expanding broadband to unserved locations, followed by underserved locations, community anchor institutions, and non-deployment uses.



West Virginia's broadband access gap is significant, and the State currently ranks near the bottom of broadband availability in the U.S.¹ As of December 31, 2022, Federal Communications Commission (FCC) data shows that only 65.3% of West Virginia's Broadband Serviceable Locations (BSLs) are classified as fully served.²

To be considered fully served, a BSL must have a terrestrial or licensed fixed wireless internet service provider that provides, or could easily provide, a minimum connection speed of 100/20 Mbps, with latency less than or equal to 100 milliseconds. Underserved locations are subsequently defined as BSLs with maximum speeds between 25/3 Mbps, and 100/20 Mbps. Finally, unserved locations are defined by the BEAD program as BSLs with speeds less than 25/3 Mbps.³

Unserved and underserved locations exclude those with existing enforceable federal, state, or local commitments to provide service.⁴ Ongoing state and federal investments are projected to increase the number of connected BSLs, but there is still a long way to go to reach 100%.⁵ This gap in broadband access impedes full participation in an increasingly digital society, preventing access to telemedicine, remote work, personal connections, and online news media, among other things. West Virginia's Five-Year Action Plan serves as a guide to achieve universal connectivity and close the digital divide.

The IIJA includes three major programs:

¹ West Virginia is 50th of 50 states, Washington, D.C., and Puerto Rico.

² West Virginia's broadband availability falls short; of all 50 states, the District of Columbia, and Puerto Rico, West Virginia ranks 50th. This number reflects residential broadband availability rankings; the FCC does not provide data for statewide combined residential, mixed-use, and non-residential rankings.

³ <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p16 and p17

⁴ NTIA, Notice of Funding Opportunity (NOFO) Broadband Equity, Access, and Deployment Program, <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>, p36

⁵ Derived from calculations by WVDED. For more details, please see Section 3.1.

1. **Broadband Equity, Access, and Deployment (BEAD) Program (\$42.5 billion)**
2. **State Digital Equity Act programs (Digital Equity Capacity Grant and Digital Equity Competitive Grant (\$2.75 billion)**
3. **Enabling Middle Mile Broadband Infrastructure Program (BIP)**

Each program is briefly detailed below:

1. **Broadband, Equity, Access, and Deployment (BEAD)**
 - a. The BEAD program provides funding for broadband planning, deployment, mapping, equity, and adoption activities.
 - b. On June 26, 2023, NTIA announced that West Virginia will receive \$1,210,800,969.15 in BEAD funding.
 - c. West Virginia's Five-Year Action Plan is approved by NTIA. The plan is posted at broadband.wv.gov.
 - d. **West Virginia was among the first states in the nation to gain NTIA approval of its Initial Proposal Volume 1.** The plan approval date was January 29, 2024, and is posted at broadband.wv.gov.
 - e. **West Virginia was among the first states in the nation to begin its BEAD Challenge Process.** The process began on February 10 and concluded on April 14, 2024. A list of all challenged locations was publicly posted at broadband.wv.gov on April 24, 2024.
 - f. NTIA approved West Virginia's post-challenge results on August 20, 2024.
 - g. West Virginia's Initial Proposal Volume 2 is posted at <https://broadband.wv.gov/>. NTIA announced approval of the state's BEAD IPV II on April 18, 2024.
 - h. **West Virginia was among the first states in the nation to achieve approval of Initial Approval Volume 2.**

Key Takeaways from the BEAD Planning Process

- WVDED is coordinating the deployment of BEAD funding with other existing broadband infrastructure programs in the State.
- Only 65% of broadband serviceable locations in West Virginia are served, according to NTIA's definitions.
- **BEAD funding will support deployment to unserved and underserved locations following adjustments from the challenge process, existing enforceable commitments, and areas newly served since the initial BEAD assessment.**
- In addition to NTIA's community anchor institution categories, WVDED will consider adding correctional and rehabilitation facilities, courthouses, job training centers, and senior centers because they facilitate greater use of broadband service by vulnerable populations.
- **To ensure "future-proof" broadband service, any location served through DSL will be considered "underserved" for the purposes of the BEAD program.**

Recent BEAD Benchmarks

- The Office of Broadband opened the BEAD Pre-application Phase and submission portal on March 18, initially for a period of 30 days. On May 9, 2024, WVDED announced the pre-application deadline was extended through May 30, 2024. WVDED has conducted three training sessions on the BEAD Pre-application Process, two virtual on February 29 and April 10, 2024, and one in-person on March 28, 2024, at the Robert H. Mollohan Research Center in Fairmont, WV.
- On May 3, 2024, WVDED held virtual Pre-application Office Hours to provide assistance and respond to the ongoing intake of questions and inquiries through an online BEAD question intake form available at broadband.wv.gov.
- Four BEAD Full Deployment Funding Application webinar and workshop events were held in June 2024, including onsite in South Charleston and Morgantown. Attendance by potential ISP applicants was strong, especially among those who registered to pre-apply, and other interested partners.

Next Steps for BEAD

Since March 18, 2024, West Virginia has collected and remediated required Pre-applications, prepared for the BEAD Application Phase through a slate of upcoming workshops and webinars, as well as document and material preparation in anticipation of the deployment full application phase.

Draft versions of BEAD Deployment Program Procedures are available at broadband.wv.gov, subject to change pending final approval by NTIA. Significant coordination is still ongoing with partner funding agencies, such as ARC, and existing funding sources to ensure that West Virginia maximizes use of available funds in partnership with, or in complement with BEAD funding to maximize deployment efforts in the mission to serve all West Virginians with Broadband.

The West Virginia Broadband Summit will be held October 22-23, 2024, at the Charleston Embassy Suites, and serve to convene partners and stakeholders for informative speakers, environmental training, updates on pole attachment efforts and policy, and coordination for the upcoming non-deployment application process.

BEAD Non-Deployment

The West Virginia Office of Broadband has posted draft procedures for BEAD Non-Deployment Programs broadband.wv.gov including Workforce Development, Device Distribution, and Digital Skills and Navigators. While WVDED expects that BEAD funds will be available for these non-deployment programs, the final budget will not be known until funds are budgeted for BEAD deployment projects for all unserved and underserved locations statewide. To facilitate the efficient and impactful deployment of anticipated non-deployment activities, WVDED has been awarded Appalachian Regional Commission (ARC) funding to complement BEAD efforts to provide technical assistance to applicants, and is pursuing funding to create and implement a Broadband Industry Career Exploration Program through the West Virginia Department of Education. Priorities are being refined and Workforce needs explored in part through the West Virginia Broadband Workforce Council, in particular through a Workforce Committee which is meeting quarterly.

West Virginia's Digital Equity Program

The Digital Equity Act is a component of the Infrastructure Investment and Jobs Act (IIJA). The goal of the Digital Equity Act is to close the “digital divide” across the nation, ensuring that everyone has access to affordable, high-speed internet service, affordable digital devices, and the tools and training necessary to make full use of the internet’s benefits—all of which should be accessible to everyone, regardless of their background.

West Virginia Vision for Digital Equity

Ensure that all West Virginians have the resources they need to participate in the digital world and achieve the economic benefits of digital equity

High quality, accessible, and affordable broadband is critical for a more just and equitable West Virginia, a healthier society, and a stronger economy that offers opportunity for everyone. West Virginia’s low rate of access to broadband, coupled with its demographic profile, creates many challenges for digital equity⁶:

1. 97% of West Virginians fall into one or more of the Digital Equity Act’s covered populations categories—the highest of any state in the country.
2. More than 35% of West Virginians live in unserved or underserved areas as defined by the NTIA.⁷
3. West Virginia has the highest percentage of individuals living in a rural area (90%) in the country.⁸

The Digital Equity Act contains three grant programs:

1. The Digital Equity Planning Grant (\$60 million)
2. The Digital Equity Capacity Grant (\$1.44 billion)
3. The Digital Equity Competitive Grant (\$1.25 billion)

Digital Equity Planning Grant

West Virginia was allocated over \$700,000 to complete a State Digital Equity Plan. Grant funds were used to collect data, coordinate with partners and relevant stakeholders, and draft the plan. After a public comment period, multiple rounds of revisions, and two rounds of curing, the West Virginia Digital Equity Plan was completed and submitted to NTIA on December 14, 2023. **West Virginia’s Plan was approved by NTIA on February 29, 2024—one of the first six states to be granted approval.** WVDED completed the remaining reports and requirements to close out the Digital Equity Planning Grant on April 26, 2024.

Digital Equity Capacity Grant

⁶ NTIA defines digital equity as a condition in which all individuals and communities have the information technology capacity needed for full participation in our society, democracy, and economy. Digital equity is necessary for access to essential services, civic and cultural participation, employment, and lifelong learning.

⁷ Calculated using National Broadband Availability Data provided by the Federal Communications Commission, available at <https://broadband477map.fcc.gov/#/data-download>.

⁸ Ibid.

On March 29, 2024, NTIA released the Notice of Funding Opportunity (NOFO) for the \$1.44 billion Digital Equity Capacity Grant Program. This grant program is for each state and territory to implement its Digital Equity Plan.

The first of three NOFOs under the program has **tentatively allocated over \$9 million to West Virginia to increase adoption of high-speed internet through affordability, digital skills training, and device access programs.** West Virginia's funding allocation was determined by its total population, percentage of covered populations, and lack of broadband availability and adoption compared to other states. **The Office of Broadband submitted the application for DE Capacity Grant funding on May 15, 2024—well ahead of the May 28 deadline.** WVDED is awaiting final approval.

With the official wind-down of the Affordable Connectivity Program (ACP), WVDED will be exploring new methods of ensuring affordability of high-speed internet service, including spreading awareness of existing affordable internet packages and other relevant consumer information.

WVDED will invest funds to support:

1. Digital Equity (DE) Plan Updates and Data Collection
2. Grant Program Development, Implementation and Evaluation
3. Broadband Affordability Awareness.

WVDED will design three grant programs that empower local organizations to serve Covered Populations, as described in both the State's DE Plan and BEAD Initial Proposal Volume II.

Digital Skills and Navigators Program: WVDED is prioritizing implementation of a Digital Skills subgrant program to address a "lack of technical knowledge," as identified in the DE Plan Needs Assessment. This program will leverage experienced West Virginia organizations to provide training and education to members of the Covered Populations on the use of digital tools, accessing online resources, and practicing safe and responsible online behavior.

Local Digital Equity Planning: This grant program will be available to local governments (e.g. municipal, county) to support the development of local Digital Equity plans. Successful plans will include strategies and key activities aligned with the State DE Plan so that subgrantees are prepared to secure implementation funding, such as the DE Competitive Grant Program. The goal of the program is to ensure interest and activity in digital inclusion work at the local level after the end of the Digital Equity Act programs.

Pilot Device Program: WVDED will pilot its Affordable Device Program to provide eligible residents with new, used, or refurbished devices. The program, connected to the digital skills training program, will ensure participants have the technical assistance needed to operate their new devices. This program, targeted for low-income individuals as defined by the "Covered Households" category of the DEA, will be scaled in subsequent years based on best practices learned from the pilot.

DE Plan Updates and Data Collection: WVDED will revise the State's DE Plan, specifically regarding affordability activities, the Local DE Planning Program, and implementation timeline. Additionally, WVDED will continue to collect data and administer surveys to establish more precise baseline figures and subsequent monitoring of Key Performance Indicators (KPIs). WVDED will partner with the National

Digital Inclusion Alliance (NDIA), the Digital Equity Research Center (DERC), Merit Network, and six other states to create a State Evaluation Tool to assist with evaluating both individual projects and overall statewide progress.

Highlights:

- a. The Digital Equity Capacity Grant Program is meant to fund implementation and revision of each state Digital Equity Plan (https://broadbandusa.ntia.doc.gov/funding-programs/Digital_Equity_Capacity_Grant_Program)
- b. NTIA announced the opening of the application period and released the Notice of Funding Opportunity (NOFO) on March 29, 2024. Applications from States are due by May 28, 2024.
- c. West Virginia has tentatively been allocated over \$9 million to carry out the State Digital Equity Plan for the next five years. Two more funding allocations will become available in 2025 and 2026.
- d. The Office of Broadband has completed the Capacity Grant application. The Program structure features three subgrant programs and data collection activities to annually update the State Digital Equity Plan.

Digital Equity Competitive Grant

The Digital Equity Competitive Grant Program will allocate \$1.25 billion to state agencies, local governments, community anchor institutions, nonprofit organizations, local education agencies, workforce development entities, and partnerships to implement digital inclusion projects. **NTIA released the Notice of Funding Opportunity (NOFO) for the DE Competitive Grant Program on July 24, 2024. Applicants must submit their applications by September 23, 2024.**

Applicants may request between \$5 million and \$12 million, with smaller or larger awards allowed with sufficient justification. Eligible uses of funding include educational and workforce development activities, constructing public computer labs, providing broadband service at low or no cost, broadband adoption programs, and a wide variety of digital inclusion projects—all of which must focus on serving members of the DEA covered populations.

Among other scoring criteria, **NTIA will place priority on projects that identify and fill a gap in the State Digital Equity Plan.** The program is meant to fill implementation gaps and remove systemic barriers to digital equity across the country.

The first round of funding will allocate \$750 million across U.S. States, territories, and tribal entities. Depending on Congressional approval, an additional \$250 million—allocated for Fiscal Year 2025—may be awarded under this initial round of funding. If unauthorized, this funding will be allocated in a second round of awards. There will be at least one more round of awards totaling \$250 million for Fiscal Year 2026.

NTIA anticipated granting 150 to 200 awards in total. NTIA anticipates announcing awards on a rolling basis beginning Winter 2024.

The West Virginia Office of Broadband is strongly encouraging state agencies, local governments, nonprofit organizations, and other eligible entities to consider applying for the program. The DE

Competitive Grant Program is a major opportunity to bring federal funds to West Virginia for education, workforce development, and digital inclusion programs. The Office of Broadband is currently spreading awareness and providing assistance to potential applicants.

Highlights:

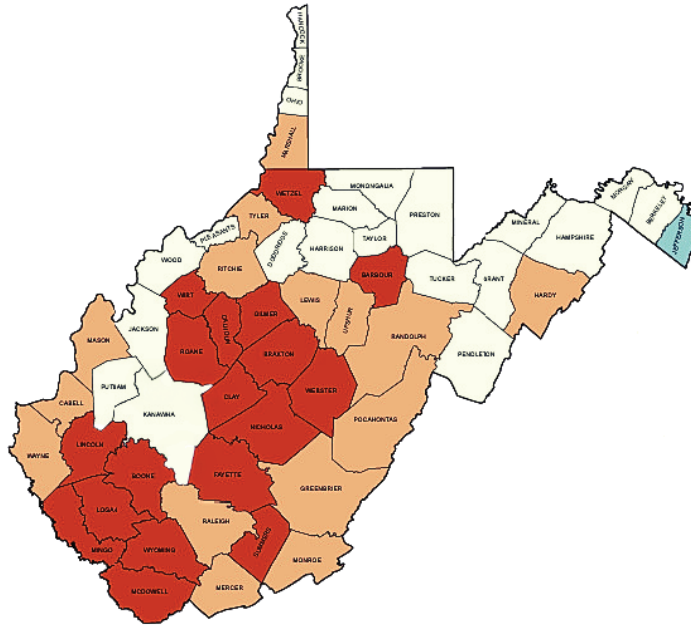
- a. The DE Competitive Grant Program is meant to fund digital inclusion projects from state agencies, nonprofit organizations, community anchor institutions, and partnerships. ([https://broadbandusa.ntia.doc.gov/funding-programs/Digital Equity Competitive Grant Program](https://broadbandusa.ntia.doc.gov/funding-programs/Digital-Equity-Competitive-Grant-Program))
- b. NTIA announced the opening of the application period and released the NOFO on July 24, 2024. Applications from eligible entities are due to NTIA by September 23, 2024.
- c. Awards will be between \$5 to \$12 million. The first round of awards will allocate \$750 million across the country. An additional \$250 million will be awarded either under this round, or in 2025. A final round of awards, totaling \$250 million, will be awarded in either 2025 or 2026.
- d. NTIA will begin announcing awards on a rolling basis in Winter 2024.
- e. WVDED is currently promoting the DE Competitive Grant Program, monitoring potential applicants, and providing assistance wherever possible.

Connect Humanity - Appalachia Digital Accelerator Project

Connect Humanity, a national nonprofit organization working to assist communities with broadband access and adoption, was awarded a \$6.3 million Appalachian Regional Commission (ARC) ARISE grant in 2023 to assist communities throughout Appalachia. Connect Humanity launched the **Appalachia Digital Accelerator Project**, working with trusted partners in each state to close the digital divide. More information: <https://connecthumanity.fund/appalachia-digital-accelerator/>

In West Virginia, Connect Humanity has partnered with Generation WV, Regional Optical Communications (ROC), and WVDED. Because broadband infrastructure deployment has been largely planned out by WVDED and ROC through BEAD program planning, Connect Humanity's project in West Virginia has focused on digital equity planning.

The core goal of the Appalachia Digital Accelerator Project in West Virginia is to convene stakeholders, gather data, and draft a county-level digital equity plan for each of the state's 18 ARC distressed counties from Fiscal Year 2023. The digital equity plans will assist each county in coordinating digital inclusion activities and assist with applying for upcoming grant opportunities.



Map of West Virginia by ARC economic status (FY 2023). Targeted counties shown in red.

Targeted counties include: Barbour; Boone; Braxton; Calhoun; Clay; Fayette; Gilmer; Lincoln; Logan; McDowell; Mingo; Nicholas; Roane; Summers; Webster; Wetzel; Wirt; Wyoming.

The core planning team, consisting of Generation WV, WVDED, and ROC, has convened county level steering committees in each of the 18 counties. These steering committees include public officials, local educators, community leaders, and more. County steering committees have met monthly, helping guide each county's priorities and potential projects. In June 2024, Generation WV hosted 3 planning workshops across the state. These were held:

- On June 24 at the Progressive Women's Association Uptown Event Center in Clarksburg, WV
- On June 25 at Hawks Nest State Park in Ansted, WV
- On June 26 at the Larry Joe Harless Community Center in Gilbert, WV

The core planning team, as well as visiting staff from Connect Humanity and NDIA, spoke to county steering committee members from across the state about a variety of topics. These included digital equity basics, best practices, upcoming grant opportunities, statewide goals, data collection, and ideal project structure. Local leaders discussed local barriers to broadband adoption, potential digital inclusion projects, funding sources, and partners. The first drafts of all 18 county-level digital equity plans are currently available for public comment here: <https://generationwv.org/appalachia-digital-accelerator-project/>

Highlights:

- a. Connect Humanity was awarded a \$6.3 million ARC ARISE grant to assist communities across Appalachia with broadband access and adoption. Through the Appalachia Digital Accelerator Project, Connect Humanity has convened partners in each state to carry out activities.

- b. West Virginia's core planning team under this project consists of Generation WV, WVDED, and ROC, with support from Connect Humanity and NDIA.
- c. The goal of the project is to create a county-level digital equity plan for each of the state's 18 ARC distressed counties from FY 2023. These plans identify county specific barriers to digital equity and propose local goals and activities to address these barriers. These plans will also support each county in applying for grant funding.
- d. Generation WV hosted three planning workshops in June 2024. Staff from Connect Humanity and NDIA visited to speak to local leaders about digital equity best practices from projects across the country.
- e. The first drafts of all 18 county-level plans are currently available for public comment.

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

(Speaker Hanshaw)

April 14, 2024

5:00 p.m. – 6:00 p.m.

Senate	House
Blair, Chair	Hanshaw, Chair
Nelson	Criss
Takubo (absent)	Hornbuckle (absent)
Tarr	Householder
Trump	Howell
Weld (absent)	Phillips
Woelfel (absent)	Summers

Speaker Hanshaw: “...Chair will note for the record the presence of a quorum today for this meeting. Let's begin with the minutes of our January 7th meeting which are in your packets that have been distributed. So, if everyone will take a moment and familiarize yourself with that draft. Questions from any members about the draft set of minutes? No questions? Chair will recognize President Blair.”

President Blair: “Mr. Speaker, I move that the minutes for January the 7th, 2024, meeting of the Joint Committee on Government Finance as contained in the members packets, be approved.”

Speaker Hanshaw: “The President moves the draft of the January 7th, 2024, meeting minutes be approved as distributed. Is there discussion on the motion? If not, those in favor of adoption of the motion will please say aye, those opposed please say no, the ayes have it, that motion is adopted. Let's take our regular report on general and federal funds. Mr. Muchow, welcome back. I see you have new help with you.”

Deputy Secretary Muchow: “Yes, I do. I have somebody to...to make me do better. So, good addition to the...”

Speaker Hanshaw: “Well, welcome to both of you.”

Deputy Secretary Muchow: “Thank you. Mark Muchow, Department of Revenue, and here to talk about the March general revenue and March State Road Fund. Start with the General Revenue Fund. March was a very good month for state general revenues, we collected \$487.4 million dollars. The estimate was \$392.6 million, so we ended up 94...almost \$94.9 million above estimate. Compared to last year, we were down only 5.9%, that's...that would be one of our better months for the year. On the individual, for the...for the year to date, we've now collected \$4.068 billion, and the estimate was \$3.54 billion, that's \$522.9 million above estimate. Compared to last year, down 11.8%, but certainly the revenues for this year incorporate the 21 1/4% reduction in personal income tax and then the severance tax revenues, which were very high last year, have come back down to a more normal type level. On the individual components, I'll start with the sales tax. The sales tax in March, we collected \$147.2 million, that was almost \$5.6 million above estimate, 5.3% ahead of last year, which puts us...one of the better months for sales tax this year. Year to date, we've collected \$1.315 billion, that's \$23.7 million above estimate, 3.7% ahead of last year. Personal income tax we collected \$198.3 million in

March, the estimate was one hundred forty-nine and a half. That was our...our best performing component (...inaudible...) estimate we were \$48.8 million above estimate. We were only 1% below last year and I do mention that...you know...we passed some legislation a year or so ago involving elective pass-through entities, allowing them to pay tax on behalf of the individual owners. The annual return due date for most elective pass-through entities would be in March. So, you...a lot of annual payments came in March, whereas in previous years some of those payments may have come in April. Year to date on personal income tax \$1.635 billion, that's \$184.1 million above estimate, only 9.4% below last year, which is pretty good...21 1/4% tax cut is built in there. Moving down the list here, I'm going to go to the severance tax. We collected \$48.2 million in March, that was above estimate by \$26 million dollars. Compared to last year, down 43.2% which is a better performance than we've had in previous months. Year to date on severance, we're now at two hundred forty-seven and a half million compared to the estimate of \$222.3. So, severance is running \$25.2 million ahead of last year. Compared to previous year, we're down sixty-eight and a half percent. The severance numbers have gotten better in recent months, particularly compared to...to last year. Of course, last year in the second half of the year, the severance tax started to...to slow down a little bit and we're now comparing this year with a slower level of revenue last year. So, that helps...helps the numbers out a bit. Corporate income tax we collected \$15.4 million in March, that was \$6.9 million above estimate. It actually was a little bit lower than last year, but year to date corporate income tax...one of our best performing taxes...is almost \$259 million dollars. We're \$131.4 million above estimate and 11.2% ahead of last year. So, that's our double-digit growth component. I'll also mention insurance premium tax, the...the due date for

the latest installment of insurance premium tax is March 1st...because it's March 1st, some money comes in February, some money comes in March...and this particular year more money came in February, a little less money came in March but overall, the numbers were pretty good. Insurance premium tax we collected \$20.7 million, versus an estimate of \$23.7, that was \$3 million below estimate and 10% below last year but moving to the year-to-date numbers, we've collected almost eighty-nine and a half million for general revenue, versus an \$85.4 million estimate, that's a little over \$4 million above estimate, and 8% ahead of last year. So, that's also doing well and I...I do note that there are some folks that are concerned about volunteer fire departments. Volunteer fire departments receive some insurance premium taxes. So, when the insurance premium tax grows, volunteer fire departments will receive additional money when it grows. So, their numbers this year should be up compared to last year. I will move to the State Road Fund unless there is any questions on the General Revenue Fund?"

Speaker Hanshaw: "...just a moment. Questions of Mr. Muchow? All right, let's go ahead and take the road fund then."

Deputy Secretary Muchow: "Okay, the road fund I'm mainly going to talk about the revenues this year compared to last year because the revenue estimates have been updated two different times, but I will mention that in March, the overall collections including federal reimbursement were \$129.1 million. The estimate was 171, so it's technically \$42 million below estimate, but that's because of a huge revision upward by DOT in their estimate of federal funds received. On the federal funds received in March, we had forty-five and a half million dollars compared to \$62.2 million last year. So, it was a little less than last year on...on federal funds received, but for the year to date on federal

funds received, 500 and...almost \$577 million dollars, which is 19.4% ahead of last year. So, we're going to...we're still on pace for a record year for federal reimbursements. On the state components, the...the motor fuel tax in March, we collected \$28.8 million, that was a little bit below estimate, about \$800,000 below estimate. Year to date we've collected \$325.8 million, which is about \$9 million below estimate but 2% ahead of last year. So, we've still collected more than last year and by the year end we should be pretty much on...on the estimate for the fuel tax. Registration fees we collected \$11.9 million in March, that was 10.2% less than last March. For the year to date, total collections on license and registration fees are \$89.8 million, which is 7.6% below last year. Motor vehicle sales tax, when...when interest rates rise, that tends to slow down big...big ticket items in terms of discretionary spending, and also the other factor is used cars prices which were very high a year or two ago...used car prices have come down. So, lower prices mean lower sales tax, higher interest rates mean a little bit less sales tax on motor vehicles as well. In March we collected \$23.6 million, the...that was down 19 and 1/2% from last year when we collected \$29.3 million. For the year to date, we collected \$230.5 million, which is still about \$2.3 million above the revised estimate, but it's about 2 1/2% below last year's collection levels and... and then the miscellaneous line...year to date, we've collected \$229.4 million versus \$167.5 million last year, and the biggest item there is...in both years...is a \$150 million appropriation from the legislature for...for both years. So, with that I'll open up to any questions you might have."

Speaker Hanshaw: "Okay. Questions from any member about either of the presentations? No? Okay. Mr. Muchow, thank you very much."

Deputy Secretary Muchow: "Thank you."

Speaker Hanshaw: “All of the remainder of the periodic reports that we receive are presented for review by the members in the packets today. So, at this time, the chair will ask if there is interest from any member in bringing any representative of any of the various reports contained in the packet today for further explanation? If there's not, I'll recognize the President.”

President Blair: “Mr. Speaker, I move we adjourn.”

Speaker Hanshaw: “President's motion is that the meeting adjourn. Those in favor will please say aye, those opposed please say no. The ayes have it, we are adjourned. Thank you.”

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor



*Budget Division
Building 1, Room 314-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25301*

304-347-4870

August 20, 2024

Executive Summary WV Lottery, Unemployment Trust, General Revenue and State Road Fund

- West Virginia Lottery as of July 31, 2024
Gross profit as of July 31, 2024, was \$48.4 million. Gross profit as of June 30, 2023, was \$52.3 million.
- West Virginia Unemployment Compensation Fund as of June 30, 2024
Total disbursements were \$80.9 million higher than in fiscal year 2023. Overall ending trust fund balance was \$14 million higher on June 30, 2024, than on June 30, 2023.
- General Revenue Fund as of July 31, 2024
The general revenue collections ended the first month of fiscal year 2025 at 101% of the estimate for the year. Total collections were \$5 million above the estimate for the fiscal year.
- State Road Fund as of July 31, 2024
The road revenue collections ended the first month of fiscal year 2025 at 99% of the estimate for the year. Total collections were \$562 thousand below the estimate for the fiscal year.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor



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

MEMORANDUM

To: Honorable Chairmen and Members of the Joint Committee on
Government and Finance

From: William Spencer, CPA
Director Budget Division
Legislative Auditor's Office

Date: August 20, 2024

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2024

We performed an analysis of the Statement of Revenues, Expenses and Changes in Fund Net Position for July 31, 2024, 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 \$106 million for July of fiscal year 2024-2025. Table games accounted for \$2.3 million of this total. Historic Resort Hotel video lottery accounted for \$468 thousand of total gross receipts. Gross lottery revenue has decreased by \$10.6 million or -9.1% when compared with July of fiscal year 2023-2024. This number does not include commission and prize deductions. Gross profit (gross revenues minus commissions and prize costs) for July was \$48.4 million; for July of last fiscal year, it was \$52.3 million. Expressed as a percentage, gross profit is -7.5% lower for fiscal year 2025 than for fiscal year 2024.

Lottery continued

Operating Transfers to the State of West Virginia:

A total of \$46,473,000.00 has been accrued to the state of West Virginia for fiscal year 2024-2025. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. Amount 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:

State Lottery Fund

Bureau of Senior Services	\$21,185,000.00
Community and Technical College	\$499,000.00
Department of Education	\$4,664,000.00
Library Commission	\$3,640,000.00
Higher Education-Policy Commission	\$2,381,000.00
Tourism	\$2,240,000.00
Department of Natural Resources	\$1,234,000.00
Division of Culture and History	\$1,357,000.00
General Revenue Fund	\$000.00
Economic Development Authority	\$1,000,000.00
School Building Authority	\$1,800,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$40,000,000.00

Lottery continued

Excess Lottery Fund

Economic Development Fund	\$2,102,000.00
Higher Education Improvement Fund	\$1,500,000.00
Economic Development Authority	\$439,000.00
General Purpose Fund	\$000.00
Higher Education Improvement Fund	\$000.00
State Park Improvement Fund	\$000.00
School Building Authority	\$1,764,000.00
Refundable Credit	\$000.00
WV Racing Commission	\$000.00
WV DHHR	\$000.00
Teacher's Retirement Savings	\$000.00
Division of Human Services	\$000.00
WV Lottery Statutory Transfers	\$000.00
Economic Development Authority	\$000.00
General Revenue Fund	\$000.00
Office of Technology	\$000.00
Excess Lottery Surplus	\$000.00
WV Infrastructure Council Fund	\$599,000.00
Total State Excess Lottery Revenue Fund	\$6,404,000.00

Total Budgetary Distributions:	\$46,404,000.00
Veterans Instant Ticket Fund	\$37,000.00
Pension Plan	\$00.00
TOTAL TRANSFERS	*\$46,441,000.00

Lottery continued

* CASH BASIS

Total Accrued last FY 2023:	\$190,015,000.00
Total Cash Distributions FY 2024:	\$46,441,000.00
Applied to FY 2024:	\$46,441,000.00
Applied to FY 2025:	\$000.00
Accrued for FY 2024 as of July 31:	\$143,574,000.00
Accrued for FY 2025 as of July 31:	\$46,473,000.00




P.O. BOX 2067
CHARLESTON, WV 25327

JOHN A. MYERS
DIRECTOR

PHONE: 304.558.0500
wvlottery.com

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John A. Myers, Director 

RE: Monthly Report on Lottery Operations
Month Ending July 31, 2024

DATE: August 16, 2024

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

Financial statements of the Lottery for the month ending July 31, 2024 are attached. Lottery revenue, which includes on-line, instant, video lottery sales, table games, and historic resort, sports wagering, and interactive gaming was \$105,989,479 for the month of July.

Transfers of lottery revenue totaling \$46,441,067 made for the month of July to the designated state agencies per Senate Bill 160, 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 12 on pages 20 and 21 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2024 was 1,496 and 1,181 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.

JAM
Attachment

pc: Honorable Jim Justice, Governor
Larry Pack, Cabinet Secretary – Dept. of Revenue
Riley Moore, Treasurer
J. B. McCuskey, Auditor
Members of the West Virginia Lottery Commission

WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

July 31, 2024

WEST VIRGINIA LOTTERY**TABLE OF CONTENTS**

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WEST VIRGINIA LOTTERY
STATEMENT OF NET POSITION
(In Thousands)
-Unaudited-

ASSETS	July 31, 2024	June 30, 2024
Current Assets:		
Cash and cash equivalents	\$ 229,166	\$ 227,763
Accounts receivable	33,405	38,583
Inventory	1,327	1,330
Other assets	213	213
Total Current Assets	<u>264,111</u>	<u>267,889</u>
Capital assets	63,919	63,915
Less accumulated depreciation and amortization	<u>(23,685)</u>	<u>(23,544)</u>
Net Capital Assets	<u>40,234</u>	<u>40,371</u>
Net Pension Asset	24	24
Net OPEB Asset	<u>204</u>	<u>204</u>
Total Noncurrent Assets	<u>40,462</u>	<u>40,599</u>
Total Assets	<u>\$ 304,573</u>	<u>\$ 308,488</u>
Deferred outflows of resources	<u>\$ 1,471</u>	<u>\$ 1,471</u>
Total assets and deferred outflows	<u>\$ 306,044</u>	<u>\$ 309,959</u>
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 190,047	\$ 190,015
Estimated prize claims	20,294	19,293
Accounts payable	2,419	5,104
Other accrued liabilities	<u>31,382</u>	<u>33,645</u>
Total Current Liabilities	<u>244,142</u>	<u>248,057</u>
Deferred inflows	<u>\$ 370</u>	<u>370</u>
Net Position:		
Net Investment in capital assets	40,234	40,371
Unrestricted	<u>21,298</u>	<u>21,161</u>
Total Net Position	<u>61,532</u>	<u>61,532</u>
Total net position, liabilities, and deferred inflows	<u>\$ 306,044</u>	<u>\$ 309,959</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024
(In Thousands)
-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	FY 2025	FY 2024	FY 2025	FY 2024
Lottery revenues				
On-line games	\$ 5,396	\$ 12,318	\$ 5,396	\$ 12,318
Instant games	14,169	14,052	14,169	14,052
Racetrack video lottery	40,831	44,081	40,831	44,081
Limited video lottery	39,479	40,527	39,479	40,527
Table games	2,327	3,043	2,327	3,043
Historic resort	468	636	468	636
Sports Wagering	305	262	305	262
Interactive Wagering	3,015	1,718	3,015	1,718
	<u>105,990</u>	<u>116,637</u>	<u>105,990</u>	<u>116,637</u>
Less commissions				
On-line games	375	886	375	886
Instant games	992	984	992	984
Racetrack video lottery	22,401	24,184	22,401	24,184
Limited video lottery	19,345	19,858	19,345	19,858
Table games	993	1,296	993	1,296
Historic resort	225	328	225	328
	<u>44,331</u>	<u>47,536</u>	<u>44,331</u>	<u>47,536</u>
Less on-line prizes	2,703	5,956	2,703	5,956
Less instant prizes	9,731	9,624	9,731	9,624
Less ticket costs	165	133	165	133
Less vendor fees and costs	682	1,064	682	1,064
	<u>13,281</u>	<u>16,777</u>	<u>13,281</u>	<u>16,777</u>
Gross profit	<u>48,378</u>	<u>52,324</u>	<u>48,378</u>	<u>52,324</u>
Administrative expenses				
Advertising and promotions	537	341	537	341
Wages and related benefits	722	1,034	722	1,034
Telecommunications	126	53	126	53
Contractual and professional	972	905	972	905
Rental	10	22	10	22
Depreciation and amortization	141	141	141	141
Other administrative expenses	(25)	880	(25)	880
	<u>2,483</u>	<u>3,376</u>	<u>2,483</u>	<u>3,376</u>
Other Operating Income	<u>385</u>	<u>641</u>	<u>385</u>	<u>641</u>
Operating Income	<u>46,280</u>	<u>49,589</u>	<u>46,280</u>	<u>49,589</u>
Nonoperating income (expense)				
Investment income	1,006	1,216	1,006	1,216
Distributions to municipalities and counties	(774)	(794)	(774)	(794)
Distributions -capital reinvestment	(39)	(36)	(39)	(36)
Distributions to the State of West Virginia	(46,473)	(49,975)	(46,473)	(49,975)
	<u>(46,280)</u>	<u>(49,589)</u>	<u>(46,280)</u>	<u>(49,589)</u>
Net income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net position, beginning of period	<u>61,532</u>	<u>61,430</u>	<u>61,532</u>	<u>61,430</u>
Net position, end of period	<u>\$ 61,532</u>	<u>\$ 61,430</u>	<u>\$ 61,532</u>	<u>\$ 61,430</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024

(In Thousands)

-Unaudited-

	2025	2024
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 111,553	\$ 109,510
Cash payments for:		
Personnel costs	(722)	(1,034)
Suppliers	(2,503)	(2,602)
Other operating costs	(54,349)	(59,983)
Cash provided by operating activities	<u>53,979</u>	<u>45,891</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(46,441)	(46,581)
Distributions to municipalities and counties	(791)	(791)
Distributions to racetrack from racetrack cap. reinv. fund	(6,346)	(1,749)
Cash used in noncapital financing activities	<u>(53,578)</u>	<u>(49,121)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(4)</u>	<u>(8)</u>
Cash flows from investing activities:		
Investment earnings received	<u>1,006</u>	<u>1,216</u>
Cash provided by investing activities	<u>1,006</u>	<u>1,216</u>
Increase (decrease) in cash and cash equivalents	1,403	(2,022)
Cash and cash equivalents - beginning of period	<u>227,763</u>	<u>288,680</u>
Cash and cash equivalents - end of period	<u>\$ 229,166</u>	<u>\$ 286,658</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 46,280	\$ 49,589
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	141	141
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	5,178	(7,768)
(Increase) decrease in inventory	3	132
(Increase) decrease in other assets		
Increase (decrease) in estimated prize claims	1,001	662
Increase (decrease) in accounts payable	(2,685)	(1,296)
Increase (decrease) in other accrued liabilities	4,061	4,431
Cash provided by operating activities	<u>\$ 53,979</u>	<u>\$ 45,891</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; Mega Millions®, a multi-state “jackpot” game; Cash25 “lotto” game; Daily 3 and 4 “numbers” games; and Travel, a daily “keno” game. Revenue is recognized when the agent sells the tickets to the public. Prize expense is recognized on the basis of actual drawing results.

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

Video lottery is a self-activated video version of lottery games which is operated by an authorized licensee. 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 video lottery games’ prize structures are designed to award prizes, or credits, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as video lottery revenue “gross terminal income” equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to the private and local government entities are reported as commissions. WV Lottery statutes have established specific requirements for video lottery and imposed certain restrictions limiting the licensing for operation of video lottery games to horse and dog racetracks in West Virginia (subject to local county elections permitting the same), limited licensed retailer areas restricted for adult amusement, and licensed historic resort hotels as defined by WV Code.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The legislation further stipulates the distribution of revenues from video lottery games, and requires any video lottery licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing 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), and licensed historic resort hotels as defined by WV Code. Each licensee 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 licensee to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits in an external investment pool maintained by the West Virginia Board of Treasury Investments (BTI). The BTI pool is a 2a-7 like pool carried at amortized cost which approximates fair value of the underlying securities.

