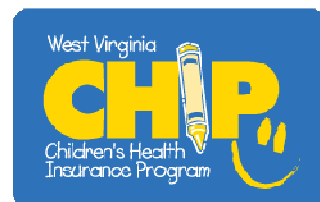


Legislative Oversight Commission on
Health and Human Resources Accountability

JUNE 2009

Department of Administration

State Children's Health Insurance Program
UPDATE



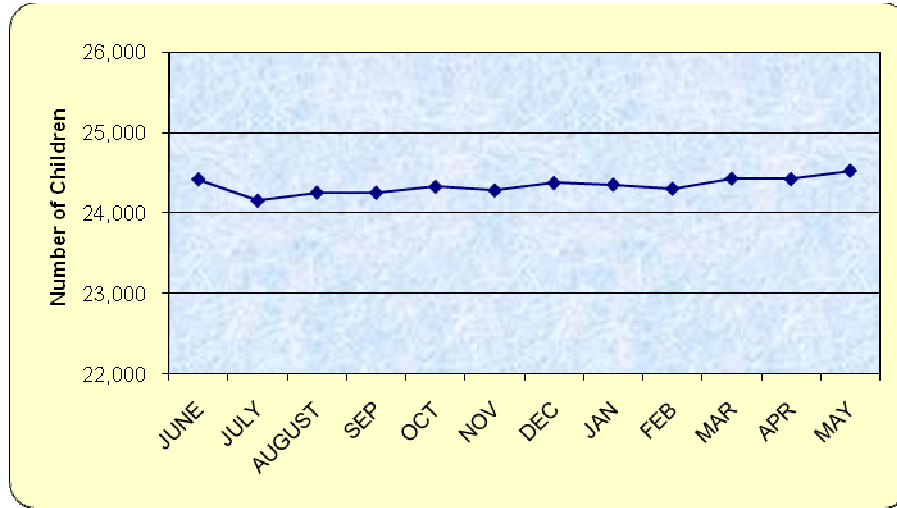
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR JUNE 2009

I. Enrollment on May 2009: 24,524

See Attachment 1 for enrollment by county.

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



Enrollee Totals: March 2009 to May 2009

| Month | Total | 1 Year | Total |
|-------|-------|---------|-------|
| March | 2,078 | Average | 1,742 |
| April | 1,884 | High | 2,088 |
| May | 1,771 | Low | 1,396 |

New Enrollee (Never Before on CHIP) Totals: March 2009 to May 2009

| Month | Total | 1 Year | Total |
|-------|-------|---------|-------|
| March | 726 | Average | 757 |
| April | 710 | High | 838 |
| May | 648 | Low | 646 |

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

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

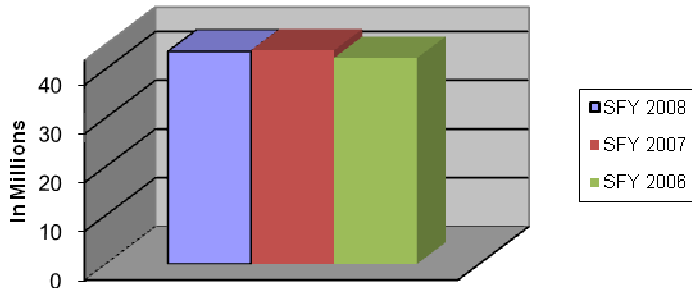
III. Financial Activity

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

The average annualized claims cost per child for the month ended April 2009 was \$1,925.

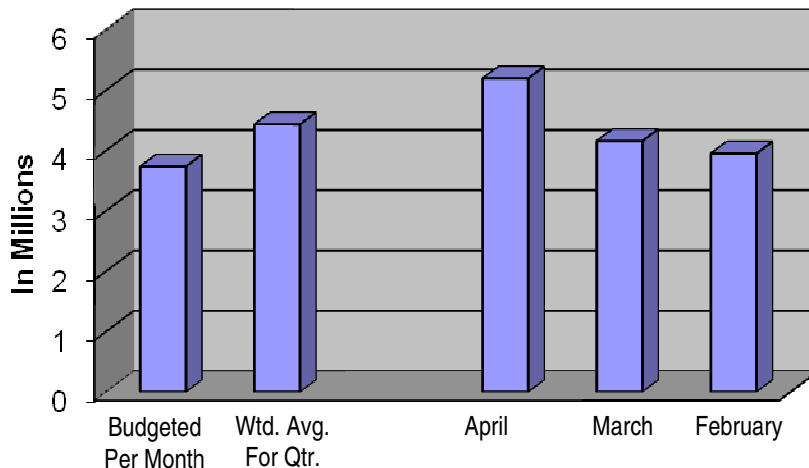
Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008

