

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

May 8, 2007

April 18, 2007

12:00 - 1:00 p.m.

Joint Committee on Government and Finance

Senate

Tomblin, Chair
Chafin
Helmick
Kessler
Sharpe
Caruth
Deem (absent)

House

Thompson, Chair
Caputo
DeLong
Webster
White
Armstead
Border

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by President Tomblin, properly adopted, the minutes of the January 9, 2007, meeting were approved.

2. 2007 Interim Studies

Upon motion by President Tomblin, properly adopted, the President and Speaker were authorized to establish interim committees as they deem appropriate and to appoint as many members as desired to any committee other than statutory committees.

Upon motion by President Tomblin, properly adopted, the committee co-chairs were authorized to establish subcommittees with the approval of the President and the Speaker, study additional issues approved by the President and Speaker and assign studies to appropriate subcommittees with approval to the President and Speaker.

Upon motion by President Tomblin, properly adopted, the following committees were authorized to meet during the 2007 Interim Period:

Statutory Committees:

Commission on Interstate Cooperation
Commission on Special Investigations
Council of Finance and Administration
Employee Suggestion Award Board
Equal Pay Commission
Joint Commission on Economic Development
Joint Committee on Government Operations
Joint Committee on Government and Finance
Joint Legislative Oversight Commission on State Water Resources
Legislative Oversight Commission on Education Accountability
Legislative Oversight Commission on Health and Human Resources Accountability
Legislative Oversight Committee on Regional Jail and Correctional Facility Authority

Legislative Oversight Commission on Workforce Investment for Economic Development
Legislative Rule-Making Review Committee
Forest Management Review Commission
WV Law Institute

Standing Committees:

Joint Standing Committee on Education
Joint Standing Committee on Finance
Joint Standing Committee on Government Organization
Joint Standing Committee on the Judiciary

Upon motion by President Tomblin, properly adopted, the following committees were created and authorized to meet during the 2007 Interim Period:

Agriculture and Agri-business Committee
Joint Committee on Technology
Legislative Intern Committee
Parks, Recreation and Natural Resources Subcommittee
Post Audits Subcommittee
Select Committee A - Committee on Children, Juveniles and other Issues
Select Committee B - Veterans' Issues
Select Committee C - Infrastructure
Select Committee D - Health
Select Committee E - Broadband

Upon motion by President Tomblin, properly adopted, the **Joint Committee on Agriculture and Agri-business** was assigned SCR 78.

Upon motion by President Tomblin, properly adopted, the **Joint Commission on Economic Development** was assigned SCR 83, HCR 48 and SCR 65.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Education** was assigned SCR 58, SCR 60, SCR 80, HCR 68, HCR 85 and HCR 91.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Finance** was assigned HCR 62, HCR 70, HCR 89 and HCR 50.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Government Organization** was assigned SCR 52, SCR 55 and SCR 63.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Pensions and Retirement** was assigned HCR 35.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Judiciary** was assigned HCR 82, SCR 69, HCR 45, HCR 60, HCR 66, HCR 86, HCR 94, SCR 76, HB 2346, HCR 83 and HCR 92.

Upon motion by President Tomblin, properly adopted, the **Legislative Oversight Committee on Regional Jail and Correctional Facility Authority** was assigned HCR 54 and HCR 79.

Upon motion by President Tomblin, properly adopted, the **Select Committee A - Committee on Children, Juveniles, and Other Issues** was assigned HCR 42 and HCR 40

Upon motion by President Tomblin, properly adopted, the **Select Committee B - Veterans' Issues** was assigned HCR 75.

Upon motion by President Tomblin, properly adopted, the **Select Committee C - Infrastructure** was assigned HCR 77, HCR 84, HCR 80 and SCR 84

Upon motion by President Tomblin, properly adopted, the **Select Committee D - Health** was assigned SCR 82, SCR 77, HCR 14, HCR 53, HCR 58 and HCR 81.

Upon motion by President Tomblin, properly adopted, the **Joint Legislative Oversight Commission on State Water Resources** was assigned SCR 15, SCR 85, HCR 55 and HB 3210.

Upon motion by President Tomblin, properly adopted, the **Joint Commission on Economic Development** was directed to study Tax Increment Financing for Class III and IV cities.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Finance** was directed to study the Soft Drinks Tax.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Judiciary** was directed to study the Administrative Expenses, Policies and Procedures of Brickstreet Insurance Company.

Upon motion by President Tomblin, properly adopted, the **Joint Standing Committee on Finance** was directed to study the Insurance Coverage for County Replacement Costs for courthouses and other facilities and GASB Implementation.

Upon motion by President Tomblin, properly adopted, the **Select Committee A - Committee on Children, Juveniles and other Issues** was directed to study the Family Court System.

Upon motion by President Tomblin, properly adopted, the **Select Committee D - Health** was directed to study the issue of access to oral health services.

Upon motion by President Tomblin, properly adopted, the **Select Committee E - Broadband** was directed to study and review the practices, policies and procedures used to expand broadband infrastructure and other issues identified in §5B-4-11 of Enrolled Senate Bill No. 748.

Upon motion by President Tomblin, properly adopted, all interim committees for which there are an unequal number of Delegates and Senators, all motions considered must be adopted by a separate majority vote of the committee members from each legislative body.

3. Lottery, Workers' Compensation Trust Fund and General Revenue Reports

Distributed to members of the Committee were the following: Lottery Operations report for the month ended February 28, 2007; the General Revenue Fund status report as of March 31, 2007; and the Unemployment Compensation Trust Fund report for the month ended February 28, 2007. Distributed with each of the reports were an analysis and a summary of the reports.

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

A Medicaid report dated April 2007 was distributed. Martha Walker, Cabinet Secretary, DHHR, responded to questions about DHHR's \$14 million change order with Unisys for the Medicaid Management System. The Federal government paid 90% of the system's planning and implementation costs. The system was certified in October 2006. Unisys underestimated costs of the system. They asked for a price increase when the contract came up for renewal. The increase requested was \$5.82 per member per month from a previous \$2.07 per member per month. The contract has been in existence for four years. Now there are four one year options to renew the contract.

5. PEIA, BRIM and CHIP Reports

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending February 28, 2007.

Robert Ferguson, Jr., Cabinet Secretary, Department of Administration, reported BRIM last year made \$6.8 million on investment income and this year has made \$15.1 million over the first eight months. There is no overall unfunded liabilities except Senate Bill 3 liabilities. Secretary Ferguson said that he will take a look into possibly starting to move physicians that are with the State medical schools from BRIM to a private carrier.

The following reports from CHIP were distributed: A report of enrollment for March 2007 and financial statements for period ending February 28, 2007. Secretary Ferguson said there is a 1.4% increase over last year. Hospice claims were \$29,000 and until this year, there has been no usage of hospice.

The following monthly PEIA reports were distributed: Monthly Management Report, Financial Report and Prescription Drug Report for February 2007.

6. General Services Division - Five Year Facilities Master Plan

A five year facilities master plan dated March 19, 2007, was distributed. David Oliverio, Executive Director, General Services Division, responded to questions on the HVAC upgrade for the Capitol building. The expected target date for the Capitol cafeteria to open is December 2007.

7. Leasing Report, Department of Administration

A leasing report for December 22, 2006, through March 31, 2007, was distributed.

8. **Department of Transportation**

Marvin Murphy, State Highway Engineer, answered questions on the equipment sale planned for May 12, 2007. Mr. Murphy reported that there is \$22 million in idle equipment each year. The May 12, 2007, sale is expected to bring in about \$1.7 million.

Upon motion by President Tomblin, properly adopted, the Joint Committee on Government and Finance will request Paul Mattox, Jr., Cabinet Secretary, Department of Transportation, be present at the next interim meeting in May.

9. **Bureau of Senior Services**

Dr. Sandra Vanin, Commissioner, Bureau of Senior Services, responded to questions regarding the LIFE monies and how they are allocated.

10. **Monthly Report on the Pharmaceutical Cost Management Council**

Shana Phares, Acting Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, discussed electronic prescribing. The initial reporting date has been moved back from July 1, 2008 to March 1, 2008. The initial reporting period has been changed from calendar year 2007 and has been moved to July 1, 2007 to December 31, 2007. The Council's sunset date is July 1, 2008.

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

A Board of Treasury Investments Report dated March 2007 was distributed.

12. **Scheduled Interim Dates:** Upon motion by President Tomblin, properly adopted, interim meetings for 2007 were scheduled on:

May 6 - 8
June 3 - 5
July 8 - 10
August 19 - 21
September 9 - 11
October 7 - 9
November 16 - 18 (Friday, Saturday and Sunday)
December 9 - 11
January 6 - 8, 2008

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

May 4, 2007

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

Lottery Commission as of March 31, 2007 :

Appears to be in good condition. Gross receipts for the months of July - March of fiscal year 2006-2007, were \$ 1,171,701,000.00 which was 3.58% above the same months of fiscal year 2005-2006.

General Revenue Fund as of April 30, 2007:

Collections were at 100.77% of the yearly estimate as of April 30, 2007.

State Road Fund as of April 30, 2007:

Fund collections were at 107.42% of the yearly estimate.

Unemployment Compensation Trust as of March 31, 2007:

Report not available for review; due to interims early in month; will be included in next month's interim reports.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

MEMORANDUM

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

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

Date: May 7, 2007

Re: Review of West Virginia Lottery Financial Information
As of March 31, 2007 (FY 2007)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the month ended March 31, 2007, from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. This report is for nine months of fiscal year 2006-2007. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games and video lottery. These gross receipts totaled \$1,171,701,000.00. These gross receipts were 3.58 % ABOVE the total as of March 31, 2006 of preceding fiscal year, 2005-2006. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July 2006 - March 2007 was \$ 503,866,000.00; for the previous fiscal year it was \$476,313,000.00. Expressed as a percentage, gross profit is **5.78% higher** for July - March 2007 than for July - March 2006.

Joint Committee on Government and Finance

Lottery continued

Operating Income:

Operating income was \$ 488,751,000.00 for July 2006 - March 2007. For July 2005- March 2006 it was \$ 461,780,000.00. This was an increase of 5.84%.

Operating Transfers to the State of West Virginia:

A total of \$ 476,576,000.00 has been accrued to the state of West Virginia for fiscal year 2006-2007. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 42,136,000.00
Department of Education	\$ 32,704,000.00
Educational Broadcasting Authority	
Library Commission	\$ 10,522,000.00
Higher Education-Central Office	\$ 38,834,000.00
Tourism	\$ 7,868,000.00
Department of Natural Resources	\$ 3,428,000.00
Division of Culture and History	\$ 5,222,000.00
Department of Education and Arts	\$ 1,385,000.00
State Building Commission	\$ 9,000,000.00
School Building Authority	\$ 16,200,000.00

Lottery continued

SUBTOTAL BUDGETARY TRANSFERS	\$167,299,000.00
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Excess Lottery Fund

General Purpose Fund	65,000,000.00
Economic Development Fund	17,100,000.00
Traffic Fund	0
Excess Lottery Surplus	23,648,000.00
Education Improvement Fund	9,000,000.00
WV Infrastructure Council Fund	40,000,000.00
Higher Education Improvement Fund	27,000,000.00
State Park Improvement Fund	5,000,000.00
Refundable Credit	2,594,000.00
School Building Authority	19,000,000.00
TOTAL EXCESS LOTTERY FUND	208,342,000.00

Senate Bill 1010 and 1017
 (2006 lottery surplus to TRAFFIC,
 Development Office, Office of
 Technology, Capital Outlay Parks) 104,253,000.00

Veterans Instant Ticket Fund 746,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
Tourism Promotion Fund	\$9,184,000.00
Development Office Promo Fund	\$2,505,000.00
Research Challenge Fund .5%	\$3,340,000.00
Capitol Renovation and Improvement Fund .6875%	\$4,592,000.00

Lottery continued

Parking Garage Fund .0625%	\$417,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$1,500,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$4,679,000.00
Workers Compensation Debt Reduction Fund 7%	\$11,000,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$37,717,000.00
TOTAL TRANSFERS	*\$518,358,000.00

* CASH BASIS

Total Applicable to last FY 2006:	147,676,000.00
Total Cash Distributions July -March 2007.	518,358,000.00
Total Applied to FY 2006:	147,676,000.00
Total Applied to FY 2007:	370,682,000.00
Total Accrued for FY 2007:	105,894,000.00



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Joe Manchin III
Governor

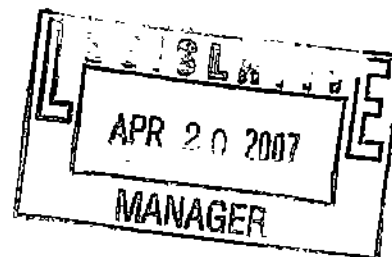
John C. Musgrave
Director

MEMORANDUM

TO: Joint Committee on Government and Finance

FROM: John C. Musgrave, Director 

RE: Monthly Report on Lottery Operations
Month Ending March 31, 2007



DATE: April 20, 2007

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

Financial statements of the Lottery for the month ending March 31, 2007 are attached. Lottery revenue, which includes on-line, instant and video lottery sales, was \$142,591,634 for the month of March.

Transfers of lottery revenue totaling \$43,463,244 made for the month of March to the designated state agencies per Senate Bill 125, Veterans Instant Ticket Fund and the Racetrack Video Lottery Act (§29-22A-10). The amount transferred to each agency is shown in Note 8 on pages 14 and 15 of the attached financial statements.

The number of traditional and limited retailers active as of March 31, 2007 was 1,655 and 1,693 respectively.

A listing of the names and amounts of prize winners has been provided to the Clerk of the Senate, the Clerk of the House and Legislative Services.

If any member of the Committee has questions concerning the Lottery, please call me. Also if any members of the Legislature wish to visit the Lottery offices, I would be pleased to show them our facilities and discuss the Lottery with them.

JCM/rd
Attachment

pc: Honorable Joe Manchin III
James Robert Alsop, Cabinet Secretary – Dept. of Revenue
John Perdue, Treasurer
Glen B. Gainer III, Auditor
Members of the West Virginia Lottery Commission



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

MARCH 31, 2007

WEST VIRGINIA LOTTERY

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

ASSETS	March 31, 2007	June 30, 2006
Current assets:		
Cash and cash equivalents	\$ 139,036	\$ 197,719
Accounts receivable	32,884	24,790
Inventory	761	588
Current portion of investments held in trust	29	57
Other assets	1,592	1,455
Total current assets	<u>174,302</u>	<u>224,609</u>
Noncurrent assets:		
Capital assets	12,623	11,719
Less accumulated depreciation and amortization	<u>(11,470)</u>	<u>(11,046)</u>
	1,153	673
Investments held in trust, less current portion	<u>274</u>	<u>612</u>
Total assets	<u>\$ 175,729</u>	<u>\$ 225,894</u>
 LIABILITIES AND NET ASSETS		
Current liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 105,894	\$ 147,676
Estimated prize claims	13,463	15,992
Accounts payable	976	2,745
Other accrued liabilities	34,232	38,579
Current portion of deferred jackpot prize obligations	<u>195</u>	<u>336</u>
Total current liabilities	154,760	205,328
Deferred jackpot prize obligations, less current portion	<u>161</u>	<u>316</u>
Total liabilities	<u>154,921</u>	<u>205,644</u>
Net assets:		
Invested in capital assets	1,153	673
Restricted assets (see note 8)	20,558	20,000
Unrestricted (deficit)	<u>(903)</u>	<u>(423)</u>
Total net assets	<u>20,808</u>	<u>20,250</u>
Total liabilities and net assets	<u>\$ 175,729</u>	<u>\$ 225,894</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2007

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2007	2006	2007	2006
Lottery revenues				
On-line games	\$ 8,301	\$ 8,413	\$ 67,489	\$ 77,609
Instant games	9,026	11,873	81,040	88,164
Racetrack video lottery	87,924	86,009	727,537	698,106
Limited video lottery	<u>37,341</u>	<u>34,486</u>	<u>295,635</u>	<u>267,334</u>
	<u>142,592</u>	<u>140,781</u>	<u>1,171,701</u>	<u>1,131,213</u>
Less commissions				
On-line games	581	589	4,725	5,433
Instant games	632	831	5,673	6,171
Racetrack video lottery	42,522	42,033	406,294	392,309
Limited video lottery	<u>19,761</u>	<u>18,250</u>	<u>156,450</u>	<u>144,919</u>
	<u>63,496</u>	<u>61,703</u>	<u>573,142</u>	<u>548,832</u>
Less on-line prizes	4,076	4,476	33,928	39,434
Less instant prizes	6,102	7,137	55,118	60,046
Less ticket costs	142	207	1,186	1,614
Less vendor fees and costs	<u>522</u>	<u>609</u>	<u>4,461</u>	<u>4,974</u>
	<u>10,842</u>	<u>12,429</u>	<u>94,693</u>	<u>106,068</u>
Gross profit	<u>68,254</u>	<u>66,649</u>	<u>503,866</u>	<u>476,313</u>
Administrative expenses				
Advertising and promotions	1,104	720	7,043	5,827
Wages and related benefits	475	468	4,369	4,157
Telecommunications	52	60	1,768	1,594
Contractual and professional	(178)	452	2,414	2,803
Rental	57	32	477	437
Depreciation and amortization	48	111	424	1,019
Other administrative expenses	<u>94</u>	<u>80</u>	<u>1,054</u>	<u>739</u>
	<u>1,652</u>	<u>1,943</u>	<u>17,549</u>	<u>16,576</u>
Other Operating Income	<u>679</u>	<u>149</u>	<u>2,434</u>	<u>2,043</u>
Operating Income	<u>67,281</u>	<u>64,855</u>	<u>488,751</u>	<u>461,780</u>
Nonoperating income (expense)				
Investment income	626	506	5,323	2,720
Interest expense	0	(6)	(29)	(73)
Distributions to municipalities and counties	(732)	(676)	(5,794)	(5,240)
Distributions to racetracks-capital reinvestment	(3,357)	(3,172)	(11,117)	(9,930)
Distributions to the State of West Virginia	<u>(63,724)</u>	<u>(61,507)</u>	<u>(476,576)</u>	<u>(449,257)</u>
	<u>(67,187)</u>	<u>(64,855)</u>	<u>(488,193)</u>	<u>(461,780)</u>
Net Income	<u>94</u>	<u>-</u>	<u>558</u>	<u>-</u>
Net assets, beginning of year	<u>20,250</u>	<u>250</u>	<u>20,250</u>	<u>250</u>
Net assets, end of year	<u>\$ 20,344</u>	<u>\$ 250</u>	<u>\$ 20,808</u>	<u>\$ 250</u>

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

WEST VIRGINIA LOTTERY
STATEMENTS OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2007

(In Thousands)
- Unaudited -

	2007	2006
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 1,166,041	\$ 1,131,796
Cash payments for:		
Personnel costs	(4,369)	(4,175)
Suppliers	(21,354)	(5,055)
Other operating costs	<u>(661,795)</u>	<u>(665,591)</u>
Cash provided by operating activities	<u>478,523</u>	<u>456,975</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(518,358)	(401,883)
Distributions to municipalities and counties	(5,675)	(5,085)
Distributions to racetrack from racetrack cap. reinv. fund	(17,931)	(15,870)
Deferred jackpot prize obligations and related interest paid	<u>(29)</u>	<u>(73)</u>
Cash used in noncapital financing activities	<u>(541,993)</u>	<u>(422,911)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>(904)</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	387	816
Investment earnings received	<u>5,304</u>	<u>2,698</u>
Cash provided by investing activities	<u>5,691</u>	<u>3,514</u>
Increase (decrease) in cash and cash equivalents	(58,683)	37,578
Cash and cash equivalents - beginning of period	<u>197,719</u>	<u>113,742</u>
Cash and cash equivalents - end of period	<u>\$ 139,036</u>	<u>\$ 151,320</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 488,751	\$ 461,780
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	424	1,019
Changes in operating assets and liabilities:		
Increase (decrease) in accounts receivable	(8,095)	1,459
Decrease (increase) in inventory	(173)	(57)
Increase (decrease) in other assets	(137)	72
Increase (decrease) in estimated prize claims	(2,529)	5,201
Increase (decrease) in accounts payable	(1,770)	15
Decrease (increase) in other accrued liabilities	<u>2,052</u>	<u>(12,514)</u>
Cash provided by operating activities	<u>\$ 478,523</u>	<u>\$ 456,975</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS

-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

racetracks in West Virginia, subject to local county elections permitting the same. The legislation further stipulates the distribution of revenues from racetrack video lottery games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

Limited video lottery is also a self-activated video version of lottery games, which were first placed in operation in December 2001, located in limited licensed retailer areas restricted for adult amusement. The games allow a player to use currency to place bets for the chance to receive free games or vouchers which may be redeemed for cash. The limited video lottery games' prize structures are designed to award prizes, at a stipulated rate of total bets played, and prize expense is netted against total video credits played. The Lottery recognizes as limited video lottery revenue "gross terminal income" equivalent to all wagers, net of related prizes. Amounts required by statute to be paid to private entities are reported as commissions. Limited video lottery permit holders are statutorily responsible for acquiring equipment and bearing the risk associated with the costs of operating the games.

CASH AND CASH EQUIVALENTS – Cash and cash equivalents primarily consist of interest-earning deposits with the West Virginia Investment Management Board (IMB) and are recorded at fair value.

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

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

CAPITAL ASSETS – The Lottery leases, under a cancelable operating lease, its office and warehouse facilities. Portions of these facilities were subleased to the Lottery's game vendor until January 31, 2007. The Lottery also leases various office equipment under agreements considered to be cancelable operating leases. Rental expense for the nine months ended March 31, 2007 and March 31, 2006 approximated \$477,080 and \$437,034, respectively. Sublease rental income for the nine months ended March 31, 2007 and March 31, 2006 approximated \$60,508 and \$77,796, respectively.

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

COMPENSATED ABSENCES – The Lottery has accrued \$281,146 and \$241,126 of vacation and \$468,058 and \$452,850 of sick leave at June 30, 2006 and 2005, respectively, for estimated obligations that may arise in connection with compensated absences for vacation and sick leave at the current rate of employee pay. Employees fully vest in all earned but unused vacation. In accordance with State personnel policies, employees hired prior to July 1, 2001, vest in unused sick leave only upon

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

retirement, at which time such unused leave can be converted into employer paid premiums for post-retirement health care coverage or additional periods of credited service for purposes of determining retirement benefits. For employees hired prior to July 1, 1988, the Lottery pays 100% of the post-retirement health care premium. The Lottery pays 50% of the premium for employees hired after June 30, 1988 through July 1, 2001. The estimated obligation for sick leave is based on historical retirement rates and current health care premiums applicable to employee hire dates. Employees hired after June 30, 2001 do not vest in unused sick leave upon retirement.