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

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

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

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

COMPENSATED ABSENCES – The Lottery has accrued \$887,847 and \$807,352 at June 30, 2024 and 2023, 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 another postemployment benefits plan.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At July 31, 2024 the carrying amounts of deposits (overdraft) with financial institutions were \$499 thousand with a bank balance (overdraft) of \$518 thousand. Of this balance \$250 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):

	July 31, 2024	June 30, 2024
Deposits with financial institutions	\$ 499	\$ 491
Cash on hand at the Treasurer's Office	5,430	4,236
Investments with BTI reported as cash equivalents	223,237	223,036
	<u>\$ 229,166</u>	<u>\$ 227,763</u>

The deposits with the BTI are part of the State of West Virginia's consolidated investment cash liquidity pool. Investment income is pro-rated to the Lottery at rates specified by the BTI based on the balance of the deposits maintained in relation to the total deposits of all state agencies participating in the pool. Such funds are available to the Lottery with overnight notice.

WEST VIRGINIA LOTTERY
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NOTE 4 – CAPITAL ASSETS

A summary of capital asset activity for the month ended July 31, 2024 is as follows (in thousands):

Capital Assets:

	Historical Cost At June 30, 2024	Additions	Deletions	Historical Cost At July 31, 2024
Construction in Progress	2,812	3	-	2,815
Buildings	48,243	-	-	48,243
Land	1,681	-	-	1,681
Equipment	11,180	-	-	11,180
	<u>\$ 63,916</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 63,919</u>

Accumulated
Depreciation:

	Historical Cost At June 30, 2024	Additions	Deletions	Historical Cost At July 31, 2024
Buildings	\$ 13,865	\$ 102	\$ -	\$ 13,967
Equipment	9,679	39	-	9,718
	<u>\$ 23,544</u>	<u>\$ 141</u>	<u>\$ -</u>	<u>\$ 23,685</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

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

Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL®, LOTTO AMERICA®, and MEGA MILLIONS® is 50% of each drawing period's sales, with minimum jackpot levels. The Lottery's revenues and expenses from MUSL games participation for the month ended July 31, 2024 and fiscal year-to-date is as follows:

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

<u>Revenues</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 1,782,630	\$ 1,782,630
Lotto America	464,301	464,301
Mega Millions	1,245,631	1,245,631
Total	\$ 3,492,562	\$ 3,492,562

<u>Expenses (Prizes)</u>	<u>Month</u>	<u>Y-T-D</u>
Powerball	\$ 894,886	\$ 894,886
Lotto America	232,151	232,151
Mega Millions	622,822	622,822
Total	\$ 1,749,859	\$ 1,749,859

MUSL places a percentage of game sales from each game in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. The applicable sales percentage contribution as well as the reserve fund limit for the MUSL games is as follows:

	<u>PowerBall</u>	<u>Lotto America</u>	<u>Mega Millions</u>
Required Contribution (% of sales)	2%	3%	1%
Reserve Fund Cap	\$132,000,000	\$12,000,000	\$110,000,000

At July 31, 2024, the Lotteries share of the prize reserve fund balances were as follows:

<u>Game</u>	<u>Total Prize Reserve</u>	<u>Lottery Share</u>
Powerball	\$ 127,055,280	\$ 1,137,959
Lotto America	8,936,378	687,378
Mega Millions	100,268,801	752,555
Total	\$ 236,260,459	\$ 2,577,892

Lottery prize reserves held by the MUSL are invested according to a Trust agreement the Lottery has with MUSL outlining investment policies. The policies restrict investments to direct obligations of the United States Government, perfected repurchase agreements, and obligations issued or guaranteed as to payment of

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

principal and interest by agencies or instrumentalities of the United States Government, and mutual funds of approved investments. The average portfolio maturity is never more than one year, except that up to one third of the portfolio may have an average maturity of up to two years. The maximum maturity for any one security does not exceed five years.

The interest earned on prize reserve fund monies is used to pay MUSL operating expenses and any amounts over and above that are credited to an unreserved fund. The Lottery records this as interest when earned. This fund had a balance of \$23,147,833 at July 31, 2024, of which the Lottery's share was \$213,100.

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 and has been amended again by HB 101 as passed during the first extraordinary session of 2014. For a complete summary of the impacts of HB 101, see Note 11 titled "Summary Impact of Recent Legislation." 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 (46.5%); other private entities associated with the racing industry (8.7%); and the local county and municipal governments (2%). The remaining revenues (42.8%) 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 11 titled "Nonoperating Distributions to the State of West Virginia."

The first benchmark occurs when the current year net terminal revenue meets the fiscal year 1999 net terminal revenue. The counties and incorporated municipalities split 50/50 the two percent (2%) net terminal revenue.

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

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack.

After deduction of the surcharge, 49% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (5%); and the local county and incorporated municipality governments (2%).

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

The remaining net terminal revenue (51%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 12.

Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise, amounts accumulated in the fund revert to the state excess lottery revenue fund.

A summary of racetrack video lottery revenues for the month ended July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2025	2024	2025	2024
Total credits played	\$ 490,677	\$ 516,641	\$ 490,677	\$ 516,641
Credits (prizes) won	(441,807)	(464,755)	(441,807)	(464,755)
Promotional credits played	(8,039)	(7,805)	(8,039)	(7,805)
Gross terminal income	40,831	44,081	40,831	44,081
Administrative costs	(1,633)	(1,763)	(1,633)	(1,763)
Net Terminal Income	39,198	42,318	39,198	42,318
Less distribution to agents	(22,401)	(24,184)	(22,401)	(24,184)
Racetrack video lottery revenues	\$ 16,797	\$ 18,134	\$ 16,797	\$ 18,134

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

	Current Month	Year-to-Date
State Lottery Fund	\$ 11,760	\$ 11,760
State Excess Lottery Revenue Fund	5,037	5,037
Capital Reinvestment Fund	-	-
Total nonoperating distributions	\$ 16,797	\$ 16,797

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

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

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. This percentage is 50 percent. 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 July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2025	2024	2025	2024
Total credits played	\$ 533,431	\$ 538,670	\$ 533,431	\$ 538,670
Credits (prizes) won	(493,952)	(498,143)	(493,952)	(498,143)
Gross terminal income	\$ 39,479	\$ 40,527	\$ 39,479	\$ 40,527
Administrative costs	(790)	(811)	(790)	(811)
Gross Profit	38,689	39,716	38,689	39,716
Commissions	(19,345)	(19,858)	(19,345)	(19,858)
Municipalities and Counties	(774)	(794)	(774)	(794)
Limited video lottery revenues	<u>\$ 18,570</u>	<u>\$ 19,064</u>	<u>\$ 18,570</u>	<u>\$ 19,064</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 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. Transfer three 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 Excess Lottery Revenue Fund.

The cash transferred to the State Excess Lottery Revenue Fund in the current month is included in Note 12- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year ended July 31, 2024 were \$6,649,584 and \$6,649,584, respectively. The following table shows the month and year totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	Current Month		Year-to-Date	
	2025	2024	2025	2024
Table Games Privilege Tax	\$ 2,327	\$ 3,043	\$ 2,327	\$ 3,043
Interest on Table Games Fund	25	28	25	28
Administrative costs	(199)	(261)	(199)	(261)
Total Available for Distribution	2,153	2,810	2,153	2,810
<u>Less Distributions:</u>				
Racetrack Purse Funds	150	196	150	196
Thoroughbred & Greyhound Development Funds	120	157	120	157
Racing Association Pension Plan	60	78	60	78
Municipalities/ Counties	663	865	663	865
Total Distributions	993	1,296	993	1,296
Excess Lottery Fund	\$ 1,160	\$ 1,514	\$ 1,160	\$ 1,514

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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 historic resort hotel.

A summary of historic resort hotel video lottery revenues for the month ended July 31, 2024 and fiscal year-to-date follows (in thousands):

	Current Month		Year-to-Date	
	2025	2024	2025	2024
Total credits played	\$ 3,523	\$ 6,094	\$ 3,523	\$ 6,094
Credits (prizes) won	(3,182)	(5,548)	(3,182)	(5,548)
Promotional credits played	(60)	(107)	(60)	(107)
Gross terminal income	281	439	281	439
Capital reinvestment	(13)	(21)	(13)	(21)
Excess Lottery Fund	(3)	(4)	(3)	(4)
Administrative costs	(15)	(24)	(15)	(24)
Hotel commissions	(119)	(186)	(119)	(186)
Net terminal income	131	204	131	204
Historic Resort Hotel Fund	83	129	83	129
Human Resource Benefit Fund	48	75	48	75

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 – HISTORIC RESORT HOTEL (continued)

Historic Resort Table Games

Each historic resort hotel licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts, of which thirty percent (30%) is deposited directly into the Historic Resort Hotel Fund and five percent (5%) is deposited directly into the Human Resource Benefit Fund. The historic resort hotel table games adjusted gross receipts for the month and year ended July 31, 2024 were \$534,512 and \$534,512 respectively.

The following table shows the month and fiscal 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	
	2025	2024	2025	2024
Table games privilege tax	\$ 187	\$ 197	\$ 187	\$ 197
Administrative Costs	(24)	(25)	(24)	(25)
Total Available for Distribution	163	172	163	172
Historic Resort Hotel Fund	136	144	136	144
Human Resource Benefit Fund	27	28	27	28

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) Eighty-six percent (86%) is paid to the State Excess Lottery Revenue Fund;
- 2) Four percent (4%) is paid to the county where the gaming facility is located;
- 3) Two and one-half percent (2.5%) is paid to the municipality where the gaming facility is located as prescribed by statute;
- 4) 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;
- 5) 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;
- 6) Two and one-half percent (2.5%) is divided and paid in equal shares, to each municipality in the state not already receiving a distribution as described in item five (5) or item six (6) above.

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

	Current Month	Year-to-Date
Historic Resort Hotel Video Lottery	\$ 83	\$ 83
Historic Resort Table Games	136	136
Interest on Historic Resort Hotel Fund	5	5
Historic Resort Hotel Fund Net Income	224	224
Municipalities/ Counties	31	31
Excess Lottery Fund	193	193
Total Distributions	\$ 224	\$ 224

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 10– SPORTS WAGERING

Sports Wagering legislation passed in 2018 per Senate Bill 415. Each racetrack and historic resort hotel licensee is subject to a privilege tax of ten percent (10%) of adjusted gross wagering receipts which will be deposited weekly into the Sports Wagering Fund.

From the privilege tax deposited into the Sports Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

After the reduction for administrative expenses, the net profit shall be deposited into the State Lottery Fund until a total of \$15 million is deposited. The remainder of net profit shall be deposited into the Public Employees Insurance Agency Financial Stability Fund.

The Sports Wagering adjusted gross wagering receipts for the month and year-to-date periods ended July 31, 2024 were \$3,046,039 and \$3,046,039, 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	
	2025	2024	2025	2024
Sports Wagering Privilege Tax	\$ 305	\$ 262	\$ 305	\$ 262
Interest on Sports Waging Fund	7	6	7	6
Administrative Costs	(46)	(39)	(46)	(39)
Total Available for Distribution	266	229	266	229

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 11– INTERACTIVE WAGERING

Interactive Wagering legislation passed in 2019 per House Bill 2934. Each racetrack and historic resort hotel licensee is subject to a privilege tax of fifteen percent (15%) of adjusted gross interactive gaming receipts which will be deposited weekly into the Interactive Wagering Fund.

From the privilege tax deposited into the Interactive Wagering Fund, the Commission, on a monthly basis shall:

Retain 15% for administrative expenses of which any surplus in excess of \$250,000 shall be reported to the Joint Committee on Government and Finance and remitted to the State Treasurer.

In each fiscal year, the Lottery Commission shall deposit one-quarter of a percent of the net profit into each of the four special funds established by the Racing Commission, pursuant to §29-22A-10 and §29-22C-27 to be used for payment into the pension plan for the employees of the licensed racing associations in this state.

After the reduction for administrative expenses and the pension plans for the racing associations, the net profit shall be deposited into the State Lottery Fund.

The Interactive Wagering adjusted gross interactive gaming receipts for the month and year-to-date periods ended July 31, 2024 were \$20,102,108 and \$20,102,108 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	
	2025	2024	2025	2024
Interactive Wagering Privilege Tax	\$ 3,015	\$ 1,718	\$ 3,015	\$ 1,718
Interest on Interactive Wagering Fund	51	44	51	44
Administrative Costs	(452)	(258)	(452)	(258)
Total Available for Distribution	2,614	1,504	2,614	1,504

A summary of Interactive Gaming Fund related distributions is as follows (in thousands):

	Current Month	Year-to-Date
Pensions	26	26
Lottery Fund	2,588	2,588
Total Distributions	\$ 2,614	\$ 2,614

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 12- 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, 2025 the State Legislature budgeted \$149,094,042 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, \$1,000,000, and \$500,000 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 \$6,404,184 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. For the month ended July 31, 2024 the Lottery has accrued additional distributions of \$190,046,616. The Lottery is a non-appropriated state agency and therefore does not have a legally adopted annual budget.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>July 31, 2024</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ 499	\$ 499
Bureau of Senior Services	21,185	21,185
Department of Education	4,664	4,664
Library Commission	3,640	3,640
Higher Education-Policy Commission	2,381	2,381
Tourism	2,240	2,240
General Revenue		
Natural Resources	1,234	1,234
Fire Protection Fund		
Division of Culture & History	1,357	1,357
Economic Development Authority	1,000	1,000
School Building Authority	1,800	1,800
Total State Lottery Fund	<u>\$ 40,000</u>	<u>\$ 40,000</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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State Excess Lottery Revenue Fund:

Economic Development Fund	\$ 2,102	\$ 2,102
Higher Education Improvement Fund	1,500	1,500
Economic Development Authority	439	439
General Purpose Account		
Higher Education Improvement Fund		
State Park Improvement Fund		
School Building Authority	1,764	1,764
Refundable Credit		
WV Racing Commission		
Division of Human Services		
WV Lottery Statutory Transfers		
General Revenue Fund		
West Va. Infrastructure Council	599	599
Total State Excess Lottery Revenue Fund	<u>\$ 6,404</u>	<u>\$ 6,404</u>
Total Budgetary distributions:	<u>\$ 46,404</u>	<u>\$ 46,404</u>
Veterans Instant Ticket Fund	\$ 37	\$ 37
Total nonoperating distributions to the		
State of West Virginia (cash basis)	\$ 46,441	\$ 46,441
Accrued nonoperating distributions, beginning	(190,015)	(190,015)
Accrued nonoperating distributions, end	<u>190,047</u>	<u>190,047</u>
	<u><u>\$ 46,473</u></u>	<u><u>\$ 46,473</u></u>

WEST VIRGINIA LOTTERY
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NOTE 13 – LEASES

The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. The Lottery also leases various office equipment under agreements considered to be cancellable operating leases. Rental expense for the fiscal year-to-date ended July 31, 2024 and July 31, 2023 approximated \$9,865 and \$22,248 respectively.

The Lottery leases office space under the terms of a non-cancellable operating lease to various tenants. Rental revenues for the fiscal year-to-date ended July 31, 2024 and July 31, 2023 approximated \$103,152 and \$78,690 respectively.

NOTE 14 – COMMITMENTS

For the years ended June 30, 2024 and June 30, 2023 the Lottery Commission has not designated any unexpended administrative funds for the acquisition of capital assets. As of June 30, 2024 and 2023, \$5,321,574 and \$5,986,994, respectively, are included in unrestricted net position and net investment in capital assets for this purpose.

NOTE 15 - RETIREMENT BENEFITS

All full-time Lottery employees are eligible to participate in the State of West Virginia Public Employees' Retirement System (PERS), a cost-sharing multiple-employer defined benefit public employee retirement system. The PERS is one of several plans administered by the West Virginia Consolidated Public Retirement (CPRB) under the direction of its Board of Trustees, which consists of the Governor, State Auditor, State Treasurer, Secretary of the Department of Administration, and nine members appointed by the Governor. CPRB prepares separately issued financial statements covering all retirement systems it administers, which can be obtained from Consolidated Public Retirement Board, 4101 MacCorkle Ave. S.E., Charleston, West Virginia 25304-1636.

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 hired prior to July 1, 2015 are required to contribute 4.5% of their salary to the PERS. Covered employees hired on or after July 1, 2015 will contribute 6.0% of their salary to the PERS Tier II. The Lottery is required to contribute 10% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the month ending July 31, 2024 and fiscal year-to-date are as follows (in thousands):

	July 31, 2024	Year-to-Date
Employee contributions	\$ 46	\$ 46
Lottery contributions	85	85
Total contributions	\$ 131	\$ 131

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 16 - RISK MANAGEMENT

The Lottery is exposed to various risks of loss related to torts; theft of, or damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Lottery participates in several risk management programs administered by the State of West Virginia. Each of these risk pools has issued separate audited financial reports on their operations. Those reports include the required supplementary information concerning the reconciliation of claims liabilities by type of contract and ten-year claim development information. Complete financial statements of the individual insurance enterprise funds can be obtained directly from their respective administrative offices.

WORKERS' COMPENSATION INSURANCE

The Lottery carries workers compensation insurance coverage through a commercial insurance carrier. The commercial insurance carrier is paid a monthly rated premium to provide compensation for injuries sustained in the course of employment.

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are established by PEIA. The cost of all coverage as determined by PEIA shall be paid by the participants. Premiums are established by PEIA and are paid monthly, and are dependent upon, among other things, coverage required, number of dependents, state vs. non state employees and active employees vs. retired employees and level of compensation. Coverage under these programs is limited to \$1 million lifetime for health and \$10,000 of life insurance coverage.

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

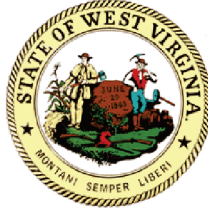
The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays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

**SCHEDULE OF REVENUES AND NET REVENUES OF THE
LOTTERY FUND AND EXCESS LOTTERY FUND
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2024
(In Thousands)**

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	Current Month		FISCAL YEAR	
	Actual	Projected	Actual	Projected
Gross Revenues				
Instant games	14,169	12,500	14,169	12,500
On-line games	5,396	5,833	5,396	5,833
Racetrack video lottery	40,831	40,977	40,831	40,977
Limited video lottery	39,479	37,967	39,479	37,967
Racetrack table games	2,327	2,272	2,327	2,272
Historic resort	468	330	468	330
Sports wagering	305	182	305	182
Interactive wagering	3,015	1,012	3,015	1,012
Total gross revenues	105,990	101,073	105,990	101,073
Net Revenues - Lottery Fund and Excess Lottery Fund				
Lottery Fund				
Instant games	1,529	1,223	1,529	1,223
On-line games	1,666	1,674	1,666	1,674
Racetrack Video Lottery	12,034	11,201	12,034	11,201
Sports wagering	266	253	266	253
Interactive wagering	2,588	852	2,588	852
Total Lottery Fund net revenues	18,083	15,203	18,083	15,203
Excess Lottery Fund				
Racetrack Video Lottery	5,142	4,798	5,142	4,798
Limited Video Lottery	18,879	17,860	18,879	17,860
Limited Video Lottery Fees	28	-	28	-
Racetrack table games	1,160	1,115	1,160	1,115
Historic resort	196	126	196	126
Total Excess Lottery Fund Net Revenues	25,405	23,899	25,405	23,899
Total Net Revenues	43,488	39,102	43,488	39,102

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 Chairmen and Members of the Joint Committee on
Government and Finance

From: William Spencer, C.P.A., Director, Budget Division
Legislative Auditor's Office

Date: August 13, 2024

Re: Status of General Revenue Fund and State Road Fund as of
July 31, 2024 (FY 25)

We have read the cash flow of the West Virginia general revenue fund as of July 31, 2024, which is the first month of the fiscal year. The status of the fund collections for the month is as follows:

The net collections were 101% of the estimate for the fiscal year. Total collections were \$5 million above the estimate for the fiscal year.

Personal Income Tax collections were \$8.9 million below the estimate for the fiscal year.

Consumer sales and use tax collections were \$2 million below the estimate for the year.

Severance Tax was \$1.3 million below the estimate for the fiscal year.

Corporate Income and Business Franchise Tax collections were \$8.4 million above the estimate for the fiscal year.

State Road Fund

The state road fund collections were 99% of the estimate for the fiscal year. Total collections were \$562 thousand below the estimate for the fiscal year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve **Fund A** (Rainy Day Fund) had a cash balance of \$632,535,125.35 as of July 31, 2024.

Balance July 1, 2024	\$ 706,059,828.24
* Fiscal year 24 Surplus	\$ 00.00
**Loan to General Revenue Fund	\$ (78,500,000.00)
Earnings/(Loss)	\$4,975,297.11
Balance July 31, 2024	\$ 632,535,125.35

***No transfer in accordance with SB 1015.**

****\$78.5 million loan to state General Revenue Fund 7/01/2024 for beginning of the year cash flow, to be repaid within 90 days.**

Revenue Shortfall Reserve **Fund B** (Tobacco Settlement Monies) had a cash balance of \$554,466,295.47 as of July 31, 2024.

Balance July 1, 2024	\$ 550,104,765.71
Earnings	\$4,361,529.76
Balance July 31, 2024	\$ 554,466,295.47

The **Personal Income Tax Reserve** Fund had a \$452,857,518.79 cash balance as of July 31, 2024.

Balance July 1, 2024	\$460,000,000.00
**Loan to General Revenue Fund	\$7,142,481.21
Balance July 31, 2024	\$452,857,518.79

****\$7+ million loan 7/01/2024 for beginning of year cash flow, to pay income tax refunds, and is expected to be repaid later this year in a similar manner to the funds borrowed from the Rainy Day Fund.**

REVENUE COLLECTIONS
FISCAL YEAR 2025
as of July 31, 2024

GENERAL REVENUE FUND	FINAL						
	MONTHLY			YTD			YTD PERCENT COLLECTED
	MONTH ESTIMATES	ACTUAL MONTH COLLECTIONS	MONTHLY COLLECTIONS OVER ESTIMATES	YTD ESTIMATES	ACTUAL YTD COLLECTIONS	YTD COLLECTIONS OVER ESTIMATES	
Personal Income Tax	\$ 151,800,000	\$ 142,892,767	\$ (8,907,233)	\$ 151,800,000	\$ 142,892,767	\$ (8,907,233)	94%
Consumer Sales Tax & Use Tax	94,700,000	92,694,148	(2,005,852)	94,700,000	92,694,148	(2,005,852)	98%
Severance Tax	4,400,000	3,127,470	(1,272,530)	4,400,000	3,127,470	(1,272,530)	71%
Corporate Net Income Tax	10,600,000	18,965,061	8,365,061	10,600,000	18,965,061	8,365,061	179%
Insurance Tax	26,000,000	28,649,193	2,649,193	26,000,000	28,649,193	2,649,193	110%
Tobacco Products Tax	13,200,000	11,852,674	(1,347,326)	13,200,000	11,852,674	(1,347,326)	90%
Business and Occupation	9,000,000	9,858,900	858,900	9,000,000	9,858,900	858,900	110%
Liquor Profit Transfers	3,500,000	3,830,880	330,880	3,500,000	3,830,880	330,880	109%
Departmental Collections	1,250,000	1,233,105	(16,895)	1,250,000	1,233,105	(16,895)	99%
Property Transfer Tax	550,000	1,043,624	493,624	550,000	1,043,624	493,624	190%
Property Tax	160,000	100,044	(59,956)	160,000	100,044	(59,956)	63%
Beer Tax and Licenses	700,000	700,851	851	700,000	700,851	851	100%
Miscellaneous Transfers	40,000	184,700	144,700	40,000	184,700	144,700	462%
Interest Income	12,200,000	18,824,388	6,624,388	12,200,000	18,824,388	6,624,388	154%
Refundable Credit Reimb Liability	0	-	-	0	-	-	0%
HB 102 - Lottery Transfers	0	-	-	0	-	-	0%
Miscellaneous	1,590,000	88,528	(1,501,472)	1,590,000	88,528	(1,501,472)	6%
Business Franchise Fees	100,000	8,444	(91,556)	100,000	8,444	(91,556)	8%
Estate & Inheritance Tax	-	-	-	-	-	-	0%
Liquor License Renewal	91,000	98,757	7,757	91,000	98,757	7,757	109%
Special Revenue Transfers	-	-	-	-	-	-	0%
Charter Tax	-	226	226	-	226	226	0%
Telecommunications Tax	-	-	-	-	-	-	0%
Video Lottery Transfers	-	-	-	-	-	-	0%
July-Dec Retro Rev Adj	-	(40,674)	(40,674)	-	(40,674)	(40,674)	0%
Cash Flow Transfer	-	-	-	-	-	-	0%
Soft Drink Excise Tax	-	78,500,000	-	-	78,500,000	-	0%
SUBTOTALS	\$ 330,381,000	\$ 413,828,456	\$ 4,947,456	\$ 330,381,000	\$ 413,828,456	\$ 4,947,456	243%
Less: Cash Flow Transfer	-	1,215,372	715,372	500,000	1,215,372	715,372	
Less: Special Revenue Transfer	-	78,500,000	-	-	78,500,000	-	
TOTALS	\$ 330,381,000	\$ 335,328,456	\$ 4,947,456	\$ 330,381,000	\$ 335,328,456	\$ 4,947,456	
Percent of Estimates		101%			101%		
Collections this day		\$ 53,552,063					

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
August 01, 2024

GENERAL REVENUE FUND

Increase/Decrease over Prior Period	\$	334,017	\$	334,017
% Increase/Decrease over Prior Period		0.10%		0.10%

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REVENUE COLLECTIONS
FISCAL YEAR 2025
as of July 31, 2024

STATE ROAD FUND

	FINAL				YEARLY		
	MONTH	NET	COLLECTIONS		NET	COLLECTIONS	YTD
	ESTIMATES	MONTH	OVER		YTD	OVER	PERCENT
		COLLECTIONS	ESTIMATES		COLLECTIONS	ESTIMATES	COLLECTED
Motor Fuel Tax	\$ 41,900,000	\$ 44,798,898	\$ 2,898,898	\$ 41,900,000	\$ 44,798,898	\$ 2,898,898	107%
Sales/Privilege Tax	25,500,000	29,268,314	3,768,314	25,500,000	29,268,314	3,768,314	115%
Licenses & Registration	15,000,000	15,806,204	806,204	15,000,000	15,806,204	806,204	105%
Miscellaneous	8,000,000	(72,009)	(8,072,009)	8,000,000	(72,009)	(8,072,009)	-1%
Highway Litter Control	160,000	196,391	36,391	160,000	196,391	36,391	123%
Federal Reimbursement	71,500,000	71,487,748	(12,252)	71,500,000	71,487,748	(12,252)	100%
SUBTOTALS	\$ 162,060,000	\$ 161,485,545	\$ (574,455)	\$ 162,060,000	\$ 161,485,545	\$ (574,455)	
Less: Federal Reimbursement	71,500,000	71,487,748	(12,252)	71,500,000	71,487,748	(12,252)	
TOTALS	\$ 90,560,000	\$ 89,997,798	\$ (562,202)	\$ 90,560,000	\$ 89,997,798	\$ (562,202)	
Percent of Estimates		99%			99%		

Collections this day

\$ 6,923,578

REVENUE SHORTFALL RESERVE FUND 7005, Part A as of July 31, 2024 : \$632,535,125.35

\$78.5 million loan to General Revenue fund 7/1/24 for beginning of the year cash flow, to be repaid within 90 days, not reflected.

REVENUE SHORTFALL RESERVE FUND 7006, Part B as of July 31, 2024: \$ 554,466,295.47

SPECIAL INCOME TAX REFUND RESERVE FUND as of July 31, 2024: \$452,857,518.79

\$400 million appropriated on 9/8/23 - HB 2024 will be used to pay for the first year of the Personal Income Tax and Personal Property Tax Exemption.

Source: WV OASIS

Prepared by: Legislative Auditor's Office, Budget Division

August 01, 2024

**STATE OF WEST VIRGINIA
COMPARISON OF REVENUE
JULY 2023 vs JULY 2024**

STATE ROAD FUND

	Actual Collections July 2023	Actual Collections July 2024	Actual Collections 1 Month July 2023	Actual Collections 1 month July 2024	YTD Increase (Decrease) over prior period	YTD % Increase (Decrease) over prior period
Gasoline & Motor Carrier Rd Tax	\$ 52,378,359	\$ 44,798,898	\$ 52,378,359	\$ 44,798,898	\$ (7,579,461)	-14%
Privilege Tax	27,716,010	29,268,314	27,716,010	29,268,314	1,552,304	6%
Licenses & Registration	11,412,054	15,806,204	11,412,054	15,806,204	4,394,150	39%
Miscellaneous	10,377,828	(72,009)	10,377,828	(72,009)	(10,449,838)	-101%
Highway Litter Control	166,248	196,391	166,248	196,391	30,142	18%
Federal Reimbursement	58,898,440	71,487,748	58,898,440	71,487,748	12,589,307	21%
SUBTOTALS	<u>\$ 160,948,939</u>	<u>\$ 161,485,545</u>	<u>\$ 160,948,939</u>	<u>\$ 161,485,545</u>	<u>\$ 536,606</u>	
Less: Federal Reimbursement	58,898,440	71,487,748	58,898,440	71,487,748	12,589,307	
TOTALS	<u>\$ 102,050,499</u>	<u>\$ 89,997,798</u>	<u>\$ 102,050,499</u>	<u>\$ 89,997,798</u>	<u>\$ (12,052,701)</u>	
 Increase/Decrease over Prior Period		\$ (12,052,701)		\$ (12,052,701)		
 % Increase/Decrease over Prior Period		-11.8%		-11.8%		

Source: WV OASIS
Prepared by: Legislative Auditor's Office, Budget Division
August 05, 2024

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 Chairmen and Members of the Joint Committee on
 Government and Finance

From: William Spencer, C.P.A.
 Director Budget Division
 Legislative Auditor's Office

Date: July 31, 2023

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the June 30, 2024, monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia.

As of June 30, 2024, of fiscal year 2023-2024, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2023	\$ 419,876,988.10
Receipts July 1,2023 thru June 30, 2024	\$ 476,754,066.91
Disbursements July 1,2023 thru June 30, 2024	\$ 462,577,531.22
Balance June 30, 2024	\$ 434,053,523.79

ITEMS OF NOTE:

Regular benefits paid for July-June 2024 were \$ 40.3 million more than July-June 2023.

Federal emergency benefits totaled \$22 thousand for July-June 2024. For July-June 2023, federal emergency benefits totaled \$0.

Total disbursements were \$81 million more in July-June 2024 than the preceding July-June 2023.

Receipts as of July-June 2024, were \$53 million more than in July-June 2023. Overall ending trust fund balance was \$14 million higher on June 30, 2024, than on June 30, 2023.

Seasonally adjusted unemployment rates for June 2024 were 4.1 percent for West Virginia and 4.1 percent nationally.

Since June 2023, employment has increased by 7,800. Employment increases included 6,900 in private education and health services, 1,600 in construction, 3,000 in government, 700 in leisure and hospitality, 200 mining and logging, and 300 in financial activities. Employment declines included 2,600 in trade, transportation, and utilities, 100 in other services, 600 in professional and business services, 1,300 in manufacturing, and 300 in information.

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING APRIL 2023 AND APRIL 2024**

	APRIL 2023	MAY 2023	JUNE 2023	APRIL 2024	MAY 2024	JUNE 2024	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$ 369,307,771.02	\$ 361,700,928.24	\$ 426,178,943.04	\$ 389,689,669.95	\$ 377,424,125.28	\$438,824,870.99	\$ 48,751,023.92	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	23,588,230.66	62,174,094.45	1,577,841.26	58,949,201.61	29,911,356.31	1,449,214.25	2,969,605.80	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	259.00	7,237.85	78.00	-	3,818.58	3,256.00	(500.27)	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	-	-	-	-	-	-	-	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	48,181.51	44,789.43	13,431.68	(16,350.47)	(4,798.58)	3,300.00	(124,251.67)	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(1,650.00)	(2,424.00)	(1,432.00)	(7,809.00)	(6,466.00)	39,921.00	31,152.00	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	71,799.69	49,129.46	44,166.47	88,840.54	43,746.82	34,135.22	1,626.96	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	-	-	-	-	-	-	-	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	-	-	1,989,729.86	-	-	2,913,562.02	923,832.16	10. Treasury Interest Credits
11. UCX (Military Agencies)	36,617.02	40,608.98	27,124.41	58,990.43	61,943.86	58,852.98	75,436.86	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	5,000,000.00	5,000,000.00	12. Temporary Compensation
13. BT to State UI Account	-	-	-	-	-	-	-	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	\$ 53,423,465.78	\$ 135,614,881.96	\$ 14,588,998.76	\$ 127,728,175.38	\$ 74,642,045.82	\$ 27,730,470.16	\$ 26,473,344.86	Total Monthly Receipts
Less Disbursements:								Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 11,528,405.85	\$ 9,741,270.73	\$ 9,813,390.56	\$ 14,960,820.45	\$ 12,469,873.03	\$ 14,092,450.03	10,440,076.37	Regular Benefits:
Federal Emergency Compensation - PEUC	(384.10)	7,880.95	78.00	-	3,818.58	3,256.00	(500.27)	PEUC
Federal Additional Compensation - FPUC	45,253.58	50,278.16	4,711.89	-	(4,798.58)	3,300.00	(101,742.21)	FPUC
Pandemic Unemployment Assistance PUA	(2,192.00)	(1,767.00)	(1,432.00)	(7,809.00)	(6,466.00)	39,921.00	31,037.00	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	22,404.00	22,404.00	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	-	-	-	-	-	-	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	77,815.10	44,073.02	47,097.23	86,517.23	44,122.02	44,991.04	6,644.94	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	42,721.65	34,504.35	29,005.17	54,812.97	60,769.86	67,266.60	76,618.26	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	5,283.93	5,715.03	60,043.77	20,067.83	-	-	(50,974.90)	EUISAA Title IX/STC
Total Monthly Disbursements	\$41,376,931.91	\$ 83,183,401.03	\$20,890,953.70	\$83,769,711.75	\$57,199,763.74	\$32,501,817.36	\$ 28,020,006.21	Total Monthly Disbursements
Trust Fund Balance	\$373,747,462.11	\$ 426,178,943.04	\$419,876,988.10	\$421,382,588.91	\$438,824,870.99	\$434,053,523.79	\$ 47,204,362.57	Trust Fund Balance

* 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.

Indicates prior month values that have been updated

****Note:** UI Trust Fund Balance Includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

****Note:** Reed Act funds of \$549,468.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.

UC TRUST FUND – 2024

Month	Receipts	Disbursements	Trust Fund Balance
2023			
Balance 1/1/2023			\$ 382,161,959
January	\$ 35,795,306	\$ 41,052,758	\$ 376,904,507
February	\$ 25,495,204	\$ 33,091,940	\$ 369,307,771
March	\$ 17,679,370	\$ 25,286,212	\$ 361,700,928
April	\$ 53,423,465	\$ 41,376,931	\$ 373,747,462
May	\$ 135,614,882	\$ 83,183,401	\$ 426,178,943
June	\$ 14,588,998	\$ 20,890,953	\$ 419,876,988
July	\$ 40,323,764	\$ 37,362,605	\$ 422,838,147
August	\$ 31,593,212	\$ 30,899,660	\$ 423,531,699
September	\$ 13,233,259	\$ 19,721,305	\$ 417,043,653
October	\$ 37,545,497	\$ 33,067,426	\$ 421,521,724
November	\$ 21,846,092	\$ 26,399,918	\$ 416,967,898
December	\$ 16,677,941	\$ 27,336,411	\$ 406,309,428
Totals - 2023	\$ 443,816,990	\$ 419,669,520	\$ 406,309,428
2024			
January	\$ 41,041,993	\$ 47,064,592	\$ 400,286,829
February	\$ 28,824,885	\$ 37,422,044	\$ 389,689,670
March	\$ 17,566,730	\$ 29,810,943	\$ 377,424,125
April	\$ 127,728,175	\$ 83,769,711	\$ 421,382,589
May	\$ 74,642,045	\$ 57,199,763	\$ 438,824,871
June	\$ 27,730,470	\$ 32,501,817	\$ 434,053,524
July	\$	\$	\$
August	\$	\$	\$
September	\$	\$	\$
October	\$	\$	\$
November	\$	\$	\$
December	\$	\$	\$
Totals - 2024	\$	\$	\$

Benefits and Technical Support Section • Unemployment Compensation Division
 1900 Kanawha Blvd., East • Building 3, Room 300 • Charleston, West Virginia 25305
 Telephone: (304) 558-3309 • Fax: (304) 558-3252

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**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING APRIL 2023 AND APRIL 2024**

	APRIL 2023	MAY 2023	JUNE 2023	APRIL 2024	MAY 2024	JUNE 2024	THREE MONTH TOTAL VARIANCE *	
Balance Forward	\$ 369,307,771.02	\$ 361,700,928.24	\$ 426,178,943.04	\$ 389,689,669.95	\$ 377,424,125.28	\$438,824,870.99	\$ 48,751,023.92	
Add Receipts:								
1. Bond Assessment							\$ -	1. Bond Assessment
2. Regular Contributions:	23,588,230.66	62,174,094.45	1,577,841.26	58,949,201.61	29,911,356.31	1,449,214.25	2,969,605.80	2. Regular Contributions:
3. Federal Emergency Benefits (PEUC)	259.00	7,237.85	78.00	-	3,818.58	3,256.00	(500.27)	3. Federal Emergency Benefits (PEUC)
4. Federal Share Extended Benefits (EB)	-	-	-	-	-	-	-	4. Federal Share Extended Benefits (EB)
5. Federal Additional Compensation - FPUC	48,181.51	44,789.43	13,431.68	(16,350.47)	(4,798.58)	3,300.00	(124,251.67)	5. Federal Additional Compensation - FPUC
6. Pandemic Unemployment Assistance PUA	(1,650.00)	(2,424.00)	(1,432.00)	(7,809.00)	(6,466.00)	39,921.00	31,152.00	6. Pandemic Unemployment Assistance PUA
7. UCFE (Federal Agencies)	71,799.69	49,129.46	44,166.47	88,840.54	43,746.82	34,135.22	1,626.96	7. UCFE (Federal Agencies)
8. TSFR From Non-Invstd FUA	-	-	-	-	-	-	-	8. TSFR From Non-Invstd FUA
9. EUISAA - EMER US RELIEF/STC	-	-	-	-	-	-	-	9. EUISAA - EMER US RELIEF/STC
10. Treasury Interest Credits	-	-	1,989,729.86	-	-	2,913,562.02	923,832.16	10. Treasury Interest Credits
11. UCX (Military Agencies)	36,617.02	40,608.98	27,124.41	58,990.43	61,943.86	58,852.98	75,436.86	11. UCX (Military Agencies)
12. Temporary Compensation	-	-	-	-	-	5,000,000.00	5,000,000.00	12. Temporary Compensation
13. BT to State UI Account	-	-	-	-	-	-	-	13. BT to State UI Account
14. UI Modernization	-	-	-	-	-	-	-	14. UI Modernization
15. Loan Advance	-	-	-	-	-	-	-	15. Loan Advance
16. Return of Overpayments FPUC/PUA/EUO	-	-	-	-	-	-	-	16. Return of Overpayments FPUC/PUA/EUO
Total Monthly Receipts	\$ 53,423,465.78	\$ 135,614,881.96	\$ 14,588,998.76	\$ 127,728,175.38	\$ 74,642,045.82	\$ 27,730,470.16	\$ 26,473,344.86	Total Monthly Receipts
Less Disbursements:								Less Disbursements:
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	Debt Bond Repayment
Regular Benefits:	\$ 11,528,405.85	\$ 9,741,270.73	\$ 9,813,390.56	\$ 14,960,820.45	\$ 12,469,873.03	\$ 14,092,450.03	10,440,076.37	Regular Benefits:
Federal Emergency Compensation - PEUC	(384.10)	7,880.95	78.00	-	3,818.58	3,256.00	(500.27)	PEUC
Federal Additional Compensation - FPUC	45,253.58	50,278.16	4,711.89	-	(4,798.58)	3,300.00	(101,742.21)	FPUC
Pandemic Unemployment Assistance PUA	(2,192.00)	(1,767.00)	(1,432.00)	(7,809.00)	(6,466.00)	39,921.00	31,037.00	PUA
Federal Emergency Benefits (EUC08)	-	-	-	-	-	22,404.00	22,404.00	Federal Emergency Benefits (EUC08)
Federal Extended - 2112	-	-	-	-	-	-	-	Federal Extended - 2112
Emergency Benefits (TEUC)	-	-	-	-	-	-	-	Emergency Benefits (TEUC)
UCFE (Federal Workers) Benefits	77,815.10	44,073.02	47,097.23	86,517.23	44,122.02	44,991.04	6,644.94	UCFE (Federal Workers) Benefits
UCX (Military Workers) Benefits	42,721.65	34,504.35	29,005.17	54,812.97	60,769.86	67,266.60	76,618.26	UCX (Military Workers) Benefits
Reed Act Funds	-	-	-	-	-	-	-	Reed Act Funds
EUISAA Title IX/STC	5,283.93	5,715.03	60,043.77	20,067.83	-	-	(50,974.90)	EUISAA Title IX/STC
Total Monthly Disbursements	\$41,376,931.91	\$ 83,183,401.03	\$20,890,953.70	\$83,769,711.75	\$57,199,763.74	\$32,501,817.36	\$ 28,020,006.21	Total Monthly Disbursements
Trust Fund Balance	\$373,747,462.11	\$ 426,178,943.04	\$419,876,988.10	\$421,382,588.91	\$438,824,870.99	\$434,053,523.79	\$ 47,204,362.57	Trust Fund Balance

* 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.

