

FILE COPY

JOINT COMMITTEE ON
GOVERNMENT AND FINANCE

Materials Distributed

September 16, 2009

August 12, 2009

12:00 - 1:00 p.m.

Joint Committee on Government and Finance

Senate

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

House

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

Speaker Thompson, Cochair, presided.

1. Approval of Minutes

Upon motion by President Tomblin, properly adopted, the minutes of the July 16, 2009, meeting were approved.

2. Committee Reports/Requests:

Parks, Recreation and Natural Resources Subcommittee - John Homburg

Upon motion by President Tomblin, properly adopted, the expense reimbursement for members for site visitations to Pipestem Resort State Park, Bluestone State Park, Pinnacle Rock State Park and Camp Creek State Park on August 30, 31 and September 1, 2009, were approved.

Judiciary Subcommittee A - Rita Pauley

Upon motion by President Tomblin, properly adopted, the expense reimbursement not to exceed \$550 for Micha Sherr, was approved.

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

Distributed to members of the Committee were the following: Lottery Commission reports for the month ended June 30, 2009; General Revenue Fund report for the month ended July 31, 2009; and the Unemployment Compensation Trust Fund report as of June 30, 2009. Distributed with each of the reports were an analysis and a summary of the reports.

4. PEIA, BRIM and CHIP Reports

The following BRIM reports were distributed: An unaudited balance sheet and unaudited income statement for the period ending June 30, 2009. Secretary Ferguson said there are no unfunded liabilities.

The following reports from CHIP were distributed: A report of enrollment for July 2009 and financial statements for period ending June 30, 2009. Secretary Ferguson said the enrollment is down one percent.

The following monthly PEIA reports were distributed: Monthly Management Report and Prescription Drug Report for June 2009. Secretary Ferguson said medical claims paid are up 4.4% and prescription drugs are up 7.7% as compared to last year.

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

A leasing report for July 1, 2009, through July 31, 2009, was distributed. Chuck Lawrence, Director said the property that had the increase in rent is only 256 square feet and has been rented for 15 years. The rent was fixed for 10 years and went through three ownership changes, the third owner would not go lower than the stated rate and it would be more expensive to relocate than to pay the increased rent price.

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

A Medicaid report dated August 2009 was distributed. Marsha Morris, Medicaid Commissioner, said additional funding for slots provided by the special session bill needs to be approved from CMS. It will cover 400 additional slots, persons currently being served and will get federally matched funds for 5600 slots.

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

A Pharmaceutical Cost Management Council Management Council report was distributed. Shana Phares, Acting Pharmaceutical Advocate and Chair of the Pharmaceutical Cost Management Council, said GOHELP will take over all the pharmaceutical activities.

8. **Investment Management Board**

A Investment Management Board report dated June 30, 2009, was distributed. Craig Slaughter, Executive Director, said the fiscal year ended up being 15.6 % down for the year. Mr. Slaughter said July was a very good month and fixed income is close to being back to even. International portfolio has done very well and is up 7%.

9. **Workers' Compensation**

A Workers' Compensation report dated August 12, 2009, was distributed.

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

A Board of Treasury Investments Report dated June 2009 was distributed.

11. **Other Business**

Delegate Webster presented a resolution before the Committee that was passed by the Legislative Oversight Committee on Regional Jail and Correctional Facility Authority. Upon motion by Delegate Webster, properly adopted, the Joint Committee on Government and Finance will authorize the Law Institute to undertake a study of our criminal sentencing laws as it relates to prison overcrowding and to submit a study proposal and proposed budget to the Committee no later than the September interim meetings, is approved.

The meeting was adjourned.

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



304-347-4870

September 9, 2009

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

Lottery Commission as of July 31, 2009 :

Appears to be in good condition. Gross profit for the first month of fiscal year 2010 was 2.92% lower than for July of fiscal year 2009.

General Revenue Fund as of August 31, 2009:

Collections were at 96.77% of the yearly estimate as of August 31, 2009. (FY 2009-2010)

State Road Fund as of August 31, 2009:

Fund collections were at 98.70 % of the yearly estimate. (FY 2009-2010)

Unemployment Compensation Trust as of July 31, 2009:

Regular benefits paid in July of 2009 were \$ 18.1 million more than in July of 2008. Total revenues for July were \$ 25.3 million more than in July of 2008. Trust fund ending balance on July 31, 2009 was \$ 184,720,216.07. *

Note:

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

Joint Committee on Government and Finance

WEST VIRGINIA LEGISLATURE

Office of the Legislative Auditor

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



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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: September 8, 2009

Re: Review of West Virginia Lottery Financial Information
As of July 31, 2009 (FY 2010)

We performed an analysis of the Statement of Revenues, Expenses and Retained Earnings for the first month of fiscal year 2009-2010 from monthly unaudited financial reports furnished to our office by the West Virginia Lottery Commission. The results are as follows:

Lottery Revenues:

Gross lottery revenues are receipts from on-line games, instant games, table games and video lottery. These gross receipts totaled \$ 127,150,000.00 for fiscal year 2010. Table games accounted for \$2,951,000.00 of this total. These gross receipts were \$ 131,860,000.00 for July of the preceding fiscal year, 2008-2009. Gross lottery revenue is down by 3.57% from the preceding fiscal year. This number does not include commission and prize deductions. Gross profit (Gross revenues minus commissions and prize costs) for July was \$56,153,000.00; for the

Lottery

Joint Committee on Government and Finance

Lottery continued

previous July it was \$57,842,000.00. Expressed as a percentage, gross profit is 2.92% lower for fiscal year 2010 than for fiscal year 2009.

Operating Income:

Operating income was \$ 54,114,000.00 for July 2009. For the preceding July it was \$ 55,379,000.00. This was a decrease of 2.28%. After additions and subtractions of non-operating income and expenses, distributions to the state were \$53,485,000.00 for July 2009.

Operating Transfers to the State of West Virginia:

A total of \$53,485,000.00 has been accrued to the state of West Virginia for fiscal year 2009-2010. This is on an accrual basis and may not correspond to the actual cash transfers made during the same time period. (Amounts owed to the different accounts according to the Lottery Act are calculated monthly and accrued to the state; actual cash transfers are often made based upon actual cash flow needs of the day-to-day operation of the lottery.)

A schedule of cash transfers follows:

Bureau of Senior Services	\$ 15,785,000.00
Community and Technical College	-0-
Department of Education	\$ 9,480,000.00
Library Commission	\$ 3,090,000.00
Higher Education-Central Office	\$ 3,841,000.00
Tourism	\$ 2,100,000.00
Department of Natural Resources	\$ 952,000.00

Lottery

Lottery continued

Division of Culture and History	\$ 1,623,000.00
Department of Education and Arts	\$ 329,000.00
State Building Commission	\$ 1,000,000.00
School Building Authority	\$ 1,800,000.00
<u>SUBTOTAL BUDGETARY TRANSFERS</u>	\$ 40,000,000.00

Excess Lottery Fund

General Purpose Fund	-0-
Economic Development Fund	1,900,000.00
Excess Lottery Surplus	-0-
Education Improvement Fund	1,000,000.00
WV Infrastructure Council Fund	-0-
Higher Education Improvement Fund	-0-
State Park Improvement Fund	-0-
Refundable Credit	-0-
School Building Authority	821,000.00
TOTAL EXCESS LOTTERY FUND	\$3,721,000.00

Veterans Instant Ticket Fund 47,000.00

Table Games State Debt Reduction Fund 1,521,000.00

RACETRACK VIDEO LOTTERY TRANSFERS:	
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Lottery

Lottery continued

Tourism Promotion Fund 1.375%	\$1,086,000.00
Development Office Promo Fund	\$296,000.00
Research Challenge Fund .5%	\$395,000.00
Capitol Renovation and Improvement Fund .6875%	\$543,000.00
Parking Garage Fund .0625%	\$49,000.00
Parking Garage Fund 1%	\$500,000.00
Cultural Facilities and Cap. Resources Fund .5%	\$49,000.00
Capitol Dome & Cap. Improvements Fund .5%	\$241,000.00
Workers Compensation Debt Reduction Fund 7%	\$4,186,000.00
SUBTOTAL VIDEO LOTTERY TRANSFERS:	\$7,345,000.00
TOTAL TRANSFERS	*\$52,634,000.00

* CASH BASIS

Total Accrued last FY 2009:	202,184,000.00
Total Cash Distributions July-June :	52,634,000.00
Applied to FY 2009:	52,634,000.00
Total Applied to FY 2010	-0-
Accrued for FY 2009 as of July 31	149,550,000.00
Accrued for FY 2010 as of July 31	53,485,000.00

Lottery



RD

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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

A handwritten signature in cursive script, appearing to read "John C. Musgrave", written over the printed name in the "FROM" field.

RE: Monthly Report on Lottery Operations
Month Ending July 31, 2009

DATE: August 20, 2009

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

Financial statements of the Lottery for the month ending July 31, 2009 are attached. Lottery revenue, which includes on-line, instant, video lottery sales and table games, was \$127,150,039 for the month of July.

Transfers of lottery revenue totaling \$52,634,315 made for the month of July to the designated state agencies per House Bill 2010, Veterans Instant Ticket Fund, Racetrack Video Lottery Act (§29-22A-10), and the Racetrack Table Games Act (§29-22C-27). The amount transferred to each agency is shown in Note 9 on pages 15 and 16 of the attached financial statements.

The number of traditional and limited retailers active as of July 31, 2009 was 1,545 and 1,603 respectively.

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

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

JCM/rd
Attachment

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

LOTTERY ATTACHMENT JULY 2009 FINANCIALS (SEPTEMBER INTERIMS)

www.wvlottery.com



WEST VIRGINIA LOTTERY

STATE OF WEST VIRGINIA

**FINANCIAL STATEMENTS
-UNAUDITED-**

July 31, 2009

LOTTERY ATTACHMENT JULY 2009 FINANCIALS (SEPTEMBER INTERIMS)

WEST VIRGINIA LOTTERY

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

ASSETS	July 31, 2009	June 30, 2009
Current Assets:		
Cash and cash equivalents	\$ 224,386	\$ 225,355
Accounts receivable	31,914	33,311
Inventory	543	649
Other assets	2,533	2,555
Total Current Assets	259,376	261,870
Noncurrent Assets:		
Restricted cash and cash equivalents	69,881	69,870
Capital assets	17,641	17,641
Less accumulated depreciation and amortization	(14,503)	(14,335)
Net Capital Assets	3,138	3,306
Total Noncurrent Assets	73,019	73,176
Total Assets	\$ 332,395	\$ 335,046
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accrued nonoperating distributions to the State of West Virginia	\$ 203,035	\$ 202,184
Estimated prize claims	12,724	12,939
Accounts payable	1,491	1,716
Other accrued liabilities	31,946	35,019
Current portion of deferred jackpot prize obligations	-	-
Total Current Liabilities	249,196	251,858
Total Liabilities	249,196	251,858
Net Assets:		
Invested in capital assets	3,138	3,306
Unrestricted assets (deficit)	(2,638)	(2,806)
Unrestricted assets- Committed (see note 11)	12,818	12,818
Restricted assets (see note 10)	69,881	69,870
Total Net Assets	83,199	83,188
Total Liabilities and Net Assets	\$ 332,395	\$ 335,046

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 ONE MONTH PERIOD ENDED JULY 31, 2009

(In Thousands)

-Unaudited-

	CURRENT MONTH		YEAR TO DATE	
	2009	2008	2009	2008
Lottery revenues				
On-line games	\$ 6,997	\$ 6,383	\$ 6,997	\$ 6,383
Instant games	7,611	9,468	7,611	9,468
Racetrack video lottery	75,492	78,715	75,492	78,715
Limited video lottery	34,099	34,574	34,099	34,574
Table games	2,951	2,720	2,951	2,720
	<u>127,150</u>	<u>131,860</u>	<u>127,150</u>	<u>131,860</u>
Less commissions				
On-line games	490	447	490	447
Instant games	533	663	533	663
Racetrack video lottery	42,758	44,584	42,758	44,584
Limited video lottery	16,709	16,941	16,709	16,941
Table games	1,160	1,070	1,160	1,070
	<u>61,650</u>	<u>63,705</u>	<u>61,650</u>	<u>63,705</u>
Less on-line prizes	3,340	3,206	3,340	3,206
Less instant prizes	5,182	6,545	5,182	6,545
Less ticket costs	120	105	120	105
Less vendor fees and costs	705	457	705	457
	<u>9,347</u>	<u>10,313</u>	<u>9,347</u>	<u>10,313</u>
Gross profit	<u>56,153</u>	<u>57,842</u>	<u>56,153</u>	<u>57,842</u>
Administrative expenses				
Advertising and promotions	424	976	424	976
Wages and related benefits	905	710	905	710
Telecommunications	195	198	195	198
Contractual and professional	313	411	313	411
Rental	54	58	54	58
Depreciation and amortization	168	167	168	167
Other administrative expenses	117	115	117	115
	<u>2,176</u>	<u>2,635</u>	<u>2,176</u>	<u>2,635</u>
Other Operating Income	<u>137</u>	<u>172</u>	<u>137</u>	<u>172</u>
Operating Income	<u>54,114</u>	<u>55,379</u>	<u>54,114</u>	<u>55,379</u>
Nonoperating income (expense)				
Investment income	50	442	50	442
Nonoperating income - OPRB	-	-	-	-
Interest expense	-	(1)	-	(1)
Distributions to municipalities and counties	(668)	(677)	(668)	(677)
Distributions to racetracks-capital reinvestment	-	-	-	-
Distributions to the State of West Virginia	(53,485)	(55,056)	(53,485)	(55,056)
	<u>(54,103)</u>	<u>(55,292)</u>	<u>(54,103)</u>	<u>(55,292)</u>
Net income	<u>11</u>	<u>87</u>	<u>11</u>	<u>87</u>
Net assets, beginning of period	<u>83,188</u>	<u>64,485</u>	<u>83,188</u>	<u>64,485</u>
Net assets, end of period	<u>\$ 83,199</u>	<u>\$ 64,572</u>	<u>\$ 83,199</u>	<u>\$ 64,572</u>

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

WEST VIRGINIA LOTTERY

STATEMENTS OF CASH FLOWS
FOR THE ONE MONTH PERIOD ENDED JULY 31, 2009

(In Thousands)
-Unaudited-

	2009	2008
Cash flows from operating activities:		
Cash received from customers and other sources	\$ 128,684	\$ 143,721
Cash payments for:		
Personnel costs	(905)	(710)
Suppliers	(1,366)	(3,078)
Other operating costs	<u>(74,153)</u>	<u>(68,916)</u>
Cash provided by operating activities	<u>52,260</u>	<u>71,017</u>
Cash flows from noncapital financing activities:		
Nonoperating distributions to the State of West Virginia	(52,634)	(50,347)
Distributions to municipalities and counties	(634)	(637)
Distributions to racetrack from racetrack cap. reinv. fund	-	-
Deferred jackpot prize obligations and related interest paid	-	(1)
Cash used in noncapital financing activities	<u>(53,268)</u>	<u>(51,085)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	<u>-</u>	<u>-</u>
Cash flows from investing activities:		
Maturities of investments held in trust	-	-
Investment earnings received	<u>50</u>	<u>442</u>
Cash provided by investing activities	<u>50</u>	<u>442</u>
Increase (decrease) in cash and cash equivalents	(958)	20,454
Cash and cash equivalents - beginning of period	295,225	238,949
Cash and cash equivalents - end of period	<u>\$ 294,267</u>	<u>\$ 259,403</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 54,114	\$ 55,379
Adjustments to reconcile operating income to cash provided by operating activities:		
Depreciation and amortization	168	167
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	1,397	11,690
(Increase) decrease in inventory	106	(229)
(Increase) decrease in other assets	22	20
Increase (decrease) in estimated prize claims	(215)	(29)
Increase (decrease) in accounts payable	(225)	(1,355)
Increase (decrease) in other accrued liabilities	<u>(3,107)</u>	<u>5,374</u>
Cash provided by operating activities	<u>\$ 52,260</u>	<u>\$ 71,017</u>

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 1 - LEGISLATIVE ENACTMENT

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

The Lottery is included in the State's basic financial statements as a proprietary fund and business type activity using the accrual 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 four basic types of lottery games: instant, on-line, video type games, and table games. The Lottery develops multiple game themes and prize structures to comply with its enabling legislation, including aggregate annual minimum prize provisions. All bonded retailers and agents comprised principally of grocery and convenience stores serve as the primary distribution channel for instant and on-line lottery sales to the general public.

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

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

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

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

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

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.

Table games are lotteries as each game involves consideration, the possibility of a prize, and their outcome is determined predominantly by chance, which the common law of West Virginia has long held are the three essential elements of a lottery. Table games are the exclusive intangible intellectual property of the state of West Virginia. Table games legislation has established specific requirements for table games and imposed certain restrictions limiting the licensing for operation of table games to horse and dog racetracks in West Virginia, subject to local county elections permitting the same. Each racetrack licensed as an agent of the Lottery Commission to operate West Virginia table games shall have written rules of play for each table game it operates which must be approved by the Commission. All wagers and pay-offs of winning wagers shall be made according to those rules of play. For the privilege of holding a table games license, there is levied a privilege tax of thirty-five percent of each licensee's adjusted gross receipts for the operation of West Virginia Lottery table games. Amounts required by statute to be paid to private and local government entities are reported as commissions. The legislation further stipulates the distribution of revenues from West Virginia table games, and requires any licensed racetrack to be responsible for acquiring the necessary equipment and bearing the risk associated with the costs of operating and marketing the games.

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

INVENTORY – Inventory consists of instant game tickets available for sale to approved Lottery retailers and 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. The Lottery also leases various office equipment under agreements considered to be

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

cancelable operating leases. Rental expense for the one month ended July 31, 2009 and July 31, 2008 approximated \$54,252 and \$58,017, respectively.

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

COMPENSATED ABSENCES – The Lottery has accrued \$467,815 and \$371,165 of at June 30, 2009 and 2008, respectively, for estimated obligations that may arise in connection with compensated absences for vacation at the current rate of employee pay. Employees fully vest in all earned but unused vacation. To the extent that accumulated sick leave is expected to be converted to benefits on termination or retirement, the Lottery participates in an other postemployment benefits plan (see Note 14).

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 July 31, 2009 the carrying amounts of deposits (overdraft) with financial institutions were (\$81) thousand with a bank balance (overdraft) of \$15 thousand. Of this balance \$100 thousand was covered by federal depository insurance with the remaining balance collateralized with securities held by the State of West Virginia's agent in the State's name.

A summary of the amount on deposit with the West Virginia Board of Treasury Investments (BTI) is as follows (in thousands):

WEST VIRGINIA LOTTERY
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NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

	<u>July 31, 2009</u>	<u>June 30, 2009</u>
Amount on deposit with the BTI	<u>\$294,348</u>	<u>\$295,248</u>

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

NOTE 4 - CAPITAL ASSETS

A summary of capital asset activity for the period ended July 31, 2009 is as follows (in thousands):

Capital Assets:

	<u>Historical Cost At June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At July 31, 2009</u>
Construction in Progress	\$ -	\$ -	\$ -	\$ -
Improvements	1,170	-	-	1,170
Equipment	16,471	-	-	16,471
	<u>\$ 17,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,641</u>
Accumulated Depreciation:				
	<u>Historical Cost At June 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Historical Cost At July 31, 2009</u>
Improvements	\$ 1,080	\$ 8	\$ -	\$ 1,088
Equipment	13,255	160	-	13,415
	<u>\$ 14,335</u>	<u>\$ 168</u>	<u>\$ -</u>	<u>\$ 14,503</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 July 31, 2009 were \$3,850,148 and \$3,850,148

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

while related prize costs for the same periods were \$1,874,674 and \$1,874,674. Revenues derived from the Lottery's participation in the HOT LOTTO® game for the month and year-to-date periods ended July 31, 2009 were \$740,743 and \$740,743 while related prize costs for the same periods were \$365,977 and \$365,977.

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 July 31, 2009 the POWERBALL® prize reserve fund had a balance of \$105,413,673 of which the Lottery's share was \$2,385,173. The Lottery has charged amounts placed into the prize reserve funds to prize costs as the related sales have occurred.

NOTE 6 - RACETRACK VIDEO LOTTERY

The Racetrack Video Lottery legislation stipulates the distribution of racetrack video lottery revenues. This legislation has been amended since inception to restate revenue distribution based on revenue benchmarks. Initially, four percent (4%) of gross terminal revenue is allocated for lottery administrative costs. Sixty-six percent (66%) of net terminal revenue (gross less 4%) is allocated in lieu of commissions to: the racetracks (47%); other private entities associated with the racing industry (17%); and the local county and municipal governments (2%). The remaining revenues (34%) of net terminal revenue is allocated for distribution to State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in the Note 9 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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 6 - RACETRACK VIDEO LOTTERY (continued)

allocated for distribution to the State as specified in the Racetrack Video Lottery Act or subsequent State budget, as described in Note 9. Amounts from the capital reinvestment fund may be distributed to each racetrack if qualifying expenditures are made within the statutory timeframes; otherwise amounts accumulated in the fund revert to the state excess lottery revenue fund.

The WV Lottery, along with the Rhode Island and Delaware lotteries, participate in Multi-Jurisdictional Wide Area Progressive (MWAP) video games. This allows each of the lotteries to offer a higher progressive jackpot than they could generate alone. MUSL manages the progressive games and charges each participant a MWAP contribution fee of 4% of the amount wagered. A summary of racetrack video lottery revenues for the month ended July 31, 2009 and year-to-date follows (in thousands):

	<u>Current</u> <u>2009</u>	<u>Month</u> <u>2008</u>	<u>Year- to -Date</u> <u>2009</u>	<u>2008</u>
Total credits played	\$ 768,495	\$ 803,608	\$ 768,495	\$ 803,608
Credits (prizes) won	(692,657)	(724,515)	(692,657)	(724,515)
MWAP Contributions	(346)	(378)	(346)	(378)
Gross terminal income	<u>75,492</u>	<u>78,715</u>	<u>75,492</u>	<u>78,715</u>
Administrative costs	(3,020)	(3,149)	(3,020)	(3,149)
Net Terminal Income	<u>72,472</u>	<u>75,566</u>	<u>72,472</u>	<u>75,566</u>
Less distribution to agents	(42,758)	(44,584)	(42,758)	(44,584)
Racetrack video lottery revenues	<u>\$ 29,714</u>	<u>\$ 30,982</u>	<u>\$ 29,714</u>	<u>\$ 30,982</u>

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

	<u>July 31, 2009</u>	<u>Year-to Date</u>
State Lottery Fund	\$ 21,742	\$ 21,742
State Excess Lottery Revenue Fund	-	-
Capital Reinvestment Fund	-	-
Tourism Promotion Fund 1.375%	997	997
Development Office Promotion Fund .375 %	272	272
Research Challenge Fund .5 %	363	363
Capitol Renovation & Improvement Fund .6875 %	498	498
Parking Garage Fund .0625 %	45	45
Parking Garage Fund 1 %	500	500
Cultural Facilities & Capitol Resources Fund .5 %	112	112
Capitol Domes & Capitol Improvements Fund .5 %	112	112
Worker's Compensation Debt Reduction Fund 7 %	5,073	5,073
Total nonoperating distributions	<u>\$29,714</u>	<u>\$29,714</u>

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

Limited video lottery legislation passed in 2001 has established specific requirements imposing certain restrictions limiting the licensing for the operation of limited video lottery games to 9,000 terminals placed in licensed retailers. These licensed retailers must hold a qualifying permit for the sale and consumption on premises of alcohol or non-intoxicating beer. The Lottery has been charged with the administration, monitoring and regulation of these machines. The legislation further stipulates the distribution of revenues from the limited video lottery games, and requires any licensees to comply with all related rules and regulations of the Lottery in order to continue its retailer status. The Limited Video Lottery legislation stipulates that 2% of gross terminal income be deposited into the state lottery fund for administrative costs. Then, the state share percentage of gross profit is to be transferred to the State Excess Lottery Revenue Fund. Such percentage is between 30 and 50 percent and is subject to change on a quarterly basis. Two percent is distributed to counties and incorporated municipalities in the manner prescribed by the statute. The remaining amount of gross profit is paid to retailers and/or operators as prescribed in the Act, and is recorded as limited video lottery commissions in the financial statements. Municipal and county distributions are accounted for as nonoperating expenses. A summary of limited video lottery revenues for the month ended July 31, 2009 and year-to-date follows (in thousands):

	<u>Current</u> <u>2009</u>	<u>Month</u> <u>2008</u>	<u>Year- to -Date</u> <u>2009</u>	<u>2008</u>
Total credits played	\$398,554	\$418,637	\$398,554	\$418,637
Credits (prizes) won	(364,455)	(384,063)	(364,455)	(384,063)
Gross terminal income	<u>\$34,099</u>	<u>\$34,574</u>	<u>\$34,099</u>	<u>\$34,574</u>
Administrative costs	(682)	(692)	(682)	(692)
Gross Profit	<u>33,417</u>	<u>33,882</u>	<u>33,417</u>	<u>33,882</u>
Commissions	(16,709)	(16,941)	(16,709)	(16,941)
Municipalities and Counties	(668)	(677)	(668)	(677)
Limited video lottery revenues	<u>\$16,040</u>	<u>\$16,264</u>	<u>\$16,040</u>	<u>\$16,264</u>

NOTE 8 - TABLE GAMES

Table Games legislation passed in 2007 per House Bill 2718. Table games include blackjack, roulette, craps, and various types of poker. Each racetrack licensee is subject to a privilege tax of thirty five percent (35%) of adjusted gross receipts which will be deposited weekly into the Racetrack Table Games Fund.

From the gross amounts deposited into the Racetrack Table Games Fund, the Commission, on a monthly basis shall:

Retain 3% of the adjusted gross receipts for administrative expenses of which at least \$100,000 and not more than \$500,000 annually will be transferred to the Compulsive Gambling Treatment Fund. Transfer two and one-half percent of adjusted gross receipts from all thoroughbred racetracks with West Virginia

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
-Unaudited-

NOTE 8 – TABLE GAMES (continued)

Lottery table games to the special funds established by each thoroughbred racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee and transfer two and one-half percent of adjusted gross receipts from all greyhound racetracks with West Virginia Lottery table games to the special funds established by each greyhound racetrack table games licensee for the payment of regular racetrack purses to be divided equally among each licensee. Transfer two percent of the adjusted gross receipts from all licensed racetracks to the Thoroughbred Development Fund and the Greyhound Breeding Development Fund to be divided pro rata among the development funds. Transfer one percent of the adjusted gross receipts from each licensed racetrack to the county commissions of the counties where racetracks with West Virginia Lottery table games are located to be divided pro rata among the counties. Transfer two percent of the adjusted gross receipts from each licensed racetrack to the governing bodies of municipalities within counties where racetracks with West Virginia Lottery table games are located as prescribed by statute. And transfer one-half of one percent of the adjusted gross receipts to the governing bodies of municipalities in which a racetrack table games licensee is located to be divided equally among the municipalities. The Commission will distribute the remaining amounts, hereinafter referred to as the net amounts in the Racetrack Table Games Funds as follows:

- 1) Transfer four percent into a special fund to be established by the Racing Commission to be used for payment into the pension plan for all employees of each licensed racing association;
- 2) Transfer ten percent, to be divided and paid in equal shares, to each county commission in the state where table games are not located;
- 3) Transfer ten percent, to be divided and paid in equal shares, to the governing bodies of each municipality in the state where table games are not located; and
- 4) Transfer seventy-six percent to the State Debt Reduction Fund.