NET ASSETS -- Net assets are presented as restricted, unrestricted and invested in capital assets which represents the net book value of all property and equipment of the Lottery.

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At March 31, 2007 the carrying amounts of deposits (overdraft) with financial institutions were (\$28) thousand with a bank balance of \$20 thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Investment Management Board (IMB) is as follows (in thousands):

	<u>March 31, 2007</u>	<u>June 30, 2006</u>
Amount on deposit with the IMB	<u>\$139,064</u>	<u>\$197,734</u>

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

NOTE 4 -- CAPITAL ASSETS

A summary of capital asset activity for the month ended March 31, 2007 is as follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 4 - CAPITAL ASSETS (continued)

Capital Assets:

	<u>Historical Cost</u> <u>At June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost</u> <u>At March 31, 2007</u>
Improvements	\$ 1,121	\$ -	\$ -	\$ 1,121
Equipment	10,598	904	-	11,502
	<u>\$ 11,719</u>	<u>\$ 904</u>	<u>\$ -</u>	<u>\$ 12,623</u>

Accumulated
Depreciation:

	<u>Historical Cost</u> <u>At June 30, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost</u> <u>At March 31, 2007</u>
Improvements	\$ 848	\$ 58	\$ -	\$ 906
Equipment	10,198	366	-	10,564
	<u>\$ 11,046</u>	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ 11,470</u>

NOTE 5 - PARTICIPATION IN THE MULTI-STATE LOTTERY

The Lottery is a member of the Multi-State Lottery (MUSL), which operates the semi-weekly POWERBALL jackpot lotto game and HOT LOTTO game, on behalf of participating state lotteries. Each MUSL member sells game tickets through its agents and makes weekly wire transfers to the MUSL in an amount equivalent to the total prize pool less the amount of prizes won in each state. Lesser prizes are paid directly to the winners by each member lottery. The prize pool for POWERBALL, and HOT LOTTO is 50% of each drawing period's sales, with minimum jackpot levels.

Revenues derived from the Lottery's participation in the MUSL POWERBALL jackpot game for the month and year-to-date periods ended March 31, 2007 were \$5,152,667 and \$41,519,160 while related prize costs for the same periods were \$2,585,859 and \$20,849,535.

Revenues derived from the Lottery's participation in the HOT LOTTO game for the month and year-to-date periods ended March 31, 2007 were \$387,816 and \$3,588,432 while related prize costs for the same periods were \$194,565 and \$1,924,558.

MUSL places 2% of each POWERBALL drawing period's sales in separate prize reserve funds that serve as a contingency reserve to protect the respective MUSL Product Groups from unforeseen prize liabilities. Currently, the MUSL Board of Directors has placed a \$75,000,000 limit on the POWERBALL Prize Reserve Fund and a \$25,000,000 limit on the Set Prize Reserve Fund. These funds can only be used at the discretion of the respective MUSL Product Group. Once the prize reserve funds exceed the designated limit, the excess becomes part of that particular prize pool. Prize reserve fund monies are refundable to MUSL Product Group members if the MUSL disbands or, after one year, if a member leaves the MUSL. At March 31, 2007 the POWERBALL prize reserve funds had a

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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

balance of \$96,826,624 of which the Lottery's share was \$2,282,390. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 8 titled "Nonoperating Distributions to the State of West Virginia."

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

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

The final benchmark occurs when the current year net terminal revenue meets the fiscal year 2001 net terminal revenue. At this point a 10% surcharge is applied to net terminal revenue, with 58% of the surcharge allocated for distribution to the State as specified by legislation or the State budget, and 42% of the surcharge allocated to separate capital reinvestment funds for each licensed racetrack. After deduction of the surcharge, 55% of net terminal revenue is allocated in lieu of commissions to: the racetracks (42%); other private entities associated with the racing industry (11%); and the local county and incorporated municipality governments (2%). The remaining net terminal revenue (45%) is allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 8.

Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframe; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund. A summary of racetrack video lottery revenues for the month ended March 31, 2007 and year-to-date follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

	<u>Current</u> <u>2007</u>	<u>Month</u> <u>2006</u>	<u>Year- to -Date</u> <u>2007</u>	<u>2006</u>
Total credits played	\$922,543	\$915,066	\$7,681,250	\$7,506,589
Credits (prizes) won	(834,140)	(829,057)	(6,950,454)	(6,808,483)
MWAP Contributions	(479)	-	(3,259)	-
Gross terminal income	<u>\$87,924</u>	<u>\$86,009</u>	<u>\$727,537</u>	<u>\$698,106</u>
Administrative costs	(127)	(139)	(17,525)	(17,524)
Net Terminal Income	<u>\$87,797</u>	<u>\$85,870</u>	<u>\$710,012</u>	<u>\$680,582</u>
Less distribution to agents	(42,522)	(42,033)	(406,294)	(392,309)
Racetrack video lottery revenues	<u>\$45,275</u>	<u>\$43,837</u>	<u>303,718</u>	<u>\$288,273</u>

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

	<u>March 31, 2007</u>	<u>Year-to Date</u>
State Lottery Fund	\$1,346	\$130,127
State Excess Lottery Revenue Fund	37,516	124,602
Capital Reinvestment Fund	3,357	11,117
Tourism Promotion Fund 1.375%	1,051	9,234
Development Office Promotion Fund .375 %	286	2,520
Research Challenge Fund .5 %	382	3,359
Capitol Renovation & Improvement Fund .6875 %	525	4,620
Parking Garage Fund .0625 %	48	420
Parking Garage Fund 1 %	-	500
Cultural Facilities & Capitol Resources Fund .5 %	-	1,500
Capitol Dome & Capitol Improvements Fund .5 %	764	4,719
Worker's Compensation Debt Reduction Fund 7 %	-	11,000
Total nonoperating distributions	<u>\$45,275</u>	<u>\$303,718</u>

NOTE 7 - LIMITED VIDEO LOTTERY

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 - LIMITED VIDEO LOTTERY (continued)

on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended March 31, 2007 and year-to-date follows (in thousands):

	<u>Current</u> <u>2007</u>	<u>Month</u> <u>2006</u>	<u>Year- to -Date</u> <u>2007</u>	<u>2006</u>
Total credits played	\$455,755	\$421,257	\$3,599,980	\$3,253,982
Credits (prizes) won	(418,414)	(386,771)	(3,304,345)	(2,986,648)
Gross terminal income	<u>\$37,341</u>	<u>\$34,486</u>	<u>\$295,635</u>	<u>\$267,334</u>
Administrative costs	(747)	(690)	(5,913)	(5,347)
Gross Profit	<u>\$36,594</u>	<u>\$33,796</u>	<u>\$289,722</u>	<u>\$261,987</u>
Commissions	(19,761)	(18,250)	(156,450)	(144,919)
Municipalities and Counties	(732)	(676)	(5,794)	(5,240)
Limited video lottery revenues	<u>\$16,101</u>	<u>\$14,870</u>	<u>\$127,478</u>	<u>\$111,828</u>

NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

As required under its enabling legislation, net assets of the Lottery may not exceed \$250,000. On June 14, 2006 House Bill 106 established additional capitalization up to \$20,000,000, in each year beginning with FY 2006 and continuing for the next six years. Therefore, the Lottery periodically distributes surplus funds, exclusive of amounts derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2007 the State Legislature budgeted \$170,100,000 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$2,900,000 per month for the first ten months of each fiscal year, with \$1,000,000 of this amount beginning September 2004. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended March 31, 2007 the Lottery made such distributions and accrued additional distributions of \$60,668,099. The Lottery does not have a legally adopted annual budget.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of March 31, 2007 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$658,392.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>March 31, 2007</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Bureau of Senior Services	\$ -	\$ 42,136
Department of Education	-	32,704
Library Commission	-	10,522
Higher Education-Policy Commission	-	38,834
Tourism	-	7,868
Natural Resources	-	3,428
Division of Culture & History	-	5,222
Department of Education & Arts	-	1,385
Building Commission	1,000	9,000
School Building Authority	1,800	16,200
Total State Lottery Fund	\$ 2,800	\$167,299
<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ 1,900	\$ 17,100
Higher Education Improvement Fund	1,000	9,000
General Purpose Account	-	65,000
Higher Education Improvement Fund	-	27,000
State Park Improvement Fund	748	5,000
School Building Authority	2,841	19,000
Refundable Credit	955	2,594
Excess Lottery Surplus	23,648	23,648
West Va. Infrastructure Council	5,982	40,000
Total State Excess Lottery Revenue Fund	\$ 37,074	\$ 208,342
<u>Senate Bill 1010, 1016 & 1017</u>	\$ -	\$ 104,253
Total Budgetary distributions:	\$ 39,874	\$ 479,895
Veterans Instant Ticket Fund	\$ 142	\$ 746

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 - NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

Other Racetrack Video Lottery distributions:

Tourism Promotion Fund 1.375%	\$ 1,185	\$ 9,184
Development Office Promotion Fund .375%	323	2,505
Research Challenge Fund .5%	431	3,340
Capitol Renovation & Improvement Fund .6875%	593	4,592
Parking Garage Fund .0625 %	53	417
Parking Garage Fund 1 %	-	500
Cultural Facilities & Cap. Resources Fund .5%	-	1,500
Capitol Dome & Cap. Improvements Fund .5%	862	4,679
Workers Compensation Debt Reduction Fund 7%	-	11,000
Total	<u>\$ 3,447</u>	<u>\$ 37,717</u>
 Total nonoperating distributions to the State of West Virginia (cash basis)	 \$43,463	 \$518,358
 Accrued nonoperating distributions, beginning	 (85,633)	 (147,676)
Accrued nonoperating distributions, end	<u>105,894</u>	<u>105,894</u>
 Total nonoperating distributions to the State of West Virginia	 <u>\$ 63,724</u>	 <u>\$476,576</u>

NOTE 9 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST

Prior to becoming a member of the Multi-State Lottery in 1988, the prize structure of certain games operated solely by the Lottery included jackpot prizes. The Lottery, at its discretion, could choose to award such prizes in the form of either a lump sum payment or in equal installments over a period of 10 or 20 years, through March 31, 2007, the Lottery has awarded twenty-one deferred jackpot prizes totaling approximately \$28,868,786. Deferred prize awards were recognized as prize liabilities equivalent to the present value of future prize payments discounted at interest rates for government securities in effect on the date prizes were won. The imputed interest portion of the deferred prize awards is calculated using the effective interest method at rates ranging from 7.11% to 9.13%. A summary of the present value of the remaining obligations for deferred jackpot prize awards follows (in thousands):

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 9 - DEFERRED JACKPOT OBLIGATIONS AND INVESTMENTS HELD IN TRUST
(continued)

	<u>March 31, 2007</u>	<u>June 30, 2006</u>
Present value of deferred prize award obligations:		
Discounted obligations outstanding	\$ 338	\$ 615
Imputed interest accrued	<u>18</u>	<u>37</u>
	356	652
Less current portion of discounted obligations and accrued interest	<u>(195)</u>	<u>(336)</u>
Long-term portion of deferred prize award obligations	<u>\$ 161</u>	<u>\$ 316</u>

Future cash payments on deferred prize obligations for each of the remaining three years are as follows (in thousands):

<u>Year Ended</u>	<u>Original Discounted Obligations Outstanding</u>	<u>Imputed Interest</u>	<u>Total</u>
June 30, 2007	59	5	64
June 30, 2008	159	23	182
June 30, 2009	<u>120</u>	<u>10</u>	<u>130</u>
	<u>\$ 338</u>	<u>\$ 38</u>	<u>\$ 376</u>

The Lottery has purchased long-term investments consisting principally of zero coupon government securities to fund deferred jackpot prize award obligations. Such investments are maintained in a separate trust fund administered by the West Virginia Investment Management Board on behalf of the Lottery and the jackpot prize winners, with investment maturities approximating deferred prize obligation installment due dates. Investments are carried at fair value determined by quoted market prices for the specific obligation or for similar obligations. Changes in fair value are included as part of investment income. In accordance with Statement No. 3 of the Government Accounting Standards Board, these investments are classified as to level of risk in Category 1, which includes investments that are insured or registered, or for which the securities are held by the State or its agent in the State's name.

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 - RETIREMENT BENEFITS

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

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

Covered employees are required to contribute 4.5% of their salary to the PERS. The Lottery is required to contribute 10.5% of covered employees' salaries to the PERS. The required employee and employer contribution percentages have been established and changed from time to time by action of the State Legislature. The required contributions are not actuarially determined; however, actuarial valuations are performed to assist the Legislature in determining appropriate contributions. The Lottery and employee contributions, for the period ending March 31, 2007 are as follows (in thousands):

	<u>March 31, 2007</u>	<u>Year-to Date</u>
Lottery contributions	\$37	\$335
Employee contributions	16	144
Total contributions	\$53	\$479

NOTE 11 - RISK MANAGEMENT

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 - RISK MANAGEMENT (continued)

WEST VIRGINIA WORKERS' COMPENSATION COMMISSION (WCC)

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

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

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

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

The Lottery participates in the West Virginia Board of Risk and Insurance Management (BRIM), a common risk pool currently operating as a common risk management and insurance program for all State agencies, component units, and other local governmental agencies who wish to participate. The Lottery pays an annual premium to BRIM for its general insurance coverage. Fund underwriting and rate setting policies are established by BRIM. The cost of all coverage as determined by BRIM shall be

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 11 - RISK MANAGEMENT (continued)

paid by the participants. The BRIM risk pool retains the risk of the first \$1 million per property event and purchases excess insurance on losses above that level. Excess coverage, through an outside insurer under this program is limited to \$200 million per event, subject to limits on certain property. BRIM has \$1 million per occurrence coverage maximum on all third-party liability claims.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

Budget Division
Building 1, Room 332-West Wing
1900 Kanawha Blvd. East
Charleston, WV 25305-0590



304-347-4870

Memorandum

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

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

Date: May 4, 2007

Re: Status of General Revenue Fund April 30, 2007

We have reviewed the cash revenue flows of the West Virginia general revenue fund for the months of July-April of fiscal year 2006-2007. The status of the fund collections are as follows:

The net collections were **100.77%** of the estimate for the fiscal year. **The amount ABOVE estimate was \$ 22.8 million for the year.**

Corporate income/business franchise tax was \$ 44 million above the estimate.

Severance tax was \$ 9.4 million above the estimate as of April 30, 2007.

Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 107.42% of the estimate for the months of July - April. The entire fund was \$ 34.7 million above the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A (Rainy Day Fund) had a cash balance of \$ 228,171,928.14 as of April 30, 2007.

Balance July 1, 2006	124,153,400.18
Cash flow loan to General Revenue on July 6, 2006 To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September. Loan repaid on September 28, 2006.	- 50,000,000.00 + 50,000,000.00
Revenues July 1, 2005-June 30, 2006 (Surplus from FY 2006 to be transferred in August 2006.)	88,817,007.83
Earnings	15,201,520.13
Balance April 30, 2007	228,171,928.14

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 266,258,496.96 as of April 30, 2007.

Balance July 1, 2006	234,897,671.95
Earnings	31,360,825.01
Balance April 30, 2007	266,258,496.96

The Special Income Tax Reserve Fund had a cash balance of \$36,619,318.96 as of April 30, 2007.

Balance July 1, 2006	36,619,318.96
Revenues July 2006-June 2007	
Balance April 30, 2007	36,619,318.96

GENERAL REVENUE FUND FY 2006-2007
 Monthly Revenue Estimates - Revised: March 18, 2007
 as of April 30, 2007 WVFIMS

FINAL

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/ UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY
						OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
Personal Income Tax	176,100,000	141,736,277	-34,363,723	1,065,400,000	1,016,498,321	-48,901,679
Consumer Sales Tax	81,000,000	69,794,576	-11,205,424	838,000,000	818,463,574	-19,536,426
Severance Tax	32,400,000	28,959,783	-3,440,217	256,100,000	265,523,968	9,423,968
Corp Income /Business Franchise	52,700,000	55,062,001	2,362,001	238,000,000	282,289,502	44,289,502
Business and Occupation	26,800,000	23,936,713	-2,863,287	140,200,000	155,150,833	14,950,833
Insurance Tax	22,400,000	23,071,280	671,280	103,400,000	98,041,049	-5,358,951
Use Tax	12,200,000	10,157,204	-2,042,796	97,700,000	106,692,389	8,992,389
Cigarette Tax	7,300,000	8,054,194	754,194	85,500,000	87,136,851	1,636,851
HB 102 - Lottery Transfers	2,800,000	0	-2,800,000	67,800,000	77,900,000	10,100,000
Interest Income	6,900,000	5,010,810	-1,889,190	33,900,000	44,660,180	10,760,180
Departmental Collections	900,000	862,665	-37,335	14,000,000	12,709,861	-1,290,139
Property Transfer Tax	1,200,000	823,410	-376,590	13,400,000	10,193,357	-3,206,643
Liquor Profit Transfers	610,000	659,704	49,704	7,380,000	7,644,726	264,726
Beer Tax and Licenses	700,000	570,458	-129,542	6,400,000	6,228,787	-171,213
Senlor Citizen Tax Credit Reimb.	1,200,000	0	-1,200,000	5,100,000	0	-5,100,000
Property Tax	400,000	448,839	48,839	4,400,000	4,422,326	22,326
Smokeless Tobacco Tax	400,000	446,837	46,837	4,000,000	4,126,541	126,541
Charter Tax	100,000	74,426	-25,575	3,800,000	4,285,281	485,281
Racing Fees	0	235,000	235,000	1,300,000	880,000	-420,000
Miscellaneous Transfers	100,000	0	-100,000	800,000	2,817,177	2,017,177
Miscellaneous Recelpts	100,000	123,677	23,677	800,000	955,309	155,309
Business Franchise Fees	20,000	19,117	-883	680,000	591,427	-88,573
Telecommunications Tax	0	45,248	45,248	0	-416,869	-416,869
Estate and Inheritance Tax	0	-11,495	-11,495	0	209,670	209,670
Refundable Credit Reim LTY	0	393,741	393,741	0	2,988,919	2,988,919
Video Lottery Transfers	0	-56,939	-56,939	0	937,813	937,813
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	0	0
TOTALS	426,330,000	370,417,523	-55,912,477	2,988,060,000	3,010,930,989	22,870,989
Minus Cash Flow Transfer	0	0	0	0	0	0
Percent of Estimates		86.89%			100.77%	
TOTALS	426,330,000	370,417,523	-55,912,477	2,988,060,000	3,010,930,989	22,870,989
Collections this day		68,104,163				

STATE ROAD FUND

FINAL

STATE ROAD FUND FY 2006-2007

Monthly Estimates July 2006 - Revised February 2007

as of April 30, 2007 WVFIMS

SOURCE OF REVENUE	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER/UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER/UNDER ESTIMATES VS ACTUAL YTD COLLECTIONS
Gasoline & Motor Carrier Rd Tax	36,000,000	31,873,901	-4,126,099	261,000,000	295,136,898	34,136,898
Privilege Tax	13,383,000	15,349,165	1,966,165	139,974,000	142,724,711	2,750,711
Licenses & Registration	6,439,000	6,612,752	173,752	65,350,000	63,188,070	-2,161,930
Highway Litter Control Fund	122,000	135,059	13,059	1,235,000	1,221,841	-13,159
TOTALS	55,944,000	53,970,878	-1,973,123	467,559,000	502,271,520	34,712,520
Percent of Estimates		96.47%			107.42%	
Collections this day		18,877,192				

REVENUE SHORTFALL RESERVE FUND A as of April 2, 2007 : \$226,153,435.74

REVENUE SHORTFALL RESERVE FUND B as of April 2, 2007 : \$262,846,664.59

SPECIAL INCOME TAX REFUND RESERVE FUND as of April 2, 2007: \$36,619,318.96



Monthly Management Report

TOTAL CLAIMS

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
MARCH 2007

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	219,074.80	177,425.88	232,999.15	162,478.40	1,618,361.20	1,540,196.97
	MATERNITY	142,878.24	157,172.38	176,140.67	136,786.22	1,380,496.63	1,257,842.68
	MEDICAL AND SURGICAL	8,441,584.36	5,904,721.02	7,821,058.01	6,235,743.51	52,806,315.14	58,240,617.97
	NEONATAL COMPLICATIONS	218,824.90	87,731.50	84,806.57	64,473.96	1,047,000.89	541,475.95

sum		9,022,362.30	6,327,050.77	8,315,004.40	6,599,482.08	56,852,173.86	61,580,133.57
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	44,126.18	50,380.28	64,263.59	42,548.63	407,323.44	404,585.75
	DIALYSIS	302,629.57	232,803.22	311,222.33	199,674.01	2,085,644.48	2,032,782.16
	EMERGENCY ROOM	547,300.51	421,275.39	515,669.28	414,334.59	3,611,362.58	3,811,817.13
	MATERNITY	61,074.64	43,230.51	48,936.60	37,412.38	377,360.23	358,062.81
	MEDICAL AND SURGICAL	9,767,907.33	7,286,569.63	9,621,067.15	7,086,603.59	63,644,839.28	67,495,426.61

sum		10,723,038.23	8,034,259.04	10,561,158.95	7,780,573.20	70,126,530.01	74,102,674.46
PHARMACY	PRESCRIPTION DRUGS	21,327,230.94	16,611,455.58	19,510,586.11	14,845,043.26	149,466,116.53	133,798,804.56

sum		21,327,230.94	16,611,455.58	19,510,586.11	14,845,043.26	149,466,116.53	133,798,804.56
PROFESSIONAL SERVICES	ADVANCED IMAGING	718,549.06	529,055.08	772,972.07	472,747.25	4,586,654.45	4,552,605.95
	AMBULANCE	334,332.92	274,149.56	310,830.36	241,120.19	2,384,519.60	2,270,121.59
	ANESTHESIA	941,867.05	625,952.72	814,837.48	638,132.19	5,671,192.53	5,972,807.97
	BEHAVIORAL	482,488.82	351,120.44	497,229.77	327,639.83	2,975,310.48	3,003,607.82
	CARDIOVASCULAR MEDICINE	545,011.20	438,019.88	660,804.86	418,899.71	3,636,925.00	3,966,329.62
	CERVICAL CANCER SCREENING	24,975.91	26,749.49	32,284.34	34,654.08	226,206.79	302,587.64
	DIALYSIS	14,808.53	12,187.49	24,548.41	29,958.04	98,534.60	237,428.62
	DME	637,376.13	452,348.80	596,687.99	462,264.92	3,991,598.89	4,434,644.04

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 MARCH 2007

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg 12 Months Prior PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	6,631,274.55	4,617,564.69	6,178,318.01	4,332,741.56	41,671,011.65	40,629,391.10
	IMMUNIZATION	275,701.41	185,731.92	197,972.36	137,533.74	1,921,040.39	1,471,602.07
	INJECTION	1,031,610.55	788,354.24	1,008,283.16	794,797.42	7,067,180.02	7,259,873.91
	LAB AND PATHOLOGY	923,620.18	638,279.27	916,975.72	561,355.09	5,270,286.42	5,249,808.24
	MAMMOGRAPHY	8,146.07	87,091.80	117,667.19	98,318.08	665,025.61	907,993.01
	OTHER	559,598.64	414,122.61	522,197.60	496,944.23	3,735,755.21	4,608,170.96
	OTHER IMAGING	1,191,624.93	935,418.50	1,240,416.59	799,661.59	8,020,409.55	7,607,152.17
	OTHER MEDICINE	800,837.02	698,133.27	750,117.26	627,483.09	6,094,587.24	5,528,511.08
	PHYSICAL MEDICINE	758,016.17	592,423.65	731,580.64	534,705.59	5,237,411.96	5,049,607.05
	PROSTATE CANCER SCREENING	21,253.39	16,992.31	24,028.67	13,081.97	135,934.88	132,301.04
	SURGICAL	3,776,035.45	2,594,657.67	3,305,410.87	2,508,972.11	23,175,961.96	23,680,413.83

sum		19,677,127.98	14,278,353.37	18,703,163.35	13,531,010.69	126,565,547.23	126,864,857.71
sum		60,749,759.45	45,251,118.76	57,089,912.81	42,756,109.24	403,010,367.63	396,346,470.30

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

29 rows selected.