Indicates prior month values that have been updated

****Note:** UI Trust Fund Balance Includes Trust Fund Loan from the Revenue Shortfall Reserve Fund per Senate Bill 558 passed March 9, 2016:

Borrowed on 3/11/2016
Repaid on 5/17/2016
Borrowed on 12/5/2016
Repaid on 5/4/2017
Outstanding Loan from Revenue Shortfall Reserve Fund

****Note:** Reed Act funds of \$549,468.24 previously drawn down were unexpended and returned to Trust Fund on deposit with the U.S. Treasury.

FOR RELEASE: July 16, 2024
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State Unemployment Rate Inches Downward in June 2024

West Virginia's seasonally adjusted unemployment rate inched downward one-tenth of a percentage point to 4.1 percent in June 2024. The number of unemployed state residents fell 300 to 32,700. Total employment slipped 100 over the month. The national seasonally adjusted unemployment rate inched upward one-tenth of a percentage point to 4.1 percent in June 2024.

Total nonfarm payroll employment fell 1,400 in June, with declines of 900 in the goods-producing sector and 500 in the service-providing sector.

Within the goods-producing sector, declines of 700 in manufacturing and 300 in construction overpowered a slight gain of 100 in mining and logging.

Within the service-providing sector, employment gains included 1,400 in private education and health services, 600 in leisure and hospitality, 100 in professional and business services, and 100 in other services. Employment declines included 1,900 in government, the result of May primary election poll workers dropping from the sample, 600 in trade, transportation, and utilities, 100 in information, and 100 in financial activities.

Since June 2023, total nonfarm payroll employment has risen 7,800. Employment gains included 6,900 in private education and health services, 3,000 in government, 1,600 in construction, 700 in leisure and hospitality, 300 in financial activities, and 200 in mining and logging. Employment declines included 2,600 in trade, transportation, and utilities, 1,300 in manufacturing, 600 in professional and business services, 300 in information, and 100 in other services.

West Virginia's not seasonally adjusted unemployment rate climbed seven-tenths of a percentage point to 4.5 percent in June.

The state's seasonally adjusted labor force participation rate remained at 55.1 percent in June 2024.

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WEST VIRGINIA
(In Thousands - Seasonally Adjusted)
June 2024

	Prelim. Jun 2024	Revised May 2024	Revised Jun 2023	Change from: May 2024 Jun 2023	
Civilian Labor Force	788.7	789.2	785.1	-0.5	3.6
Total Employment	756.0	756.1	755.2	-0.1	0.8
Total Unemployment	32.7	33.0	29.9	-0.3	2.8
Unemployment Rate	4.1	4.2	3.8	xx	xx
Labor Force Participation Rate	55.1	55.1	54.9	xx	xx
NONFARM PAYROLL EMPLOYMENT BY INDUSTRY					
Total Nonfarm	719.3	720.7	711.5	-1.4	7.8
Total Private	564.0	563.5	559.2	0.5	4.8
Goods Producing	99.8	100.7	99.3	-0.9	0.5
Mining and Logging	21.6	21.5	21.4	0.1	0.2
Construction	33.4	33.7	31.8	-0.3	1.6
Manufacturing	44.8	45.5	46.1	-0.7	-1.3
Durable Goods	27.1	27.8	28.2	-0.7	-1.1
Non-Durable Goods	17.7	17.7	17.9	0.0	-0.2
Service-Providing	619.5	620.0	612.2	-0.5	7.3
Private Service-Providing	464.2	462.8	459.9	1.4	4.3
Trade, Transportation, and Utilities	120.6	121.2	123.2	-0.6	-2.6
Wholesale Trade	18.9	19.0	19.2	-0.1	-0.3
Retail Trade	76.8	77.2	78.2	-0.4	-1.4
Transportation, Warehousing, and Utilities	24.9	25.0	25.8	-0.1	-0.9
Information	7.6	7.7	7.9	-0.1	-0.3
Financial Activities	25.9	26.0	25.6	-0.1	0.3
Finance and Insurance	19.1	19.2	18.8	-0.1	0.3
Real Estate and Rental and Leasing	6.8	6.8	6.8	0.0	0.0
Professional and Business Services	72.9	72.8	73.5	0.1	-0.6
Professional, Scientific & Technical Services	30.2	30.3	29.7	-0.1	0.5
Administrative and Support and Waste Mgmt	35.4	35.4	36.4	0.0	-1.0
Private Education and Health Services	140.5	139.1	133.6	1.4	6.9
Educational Services	7.2	7.0	6.9	0.2	0.3
Health Care and Social Assistance	133.3	132.1	126.7	1.2	6.6
Leisure and Hospitality	72.6	72.0	71.9	0.6	0.7
Arts, Entertainment, and Recreation	8.9	8.8	8.9	0.1	0.0
Accommodation and Food Service	63.7	63.2	63.0	0.5	0.7
Other Services	24.1	24.0	24.2	0.1	-0.1
Government	155.3	157.2	152.3	-1.9	3.0
Federal Government	26.6	26.6	25.7	0.0	0.9
State Government	48.1	46.3	47.6	1.8	0.5
Local Government	80.6	84.3	79.0	-3.7	1.6

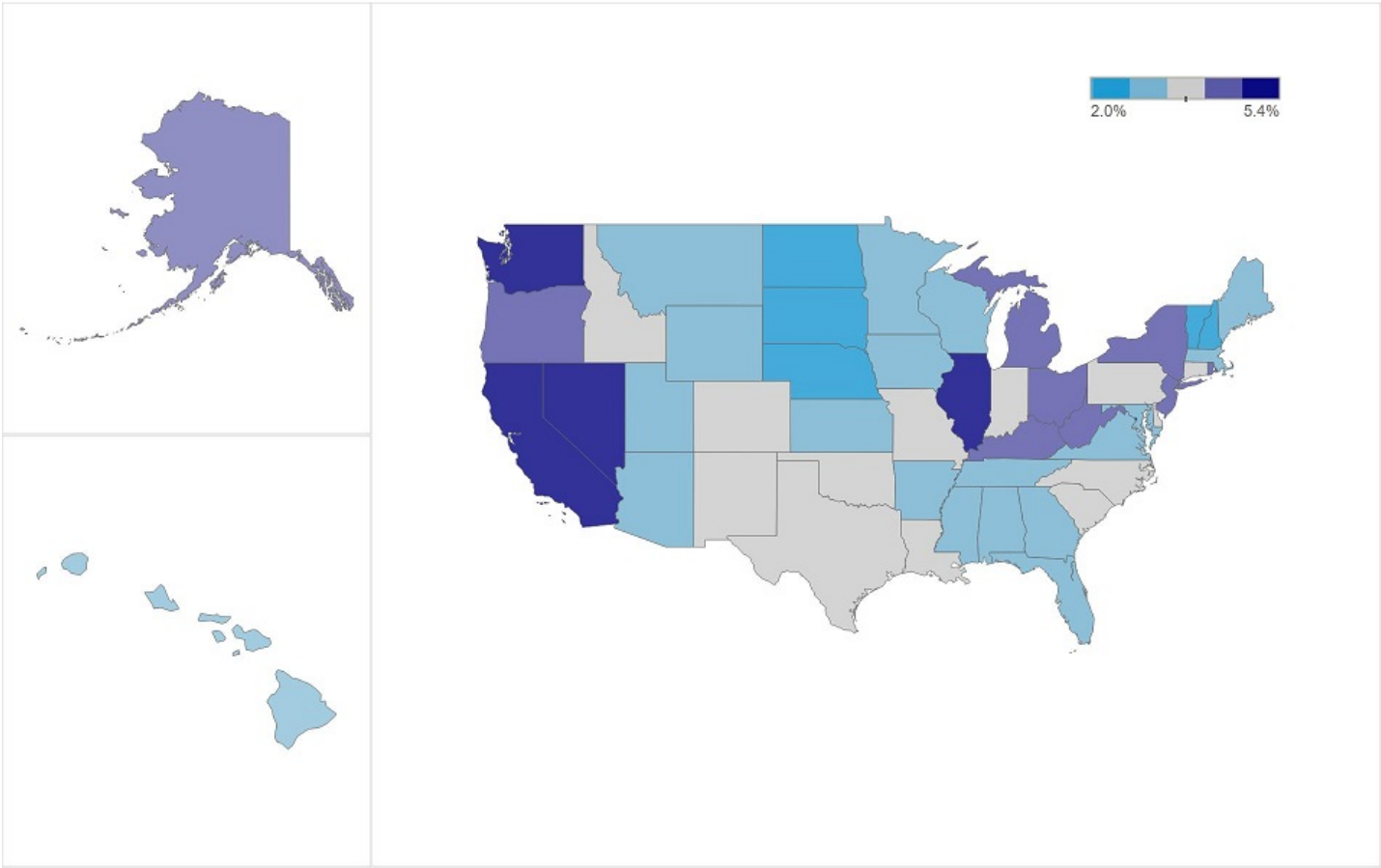
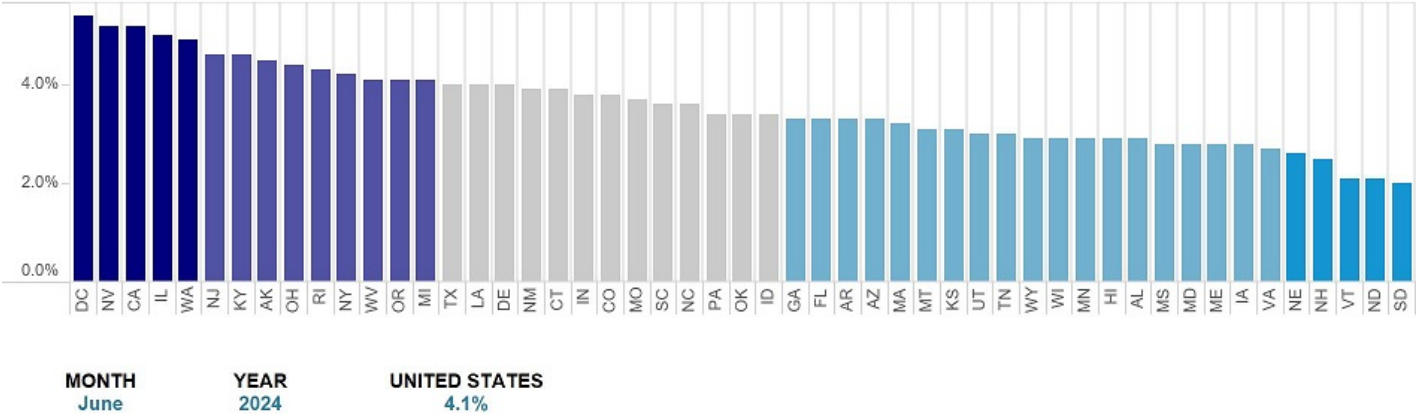
West Virginia Labor Force Statistics by Calendar Year
Seasonally Adjusted

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,900	790,500	790,500	789,600	789,200	788,700							
Employment	756,800	756,400	756,200	756,000	756,100	756,000							
Unemployment	34,000	34,100	34,300	33,600	33,000	32,700							
Rate	4.3	4.3	4.3	4.3	4.2	4.1							
Participation Rate	55.3	55.2	55.2	55.2	55.1	55.1							
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,400	780,100	780,800	781,900	783,300	785,100	786,900	788,600	789,900	790,600	790,500	790,200	786,700
Employment	751,500	752,800	753,800	754,500	754,800	755,200	755,500	755,900	756,200	756,400	756,400	756,300	756,900
Unemployment	27,900	27,200	27,000	27,400	28,500	29,900	31,400	32,700	33,700	34,200	34,100	33,900	29,800
Rate	3.6	3.5	3.5	3.5	3.6	3.8	4.0	4.2	4.3	4.3	4.3	4.3	3.8
Participation Rate	54.5	54.5	54.6	54.7	54.8	54.9	55.0	55.1	55.2	55.2	55.2	55.2	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	777,400	778,700	779,500	779,700	779,400	778,800	778,300	778,000	777,800	777,900	778,300	778,800	778,700
Employment	747,000	748,900	750,000	750,200	749,500	748,400	747,300	746,500	746,400	747,000	748,300	750,000	748,300
Unemployment	30,400	29,700	29,400	29,500	29,900	30,400	31,000	31,400	31,400	30,900	30,000	28,900	30,400
Rate	3.9	3.8	3.8	3.8	3.8	3.9	4.0	4.0	4.0	4.0	3.8	3.7	3.9
Participation Rate	54.2	54.3	54.4	54.4	54.4	54.4	54.4	54.4	54.3	54.3	54.4	54.4	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	771,500	771,600	772,600	773,800	774,800	775,400	774,900	774,300	773,800	774,000	774,800	775,900	788,800
Employment	724,400	725,600	727,400	729,600	731,900	733,800	735,200	736,600	738,200	740,100	742,300	744,600	749,100
Unemployment	47,100	46,100	45,300	44,300	43,000	41,600	39,700	37,600	35,600	33,800	32,400	31,300	39,700
Rate	6.1	6.0	5.9	5.7	5.5	5.4	5.1	4.9	4.6	4.4	4.2	4.0	5.0
Participation Rate	53.6	53.6	53.7	53.8	53.9	53.9	53.9	53.8	53.8	53.9	53.9	54.0	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,900	795,900	792,900	759,100	772,900	769,700	772,800	771,500	773,700	772,500	772,300	772,400	792,200
Employment	755,800	753,300	750,400	639,200	676,900	689,000	700,200	708,800	715,400	719,400	721,900	723,300	726,000
Unemployment	42,100	42,500	42,500	119,900	96,000	80,700	72,600	62,700	58,300	53,100	50,500	49,000	66,100
Rate	5.3	5.3	5.4	15.8	12.4	10.5	9.4	8.1	7.5	6.9	6.5	6.3	8.3
Participation Rate	55.0	54.9	54.7	52.6	53.6	53.4	53.6	53.5	53.7	53.6	53.6	53.6	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,400	792,500	791,700	791,700	792,300	793,600	795,100	796,500	797,600	798,500	798,900	798,800	798,300
Employment	753,700	753,400	753,400	753,800	754,700	755,800	756,600	757,100	757,700	758,100	758,200	757,500	759,000
Unemployment	39,700	39,100	38,400	37,800	37,600	37,800	38,500	39,300	39,900	40,300	40,800	41,400	39,300
Rate	5.0	4.9	4.8	4.8	4.7	4.8	4.8	4.9	5.0	5.1	5.1	5.2	4.9
Participation Rate	54.5	54.5	54.4	54.5	54.5	54.6	54.7	54.9	54.9	55.0	55.0	55.1	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	788,500	789,900	791,700	793,400	794,500	795,000	794,900	794,600	794,500	794,600	794,700	794,500	793,400
Employment	746,000	747,400	749,400	751,500	753,100	754,200	754,700	754,900	754,800	754,700	754,500	754,300	752,200
Unemployment	42,500	42,500	42,300	41,900	41,400	40,800	40,200	39,800	39,700	39,900	40,200	40,200	41,200
Rate	5.4	5.4	5.3	5.3	5.2	5.1	5.1	5.0	5.0	5.0	5.1	5.1	5.2
Participation Rate	53.9	54.0	54.2	54.3	54.4	54.5	54.5	54.5	54.5	54.5	54.5	54.6	54.4
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,300	781,900	781,700	781,900	782,800	783,900	785,300	786,400	787,200	787,400	787,400	787,500	783,800
Employment	739,900	741,000	741,800	742,500	743,400	744,300	745,000	745,500	745,700	745,500	745,100	745,000	742,700
Unemployment	42,300	40,900	39,900	39,400	39,400	39,700	40,200	40,900	41,500	41,900	42,300	42,500	41,000
Rate	5.4	5.2	5.1	5.0	5.0	5.1	5.1	5.2	5.3	5.3	5.4	5.4	5.2
Participation Rate	53.2	53.2	53.2	53.2	53.3	53.4	53.5	53.6	53.7	53.7	53.8	53.8	53.5
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	789,400	788,800	787,500	785,900	784,600	783,600	783,000	782,600	782,300	782,000	781,700	785,100
Employment	739,200	739,300	739,000	738,300	737,300	736,300	735,600	735,300	735,400	735,800	736,700	737,800	737,200
Unemployment	50,200	50,100	49,700	49,200	48,700	48,300	48,000	47,700	47,200	46,400	45,300	44,000	47,900
Rate	6.4	6.3	6.3	6.2	6.2	6.2	6.1	6.1	6.0	5.9	5.8	5.6	6.1
Participation Rate	53.4	53.5	53.4	53.4	53.3	53.2	53.2	53.1	53.1	53.1	53.2	53.2	53.3
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	793,800	793,600	793,800	794,000	794,000	793,300	792,000	790,400	789,000	788,300	788,300	788,800	791,500
Employment	742,900	741,800	740,900	740,200	739,800	739,300	738,700	738,200	737,900	737,900	738,200	738,700	739,500
Unemployment	50,900	51,800	52,900	53,800	54,200	54,000	53,200	52,200	51,200	50,500	50,200	50,100	52,100
Rate	6.4	6.5	6.7	6.8	6.8	6.8	6.7	6.6	6.5	6.4	6.4	6.4	6.6
Participation Rate	53.5	53.5	53.6	53.6	53.6	53.6	53.5	53.4	53.3	53.3	53.3	53.4	53.5
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,600	797,900	797,800	797,100	796,000	795,000	794,400	794,300	794,500	794,700	794,600	794,200	795,700
Employment	743,700	744,300	744,600	744,400	743,900	743,400	743,200	743,300	743,700	744,100	744,200	743,800	744,000
Unemployment	53,800	53,700	53,200	52,700	52,100	51,500	51,100	50,900	50,800	50,600	50,400	50,500	51,800
Rate	6.7	6.7	6.7	6.6	6.5	6.5	6.4	6.4	6.4	6.4	6.3	6.4	6.5
Participation Rate	53.7	53.7	53.7	53.7	53.6	53.5	53.5	53.5	53.5	53.5	53.5	53.5	53.6
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	804,800	802,800	801,200	800,300	799,900	799,700	799,500	798,900	798,000	797,100	796,800	797,000	799,500
Employment	747,900	747,100	746,600	746,800	747,100	747,200	746,900	746,200	745,100	744,100	743,400	743,300	745,800
Unemployment	56,900	55,700	54,600	53,500	52,800	52,500	52,600	52,700	52,800	53,000	53,300	53,700	53,600
Rate	7.1	6.9	6.8	6.7	6.6	6.6	6.6	6.6	6.6	6.7	6.7	6.7	6.7
Participation Rate	54.1	54.0	53.9	53.8	53.8	53.8	53.8	53.7	53.7	53.6	53.6	53.6	53.8
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	808,100	807,800	807,900	808,200	808,600	808,900	808,900	808,800	808,700	808,400	807,800	806,600	808,000
Employment	750,900	751,000	750,900	750,300	749,700	749,300	749,000	749,000	749,100	749,200	749,100	748,700	749,600
Unemployment	57,200	56,800	57,000	57,900	58,900	59,600	59,900	59,800	59,600	59,200	58,700	57,900	58,400
Rate	7.1	7.0	7.1	7.2	7.3	7.4	7.4	7.4	7.4	7.3	7.3	7.2	7.2
Participation Rate	54.3	54.3	54.3	54.3	54.3	54.4	54.4	54.3	54.3	54.3	54.3	54.2	54.3

West Virginia Labor Force Statistics by Calendar Year
Not Seasonally Adjusted

2024	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,500	783,900	784,900	784,500	789,300	800,600							
Employment	745,200	744,800	746,500	754,500	759,500	764,600							
Unemployment	37,200	39,100	38,300	30,000	29,900	36,000							
Rate	4.8	5.0	4.9	3.8	3.8	4.5							
Participation Rate	54.7	54.8	54.8	54.8	55.2	55.9							
2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,000	776,400	775,400	781,100	783,600	797,900	793,000	794,400	793,400	793,100	787,100	782,300	786,700
Employment	738,700	744,300	744,500	753,600	755,600	765,000	761,600	759,200	763,900	763,700	758,300	751,500	756,900
Unemployment	31,300	32,100	30,900	27,500	28,000	32,900	31,400	35,300	29,500	29,400	28,800	30,800	29,800
Rate	4.1	4.1	4.0	3.5	3.6	4.1	4.0	4.4	3.7	3.7	3.7	3.9	3.8
Participation Rate	53.8	54.3	54.2	54.6	54.8	55.8	55.4	55.5	55.4	55.4	55.0	54.7	54.9
2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	770,500	776,300	773,200	776,500	781,700	792,200	784,800	782,800	779,500	781,000	774,200	771,800	778,700
Employment	734,700	739,900	740,500	747,200	753,900	758,100	752,200	749,300	753,900	755,000	748,100	746,500	748,300
Unemployment	35,800	36,400	32,600	29,400	27,800	34,200	32,500	33,500	25,600	26,000	26,100	25,300	30,400
Rate	4.6	4.7	4.2	3.8	3.6	4.3	4.1	4.3	3.3	3.3	3.4	3.3	3.9
Participation Rate	53.7	54.2	54.0	54.2	54.6	55.3	54.8	54.7	54.5	54.6	54.1	53.9	54.4
2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	760,700	767,900	765,700	773,800	775,200	787,900	783,700	779,000	776,100	775,300	770,100	768,000	788,800
Employment	708,700	715,500	716,900	728,300	733,400	742,800	743,600	740,500	745,600	747,000	742,600	741,200	749,100
Unemployment	52,000	52,400	48,800	45,500	41,800	45,100	40,200	38,500	30,600	28,300	27,500	26,800	39,700
Rate	6.8	6.8	6.4	5.9	5.4	5.7	5.1	4.9	3.9	3.6	3.6	3.5	5.0
Participation Rate	52.8	53.4	53.2	53.8	53.9	54.8	54.5	54.2	54.0	54.0	53.6	53.5	54.7
2020	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	790,800	795,500	785,800	754,900	772,700	781,300	778,400	777,400	776,900	778,700	768,100	765,100	792,200
Employment	745,200	749,000	733,000	636,800	674,400	703,000	703,700	715,800	721,700	732,100	723,400	718,400	726,000
Unemployment	45,600	46,400	52,800	118,100	98,300	78,400	74,800	61,600	55,200	46,600	44,700	46,700	66,100
Rate	5.8	5.8	6.7	15.6	12.7	10.0	9.6	7.9	7.1	6.0	5.8	6.1	8.3
Participation Rate	54.5	54.9	54.2	52.3	53.6	54.2	54.0	53.9	53.9	54.0	53.3	53.1	54.1
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	786,600	789,900	783,000	786,800	791,400	807,000	804,200	800,400	800,200	803,000	793,900	792,000	798,300
Employment	739,400	743,300	740,400	751,000	755,700	766,400	764,500	761,200	766,300	767,000	757,200	753,600	759,000
Unemployment	47,200	46,600	42,600	35,800	35,600	40,600	39,700	39,200	33,900	35,900	36,700	38,400	39,300
Rate	6.0	5.9	5.4	4.5	4.5	5.0	4.9	4.9	4.2	4.5	4.6	4.8	4.9
Participation Rate	54.0	54.3	53.8	54.1	54.5	55.6	55.4	55.1	55.1	55.3	54.7	54.6	54.8
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	779,100	789,200	783,600	790,400	794,700	808,800	805,300	794,500	795,600	799,400	791,300	789,200	793,400
Employment	731,800	738,000	736,000	748,900	756,800	765,100	763,800	755,700	762,000	764,800	757,000	751,200	752,200
Unemployment	47,300	51,300	47,600	41,500	37,800	43,600	41,400	38,800	33,600	34,600	34,300	38,000	41,200
Rate	6.1	6.5	6.1	5.3	4.8	5.4	5.1	4.9	4.2	4.3	4.3	4.8	5.2
Participation Rate	53.3	54.0	53.6	54.1	54.5	55.4	55.2	54.5	54.6	54.9	54.3	54.2	54.4
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	775,600	779,900	775,100	781,500	780,000	795,200	792,500	790,400	792,900	789,400	784,100	780,400	783,800
Employment	726,200	730,700	731,100	743,000	744,500	753,600	751,500	747,700	757,600	754,300	745,400	739,900	742,700
Unemployment	49,300	49,200	44,000	38,500	35,500	41,600	41,100	42,700	35,300	35,100	38,700	40,400	41,000
Rate	6.4	6.3	5.7	4.9	4.6	5.2	5.2	5.4	4.5	4.4	4.9	5.2	5.2
Participation Rate	52.7	53.0	52.7	53.2	53.1	54.2	54.0	53.9	54.1	53.9	53.5	53.3	53.5
2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	782,600	787,400	782,200	786,200	788,300	796,900	789,000	785,800	784,800	786,700	778,300	773,100	785,100
Employment	726,500	728,800	727,800	737,800	742,300	746,200	741,700	737,600	741,600	744,500	739,100	732,500	737,200
Unemployment	56,100	58,500	54,400	48,400	45,900	50,700	47,300	48,300	43,200	42,200	39,300	40,600	47,900
Rate	7.2	7.4	7.0	6.2	5.8	6.4	6.0	6.1	5.5	5.4	5.0	5.2	6.1
Participation Rate	53.0	53.3	53.0	53.3	53.4	54.0	53.5	53.3	53.3	53.4	52.9	52.6	53.3
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	787,000	789,700	784,900	793,800	797,700	806,900	799,800	793,900	788,100	790,200	783,900	782,400	791,500
Employment	730,400	730,400	727,800	741,200	744,400	750,700	744,400	741,500	743,100	745,900	738,400	735,300	739,500
Unemployment	56,600	59,300	57,100	52,600	53,300	56,200	55,400	52,400	45,000	44,400	45,500	47,100	52,100
Rate	7.2	7.5	7.3	6.6	6.7	7.0	6.9	6.6	5.7	5.6	5.8	6.0	6.6
Participation Rate	53.1	53.3	53.0	53.6	53.9	54.5	54.0	53.6	53.3	53.4	53.0	52.9	53.5
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	789,400	795,700	792,000	795,300	800,800	805,300	800,900	796,900	795,800	799,900	791,000	785,700	795,700
Employment	730,800	732,700	733,300	745,400	750,400	753,500	748,000	744,200	749,900	754,700	745,000	739,600	744,000
Unemployment	58,700	63,100	58,700	49,900	50,400	51,800	52,900	52,700	45,900	45,200	46,000	46,100	51,800
Rate	7.4	7.9	7.4	6.3	6.3	6.4	6.6	6.6	5.8	5.7	5.8	5.9	6.5
Participation Rate	53.1	53.6	53.3	53.5	53.9	54.2	53.9	53.7	53.6	53.9	53.3	53.0	53.6
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	798,800	798,000	790,900	799,200	802,400	814,200	807,700	802,100	800,700	798,100	792,900	788,800	799,500
Employment	734,500	734,900	733,800	747,400	752,100	758,400	754,200	749,400	752,500	749,100	744,500	739,200	745,800
Unemployment	64,300	63,100	57,100	51,800	50,300	55,800	53,500	52,700	48,100	49,000	48,400	49,600	53,600
Rate	8.0	7.9	7.2	6.5	6.3	6.9	6.6	6.6	6.0	6.1	6.1	6.3	6.7
Participation Rate	53.7	53.6	53.2	53.7	54.0	54.8	54.3	53.9	53.8	53.7	53.3	53.1	53.8
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	AVG
Labor Force	797,500	802,500	799,100	806,600	815,200	822,700	815,800	809,500	811,600	813,000	802,600	800,200	808,000
Employment	736,100	738,000	738,900	750,500	757,200	760,400	754,300	749,300	757,500	759,400	749,400	744,000	749,600
Unemployment	61,400	64,500	60,200	56,100	58,000	62,300	61,500	60,200	54,100	53,600	53,200	56,100	58,400
Rate	7.7	8.0	7.5	7.0	7.1	7.6	7.5	7.4	6.7	6.6	6.6	7.0	7.2
Participation Rate	53.6	53.9	53.7	54.2	54.8	55.3	54.8	54.4	54.5	54.6	53.9	53.8	54.3

State Unemployment Rates (percent, seasonally adjusted)
The national unemployment rate was 4.1 percent as of June 2024



BRIM

August 2024

Interim Packet

West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET AND INCOME STATEMENT
For the Twelve Months Ending June 30, 2024

Talking Points for Joint Committee on Government and Finance Meeting
August 2024

1. **Premium Revenue** for June reflects the premiums earned for the twelve months of the current fiscal year. BRIM premiums in FY'24 reflect an increase in premium revenue including an increase in premium to fund the higher actuarially estimated losses for the current year.
2. **Claims Expense** reflects net claims payments made through June plus estimated accruals for the twelve months of the fiscal year and the March quarterly reserve adjustments to agree our reserves to the actuarial report year to date through March . Claim payments through June were lower than through June of last year based on the information we have received to this point. Please note that claims expense does not include the reserve adjustment for the fourth quarter as we have not yet received the reserve study report from our actuaries. This adjustment could have a significant impact on our financial statements.
3. **Investments** reflect a gain of \$16.9 million year to date. The gain shown on our financial statements includes income from a preliminary statement from the WV IMB as we have not yet received our final statement for June. The investment gains could change when we receive our final statement. Investment returns through June of last year were lower than through June of this year. Interest rates fluctuated, but at a slower pace, and the volatility of the equities markets made for an uncertain outlook for investment income for FY'24.
4. BRIM continues to pursue pro-active loss control initiatives.

West Virginia Board of Risk and Insurance Management

Statements of Net Position

For the Twelve Months Ended June 30th

	2024	2023
	<i>(In Thousands)</i>	
Assets		
Current assets:		
Cash and cash equivalents	\$ 26,030	\$ 24,728
Advance deposits with insurance company and trustee	258,498	235,648
Receivables	21,582	3,258
Prepaid insurance	00	0
Restricted cash and cash equivalents	8,563	5,447
Premiums due from other entities	1,534	1,534
Total current assets	316,208	270,616
Noncurrent assets:		
Equity position in internal investments pools	58,249	154,103
Restricted investments	32,557	29,754
Total noncurrent assets	90,806	183,857
Total assets	407,014	454,472
Deferred Outflows of Resources	399	399
Deferred Outflows of Resources - OPEB	59	59
Liabilities		
Current liabilities:		
Estimated unpaid claims and claims adjustment expense	189,423	189,423
Unearned premiums	16,811	16,638
Agent commissions payable	1,520	1,646
Claims Payable	0	0
Accrued expenses and other liabilities	19,491	690
Total current liabilities	227,244	208,396
Estimated unpaid claims and claims adjustment expense net of current portion	98,705	177,257
Compensated absences	182	192
Net pension liability	148	148
Total noncurrent liabilities	99,035	177,596
Total liabilities	326,279	385,992
Deferred Inflows of Resources	0	0
Deferred Inflows of Resources - OPEB	137	137
Net position:		
Restricted by State code for mine subsidence coverage	32,363	75,988
Unrestricted	36,438	75,415
Net Assets (Deficiency)	12,256	(82,602)
Net position	\$ 81,057	\$ 68,801

Unaudited

West Virginia Board of Risk and Insurance Management

Statements of Revenues, Expenses, and Changes in Net Position

For the Twelve Months Ended June 30th

	2024	2023
	<i>(In Thousands)</i>	
Operating revenues		
Premiums	\$ 115,403	\$ 95,502
Less coverage/reinsurance programs	(15,003)	(8,969)
Net operating revenues	100,400	86,533
Operating expenses		
Claims and claims adjustment expense	99,312	171,253
General and administrative	5,805	5,845
Total operating expenses	105,117	177,098
Operating income (loss)	(4,717)	(90,566)
Nonoperating revenues		
Investment income	16,973	7,986
Legislative Appropriation	0	0
OPEB Non Operating Income	0	(22)
Net nonoperating revenues	16,973	7,964
Changes in net position	12,256	(82,602)
Total net position, beginning of year	68,801	151,403
Total net position, end of period	\$ 81,057	\$ 68,801

Unaudited

PEIA

August 2024

Interim Packet

PEIA August Interim Talking Points

- **PEIA and RHBT FY 2024 preliminary year end financial statements for June 30, 2024, are available for your review.**
- **PEIA statements indicate PEIA will finish behind plan by \$51 million. This is due to higher than forecast claims expense.**
- **RHBT statements indicate RHBT will finish ahead of plan by \$65 million. This is due to higher than forecast investment income.**
- **The 2024 year-end reserve for the State Fund, non-State Fund and RHBT is projected to be \$77, \$11 and \$202 million respectively.**
- **These reserve levels represent 10%, 6% and 115% of the respective funds' expenses. The required reserve for the State Fund is 12% of expenses.**

West Virginia Retiree Health Benefit Trust Fund
STATEMENT OF CHANGES IN PLAN NET POSITION
For Twelve Months Ending Sunday, June 30, 2024
PRELIMINARY 7.25.24

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE		
				\$	%	\$	%	
ADDITIONS								
Employer Premiums:								
\$2,032	\$1,978	\$2,026	Health premiums - Non Par	\$54	3%	\$6	0%	
7,518	8,164	8,870	Health Premiums - RLC Health, Life	(646)	(8%)	(1,352)	(15%)	
-	-	59,390	Pay Go Premiums	-	0%	(59,390)	(100%)	
30,000	30,000	30,000	State appropriation - OPEB	-	0%	-	0%	
39,550	40,142	100,286	Total Employer Premiums	(592)	(1%)	(60,736)	(61%)	
Other Additions:								
429	1,000	501	Retiree Drug Subsidy	(571)	(57%)	(72)	(14%)	
200,346	124,077	137,501	Investment Income	76,269	61%	62,845	46%	
240,325	165,219	238,288	TOTAL ADDITIONS	75,106	45%	2,037	1%	
DEDUCTIONS								
53,545	52,315	46,725	Payments to Managed Care Org.	(1,230)	(2%)	(6,820)	(15%)	
26,305	27,629	26,312	Life Insurance Expense	1,324	5%	7	0%	
64,633	60,216	53,000	Medical Claims Expense	(4,417)	(7%)	(11,633)	(22%)	
27,574	25,599	21,162	Pharmacy Claims Expense	(1,975)	(8%)	(6,412)	(30%)	
1,512	1,825	2,140	Administrative Service Fees (External)	313	17%	628	29%	
(57,578)	(59,117)	(58,035)	Member Health premiums	(1,539)	3%	(457)	1%	
(26,318)	(27,701)	(26,326)	Member Life Insurance Premiums	(1,383)	5%	(8)	0%	
2,756	2,141	2,615	Other Operating Expenses	(615)	(29%)	(141)	(5%)	
92,429	82,907	67,593	TOTAL DEDUCTIONS	(9,522)	(11%)	(24,836)	(37%)	
147,896	82,312	170,695	NET POSITION INCREASE (DECREASE)	65,584	80%	(22,799)	(13%)	
Net Position Restricted for Post Employment Benefits								
1,795,666	1,795,666	1,624,972	Beginning of Period Total Net Position	-	0%	170,694	11%	
1,741,454	1,675,870	1,513,560	End of Period Net Position - Restricted	65,584	4%	227,894	15%	
202,108	202,108	282,107	End of Period Net Position - PSR	-	0%	(79,999)	(28%)	
\$1,943,562	\$1,877,978	\$1,795,667	End of Period Total Net Position	\$65,584	3%	\$147,895	8%	

West Virginia Public Employees Insurance Agency
DRAFT- Statement of Changes in Plan Net Position
For the Twelve Months Ending Sunday, June 30, 2024
(Dollars in Thousands)
(Unaudited-For Internal Use Only)

ACTUAL	BUDGET	PRIOR YR		BUDGET VARIANCE		PRIOR YR VARIANCE	
				\$	%	\$	%
OPERATING REVENUE							
Premium Revenue							
\$600,773	\$590,757	\$437,659	Health Insurance - State Gov. - Employers	\$10,016	2%	\$163,114	37%
147,244	147,574	119,189	Health Insurance - State Gov. - Employees	(330)	(0%)	28,055	24%
163,779	166,559	136,682	Health Insurance - Local Gov. - All	(2,780)	(2%)	27,097	20%
4,955	4,776	4,969	Administrative Fees, Net of Refunds	179	4%	(14)	(0%)
2,553	2,764	2,664	Other Premium Revenue	(211)	(8%)	(111)	(4%)
919,304	912,430	701,163	Total Operating Revenue	6,874	1%	218,141	31%
NON-OPERATING REVENUE							
2,365	2,106	2,020	Life Insurance	259	12%	345	17%
0	0	52,000	Direct Transfer	0	0%	(52,000)	(100%)
14,539	8,416	8,182	Interest and Investment Income	6,123	73%	6,357	78%
16,904	10,522	62,202	Total Non-Operating Revenue	6,382	61%	(45,298)	(73%)
936,208	922,952	763,365	TOTAL REVENUE	13,256	1%	172,843	23%
EXPENSES							
637,560	604,984	468,987	Claims Expense - Medical	(32,576)	(5%)	(168,573)	(36%)
246,696	210,735	173,249	Claims Expense - Drugs	(35,961)	(17%)	(73,447)	(42%)
64,226	67,748	54,401	Payments to Managed Care Org.	3,522	5%	(9,825)	(18%)
21,974	23,271	27,264	Administrative Service Fees	1,297	6%	5,290	19%
407	93	476	Wellness and Disease Management	(314)	(338%)	69	14%
6,016	5,547	5,249	Other Operating Expenses	(469)	(8%)	(767)	(15%)
1,844	2,182	1,836	Life Insurance Expense	338	15%	(8)	(0%)
514	477	498	ACA Comparative Effectiveness Fee	(37)	(8%)	(16)	(3%)
979,237	915,037	731,960	TOTAL EXPENSES	(64,200)	(7%)	(247,277)	(34%)
(43,028)	7,915	31,405	YTD Surplus (Deficit)	(50,943)	(644%)	(74,433)	(237%)
124,830	124,830	93,425	Total Net Position, Beginning of Period	0	0%	31,405	34%
\$81,802	\$132,745	\$124,830	Total Net Position, End of Period	(\$50,943)	(38%)	(\$43,028)	(34%)

Real Estate Division
August 2024
Interim Packet

Department of Administration Real Estate Division Leasing Report

For the period of July 1 - 31, 2024

There are 24 leasing changes for this period, and they are as follows:

- 2 - Straight Renewal - DOA OWNED
- 2 - Straight Renewal
- 4 - Renewal with Increase in Rent
- 6 - Renewal with Decrease in Rent - DOA OWNED
- 1 - Renewal with Increase in Rent and Decrease in Square Feet - DOA OWNED
- 1 - Renewal with Decrease in Rent and Increase in Square Feet - DOA OWNED
- 1 - Renewal with Increase in Square Feet
- 1 - Increase in Square Feet
- 4 - Cancellation
- 2 - Non-Renewal

Department of Administration Real Estate Division Leasing Report

For the period of July 1 - 31, 2024

STRAIGHT RENEWAL – DOA OWNED

OFFICES OF THE INSURANCE COMMISSIONER

INS-040 Renewal consisting of 245 square feet of storage space at the current annual per square foot rate of \$7.26, annual cost \$1,778.70 and shall continue until updated, full service, Building #86, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

LOTTERY COMMISSION

LOT-009 Renewal consisting of 2,978 square feet of office space at the current annual per square foot rate of \$17.83, annual cost \$53,097.74 and shall continue until updated, full service, Building #34, 100 Municipal Plaza, in the City of Weirton, Hancock County, West Virginia.