The cash transferred to the State Debt Reduction Fund in the current month is included in Note 9- Nonoperating Distributions to the State of West Virginia. The table games adjusted gross receipts for the month and year-to-date periods ended July 31, 2009 were \$8,431,210 and \$8,431,210, respectively. The following table shows the month and year -to- date totals of the privilege tax and the accrued distributions (in thousands) to be transferred in the subsequent month:

	<u>Current</u>	<u>Month</u>	<u>Year-to -Date</u>	
	2009	2008	2009	2008
Table Games Privilege Tax	\$ 2,951	\$ 2,720	\$ 2,951	\$ 2,720
Interest on Table Games Fund	0	3	0	3
Administrative Costs	<u>(253)</u>	<u>(233)</u>	<u>(253)</u>	<u>(233)</u>
Total Available for Distribution	2,698	2,490	2,698	2,490
<u>Less Distributions:</u>				
Racetrack Purse Funds	210	194	210	194
Thoroughbred & Greyhound Development Funds	169	155	169	155
Racing Commission Pension Plan	81	75	81	75
Municipalities/Counties	<u>700</u>	<u>646</u>	<u>700</u>	<u>646</u>
Total Distributions	1,160	1,070	1,160	1,070
State Debt Reduction Fund	<u>\$ 1,538</u>	<u>\$ 1,420</u>	<u>\$ 1,538</u>	<u>\$ 1,420</u>

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA

The Lottery periodically distributes surplus funds, exclusive of amounts incurred and derived from limited video lottery and a portion of racetrack video lottery funds, to the State of West Virginia in accordance with the legislation. For the year ending June 30, 2010 the State Legislature budgeted \$166,010,000 of estimated profits of the Lottery for distributions to designated special revenue accounts of the State of West Virginia. With regard to the State Lottery Fund, legislation stipulates that debt service payments be given a priority over all other transfers in instances where estimated profits are not sufficient to provide for payment of all appropriated distributions. Debt service payments of \$1,800,000 and \$1,000,000 per month for the first ten months of each fiscal year currently have such priority. Transfers made pursuant to the State Excess Lottery Revenue Fund have similar requirements; currently payments are \$3,720,843 per month for the first ten months of each fiscal year. In addition, Legislation provides that, if in any month, there is a shortage of funds in the State Excess Lottery Revenue Fund to make debt service payments, the necessary amount shall be transferred from the State Lottery Fund to cover such shortfall, after the State Lottery Fund debt service payments have been made. Repayments to the State Lottery Fund are required to be made in subsequent months as funds become available. During the month ended July 31, 2009 the Lottery made such distributions and accrued additional distributions of \$43,975,031. The Lottery is a non-appropriated state agency and therefore does not have a budget adopted by the Legislature. Since the enactment of the Racetrack Video Lottery Act, the Lottery is also statutorily required to distribute income from racetrack video lottery operations as described in Note 6. As of July 31, 2009 the Lottery accrued additional distributions relating to racetrack video lottery operations of \$1,393,330.

Note 7 describes the Limited Video Lottery Act and the statutory distributions required to be made from limited video lottery operations. Note 8 describes the Table Games Act and the statutory distributions required to be made from table games operations.

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

<u>BUDGETARY DISTRIBUTIONS</u>	<u>July 31, 2009</u>	<u>Year-to-Date</u>
<u>State Lottery Fund:</u>		
Community and Technical College	\$ -	\$ -
Bureau of Senior Services	15,785	15,785
Department of Education	9,480	9,480
Library Commission	3,090	3,090
Higher Education-Policy Commission	3,841	3,841
Tourism	2,100	2,100
Natural Resources	952	952
Division of Culture & History	1,623	1,623
Department of Education & Arts	329	329
Building Commission	1,000	1,000
School Building Authority	1,800	1,800
Total State Lottery Fund	\$ 40,000	\$ 40,000

WEST VIRGINIA LOTTERY
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NOTE 9- NONOPERATING DISTRIBUTIONS TO THE STATE OF WEST VIRGINIA
(continued)

<u>State Excess Lottery Revenue Fund:</u>		
Economic Development Fund	\$ 1,900	\$ 1,900
Higher Education Improvement Fund	1,000	1,000
General Purpose Account	-	-
Higher Education Improvement Fund	-	-
State Park Improvement Fund	-	-
School Building Authority	821	821
Refundable Credit	-	-
Excess Lottery Surplus	-	-
West Va. Infrastructure Council	-	-
Total State Excess Lottery Revenue Fund	\$ 3,721	\$ 3,721
Total Budgetary distributions:	\$ 43,721	\$ 43,721
Veterans Instant Ticket Fund	\$ 47	\$ 47
<u>Other Racetrack Video Lottery distributions:</u>		
Tourism Promotion Fund 1.375%	\$ 1,086	\$ 1,086
Development Office Promotion Fund .375%	296	296
Research Challenge Fund .5%	395	395
Capitol Renovation & Improvement Fund .6875%	543	543
Parking Garage Fund .0625 %	49	49
Parking Garage Fund 1 %	500	500
Cultural Facilities & Cap. Resources Fund .5%	49	49
Capitol Dome & Cap. Improvements Fund .5%	241	241
Workers Compensation Debt Reduction Fund 7%	4,186	4,186
Total	\$ 7,345	\$ 7,345
Table Games State Debt Reduction Fund	\$ 1,521	1,521
Total nonoperating distributions to the State of West Virginia (cash basis)	\$ 52,634	\$ 52,634
Accrued nonoperating distributions, beginning	(202,184)	(202,184)
Accrued nonoperating distributions, end	203,035	203,035
Total nonoperating distributions to the State of West Virginia	\$ 53,485	\$ 53,485

WEST VIRGINIA LOTTERY
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NOTE 10 – RESTRICTED NET ASSETS

On June 14, 2006, House Bill 106 was enacted by the West Virginia State Legislature to set aside unexpended administrative expenses of the Lottery up to the limits for such expenses established by the enabling legislation of traditional, racetrack video lottery, and limited video lottery games in an amount not to exceed \$20,000,000 beginning in fiscal year 2006 and each year through fiscal year 2012. These assets are to be set aside for the design and construction of a building for the use of the Lottery and certain other State of West Virginia governmental entities. The lottery contributed \$10,817,386 to the fund for fiscal year 2009 plus related interest of \$566,293.

NOTE 11 – COMMITMENTS

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

NOTE 12 - 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 July 31, 2009 are as follows (in thousands):

	<u>July 31, 2009</u>	<u>Year-to Date</u>
Lottery contributions	\$72	\$72
Employee contributions	30	30
Total contributions	\$102	\$102

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NOTE 13 - 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 WORKERS' COMPENSATION COMMISSION (WCC)

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

PUBLIC EMPLOYEES' INSURANCE AGENCY (PEIA)

The Lottery participates in the Public Employees' Insurance Agency which provides an employee benefit insurance program to employees. PEIA was established by the State of West Virginia for State agencies, institutions of higher education, Boards of Education and component units of the State. In addition, local governmental entities and certain charitable and public service organizations may request to be covered by PEIA. PEIA provides a base employee benefit insurance program which includes hospital, surgical, major medical, prescription drug and basic life and accidental death. Underwriting and rate setting policies are 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.

WEST VIRGINIA LOTTERY
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NOTE 13 - RISK MANAGEMENT (continued)

BOARD OF RISK AND INSURANCE MANAGEMENT (BRIM)

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

NOTE 14- OTHER POSTEMPLOYMENT BENEFITS (OPEB)

The Lottery participates in the West Virginia Other Postemployment Benefits Plan (OPEB Plan) of the West Virginia Retirees Health Benefit Trust Fund (Trust), a cost-sharing multiple-employer defined benefit postemployment healthcare plan administered by the West Virginia Public Employee Insurance Agency (WVPEIA). The OPEB Plan provides retirees post-employment health care benefits for participating state and local government employers. The provisions of the Code of West Virginia, 1931, as amended (the Code), assigns the authority to establish and amend benefit provisions to the WVPEIA board of trustees. The WVPEIA issues a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. That report may be obtained by writing to Public Employees Insurance Agency, 601 57th Street, South East, Suite 2, Charleston, West Virginia, or by calling 1-888-680-7342.

Funding Policy

The Code requires the OPEB Plan bill the participating employers 100% of the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. State of West Virginia plan employers are billed per active health policy per month.

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

WEST VIRGINIA LOTTERY
NOTES TO FINANCIAL STATEMENTS
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NOTE 15- NEW ACCOUNTING PRONOUNCEMENTS

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

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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



. 304-347-4870

Memorandum

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

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

Date: September 8, 2009

Re: Status of General Revenue Fund August 31, 2009

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

The net collections were **96.77%** of the estimate for the fiscal year as of August 31, 2009. **The amount BELOW estimate was \$ 17 million for the year.**

Personal Income Tax collections were \$ 11.3 million under the estimate for the fiscal year.

Consumer sales and use tax collections were \$11.2 million under the estimate for the fiscal year.

Severance tax collections were \$ 3.3 million over the estimate for the fiscal year.

Corporate income and business franchise collections were \$ 4.2 million above the estimate for the year.

Joint Committee on Government and Finance

State Road Fund

The state road fund was collected at 98.70% of the estimate for the months of July - August 2009. Privilege tax collections were \$ 5 million under the estimate. Gasoline tax was \$ 3.8 million above the estimate. The entire fund was \$ 1.4 million below the estimate for the year.

Rainy Day and Personal Income Tax Reserve

Revenue Shortfall Reserve Fund A(Rainy Day Fund) had a cash balance of \$ \$202,858,897.30 as of August 31, 2009.

Balance July 1, 2009	236,619,572.54
Cash flow loan to General Revenue on July 1, 2009. To be repaid 90 days. This is a normal occurrence in July due to cash flow demands; will be repaid in September.	- 56,000,000.00
Revenues July 1, 2008-June 30,2009 (Surplus from FY 2009 transferred in August 2009.)	11,067,940.23
Earnings	11,171,383.91
Balance August 31, 2009	202,858,897.30

Revenue Shortfall Reserve Fund B (Tobacco Settlement Monies) had a cash balance of \$ 251,786,390.36 as of August 31, 2009.

Balance July 1, 2009	291,275,042.97
Earnings	15,780,387.71
Balance August 31, 2009	251,786,390.36

The Special Income Tax Reserve Fund had a cash balance of \$45,019,319.21 as of August 31, 2009.

Balance July 1, 2009	45,019,319.21
Revenues	-0-
Balance August 31, 2009	45,019,319.21

Gen Rev /State Road

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND

Motor Fuel Excise Tax Shortfall Reserve Fund had a cash balance of \$ 27,319,224.03 on August 31, 2009. This fund was created by HB 218 during the June 2008 special session to act as a reserve fund when the highways motor fuel excise tax fails to meet monthly revenue estimates.

Balance July 1, 2009 Appropriated by supplemental SB 2019, June 2008	\$ 27,319,224.03
Transfers out to Highways Fund	- 0-
Balance August 31, 2009	27,319,224.03

Monthly Revenue Estimates
as of August 31, 2009, WVFIMS

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Personal Income Tax	107,100,000	103,893,411	-3,206,589	218,100,000	208,750,352	-11,349,648
Consumer Sales Tax & Use Tax	97,000,000	88,789,937	-8,210,063	197,500,000	186,282,179	-11,217,821
Severance Tax	27,600,000	22,296,375	-5,303,625	29,800,000	33,168,570	3,368,570
Insurance Tax	800,000	306,152	-493,848	25,300,000	24,850,751	-449,249
Business and Occupation	11,500,000	10,780,471	-719,529	20,700,000	21,028,007	328,007
Cigarette Tax	9,800,000	9,221,899	-578,301	19,200,000	19,844,167	644,167
Corp Income /Business Franchise	2,000,000	4,108,138	2,108,138	7,000,000	11,208,030	4,208,030
Interest Income	2,100,000	1,270,216	-829,784	4,100,000	2,310,397	-1,789,603
Liquor Profit Transfers	1,000,000	466,298	-533,702	2,300,000	2,129,298	-170,702
Property Transfer Tax	1,000,000	744,638	-255,363	2,100,000	1,557,707	-542,293
Departmental Collections	900,000	827,701	-72,299	1,700,000	1,601,629	-98,371
Beer Tax and Licenses	750,000	678,874	-71,126	1,550,000	1,528,731	-21,269
Smokeless Tobacco Tax	500,000	303,907	-196,093	950,000	776,051	-173,949
Business Franchise Fees	90,000	79,910	-10,090	560,000	446,476	-113,524
Miscellaneous Transfers	500,000	239,287	-260,713	500,000	239,287	-260,713
Property Tax	300,000	354,660	54,660	400,000	438,358	38,358
Miscellaneous Receipts	100,000	102,264	2,264	200,000	206,822	6,822
Racing Fees	100,000	0	-100,000	140,000	43,300	-96,700
Refundable Credit Reim LTY	70,000	581,343	511,343	70,000	581,343	511,343
HB 102 - Lottery Transfers	0	0	0	0	0	0
Charter Tax	0	19,436	19,436	0	44,444	44,444
Telecommunications Tax	0	8,320	8,320	0	-49,973	-49,973
Estate and Inheritance Tax	0	0	0	0	0	0
Video Lottery Transfers	0	0	0	0	1,807	1,807
Special Revenue Transfer	0	0	0	0	0	0
Cash Flow Transfer	0	0	0	0	56,000,000	56,000,000
TOTALS	263,210,000	245,073,037	-18,136,963	532,170,000	570,987,736	38,817,736
Minus Cash Flow Transfer	0	0	0	0	-56,000,000	-56,000,000
Percent of Estimates		93.11%				
TOTALS	263,210,000	245,073,037	-18,136,963	532,170,000	514,987,736	-17,182,264
Percent of Estimates		93.11%			96.77%	
Collections this day		24,105,711				

STATE ROAD FUND FY 2009-2010
 Monthly Revenue Estimates July 2009
 as of August 31, 2009 WVFIMS

FINAL

	MONTH ESTIMATES	NET MONTH COLLECTIONS	MONTHLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS	YTD ESTIMATES	NET YTD COLLECTIONS	YEARLY OVER UNDER ESTIMATES VS ACTUAL COLLECTIONS
Gasoline & Motor Carrier Rd Tax	31,000,000	32,305,988	1,305,988	64,500,000	68,380,106	3,880,106
Privilege Tax	15,990,000	12,680,733	-3,309,267	31,855,000	26,839,610	-5,015,390
Licenses & Registration	7,137,000	6,253,365	-883,635	16,197,000	15,913,255	-283,745
Highway Litter Control	135,000	87,269	-47,731	306,000	254,507	-51,493
TOTALS	54,262,000	51,327,355	-2,934,645	112,858,000	111,387,478	-1,470,522

Percent of Estimates

94.59%

98.70%

Collections this day

16,392,840

MOTOR FUEL EXCISE TAX SHORTFALL RESERVE FUND
 CASH BALANCE WITH TREASURER
 AS OF August 3, 2009: \$27,319,224.03

REVENUE SHORTFALL RESERVE FUND A AS OF August 3, 2009 : \$181,924,718.11

REVENUE SHORTFALL RESERVE FUND B AS OF August 3, 2009 : \$237,834,893.71

PERSONAL INCOME TAX REFUND RESERVE FUND AS OF August 3, 2009: \$45,019,319.21

WEST VIRGINIA LEGISLATURE
Office of the Legislative Auditor

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and Finance

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

Date: September 9, 2009

Re: West Virginia Unemployment Compensation Trust Fund

We have reviewed the July 31, 2009 monthly report of the Unemployment Compensation Trust Fund we received from WorkForce West Virginia. July is the first month of fiscal year 2009-2010.

For the fiscal year 2009-2010, the trust fund cash flow was as follows:

Trust Fund Beginning Cash Balance 7-1-2009	\$193,165,088.22
Receipts July 1, 2009 thru June 30, 2010	\$38,452,458.89
Disbursements July 1, 2009 thru June 30, 2010	\$46,897,331.04
Balance July 31, 2009	\$184,720,216.07

ITEMS OF NOTE:

Regular benefits paid for July 2009 were \$18.1 million more than for July of fiscal year 2009.

Unemployment *Joint Committee on Government and Finance*

Total disbursements were \$ 30 million more than the same months of the preceding fiscal year.

Receipts in July 2009 were \$ 25.3 million more than in July of fiscal year 2009. Overall ending trust fund balance was \$ 63.3 million less on July 31, 2009 than on July 31, 2008. *

West Virginia's unemployment rate for the month of July 2009 was 8.6 percent. National unadjusted employment rate was 9.7 percent.

Seasonally adjusted unemployment rates were 9.0 percent for West Virginia and 9.4 percent nationally.

Since July 2008 employment has decreased by 26,100. The only field with reported gains was educational and health services with a gain of 1,500. Declines included 6,800 in trade, transportation, and utilities, 6,600 in manufacturing, 3,900 in construction, 4,100 in mining and logging, 1,300 in professional and business services, 2,000 in leisure and hospitality, 1,500 in financial activities, 400 in other services, 300 in government and 700 in information.

*Senate Bill 246 passed on April 11, 2009 addressed this declining balance in the Unemployment Trust Fund. On or before July 1, 2009, the Insurance Commissioner shall make a one time transfer of \$ 40 million dollars from Workers' Compensation Debt Reduction Fund to the Bureau of Employment Program's Commissioner for deposit to the Federal Unemployment Trust Fund. The bill also raised the wage threshold on which premiums are calculated from \$8,000.00 per year to \$ 12,000.00 per year when the balance of the Unemployment Trust Fund is below \$ 220 million on February 15, of each fiscal year.

Unemployment

**MONTHLY STATUS REPORT FOR THE JOINT COMMITTEE ON GOVERNMENT AND FINANCE
FOR THREE MONTHS STARTING MAY 2008 AND MAY 2009**

	<u>MAY 08</u>	<u>JUNE 08</u>	<u>JULY 08</u>	<u>MAY 09</u>	<u>JUNE 09</u>	<u>JULY 09</u>	<u>THREE MONTH TOTAL VARIANCE *</u>
Balance Forward	<u>\$221,094,406.68</u>	<u>\$280,118,108.63</u>	<u>\$251,821,729.88</u>	<u>\$188,009,076.61</u>	<u>\$188,390,766.96</u>	<u>\$193,166,088.22</u>	<u>(\$188,439,314.01)</u>
Add Receipts:							
1. Bond Assessment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
2. Regular Contributions:	\$54,075,440.72	\$973,651.38	\$12,839,363.91	\$53,988,825.48	\$1,941,208.73	\$24,811,164.34	\$12,662,740.64
3. Federal Extended Benefits (EUC08)	\$0.00	\$0.00	\$0.00	\$4,968,142.62	\$13,477,689.00	\$8,448,500.00	\$27,891,331.62
4. Emergency Unemployment Funds (TEUC)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
5. Temp Federal Additional Comp (FAC)	\$0.00	\$0.00	\$0.00	\$4,831,821.00	\$4,666,639.00	\$3,888,169.00	\$13,482,659.00
6. UCFE (Federal Agencies)	\$0.00	\$58,900.00	\$82,900.00	\$108,110.61	\$134,716.38	\$145,698.76	\$267,024.65
7. Special Administrative Transfer **	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
8. Reed Act Funds	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Treasury Interest Credits	\$0.00	\$2,907,214.07	\$0.00	\$0.00	\$1,940,627.75	\$0.00	(\$966,686.32)
10. UCX (Military Agencies)	\$25,000.00	\$188,000.00	\$208,600.00	\$257,858.84	\$334,173.19	\$361,898.79	\$532,225.82
11. WV Insurance Committee-Senate Bill 246	\$0.00	\$0.00	\$0.00	\$0.00	\$40,000,000.00	\$0.00	\$40,000,000.00
Total Monthly Receipts	<u>\$54,100,440.72</u>	<u>4,127,788.46</u>	<u>\$13,110,463.91</u>	<u>\$84,251,555.46</u>	<u>\$62,493,861.05</u>	<u>\$38,452,458.89</u>	<u>\$93,669,185.31</u>
Less Disbursements:							
Debt Bond Repayment	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)	(Retired)
Regular Benefits:	14,738,704.89	12,133,133.04	16,274,368.85	\$31,422,777.17	\$37,196,430.62	\$33,461,040.58	\$59,936,021.59
Federal Extended Benefits (EUC08)	0.00	0.00	1,326,275.00	\$6,065,169.72	\$12,745,901.00	\$9,107,118.00	\$28,591,913.72
Emergency Benefits (TEUC)	(1,321.08)	(292.00)	(490.00)	(\$392.00)	(\$330.00)	(\$355.00)	\$986.06
Temp Federal Additional Comp (FAC)	0.00	0.00	0.00	\$4,937,591.00	\$4,393,011.00	\$3,773,505.00	\$13,104,107.00
UCFE (Federal Workers) Benefits	76,893.47	73,336.51	60,802.42	\$127,642.77	\$137,128.22	\$167,715.37	\$211,493.96
UCX (Military Workers) Benefits	193,211.37	217,226.97	206,395.05	\$317,077.48	\$343,349.86	\$390,264.88	\$433,859.89
Reed Act Funds	41,250.00	699.98	0.00	\$0.00	\$695,177.57	\$0.00	\$853,227.59
Special Administrative Transfer**	\$0.00	\$0.00	\$0.00	\$0.00	\$8,860.42	\$8,042.21	\$16,902.63
Total Monthly Disbursements	<u>\$15,046,738.67</u>	<u>12,424,144.50</u>	<u>\$16,887,371.32</u>	<u>\$42,869,869.11</u>	<u>\$55,719,626.78</u>	<u>\$48,897,331.04</u>	<u>\$101,148,471.44</u>
Trust Fund Balance	<u>\$280,118,108.63</u>	<u>\$281,821,729.88</u>	<u>\$248,064,822.17</u>	<u>\$189,380,766.96</u>	<u>\$183,166,088.22</u>	<u>\$184,720,216.07</u>	<u>(\$185,728,590.14)</u>

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

**The Assistance for Unemployed Workers and Struggling Families Act, Title II of Division B of Public Law No. 111-5, enacted February 17, 2009, provided a special administrative transfer to states' accounts of \$500 million to be used for certain administrative purposes. On February 27, 2009, the U.S. Treasury distributed West Virginia's amount of \$2,369,759 to the Unemployment Insurance Trust Fund. Attachment IV to the Unemployment Insurance Program Letter No. 14-09 issued by the U.S. Department of Labor on February 26, 2009 specifies the permissible uses of the administrative transfer. The special administrative transfer is not available for the payment of Unemployment Compensation (UC) benefits; therefore the Trust Fund Balance must be reduced by the Special Administrative Transfer on line 7 to obtain the balance available for UC benefits.