Monthly Management Report

PER CAPITA CLAIMS

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
MARCH 2007

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.1691	.9752	1.2505	.8947	8.6638	8.2868
	MATERNITY	.7625	.8638	.9453	.7533	7.3904	6.7676
	MEDICAL AND SURGICAL	45.0506	32.4514	41.9756	34.3383	282.6959	313.3532
	NEONATAL COMPLICATIONS	1.1678	.4825	.4552	.3550	5.6051	2.9133

SUM		48.1501	34.7728	44.6266	36.3412	304.3552	331.3209
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2355	.2769	.3449	.2343	2.1806	2.1768
	DIALYSIS	1.6151	1.2795	1.6703	1.0994	11.1654	10.9370
	EMERGENCY ROOM	2.9208	2.3152	2.7676	2.2815	19.3332	20.5088
	MATERNITY	.3259	.2376	.2626	.2060	2.0202	1.9265
	MEDICAL AND SURGICAL	52.1289	40.0460	51.6362	39.0219	340.7193	363.1471

SUM		57.2262	44.1552	56.6817	42.8431	375.4187	398.6962
PHARMACY	PRESCRIPTION DRUGS	113.8181	91.3026	104.7132	81.7432	800.1591	719.8806

SUM		113.8181	91.3026	104.7132	81.7432	800.1591	719.8806
PROFESSIONAL SERVICES	ADVANCED IMAGING	3.8347	2.9076	4.1485	2.6031	24.5544	24.4945
	AMBULANCE	1.7843	1.5067	1.6682	1.3277	12.7654	12.2140
	ANESTHESIA	5.0265	3.4402	4.3732	3.5140	30.3604	32.1356
	BEHAVIORAL	2.5749	1.9295	2.6686	1.8040	15.9282	16.1604
	CARDIOVASCULAR MEDICINE	2.9086	2.4071	3.5465	2.3066	19.4701	21.3396
	CERVICAL CANCER SCREENING	.1333	.1470	.1733	.1908	1.2110	1.6280
	DIALYSIS	.0790	.0670	.1318	.1650	.5275	1.2774
	DME	3.4015	2.4861	3.2024	2.5455	21.3688	23.8598

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 MARCH 2007

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	35.3894	25.3769	33.1590	23.8580	223.0836	218.5992
	IMMUNIZATION	1.4713	1.0211	1.0625	.7571	10.2842	7.9177
	INJECTION	5.5054	4.3328	5.4115	4.3766	37.8338	39.0605
	LAB AND PATHOLOGY	4.9291	3.5076	4.9214	3.0909	28.2142	28.2457
	MAMMOGRAPHY	.0435	.4787	.6315	.5414	3.5602	4.8853
	OTHER	2.9864	2.2761	2.8026	2.7366	19.9992	24.7934
	OTHER IMAGING	6.3594	5.1404	6.6573	4.4033	42.9368	40.9289
	OTHER MEDICINE	4.2739	3.8365	4.0259	3.4552	32.6271	29.7452
	PHYSICAL MEDICINE	4.0453	3.2556	3.9264	2.9442	28.0382	27.1685
	PROSTATE CANCER SCREENING	.1134	.0934	.1290	.0720	.7277	.7118
	SURGICAL	20.1518	14.2600	17.7401	13.8161	124.0713	127.4082

sum		105.0119	78.4703	100.3798	74.5082	677.5621	682.5737
sum		324.2062	248.7009	306.4013	235.4357	2,157.4951	2,132.4714

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

29 rows selected



Monthly Management Report

PER CAPITA UTILIZATION

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 MARCH 2007

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0016	.0014	.0101	.0084
	MATERNITY	.0007	.0007	.0055	.0057
	MEDICAL AND SURGICAL	.0258	.0220	.1788	.1687
	NEONATAL COMPLICATIONS	.0002	.0002	.0017	.0020

sum		.0283	.0243	.1960	.1847
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0043	.0048	.0340	.0324
	DIALYSIS	.0097	.0072	.0511	.0549
	EMERGENCY ROOM	.0303	.0323	.2271	.2356
	MATERNITY	.0018	.0020	.0138	.0130
	MEDICAL AND SURGICAL	.2990	.3022	2.1419	2.1827

sum		.3451	.3485	2.4680	2.5186
PHARMACY	PRESCRIPTION DRUGS	1.3445	1.2968	9.9616	9.4905

sum		1.3445	1.2968	9.9616	9.4905
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0364	.0399	.2504	.2525
	AMBULANCE	.0134	.0122	.0946	.0919
	ANESTHESIA	.0319	.0298	.2056	.2189
	BEHAVIORAL	.0460	.0453	.3117	.3161
	CARDIOVASCULAR MEDICINE	.0653	.0703	.4703	.4953
	CERVICAL CANCER SCREENING	.0064	.0073	.0543	.0706
	DIALYSIS	.0015	.0021	.0110	.0200
	DME	.0588	.0623	.3851	.4203
	EVALUATION AND MANAGEMENT	.7671	.7706	5.3716	5.4624
	IMMUNIZATION	.0181	.0155	.2496	.2017

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
 MARCH 2007

Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0427	.0426	.2956	.2762
	LAB AND PATHOLOGY	.2158	.1844	1.3274	1.2638
	MAMMOGRAPHY	.0022	.0190	.1113	.1508
	OTHER	.0456	.0435	.4119	.3885
	OTHER IMAGING	.1743	.1685	1.1874	1.2293
	OTHER MEDICINE	.1099	.1076	.8033	.7523
	PHYSICAL MEDICINE	.1249	.1251	.9517	.9598
	PROSTATE CANCER SCREENING	.0069	.0066	.0456	.0432
	SURGICAL	.1336	.1319	.9325	.9392

sum		1.9009	1.8846	13.4708	13.5529

sum		3.6188	3.5541	26.0965	25.7467

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

29 rows selected.



Monthly Management Report

MEDICARE ELIGIBLE

TOTAL CLAIMS

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS - MEDICARE ELIGIBLE
MARCH 2007

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	27,491.96	26,267.86	40,678.05	20,496.18	226,124.84	211,636.54
	MEDICAL AND SURGICAL	1,615,007.77	1,118,588.12	1,379,596.47	1,064,326.29	10,078,952.33	9,547,192.44

sum		1,642,499.73	1,144,855.98	1,420,274.52	1,084,822.48	10,305,077.17	9,758,828.98
with fee							
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	10,137.80	9,186.07	10,471.06	5,993.37	82,881.49	55,800.36
	DIALYSIS	97,651.32	66,862.87	66,025.21	64,608.00	610,423.04	609,229.27
EMERGENCY ROOM		70,545.29	42,104.31	50,863.79	40,917.55	389,824.13	366,798.55
	MEDICAL AND SURGICAL	1,260,830.83	912,697.05	1,183,141.52	901,815.33	8,166,039.71	8,440,075.91

sum		1,439,165.24	1,030,850.31	1,310,501.58	1,013,334.26	9,249,168.37	9,471,904.09
PHARMACY	PRESCRIPTION DRUGS	8,322,862.74	6,586,549.81	7,715,025.80	6,143,151.61	59,380,776.01	55,361,055.69

sum		8,322,862.74	6,586,549.81	7,715,025.80	6,143,151.61	59,380,776.01	55,361,055.69
PROFESSIONAL SERVICES	ADVANCED IMAGING	74,422.95	58,984.15	86,873.38	50,933.55	512,682.25	484,676.47
	AMBULANCE	151,994.36	110,624.47	135,382.48	90,302.00	1,009,865.16	868,712.23
	ANESTHESIA	52,482.82	36,170.86	57,944.31	36,947.36	316,019.61	360,597.67
	BEHAVIORAL	35,600.40	24,252.15	31,892.67	18,647.49	216,707.70	182,222.26
	CARDIOVASCULAR MEDICINE	90,501.46	67,410.60	98,475.80	63,075.93	583,959.53	589,070.40
	CERVICAL CANCER SCREENING	66.28	113.55	283.66	98.12	808.81	1,004.57
	DIALYSIS	2,756.80	1,953.21	4,221.69	7,296.04	16,241.08	58,290.49
	DME	218,086.09	149,478.38	227,811.16	139,999.62	1,362,653.80	1,416,034.00
	EVALUATION AND MANAGEMENT	1,068,192.79	652,474.50	982,894.18	606,340.44	5,895,207.24	5,641,176.56
	IMMUNIZATION	4,417.44	1,870.17	803.16	719.61	23,742.49	7,619.18
	INJECTION	217,418.16	138,837.77	173,553.41	117,072.15	1,270,829.60	1,068,732.02

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
NOTE: CLAIMS LISTED ARE ON A PAID BASIS
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS - MEDICARE ELIGIBLE
 MARCH 2007

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Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	LAB AND PATHOLOGY	52,204.94	31,996.75	45,890.44	28,445.65	291,295.11	272,867.51
	MAMMOGRAPHY	1,166.01	5,542.04	7,713.60	6,175.12	41,825.12	55,933.83
	OTHER	114,862.28	71,803.78	95,196.77	89,293.48	665,889.05	728,644.94
	OTHER IMAGING	149,403.63	124,745.00	164,158.40	111,712.68	1,109,894.50	1,047,349.65
	OTHER MEDICINE	106,868.05	75,829.14	100,114.92	53,297.32	642,332.96	515,655.27
	PHYSICAL MEDICINE	76,088.87	60,417.85	74,409.16	55,976.09	545,049.34	532,776.18
	PROSTATE CANCER SCREENING	241.29	438.17	266.47	183.99	4,004.19	1,740.15
	SURGICAL	405,078.43	286,870.29	393,778.03	266,304.52	2,566,341.66	2,532,894.31
***** sum		2,821,853.05	1,899,809.82	2,681,663.69	1,742,621.16	17,075,349.20	16,365,997.69
sum		14,226,380.76	10,662,065.91	13,127,465.59	9,983,929.50	96,010,370.75	90,957,786.45

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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Monthly Management Report

MEDICARE ELIGIBLE

PER CAPITA CLAIMS

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS - MEDICARE ELIGIBLE
 MARCH 2007

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.7612	.7171	1.1011	.5479	6.2011	5.6760
	MEDICAL AND SURGICAL	44.7185	30.5515	37.3439	28.4331	276.4007	256.0530

sum		45.4797	31.2686	38.4450	28.9810	282.6019	261.7290
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2807	.2511	.2834	.1601	2.2729	1.4965
	DIALYSIS	2.7039	1.8277	1.7872	1.7267	16.7400	16.3394
*****	EMERGENCY ROOM	1.9534	1.1502	1.3768	1.0931	10.6904	9.8374
	MEDICAL AND SURGICAL	34.9116	24.9284	32.0261	24.0915	223.9419	226.3605

sum		39.8495	28.1574	35.4736	27.0714	253.6451	254.0338
PHARMACY	PRESCRIPTION DRUGS	230.4545	179.9213	208.8359	164.1624	1,628.4321	1,484.7679

sum		230.4545	179.9213	208.8359	164.1624	1,628.4321	1,484.7679
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.0607	1.6108	2.3516	1.3607	14.0596	12.9989
	AMBULANCE	4.2086	3.0216	3.6646	2.4079	27.6941	23.2986
	ANESTHESIA	1.4532	.9878	1.5685	.9870	8.6664	9.6711
	BEHAVIORAL	.9858	.6624	.8633	.4984	5.9429	4.8871
	CARDIOVASCULAR MEDICINE	2.5059	1.8410	2.6656	1.6855	16.0142	15.7987
	CERVICAL CANCER SCREENING	.0018	.0031	.0077	.0026	.0222	.0269
	DIALYSIS	.0763	.0533	.1143	.1948	.4454	1.5633
	DME	6.0387	4.0838	6.1666	3.7422	37.3688	37.9776
	EVALUATION AND MANAGEMENT	29.5775	17.8255	26.6057	16.2064	161.6676	151.2948
	IMMUNIZATION	.1223	.0512	.0217	.0192	.6511	.2043
	INJECTION	6.0202	3.7926	4.6979	3.1272	34.8507	28.6631

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS - MEDICARE ELIGIBLE
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Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	Rolling Avg PEIA Payments	PEIA Payments	PEIA Payments
PROFESSIONAL SERVICES	LAB AND PATHOLOGY	1.4455	.8739	1.2422	.7600	7.9883	7.3182
	MAMMOGRAPHY	.0323	.1513	.2088	.1650	1.1470	1.5001
	OTHER	3.1805	1.9617	2.5769	2.3849	18.2610	19.5421
	OTHER IMAGING	4.1369	3.4081	4.4436	2.9847	30.4373	28.0896
	OTHER MEDICINE	2.9591	2.0712	2.7100	1.4247	17.6151	13.8297
	PHYSICAL MEDICINE	2.1068	1.6508	2.0142	1.4957	14.9472	14.2889
	PROSTATE CANCER SCREENING	.0067	.0120	.0072	.0049	.1098	.0467
	SURGICAL	11.2163	7.8350	10.6591	7.1163	70.3782	67.9315

sum		78.1352	51.8971	72.5892	46.5682	468.2668	438.9314
sum		393.9189	291.2444	355.3438	266.7830	2,632.9459	2,439.4622

SOURCE: ACCORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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26 rows selected.



Monthly Management Report

MEDICARE ELIGIBLE

PER CAPITA UTILIZATION

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION - MEDICARE ELIGIBLE
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Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0036	.0043	.0300	.0214
	MEDICAL AND SURGICAL	.0909	.0693	.6242	.5426

sum		.0945	.0735	.6541	.5640
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0091	.0084	.0678	.0447
	DIALYSIS	.0228	.0139	.1312	.1482
	EMERGENCY ROOM	.0476	.0448	.3374	.3367
	MEDICAL AND SURGICAL	.5621	.4989	3.9447	3.6032

sum		.6416	.5661	4.4811	4.1328
PHARMACY	PRESCRIPTION DRUGS	2.4725	2.2959	18.5012	17.4603

sum		2.4725	2.2959	18.5012	17.4603
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0771	.0843	.5298	.5102
	AMBULANCE	.0538	.0456	.3613	.3329
	ANESTHESIA	.0607	.0618	.3967	.4186
	BEHAVIORAL	.0317	.0286	.2103	.2055
	CARDIOVASCULAR MEDICINE	.1718	.1768	1.2701	1.2741
	CERVICAL CANCER SCREENING	.0007	.0007	.0058	.0047
	DIALYSIS	.0044	.0063	.0282	.0632
	DME	.1884	.2038	1.1859	1.2641
	EVALUATION AND MANAGEMENT	1.3921	1.3761	10.0758	10.0642
	IMMUNIZATION	.0105	.0069	.1616	.1192
	INJECTION	.0845	.0853	.6062	.5610
	LAB AND PATHOLOGY	.1568	.1383	1.0861	.9750
	MAMMOGRAPHY	.0056	.0263	.1621	.2028

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYERS INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION - MEDICARE ELIGIBLE
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Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	OTHER	.1147	.1092	.8959	.9420
	OTHER IMAGING	.3381	.3321	2.3660	2.3683
	OTHER MEDICINE	.1921	.1811	1.3596	1.1079
	PHYSICAL MEDICINE	.1620	.1594	1.2148	1.2493
	PROSTATE CANCER SCREENING	.0025	.0019	.0189	.0118
	SURGICAL	.2736	.2787	2.0035	1.9446
*****		-----			
SUM		3.3209	3.3033	23.9385	23.6193
-----		-----			
SUM		6.5295	6.2388	47.5749	45.7764

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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Monthly Management Report

NON MEDICARE ELIGIBLE

TOTAL CLAIMS

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS - NON MEDICARE ELIGIBLE
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Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	191,582.84	151,158.03	192,321.10	141,982.21	1,392,236.36	1,328,560.43
	MATERNITY	142,878.24	157,172.38	176,140.67	136,786.22	1,380,496.63	1,257,842.68
	MEDICAL AND SURGICAL	6,826,576.59	4,786,132.90	6,441,461.54	5,171,417.22	42,727,362.81	48,693,425.53
	NEONATAL COMPLICATIONS	218,824.90	87,731.80	84,806.57	64,473.96	1,047,000.89	541,475.95
***** SUM		7,379,862.57	5,182,194.80	6,894,729.88	5,514,659.61	46,547,096.69	51,821,304.59
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	33,988.38	41,194.22	53,792.53	36,555.26	324,441.95	348,785.39
	DIALYSIS	204,978.25	165,940.34	245,197.12	135,066.01	1,475,221.44	1,423,552.89
	EMERGENCY ROOM	476,755.22	379,171.08	464,805.49	373,417.04	3,221,538.45	3,445,018.58
	MATERNITY	61,074.64	43,226.79	48,936.60	37,409.32	377,360.23	358,062.81
	MEDICAL AND SURGICAL	8,507,076.50	6,373,872.58	8,437,925.63	6,184,788.26	55,478,799.57	59,055,350.70
***** SUM		9,283,872.99	7,003,405.00	9,250,657.37	6,767,235.89	60,877,361.64	64,630,770.37
PHARMACY	PRESCRIPTION DRUGS	13,004,368.20	10,024,905.77	11,795,560.31	8,701,891.65	90,085,340.52	78,437,748.87
***** SUM		13,004,368.20	10,024,905.77	11,795,560.31	8,701,891.65	90,085,340.52	78,437,748.87
PROFESSIONAL SERVICES	ADVANCED IMAGING	644,126.11	470,070.94	686,098.69	421,813.70	4,073,972.20	4,067,929.48
	AMBULANCE	182,338.56	163,525.09	175,447.88	151,018.19	1,374,654.44	1,401,409.36
	ANESTHESIA	889,384.23	589,781.87	756,893.17	601,184.83	5,355,172.92	5,612,210.30
	BEHAVIORAL	446,888.42	326,868.29	465,337.10	308,992.34	2,758,602.78	2,821,385.56
	CARDIOVASCULAR MEDICINE	454,509.74	370,609.28	562,329.06	355,823.78	3,052,965.47	3,377,159.22
	CERVICAL CANCER SCREENING	24,909.63	26,635.94	32,000.68	34,555.96	225,397.98	301,583.07
	DIALYSIS	12,051.73	10,234.28	20,326.72	22,662.00	82,293.52	179,138.13
	DME	419,290.04	302,873.42	368,876.83	322,265.30	2,628,945.09	3,018,610.04

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS - NON MEDICARE ELIGIBLE
 MARCH 2007

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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	5,563,081.76	3,965,090.19	5,195,423.83	3,726,401.12	35,775,804.41	34,988,214.54
	IMMUNIZATION	271,283.97	183,861.74	197,169.20	136,814.13	1,897,297.90	1,463,982.89
	INJECTION	814,192.39	649,516.47	834,729.75	677,725.27	5,796,350.42	6,191,141.89
	LAB AND PATHOLOGY	871,415.24	606,282.52	871,085.28	532,909.44	4,978,991.31	4,976,940.73
	MAMMOGRAPHY	6,980.06	81,549.76	109,953.59	92,142.96	623,200.49	852,059.18
	OTHER	444,736.36	342,318.83	427,000.83	407,650.75	3,069,866.16	3,879,526.02
	OTHER IMAGING	1,042,221.30	810,673.50	1,076,258.19	687,948.91	6,910,515.05	6,559,802.52
	OTHER MEDICINE	693,968.97	622,304.13	650,002.34	574,185.77	5,452,254.28	5,012,855.81
	PHYSICAL MEDICINE	681,927.30	532,005.80	657,171.48	478,729.51	4,692,362.62	4,516,830.87
	PROSTATE CANCER SCREENING	21,012.10	16,554.14	23,762.20	12,897.98	131,930.69	130,560.89
	SURGICAL	3,370,957.02	2,307,787.38	2,911,632.84	2,242,667.59	20,609,620.30	21,147,519.52

SUM		16,855,274.93	12,378,543.55	16,021,499.66	11,788,389.53	109,490,198.03	110,498,860.02
SUM		46,523,378.69	34,589,049.12	43,962,447.22	32,772,176.68	306,999,996.88	305,388,683.85

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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Monthly Management Report

