West Virginia CHIP Children's Health Insurance Program

West Virginia Department of Health & Human Resources

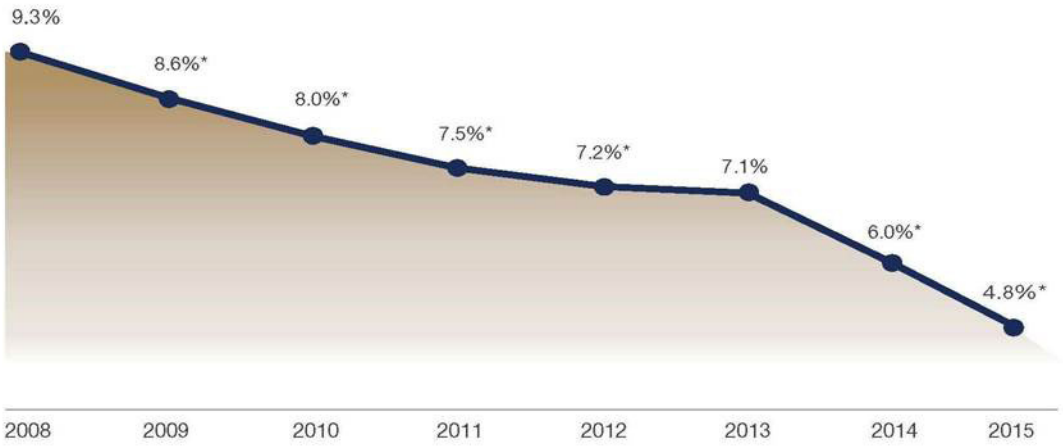
West Virginia Children's Health Insurance Program

Annual Report 2016

Uninsured Children Now at Historic Low Rate

Nationally uninsured children average 4.8%

Figure 1. Rate of Uninsured Children, 2008-2015



* Change is significant at the 90% confidence level. 2013 was the only year that did not show a significant one-year decline in the national rate of uninsured children. The Census began collecting data for the health insurance series in 2008, therefore there is no significance available for 2008.

West Virginia
Children's Health Insurance Program

2016 Annual Report

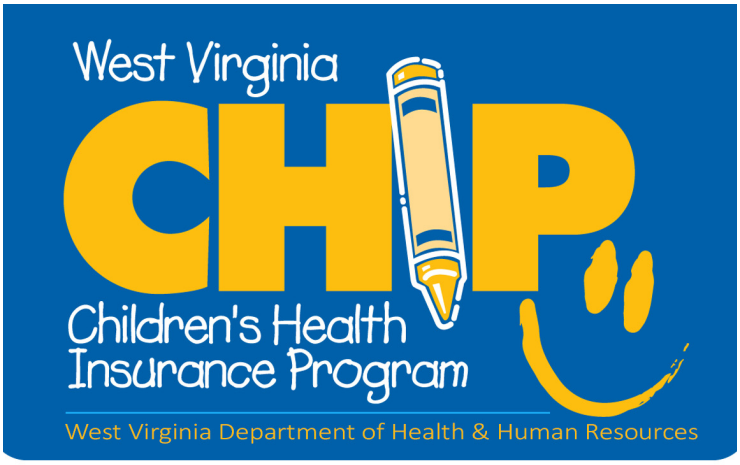
Earl Ray Tomblin, Governor

Earl Ray Tomblin, Governor
State of West Virginia

Karen L. Bowling, Cabinet Secretary
West Virginia Department of Health & Human Resources

Sharon L. Carte, MHS, Director (Retired as of December 16, 2016)
West Virginia Children's Health Insurance Program

Prepared by:
Stacey L. Shamblin, MHA
Acting Director/Chief Financial Officer
West Virginia Children's Health Insurance Program



Our Mission

To provide quality health insurance to eligible children in a way that improves child population health and promotes healthy kids and healthy communities.

Our Vision

West Virginia CHIP will be a leader in value driven and innovative child healthcare.

Table of Contents

Introductory Section

What A Difference CHIP Can Make -

"As an employee of 16 years holding different positions in state government I had insurance, but after a while with a continuing freeze on pay increases over a 7-year period and as health insurance costs kept rising, it became unaffordable. Then when I had a child in 2011, the cost was such I could no longer afford coverage for both of us and we began to struggle financially.

When Governor Tomblin asked the CHIP Board to allow coverage for state employees, my insurance cost was decreased by over $200 per month. The CHIP coverage and decrease to my monthly cost gave my family more financial security to cover expenses associated with my daughter's life threatening allergies. We are so grateful for this coverage"

Tara Martinez
West Virginia State Employee

West Virginia Children's Health Insurance Program
2 Hale Street
Suite 101
Charleston, WV 25301

304-558-2732 voice / 304-558-2741 fax
Helpline 877-982-2447
www.chip.wv.gov

December 28, 2016

Earl Ray Tomblin, Governor
State of West Virginia

Honorable Members of the
West Virginia Legislature

Board of Directors
West Virginia Children's Health Insurance Program

Karen L. Bowling, Cabinet Secretary
West Virginia Department of Health and Human Resources

Jeremiah Samples, Deputy Secretary
West Virginia Department of Health and Human Resources

Sharon L. Carte, MHS, Director (Retired)
West Virginia Children's Health Insurance Program

Ladies and Gentlemen:

It is a privilege to submit to you the Annual Report of the West Virginia Children's Health Insurance Program (WVCHIP) for the fiscal year ended June 30, 2016. This report was prepared by the Financial Officer of WVCHIP. Management of WVCHIP is responsible for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, are accurate in all material respects and presented in a manner that fairly reports the financial position and results of operations of WVCHIP. All disclosures necessary to enable the reader to gain an understanding of WVCHIP's financial activities have been included. It should be noted that these financial reports are unaudited and for management purposes only.

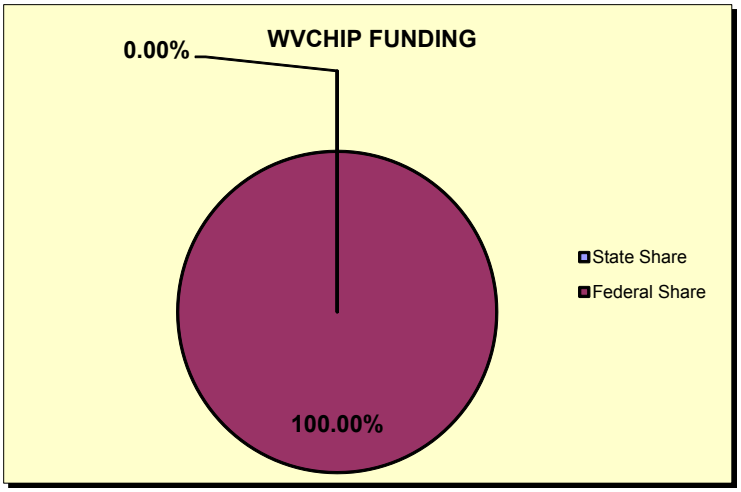
This Annual Report is presented in three sections: introductory, financial, and statistical. The introductory section contains this transmittal letter, a list of the principal officers of WVCHIP, and WVCHIP's organizational chart. The financial section includes the basic financial statements and footnotes as well as certain supplementary information as required by State Code. Also included in the financial

section is management's discussion and analysis (MD&A) which provides the reader a narrative introduction, overview and further analysis of the financial information presented. The statistical section includes selected financial and statistical data.

The West Virginia Legislature passed House Bill 4299 on April 19, 1998, to create WVCHIP. Since its inception, it has undergone several changes that include transfer of the program from the West Virginia Department of Health and Human Resources, and establishing the Children's Health Insurance Agency within the Department of Administration, with the passage of Senate Bill 565 in 2000. WVCHIP is governed by a Board of Directors of up to 11 members, through approval of an annual financial plan and modifications to benefits. Day-to-day operations of WVCHIP are managed by the Director who is responsible for the implementation of policies and procedures established by the Board of Directors. The West Virginia Children's Health Insurance Agency is responsible for the administration of the WVCHIP. On February 19, 2015, the West Virginia Legislature passed Senate Bill 262 moving the West Virginia Children's Health Insurance Agency from the Department of Administration to the Department of Health and Human Resources effective July 1, 2015.

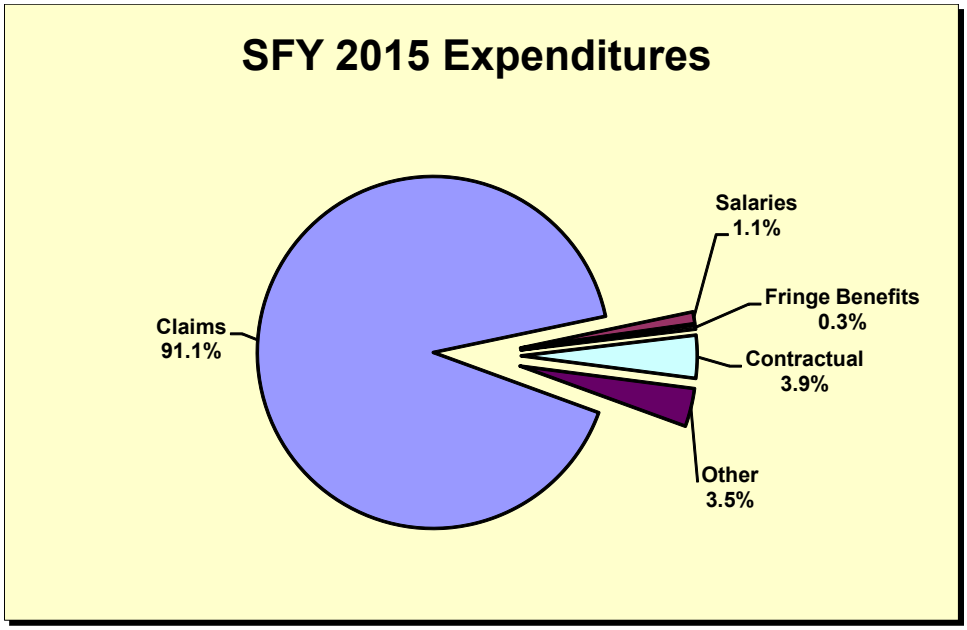
FINANCIAL PERFORMANCE AND OUTLOOK

WVCHIP is funded by both federal and state monies. Each year the program receives an allotment of federal money that may be used to fund program expenditures at a set percentage. Currently, federal allotments are available for a period of two years. State money is provided through general appropriations that are approved by both the Governor and the State Legislature. State money that is not used in the current year is carried-over to the next year. Effective October 1, 2015, the Affordable Care Act (ACA) added 23% to the enhanced federal medical assistance participation (FMAP) rate for Children's Health Insurance Programs (CHIP) nationwide. With this 23% increase, WVCHIP's federal match rate is 100%. The match rate at June 30, 2016 was 100% federal share.



West Virginia State Code requires that estimated program claims and administrative costs, including incurred but not reported claims, not exceed 90 percent of the total funding available to the program, and provides for an actuarial opinion to ensure that this requirement will be met. The Actuarial Report dated June 30, 2016 confirms this requirement will be met through state fiscal year (SFY) 2022 for state funding, assuming that federal funding amounts remain the same as they are in 2016, and considering projected enrollment and program costs trends. The same report, however, is projecting a federal funding shortfall in SFY 2021 based on current approved levels of federal funding and Medicaid eligibility levels and the 23% increase in the FMAP.

Based on estimated funding, enrollment, and costs, the June 30, 2016 Actuarial report projected no federal funding shortfalls for SFYs 2017 through 2020. The projection assumes federal allotments will remain at the same level as the 2016 allotment, $65,438,595, and after adjustment for the CHIP - Medicaid expansion (approximately $20 million) that began on January 1, 2014.



REAUTHORIZATION BY UNITED STATES CONGRESS

The Children's Health Insurance Program was reauthorized by Congress on March 26, 2015, by the Medicare Access and CHIP Reauthorization Act (MACRA) (H.R.2). MACRA extends CHIP funding through Federal Fiscal Year (FFY) 2017, but provides the possibility of some funding to cover some expenditures in FFY 2018. These additional CHIP costs are somewhat offset by reductions in Medicaid costs and premium tax credits and cost-sharing subsidies in the health insurance marketplaces. It should be noted that as of the date of this report, Congress has allotted no additional monies for CHIP after September 30, 2017.

HEALTHCARE REFORM

Congress passed the Affordable Care Act (ACA) which was signed into law on March 23, 2010. Healthcare reform impacted WVCHIP significantly. The bill increased the federal share for the program from 2016 through 2019 by 23%, making WVCHIP 100% federally funded assuming the West Virginia's enhanced FMAP rate does not fall below 77%. Provisions of the ACA also subjected states to Maintenance of Effort (MOE) requirement, which means states cannot amend or change their plans in ways that would decrease the levels of coverage for children. One major impact of healthcare reform was the increase in the income eligibility limit for children served by the state Medicaid program. Effective January 1, 2014, the upper income limit for Medicaid children aged 6 through 18 increased to 133% of the Federal Poverty Level (FPL), moving a substantial number served by WVCHIP to Medicaid. The Centers for Medicare and Medicaid Services (CMS) approved West Virginia's State Plan Amendment (SPA) to continue to utilize Title XXI funding for this population of WVCHIP children that moved to Medicaid effective January 1, 2014. Prior to ACA implementation, Title XXI funds financed approximately 25,000 children monthly and now post ACA Title XXI funds finance approximately 37,000 children monthly (this includes the WVCHIP funded child Medicaid expansion). WVCHIP continues to serve children up to 300% FPL.

INITIATIVES

WVCHIP experienced another year of intense activity. The program transitioned from the Department of Administration to the Department of Health and Human Resources while also transitioning its claims processing system to the Medicaid claims processing system. This change in claims processing was necessitated so the program could be compliant with federal regulations regarding provider enrollment and program integrity. Claims processing system transition began during SFY 2014 and the system went "live" on January 19, 2016. WVCHIP also explored offering families the option to "buy-in" to WVCHIP coverage by covering the full cost through monthly premiums and other cost-sharing arrangements.

OTHER

Title XXI of the Social Security Act, enacted in 1997 by the Balanced Budget Act, authorized Federal grants to states for the provision of child health assistance to uninsured, low-income children. The Centers for Medicare and Medicaid Services (CMS) monitors the operation of WVCHIP. Financial statements are presented for the SFY ended June 30, 2016. The FFY ends September 30 and further documentation is submitted to CMS based on that period. Certain statistical information such as pediatric quality reports, by nature, is presented on a calendar year basis as required.

ACKNOWLEDGMENTS

Special thanks are extended to Governor Earl Ray Tomblin and members of the Legislature for their continued support. Gratitude is expressed to the members of WVCHIP's Board of Directors for their leadership and direction. Our most sincere appreciation is extended to both Secretary Karen Bowling and Deputy Secretary Jeremiah Samples, whose leadership and support has helped the Agency embrace this year's transitions. Finally, this report would not have been possible without the dedication and effort of WVCHIP's Director, Sharon L. Carte, who retired in December 2016. Her vision, leadership, and dedication to this program and the children of West Virginia will generate many positive effects for years to come. Respectfully, we submit this Annual Report for the West Virginia Children's Health Insurance Program for the year ended June 30, 2016.

Sincerely,

Stacey L. Shamblin, MHA
Acting Director/Chief Financial Officer

Principal Officials

Earl Ray Tomblin, Governor
State of West Virginia

Karen L. Bowling, Cabinet Secretary
West Virginia Department of Health & Human Resources

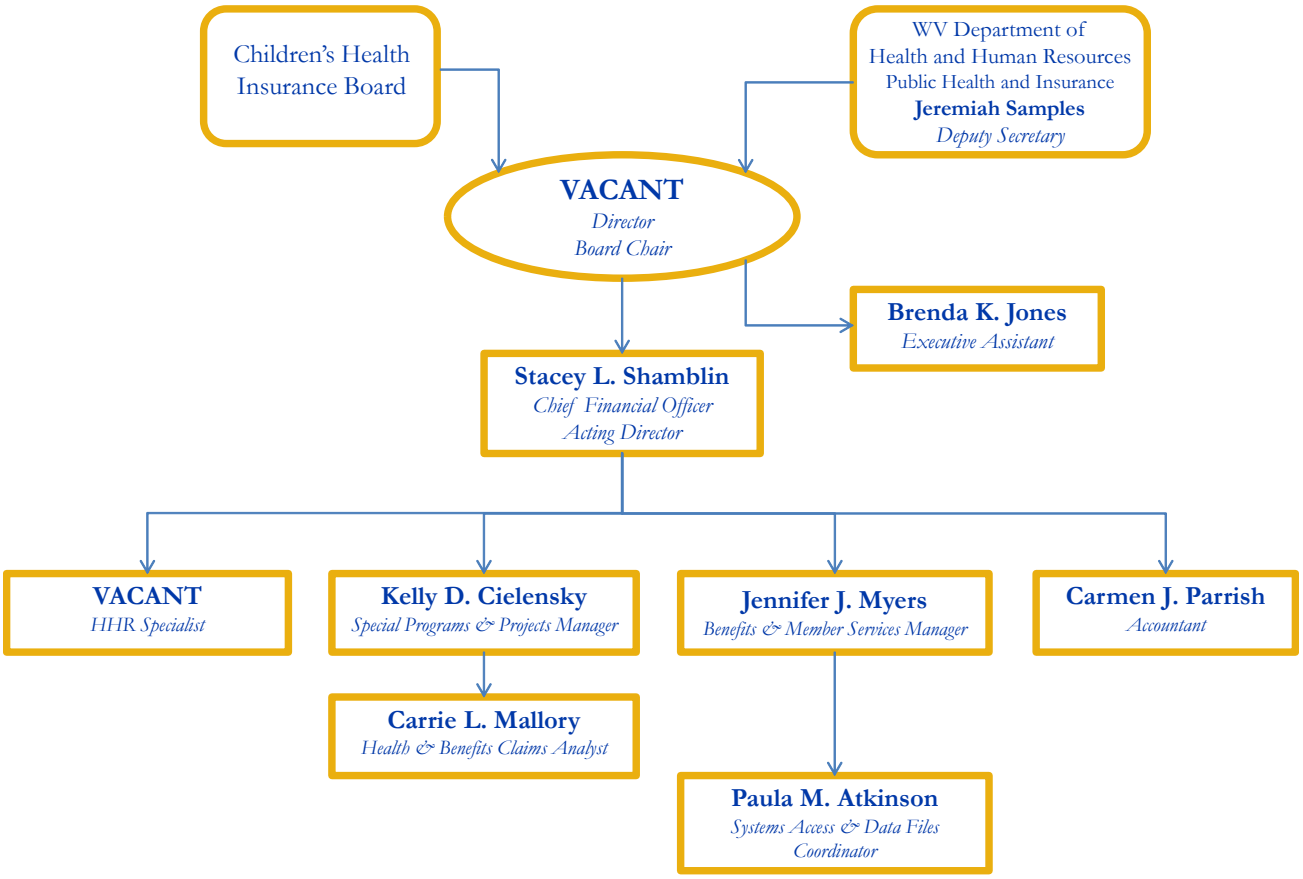
Board Members

Stacey L. Shamblin, Chair
Ted Cheatham, Public Employees Insurance Agency, Director
Jeremiah Samples, Deputy Secretary, Designee for Karen L. Bowling, Cabinet Secretary, DHHR
The Honorable Ryan Ferns, West Virginia Senate, Ex-Officio
The Honorable Joe Ellington, West Virginia House of Delegates, Ex-Officio
Janet Allio, Citizen Member
Joshua Austin, Citizen Member
Margie Hale, Citizen Member
Kellie Wooten-Willis, Citizen Member
VACANT, Citizen Member
VACANT, Citizen Member

Staff

Stacey L. Shamblin, Acting Director/Chief Financial Officer
Paula M. Atkinson, Systems Access & Data Files Coordinator
Kelly D. Cielensky, Special Programs and Projects Manager
Brenda K. Jones, Executive Assistant
Carrie L. Mallory, Health and Benefits Claims Analyst
Jennifer J. Myers, Benefits and Member Services Manager
Carmen J. Parrish, Accountant
Candace A. Vance, RN, Temporary Employee

Staff Organizational Chart



Financial Section

What A Difference CHIP Can Make -

More than 174,000 *children have had the benefit of healthcare coverage in West Virginia since CHIP began.....*

MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST VIRGINIA CHILDREN'S HEALTH INSURANCE PROGRAM
For the Year Ended June 30, 2016

Management of the West Virginia Children's Health Insurance Program (WVCHIP) provides this Management Discussion and Analysis for readers of WVCHIP's financial statements. This narrative overview of the financial statements of WVCHIP is for the year ended June 30, 2016. Readers are encouraged to consider this information in conjunction with the additional information that is furnished in the footnotes which are found following the financial statements. Please note that these financial statements are unaudited and for management purposes only.