Prescription Drug Report

JULY 2009

WV PEIA - Monthly Trend

Plan Demographics	Jul-09	2009 - 2010 Fiscal	2008 - 2009 Fiscal	Percent Change
Total Drug Cost	\$12,612,691	\$12,612,691	\$12,029,848	4.84%
Amount Paid By Plan Sponsor	\$7,794,848	\$7,794,848	\$7,279,720	7.08%
Amount Paid By Members	\$4,817,843	\$4,817,843	\$4,750,128	1.43%
Total Claims	188,322	188,322	187,638	5.75%
Average Eligible Member	182,228	182,228	167,601	3.00%
Average # of Rx's Per Member Per Month	1.22	1.22	1.19	2.67%
Plan Paid Per Member Per Month (PMPM)	\$48.08	\$48.08	\$46.22	3.88%
Average Eligible Enrollees	74,591	74,691	72,416	3.00%
Average # of Rx's Per Enrollee Per Month	2.68	2.68	2.69	2.67%
Plan Paid Per Enrollee Per Month (PEPM)	\$104.60	\$104.60	\$100.63	3.88%
Rx Cost Share				
Avg. Claim Cost to Plan	\$39.30	\$39.30	\$38.82	1.25%
Avg. Member Cost/Claim	\$24.29	\$24.28	\$25.33	-4.09%
Percent member Cost Share	38.2%	38.2%	38.5%	-3.26%
Average Ingredient Costs				
Single Source (no generics available)	\$189.22	\$189.22	\$174.63	8.42%
Multi-Source Brand (generics available)	\$63.67	\$63.67	\$60.33	6.83%
Generic Drugs	\$19.45	\$19.45	\$19.23	1.16%
Brand/Generic Dispensing Rates				
Single Source (no generics)	24.86%	24.96%	27.68%	-8.85%
Multi-Source Brand % (generics available)	0.65%	0.95%	1.03%	-7.80%
Generic Drug	74.09%	74.09%	71.29%	3.84%
Generic Dispensed when available	98.74%	98.74%	99.58%	0.16%
Percent of Plan Cost for Single Source	86.43%	86.43%	88.11%	-0.79%
Retail Pharmacy Program				
Avg. Day Supply	33.1	33.1	32.6	2.05%
Avg. Plan Cost/Day Supply	\$1.17	\$1.17	\$1.18	-0.84%
Avg. Claim Cost to Plan	\$38.91	\$38.91	\$38.38	1.39%
Avg. Member Cost / Claim	\$24.14	\$24.14	\$25.20	-4.20%
Percent Member Cost Share	38.28%	38.28%	38.63%	-3.40%
Special Maint Netwk (% of claims filled)	11.89%	11.89%	11.03%	8.08%
Other Maint (% of claims filled)	0.66%	0.68%	0.63%	4.46%
Avg. Days Supply for Maint. Netwks	87.3	87.3	87.8	-0.28%
Total # Claims Fills 1-34 Days Supply	169,696	169,696	162,788	4.25%
Total # Claims Fills 35-60 Day Supply	1,587	1,587	1,280	24.37%
Total # Claims Fills 61-90 Day Supply	24,843	24,843	21,773	14.56%
Total # Claims Fills 91+ Day Supply	38	38	6	680.00%
Mail Service Program				
Avg. Days Supply	71.7	71.7	78.0	-9.68%
Avg. Plan Cost/Days Supply	\$1.07	\$1.07	\$1.14	-8.31%
Avg. Cost to Plan	\$78.62	\$78.62	\$88.71	-11.64%
Avg. Member Cost/Claim	\$38.82	\$38.92	\$39.71	-1.98%
Percent Member Cost Share	33.68%	33.68%	31.41%	7.26%
Total # Claims Fills 1-34 Days Supply	608	608	397	83.15%
Total # Claims Fills 35-60 Days Supply	11	11	5	120.00%
Total # Claims Fills 61-90 Days Supply	1,469	1,469	1,313	11.12%
Total # Claims Fills 91+ Day Supply	0	-	-	-
Formulary Program				
S/S Formulary Drugs (% by claim)	20.31%	20.31%	22.70%	-10.81%
S/S Non-Formulary Drugs (% by claim)	4.65%	4.65%	4.99%	-8.86%
M/S Drugs (% by claim)	0.65%	0.95%	1.03%	-7.80%
Generic Drugs (% by Claim)	74.09%	74.09%	71.29%	3.84%
S/S Formulary Drugs (% by \$)	78.26%	78.26%	78.43%	-2.77%
S/S non-Formulary Drugs (% by \$)	9.17%	9.17%	7.68%	18.40%
M/S Drugs (% by \$)	0.63%	0.63%	0.68%	-8.98%
Generic Drugs (% by \$)	14.04%	14.04%	13.31%	5.49%
Specialty Drugs				
Total Drug Cost	\$1,479,282	\$1,479,282	\$1,449,203	2.08%
Amount Paid by Plan Sponsor	\$1,413,358	\$1,413,358	\$1,384,193	2.11%
Amount Paid by Members	\$65,924	\$65,924	\$65,040	1.36%
Total Claims	753	753	753	0.00%
Avg # of Rx's per Member per Month	0.00	0.005	0.005	-2.91%
Plan Paid Per Member Per Month (PMPM)	\$8.71	\$8.71	\$8.79	-0.86%
Avg Claim Cost to Plan	\$1,878.97	\$1,878.97	\$1,838.20	2.11%
Avg Claim Cost to Member	\$87.66	\$87.66	\$88.37	1.38%
Percent of Member Cost Share	4.46%	4.46%	4.49%	-0.70%
Percent of Overall Drug Spend	11.73%	11.73%	12.06%	-2.64%



Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2009 - 07/2009

Previous Period: 07/2008 - 07/2008

	Current Period	Previous Period	% Change
Overall Performance			
Plan Cost PMPM	\$47.99	\$45.49	5.5 %
Average Mbra/Month	162,225	157,501	3.0 %
Average Subs/Month	74,591	72,416	3.0 %
% Utilizing Members	43.0 %	42.4 %	1.5 %
% Retail Utilizing Members	42.7 %	42.1 %	1.4 %
% Mail Utilizing Members	0.6 %	0.5 %	12.8 %
Rx Measures			
Rxs PMPM	1.22	1.19	2.9 %
Retail Rxs PMPM	1.21	1.18	2.7 %
Mail Rxs PMPM	0.01	0.01	18.4 %
Average Admin Fee/Rx	\$0.00	\$0.01	-98.5 %
Avg Retail Admin Fee/Rx	\$0.00	\$0.01	-98.5 %
Avg Mail Admin Fee/Rx	\$0.00	\$0.00	0.0 %
Average Plan Cost/Rx	\$39.30	\$38.31	2.6 %
Avg Retail Plan Cost/Rx	\$38.90	\$37.87	2.7 %
Avg Mail Plan Cost/Rx	\$76.66	\$86.90	-11.8 %
Average Mbr Contrib/Rx	\$24.29	\$25.24	-3.8 %
Avg Retail Mbr Contrib/Rx	\$24.13	\$25.11	-3.9 %
Avg Mail Mbr Contrib/Rx	\$38.87	\$39.77	-2.3 %
Average Ing Cost/Rx	\$62.14	\$61.97	0.3 %
Avg Retail Ing Cost/Rx	\$61.57	\$61.37	0.3 %
Avg Mail Ing Cost/Rx	\$115.53	\$126.55	-8.7 %
Average AWP/Rx	\$116.91	\$109.56	6.7 %
Avg Retail AWP/Rx	\$115.76	\$108.31	6.9 %
Avg Mail AWP/Rx	\$224.51	\$245.21	-8.4 %
Average Days Supply/Rx	33.5	32.9	1.9 %
Avg Retail Days/Rx	33.1	32.5	1.9 %
Avg Mail Days/Rx	71.7	76.0	-5.6 %
Average Plan Cost/Day	\$1.17	\$1.16	0.7 %
Avg Retail Plan Cost/Day	\$1.17	\$1.16	0.9 %
Avg Mail Plan Cost/Day	\$1.07	\$1.14	-6.6 %
% Plan Cost	61.8 %	60.3 %	2.5 %
% Member Contribution	38.2 %	39.7 %	-3.8 %
% Retail Plan Cost	61.7 %	60.1 %	2.6 %
% Retail Mbr Contrib	38.3 %	39.9 %	-4.0 %
% Mail Plan Cost	66.4 %	68.6 %	-3.3 %
% Mail Member Contrib	33.6 %	31.4 %	7.2 %

Key Performance Indicators

Comprehensive Indicators

WVA - WV Public Employees Ins

Current Period: 07/2009 - 07/2009
Previous Period: 07/2008 - 07/2008

	Current Period	Previous Period	% Change
Rx Sources			
% Mail Rxs	1.1 %	0.9 %	15.1 %
% Retail Rxs	98.9 %	99.0 %	-0.1 %
% Member Submit Rxs	0.0 %	0.0 %	-92.2 %
Rx Types			
Avg SSB Plan Cost/Rx	\$134.54	\$119.45	12.6 %
Avg Retail SSB Plan Cost/Rx	\$133.59	\$118.42	12.8 %
Avg Mail SSB Plan Cost/Rx	\$211.23	\$212.57	-0.6 %
Avg MSB Plan Cost/Rx	\$21.87	\$22.69	-3.6 %
Avg Retail MSB Plan Cost/Rx	\$21.60	\$22.23	-2.8 %
Avg Mail MSB Plan Cost/Rx	\$47.54	\$68.66	-30.8 %
Avg GEN Plan Cost/Rx	\$7.45	\$7.24	2.8 %
Avg Retail GEN Plan Cost/Rx	\$7.31	\$7.10	3.0 %
Avg Mail GEN Plan Cost/Rx	\$21.10	\$24.37	-13.4 %
% Single-Source Brand Rxs	25.0 %	27.5 %	-9.4 %
% Multi-Source Brand Rxs	0.9 %	1.0 %	-8.7 %
% Generic Rxs	74.1 %	71.4 %	3.8 %
% Retail Single-Source Brand	24.9 %	27.5 %	-9.4 %
% Retail Multi-Source Brand	0.9 %	1.0 %	-8.6 %
% Retail Generic	74.1 %	71.5 %	3.7 %
% Mail Single-Source Brand	29.1 %	33.0 %	-11.7 %
% Mail Multi-Source Brand	0.9 %	1.1 %	-18.0 %
% Mail Generic	70.0 %	65.9 %	6.2 %
% Formulary Rxs	94.0 %	93.6 %	0.5 %
% Retail Formulary Rxs	94.1 %	93.6 %	0.5 %
% Mail Formulary Rxs	93.6 %	93.4 %	0.2 %
% DAW Rxs	0.5 %	0.6 %	-10.7 %
% Retail DAW Rxs	0.5 %	0.6 %	-10.1 %
% Mail DAW Rxs	0.7 %	1.3 %	-44.1 %
% Generic Conversion	98.7 %	98.6 %	0.2 %
% Retail GEN Conversion	98.7 %	98.6 %	0.2 %
% Mail GEN Conversion	98.7 %	98.3 %	0.4 %
Period Totals			
Total Plan Cost	\$7,785,849.91	\$7,164,356.29	8.7 %
Retail Plan Cost	\$7,626,170.62	\$7,015,931.32	8.7 %
Mail Plan Cost	\$159,679.29	\$148,424.97	7.6 %
Total Member Contribution	\$4,811,480.12	\$4,720,154.53	1.9 %

Key Performance Indicators

Comprehensive Indicators
WVA - WV Public Employees Ins

Current Period: 07/2009 - 07/2009
Previous Period: 07/2008 - 07/2008

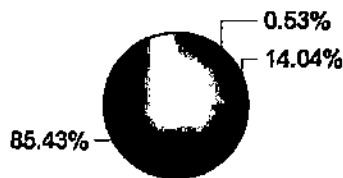
	Current Period	Previous Period	
Retail Member Contrib	\$4,730,508.19	\$4,652,222.53	1.7 %
Mail Member Contrib	\$80,971.93	\$67,932.00	19.2 %
Total Rx Count	198,119	186,994	5.9 %
Retail Rx Count	196,029	185,201	5.8 %
Member Submit Rxs	7	85	-91.8 %
Mail Rx Count	2,083	1,708	22.0 %
Total Admin Fee	\$17.50	\$1,068.00	-98.4 %
Total UC Savings	\$10,084,222.80	\$6,720,600.98	50.0 %
Total Lost Savings	\$22,031.65	\$12,918.15	70.5 %
Demographics			
Average Age	38.7	38.7	-0.1 %
% Male Members	46.6 %	46.5 %	0.1 %
% Female Members	53.4 %	53.5 %	-0.1 %

Graphs based on Current Period: 07/2009 - 07/2009

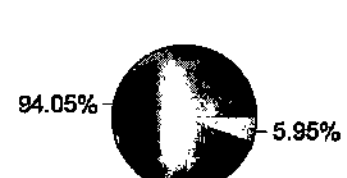
Claim Source by Rx Count



Drug Type by Plan Cost



Formulary Status by Rx Count



■ Mail ■ Mem... ■ Retail

■ Gen... ■ MS... ■ SS...

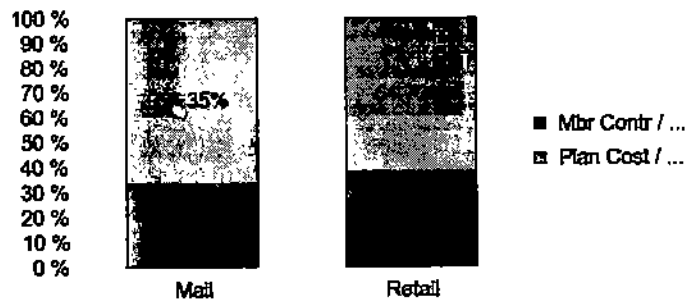
■ For... ■ Non...

Drug Formulary Status by Plan Cost



■ Bra... ■ Bra... ■ Gen...

Cost Share Distribution by Claim Source



Utilization Report by Population Level

WVA - WV Public Employees Ins

Prescriptions Filled From 07/2009 - 07/2009



EXPRESS SCRIPTS®

Reporting Level 2	Avg Mbr Count	Avg Util Mbr/Mnth	Rx Count	Plan Cost	Member Contr/Rx	Plan Cost/Rx	Mail % Rxs	Gen % Rxs	Form % Rxs	Gen Conv %	PMPM Plan Cost
COBRA (COBRA)	343	180	654	\$38,203	\$24.81	\$58.41	1.7 %	68.0 %	91.3 %	98.0 %	\$111.38
NON STATE AGENCIES (02)	18,809	7,660	21,706	\$768,325	\$23.11	\$34.94	1.1 %	75.9 %	95.0 %	99.0 %	\$40.32
NON STATE AGENCIES PLAN B (02B)	3,762	1,303	3,350	\$82,244	\$30.30	\$24.55	7.4 %	78.3 %	95.7 %	99.4 %	\$21.88
NON STATE RETIREES (08)	1,198	746	2,656	\$107,094	\$22.12	\$40.32	1.1 %	74.3 %	95.1 %	99.1 %	\$89.39
NON STATE RETIREES 60 (0860)	9	4	24	\$214	\$12.91	\$8.80	0.0 %	95.8 %	100.0 %	100.0 %	\$23.73
STATE AGENCIES (01)	120,600	60,602	139,116	\$5,494,520	\$24.33	\$39.50	0.9 %	74.1 %	93.8 %	98.7 %	\$46.60
STATE AGENCIES (01B)	4,142	1,054	2,258	\$46,070	\$29.54	\$20.40	1.6 %	78.7 %	94.5 %	99.2 %	\$11.12
STATE RETIREES (07)	13,429	8,318	28,246	\$1,254,688	\$24.08	\$44.42	1.1 %	72.1 %	94.1 %	98.5 %	\$93.43
STATE RETIREES ASST 60 (0760)	31	24	110	\$4,495	\$15.49	\$40.86	0.0 %	74.5 %	98.4 %	100.0 %	\$144.99
TEST GROUP (17022)	2	NA	NA	\$0	NA	NA	NA	NA	NA	NA	NA
Grand Total	162,225		198,119	\$7,785,860	\$24.28	\$39.30	1.1 %	74.1 %	94.0 %	98.7 %	\$47.99



Monthly Management Report

TOTAL CLAIMS

JULY 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 JULY 2009

Page: 1

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr FELA Payments	Previous Fiscal Yr FELA Payments
		Current Period FELA Payments	Rolling Avg FELA Payments	12 Months Prior FELA Payments	Rolling Avg FELA Payments		
INFAPIENT HOSPITAL FACILITY	BEHAVIORAL	163,513.38	195,005.72	123,648.55	146,773.09	163,513.38	123,648.55
	MATERNITY	161,051.95	164,403.28	167,013.68	161,589.67	161,051.95	167,013.68
	MEDICAL AND SURGICAL	7,972,439.36	6,270,831.12	6,342,314.25	6,091,666.32	7,972,439.36	6,342,314.25
	NEONATAL COMPLICATIONS	14,697.18	40,811.35	60,943.08	43,200.65	14,697.18	60,943.08
	***** SUM		8,311,701.87	6,671,071.47	6,693,919.56	6,443,229.74	8,311,701.87
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	53,906.96	43,403.61	34,997.88	36,716.21	53,906.96	34,997.88
	DIALYSIS	176,682.19	124,150.16	142,805.27	141,462.16	176,682.19	142,805.27
	EMERGENCY ROOM	539,264.29	514,568.69	348,626.11	452,822.65	539,264.29	348,626.11
	MATERNITY	37,047.35	44,063.99	26,221.60	45,108.56	37,047.35	26,221.60
	MEDICAL AND SURGICAL	8,993,590.42	8,070,513.44	6,543,708.56	7,481,249.26	8,993,590.42	6,543,708.56
***** SUM		9,800,491.21	8,796,699.89	7,096,359.42	8,157,358.84	9,800,491.21	7,096,359.42
PHARMACY	PRESCRIPTION DRUGS	9,999,914.76	10,257,839.53	9,015,933.59	9,693,146.42	9,999,914.76	9,015,933.59
***** SUM		9,999,914.76	10,257,839.53	9,015,933.59	9,693,146.42	9,999,914.76	9,015,933.59
PROFESSIONAL SERVICES	ADVANCED IMAGING	456,120.10	511,380.96	522,875.95	546,814.15	456,120.10	522,875.95
	AMBULANCE	189,765.26	194,312.10	143,302.18	186,267.46	189,765.26	143,302.18
	ANESTHESIA	871,344.38	684,234.11	739,089.13	677,210.71	871,344.38	739,089.13
	BEHAVIORAL	331,824.41	319,050.52	258,030.69	319,844.46	331,824.41	258,030.69
	CARDIOVASCULAR MEDICINE	370,511.85	364,044.06	360,309.73	366,020.64	370,511.85	360,309.73
	CERVICAL CANCER SCREENING	23,421.09	17,737.95	19,299.97	21,236.19	23,421.09	19,299.97
	DIALYSIS	11,856.51	8,040.42	3,499.93	4,869.02	11,856.51	3,499.93
	DME	477,206.61	420,000.10	417,611.45	400,219.53	477,206.61	417,611.45

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

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - TOTAL CLAIMS
 JULY 2009

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr FEIA Payments	Previous Fiscal Yr FEIA Payments
		Current Period FEIA Payments	Rolling Avg FEIA Payments	12 Months Prior FEIA Payments	Rolling Avg FEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	5,196,870.93	4,599,718.54	3,711,564.24	4,345,234.73	5,196,870.93	3,711,564.24
	IMMUNIZATION	265,932.62	304,777.05	223,996.13	301,989.20	265,932.62	223,996.13
	INJECTION	647,256.65	754,250.31	621,933.83	713,757.10	647,256.65	621,933.83
	LAB AND PATHOLOGY	869,911.14	700,778.67	607,658.27	648,608.86	869,911.14	607,658.27
	MAMMOGRAPHY	79,849.32	77,053.49	82,119.58	91,912.41	79,849.32	82,119.58
	OTHER	581,100.13	442,720.65	412,816.92	383,737.04	581,100.13	412,816.92
	OTHER IMAGING	719,879.09	756,128.03	638,620.68	790,221.65	719,879.09	638,620.68
	OTHER MEDICINE	1,092,196.49	711,105.80	892,842.08	716,371.31	1,092,196.49	892,842.08
	PHYSICAL MEDICINE	639,212.84	618,894.38	420,453.78	574,507.87	639,212.84	420,453.78
	PROSTATE CANCER SCREENING	23,741.47	15,772.71	15,079.52	14,832.21	23,741.47	15,079.52
	SURGICAL	2,919,613.48	2,483,977.31	2,420,376.84	2,469,620.50	2,919,613.48	2,420,376.84

sum		15,767,314.37	13,953,977.16	12,511,480.60	13,573,275.06	15,767,314.37	12,511,480.60
sum		43,879,422.21	39,679,588.04	35,317,693.17	37,867,010.06	43,879,422.21	35,317,693.17

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAXES

NOTE: CLAIMS LISTED ARE ON A PAID BASIS

NOTE: DOES NOT INCLUDE REBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

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Monthly Management Report

PER CAPITA CLAIMS

JULY 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 JULY 2009

Page: 1

Reporting Category	Type of Service	Current Period	Current	12 Months Prior	12 Months Prior	Current Fiscal Yr	Previous Fiscal Yr
		FEIA Payments	Rolling Avg FEIA Payments	FEIA Payments	Rolling Avg FEIA Payments	FEIA Payments	FEIA Payments
INPATIENT HOSPITAL FACILITY	BEHAVIORAL	1.0192	1.3019	.8074	1.0129	1.0192	.8074
	MATERNITY	1.0039	1.0974	1.0906	1.1149	1.0039	1.0906
	MEDICAL AND SURGICAL	49.6939	41.8755	41.4146	42.0176	49.6939	41.4146
	NEONATAL COMPLICATIONS	.0916	.2736	.3980	.2986	.0916	.3980
	SUM	51.8086	44.5485	43.7105	44.4440	51.8086	43.7105
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.3360	.2897	.2285	.2531	.3360	.2285
	DIALYSIS	1.1013	.8284	.9325	.9760	1.1013	.9325
	EMERGENCY ROOM	3.3613	3.4314	2.2765	3.1228	3.3613	2.2765
	MATERNITY	.2309	.2942	.1712	.3109	.2309	.1712
	MEDICAL AND SURGICAL	56.0589	53.8491	42.7297	51.5985	56.0589	42.7297
SUM	61.0885	58.6928	46.3384	56.2614	61.0885	46.3384	
PHARMACY	PRESCRIPTION DRUGS	62.3316	68.4878	58.8730	66.8564	62.3316	58.8730
SUM		62.3316	68.4878	58.8730	66.8564	62.3316	58.8730
PROFESSIONAL SERVICES	ADVANCED IMAGING	2.8431	3.4165	3.4143	3.7725	2.8431	3.4143
	AMBULANCE	1.1828	1.2975	.9357	1.2855	1.1828	.9357
	ANESTHESIA	5.4313	4.5694	4.8262	4.6751	5.4313	4.8262
	BEHAVIORAL	2.0683	2.1287	1.6849	2.2054	2.0683	1.6849
	CARDIOVASCULAR MEDICINE	2.3095	2.4305	2.3528	2.5245	2.3095	2.3528
	CERVICAL CANCER SCREENING	.1460	.1186	.1260	.1467	.1460	.1260
	DIALYSIS	.0739	.0535	.0229	.0336	.0739	.0229
	DME	2.9745	2.8030	2.7270	2.7617	2.9745	2.7270

SOURCE: WELLS FARGO AND EXPRESS SCRIPTS PAID CLAIMS TAPES
 NOTE: CLAIMS LISTED ARE ON A PAID BASIS
 NOTE: DOES NOT INCLUDE HERBATES, PHARMACY ADMINISTRATIVE FEES, OR RECOVERIES

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
 MONTHLY MANAGEMENT REPORT - PER CAPITA CLAIMS
 JULY 2009

Page: 2

Reporting Category	Type of Service	Current		12 Months Prior		Current Fiscal Yr FEIA Payments	Previous Fiscal Yr FEIA Payments
		Current Period FEIA Payments	Rolling Avg FEIA Payments	12 Months Prior FEIA Payments	Rolling Avg FEIA Payments		
PROFESSIONAL SERVICES	EVALUATION AND MANAGEMENT	32.3932	30.7066	24.2361	29.9802	32.3932	24.2361
	IMMUNIZATION	1.6576	2.0364	1.4627	2.0867	1.6576	1.4627
	INJECTION	4.0345	5.0368	4.0612	4.9254	4.0345	4.0612
	LAB AND PATHOLOGY	5.4223	4.6739	3.9679	4.4720	5.4223	3.9679
	MAMMOGRAPHY	.4977	.3153	.5362	.6355	.4977	.5362
	OTHER	3.6221	2.9570	2.6956	2.6488	3.6221	2.6956
	OTHER IMAGING	4.4853	5.0445	4.1701	5.4526	4.4853	4.1701
	OTHER MEDICINE	6.8079	4.7473	5.8302	4.9465	6.8079	5.8302
	PHYSICAL MEDICINE	3.9843	4.1284	2.7455	3.9623	3.9843	2.7455
	PROSTATE CANCER SCREENING	.1480	.1053	.0985	.1023	.1480	.0985
	SURGICAL	18.1986	16.3843	15.8048	17.0405	18.1986	15.8048
***** sum		98.2810	93.1535	81.6986	93.6581	98.2810	81.6986
sum		273.5096	264.8828	230.6206	261.2200	273.5096	230.6206

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

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Monthly Management Report

PER CAPITA UTILIZATION

JULY 2009

WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE AGENCY
MONTHLY MANAGEMENT REPORT - PER CAPITA UTILIZATION
JULY 2009

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	.0008	.0004	.0008	.0004
	MATERNITY	.0008	.0007	.0008	.0007
	MEDICAL AND SURGICAL	.0084	.0070	.0084	.0070
	NEONATAL COMPLICATIONS	.0001	.0003	.0001	.0003
	***** SUM	.0101	.0084	.0101	.0084
OUTPATIENT HOSPITAL FACILITY	BEHAVIORAL	.0037	.0021	.0037	.0021
	DIALYSIS	.0040	.0026	.0040	.0026
	EMERGENCY ROOM	.0235	.0174	.0235	.0174
	MATERNITY	.0021	.0016	.0021	.0016
	MEDICAL AND SURGICAL	.2138	.1651	.2138	.1651
	***** SUM	.2470	.1888	.2470	.1888
PHARMACY	PRESCRIPTION DRUGS	1.0051	.9774	1.0051	.9774
***** SUM		1.0051	.9774	1.0051	.9774
PROFESSIONAL SERVICES	ADVANCED IMAGING	.0222	.0211	.0222	.0211
	AMBULANCE	.0035	.0027	.0035	.0027
	ANESTHESIA	.0227	.0188	.0227	.0188
	BEHAVIORAL	.0443	.0334	.0443	.0334
	CARDIOVASCULAR MEDICINE	.0344	.0308	.0344	.0308
	CERVICAL CANCER SCREENING	.0056	.0049	.0056	.0049
	DIALYSIS	.0005	.0002	.0005	.0002
	DME	.0221	.0218	.0221	.0218
	EVALUATION AND MANAGEMENT	.5098	.4005	.5098	.4005
	IMMUNIZATION	.0188	.0161	.0188	.0161

SOURCE: WELLS FARGO 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 - PER CAPITA UTILIZATION
 JULY 2009

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	.0279	.0222	.0279	.0222
	LAB AND PATHOLOGY	.1846	.1388	.1846	.1388
	MAMMOGRAPHY	.0186	.0165	.0186	.0165
	OTHER	.0408	.0304	.0408	.0304
	OTHER IMAGING	.0988	.0832	.0988	.0832
	OTHER MEDICINE	.0787	.0639	.0787	.0639
	PHYSICAL MEDICINE	.1152	.0891	.1152	.0891
	PROSTATE CANCER SCREENING	.0080	.0059	.0080	.0059
	SURGICAL	.0893	.0740	.0893	.0740

sum		1.3458	1.0743	1.3458	1.0743
sum		2.6080	2.2489	2.6080	2.2489

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

29 rows selected.