NON MEDICARE ELIGIBLE

PER CAPITA CLAIMS

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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS - NON MEDICARE ELIGIBLE
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Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments		
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.2665	1.0402	1.2875	.9849	9.2612	8.9419
	MATERNITY	.9446	1.0814	1.1791	.9490	9.1831	8.4660
	MEDICAL AND SURGICAL	45.1299	32.9317	43.1210	35.8727	284.2228	327.7330
	NEONATAL COMPLICATIONS	1.4466	.6040	.5677	.4470	6.9647	3.6444

sum		48.7876	35.6574	46.1553	38.2536	309.6318	348.7853
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.2247	.2834	.3601	.2536	2.1582	2.3475
	DIALYSIS	1.3551	1.1418	1.6414	.9367	9.8132	9.5813
	EMERGENCY ROOM	3.1518	2.6089	3.1115	2.5901	21.4297	23.1868
	MATERNITY	.4038	.2974	.3276	.2594	2.5102	2.4100
	MEDICAL AND SURGICAL	56.2396	43.8567	56.4859	42.8997	369.0455	397.4744

sum		61.3749	48.1882	61.9266	46.9396	404.9568	435.0000
PHARMACY	PRESCRIPTION DRUGS	85.9708	68.9782	78.9629	60.3492	599.2486	527.9284

sum		85.9708	68.9782	78.9629	60.3492	599.2486	527.9284
PROFESSIONAL SERVICES	ADVANCED IMAGING	4.2583	3.2345	4.5929	2.9256	27.1001	27.3794
	AMBULANCE	1.2054	1.1251	1.1745	1.0475	9.1442	9.4322
	ANESTHESIA	5.8796	4.0583	5.0669	4.1702	35.6227	37.7732
	BEHAVIORAL	2.9543	2.2488	3.1151	2.1429	18.3503	18.9894
	CARDIOVASCULAR MEDICINE	3.0047	2.5499	3.7644	2.4680	20.3084	22.7301
	CERVICAL CANCER SCREENING	.1647	.1833	.2142	.2397	1.4993	2.0298
	DIALYSIS	.0797	.0704	.1361	.1572	.5474	1.2057
	DME	2.7719	2.0841	2.4694	2.2355	17.4878	20.3169

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
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WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS - NON MEDICARE ELIGIBLE
 MARCH 2007

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Reporting Category	Type of Service	Current	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		Current Period PEIA Payments	Rolling Avg PEIA Payments	12 Months Prior PEIA Payments	Rolling Avg PEIA Payments	Current Fiscal Yr PEIA Payments	Previous Fiscal Yr PEIA Payments
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	36.7771	27.2808	34.7797	25.8464	237.9810	235.4896
	IMMUNIZATION	1.7934	1.2650	1.3199	.9484	12.6208	9.8534
	INJECTION	5.3826	4.4691	5.5879	4.7009	38.5574	41.6697
	LAB AND PATHOLOGY	5.7609	4.1713	5.8313	3.6959	33.1203	33.4975
	MAMMOGRAPHY	.0461	.5613	.7361	.6392	4.1455	5.7348
	OTHER	2.9401	2.3554	2.8585	2.8279	20.4208	26.1113
	OTHER IMAGING	6.8900	5.5771	7.2048	4.7718	45.9688	44.1510
	OTHER MEDICINE	4.5878	4.2814	4.3513	3.9827	36.2685	33.7392
	PHYSICAL MEDICINE	4.5082	3.6600	4.3993	3.3203	31.2136	30.4007
	PROSTATE CANCER SCREENING	.1389	.1139	.1591	.0894	.8776	.8787
	SURGICAL	22.2851	15.8798	19.4913	15.5570	137.0954	142.3342

sum		111.4288	85.1694	107.2526	81.7665	728.3299	743.7169
sum		307.5621	237.9932	294.2974	227.3089	2,042.1671	2,055.4306

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

29 rows selected.



Monthly Management Report

NON-MEDICARE ELIGIBLE

PER CAPITA UTILIZATION

MARCH 2007

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION - NON MEDICARE ELIGIBLE
 MARCH 2007

Page: 1

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0011	.0007	.0053	.0051
	MATERNITY	.0008	.0009	.0068	.0071
	MEDICAL AND SURGICAL	.0103	.0103	.0707	.0749
	NEONATAL COMPLICATIONS	.0002	.0003	.0021	.0024

sum		.0124	.0121	.0849	.0896
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0031	.0039	.0258	.0293
	DIALYSIS	.0065	.0055	.0317	.0315
	EMERGENCY ROOM	.0262	.0292	.2004	.2102
	MATERNITY	.0023	.0024	.0171	.0162
	MEDICAL AND SURGICAL	.2361	.2536	1.7047	1.8264

sum		.2743	.2947	1.9798	2.1136
PHARMACY	PRESCRIPTION DRUGS	1.0752	1.0497	7.8903	7.4905

sum		1.0752	1.0497	7.8903	7.4905
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0267	.0289	.1827	.1879
	AMBULANCE	.0037	.0039	.0299	.0315
	ANESTHESIA	.0250	.0220	.1592	.1689
	BEHAVIORAL	.0495	.0494	.3363	.3438
	CARDIOVASCULAR MEDICINE	.0399	.0439	.2763	.3000
	CERVICAL CANCER SCREENING	.0077	.0090	.0660	.0871
	DIALYSIS	.0008	.0011	.0069	.0091
	DME	.0278	.0273	.1909	.2086
	EVALUATION AND MANAGEMENT	.6180	.6209	4.2307	4.3080
	IMMUNIZATION	.0199	.0176	.2710	.2224

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION - NON MEDICARE ELIGIBLE
 MARCH 2007

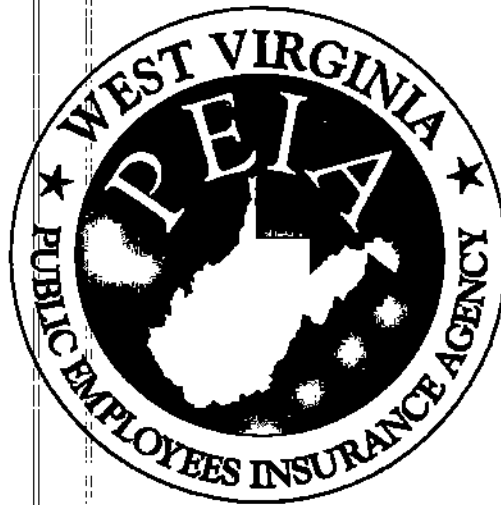
Page: 2

Reporting Category	Type of Service	Current Period Encounters	12 Months Prior Encounters	Current Fiscal Yr Encounters	Previous Fiscal Yr Encounters
PROFESSIONAL SERVICES	INJECTION	.0328	.0321	.2202	.2047
	LAB AND PATHOLOGY	.2300	.1959	1.3860	1.3365
	MAMMOGRAPHY	.0014	.0171	.0990	.1378
	OTHER	.0292	.0273	.2945	.2496
	OTHER IMAGING	.1353	.1281	.9017	.9437
	OTHER MEDICINE	.0903	.0895	.6684	.6631
	PHYSICAL MEDICINE	.1160	.1167	.8879	.8872
	PROSTATE CANCER SCREENING	.0080	.0078	.0521	.0510
	SURGICAL	.1002	.0956	.6728	.6870

sum		1.5621	1.5340	10.9325	11.0280
sum		2.9240	2.8905	20.8875	20.7217

SOURCE: ACORDIA NATIONAL AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS

29 rows selected.



Prescription Drug Report

MARCH 2007

WV PEIA - Monthly Trend

Plan Demographics	Jan-07	Feb-07	Mar-07	2006 - 2007 Fiscal	2006 - 2006 Fiscal	% Change
Total Drug Cost	\$22,165,708	\$19,871,608	\$22,786,633	\$168,223,999	\$174,101,906	8.11%
Amount Paid by Plan Sponsor	\$18,213,353	\$16,463,627	\$18,684,443	\$148,868,707	\$134,287,563	10.04%
Amount Paid by Members	\$3,952,354	\$3,608,180	\$3,912,090	\$39,268,291	\$39,834,343	-1.43%
Total Claims	332,462	299,301	334,008	2,760,153	2,661,419	4.46%
Average Eligible Member	187,682	187,731	187,888	187,818	188,768	0.56%
Average # of Rx's Per Member Per Month	1.77	1.58	1.75	1.64	1.58	3.58%
Plan Paid Per Member Per Month (PMPM)	\$97.10	\$87.70	\$100.48	\$88.12	\$79.88	10.32%
Average Eligible Enrollees	97,208	97,263	97,326	98,950	95,922	1.07%
Average # of Rx's Per Enrollee Per Month	3.42	3.05	3.43	3.19	3.08	3.33%
Plan Paid Per Enrollee Per Month (PEPM)	\$187.38	\$169.29	\$184.03	\$170.72	\$165.53	9.77%
Rx Cost Share						
Avg. Claim Cost to Plan	\$54.78	\$55.58	\$56.54	\$53.58	\$50.45	8.20%
Avg. Member Cost/Claim	\$11.89	\$11.84	\$11.71	\$14.12	\$14.87	-5.64%
Percent member Cost Share	17.6%	17.6%	17.2%	20.9%	22.9%	-8.62%
Average Ingredient Costs						
Single Source (no generics available)	\$138.30	\$141.75	\$143.68	\$138.00	\$122.12	11.37%
Multi-Source Brand (generics available)	\$39.48	\$39.68	\$42.78	\$39.28	\$39.08	18.75%
Generic Drugs	\$24.05	\$23.08	\$23.42	\$25.24	\$19.82	27.34%
Brand/Generic Dispensing Rates						
Single Source (no generics)	35.32%	35.42%	35.29%	38.27%	42.32%	-14.28%
Multi-Source Brand (generics available)	1.17%	1.16%	1.21%	1.25%	1.38%	-8.87%
Generic Drug	63.50%	63.40%	63.50%	62.47%	56.31%	10.85%
Generics Dispensed when available	98.18%	98.18%	98.13%	98.03%	97.51%	0.43%
Percent of Plan Cost for Single Source	76.27%	77.68%	77.55%	76.01%	82.83%	-8.24%
Retail Pharmacy Program						
Avg. Day Supply	33.4	33.7	33.3	33.9	33.4	1.51%
Avg. Plan Cost/Day Supply	\$1.63	\$1.63	\$1.68	\$1.57	\$1.50	4.75%
Avg. Claim Cost to Plan	\$94.32	\$55.09	\$56.08	\$53.11	\$49.95	6.33%
Avg. Member Cost / Claim	\$11.82	\$11.77	\$11.65	\$14.04	\$14.87	-5.60%
Percent Member Cost Share	17.89%	17.60%	17.21%	20.91%	22.95%	-8.68%
Special Maint Netwk (% of claims filled)	12.54%	12.74%	12.54%	12.74%	11.93%	6.82%
Other Maint (% of claims filled)	1.47%	1.56%	1.17%	1.53%	1.64%	-6.48%
Avg. Days Supply for Maint. Netwks	87.9	88.0	88.0	87.9	87.9	-0.01%
Total # Claims Fills 1-34 Days Supply	283,047	281,380	285,437	2,359,258	2,276,428	3.55%
Total # Claims Fills 35-60 Day Supply	2,390	2,087	2,306	20,141	18,943	6.32%
Total # Claims Fills 61-90 Day Supply	43,769	39,900	43,115	372,863	338,488	10.18%
Total # Claims Fills 91+ Day Supply	64	46	44	377	304	24.01%
Mail Service Program						
Avg. Days Supply	73.6	74.1	74.2	74.1	74.3	-0.27%
Avg. Plan Cost/Days Supply	\$1.39	\$1.39	\$1.45	\$1.38	\$1.39	-1.92%
Avg. Cost to Plan	\$102.08	\$103.09	\$107.63	\$100.70	\$102.85	-2.16%
Avg. Member Cost/Claim	\$18.51	\$18.91	\$18.01	\$22.60	\$24.75	-9.09%
Percent Member Cost Share	15.35%	15.60%	14.30%	18.26%	19.35%	-8.77%
Total # Claims Fill 1-34 Days Supply	893	775	827	7336	6884	9.76%
Total # Claims Fills 35-60 Days Supply	10	19	6	86	61	39.34%
Total # Claims Fills 61-90 Days Supply	2,309	2,124	2,271	19,985	18,505	8.05%
Total # Claims Fills 91+ Day Supply						
Formulary Program						
S/S Formulary Drugs (% by claim)	24.57%	24.77%	24.69%	24.59%	28.95%	-15.65%
S/S Non-Formulary Drugs (% by claim)	10.78%	10.68%	10.41%	11.68%	13.37%	-12.60%
M/S Drugs (% by claim)	0.03%	0.06%	0.03%	0.04%	0.02%	89.57%
Generic Drugs (% by Claim)	63.80%	63.40%	63.50%	62.47%	56.31%	10.95%
S/S Formulary Drugs (% by \$)	69.78%	60.72%	61.28%	59.80%	64.00%	-8.12%
S/S Non-Formulary Drugs (% by \$)	18.62%	16.94%	16.27%	17.21%	18.83%	-8.63%
M/S Drugs (% by \$)	0.07%	0.10%	0.06%	0.09%	0.02%	258.75%
Generic Drugs (% by \$)	23.38%	21.98%	22.06%	23.62%	16.87%	39.97%
Specialty Drugs						
Total Drug Cost	\$1,514,916	\$1,601,882	\$1,642,982	\$13,638,210	\$11,820,385	17.07%
Amount Paid by Plan Sponsor	\$1,465,566	\$1,458,158	\$1,786,281	\$13,314,312	\$11,349,818	17.31%
Amount Paid by Members	\$49,081	\$46,724	\$58,681	\$523,898	\$470,747	11.26%
Total Claims	1,002	938	1,182	9,727	10,209	-4.72%
Avg # of Rx's per Member per Month	0.01	0.00	0.01	0.01	0.01	-5.26%
Plan Paid Per Member Per Month (PMPM)	\$7.81	\$7.78	\$9.60	\$7.88	\$6.75	16.68%
Avg Claim Cost to Plan	\$1,452.64	\$1,552.41	\$1,560.59	\$1,368.80	\$1,111.73	23.12%
Avg Claim Cost to Member	\$48.95	\$48.78	\$49.20	\$53.69	\$48.11	16.81%
Percent of Member Cost Share	3.24%	3.04%	3.08%	3.78%	3.98%	-4.94%

WV PEIA - Monthly Trend

Plan Demographics	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
Total Drug Cost	\$18,465,969	\$20,748,041	\$20,298,438	\$21,216,715	\$20,978,542	\$21,697,248
Amount Paid By Plan Sponsor	\$11,163,981	\$15,960,822	\$16,210,728	\$17,208,780	\$17,119,708	\$17,745,487
Amount Paid By Members	\$7,302,008	\$4,784,420	\$4,087,710	\$4,009,835	\$3,856,834	\$3,881,789
Total Claims	274,628	302,835	288,887	319,682	310,542	316,817
Average Eligible Member	187,147	187,079	188,338	188,420	188,654	187,429
Average # of Rx's Per Member Per Month	1.47	1.62	1.59	1.68	1.65	1.69
Plan Paid Per Member Per Month (PMPM)	\$59.60	\$86.31	\$88.07	\$91.32	\$90.78	\$94.68
Average Eligible Enrollees	98,213	98,165	96,888	97,008	97,240	97,255
Average # of Rx's Per Enrollee Per Month	2.85	3.15	3.08	3.23	3.19	3.28
Plan Paid Per Enrollee Per Month (PEPM)	\$115.93	\$166.99	\$187.31	\$177.37	\$177.37	\$182.48
Rx Cost Share						
Avg. Claim Cost to Plan	\$40.61	\$52.69	\$54.24	\$64.87	\$55.13	\$58.01
AVG. Member Cost/Claim	\$26.69	\$16.79	\$13.69	\$12.78	\$12.42	\$12.16
Percent member Cost Share	39.6%	23.1%	20.1%	18.0%	18.4%	17.8%
Average Ingredient Costs						
Single Source (no generics available)	\$131.88	\$133.45	\$132.82	\$132.48	\$133.18	\$135.81
Multi-Source Brand (generics available)	\$35.01	\$50.89	\$36.12	\$34.88	\$38.49	\$35.41
Generic Drugs	\$23.62	\$25.98	\$28.69	\$28.82	\$26.65	\$26.79
Brand/Generic Dispensing Rates						
Single Source (no generics)	38.2%	37.23%	36.58%	36.6%	36.30%	35.85%
Multi-Source Brand % (generics available)	1.4%	1.48%	1.23%	1.2%	1.23%	1.23%
Generic Drug	60.4%	61.28%	62.20%	62.3%	62.47%	62.81%
Generics Dispensed when available	87.8%	87.84%	88.06%	88.1%	88.08%	88.08%
Percent of Plan Cost for Single Source	81.7%	76.18%	74.47%	74.1%	73.98%	74.04%
Retail Pharmacy Program						
Avg. Day Supply	34.3	34.7	34.2	34.0	33.8	33.7
Avg. Plan Cost/Day Supply	\$1.17	\$1.61	\$1.58	\$1.80	\$1.61	\$1.65
Avg. Claim Cost to Plan	\$40.19	\$52.21	\$53.62	\$54.38	\$54.63	\$55.61
Avg. Member Cost / Claim	\$26.45	\$16.97	\$13.69	\$12.71	\$12.35	\$12.10
Percent Member Cost Share	39.7%	23.08%	20.18%	18.9%	18.44%	17.69%
Special Maint Netwk (% of claims filled)	12.6%	13.13%	12.80%	12.8%	12.64%	12.73%
Other Maint (% of claims filled)	1.7%	1.76%	1.60%	1.6%	1.60%	1.58%
Avg. Days Supply for Maint. Networks	87.8	87.9	87.8	87.9	87.9	87.8
Total # Claims Fills 1-34 Days Supply	233,141	265,178	253,027	265,880	263,228	268,838
Total # Claims Fills 35-60 Day Supply	2,054	2,301	2,281	2,289	2,278	2,246
Total # Claims Fills 61-90 Day Supply	38,578	42,246	40,701	42,242	41,828	42,589
Total # Claims Fills 91+ Day Supply	30	42	28	34	41	48
Mail Service Program						
Avg. Days Supply	73.8	78.3	73.1	74.4	74.7	73.7
Avg. Plan Cost/Days Supply	\$1.10	\$1.30	\$1.32	\$1.39	\$1.39	\$1.48
Avg. Cost to Plan	\$80.94	\$97.68	\$98.81	\$103.31	\$103.67	\$108.97
Avg. Member Cost/Claim	\$39.84	\$27.94	\$22.49	\$20.06	\$19.48	\$18.69
Percent Member Cost Share	33.0%	22.18%	18.86%	16.3%	15.80%	14.67%
Total # Claims Fill 1-34 Days Supply	767	788	821	828	818	821
Total # Claims Fills 35-60 Days Supply	8	13	9	6	8	6
Total # Claims Fills 61-90 Days Supply	2,054	2,369	2,050	2,304	2,348	2,345
Total # Claims Fills 91+ Day Supply						
Formulary Program						
%S Formulary Drugs (% by claim)	25.2%	24.78%	24.41%	24.4%	24.21%	24.13%
%S Non-Formulary Drugs (% by claim)	13.0%	12.48%	12.16%	12.1%	12.09%	11.83%
%S Drugs (% by claim)	0.1%	0.16%	0.01%	0.0%	0.01%	0.01%
Generic Drugs (% by Claim)	60.4%	61.28%	62.20%	62.3%	62.47%	62.81%
%S Formulary Drugs (% by \$)	63.6%	68.21%	57.16%	68.7%	66.98%	55.38%
%S non-Formulary Drugs (% by \$)	16.1%	17.88%	17.31%	17.6%	17.63%	17.12%
%S Drugs (% by \$)	0.0%	0.48%	0.02%	0.0%	0.01%	0.01%
Generic Drugs (% by \$)	18.0%	23.03%	26.25%	26.6%	25.69%	25.67%
Specialty Drugs						
Total Drug Cost	\$1,384,812	\$1,670,302	\$1,638,438	\$1,479,126	\$1,462,469	\$1,689,806
Amount Paid by Plan Sponsor	\$1,278,358	\$1,509,284	\$1,478,197	\$1,423,389	\$1,407,888	\$1,508,098
Amount Paid by Members	\$85,168	\$81,019	\$58,238	\$55,737	\$54,483	\$57,810
Total Claims	1,022	1,139	1,132	1,094	1,087	1,181
Avg # of Rx's per Member per Month	0.01	0.01	0.01	0.01	0.01	0.01
Plan Paid Per Member Per Month (PMPM)	\$8.84	\$8.07	\$7.88	\$7.65	\$7.48	\$8.05
Avg Claim Cost to Plan	\$1,261.82	\$1,326.10	\$1,305.63	\$1,301.09	\$1,295.30	\$1,298.98
Avg Claim Cost to Member	\$83.32	\$83.57	\$51.48	\$50.95	\$50.12	\$49.79
Percent of Member Cost Share	6.24%	3.89%	3.76%	3.77%	3.78%	3.69%



Key Performance Indicators

Primary Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007
 Previous Period: 03/2006 - 03/2006

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$100.40	\$92.93	8.0 %
Average Mbra/Month	187,986	187,111	0.5 %
Average Subs/Month	97,326	96,205	1.2 %
Rx Measures			
Average Plan Cost/Rx	\$56.57	\$53.56	5.6 %
Average Mbr Contrib/Rx	\$11.72	\$12.84	-8.8 %
Average Ing Cost/Rx	\$66.20	\$64.27	3.0 %
% Plan Cost	82.8 %	80.7 %	2.7 %
% Member Contribution	17.2 %	19.3 %	-11.3 %
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	-0.2 %
% Retail Rxs	99.1 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-88.6 %
Rx Types			
Avg SSB Plan Cost/Rx	\$124.28	\$107.67	15.4 %
Avg MSB Plan Cost/Rx	\$18.54	\$11.41	62.5 %
Avg GEN Plan Cost/Rx	\$19.60	\$16.43	19.3 %
% Single-Source Brand Rxs	35.3 %	40.8 %	-13.3 %
% Multi-Source Brand Rxs	1.2 %	1.3 %	-6.1 %
% Generic Rxs	63.5 %	58.0 %	9.5 %
% Formulary Rxs	87.8 %	83.9 %	4.7 %
% Generic Conversion	98.1 %	97.8 %	0.3 %
Period Totals			
Total Plan Cost	\$18,874,431.41	\$17,388,975.14	8.5 %
Total Member Contribution	\$3,910,169.89	\$4,169,448.03	-6.2 %
Total Rx Count	333,672	324,660	2.8 %
Total Admin Fee	\$231.00	\$432.00	-46.5 %
Total UC Savings	\$11,531,160.59	\$9,865,199.30	16.9 %