HISTORY AND BACKGROUND

WVCHIP's primary purpose is to provide health insurance coverage to uninsured children in families whose income disqualifies them from coverage available through the Medicaid Program, but is less than or equal to 300% of the current FPL. When Congress amended the Social Security Act in 1997 to create Title XXI "State Children's Health Insurance Program" (SCHIP), federal funding was allocated to the states for such programs over a 10 year period. The West Virginia Legislature established the legal framework for this State's program in legislation enacted in April 1998. The Children's Health Insurance Program Reauthorization Act (CHIPRA) signed on February 4, 2009, reauthorized the program through 2013. On March 3, 2010, the passage of the Affordable Care Act (ACA) extended federal appropriations through 2015 and increased the share of the program's federal funding from 2016 through 2019. The program will be virtually 100% federally funded during this time. Congress passed the Medicare Access and CHIP Reauthorization Act (MACRA) on March 26, 2015, extending federal CHIP funding through 2017.

Historically, Congress annually appropriated funds on a national level, and states received their share of this total funding based on a complex allotment formula that considered the state's population of uninsured, low-income children. This annual allotment formula changed in 2009 under reauthorization to consider each state's actual projected expenditures, demographics, and national cost trends. States use this annual federal allotment to cover expenditures at a federal-matching percentage that is determined by the Centers for Medicare & Medicaid Services (CMS), the program's federal regulatory agency, and posted in the Federal Register.

To use federal monies allotted for the CHIP program, each state is required to file a state plan with CMS that outlines the individuals responsible for program administration, where the program is housed within state government, the program's enrollment policies, how it proposes to use the federal monies, as well as other policies and processes used by the state to administer the program. Once the state plan is approved, the state may use its federal allotment, at the federal matching percentage, to finance program expenditures according to the plan.

Since inception in 1998, WVCHIP has undergone several changes of its State Plan to reach its current form. These changes include:

- Phase I: In July 1998, the Program began as a Medicaid expansion by covering children from ages 1 to 5 in households with incomes from 131% FPL to 150% FPL.

- Phase II: On April 1, 2000, coverage for children from ages 6 through 18 in households from 100% to 150% FPL was added. WVCHIP also adopted PEIA's Preferred Benefit Plan to serve as the benchmark equivalent coverage program.

- In June 2000, WVCHIP notified the federal government that it was withdrawing the Medicaid expansion program and combining it with Phase II to create a separate state program.

- Phase III: In October 2000, WVCHIP expanded coverage for all children through age 18 in families with incomes between 151% and 200% FPL.

- In June 2002, WVCHIP modified its co-payment requirements for pharmacy benefits to eliminate co-pays for generic drugs and expand co-pay requirements for brand name drugs. It also adopted an annual benefit limit of $200,000 and a lifetime benefit limit of $1,000,000.

- In January 2006, WVCHIP modified its pharmacy benefits by implementing a Preferred Drug List that encouraged utilization of generic drugs and increased the amount of drug rebates received from drug manufacturers.

- In January 2007, WVCHIP expanded its upper income limit for program eligibility to 220% FPL. This expanded program from 200-220% FPL is called WVCHIP Premium. Families enrolled in this group are required to make monthly premium payments based on the number of children enrolled in the family. Children in this group receive full medical and drug benefits, limited dental, and no vision coverage.

- In January 2008, WVCHIP modified its state plan to allow the program to secure federal match to pay for comprehensive well-child exams for uninsured children entering Kindergarten using administrative funds.

- In January 2009, WVCHIP further expanded its upper income limit for program eligibility to 250% FPL. Children covered under this expanded group are enrolled in WVCHIP Premium.

- In July 2009, WVCHIP removed restrictions on dental and vision benefits for members in WVCHIP Premium. Members in this group now receive full dental benefits, but with copayments for some services. They also receive full vision benefits.

- In July 2011, WVCHIP once again expanded its upper income limit for program eligibility to 300% FPL. Other changes were also made to the program to come into compliance with the ACA including decreasing the waiting period for enrollment from a maximum of twelve months to three months for all income groups and eliminating the annual and lifetime limits on benefits.

- In October 2013, WVCHIP amended its state plan to implement a combination CHIP and move children aged 6 through 18 with incomes between 100% FPL and 133% FPL from coverage under a separate CHIP to a Medicaid-expansion CHIP. The amendment also changed the income counting methodology to determine program eligibility to a Modified Adjusted Gross Income (MAGI) methodology, eliminated the waiting period, and lifted the five-year ban on enrollment for legal residents.

- In January 2014, WVCHIP implented its plan to allow families of public employees who otherwise meet the income eligibility requirements to participate in WVCHIP.

OVERVIEW OF THE FINANCIAL STATEMENTS

WVCHIP's financial statements have been prepared on a modified accrual basis of accounting in conformity with generally accepted accounting principles (GAAP) as prescribed or permitted by the Governmental Accounting Standards Board. As a governmental fund, WVCHIP is required to present two basic statements in this section as follows:

Balance Sheet: This statement reflects WVCHIP's assets, liabilities and fund balance. Assets equal liabilities plus fund balances. The major line item asset consists primarily of investments and funds due from the federal government to cover WVCHIP's major liability, incurred claims.

Statement of Revenues, Expenditures and Changes in Fund Balances: This statement reflects WVCHIP's operating revenues and expenditures. The major source of revenue is federal grant awards while the major expenditure areas include medical, dental, and prescription drug claims costs.

In addition to these two basic statements and the accompanying notes, required supplementary information is presented in the Management Discussion and Analysis section and the Budget-to-Actual Statement presented for the year. The Budget-to-Actual Statement compares the program's actual expenditures to amounts budgeted on a cash basis for the state fiscal year and is located after the notes to the financial statements.

FINANCIAL HIGHLIGHTS

The following financial statements summarize the financial position and the results of operations for the years ended June 30, 2016 and 2015. (See pages 17 and 18.)

- Total assets increased approximately $4,648,211, or 35%, in comparison to the previous year-end amount. This increase is the result of the higher estimate of "Due from the Federal Government," which is an estimate of the receivable of federal money used to cover outstanding administrative and claims costs incurred during SFY 2016. The "Cash & Cash Equivalents" line has a lower ending balance due to the program using its fund balance at June 30, 2015 to cover the state's share of program costs for the first three months of SFY 2016 in lieu of new state funding throughout the year.
- Total liabilities increased by approximately $5,599,376, or 141%, from last year. The majority of the increase is attributable to the increase in the estimate of Unpaid Insurance Claims Liability. The transition to the new claims processing system resulted in lower levels of claims payments for the second half of the year. These lower levels resulted from provider enrollment delays – providers must now formally enroll and meet stricter credentialing requirements to be paid by WVCHIP – but also other "kinks" in the system that did not allow some claims to be processed appropriately.
- Total fund equity decreased approximately $951,165, or 10%, in comparison to the previous year end amount. The decrease is reflective of the Program using its fund balance in lieu of any new state funding for half the year. It should be noted that last year's June 30 fund balance amount was

restated and lowered by $1,455,486 and is further addressed in the notes to the financial statements. Restatement of the fund balance was necessary to remove the "Deferred Revenues" and "Due from Other Funds" lines from the Balance Sheet. These lines are no longer necessary as they accounted for state funds moving into the operating fund that these financials report. The program's operating account has not received any new state funding since January 2015.

- Total revenues reflect a 2% decrease, around $841,009, when compared to the prior year. Federal revenues increased substantially compared to last SFY, $5,106,023, or 13%. The increase resulted from the 100% FMAP that began October 1, 2015. Premium revenues also increased by 13%, resulting from higher enrollment in the WVCHIP Premium group compared to last year.
- Medical, dental and prescription drug expenditures comprise approximately 91% of WVCHIP's total costs. These expenditures decreased $1,579,212, or 4%, compared to the prior year, mostly resulting from the claims payment transition and slower claims payments during the second half of the SFY.
- Administrative costs accounted for 9% of overall expenditures. These expenditures decreased approximately $473,173 or 10%.

FINANCIAL ANALYSIS

Costs

A negative 4% trend in medical, dental, and prescription drug claims is much lower than the 6% increases in spending experienced by plans nationally. Three factors affect total claims expenditures: enrollment, utilization of services, and fees paid to providers for services they render to WVCHIP members. Each of these factors affected WVCHIP's claims costs as follows:

- Enrollment: -0.22%
- Service Utilization: +44.6%
- Price/Fee Increases: -60.3%

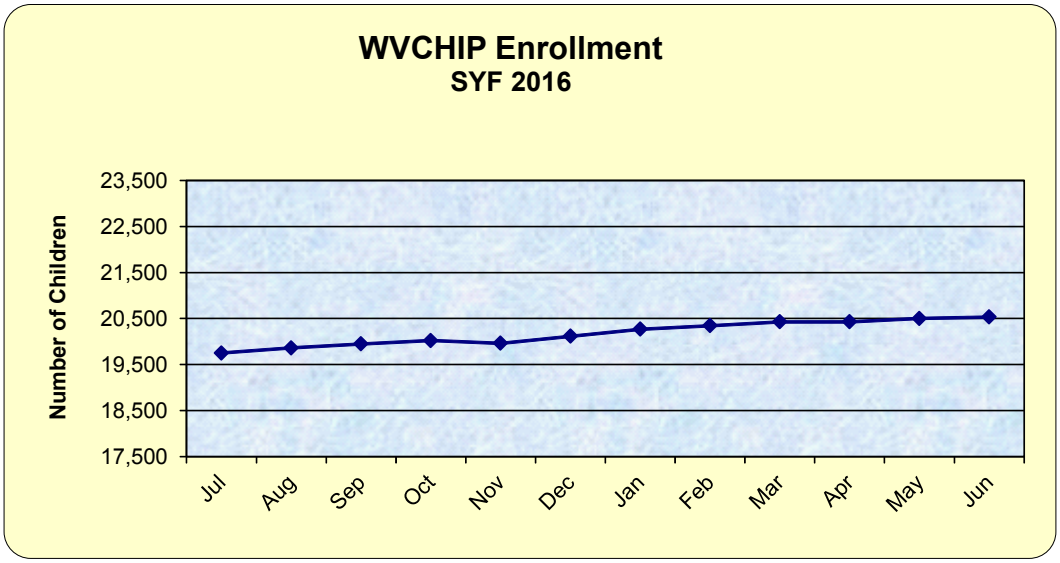
Note: These percentages are composites and not further broken down by service line item.

Enrollment

Monthly enrollment remained fairly constant throughout the SFY. However, there was a slight decrease in overall annual enrollment of 0.22% compared to last year.

WVCHIP has three enrollment groups, categorized by the differing levels of family financial participation (i.e. copayments and/or monthly premiums) based on family income levels as compared to the FPL. The following chart identifies these three groups, as well as enrollment changes in each:

GROUP	FPL	AVG MONTHLY ENROLLMENT	PERCENT INCREASE
CHIP Gold (Phases I&II)	134% - 150%	4,554	-31.0%
CHIP Blue (Phase III)	151% - 211%	10,560	+11.6%
WVCHIP Premium	212% - 300%	5,065	+21.7%



WVCHIP Premium is the newest enrollment group and includes children in families with income above 211% FPL up to and including 300% FPL. Initially, 12 children were enrolled in this group when it was "rolled-out" in February 2007. By June 2016, enrollment increased to 5,229 members, a 6.8% increase over June 2015.

It should be noted that provisions of the Affordable Care Act (ACA) made changes to WVCHIP eligibility and enrollment in October 2013. In addition to expanding the income limits for children under Medicaid to 133% FPL and necessitating the move of WVCHIP membership within these FPLs to Medicaid, other FPLs were converted at that time, making the lower FPL for WVCHIP Premium 211% as opposed to 200%. It is interesting to note that since passage of the ACA, WVCHIP's overall enrollment has decreased, while it increased at these higher levels of income at the same time.

Utilization

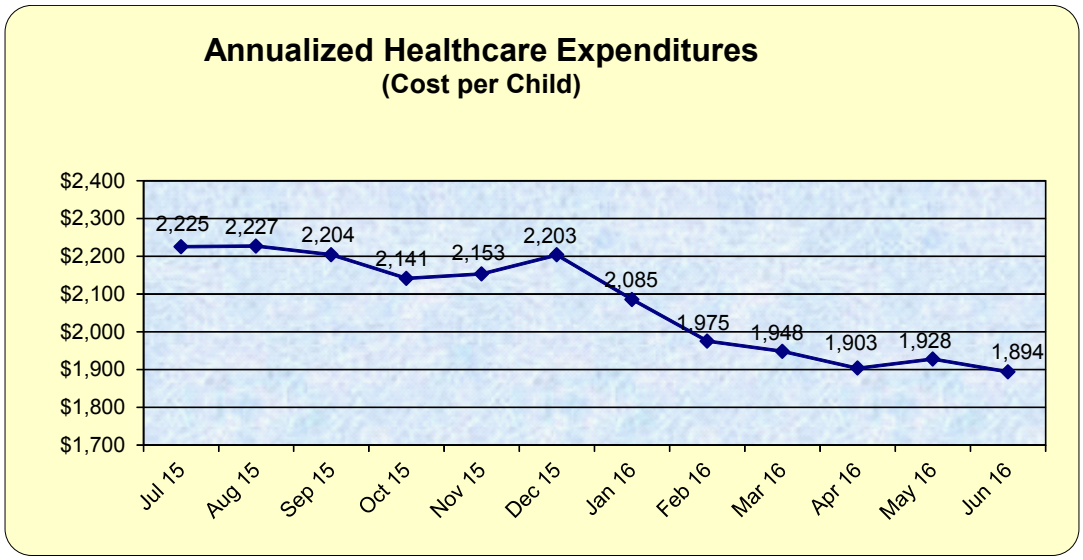
With the major transition of claims processing this past SFY 2016, it is very difficult to determine the impact of utilization on the program's expenditures. The new claims processing system does not reflect utilization the same way as the former processing system, making the analysis almost futile this year. It should be noted, however, that there have been no major policy or legislative changes or mandates that would have affected service utilization. Also, there have been no pricing changes outside the normal fee updates the program implements each year. Decreases in the overall paid amounts for the program are due to the claims payments system transition and the slow-down of claims payments during the last six months of the SFY. Providers are now required to formally enroll in the WVCHIP in order to be eligible for claims reimbursement. As the calendar year ends, WVCHIP is still working with some providers to finalize their enrollments and process their claims.

Processing for Prescribed Drugs remained constant throughout the year. WVCHIP has a very high generic drug utilization rate, 88.7% in SFY 2016, up from 87.0% in SFY 2015. While generic drugs cost much less than brand name drugs, the price for generic drugs increased 5.8% during this time, from $35.11 in SFY 2015 to $37.14 in SFY 2016, resulting in increased costs to the plan. It should be noted that during this same time brand drug costs increased 11.5%, from $313.42 in SFY 2015 to $349.50 in SFY 2016. WVCHIP is one of the few CHIP plans in the nation to operate a closed formulary.

"Pent-up" demand refers to the amount of services utilized by new plan members. Children new to the program may require more medical, dental, or prescription drug services within the first three-months of enrollment due to the fact they may have not been able to access these services prior to enrollment in the plan. This "pent-up" demand is illustrated in Table 12 on page 54.

Average Cost per Child

WVCHIP's average cost per child for State Fiscal Year 2016 was $1,894. This amount represents the average cost per child based on a "rolling enrollment" calculation and is not adjusted for the total unduplicated enrollment in the program for the year. This average decreased 15% from the prior year and resulted from all factors regarding utilization discussed above.



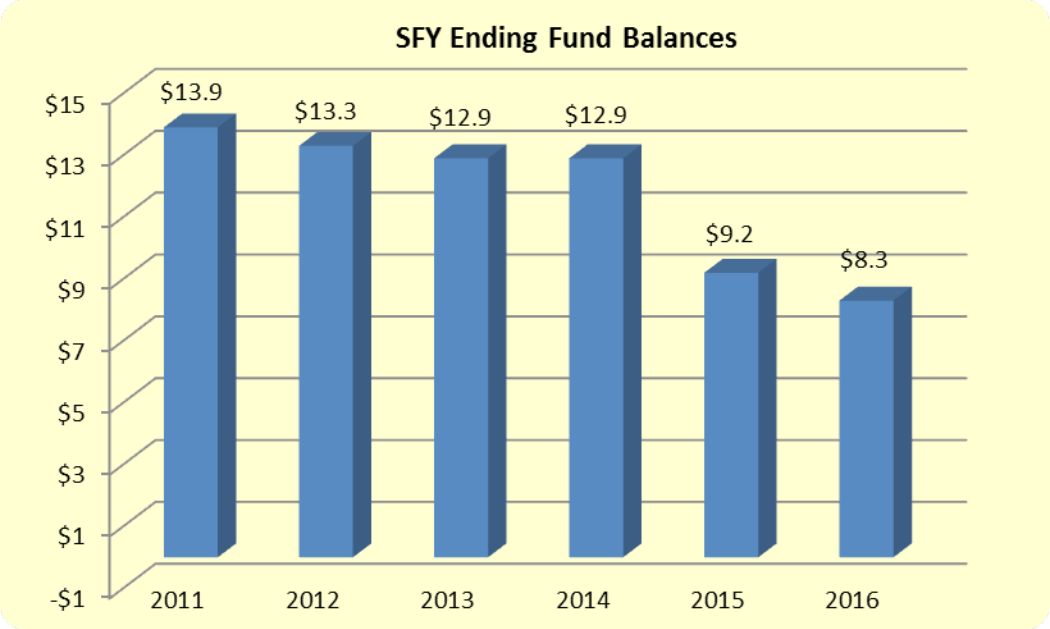
Administrative Costs

Administrative costs decreased 10% from the prior year. The decrease is mostly due to the discontinuance of the Tri-State Health Improvement Consortium initiative that ceased activity early in SFY 2016. All other administrative costs remained fairly consistent throughout the year.

Fund Balance

WVCHIP's fund balance has decreased drastically over the last several SFYs. In an effort to help the state with its revenue problems, the WVCHIP has opted to use its fund to offset the state share of expenses through September 30, 2015. Currently the fund balance is around $8 million on an accrued basis, but slightly over $6.5 million on a cash basis. This is down from $10.8 million at the end of SFY 2014. State statute mandates that each year the program spends no more than 90% of its available funding including accrued administrative costs and incurred but not yet reported claims. This mandate creates a fund balance for the program offering the state stability and predictability for program funding and giving the program some "cushion" for those unexpected claims. With the looming uncertainty regarding levels of federal program funding after September 30, 2017, the program recommends the state allow the program to keep its fund balance, or an amount adequate to cover six months of program costs.

The fund balance of $8.3 million on an accrued basis is enough to cover three to four months of program costs. A fund balance of approximately $14 million is needed to cover approximately six months of program costs, assuming no additional funding. The graph below depicts the decrease in the program's ending fund balance over the last six SFYs.



SFY Ending Fund Balances are depicted on an accrued basis.
The June 30, 2016 fund balance was $6.5 million on a cash basis.