STRAIGHT RENEWAL

LOTTERY COMMISSION

LOT-006 Renewal for 3 years consisting of 190 square feet of office space at the current annual per square foot rate of \$8.00, annual cost \$1,520.00, full service, 1 South Stone Street, in the City of Wheeling, Ohio County, West Virginia.

DIVISION OF NATURAL RESOURCES

NAT-135 Renewal for 10 years consisting of 600 square feet of storage space at the current monthly rate of \$100.00, annual cost \$1,200.00, full service, 3562 Greenhills Road, in the City of Ravenswood, Jackson County, West Virginia.

RENEWAL WITH INCREASE IN RENT

STATE ATHLETIC COMMISSION

SAC-001 Renewal for 3 years consisting of 359 square feet of office space with an increase in the annual per square foot rate from \$12.50 to \$13.00, annual cost \$4,667.00, full service, street address, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF HUMAN SERVICES

HUM-003 Renewal for 10 years consisting of 6,287 square feet of group home and office space at the current annual per square foot rate of \$17.50, annual cost \$110,022.48, for years 1-5 then an increase in the annual per square foot rate to \$18.99, annual cost \$119,390.16, for years 6-10, 243 American Way, in the City of Weirton, Brooke County, West Virginia.

AVIATION DIVISION

AVD-002 Renewal for 5 years consisting of 2,040 square feet of office space with an increase in the annual per square foot rate from \$16.50 to \$19.00, annual cost \$38,760.00, utilities included, 400 Eagle Mountain Road, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN RENT - Continued

DIVISION OF FORESTRY

FOR-086 Renewal for 10 years consisting of 2,371 square feet of office/storage space with an increase in the annual per square foot rate from \$7.59 to \$9.11, annual cost \$21,599.81, for years 1-5, and an increase in the annual per square foot rate to \$10.12, annual cost \$23,994.52 for years 6-10, Tenant pays janitorial services and supplies, 61 5th Street, in the City of Buckhannon, Upshur County, West Virginia.

RENEWAL WITH DECREASE IN RENT- DOA OWNED

DIVISION OF CORRECTIONS AND REHABILITATION

COR-085 Renewal consisting of 24,722 square feet of office and storage space with a decrease in the annual per square foot rate from \$11.29 to \$10.73, annual cost \$265,267.06, for year 1, then a decrease in the annual per square foot rate to \$10.19, annual cost \$251,917.18 for year 2 and shall continue until updated, full service, 1409 Greenbrier Street, in the City of Charleston, Kanawha County, West Virginia.

SOLID WASTE MANAGEMENT BOARD

SWM-001 Renewal consisting of 3,065 square feet of office space with a decrease in the annual per square foot rate from \$15.05 to \$14.30, annual cost \$43,829.50 for year 1, with a decrease in the annual per square foot rate to \$13.71, annual cost \$42,021.15 for year 2 and shall continue until updated, full service, Building #37, 601 57th Street, SE, in the City of Charleston, Kanawha County, West Virginia.

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-160 Renewal consisting of 130,604 square feet of office space with a decrease in the annual per square foot rate from \$15.05 to \$14.30, annual cost \$1,867,637.20 for year 1, with a decrease in the annual per square foot rate to \$13.71, annual cost \$1,790,580.84 for year 2 and shall continue until updated, full service, Building #37, 601 57th Street, SE, in the City of Charleston, Kanawha County, West Virginia.

PUBLIC EMPLOYEES INSURANCE AGENCY

PEI-003 Renewal consisting of 16,638 square feet of office space with a decrease in the annual per square foot rate from \$15.05 to \$14.30, annual cost \$237,923.40 for year 1, with a decrease in the annual per square foot rate to \$13.71, annual cost \$228,106.98 for year 2 and shall continue until updated, full service, Building #37, 601 57th Street, SE, in the City of Charleston, Kanawha County, West Virginia.

WEST VIRGINIA OFFICE OF TECHNOLOGY

OOT-003 Renewal consisting of 23,443 square feet of office space with a decrease in the annual per square foot rate from \$11.16 to \$10.60, annual cost \$248,495.80 for year 1, with a decrease in the annual per square foot rate to \$10.07, annual cost \$236,071.01 for year 2 and shall continue until updated, full service, Building #5, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

OFFICES OF THE INSURANCE COMMISSIONER

INS-033 Renewal consisting of 2,798 square feet of office space with an increase in the annual per square foot rate from \$22.99 to \$25.29, annual cost \$70,761.42 for year 1, with an increase in the annual per square foot rate to \$27.82, annual cost \$77,840.36 for year 2 and shall continue until updated, full service, Building #54, 416 Adams Street, in the City of Fairmont, Marion County, West Virginia.

RENEWAL WITH INCREASE IN RENT AND DECREASE IN SQUARE FEET - DOA OWNED

PROSECUTING ATTORNEYS INSTITUTE

PAI-003 Renewal with a decrease of square feet from 2,144 square feet of office space to 1,372 square feet of office space (and 200 square feet of storage space at no cost) and an increase in the annual per square foot rate of from \$14.00 to \$14.80, annual cost \$20,305.56 and shall continue until updated, full service, Building #86, 1124 Smith Street, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH DECREASE IN RENT AND INCREASE IN SQUARE FEET - DOA OWNED

DIVISION OF HIGHWAYS

HWY-001 Renewal with increase in square feet from 210,550 square feet to 212,686 square feet of office space with a decrease in the rate from \$11.16 to \$10.60, annual cost \$2,254,472.00 for year 1, and from \$10.60 to \$10.07, annual cost \$2,141,748.00 for year 2 and shall continue until updated, full service, 1900 Kanawha Boulevard, East, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL WITH INCREASE IN SQUARE FEET

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-041 Renewal for 3 years with an increase of square feet from 5,436 square feet to 5,684 square feet of office and classroom space at the current monthly rate of \$700.00, annual cost \$8,400.00, water, sewer, and dumpster service is included, 2507 9th Avenue, in the City of Parkersburg, Wood County, West Virginia.

INCREASE IN SQUARE FEET

DIVISION OF CORRECTIONS AND REHABILITATION, BUREAU OF JUVENILE SERVICES

BJS-038 Increase of square feet from 3,401 square feet to 3,641 square feet of office and classroom space at the current annual per square foot rate of \$16.80, annual cost \$61,168.80, for year 1, then an increase in the annual per square foot rate to \$17.80, annual cost \$64,809.80, for years 3-5, utilities included, 408 EB Saunders Way, in the City of City of Clarksburg, Harrison County, West Virginia.

CANCELLATION

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-191 Lease cancellation consisting of 80 square feet of storage space, at the monthly rate of \$25.00, annual cost \$300.00, 101 Cambridge Place, in the City of Bridgeport, Harrison County, West Virginia.

DEP-186 Lease cancellation consisting of 4,960 square feet of office space, at the annual per square foot rate of \$17.96, annual cost \$89,081.60, 101 Cambridge Place, in the City of Bridgeport, Harrison County, West Virginia.

CANCELLATION - Continued

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-149 Lease cancellation consisting of 11,922 square feet of office and storage space, at the annual per square foot rate of \$13.68 annual cost \$163,092.96, full service, 2031 Pleasant Valley Road, in the City of Fairmont, Marion County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-165 Lease cancellation consisting of 3,402 square feet of office/storage space, at the annual per square foot rate of \$11.32 annual cost \$38,510.64, full service, 808 B Street, in the City of St. Albans, Kanawha County, West Virginia.

NON-RENEWAL

WEST VIRGINIA STATE POLICE

PSA-023 Lease non-renewal consisting of 1 acre of land for a communication tower and an equipment building, at the annual rate of \$1,600.00 Union District, in the City of Wayne, Wayne County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-262 Lease non-renewal consisting of 7,800 square feet of office space, at the annual per square foot rate of \$12.42 annual cost \$96,909.48, utilities included, 2001 Union Carbide Drive, in the City of South Charleston, Kanawha County, West Virginia.

Real Estate Division
Monthly Summary of Lease Activity
July 1 - 31, 2024

# of Transactions	Agency	Lease #	County	Square Feet	Rental Rate	Annual Rent	Term in years	Total Aggregate	
1	Offices of the Insurance Commissioner	INS-040	Kanawha	245	7.26	1,779	2.00	3,557	**
2	Lottery Commission	LOT-009	Hancock	2,978	17.83	53,098	2.00	106,195	**
3	Lottery Commission	LOT-006	Ohio	190	8.00	1,520	3.00	4,560	
4	Division of Natural Resources	NAT-135	Jackson	600	2.00	1,200	10.00	12,000	
5	State Athletic Commission	SAC-001	Kanawha	359	13.00	4,667	3.00	14,001	
6	Department of Human Resources	HUM-003	Brooke	6,287	17.50	110,023	5.00	550,113	*
	Department of Human Resources	HUM-003	Brooke	6,287	18.99	119,390	5.00	596,951	*
7	Aviation Division	AVD-002	Kanawha	2,040	19.00	38,760	5.00	193,800	
8	Division of Forestry	FOR-086	Upshur	2,371	9.11	21,600	5.00	107,999	
	Division of Forestry	FOR-086	Upshur	2,371	10.12	23,995	5.00	119,973	
9	Division of Corrections and Rehabilitation	COR-086	Kanawha	24,722	10.73	265,267	1.00	265,267	
	Division of Corrections and Rehabilitation	COR-086	Kanawha	24,722	10.19	251,917	1.00	251,917	**
10	Solid Waste Management Board	SWM-001	Kanawha	3,065	14.30	43,830	1.00	43,830	
	Solid Waste Management Board	SWM-001	Kanawha	3,065	13.71	42,021	1.00	42,021	**
11	Department of Environmental Protection	DEP-160	Kanawha	130,604	14.30	1,867,637	1.00	1,867,637	*
	Department of Environmental Protection	DEP-160	Kanawha	130,604	13.71	1,790,581	1.00	1,790,581	*/ **
12	Public Employees Insurance Agency	PEI-003	Kanawha	16,638	14.30	237,923	1.00	237,923	
	Public Employees Insurance Agency	PEI-003	Kanawha	16,638	13.71	228,107	1.00	228,107	**
13	WV Office of Technology	OOT-003	Kanawha	23,443	10.60	248,496	1.00	248,496	
	WV Office of Technology	OOT-003	Kanawha	23,443	10.07	236,071	1.00	236,071	**
14	Offices of the Insurance Commissioner	INS-033	Marion	2,798	25.29	70,761	1.00	70,761	
	Offices of the Insurance Commissioner	INS-033	Marion	2,798	27.82	77,840	1.00	77,840	**
15	Prosecuting Attorneys Institute	PAI-003	Kanawha	1,372	14.80	20,306	1.00	20,306	**
16	Division of Highways	HWY-001	Kanawha	212,686	10.60	2,254,472	1.00	2,254,472	*
	Division of Highways	HWY-001	Kanawha	212,686	10.07	2,141,748	1.00	2,141,748	*/ **
17	DOCR, Bureau of Juvenile Services	BJS-041	Wood	5,684	1.48	8,400	3.00	25,200	
18	DOCR, Bureau of Juvenile Services	BJS-038	Harrison	3,641	16.80	61,169	1.00	61,169	
	DOCR, Bureau of Juvenile Services	BJS-038	Harrison	3,641	17.80	64,810	3.00	194,429	

373.09

Total Rentable : 865,978

Average Annual Rental Rate

26.65

Total Annual Rent

10,287,386

* Indicates the rental rate will exceed \$1,000,000.00 within the term of the lease.

**Indicates the lease automatically renews at the rate listed until updated by RED.

TERMINATIONS

# of	Agency	Lease #	County	Square	Rental	Annual
19	Department of Environmental Protection	DEP-191	Harrison	80	3.75	300
20	Department of Environmental Protection	DEP-186	Harrison	4,960	17.96	89,082
21	Department of Environmental Protection	DEP-149	Marion	11,922	13.68	163,093
22	Department of Health and Human Resources	HHR-165	Kanawha	3,402	11.32	38,511
23	West Virginia State Police	PSA-023	Wayne	1	1,600.00	1,600
24	Department of Health and Human Resources	HHR-262	Kanawha	7,800	12.42	96,909

Total Rentable Square Feet 28,165

Total Annual Rent

389,495

MEDICAID REPORT JUNE 2024

August 2024



Submitted to

Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF JUNE 2024		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
		SFY2023	SFY2024	Current Month Ended 06/30/24	Current Month Ended 06/30/24	Year To-Date Thru 06/30/24	Budget vs 06/30/24
EXPENDITURES:							
Inpatient Hospital - Reg. Payments	81,103,148	92,979,426	3,531,076	7,438,354	80,479,735	12,499,691	
Inpatient Hospital - DSH	57,339,873	53,500,000	607,045	4,280,000	50,312,786	3,187,214	
Inpatient Hospital - Supplemental Payments	1,098,674	-	-	-	-	-	
Inpatient Hospital - GME Payments	14,461,737	13,452,984	-	1,076,239	14,955,984	(1,503,000)	
Mental Health Facilities	6,295,274	9,855,666	528,210	788,453	9,257,330	598,336	
Mental Health Facilities - DSH Adjustment Payments	16,372,757	18,887,045	-	1,510,964	21,401,331	(2,514,286)	
Nursing Facility Services - Regular Payments	909,736,563	910,851,905	91,614,050	72,868,152	1,014,717,191	(103,865,286)	
Nursing Facility Services - Supplemental Payments	-	25,000,000	-	2,000,000	-	25,000,000	
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-	
Intermediate Care Facilities - Private Providers	70,285,738	61,773,950	6,010,890	4,941,916	72,228,418	(10,454,468)	
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-	
Physicians Services - Regular Payments	27,303,815	27,571,075	2,319,271	2,205,686	31,135,709	(3,564,634)	
Physicians Services - Supplemental Payments	-	-	-	-	-	-	
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-	
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-	
Outpatient Hospital Services - Regular Payments	34,572,879	36,497,510	3,144,581	2,919,801	40,436,045	(3,938,535)	
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-	
Prescribed Drugs	889,666,463	961,587,502	58,424,736	76,927,000	870,683,830	90,903,672	
Drug Rebate Offset - National Agreement	(591,930,088)	(466,000,000)	(46,588,691)	(37,280,000)	(499,629,885)	33,629,885	
Drug Rebate Offset - State Sidebar Agreement	(97,081,651)	(48,000,000)	(1,919,467)	(3,840,000)	(110,455,674)	62,455,674	
Drug Rebate Offset - MCO National	(8,746,526)	(12,600,000)	(267,848)	(1,008,000)	(6,337,539)	(6,262,461)	
Drug Rebate Offset - MCO State Sidebar Agreement	17,601	-	-	-	-	-	
ODU Medication Assisted Treatment–Drugs	86,680,518	-	5,567,892	-	88,013,226	(88,013,226)	
Dental Services	4,326,025	4,399,087	409,522	351,927	4,980,895	(581,809)	
Other Practitioners Services - Regular Payments	146,588,874	17,263,355	13,460,064	1,381,068	204,035,871	(186,772,516)	
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-	
Clinic Services	2,442,194	1,433,269	209,371	114,662	3,424,613	(1,991,344)	
Lab & Radiological Services	5,444,721	6,061,343	605,738	484,907	6,345,173	(283,829)	
Home Health Services	22,635,227	31,691,744	1,689,267	2,535,340	19,575,013	12,116,731	
Hysterectomies/Sterilizations	7,015	2,928	-	234	4,402	(1,474)	
Pregnancy Terminations ⁽²⁾	-	19,089	-	1,527	-	19,089	
EPSDT Services	1,214,270	771,690	109,090	61,735	1,624,336	(852,645)	
Rural Health Clinic Services	2,449,746	2,237,118	173,738	178,969	3,593,379	(1,356,261)	
Medicare Health Insurance Payments - Part A Premiums	28,308,602	30,240,573	2,748,981	2,419,246	29,878,225	362,348	
Medicare Health Insurance Payments - Part B Premiums	150,906,037	170,705,833	12,095,845	13,656,467	147,248,461	23,457,372	
120% - 134% Of Poverty	15,979,491	16,226,884	1,174,333	1,298,151	16,268,702	(41,818)	
135% - 175% Of Poverty	-	-	-	-	-	-	
Coinsurance And Deductibles	13,687,829	12,394,747	1,116,507	991,580	13,872,088	(1,477,341)	

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF JUNE 2024		ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
		SFY2023	SFY2024	Current Month Ended 06/30/24	Current Month Ended 06/30/24	Year To-Date Thru 06/30/24	Budget vs 06/30/24
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)		2,699,447,506	2,316,592,754	231,334,962	185,327,420	2,266,208,133	50,384,621
Medicaid MCO - Evaluation and Management		-	-	-	-	-	-
Medicaid MCO - Vaccine Codes		-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan		-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan		-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments		2,311,560	2,219,207	-	177,537	2,557,631	(338,424)
Medicaid Health Insurance Payments: Coinsurance		-	-	-	-	-	-
Medicaid Health Insurance Payments: Other		-	-	-	-	-	-
Home & Community-Based Services (IDD)		399,436,614	425,644,479	25,197,586	34,051,558	329,748,036	95,896,443
Home & Community-Based Services (Aged/Disabled)		114,651,033	162,465,610	5,130,541	12,997,249	56,130,703	106,334,908
Home & Community-Based Services (Traumatic Brain Injury)		3,938,462	2,368,144	80,627	189,451	1,257,727	1,110,417
Home & Community-Based Services (State Plan 1915(i) Only)		-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)		-	-	-	-	-	-
Community Supported Living Services		-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly		-	-	-	-	-	-
Personal Care Services - Regular Payments		58,767,481	86,842,302	1,063,568	6,947,384	15,073,912	71,768,390
Personal Care Services - SDS 1915(j)		-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management		-	-	-	-	-	-
Targeted Case Management Services - State Wide		1,953,673	2,125,804	44,897	170,064	675,729	1,450,075
Primary Care Case Management Services		-	-	-	-	-	-
Hospice Benefits		30,179,762	27,812,852	4,159,048	2,225,028	37,769,986	(9,957,134)
Emergency Services Undocumented Aliens		1,591,557	599,899	128,297	47,992	862,430	(262,531)
Federally Qualified Health Center		11,339,883	6,515,541	599,703	521,243	15,863,446	(9,347,905)
Non-Emergency Medical Transportation		41,612,362	42,182,568	3,249,310	3,374,605	39,927,459	2,255,109
Physical Therapy		1,001,192	985,693	68,041	78,855	1,022,382	(36,689)
Occupational Therapy		417,926	408,056	25,709	32,644	424,227	(16,171)
Services for Speech, Hearing & Language		286,823	236,711	21,243	18,937	285,565	(48,854)
Prosthetic Devices, Dentures, Eyeglasses		799,272	564,182	44,041	45,135	830,381	(266,199)
Diagnostic Screening & Preventive Services		74,116	63,414	6,510	5,073	92,984	(29,570)
Nurse Mid-Wife		96,015	101,173	6,371	8,094	119,754	(18,581)
Emergency Hospital Services		-	-	(192)	-	1,347	(1,347)
Critical Access Hospitals		23,286,462	21,496,408	1,521,499	1,719,713	23,286,959	(1,790,551)
Nurse Practitioner Services		4,696,653	3,859,208	483,216	308,737	6,088,485	(2,229,277)
School Based Services		32,482,763	29,998,882	29,435,238	2,399,911	32,306,546	(2,307,663)
Rehabilitative Services (Non-School Based)		36,592,651	26,807,946	2,444,414	2,233,995	32,979,709	(6,171,764)
2a) Opioid Treatment Program (OTP) - Methadone services		146,007	-	11,878	-	163,700	(163,700)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services		2,322,357	-	-	-	4,567	(4,567)
2a) Opioid Treatment Program (OTP) - Residential Adult Services		7,008,425	-	904,850	-	11,203,875	(11,203,875)
2a) OUD Medicaid Assisted Treatment Services		16,386,491	-	1,040,539	-	16,943,910	(16,943,910)
2a) Opioid Treatment Program (OTP) - Other		629,873	-	51,163	-	689,814	(689,814)
Private Duty Nursing		4,636,150	4,807,324	351,190	384,586	5,406,515	(599,192)
Freestanding Birth Centers		-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions		2,657,501	2,507,273	110,874	200,582	2,022,694	484,580
Other Care Services		26,284,761	36,847,337	2,522,210	2,947,787	33,133,542	3,713,795
Less: Recoupments		-	-	(76,825)	-	(937,888)	937,888
NET MEDICAID EXPENDITURES:		5,416,202,136	5,182,857,492	466,724,709	414,717,959	5,060,193,905	122,663,587

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF JUNE 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	Difference
	SFY2023	SFY2024	Current Month Ended 06/30/24	Current Month Ended 06/30/24	Year To-Date Thru 06/30/24	Budget vs 06/30/24
Collections: Third Party Liability (line 9A on CMS-64)	(8,071,960)	-	-	-	(4,591,500)	4,591,500
Collections: Probate (line 9B on CMS-64)	(2,609,787)	-	-	-	(3,093,117)	3,093,117
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(917,727)	-	-	-	(452,365)	452,365
Collections: Other (line 9D on CMS-64)	(35,290,306)	-	-	-	(28,814,283)	28,814,283
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,369,312,356	5,182,857,492	466,724,709	414,717,959	5,023,242,639	159,614,853
Plus: Medicaid Part D Expenditures	43,535,275	52,661,876	4,735,583	4,212,950	52,812,392	(150,515)
Plus: State Only Medicaid Expenditures	187,230	262,845	25,798	21,028	204,570	58,275
Plus: Money Follow the Person Expenditures	1,170,896	1,037,688	70,507	83,015	1,049,581	(11,893)
TOTAL MEDICAID EXPENDITURES	\$5,414,205,758	\$5,236,819,901	\$471,556,598	\$419,034,952	\$5,077,309,182	\$159,510,719
Plus: Reimbursables ⁽¹⁾	4,404,092	-	444,270	-	5,819,748	(5,819,748)
Plus: NATCEP/PASARR/Eligibility Exams	241,251	29,578	5,000	2,366	242,674	(213,095)
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,418,851,102	\$5,236,849,480	\$472,005,868	\$419,037,318	\$5,083,371,604	\$153,477,876

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

(2) Pregnancy Terminations are State Only expenditures and are not currently claimed.

(3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$31,776,555 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2024

MONTH OF JUNE 2024	ACTUALS	ACTUALS	ACTUALS	Difference	TOTAL
	SFY2023	Current Month Ended 06/30/24	Year-To-Date Thru 06/30/24	Budget vs Actual	SFY2024
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	81,507,579	37,949,157	127,247,384	-	127,247,384
MATCHING FUNDS					
General Revenue (0403/189)	292,112,801	33,890,150	267,202,774	-	267,202,774
IDD Waiver (0403/466)	108,541,736	11,939,591	108,541,736	-	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	2,596,000	-	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,666	6,356,000	-	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	800,000	-	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,299	13,593,620	-	13,593,620
Medical Services Surplus (0403/633)	8,800,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	13,603,501	-	23,126,633	-	23,126,633
Lottery Waiver (0420/539)	19,612,957	-	10,839,825	-	10,839,825
Lottery Transfer (5405/871)	16,400,070	-	16,400,070	-	16,400,070
Excess Lottery (5365/189)	26,697,960	26,796,851	60,716,750	-	60,716,750
Lottery Surplus (5405/68199)	14,750,000	-	14,750,000	-	14,750,000
Lottery Surplus (5365/68100)	16,200,000	-	17,000,000	-	17,000,000
Trust Fund Appropriation (5185/189)	14,208,033	36,113,612	55,000,000	16,085,999	71,085,999
Provider Tax (5090/189)	290,400,000	-	393,594,315	245,657,347	639,251,662
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	15,218,760	8,480,299	18,835,700	(5,129,700)	13,706,000
Reimbursables - Amount Reimbursed	7,427,510	551,453	5,281,103	(5,281,103)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	10,461	62,284	512,476	(512,476)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	196,666	-	1,516,454	(1,516,454)	-
TOTAL MATCHING FUNDS	\$ 949,033,654	\$ 158,112,697	\$ 1,143,910,840	\$ 249,303,613	\$ 1,393,214,454
FEDERAL FUNDS	4,596,740,061	365,836,961	3,991,384,983	111,635,340	4,103,020,324
TOTAL REVENUE SOURCES	\$ 5,545,773,715	\$ 523,949,658	\$ 5,135,295,824	\$ 360,938,954	\$ 5,496,234,777
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,418,851,102	\$ 472,005,868	\$ 5,083,371,604	\$ 153,477,876	\$ 5,236,849,480
TOTAL	\$ 126,922,614	\$ 51,943,790	\$ 51,924,219	\$ 207,461,078	\$ 259,385,298

Note: FMAP (74.10% applicable Jan 2024 - Jun 2024)

MEDICAID WAIVER REPORT JUNE 2024

August 2024



WEST VIRGINIA DEPARTMENT OF

**HUMAN
SERVICES**

Bureau for Medical Services

Submitted to

Joint Committee on Government and Finance
and

Legislative Oversight Commission on Health and Human
Resources Accountability

**WV Department of Human Services
Bureau for Medical Services A&D Waiver Program Report**

Aged & Disabled Waiver Reported June 30, 2024		FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)		8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,750	8,750	8,750	8,750	8,750	8,750	8,750
-Slots Available for Traditional (ADW-WV) enrollees		8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,674	8,674	8,674	8,674	8,674	8,674	8,674
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		76	76	76	76	76	76	76	76	76	76	76	76	76	76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees															
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		8,613	7,675	7,772	7,846	7,889	8,010	8,050	8,223	8,290	8,432	8,558	8,599	8,551	8,551
Applicants determined eligible this month and added to MEL (3) * 87 of 87 are awaiting Financial Eligibility not yet on MEL		2,416	137	157	125	151	141	149	179	175	139	169	118	87	87
Applicants determined ineligible		123	11	10	7	4	3	7	6	6	8	4	8	2	2
ACTIVE MEMBERS															
Active Traditional Members at the end of the month		7,559	7,554	7,596	7,599	7,596	7,616	7,602	7,622	7,640	7,621	7,629	7,573	7,530	7,530
Active Take Me Home Members at the end of the month		48	41	44	42	45	46	50	46	47	46	45	45	50	50
Active Money Follows the Person Members at the end of the month															
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		7,607	7,595	7,640	7,641	7,641	7,662	7,652	7,668	7,687	7,667	7,674	7,618	7,580	7,580
Active members enrolled during the calendar month		1,835	187	195	113	153	127	113	169	159	113	136	75	52	1,592
-Total Active Traditional members enrolled during the calendar month		1,787	186	190	108	151	120	109	166	153	108	131	72	47	1,541
-Total Active TMH-WV members enrolled during the calendar month		48	1	5	5	2	7	4	3	6	5	5	3	5	51
-Total Active MFP-WV members enrolled during the calendar month															
Members discharged during the calendar month		1,516	199	150	112	153	106	123	153	140	133	129	131	90	1,619
ADW Members whose case was closed by reason	Member is deceased	874	71	31	33	74	63	66	89	77	62	63	71	42	742
	Other (4)	642	128	119	79	79	43	57	64	63	71	66	60	48	877
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		2,499	248	164	173	178	209	214	211	205	214	218	106	130	2,270
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,330	143	69	74	79	83	105	98	106	96	117	5	35	1,010
	Applicant became deceased	222	12	8	16	8	13	11	12	4	16	4	12	0	116
	Other (5)	947	93	87	83	91	113	98	101	95	102	97	89	95	1,144
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month		0	0	1	1	1	0	1	0	0	0	6	4	7	7
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month		1	0	4	4	0	0	0	1	0	3	4	4	2	2
Applicants on the MEL at the end of month		83	5	25	22	18	20	15	31	36	36	53	161	208	208
Days - Average time spent on the MEL to date Minus MFP Applicants		127	28	2	3	1	1	3	1	3	3	5	23	38	9

(1) Beginning January 1, 2024, an additional 250 slots were approved by CMS, increasing the total to 8750. Of these slots, 76 are reserved for Money Follows the Person and Rebalancing Demonstration Grant.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reasons for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

WV Department of Human Services
Bureau for Medical Services /DD Waiver Program Report

Intellectual/Developmental Disabilities Waiver Reported June 30, 2024		FY2023	July-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD2024
Slots approved by CMS		6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115
Total number of members served YTD (unduplicated slots used) (1)		6,075	6,015	6,017	6,023	6,032	6,068	6,073	6,078	6,083	6,088	6,097	6,104	6,109	6,109
Total number of members served YTD in Traditional Slots		6,073	6,013	6,015	6,021	6,029	6,065	6,070	6,074	6,078	6,083	6,091	6,096	6,101	6,101
Total number of members served YTD in Adult Ben H. slots (Active)		2	0	1	1	2	2	2	3	3	3	4	5	5	5
Total number of members served YTD in Children Ben H. slots (Active)		2	1	1	1	1	1	1	1	2	2	2	3	3	3
Applicants determined eligible (2)		503	31	28	43	37	35	43	34	42	44	41	45	36	459
Applicants determined ineligible (3)		546	40	58	49	61	47	41	38	48	43	44	35	52	556
ACTIVE MEMBERS															
# of active members at the end of the month (unduplicated slots active) (1)		5,905	6,004	5,994	5,987	5,993	6,004	6,006	5,998	5,992	5,981	5,964	5,962	5,957	5,957
Discharged members at the end of the calendar month		183	19	14	14	3	27	4	14	12	16	26	9	10	168
Discharged members who were discharged by reason	Deceased	67	7	5	5	2	12	2	4	5	6	13	1	1	63
	Left program to enter a facility	56	4	2	4	0	5	0	2	5	3	5	3	6	39
	a. Hospital	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	b. ICF/IID	30	1	0	3	0	3	0	1	3	0	2	1	4	18
	c. Nursing Facility	25	3	2	1	0	2	0	1	2	3	3	2	2	21
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	f. Other Facility	1	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (6)		60	8	7	5	1	10	2	8	2	7	8	5	3	66
MANAGED ENROLLMENT LIST (MEL)															
Total number of applicants on the MEL at the end of the month		548	459	483	516	540	537	571	588	623	658	686	724	753	753
Number of applicants added to the MEL (4)		503	31	28	43	37	35	43	34	42	44	41	45	36	459
Applicants enrolled (removed from the MEL)		208	118	4	7	9	38	6	6	6	5	9	7	5	220
Applicants removed from the MEL due to Death (5)		2	1	0	1	1	0	0	0	0	1	0	0	0	4
Applicants removed from the MEL due to Other (6)		17	1	0	2	3	0	3	11	1	3	4	0	2	30
Applicants on the MEL who are in a Nursing Facility		1	3	3	5	4	4	4	3	3	2	1	2	2	2
Applicants on the MEL who are in an ICF/IID Group Home		20	20	24	22	20	21	25	28	28	39	38	20	23	23
Applicants on the MEL receiving Personal Care Services each month		10	10	13	13	8	9	10	6	10	12	13	13	14	14
Longest on the MEL to date (7)		1173	1,204	1,235	1,265	1,296	1,326	1,357	1,213	1,242	1,273	1,303	1,068	1,098	1,098

(1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(2) and (3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

(5) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

**WV Department of Human Services
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported June 30, 2024	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)	96	96	96	96	96	96	96	96	96	96	96	102	102	102
-Slots Available for Traditional (non TMH-WV) enrollees	95	92	92	92	92	92	92	92	94	94	94	100	100	100
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	1	4	4	4	4	4	4	4	2	2	2	2	2	2
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	96	92	90	93	93	93	94	94	96	96	96	100	100	100
Applicants determined eligible this month and added to MEL (3)	12	1	3	2	1	2	2	1	0	2	0	0	0	14
Applicants determined ineligible	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ACTIVE MEMBERS														
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	92	92	90	92	92	91	92	91	91	91	90	93	92	92
Active members enrolled during the calendar month	13	0	0	7	0	0	1	0	3	0	0	4	0	15
-Total Active Traditional members enrolled during the calendar month	12	0	0	6	0	0	0	0	3	0	0	4	0	13
-Total Active TMH-WV members enrolled during the calendar month	1	0	0	1	0	0	1	0	0	0	0	0	0	2
Members discharged during the calendar month	5	0	2	5	0	1	0	1	3	0	1	1	1	15
TBIW Members whose case was closed by reason														
Member is deceased	1	0	1	1	0	1	0	0	0	0	1	1	0	5
Other (4)	4	0	1	4	0	0	0	1	3	0	0	0	1	10
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	0	0	2	4	0	0	1	0	5	0	4	0	0	16
TBIW Applicants removed from the MEL														
Applicant offered a slot	0	0	2	4	0	0	1	0	5	0	4	0	0	16
Applicant became deceased	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other (5)	0	0	0	0	0	0	0	0	2	0	0	0	0	2
Applicants on the MEL who are in a nursing facility	0	0	0	0	1	0	0	0	0	0	0	0	0	1
Applicants on the MEL receiving Personal Care	0	1	0	0	0	0	0	1	0	0	0	0	0	2
Applicants on the MEL at the end of the month	2	3	4	2	3	5	6	7	2	4	0	0	0	0
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	15	46	31	23	54	84	115	146	116	147	177	0	0	78

(1) CMS Approved 96+6=102 slots**. Of the 102 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2024. 2/2024-two (2) reserved slots released for non TMH applicants. **5/2024-six (6) slots approved by CMS.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year. Two (2) funded slots became available, no services paid for this SFY .

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Reported in actual number of days on the MEL.