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



Monthly Budgeted and Current 3 Month Period: February 2009 – April 2009

| | Budgeted Per Month | Wtd. Avg. For Qtr. | Actual | | |
|--------------|-----------------------|-----------------------|------------------|------------------|------------------|
| | | | April 2009 | March 2009 | February 2009 |
| Federal | 3,028,695 | 3,617,445 | 4,238,702 | 3,391,274 | 3,222,358 |
| State | 706,285 | 815,155 | 955,149 | 764,190 | 726,126 |
| Total | 3,734,980 | 4,432,600 | 5,193,851 | 4,155,464 | 3,948,484 |



IV. Other Highlights

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

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

CHIP Enrollment Trends

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

WV CHIP Enrollment Report

ATTACHMENT 1

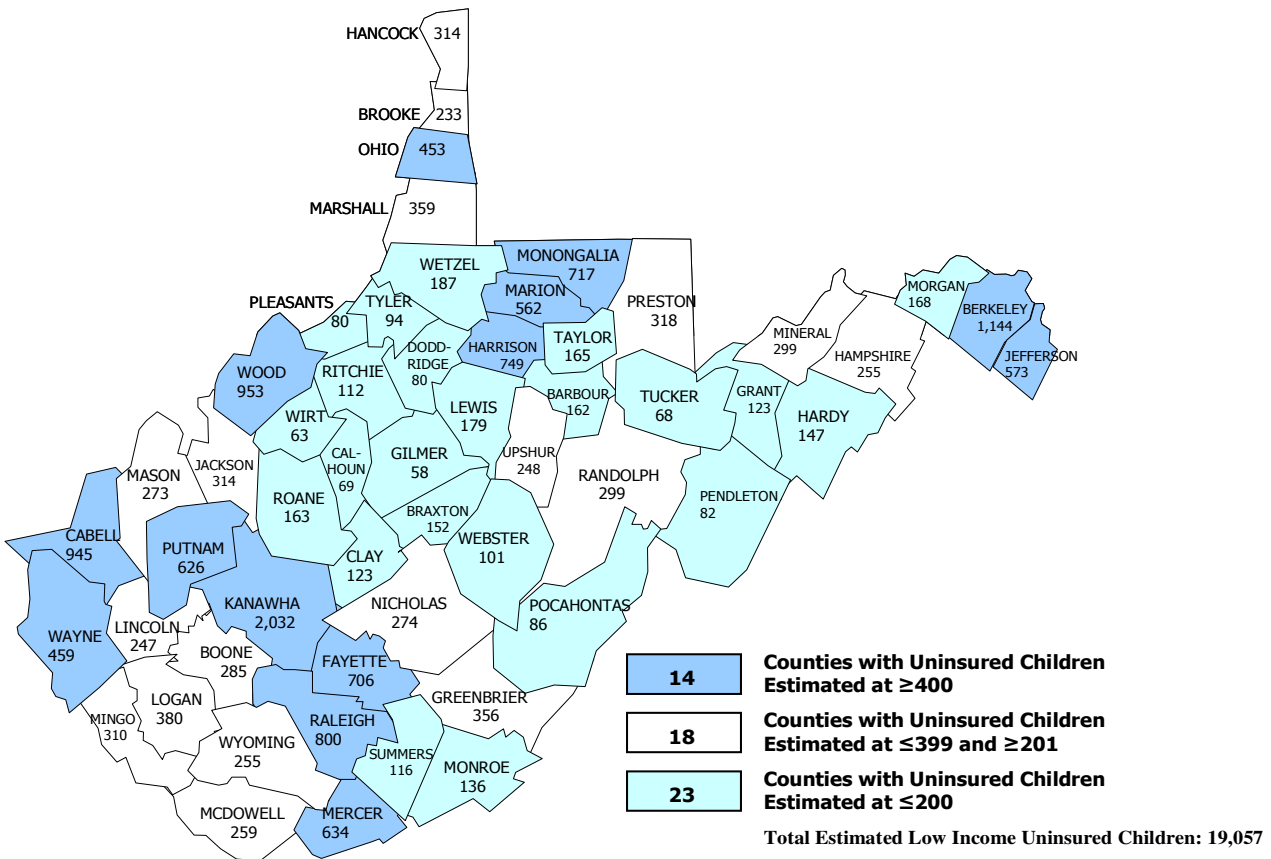
May 2009

| County | County Pop. 2005 Est. (0-18 Yrs) | Total CHIP Enrollment May-09 | Total Medicaid Enrollment May-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid Enrollment % of Population | 2007 Est. Uninsured 5% | 2007 # Children Uninsured Ranking* |
|------------|--|------------------------------------|--|--------------------------------------|--|---------------------------------|---|
| Barbour | 3,248 | 299 | 1,498 | 1,797 | 55.3% | 162 | 38 |
| Berkeley | 22,882 | 1,292 | 6,745 | 8,037 | 35.1% | 1,144 | 2 |
| Boone | 5,706 | 311 | 2,521 | 2,832 | 49.6% | 285 | 24 |
| Braxton | 3,044 | 189 | 1,557 | 1,746 | 57.4% | 152 | 39 |
| Brooke | 4,658 | 307 | 1,488 | 1,795 | 38.5% | 233 | 32 |
| Cabell | 18,900 | 995 | 8,100 | 9,095 | 48.1% | 945 | 4 |
| Calhoun | 1,389 | 131 | 847 | 978 | 70.4% | 69 | 52 |
| Clay | 2,454 | 190 | 1,412 | 1,602 | 65.3% | 123 | 43 |
| Doddridge | 1,607 | 128 | 715 | 843 | 52.4% | 80 | 50 |
| Fayette | 9,692 | 915 | 4,654 | 5,569 | 57.5% | 485 | 12 |
| Gilmer | 1,154 | 99 | 558 | 657 | 56.9% | 58 | 55 |
| Grant | 2,463 | 151 | 957 | 1,108 | 45.0% | 123 | 42 |
| Greenbrier | 7,110 | 580 | 2,810 | 3,390 | 47.7% | 356 | 17 |
| Hampshire | 5,110 | 273 | 1,994 | 2,267 | 44.4% | 255 | 28 |