West Virginia Children's Health Insurance Program
Comparative Balance Sheet
June 30, 2016 and 2015
(Accrual Basis)

	June 30, 2016	June 30, 2015	Variance	
Assets:				
Cash & Cash Equivalents	$ 6,546,839	$ 9,953,901	$(3,407,062)	-34%
Due From Federal Government	11,201,210	3,144,682	8,056,528	256%
Accrued Interest Receivable	6,236	7,491	(1,255)	-17%
Fixed Assets, at Historical Cost	82,046	82,046	0	0%
Total Assets	$17,836,331	$13,188,120	$ 4,648,211	35%
Liabilities:				
Accounts Payable	$ 1,183,819	$ 540,207	$ 643,612	119%
Unpaid Insurance Claims Liability	8,384,481	3,428,717	4,955,764	145%
Total Liabilities	$ 9,568,300	$ 3,968,924	$ 5,599,376	141%
Fund Equity	$ 8,268,031	$ 9,219,196	$ (951,165)	-10%
Total Liabilities and Fund Equity	$17,836,331	$13,188,120	$ 4,648,211	35%

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Twelve Months Ended June 30, 2016 and June 30, 2015
(Modified Accrual Basis)

	June 30, 2016	June 30, 2015	Variance	
Revenues:				
Federal Grants	$43,044,683	$37,938,660	$ 5,106,023	13%
State Appropriations	0	6,093,437	(6,093,437)	-100%
Premium Revenues	1,366,018	1,209,744	156,274	13%
Investment Income:				
Investment Earnings	65,271	75,140	(9,869)	-13%
Total Revenues	**$44,475,972**	**$45,316,981**	**$ (841,009)**	**-2%**
Expenditures:				
Claims:				
Outpatient Services	$9,938,808	$12,319,675	$(2,380,867)	-19%
Physicians and Surgical	9,973,349	9,050,279	923,070	10%
Prescribed Drugs	8,622,477	8,453,297	167,180	2%
Dental	5,641,186	6,088,365	(447,179)	-7%
Inpatient Hospital Services	3,643,043	3,034,938	608,105	20%
Outpatient Mental Health	814,324	1,265,905	(451,581)	-36%
Durable & Disposable Equipment	791,973	987,524	(195,551)	-20%
Inpatient Mental Hospital	521,846	840,634	(318,788)	-38%
Vision	571,025	668,068	(97,043)	-15%
Therapy	995,392	613,821	381,571	62%
Medical Transportation	408,642	354,895	53,747	15%
Other Services	446,414	87,660	358,754	409%
Less Collections*	(1,158,986)	(976,356)	(182,630)	19%
Total Claims	41,209,493	42,788,705	(1,579,212)	-4%
General and Admin Expenses:				
Salaries and Benefits	570,269	609,865	(39,596)	-6%
Program Administration	3,131,085	3,347,357	(216,272)	-6%
Eligibility	363,476	72,020	291,456	405%
Outreach & Health Promotion	12,898	474,758	(461,860)	-97%
Current	160,177	207,078	(46,901)	-23%
Total Administrative	4,237,905	4,711,078	(473,173)	-10%
Total Expenditures	**45,447,398**	**47,499,783**	**(2,052,385)**	**-4%**
Excess of Revenues Over (Under) Expenditures	**(971,426)**	**(2,182,802)**	**1,211,376**	**-55%**
Unrealized Gain (loss) On Investments**	**20,261**	**(8,629)**	**28,890**	**-335%**
Fund Equity, Beginning	**9,219,196**	**12,866,113**	**(3,646,917)**	**-28%**
Adjustments to Fund Equity	**0**	**(1,455,486)**	**1,455,486**	**0%**
Fund Equity, Ending	**$ 8,268,031**	**$ 9,219,196**	**$ (951,165)**	**-10%**

* Collections are primarily drug rebates and subrogation
** Short Term Bond Fund Investment began in November 2009

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Notes to Financial Statements
For the Twelve Months Ended June 30, 2016

Note 1

Summary of Significant Accounting Policies

Basis of Presentation

The accompanying general purpose financial statements of the WVCHIP conform to generally accepted accounting principles (GAAP) for governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for governmental accounting and financial reporting.

Financial Reporting Entity

The WVCHIP expands access to health services for eligible children. Major revenue sources are federal awards and state appropriations. WVCHIP uses third party administrators to process claims, pay providers, and review utilization of health services. An eleven-member board develops plans for health insurance specific to the needs of children and annual financial plans which promote fiscal stability.

Basis of Accounting

WVCHIP follows the modified accrual basis of accounting. Revenues are recognized when they become both measurable and available. Significant revenues subject to accrual are federal awards. Expenditures are recognized when a related liability is incurred.

Assets and Liabilities

Cash and Cash Equivalents

Cash equivalents principally consist of amounts on deposit in the State Treasurer's Office (STO) that are pooled funds managed by the West Virginia Board of Treasury Investments (BTI). WVCHIP makes interest earning deposits in the WV Money Market Pool as excess cash is available. Deposit and withdrawal transactions can be completed with overnight notice. WVCHIP also has funds invested in the WV Short Term Bond Pool. This Pool is structured as a mutual fund and is limited to monthly withdrawals and deposits by Participants. Interest income from these investments is prorated to WVCHIP at rates specified by BTI based on the balance of WVCHIP's deposits maintained in relation to the total deposits of all state agencies participating in the pools. The carrying value of the deposits reflected in the financial statements approximates fair value.

Insurance Claims Payable

The liability for unpaid claims is based on an estimate of claims incurred but not yet reported as of the balance sheet date. Offsetting amounts receivable for the federal and state share of these expenditures have been recorded.

Note 2

Cash and Investments

At June 30, 2016, information concerning the amount of deposits with the State Treasurer's Office is as follows:

	Carrying Amount	Bank Balance	Collateralized Amount
Cash			
Deposits with Treasurer	$ 202,320	———	———
Investments			
	Amount Unrestricted	Fair Value	Investments Pool
Investment with Board of Treasury Investments	$ 634,185	$ 634,185	Cash Liquidity
	$5,710,334	$5,710,334	Short Term Bond Pool
Total	$6,344,519		

Note 3

Accounts Payable:

Program Administration Contracts	$ 865,160
Eligibility	310,450
Other	8,209
Total Accounts Payable	$1,183,819

Note 4

Risk Management Unpaid Claims Liabilities

Claims Payable, Beginning of Year	$ 3,428,717
Incurred Claims Expense	41,209,493
Payments:	
Claim Payments for Current Year	31,359,890
Claim Payments for Prior Year	4,893,839
Claims payable, year to date	$ 8,384,481

Note 5

Contingencies

WVCHIP receives significant financial assistance from the U.S. Government in the form of grants and other federal financial assistance. Entitlement to those resources is generally contingent upon compliance with the terms and conditions of the grant agreements and applicable federal regulations, including the expenditure of the resources for allowable purposes. Federal financial assistance awards are subject to financial and compliance audits under either the federal Single Audit Act or by grantor agencies of the federal government or their designees. Any obligations that may arise from cost disallowance or sanctions as a result of those audits are not expected to be material to the financial statements of WVCHIP.

Note 6

Restated Fund Balance and Adjustments to Fund Equity

Fund Equity for June 30, 2015 was restated by amounts due from other funds receivable as of June 30, 2015.

Fund Equity June 15, 2015	$10,674,682
Due from Other Funds June 15, 2015	$(1,455,486)
Restated Fund Equity June 15, 2015	$ 9,219,196

The restatement was necessary to account for the program receiving no new state general revenue funds during SFY 2016. The state share of expenditures for the July to September 2015 quarter of SFY 2016 was provided by the Program's fund equity balance. The state share of accrued expenditures at June 30, 2015 was $1,455,486 and is reflected as a reduction to fund equity on the Statement of Revenues, Expenditures and Changes in Fund Balances.

Note 7

Restated Accounts Payable

Accounts Payable for June 30, 2015 was resated by deferred revenue as of June 30, 2015.

Accounts Payable June 15, 2015	$ 227,602
Deferred Revenue June 15, 2015	$ 312,605
Restated Fund Equity June 15, 2015	$ 540,207

The restatement was necessary to account for the program receiving no new state general revenue funds during SFY 2016. Deferred Revenue represented a payable for state monies drawn-down in SFY 2015 that were not yet matched with federal money and expended.

West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2016
For the Twelve Months Ended June 30, 2016

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Actual Amt Jun-16	Actual Amt May-16	Actual Amt Apr-16
Projected Cost	$46,514,413	$46,514,413	$39,493,938	$7,020,475	15%	$3,876,201	$3,331,767	$3,052,427	$3,599,185
Premiums	$1,854,664	$1,854,664	$1,366,018	($488,646)	-26%	$154,555	$98,585	$108,553	$116,250
Subrogation & Rebates	$1,015,410	$1,015,410	$1,158,986	$143,576	14%	$84,618	$0	$0	$0
Net Benefit Cost	$43,644,339	$43,644,339	$36,968,934	$6,675,405	15%	$3,714,594	$3,233,182	$2,943,874	$3,482,935
Salaries & Benefits	$646,556	$646,556	$570,269	$76,287	12%	$53,880	$43,709	$43,566	$42,532
Program Administration	$3,500,000	$3,500,000	$2,471,809	$1,028,191	29%	$291,667	$312,147	$81,399	$56,195
Eligibility	$250,000	$250,000	$53,026	$196,974	79%	$20,833	$17,505	$0	$6,101
Outreach & Health Prom.	$300,000	$300,000	$22,437	$277,563	93%	$25,000	$0	$0	$300
Current Expense	$250,000	$250,000	$164,147	$85,853	34%	$20,833	$26,734	$2,798	$12,166
Total Admin Cost	$4,946,556	$4,946,556	$3,281,688	$1,664,868	34%	$412,213	$400,096	$127,764	$117,294
Total Program Cost	$48,590,895	$48,590,895	$40,250,622	$8,340,273	17%	$4,126,807	$3,633,278	$3,071,638	$3,600,229
Federal Share 100.00%	$46,155,276	$46,155,276	$38,163,858	$7,991,419	17%	$3,291,541	$3,633,278	$3,071,638	$3,600,229
State Share 0.00%	$2,435,619	$2,435,619	$2,086,764	$348,855	14%	$835,266	$0	$0	$0
Total Program Cost *	$48,590,895	$48,590,895	$40,250,622	$8,340,273	17%	$4,126,807	$3,633,278	$3,071,638	$3,600,229

* Positive percentages indicate favorable variances
** Budgeted Year Based on CCRC Actuary 6/30/2015 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

MAJOR INITIATIVES

Transition to the West Virginia Department of Health and Human Resources (DHHR)

Effective July 1, 2015, WVCHIP was moved from the Department of Administration to the DHHR. While this had a mostly minimal impact, the program necessitated some administrative changes to facilitate this move. Most of these changes involved transitioning the program into the accounting structure of the DHHR. The Agency's first budgetary cycle within the DHHR concluded on June 30, 2016.

Claims Payment System Transition

In 2014, WVCHIP began laying the groundwork for design of the program's claims processing through Medicaid's current claims processor. This work continued through January 2016, when the system went "live" and began accepting and processing claims from providers for WVCHIP members. One component of this process was a more thorough and formal provider enrollment that is now federally required for both Medicaid and CHIP. Not all providers were enrolled on the "go-live" date and enrollment for some providers continues to this day. WVCHIP is working with Medicaid to make this process as consistent as it can be across both programs. Also, WVCHIP staff continue to refine the new claims processing system to make sure claims are paying accurately according to WVCHIP fees and policies.

A Full-Cost Buy-In Plan Proposed

This last SFY, the program explored ways to increase the number of insured West Virginia children by offering families an option to "buy-in" to the WVCHIP by covering the full cost through monthly premiums. While the state has a very low percentage of uninsured children overall, approximately 2.8%, ranking number 7 in the nation, this offering would assure that West Virginia children at all income levels without insurance would have an option for healthcare coverage available to them. While the program was not able to make this a viable option this year, it will continue to explore ways to offer the program to all children in the state who may otherwise go uninsured.

CONTACTING WVCHIP's MANAGEMENT

This report is designed to provide our member families, citizens, governing officials and legislators with a general overview of WVCHIP's finances and accountability. If you have questions about this report or need additional information, please contact WVCHIP's Financial Officer at 304-558-2732. General information can also be obtained at www.chip.wv.gov. Electronic application to the program is available on the web at www.wvinroads.org.

Required Supplementary Information

What A Difference CHIP Can Make -

"[We are a] one income family - thankful for peace of mind knowing kids can be treated when ill."

Parent quote from a 2001 CHIP survey

West Virginia Children's Health Insurance Program
Report of Independent Actuary
June 30, 2016 Quarterly Report

OVERVIEW

Continuing Care Actuaries was engaged by the West Virginia Children's Health Insurance Program ("CHIP Program") to assist the West Virginia CHIP Board in the analysis of actual and projected plan experience in the current State Fiscal Year 2016 ("FY 2016") through Fiscal Year 2022 ("FY 2022"). West Virginia enabling legislation of the CHIP Program requires that an actuary provide a written opinion that all estimated program and administrative costs of the agency under the plan, including incurred but unreported claims, will not exceed 90 percent of the funding available to the program for the fiscal year for which the plan is proposed.

CHIP Program management has requested Continuing Care Actuaries to produce the Baseline Scenario which includes the current WVCHIP Premium expansion to 300% of the Federal Poverty Level ("FPL") and the PEIA children and the Medicaid children transfer cost. State funding is assumed to be $0 in FY 2016 and in future years. At the Federal level, the Federal funding for West Virginia is assumed to be $65,438,595 in FY 2016 before the reductions for the Federal funding share to be used for CHIP children that transferred to Medicaid. Appendix A-Baseline Scenario shows CHIP Program Federal funding continues after 2016 paying for the Medicaid Children Transfer Cost. The net 2016 Federal and State funding after the reductions for CHIP children that have transferred to Medicaid are assumed to be $45,131,705 and $0, respectively. Appendix B-Proposed Full-Cost Buy-In Scenario shows the analysis of expected enrollment and benefit structure of the proposed Full-Cost CHIP component serving the children of families whose income exceeds 300% of the Federal Poverty Level ("FPL"). Appendix C-Composite Scenario shows the combination of the current CHIP Program and the proposed Full-Cost Buy-In Program.

The Board has approved the expansion of coverage to 300% of the FPL and we have included the financial projection based on CMS' approval effective July 1, 2011. Under this scenario, participants' premiums are assumed to remain the same as of March 23, 2010 for children in the 250% to 300% FPL group under the Affordable Care Act's Maintenance of Effort provision.

PEIA children became eligible in the CHIP Program starting July 1, 2014. Enrollment issues will result in some children returning to PEIA, but for the purposes of this report, we have assumed that the enrollment will remain constant in future years. We have assumed that the claims cost of PEIA children will replicate WVCHIP claim costs.

Under the Medicaid Children Transfer Cost Baseline Scenario, the State of West Virginia has elected to use the Title XXI funds to help cover the CHIP kids that moved to Medicaid because family income was between 100% and 133% of the Federal Poverty Level ("FPL"). Based on West Virginia Department of Health and Human Resources ("WVDHHR") preliminary estimate of kids now covered by Medicaid, the expected amount that the State of West Virginia will pay to transfer the CHIP kids to Medicaid is approximately $21.1 million in FY 2016 and $21.5 million in FY 2017, with adjustments for inflation in the yearly projection thereafter.

Under the Baseline Scenario, the projected cost of the CHIP Program in FY 2016 will meet the 90% State funding requirement. Based on the Baseline Scenario and the 90% expenditure limitation on State funding of the program, we are not projecting a shortfall in State funding based on funding levels provided by CHIP management through FY 2022. However, we are projecting a shortfall in Federal funding in FY 2021 through FY 2022 based on the current approved funding levels under the assumption of Medicaid eligibility and an increase in Federal participation of the Patient Protection and Affordable Care Act ("PPACA").

Medicare Access and CHIP Reauthorization Act ("MACRA") was signed into law on April 16, 2015. MACRA allows States to carry two-thirds of any remaining FY2017 allotment funds into 2018. MACRA contains a 2-year funding extension of the CHIP Program through September 2017. As of the issue date of this report, the exact funding level for 2017 is unknown.

It should be noted that this projection reflects the current information on the availability of Federal funding. We have not assumed any future Federal redistribution for Fiscal Years 2003 through 2015 in this projection. The Federal share of program expenditure is currently at 100% for Federal Fiscal Year 2016 and it remains unchanged in the foreseeable future. While there is uncertainty of Federal funding availability after 2017, the state plans to apply for an increase in the allotment under MACRA. Due to MACRA, we have assumed that the FY 2016 Federal funding to be $65,438,595 and remain constant thereafter. Note that if we assume no Federal funding after 2017, there will be a Federal funding shortfall in FY 2018 and the future years would result in a significant negative impact to the CHIP Program.

The Affordable Care Act of 2010 maintains the CHIP eligibility standards in place as of enactment through 2019. The law extends CHIP funding until October 1, 2015, when the already enhanced CHIP federal matching rate will be increased by 23 percentage points, bringing the national average federal matching rate for CHIP to 93%. Under most likely scenarios, this would mean that WVCHIP will be 100% federally funded. The Affordable Care Act also provided an additional $40 million in federal funding to continue efforts to promote enrollment in Medicaid and CHIP. It should be noted that this projection reflects the 23% bump to the CHIP match rate starting October 1, 2015 through September 30, 2019.

Enrollment for the program as of June 2016 has increased since March 2016. The current program enrollment as of June 2016 consists of 20,531 children total: 4,344 children as part of Phase I and Phase II that consists of children whose families are below 150% of the federal poverty level ("WVCHIP Gold"), 10,958 children as part of Phase III that consists of children whose families are between 150% and 200% of the federal poverty level ("WVCHIP Blue"), and 5,229 children as part of WVCHIP Premium.

Since the March 31, 2016 Quarterly Report with March 31 enrollment of 20,428 children, overall enrollment has increased by 103 children. WVCHIP Gold has decreased enrollment by 37 children, WVCHIP Blue has increased enrollment by 88 children and WVCHIP Premium has increased enrollment by 52 children.

The monitoring and analysis of claim trends is critical to the accurate forecast of future costs of the program. While the program's enrollment has increased slightly in recent months, there has been continual moderation of cost trends. Current claim trend experience has been financially favorable over the past several years. We have maintained the FY 2016 medical claim trend assumption at 3%, dental claim trend assumption at 3%, and prescription drugs claim trend assumption at 8%, based on trend experience that has been consistent with these assumptions.

Under the Baseline Scenario, administrative expenses for West Virginia CHIP are $3,563,721 in FY 2016, representing a 24% decrease from FY 2015 administrative expenses of $4,711,006. West Virginia CHIP management team assumes a 5% administrative expense trend in future years. In Fiscal Year 2016, reimbursement from subrogation and prescription drug rebates are projected to be totaled $1,233,185. West Virginia CHIP management team assumes a 4% trend on drugs rebates and subrogation in future years.

Included in FY 2016 are the expected funding reductions for CHIP kids covered under Medicaid of $3,162,607 for the Federal share and $793,120 for the State share in the first quarter of 2016, $4,668,697 for the Federal share and $0 for the State share in the second quarter of 2016, and $6,237,793 for the Federal share and $0 for the State share in the third quarter of 2016. We assume $6,237,793 for the Federal share and $0 for the State share for the fourth quarter of 2016. We assume the expected amount that the State of West Virginia will pay to transfer the CHIP kids to Medicaid is approximately $21.1 million in FY 2016 and $21.5 million in FY 2017. And we have reduced the total Federal and State funding by these amounts to estimate the total funding available to West Virginia CHIP.

Under the State fiscal year basis, we have calculated that the incurred claim costs under the Baseline Scenario assumptions for FY 2016 to be $43,618,137. The updated projection for FY 2017 claims is $46,142,614.

CHILDREN'S HEALTH INSURANCE PROGRAM REAUTHORIZATION ACT

Under the Children's Health Insurance Program Reauthorization Act of 2009 ("CHIPRA") and PPACA that resulted in $69 billion in funding for the national program, the following is the result of the passing of PPACA:

- Protects CHIP through 2019, with funding through 2015;
- Provides states with additional funding to ensure children have access to the program. Between FY 2016 and 2019, states would receive a 23 percentage point increase in the CHIP federal match rate, subject to a 100 percent cap;
- Increases outreach and enrollment grants to help reach more eligible children;
- States are required to maintain current eligibility levels through 9/30/2019.

The Federal share of program expenditure is currently at 100% for Federal Fiscal Year 2016 and it remains unchanged in the foreseeable future. While there is uncertainty of Federal funding availability after 2017, the state plans to apply for an increase in the allotment under MACRA. Our forecast assumes Federal funding levels based on the FY 2016 allotment of $65,438,595. CHIPRA has several mechanisms to adjust Federal expenditures to levels required by the State programs. The Federal funds formula allows for re-basing of the allotment every two years, and there is a contingency fund established separate from the funds allotted to the State of West Virginia that will be used to offset any shortfalls it might experience in Federal funding.

There are several significant changes in the law that are designed to improve the healthcare that children receive in CHIP and impact the current benefit structure for WVCHIP. Under dental benefits, there are two provisions in the legislation that are designed to improve access to dental care for children.

CHIPRA requires States to include dental coverage in their CHIP benefit packages. States must offer a dental benefit that is equivalent to one of the following: the children's coverage that is provided in the Federal Employees Health Benefits Program ("FEHBP"), state employee dependent dental coverage, or dental coverage that is offered through the commercial dental plan in the State with the highest non-Medicaid enrollment. WVCHIP is required to cover Orthodontic, Prosthodontic, and Periodontic services under CHIPRA.

CHIPRA allows States for the first time to offer dental coverage to children who are enrolled in private or job-based plans that do not include dental coverage. As long as these children are otherwise eligible for CHIP, States can enroll them in CHIP exclusively for dental coverage. It should be noted that WV CHIP Program has not yet decided to implement this option.

In compliance with CHIPRA's requirements, the benefit design for coverages over 200% FPL changed effective July 1, 2009. Dental services for this group were limited to preventative services and subject to a maximum of $150 per year. The new dental benefit includes both preventative and restoration services. Services including all restoration, endodontics, prosthodontics, implants, dental surgeries and periodontics are subject to a co-payment of $25 per service and are capped at $100 per year.

Under mental health parity benefit, the new CHIP law also guarantees mental health parity in CHIP. This means that, as with job-based coverage, States must provide the same level of services for mental health benefits in CHIP as they provide for physical health benefits. States that operate CHIP as a Medicaid expansion and hence offer early and periodic screening, diagnosis and treatment ("EPSDT", which essentially guarantees all medically necessary health services for children) are considered to be in compliance with the mental health parity requirement.