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West Virginia Board of Risk and Insurance Management
UNAUDITED BALANCE SHEET

DRAFT

July 31

	2009	2008
	(In thousands)	
ASSETS		
Short Term Assets		
Cash and Equivalents	\$ 32,771	\$ 31,206
Advance Deposit with Carrier/Trustee	172,273	156,028
Receivables - Net	3,673	4,479
Prepaid Insurance	3,703	3,456
Total Short Term Assets	212,420	195,169
Long Term Assets		
Investments	109,830	107,541
Total Long Term Assets	109,830	107,541
TOTAL ASSETS	322,250	302,710
LIABILITIES		
Short Term Liabilities		
Accounts payable	891	1,396
Claims Payable	214	167
OPEB Liability	87	35
Agents Commissions Payable	1,351	1,756
Unearned Revenue	10,689	11,571
Current Estimated Claim Reserve	47,347	54,871
Total Short Term Liabilities	60,579	69,796
Long Term Liabilities		
Compensated Absences	58	52
Estimated Noncurrent Claim Reserve	105,385	107,357
Total Long Term Liabilities	105,443	107,409
TOTAL LIABILITIES	166,022	177,205
Prior Year Net Assets	150,714	127,630
Current Year Earnings	5,514	(2,125)
TOTAL NET ASSETS	156,228	125,505
TOTAL LIABILITIES AND RETAINED EARNINGS	\$ 322,250	\$ 302,710

DRAFT - Unaudited - Management Purposes Only

West Virginia Board of Risk and Insurance Management
UNAUDITED INCOME STATEMENT
For the one month ending

DRAFT

	July 31	
	2009	2008
	(in thousands)	
Operating Revenues		
Premium Revenues	\$ 4,857	\$ 4,972
Less - Excess Insurance	(337)	(508)
Total Operating Revenues	4,520	4,464
Operating Expenses		
Claims Expense	2,911	3,958
Property & MS Claims Expense	923	620
Personal Services	122	115
General & Administrative Expense	215	193
Total Operating Expenses	4,171	4,886
Operating Income	349	(422)
Nonoperating Revenues		
Court Fees	3	4
Investment Income	5,162	(1,707)
Total Nonoperating Revenues	5,165	(1,703)
Net Income	5,514	(2,125)

DRAFT - Unaudited - Management Purposes Only

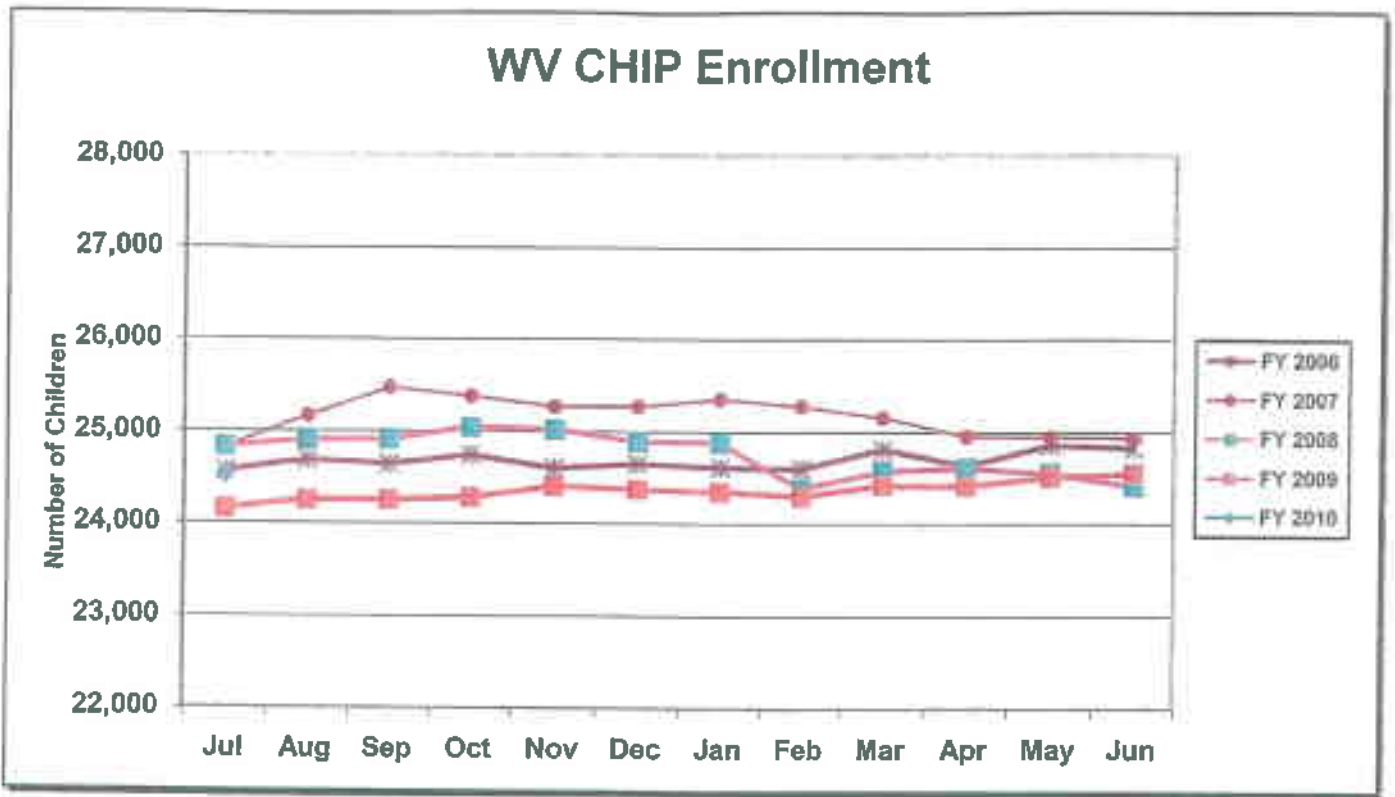


**West Virginia
Children's Health Insurance Program
1018 Kanawha Boulevard East
Suite 209
Charleston, WV 25301
Phone: 304-558-2732
Toll-Free: 1-877-WVA CHIP
Fax: 304-558-2741
www.wvchip.org**

**Joint Committee on
Government and Finance
Report**

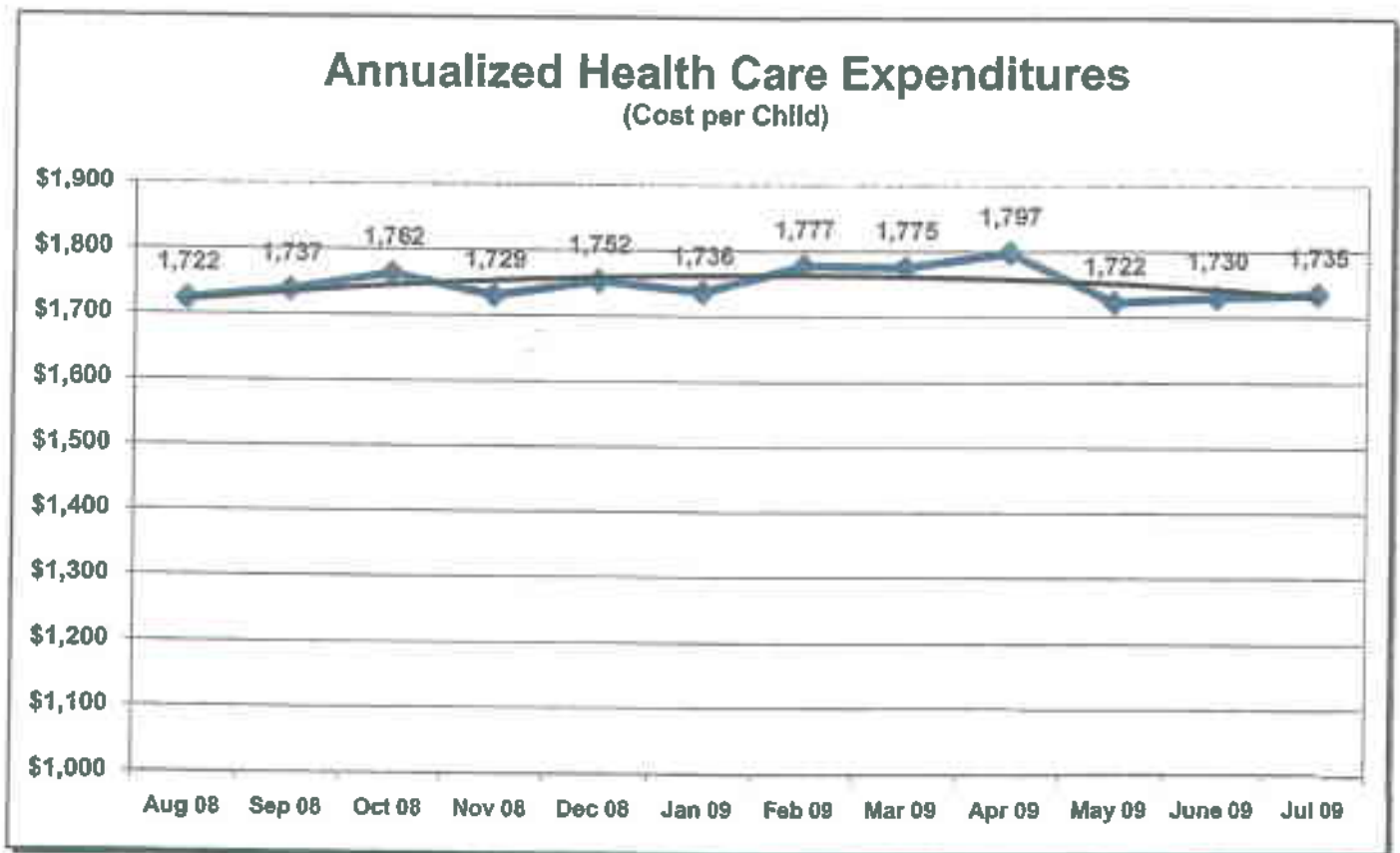
September 2009

WV CHIP Enrollment



August 31, 2009 Enrollment 24,559

Annualized Health Care Expenditures (Cost per Child)



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

	July 31, 2009	July 31, 2008	Variance	
Assets:				
Cash & Cash Equivalents	\$10,246,397	\$9,261,305	\$985,092	11%
Due From Federal Government	\$3,506,445	\$2,803,197	\$703,248	25%
Due From Other Funds	\$790,142	\$616,170	\$173,972	28%
Accrued Interest Receivable	\$1,783	\$17,128	(\$15,345)	-90%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
Total Assets	<u>\$14,615,049</u>	<u>\$12,759,369</u>	<u>\$1,855,680</u>	<u>15%</u>
Liabilities:				
Due to Other Funds	\$306,587	\$119,367	\$187,220	157%
Deferred Revenue	\$620,465	\$961,057	(\$340,592)	-35%
Unpaid Insurance Claims Liability	<u>\$3,990,000</u>	<u>\$3,300,000</u>	<u>\$690,000</u>	<u>21%</u>
Total Liabilities	<u>\$4,917,052</u>	<u>\$4,380,424</u>	<u>\$536,628</u>	<u>12%</u>
Fund Equity	<u>\$9,697,997</u>	<u>\$8,378,945</u>	<u>\$1,319,052</u>	<u>16%</u>
Total Liabilities and Fund Equity	<u>\$14,615,049</u>	<u>\$12,759,369</u>	<u>\$1,855,680</u>	<u>15%</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 One Month Ending July 31, 2009 and July 31, 2008
(Modified Accrual Basis)

	July 31, 2009	July 31, 2008	Variance	
Revenues:				
Federal Grants	3,215,699	2,982,184	233,515	8%
State Appropriations	2,194,542	2,194,338	204	0%
Premium Revenues	22,194	9,286	12,908	139%
Investment Earnings	<u>1,783</u>	<u>17,128</u>	<u>(15,345)</u>	-90%
Total Operating Revenues	<u>5,434,218</u>	<u>5,202,936</u>	<u>231,282</u>	<u>4%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	1,037,586	897,517	140,069	16%
Physicians & Surgical	851,798	656,325	195,473	30%
Prescribed Drugs	727,842	710,650	17,192	2%
Dental	386,220	442,522	(56,302)	-13%
Inpatient Hospital Services	238,390	409,989	(171,599)	-42%
Durable & Disposable Med. Equip.	146,772	118,342	28,430	24%
Outpatient Mental Health	134,338	107,602	26,736	25%
Inpatient Mental Health	67,695	58,464	9,231	16%
Therapy	48,144	9,545	38,599	404%
Vision	19,934	19,429	505	3%
Medical Transportation	19,687	77,308	(57,621)	-75%
Other Services	2,922	9,611	(6,689)	-70%
Less: Collections*	<u>(48,376)</u>	<u>(113,007)</u>	<u>64,631</u>	<u>-57%</u>
Total Claims	<u>3,632,952</u>	<u>3,404,297</u>	<u>228,655</u>	<u>7%</u>
General and Admin Expenses:				
Salaries and Benefits	48,548	46,661	1,887	4%
Program Administration	247,419	157,742	89,677	57%
Eligibility	18,986	30,790	(11,804)	-38%
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Current	<u>11,907</u>	<u>9,073</u>	<u>2,834</u>	<u>31%</u>
Total Administrative	<u>357,297</u>	<u>245,507</u>	<u>111,790</u>	<u>46%</u>
Total Expenditures	<u>3,990,249</u>	<u>3,649,804</u>	<u>340,445</u>	<u>9%</u>
Excess of Revenues				
Over (Under) Expenditures	1,443,968	1,553,132	(109,164)	-7%
Fund Equity, Beginning	<u>8,254,028</u>	<u>6,825,813</u>	<u>1,428,215</u>	<u>21%</u>
Fund Equity, Ending	<u>9,697,997</u>	<u>8,378,945</u>	<u>1,319,052</u>	<u>16%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2010
For the One Month Ended July 31, 2009**

	<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>Jul-09</u>
Projected Cost	\$49,543,584	\$4,128,632	\$3,650,607	\$478,025	12%	\$4,128,632	\$3,650,607
Premiums	305,828	25,486	22,194	\$3,292	-13%	25,486	22,194
Subrogation & Rebates	623,650	51,971	48,376	3,595	-7%	51,971	48,376
Net Benefit Cost	48,614,108	4,051,176	\$3,580,037	\$471,139	12%	4,051,176	3,580,037
		0					
Salaries & Benefits	\$581,411	\$48,451	\$48,548	(\$97)	0%	\$48,451	\$48,548
Program Administration	2,015,833	167,986	178,719	(10,733)	-6%	167,986	178,719
Eligibility	295,243	24,604	0	24,604	100%	24,604	0
Outreach	300,000	25,000	31,146	(6,146)	-25%	25,000	31,146
Current Expense	152,772	12,731	48,931	(36,200)	-284%	12,731	48,931
Total Admin Cost	\$3,345,259	\$278,772	\$307,344	(\$28,572)	-10%	\$278,772	\$307,344
		\$0					
Total Program Cost	<u>\$51,959,367</u>	<u>\$4,329,947</u>	<u>\$3,887,381</u>	<u>\$442,567</u>	10%	<u>\$4,329,947</u>	<u>\$3,887,381</u>
Federal Share 81.83%	42,489,772	3,540,814	\$3,172,491	368,323	10%	3,540,814	3,172,491
State Share 18.17%	<u>9,469,595</u>	<u>789,133</u>	<u>\$714,889</u>	<u>74,244</u>	9%	<u>789,133</u>	<u>714,889</u>
Total Program Cost	<u>\$51,959,367</u>	<u>\$4,329,947</u>	<u>\$3,887,381</u>	<u>\$442,567</u>	10%	<u>\$4,329,947</u>	<u>\$3,887,381</u>

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2009 Report.

Unaudited - Cash Basis For Management Purposes Only - Unaudited

Memo for Calculations Above:

Notes:

1/. Total budgeted for Year Program costs are CCRC Actuary's Base Line Scenario dated 6/30/09 Final worksheet
Net Paid Program Costs.

2/. Federal Share for FFY 2009 is 81.61%. Federal Share for FFY 2010 (10/1/09 - 9/30/10) is set at 81.83%.

WVCHIP Enrollment Report

ATTACHMENT 1

August 2009

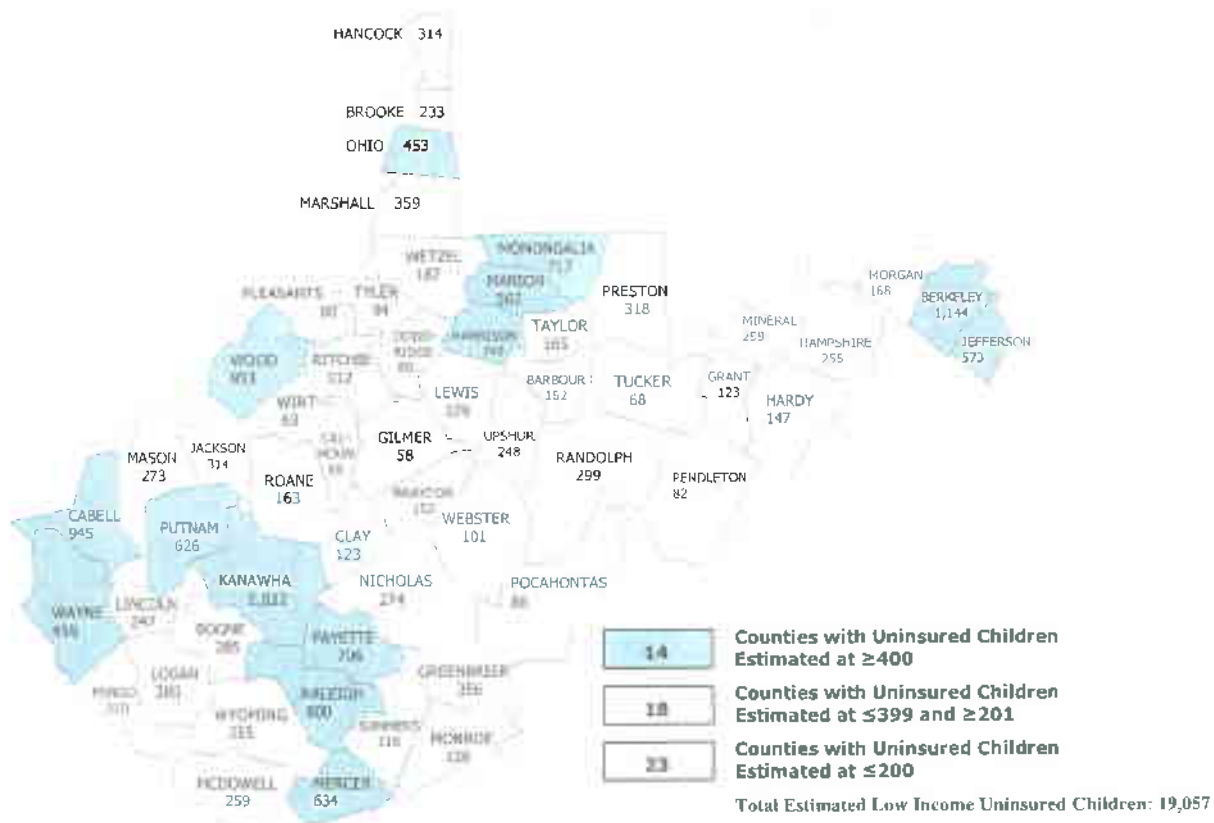
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Berkeley	22,882	1,264	6,915	8,179	35.7%	1,144	2
Boone	5,706	321	2,555	2,876	50.4%	285	24
Braxton	3,044	214	1,486	1,700	55.8%	152	39
Brooke	4,658	314	1,483	1,797	38.6%	233	32
Cabell	18,900	1,002	8,160	9,162	48.5%	945	4
Calhoun	1,389	123	853	976	70.3%	69	52
Clay	2,454	190	1,338	1,528	62.3%	123	43
Doddridge	1,607	135	739	874	54.4%	80	50
Fayette	9,692	880	4,693	5,573	57.5%	485	12
Gilmer	1,154	90	565	655	56.8%	58	55
Grant	2,463	168	897	1,065	43.2%	123	42
Greenbrier	7,110	584	2,826	3,410	48.0%	356	17
Hampshire	5,110	280	2,053	2,333	45.7%	255	28
Hancock	6,270	357	2,330	2,687	42.9%	314	20
Hardy	2,950	155	1,138	1,293	43.8%	147	40
Harrison	14,973	932	5,674	6,606	44.1%	749	6
Jackson	6,277	388	2,557	2,945	46.9%	314	19
Jefferson	11,465	412	2,493	2,905	25.3%	573	10
Kanawha	40,647	2,194	16,349	18,543	45.6%	2,032	1
Lewis	3,577	297	1,735	2,032	56.8%	179	34
Lincoln	4,945	397	2,608	3,005	60.8%	247	31
Logan	7,610	555	3,854	4,409	57.9%	380	15
Marion	11,245	716	4,269	4,985	44.3%	562	11
Marshall	7,176	370	2,738	3,108	43.3%	359	16
Mason	5,461	272	2,510	2,782	50.9%	273	26
McDowell	5,170	360	3,242	3,602	69.7%	259	27
Mercer	12,687	1,107	6,508	7,615	60.0%	634	8
Mineral	5,973	292	2,004	2,296	38.4%	299	22
Mingo	6,204	402	3,071	3,473	56.0%	310	21
Monongalia	14,346	716	4,134	4,850	33.8%	717	7
Monroe	2,728	201	1,050	1,251	45.9%	136	41
Morgan	3,365	238	1,176	1,414	42.0%	168	35
Nicholas	5,478	402	2,549	2,951	53.9%	274	25
Ohio	9,068	545	3,005	3,550	39.2%	453	14
Pendleton	1,632	99	472	571	35.0%	82	49
Pleasants	1,593	101	527	628	39.4%	80	51
Pocahontas	1,717	142	674	816	47.5%	86	48
Preston	6,354	480	2,349	2,829	44.5%	318	18
Putnam	12,522	732	3,175	3,907	31.2%	626	9
Raleigh	15,992	1,294	6,963	8,257	51.6%	800	5
Randolph	5,971	429	2,607	3,036	50.8%	299	23
Ritchie	2,234	140	936	1,076	48.2%	112	45
Roane	3,266	261	1,693	1,954	59.8%	163	37
Summers	2,322	205	1,133	1,338	57.6%	116	44
Taylor	3,307	231	1,363	1,594	48.2%	165	36
Tucker	1,354	144	492	636	47.0%	68	53
Tyler	1,887	134	745	879	46.6%	94	47

WVCHIP Enrollment Report

ATTACHMENT 1

August 2009

County	County Pop 2005 Est (0-18 Yrs)	Total CHIP Enrollment Aug-09	Total Medicaid Enrollment Aug-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2009 Est. Uninsured 5%	2009 # Children Uninsured Ranking*
Upshur	4,956	427	2,184	2,611	52.7%	248	30
Wayne	9,176	551	4,077	4,628	50.4%	459	13
Webster	2,020	167	1,152	1,319	65.3%	101	46
Wetzel	3,732	209	1,668	1,877	50.3%	187	33
Wirt	1,268	114	546	660	52.1%	63	54
Wood	19,063	1,134	7,887	9,021	47.3%	953	3
Wyoming	5,092	415	2,563	2,978	58.5%	255	29
Totals	382,490	24,559	154,290	178,849	46.8%	19,125	



Note 1: The most recent estimate for all uninsured children statewide from the US Census Current Population Survey is 4.6%. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

Note 2: It has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP uses the 5% uninsured estimate as a target number for outreach.

Legislative Oversight Commission on
Health and Human Resources Accountability

SEPTEMBER 2009

Department of Administration

State Children's Health Insurance Program
UPDATE



WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR SEPTEMBER 2009

I. Enrollment on August 2009: 24,559

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: September 2008 through August 2009



Enrollee Totals: June 2009 to August 2009

Month	Total	1 Year	Total
June	1,548	Average	1,777
July	1,609	High	2,078
August	1,770	Low	1,475

New Enrollee (Never Before on CHIP) Totals: June 2009 to August 2009

Month	Total	1 Year	Total
June	543	Average	714
July	639	High	799
August	705	Low	629

II. Re-enrollment for 3 Month Period: May 2009 to July 2009

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
May	1,615	994	62%	119	7%	468	29%
June	1,714	1,052	61%	129	8%	496	29%
July	1,983	1,067	54%	240	12%	496	31%

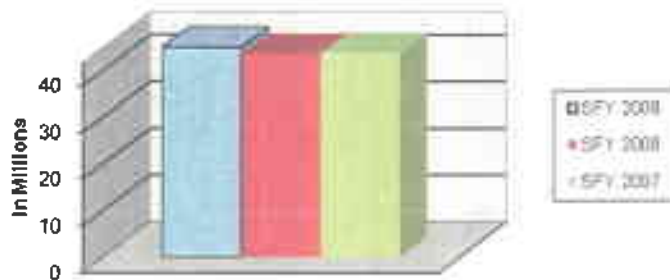
III. Financial Activity

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

The average annualized claims cost per child for the month ended July 2009 was \$1,870.

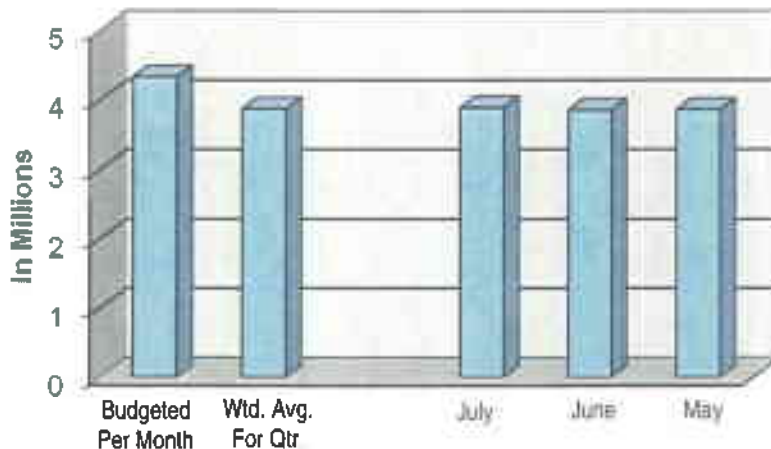
Annual Expenditures for a 3 Year Period: SFY 2007 – SFY 2009

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



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

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			July 2009	June 2009	May 2009
Federal	3,540,814	3,154,630	3,172,491	3,142,392	3,149,006
State	789,133	710,864	714,889	708,107	709,597
Total	4,329,947	3,865,494	3,887,380	3,850,499	3,858,603



IV. Other Highlights

- ◆ At its July 30, 2009 meeting, the Children's Health Insurance Board approved the WVCHIP 2010 Financial Plan with total projected expenditures of \$52.4 million for the coming fiscal year. The Board also made changes to the dental and vision benefit for CHIP Premium to comply with new CHIPRA law.
- ◆ Also at its July 30, 2009 meeting, the Board and the agency committed to identifying and enrolling more children at the current eligibility levels before considering further expansion.
- ◆ WVCHIP Premium (those children in households from 201% to 250% FPL) enrollment increased from 473 to 673 at the end of July. This increase came during an advertising campaign that began in April and will conclude in September at the end of the back-to-school period.