Key Performance Indicators

Expanded Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007
 Previous Period: 03/2006 - 03/2006

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$100.40	\$92.93	8.0 %
Average Mbrs/Month	187,986	187,111	0.5 %
Average Subs/Month	97,326	96,205	1.2 %
% Utilizing Members	53.5 %	53.1 %	0.8 %
Rx Measures			
Rxs PMPM	1.77	1.74	2.3 %
Average Admin Fee/Rx	\$0.00	\$0.00	-48.0 %
Average Plan Cost/Rx	\$56.57	\$53.56	5.6 %
Avg Retail Plan Cost/Rx	\$56.08	\$53.02	5.8 %
Avg Mail Plan Cost/Rx	\$107.95	\$111.49	-3.2 %
Average Mbr Contrib/Rx	\$11.72	\$12.84	-8.8 %
Avg Retail Mbr Contrib/Rx	\$11.66	\$12.77	-8.7 %
Avg Mail Mbr Contrib/Rx	\$18.01	\$21.03	-14.3 %
Average Ing Cost/Rx	\$66.20	\$64.27	3.0 %
Avg Retail Ing Cost/Rx	\$65.65	\$63.65	3.2 %
Avg Mail Ing Cost/Rx	\$124.46	\$131.01	-5.0 %
% Plan Cost	82.8 %	80.7 %	2.7 %
% Member Contribution	17.2 %	19.3 %	-11.3 %
% Retail Plan Cost	82.8 %	80.6 %	2.7 %
% Retail Mbr Contrib	17.2 %	19.4 %	-11.3 %
% Mail Plan Cost	85.7 %	84.1 %	1.9 %
% Mail Member Contrib	14.3 %	15.9 %	-9.9 %
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	-0.2 %
% Retail Rxs	99.1 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-88.6 %
Rx Types			
Avg SSB Plan Cost/Rx	\$124.28	\$107.67	15.4 %
Avg MSB Plan Cost/Rx	\$18.54	\$11.41	62.5 %
Avg GEN Plan Cost/Rx	\$19.60	\$16.43	19.3 %
% Single-Source Brand Rxs	35.3 %	40.8 %	-13.3 %
% Multi-Source Brand Rxs	1.2 %	1.3 %	-6.1 %
% Generic Rxs	63.5 %	58.0 %	9.5 %



Key Performance Indicators

Expanded Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007
 Previous Period: 03/2006 - 03/2006

	Current Period	Previous Period	% Change
% Retail Single-Source Brand	35.3 %	40.7 %	-13.3 %
% Retail Multi-Source Brand	1.2 %	1.3 %	-5.9 %
% Retail Generic	63.5 %	58.0 %	9.4 %
% Mail Single-Source Brand	40.1 %	50.9 %	-21.1 %
% Mail Multi-Source Brand	0.8 %	1.1 %	-26.2 %
% Mail Generic	59.1 %	48.0 %	23.0 %
% Formulary Rxs	87.8 %	83.9 %	4.7 %
% Retail Formulary Rxs	87.8 %	83.9 %	4.7 %
% Mail Formulary Rxs	88.2 %	83.6 %	5.5 %
% DAW Rxs	0.8 %	0.8 %	-6.2 %
% Retail DAW Rxs	0.8 %	0.8 %	-6.2 %
% Mail DAW Rxs	1.1 %	1.2 %	-8.1 %
% Generic Conversion	98.1 %	97.8 %	0.3 %

Period Totals

Total Plan Cost	\$18,874,431.41	\$17,388,975.14	8.5 %
Retail Plan Cost	\$18,539,244.62	\$17,051,617.12	8.7 %
Mail Plan Cost	\$335,186.79	\$337,358.02	-0.6 %
Total Member Contribution	\$3,910,169.89	\$4,169,448.03	-6.2 %
Retail Member Contrib	\$3,854,241.32	\$4,105,821.16	-6.1 %
Mail Member Contrib	\$55,928.57	\$63,626.87	-12.1 %
Total Rx Count	333,672	324,660	2.8 %
Retail Rx Count	330,533	321,344	2.9 %
Member Submit Rxs	34	290	-88.3 %
Mail Rx Count	3,105	3,026	2.6 %
Total Admin Fee	\$231.00	\$432.00	-46.5 %
Total UC Savings	\$11,531,160.59	\$9,865,199.30	16.9 %
Total Lost Savings	\$20,709.05	\$18,710.58	10.7 %

Demographics

Average Age	45.5	45.3	0.6 %
% Male Members	45.2 %	45.1 %	0.2 %
% Female Members	54.8 %	54.9 %	-0.2 %



Key Performance Indicators
Comprehensive Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007
Previous Period: 03/2006 - 03/2006

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$100.40	\$92.93	8.0 %
Average Mbrs/Month	187,986	187,111	0.5 %
Average Subs/Month	97,326	96,205	1.2 %
% Utilizing Members	53.5 %	53.1 %	0.8 %
% Retail Utilizing Members	53.2 %	52.8 %	0.8 %
% Mail Utilizing Members	0.7 %	0.7 %	-1.4 %
Rx Measures			
Rxs PMPM	1.77	1.74	2.3 %
Retail Rxs PMPM	1.76	1.72	2.3 %
Mail Rxs PMPM	0.02	0.02	2.1 %
Average Admin Fee/Rx	\$0.00	\$0.00	-48.0 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.00	-48.0 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$56.57	\$53.56	5.6 %
Avg Retail Plan Cost/Rx	\$56.08	\$53.02	5.8 %
Avg Mail Plan Cost/Rx	\$107.95	\$111.49	-3.2 %
Average Mbr Contrib/Rx	\$11.72	\$12.84	-8.8 %
Avg Retail Mbr Contrib/Rx	\$11.66	\$12.77	-8.7 %
Avg Mail Mbr Contrib/Rx	\$18.01	\$21.03	-14.3 %
Average Ing Cost/Rx	\$66.20	\$64.27	3.0 %
Avg Retail Ing Cost/Rx	\$65.65	\$63.65	3.2 %
Avg Mail Ing Cost/Rx	\$124.46	\$131.01	-5.0 %
Average AWP/Rx	\$103.12	\$95.60	7.9 %
Avg Retail AWP/Rx	\$102.17	\$94.69	7.9 %
Avg Mail AWP/Rx	\$204.12	\$192.44	6.1 %
Average Days Supply/Rx	33.6	33.3	0.9 %
Avg Retail Days/Rx	33.2	33.0	0.9 %
Avg Mail Days/Rx	74.2	73.6	0.8 %
Average Plan Cost/Day	\$1.68	\$1.61	4.7 %
Avg Retail Plan Cost/Day	\$1.69	\$1.61	4.9 %
Avg Mail Plan Cost/Day	\$1.45	\$1.51	-3.9 %
% Plan Cost	82.8 %	80.7 %	2.7 %
% Member Contribution	17.2 %	19.3 %	-11.3 %
% Retail Plan Cost	82.8 %	80.6 %	2.7 %
% Retail Mbr Contrib	17.2 %	19.4 %	-11.3 %
% Mail Plan Cost	85.7 %	84.1 %	1.9 %
% Mail Member Contrib	14.3 %	15.9 %	-9.9 %



Key Performance Indicators

Comprehensive Indicators

WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007

Previous Period: 03/2006 - 03/2006

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	0.9 %	0.9 %	-0.2 %
% Retail Rxs	99.1 %	99.0 %	0.1 %
% Member Submit Rxs	0.0 %	0.1 %	-88.6 %
Rx Types			
Avg SSB Plan Cost/Rx	\$124.28	\$107.67	15.4 %
Avg Retail SSB Plan Cost/Rx	\$123.38	\$106.71	15.6 %
Avg Mail SSB Plan Cost/Rx	\$208.97	\$189.66	10.2 %
Avg MSB Plan Cost/Rx	\$18.54	\$11.41	62.5 %
Avg Retail MSB Plan Cost/Rx	\$18.57	\$11.49	61.6 %
Avg Mail MSB Plan Cost/Rx	\$13.69	\$0.71	1836.6 %
Avg GEN Plan Cost/Rx	\$19.60	\$16.43	19.3 %
Avg Retail GEN Plan Cost/Rx	\$19.42	\$16.32	19.0 %
Avg Mail GEN Plan Cost/Rx	\$40.61	\$31.14	30.4 %
% Single-Source Brand Rxs	35.3 %	40.8 %	-13.3 %
% Multi-Source Brand Rxs	1.2 %	1.3 %	-6.1 %
% Generic Rxs	63.5 %	58.0 %	9.5 %
% Retail Single-Source Brand	35.3 %	40.7 %	-13.3 %
% Retail Multi-Source Brand	1.2 %	1.3 %	-5.9 %
% Retail Generic	63.5 %	58.0 %	9.4 %
% Mail Single-Source Brand	40.1 %	50.9 %	-21.1 %
% Mail Multi-Source Brand	0.8 %	1.1 %	-26.2 %
% Mail Generic	59.1 %	48.0 %	23.0 %
% Formulary Rxs	87.8 %	83.9 %	4.7 %
% Retail Formulary Rxs	87.8 %	83.9 %	4.7 %
% Mail Formulary Rxs	88.2 %	83.6 %	5.5 %
% DAW Rxs	0.8 %	0.8 %	-6.2 %
% Retail DAW Rxs	0.8 %	0.8 %	-6.2 %
% Mail DAW Rxs	1.1 %	1.2 %	-8.1 %
% Generic Conversion	98.1 %	97.8 %	0.3 %
% Retail GEN Conversion	98.1 %	97.8 %	0.3 %
% Mail GEN Conversion	98.7 %	97.8 %	0.9 %
Period Totals			
Total Plan Cost	\$18,874,431.41	\$17,388,975.14	8.5 %
Retail Plan Cost	\$18,539,244.62	\$17,051,617.12	8.7 %
Mail Plan Cost	\$335,186.79	\$337,358.02	-0.6 %
Total Member Contribution	\$3,910,169.89	\$4,169,448.03	-6.2 %
Retail Member Contrib	\$3,854,241.32	\$4,105,821.16	-6.1 %



Key Performance Indicators
Comprehensive Indicators
WV Public Employees Ins - w/o AccessWV

Current Period: 03/2007 - 03/2007
Previous Period: 03/2006 - 03/2006

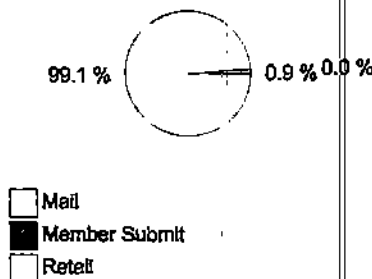
	Current Period	Previous Period	% Change
Mail Member Contrib	\$55,928.57	\$63,626.87	-12.1 %
Total Rx Count	333,672	324,660	2.8 %
Retail Rx Count	330,533	321,344	2.9 %
Member Submit Rxs	34	290	-88.3 %
Mail Rx Count	3,105	3,026	2.6 %
Total Admin Fee	\$231.00	\$432.00	-46.5 %
Total UC Savings	\$11,531,160.59	\$9,865,199.30	16.9 %
Total Lost Savings	\$20,709.05	\$18,710.58	10.7 %

Demographics

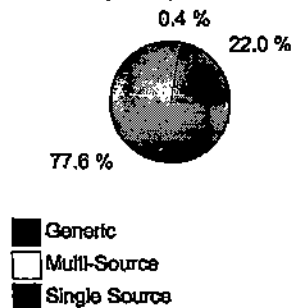
Average Age	45.5	45.3	0.6 %
% Male Members	45.2 %	45.1 %	0.2 %
% Female Members	54.8 %	54.9 %	-0.2 %

Graphs based on Current Period: 03/2007 - 03/2007

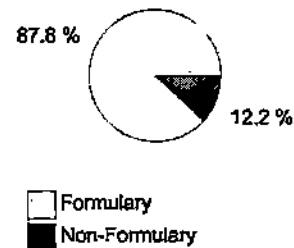
Claim Source by Rx Count



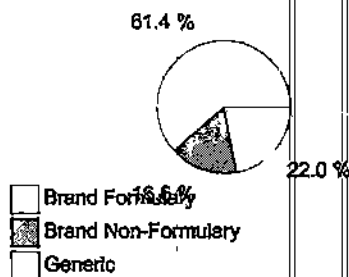
Drug Type by Plan Cost



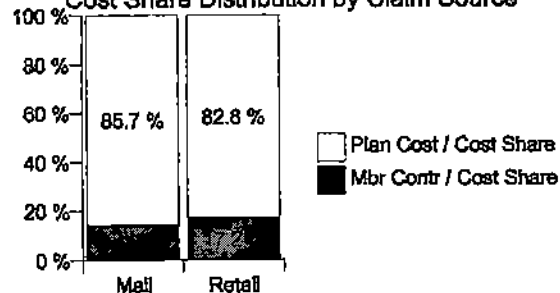
Formulary Status by Rx Count



Drug Formulary Status by Plan Cost



Cost Share Distribution by Claim Source



Utilization Report by Population Level
Prescriptions Filled From 03/2007 - 03/2007
WV Public Employees Ins - w/o AccessWV



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Div Name (DIV)	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
WV PUBLIC EMPLOYEES INSURANCE (WVA)	187,986	100.635	333,672	\$18,874,431	\$11.72	\$56.57	0.9 %	63.5 %	87.8 %	98.1 %	\$100.40
Grand Total	187,986		333,672	\$18,874,431	\$11.72	\$56.57	0.9 %	63.5 %	87.8 %	98.1 %	\$100.40

Utilization Report by Population Level
 Prescriptions Filled From 03/2007 - 03/2007
 WV Public Employees Ins - w/o AccessWV



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WV PUBLIC EMPLOYEES INSURANCE (WVA)

Reporting Level 1	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cos/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
STATE (1000)	164,681	89,037	296,661	\$16,890,490.22	\$11.78	\$57.07	0.9 %	63.2 %	87.6 %	88.1 %	\$102.66
NON STATE (2000)	22,918	11,389	36,959	\$1,831,137.77	\$11.19	\$52.25	0.9 %	65.6 %	86.9 %	88.5 %	\$84.26
COBRA (3000)	387	208	752	\$52,803.42	\$12.62	\$70.22	0.8 %	61.4 %	80.2 %	88.3 %	\$136.44
Grand Total	187,986		333,372	\$18,875,431	\$11.72	\$56.57	0.9 %	63.6 %	87.8 %	88.4 %	\$100.40

Utilization Report by Population Level
 Prescriptions Filled From 03/2007 - 03/2007
 WV Public Employees Ins - w/o AccessWV



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WV PUBLIC EMPLOYEES INSURANCE (WVA)

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Month	Rx Count	Plan Cost	Member Contri/Rx	Plan Cos/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
STATE AGENCIES (01)	117,121	54,896	163,661	\$8,528,193.86	\$11.98	\$55.51	0.8 %	63.4 %	87.8 %	88.3 %	\$72.82
STATE RETIREES (07)	37,674	27,972	113,939	\$6,723,953.84	\$12.51	\$59.01	1.1 %	62.5 %	87.2 %	87.7 %	\$178.48
NON-STATE AGENCIES (02)	17,152	7,851	22,988	\$1,177,748.62	\$11.25	\$51.22	0.9 %	65.8 %	88.8 %	98.7 %	\$68.67
STATE RETIREES ASST 60 (0760)	4,288	3,448	16,851	\$1,022,328.00	\$6.08	\$60.87	1.0 %	84.5 %	89.1 %	88.4 %	\$239.53
NON STATE RETIREES (08)	2,637	1,971	8,905	\$487,088.38	\$11.92	\$57.27	1.4 %	62.9 %	87.9 %	87.9 %	\$184.71
STATE RETIREES ASST 40 (0740)	2,237	1,825	8,526	\$477,325.29	\$8.12	\$56.98	1.1 %	66.4 %	89.7 %	88.3 %	\$213.38
NON STATE RETIREES 60 (0860)	602	473	2,288	\$137,271.53	\$6.79	\$60.00	0.3 %	65.2 %	89.4 %	88.7 %	\$228.03
NON STATE AGENCIES PLAN B (02B)	2,206	640	2,085	\$76,857.18	\$14.16	\$38.77	0.6 %	73.4 %	81.8 %	88.2 %	\$34.75
STATE RETIREES ASST 20 (0720)	422	322	1,383	\$75,088.30	\$9.49	\$53.91	1.1 %	63.7 %	86.1 %	87.7 %	\$177.96
STATE AGENCIES (01B)	2,958	774	1,591	\$82,592.93	\$17.61	\$39.34	0.8 %	70.0 %	90.1 %	88.1 %	\$21.15
COBRA (COBRA)	387	209	752	\$52,803.42	\$12.62	\$70.22	0.8 %	61.4 %	88.2 %	89.3 %	\$138.44
NON STATE RETIREES 40 (0840)	261	207	886	\$43,570.63	\$7.59	\$48.63	1.5 %	86.9 %	91.0 %	88.5 %	\$186.94
NON STATE RETIREES 20 (0820)	60	47	188	\$8,803.42	\$8.40	\$46.58	0.0 %	70.4 %	87.8 %	89.3 %	\$146.72
Grand Total	187,888		333,672	\$18,874,431	\$11.72	\$58.57	0.9 %	63.5 %	87.8 %	88.1 %	\$100.40

04/20/07

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Financials

MARCH 2007

State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund
Balance Sheets

March 31, 2007 and 2006
Accrual Basis
(Unaudited-For Internal Use Only)

DRAFT

Assets	March 2007	March 2006	Increase <Decrease>
Cash and cash equivalents	\$ 143,377,500	\$ 104,534,698	\$ 38,842,802
Deposits with third-party administrators	820,472	619,139	201,333
Premium accounts receivable-net of allowance for doubtful accounts	24,900,736	17,152,834	7,747,902
Advance to Retiree Trust Fund	6,440,773	-	6,440,773
Other accounts receivable	13,700,746	7,156,930	6,543,816
Total current assets	189,240,227	129,462,601	59,777,626
Investments	169,251,684	155,192,747	14,058,937
Furniture and equipment, net of accumulated depreciation	303,909	162,822	141,087
Restricted cash-premium stabilization life insurance	3,942,852	3,942,691	161
Restricted cash-new computer system	3,530,621	3,833,000	(302,379)
Total assets	\$ 366,269,293	\$ 292,593,861	\$ 73,675,432
Liabilities and Retained Earnings			
Claims payable	\$ 48,200,000	\$ 53,080,000	\$ (4,880,000)
Current claims payable	17,127,839	16,327,309	800,530
Unearned revenue	7,965,080	4,119,696	3,845,384
Accounts payable	9,318,610	9,325,733	(9,123)
Other accrued liabilities	1,186,634	1,025,234	161,400
Due to over-reserve fund	27,679,595	-	27,679,595
Total liabilities	111,475,758	83,877,972	27,597,786
Retained earnings	254,793,535	208,715,889	46,077,646
Total liabilities and retained earnings	\$ 366,269,293	\$ 292,593,861	\$ 73,675,432

For internal use only. See financial comments.
Prepared April 24, 2007

State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund

Statements of Revenues, Expenses and
Changes in Retained Earnings (continued)

March 31, 2007 and 2006

Accrual Basis
(Unaudited-For Internal Use Only)

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	Budgeted Eight Months Ended 31-Mar-07	Actual Eight Months Ended 31-Mar-07	Budget Variance Percent	Actual Eight Months Ended 31-Mar-06	This Year vs Last Year Increase <Decrease>	This Year vs Last Year Variance Percent
Operating Revenue						
Premiums						
Employer Premiums-State	\$ 309,995,165	\$ 309,090,944	-0.29%	\$ 308,912,159	\$ 178,785	0.06%
Employee Premiums-State	71,963,988	72,023,037	0.08%	61,477,322	10,545,715	17.15%
Local Premiums	53,774,417	54,474,099	1.30%	51,756,438	2,717,661	5.25%
Retiree Premiums	49,869,815	48,389,997	-2.97%	41,388,541	7,001,456	16.92%
Basic Life Insurance	5,077,682	4,624,071	-8.93%	4,830,577	(206,506)	-4.27%
Other Premiums and Adjustments	1,192,635	1,118,299	-6.23%	3,900,776	(2,782,477)	-71.33%
Medicare Part D	15,000,000	15,000,000	0.00%	3,669,000	15,000,000	N/A
Total Premiums	506,873,702	504,720,447	-0.42%	475,934,813	28,785,634	6.05%
Less:						
Payments to managed care organizations	(46,215,637)	(43,238,926)	-6.44%	(42,072,271)	(1,166,655)	2.77%
Life insurance premiums-basic	(5,077,682)	(4,621,397)	-8.99%	(4,831,338)	209,941	-4.35%
Net premium revenue	455,580,383	456,860,124	0.28%	429,031,204	27,828,920	6.49%
Administrative fees, net of refunds	4,544,212	4,484,788	-1.31%	4,468,632	16,156	0.36%
Net operating revenue	460,124,594	461,344,912	0.27%	433,499,836	27,845,076	6.42%
Operating Expenses						
Claims expense-medical	268,690,255	259,062,989	-3.58%	259,781,130	(718,141)	-0.28%
Claims expense-drugs	142,627,132	142,018,125	-0.43%	127,344,615	14,673,510	11.52%
Administrative service fees	12,544,713	13,396,634	6.79%	12,086,535	1,310,099	10.84%
Wellness and disease management	1,228,182	1,386,430	12.88%	1,159,387	227,043	19.58%
Other operating expenses	5,609,720	5,987,363	6.73%	5,573,112	414,251	7.43%
Total operating expense	430,700,003	421,851,541	-2.05%	405,944,779	15,906,762	3.92%
Operating surplus	29,424,591	39,493,371	34.22%	27,555,057	11,938,314	43.33%

State of West Virginia
 Public Employees Insurance Agency and Retiree Health Benefit Trust Fund
 Statements of Revenues, Expenses and
 Changes in Retained Earnings (continued)
 March 31, 2007 and 2006
 Accrual Basis
 (Unaudited-For Internal Use Only)

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	Budgeted Eight Months Ended 31-Mar-07	Actual Eight Months Ended 31-Mar-07	Budget Variance Percent	Actual Eight Months Ended 31-Mar-06	This Year vs Last Year Increase <Decrease>	This Year vs Last Year Variance Percent
Nonoperating Revenues and Transfers						
Interest income, banks, net of fees	-	-	N/A	15,810	(15,810)	-100.00%
Interest and investment income	7,813,653	19,407,799	148.38%	7,674,373	11,733,428	152.89%
Transfer in	5,025,000	5,024,618	-0.01%	4,887,369	137,249	2.81%
Total nonoperating revenues and transfers	<u>12,838,653</u>	<u>24,432,417</u>	<u>90.30%</u>	<u>12,577,552</u>	<u>11,854,865</u>	<u>94.25%</u>
Net Surplus	\$ 42,263,244	63,925,788	51.26%	40,132,609	23,793,179	59.29%
Retained Earnings, beginning of period	<u>190,867,747</u>	<u>190,867,747</u>		<u>168,583,280</u>	<u>22,284,467</u>	
Retained Earnings, end of period	<u>\$ 254,793,535</u>	<u>254,793,535</u>		<u>\$ 208,715,889</u>	<u>\$ 46,077,646</u>	

For internal use only. See financial comments.
 Prepared April 24, 2007

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State of West Virginia
Public Employees Insurance Agency and Retiree Health Benefit Trust Fund
Financial Comments

Year-to-Date March 31, 2007 and 2006
Accrual Basis

(Unaudited-For Internal Use Only)

Amounts indicated in the attached financial statements include the accounts of the West Virginia Public Insurance Agency (PEIA) and the West Virginia Retiree Health Benefit Trust Fund (RHBT).