PLAN ELIGIBILITY AND BENEFIT STRUCTURE

Under the submitted West Virginia CHIP Premium expansion plan ("WVCHIP Premium"), the CHIP expansion to 220% began enrollment effective in January 2007. Subsequently, WVCHIP Premium was expanded to 250% FPL effective in January 2009 and to 300% FPL effective in July 2011. Premiums are assumed to cover 20% of the policy cost for children in the 200% to 300% FPL eligibility group. The monthly premiums are $35 for families with one child in the program and $71 for families with more than one child in the program. We have assumed the same premium level as of March 23, 2010 in all projection years to maintain the 20% cost share threshold in the 200% to 300% FPL group. As of June 2016, there are 5,229 children enrolled in WVCHIP Premium.

It should be noted that this report incorporates some of the provisions of PPACA that includes a large number of health-related provisions to take effect over the next several years, particularly, an additional year extension to CHIP funding through June 30, 2016, the expanding Medicaid eligibility starting on January 1, 2014 and an increase in Federal funding participation in FY 2016 through 2019. At this time, the actual timetable of the PPACA remains uncertain.

Effective January 1, 2014, Medicaid eligibility expanded to individuals and families with income up to 133% FPL. The CHIP Program will continue to serve the remaining children from 133% FPL to 300% FPL, with the potential for additional members whose parents have applied for coverage through the Health Insurance Exchanges program. In addition, the Health Care Reform ("HCR") Bill addresses a 23% increase in Federal participation for FY 2016 through 2019, which would make the CHIP Program 100% federally funded starting October 1, 2015, the first day of Federal FY 2016, assuming the enhanced match rate does not fall below 77%.

The benefit structure for current WVCHIP Premium enrollees has significant cost sharing compared to the benefit structure for children of families under 200% FPL and currently includes the following major components:

- Medical Co-payments: $20 Office Visits
  $25 Inpatient & Outpatient Visits
  $35 Emergency Room Visits

- Prescription Drugs Co-payments: $0 Generic
  $15 Brand

- Full Dental and Vision Benefits with $25 copayments for non-preventative dental services.

Medical costs have been adjusted to reflect the expense of the "Birth to Three" program, administered by WVDHHR that work with children identified as having developmental delays. The Birth-to-Three costs have been included in the WVCHIP financial plan for FY 2016 and beyond.

It should be noted that CHIPRA requires WVCHIP to pay Federally Qualified Health Centers (FQHC) and Rural Health Centers (RHC) a prospective payment for each visit based on the centers' reasonable costs. This regulation was applicable to services rendered by centers to WVCHIP members starting October 1, 2009. Retrospective payments were approximately $1,991,775 for claims with dates of services October 1, 2009 and after that were paid through September 30, 2011. Claims received after July 1, 2011 with dates of service on or after July 1, 2011 were processed under the new prospective payment methodology. Future PPS expenditures are projected as a component of medical and prescription drug per capita cost assumptions based on historical PPS payments.

This projection includes an additional $500,000 for vaccines purchased through the Vaccines for Children program ("VFC") using federally contracted rates. CHIP paid $1,298,881 to VFC in FY 2015 for vaccines. This amount was the result of a review conducted by CDC on billings for these services. Furthermore, we also included in the projection an additional $20,000 to allow primary care physicians to apply fluoride varnish in connection with a well-child exam for members ages 1 through 4.

In addition, this report includes the following anticipated costs from CHIPRA requirements and the FY 2016 State Plan Amendment:

- Reduction in the length of the waiting period from 6 to 3 months for WVCHIP Gold (Below 150% FPL) and WVCHIP Blue (Between 150% and 200% FPL), and from 12 to 3 months for WVCHIP Premium (Between 200% and 300% FPL). Effective October 1, 2013, there would be no more waiting periods for new members to assure that members do not experience a gap in coverage while their eligibility transitions from CHIP to APTC eligibility or other insurance.

- Elimination of annual and lifetime benefit maximums effective July 1, 2011.

- Removal of the limit in dental coverage for WVCHIP Premium members, and include coverage for Orthodontic services.

- Addition of the vision benefit for WVCHIP Premium members.

- Addition of approximately $400,000 due to legislatively mandated coverage of autistic medical services, effective July 1, 2011.

PLAN ENROLLMENT

We have updated our projection based on the enrollment through June 2016. WVCHIP Gold enrollment has decreased in recent months. The program had enrollment at the end of FY 2015 of 19,447 children, 4,588 under WVCHIP Gold, 9,965 under WVCHIP Blue, and 4,894 under WVCHIP Premium. Current enrollment as of June 2016 is 20,531 children, with 4,344 under WVCHIP Gold, 10,958 under WVCHIP Blue, and 5,229 under WVCHIP Premium.

It is noteworthy that WVCHIP Premium enrollment has been increasing gradually while the WVCHIP Gold has been decreasing. Based on our observation of the historical enrollment movement, we have assumed that all enrollments will remain constant in future years. We will continue to monitor the projected enrollment by actual results and make adjustments as necessary.

The following table summarizes the FY 2016 enrollment information using end of month enrollment information by WVCHIP Gold, WVCHIP Blue, WVCHIP Premium and in total:

Date	WVCHIP Gold	WVCHIP Blue	WVCHIP Premium	Total	Annual % Growth
Jun-03	14,243	7,554		21,797	8.8%
Jun-04	15,015	8,417		23,432	7.5%
Jun-05	15,571	8,944		24,515	4.6%
Jun-06	15,907	8,928		24,835	1.3%
Jun-07	15,658	9,181	100	24,939	0.4%
Jun-08	15,227	8,902	289	24,418	-2.1%
Jun-09	14,727	9,164	664	24,555	0.6%
Jun-10	15,385	8,381	1,058	24,824	1.1%
Jun-11	14,649	8,505	1,386	24,540	-2.1%
Jun-12	14,241	8,691	2,182	25,114	2.3%
Jun-13	14,769	8,013	2,168	24,950	-0.7%
Jun-15	4,588	9,965	4,894	19,447	-18.8%
Jul-15	4,794	10,015	4,938	19,747	-14.8%
Aug-15	4,857	10,089	4,913	19,859	-13.2%
Sep-15	4,971	10,082	4,894	19,947	-7.9%
Oct-15	4,756	10,319	4,944	20,019	-5.3%
Nov-15	4,550	10,407	5,004	19,967	-3.9%
Dec-15	4,478	10,558	5,077	20,113	0.9%
Jan-16	4,435	10,704	5,129	20,268	7.8%
Feb-16	4,387	10,825	5,130	20,342	11.8%
Mar-16	4,381	10,870	5,177	20,428	9.7%
Apr-16	4,351	10,901	5,175	20,427	8.4%
May-16	4,338	10,987	5,175	20,500	6.9%
Jun-16	4,344	10,958	5,229	20,531	5.6%

The table below summarizes the projected fiscal year June 30th ending enrollment assumptions for Baseline Scenario by WVCHIP Gold & Blue and WVCHIP Premium.

Baseline Scenario (300% FPL)

Year End Enrollment	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
WVCHIP Gold & Blue	15,302	15,302	15,302	15,302	15,302	15,302	15,302
WVCHIP Premium	5,229	5,229	5,229	5,229	5,229	5,229	5,229
Total	20,531	20,531	20,531	20,531	20,531	20,531	20,531

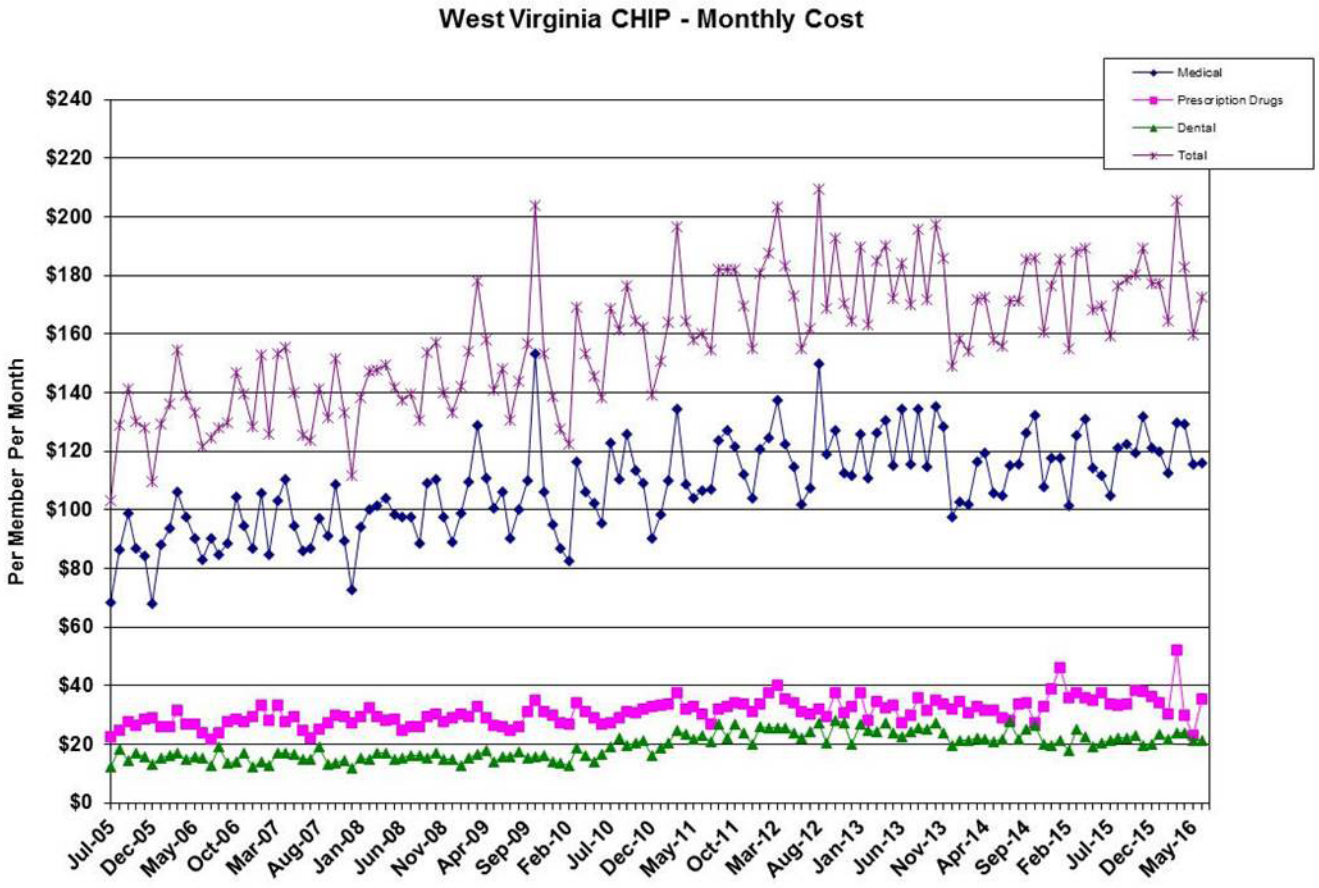
CLAIM COST AND TREND ANALYSIS

The plan has experienced favorable claim experience with overall 12-month trend of 0.9%. We have maintained the medical, dental and prescription drugs trend assumptions from the March 31, 2016 Quarterly Report. The trend assumptions have been established as 3% for medical claims, 3% for dental claims and 8% for prescription drugs claims. Detail historical claim trend analysis for medical, dental and prescription drugs are summarized in the Attachments found at the end of the report.

Overall, the recent experience remains favorable compared to our trend assumptions for each trend component. The table below summarizes WV CHIP experience over the last six months, nine months and twelve months as of June 30, 2016. Overall trend experience has been favorable, with a composite trend of 0.9% over the last twelve months. Note that Prescription Drugs trends are gross of prescription drug rebates received from Express Scripts and Bayer.

Trend Period	Six Months	Nine Months	Twelve Months
Medical	3.1%	3.4%	1.9%
Dental	6.8%	2.7%	-1.4%
Prescription Drugs	-10.1%	-2.9%	-1.2%
Composite	0.7%	2.0%	0.9%

The following graph summarizes incurred claims on a per member per month ("PMPM") basis for the major categories of medical, dental and prescription drugs based on information received through June 2016. The attachment at the end of this report shows the trends for WVCHIP Gold & Blue and an average for the same three categories.



Detailed claim trends for medical, dental and prescription drugs are summarized in the Attachment found at the end of the report.

FINANCIAL PROJECTION – STATE FISCAL YEARS 2016-2022

Under the Baseline Scenario, we have assumed that State funding to be $0 in FY 2016 and in future years. At the Federal level, the Federal funding for West Virginia is assumed to be $45,131,705 in FY 2016 after the reductions for the Federal funding share to be used for CHIP children that transferred to Medicaid, and we have assumed that the Federal funding remains constant in the future.

The updated incurred claims for FY 2016 is $43,618,137 based on the fiscal year 2016 average enrollment of 20,179 children and the incurred claim per member per month cost data assumption of $180.13, as summarized in the following table.

Category	Current Report FY2016 Baseline Incurred Claims	Current Report FY2016 Baseline Per Member Per Month	3/31/16 Report FY2016 Baseline Per Member Per Month	12/31/15 Report FY2016 Baseline Per Member Per Month
Medical	$29,799,302	$123.07	$126.22	$124.95
Prescription Drugs	8,474,070	35.00	38.52	40.08
Dental	5,344,765	22.07	22.61	22.44
Total	$43,618,137	$180.13	$187.35	$187.46

The Medicaid Children Transfer Cost Baseline Scenario financial forecast for the Federal and State fiscal years 2016 through 2022 can be found in Appendix A. This scenario is based on the assumption that Federal and State funding will be transferred to West Virginia Medicaid to cover transferred children. Based on the assumptions developed under Baseline Scenario, we are not projecting a shortfall in State funding under the 90% funding requirement based on funding levels provided by CHIP management through FY 2022.

At the Federal level, we are projecting a shortfall in Federal funding in FY 2021 through FY 2022 in the Baseline Scenario under the assumption of Medicaid eligibility of the HCR Bill. It should be noted that the HCR Bill addresses a 23% increase in Federal participation for FY 2016 through 2019, which would make the CHIP Program 100% federally funded starting October 1, 2015, the first day of Federal FY 2016.

Appendix A shows the Baseline Scenario with seven-year projection period as requested by CHIP management. The first section of the report is the beginning balances of both Federal and State funding sources. The middle section of the report projects and reports on incurred claim, paid claim and administrative expenses, as well as expected Interest earnings and accrued prescription drugs rebates. This section also projects Federal and State shares of paid expenses, as well as incurred but not received ("IBNR") claim liabilities. The last section of the report projects the ending balances of both Federal and State funding sources.

It should be noted that the Congress has not provided projections of expected Federal funding in the final years of the projection and these estimates are subject to change.

STATEMENT OF ACTUARIAL OPINION

I, Dave Bond, Managing Partner of Continuing Care Actuaries, hereby certify that I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the actuarial qualification standards to render Statements of Actuarial Opinion for Children Health Insurance Program and other self-insured entities. I have been retained by CHIP to render a Statement of Actuarial Opinion regarding the methods and underlying assumptions developed and used in this analysis.

This Statement of Actuarial Opinion was prepared in a manner consistent with the Code of Professional Conduct and Qualification Standards of the American Academy of Actuaries, and the Standards of Practice of the Actuarial Standards Board. Concerning the projection of healthcare expenses, I am of the opinion that the data and assumptions used are appropriate.

In my opinion, all estimated program and administrative costs of the agency under the plan, including incurred but unreported claims, will not exceed 90 percent of the funding available to the program for the future fiscal years 2016 through 2022 based on current enrollment under the Baseline Scenario.

It should be noted that this opinion is based on State funding levels as illustrated in Appendix A and FY 2016 through FY 2022 have not been appropriated by the West Virginia Legislature.

Respectfully,

Dave Bond, F.S.A., F.C.A., M.A.A.A.
Managing Partner

Chris Borcik, F.S.A., F.C.A., M.A.A.A.
Principal

APPENDIX A
West Virginia Children's Health Insurance Program
June 30, 2016 Quarterly Report
Medicaid Children Transfer Cost Baseline Scenario

Available Funding - Beginning of the Year	2016	2017	2018	2019	2020	2021	2022
Federal 2014	$3,402,219	$0	$0	$0	$0	$0	$0
Federal 2015	38,418,019	255,564	0	0	0	0	0
Federal 2016	45,131,705	45,131,705	0	0	0	0	0
Federal 2017	0	43,937,685	28,641,207	0	0	0	0
Federal 2018	0	0	43,529,168	23,807,335	0	0	0
Federal 2019	0	0	0	43,112,888	16,471,469	0	0
Federal 2020	0	0	0	0	42,688,700	6,519,509	0
Federal 2021	0	0	0	0	0	42,256,452	0
Federal 2022	0	0	0	0	0	0	41,815,991
State 2014	$1,853,958	$0	$0	$0	$0	$0	$0
State 2015	5,762,111	5,419,532	3,613,021	3,613,021	3,613,021	3,613,021	3,613,021
State 2016	0	0	0	0	0	0	0
State 2017	0	0	0	0	0	0	0
State 2018	0	0	0	0	0	0	0
State 2019	0	0	0	0	0	0	0
State 2020	0	0	0	0	0	0	0
State 2021	0	0	0	0	0	0	0
State 2022	0	0	0	0	0	0	0
Program Costs	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
WVCHIP Gold & Blue & Premium & PEIA Children							
Medical Expenses	$29,799,302	$31,229,465	$32,166,349	$33,131,339	$34,125,279	$35,149,038	$36,203,509
Prescription Drugs Expenses	8,474,070	9,311,872	10,056,822	10,861,368	11,730,277	12,668,699	13,682,195
Dental Expenses	5,344,765	5,601,278	5,769,316	5,942,395	6,120,667	6,304,287	6,493,416
Administrative Expenses	3,563,721	3,741,907	3,929,003	4,125,453	4,331,726	4,548,312	4,775,727
Premiums (WVCHIP Premium)	$2,127,475	$2.196,180	$2,196,180	$2,196,180	$2,196,180	$2,196,180	$2,196,180
Program Revenues-Interest	$59,987	$42,686	$28,458	$28,458	$28,458	$28,458	$28,458
Program Revenues-Drugs Rebates/Subrogation	1,233,185	1,282,512	1,333,812	1,387,164	1,442,651	1,500,357	1,560,371
Net Incurred Program Costs Excluding Interest	$43,821,199	$46,405,830	$48,391,497	$50,477,211	$52,669,118	$54,973,799	$57,398,296
Net Paid Program Costs	37,928,324	50,858,830	48,191,497	50,267,211	52,448,118	54,741,799	57,154,296
Federal Share of Expenses	$41,564,674	$46,363,144	$48,363,040	$50,448,754	$52,640,661	$54,945,342	$57,369,839
State Share of Expenses - Net of Interest	2,196,538	0	0	0	0	0	0
Beginning IBNR	$3,557,125	$9,450,000	$4,997,000	$5,197,000	$5,407,000	$5,628,000	$5,860,000
Ending IBNR	9,450,000	4,997,000	5,197,000	5,407,000	5,628,000	5,860,000	6,104,000

APPENDIX A
West Virginia Children's Health Insurance Program
June 30, 2016 Quarterly Report
Medicaid Children Transfer Cost Baseline Scenario

Funding Sources - End of the Year	2016	2017	2018	2019	2020	2021	2022
Federal 2014	$0	$0	$0	$0	$0	$0	$0
Federal 2015	255,564	0	0	0	0	0	0
Federal 2016	45,131,705	0	0	0	0	0	0
Federal 2017	0	42,961,810	0	0	0	0	0
Federal 2018	0	0	23,807,335	0	0	0	0
Federal 2019	0	0	0	16,471,469	0	0	0
Federal 2020	0	0	0	0	6,519,509	0	0
Federal 2021	0	0	0	0	0	0	0
Federal 2022	0	0	0	0	0	0	0
Federal Shortfall	***$0***	***$0***	***$0***	***$0***	***$0***	***$6,169,381***	***$15,553,848***
State 2014	$0	$0	$0	$0	$0	$0	$0
State 2015	5,419,532	5,419,532	3,613,021	3,613,021	3,613,021	3,613,021	3,613,021
State 2016	0	0	0	0	0	0	0
State 2017	0	0	0	0	0	0	0
State 2018	0	0	0	0	0	0	0
State 2019	0	0	0	0	0	0	0
State 2020	0	0	0	0	0	0	0
State 2021	0	0	0	0	0	0	0
State 2022	0	0	0	0	0	0	0
State Shortfall	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***
State Shortfall – 90% Funding Requirement	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***

CONTINUING CARE ACTUARIES

415 Main Street
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410-833-4229 (fax)
www.continuingcareactuaries.com

December 21, 2016

Ms. Stacey L. Shamblin
Acting Director/Chief Financial Officer
West Virginia Children's Health Insurance Program
2 Hale Street, Suite 101
Charleston, WV 25301

Subject: West Virginia Children's Health Insurance Program – Review of Experience

Dear Stacey:

Continuing Care Actuaries was engaged by the management of West Virginia Children's Health Insurance Program ("CHIP Program") to assist the West Virginia CHIP Board in the analysis of actual and projected plan experience and review the claim experience through October 2016. We conclude that the plan will continue to meet the statutory requirement of 10% reserve in FY 2017 based on the updated information. CHIP Program's financial projections continue to improve primarily due to a steady enrollment increase and a lower overall claims trend.