| Hancock | 6,270 | 351 | 2,304 | 2,655 | 42.3% | 314 | 20 |
| Hardy | 2,950 | 162 | 1,149 | 1,311 | 44.4% | 147 | 40 |
| Harrison | 14,973 | 910 | 5,734 | 6,644 | 44.4% | 749 | 6 |
| Jackson | 6,277 | 373 | 2,549 | 2,922 | 46.6% | 314 | 19 |
| Jefferson | 11,465 | 404 | 2,438 | 2,842 | 24.8% | 573 | 10 |
| Kanawha | 40,647 | 2,199 | 16,582 | 18,781 | 46.2% | 2,032 | 1 |
| Lewis | 3,577 | 306 | 1,716 | 2,022 | 56.5% | 179 | 34 |
| Lincoln | 4,945 | 394 | 2,566 | 2,960 | 59.9% | 247 | 31 |
| Logan | 7,610 | 545 | 3,868 | 4,413 | 58.0% | 380 | 15 |
| Marion | 11,245 | 712 | 4,287 | 4,999 | 44.5% | 562 | 11 |
| Marshall | 7,176 | 351 | 2,712 | 3,063 | 42.7% | 359 | 16 |
| Mason | 5,461 | 297 | 2,569 | 2,866 | 52.5% | 273 | 26 |
| McDowell | 5,170 | 377 | 3,344 | 3,721 | 72.0% | 259 | 27 |
| Mercer | 12,687 | 1,090 | 6,588 | 7,678 | 60.5% | 634 | 8 |
| Mineral | 5,973 | 297 | 1,972 | 2,269 | 38.0% | 299 | 22 |
| Mingo | 6,204 | 373 | 3,061 | 3,434 | 55.4% | 310 | 21 |
| Monongalia | 14,346 | 746 | 4,114 | 4,860 | 33.9% | 717 | 7 |
| Monroe | 2,728 | 188 | 1,053 | 1,241 | 45.5% | 136 | 41 |
| Morgan | 3,365 | 245 | 1,184 | 1,429 | 42.5% | 168 | 35 |
| Nicholas | 5,478 | 417 | 2,556 | 2,973 | 54.3% | 274 | 25 |
| Ohio | 9,068 | 552 | 2,978 | 3,530 | 38.9% | 453 | 14 |
| Pendleton | 1,632 | 103 | 453 | 556 | 34.1% | 82 | 49 |
| Pleasants | 1,593 | 102 | 540 | 642 | 40.3% | 80 | 51 |
| Pocahontas | 1,717 | 138 | 661 | 799 | 46.5% | 86 | 48 |
| Preston | 6,354 | 467 | 2,316 | 2,783 | 43.8% | 318 | 18 |
| Putnam | 12,522 | 690 | 3,112 | 3,802 | 30.4% | 626 | 9 |
| Raleigh | 15,992 | 1,249 | 6,997 | 8,246 | 51.6% | 800 | 5 |
| Randolph | 5,971 | 445 | 2,600 | 3,045 | 51.0% | 299 | 23 |
| Ritchie | 2,234 | 148 | 953 | 1,101 | 49.3% | 112 | 45 |
| Roane | 3,266 | 268 | 1,658 | 1,926 | 59.0% | 163 | 37 |
| Summers | 2,322 | 204 | 1,140 | 1,344 | 57.9% | 116 | 44 |
| Taylor | 3,307 | 234 | 1,362 | 1,596 | 48.3% | 165 | 36 |
| Tucker | 1,354 | 153 | 484 | 637 | 47.0% | 68 | 53 |
| Tyler | 1,887 | 121 | 763 | 884 | 46.9% | 94 | 47 |