The Budgeted amounts reflected in these statements have been adjusted to incorporate the changes in premium and expense estimates which resulted from policyholder enrollment changes which took place during open enrollment and other changes in commitments which have occurred. Amounts reported in the Budgeted Column in the attached Statements of Revenues, Expenses, and Changes in Retained Earnings represent a one twelfth per month recognition of the annual budget except for claims expenses, which are from a seasonal budget that was developed by PEIA's Actuary.

PEIA's consulting actuaries have prepared an updated Actuarial Baseline Forecast dated December 29, 2006 which indicates a surplus of \$40,447,263 for Plan Year 2007. The Budget Column Indicated in these reports has been adjusted to reflect this update.

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

DRAFT

March 31

	2007	2006
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 29,620,655	\$ 37,987,858
Advance Deposit with Carrier/Trustee	115,243,658	74,440,962
Receivables - Net	1,620,191	2,802,671
Prepaid Insurance	1,536,019	1,040,220
Total Short Term Assets	148,020,523	116,271,711
Long Term Assets		
Investments	116,190,835	106,055,324
Total Long Term Assets	116,190,835	106,055,324
TOTAL ASSETS	264,211,358	222,327,036
LIABILITIES		
Short Term Liabilities		
Accounts payable	781,001	1,688,450
Claims Payable	99,415	274,658
Agents Commissions Payable	1,504,151	1,560,251
Unearned Revenue	10,511,081	10,876,203
Current Estimated Claim Reserve	51,095,304	49,711,175
Total Short Term Liabilities	63,990,952	64,110,737
Long Term Liabilities		
Compensated Absences	163,620	186,553
Estimated Noncurrent Claim Reserve	117,919,572	128,810,597
Total Long Term Liabilities	118,083,192	128,977,150
TOTAL LIABILITIES	182,074,144	193,087,887
Prior Year Net Assets (Deficiency)	44,843,685	526,803
Current Year Earnings (Loss)	37,293,529	28,712,345
TOTAL NET ASSETS (DEFICIENCY)	82,137,214	29,239,148
TOTAL LIABILITIES AND RETAINED EARNINGS (DEFICIENCY)	\$ 264,211,358	\$ 222,327,036

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05/04/07

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

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	March 31	
	2007	2006
Operating Revenues		
Premium Revenues	\$ 60,676,445	\$ 63,108,603
Less - Excess Insurance	(4,608,058)	(3,104,507)
Total Operating Revenues	56,068,387	60,004,096
Operating Expenses		
Claims Expense	27,521,316	32,682,592
Property & MS Claims Expense	4,322,374	1,927,716
Personal Services	952,362	900,037
Operating Expenses	2,273,304	2,291,233
Total Operating Expenses	35,069,356	37,801,578
Operating Income (Loss)	20,999,031	22,202,518
Nonoperating Revenues		
Court Fees	16,335	22,110
Claim Interest Income	189,219	-
Investment Income	16,088,944	6,487,717
Total Nonoperating Revenues	16,294,498	6,509,827
Net Income (Loss)	37,293,529	28,712,345

DRAFT - Unaudited - Management Purposes Only

05/04/07



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

Joint Committee on Government and Finance Report

May 2007

**West Virginia Children's Health Insurance Program
Comparative Balance Sheet
March 31, 2007 and 2006
(Accrual Basis)**

	March 31, 2007	March 31, 2006	Variance	
Assets:				
Cash & Cash Equivalents	\$2,493,928	\$423,568	\$2,070,360	489%
Due From Federal Government	\$3,039,767	\$4,064,359	(\$1,024,592)	-25%
Due From Other Funds	\$716,390	\$844,938	(\$128,548)	-15%
Accrued Interest Receivable	\$15,052	\$3,810	\$11,242	295%
Fixed Assets, at Historical Cost	<u>\$66,070</u>	<u>\$75,128</u>	<u>(\$9,058)</u>	<u>-12%</u>
Total Assets	<u>\$6,331,208</u>	<u>\$5,411,803</u>	<u>\$919,405</u>	<u>17%</u>
Liabilities:				
Due to Other Funds	\$214,532	\$158,206	\$56,326	36%
Deferred Revenue	\$1,431,668	(\$69,384)	\$1,501,052	-2163%
Unpaid Insurance Claims Liability	<u>\$3,550,000</u>	<u>\$4,310,000</u>	<u>(\$760,000)</u>	<u>-18%</u>
Total Liabilities	<u>\$5,196,200</u>	<u>\$4,398,822</u>	<u>\$797,378</u>	<u>18%</u>
Fund Equity	<u>\$1,135,008</u>	<u>\$1,012,981</u>	<u>\$122,027</u>	<u>12%</u>
Total Liabilities and Fund Equity	<u>\$6,331,208</u>	<u>\$5,411,803</u>	<u>\$919,405</u>	<u>17%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Comparative Statement of Revenues, Expenditures and Changes in Fund Balances
For the Nine Months Ended March 31, 2007 and March 31, 2006
(Modified Accrual Basis)

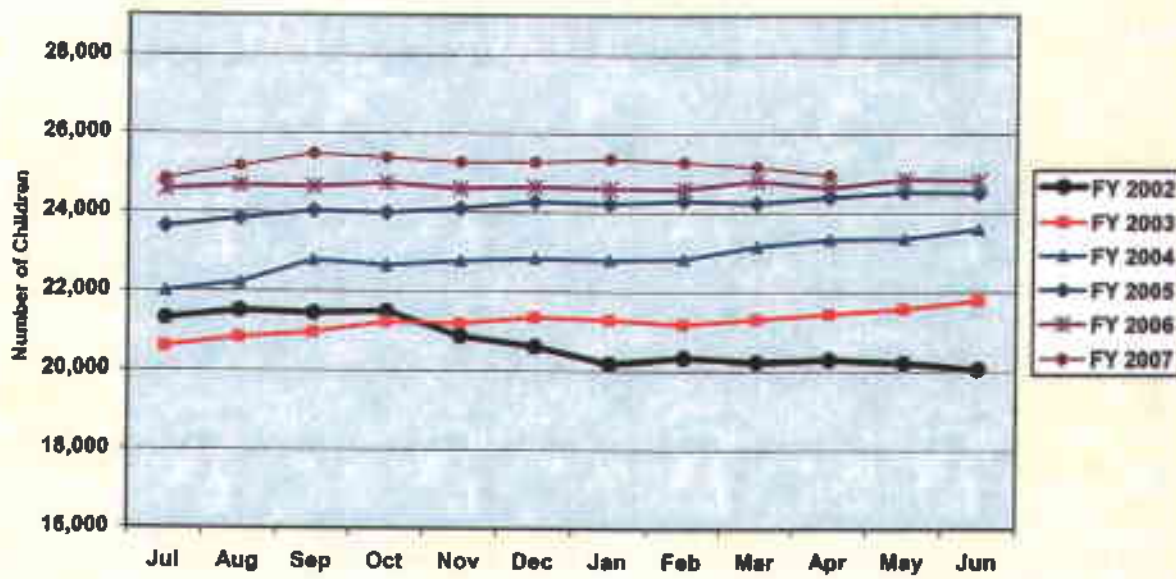
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Revenues:				
Federal Grants	26,249,907	24,596,417	1,653,490	7%
State Appropriations	6,300,935	7,037,844	(736,909)	-10%
Other Revenues				
Premium Revenues	2,182	-	2,182	
Investment Earnings	<u>107,631</u>	<u>38,640</u>	<u>68,991</u>	179%
Total Operating Revenues	<u>32,660,655</u>	<u>31,672,901</u>	<u>987,754</u>	<u>3%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	7,532,116	7,788,398	(256,282)	-3%
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Dental	3,697,852	3,705,049	(7,197)	0%
Inpatient Hospital Services	2,887,956	2,137,634	750,322	35%
Outpatient Mental Health	1,119,295	1,180,377	(61,082)	-5%
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Less: Collections*	<u>(526,395)</u>	<u>(310,072)</u>	<u>(216,323)</u>	70%
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Outreach & Health Promotion	13,778	81,346	(67,568)	-83%
Current	<u>73,011</u>	<u>154,977</u>	<u>(81,966)</u>	-53%
Total Administrative	<u>2,111,292</u>	<u>2,091,465</u>	<u>19,828</u>	<u>1%</u>
Total Expenditures	<u>32,553,024</u>	<u>31,634,261</u>	<u>918,764</u>	<u>3%</u>
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* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

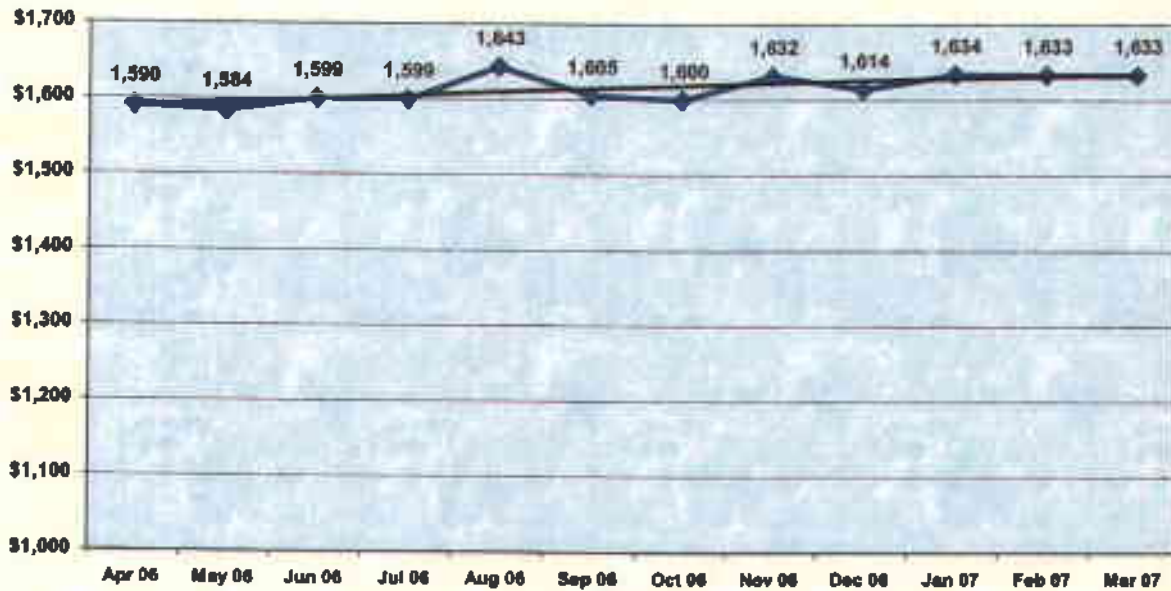
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WV CHIP Enrollment



April 30, 2007 Enrollment 24,991

Annualized Health Care Expenditures (Cost per ChHd)



WV CHIP Enrollment Report

April 2007

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Apr-07	Total Medicaid Enrollment Mar-07	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	Total % Insured 3/2002*	# Children Insured Ranking*	Est. # Uninsured Eligible*
Barbour	3,248	300	1,606	1,906	58.7%	92.5%	34	255
Berkeley	22,882	1,142	5,559	6,701	29.3%	93.9%	21	1,084
Boone	5,706	330	2,579	2,909	51.0%	97.9%	4	133
Braxton	3,044	221	1,560	1,781	58.5%	95.6%	13	155
Brooke	4,658	295	1,453	1,748	37.5%	98.5%	3	0**
Cabell	18,900	983	7,912	8,895	47.1%	91.6%	39	1,218
Calhoun	1,389	138	836	974	70.1%	88.0%	52	207
Clay	2,454	197	1,364	1,561	63.6%	95.1%	15	94
Doddridge	1,607	137	741	878	54.6%	96.4%	6	60
Fayette	9,692	993	4,721	5,714	59.0%	92.1%	36	706
Gilmer	1,154	103	559	662	57.4%	92.8%	32	115
Grant	2,463	173	908	1,081	43.9%	95.8%	11	82
Greenbrier	7,110	583	2,823	3,406	47.9%	94.8%	17	306
Hampshire	5,110	294	1,804	2,098	41.1%	91.3%	40	295
Hancock	6,270	407	2,189	2,596	41.4%	92.9%	31	443
Hardy	2,950	136	993	1,129	38.3%	93.6%	26	200
Harrison	14,973	972	5,975	6,947	46.4%	99.9%	1	0**
Jackson	6,277	372	2,332	2,704	43.1%	93.9%	22	340
Jefferson	11,465	407	2,104	2,511	21.9%	93.9%	23	651
Kanawha	40,647	2,084	16,711	18,795	46.2%	96.4%	7	772
Lewis	3,577	316	1,750	2,066	57.8%	88.0%	53	431
Lincoln	4,945	430	2,561	2,991	60.5%	93.3%	27	327
Logan	7,610	493	3,860	4,353	57.2%	92.1%	37	654
Marion	11,245	786	4,277	5,063	45.0%	95.9%	10	516
Marshall	7,176	415	2,731	3,146	43.8%	97.5%	5	217
Mason	5,461	313	2,510	2,823	51.7%	95.7%	12	249
McDowell	5,170	422	3,561	3,983	77.0%	93.8%	25	373
Mercer	12,687	1,116	6,552	7,668	60.4%	91.0%	41	1,268
Mineral	5,973	275	2,017	2,292	38.4%	90.7%	43	251
Mingo	6,204	432	3,332	3,764	60.7%	88.5%	51	566
Monongalia	14,346	679	4,112	4,791	33.4%	92.6%	33	1,144
Monroe	2,728	262	916	1,178	43.2%	93.1%	29	196
Morgan	3,365	225	955	1,180	35.1%	89.2%	49	285
Nicholas	5,478	474	2,486	2,960	54.0%	94.4%	19	324
Ohio	9,068	464	3,099	3,563	39.3%	95.6%	14	480
Pendleton	1,632	131	430	561	34.4%	99.0%	2	19
Pleasants	1,593	104	473	577	36.2%	93.9%	24	88
Pocahontas	1,717	157	650	807	47.0%	87.7%	54	224
Preston	6,354	556	2,391	2,947	46.4%	90.2%	47	236
Putnam	12,522	625	3,168	3,793	30.3%	93.2%	28	486
Raleigh	15,992	1,297	6,879	8,176	51.1%	91.7%	38	1,395
Randolph	5,971	481	2,428	2,909	48.7%	89.7%	48	653
Ritchie	2,234	141	791	932	41.7%	96.2%	9	81
Roane	3,266	304	1,844	1,948	59.6%	90.5%	44	336
Summers	2,322	215	1,183	1,398	60.2%	88.9%	50	315
Taylor	3,307	226	1,434	1,660	50.2%	90.9%	42	356
Tucker	1,354	179	469	648	47.9%	93.1%	30	103
Tyler	1,887	109	870	979	51.9%	94.9%	16	93

**Legislative Oversight Commission on
Health and Human Resources Accountability**

May 2007

Department of Administration

**State Children's Health Insurance Program
UPDATE**



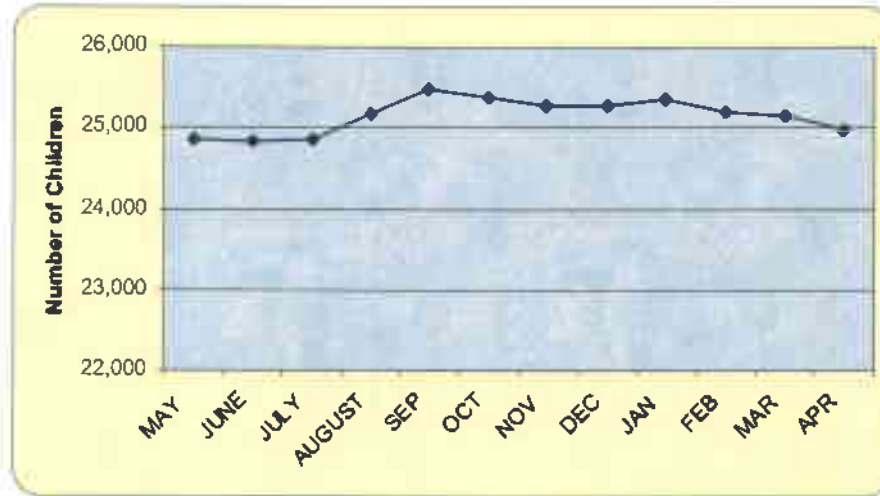
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR MAY 2007

I. Enrollment on April 30, 2007: 24,991

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: May 2006 through April 2007



Enrollee Totals: January 2007 to March 2007

Month	Total	1 Year	Total
January	1,749	Average	1,856
February	1,595	High	2,205
March	1,674	Low	1,507

New Enrollee (Never Before on CHIP) Totals: January 2007 to March 2007

Month	Total	1 Year	Total
January	787	Average	908
February	742	High	1,149
March	670	Low	667

II. Re-enrollment for 3 Month Period: January 2007 to March 2007

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
January	1,749	1,030	59%	171	10%	548	31%
February	2,070	1,109	54%	297	14%	664	32%
March	2,084	1,218	58%	249	12%	617	30%

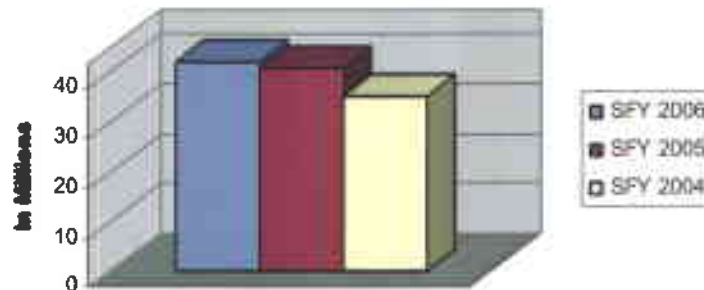
III. Financial Activity

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

The average annualized claims cost per child for the month ended March 2007 was \$1,633.

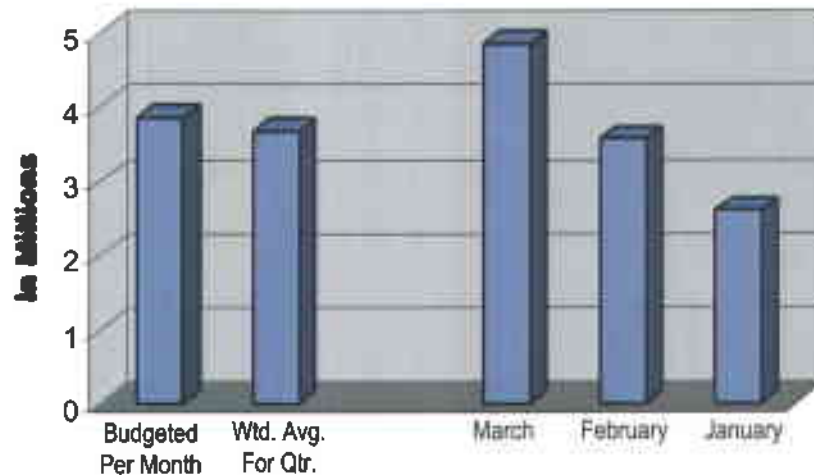
Annual Expenditures for a 3 Year Period: SFY 2004 – SFY 2006

	SFY 2006	FFP% 2006	SFY 2005	FFP% 2005	SFY 2004	FFP% 2004
Federal	34,247,276	81.09	33,767,136	82.26	29,144,455	82.63
State	7,986,385	18.91	7,235,862	17.74	6,126,578	17.37
Total Costs	42,233,661	100.00	41,002,998	100.00	35,271,033	100.00



Monthly Budgeted and Current 3 Month Period: January 2007 – March 2007

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			March 2007	February 2007	January 2007
Federal	3,127,204	2,973,601	3,927,328	2,885,662	2,107,813
State	733,542	698,872	923,022	678,204	495,389
Total	3,860,746	3,672,473	4,850,350	3,563,866	2,603,202



IV. Other Highlights

- February was the first month for enrollees to receive coverage under WVCHIP Premium. As of May 1, we estimate 58 enrollees.
- In the months of March and April, WVCHIP families were asked to designate their primary care providers from a directory of participating physicians to serve as their medical home. As of March 31, approximately 20% of all enrolled children have a designated medical home. Families have the incentive of having no copayments assessed for services in their medical home.