It is noteworthy that we are not projecting a shortfall in State funding based on funding levels provided by CHIP management through FY 2023 based on the assumption that future funding remains constant. After the September 30, 2016 Quarterly Report was issued in November 2016, several changes have occurred in the program:

- Fiscal Year 2017 average enrollment for the CHIP Program has increased from 20,742 in the September 30, 2016 Quarterly Report to 20,846 as of October 31, 2016.

- October 2016 claim experience showed the projected incurred FY 2017 expenditures to be $49,107,928, an increase of $187,238 from $ 48,920,690 in the September 30, 2016 Quarterly Report.

- The categories of FY 2017 medical and dental expenses in the current claim experience through October 2016 showed unfavorable experience over the September 30, 2016 Quarterly Report. Conversely, FY 2017 prescription drug expense in the current claim experience through October 2016 showed favorable experience over the September 30, 2016 Quarterly Report.

- Overall current PMPM cost for Fiscal Year 2017 is now projected to be $196.31, a slight decrease from the projected $196.55 PMPM cost in the September 30, 2016 Quarterly Report.

- Medical PMPM for Fiscal Year 2017 is now projected to be $135.72, an increase from the projected $134.80 PMPM cost in the September 30, 2016 Quarterly Report.

- Dental PMPM for Fiscal Year 2017 is now projected to be $23.57, a slight increase from the projected $23.32 PMPM cost in the September 30, 2016 Quarterly Report.

- Prescription Drugs PMPM for Fiscal Year 2017 is now projected to be $37.03, a decrease from the projected $38.43 PMPM cost in the September 30, 2016 Quarterly Report.

The management of the CHIP Program provided the medical, dental and prescription drugs claim lag data, along with the program enrollment. I had reviewed the recent projections based on the gradually increasing projected enrollment and utilized our trend assumptions with the claim lag data. Actuarial methods, considerations and analyses relied on in forming my opinion conforms to the appropriate standard of practice as promulgated by the Actuarial Standards Board.

Please review this information and if you have any questions or comments about this letter, please feel free to call me at (410) 833-4220.

Sincerely,

Dave Bond, F.S.A., M.A.A.A.
Managing Partner

Program Outreach and Health Awareness

A Continuing Community Partnership

WVCHIP continues to work with many types of community partners and entities as identified in its State Plan; however, as enrollment has stabilized, efforts to promote public awareness of the program have shifted from an enrollment focus to one of promoting child health awareness and prevention messaging on topics such as childhood health screening, child development, immunizations, quality improvement and the importance of a medical home.

A Targeted Approach

Based on health insurance survey data from the U.S. Census Bureau's "2010 Annual Social and Economic Supplement," WVCHIP continues to monitor uninsured rates for West Virginia children in its monthly reports to legislative health committees reflecting both CHIP and Medicaid enrollment data for children at the county level. Some of the enrollment changes at the county level can be seen in the Statistical Section in Tables 8 and 9.

Public Information via the Helpline, Website, WVinRoads, and healthcare.gov

WVCHIP continues to make application and program information available through its 1-877-982-2447 toll-free Helpline, which averages 1,400 calls a month and mails out about 400 applications a month. Information is also available through the agency's website at www.chip.wv.gov where program guidelines and applications can be downloaded and printed. The WVCHIP website provides a wealth of information to the public about the agency, its governance, applying and enrolling, benefits, major annual reports, program statistics, and other program and health-related information.

An online electronic application process that allows people to apply from the convenience of home and print out their own applications is available by the DHHR Rapids Project at www.wvinroads.org. Many *INROADS* users who have evaluated the online application process have commented on its ease of use, costs avoided from travel to pick up applications, and time savings from having to wait in line at local offices. Since the implementation of the ACA in 2013, the INROADS application is also linked to the healthcare.gov website. This linkage of the federal state insurance marketplace with the INROADS online application process for both CHIP and Medicaid provides a "no wrong door" approach for any member of the public interested in healthcare coverage. With much of the recent enrollment growth for children seen this past year, it is clear this approach has brought the public coverage option to some families who were not aware of it and/or that they would have qualified for it.

WV Healthy Kids and Families Coalition-A Community and Faith-Based Emphasis

In the past year, WVCHIP supported those community partners interested in children's health through a three-tiered approach to outreach: tier one is promoting general awareness through information and materials; tier two is referral to partners or the Helpline to provide application information and program information; and tier three is application assistance from a local community partner who helps access electronic applications, answer questions, and actively guide an applicant through the process.

WVCHIP turns to the WV Healthy Kids and Families Coalition (WVHKF), a group of community and faith-based organizations able to conduct outreach throughout the State. WVHKF traditionally includes the WV Council of Churches, local community health centers, school nurses, child care agencies, and faith based community programs among others. Their efforts include regular online communication that goes out to all members interested in children's health issues.

Many participating coalition members keep CHIP applications at their work sites and help refer applicants to either the WVCHIP Helpline or local DHHR offices for assistance. Last year as many as 100 statewide partners ordered health informational materials from WVCHIP's website to promote children's health coverage at local events sponsored in their communities. This last year, the WVHKF fielded a mobile team who could reach out to community groups to help with questions related to enrollment in health coverage in this state's Marketplace.

Health Collaborative Efforts

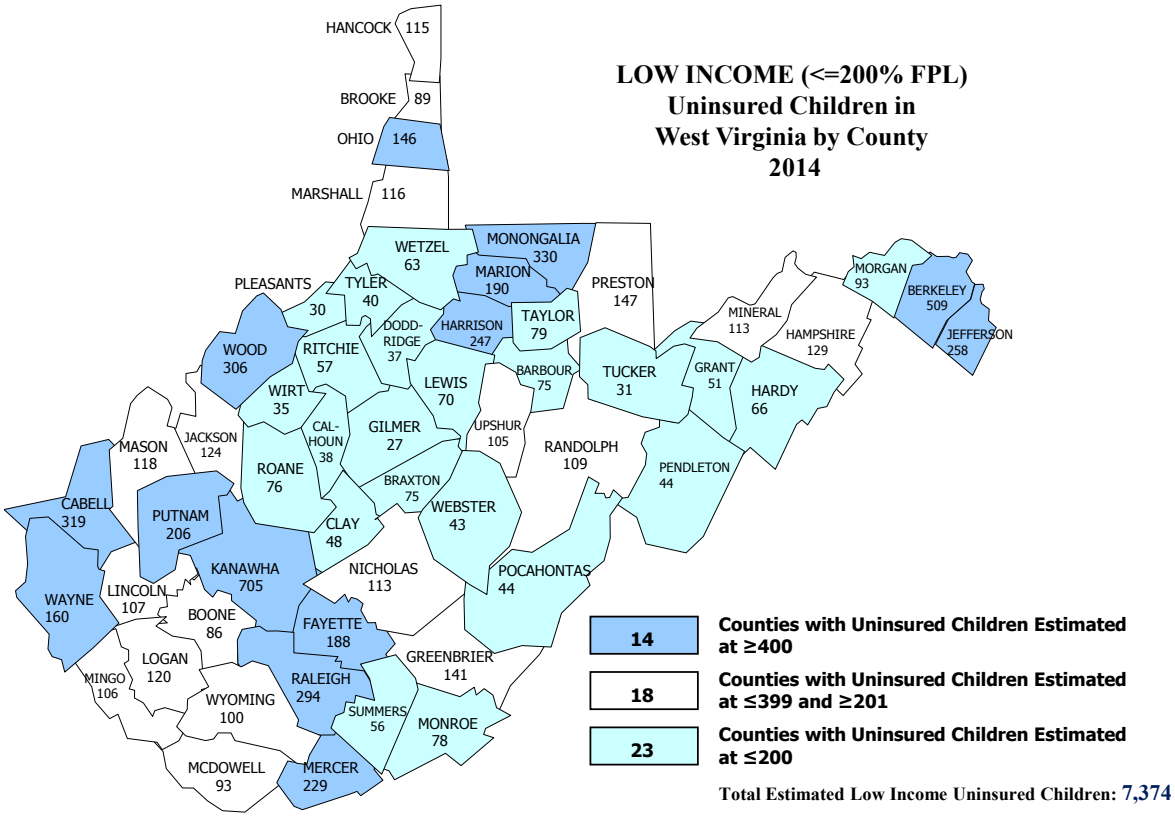
Collaborations are important to allow multiple agencies and entities inside and outside state government to integrate efforts related to a statewide mission for the health of West Virginia's children. WVCHIP prioritizes prevention efforts to support our State's Healthy People objectives for children.

The following projects and collaborative efforts were implemented in fiscal year 2016:

- WVCHIP continued participation in efforts to promote healthy lifestyles with the Action for Healthy Kids Coalition and West Virginia Oral Health Coalition.
- WVCHIP continued to promote full periodic and comprehensive well-child visits recommended by pediatricians in a "HealthCheck" Campaign. WVCHIP sponsored health messages focusing on vision, dental, development, and hearing screenings that appeared in Child Care Provider Quarterly Magazine. WVCHIP supports the "HealthCheck" form as a standard form or model for provider use in all well-child exam visits.
- WVCHIP participates on the Oral Health Advisory Board to advise implementation of the State's Oral Health Plan, first reported to the Legislature in 2010.

- Recognizing some children's health coverage is jeopardized when parents lose employer coverage due to workforce reductions, WVCHIP continued to support dislocated workers this year. Staff members or outreach partners can be on hand as part of teams to provide CHIP information at sessions for dislocated workers.
- WVCHIP information flyers and pocket slide guidelines on the "ABC's of Baby Care" were provided in Day One Program packets to be distributed to all new mothers at participating West Virginia hospitals.
- WVCHIP was a sponsor of the West Virginia Perinatal Partnership, a group of healthcare practitioners seeking to drive quality improvement for women in pregnancy and birth outcomes for newborns.
- WVCHIP continues to partner with the "Help Me Grow" program to help make health providers aware of these services which focus on developmental screening for children from birth through age 5. The program maintains a 1-800 toll-free line to assist families and providers find additional needed services and social support to address issues at these early ages and stages of development.
- WVCHIP participates in the West Virginia Immunization Network (WIN) and at WIN's request participated in a panel presentation for the annual school nurses conference this year concerning ways of increasing the number and the quality of Well Child Visits for children of all ages.

Targeted Outreach For Uninsured Children



The above map shows the most recent 2014 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 under 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.

Statistical Section

What A Difference CHIP Can Make -

"WVCHIP is an important program which allowed me to keep my son insured at a reasonable rate and allowed us an affordable plan. The premiums were low in comparison to private insurance carriers. This plan covered all his medical needs: medical, dental, vision. I never had any problems locating a participating provider or accessing medical care. Had it not been for WVCHIP I'm not sure I would have been able to maintain health insurance coverage for my son at times as I was over the WV Medicaid income guidelines."

Niki Rice
Former CHIP Parent

All statistics are for the state fiscal year ended June 30, 2016, unless noted otherwise.

Table 1: Enrollment

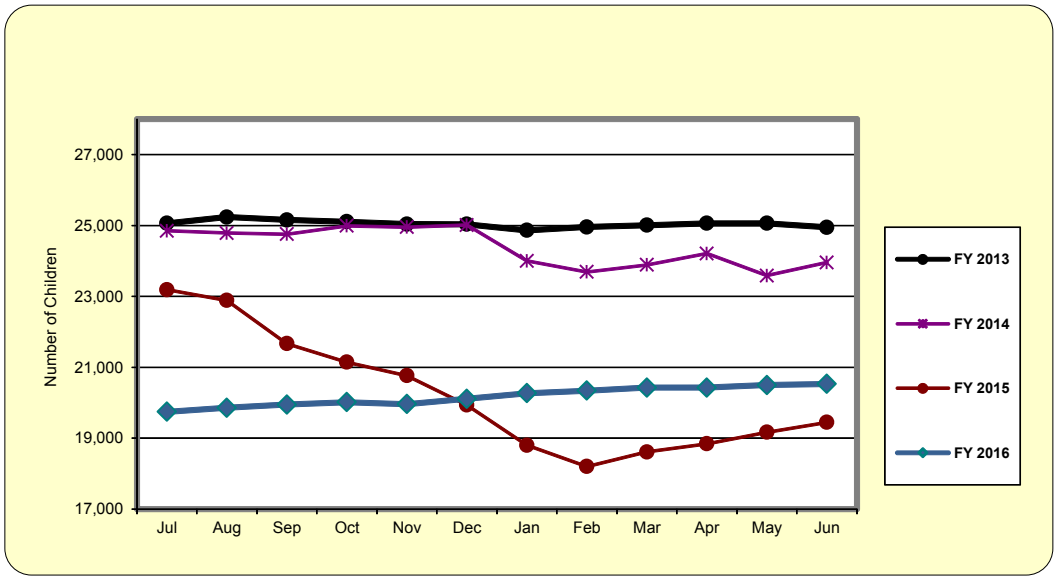
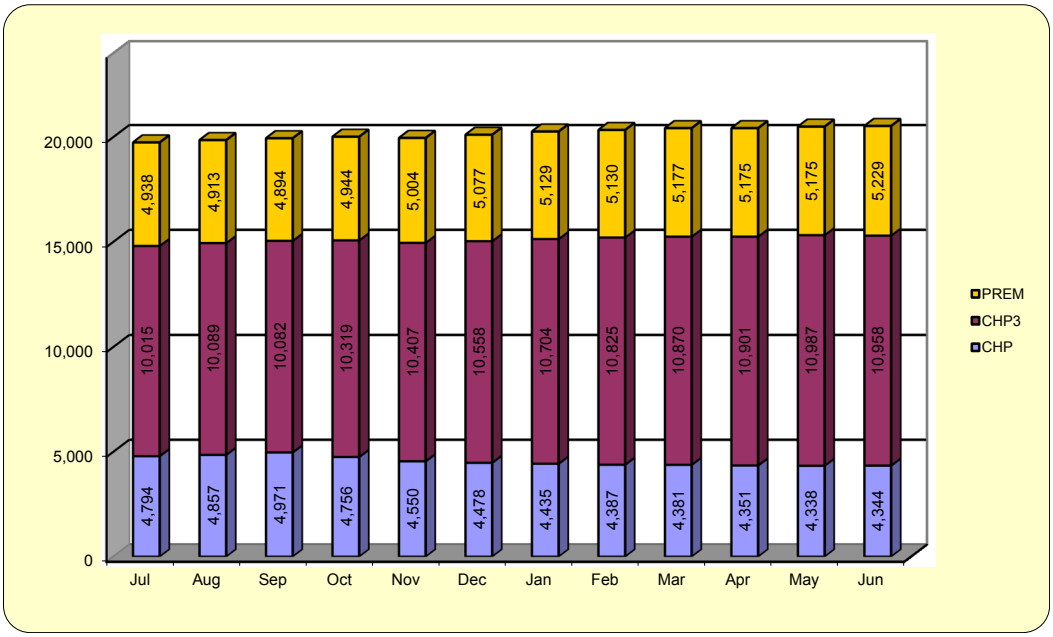
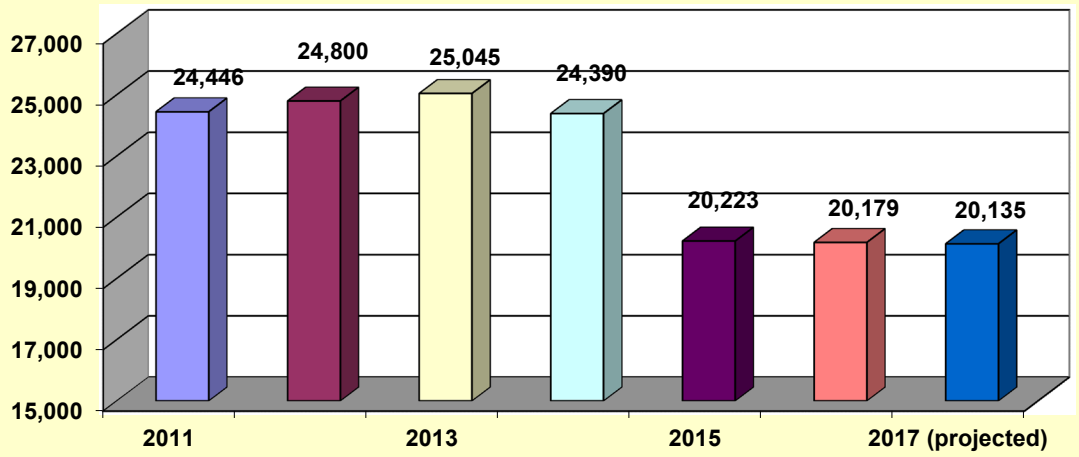


Table 2: Enrollment Detail



Note: CHIP Blue (Phase III) Effective October 2000 PREMIUM effective January 1, 2007

Table 3: Average Enrollment
SFY 2011 - 2017



Unduplicated Count of Children Served in WVCHIP Each Year on June 30

Year	Number	% Change
2001	30,006	
2002	33,569	+11.9%
2003	33,709	+0.4%
2004	35,495	+5.3%
2005	36,978	+4.2%
2006	38,064	+2.9%
2007	38,471	+1.1%
2008	37,707	-0.7%
2009	37,874	+0.4%
2010	37,758	-0.3%
2011	37,835	-0.2%
2012	37,608	-0.5%
2013	37,413	-0.5%
2014	34,438	-8.0%
2015	34,729	+0.8%
2016	30,829	-11.2%

Total unduplicated number of children ever enrolled as of June 30, 2016 in WVCHIP since inception:
174,290