WVCHIP Enrollment Report

ATTACHMENT 1

August 2009

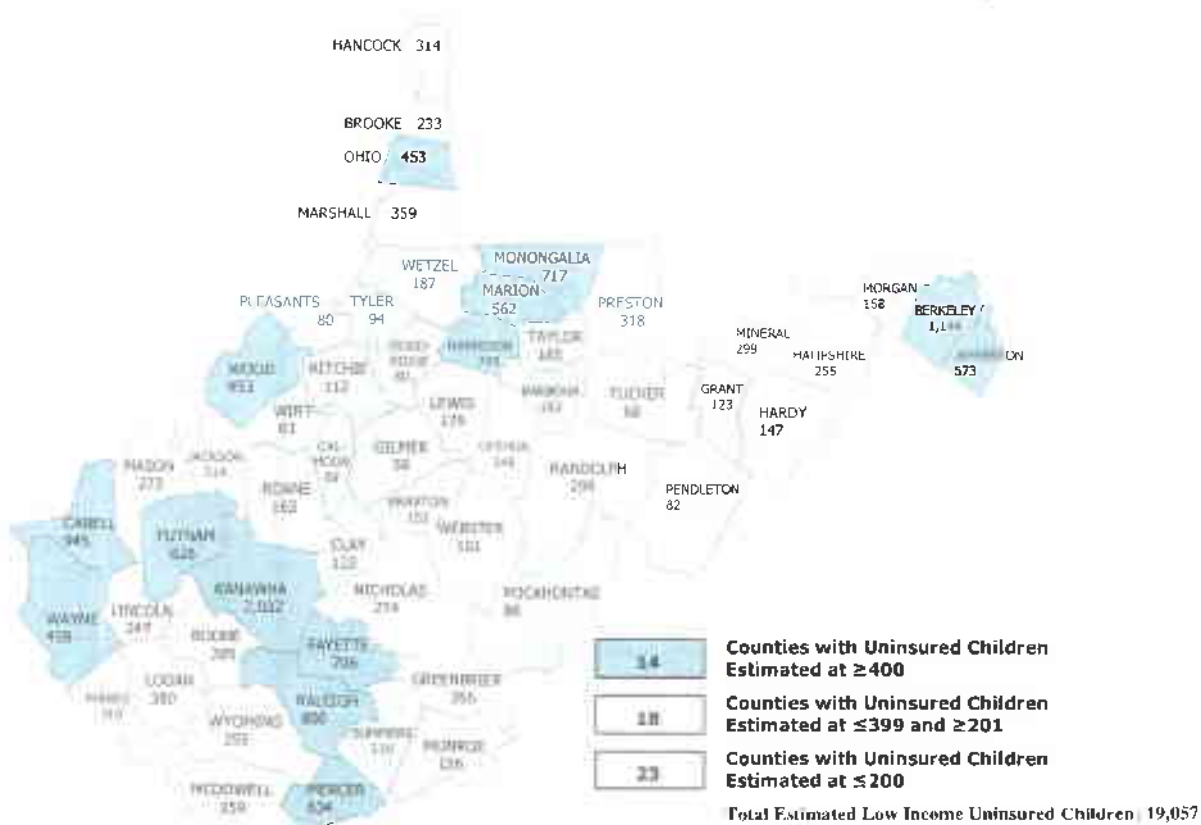
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WVCHIP Enrollment Report

August 2009

ATTACHMENT 1

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Over (Under) Expenditures	1,443,968	1,553,132	(109,164)	-7%
Fund Equity, Beginning	<u>8,254,028</u>	<u>6,825,813</u>	<u>1,428,215</u>	<u>21%</u>
Fund Equity, Ending	<u>9,697,997</u>	<u>8,378,945</u>	<u>1,319,052</u>	<u>16%</u>

* Collections are primarily drug rebates and subrogation

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

	July 31, 2009	July 31, 2008	Variance	
Assets:				
Cash & Cash Equivalents	\$10,246,397	\$9,261,305	\$985,092	11%
Due From Federal Government	\$3,506,445	\$2,803,197	\$703,248	25%
Due From Other Funds	\$790,142	\$616,170	\$173,972	28%
Accrued Interest Receivable	\$1,783	\$17,128	(\$15,345)	-90%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
Total Assets	<u>\$14,615,049</u>	<u>\$12,759,369</u>	<u>\$1,855,680</u>	<u>15%</u>
Liabilities:				
Due to Other Funds	\$306,587	\$119,367	\$187,220	157%
Deferred Revenue	\$620,465	\$961,057	(\$340,592)	-35%
Unpaid Insurance Claims Liability	<u>\$3,990,000</u>	<u>\$3,300,000</u>	<u>\$690,000</u>	<u>21%</u>
Total Liabilities	<u>\$4,917,052</u>	<u>\$4,380,424</u>	<u>\$536,628</u>	<u>12%</u>
Fund Equity	<u>\$9,697,997</u>	<u>\$8,378,945</u>	<u>\$1,319,052</u>	<u>16%</u>
Total Liabilities and Fund Equity	<u>\$14,615,049</u>	<u>\$12,759,369</u>	<u>\$1,855,680</u>	<u>15%</u>

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
WVFIMS Fund 2154
For the Month Ended July 31, 2009
(Accrual Basis)

Investment Account	
Funds Invested	\$9,550,163
Interest Earned	<u>1,783</u>
Total	<u>\$9,551,946</u>

Unaudited - For Management Purposes Only - Unaudited

Department of Administration Real Estate Division Leasing Report
For the period of August 1, 2009 through August 31, 2009

NEW CONTRACT OF LEASE

BOARD OF BARBERS AND COSMOTOLOGY

BBC-001 New contract of lease for 3 years, containing 2,435 square feet of office space at the annual PSF rate of \$8.87, includes all utilities except janitorial, in the City of Dunbar, Kanawha County, West Virginia.

BOARD OF PHYSICAL THERAPY

PTB-005 New contract of lease for 2 years, containing 802 square feet of office space at the annual PSF rate of \$12.95, full service, in the City of Charleston, Kanawha County, West Virginia.

DIVISION OF JUVENILE SERVICES

DJS-019 New contract of lease for 5 years containing 2,400 square feet of space, at the annual PSF rate of \$12.00, in the City of Winfield, Putnam County, West Virginia.

EDUCATIONAL BROADCASTING AUTHORITY

EBA-087 New contract of lease for 3 years consisting of an air monitoring/tower site, at the rate of \$430.00 per month, includes electric, in Belmont County, Ohio.

STATE TAX DEPARTMENT

TAX-053 New contract of lease for 3 years containing 200 square feet of office space at the rate of \$175.00 per month, full service, in the City of Morgantown, Monongalia County, West Virginia.

STATE TREASURER'S OFFICE

STO-012 New contract of lease for 1 year containing 2,800 square feet of office space, at the annual PSF rate of \$3.21, in the City of Weirton, Hancock County, West Virginia.

STRAIGHT RENEWALS

ADJUTANT GENERAL'S OFFICE

ADG-016 Renewal for 1 year containing 224 square feet of office space, at the current rate of \$250.00 per month, full service, in the City of Huntington, Cabell County, West Virginia.

ADG-014 Renewal for 1 year containing 143 square feet of office space, at the current rate of \$75.00 per month, full service, in the City of Institute, Kanawha County, West Virginia.

DEPARTMENT OF HEALTH AND HUMAN RESOURCES

HHR-174 Renewal for 1 year containing 3,022 square feet of office space, at the current annual PSF rate of \$9.29, full service, in the City of Beckley, Raleigh County, West Virginia.

HHR-173 Renewal for 2 years containing 8,160 square feet of office space, at the current annual PSF rate of \$8.80, in the City of Point Pleasant, Mason County, West Virginia.

HHR-170 Renewal for 1 year containing 140 square feet of office space, at the current rate of \$200.00 per month, full service, in the City of Clarksburg, Harrison County, West Virginia.

HHR-159 Renewal for 2 years containing 1,298 square feet of office space, at the current annual PSF rate of \$5.55, in the City of Middlebourne, Tyler County, West Virginia.

HHR-158 Renewal for 1 year containing 310 square feet of office space, at the current rate of \$361.67 per month, full service, in the City of Martinsburg, Berkeley County, West Virginia.

HHR-152 Renewal for 1 year containing 2,878 square feet of office space, at the current PSF rate of \$6.50, full service, in the City of Kearneysville, Jefferson County, West Virginia.

HHR-137 Renewal for 2 years containing 6,917 square feet of warehouse/storage space, at the current annual PSF rate of \$1.39, in the City of Welch, McDowell County, West Virginia.

HHR-134 Renewal for 2 years containing 2,150 square feet of office space, at the current annual PSF rate of \$5.50, in the City of West Union, Doddridge County, West Virginia.

CONTINUATION OF STRAIGHT RENEWALS

DIVISION OF NATURAL RESOURCES

NAT-120 Renewal for 1 year consisting of a public access site adjacent to the New River (Sandstone PAS) at the current rate of \$200.00 per month, located in the Green Sulphur District, Summers County, West Virginia.

FAIRMONT STATE UNIVERSITY

FSC-016 Renewal for 1 year containing 200 square feet of storage space, at the current rate of \$70.00 per month, including snow removal, in the City of Fairmont, Marion County, West Virginia.

FSC-015 Renewal for 1 year containing 300 square feet of storage space, at the current rate of \$91.70 per month, includes snow removal, in the City of Fairmont, Marion County, West Virginia.

WEST VIRGINIA STATE POLICE

PSA-122 Renewal for 5 years containing 3,000 square feet of office space, at the current annual PSF rate of \$0.40, in the City of Lewisburg, Greenbrier County, West Virginia.

STRAIGHT RENEWALS-DOA/RED OWNED BUILDINGS

DEPARTMENT OF ADMINISTRATION-PRISION INDUSTRIES

PRI-001 Renewal for 1 year containing 34,834 square feet of storage space, at the current rate of \$1.00 per year, including parking, in the City of Charleston, Kanawha County, West Virginia.

RENEWAL/RENT INCREASE

DIVISION OF MOTOR VEHICLES

DMV-027 Renewal for 10 years containing 7,000 square feet of office space, with an increase in rent from \$11.50 annual PSF rate to \$12.00 annual PSF rate, full service, in the City of Moorefield, Hardy County, West Virginia.

RENEWAL/INCREASE SQUARE FOOTAGE

DIVISION OF JUVENILE SERVICES

DJS-012 Renewal for 1 year with an increase in square footage from 2,464 square feet to 3,024 square feet, at the current annual PSF rate of \$5.16, in the City of Weirton, Hancock County, West Virginia.

RENEWAL, DECREASING SQUARE FOOTAGE & INCREASING RENT

DIVISION OF MOTOR VEHICLES

DMV-016 Renewal for 5 years with a decrease in square footage from 12,181 square feet to 8,185 square feet and an increase in rent from \$13.75 annual PSF rate to \$15.15 annual PSF rate, in the City of Teays Valley, Putnam County, West Virginia.

CANCELLATION

DEPARTMENT OF ENVIRONMENTAL PROTECTION

DEP-115 Lease cancellation effective October 31, 2009 for an air monitoring tower in the City of Institute, Kanawha County, West Virginia.

Joint Committee on Government and Finance

September 2009

Department of Health and Human Resources

MEDICAID REPORT

July 2009 Data

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 EXPENDITURES BY PROVIDER TYPE
 SFY2010

MONTH OF JULY 2009	ACTUALS	TOTAL	ACTUALS	ESTIMATES	ACTUALS	PROJECTED
	SFY2009	SFY2010	Current Month Ended 07/31/09	Current Month Ended 07/31/09	Year To-Date Thru 07/31/09	08/01/09 Thru 08/30/10
EXPENDITURES:						
Inpatient Hospital Services	260,946,861	261,461,429	27,641,169	17,663,648	27,641,169	223,920,260
Inpatient Hospital Services - DSH Adjustment Payments	64,493,946	66,411,879	-	-	-	66,411,879
Mental Health Facilities	47,860,442	66,789,841	6,266,602	6,262,094	6,266,602	50,481,239
Mental Health Facilities - DSH Adjustment Payments	18,798,469	19,056,764	-	-	-	19,056,764
Nursing Facility Services	464,023,240	491,163,668	38,002,703	40,631,568	38,002,703	463,160,895
Intermediate Care Facilities - Public Providers	-	-	-	-	-	-
Intermediate Care Facilities - Private Providers	63,248,071	63,402,718	6,243,204	6,211,861	6,243,204	66,169,616
Physicians Services ***	143,420,126	143,669,626	17,810,468	18,866,813	17,810,468	129,879,037
Outpatient Hospital Services	120,824,371	118,363,826	12,665,304	11,248,480	12,665,304	105,498,622
Prescribed Drugs	341,993,662	370,639,622	32,520,364	36,228,462	32,620,364	338,019,268
Drug Rebate Offset - National Agreement	(130,991,220)	(126,794,904)	(26,043,032)	(21,339,629)	(26,043,032)	(100,761,872)
Drug Rebate Offset - State Sidebar Agreement	(30,610,728)	(30,333,662)	(4,664,308)	(6,081,669)	(4,664,308)	(26,678,344)
Dental Services ***	40,360,098	48,969,860	3,970,260	4,666,608	3,970,260	46,016,600
Other Practitioners Services	22,361,163	17,466,960	2,312,310	1,666,666	2,312,310	16,146,640
Clinic Services	39,866,489	47,466,646	7,797,038	4,626,441	7,797,038	39,866,607
Lab & Radiological Services	10,177,238	11,074,171	1,234,209	1,061,308	1,234,209	9,639,882
Home Health Services	32,661,664	37,064,464	6,061,622	3,638,662	5,061,622	32,012,672
Hysterectomies/Sterilizations	616,266	674,666	46,111	64,607	46,111	629,677
Pregnancy Terminations	-	-	-	-	-	-
EPSDT Services	2,247,631	2,604,262	187,667	247,330	187,667	2,416,436
Rural Health Clinic Services	7,763,606	6,669,666	610,666	610,026	610,666	7,966,166
Medicare Health Insurance Payments - Part A Premiums	14,621,468	16,066,436	1,402,176	1,670,063	1,402,176	17,666,266
Medicare Health Insurance Payments - Part B Premiums	70,371,344	62,276,341	6,673,636	6,773,641	6,673,636	76,402,406
120% - 134% Of Poverty	4,466,674	72,272	393,601	-	393,601	(321,326)
136% - 176% Of Poverty	-	-	-	-	-	-
Coinurance And Deductibles	-	-	-	-	-	-
Medicaid Health Insurance Payments: Managed Care Organizations (MCO)	294,667,012	266,059,331	26,666,062	21,766,660	26,666,062	236,204,246
Medicaid Health Insurance Payments: Group Health Plan Payments	393,790	416,662	33,261	3,166,061	33,261	362,671
Home & Community-Based Services (MR/DD)	233,466,663	266,920,631	21,116,426	24,367,763	21,116,426	236,601,406
Home & Community-Based Services (Aged/Disabled)	60,034,343	66,764,024	6,137,426	6,641,660	6,137,426	61,666,666
Community Supported Living Services	-	-	-	-	-	-
Programs Of All-Inclusive Care Elderly	-	-	-	-	-	-
Personal Care Services	37,676,666	42,669,246	3,606,649	4,043,002	3,606,649	39,069,267
Targeted Case Management Services	4,306,066	6,660,766	326,112	636,621	326,112	6,336,644
Primary Care Case Management Services	606,744	691,427	36,136	66,476	36,136	663,291
Hospice Benefits	14,469,070	16,246,730	1,326,469	1,444,666	1,326,469	13,626,261
Emergency Services Undocumented Aliens	69,316	-	33,376	-	33,376	(33,376)
Federally Qualified Health Center	16,761,640	20,312,333	1,624,643	1,626,660	1,624,643	16,667,690
Other Care Services	126,160,632	132,037,460	12,616,617	12,660,677	12,616,617	119,120,633
Less: Recoupments	-	-	(164,647)	-	(164,647)	164,647
NET MEDICAID EXPENDITURES:	2,410,166,304	2,616,761,679	216,326,441	209,006,177	216,326,441	2,300,433,236
Collections: Third Party Liability (line 6A on CMS-64)	(6,036,342)	-	-	-	-	-
Collections: Probate (line 6B on CMS-64)	(122,220)	-	-	-	-	-
Collections: Identified through Fraud & Abuse Effort (line 6C on CMS-64)	(13,766)	-	-	-	-	-
Collections: Other (line 6D on CMS-64)	(6,609,009)	-	-	-	-	-

NET EXPENDITURES and CMS-64 ADJUSTMENTS:

Plus: Medicaid Part D Expenditures

Plus: State Only Medicaid Expenditures ***

2,368,612,984	2,818,761,879	215,328,441	209,008,177	218,328,441	2,300,433,238
27,747,852	31,998,237	5,180,824	3,078,880	5,180,824	26,818,813
4,883,431	3,784,831	438,437	381,934	438,437	3,358,394

TOTAL MEDICAID EXPENDITURES

Plus: Reimbursables ⁽¹⁾

2,430,844,047	\$2,881,586,747	\$220,948,603	\$212,444,981	\$220,948,603	\$2,330,610,248
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4,328,882	4,220,649	660,891	419,681	550,591	3,669,958
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TOTAL EXPENDITURES

\$2,438,173,930	\$2,855,776,268	\$221,498,094	\$212,664,642	\$221,498,094	\$2,334,280,203
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(1) This amount will revert to State Only if not reimbursed.

*** CMS is currently reviewing portions of these payments. Until review is completed these expenses will be classified as state-only on the CMS-64. With all outside reviews, there is a potential for a portion of these costs to remain state-only if any of them are disallowed.

WV DEPARTMENT OF HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 MEDICAID CASH REPORT
 SFY2010

	MONTH OF JULY 2009	ACTUALS	ACTUALS	ACTUALS	PROJECTED	TOTAL
	SFY2009	Current Month Ended 07/31/09	Year-To-Date Thru 07/31/09	08/01/09 Thru 06/30/10	SFY2010	
REVENUE SOURCES						
Beg. Bal. 7/01/07 (5084/1020 prior mth)	34,933,055	116,583,948	116,583,948	0	116,583,948	
MATCHING FUNDS						
General Revenue (0403/189)	393,705,687	13,668,999	13,668,999	253,646,569	267,315,568	
MRDD Waiver (0403/466)		5,356,899	5,356,899	74,996,584	80,353,483	
Rural Hospitals Under 150 Beds (0403/940)	2,596,000	216,334	216,334	2,379,666	2,596,000	
Tertiary Funding (0403/547)	4,856,000	529,667	529,667	5,826,333	6,356,000	
Lottery Waiver (Less 550,000) (5405/539)	23,272,578		0	23,272,578	23,272,578	
Lottery Transfer (5405/871)	10,300,000		0	8,670,000	8,670,000	
Trust Fund Appropriation (5185/189)	19,784,219		0	30,556,594	30,556,594	
Provider Tax (5090/189)	165,400,000	12,000,000	12,000,000	152,658,290	164,658,290	
Certified Match	19,399,722	2,182,694	2,182,694	13,647,646	15,830,340	
Reimbursables - Amount Reimbursed	4,348,906	150,310	150,310	4,070,239	4,220,549	
Other Revenue (MWIN, Escheated Warrants, etc.) 5084/4010 & 4015	428,344	38,869	38,869	(38,869)	0	
CMS - 64 Adjustments	1,098,690		0	0	0	
TOTAL MATCHING FUNDS	680,123,202	150,727,720	150,727,720	569,685,630	720,413,350	
FEDERAL FUNDS	1,874,489,691	175,855,890	175,855,890	1,934,377,691	2,110,233,581	
TOTAL REVENUE SOURCES	2,554,612,893	326,583,610	326,583,610	2,504,063,321	2,830,646,931	
TOTAL EXPENDITURES:						
Provider Payments	2,435,173,930	221,496,094	221,496,094	2,334,280,203	2,555,776,296	
TOTAL	119,438,964	105,087,517	105,087,517		274,870,635	

Note: FMAP (09' - 83.05% applicable July - Sept 2009) (10' - 83.05% applicable Oct 2009 - June 2010)



LEGISLATIVE

AUG 17 2009

MANAGER

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

State of West Virginia
Joe Manchin III
Governor

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

MEMORANDUM

TO: Joint Committee on Government and Finance
Committee Members

FROM: Shana Kay Phares *SKP*
Governor's Pharmaceutical Advocate

RE: Final Version of "Using the Executive Branch to Increase Access to 340b Drug Pricing"

DATE: August 13, 2009

As promised, attached for your review and reference is the final version of the presentation given to the 13th Annual 340b Conference entitled "Using the Executive Branch to Increase Access to 340b Drug Pricing."

Should you wish to discuss any of this information further, I can be reached at 304-558-0079.

Enclosure

Using the Executive Branch to Increase Access to 340b Drug Pricing

Shana Kay Phares

Governor's Pharmaceutical Advocate

Office of Governor Joe Manchin III

July 14, 2009



Brief History of State Involvement in 340b

- **2003**
340b Working Group Established
- **2004 – 2005**
Benedum Grant to Primary Care Division for 340b TA
- **2005 – 2006**
West Virginia Pharmaceutical Cost Management Council promotes use of 340b and supports federal legislation
- **2006 -**
Governor's Office begins making 340b seed grants and looking at ways for state agencies to employ 340b



FQHC enrollment in 340b

- 28 FQHCs with 152 sites
- May 2004 - 340b pharmacy operations at 15 sites
- June 2009 - 340b pharmacy operations at 40 sites
 - 17 in-house sites
 - 23 contract sites
- Increase of 267%



Medicaid Enhanced Dispensing Fee/Savings

- Enhanced dispensing fee of \$8.25 approved by CMS May 19, 2006
- State Fiscal Year 2007 Estimated Cost Avoidance \$725,000
- State Fiscal Year 2008 Estimated Cost Avoidance \$411,506
- Cost-avoidance decrease unclear – the dollar amount paid by Medicaid in SFY 2008 increased more than three times the amount paid in SFY 2007



Seed Grants for In-House Pharmacies

- Small startup grants from Governor's Office to Federally Qualified Health Centers
- Grants primarily to buy drug inventory, hardware and security systems
- Return on investment in the first year in the form of savings to Medicaid and consumers



Seed Grants for In-House Pharmacies

Clinic	Grant	Savings to consumers	ROI
River Valley Health and Wellness Center	\$55K	\$1,228,891.00	24.6
Preston-Taylor Health Services	\$65K	\$559,406.00	8.6
Family Care	\$60K	\$1,696,576.71	28.3
Access Health*	\$60K	\$427,891.87	7.1
Clay Battelle Health Care Services**	\$60K	\$96,000.00	1.6

Savings are for calendar year 2008 except *new start 02/01/08 and **new start 10/01/08 which are estimated first year savings.



Seed Grants – A Closer Look

- River Valley Health and Wellness Center, Ravenswood
Patient base of 4,900 with growth of 120 patients per month
- \$50K grant issued May 2006 – pharmacy open September 2006
- Estimated cost avoidance to Medicaid SFY 2007 - \$17,010.17
 SFY 2008 - \$26,200.63
- Calendar year 2008 savings for consumers \$1,228,891.00
- Revenue from pharmacy carried clinic during economic downturn



Public Employees' Pilot

- Public Employees' Insurance Agency ~220,000 covered lives
- ~10% use federally qualified health centers
- MOU with the West Virginia Primary Care Association established a profit-sharing agreement and reduced co-pays (generics free)
- PEIA mailed out 45,000 postcards to zip codes provided by clinics
- 3 participating FQHCs – 8 months in duration 09/01/06 – 4/30/07



Public Employees' Pilot

DATA	8 months prior to pilot	8 months of pilot program
Number of Scripts	3,285	5,291
Average Member cost/Rx	\$12.64	\$4.92
Average Plan cost/Rx	\$40.85	\$36.84
Member Cost	\$41,521.80	\$26,038.67
Plan Cost	\$134,183.23	\$194,930.00
% Generic Rx's	65.2%	71.5%
% Preferred Brand Rx's	24.6%	20.9%
% Non-Preferred Brand Rx's	10.2%	7.5%
Hospital Admissions	26	37



Public Employees' Pilot

- No significant changes in medical costs
- No appreciable increase in traffic to the FQHCs (pilot had 246 participants)
- Some concerns expressed by local independent pharmacists
- Very sick patients accessed the pilot -- the average risk index for participants increased at all three pilot sites
- Change in leadership at the agency



Public Employees' Pilot

- Pilot yielded strong working relationship between agency staff and the West Virginia Primary Care Association
- New 3-year pilot program between the agency and one of the FQHCs beginning March 1, 2009
- Agency pays global capitated rate for primary medical care
- FQHC keeps all 340b revenue and has opportunity to earn up to 10% on global capitation rates if specific measures are met



Hemophilia

- By statute, state bureau for public health responsible for ensuring a safe and adequate supply of clotting factor – it buys, stores and sells factor to third party payors
- ~250 people on the West Virginia Hemophilia Registry
- ~47-54 covered by public payors (Medicaid ~35-40, CHIP ~4, ~8-10 as public employees)
- Hemophilia expenses for Medicaid members for 5 months \$18.1M



Hemophilia

- Federally Designated Hemophilia Treatment Centers located in Disproportionate Share Hospitals which use 340b via DSH but not HTC
- HTCs receive grants from revenue generated by the state sale of factor
- CMS Region III raised “freedom of choice” concerns about requiring Medicaid members to use the HTCs – Medicaid tabled
- Public Employees Insurance Agency needs savings for SFY '10



Corrections

- ~10,000 inmates in regional jails and state prisons
- Regional Jails and Division of Corrections each have a global contract for health care services
- Combined annual drug spend ~\$2.2M
- Working with Heinz Family Philanthropies to assess savings available via 340b and the possibility of contracting with a 340b eligible entity to provide inmate care



Expanding and moving forward

- 340b Pharmacy Practice Conference September 18-19, 2009
West Virginia Primary Care Association with Governor's Office
and the West Virginia Hospital Association
- Provide 340b "101" courses to those remaining FQHCs and DSH
hospitals that do not use it.
- Explore ways to ensure patients discharged from ineligible
hospitals (*i.e.* Critical Access Hospitals) connect with needed drugs
either via a contract with a 340b entity or via WVRx (statewide
charitable central fill pharmacy)



Expanding and moving forward

- Use collected data to secure seed money for entities interested in starting a 340b pharmacy program
- Improve existing 340b contracts by aggregating clinic volume and expanding the number of pharmacies eligible to enter contracts – would require state demonstration project



To chat further or share ideas:

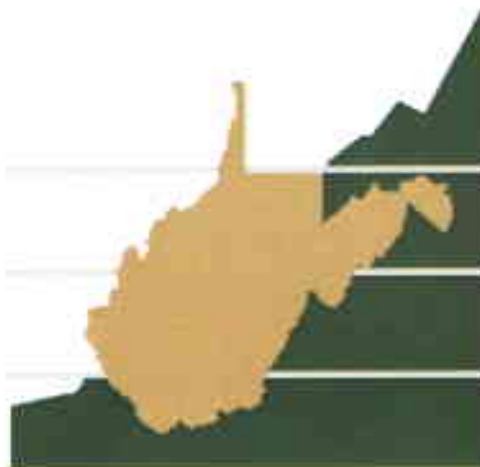
Shana Kay Phares

shana.k.phares@wv.gov

Office: 304.558.0079

Cell: 304-541.3324





West Virginia Investment Management Board

Monthly Performance Report

July 31, 2009

West Virginia Investment Management Board

Participant Plans Allocation & Performance

As of July 31, 2009

	Asset \$	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
WVIMB Fund Assets	9,684,189,432	100.0								
Pension Assets	7,771,832,586	80.3								
Public Employees' Retirement System	3,431,530,078	35.4	6.0	13.8	6.0	-9.1	-0.8	3.9	4.3	
Teachers' Retirement System	3,707,570,788	38.3	5.7	13.0	5.7	-9.9	-1.5	3.5	4.0	
Teachers' Employers Cont. Collection A/C	14,049,403	0.1	0.0	0.1	0.0	0.9	-	-	-	
EMS Retirement System	18,171,806	0.2	5.9	13.5	5.9	-8.6	-	-	-	
Public Safety Retirement System	382,290,070	3.9	5.9	13.7	5.9	-9.1	-0.9	3.8	4.4	
Judges' Retirement System	93,241,486	1.0	5.9	13.7	5.9	-9.0	-0.9	3.8	4.3	
State Police Retirement System	43,166,420	0.4	5.9	13.6	5.9	-8.7	-0.7	3.9	4.3	
Deputy Sheriffs' Retirement System	81,812,535	0.8	5.9	13.7	5.9	-8.8	-0.8	3.9	4.3	
Insurance Assets	1,378,372,974	14.2								
Workers' Compensation Old Fund	693,458,424	7.2	4.5	10.9	4.5	-4.1	1.3	-	-	
Workers' Comp. Self-Insured Guaranty Risk Pool	6,964,733	0.1	0.0	0.1	0.0	0.9	3.4	-	-	
Workers' Comp. Uninsured Employers Fund	8,564,093	0.1	0.0	0.1	0.0	0.9	3.4	-	-	
Pnuemoconiosis	232,311,967	2.4	4.0	10.3	4.0	-2.3	1.8	-	-	
Board of Risk & Insurance Mgmt.	109,830,353	1.1	4.1	10.7	4.1	1.8	3.1	-	-	
Public Employees' Insurance Agency	119,538,262	1.2	3.9	10.2	3.9	-0.6	2.4	-	-	
WV Retiree Health Benefit Trust Fund	207,705,142	2.1	3.6	9.6	3.6	5.9	-	-	-	
Endowment Assets	533,983,872	5.5								
Wildlife Fund	31,892,797	0.3	6.0	13.7	6.0	-9.1	-0.7	3.9	5.1	
Prepaid Tuition Trust	76,667,226	0.8	6.8	15.8	6.8	-5.8	0.5	4.6	5.1	
Prepaid Tuition Trust Escrow	11,519	0.0	-	-	-	-	-	-	-	
Revenue Shortfall Reserve Fund	173,625,938	1.8	6.0	13.7	6.0	-11.1	-2.1	-	-	
Revenue Shortfall Reserve Fund - Part B	251,786,392	2.6	5.9	13.4	5.9	-11.7	-1.7	-	-	