WV CHIP Enrollment Report

May 2009

| County | County Pop. 2005 Est. (0-18 Yrs) | Total CHIP Enrollment May-09 | Total Medicaid Enrollment May-09 | Total CHIP/Medicaid Enrollment | CHIP/Medicaid % of Population | 2007 Est. Uninsured 5% | 2007 # Children Uninsured Ranking* |
|---------------|----------------------------------|------------------------------|----------------------------------|--------------------------------|-------------------------------|------------------------|------------------------------------|
| Upshur | 4,956 | 429 | 2,232 | 2,661 | 53.7% | 248 | 30 |
| Wayne | 9,176 | 547 | 4,145 | 4,692 | 51.1% | 459 | 13 |
| Webster | 2,020 | 177 | 1,147 | 1,324 | 65.6% | 101 | 46 |
| Wetzel | 3,732 | 216 | 1,625 | 1,841 | 49.3% | 187 | 33 |
| Wirt | 1,268 | 113 | 548 | 661 | 52.1% | 63 | 54 |
| Wood | 19,063 | 1,147 | 7,887 | 9,034 | 47.4% | 953 | 3 |
| Wyoming | 5,092 | 424 | 2,583 | 3,007 | 59.1% | 255 | 29 |
| Totals | 382,490 | 24,524 | 154,386 | 178,910 | 46.8% | 19,125 | |



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

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

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Ten Months Ending April 30, 2009 and April 30, 2008
(Modified Accrual Basis)