Table 4: Enrollment By Gender

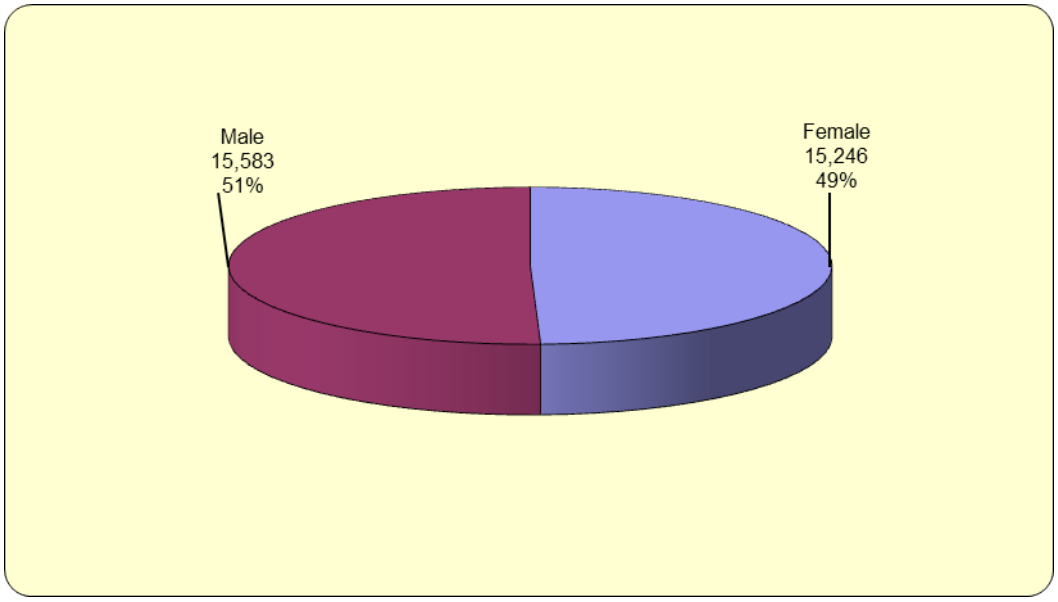


Table 5: Enrollment By Age

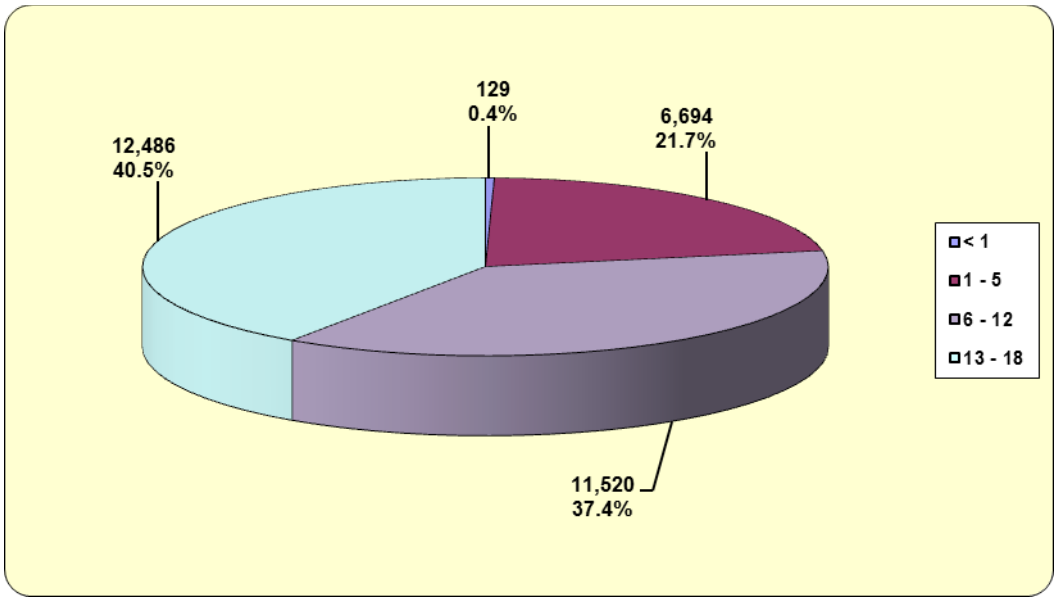
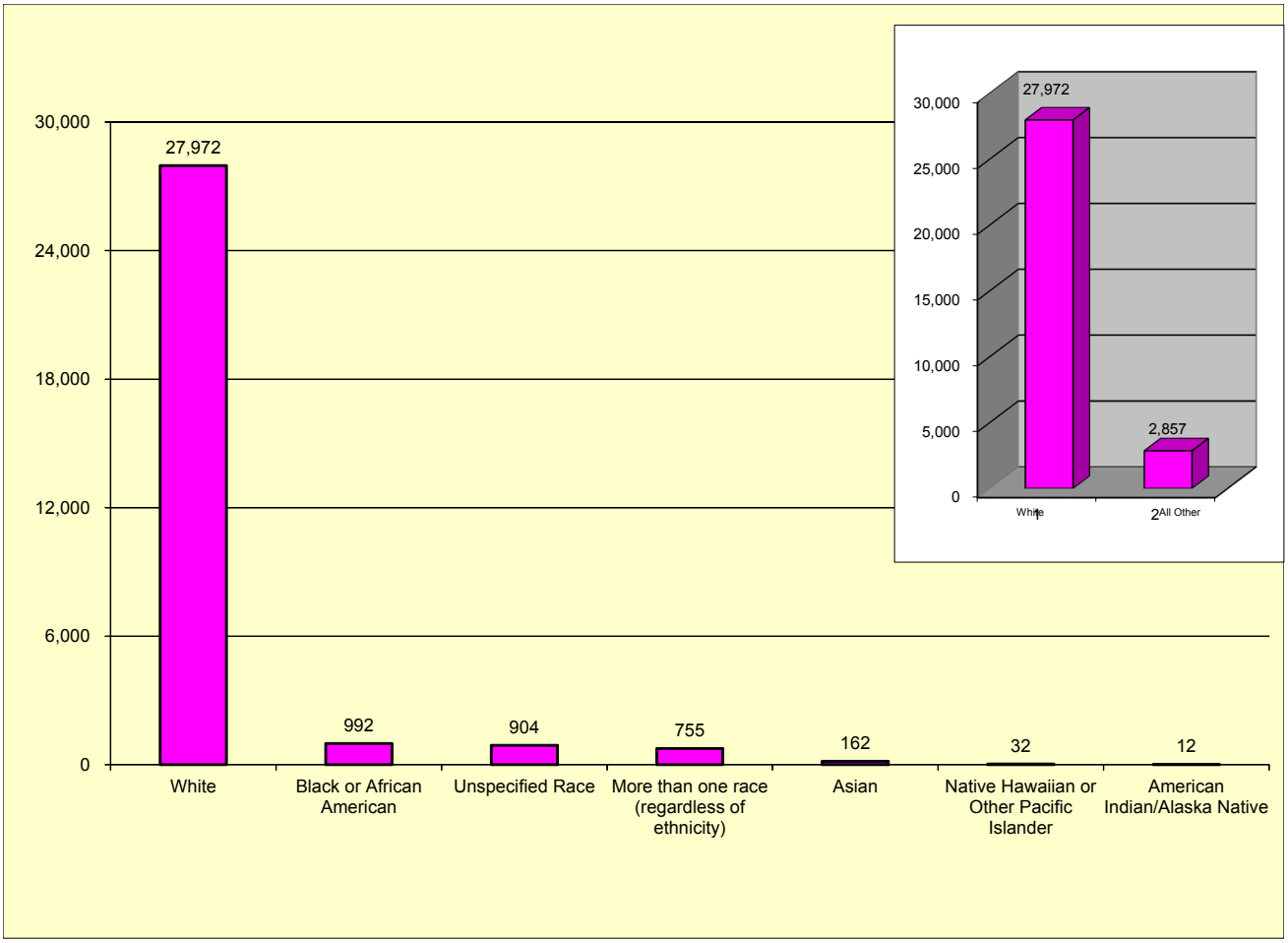
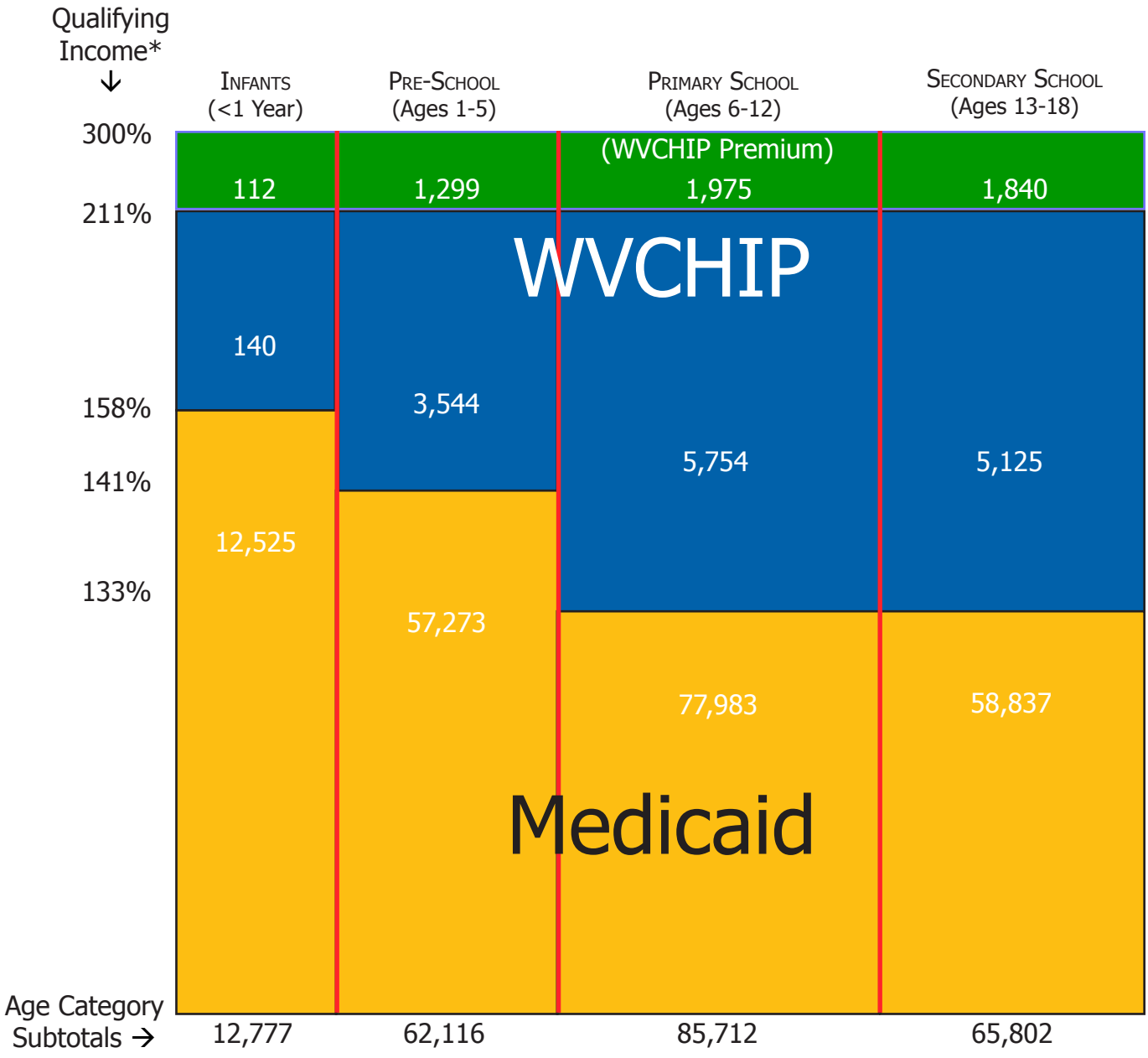


Table 6: Enrollment By Race/Ethnicity



Race/Ethnicity	WV CHIP Population	% of WV CHIP Population	WV Population Under 18 Years	% of WV Population Under 18 Years
White	27,972	90.7%	404,368	93.6%
Black or African American	992	3.2%	13,825	3.2%
Unspecified Race	904	2.9%	864	0.2%
More than one race (regardless of ethnicity)	755	2.4%	8,640	2.0%
Asian	162	0.5%	3,024	0.7%
Native Hawaiian or Other Pacific Islander	32	0.1%	432	0.1%
American Indian/Alaska Native	12	0.0%	864	0.2%
Total	**30,829**	**100.0%**	**432,017**	**100.0%**

Table 7: Health Coverage Of West Virginia Children By WVCHIP And Medicaid June 30, 2016



*Household incomes through 300% of the Federal Poverty Level (FPL)

Total WVCHIP Enrollment **19,789** **Total WV Medicaid Enrollment** **206,618**

Total # of Children Covered by WVCHIP and Medicaid **226,407**

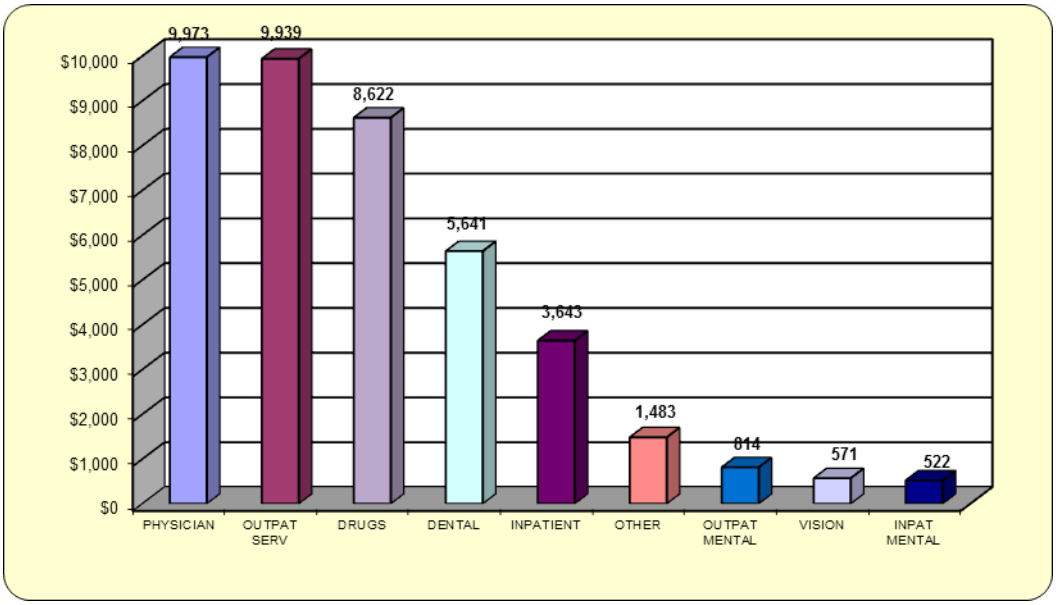
Table 8: Enrollment Changes By County
As % Difference from July 2015 through June 2016

County	Total Enrollees July 2015	Total Enrollees June 2016	Difference	% Change	
Boone	210	261	51	20%	
Jackson	311	378	67	18%	
Brooke	189	223	34	15%	
Monroe	201	235	34	14%	
Marion	497	567	70	12%	
Hampshire	200	228	28	12%	
Clay	132	149	17	11%	
Morgan	197	222	25	11%	
Cabell	864	973	109	11%	
Greenbrier	501	563	62	11%	
McDowell	178	198	20	10%	
Lewis	188	209	21	10%	
Mineral	217	240	23	10%	
Hardy	142	157	15	10%	
Putnam	522	576	54	9%	
Randolph	421	458	37	8%	
Preston	369	400	31	8%	
Kanawha	1,776	1,925	149	8%	
Monongalia	723	781	58	7%	
Jefferson	503	543	40	7%	
Logan	362	386	24	6%	
Ohio	385	407	22	5%	
Mercer	784	825	41	5%	
Roane	269	283	14	5%	
Berkeley	1,327	1,389	62	4%	
Mason	233	242	9	4%	
Doddridge	79	82	3	4%	**MEDIAN**
Harrison	821	848	27	3%	
Wood	854	879	25	3%	
Summers	150	154	4	3%	
Tucker	91	93	2	2%	
Wayne	356	359	3	1%	
Wetzel	174	174	0	0%	
Hancock	309	308	-1	0%	
Barbour	227	224	-3	-1%	
Upshur	311	306	-5	-2%	
Fayette	697	679	-18	-3%	
Pocahontas	136	132	-4	-3%	
Raleigh	1,035	1,003	-32	-3%	
Braxton	175	168	-7	-4%	
Mingo	229	215	-14	-7%	
Nicholas	334	313	-21	-7%	
Taylor	200	186	-14	-8%	
Lincoln	287	261	-26	-10%	
Marshall	284	257	-27	-11%	
Grant	117	104	-13	-13%	
Ritchie	124	109	-15	-14%	
Webster	135	116	-19	-16%	
Wirt	70	59	-11	-19%	
Gilmer	66	55	-11	-20%	
Wyoming	354	294	-60	-20%	
Pendleton	87	72	-15	-21%	
Tyler	121	100	-21	-21%	
Pleasants	109	87	-22	-25%	
Calhoun	114	76	-38	-50%	
Totals	**19,747**	**20,531**	**784**	**4%**	
12-Mo. Ave.		***20,179***	***65***	***0%***	

Table 9: Enrollment Changes By County
As % of Children Never Before Enrolled from July 2015 through June 2016

County	Total Enrollees July 2015	Total Enrollees June 2016	Difference	% Change	
Boone	210	261	51	20%	
Jackson	311	378	67	18%	
Brooke	189	223	34	15%	
Monroe	201	235	34	14%	
Marion	497	567	70	12%	
Hampshire	200	228	28	12%	
Clay	132	149	17	11%	
Morgan	197	222	25	11%	
Cabell	864	973	109	11%	
Greenbrier	501	563	62	11%	
McDowell	178	198	20	10%	
Lewis	188	209	21	10%	
Mineral	217	240	23	10%	
Hardy	142	157	15	10%	
Putnam	522	576	54	9%	
Randolph	421	458	37	8%	
Preston	369	400	31	8%	
Kanawha	1,776	1,925	149	8%	
Monongalia	723	781	58	7%	
Jefferson	503	543	40	7%	
Logan	362	386	24	6%	
Ohio	385	407	22	5%	
Mercer	784	825	41	5%	
Roane	269	283	14	5%	
Berkeley	1,327	1,389	62	4%	
Mason	233	242	9	4%	
Doddridge	79	82	3	4%	**Median**
Harrison	821	848	27	3%	
Wood	854	879	25	3%	
Summers	150	154	4	3%	
Tucker	91	93	2	2%	
Wayne	356	359	3	1%	
Wetzel	174	174	0	0%	
Hancock	309	308	-1	0%	
Barbour	227	224	-3	-1%	
Upshur	311	306	-5	-2%	
Fayette	697	679	-18	-3%	
Pocahontas	136	132	-4	-3%	
Raleigh	1,035	1,003	-32	-3%	
Braxton	175	168	-7	-4%	
Mingo	229	215	-14	-7%	
Nicholas	334	313	-21	-7%	
Taylor	200	186	-14	-8%	
Lincoln	287	261	-26	-10%	
Marshall	284	257	-27	-11%	
Grant	117	104	-13	-13%	
Ritchie	124	109	-15	-14%	
Webster	135	116	-19	-16%	
Wirt	70	59	-11	-19%	
Gilmer	66	55	-11	-20%	
Wyoming	354	294	-60	-20%	
Pendleton	87	72	-15	-21%	
Tyler	121	100	-21	-21%	
Pleasants	109	87	-22	-25%	
Calhoun	114	76	-38	-50%	
Totals	**19,747**	**20,531**	**784**	**4%**	
12-Mo. Ave.		***20,179***	***65***	***0%***	

Table 10: Expenditures by Provider Type
Accrual Basis



Expenditures by Provider Type
Accrual Basis

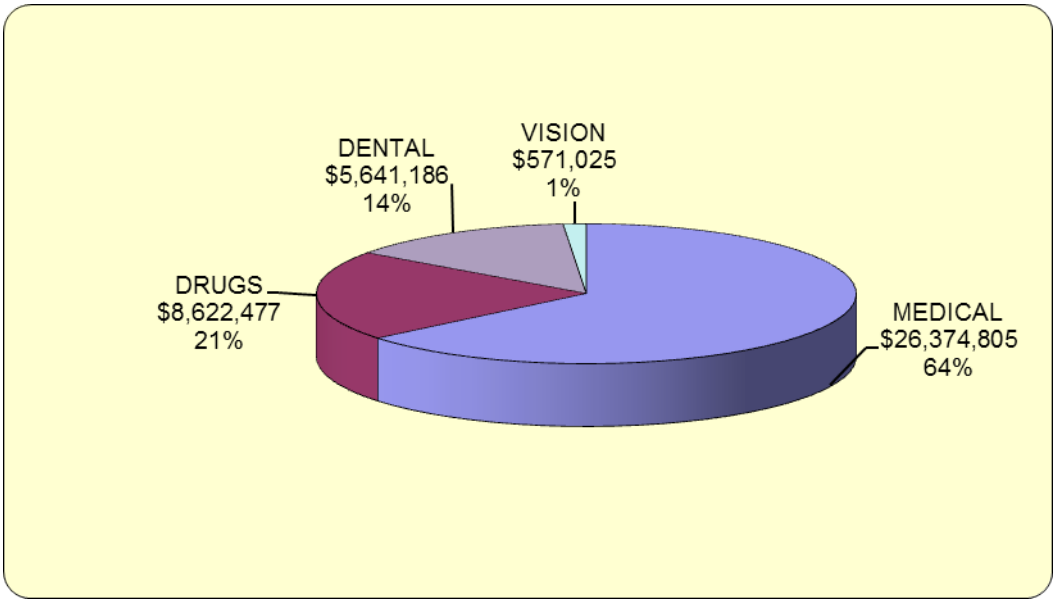


Table 11: Total Program Expenditures

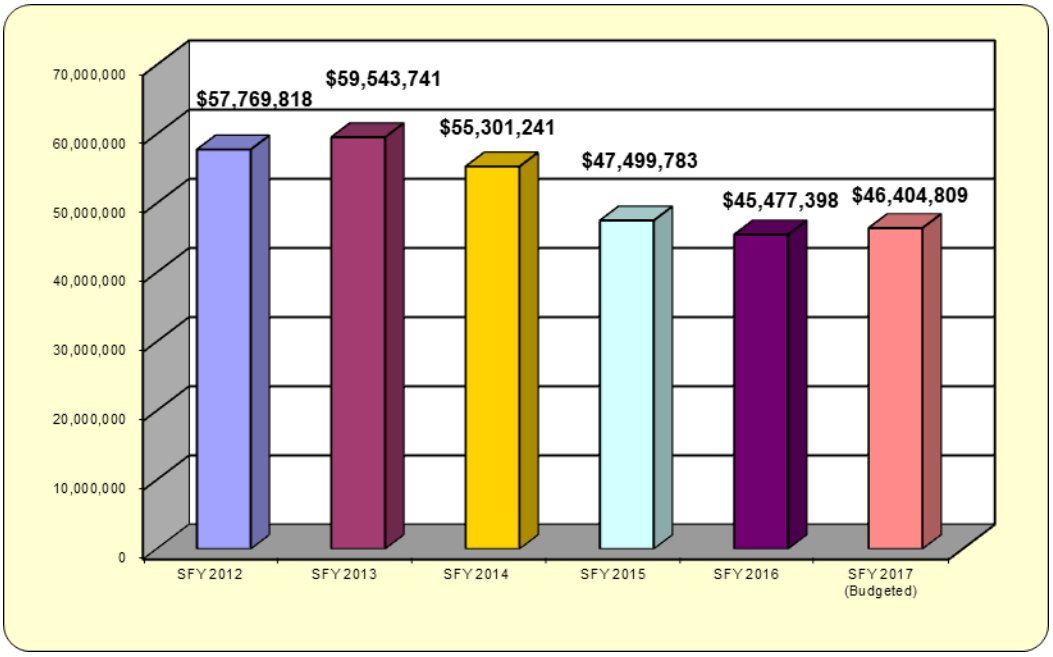
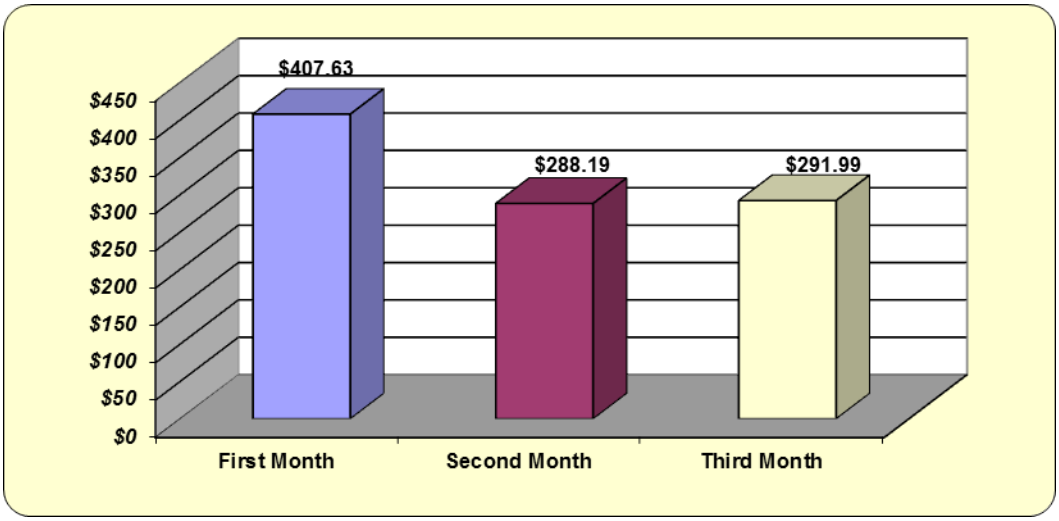