West Virginia Investment Management Board

Composite Asset Allocation & Performance Net of Fees

As of July 31, 2009

	Asset \$	%	Performance %							
			1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year	
Investment Pools Composite	9,688,808,533	100.00								
Total Equity Composite	4,624,744,222	47.73	8.90	19.35	8.90	-17.54	-4.31	3.35	2.84	
<i>Total Equity Policy Index</i>			8.80	18.71	8.80	-20.36	-5.31	2.60	1.85	
Excess Return			0.10	0.64	0.10	2.82	1.00	0.75	0.99	
US Equity Composite	2,251,199,159	23.24	7.81	13.72	7.81	-21.53	-6.51	0.68	1.22	
<i>Russell 3000 Index</i>			7.78	13.92	7.78	-20.21	-6.00	0.42	-0.41	
Excess Return			0.03	-0.20	0.03	-1.32	-0.51	0.26	1.63	
Large Cap Composite	1,911,018,843	19.72	7.66	13.94	7.66	-20.92	-6.48	-0.05	-1.25	
<i>S&P 500</i>			7.56	13.81	7.56	-19.96	-6.16	0.14	-1.19	
Excess Return			0.10	0.13	0.10	-0.96	-0.32	0.09	-0.06	
Non-Large Cap Composite	340,180,316	3.51	8.64	12.46	8.64	-23.34	-6.52	1.83	5.38	
<i>Russell 2500 Index</i>			9.02	13.62	9.02	-20.66	-5.66	2.02	4.77	
Excess Return			-0.38	-1.16	-0.38	-2.68	-0.86	-0.19	0.61	
International Equity Composite	2,373,545,063	24.50	9.95	24.81	9.95	-13.68	-0.87	8.06	5.87	
<i>MSCI AC World ex USA</i>			9.81	23.50	9.81	-20.90	-2.68	7.57	3.67	
Excess Return			0.14	1.31	0.14	7.22	1.81	0.49	2.20	
Fixed Income Composite	2,814,471,575	29.05	3.68	10.34	3.68	4.80	4.14	4.27	6.36	
<i>Fixed Income Policy</i>			1.89	3.82	1.89	7.08	6.32	5.02	6.13	
Excess Return			1.79	6.52	1.79	-2.28	-2.18	-0.75	0.23	
TRS Annuity	199,660,442	2.06	0.37	1.11	0.37					
Cash Composite	232,494,095	2.40	0.01	0.06	0.01	0.98	3.41	3.40	3.34	
<i>Citigroup 90 Day T-Bill + 15bps</i>			0.02	0.08	0.02	0.80	3.06	3.16	3.26	
Excess Return			-0.01	-0.02	-0.01	0.18	0.35	0.24	0.08	
Private Equity Composite	603,719,611	6.23	1.82	1.40	1.82	-19.19				
Real Estate Composite	37,703,825	0.39	0.66	0.09	0.66	-15.60				
Hedge Funds Composite	1,176,014,762	12.14	2.04	6.71	2.04	-3.70				

West Virginia Investment Management Board

Participant Plans Allocation vs. Targets

As of July 31, 2009

	Large Cap		Non-Large Cap		Int'l Equity		Fixed Income		Private Equity		Real Estate		Hedge Funds		Cash	
	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %	Actual %	Target %
Pension Assets																
Public Employees' Retirement System	21.4	21.3	3.9	3.8	26.6	25.0	28.0	30.0	7.6	10.0	0.5	0.0	11.6	10.0	0.5	0.0
Teachers' Retirement System	21.2	21.3	3.8	3.8	26.1	25.0	27.6	30.0	7.6	10.0	0.4	0.0	11.0	10.0	2.2	0.0
Teachers' Employers Cont. Collection A/C	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
EMS Retirement System	21.2	21.3	3.7	3.8	25.7	25.0	28.2	30.0	9.4	10.0	0.4	0.0	9.5	10.0	1.8	0.0
Public Safety Retirement System	21.7	21.3	3.8	3.8	26.3	25.0	28.2	30.0	9.6	10.0	0.5	0.0	9.7	10.0	0.1	0.0
Judges' Retirement System	21.6	21.3	3.8	3.8	26.2	25.0	28.2	30.0	9.6	10.0	0.5	0.0	9.7	10.0	0.3	0.0
State Police Retirement System	21.2	21.3	3.8	3.8	25.7	25.0	28.1	30.0	9.4	10.0	0.5	0.0	9.5	10.0	1.7	0.0
Deputy Sheriffs' Retirement System	21.5	21.3	3.8	3.8	26.1	25.0	28.3	30.0	9.5	10.0	0.5	0.0	9.7	10.0	0.5	0.0
Insurance Assets																
Workers' Compensation Old Fund	13.3	12.8	2.4	2.3	16.4	15.0	40.0	40.0	0.0	0.0	0.0	0.0	20.0	20.0	7.9	10.0
Workers' Comp. Self-Insured Guaranty Risk Pool	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Workers' Comp. Uninsured Employers Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0
Pneumoconiosis	8.8	8.5	1.6	1.5	10.7	10.0	54.8	55.0	0.0	0.0	0.0	0.0	19.8	20.0	4.3	5.0
Board of Risk & Insurance Mgmt.	8.7	8.5	1.5	1.5	10.6	10.0	59.6	60.0	0.0	0.0	0.0	0.0	19.6	20.0	0.0	0.0
Public Employees' Insurance Agency	6.6	6.4	1.2	1.1	8.0	7.5	64.6	65.0	0.0	0.0	0.0	0.0	19.7	20.0	0.0	0.0
WV Retiree Health Benefit Trust Fund	2.2	2.1	0.4	0.3	2.7	2.5	94.8	95.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Endowment Assets																
Wildlife Fund	21.5	21.3	3.8	3.8	26.3	25.0	28.5	30.0	9.5	10.0	0.5	0.0	9.7	10.0	0.2	0.0
Prepaid Tuition Trust	25.2	25.5	4.5	4.5	31.3	30.0	37.6	40.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
Prepaid Tuition Trust Escrow	0.0	0.0	0.0	0.0	0.0	0.0	100.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Revenue Shortfall Reserve Fund	23.3	25.5	3.5	4.5	31.1	30.0	17.1	20.0	0.0	0.0	0.0	0.0	17.8	20.0	7.2	0.0
Revenue Shortfall Reserve Fund - Part B	22.4	25.5	3.4	4.5	30.4	30.0	17.0	20.0	0.0	0.0	0.0	0.0	17.7	20.0	9.0	0.0

Statutory Limitations

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

West Virginia Investment Management Board

Footnotes

As of July 31, 2009

PERS Policy is 30% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Universal as of 4/1/08. Prior periods, 42% Russell 3000, 30% MSCI ACW ex USA, and 40% Barclays Capital Aggregate.

Total Equity Policy is 50% Russell 3000 and 50% MSCI ACW ex USA as of April 2008. Prior periods were 40% S&P 500, 30% Russell 2500, and 30% MSCI ACW ex USA.

Fixed Income Policy is 100% Barclays Capital Universal as of April 2008. Prior periods were the Barclays Capital Aggregate.

AXA Policy Index is 100% S&P Developed ex USA Small Cap as of April 2007. Prior periods were 100% MSCI World ex USA Small Cap.

Western Policy Index is 100% Barclays Capital Universal as of April 2008. Prior periods were a custom index.

Returns are net of manager fees. Returns shorter than one year are unannualized.

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Status Report Workers' Compensation

Joint Committee on
Government & Finance

9/16/09

OLD FUND/DEBT REDUCTION
FY2010 – FY2009
Comparison
August FY2010

YEAR TO DATE

	FY2010	FY2009	Change	FY2009 Annual
Revenues				
Personal Income Tax	-	-	-	95,400,000
Severance Tax	12,495,175	18,296,553	(6,801,378)	125,672,963
Debt Reduction Surcharge	7,947,683	10,176,454	(2,227,772)	40,115,329
Self-Insured Debt Reduction Surcharge	1,323,720	2,083,135	(759,416)	6,568,235
Video Lottery	8,522,832	9,206,792	(683,960)	11,000,000
Employer Premium	393,235	585,490	(192,255)	2,945,070
Other Income - Return of Unclaimed Property	-	-	-	39,392
Total Revenues	30,682,644	40,347,425	(9,664,781)	281,740,989
Surplus Note Principal Payments	-	60,000,000	(60,000,000)	145,000,000
Investment / Interest Earnings (Losses)	36,454,149	(27,978,087)	64,432,236	(94,861,649)
Expenditures				
Public Employees Insurance	7,937	20,771	(12,834)	105,117
Payment of Claims	43,839,100	44,016,669	(177,569)	251,860,952
Contractual/Professional	3,481,735	3,225,981	255,754	20,185,265
Total Expenditures	47,328,772	47,263,422	65,350	272,151,333
Excess (Deficiency) of Revenues over Expenditures	19,808,022	26,105,916	(6,297,896)	59,728,107
Cash Beginning Balances	734,195,513	734,195,514	(1)	734,195,513
Cash Ending Balances	754,003,535	759,301,430	(6,297,896)	795,869,970

OLD FUND/DEBT REDUCTION
Quarterly Summary
August FY2010

	1st Quarter	Y-T-D FY2010	Y-T-D FY2009	Change
Revenues				
Personal Income Tax	-	-	-	-
Severance Tax	12,495,175	12,495,175	18,296,563	(6,801,378)
Debt Reduction Surcharge	7,947,683	7,947,683	10,175,454	(2,227,772)
Self-Insured Debt Reduction Surcharge	1,323,720	1,323,720	2,083,136	(759,416)
Video Lottery	8,522,832	8,522,832	9,206,792	(683,960)
Employer Premium	393,235	393,235	585,490	(192,255)
Other Income - Return of Unclaimed Property	-	-	-	-
Total Revenues	30,682,644	30,682,644	40,347,426	(9,664,781)
Surplus Note Principal Payments	-	-	60,000,000	(60,000,000)
Investment / Interest Earnings (Losses)	36,454,149	36,454,149	(27,978,087)	64,432,236
Expenditures				
Public Employees Insurance	7,937	7,937	20,771	(12,834)
Payment of Claims	43,839,100	43,839,100	44,016,669	(177,569)
Contractual/Professional	3,481,735	3,481,735	3,225,981	255,754
Total Expenditures	47,328,772	47,328,772	47,263,422	65,360
Excess (Deficiency) of Revenues over Expenditures	19,808,022	19,808,022	25,106,916	(6,297,895)
Cash Beginning Balances	795,869,972	795,869,972	734,195,514	
Cash Ending Balances	815,677,994	815,677,994	759,301,430	

Old Fund Liability Estimate

(excluding LAE)
(discounted)
August FY2010

	FY2010	August
Beginning Reserve Amount		2,257,221,384
Claim Payments		21,939,538
Estimated Ending Reserve Amount		2,244,433,399

Note:

The Interim estimate of the Old Fund liabilities is derived using a formula that reduces the reserve amount at the beginning of each month by the amount of claims payments made during the month.

The formula makes an adjustment for the time value of money, assuming that claim payments are evenly distributed through the month. The estimate is updated monthly.

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

	June 30, 2009	August 31, 2009	Change
Assets:			
Cash and Cash Equivalents	795,870	815,678	19,808
Receivables, Net:	24,256	24,256	0
Surplus Note	17,759	17,759	0
Total Assets	<u>837,885</u>	<u>857,693</u>	<u>19,808</u>
Liabilities:			
Estimated Liability for Unpaid Claims and Claim Adjustment Expense	2,269,918	2,244,433	(25,485)
Other Liabilities	490	490	0
Total Liabilities	<u>2,270,408</u>	<u>2,244,923</u>	<u>(25,485)</u>
Net Assets:			
Unrestricted	<u>(1,432,523)</u>	<u>(1,387,230)</u>	<u>45,293</u>
Total Net Assets	<u><u>(1,432,523)</u></u>	<u><u>(1,387,230)</u></u>	<u><u>45,293</u></u>

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

Workers' Compensation Old Fund Balances

Cash Basis

August 2009 Report

	Calendar Year 2006	Calendar Year 2007	Calendar Year 2008	Calendar Year 2009 January 1 - August 31
Revenue				
Statutory Transfers*	\$ 266,613,362	\$ 261,975,877	\$ 287,088,650	\$ 285,912,367
Collections	8,316,798	1,041,116	3,265,870	1,097,132
Investment Income	50,201,026	40,659,223	(168,342,828)	106,217,380
Total Revenue	\$ 325,131,186	\$ 303,676,215	\$ 122,011,692	\$ 393,226,879
Expenditures				
Claim Payments	\$ (355,245,366)	\$ (284,445,313)	\$ (249,839,063)	\$ (168,339,592)
Administrative/Other Expense	\$ (21,630,179)	\$ (24,710,582)	\$ (23,576,238)	\$ (13,639,513)
Total Expenditures	\$ (376,875,545)	\$ (309,155,895)	\$ (273,415,301)	\$ (181,979,105)
 Workers' Compensation Commission Initial fund transfer January 2006	 711,094,830			
 Payments on Surplus Note		 8,841,297	 102,782,602	 87,093,151
 Invested Balance with WVIMB at year end	 647,444,812	 635,908,034	 591,375,200	 693,458,424
 Invested Balance with BTI at year end	 -	 -	 -	 115,220,456

**Workers' Compensation Old Fund Benefit Payments
Average Monthly Payments**

August 2009 Report

	9/1/07 : 8/31/08	9/1/08 : 8/31/09
	Previous 12 month period.	Current 12 month period.
Claims benefits paid:		
Medical	4,110,931.06	4,257,898.86
Permanent Total Disability	12,710,522.64	12,517,528.54
Permanent Partial Disability	1,074,043.08	632,272.14
Temporary Total Disability	240,983.98	172,433.41
Settlement Agreements	332,849.24	376,633.44
Fatals	2,796,274.56	2,701,101.82
104 weeks	458,650.87	523,132.72
Total	<u>21,724,255.42</u>	<u>21,181,000.91</u>
Claims credits and overpayments	<u>(364,146.88)</u>	<u>(207,385.70)</u>
Total claims paid	<u>21,360,108.54</u>	<u>20,973,615.21</u>

Coal Workers Fund

	1st Quarter	YTD FY 2010	YTD FY 2009	Change
Revenues				
Investment Earnings (Losses)	2,538,560	2,538,560	(5,838,340)	8,376,900
Other Income - Return of Unclaimed Property	-	-	-	
Total Revenues	<u>2,538,560</u>	<u>2,538,560</u>	<u>(5,838,340)</u>	<u>8,376,900</u>
Expenditures				
Payment of Claims	1,013,165	1,013,165	2,042,242	(1,029,077)
Contractual / Professional	-	-	-	-
Total Expenditures	<u>1,013,165</u>	<u>1,013,165</u>	<u>2,042,242</u>	<u>(1,029,077)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,525,395</u>	<u>1,525,395</u>	<u>(7,880,582)</u>	<u>9,405,977</u>
Cash Beginning Balances	<u>221,866,212</u>	<u>221,866,212</u>		
Cash Ending Balances	<u>223,391,607</u>	<u>223,391,607</u>		

UNINSURED

	1st Quarter	YTD FY 2010	YTD FY 2009	Change
Revenues				
Fines and Penalties	97,446	97,446	184,245	(86,799)
Investment Earnings (Losses)	1,665	1,665	14,799	(13,134)
Total Revenues	99,112	99,112	199,044	(99,932)
Expenditures				
Payment of Claims	29,978	29,978	114,139	(84,160)
Contractual/Professional	3,137	3,137	-	3,137
Total Expenditures	33,115	33,115	114,139	(84,160)
Excess (Deficiency) of Revenues over Expenditures	65,996	65,996	84,905	(15,772)
Cash Beginning Balances	8,588,268	8,588,268		
Cash Ending Balances	8,654,265	8,654,265		

Self-Insured Fund

	1st Quarter	YTD FY 2010	YTD FY 2009	Change
Revenues				
Guaranty Risk Pool Assessments	265,352	265,352	335,611	(70,259)
Investment Earnings (Losses)	1,325	1,325	9,305	(7,980)
Total Revenues	266,677	266,677	344,916	(78,239)
Expenditures				
Payment of Claims	2,325	2,325	4,688	(2,363)
Contractual / Professional	6,935	6,935	-	6,935
Total Expenditures	11,007	11,007	4,688	(2,363)
Excess (Deficiency) of Revenues over Expenditures	255,670	255,670	340,228	(75,876)
Cash Beginning Balances	6,969,308	6,969,308		
Cash Ending Balances	7,224,978	7,224,978		

OFFICE OF JUDGES' REPORT TO INDUSTRIAL COUNCIL

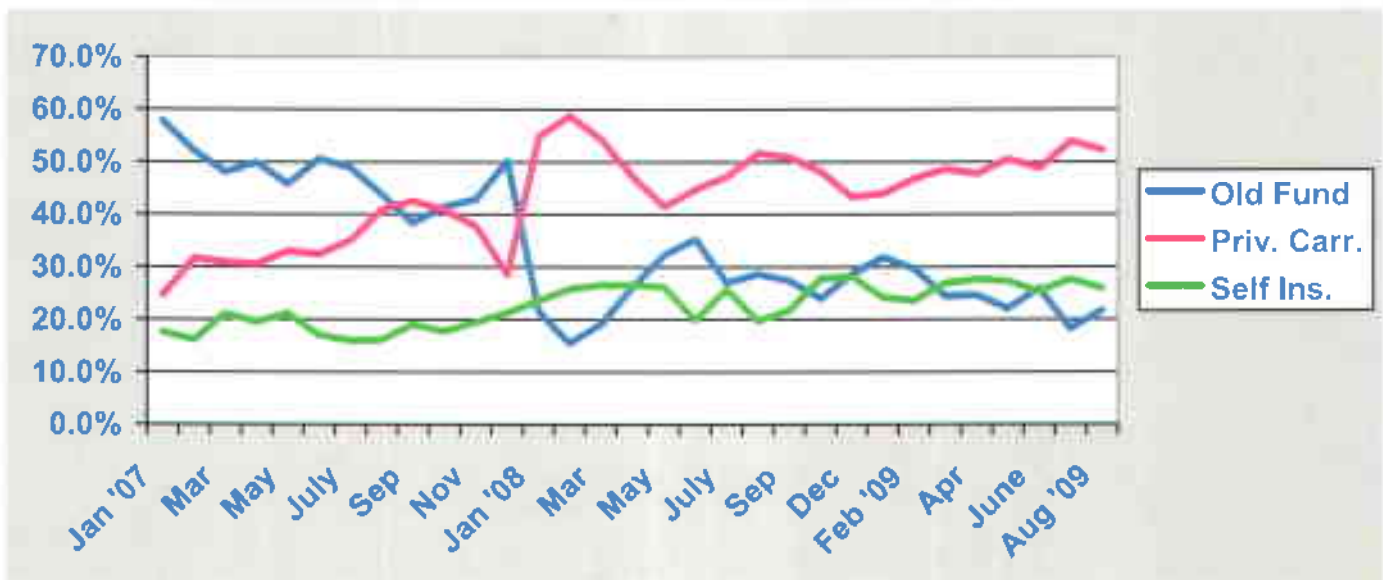
August 2009

I. Statistical Analysis

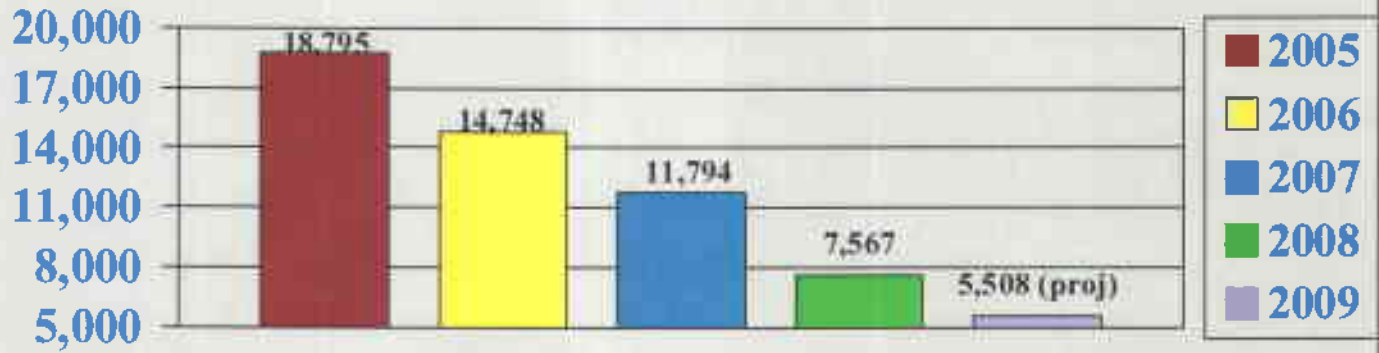
A. Protests Acknowledged: 2008
7567 Aug.
556 2009
4428

Fund Involved:

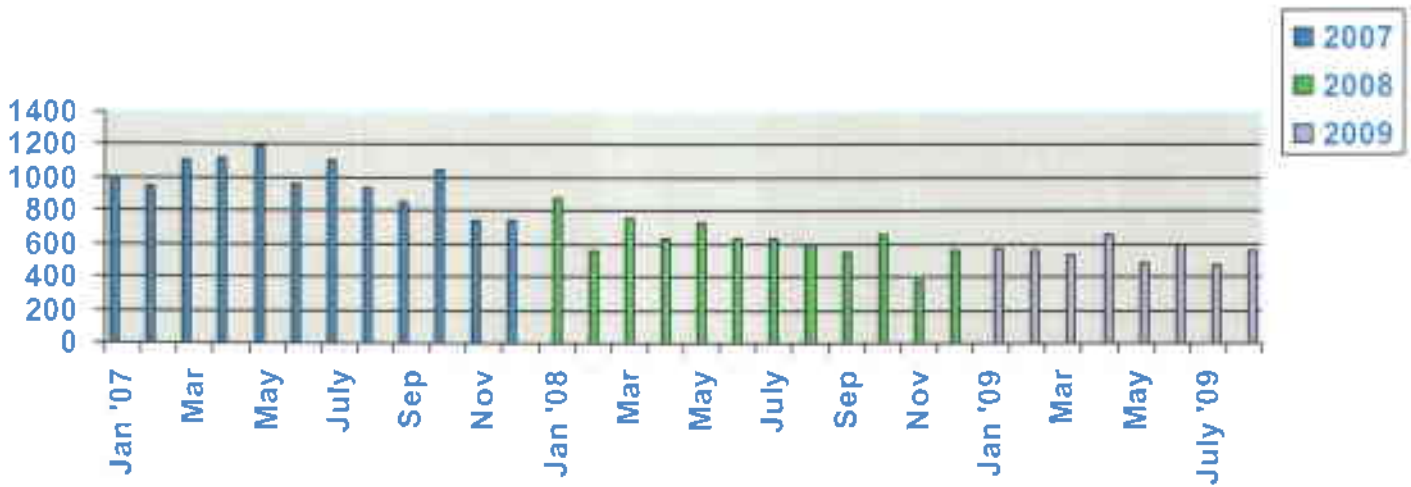
FUND	2006	2007	% of protests	2008	% of protests	Aug '09	% of protests	2009	% of protests
Old Fund	8,146	4,433	56.68%	1,592	26.18%	104	21.71%	923	24.95%
Priv. Carrier	2,207	3,370	25.13%	2,971	48.86%	251	52.40%	1814	49.04%
Others									
Self-Insured	2,264	1,772	18.19%	1,518	24.96%	124	25.89%	962	26.01%
Subtotal	12,617	9,575		6,081		479		3699	
Temporary	2,131	2,219		1,486		77		729	
Total	14,748	11,794		7,567		556		4428	



PROTESTS PER CALENDAR YEAR



PROTESTS BY MONTH

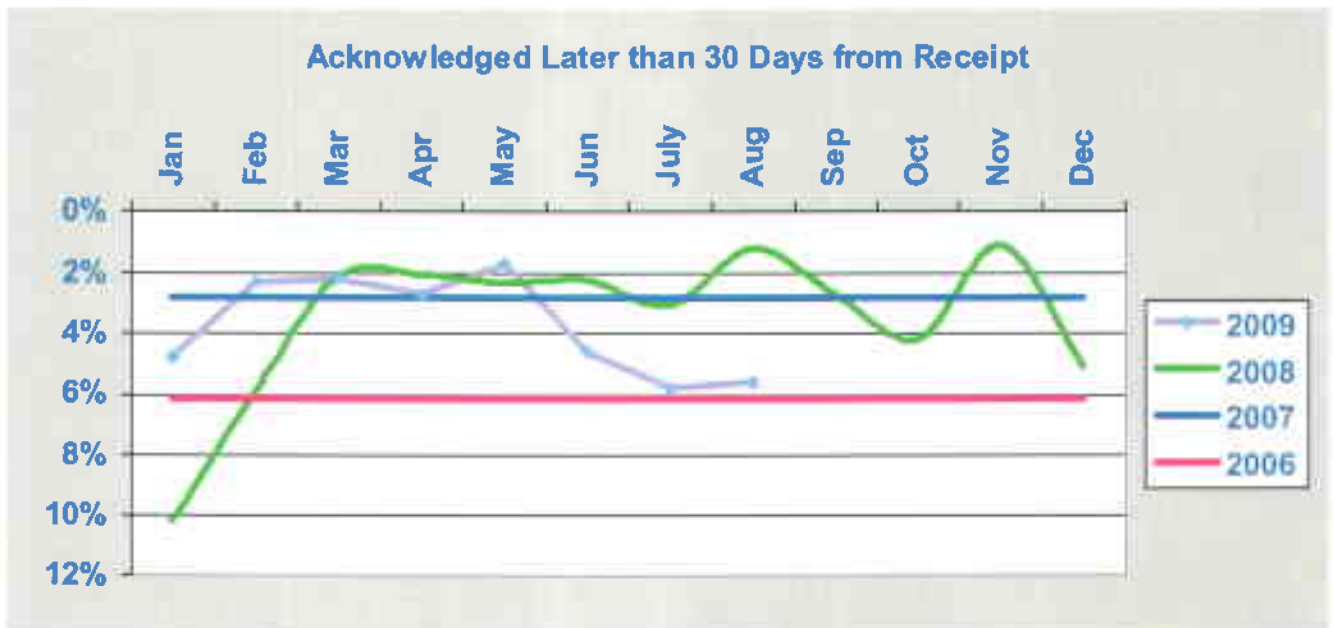


B. Issues Resolved: 2008 Aug. 2009
8,094 410 3946

C. Pending Caseload Report

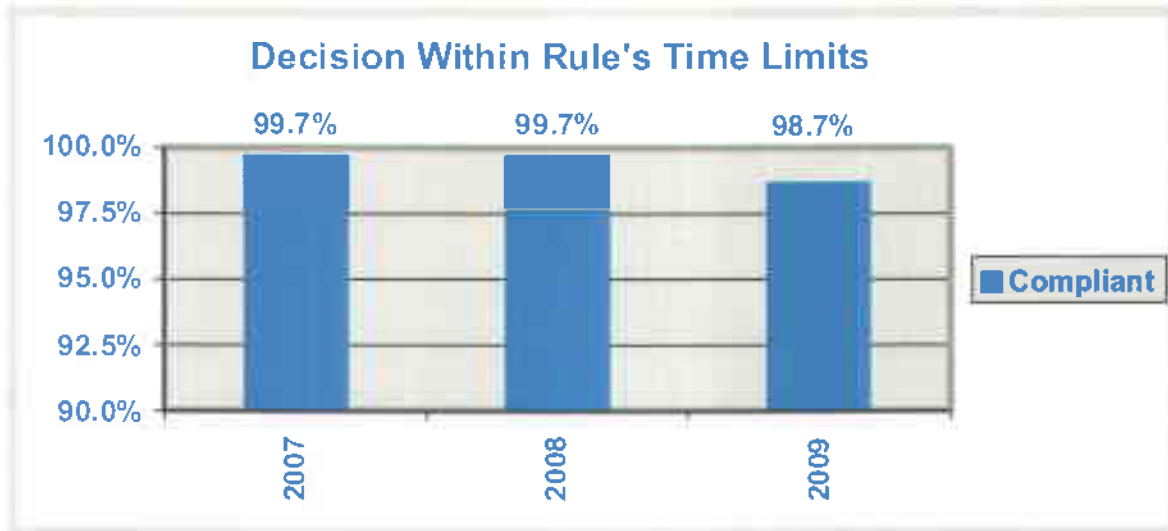
PENDING END OF AUGUST	4,197
PENDING 1 MONTH BEFORE	4,113
PENDING 2 MONTHS BEFORE	4,173
PENDING 3 MONTHS BEFORE	4,134
PENDING 6 MONTHS BEFORE	4,209
PENDING 12 MONTHS BEFORE	5,144