NOTE: All data as reported by the Utilization Management Contractor is point-in-time

MEDICAID REPORT MAY 2024

July 2024



Submitted to

Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF MAY 2024						
	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 05/31/24	Current Month Ended 05/31/24	Year To-Date Thru 05/31/24	06/01/24 Thru 6/30/2024
EXPENDITURES:						
Inpatient Hospital - Reg. Payments	81,103,148	92,979,426	5,114,401	8,368,148	76,948,659	16,030,767
Inpatient Hospital - DSH	57,339,873	53,500,000	11,999,998	4,815,000	49,705,741	3,794,259
Inpatient Hospital - Supplemental Payments	1,098,674	-	-	-	-	-
Inpatient Hospital - GME Payments	14,461,737	13,452,984	3,737,007	1,210,769	14,955,984	(1,503,000)
Mental Health Facilities	6,295,274	9,855,666	681,055	887,010	8,729,120	1,126,546
Mental Health Facilities - DSH Adjustment Payments	16,372,757	18,887,045	-	1,699,834	21,401,331	(2,514,286)
Nursing Facility Services - Regular Payments	909,736,563	910,851,905	82,661,576	81,976,671	923,103,141	(12,251,236)
Nursing Facility Services - Supplemental Payments	-	25,000,000	-	2,250,000	-	25,000,000
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	70,285,738	61,773,950	6,269,498	5,559,656	66,217,528	(4,443,578)
Intermediate Care Facilities - Supplemental Payments	-	-	-	-	-	-
Physicians Services - Regular Payments	27,303,815	27,571,075	2,185,727	2,481,397	28,816,438	(1,245,363)
Physicians Services - Supplemental Payments	-	-	-	-	-	-
Physician and Surgical Services - Evaluation and Management	-	-	-	-	-	-
Physician and Surgical Services - Vaccine Codes	-	-	-	-	-	-
Outpatient Hospital Services - Regular Payments	34,572,879	36,497,510	3,228,294	3,284,776	37,291,464	(793,954)
Outpatient Hospital Services - Supplemental Payments	-	-	-	-	-	-
Prescribed Drugs	889,666,463	961,587,502	70,071,119	86,542,875	812,259,094	149,328,408
Drug Rebate Offset - National Agreement	(591,930,088)	(466,000,000)	(2,128,537)	(41,940,000)	(453,041,194)	(12,958,806)
Drug Rebate Offset - State Sidebar Agreement	(97,081,651)	(48,000,000)	(26,595,463)	(4,320,000)	(108,536,207)	60,536,207
Drug Rebate Offset - MCO National	(8,746,526)	(12,600,000)	(7,191)	(1,134,000)	(6,069,691)	(6,530,309)
Drug Rebate Offset - MCO State Sidebar Agreement	17,601	-	-	-	-	-
ODD Medication Assisted Treatment--Drugs	86,680,518	-	6,407,493	-	82,445,334	(82,445,334)
Dental Services	4,326,025	4,399,087	411,668	395,918	4,571,373	(172,287)
Other Practitioners Services - Regular Payments	146,588,874	17,263,355	13,479,351	1,553,702	190,575,807	(173,312,452)
Other Practitioners Services - Supplemental Payments	-	-	-	-	-	-
Clinic Services	2,442,194	1,433,269	222,418	128,994	3,215,242	(1,781,973)
Lab & Radiological Services	5,444,721	6,061,343	446,205	545,521	5,739,435	321,909
Home Health Services	22,635,227	31,691,744	(61,694)	2,852,257	17,885,746	13,805,998
Hysterectomies/Sterilizations	7,015	2,928	-	264	4,402	(1,474)
Pregnancy Terminations ⁽²⁾	-	19,089	-	1,718	-	19,089
EPSDT Services	1,214,270	771,690	136,088	69,452	1,515,246	(743,555)
Rural Health Clinic Services	2,449,746	2,237,118	244,447	201,341	3,419,641	(1,182,523)
Medicare Health Insurance Payments - Part A Premiums	28,308,602	30,240,573	2,323,976	2,721,652	27,129,244	3,111,329
Medicare Health Insurance Payments - Part B Premiums	150,906,037	170,705,833	12,416,310	15,363,525	135,152,616	35,553,217
120% - 134% Of Poverty	15,979,491	16,226,884	1,236,177	1,460,420	15,094,369	1,132,515
135% - 175% Of Poverty	-	-	-	-	-	-
Coinsurance And Deductibles	13,687,829	12,394,747	1,326,496	1,115,527	12,755,581	(360,834)

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF MAY 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 05/31/24	Current Month Ended 05/31/24	Year To-Date Thru 05/31/24	06/01/24 Thru 6/30/2024
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	2,699,447,506	2,316,592,754	146,587,889	208,493,348	2,034,873,171	281,719,583
Medicaid MCO - Evaluation and Management	-	-	-	-	-	-
Medicaid MCO - Vaccine Codes	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Ambulatory Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Prepaid Inpatient Health Plan	-	-	-	-	-	-
Medicaid Health Insurance Payments: Group Health Plan Payments	2,311,560	2,219,207	206,159	199,729	2,557,631	(338,424)
Medicaid Health Insurance Payments: Coinsurance	-	-	-	-	-	-
Medicaid Health Insurance Payments: Other	-	-	-	-	-	-
Home & Community-Based Services (IDD)	399,436,614	425,644,479	26,571,157	38,308,003	304,550,450	121,094,029
Home & Community-Based Services (Aged/Disabled)	114,651,033	162,465,610	5,449,081	14,621,905	51,000,162	111,465,449
Home & Community-Based Services (Traumatic Brain Injury)	3,938,462	2,368,144	167,265	213,133	1,177,100	1,191,044
Home & Community-Based Services (State Plan 1915(i) Only)	-	-	-	-	-	-
Home & Community-Based Services (State Plan 1915(j) Only)	-	-	-	-	-	-
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services - Regular Payments	58,767,481	86,842,302	1,362,322	7,815,807	14,010,344	72,831,958
Personal Care Services - SDS 1915(j)	-	-	-	-	-	-
Targeted Case Management Services - Com. Case Management	-	-	-	-	-	-
Targeted Case Management Services - State Wide	1,953,673	2,125,804	53,946	191,322	630,832	1,494,972
Primary Care Case Management Services	-	-	-	-	-	-
Hospice Benefits	30,179,762	27,812,852	2,505,573	2,503,157	33,610,938	(5,798,086)
Emergency Services Undocumented Aliens	1,591,557	599,899	92,629	53,991	734,133	(134,234)
Federally Qualified Health Center	11,339,883	6,515,541	691,755	586,399	15,263,743	(8,748,202)
Non-Emergency Medical Transportation	41,612,362	42,182,568	3,225,447	3,796,431	36,678,149	5,504,419
Physical Therapy	1,001,192	985,693	70,510	88,712	954,341	31,352
Occupational Therapy	417,926	408,056	35,331	36,725	398,518	9,538
Services for Speech, Hearing & Language	286,823	236,711	19,560	21,304	264,322	(27,611)
Prosthetic Devices, Dentures, Eyeglasses	799,272	564,182	54,251	50,776	786,340	(222,158)
Diagnostic Screening & Preventive Services	74,116	63,414	6,537	5,707	86,474	(23,060)
Nurse Mid-Wife	96,015	101,173	4,575	9,106	113,383	(12,210)
Emergency Hospital Services	-	-	-	-	1,539	(1,539)
Critical Access Hospitals	23,286,462	21,496,408	1,880,481	1,934,677	21,765,460	(269,052)
Nurse Practitioner Services	4,696,653	3,859,208	446,850	347,329	5,605,269	(1,746,061)
School Based Services	32,482,763	29,998,882	278,070	2,699,899	2,871,308	27,127,575
Rehabilitative Services (Non-School Based)	36,592,651	26,807,946	2,938,716	2,233,995	30,535,295	(3,727,350)
2a) Opioid Treatment Program (OTP) - Methadone services	146,007	-	32,299	-	151,822	(151,822)
2a) Opioid Treatment Program (OTP) - Peer Recovery Support Services	2,322,357	-	-	-	4,567	(4,567)
2a) Opioid Treatment Program (OTP) - Residential Adult Services	7,008,425	-	993,775	-	10,299,025	(10,299,025)
2a) OUD Medicaid Assisted Treatment Services	16,386,491	-	956,172	-	15,903,371	(15,903,371)
2a) Opioid Treatment Program (OTP) - Other	629,873	-	44,376	-	638,651	(638,651)
Private Duty Nursing	4,636,150	4,807,324	690,128	432,659	5,055,325	(248,002)
Freestanding Birth Centers	-	-	-	-	-	-
Health Home for Enrollees w Chronic Conditions	2,657,501	2,507,273	82,493	225,655	1,911,820	595,454
Other Care Services	26,284,761	36,847,337	2,823,392	3,316,260	30,611,332	6,236,005
Less: Recoupments	-	-	(701,395)	-	(861,063)	861,063
NET MEDICAID EXPENDITURES:	5,416,202,136	5,182,857,492	393,375,763	466,278,455	4,593,469,196	589,388,296

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
EXPENDITURES BY PROVIDER TYPE
SFY2024

MONTH OF MAY 2024	ACTUALS	TOTAL	ACTUALS	ESTIMATE	ACTUALS	PROJECTED
	SFY2023	SFY2024	Current Month Ended 05/31/24	Current Month Ended 05/31/24	Year To-Date Thru 05/31/24	06/01/24 Thru 6/30/2024
Collections: Third Party Liability (line 9A on CMS-64)	(8,071,960)	-		-	(4,591,500)	4,591,500
Collections: Probate (line 9B on CMS-64)	(2,609,787)	-		-	(3,093,117)	3,093,117
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(917,727)	-		-	(452,365)	452,365
Collections: Other (line 9D on CMS-64)	(35,290,306)	-		-	(28,814,283)	28,814,283
NET EXPENDITURES and CMS-64 ADJUSTMENTS:	5,369,312,356	5,182,857,492	393,375,763	466,278,455	4,556,517,930	626,339,562
Plus: Medicaid Part D Expenditures	43,535,275	52,661,876	4,727,384	4,739,569	48,076,808	4,585,068
Plus: State Only Medicaid Expenditures	187,230	262,845	16,891	23,656	178,772	84,073
Plus: Money Follow the Person Expenditures	1,170,896	1,037,688	90,902	93,392	979,074	58,614
TOTAL MEDICAID EXPENDITURES	\$5,414,205,758	\$5,236,819,901	\$398,210,939	\$471,135,071	\$4,605,752,584	\$631,067,317
Plus: Reimbursables ⁽¹⁾	4,404,092	-	493,576	-	5,375,478	(5,375,478)
Plus: NATCEP/PASARR/Eligibility Exams	241,251	29,578	1,070	2,662	237,674	(208,095)
Plus: HIT Incentive Payments	-	-	-	-	-	-
TOTAL EXPENDITURES	\$5,418,851,102	\$5,236,849,480	\$398,705,585	\$471,137,734	\$4,611,365,736	\$625,483,743

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

(2) Pregnancy Terminations are State Only expenditures and are not currently claimed.

(3) Of the amount in the 'Nursing Facility Services - Regular Payments' line \$29,325,898 is the amount paid to State Facilities year to date.

WV DEPARTMENT OF HUMAN SERVICES
BUREAU FOR MEDICAL SERVICES
MEDICAID CASH REPORT
SFY2024

MONTH OF MAY 2024	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2023	Current Month Ended 05/31/24	Year-To-Date Thru 05/31/24	06/01/24 Thru 06/30/24	SFY2024
REVENUE SOURCES					
Beg. Bal. (5084/1020 prior mth)	81,507,579	16,653,975	127,247,384	-	127,247,384
MATCHING FUNDS					
General Revenue (0403/189)	292,112,801	33,890,150	233,312,624	33,890,150	267,202,774
IDD Waiver (0403/466)	108,541,736	11,939,591	96,602,145	11,939,591	108,541,736
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,333	2,379,666	216,334	2,596,000
Tertiary Funding (0403/547)	6,356,000	529,667	5,826,334	529,666	6,356,000
Traumatic Brain Injury (0403/835)	800,000	88,000	712,000	88,000	800,000
Title XIX Waiver for Seniors (0403-533)	13,593,620	1,495,298	12,098,321	1,495,299	13,593,620
Medical Services Surplus (0403/633)	8,800,000	-	-	-	-
Waiver for Senior Citizens Surplus (0403/526)	-	-	-	-	-
Lottery Waiver (Less 550,000) (5405/539)	13,603,501	5,781,659	23,126,633	-	23,126,633
Lottery Waiver (0420/539)	19,612,957	2,709,957	10,839,825	-	10,839,825
Lottery Transfer (5405/871)	16,400,070	4,100,016	16,400,070	-	16,400,070
Excess Lottery (5365/189)	26,697,960	33,919,899	33,919,899	26,796,851	60,716,750
Lottery Surplus (5405/68199)	14,750,000	14,750,000	14,750,000	-	14,750,000
Lottery Surplus (5365/68100)	16,200,000	-	17,000,000	-	17,000,000
Trust Fund Appropriation (5185/189)	14,208,033	-	18,886,388	52,199,611	71,085,999
Provider Tax (5090/189)	290,400,000	-	393,594,315	245,657,347	639,251,662
NSGO UPL (5084/6717)	-	-	-	-	-
Expirations (5084)	-	-	-	-	-
Certified Match	15,218,760	929,092	10,355,401	3,350,599	13,706,000
Reimbursables - Amount Reimbursed	7,427,510	36,582	4,729,649	(4,729,649)	-
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	10,461	65,814	450,192	(450,192)	-
CHIP State Share	-	-	-	-	-
CMS - 64 Adjustments	196,666	-	1,516,454	(1,516,454)	-
TOTAL MATCHING FUNDS	\$ 949,033,654	\$ 127,106,033	\$ 1,023,747,301	\$ 369,467,153	\$ 1,393,214,454
FEDERAL FUNDS	4,596,740,061	309,634,578	3,625,548,022	477,472,302	4,103,020,324
TOTAL REVENUE SOURCES	\$ 5,545,773,715	\$ 436,740,612	\$ 4,649,295,323	\$ 846,939,455	\$ 5,496,234,777
TOTAL EXPENDITURES:					
Provider Payments	\$ 5,418,851,102	\$ 398,705,585	\$ 4,611,365,736	\$ 625,483,743	\$ 5,236,849,480
TOTAL	\$ 126,922,614	\$ 38,035,027	\$ 37,929,587	\$ 221,455,711	\$ 259,385,298

Note: FMAP (74.10% applicable Jan 2024 - Jun 2024)

MEDICAID WAIVER REPORT MAY 2024

July 2024



Submitted to

Joint Committee on Government and Finance
and
Legislative Oversight Commission on Health and Human
Resources Accountability

**WV Department of Human Services
Bureau for Medical Services A&D Waiver Program Report**

Aged & Disabled Waiver Reported May 31, 2024		FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)		8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,750	8,750	8,750	8,750	8,750		8,750
-Slots Available for Traditional (ADW-WV) enrollees		8,424	8,424	8,424	8,424	8,424	8,424	8,424	8,674	8,674	8,674	8,674	8,674		8,674
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees		76	76	76	76	76	76	76	76	76	76	76	76		76
-Slots reserved for Money Follows the Person (MFP-WV) enrollees															
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count		8,613	7,675	7,772	7,846	7,889	8,010	8,050	8,223	8,290	8,432	8,558	8,599		8,599
Applicants determined eligible this month and added to MEL (3) * 118 of 118 are awaiting Financial Eligibility not yet on MEL		2,416	137	157	125	151	141	149	179	175	139	169	118*		118*
Applicants determined ineligible		123	11	10	7	4	3	7	6	6	8	4	8		8
ACTIVE MEMBERS															
Active Traditional Members at the end of the month		7,559	7,554	7,596	7,599	7,596	7,616	7,602	7,622	7,640	7,621	7,629	7,573		7,573
Active Take Me Home Members at the end of the month		48	41	44	42	45	46	50	46	47	46	45	45		45
Active Money Follows the Person Members at the end of the month															
Total Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count		7,607	7,595	7,640	7,641	7,641	7,662	7,652	7,668	7,687	7,667	7,674	7,618		7,618
Active members enrolled during the calendar month		1,835	187	195	113	153	127	113	169	159	113	136	75		1,540
-Total Active Traditional members enrolled during the calendar month		1,787	186	190	108	151	120	109	166	153	108	131	72		1,494
-Total Active TMH-WV members enrolled during the calendar month		48	1	5	5	2	7	4	3	6	5	5	3		46
-Total Active MFP-WV members enrolled during the calendar month															
Members discharged during the calendar month		1,516	199	150	112	153	106	123	153	140	133	129	131		1,529
ADW Members whose case was closed by reason	Member is deceased	874	71	31	33	74	63	66	89	77	62	63	71		700
	Other (4)	642	128	119	79	79	43	57	64	63	71	66	60		829
MANAGED ENROLLMENT LIST (MEL)															
# Eligible applicants closed during the calendar month (removed from MEL)		2,499	248	164	173	178	209	214	211	205	214	218	106		2,140
ADW Applicants removed from the MEL	Applicant offered a slot (Traditional + MFP)	1,330	143	69	74	79	83	105	98	106	96	117	5		975
	Applicant became deceased	222	12	8	16	8	13	11	12	4	16	4	12		116
	Other (5)	947	93	87	83	91	113	98	101	95	102	97	89		1,049
Applicants on the MEL who are in a nursing facility YTD Column reflects # members in setting during reporting month		0	0	1	1	1	0	1	0	0	0	6	4		4
Applicants on the MEL receiving Personal Care YTD Column reflects # members receiving service during reporting month		1	0	4	4	0	0	0	1	0	3	4	4		4
Applicants on the MEL at the end of month		83	5	25	22	18	20	15	31	36	36	53	161		161
Days - Average time spent on the MEL to date Minus MFP Applicants		127	28	2	3	1	1	3	1	3	3	5	23		7

(1) Beginning January 1, 2024, an additional 250 slots were approved by CMS, increasing the total to 8750. Of these slots, 76 are reserved for Money Follows the Person and Rebalancing Demonstration Grant.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reasons for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

WV Department of Human Services
Bureau for Medical Services /DD Waiver Program Report

Intellectual/Developmental Disabilities Waiver Reported May 31, 2024		FY2023	July-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	YTD2024
Slots approved by CMS		6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115	6,115		6,115
Total number of members served YTD (unduplicated slots used) (1)		6,075	6,015	6,017	6,023	6,032	6,068	6,073	6,078	6,083	6,088	6,097	6,104		6,104
Total number of members served YTD in Traditional Slots		6,073	6,013	6,015	6,021	6,029	6,065	6,070	6,074	6,078	6,083	6,091	6,096		6,096
Total number of members served YTD in Adult Ben H. slots (Active)		2	0	1	1	2	2	2	3	3	3	4	5		5
Total number of members served YTD in Children Ben H. slots (Active)		2	1	1	1	1	1	1	1	2	2	2	3		3
Applicants determined eligible (2)		503	31	28	43	37	35	43	34	42	44	41	45		423
Applicants determined ineligible (3)		546	40	58	49	61	47	41	38	48	43	44	35		504
ACTIVE MEMBERS															
# of active members at the end of the month (unduplicated slots active) (1)		5,905	6,004	5,994	5,987	5,993	6,004	6,006	5,998	5,992	5,981	5,964	5,962		5,962
Discharged members at the end of the calendar month		183	19	14	14	3	27	4	14	12	16	26	9		158
Discharged members who were discharged by reason	Deceased	67	7	5	5	2	12	2	4	5	6	13	1		62
	Left program to enter a facility	56	4	2	4	0	5	0	2	5	3	5	3		33
	a. Hospital	0	0	0	0	0	0	0	0	0	0	0	0		0
	b. ICF/IID	30	1	0	3	0	3	0	1	3	0	2	1		14
	c. Nursing Facility	25	3	2	1	0	2	0	1	2	3	3	2		19
	d. Psychiatric Facility	0	0	0	0	0	0	0	0	0	0	0	0		0
	e. Rehabilitation Facility	0	0	0	0	0	0	0	0	0	0	0	0		0
	f. Other Facility	1	0	0	0	0	0	0	0	0	0	0	0		0
Other (6)		60	8	7	5	1	10	2	8	2	7	8	5		63
MANAGED ENROLLMENT LIST (MEL)															
Total number of applicants on the MEL at the end of the month		548	459	483	516	540	537	571	588	623	658	686	724		724
Number of applicants added to the MEL (4)		503	31	28	43	37	35	43	34	42	44	41	45		423
Applicants enrolled (removed from the MEL)		208	118	4	7	9	38	6	6	6	5	9	7		215
Applicants removed from the MEL due to Death (5)		2	1	0	1	1	0	0	0	0	1	0	0		4
Applicants removed from the MEL due to Other (6)		17	1	0	2	3	0	3	11	1	3	4	0		28
Applicants on the MEL who are in a Nursing Facility		1	3	3	5	4	4	4	3	3	2	1	2		2
Applicants on the MEL who are in an ICF/IID Group Home		20	20	24	22	20	21	25	28	28	39	38	20		20
Applicants on the MEL receiving Personal Care Services each month		10	10	13	13	8	9	10	6	10	12	13	13		13
Longest on the MEL to date (7)		1173	1,204	1,235	1,265	1,296	1,326	1,357	1,213	1,242	1,273	1,303	1,068		1,068

(1) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year.

(2) and (3) Numbers determined medically eligible and ineligible reflect the activity for the month reported. Financial eligibility is not determined until after slot release.

(4) Monthly managed enrollment is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on the date the Medical Eligibility Contract Agent (MECA) determines medical eligibility.

(5) Currently there is no way to track other reasons why someone may leave the MEL for reasons such as moved out of state, decided not to participate in program, etc.

(6) Other reason for program discharge may include, but is not limited to, member is no longer financial or medically eligible, moved out of state, no longer wants the service, etc.

(7) Longest number of days an applicant has been on the MEL.

**WV Department of Human Services
Bureau for Medical Services TBI Waiver Program Report**

Traumatic Brain Injury Waiver Reported May 31, 2024	FY2023	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	FY2024 YTD
Slots Approved By CMS (1)	96	96	96	96	96	96	96	96	96	96	96	102		102
-Slots Available for Traditional (non TMH-WV) enrollees	95	92	92	92	92	92	92	92	94	94	94	100		100
-Slots reserved for Take Me Home-WV (TMH-WV) enrollees	1	4	4	4	4	4	4	4	2	2	2	2		2
Total number of members served YTD (unduplicated slots used) (2) YTD Column reflects most recent month's count	96	92	90	93	93	93	94	94	96	96	96	100		100
Applicants determined eligible this month and added to MEL (3)	12	1	3	2	1	2	2	1	0	2	0	0		14
Applicants determined ineligible	0	0	0	0	0	0	0	0	0	0	0	0		0
ACTIVE MEMBERS														
Active members at the end of the month (unduplicated slots active) YTD Column reflects most recent month's count	92	92	90	92	92	91	92	91	91	91	90	93		93
Active members enrolled during the calendar month	13	0	0	7	0	0	1	0	3	0	0	4		15
-Total Active Traditional members enrolled during the calendar month	12	0	0	6	0	0	0	0	3	0	0	4		13
-Total Active TMH-WV members enrolled during the calendar month	1	0	0	1	0	0	1	0	0	0	0	0		2
Members discharged during the calendar month	5	0	2	5	0	1	0	1	3	0	1	1		14
TBIW Members whose case was closed by reason														
Member is deceased	1	0	1	1	0	1	0	0	0	0	1	1		5
Other (4)	4	0	1	4	0	0	0	1	3	0	0	0		9
MANAGED ENROLLMENT LIST (MEL)														
# Eligible applicants closed during the calendar month (removed from MEL)	0	0	2	4	0	0	1	0	5	0	4	0		16
TBIW Applicants removed from the MEL														
Applicant offered a slot	0	0	2	4	0	0	1	0	5	0	4	0		16
Applicant became deceased	0	0	0	0	0	0	0	0	0	0	0	0		0
Other (5)	0	0	0	0	0	0	0	0	2	0	0	0		2
Applicants on the MEL who are in a nursing facility	0	0	0	0	1	0	0	0	0	0	0	0		1
Applicants on the MEL receiving Personal Care	0	1	0	0	0	0	0	1	0	0	0	0		2
Applicants on the MEL at the end of the month	2	3	4	2	3	5	6	7	2	4	0	0		0
Days -Longest time spent on the MEL to date (6) YTD Column reflects average # of days	15	46	31	23	54	84	115	146	116	147	177	0		85

(1) CMS Approved 96+6=102 slots**. Of the 102 slots approved by CMS, four (4) are reserved for the Money Follows the Person and Rebalancing Demonstration Grant for SFY 2024. 2/2024-two (2) reserved slots released for non TMH applicants. **5/2024-six (6) slots approved by CMS.

(2) Unduplicated slots used refers to the total number of members who accessed services during the fiscal year. Two (2) funded slots became available, no services paid for this SFY .

(3) Monthly number added to MEL is being reported in the month an applicant is determined medically eligible; however, the individual's placement date on the managed enrollment list will be based on their initial application date.

(4) Other reason for closing a case may include, but is not limited to: No services for 180 days, unsafe environment, member non-compliance with program, member no longer desires services, member no longer a WV resident, member no longer medically or financially eligible.

(5) "Other" includes those who are no longer a WV resident, voluntarily decline the program, etc.

(6) Reported in actual number of days on the MEL.

NOTE: All data as reported by the Utilization Management Contractor is point-in-time

JOINT COMMITTEE ON GOVERNMENT AND FINANCE

August 2024



West Virginia Children's
Health Insurance Program
Stacey Shamblin, Deputy
Commissioner, WVCHIP, BMS

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
For the Years Ending June 30, 2024 and June 30, 2023

	Annual Budget 2024	Budget Year-to-Date	Actual June 30, 2024	Actual June 30, 2023	Actual Variance \$	%	Budget Variance \$	%
Beginning Operating Fund Balance			\$5,382,999	\$6,999,256	(\$1,616,257)	-23%		
Revenues								
Federal Grants	\$57,889,868	\$57,889,868	\$65,239,204	\$42,274,614	\$22,964,590	54%	\$7,349,336	13%
State Appropriations	\$11,026,842	\$11,026,842	\$11,026,832	\$6,921,508	\$0	0%	(\$10)	0%
Premium Revenues	\$52,500	\$52,500	\$128,182	\$93,746	\$34,436	37%	\$75,682	144%
Investment Earnings (Interest)	<u>\$100,000</u>	<u>\$100,000</u>	<u>\$24,780</u>	<u>\$37,926</u>	<u>(\$13,147)</u>	<u>-35%</u>	<u>(\$75,220)</u>	<u>-75%</u>
Total Operating Fund Revenues	<u>\$69,069,210</u>	<u>\$69,069,210</u>	<u>\$76,418,998</u>	<u>\$49,327,794</u>	<u>\$27,091,204</u>	55%	<u>\$7,349,788</u>	11%
Expenditures:								
Claims Expenses:								
Managed Care Organizations			\$54,635,761	\$37,307,335	\$17,328,426	46%		
Prescribed Drugs			\$13,438,772	\$9,213,924	\$4,224,848	46%		
Physicians & Surgical			\$3,805,922	\$2,493,965	\$1,311,957	53%		
Medical Transportation			\$1,969,256	\$44,793	\$1,924,464	4296%		
Outpatient Services			\$1,463,916	\$339,141	\$1,124,776	332%		
Inpatient Hospital Services			\$1,362,905	\$616,348	\$746,557	121%		
Dental			\$744,089	\$144,989	\$599,099	413%		
Therapy			\$308,661	\$86,041	\$222,620	259%		
Other Services			\$168,885	\$59,806	\$109,079	182%		
Inpatient Mental Health			\$177,778	\$44,330	\$133,448	301%		
Outpatient Mental Health			\$72,524	\$10,336	\$62,188	602%		
Vision			\$39,962	\$7,804	\$32,159	412%		
Durable & Disposable Med. Equip.			\$23,359	\$4,618	\$18,740	406%		
Less: Other Collections**			(\$8,424)	(\$138,117)	\$129,693	-94%		
Drug Rebates	<u>(\$2,517,954)</u>	<u>(\$2,517,954)</u>	<u>(\$4,809,999)</u>	<u>(\$3,222,763)</u>	<u>(\$1,587,237)</u>	<u>49%</u>	<u>\$2,300,470</u>	<u>-91%</u>
Total Claims Expenses	<u>\$64,732,739</u>	<u>\$64,732,739</u>	<u>\$73,393,366</u>	<u>\$47,012,550</u>	<u>\$26,380,816</u>	56%	<u>\$8,660,627</u>	13%
Administrative Expenses:								
Salaries and Benefits	\$557,031	\$557,031	\$323,380	\$326,850	(\$3,470)	-1%	(\$233,651)	-42%
Program Administration	\$4,864,472	\$4,864,472	\$4,788,881	\$3,334,190	\$1,454,691	44%	(\$75,591)	-2%
Outreach & Health Promotion	\$0	\$0	\$0	\$0	\$0	0%	\$0	0%
Health Service Initiative	\$225,000	\$225,000	\$225,000	\$225,000	\$0	0%	\$0	0%
Current	<u>\$413,409</u>	<u>\$413,409</u>	<u>\$28,212</u>	<u>\$45,460</u>	<u>(\$17,248)</u>	<u>-38%</u>	<u>(\$385,197)</u>	<u>-93%</u>
Total Administrative Expenses in Operating Fund	<u>\$6,059,912</u>	<u>\$6,059,912</u>	<u>\$5,365,474</u>	<u>\$3,931,501</u>	<u>\$1,433,973</u>	36%	<u>(\$694,438)</u>	-11%
Total Operating Fund Expenditures	<u>\$70,792,651</u>	<u>\$70,792,651</u>	<u>\$78,758,840</u>	<u>\$50,944,050</u>	<u>\$27,814,789</u>	55%	<u>\$7,966,189</u>	11%
Adjustments			<u>\$212,642</u>	<u>(\$0)</u>				
Ending Operating Fund Balance			<u>\$3,255,799.09</u>	<u>\$5,382,999</u>	<u>(\$2,127,200)</u>	-40%		
Money Market			\$0	\$3,736,809				
Bond Pool			\$2,416,748	\$0				
Cash on Deposit			\$839,051	\$1,646,190				
Revenues Outside of Operating Funds:								
Federal Grants			\$0	\$1,550,000	(\$1,550,000)	-100%		
Total WVCHIP Revenues			<u>\$76,418,998</u>	<u>\$50,877,794</u>	<u>\$25,541,204</u>	50%		
Program Expenses outside of Operating Funds:								
Eligibility	<u>\$1,500,000</u>	<u>\$1,500,000</u>	<u>\$2,247,918</u>	<u>\$2,726,279</u>	<u>(\$478,361)</u>	<u>-18%</u>	<u>\$747,918</u>	<u>50%</u>
Total Administrative Expenses	<u>\$7,559,912</u>	<u>\$7,559,912</u>	<u>\$7,613,392</u>	<u>\$6,657,780</u>	<u>\$955,612</u>	14%	<u>\$53,480</u>	1%
Total WVCHIP Expenditures	<u>\$72,292,651</u>	<u>\$72,292,651</u>	<u>\$81,006,758</u>	<u>\$53,670,330</u>	<u>\$27,336,428</u>	51%	<u>\$8,714,107</u>	12%

Footnotes:

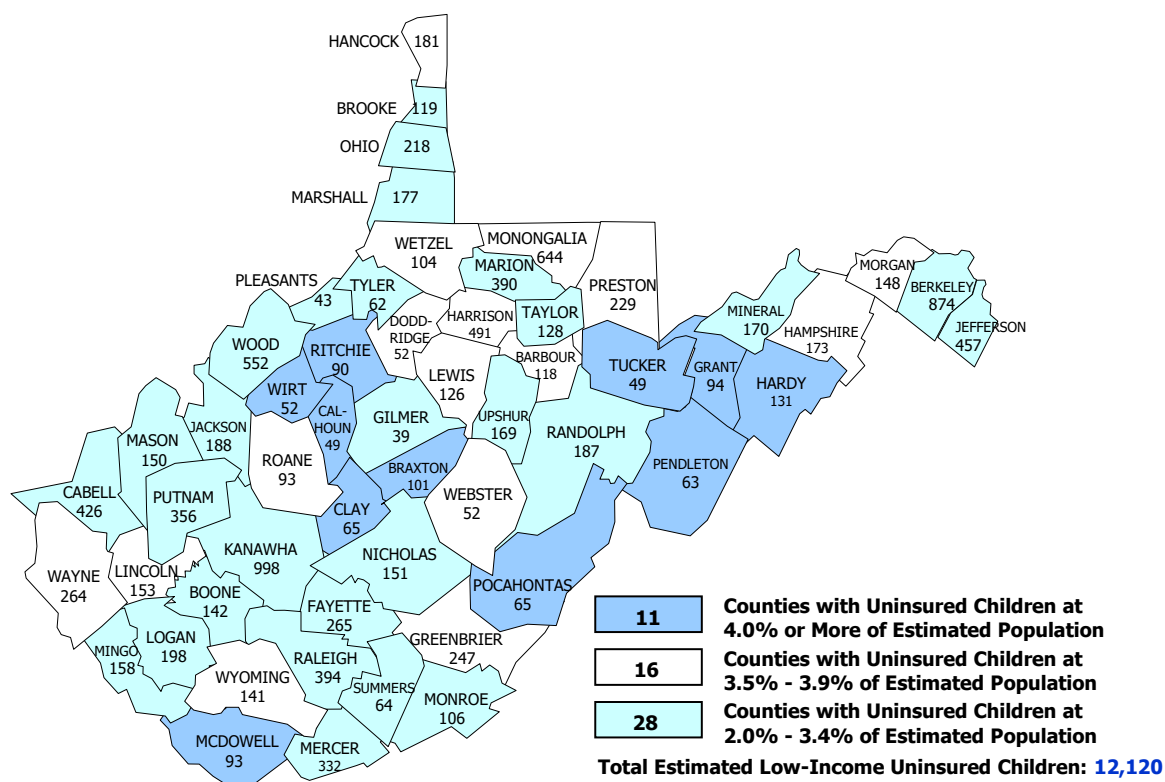
- 1) Statement is on cash basis.
- 2) Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2024 is \$998,704. The June 30, 2023 estimate was \$558,624.
- 3) Administrative Accounts Payable balance on June 30, 2024 was \$209,637. The June 30, 2023 balance was \$558,624.
- 4) 2024 and 2023 adjustments to fund balances represents timing issues between the payment of expense and the draw-down of federal revenues.
- 5) Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) during SFY24 is 81.87% (1/1/24); 82.92% (10/1/23); 83.56% (7/1/23). SFY23 was 85.00%.
- 6) Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- 7) Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- 8) Other Services includes home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- 9) Eligibility costs outside the fund represent the costs allocated to the WVCHIP for eligibility and enrollment processing (RAPIDS/WVPATH).

Unaudited - For Management Purposes Only
PRELIMINARY STATEMENT

WVCHIP Enrollment Report

JUNE 2024

County	County Pop. 2021 Est. (0-18 Yrs)	BLUE Jul-24	GOLD Jul-24	PREM Jul-24	MATERNITY BLUE Jul-24	MATERNITY PREM Jul-24	Total CHIP Enrollment Jul-24	Total Medicaid Enrollment Jul-24	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2021 SAHIE Uninsured Est.	2021 SAHIE % Uninsured
Barbour	3,204	113	51	85	2	2	253	1,559	1,812	56.6%	107	3.3%
Berkeley	30,213	1,282	472	756	20	19	2,549	12,221	14,770	48.9%	879	2.9%
Boone	4,539	131	54	74	4	1	264	2,489	2,753	60.7%	145	3.2%
Braxton	2,378	68	23	44	2	3	140	1,235	1,375	57.8%	98	4.1%
Brooke	4,043				0	0	0	0	0	0.0%	121	3.0%
Cabell	19,300	563	195	329	5	12	1,104	8,387	9,491	49.2%	562	2.9%
Calhoun	1,178	63	19	35	1	0	118	668	786	66.7%	47	4.0%
Clay	1,793	60	14	34	2	1	111	1,136	1,247	69.5%	76	4.2%
Doddridge	1,084	46	10	33	0	1	90	669	759	70.0%	39	3.6%
Fayette	8,467	347	122	173	4	7	653	4,394	5,047	59.6%	254	3.0%
Gilmer	1,140	24	19	33	1	0	77	521	598	52.5%	35	3.1%
Grant	2,230	76	28	73	4	1	182	1,071	1,253	56.2%	93	4.2%
Greenbrier	6,534	308	110	210	5	9	642	3,232	3,874	59.3%	246	3.8%
Hampshire	4,248	170	57	82	5	2	316	2,172	2,488	58.6%	159	3.7%
Hancock	5,604	280	124	158	4	4	570	3,591	4,161	74.3%	205	3.7%
Hardy	2,892	125	39	93	2	3	262	1,281	1,543	53.4%	139	4.8%
Harrison	14,585	489	164	311	3	11	978	5,665	6,643	45.5%	555	3.8%
Jackson	6,181	188	82	115	2	0	387	2,614	3,001	48.6%	196	3.2%
Jefferson	13,328	419	138	251	4	4	816	3,570	4,386	32.9%	473	3.5%
Kanawha	36,989	1,195	436	740	26	32	2,429	30,056	32,485	87.8%	1103	3.0%
Lewis	3,706	135	75	80	2	2	294	1,812	2,106	56.8%	133	3.6%
Lincoln	4,606	155	40	90	1	9	295	2,445	2,740	59.5%	169	3.7%
Logan	6,800	202	79	130	7	0	418	3,832	4,250	62.5%	225	3.3%
Marion	11,652	392	147	237	1	8	785	4,821	5,606	48.1%	380	3.3%
Marshall	5,954	151	72	95	2	0	320	2,466	2,786	46.8%	154	2.6%
Mason	5,368	191	71	87	2	4	355	3,769	4,124	76.8%	157	2.9%
McDowell	3,143	104	33	70	2	1	210	2,426	2,636	83.9%	128	4.1%
Mercer	3,802	564	210	259	4	11	1,048	7,222	8,270	217.5%	110	2.9%
Mineral	12,788	203	86	105	0	1	395	2,215	2,610	20.4%	433	3.4%
Mingo	5,538	163	50	77	3	4	297	3,460	3,757	67.8%	144	2.6%
Monongalia	5,227	485	199	357	9	11	1,061	5,314	6,375	122.0%	188	3.6%
Monroe	18,601	105	42	86	1	3	237	1,116	1,353	7.3%	540	2.9%
Morgan	2,520	155	53	87	2	0	297	1,362	1,659	65.8%	97	3.8%
Nicholas	5,074	187	68	121	3	5	384	2,317	2,701	53.2%	166	3.3%
Ohio	8,461	210	73	122	1	4	410	3,361	3,771	44.6%	257	3.0%
Pendleton	1,195	39	14	45	1	1	100	519	619	51.8%	60	5.0%
Pleasants	1,522	35	8	32	1	0	76	629	705	46.3%	37	2.4%
Pocahontas	1,417	53	19	29	0	0	101	635	736	51.9%	66	4.7%
Preston	6,770	248	73	168	2	5	496	2,768	3,264	48.2%	238	3.5%
Putnam	13,220	365	159	247	8	8	787	3,757	4,544	34.4%	392	3.0%
Raleigh	16,094	543	195	405	13	7	1,163	8,099	9,262	57.5%	481	3.0%
Randolph	5,312	239	74	155	3	3	474	2,370	2,844	53.5%	176	3.3%
Ritchie	1,750	63	19	28	1	0	171	871	1,042	59.5%	90	5.1%
Roane	2,946	135	50	88	0	4	244	1,318	1,562	53.0%	107	3.6%
Summers	1,967	91	34	55	1	1	178	1,317	1,495	76.0%	65	3.3%
Taylor	3,325	117	53	51	1	3	221	1,359	1,580	47.5%	112	3.4%
Tucker	920	44	30	47	1	1	109	451	560	60.9%	45	4.9%
Tyler	1,667	51	15	33	0	0	208	707	915	54.9%	55	3.3%
Upshur	4,995	179	81	142	2	3	405	2,463	2,868	57.4%	164	3.3%
Wayne	8,022	308	97	140	3	6	443	4,173	4,616	57.5%	300	3.7%
Webster	1,639	74	35	29	0	4	168	949	1,117	68.2%	60	3.7%
Wetzel	3,033	73	26	55	1	5	134	1,714	1,848	60.9%	106	3.5%
Wirt	1,108	40	4	29	2	0	391	561	952	85.9%	44	4.0%
Wood	18,255	563	155	345	7	6	886	7,723	8,609	47.2%	548	3.0%
Wyoming	4,418	116	60	155	4	5	340	2,019	2,359	53.4%	161	3.6%
Totals	372,745	12,725	4,656	7,910	187	237	25,715	178,871	204,586	54.9%	12,120	3.3%

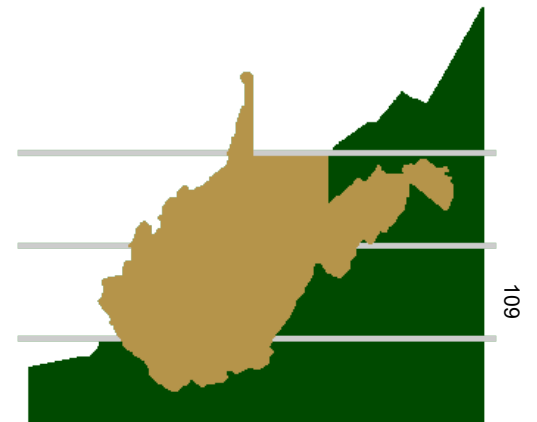


The above map shows the most recent 2021 county level data provided by the U.S. Census Bureau Small Area Health Insurance Estimates (SAHIE) for children under 19 years. While the statewide average for children under 19 is now about 3.3%, the SAHIE data reflects more accurately the variation from county to county depending on the availability of employer-sponsored insurance and should be a more accurate way to target outreach than in previous years.