| | April 30, 2009 | April 30, 2008 | Variance | |
|----------------------------------|-----------------------|-----------------------|----------------------|----------------|
| Revenues: | | | | |
| Federal Grants | 31,722,510 | 29,454,728 | 2,267,782 | 8% |
| State Appropriations | 10,971,688 | 10,968,995 | 2,693 | 0% |
| Premium Revenues | 112,019 | 70,839 | 41,180 | 58% |
| Investment Earnings | <u>99,914</u> | <u>204,017</u> | <u>(104,103)</u> | -51% |
| Total Operating Revenues | <u>42,906,131</u> | <u>40,698,579</u> | <u>2,207,552</u> | <u>5%</u> |
| Operating Expenditures: | | | | |
| Claims: | | | | |
| Outpatient Services | 10,046,032 | 8,853,571 | 1,192,461 | 13% |
| Physicians & Surgical | 8,251,659 | 7,715,175 | 536,484 | 7% |
| Prescribed Drugs | 7,145,315 | 6,795,951 | 349,364 | 5% |
| Dental | 4,153,608 | 4,104,274 | 49,334 | 1% |
| Inpatient Hospital Services | 3,282,775 | 2,948,288 | 334,487 | 11% |
| Outpatient Mental Health | 1,092,661 | 1,001,179 | 91,482 | 9% |
| Durable & Disposable Med. Equip. | 1,026,051 | 926,091 | 99,960 | 11% |
| Vision | 532,231 | 519,087 | 13,144 | 3% |
| Inpatient Mental Health | 611,104 | 491,039 | 120,065 | 24% |
| Therapy | 376,819 | 315,327 | 61,492 | 20% |
| Medical Transportation | 294,519 | 207,003 | 87,516 | 42% |
| Other Services | 91,606 | 79,407 | 12,199 | 15% |
| Less: Collections* | <u>(657,183)</u> | <u>(542,791)</u> | <u>(114,392)</u> | <u>21%</u> |
| Total Claims | <u>36,247,197</u> | <u>33,413,601</u> | <u>2,833,596</u> | <u>8%</u> |
| General and Admin Expenses: | | | | |
| Salaries and Benefits | 410,362 | 397,316 | 13,046 | 3% |
| Program Administration | 1,810,389 | 1,734,034 | 76,355 | 4% |
| Eligibility | 252,092 | 274,930 | (22,838) | -8% |
| Outreach & Health Promotion | 106,997 | 57,611 | 49,386 | 86% |
| Current | <u>123,723</u> | <u>98,428</u> | <u>25,295</u> | <u>26%</u> |
| Total Administrative | <u>2,703,563</u> | <u>2,562,319</u> | <u>141,244</u> | <u>6%</u> |
| Total Expenditures | <u>38,950,760</u> | <u>35,975,920</u> | <u>2,974,840</u> | <u>8%</u> |
| Excess of Revenues | | | | |
| Over (Under) Expenditures | 3,955,370 | 4,722,659 | (767,289) | -16% |
| Fund Equity, Beginning | <u>4,977,366</u> | <u>3,485,118</u> | <u>1,492,248</u> | <u>43%</u> |
| Fund Equity, Ending | <u>8,932,736</u> | <u>8,207,777</u> | <u>724,959</u> | <u>9%</u> |

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

| | April 30, 2009 | April 30, 2008 | Variance | |
|---------------------------------------|-------------------------|-------------------------|------------------------|----------------|
| Assets: | | | | |
| Cash & Cash Equivalents | \$11,484,397 | \$9,648,937 | \$1,835,460 | 19% |
| Due From Federal Government | \$3,313,807 | \$3,012,039 | \$301,768 | 10% |
| Due From Other Funds | \$746,733 | \$662,075 | \$84,658 | 13% |
| Accrued Interest Receivable | \$1,810 | \$16,734 | (\$14,924) | -89% |
| Fixed Assets, at Historical Cost | <u>\$70,282</u> | <u>\$61,569</u> | <u>\$8,713</u> | <u>14%</u> |
| Total Assets | <u>\$15,617,029</u> | <u>\$13,401,354</u> | <u>\$2,215,675</u> | <u>17%</u> |
| Liabilities: | | | | |
| Due to Other Funds | \$240,540 | \$304,115 | (\$63,575) | -21% |
| Deferred Revenue | \$2,623,753 | \$1,519,462 | \$1,104,291 | 73% |
| Unpaid Insurance Claims Liability | <u>\$3,820,000</u> | <u>\$3,370,000</u> | <u>\$450,000</u> | <u>13%</u> |
| Total Liabilities | <u>\$6,684,292</u> | <u>\$5,193,577</u> | <u>\$1,490,715</u> | <u>29%</u> |
| Fund Equity | <u>\$8,932,736</u> | <u>\$8,207,777</u> | <u>\$724,959</u> | <u>9%</u> |
| Total Liabilities and Fund Equity | <u>\$15,617,029</u> | <u>\$13,401,354</u> | <u>\$2,215,675</u> | <u>17%</u> |

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended April 30, 2009
(Accrual Basis)

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

| | |
|-----------------|----------------------------|
| Funds Invested | \$10,977,769 |
| Interest Earned | <u>99,914</u> |
| Total | <u>\$11,077,683</u> |

Unaudited - For Management Purposes Only - Unaudited