D. Acknowledgment Timeliness:	2008	Aug.	YTD
1. Protest Ackn. >30 days	3.6%	5.6%	3.7%
2. Protest Ackn. 24-30 days	2.3%	3.1%	2.4%
3. Protest Ackn. 11-23 days	19.0%	15.9%	22.2%
4. Protest Ackn. <11 days	75.1%	75.4%	71.7%



E. Protests Resolved:	Aug. '09	2009
1. Protests decided:	257	2636
2. Withdrawals:	69	592
3. "No Evidence" Dismissals:	66	468

F. Final Decision Timeliness	<u>2008</u>	<u>Aug.</u>	<u>2009</u>
1. <30 days:	59.6%	45.2%	51.5%
2. 30-60 days:	26.2%	28.1%	31.5%
3. 60-90 days:	13.9%	25.5%	15.7%
4. +90 days:	0.3%	1.1%	1.3%



G. Time Standard Compliance	<u>2008</u>	<u>Aug.</u>	<u>2009</u>
	91.2%	90.2%	82.8%

Thursday, September 03, 2009

Time Standard Compliance

Report Dates: From 8/1/2009 thru 8/31/2009

Time Standard	Total Closed	Timely		Late	
		Count	Percent	Count	Percent
COMPENSABILITY	30	27	90%	3	10%
DEP BEN FATAL	2	2	100%	0	0%
PPD	38	38	100%	0	0%
REHABILITATION	2	2	100%	0	0%
TRMT/EQUIP CL	38	34	89.5%	4	10.5%
TTD	14	14	100%	0	0%
OPBD	9	6	66.7%	3	33.3%
REOPENING	8	6	75%	2	25%
TOTAL	141	129	90.2%	12	9.8%

Final Decision Compliance

Report Dates: From 8/1/2009 thru 8/31/2009

Description	Issues Resolved	Days to Decision							
		< 30 Days		30 - 60		61 - 90		> 90	
		Count	%	Count	%	Count	%	Count	%
COMPENSABILITY	71	34	47.9%	17	23.9%	20	28.2%	0	0.0%
DEP BEN FATAL	3	0	0.0%	2	66.7%	1	33.3%	0	0.0%
REOPENING	20	8	40.0%	4	20.0%	8	40.0%	0	0.0%
APPLICATION THRESHOLD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
BENEFIT RATE	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
FAILURE TO ACT 15 DAY	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
OPBD	9	7	77.8%	1	11.1%	1	11.1%	0	0.0%
PPD	48	19	39.6%	14	29.2%	14	29.2%	1	2.1%
PTD ENTITLEMENT	2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
REHABILITATION	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
TRMT/EQUIP CL	79	36	45.6%	27	34.2%	15	19.0%	1	1.3%
TRMT/EQUIP EM	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
TTD	26	13	50.0%	7	26.9%	6	23.1%	0	0.0%
Totals	263	119	45.2%	74	28.1%	67	25.5%	3	1.1%

Monday, Thursday, September 03, 2009

Motion Resolution Compliance

Report Dates: From 8/1/2009 thru 8/31/2009

Time Standard	Total Motions	Timely *		Late **	
		Count	Percent	Count	Percent
COMPENSABILITY	239	225	94.1%	14	5.9%
OP NON-MED	15	15	100%	0	0%
PTD ENTITLEMENT	21	20	95.2%	1	4.8%
REOPENING	82	75	91.5%	7	8.5%
TRMT/EQUIP CL	227	219	96.5%	8	3.5%
APPLICATION THRESHOLD	4	4	100%	0	0%
BENEFIT OVERPAYMENT	2	2	100%	0	0%
BENEFIT RATE	2	2	100%	0	0%
DEP BEN FATAL	28	21	75%	7	25%
IEB DETERMINATION	8	7	87.5%	1	12.5%
OPBD	53	41	77.4%	12	22.6%
PPD	198	192	97%	6	3%
PTD ONSET DATE	2	0	0%	2	100%
REHABILITATION	1	1	100%	0	0%
TEMP	4	4	100%	0	0%
TTD	126	121	96%	5	4%
TOTAL MOTIONS	1,012	949	88.1%	63	11.9%

* Action Date < Motion Date

** Action Date > Motion Date

Acknowledgement Goal

Resolution of Issues

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
APPLICATION THRESHOLD	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CFA - CL APP THRESHOLD	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
BENEFIT OVERPAYMENT	Total: 4	1	25.0%	0	0.0%	0	0.0%	3	75.0%
CBO - CL BEN. OVERPAYMENT	4	1	25.0%	0	0.0%	0	0.0%	3	75.0%
BENEFIT RATE	Total: 2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CBR - CL PRSTS BEN RATE	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
COMPENSABILITY	Total: 80	5	6.3%	5	6.3%	14	17.5%	56	70.0%
CCS - CL SEC CONDITION	21	1	4.8%	1	4.8%	2	9.5%	17	81.0%
CHC - CL COMPENSABILITY	2	0	0.0%	1	50.0%	0	0.0%	1	50.0%
CIM - CL SI COMPENSABLE	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
CIS - CL SI SEC CONDITION	3	0	0.0%	0	0.0%	0	0.0%	3	100.0%
CPI - CL SI REJECT CLAIM	7	0	0.0%	1	14.3%	1	14.3%	5	71.4%
CPJ - CL REJECT CLAIM	38	3	7.9%	1	2.6%	10	26.3%	24	63.2%
CQR - CL SI REJ OCCDISEASE	5	0	0.0%	1	20.0%	0	0.0%	4	80.0%
CRZ - CL REJ OCC DISEASE	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
DEP BEN FATAL	Total: 16	2	12.5%	1	6.3%	4	25.0%	9	56.3%
CDF - CL DENY/GRNT DTH BEN	7	2	28.6%	0	0.0%	0	0.0%	5	71.4%
CIF - CL SI DY/GNT DTH BEN	8	0	0.0%	1	12.5%	3	37.5%	4	50.0%
EDF - EM DENY/GRNT DTH BEN	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
FAILURE TO ACT 15 DAY	Total: 4	1	25.0%	1	25.0%	1	25.0%	1	25.0%
C01 - CL FTA INJ COMPENSAB	2	1	50.0%	0	0.0%	0	0.0%	1	50.0%
C03 - CL FTA TREATMENT	2	0	0.0%	1	50.0%	1	50.0%	0	0.0%
IEB DETERMINATION	Total: 3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
CEB - CL IEB DETERMINATION	2	0	0.0%	0	0.0%	2	100.0%	0	0.0%
CZB - CL SI IEB DETRM'TION	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
OP NON-MED	Total: 7	0	0.0%	0	0.0%	2	28.6%	5	71.4%
CIR - CL SI NON-MED ORDER	4	0	0.0%	0	0.0%	0	0.0%	4	100.0%
CNR - CL NON-MED ORDER	3	0	0.0%	0	0.0%	2	66.7%	1	33.3%
OPBD	Total: 27	1	3.7%	0	0.0%	6	22.2%	20	74.1%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CAO - CL ADD BOARD FINDING	6	0	0.0%	0	0.0%	2	33.3%	4	66.7%
CBF - CL % BOARD FINDING	8	0	0.0%	0	0.0%	0	0.0%	8	100.0%
CSF - CL% SI BOARD FINDING	5	0	0.0%	0	0.0%	0	0.0%	5	100.0%
CSO - CL SI AD.BRD FINDING	4	1	25.0%	0	0.0%	1	25.0%	2	50.0%
EAO - EM ADD BOARD FINDING	3	0	0.0%	0	0.0%	3	100.0%	0	0.0%
EBF - EM % BOARD FINDING	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PPD	Total: 115	6	5.2%	2	1.7%	16	13.9%	91	79.1%
CAA - CL ADDL % AWARD D/G	16	4	25.0%	1	6.3%	2	12.5%	9	56.3%
CAD - CL % AWARD DENY/GRNT	73	1	1.4%	1	1.4%	8	11.0%	63	86.3%
CIE - CL SI ADD% AWARD D/G	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CIG - CL SI %AWARD DNY/GNT	23	1	4.3%	0	0.0%	5	21.7%	17	73.9%
EAD - EM % AWARD DENY/GRNT	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
PTD ENTITLEMENT	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIT - CL SI DENY/GRANT PTD	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
PTD ONSET DATE	Total: 1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
CIO - CL SI ONSET DT ISSUE	1	0	0.0%	0	0.0%	0	0.0%	1	100.0%
REHABILITATION	Total: 1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
CPB - CL GRNT/DNY VOC REHA	1	0	0.0%	0	0.0%	1	100.0%	0	0.0%
REOPENING	Total: 40	4	10.0%	3	7.5%	6	15.0%	27	67.5%
CIQ - CL SI DY/GNT R/O PPD	3	0	0.0%	0	0.0%	1	33.3%	2	66.7%
CIY - CL SI DY/GNT R/O TTD	3	0	0.0%	1	33.3%	1	33.3%	1	33.3%
CJV - CL DNY/GRNT R/O PPD	10	0	0.0%	1	10.0%	0	0.0%	9	90.0%
CLH - CL DNY/GRNT R/O PTD	5	0	0.0%	0	0.0%	1	20.0%	4	80.0%
CRD - CL DENY/GRNT R/O TTD	14	3	21.4%	0	0.0%	3	21.4%	8	57.1%
CRO - CL DY/GRNT R/O TRTMT	5	1	20.0%	1	20.0%	0	0.0%	3	60.0%
TRMT/EQUIP CL	Total: 106	5	4.7%	1	0.9%	11	10.4%	89	84.0%
C1Y - CL SI TRMT GRANT	2	0	0.0%	0	0.0%	0	0.0%	2	100.0%
CBX - CL TRMT DENY	62	4	6.5%	1	1.6%	7	11.3%	50	80.6%
CSX - CL SI TRMT DENY	41	0	0.0%	0	0.0%	4	9.8%	37	90.2%
CYY - CL TRMT GRANT	1	1	100.0%	0	0.0%	0	0.0%	0	0.0%
TTD	Total: 71	2	2.8%	2	2.8%	10	14.1%	57	80.3%
CCC - CL CLOSING THE CLAIM	55	2	3.6%	0	0.0%	6	10.9%	47	85.5%
CIC - CL SI CLSING THE CLM	8	0	0.0%	0	0.0%	2	25.0%	6	75.0%
CJS - CL TTD	5	0	0.0%	1	20.0%	1	20.0%	3	60.0%

Description	Protests Acknowledged	Days to Acknowledge Protests							
		> 30		30-24		23-11		< 11	
		Count	Percent	Count	Percent	Count	Percent	Count	Percent
CPX - CL INITIAL TTD	2	0	0.0%	0	0.0%	1	50.0%	1	50.0%
CSG - CL SI INITIAL TTD	1	0	0.0%	1	100.0%	0	0.0%	0	0.0%
Totals:	479	27	5.6%	15	3.1%	76	15.9%	361	75.4%

Thursday, September 03, 2009

Resolution of Issues

Report Dates: Decision Date From 8/1/2009 thru 8/31/2009

Time Standard Categories	Decisions Issued	Reversed		Affirmed		Affirmed by Rule		Dismissed		Modified		Moot		Other		Remanded	
		Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%	Count	%
APPLICATION THRESHOLD	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
COMPENSABILITY	85	39	45.9	25	29.4	4	4.7	12	14.1	4	4.7	1	1.2	0	0	0	0
OP NON-MED	4	0	0	0	0	0	0	4	100	0	0	0	0	0	0	0	0
OPBD	19	0	0	9	47.4	5	26.3	5	26.3	0	0	0	0	0	0	0	0
TTD	40	5	12.5	19	47.5	3	7.5	13	32.5	0	0	0	0	0	0	0	0
BENEFIT RATE	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
DEP BEN FATAL	5	0	0	3	60	2	40	0	0	0	0	0	0	0	0	0	0
IEB DETERMINATION	1	0	0	0	0	0	0	1	100	0	0	0	0	0	0	0	0
PPD	101	25	24.8	19	18.8	24	23.8	29	28.7	1	1	3	3	0	0	0	0
PTD ENTITLEMENT	3	0	0	2	66.7	0	0	1	33.3	0	0	0	0	0	0	0	0
REHABILITATION	2	0	0	1	50	1	50	0	0	0	0	0	0	0	0	0	0
REOPENING	29	9	31	10	34.5	4	13.8	4	13.8	1	3.4	1	3.4	0	0	0	0
TRMT/EQUIP CL	118	32	27.1	43	36.4	23	19.5	15	12.7	4	3.4	1	0.8	0	0	0	0
TRMT/EQUIP EM	1	0	0	1	100	0	0	0	0	0	0	0	0	0	0	0	0
Totals	410	110	26.8	134	32.7	66	16.1	84	20.5	10	2.4	6	1.5	0	0	0	0

OOJ – Petition for Attorney Fees for Unreasonable Denial

Petitions received 9/1/2005 through 8/31/09	33
Petitions denied on face:	13
Petitions denied by ALJ Decision:	13
Petitions granted:	3
Petitions withdrawn through settlement:	2
Petitions currently pending:	2
(No additions since 7/31/09 report)	

Failure to Timely Act Process

Petitions filed 9/1/05 through 8/31/09

Filed:	110
Denied/dismissed:	48
Withdrawn:	7
Reports to OIC:	40
Pending:	15

Expedited Hearings Scheduled

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	TOTAL
2005	13	13	14	25	16	9	9	19	11	10	16	4	159
2006	7	0	2	1	7	4	8	2	5	7	6	3	52
2007	12	4	5	5	1	12	9	4	5	5	4	2	68
2008	3	2	1	11	1	6	11	8	6	4	8	4	65
2009	5	6	5	4	10	14	10	6	12				72

Joe Manchin, III
Governor

James D. Gray
Chairman

W Jack Stevens
Member

Rita Hedrick-Helmick
Member

Workers' Compensation Board of Review

Offices located at 1207 Quarrier St, Charleston
All communications should be addressed to the Board of Review
at the address shown at the bottom of this page.
an equal opportunity/affirmative action employer

MEMORANDUM

To: Jane L. Cline, Commissioner
Charles Bayless, Chairman
Dan Marshall
Bill Dean
Walter Pellish
Honorable Carrie Webster, House Judiciary Chair
Honorable Brooks McCabe
Honorable Nancy Peoples Guthrie
Senator Don Caruth

From: James D. Gray, Chairman

Date: September 1, 2009

Re: Workers' Compensation Board of Review Monthly Report

Attached, please find the Board of Review's August 2009 monthly report.

A number of changes have been made to the Board's reports. You will find a total of eight reports as opposed to the two reports you previously received. These reports include the following:

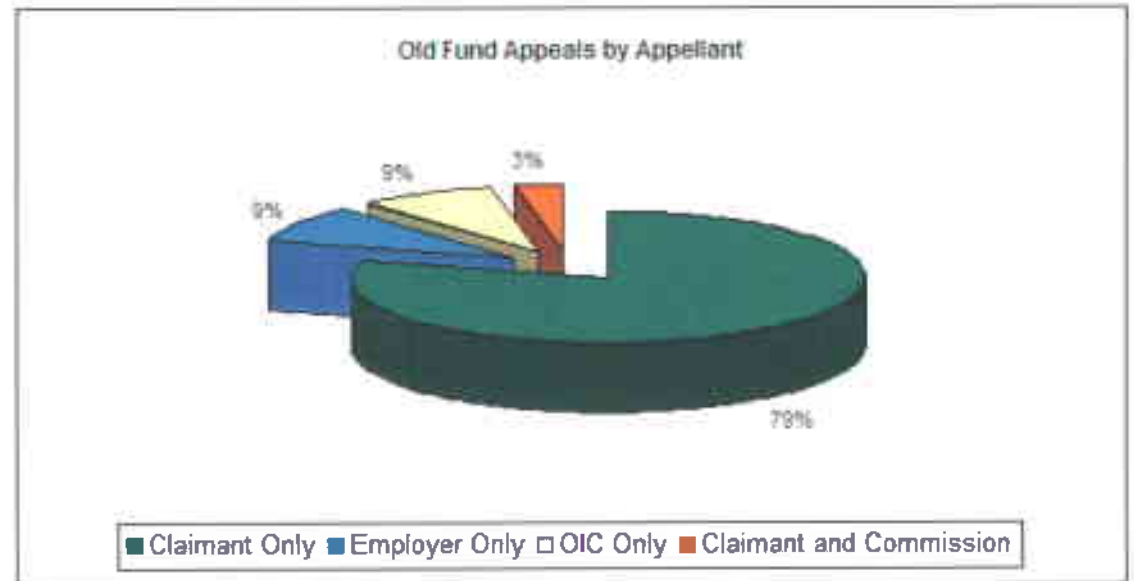
1. Monthly Report of Appeals Received
2. Yearly Report of Appeals Received
3. Monthly Report of Appeals Received by Issue
4. Yearly Report of Appeals Received by Issue
5. Monthly Appeals Received by Issue and Appellant
6. Monthly Summary of Dispositions by Party
7. Monthly Summary of Dispositions by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

Please do not hesitate to contact me in the event of any questions.

Appeals Received From August 1, 2009 Thru August 31, 2009

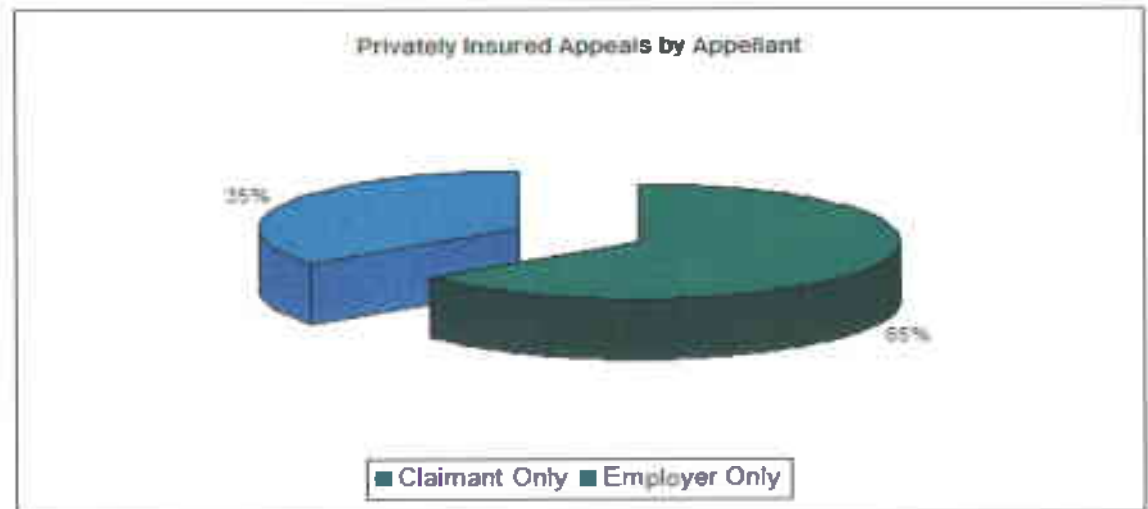
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	27
Employer Only	3
OIC Only	3
Claimant and Commission	1
Old Fund Total	34



New Fund Appeals (DOI > Jun-30-2005)

Appellant	Count
Claimant Only	31
Employer Only	17
New Fund Total	48
Total Appeals	82

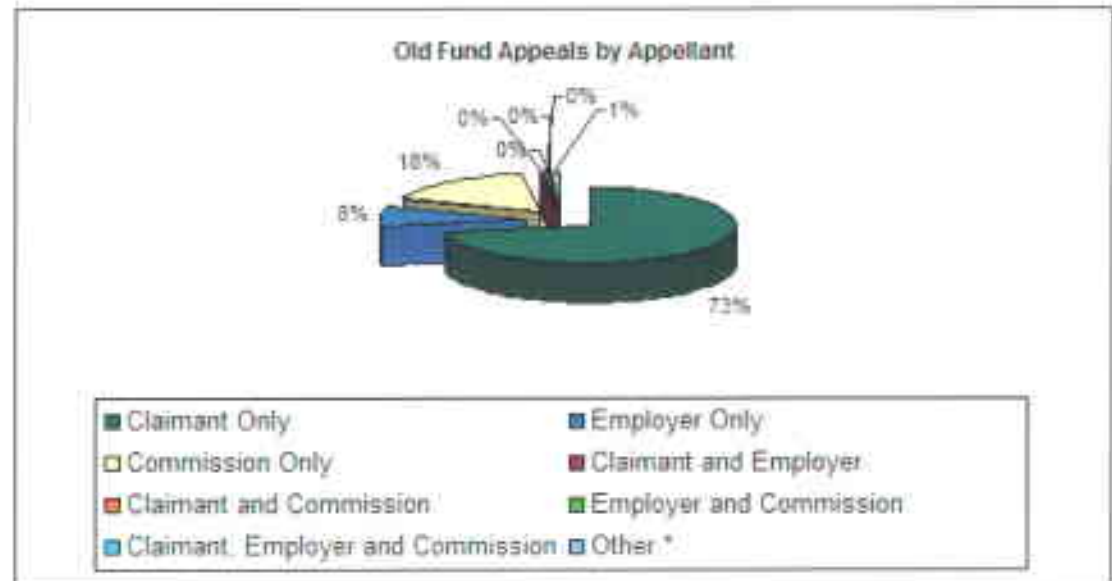


Appeals counted more than once:

Yearly Appeals Received From June 1, 2008 Thru August 31, 2009

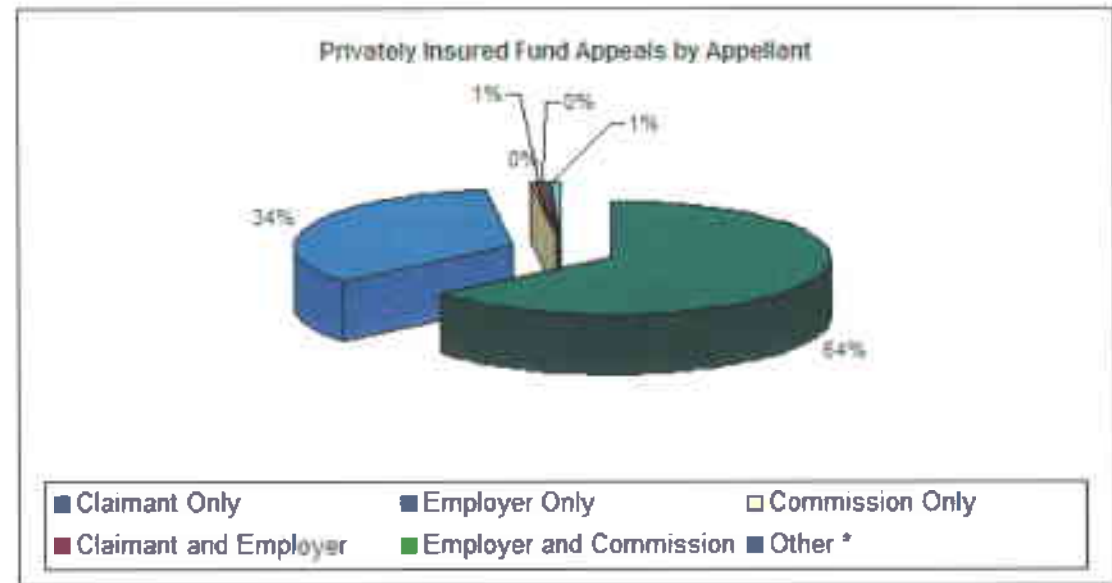
Old Fund Appeals (DOI < Jul-1-2005)

Appellant	Count
Claimant Only	810
Employer Only	89
Commission Only	197
Claimant and Employer	5
Claimant and Commission	3
Employer and Commission	1
Claimant, Employer and Commission	1
Other *	11
Old Fund Total	1117



New Fund Appeals (DOI > Jun-30-2005)