WEST VIRGINIA INVESTMENT MANAGEMENT BOARD

Participant Plan Performance Report

June 30, 2024



Participant Plans Allocation & Performance Net of Fees - Preliminary

Period Ending: June 30, 2024

	6/30/2023		6/30/2024		Performance %							
	Asset (\$000)	%	Asset (\$000)	%	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
WVIMB Fund Assets	24,219,305	100.0	26,296,841	100.0								
Pension Assets	19,790,811	81.7	21,401,842	81.3								
Public Employees' Retirement System	8,398,434	34.7	9,053,057	34.6	0.9	1.3	11.4	11.4	4.2	9.1	8.0	7.9
Teachers' Retirement System	9,319,703	38.5	10,035,292	38.0	0.9	1.3	11.4	11.4	4.2	9.1	8.0	7.7
EMS Retirement System	125,180	0.5	142,499	0.5	0.9	1.3	11.4	11.4	4.2	9.0	8.0	
Public Safety Retirement System	778,439	3.2	820,195	3.1	0.9	1.3	11.4	11.4	4.3	9.1	8.0	7.9
Judges' Retirement System	278,545	1.2	306,303	1.2	0.9	1.3	11.4	11.4	4.2	9.1	8.0	7.9
State Police Retirement System	320,094	1.3	365,264	1.4	0.9	1.3	11.4	11.4	4.2	9.1	8.0	7.9
Deputy Sheriffs' Retirement System	316,039	1.3	351,822	1.3	0.9	1.3	11.4	11.4	4.2	9.1	8.0	7.9
Municipal Police & Firefighter Retirement System	34,945	0.1	46,163	0.2	0.9	1.3	11.4	11.4	4.2	9.0	7.9	
Natural Resources Police Office Retirement System	27,643	0.1	32,057	0.1	0.9	1.3	11.4	11.4	4.2			
Municipal Model A	189,153	0.8	245,903	0.9	0.9	1.3	11.9	11.9	4.8	9.5	8.3	
Municipal Model B	2,636	0.0	3,287	0.0	1.1	1.4	12.7	12.7	2.4	6.7		
Insurance Assets	3,216,097	13.3	3,327,638	12.7								
Workers' Compensation Old Fund	851,245	3.4	836,067	3.2	0.8	1.3	9.6	9.6	1.4	5.0	4.5	
Workers' Comp. Self-Insured Guaranty Risk Pool	37,044	0.2	40,236	0.1	0.8	1.2	9.6	9.6	1.7	5.2	4.6	
Workers' Comp. Self-Insured Security Risk Pool	48,517	0.2	50,713	0.2	0.8	1.2	9.6	9.6	1.7	5.2	4.6	
Workers' Comp. Uninsured Employers' Fund	16,767	0.1	18,633	0.1	0.8	1.2	9.6	9.6	1.7	5.2	4.5	
Pneumoconiosis	200,150	0.8	201,789	0.8	0.8	1.2	9.6	9.6	1.7	5.2	4.6	5.2
Board of Risk & Insurance Management	183,857	0.8	90,806	0.3	0.8	1.2	9.6	9.6	1.7	5.3	4.6	
Public Employees' Insurance Agency	135,642	0.6	148,433	0.6	0.8	1.2	9.4	9.4	1.4	4.8	4.4	
WV Retiree Health Benefit Trust Fund	1,742,875	7.2	1,940,961	7.4	0.9	1.3	11.4	11.4	4.2	9.1	8.0	
Endowment Assets	1,212,397	5.0	1,567,361	6.0								
Berkeley County Development Authority	8,558	0.0	6,794	0.0	0.9	1.3	10.9	10.9	4.0	9.0		
Wildlife Fund	72,283	0.3	74,625	0.3	0.9	1.3	11.4	11.4	4.2	9.0	8.0	7.9
WV State Parks and Recreation Endowment Fund	35,050	0.1	47,090	0.2	0.9	1.3	11.4	11.4	4.3			
Revenue Shortfall Reserve Fund	334,187	1.4	609,682	2.3	0.8	0.9	6.5	6.5	(0.3)	1.4	1.9	
Revenue Shortfall Reserve Fund - Part B	514,884	2.2	554,466	2.1	0.8	0.9	7.7	7.7	(0.2)	3.6	3.8	
WV DEP Trust	11,478	0.0	10,990	0.1	0.9	1.5	12.2	12.2	3.4	8.2	6.8	
WV DEP Agency	235,957	1.0	263,714	1.0	0.9	1.4	11.8	11.8	2.4	6.2	5.4	

Composite Asset Allocation & Performance Net of Fees - Preliminary

Period Ending: June 30, 2024

	Asset (\$000)	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	20 Year
Investment Pools Composite	26,307,657	100.00								
Portable Alpha Composite +/- S&P 500 Index	5,831,978	22.17	3.66 <i>0.07</i>	3.68 <i>(0.60)</i>	25.49 <i>0.93</i>	25.49 <i>0.93</i>	9.61 <i>(0.40)</i>			
Large Cap Domestic Equity Composite +/- S&P 500 Index	335,091	1.27	3.60 <i>0.01</i>	4.32 <i>0.04</i>	24.56 <i>0.00</i>	24.56 <i>0.00</i>	9.94 <i>(0.07)</i>	15.01 <i>(0.04)</i>	12.77 <i>(0.09)</i>	10.33 <i>0.04</i>
Non-Large Cap Domestic Equity Composite +/- Russell 2500 Index	1,142,578	4.34	<i>(1.22)</i> <i>0.28</i>	<i>(4.83)</i> <i>(0.56)</i>	13.62 <i>3.15</i>	13.62 <i>3.15</i>	3.97 <i>4.26</i>	10.70 <i>2.39</i>	8.64 <i>0.65</i>	9.58 <i>0.70</i>
International Equity Composite +/- MSCI AC World ex US IMI Index (a)	4,433,766	16.85	<i>(0.66)</i> <i>(0.47)</i>	1.66 <i>0.54</i>	15.06 <i>2.94</i>	15.06 <i>2.94</i>	1.24 <i>0.54</i>	7.20 <i>1.08</i>	5.06 <i>0.66</i>	7.37 <i>1.07</i>
Fixed Income Composite +/- Bloomberg Universal (b)	4,615,394	17.55	0.77 <i>(0.14)</i>	0.30 <i>0.11</i>	4.75 <i>1.28</i>	4.75 <i>1.28</i>	<i>(1.65)</i> <i>1.03</i>	1.19 <i>1.08</i>	2.36 <i>0.73</i>	3.87 <i>0.46</i>
Core Fixed Income Composite +/- Bloomberg US Aggregate	2,086,554	7.93	0.98 <i>0.03</i>	0.34 <i>0.27</i>	3.46 <i>0.83</i>	3.46 <i>0.83</i>	<i>(2.14)</i> <i>0.88</i>	0.69 <i>0.92</i>	2.02 <i>0.67</i>	
Total Return Fixed Income Composite (c) +/- Bloomberg Universal	2,528,840	9.62	0.60 <i>(0.31)</i>	0.27 <i>0.08</i>	5.80 <i>2.33</i>	5.80 <i>2.33</i>	<i>(1.22)</i> <i>1.46</i>	1.53 <i>1.42</i>	2.56 <i>0.93</i>	4.30 <i>0.87</i>
TIPS Composite +/- Bloomberg US TIPS 1-10 Yr (d)	513,728	1.95	0.72 <i>(0.04)</i>	1.11 <i>(0.01)</i>	4.27 <i>0.01</i>	4.27 <i>0.01</i>	<i>(0.84)</i> <i>0.04</i>	2.42 <i>0.07</i>	2.09 <i>0.04</i>	
Cash Composite +/- FTSE 3 Month US T-Bill (e)	263,434	1.00	0.41 <i>(0.04)</i>	1.32 <i>(0.05)</i>	5.37 <i>(0.27)</i>	5.37 <i>(0.27)</i>	3.04 <i>(0.13)</i>	2.09 <i>(0.13)</i>	1.48 <i>(0.05)</i>	1.62 <i>(0.03)</i>
Private Equity Composite +/- Russell 3000 + 3% (f, g)	2,712,308	10.31	0.00 <i>(3.34)</i>	1.30 <i>(2.66)</i>	3.95 <i>(22.17)</i>	3.95 <i>(22.17)</i>	5.91 <i>(5.14)</i>	17.22 <i>0.08</i>	16.91 <i>1.76</i>	
Real Estate Composite +/- NCREIF + 1% (f)	2,453,471	9.33	<i>(0.05)</i> <i>0.20</i>	<i>(1.33)</i> <i>(0.59)</i>	<i>(5.05)</i> <i>1.11</i>	<i>(5.05)</i> <i>1.11</i>	1.49 <i>(3.15)</i>	3.14 <i>(1.62)</i>	6.18 <i>(1.23)</i>	
Hedge Fund Composite +/- HFRI FOF + 1% (h)	2,902,134	11.03	0.38 <i>0.24</i>	2.15 <i>1.46</i>	13.71 <i>4.21</i>	13.71 <i>4.21</i>	6.72 <i>3.66</i>	7.58 <i>1.80</i>	5.33 <i>0.85</i>	
Private Credit & Income Composite +/- SOFR + 4% (f, i)	1,103,775	4.20	0.39 <i>(0.38)</i>	1.50 <i>(0.84)</i>	4.90 <i>(4.63)</i>	4.90 <i>(4.63)</i>	5.21 <i>(1.07)</i>	5.89 <i>(0.46)</i>		

Participant Plans Allocation vs. Strategy - Preliminary

Period Ending: June 30, 2024

	Equity		Fixed Income		Private Equity		Real Estate		Private Credit & Income		Hedge Funds		Cash	
	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %	Actual %	Strategy %

Pension Assets

Public Employees' Retirement System	47.6	45.0	15.0	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.3	0.0
Teachers' Retirement System	47.1	45.0	14.9	15.0	11.2	12.0	10.2	12.0	4.6	6.0	10.9	10.0	1.1	0.0
EMS Retirement System	47.2	45.0	14.9	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.8	0.0
Public Safety Retirement System	47.7	45.0	14.8	15.0	11.4	12.0	10.3	12.0	4.6	6.0	11.1	10.0	0.1	0.0
Judges' Retirement System	47.5	45.0	15.3	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.1	0.0
State Police Retirement System	47.2	45.0	15.1	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.6	0.0
Deputy Sheriffs' Retirement System	47.3	45.0	15.0	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.6	0.0
Municipal Police & Firefighter Retirement System	46.9	45.0	14.7	15.0	11.1	12.0	10.1	12.0	4.5	6.0	10.8	10.0	1.9	0.0
Natural Resources Police Office Retirement System	47.2	45.0	14.6	15.0	11.2	12.0	10.2	12.0	4.6	6.0	10.9	10.0	1.3	0.0
Municipal Model A	47.5	45.0	15.0	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.4	0.0
Municipal Model B	52.8	55.0	40.9	45.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.3	0.0

Insurance Assets

Workers' Compensation Old Fund	26.6	25.0	44.1	45.0	3.8	4.0	3.4	4.0	1.5	2.0	16.6	15.0	4.0	5.0
Workers' Comp. Self-Insured Guaranty Risk Pool	26.4	25.0	43.7	45.0	3.8	4.0	3.4	4.0	1.5	2.0	16.4	15.0	4.8	5.0
Workers' Comp. Self-Insured Security Risk Pool	26.5	25.0	43.8	45.0	3.8	4.0	3.4	4.0	1.5	2.0	16.5	15.0	4.5	5.0
Workers' Comp. Uninsured Employers' Fund	26.1	25.0	43.5	45.0	3.7	4.0	3.4	4.0	1.5	2.0	16.4	15.0	5.4	5.0
Pneumoconiosis	26.5	25.0	44.0	45.0	3.8	4.0	3.4	4.0	1.5	2.0	16.6	15.0	4.2	5.0
Board of Risk & Insurance Management	26.4	25.0	43.6	45.0	3.8	4.0	3.4	4.0	1.5	2.0	16.4	15.0	4.9	5.0
Public Employees' Insurance Agency	20.9	20.0	52.8	55.0	1.9	2.0	1.7	2.0	0.8	1.0	21.9	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	47.4	45.0	15.5	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.0	0.0

Endowment Assets

Berkeley County Development Authority	47.5	45.0	15.4	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.0	0.0
Wildlife Fund	47.3	45.0	15.4	15.0	11.3	12.0	10.2	12.0	4.6	6.0	11.0	10.0	0.2	0.0
WV State Parks and Recreation Endowment Fund	46.9	45.0	15.2	15.0	11.1	12.0	10.1	12.0	4.5	6.0	10.8	10.0	1.4	0.0
Revenue Shortfall Reserve Fund	10.4	10.0	79.8	80.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.8	10.0
Revenue Shortfall Reserve Fund - Part B	18.2	17.5	71.9	72.5	1.9	2.0	1.7	2.0	0.8	1.0	5.5	5.0	0.0	0.0
WV DEP Trust	52.8	50.0	14.9	15.0	9.3	10.0	8.4	10.0	3.8	5.0	10.8	10.0	0.0	0.0
WV DEP Agency	36.0	35.0	37.8	40.0	1.9	2.0	1.7	2.0	0.8	1.0	21.8	20.0	0.0	0.0

Footnotes

- (a) Prior to January 2014, the index was the MSCI ACW ex USA (Standard).
- (b) Prior to April 2008, the index was Bloomberg US Aggregate.
- (c) From October 2015 to March 2017, performance returns from the Opportunistic Income Pool were included in the Total Return Fixed Income Composite.
- (d) Prior to June 2023, the index was Bloomberg US TIPS.
- (e) Prior to January 2014, the index was FTSE 3 Month US T-Bill plus 15 basis points.
- (f) Private Equity, Real Estate, and Private Credit & Income consist primarily of private market investments. The time lag in determining the fair value of these investments makes the comparison to their public market benchmarks less meaningful over shorter time periods.
- (g) Prior to January 2014, the index was S&P 500 plus 500 basis points.
- (h) Prior to January 2014, the index was Libor plus 400 basis points.
- (i) From April 2017 to May 2023, the index was CS Leveraged Loan plus 200 basis points. Prior to April 2017, the index was CS Leveraged Loan plus 250 basis points.

Note: Participant returns are net of fees. Portfolio returns are net of management fees. Returns shorter than one year are unannualized.

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WEST VIRGINIA OFFICES *OF THE* INSURANCE COMMISSIONER

Allan L. McVey
Insurance Commissioner

Insurance Commissioner

August 2024 Report

to

Joint Committee on Government & Finance

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Introduction

The passage of S.B. 1004 in January 2005 brought historic changes to workers' compensation insurance in West Virginia. The State-administered monopolistic system was phased out and the West Virginia workers' compensation insurance market was privatized and opened to full competition beginning in July 2008.

Although workers' compensation insurance in WV was privatized, a large legacy liability existed from the operation of the State-administered monopolistic fund. This legacy liability was retained by the State of West Virginia in what is known as the "Old Fund." The Old Fund consists of all historical claims with dates of injuries or last exposure through June 30, 2005.

As of July 2024, there were 6,104 active claims remaining in the Old Fund. This report provides updates on the status of the various workers' compensation funds and the activities associated with the regulation of workers' compensation insurance by the Insurance Commissioner.

Definitions:

Board of Review: The Board of Review (BOR) is charged with adjudicating objections to claims decisions made by private carriers, self-insured employers or the Insurance Commissioner, if applicable, regarding claims made pursuant to the provisions of W.Va. Code §23-5-1a. The BOR conducts hearings, receives and weighs evidence, and issues written decisions on objections filed in regard to initial claims management decisions. A final decision of the Board of Review may be appealed to the Intermediate Court of Appeals.

Intermediate Court of Appeals: The Intermediate Court of Appeals (ICA) is the appellate court created in W.Va. Code §51-11-1, et seq., the *West Virginia Appellate Reorganization Act*, with appellate jurisdiction over final orders or decisions of the BOR issued pursuant to W.Va. Code 23-5-1, et seq., after June 30, 2022. Any employer, employee, claimant, or dependent who is aggrieved by a decision of the BOR may appeal to the West Virginia Intermedial Court of Appeals. The ICA may reverse, vacate, modify, or remand a decision of the BOR. Any appeal taken from an ICA final order must be filed with the West Virginia Supreme Court of Appeals.

Claim Reserve: individual claim level cost estimate that is projected on the ultimate probable exposure; must be the best projection based on the facts and findings of the claim. This function is to capture the key components that impact the range of any impending cost in workers' compensation claims. No discounting is applied. The Indemnity Reserve is adjusted to cover the cost of loss or exposure both on a temporary and permanent basis. The reserve should also be adjusted to include the projected cost of any death and/or dependent benefits when appropriate. The Medical Reserve covers medical cost, hospital stays, specialized treatment, rehabilitation, durable medical equipment, and medications, etc. The Expense Reserve is placed for the cost of legal defense and investigations, etc. The reserves may be reduced based on the findings of early mortality factors.

Coal Workers' Pneumoconiosis Fund (CWP): State managed fund into which FBL premiums previously received are held, and out of which FBL benefits are paid. This fund was closed to future liabilities as of December 31, 2005. Because of the latency period between the date of last exposure and the onset of disease, new FBL claims will occur.

Fatal: claim under which the worker died as a result of injury or illness.

FBL: claim for Occupational Pneumoconiosis (Black Lung) benefits under Title IV of the federal Coal Mine Health and Safety Act of 1969, i.e. “Federal Black Lung”, or FBL.

FBL Awarded Claim: an FBL claim that has been awarded but has not yet been accepted by the responsible operator/insurer.

FBL Claim Notice: an FBL claim for which not initial decision has yet been made, but evidence in the claims indicates the potential for an award.

FBL Non-active Claim: an FBL claim for which an award had been sought but was not afforded. Federal statutes permit an appeal process which lasts for 1 year, so the claim would be reopened for consideration upon appeal. Denied FBL claims are closed administratively after 6 months, as the TPA’s bill for claims management services monthly on an open claims basis.

FBL Paying Claim: an FBL claim for which an award has been made and the responsible operator/insurer has accepted liability. Payments are being made to the claimant or dependents.

Indemnity: statutory wage replacement benefits awarded as a result of a worker’s occupational illness or injury.

Med Only: claim under which only the payment of medical benefits was sought or awarded, i.e., no payment of wage replacement benefits (indemnity) is being made.

Old Fund: The residual assets and liabilities of the former Worker’s Compensation Fund are now reported in a fund known as the Workers’ Compensation Old Fund. Disbursements from the Old Fund are related to the liabilities and appropriate administrative expenses necessary for the administration of all claims, actual and incurred but not reported, for any claims with a date of injury on or before June 30, 2005.

OP/OD: claim of Occupational Pneumoconiosis or Occupational Disease. An OP claim could be considered the State level equivalent of an FBL claim; however, State OP claims provide for varying percentages of impairment where the FBL applicant must prove total impairment to be eligible. (State OP claims are awarded more frequently than FBL but afford lesser benefits.) An example of an OD claim would be occupational hearing loss.

PPD: (Permanent Partial Disability) paid to compensate an injured worker for permanent impairment that results from an occupational injury or disease. The American Medical Association defines permanent impairment as impairment that has become static or well stabilized with or without medical treatment and is not likely to remit despite medical treatment. It should be noted, some injuries that are total loss by severance have statutory impairment ratings that are defined per WV Code §23-4-6(f). Payment for PPD is based upon 4 weeks of compensation for each one percent of disability.

PTD: (Permanent Total Disability) A disability which renders a claimant unable to engage in gainful employment requiring skills or abilities which can be acquired, or which are comparable to those of any gainful employment in which the claimant previously engaged with some regularity. While the comparison of pre-injury income and post-disability income is not a factor to be considered in determining whether or not a claimant is permanently and totally disabled, the geographic availability of gainful employment should be considered. Specifically, the geographic availability of gainful employment within a 75-mile driving distance of the claimant's home, or within the distance from the claimant's home to his or her pre-injury employment, whichever is greater, is a factor to be considered in determining whether or not a claimant is PTD.

Self-Insured: an employer who has met certain specific guidelines, and who is then permitted to guarantee their own payment and handling of workers' compensation claims to their employees in accordance with WV statutes.

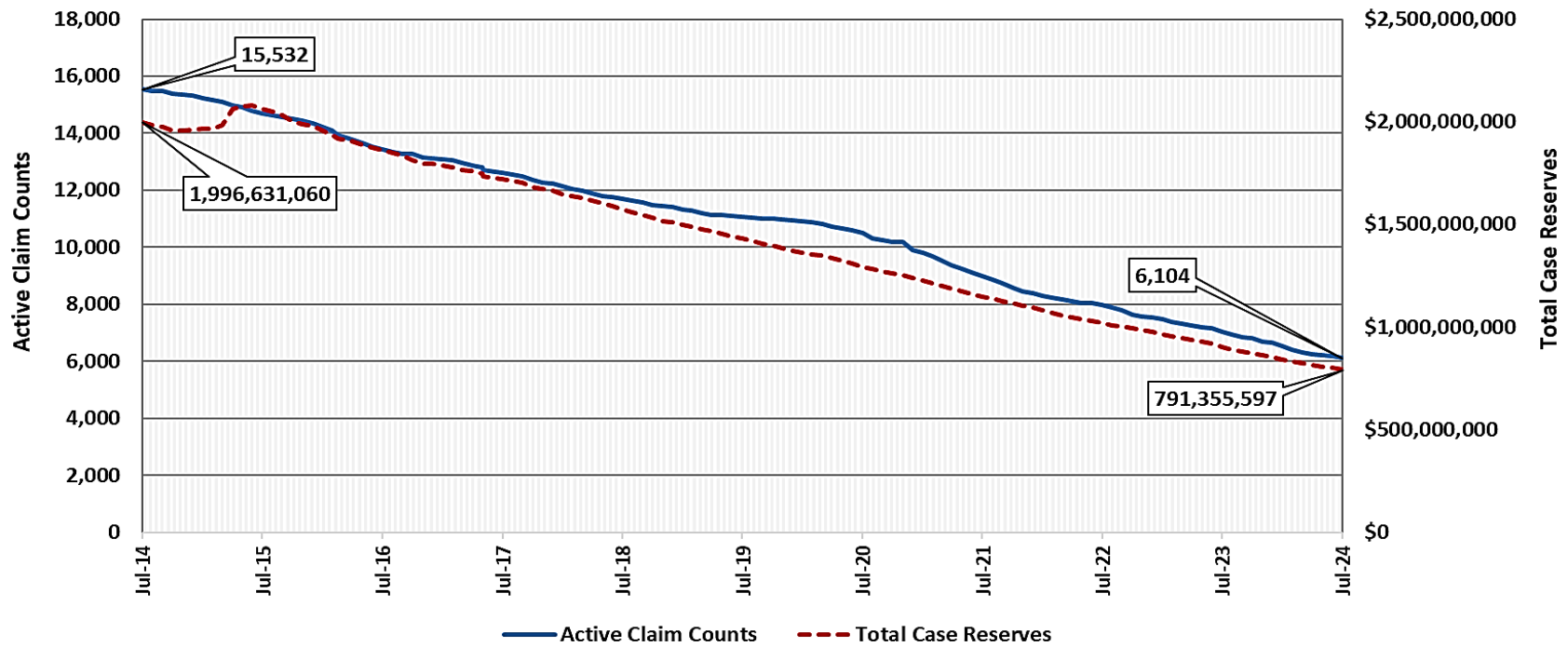
Self-Insured Guaranty Fund: State managed fund consisting of those funds transferred to it from the guaranty pool created pursuant to 85 CSR §19 (2004) and any future funds collected through continued administration of that exempt legislative rule as administered by the WVOIC and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure after 07/01/2004.

Self-Insured Security Fund: State managed fund consisting of those funds paid into it thru the WVOIC's administration of 85 CSR §19 (2004), and out of which workers' compensation benefits may be paid. Covers claims liabilities of bankrupt or defaulted self-insured employers with dates of injury or last exposure before 07/01/2004. This fund is limited to claimants of those self-insured employers who have defaulted on their claims obligations after 12/31/2005.

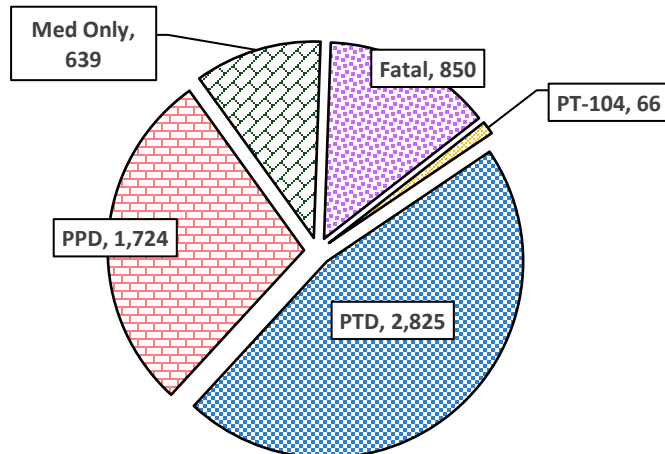
TTD: (Temporary Total Disability) an inability to return to substantial gainful employment requiring skills or activities comparable to those of one's previous gainful employment during the healing or recovery period after the injury. In order to receive TTD benefits, the injured worker must be certified disabled due to the compensable injury by his/her treating physician.

Uninsured Fund: State managed fund into which assessments to carriers or employers received are held, and out of which workers' compensation benefits may be paid to claimant employees of employers who were uninsured if the date of injury or date of last exposure is January 1, 2006, or later.

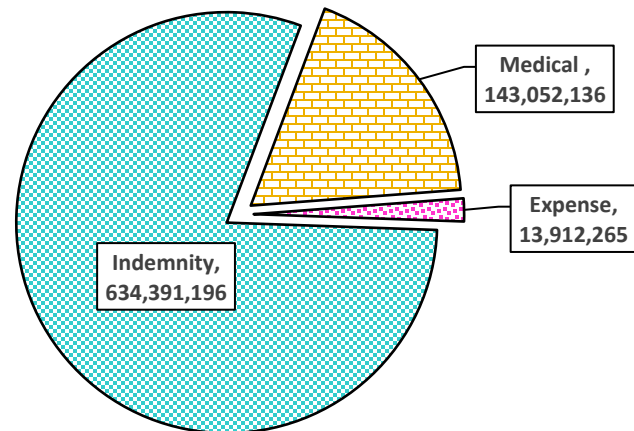
**Old Fund
Active Claim Counts and Case Reserves
7/31/2024**



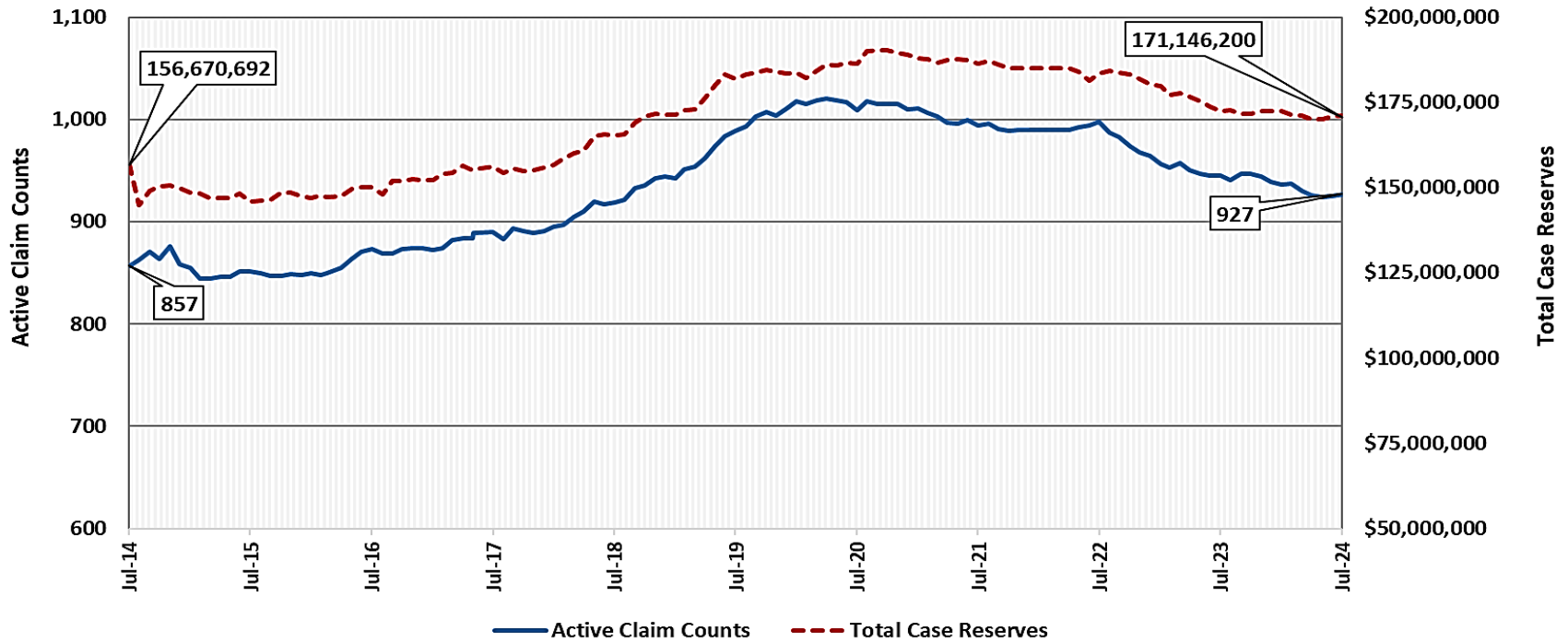
**Old Fund
Active Claim Counts
7/31/2024**



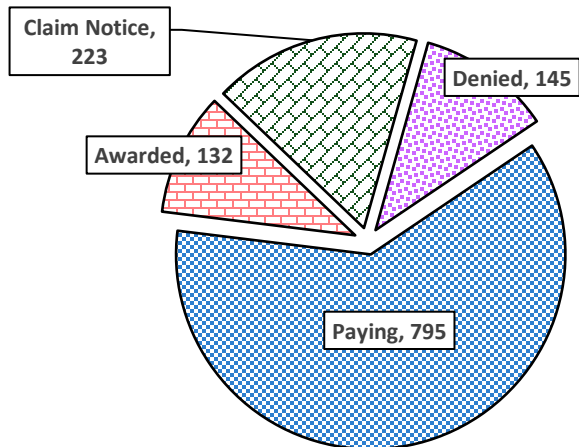
**Old Fund
Reserves by Benefit Type
7/31/2024**



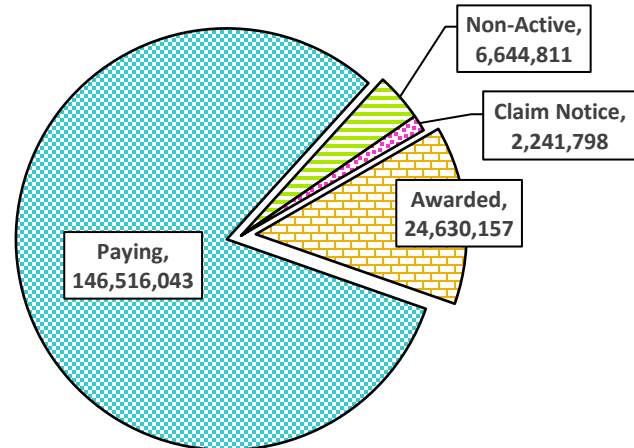
**CWP Fund (FBL)
Active Claim Counts and Case Reserves
7/31/2024**



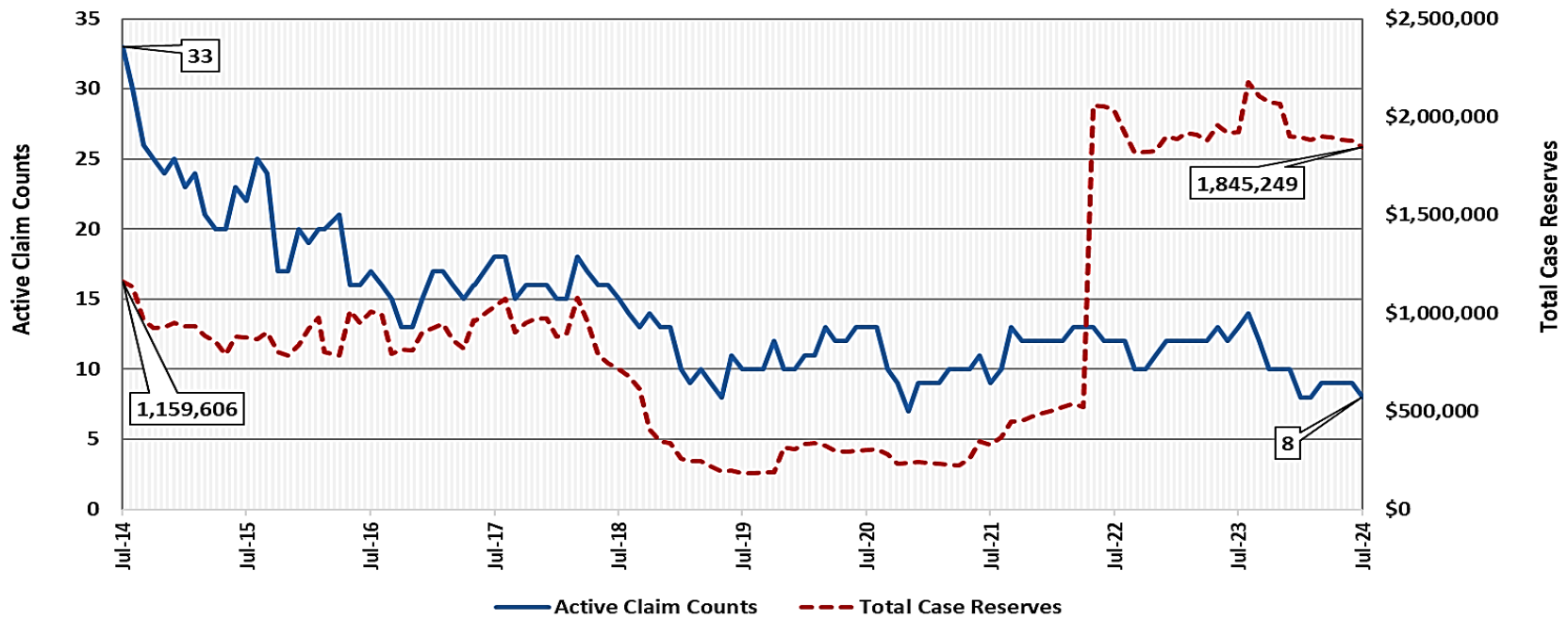
**CWP Fund (FBL)
Active & Inactive Claims
7/31/2024**



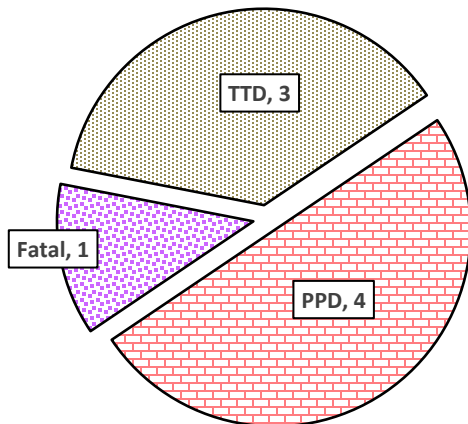
**CWP Fund (FBL)
Reserves by Benefit Type
7/31/2024**