Table 12: Average Claimant Costs in First Three Months

Showing Pent Up Demand For Services Upon Enrollment



WVCHIP Set of Pediatric Core Measures 2015

In early 2010 the Secretary of the U.S. Department of Health and Human Services identified 24 pediatric core measures for which state CHIP and Medicaid programs could begin voluntary reporting. WVCHIP extracts this information to the extent possible from administrative and claims data. Most of the data is extracted according to specifications developed for the Healthcare Effectiveness Data and Information Set (HEDIS®). Some core measures were developed by other states who are the measure steward (the expert group setting the measure specifications) and were recommended for inclusion in the core set by national panels of experts. The most common measure steward is the National Committee of Quality Assurance (NCQA). The NCQA oversees and revises its HEDIS set as recommended. Since 2010, WVCHIP has expanded the number of reported measures to include 17 measures of the national measure set which is reported annually to the Centers for Medicare and Medicaid Services (CMS). This set of measures is expected to be studied and evaluated and to become a mandatory reporting set for all states' CHIP and Medicaid child health programs in the near future. In addition, West Virginia's Medicaid program requires reporting of specific pediatric measures through its managed care contracts to drive measurement and improvement in child population health.

HEDIS® is the registered trademark set of standardized health performance measures that identifies only those individuals with continuous 12-months enrollment for the measurement period before treatment or visit data can be included in calculating the measure. This helps to assure that the population measured is comparable from one health plan to another. It also means that it only captures a subset of the child enrollees in the CHIP program each year as the denominator. For this reason WVCHIP also tracks and maintains utilization rates for many HEDIS®-type measures, similar to measures reported here, in order to have health indicators for the entire unduplicated enrolled WVCHIP population each year. This data also can be shared upon request to WVCHIP management. HEDIS® specifications are annually reviewed and their sponsorship, support, and maintenance is under the aegis of the NCQA. HEDIS®-type data are those that do not meet the continuous 12-months enrollment definition for the denominator, but do meet additional HEDIS® specifications for the numerator of the measure. WVCHIP has maintained a number of these HEDIS®-type measures as measures important to the child population for prevention (dental care) and chronic care (diabetes and asthma).

The Center for Medicaid, CHIP and Survey and Certification (CMCS) has continued to expand the Child Core Healthcare Quality Measure Sets again for this reporting year 2015. States currently report on 26 measures. CMCS involved stakeholders in identifying an additional two core sets of healthcare quality measures that can be used to assist in assessing the quality of care provided to children in CHIP. West Virginia uses all reportable measures to assess, monitor, and identify areas for improvement in the care being provided to its members.

The measures are broken out into six domains: Primary Care Access and Preventive Care (9 measures), Maternal and Perinatal Health (8 measures), Care of Acute and Chronic Conditions (2 measures), Behavioral Health Care (4 measures), Dental and Oral Health Services (2 measures), and Experience of Care (1 measure).

Table 13
Childhood Immunization Status (CIS-CH)

Measure Steward: NCQA/HEDIS: The percentage of children two (2) years of age during calendar year 2015 who were continuously enrolled 12 months prior to the child's second birthday, and who had four diphtheria, tetanus, and acellular pertussis (DTAP), three polio (IPV), one measles mumps and rubella (MMR), three H influenza type B (Hib), three hepatitis B (HepB), one chicken pox (VZV), four pneumococcal conjugate vaccines (PCV), one Hepatitis A (HepA), two or three rotavirus (RV), and two influenza (flu) vaccines by their second birthday. The measure calculates a rate for each vaccine and nine (9) combination rates.

Age Group	Immunization Type	Number of Continuously Enrolled 2015	2015 Number Receiving Each Immunization	% Year 2015	2014 Number of Continuously Enrolled	Number Receiving Each Immunization 2014	% Year 2014	2013 Number of Continuously Enrolled	2013 Number Receiving Each Immunization	% Year 2013
2 years old	DTaP (four immunizations)	328	248	75.6	57	42	73.7	70	53	75.7
	IPV (three immunizations)	328	246	75.0	57	47	82.5	70	57	81.4
	MMR (one immunization)	328	241	73.5	57	57	100.0	70	70	100.0
	Hib (two immunizations)	328	169	51.5	57	48	84.2	70	70	100.0
	Hepatitis B (three immunizations)	328	120	36.6	57	29	50.9	70	41	58.6
	VZV (one immunization)	328	110	33.5	57	54	94.7	70	70	100
	PCV (four immunizations)	328	105	32.0	57	51	89.5	70	65	92.9
	Hep A (two immunizations)	328	105	32.0	57	52	91.2	70	70	100.0
	RV (two or three immunizations)	328	103	31.4	57	55	96.5	70	68	97.1
	Influenza (two immunizations)	328	103	31.4	57	49	86.0	70	62	88.6
	Total continuously enrolled	**328**	**155**	**47.3%**	**57**	**57**	**84.9%**	**63**	**57**	**90.9%**

Table 14
Immunizations for Adolescents (IMA-CH)

Measure Steward: NCQA/HEDIS: The percentage of adolescents who turned 13 years of age during calendar year 2015 and who were continuously enrolled 12 months prior to the adolescent's 13th birthday, and who had one dose of meningococcal vaccine (MCV4) and one tetanus, diphtheria toxoid and acellular pertussis vaccine (Tdap) or one tetanus, diphtheria toxoid vaccine (TD) by their 13th birthday. The measure calculates a rate for each vaccine and one combination rate.

Age Group	Immunization Type	Number of Continuously Enrolled	Number Receiving Immunization	% Year 2015	% Year 2014	% Year 2013
Adolescents 13 Years old	**Administration** **Combination (Meningococcal, Tdap/TD)**	581	475	81.8	74.1	73.4
	Meningococcal	290	13	4.5	74.1	73.4
	D/Tap	290	23	7.9	74.9	73.6
Total continuously enrolled		**581**	**475**	**81.8%**	**74.5%**	**75.3%**

NOTE: Immunization rates for all combination sets are available in WVCHIP's Annual Framework Report.

Table 15
Weight Assessment and Counseling for Nutrition and Physical Activity: BMI Assessment for Children/Adolescents (WCC-CH)

Measure Steward: NCQA/HEDIS: The percentage of members 3 to 17 years of age continuously enrolled for calendar year 2015 who had an outpatient visit with a PCP or OB/GYN and whose weight is classified based on body mass index (BMI) percentile for age and gender during the measurement year, defined by CPT/ICD-10 Codes available upon request.

Age Group	2015 Continuously Enrolled	2015 BMI/Nutrition & Counseling	% with Measure for Year 2015	% with Measure for Year 2014	% with Measure for Year 2013
Age 3 - 11	4,216	13	0.3	0.2	0.0
Ages 12 - 17	3,370	23	0.7	0.3	0.2
Ages 3 - 17 Total	**7,586**	**36**	**0.5%**	**0.2%**	**0.2%**

Table 16
Developmental Screening in the First 3 Years of Life (DEV-CH)

Measure Steward: Oregon Health and Science University: The percentage of children screened for risk of developmental, behavioral, and social delays using an age appropriate, standardized screening tool in the 12 months preceding their first, second, or third birthday. CPT Code 96110 (Developmental screening, with interpretation and report)

Age Group	Continuously Enrolled	Developmental Screening	% with measure for Year 2015	% with measure for Year 2014	% with Measure for Year 2013
Age 1	96	48	50.0	60.7	51.6
Age 2	318	151	47.5	50.0	47.3
Age 3	365	112	30.7	31.7	35.9
Total	**779**	**311**	**39.9%**	**41.8%**	**36.6%**

Table 17
Well Child Visits in the First 15 months of Life (W15-CH)

Measure Steward: NCQA/HEDIS: The percentage of members who turned 15 months old during calendar year 2015 and had zero, one, two, three, four, five, or six or more well-child visits with a PCP during their first 15 months of life as defined by CPT/ICD-10 Codes available upon request.

2015 Number of Children Continuously Enrolled Children	Number of Visits	Number of Children	% of Children for Year 2015
24	0	0	0.0
24	1	0	0.0
24	2	0	0.0
24	3	0	0.0
24	4	1	4.2
24	5	1	4.2
24	6 or more	22	91.7
2015 Total		**24**	**100.0%**

2014 Number of Continuously Enrolled Children	Number of Visits	Number of Children	% of Children for Year 2014
15	0	0	0.0
15	1	0	0.0
15	2	0	0.0
15	3	0	0.0
15	4	0	0.0
15	5	0	0.0
15	6 or more	15	100.0
2014 Total		**15**	**100.0%**

2013 Number of Continuously Enrolled Children	Number of Visits	Number of Children	% of Children for Year 2013
22	0	1	4.5
22	1	1	4.5
22	2	0	0.0
22	3	0	0.0
22	4	1	4.5
22	5	1	4.5
22	6 or more	18	81.8
2013 Total		**22**	**100.0%**

Table 18
Well Child Visits in the 3rd, 4th, 5th, and 6th Years of Life (W34-CH)

Measure Steward: NCQA/HEDIS: The number of children ages three to six years enrolled for calendar year 2015 who had one or more well-child visits with a PCP as defined by CPT/ICD-10 Codes available upon request.

Age Group	2015 Number of Continuously Enrolled Children	2015 Number Having Well Visit	% Year 2015	% Year 2014	% Year 2013
Well Child					
Less Than Or Equal To 15 Months	24.0	24.0	100.0	100.0	95.5
Third Year of Life	290.0	255.0	87.9	74.3	77.1
Fourth Year of Life	314.0	240.0	76.4	77.3	79.0
Fifth Year of Life	344.0	269.0	78.2	75.3	74.6
Sixth Year of Life	373.0	236.0	63.3	66.7	62.9
Total	**1,345**	**1,024**	**76.1%**	**73.6%**	**73.2%**
Adolescents					
12 To 19 Years of Age	**4,034**	**2,144**	**53.1%**	**44.4%**	**4.3%**
Grand Total	**5,379**	**3,168**	**58.9%**	**52.1%**	**49.0%**

Table 19
Adolescent Well Child Visits (AWC-CH)

Measure Steward: NCQA/HEDIS: Percentage of adolescents ages 12 to 21 who had at least one comprehensive well-care visit with a primary care practitioner (PCP including an OB/GYN) practitioner during the measurement year as defined by CPT/ICD-10 Codes available upon request.

Age Group	2015 Number of Continuously Enrolled Children	2015 Number having Well Visits	% Year 2015	% Year 2014	% Year 2013
Adolescents					
12 To 19 Years of Age	4,034	2,144	53.1	44.4	43.2
Total	**4,034**	**2,144**	**53.1%**	**44.4%**	**43.3%**

Table 20
Child and Adolescent Access to Primary Care Practitioners (CAP-CH)

Measure Steward: NCQA/HEDIS: Percentage of children and adolescents ages 12 months to 19 years who had a visit with a primary care practitioner (PCP), including 4 separate percentages: children ages 12 to 24 months; and 25 months to 6 years; and 7 to 11 years; and adolescents ages 12 to 19 years who had a visit with a PCP during the measurement year 2015 or the year prior to the measurement year.

Age Group	Number of Continuously Enrolled Children	Number Having Primary Care Visit	% Year 2015	% Year 2014	% Year 2013
12 to 24 Months	127	121	95.3	95.3	97.5
25 Months to 6 Years	1,875	1,756	93.7	93.7	94.7
7 to 11 Years	2,550	2,307	90.5	90.5	88.5
12 to 19 Years	4,129	3,675	89.0	89.0	91.0
Total	**8,681**	**7,859**	**90.5%**	**90.5%**	**90.7%**

Table 21
Ambulatory Care-Emergency Department (ED) Visits (AMB-CH)

Measure Steward: NCQA/HEDIS: Rates per 1,000 member months for ambulatory visits to an ED (not resulting in an inpatient encounter) among children ages 0 to 19 who were continuously enrolled during the calendar year 2015. CPT Codes: 99281-99288

	Number of Members	Member Months	Number of ED Encounters	*Rate per 1,000 Members
For Year 2015				
Ages:				
<1	60	0	0.0	
1 through 9	43,128	1,036	24.0	
10 to 19	43,128	1,549	35.9	
TOTAL	**103,620**	**2,585**	**24.9%**	
For Year 2014				
Ages:				
<1	24	2	83.3	
1 through 9	27,168	914	33.6	
10 to 19	55,776	1,782	31.9	
TOTAL:	**82,968**	**2,698**	**32.5%**	
For Year 2013:				
Ages:				
<1	72	4	55.6	
1 through 9	36,912	1,316	35.7	
10 to 19	95,148	3,352	35.2	
TOTAL:	**132,132**	**4,672**	**35.4%**	

Table 22
Percentage of Eligibles that Received Preventive Dental Services

Measure Steward: CMS 416 Measure: Percentage of individuals ages 1 to 20 who are enrolled in WVCHIP program for a least 90 continuous days, are eligibile for Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) services, who received at least one preventive dental service during the reporting year. Defined by HCPC Codes D1000-D1999 as reported on CMS Form 416, Line 12B. WVCHIP covers children through age 18.

Age Groups	2015 Unduplicated Number of Children	2015 Number of Children with Preventive Dental Visits	% Year 2015	% Year 2014	% Year 2013
2 to 3 Years	553	310	56.1	50.2	47.2
4 to 6 Years	1,031	769	74.6	76.1	80.0
7 to 10 Years	1,756	1,369	78.0	75.0	77.5
11 to 14 Years	1,874	1,419	75.7	73.3	75.1
15 to 18 Years	1,510	1,049	69.5	69.3	71.8
Unduplicated Count	**6,724**	**4,916**	**73.1%**	**68.8%**	**70.3%**

Table 23
Percentage of Eligibles that Received Dental Treatment Services

Measure Steward: CMS 416 Measure: Percentage of individuals ages 1 to 20 who are enrolled in WVCHIP program for a least 90 continuous days, are eligibile for Early and Periodic, Screening, Diagnostic and Treatment (EPSDT) services, who received at least one treatment dental service during the reporting year. Defined by CPT Codes 40300, 70310, 70320, 73020, 70355, (ADA Codes D0120-0999; D1110-D2999, D4210-D499, D5110-D5899, D6010-D6010-D6205, D7000-D7999, D8010-D8999, D9110-D9999). WVCHIP covers children through age 18.

Ages Groups	Unduplicated Number of Children	Number of Children with Treatment Dental Visits	% Year 2015	% Year 2014	% Year 2013
2 to 3 Years	553	531	96.0	94.7	95.6
4 to 6 Years	1,031	976	94.7	96.3	98.2
7 to 10 Years	1,756	1,672	95.2	94.9	96.5
11 to 14 Years	1,874	1,759	93.9	95.7	97.5
15 to 18 Years	1,510	1,422	94.2	95.0	96.4
Total	**6,724**	**6,360**	**94.6%**	**95.8%**	**97.4%**

Table 24
West Virginia Measure - Annual Pediatric Hemoglobin (HbA1c) Testing for Children with Type 1 and 2 Diabetes

Measure Steward: West Virginia: This is a NCQA measure targeted to adults with the measure criteria applied to children. The percentage of children ages 5 to 18 years with diabetes (Type 1 and 2) that had a Hemoglobin A1c (HbA1c) test during calendar year 2015. The core measure shows percentage of pediatric patients with Type 1 and 2 diabetes with a hemoglobin A1c (HbA1c) test in a twelve-month measurement period. The adult criteria also includes the number of children enrolled for calendar year 2015 with Type 1 and 2 diabetes who also had - serum cholesterol level (LDL-C) screening, an eye exam, and a screen for kidney disease. The CPT codes specified for this measure are too numerous and have been omitted from this description, but can be obtained by contacting the WVCHIP office.

Age Group	# of Diabetic Patients	HB1C Test	Rate of HbA1c Test	Eye Examinations	Rate of Eye Exams	LDLC Test	Rate of LDLC Test
4 to 5 Years	2	2	100.0%	2	100.0%	1	50.0%
6 to 11 Years	8	8	100.0%	8	100.0%	1	12.5%
12 to 18 Years	49	48	98.0%	49	100.0%	20	40.8%
Total % Year 2015	**59**	58	**98.3%**	59	**100.0%**	21	**35.6%**
Total % Year 2014	60	55	**91.7%**	57	**95.0%**	21	**35.0%**
Total % Year 2013	83	79	**95.2%**	79	**95.2%**	21	**25.3%**

Table 25
Follow-Up Care for Children Prescribed ADHD Medication (ADD-CH)

Measure Steward: NCQA/HEDIS: The percentage of children newly prescribed attention-deficit/hyperactivity medication who had at least three follow-up care visits within a 10-month period, one of which was within 30 days from the time the first ADHD medication was dispensed, including two rates; A) Initial Phase and, B) Continuation - Maintenance Phase as defined by CPT/ICD-10 Codes available upon request.

I) Initiation Phase Follow-up*

Age Group	# Members Receiving ADHD Medications	# Members on New RX Medication with a follow-up visit within 30 days	% Compliance for 2015 Year	% Compliance for 2014 Year	% Compliance for 2013 Year
Ages 6 -12	342	260	76.0%	99.2%	100.0%
Total	**342**	**260**	**76.0%**	**99.2%**	**100.0%**

II) Continuation Phase Follow-up*

Age Group	# Continuation & Maintenance Members	# Members on Medication with follow-up visits	% Compliance for 2015 Year	% Compliance for 2014 Year	% Compliance for 2013 Year
Ages 6 - 12	342	323	94.4%	100.0%	100.0%
Total	**342**	**323**	**94.4%**	**100.0%**	**100.0%**

***The 100% compliance rates achieved are partly due to a required precertification process for this type of medication.**

Table 26

Follow-Up After Hospitalization for Mental Illness (FUH-CH)

Measure Steward: NCQA/HEDIS: The percentage of discharges for members six (6) years of age and older who were enrolled on the date of discharge and 30 days after discharge, who were hospitalized for treatment of selected mental health disorders and who had an outpatient visit, an intensive outpatient encounter or partial hospitalization with a mental health practitioner within 7 days of discharge, and within 30 days of discharge. Two rates are reported. Due to the numerous CPT codes that are included in this measure, they have been omitted for purposes of this report. These codes are available for your review by contacting the WVCHIP office.