WV CHIP Enrollment Report

April 2007

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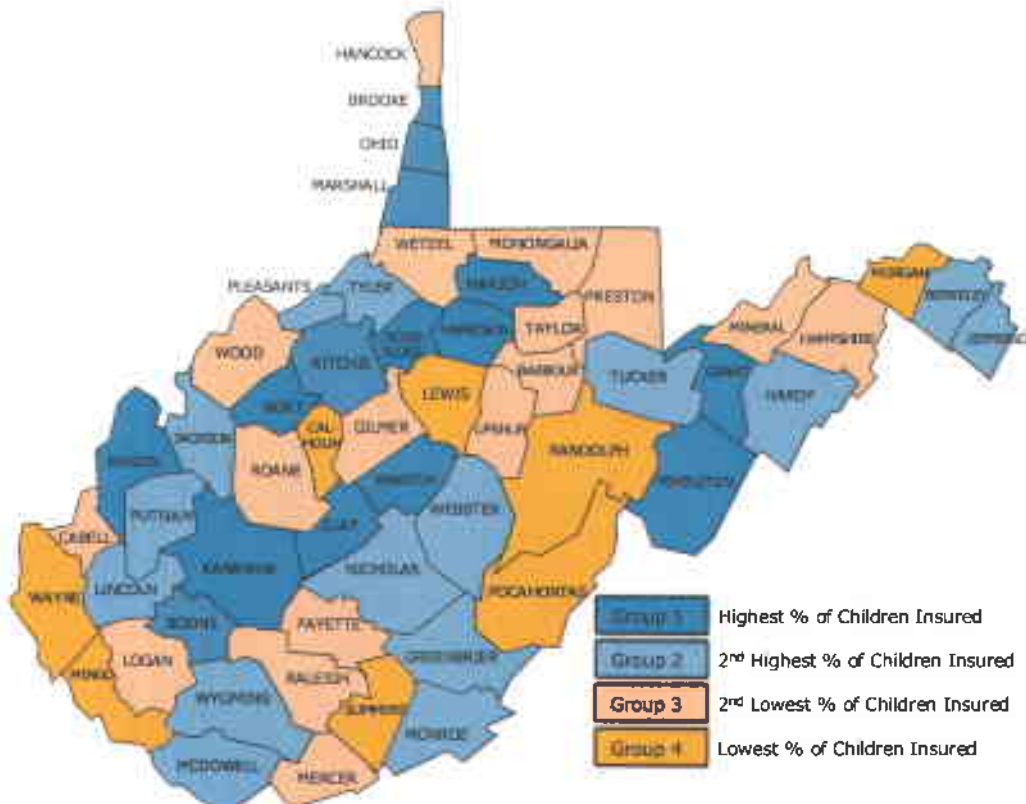
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April 2007

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Upshur	4,956	399	2,248	2,647	53.4%	90.4%	46	547
Wayne	9,176	582	4,182	4,764	51.9%	87.7%	55	1,034
Webster	2,020	209	1,074	1,283	63.5%	94.7%	18	103
Wetzel	3,732	238	1,641	1,879	50.4%	92.5%	35	334
Wirt	1,268	137	568	705	55.6%	96.3%	8	46
Wood	19,063	1,092	7,586	8,678	45.5%	90.5%	45	1,624
Wyoming	5,092	440	2,812	3,252	63.9%	94.0%	20	231
Totals	382,490	24,991	152,369	177,360	46.4%	93.4%		22,446

*Based on data from "Health Insurance in West Virginia: The Children's Report" – a survey by The Institute for Health Policy Research at the West Virginia University Robert C. Byrd Science Center

**There may be some uninsured eligible children in these counties, but according to the results of the survey sampling none were found.



West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended March 31, 2007
(Accrual Basis)

Investment Account

Funds Invested	\$2,303,392
Interest Earned	<u>107,631</u>
Total	<u>\$2,411,023</u>

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West Virginia Children's Health Insurance Program
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PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2007
For the Nine Months Ended March 31, 2007**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Mar-07</u>	<u>Feb-07</u>	<u>Jan-07</u>
Projected Cost	\$44,518,706	\$33,389,030	\$30,198,599	\$3,190,431	10%	\$3,709,892	\$4,698,434	\$3,289,992	\$2,593,068
Premiums	0	0	2,182	\$0	n/a	0	1,761	421	0
Medical Copays	560,000	420,000	0	420,000	-100%	46,667	0	0	0
Drug Copays	475,000	356,250	0	356,250	-100%	39,583	0	0	0
Subrogation & Rebates	300,000	225,000	528,886	(303,886)	135%	25,000	67,252	37,180	71,015
Net Benefit Cost	43,183,706	\$32,387,780	\$29,667,531	\$2,720,248	8%	3,598,642	4,629,421	3,252,391	2,522,053
Salaries & Benefits	\$600,000	\$450,000	\$343,821	\$106,179	24%	\$50,000	\$40,548	\$39,293	\$39,097
Program Administration	1,951,762	1,463,822	1,325,993	137,829	9%	162,647	168,054	158,904	28,379
Eligibility	324,000	243,000	217,747	25,253	10%	27,000	3,665	104,688	2,790
Outreach	100,000	75,000	13,779	61,221	62%	8,333	477	0	3,389
Current Expense	169,480	127,110	73,340	53,770	42%	14,123	8,185	8,593	7,495
Total Admin Cost	\$3,145,242	\$2,358,832	\$1,974,680	\$384,251	16%	\$262,104	\$220,929	\$311,476	\$81,150
Total Program Cost	\$46,328,948	\$34,746,711	\$31,642,211	\$3,104,500	9%	\$3,860,746	\$4,850,350	\$3,563,867	\$2,603,203
Federal Share 80.97%	37,526,448	\$28,144,836	\$25,632,718	2,512,118	9%	3,127,204	3,927,328	2,885,663	2,107,813
State Share 19.03%	8,802,500	\$6,601,875	\$6,009,493	592,382	9%	733,542	923,022	678,204	495,389
Total Program Cost **	\$46,328,948	\$34,746,711	\$31,642,211	\$3,104,500	9%	\$3,860,746	\$4,850,350	\$3,563,867	\$2,603,203

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2006 Report.

Please note: Medical and Drug Co-pay figures are incomplete.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

**Department of Administration Leasing Report
For The Period of April 1, 2007 through April 30, 2007**

NEW CONTRACT OF LEASE

DIVISION OF REHABILITATION SERVICES

DRS-093 New contract of Lease for 10 years containing 7,000 square feet of office space at \$14.00 per square foot, full service, with an annual rent increase to \$15.00 per square foot years 5-10 with Cambridge Place, in Bridgeport, Harrison County.

MILITARY AFFAIRS AND PUBLIC SAFETY

MAPS-002 New contract of lease for 1 year containing 3,476 square feet of office space at \$9.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

PSA-121 New contract of lease for 5 years containing 1,200 square feet of office space at \$10.30 per square foot, includes utilities, trash and snow removal, with Garland D. Miller, in the City of Union, Monroe County.

STRAIGHT RENEWALS

FORESTRY DIVISION

FOR-021 Renewal for 3 years, containing 5,121 square feet of office space, at the same rate of \$3.98 per square foot, between Tommy L. Harbour in the City of Milton, Cabell County.

FOR-062 Renewal for 1 year containing 550 square feet of office space at the same rate of \$4.58 per square foot, with the Webster Springs Municipal Building Commission in Webster Springs, Webster County.

BUREAU OF EMPLOYMENT PROGRAMS

EMS-077 Renewal for 1 year containing 2,700 square feet of office space at the same rate of \$12.42 per square foot full service with WORK4WV in the City of Roncevert, Greenbrier County.

EMS-079 Renewal for 1 year containing 3,836 square feet of office space at the same rate of \$12.52 per square foot, full service with WORK4WV in the City of Princeton, Mercer County.

EMS-071 Renewal for 1 year containing 4,633 square feet of office space at the same rental rate of \$12.50 per square foot, full service, with WORK4WV, in the City of Beckley, Raleigh County.

DIVISION OF REHABILITATION SERVICES

DRS-089 Renewal for 1 year containing 3,048 square feet of office space at the same rate of \$13.00 per square foot full service with Department of Administration in the City of Weirton, Hancock County.

DIVISION OF MOTOR VEHICLES

DMV-050 Renewal for 1 year containing 7,096 square feet of office space at the same rate of \$13.00 per square foot full service with Department of Administration in the City of Weirton, Hancock County.

DMV-005 Renewal for 3 years containing 4,400 square feet of office space at the same rental rate of \$6.50 per square foot with Frances Asseff, in the City of Charleston, Kanawha County.

DEPARTMENT OF EDUCATION

EDU-016 Renewal for 1 year containing 3,412 square feet of office space at the same rate of \$10.50 per square foot, full service with Eagan Management, in the City of Charleston, Kanawha County.

EDU-021 Renewal for 1 year containing 4,917 square feet of office space at the same rate of \$9.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

FINANCE AND ACCOUNTING

F&A-026 Renewal for 1 year containing 2,800 square feet of office space at the same rate of \$8.50 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

OFFICE OF EMERGENCY SERVICES

OES-017 Renewal for 1 year containing 8,000 square feet of warehouse space at same rate of \$4.25 per square foot, with O. V. Smith and Sons in Big Chimney, Kanawha County.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

DHS-151 Renewal for 1 year containing 26,823 square feet of office space at the same rate of \$10.00 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

DHS-080 Renewal for 1 year containing 32,016 square feet of office space at the same rate of \$15.50 per square foot, full service with the Department of Administration, in the City of Parkersburg, Wood County.

RENEWAL/RENT INCREASES

EDUCATIONAL BROADCASTING AUTHORITY

EBA-008 Renewal for 2 years for a communication tower site with a monthly rental increase from \$150.00 per month to \$250.00 per month with Herbert and Marsha Smith, in the Lincoln District, Marion County.

RENEWAL AND DECREASE IN SQUARE FOOTAGE

NAT-111 Renewal for 9 months and relinquishing one of the five boat storage units, at the same rate of \$50.00 per boat storage/\$200.00 per month, with Mountaineer Boat Storage, in the City of Beaver, Raleigh County.

DECREASING SQUARE FOOTAGE

BUREAU OF EMPLOYMENT PROGRAMS

EMS-004 Relinquished 599 square feet of storage space in the basement of building #4, at \$9.03 per square foot, full service with the Department of Administration, in the City of Charleston, Kanawha County.

RENEWAL AND ADDING SQUARE FEET & INCREASING RENT

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

DHS-143 Renewal for 5 years and adding 3,822 square feet of climate controlled storage space for a total of 26,322 square feet of storage space with a rent increase from \$4.00 per square foot to \$4.25 per square foot, with James F. Love, III, in the City of Charleston, Kanawha County.

Joint Committee on Government and Finance

May 2007

Department of Health and Human Resources

**MEDICAID REPORT
STATE PLAN
AMENDMENTS 07-01, 07-02 & 07-04**

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
BUREAU FOR MEDICAL SERVICES
SFY 2007 MEDICAID CASH REPORT
As of April 28, 2007

7 Months Actuals

5 Months Remaining

MONTH OF JANUARY 2007	ACTUALS	ACTUALS	PROJECTED	TOTAL
	1/1/07 Thru 1/31/07	Year-To-Date Thru 1/31/07	2/1/2007 Thru 06/30/07	SFY2007
REVENUE SOURCES				
Beg. Bal. 7/01/05 (5084/1020 prior mth)	14,409,394	\$22,969,601		\$22,969,601
MATCHING FUNDS				
Medical Services	29,387,141	205,017,529	189,388,158	394,405,687
Rural Hospitals Under 150 Beds (0403/940 & 048)	216,334	1,514,334	1,081,666	2,596,000
Tertiary Funding (0403/547 & 074)	321,334	1,999,334	1,358,888	3,358,000
Lottery Waiver (Less 450,000) (5405/539)	2,000,000	12,550,000	0	12,550,000
Lottery Transfer (5405/871)	2,300,000	10,300,000	0	10,300,000
Trust Fund Appropriation (5185/all activities)	0	0	30,556,594	30,556,594
Provider Tax (5090/096)	10,105,283	86,704,455	87,111,545	173,816,000
Certified Match	1,653,149	12,460,863	11,900,741	24,381,404
Reimbursables ⁽¹⁾	1,479,120	2,702,858		5,099,481
CMS - 64 Adjustments		(2,168,464)	2,168,464	0
TOTAL MATCHING FUNDS	\$61,851,755	\$354,050,310	\$323,563,834	\$680,010,787
FEDERAL FUNDS	115,325,354	864,030,820	\$781,640,097	\$1,645,670,917
TOTAL REVENUE SOURCES	\$177,177,109	\$1,218,081,131	\$1,107,600,553	\$2,325,681,684
TOTAL EXPENDITURES:				
Provider Payments	\$185,882,172	\$1,210,068,039	\$1,008,492,190	\$2,218,560,229
TOTAL	\$11,294,937	\$8,013,092		\$107,121,455

Note: Proj. FMAP (06' - 72.99% applicable July - Sept. 2006) (07' - 72.82% applicable Oct. 2006 - June 2007,
 (1) This amount will revert to State Only if not reimbursed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 SFY 2007 EXPENDITURES BY PROVIDER TYPE
 As of April 28, 2007

MONTH OF JANUARY 2007	ACTUALS	ESTIMATED	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	SFY 2006	Estimated SFY 2007	Estimated Current Month Jan-07	Current Month Jan-07	Year To-Date Thru 1/31/07	02/01/07 Thru 06/30/07
EXPENDITURES:						
Inpatient Hospital Services	223,854,909	248,693,098	23,903,182	24,510,231	128,382,908	120,230,186
Inpatient Hospital Services - DSH Adjustment Payments	53,916,160	53,935,110	-	-	28,888,063	27,049,057
Mental Health Facilities	38,085,585	42,090,781	4,047,189	2,728,088	22,328,896	19,764,186
Mental Health Facilities - DSH Adjustment Payments	20,364,226	18,887,045	-	-	8,397,475	9,489,670
Nursing Facility Services	402,903,883	418,788,290	34,732,191	36,074,854	240,643,631	176,142,759
Intermediate Care Facilities - Public Providers	180	-	-	-	-	-
Intermediate Care Facilities - Private Providers	53,642,336	59,638,870	4,961,673	4,938,457	34,708,617	24,830,263
Physicians Services	126,950,184	117,945,021	11,340,887	11,522,400	74,589,225	43,355,798
Outpatient Hospital Services	93,921,521	103,013,606	9,905,145	5,218,238	53,180,012	49,833,494
Prescribed Drugs	378,085,030	310,458,195	29,861,760	20,987,670	166,112,708	144,345,487
Drug Rebate Offset - National Agreement	(112,878,631)	(118,033,400)	(21,756,283)	(12,700,127)	(81,376,970)	(64,866,430)
Drug Rebate Offset - State Sidebar Agreement	(29,528,976)	(29,278,640)	(2,634,888)	(2,088,516)	(16,608,621)	(13,670,019)
Dental Services	38,320,543	40,972,725	3,939,686	2,405,869	21,449,312	19,623,413
Other Practitioners Services	20,069,824	21,174,205	2,035,981	1,338,633	11,568,097	9,818,108
Clinic Services	48,750,545	37,478,034	3,603,657	3,282,676	21,394,533	18,083,601
Lab & Radiological Services	13,045,112	13,882,145	1,335,783	536,036	4,311,872	9,580,273
Home Health Services	28,460,072	27,898,140	2,862,321	1,970,213	14,684,693	13,231,447
Hysterectomies/Sterilizations	682,237	693,464	68,879	36,403	362,109	341,366
Pregnancy Terminations	-	39,082	3,759	-	-	39,082
EPSDT Services	3,450,995	10,881,433	1,048,292	177,954	1,624,323	9,357,110
Rural Health Clinic Services	7,662,987	7,621,694	732,866	395,104	3,671,997	3,949,697
Medicare Health Insurance Payments - Part A Premiums	17,903,197	17,191,600	1,432,833	1,422,530	9,889,465	7,502,138
Medicare Health Insurance Payments - Part B Premiums	81,584,326	84,000,000	5,333,333	5,333,738	36,579,046	29,420,955
120% - 134% Of Poverty	2,881,904	-	-	307,989	2,043,288	(2,043,288)
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	213,950,848	241,784,020	20,148,668	18,241,565	130,979,363	110,604,667
Medicaid Health Insurance Payments: Group Health Plan Payments	289,548	348,380	28,885	103,909	189,785	168,695
Home & Community-Based Services (MR/DD)	185,607,787	207,381,030	19,938,681	19,035,350	112,327,467	95,033,573
Home & Community-Based Services (Aged/Disabled)	60,658,000	59,874,724	5,757,185	4,868,848	32,139,146	27,735,578
Community Supported Living Services	-	-	-	-	38	(38)
Personal Care Services	27,037,173	36,554,021	3,614,810	3,057,173	21,183,787	15,380,234
Targeted Case Management Services	9,026,219	9,285,672	892,653	680,449	4,698,182	4,589,490
Primary Care Case Management Services	599,865	798,780	66,398	62,694	429,039	387,741
Hospice Benefits	6,545,960	8,357,660	899,765	643,149	4,883,993	4,473,567
Federally Qualified Health Center	17,133,735	16,681,010	1,603,943	1,077,834	8,133,048	6,547,962
Other Care Services	117,082,618	132,238,168	12,715,016	8,629,960	74,147,083	58,089,083
Less: Recoupments	0	-	-	(83,701)	(1,879,556)	1,879,556
NET EXPENDITURES:	2,124,059,808	2,182,055,749	182,129,780	162,929,686	1,162,669,631	989,386,118

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 SFY 2007 EXPENDITURES BY PROVIDER TYPE
 As of April 28, 2007

MONTH OF JANUARY 2007	ACTUALS	ESTIMATED	ESTIMATED	ACTUALS	ACTUALS	PROJECTED
	SFY 2006	Estimated SFY 2007	Estimated Current Month Jan-07	Current Month Jan-07	Year To-Date Thru 1/31/07	02/01/07 Thru 06/30/07
Collections: Third Party Liability (line 9A on CMS-64)	(6,144,253)				(2,378,318)	2,379,318
Collections: Probate (line 9B on CMS-64)	(117,505)				(24,888)	24,888
Collections: Identified through Fraud & Abuse Effort (line 9C on CMS-64)	(248)				(388,328)	388,328
Collections: Other (line 9D on CMS-64)	(7,731,974)				(786,824)	786,824
Plus: Medicaid Part D Expenditures	8,942,213	29,504,480	2,458,707	2,360,481	18,370,428	13,134,052
Plus: State Only Medicaid Expenditures	4,607,896	3,500,000	338,538	292,954	2,539,398	960,602
TOTAL MEDICAID EXPENDITURES	\$2,123,616,039	\$2,216,080,228	\$184,626,026	\$165,583,082	\$1,208,018,099	\$1,007,041,130
Plus: Reimbursables ⁽¹⁾	4,446,208	3,500,000	338,538	299,090	2,048,940	1,451,060
TOTAL EXPENDITURES	\$2,127,962,246	\$2,218,580,229	\$186,281,683	\$165,882,172	\$1,210,066,039	\$1,008,492,190

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

BUREAU FOR MEDICAL SERVICES
Medicaid Approved Claims Report
As of April 28, 2007

REF#	CMS 64 Category Of Service	---- SFY 2006 ----				SFY 2007 TENTATIVE		
		JUL-SEP 2005	OCT-DEC 2005	JAN-MAR 2006	APR-JUN 2006	JUL-SEP 2006	OCT-DEC 2006	JAN 2007
1A	Inpatient Hospital Services	50,660,147	44,239,858	46,342,049	88,465,831	59,004,884	45,420,674	29,955,993
1B	Inpatient Hospital Services - DSH	13,494,023	13,466,678	13,470,677	13,477,601	13,487,307	13,398,746	221,040
2A	Mental Health Facilities	6,454,836	6,912,113	13,562,413	12,299,762	9,611,035	9,654,320	3,714,342
2B	Mental Health Facilities - DSH	4,684,394	6,274,180	4,694,816	4,700,836	4,707,635	4,689,840	1,740,917
3	Nursing Facility Services	98,020,447	98,903,504	100,422,510	96,189,829	97,869,357	102,858,858	34,877,442
4B	Intermediate Care Facilities - Private Providers	12,722,547	13,147,300	14,288,039	13,501,343	14,866,833	14,906,183	4,895,203
5	Physicians Services	33,583,781	30,844,222	32,178,805	35,100,502	22,184,181	27,917,656	13,037,774
6	Outpatient Hospital Services	24,086,719	23,085,591	23,092,102	28,178,798	24,854,201	24,036,809	8,296,852
7	Prescribed Drugs	109,529,189	119,401,991	77,862,448	72,148,648	73,996,679	79,099,520	28,677,914
7	Part D Premium - State Only	0	0	6,871,393	6,832,317	7,036,703	6,973,263	2,463,833
7A1	Drug Rebate Offset - National	(26,479,767)	(34,649,872)	(28,295,179)	(23,449,375)	(31,036,177)	(23,748,198)	(12,700,127)
7A2	Drug Rebate Offset - State	(6,074,088)	(6,473,002)	(6,236,973)	(10,749,249)	(6,167,738)	(7,473,084)	(2,088,516)
	Total Rebates	(32,553,855)	(41,122,874)	(34,532,152)	(34,198,624)	(37,203,915)	(31,221,282)	(14,788,643)
	NET DRUG COST	76,975,334	78,279,117	50,201,689	44,782,341	43,829,467	54,851,501	16,353,104
8	Dental Services	9,309,731	10,225,378	9,538,773	10,675,862	9,747,640	10,030,108	2,398,628
9	Other Practitioners Services	5,745,239	5,127,471	5,390,387	6,262,904	5,011,125	4,708,250	1,830,100
10	Clinic Services	9,029,258	9,030,351	11,577,234	7,711,808	7,646,097	8,289,028	2,745,645
11	Lab & Radiological Services	3,086,682	3,614,604	3,834,362	2,175,779	4,266,918	4,334,075	1,356,046
12	Home Health Services	6,908,765	7,280,231	7,528,844	7,418,116	6,685,878	6,548,543	3,282,616
13	Hysterectomies/Sterilizations	165,370	161,149	207,520	159,288	156,636	161,379	30,565
14	Pregnancy Termination	96,251	70,984	90,137	90,528	64,402	34,849	43,128
15	EPSDT Services	1,151,400	882,248	691,405	4,229,031	6,283,348	5,972,258	184,312
16	Rural Health Clinic Services	2,005,835	1,747,828	2,179,575	2,099,858	1,690,077	1,651,481	522,029
17A	Medicare - Part A Premiums	3,620,829	6,261,928	4,152,571	4,108,236	2,784,018	4,185,821	1,404,907
17B	Medicare - Part B Premiums	14,211,799	14,560,223	15,692,417	16,143,572	10,649,879	16,255,310	0
18A	Managed Care Organizations	42,730,774	51,288,669	60,115,171	59,817,308	60,065,446	68,259,290	2,667,747
18C	Group Health Plan Payments	58,739	96,095	58,501	76,212	85,876	0	537
19	Home & Community-Based Services (MR/DD)	46,486,558	45,677,907	45,757,241	47,796,799	46,908,117	47,174,803	17,889,653
20	Home & Community-Based Services (Aged/Disabled)	15,894,777	15,026,274	15,203,425	14,647,406	13,700,224	13,512,164	4,621,448
23	Personal Care Services	5,982,676	5,952,653	6,417,084	8,491,635	8,931,805	8,741,934	2,925,852
24	Targeted Case Management	2,210,932	2,398,029	2,284,222	2,593,955	2,125,578	2,022,280	637,112
25	Primary Care Case Management	140,880	122,019	140,814	192,360	187,035	234,915	6,195
26	Hospice Benefits	1,148,368	1,818,491	1,720,716	2,074,858	2,525,227	2,043,527	1,038,881

BUREAU FOR MEDICAL SERVICES
Medicaid Approved Claims Report
As of April 28, 2007

REF#	CMS 64 Category Of Service	--- SFY 2006 ---				SFY 2007 TENTATIVE		
		JUL-SEP 2005	OCT-DEC 2005	JAN-MAR 2006	APR-JUN 2006	JUL-SEP 2006	OCT-DEC 2006	JAN 2007
28	Federally Qualified Health Center	4,022,834	4,348,762	5,572,223	3,907,444	3,423,360	3,928,153	1,251,247
29	Other Care Services	26,938,503	25,585,317	26,768,853	32,342,339	28,700,010	30,004,526	9,146,307
	Unclassified	9,229	1,855	6,837	10,477	211,611	53	(54)
///	TOTALS	521,637,657	526,431,029	523,181,412	569,722,618	512,265,207	535,827,334	167,075,568

This report's data is prepared based on claims received and approved for payment (Modified Accrual basis of Accounting). Therefore, the data presented in this report will not match the CMS-64 Quarterly Reports which are prepared on a cash basis.