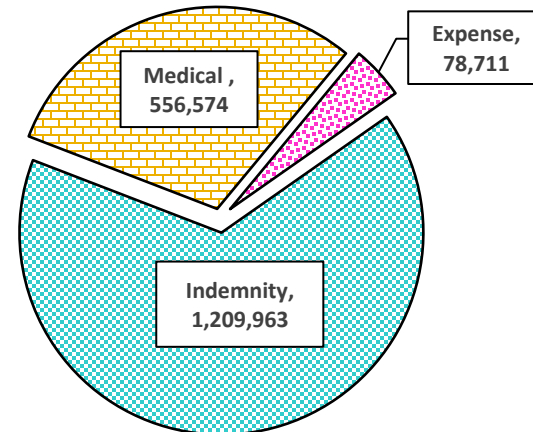
**Uninsured Fund
Active Claim Counts and Case Reserves
7/31/2024**



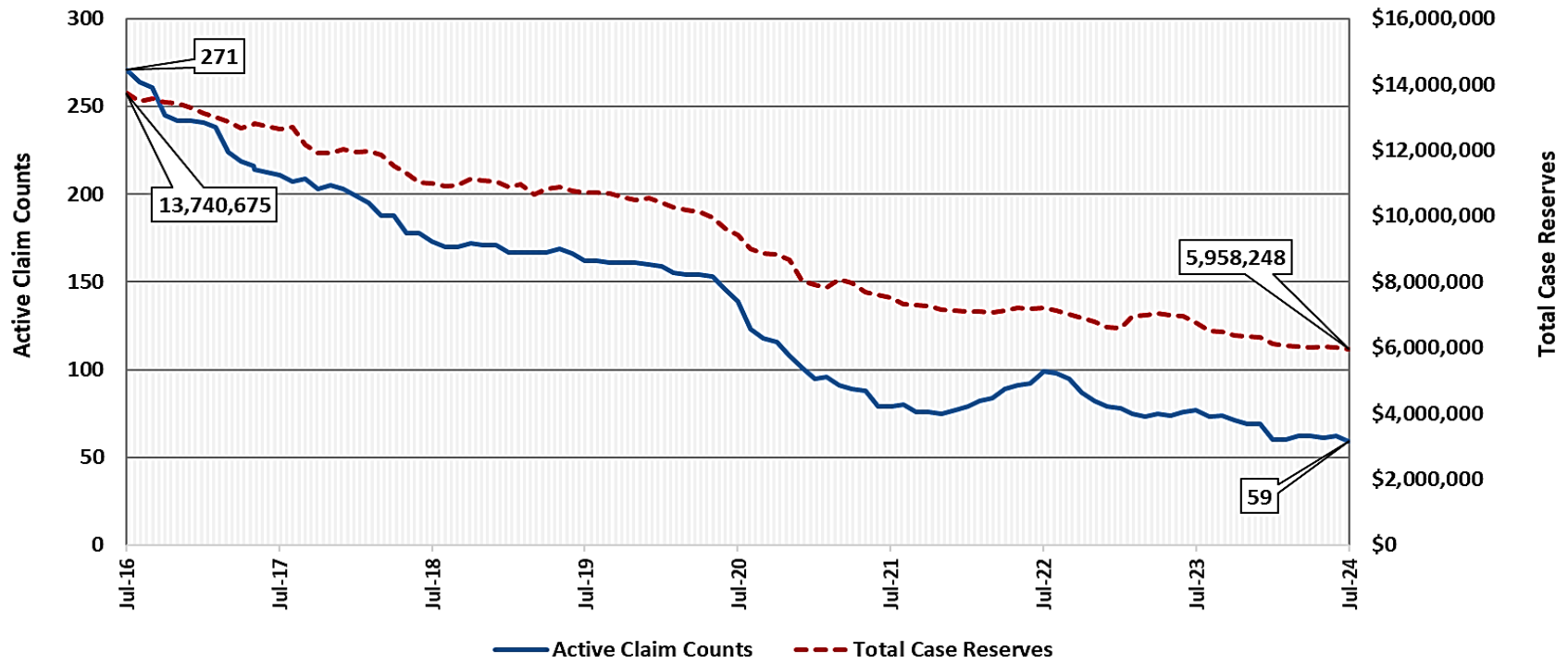
**Uninsured Fund
Active Claim Counts
7/31/2024**



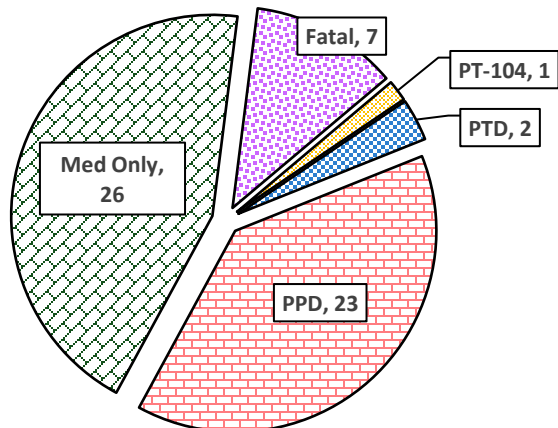
**Uninsured Fund
Reserves by Benefit Type
7/31/2024**



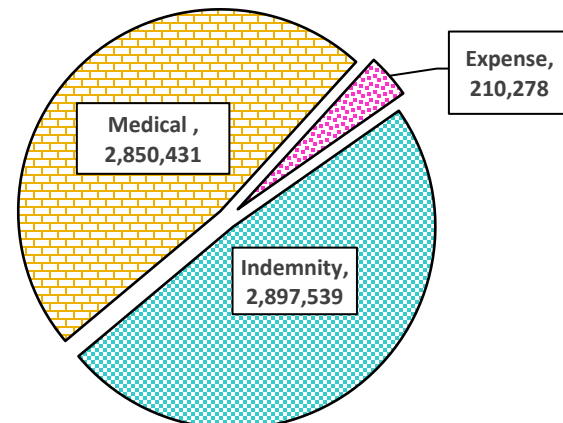
**Guaranty Fund
Active Claim Counts and Case Reserves
7/31/2024**



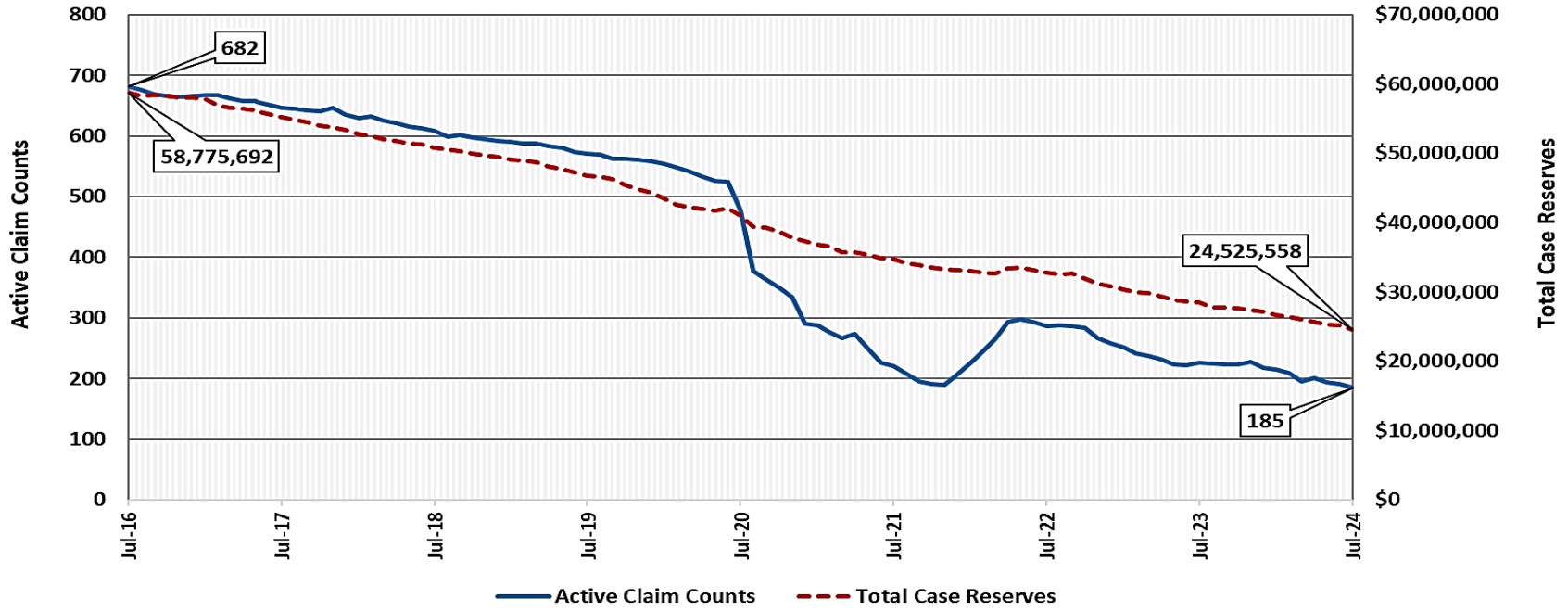
**Guaranty Fund
Active Claim Counts
7/31/2024**



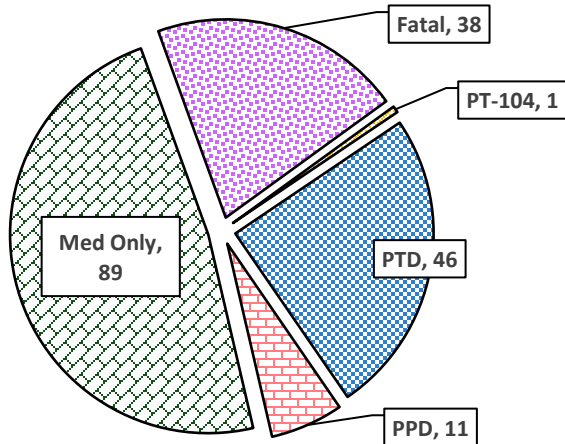
**Guaranty Fund
Reserves by Benefit Type
7/31/2024**



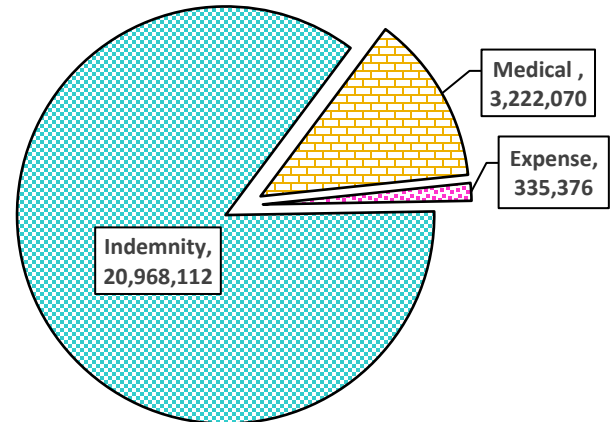
**Security Fund
Active Claim Counts and Case Reserves
7/31/2024**



**Security Fund
Active Claim Counts
7/31/2024**



**Security Fund
Reserves by Benefit Type
7/31/2024**



OLD FUND CASH STATEMENT
JUNE 30, 2024 INCLUDING 13TH MONTH

Three Year History for years ended:						
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	834,791,874	919,242,416	(84,450,541)	919,242,416	1,080,592,100	993,229,138
Revenues						
Employer Premium	40,195	41,326	(1,131)	41,326	238,786	189,298
Other Income	-	-	-	-	-	-
Operating Revenues	40,195	41,326	(1,131)	41,326	238,786	189,298
Investment / Interest Earnings (Losses)	86,594,939	(11,188,287)	97,783,227	(11,188,287)	(52,668,067)	187,370,470
Total Revenues	86,635,134	(11,146,961)	97,782,096	(11,146,961)	(52,429,280)	187,559,768
Expenditures						
Claims Benefits Paid:						
Medical	14,966,677	14,732,152	234,525	14,732,152	14,588,442	16,509,277
Permanent Total Disability	52,493,813	57,045,856	(4,552,043)	57,045,856	63,031,618	69,561,392
Permanent Partial Disability	82,200	66,107	16,093	66,107	163,078	112,956
Temporary Disability	-	-	-	-	-	-
Fatals	15,351,375	16,153,932	(802,557)	16,153,932	17,124,757	18,386,146
104 weeks death benefit	4,272,093	4,611,340	(339,247)	4,611,340	6,011,709	6,353,928
Settlements	505,342	1,249,524	(744,181)	1,249,524	2,382,067	2,708,581
Loss Adjustment Expenses	610,318	899,017	(288,700)	899,017	1,284,295	1,095,241
Total	88,281,817	94,757,927	(6,476,110)	94,757,927	104,585,967	114,727,520
Less: Formulary Rebates	538,673	-	538,673	-	-	-
Less: Claims credits and overpayments	397,531	550,422	(152,891)	550,422	454,800	334,334
Total Benefits Paid	87,345,614	94,207,505	(6,861,891)	94,207,505	104,131,167	114,393,187
Administrative Expenses	3,878,830	4,096,075	(217,245)	4,096,075	4,789,237	5,803,619
Total Expenditures	91,224,443	98,303,580	(7,079,136)	98,303,580	108,920,405	120,196,805
Excess (Deficiency) of Revenues over Expenditures	(4,589,309)	(109,450,541)	104,861,232	(109,450,541)	(161,349,685)	67,362,963
Transfer from Operating Fund	-	25,000,000	(25,000,000)	25,000,000	-	20,000,000
Cash Ending Balances	830,202,565	834,791,874	(4,589,309)	834,791,874	919,242,416	1,080,592,100

Note: The purpose of this report is to enhance the user's ability to monitor the cash activities of the Old Fund. The Old Fund assets consist of cash and investments with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The liabilities of the Old Fund consist of the worker's compensation claims and related expenses for all claims, actual and incurred but not reported for claims with dates of injury on or before June 30, 2005. This report is intended to provide a summary of the cash based transactions related to the Fund's assets and liabilities and is not an accrual based presentation. The Old Fund Cash Statement is unaudited information.

SELF-INSURED GUARANTY RISK POOL
JUNE 30, 2024 INCLUDING 13TH MONTH

				Three Year History for years ended:		
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	36,425,695	37,187,942	(762,247)	37,187,942	39,659,496	33,724,356
Revenues						
Guaranty Risk Pool Assessments	213,674	15,000	198,674	15,000	10,000	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	3,942,002	(209,276)	4,151,279	(209,276)	(1,884,585)	6,763,880
Total Revenues	4,155,676	(194,276)	4,349,953	(194,276)	(1,874,585)	6,763,880
Expenditures						
Claims Benefits Paid:						
Medical	257,106	167,151	89,955	167,151	178,127	280,185
Permanent Total Disability	12,316	37,257	(24,941)	37,257	63,717	89,242
Permanent Partial Disability	52,003	33,839	18,164	33,839	83,562	91,922
Temporary Disability	-	-	-	-	-	-
Fatals	185,950	201,734	(15,784)	201,734	206,996	206,996
104 Weeks Death Benefit	35,280	26,460	8,820	26,460	-	-
Settlement Agreements	-	43,500	(43,500)	43,500	62,000	39,699
Non Awarded Partial Disability	-	-	-	-	-	-
Loss Adjustment Expenses	38,735	63,319	(24,585)	63,319	31,743	52,455
Total	581,389	573,261	8,129	573,261	626,144	760,498
Less: Formulary Rebates	4,063	-	4,063	-	-	-
Less: Claims Credits and Overpayments	22,843	409	22,434	409	53,649	150
Total Benefits Paid	554,483	572,851	(18,368)	572,851	572,495	760,348
Administrative Expenses	-	(4,880)	4,880	(4,880)	24,473	68,392
Total Expenditures	554,483	567,971	(13,488)	567,971	596,968	828,740
Excess (Deficiency) of Revenues over Expenditures	3,601,193	(762,247)	4,363,440	(762,247)	(2,471,554)	5,935,140
Cash Ending Balances	40,026,888	36,425,695	3,601,193	36,425,695	37,187,942	39,659,496

The Self-Insured Guaranty Risk Pool covers the claims liabilities of bankrupt or defaulted self-insured employers with dates of injury subsequent to July 1, 2004. The revenues of the Self-Insured Guaranty Fund are comprised of the guaranty risk pool assessments levied on all self-insured employers and the earnings on invested assets. The assets of the Self-insured Guaranty Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Guaranty Cash Statement is unaudited information.

SELF-INSURED SECURITY RISK POOL
JUNE 30, 2024 INCLUDING 13TH MONTH

Three Year History for years ended:						
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	47,666,403	50,605,643	(2,939,240)	50,605,643	55,995,948	49,568,499
Revenues						
Security Risk Pool Assessments	150,000	-	150,000	-	-	-
Collateral Proceeds	-	-	-	-	-	-
Investment Earnings (Losses)	5,070,845	(325,785)	5,396,630	(325,785)	(2,592,281)	9,805,453
Total Revenues	5,220,845	(325,785)	5,546,630	(325,785)	(2,592,281)	9,805,453
Expenditures						
Claims Benefits Paid:						
Medical	615,450	717,600	(102,150)	717,600	585,099	531,814
Permanent Total Disability	1,031,307	1,086,424	(55,117)	1,086,424	1,177,138	1,250,688
Permanent Partial Disability	8,996	8,906	91	8,906	11,540	4,243
Temporary Disability	-	-	-	-	-	-
Fatals	807,206	849,667	(42,460)	849,667	838,483	918,152
104 Weeks Death Benefit	30,662	35,632	(4,970)	35,632	50,458	171,468
Settlement Agreements	-	16,000	(16,000)	16,000	61,325	315,463
Loss Adjustment Expenses	24,558	39,671	(15,113)	39,671	36,980	73,223
Total	2,518,181	2,753,900	(235,719)	2,753,900	2,761,024	3,265,052
Less: Formulary Rebates	16,786	-	16,786	-	-	-
Less: Claims Credits and Overpayments	45,050	117,966	(72,916)	117,966	31,348	84,004
Total Benefits Paid	2,456,345	2,635,934	(179,589)	2,635,934	2,729,676	3,181,048
Administrative Expenses	627	(22,479)	23,106	(22,479)	68,348	196,956
Total Expenditures	2,456,972	2,613,455	(156,483)	2,613,455	2,798,024	3,378,004
Excess (Deficiency) of Revenues over Expenditures	2,763,872	(2,939,240)	5,703,113	(2,939,240)	(5,390,305)	6,427,449
Cash Ending Balances	50,430,275	47,666,403	2,763,872	47,666,403	50,605,643	55,995,948

The Self-Insured Security Risk Pool is liable for the worker's compensation claims of bankrupt or defaulted self-insured employers with dates of injury prior to July 1, 2004. However, the obligations of this Fund are limited to the exposures of self-insured employers who default subsequent to December 31, 2005. The assets of the Self-insured Security Risk Pool are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Self Insured Security Cash Statement is unaudited information.

UNINSURED EMPLOYERS FUND
JUNE 30, 2024 INCLUDING 13TH MONTH

				Three Year History for years ended:		
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	16,468,190	16,195,294	272,895	16,195,294	16,844,759	13,817,714
Revenues						
Fines and Penalties	488,794	477,594	11,200	477,594	341,220	322,680
Investment Earnings (Losses)	1,798,818	(74,574)	1,873,392	(74,574)	(828,855)	2,767,995
Total Revenues	2,287,612	403,021	1,884,592	403,021	(487,635)	3,090,675
Expenditures						
Claims Benefits Paid:						
Medical	192,619	46,236	146,383	46,236	118,279	2,096
Permanent Total Disability	-	-	-	-	-	-
Permanent Partial Disability	41,300	5,809	35,492	5,809	6,929	-
Temporary Disability	34,340	26,145	8,195	26,145	64,151	3,048
Fatals	12,067	-	12,067	-	19,201	25,601
104 Weeks Death Benefit	-	-	-	-	-	-
Settlement Agreements	6,000	54,000	(48,000)	54,000	22,000	44,276
Loss Adjustment Expenses	38,953	34,594	4,359	34,594	39,974	26,492
Total	325,279	166,784	158,495	166,784	270,534	101,513
Less: Employer Reimbursement	80,972	40,241	40,730	40,241	-	-
Less: Formulary Rebates	1,132	-	1,132	-	-	-
Less: Claims Credits and Overpayments	79	332	(253)	332	116,115	42,742
Total Benefits Paid	243,096	126,210	116,886	126,210	154,419	58,770
Administrative Expenses	2,115	3,915	(1,800)	3,915	7,410	4,860
Total Expenditures	245,211	130,125	115,085	130,125	161,829	63,630
Excess (Deficiency) of Revenues over Expenditures	2,042,401	272,895	1,769,506	272,895	(649,465)	3,027,045
Cash Ending Balances	18,510,591	16,468,190	2,042,401	16,468,190	16,195,294	16,844,759

The Uninsured Employer's Fund (UEF) was established January 1, 2006 to provide worker's compensation benefits to injured workers of uninsured WV employers. The revenues of the UEF consist of fines levied on uninsured employers and the earnings on invested assets. The assets of the UEF are invested with the WV Investment Management Board. Investment earnings are presented in the month in which the State Treasurer records the earnings in the statewide accounting system, wvOASIS. The Insurance Commissioner has the right to levy assessments on employers in order to maintain the solvency of the Fund. The Commissioner may recover all payments made from this fund, including interest, from an uninsured employer who is found liable for benefits paid from the UEF. The Uninsured Cash Statement is unaudited information.

COAL WORKERS PNEUMOCONIOSIS FUND
JUNE 30 2024 INCLUDING 13TH MONTH

				Three Year History for years ended:		
	YTD FY2024	YTD FY2023	Change	FY2023	FY2022	FY2021
Cash Beginning Balances	196,484,406	215,931,727	(19,447,321)	215,931,727	246,613,162	220,914,521
Revenues						
Investment Earnings (Losses)	20,658,281	(1,550,178)	22,208,458	(1,550,178)	(11,131,323)	43,567,242
Other Income	-	-	-	-	-	-
Total Revenues	20,658,281	(1,550,178)	22,208,458	(1,550,178)	(11,131,323)	43,567,242
Expenditures						
Claims Benefits Paid:						
Medical	2,155,296	2,799,907	(644,611)	2,799,907	6,033,252	5,107,159
PTD and Fatal Indemnity	10,859,596	10,613,261	246,335	10,613,261	9,518,418	8,726,207
Settlements	-	-	-	-	1,837	-
Loss Adjustment Expenses	3,720,334	4,660,713	(940,379)	4,660,713	3,513,844	3,343,071
Total	16,735,226	18,073,881	(1,338,655)	18,073,881	19,067,350	17,176,438
Less: Formulary Rebates	105,443	-	105,443	-	-	-
Less: Claims Credits and Overpayments	637,167	738,146	(100,979)	738,146	387,376	94,896
Total Benefits Paid	15,992,616	17,335,735	(1,343,119)	17,335,735	18,679,974	17,081,541
Administrative Expenses	664,765	561,407	103,358	561,407	870,138	787,060
Total Expenditures	16,657,381	17,897,142	(1,239,761)	17,897,142	19,550,112	17,868,601
Excess (Deficiency) of Revenues over Expenditures	4,000,899	(19,447,321)	23,448,220	(19,447,321)	(30,681,436)	25,698,641
Cash Ending Balances	200,485,305	196,484,406	4,000,900	196,484,406	215,931,727	246,613,162

Note: The Coal Worker's Pneumoconiosis Fund (CWP Fund) ceased operations December 31, 2005 and is in run-off status under the administrative oversight of the Insurance Commissioner. Established in 1973, the CWP Fund existed to provide insurance coverage to companies for liabilities incurred as a result of the Federal Coal Mine Health and Safety Act of 1969. Participation in the CWP Fund was voluntary for employers. The current revenues of the CWP Fund are limited to the earnings from invested assets. Assets of the CWP Fund are invested with the WV Investment Management Board. The investment earnings are presented in the month in which the State Treasurer records the earnings. The liabilities of the CWP Fund consist of the claims for coal miners who are totally disabled or beneficiaries of coal miners who have died as a result of coal worker's pneumoconiosis. To be eligible for benefits from the CWP Fund, the date of last exposure of the coal miner must be on or before December 31, 2005. The Coal Workers Cash Statement is unaudited information.



Allan L. McVey
CPCU, ARM, AAI, AAM, AIS
Insurance Commissioner

May 31, 2024

MENTAL HEALTH PARITY 2024

2023 Plan Year

I. Introduction.

This Mental Health Parity Report for the 2023 Plan Year (2024 Report) is in response to the West Virginia Legislature’s requirement, pursuant to W.Va. Code §§33-15-4u, 33-16-3ff, 33-24-7u, 33-25-8r, 33-25A-8u, and W.Va. Code St. R. §114-64-7.3 and 8, that the West Virginia Offices of the Insurance Commissioner (“OIC”) annually issue a mandatory data call and provide a detailed report to the Joint Committee on Government and Finance on the status of mental health and substance use disorder (“MH/SUD”) parity in the State of West Virginia. As specified in West Virginia law, this 2024 Report addresses carrier compliance with the requirements of The Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act of 2008 (“MHPAEA”) related to parity in the imposition of financial requirements (“FRs”) and treatment limitations, both quantitative treatment limitations (“QTLs”) and non-quantitative treatment limitations (“NQTLs”).¹

II. Applicable Mental Health Parity Laws.

There are both federal and state-based laws related to mental health parity that form the source for the annual data call and reporting requirements.

A. West Virginia law

In 2020, West Virginia passed a state “Mental Health Parity Law” (Senate Bill 291). The law, which is codified at W.Va. Code §§ 33-15-4u, 33-16-3ff, 33-24-7u, 33-25-8r and 33-25A-8u, as well as W.Va. Code. R. §114-64-1, et seq., generally provides that, for all health insurance policies issued or renewed after January 1, 2021, health insurance companies must provide parity regarding coverage for behavioral health, MH/SUD, and medical and surgical services. The Mental Health Parity Law mandates, in part, that health insurers comply with MHPAEA and its regulations, as amended, concerning FRs, QTLs, and NQTLs. The Mental Health Parity Law also requires that the OIC report annually and submit a written report to the Joint Committee on Government and Finance on certain data collection and analyses undertaken by the OIC regarding mental health parity (Report).

B. Federal law

MHPAEA is a federal law that imposes parity standards that generally prohibit group health plans, health insurance issuers, and individual health insurance plans from imposing certain FRs and treatment limitations on MH/SUD benefits that are less favorable than FRs and treatment limitations applied to medical/surgical benefits.² MHPAEA’s regulations address the following types of requirements and treatment limitations: (1) FRs or aspects of plan design that outline cost sharing between the plan and the enrollee (including copayments, coinsurance, deductibles and out-of-pocket limits); (2) QTLs or treatment limitations that are expressed numerically, such as calendar year limits on the number of office visits or inpatient days, or lifetime limits on the coverage of benefits; and (3) NQTLs or limits on the scope or duration of treatment that are not expressed numerically. (e.g., medical management techniques like prior authorization, formulary design for prescription drugs, standards for provider admission to a network, including

¹ See 42 USC 300gg-26. See also MHPAEA’s Final Regulations can at [2013-27086.pdf \(govinfo.gov\)](https://www.gpo.gov/publications/2013-27086.pdf).

² 42 USC 300gg-26(a)(3)(a) and 45 CFR 146.136(b)(1).

reimbursement rates paid to a provider or facility, or provider network adequacy).³ Plans and issuers that impose FRs, QTLs, and NQTLs must meet specific tests to be in compliance with the law and its regulations.⁴ FRs, QTLs and NQTLs are analyzed on a classification-by-classification basis. MHPAEA’s regulations establish six classifications of benefits as follows: (1) inpatient, in-network; (2) inpatient, out-of-network, (3) outpatient, in-network; (4) outpatient, out-of-network; (5) emergency care; and (6) pharmacy. The rules permit the plans or issuers to subclassify their outpatient benefits into office visits and outpatient other items and services subclassifications.⁵

Once the benefits are separated into benefits classifications, the carrier must identify every FR, QTL or NQTL which is applied to M/SUD benefits. If there is no corresponding FR, QTL, or NQTL imposed on the medical/surgical benefit, it is a separate treatment limitation and it expressly violates MHPAEA.⁶ However, if the FR, QTL, or NQTL applies to both MH/SUD and medical/surgical benefits, the plan must determine if the applicable FR, QTL, or NQTL meets the compliance tests required by the law and its regulations as explained below.

1. FR and QTL Tests

For any FR or QTL that applies to both MH/SUD and medical/surgical benefits, it must be determined if the FR or QTL applies to “substantially all” of the medical/surgical benefits within the same benefits classification based on plan expected payments for covered medical/surgical benefits.⁷ An FR or QTL is considered to apply to substantially all of the medical/surgical benefits in a benefits classification if it applies to at least two-thirds of all medical/surgical benefits in that classification. If the FR or QTL type does not apply to substantially all of the medical/surgical benefits in that benefits classification, the type of FR or QTL cannot be applied to the MH/SUD benefits in the classification.

³ See 45 CFR 146.136(a). The regulations provide the following illustrative list of NQTLs: medical management standards, formulary design prescription drugs, network tier design, standards for provider admission to participate in a network (including reimbursement rates paid to a provider or facility), plan methods for determining usual, customary and reasonable charges, refusal to pay for higher-cost therapies until it can be shown that a lower-cost therapy is not effective, exclusions based on failure to complete a course of treatment, and restrictions based on geographic location, facility type, provider specialty, and any other criteria that limits the scope or duration of a benefit. See 45 CFR 146.136(c)(4)(i). The Preamble to MHPAEA’s Final Rules also states that the regulations’ list of NQTLs is merely illustrative and not all of the NQTLs that may be imposed by a plan or issuer on MH/SUD benefits. The Final Rules offer additional illustrations of NQTLs (e.g., in- and out-of-network geographic limitations, limitations on inpatient services for situations where the participant is a threat to self or others, exclusions for court-ordered and involuntary holds, experimental treatment limitations, service coding, exclusions for services provided by clinical social workers, and network adequacy). See 78 FR 68246.

⁴ Please note, on July 25, 2023, the United States Departments of Labor, Health and Human Services, and Treasury proposed a new rule to strengthen enforcement of MHPAEA and assure that patients have access to medically necessary MH/SUD services. Since the new proposed rule is not final, the contents of the new proposed rule have not been considered in the review of Carrier responses or the 2024 Report.

⁵ MHPAEA’s Final Rules permit three sub-classifications that were established to accommodate plan design features. These subclassifications are multi-tiered prescription drug benefits, multiple network tiers, and office visits, separated from other outpatient services. Once a subclassification is established by a plan or issuer, it must perform the appropriate parity analysis within the subclassification to determine its compliance with MHPAEA’s tests (i.e., substantially all and predominant and comparability and no more stringency). A plan cannot subclassify benefits for purpose of FRs and QTLs and not subclassify benefits for NQTLs. See 45 CFR 146.136(c)(3)(iii).

⁶ 42 USC 300gg-26(a)(3)(A) and 45 CFR 146.136(c)(3).

⁷ 42 USC 300gg-26(a)(3)(A).

If the FR or QTL type does apply to substantially all of the medical/surgical benefits in the classification, then the health plan must apply the “predominant” test (i.e., the health plan must determine the level of the type of FR or QTL that is the predominant level in a benefits classification). The predominant level means that the FR or QTL applies to more than half of the medical/surgical benefits in that benefits classification based on plan costs. If a single level of a type of FR or QTL applies to more than one-half of the medical/surgical benefits subject to the FR or QTL within a benefits classification, it is the predominant level, and the health plan cannot apply that FR or QTL to the MH/SUD benefits at a level that is more restrictive. However, if there is no one level that applies to more than half of the medical/surgical benefits subject to the FR or QTL in a benefits classification, the health plan must combine levels until the combination of levels applies to more than one-half of the medical/surgical benefits subject to the FR or QTL in the classification.

2. NQTL Tests.

For any NQTL that applies to both MH/SUD and medical/surgical benefits, the NQTL must comply with MHPAEA’s comparability and stringency tests. Specifically, a plan or issuer may not impose an NQTL with respect to MH or SUD disorder benefits in any classification unless, under the terms of the plan as written and in operation, any processes, strategies, evidentiary standards, or other factors used in applying the NQTL to MH or SUD benefits in the classification are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, or other factors used in applying the limitation with respect to medical/surgical benefits in the same benefit classification

The Consolidated Appropriations Act of 2021 (CAA), enacted on December 27, 2020, amended MHPAEA and established important requirements regarding comparative analyses for NQTLs. The CAA generally requires that group health plans perform and document comparative analyses of the design and application of all NQTLs and make this documentation available to the U.S. Department of Labor (DOL), the U.S. Department of Health and Human Services (DHHS), and applicable state authorities upon request beginning February 10, 2021. The DOL, DHHS, and U.S. Department of the Treasury released Frequently Asked Questions (FAQ 45) on April 1, 2021, to provide important guidance to plans in conducting and documenting what comprises a sufficient comparative analysis.⁸

Specifically, the CAA provides that plans must “perform and document comparative analyses of the design and application of NQTLs.” The *comparative analyses* must *demonstrate*.⁹

...that the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to MH/SUD benefits, as written and in operation, are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to medical or surgical benefits in the benefits classification.¹⁰

The terms of the CAA require that group health plans and health insurance issuers perform the

⁸See [FAQs-Part-45 \(dol.gov\)](https://www.dol.gov/eis/whysites/FAQs-Part-45).

⁹ See 42 U.S.C. 300gg-26(a)(8)(A)(i) - (v).

¹⁰ 42 U.S.C. 300gg-26(a)(8)(A)(iv)).

comparative analyses in a manner which demonstrates compliance with MHPAEA’s NQTL rule by providing the following five required information elements (the “Required Steps”) as follows:

Required Step 1: The specific plan or coverage terms or other relevant terms regarding the NQTLs and a description of all MH/SUD and medical/surgical benefits to which each such term applies in each benefits classification;¹¹

Required Step 2: The factors used to determine that the NQTLs will apply to MH/SUD benefits and medical/surgical benefits;¹²

Required Step 3: The evidentiary standards used for the factors identified, when applicable, provided that every factor shall be defined, and any other source or evidence relied upon to design and apply the NQTLs to MH/SUD benefits and medical/surgical benefits;¹³

Required Step 4: The comparative analyses demonstrating that the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to MH/SUD benefits, as written and in operation, are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to med/surg benefits in the benefits classification;¹⁴ and

Required Step 5: The specific findings and conclusions reached by the plan or issuer, including any results of the analyses that indicate that the plan or coverage is or is not in compliance with the MHPAEA requirements.¹⁵

The Required Steps are “Compliance Requirements,” as reflected in the title of 42 U.S.C. section 300gg-26(a)(8), the section of the law which sets forth the Required Steps. Each step is connected and inter-related and each requirement is necessary for establishing compliance. Therefore, if a plan fails to meet any one of the Required Steps, it is itself a failure to provide the required information and conclusively demonstrate compliance through its comparative analysis.

III. OIC Annual Data Calls

In order to fulfill its statutory obligations, the OIC annually issues a data call to the state regulated health plans and health insurance issuers (“carriers”) in West Virginia which includes information and reporting requests that are designed to collect the information necessary to complete this Report, and to provide a basis to analyze the information regarding the state of compliance with the State West Virginia and federal mental health parity laws and regulations (“Data Call”). The Data Call requires the Carriers to complete a Carrier Information Worksheet to report information regarding the plans operated in West Virginia, including claims expense data, vendor and delegate information, adverse determinations, all Carrier identified NQTLs, and medical necessity criteria

¹¹ 42 U.S.C. 300gg-26(a)(8)(A)(i).

¹² 42 U.S.C. 300gg-26(a)(8)(A)(ii).

¹³ 42 U.S.C. 300gg-26(a)(8)(A)(iii).

¹⁴ 42 U.S.C. 300gg-26(a)(8)(A)(iv).

¹⁵ 42 U.S.C. 300gg-26(a)(8)(A)(v).

used in making utilization management decisions. The Carriers must also complete a workbook to report information regarding the Carrier's FRs and QTLs and provide their comparative analyses that they have developed for each NQTL identified by the Carrier in the Carrier Information Worksheet, using a form provided by the State that comports with the Required Steps ("Required Reporting Form"). The Required Reporting Form requires the Carrier to demonstrate compliance for each NQTL by benefits classification or subclassification, if applicable, to demonstrate compliance via the Required Steps.

A. 2023 Data Call and Market Conduct Examinations

On March 20, 2023, the OIC issued the Data Call to the Carriers, requesting information and data for the 2022 plan year ("2023 Data Call"). After reviewing responses from the Carriers, the OIC issued its Report to the Joint Committee on Government and Finance on May 31, 2023 ("2023 Report").¹⁶ Among other things, the 2023 Report generally concluded that the top 5 Carriers in West Virginia, providing coverage to 98% of the commercial market, did not sufficiently demonstrate that each NQTL imposed by the Carrier complied with the Required Steps, and therefore, did not demonstrate compliance as stipulated by 42 U.S.C. Section 300gg-26(a)(8)(A)(i)-(v) or the Mental Health Parity Law. As a result, following the issuance of the 2023 Report, the OIC worked extensively with the Carriers to identify and resolve MH/SUD parity compliance issues. Additionally, to ensure future compliance and potentially penalize past non-compliance, on September 1, 2023, the OIC commenced Market Conduct Examinations on four of the top 5 Carriers to collect and review materials related to the Carriers' compliance with MHPAEA and the Mental Health Parity Law for the period commencing January 1, 2022, through December 31, 2022 (Market Conduct Examination). At this time, the Market Conduct Examinations are ongoing, but should be completed in summer 2024. The OIC is committed to addressing any parity concerns raised by the Market Conduct Examinations.

As part of the Market Conduct Examinations, the OIC requested that four Carriers submit NQTL comparative analyses for all the NQTL imposed by the Carriers on MH/SUD and medical/surgical benefits. In response, the four Carriers submitted the exact same or substantially similar comparative analyses as the comparative analyses submitted as part of the 2023 Data Call and were found to not sufficiently demonstrate compliance with the law in the 2023 Report. The four Carriers were informed that their NQTL comparative analyses submissions were insufficient and, in an effort to provide an opportunity to correct the insufficiency, the Carriers were offered an opportunity to correct their comparative analyses and instructed to submit revised comparative analyses as part of the 2024 Data Call. To assist Carriers with compliance, the OIC offered the plans extensive guidance and opportunities to meet and discuss the guidance and ask questions related to compliance with federal and state laws prior to the submission.¹⁷ Three of the four Carriers accepted the offer to discuss the guidance with the OIC and other subject matter experts. Carrier A did not.