	# 6 years & older Hospitalized with Mental Health Dx Year 2015	# of follow-up visits within 7 days of Discharge Year 2015	% of follow-up visits within 7 days of Discharge Year 2015	# of follow-up visits within 30 days of Discharge Year 2015	% of follow-up visits within 30 days of Discharge Year 2015
2015	68	13	19.1%	36	52.9%

	# 6 years & older Hospitalized with Mental Health Dx Year 2014	# of follow-up visits within 7 days of Discharge Year 2014	% of follow-up visits within 7 days of Discharge Year 2014	# of follow-up visits within 30 days of Discharge Year 2014	% of follow-up visits within 30 days of Discharge Year 2014
2014	126	27	21.4%	76	52.8%

	# 6 years & older Hospitalized with Mental Health DX Year 2013	# of follow-up visits within 7 days of Discharge Year 2013	% of follow-up visits within 7 days of Discharge Year 2013	# of follow-up visits within 30 days of Discharge Year 2013	% of follow-up visits within 30 days of Discharge Year 2013
2013	144	31	21.5%	77	53.5%

Table 27
West Virginia Measure - Annual Percentage of Asthma Patients with One or More Asthma-Related ED Visits

Measure Steward: HEDIS-Type: Percentage of children continuously enrolled during calendar year 2015 diagnosed with asthma during the measurement year with one or more asthma-related ED visits.

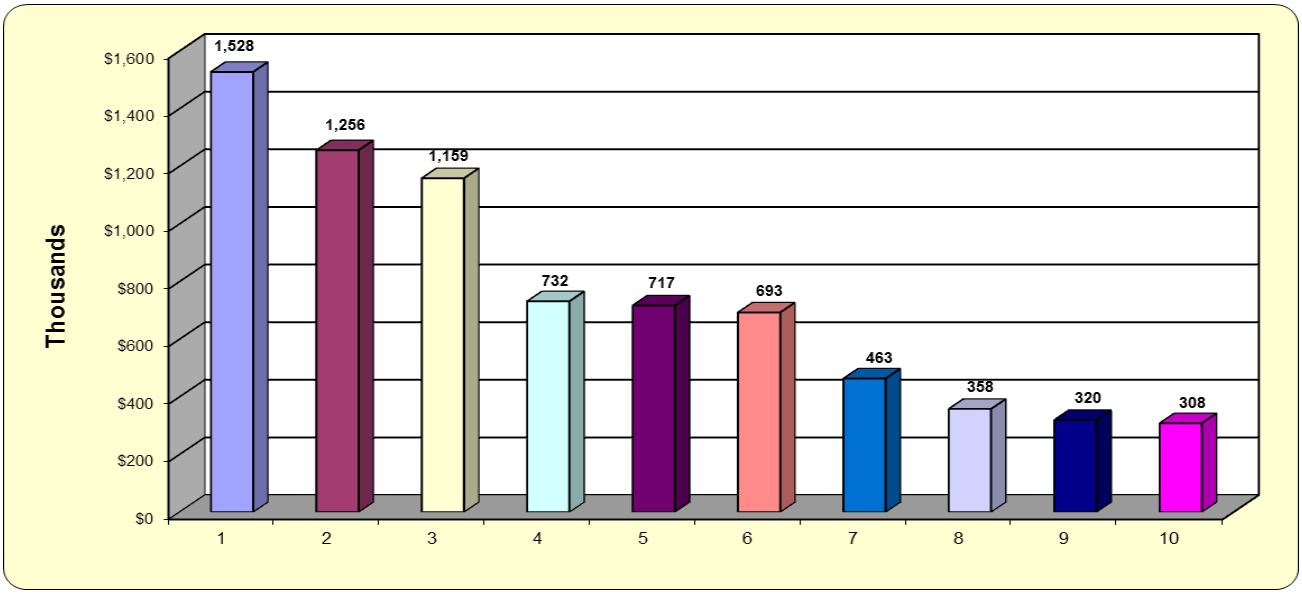
	with One or More Asthma-Related ED Visits	Continuously Enrolled 2015	Asthma Patients 2015	ED Encounters for Asthma 2015	Asthma ED Encounters per Person 2015	Asthma Encounters Per User 2014	Asthma ED Encounters per Person 2013	Asthma Encounters Per User 2013
Under Age 2	86	0	0	0.00	0.00	0.00	0.00	
Age 2	263	3	0	0.00	0.00	0.00	0.00	
Age 3	290	4	0	0.00	0.00	0.01	0.33	
Age 4	314	5	3	0.01	0.60	0.01	0.33	
Age 5	344	11	2	0.01	0.18	0.01	0.38	
Age 6	373	7	0	0.00	0.00	0.00	0.25	
Ages 7-12	2,203	38	5	0.00	0.13	0.01	0.25	
Ages 12 and Up	2,937	22	3	0.00	0.14	0.00	0.21	
Total	**6,810**	**90**	**13**	**0.00**	**0.14**	**0.00**	**0.25**	

Table 28
West Virginia Measure - Medication Management for Children with Asthma (MMA-CH)

Measure Steward: NCQA/HEDIS: Percentage of children ages 5 to 19 years that were identified as having persistent asthma and were dispensed appropriate medications that they remained on during the treatment period. Two rates reported: percentage of children who remained on an asthma controller medication for at least 50% of treatment period, and, percentage of children who remained on an asthma controller medication for at least 75% of treatment period, as defined by CPT Codes: 99201-99205, 99211-99215, 99217-99220, 99241-99245, 99341-99345, 99347-99350, 99382-99386, 99392-99396, 99401-99404, 99411, 99412, 99420, 99429, 99221-99223, 99231-99233, 99238, 99239, 99251-99255, 99291, 99281-99285

Age Group	Asthma Patients	% who remained on an asthma controller medication 50% Year 2015	% who remained on an asthma controller medication 75% Year 2015	% who remained on an asthma controller medication 50% Year 2014	% who remained on an asthma controller medication 75% Year 2014	% who remained on an asthma controller medication 50% Year 2013	% who remained on an asthma controller medication 75% Year 2013
5 - 11 years	353	88.4	75.4	93.9	90.7	94.8	96.4
12-19 years	288	72.2	50.7	91.1	90.1	94.5	78.5
Total Average		**80.3%**	**63.0%**	**92.5%**	**94.0%**	**85.1%**	**87.5%**

Table 29: Top Ten Physician Services
By Amounts Paid
(in thousands)



Key

		CPT Code*
1	FQHC/RHC Encounter	(T1015)
2	Office Visit - Limited - Est. Patient	(99213)
3	Office Visit - Intermediate - Est. Patient	(99214)
4	ER Exam - Intermediate - New Patient	(99283)
5	ER Exam - Extended - New Patient	(99284)
6	Therapeutic Activities, 15 Minutes	(97530)
7	ER Exam - Comprehensive - New Patient	(99285)
8	Psychotherapy, 60 Minutes with Patient	(90837)
9	Tonsillectomy and Adenoidectomy	(42820)
10	Office Visit - Intermediate - New Patient	(99203)

**As described in Current Procedure Terminology 2016 by the American Medical Association.*

Table 29: Top Ten Physician Services
By Amounts Paid

CPT Code Description

1 FQHC/RHC Encounter: code used by Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) to bill Medicaid and CHIP for visits under the FQHC/RHC Prospective Payment System (PPS) *(CPT T1015)*

2 Office Visit - Limited - Est. Patient: for an established patient taking about 15 minutes or less of face-to-face time with patient and/or family for problems with low to moderate severity; requires 2 of 3 key components: an expanded problem focused history and examination and medical decision making of low complexity *(CPT 99213*)

3 Office Visit - Intermediate - Est. Patient: for an established patient taking about 25 minutes of face-to-face time with the patient and/or family for problem(s) of moderate to high severity; 2 of 3 required visit components are a detailed history and examination and medical decision making of moderate complexity *(CPT 99214)*

4 ER Exam - Intermediate - New Patient: requiring 1) an expanded problem-focused history; 2) an expanded problem focused examination; and 3) medical decision making of moderate complexity - usually for a problem of moderate severity *(CPT 99283)*

5 ER Exam - Extended - New Patient: requiring 1) a detailed history; 2) a detailed examination; and 3) medical decision making of moderate complexity - usually when urgent evaluation is needed for a problem of high severity *(CPT 99284)*

6 Therapeutic Activities, 15 Minutes: direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance) each 15 minutes *(CPT 97530)*

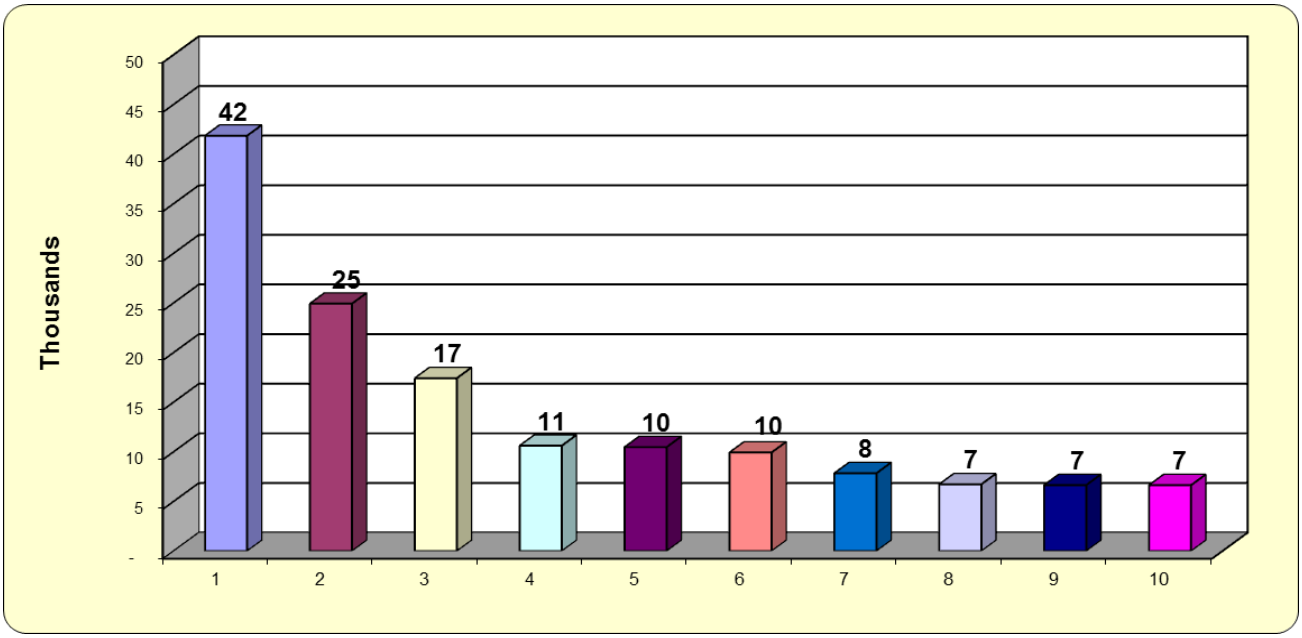
7 ER Exam - Comprehensive - New Patient: emergency department visit for a new or established patient where the presenting problem(s) are of high severity and pose an immediate or significant threat to life or physiologic function; requires three key components including a comprehensive history, an exam, and a medical decision making of high complexity (*CPT 99285)*

8 Psychotherapy, 60 Minutes with Patient: Psychotherapy, 60 minutes with patient and/or family member *(90837)*

9 Tonsillectomy and Adenoidectomy: tonsillectomy and adenoidectomy for patients younger than age 12 *(CPT 42820)*

10 Office Visit - Intermediate - New Patient: for a new patient taking about 30 minutes of face-to-face time with the patient and/or family for problems of moderate severity; requires three key components including a detailed history, an exam, and medical decision making of low complexity (*CPT 99203)*

Table 30: Top Ten Physician Services
By Number of Transactions
(in thousands)



Key

		CPT Code*
1	Office Visit - Limited - Est. Patient	(99213)
2	FQHC/RHC Encounter	(T1015)
3	Office Visit - Intermediate - Est. Patient	(99214)
4	ER Exam - Intermediate - New Patient	(99283)
5	Test for Streptococus	(87880)
6	Immunization Administration	(90471)
7	Psychotherapy, 60 Minutes with Patient	(90837)
8	Blood Count	(85025)
9	Therapeutic Activities, 15 Minutes	(97530)
10	Frames Purchases	(V2020)

**As described in Current Procedure Terminology 2015 by the American Medical Association.*

Table 30: Top Ten Physician Services
By Number of Transactions

CPT Code Description

1 Office Visit - Limited - Est. Patient: for an established patient taking about 15 minutes or less of face-to-face time with patient and/or family for problems with low to moderate severity; requires 2 of 3 key components: an expanded problem focused history and examination and medical decision making of low complexity *(CPT 99213*)

2 FQHC/RHC Encounter: code used by Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) to bill Medicaid and CHIP for visits under the FQHC/RHC Prospective Payment System (PPS) *(CPT T1015)*

3 Office Visit - Intermediate - Est. Patient: for an established patient taking about 25 minutes of face-to-face time with the patient and/or family for problem(s) of moderate to high severity; 2 of 3 required visit components are a detailed history and examination and medical decision making of moderate complexity *(CPT 99214)*

4 ER Exam - Intermediate - New Patient: emergency department visit for the evaluation and management of a patient that includes 3 key components: an expanded problem focused history; an expanded problem focused exam; and medical decision making of moderate complexity *(CPT 99283)*

5 Test for Streptococcus: infectious agent antigen detection by immunoassay with direct optical observation; streptococcus, group A *(CPT 87880)*

6 Immunization Administration: injection of a vaccine (single or combination toxoid) whether percutaneous, intradermal, subcutaneous, or intramuscular *(CPT 90471)*

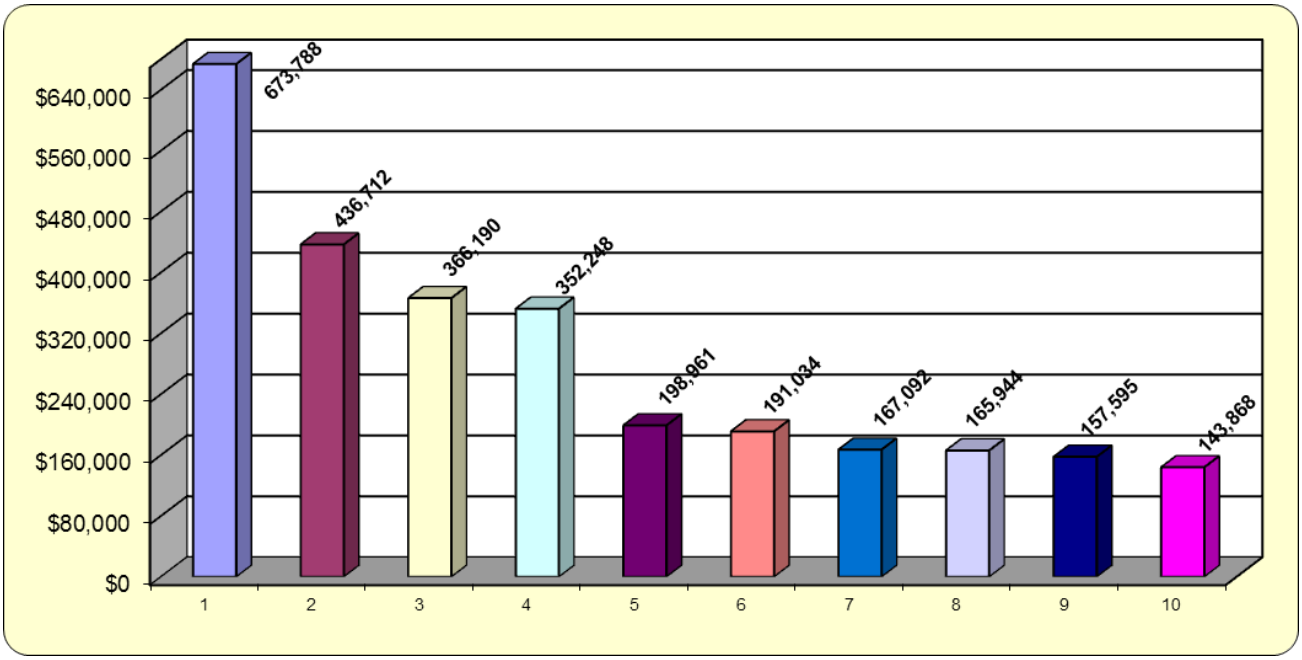
7 Psychotherapy, 60 Minutes with Patient: Psychotherapy, 60 minutes with patient and/or family member *(CPT 90837)*

8 Blood Count: automated (Hgb, Hct, RBC, WBC and platelet count) and automated differential WBC count *(CPT 85025)*

9 Therapeutic Activities, 15 Minutes: direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance) each 15 minutes *(CPT 97530)*

10 Frames Purchases: frames for eye glasses *(CPT V2020)*

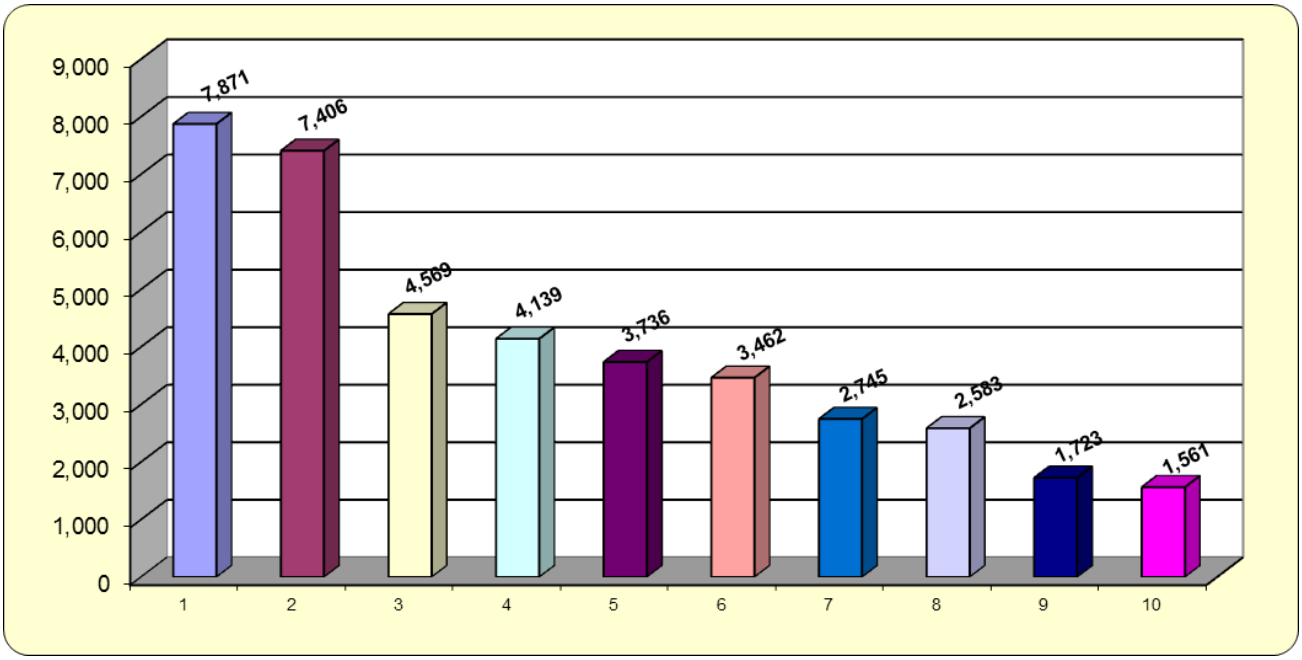
Table 31: Top Ten Prescription Drugs
By Ingredient Cost



Key

	Drug Brand Name		Major Use Indication
1	Vyvanse	-	Attention Deficit Hyperactivity Disorder (ADHD)
2	Humalog	-	Diabetes
3	Methylphenidate	-	Attention Deficit Hyperactivity Disorder (ADHD)
4	Norditropin Flexpro	-	Growth Hormone
5	Epipen 2-pak	-	Allergies
6	Genotropin	-	Growth Hormone
7	Humira Pen	-	Autoimmune Disease
8	Proair HFA	-	Asthma
9	Kuvan	-	Phenylketonuria (PKU)
10	Qvar	-	Asthma

Table 32: Top Ten Prescription Drugs
By Number of Rx



Key

	Drug Brand Name		Major Use Indication
1	Amoxicillin	-	Antibiotic
2	Montelukast Sodium	-	Asthma
3	Azithromycin	-	Antibiotic
4	Cefdinir	-	Antibiotic
5	Fluticasone Propionate	-	Allergies
6	Loratadine	-	Allergies
7	Vyvanse	-	Attention Deficit Hyperactivity Disorder (ADHD)
8	Proair HFA	-	Asthma
9	Promethazine	-	Allergies
10	Prednisolone Sodium Phosphate	-	Asthma & Allergies