The following report approximates the Medicare Part-D Prescription Drug Expenditures related to WV's Part-D Premium (clawback) payments.

7	Medicaid Prescribed Drugs	109,529,189	119,401,991	77,862,448	72,148,648	73,996,679	79,099,520	28,677,914
7.2	Medicare Part D (Estimated)	0	0	28,266,867	28,106,119	28,946,904	28,506,512	10,072,083
///	Estimated Medicaid & Medicare Prescribed Drug Payments	109,529,189	119,401,991	106,129,315	100,254,767	102,943,583	107,606,032	38,749,997



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

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April 3, 2007

Ted Gallagher, Acting Regional Administrator
U.S. Department of Health and Human Services
Center for Medicare and Medicaid Services
Division of Medicaid and State Operations
Suite 216, The Public Ledger Building
150 S. Independence Mall West
Philadelphia, Pennsylvania 19106-3499

Dear Mr. Gallagher:

I am pleased to submit Transmittal Number 07-01 as an amendment to West Virginia's State Plan.

This plan amendment will deny reimbursement for nursing facility and other long term care services when an individual's equity interest in his/her home exceeds \$500,000.

This plan amendment will result in a savings of federal financial participation in federal year 2007 of \$35,070. The plan provisions are in conformance with the Social Security Act 1917 (f).

New plan pages are: Supplement 17 to Attachment 2.6, page 1

If there are any questions or if additional information regarding this material is needed, please do not hesitate to write or call Shelley Baston, Deputy Commissioner, Bureau for Medical Services, West Virginia Department of Health and Human Resources, 350 Capitol Street Room 251, Charleston, West Virginia 25301-3706, telephone (304) 558-1700.

With warmest regards,

Joe Manchin III
Governor

JM/jd

Attachment

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 0 7 - 0 1	2. STATE: West Virginia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 1-Jan-07	
5. TYPE OF PLAN MATERIAL (Check One)			
<input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 8 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: SSA 1917 (f)		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2007 \$ 38,170 (savings)	
		b. FFY 2008 \$ 49,124 (savings)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 17 to Attachment 2.6A Page 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable).	
10. SUBJECT OF AMENDMENT: This plan amendment will deny reimbursement for nursing facility and other long term care services when an individual's equity interest in his/her home exceeds \$500,000.			
11. GOVERNOR'S REVIEW (Check One):			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Shelley Baston, Dep. Commissioner</i>		16. RETURN TO:	
13. TYPED NAME: Shelley Baston		Bureau for Medical Services 350 Capitol Street Room 251 Charleston West Virginia 25301	
14. TITLE: Deputy Commissioner			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME		22. TITLE	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State West Virginia

HOME EQUITY

1917(f) The State agency denies reimbursement for nursing facility services and other long-term care services covered under the State plan for an individual who does not have a spouse, child under 21 or adult disabled child residing in the individual's home, when the individual's equity interest in the home exceeds the following amount:

\$500,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

An amount that exceeds \$500,000 but does not exceed \$750,000 (increased by the annual percentage increase in the urban component of the consumer price index beginning with 2011, rounded to the nearest \$1,000).

The amount chosen by the State is _____.

This higher standard applies statewide.

This higher standard does not apply statewide. It only applies in the following areas of the State:

This higher standard applies to all eligibility groups.

This higher standard only applies to the following eligibility groups:

The State has a process under which this limitation will be waived in cases of undue hardship.

TN No. 07-01

Supersedes _____

TN No. NEW

Approval Date _____

Effective Date _____



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
Charleston, WV 25305

Telephone: (304) 558-2000
Toll Free: 1-888-438-2731
FAX: (304) 342-7025
www.wv.gov.org

April 3, 2007

Ted Gallagher, Acting Regional Administrator
U.S. Department of Health and Human Services
Center for Medicare and Medicaid Services
Division of Medicaid and State Operations
Suite 216, The Public Ledger Building
150 S. Independence Mall West
Philadelphia, Pennsylvania 19106-3499

Dear Mr. Gallagher:

I am pleased to submit Transmittal Number 07-02 as an amendment to West Virginia's State Plan.

This plan amendment increases the look back period for transfer of assets for less than fair market value in long care programs and revises calculations of penalty dates and undue hardship provisions.

The plans provisions are in conformance with the Social Security Act 1917 (c).

New plan pages are: Supplement 9(b) to Attachment 2.6A, pages 1 through 6.

If there are any questions or if additional information regarding this material is needed, please do not hesitate to write or call Shelley Baston, Deputy Commissioner, Bureau for Medical Services, West Virginia Department of Health and Human Resources, 350 Capitol Street Room 251, Charleston, West Virginia 25301-3706, telephone (304) 558-1700.

With warmest regards,

Joe Manchin III
Governor

JM/jd

Attachments

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 0 7 - 0 2	2. STATE: West Virginia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 1-Jan-07	
5. TYPE OF PLAN MATERIAL (Check One)			
<input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: SSA 1917 (c)		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2007 \$ 570,178 (savings)	
		b. FFY 2008 \$ 895,408 (savings)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 17 to Attachment 2.6A Page 1 through 6		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if Applicable).	
10. SUBJECT OF AMENDMENT: This plan amendment increases the look back period for transfer of assets for less than fair market value in long care programs and revises calculations of penalty dates and undue hardship provisions.			
11. GOVERNOR'S REVIEW (Check One):			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Shelley Baston, Deputy Commissioner</i>		16. RETURN TO: Bureau for Medical Services 350 Capitol Street Room 251 Charleston West Virginia 25301	
13. TYPED NAME: Shelley Baston			
14. TITLE: Deputy Commissioner			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME		22. TITLE	
23. REMARKS:			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia**TRANSFER OF ASSETS**

1917(c) **FOR TRANSFERS OF ASSETS FOR LESS THAN FAIR MARKET VALUE MADE ON OR AFTER FEBRUARY 8, 2006**, the agency provides for the denial of certain Medicaid services.

1. Institutionalized individuals are denied coverage of certain Medicaid services upon disposing of assets for less than fair market value on or after the look-back date.

The agency does not provide medical assistance coverage for institutionalized individuals for the following services:

Nursing facility services;

Nursing facility level of care provided in a medical institution;

Home and community-based services under a 1915(c) or (d) waiver.

2. Non-institutionalized individuals:

The agency applies these provisions to the following non-institutionalized eligibility groups. These groups can be no more restrictive than those set forth in section 1905(a) of the Social Security Act:

The agency withholds payment to non-institutionalized individuals for the following services:

Home health services (section 1905(a)(7));

Home and community care for functionally disabled elderly adults (section 1905(a)(22));

Personal care services furnished to individuals who are not inpatients in certain medical institutions, as

TN No. 07-02

Supersedes

TN No. NEW

Approval Date

Effective Date

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

TRANSFER OF ASSETS

recognized under agency law and specified in section 1905(a)(24).

The following other long-term care services for which payment for medical assistance is otherwise made under the agency plan:

3. Penalty Date—The beginning date of each penalty period imposed for an uncompensated transfer of assets is the later of:

___ the first day of a month during or after which assets have been transferred for less than fair market value;

___ The State uses the first day of the month in which the assets were transferred

X The State uses the first day of the month after the month in which the assets were transferred

or

the date on which the individual is eligible for medical assistance under the State plan and is receiving institutional level care services described in paragraphs 1 and 2 that, were it not for the imposition of the penalty period, would be covered by Medicaid;

AND

which does not occur during any other period of ineligibility for services by reason of a transfer of assets penalty.

4. Penalty Period - Institutionalized Individuals—

TN No. 07-02

Supersedes NEW

TN No.

Approval Date _____

Effective Date _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West VirginiaTRANSFER OF ASSETS

In determining the penalty for an institutionalized individual, the agency uses:

the average monthly cost to a private patient of nursing facility services in the State at the time of application;

the average monthly cost to a private patient of nursing facility services in the community in which the individual is institutionalized at the time of application.

5. Penalty Period - Non-institutionalized Individuals—

The agency imposes a penalty period determined by using the same method as is used for an institutionalized individual, including the use of the average monthly cost of nursing facility services;

imposes a shorter penalty period than would be imposed for institutionalized individuals, as outlined below:

6. Penalty period for amounts of transfer less than cost of nursing facility care—

Where the amount of the transfer is less than the monthly cost of nursing facility care, the agency imposes a penalty for less than a full month, based on the option selected in item 4.

The state adds together all transfers for less than fair market value made during the look-back period in more than one month and calculates a single period of ineligibility, that begins on the earliest date that would otherwise apply if the transfer had been made in a single lump sum.

TN No. 07-02

Supersedes

TN No. NEW

Approval Date Effective Date

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West VirginiaTRANSFER OF ASSETS7. Penalty periods - transfer by a spouse that results in a penalty period for the individual--

(a) The agency apportions any existing penalty period between the spouses using the method outlined below, provided the spouse is eligible for Medicaid. A penalty

can be assessed against the spouse, and some portion of the penalty against the individual remains.

(b) If one spouse is no longer subject to a penalty, the remaining penalty period must be served by the remaining spouse.

8. Treatment of a transfer of income—

When income has been transferred as a lump sum, the agency will calculate the penalty period on the lump sum value.

When a stream of income or the right to a stream of income has been transferred, the agency will impose a penalty period for each income payment.

For transfers of individual income payments, the agency will impose partial month penalty periods using the methodology selected in 6. above.

For transfers of the right to an income stream, the agency will base the penalty period on the combined actuarial value of all payments transferred.

9. Imposition of a penalty would work an undue hardship--

The agency does not impose a penalty for transferring assets for less than fair market value in any case in which the agency

TN No. 07-02

Supersedes NEW

TN No.

Approval Date _____

Effective Date _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia**TRANSFER OF ASSETS**

determines that such imposition would work an undue hardship. The agency will use the following criteria in making undue hardship determinations:

Application of a transfer of assets penalty would deprive the individual:

(a) Of medical care such that the individual's health or life would be endangered; or

(b) Of food, clothing, shelter, or other necessities of life.

10. Procedures for Undue Hardship Waivers

The agency has established a process under which hardship waivers may be requested that provides for:

(a) Notice to a recipient subject to a penalty that an undue hardship exception exists;

(b) A timely process for determining whether an undue hardship waiver will be granted; and

(c) A process, which is described in the notice, under which an adverse determination can be appealed.

These procedures shall permit the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the individual's personal representative.

11. Bed Hold Waivers For Hardship Applicants

TN No. 07-02

Supersedes . . .

TN No. NEW

Approval Date _____

Effective Date _____

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: West Virginia

TRANSFER OF ASSETS

The agency provides that while an application for an undue hardship waiver is pending in the case of an individual who is a resident of a nursing facility:

Payments to the nursing facility to hold the bed for the individual will be made for a period not to exceed 30 days (may not be greater than 30).

TN No. 07-02
Supersedes NEW
TN No.

Approval Date _____

Effective Date _____



State of West Virginia
Joe Manchin III
Governor

Office of the Governor
State Capitol
1900 Kanawha Boulevard, East
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FAX: (304) 342-7025
www.wv.gov.org

April 6, 2007

Rob Weaver
National Institutional Reimbursement Team
CMS, CMSO
7500 Security Boulevard, MS S3-13-15
Baltimore Maryland 21244-1850

Dear Mr. Weaver:

I am pleased to submit Transmittal Number 07-04 as an amendment to West Virginia's State Plan.

This plan amendment revises payment amounts for special payments to prospective payment system (PPS) and safety net hospitals.

The plans provisions are in conformance with 42 CFR 440.10.

Revised plan pages are: Attachment 4.19-A, page 24 through 24c.

If there are any questions or if additional information regarding this material is needed, please do not hesitate to write or call Shelley Baston, Deputy Commissioner, Bureau for Medical Services, West Virginia Department of Health and Human Resources, 350 Capitol Street Room 251, Charleston West Virginia 25301-3706, telephone (304) 558-1700.

With warmest regards,

Joe Manchin III
Governor

JM/dgg

Attachments

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 0 7 - 0 4	2. STATE: West Virginia
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE 1-Mar-07	
5. TYPE OF PLAN MATERIAL (Check One)			
<input checked="" type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.10		7. FEDERAL BUDGET IMPACT:	
		a. FFY 2007 \$ 332,823,239.50	
		b. FFY 2008 \$ 333,084,424.47	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A Pages 24 through 24c		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable).	
10. SUBJECT OF AMENDMENT: This plan amendment revises payment amounts to PPS and safety net hospitals.			
11. GOVERNOR'S REVIEW (Check One):			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED:			
<input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED			
<input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Shelley Baston</i>		16 RETURN TO: Bureau for Medical Services 350 Capitol Street Room 251 Charleston West Virginia 25301	
13. TYPED NAME: Shelley Baston			
14. TITLE: Deputy Commissioner			
15. DATE SUBMITTED:			
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PLAN APPROVED, ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL:		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME:		22. TITLE:	
23. REMARKS:			

4.19 Payments for Remedial Care and Services

Inpatient Hospital Services

Updating of Payment for Transfer Cases: The Bureau will evaluate the need to modify the level of payment for transfer cases on an annual basis using the methodology as described in Sections 11 and 12.

J. Special Payments to Prospective Payment System (PPS) Hospitals

Providing a Special Payment plan to enhance payments statewide to all hospitals participating in the West Virginia-PPS.

A. General Criteria for Hospital Participation:

1. Must be a West Virginia licensed Inpatient acute care hospital;
2. Must be enrolled as a WV Medicaid provider;
3. Must be a participant in the WV Medicaid's PPS; and,
4. Must be designated as a Rural PPS or Urban PPS hospital by the Bureau. Designation will be pursuant to the Core Based Statistical Area (CBSA) classification as an Urban PPS hospital. The Bureau will designate a hospital as a Urban PPS hospital based on the CBSA's Metropolitan Core Based Statistical Area (MCBSA) classification. Hospitals outside the MCBSA classification will be designated rural hospitals. The State's MCBSAs will be updated at the beginning of the State Fiscal Year (SFY) following the U.S. Census Bureau's reconfiguration approval date.

B. Payment Methodology:

1. Payment will be calculated based on each provider's percentage of its Medicaid paid DRG days to its assigned groups. Medicaid paid DRG days times the distribution amount designated to that particular group.
2. Using the payment calculation J.B.1. above, interim payments will be determined and issued to each provider on an Interim basis. Interim payments will be calculated using the historic Medicaid paid DRG days and exclude Medicare/Medicaid crossover days, for each providers' paid days count and each pools' total paid days count. Subsequent years Interim payments will likewise use the most recently completed data from the preceding plan's settlement data to establish the interim payment amounts for each following year.

TN No. 07-04
Supersedes
TN No. 05-04

Approved _____

Effective Date _____

4.19 Payments for Remedial Care and Services

Inpatient Hospital Services

3. An annual final settlement for each year of the plan will be determined by the Bureau. The final settlement adjustment amounts will be the calculated utilizing the difference between the providers' interim payments and the providers' final settlement amount. The final settlement amounts for each SFY will be determined using the Bureau's annual claims processed data for the specific year's settlement in the formula described in Section J.B.1.
 4. Collection or disbursement of final settlement payment amounts will be conducted annually. Final settlement adjustment amounts, that is, overpayments and under payments, may be collected or disbursed in accordance with Bureau's current overpayment recovery policy and settlement procedures. However, when practical, collections and disbursement may be offset or added to subsequent interim payments.
- C. Distribution amounts per State Fiscal Year 2007 (SFY) for these PPS hospitals is \$15,077,377 for urban and \$7,767,133 for rural.

K. Special Payment to Safety Net Hospitals

Provides special payments to qualified Tertiary Safety Net and Rural Safety Net hospitals. The special payments will be made as described below:

A. General Criteria for Hospital Participation:

1. Must be a West Virginia licensed Inpatient acute care hospital;
2. Must be enrolled as a WV Medicaid provider;
3. Must be a participant in the WV Medicaid's PPS;
4. Must be designated as a Rural PPS or Urban PPS hospital by the Bureau. Designation will be pursuant to the Core Based Statistical Area (CBSA) classification as an Urban PPS hospital. The Bureau will designate a hospital as an Urban PPS hospital based on the CBSA's Metropolitan Core Based Statistical Area (MCBSA) classification. Hospitals outside the MCBSA classification will be designated rural hospitals. The State's MCBSAs will be updated at the beginning of the State Fiscal Year (SFY) following the U.S. Census Bureau's reconfiguration approval date.

TN No. 07-04
Supersedes
TN No. 05-04

Approved _____

Effective Date _____

4.19 Payments for Remedial Care and Services

Inpatient Hospital Services

B. Specific Criteria for Tertiary Safety Net Providers

In addition to the general criteria above, a Tertiary Safety Net provider must meet one of the following criteria:

1. Provides Level I or Level II Trauma Center services as designated by the WV Department of Health and Human Resources' Office of Emergency Medical Services; or,
2. Provides Neonatal Intensive Care Unit, Level III services (NICU) as defined by the WV State Health Plan; or,
3. Provides Pediatric Intensive Care Unit services (PICU) as defined by the WV State Health Plan; or,
4. Hospital must have at least fifty (50) Interns and residence in an approved teaching program.

C. Specific Criteria for Payment for Rural Safety Net Services:

In addition to the general criteria above, Rural Safety Net providers must meet all of the following criteria:

1. Hospital must be classified as a Rural PPS hospital as defined in Section K.A.4;
2. Hospital must have less than one-hundred fifty (150) general acute care beds; count will exclude psychiatric, nursery, observation, swing, and distinct part unit beds.

D. In the event that a hospital's qualifying status changes during the period and it will no longer meet the criteria for safety net participation, it will be immediately removed from its safety net group. If the provider is removed as a participant, it will be entitled to a final settlement adjustment based on the actual days incurred prior to its disqualification. The group's distribution percentages will be recalculated for the following payments as appropriate. If a provider becomes eligible for participation in the Tertiary or Rural Safety Net group, entry into that group will begin on the first State Fiscal Year following certification/designation effective date.

TN No. 07-04
Supersedes
TN No. 05-04

Approved _____

Effective Date _____

4.19 Payments for Remedial Care and Services

Inpatient Hospital Services**E. Payment Methodology for Qualified Tertiary and Rural Safety Net Hospitals:**

1. Payment will be calculated based on each provider's percentage of its Medicaid paid DRG days to its assigned groups' Medicaid paid DRG days times the distribution amount designated to that particular group.
2. Payment will be made on an interim basis based on the state fiscal year and estimated due. Interim payments will be distributed based on the provider's percentage of the group's WV Medicaid paid DRG days (as defined above) times the groups' total funds to be distributed for the specified period.
3. Using the payment calculation K.E.1. above, interim payments will be determined and issued to each provider. The interim payments issued in year one of the plan will be calculated using the historic Medicaid paid DRG days and exclude Medicare/Medicaid crossover days, for each providers' paid days count and each pools' total paid days count. Subsequent years' interim payments will likewise use the most recently completed data from the preceding plan's settlement data to establish the interim payment amounts for each following year.
4. An annual final settlement for each year of the plan will be determined by the Bureau. The final settlement adjustment amounts will be the calculated using the difference between the providers' interim special payments and the providers' final settlement amount. The final settlement amounts for each SFY will be determined using the Bureau's annual claims processed data for the specific year's settlement in the formula described in Section K.E.1.
5. Collection or disbursement of final settlement special payment amounts will be conducted annually. Final settlement adjustment amounts, that is, overpayments and under payments, may be collected or disbursed in accordance with Bureau's current overpayment recovery policy and settlement procedures. However, when practical, collections and disbursement may be offset or added to subsequent interim payments.

- F. Distribution Amounts for each State Fiscal Year 2007 (SFY) for these safety net hospitals will not exceed \$12,365,512 for tertiary and \$9,565,217 million for rural.**

TN No. 07-04
Supersedes
TN No. 05-04

Approved _____

Effective Date _____

(President Tomblin presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
May 8, 2007

3:00 - 4:00 p.m.

Senate Finance Room

1. **Approval of April 18, 2007, minutes**
2. **Monthly/Quarterly Reports Distribution:**
Status Reports on the Lottery Commission and General Revenue Fund
3. **Monthly/Quarterly Reports Distribution:**
PEIA, BRIM, CHIP and Leases & Contracts Report - *Robert Ferguson, Jr., Secretary, Dept. of Administration*
4. **Monthly/Quarterly Report Distribution from Department of Health and Human Resources:**
Medicaid Report - *Martha Walker, Cabinet Secretary, DHHR*
5. **Monthly Report on the Pharmaceutical Cost Management Council: Shana Phares, Acting Pharmaceutical Advocate**
6. **Department of Transportation: Secretary Mattox**
7. **Approval of DOH Audit Contract**
8. **Other Business**
9. **Scheduled Interim Dates:**
June 3 - 5
July 8 - 10
August 19 - 21
September 9 - 11
October 7 - 9
November 16 - 18 (Friday, Saturday and Sunday)
December 9 - 11
January 6 - 8, 2008
10. **Adjournment**