During the ongoing Market Conduct Examinations, timeliness and notice issues have been

¹⁶ See a copy of the [2023 Annual Report](#).

¹⁷ One plan did not respond to the offer to meet with the OIC to discuss issues with the guidance provided or ask questions relate to revisions to their NQTL comparative analyses but the three other plans attended meetings with the OIC.

noted in regard to responses from all Carriers. Similar violations of W.Va. Code R. §§114-64-6.3.1, 114-64-6.3.2 and 114-64-6.3.3 have existed throughout the reviews. The reviews of the MH/SUD and autism claims have revealed that the Carriers failed to include the required notice language, explaining the covered person's right to contact the Consumer Services Division of the West Virginia Offices of the Insurance Commissioner under state and federal law, and/or failed to include the complete required contact information of the WVOIC.

Several Carriers appear to be non-compliant with requirements for adverse determinations to display notices in non-English languages. Multiple Carriers may be in violation of W.Va. Code R. §§114-95-7.3.b. Similarly, with respect to appeals, the Carriers failed to provide the information listed in W.Va. Code R. §114-96-5.8 in a culturally and linguistically appropriate manner in accordance with federal regulations. The adverse determination letters did not contain a way in which the member could be provided the required information in a non-English language.

During autism claim reviews, a violation of W.Va. Code St. R. §§114-14-4.1 and 4.2 may have been noted for failing to provide a clear and understandable explanation of benefits to the member. The explanations did not contain an adequate description of the services rendered; the procedure codes were mapped to generic explanations. For example, there was an evaluation of speech service shown as "services rendered."

There were also potential violations of W.Va. Code §33-24-7u identified "in practice" and "as written," during autism claim reviews. Certificates of Coverage were found which stated, "Applied Behavior Analysis - \$30,000 Maximum per year." Multiple instances of failure to provide coverage for applied behavior analysis (ABA) were identified. Coverage up to the annual maximum benefit of \$30,000.00 per individual was provided, but the claims submitted once the maximum benefit was exceeded were denied. Applying a maximum benefit limit is a quantitative treatment limitation.

Potential violations of W.Va. Code §33-25A-8r(d) have been identified when a Carrier failed to provide inpatient treatment of substance use disorders when a member's physician, psychologist or psychiatrist determined the treatment to be medically necessary.

There are pharmacy formulary, quantity limits and other potential violations identified in each of the Carriers' plans. Examples of the potential violations of W.Va. Code §33-24-7r(k) and W.Va. Code §33-24-7u(c) are listed below:

Buprenorphine Tablets (Quantity Limits)

The Carrier placed a quantity limitation on a medication, Buprenorphine tablets, used in the treatment of opioid dependence. Prior authorization was required to receive amounts higher than the restricted amount of 3 tablets per day.

Lucemyra (Non-Formulary)

The Carrier required prior authorization prior to coverage of a medication used for the treatment of opioid withdrawal. Lucemyra is used in conjunction with other medications in the treatment of substance use disorder.

Narcan/Naloxone/Kloxxado (Quantity Limit)

The Carrier placed a quantity limitation on Narcan, Naloxone, and Kloxxado during the examination period. All three medications are used for the emergency treatment of known or suspected opioid overdose. From January to October, the Carrier limited a member to two packages of medication in 180 days. In October, the quantity limit was changed from two per 180 days to two per 25 days. Despite the change, the Carrier still imposed a quantity limitation on the medications. The policy restricted access and availability to life saving treatment.

Naloxone Quantity Limit (Parity)

The Carrier place a quantity limit on Narcan, Naloxone, and Kloxxado during the examination period. A comparable medication in the medical/surgical world is Epipen. The Carrier limited a member to two packages per 25 days of Epipen. However, from January to October, the Carrier limited a member to two packages per 180 days on Narcan, Naloxone, and Kloxxado. The quantity limit is more restrictive to substance use disorder medications.

Naloxone Excluded from Mail Order Benefits (Parity)

The Carrier did not allow a member to fill Narcan/naloxone via the mail order benefit, but allowed members to fill Epipen via mail order. The benefit design was not applied in the same manner to substance used disorder medications.

Smoking Cessation Medication (Quantity Limits)

All medications used for assistance in smoking cessation were limited to 180 days. After the two 90-day treatments would be used, the patient was required to get a prior authorization for coverage. The Carrier imposed a quantity limitation on substance use disorder medications (nicotine patches/gum/lozenges, Chantix, bupropion SR (Zyban), and Nicotrol).

Suboxone (Non-Formulary)

The Carrier required prior authorization for the coverage of Suboxone. Suboxone is for the treatment of opioid dependence.

Suboxone, Zubsolv, Buprenorphine/ Naloxone Tablets and Films (Quantity Limit)

The Carrier imposed a quantity limitation on Suboxone, Zubsolv, Buprenorphine/naloxone tablets and films. To receive doses higher than the quantity limit, patients were required to obtain prior authorization. Higher dosages are used for patients that have a higher tolerance to opioids or abused heroin and/or fentanyl.

Desvenlafaxine Quantity Limit (Parity)

The Carrier restricted Desvenlafaxine to one tablet per day.

Desvenlafaxine is an antidepressant used for the treatment of depression. The FDA approved maximum dose is 400mg per day. The highest quantity commercially available is 100mg. The Carrier has no comparable policies where prior authorization is needed to obtain the FDA allowed maximum dose.

Sublocade (Non-Formulary)

The Carrier required prior authorization for coverage of Sublocade. Sublocade is a specialty medication in the form of an injection given at a provider's office. Sublocade is indicated for the treatment of moderate to severe opioid use disorder.

Suboxone, Zubsolv, Buprenorphine/Naloxone Tablets (Quantity Limit)

The Carrier limited Suboxone, Zubsolv, Buprenorphine/naloxone tablets to a supply limit of 30 days only. When compared to medication comparable in nature, Butrans (buprenorphine) indicated for the use in pain was not limited to a 30-day supply.

Buprenorphine Tablets (Non-Formulary)

The Carrier required prior authorization for the coverage of buprenorphine tablets. Buprenorphine is used for the treatment of opioid dependence. This medication is usually used during the induction phase of therapy or used for patients that are pregnant. The alternatives are not pregnancy safe.

Vyvanse Non-Formulary (Parity)

The Carrier required prior authorization for the coverage of Vyvanse. Vyvanse is the only medication FDA approved for binge eating disorder, a mental health disorder. The Carrier did not have any other instances where 100% of the FDA approved medications for a medical/surgical diagnosis were not on the formulary.

Zubsolv (Non-Formulary)

The Carrier required prior authorization for the coverage of Zubsolv. Zubsolv is for the treatment of opioid dependence.

Interrelated Finding (Monetary Incentive for Using Mail Order Pharmacy)

The Carrier provided the consumer with a monetary incentive to use its mail order services. The Carrier used a 2.5x copay at mail order and 3x copay at retail for 90-day supplies. This may be a violation of state Pharmacy Benefit Manager/Freedom of Choice laws.

Aripiprazole (Parity)

The Carrier created a barrier to access by subjecting a medication that is a standard of care for treatment of schizophrenia, and mania prevention in bipolar disorder to a prior authorization. The Company

required a doctor to submit documentation to show the medical necessity of the medication for a patient with schizophrenia and manic bipolar disorder.

Rexulti (Parity)

The Carrier implemented the design of a more restrictive step therapy policy on a mental health medication, Rexulti, when compared to step therapy policies designed for medical/surgical medications.

Qelbree (Parity)

The Carrier implemented the design of a more restrictive step therapy policy on a mental health medication, Qelbree, when compared to step therapy policies designed for medical/surgical medications.

Suboxone Quantity Limit (Parity)

The Carrier imposed more restrictive quantity limitations on Suboxone, Zubsolv, Buprenorphine/naloxone tablets and films. When a prior authorization was approved for higher dosage limits, the Carrier imposed only a 30-day approval when used for titration purposes. The policy had prior authorization requirements that were more restrictive in policy design to obtain approval. When compared to Butrans (buprenorphine), which is used for pain, the same policies are designs were not implemented. This is a policy design that is more restrictive in design for substance use disorders.

Smoking Cessation (Quantity Limits)

All medications used for assistance in smoking cessation were limited to 180 days. After the six 30-day treatments would be used, the patient was required to get a prior authorization for coverage. The Carrier imposed a quantity limitation on substance use disorder medications (nicotine patches/gum/lozenges, Chantix, bupropion SR (Zyban), and Nicotrol).

Smoking Cessation Limited to 30-Day Supply Only (Parity)

The Carrier only allowed members to fill medications used for smoking cessation treatment at a 30-day supply. There were no other medications listed on the 30-day restriction list.

Sublocade (Prior Authorization)

The Carrier required a prior authorization for coverage of Sublocade. Sublocade is a specialty medication in the form of an injection given at a provider's office. Sublocade is indicated for the treatment of moderate to severe opioid use disorder.

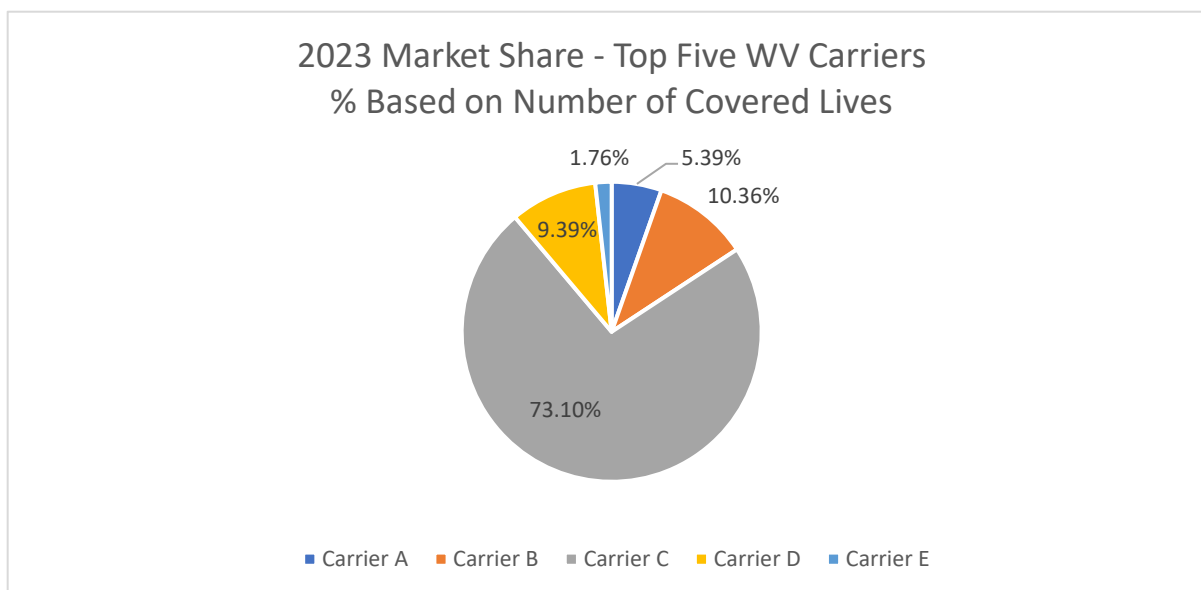
Suboxone, Zubsolv and Burprenorphine/Naloxone Tablets and Films 30 Day Fill Per RX (Parity)

The Carrier imposed dispensing limitations on Buprenorphine/naloxone products during the examination period

compared to medical/surgical maintenance medications. The Carrier implemented maximum quantities per prescription that would only amount to a 30- day supply. When asked if any medications were limited to a specific day's supply, the Carrier provided an excel spreadsheet that did not include the buprenorphine products. Furthermore, after review of the policies it shows the opioid dependence medications were restricted to a 30-day supply.

B. 2024 Data Call

On February 9, 2024, the OIC issued another data call to the Carriers, requesting information and data for the 2023 plan year ("2024 Data Call"). The OIC has conducted an initial review of the Carriers' responses to the 2024 Data Call, a summary of the OIC's review and findings is provided below. As with the 2023 Report, the 2024 Report focuses on the top 5 Carriers in West Virginia, providing coverage to 98% of the commercial market.¹⁸ The top 5 Carriers are identified herein as Carriers A, B, C, D and E. The chart below reflects each of the top 5 Carrier's market share by percentage based on the number of covered lives.



IV. Review of Plan Submissions

The results of the OIC's review of the top 5 Carrier submissions is based on the type of FR or treatment limitation imposed by the Carriers given the different tests for such FRs and treatment limitations required by MHPAEA and its regulations.

A. FRs and QTLs.

¹⁸ Three additional Carriers, who account for 2% of the market in West Virginia, have submitted responses for review. These responses are being reviewed by the OIC and all parity and reporting issues identified will be addressed with the applicable Carrier.

A preliminary review of the data per the required reporting format submitted by the Carriers to demonstrate compliance with the required predominant and substantially all tests indicates that there are some information gaps and/or missing information needed to verify compliance for the identified FRs and QTLs via the applicable summary plan descriptions and certificates of coverage. The documentation gaps we have identified are not necessarily an indication of noncompliance but reveal that further inquiry and review with Carriers is required in order to render definitive conclusions respecting compliance. This inquiry and review, along with the data validation, will be conducted and a final determination of compliance will be made by the OIC and reported as appropriate.

B. NQTLs.

With respect to NQTLs, after an examination of the NQTL comparative analyses and other information provided by the top 5 Carriers, the OIC has generally determined that the Carriers have not sufficiently demonstrated that each NQTL imposed complies with the Required Steps, and therefore, they have not demonstrated compliance as stipulated by 42 U.S.C. section 300gg-26(a)(8)(A)(i) - (v) or the Mental Health Parity Law.

1. Reasons for a Failure to Demonstrate Compliance.

There are several reasons that each Carrier's NQTL comparative analyses may fail to demonstrate compliance. The reasons that a Carrier may fail to demonstrate compliance include, but are not limited to, one or more of the following:

- i. The Carrier did not provide a comparative analysis for each NQTL imposed on medical/surgical and MH/SUD benefits and/or did not provide a comparative analysis for each NQTL in each benefits classification or subclassification.
- ii. The Carrier's comparative analyses do not correlate with the Required Reporting Form or instructions provided by the OIC as part of the 2024 Data Call.
- iii. The Carrier did not sufficiently identify what benefits or plan terms the NQTLs apply to, as required by 42 U.S.C. 300gg-26(a)(8)(A)(i).
- iv. The comparative analyses did not adequately describe how the NQTLs were designed or how they are applied in practice, as required by 42 U.S.C. 300gg-26(a)(8)(A)(i).
- v. There is either inadequate supporting documentation or information included with the submissions or supporting documentation that was not properly integrated with the analysis provided or adequately identified in the analysis or its relevance as to demonstrating compliance explained.
- vi. The Carrier did not sufficiently identify or define the factors identified or did not sufficiently delineate or explain the sources or evidentiary standards for each factor used to determine that the NQTLs will apply, as required by 42 U.S.C. 300gg-26(a)(8)(A)(ii) and (iii).
- vii. The Carrier did not demonstrate that the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to MH or SUD benefits, as written and in operation, are comparable to, and are applied no more stringently than, the processes, strategies, evidentiary standards, and other factors used to apply the NQTLs to medical or surgical benefits in each benefits classification, as required by 42 U.S.C. 300gg-26(a)(8)(A)(iv).
- viii. The Carrier did not include data in the comparative analysis or included data with (a) annual, book-of-business data and not data specific to West Virginia plans; (b) data for combined benefits classifications or subclassifications; and/or (c) no explanation or an inadequate

explanation as to how the data was collected or how the data demonstrates compliance with the comparability and equitable stringency application tests.

- ix. The Carrier did not provide a detailed discussion of the Carrier's specific findings and conclusions reached, including any results of the analyses that indicate that the plan or coverage is or is not in compliance with MHPAEA, as required by 42 U.S.C. 300gg-26(a)(8)(A)(v).
- x. The Carrier made incorrect assertions regarding applicable law which fundamentally impact the conclusions set forth in the comparative analyses submitted and the validity of the analysis itself.
- xi. The Carrier did not appropriately define or explain its relationships with vendors or delegates that may have design or management responsibilities for the NQTLs and how MHPAEA compliance is assured/coordinated, or specifically provide the policies, procedures and processes used by the vendor or delegate with respect to MH/SUD benefits.
- xii. The Carrier provided conclusory or generalized statements, including mere recitations of the legal standard, without specific supporting evidence and detailed explanations.

2. Other Issues Identified

The OIC identified the following areas that warrant additional investigation and review post this report:

i. Identification of NQTLs

The Mental Health Parity Law requires that the OIC identify all of the NQTLs that the Carriers apply to MH/SUD and medical/surgical benefits within each classification of benefits. The top 5 Carriers provided comparative analyses for the NQTLs listed in the chart below. Some Carriers failed to submit comparative analyses related to certain NQTLs that they identified and provided in 2023. While Carriers provided the comparative analyses for the NQTLs listed, there are likely to be other NQTLs that a Carriers did not report on (e.g., fraud, waste and abuse programs; network adequacy; coding edits; treatment plan requirements; etc.). The Carriers did not specify the methodology they use to identify NQTLs for this reporting or whether there are other plan design features that may warrant comparative analysis. Also, while some Carriers provided comparative analyses by benefits classification, other Carriers did not and still others combined analyses of NQTLs which may or may not be appropriate. These deficiencies create gaps in the information required to properly assess all applicable Carrier NQTLs. Going forward, these issues will be reviewed by the OIC with Carriers and any compliance questions and information deficiencies will be resolved prior to rendering conclusive compliance determinations.

NQTLs Reported by the Top 5 Carriers:¹⁹

NQTL	Carrier A ²⁰	Carrier B	Carrier C	Carrier D ²¹	Carrier E ²²
Prior Authorization	x	x	x	x	x
Concurrent Review	x	x	x	x	x
Retrospective Review	x	x	x	x	x
Medical Necessity	x	x	x	x	x
Credentialing Standards	x	x	x	x	x
Fraud and Abuse Programs ²³					
Reimbursement Rates ²⁴	x	x	x	x	x
Network Adequacy	x			x	x
Experimental/Investigational	x	x	x	x	x
Formulary Development	x	x	x	x	x
Rx Prior Authorization		x	x	x	x
Step Therapy/Fail First	x	x	x	x	
Quantity Limits	x	x	x		
Network Tiering					
Geographic Restrictions					x
Facility Restrictions					
Exclusions		x	x		
Treatment Plan Requirements	x				
Scope Limits					
Expedited Claims					
Coding Edits					x
Sequenced Treatment	x				
Outlier Review Management			x	x	

¹⁹ The “x” in the chart indicates that the Carrier provided a response for the applicable NQTL. A gray space indicates that the Carrier did not provide a comparative analysis for the NQTL.

²⁰ Carrier A did not provide comparative analyses for Quantity Limits, Exclusions, Treatment Plan Requirements, or Sequenced Treatment but did provide comparative analyses for these NQTLs in 2023.

²¹ Carrier D provided NQTL comparative analyses for Quantity Limits, Network Tiering, Facility Restrictions, Exclusions, Treatment Plan Limitations, Scope Limits and Expedited Claims for the 2023 Data Call but did not provide comparative analyses for these NQTLs in the 2024 Data Call and did not state why it was not submitting them (e.g., these NQTLs are no longer being imposed).

²² Carrier E submitted one pharmacy comparative analysis for formulary development. The Carrier mentions step therapy and quantity limits in the response provided for prior authorization but did not provide a separate response.

²³ Carrier C provided a comparative analysis for the fraud waste and abuse program NQTL pursuant to the 2023 Data Call but did not provide a comparative analysis for the NQTL pursuant to the 2024 Data Call.

²⁴ Carriers A, C and D submitted comparative analyses for in-network and non-participating providers. Carrier B submitted one comparative analysis that is to address in- or out-of-network providers. Carrier E provided comparative analyses for in-network facility and professional reimbursement and out of network reimbursement.

ii. Medical Necessity Criteria

Each Carrier provided a comparative analysis related to the medical necessity NQTL that it uses to make utilization management decisions. However, the comparative analyses provided do not sufficiently demonstrate compliance with the Required Steps per 42 USC 300gg-26(a)(8)(A) and do not provide for a demonstration of compliance with the federal and state laws and regulations. Four of the five Carriers provided a definition for medical necessity but for Carriers that use vendors to administer the MH/SUD benefit, the Carrier did not specify what the vendor's policies and procedures are with respect to medical necessity and whether the vendor employs the same definition for MH/SUD benefits as the plan uses for medical/surgical benefits. All of the Carriers state that they use nationally recognized, evidence-based clinical criteria (e.g., ASAM, InterQual, LOCUS, CALOCUS, MCG, etc.) and internally developed medical criteria and policies but the Carriers did not provide sufficient responses for all of the Required Steps in order to demonstrate comparability and application stringency. At least one Carrier has stated that it develops criteria for certain MH/SUD benefits (e.g., Applied Behavioral Analysis and Transcranial Magnetic Stimulation) that is more restrictive than criteria applied to other MH/SUD services and develops more restrictive criteria for some medical/surgical services (i.e., breast reconstruction surgery and metabolic and bariatric surgery), but doesn't compare the MH/SUD and medical/surgical criteria in order to demonstrate comparability and application stringency. Without an appropriate disclosure of the definitions used for medical necessity and the criteria used to make utilization management decisions, the OIC is unable to determine compliance with the law and regulations. The OIC has noted these deficiencies in the comparative analyses and will reach out to Carriers to obtain clarifications in order to enable appropriate assessment of Carrier compliance.

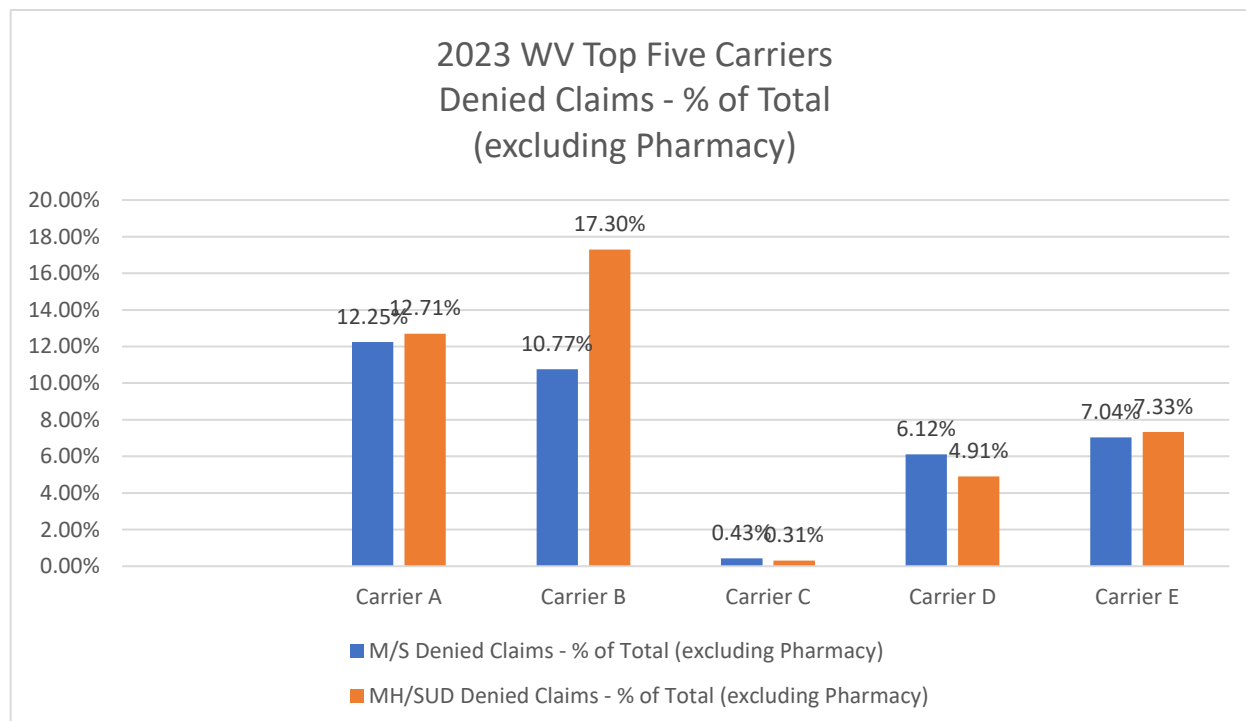
iii. Adverse Determinations

The OIC has reviewed the adverse determination of the top 5 Carriers. According to W.Va. Code §33-16H-1, an adverse determination is:

...a determination by a health carrier or its designee utilization review organization that an admission, availability of care, continued stay or other healthcare service that is a covered benefit has been reviewed and, based upon the information provided, does not meet the health carrier's requirements for medical necessity, appropriateness, health care setting, level of care or effectiveness, and the requested service or payment for the service is therefore, denied, reduced or terminated.

Claims denied by Carriers are adverse determinations. A review of the top 5 Carriers claims denials as a percentage of total claims is set forth in the chart below denied claims represent adverse determinations. It is important to note that the outcomes, whether similar or different, do not per se prove that the Carrier is or is not in compliance with MHPAEA or its regulations. outcomes as part of their respective comparative analyses. However, the outcomes may indicate that there may be a compliance question that needs further investigation. As a result, the OIC will follow up with the Carriers to review the data and ensure that compliance is demonstrated. It should also be noted that the data contemplated by the statutory definition for adverse determinations is complex. For example, the reported data may lack definitional precision as to what is reported as a claim denial versus an MCO review and whether negotiation with the requesting provider results in a

modification of the actual coverage approved which is different than the original request but not counted as a denial which complicates a valid conclusion. It may also be unclear as to how a carrier defines and counts denials which are based on a medical necessity determination as opposed to denied for administrative reasons. The revised Carrier reporting format for adverse determinations included more granular data requests to enable better assessment of what this data represents. Some of the data received is incomplete or requires further discussion with Carriers. The OIC will be further exploring refinements and definitions for the adverse determination data to enable a more comprehensive assessment as to what it represents in a manner which is consistent with what the OIC believes is the Legislature's intent for this reporting requirement.



V. Conclusion

After reviewing the Carrier responses with respect to FRs and QTLs, the OIC has determined that additional data validation and review is necessary to determine whether the Carriers are in compliance with MHPAEA's substantially all and predominant tests. With respect to NQTLs, the Carriers' comparative analysis submissions were generally not able to demonstrate that the Carriers are in compliance with MHPAEA's comparability and stringency tests. This is not a certain conclusion that any of the Carriers are not in compliance with MHPAEA or the Mental Health Parity Law, but a preliminary finding that further review and analysis are necessary to determine the sufficiency of the comparative analyses and any potential compliance concerns related to NQTLs imposed on MH/SUD benefits.

The OIC's Market Conduct Examinations that were initiated in 2023 as a result of the 2023 Report and 2022 data is ongoing. Once the final report is adopted by the OIC, the findings and any resulting regulatory actions will be made public. Additionally, the 2023 data reporting has

caused the OIC to call a Market Conduct Exam on the fifth carrier that was not identified for examination last year. The results of the OIC's Market Conduct Examinations will likely be revealed one Carrier at a time as the examinations conclude. Depending upon the outcome, further regulatory enforcement actions may be appropriate, including additional examinations for multiple calendar years, monetary penalties or fines, or licensure actions. The OIC looks forward to engaging with the Legislature on this issue and appreciates the opportunity to be of service to West Virginians.

WEST VIRGINIA

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTE

Board Meeting
August 8, 2024

OPERATING REPORT

JUNE 2024

Board of Treasury Investments

315 70th Street, SE
Charleston WV
25304
(304) 340-1564
www.wvbt.com

Board of Directors

Riley M. Moore,
State Treasurer,
Chairman

James C. Justice II,
Governor

John B. McCuskey,
State Auditor

Patrick M. Smith,
CPA
Appointed by the
Governor

Mark A. Mangano,
Esq. Attorney
Appointed by the
Governor

Executive Staff

Executive
Director

Kara K. Hughes,
CPA, MBA, CFE,
CGIP

Chief Financial
Officer

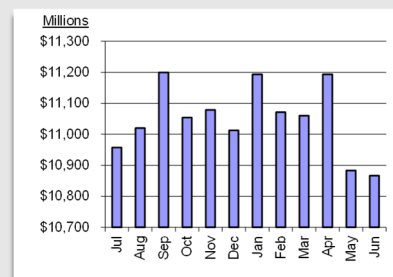
Karl Shanholtzer,
CFA, CPA, CIA

Total Net Assets Under Management

\$10,866,862,000

Last Month
\$10,883,611,000

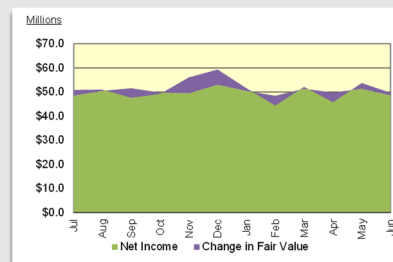
Beginning of Fiscal Year
\$10,975,194,000



Net Assets for the Past 12 Months

Total Net Income & Changes in Fair Value

Fiscal Year
\$612,444,000



Monthly Net Income & Changes in Fair Value for the Past 12 Months

Money Market Pools

As of June 30, 2024

<u>Pool</u>	<u>30-Day Avg. Yield *</u>	<u>W.A.M. **</u>	<u>Net Assets</u>
WV Money Market	5.4751%	36 Days	\$9.6 Billion
WV Gov't Money Market	5.3230%	44 Days	\$472.0 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

JUNE 2024

And So, It Begins?

Overview:

The first G7 country cut interest rates during the quarter, as Canada dropped their target interest rate in June. The next day, on June 7th, the European Central Bank followed suit dropping rates by 25 basis points to 3.75%, while the US (5.25%-5.5%) and UK (at 5.25%) left rates unchanged during the quarter. So far in 2024 there have been 20 interest rate cuts around the globe, more than the last two years combined.

Despite modestly lower inflation data for May, the Federal Reserve indicated that inflation is not down to levels that they consider a rate cut appropriate, for the moment. According to the dot plot, which forecasts interest rates, the Federal Reserve's median expectation is for one rate cut in 2024. With inflation seemingly on the right trajectory, and probabilities for multiple rate cuts in 2024 down dramatically from the start of the year, one could assume that rates really have peaked. Time will tell, as interest rate prognostications have historically been difficult.

The markets meanwhile had mixed performance in the month and quarter, with positive returns for large cap growth, which continues to dominate both US and Non-US market performance. Bonds meanwhile had a positive month and eked out a positive quarter across most sectors domestically.

Equity Markets

The AI driven, growth-oriented equity backdrop continued in the month of June with growth beating value by over 700 basis points (Russell 1000 Growth 6.4%, Russell Value -1.0%) and the quarter having an even wider spread at 8.8% for the growth index versus -2.2% for the value index. Small and mid-capitalization stocks also performed poorly in the month (Russell 2000 -0.9%, Russell Midcap -0.7%) and quarter (Russell 2000 and Russell Midcap both at -3.3%) as the higher for longer environment has a greater impact on smaller companies.

Outside of the US performance in the month was also negative for Developed markets (EAFE -1.6%), but emerging markets had a strong month and quarter due to the Asia related tech hubs of Korea (8.9% in the month), and Taiwan (12% in the month) leading the index higher, as well as the continued strong performance of India this year (7.0% in the month, 10.4% quarter) as it benefits from the China divestment story.

Fixed Income

The Bloomberg Aggregate was positive for the month at 0.9% and for the quarter at 0.1%, the first positive quarter for bonds so far in 2024. Fixed income assets around the globe provided a positive return in the month of June. With the exception on Non-US fixed income and longer dated bonds, fixed income assets were also positive in the quarter. The markets seems to be adjusting to the higher for longer narrative and is instead focused on the positives of resilient growth and real yields.

Looking Forward

Happy Fourth of July to our clients and friends. Despite the often heard negative drumbeat, we still live in a country where freedom reigns. Let's enjoy our blessings.

West Virginia Board of Treasury Investments Financial Highlights as of June 30, 2024

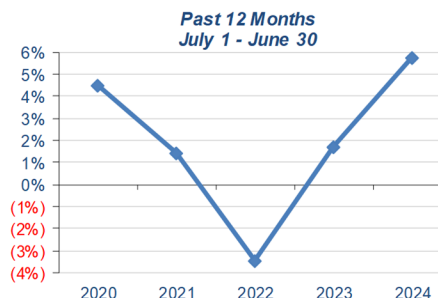
WV Short Term Bond Pool

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

<u>Jul 1 - Jun 30</u>	<u>Return</u>	<u>Net Assets At Jun 30 (In Millions)</u>
2024	5.8%	\$ 682.1
2023	1.7%	\$ 701.5
2022	(3.4%)	\$ 691.8
2021	1.4%	\$ 818.3
2020	4.5%	\$ 813.1

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

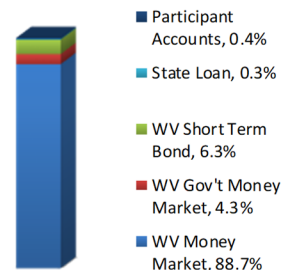
WV Short Term Bond Pool Rates of Return



Summary of Value and Earnings *(In Thousands)*

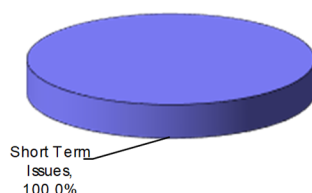
<u>Pool</u>	<u>Net Asset Value</u>	<u>Jun Net Income (Loss)</u>	<u>Fiscal YTD Net Income (Loss)</u>
WV Money Market	\$ 9,635,478	\$ 43,625	\$ 548,305
WV Gov't Money Market	472,007	2,024	24,340
WV Short Term Bond	682,114	3,771	38,637
WV Bank	0	0	1
Loans	35,742	68	593
Participant Accounts	41,521	161	568
	<u>\$ 10,866,862</u>	<u>\$ 49,649</u>	<u>\$ 612,444</u>

Percent of Total Net Asset Value

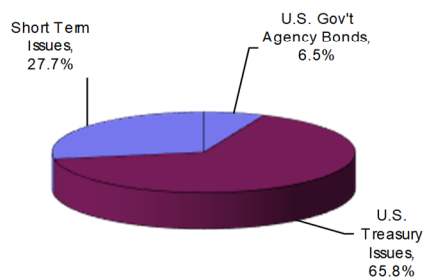


Securities by Type for Operating Pools *(Percentage of Asset Value)*

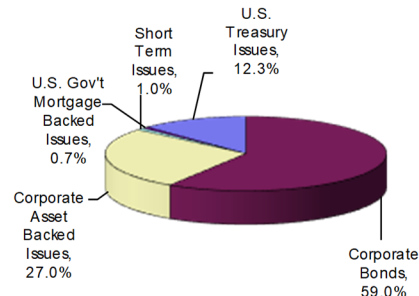
WV Money Market



WV Gov't Money Market



WV Short Term Bond



SCHEDULE OF CHANGES IN FIDUCIARY NET POSITION – UNAUDITED

JUNE 30, 2024

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	Other Pools	Participant Directed Accounts	Total
Assets						
Investments:						
At amortized cost	\$ 9,605,111	\$ 476,174	\$ -	\$ 35,557	\$ 40,347	\$ 10,157,189
At fair value	-	-	677,965	-	1,013	678,978
Other assets	31,533	816	6,680	187	162	39,378
Total assets	9,636,644	476,990	684,645	35,744	41,522	10,875,545
Liabilities						
Accrued expenses, dividends payable & payables for investments purchased	1,166	4,983	2,531	2	1	8,683
Total liabilities	1,166	4,983	2,531	2	1	8,683
Net Position						
Held in trust for investment pool participants	9,635,478	472,007	682,114	-	-	10,789,599
Held in trust for individual investment account holders	-	-	-	35,742	41,521	77,263
Total net position	\$ 9,635,478	\$ 472,007	\$ 682,114	\$ 35,742	\$ 41,521	\$ 10,866,862
Additions						
Investment income:						
Interest and dividends	\$ 18,723	\$ 968	\$ 2,655	\$ 69	\$ 162	\$ 22,577
Net (amortization) accretion	25,288	1,075	89	-	-	26,452
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	44,011	2,043	2,744	69	162	49,029
Investment expenses:						
Investment advisor, custodian bank & administrative fees	386	19	44	1	1	451
Total investment expenses	386	19	44	1	1	451
Net investment income	43,625	2,024	2,700	68	161	48,578
Net realized gain (loss) from investments	-	-	(302)	-	-	(302)
Net increase (decrease) in fair value of investments	-	-	1,373	-	-	1,373
Net increase (decrease) in net position from operations	43,625	2,024	3,771	68	161	49,649
Participant transaction additions:						
Purchase of pool units by participants	1,253,553	26,357	-	-	-	1,279,910
Reinvestment of pool distributions	43,625	2,024	2,589	-	-	48,238
Contributions to individual investment accounts	-	-	-	3,935	162	4,097
Total participant transaction additions	1,297,178	28,381	2,589	3,935	162	1,332,245
Total additions	1,340,803	30,405	6,360	4,003	323	1,381,894
Deductions						
Distributions to pool participants:						
Net investment income	43,625	2,024	2,700	-	-	48,349
Net realized gain (loss) from investments	-	-	(303)	-	-	(303)
Total distributions to pool participants	43,625	2,024	2,397	-	-	48,046
Participant transaction deductions:						
Redemption of pool units by participants	1,336,847	12,026	1,500	-	-	1,350,373
Withdrawals from individual investment accounts	-	-	-	62	162	224
Total participant transaction deductions	1,336,847	12,026	1,500	62	162	1,350,597
Total deductions	1,380,472	14,050	3,897	62	162	1,398,643
Net increase (decrease) in net position from operations	(39,669)	16,355	2,463	3,941	161	(16,749)
Inter-pool transfers in	-	-	-	-	-	-
Inter-pool transfers out	-	-	-	-	-	-
Net inter-pool transfers in (out)	-	-	-	-	-	-
Change in net position	(39,669)	16,355	2,463	3,941	161	(16,749)
Net position at beginning of period	9,675,147	455,652	679,651	31,801	41,360	10,883,611
Net position at end of period	\$ 9,635,478	\$ 472,007	\$ 682,114	\$ 35,742	\$ 41,521	\$ 10,866,862