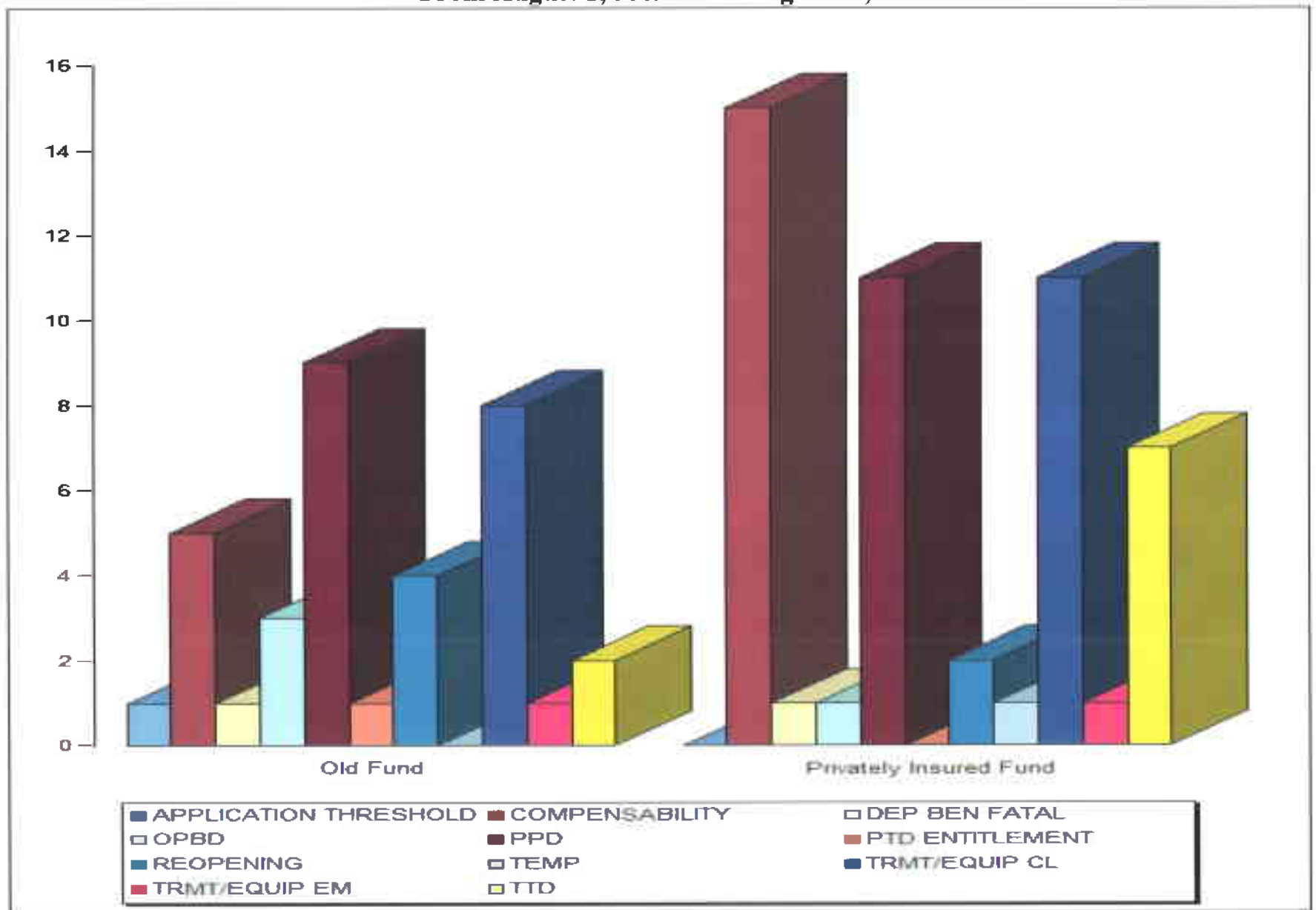
Appellant	Count
Claimant Only	723
Employer Only	380
Commission Only	2
Claimant and Employer	9
Employer and Commission	1
Other *	10
New Fund Total	1125
Total Appeals	2242



* Appeals requiring research

Appeals counted more than once: 4

Appeals Received By Issue
Old Fund Appeals (DOI < July-1-2005) vs New Fund Appeals (DOI > June-30-2005)
From August 1, 2009 Thru August 31, 2009



Appeals Received By Issue

**Old Fund Appeals (DOI < July-1-2005) vs New Fund Appeals (DOI > June-30-2005)
From August 1, 2009 Thru August 31, 2009**

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0
COMPENSABILITY	20	5	25.0	15	75.0
DEP BEN FATAL	2	1	50.0	1	50.0
OPBD	4	3	75.0	1	25.0
PPD	20	9	45.0	11	55.0
PTD ENTITLEMENT	1	1	100.0	0	0.0
REOPENING	6	4	66.7	2	33.3
TEMP	1	0	0.0	1	100.0
TRMT/EQUIP CL	19	8	42.1	11	57.9
TRMT/EQUIP EM	2	1	50.0	1	50.0
TTD	9	2	22.2	7	77.8
Totals	85	35	41.2	50	58.8

Appeals counted more than once:

2043393 (2005201561 DOI: 09/30/2004 REOPENING)

2043393 (2005201561 DOI: 09/30/2004 TTD)

2043398 (2007218893 DOI: 10/16/2006 COMPENSABILITY)

2043398 (2007218893 DOI: 10/16/2006

PPD)

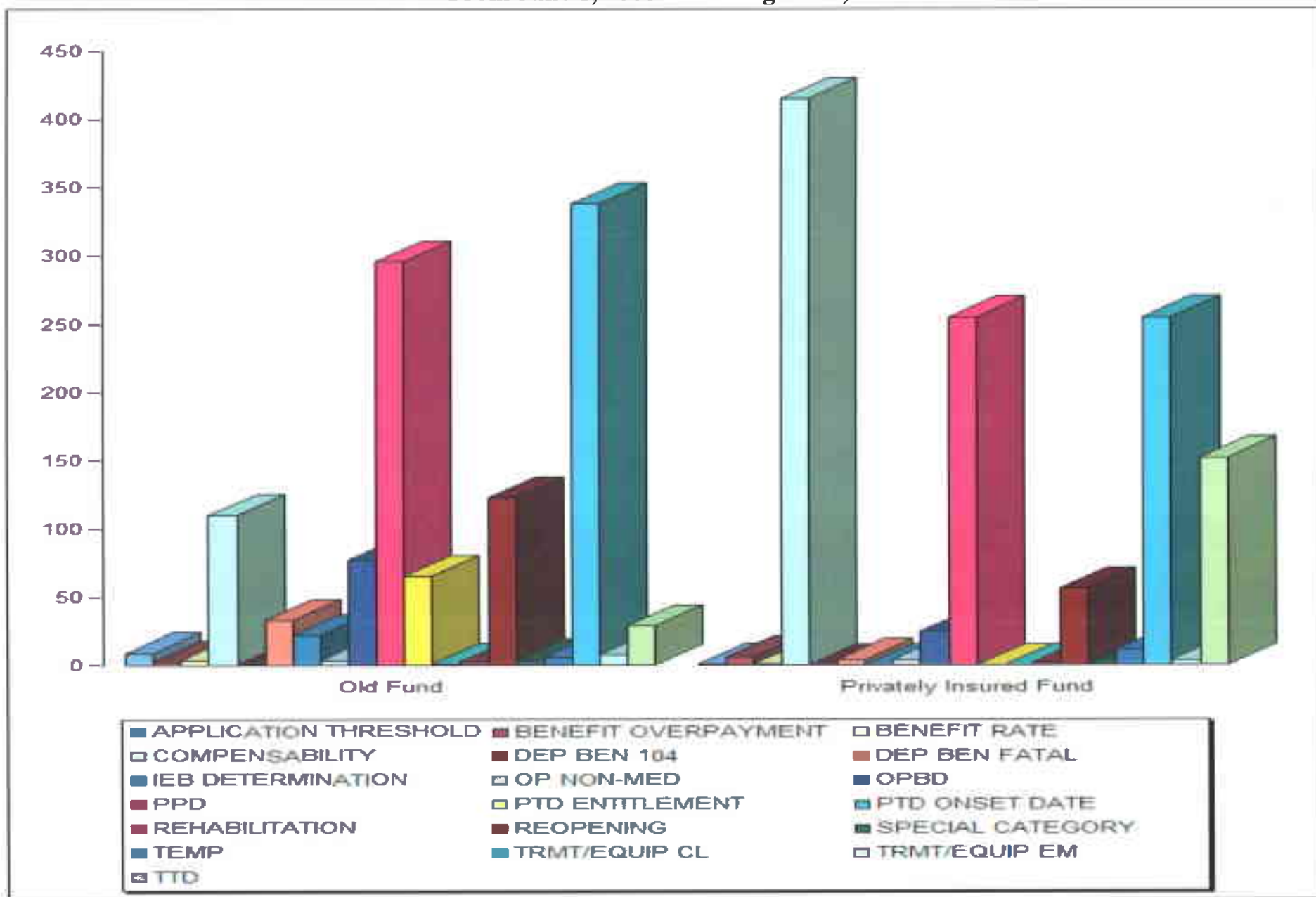
2043444 (2009086642 DOI: 04/03/2009 COMPENSABILITY)

2043444 (2009086642 DOI: 04/03/2009 TRMT/EQUIP CL)

Yearly Appeals Received By Issue

Old Fund Appeals (DOI < July-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)

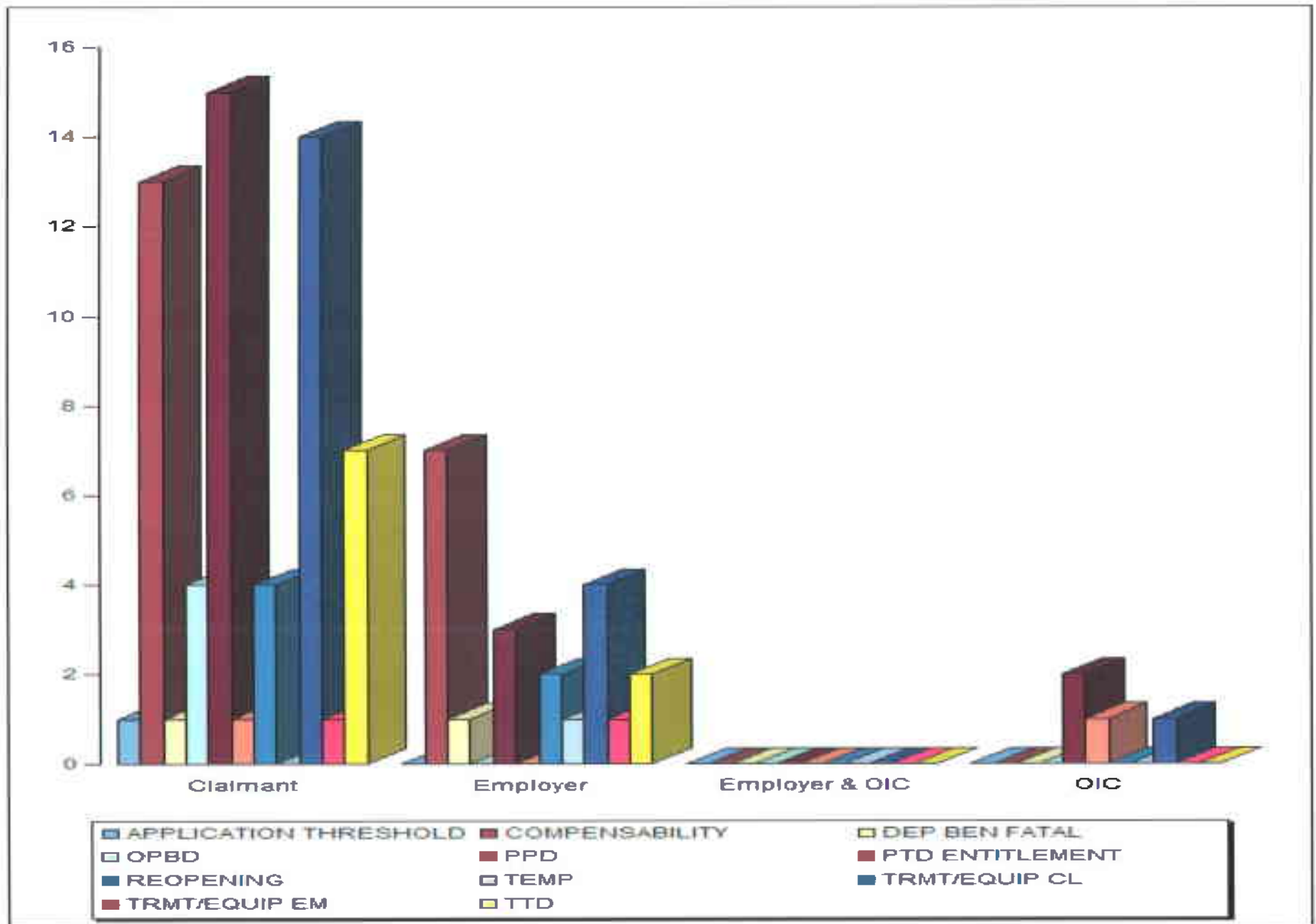
From June 1, 2008 Thru August 31, 2009



Yearly Appeals Received By Issue
Old Fund Appeals (DOI < July-1-2005) vs Privately Insured Appeals (DOI > June-30-2005)
From June 1, 2008 Thru August 31, 2009

Type of Issue	Total Issues	Old Fund		Privately Insured	
		#	%	#	%
APPLICATION THRESHOLD	10	9	90.0	1	10.0
BENEFIT OVERPAYMENT	9	3	33.3	6	66.7
BENEFIT RATE	5	4	80.0	1	20.0
COMPENSABILITY	525	110	21.0	415	79.0
DEP BEN 104	1	1	100.0	0	0.0
DEP BEN FATAL	37	33	89.2	4	10.8
IEB DETERMINATION	22	22	100.0	0	0.0
OP NON-MED	8	4	50.0	4	50.0
OPBD	102	77	75.5	25	24.5
PPD	551	296	53.7	255	46.3
PTD ENTITLEMENT	65	65	100.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0
REHABILITATION	5	3	60.0	2	40.0
REOPENING	179	123	68.7	56	31.3
SPECIAL CATEGORY	4	4	100.0	0	0.0
TEMP	17	6	35.3	11	64.7
TRMT/EQUIP CL	593	338	57.0	255	43.0
TRMT/EQUIP EM	12	8	66.7	4	33.3
TTD	181	29	16.0	152	84.0
Totals	2327	1136	48.8	1191	51.2

Appeals Received By Issue From August 1, 2009 Thru August 31, 2009



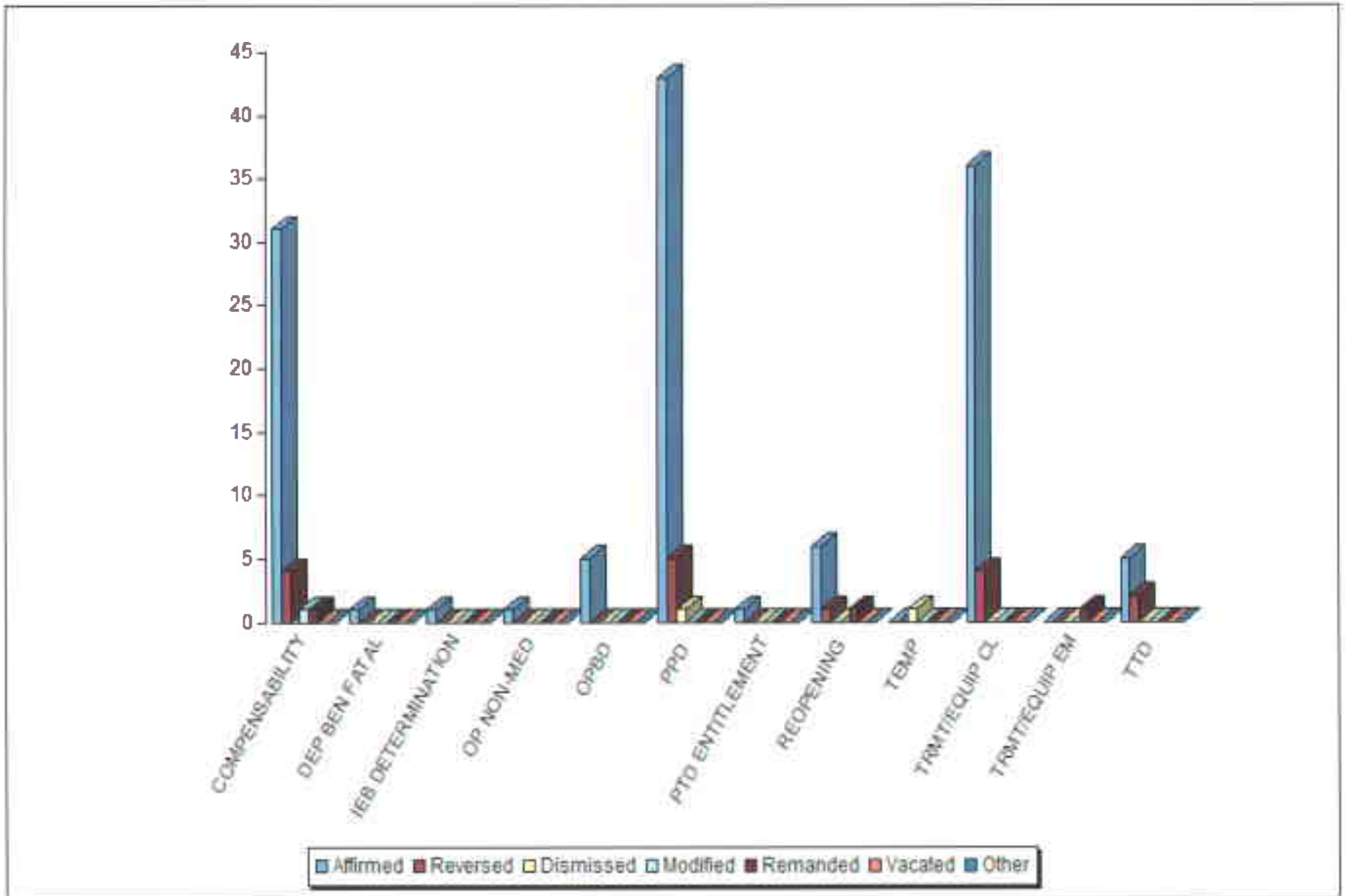
Appeals Received By Issue
From August 1, 2009 Thru August 31, 2009

Type of Issue	Total Issues	Claimant		Employer		OIC		Emp and OIC	
		#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	1	1	100.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	20	13	65.0	7	35.0	0	0.0	0	0.0
DEP BEN FATAL	2	1	50.0	1	50.0	0	0.0	0	0.0
OPBD	4	4	100.0	0	0.0	0	0.0	0	0.0
PPD	20	15	75.0	3	15.0	0	0.0	2	10.0
PTD ENTITLEMENT	2	1	50.0	0	0.0	0	0.0	1	50.0
REOPENING	6	4	66.7	2	33.3	0	0.0	0	0.0
TEMP	1	0	0.0	1	100.0	0	0.0	0	0.0
TRMT/EQUIP CL	19	14	73.7	4	21.1	0	0.0	1	5.3
TRMT/EQUIP EM	2	1	50.0	1	50.0	0	0.0	0	0.0
TTD	9	7	77.8	2	22.2	0	0.0	0	0.0
Totals	86	61	70.9	21	24.4	0	0.0	4	4.7

**WORKER COMPENSATION BOARD OF REVIEW
FOR AUGUST 2009**

Appealed By	BOR Disposition	Disposition		Total %	Year to Date		
		Count	Disp %		Date	Disp %	Total %
CLAIMANT	AFFIRMED	103	93.6%	67.8%	779	89.4%	59.7%
	DISMISSED				4	0.5%	0.3%
	MODIFY				2	0.2%	0.2%
	MOOT				2	0.2%	0.2%
	REMAND	3	2.7%	2.0%	26	3.0%	2.0%
	REVERSE	4	3.6%	2.6%	57	6.5%	4.4%
	VACATE				1	0.1%	0.1%
	Total Dispositions	110			871		
CLAIMANT/EMPLOYER	AFFIRMED	2	100.0%	1.3%	8	72.7%	0.6%
	DISMISSED				1	9.1%	0.1%
	REVERSE				2	18.2%	0.2%
	Total Dispositions	2			11		
EMPLOYER	ABEYANCE	1	3.7%	0.7%	2	0.7%	0.2%
	AFFIRMED	19	70.4%	12.5%	210	72.7%	16.1%
	DISMISSED				4	1.4%	0.3%
	MODIFY	1	3.7%	0.7%	3	1.0%	0.2%
	MOOT				1	0.3%	0.1%
	REMAND				6	2.1%	0.5%
	REVERSE	6	22.2%	3.9%	63	21.8%	4.8%
	Total Dispositions	27			289		
DIVISION/OIC	ABEYANCE				1	0.8%	0.1%
	AFFIRMED	8	61.5%	5.3%	71	53.4%	5.4%
	MODIFY				2	1.5%	0.2%
	REMAND				4	3.0%	0.3%
	REVERSE	5	38.5%	3.3%	54	40.6%	4.1%
	VACATE				1	0.8%	0.1%
	Total Dispositions	13			133		
	Grand Totals	152			1304		

Dispositions By Issues
BOR Orders Mailed From August 1, 2009 Thru August 31, 2009

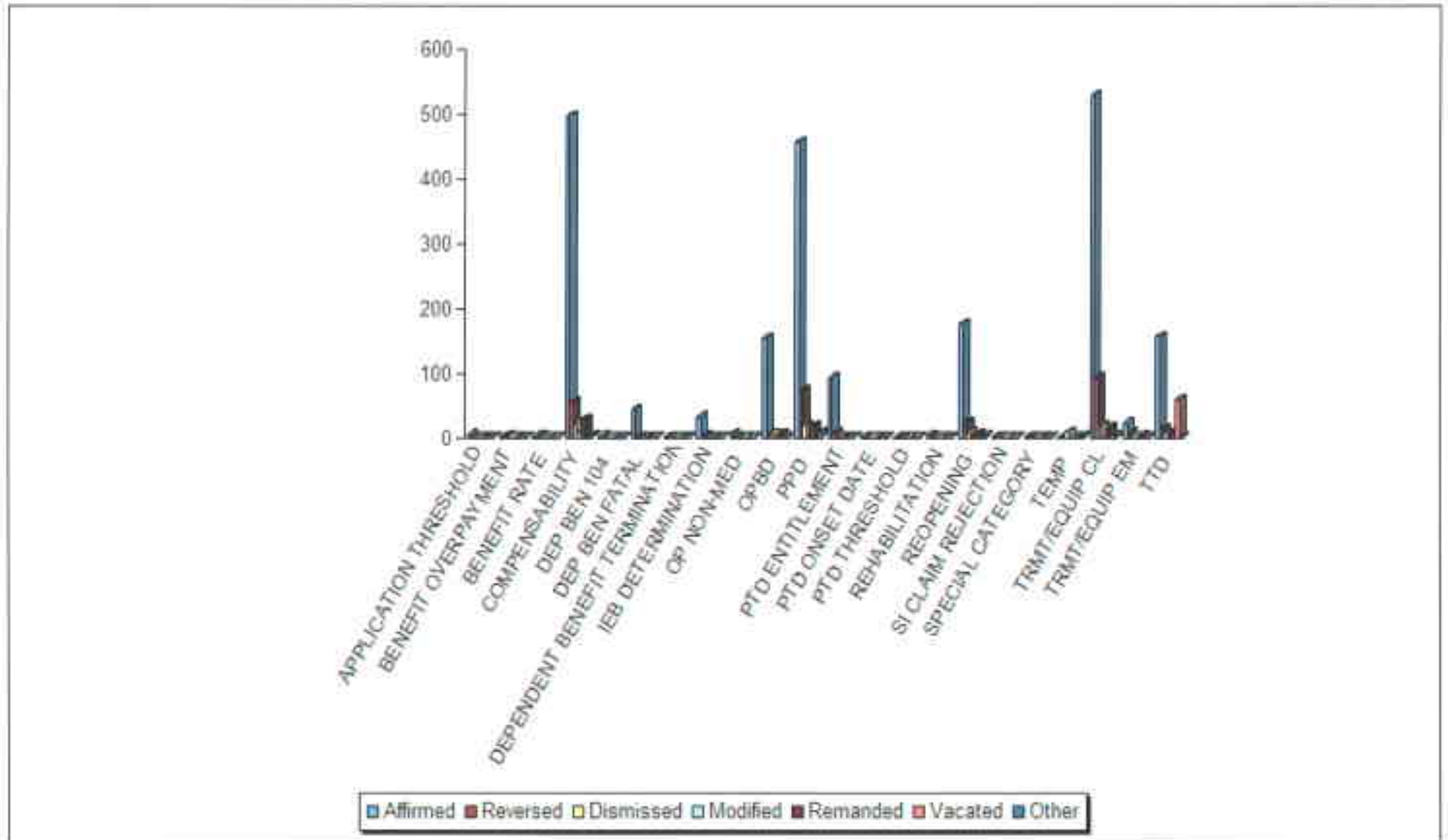


Dispositions By Issue
BOR Orders Mailed From August 1, 2009 Thru August 31, 2009

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
COMPENSABILITY	37	31	83.8	4	10.8	0	0.0	1	2.7	1	2.7	0	0.0	0	0.0
DEP BEN FATAL	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	5	5	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PPD	49	43	87.8	5	10.2	1	2.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD ENTITLEMENT	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	8	6	75.0	1	12.5	0	0.0	0	0.0	1	12.5	0	0.0	0	0.0
TEMP	1	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP CL	40	36	90.0	4	10.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TRMT/EQUIP EM	1	0	0.0	0	0.0	0	0.0	0	0.0	1	100.0	0	0.0	0	0.0
TTD	7	5	71.4	2	28.6	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Totals	152	130	85.5	16	10.5	2	1.3	1	0.7	3	2.0	0	0.0	0	0.0

Appeals counted in multiple categories: 3

Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru August 31, 2009



Yearly Dispositions By Issues
BOR Orders Mailed From June 1, 2008 Thru August 31, 2009

Type of Issue	Issues	Affirmed		Reversed		Dismissed		Modified		Remanded		Vacated		Other	
		#	%	#	%	#	%	#	%	#	%	#	%	#	%
APPLICATION THRESHOLD	6	5	83.3	0	0.0	0	0.0	0	0.0	1	16.7	0	0.0	0	0.0
BENEFIT OVERPAYMENT	4	1	25.0	3	75.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
BENEFIT RATE	4	2	50.0	2	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
COMPENSABILITY	615	497	80.8	55	8.9	22	3.6	7	1.1	28	4.6	1	0.2	4	0.7
DEP BEN 104	2	2	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
DEP BEN FATAL	47	44	93.6	1	2.1	1	2.1	0	0.0	1	2.1	0	0.0	0	0.0
DEPENDENT BENEFIT TERMINATION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
IEB DETERMINATION	35	32	91.4	2	5.7	1	2.9	0	0.0	0	0.0	0	0.0	0	0.0
OP NON-MED	8	6	75.0	1	12.5	1	12.5	0	0.0	0	0.0	0	0.0	0	0.0
OPBD	169	154	91.1	5	3.0	5	3.0	0	0.0	5	3.0	0	0.0	0	0.0
PPD	575	456	79.3	72	12.5	18	3.1	2	0.3	18	3.1	1	0.2	8	1.4
PTD ENTITLEMENT	100	92	92.0	7	7.0	0	0.0	0	0.0	1	1.0	0	0.0	0	0.0
PTD ONSET DATE	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
PTD THRESHOLD	2	0	0.0	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0
REHABILITATION	3	3	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
REOPENING	215	176	81.9	23	10.7	7	3.3	2	0.9	5	2.3	0	0.0	2	0.9
SI CLAIM REJECTION	1	1	100.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
SPECIAL CATEGORY	2	1	50.0	1	50.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
TEMP	13	0	0.0	2	15.4	8	61.5	0	0.0	0	0.0	1	7.7	2	15.4
TRMT/EQUIP CL	659	529	80.3	92	14.0	18	2.7	0	0.0	15	2.3	0	0.0	3	0.5
TRMT/EQUIP EM	31	22	71.0	7	22.6	0	0.0	0	0.0	2	6.5	0	0.0	0	0.0
TTD	244	156	63.9	14	5.7	6	2.5	1	0.4	8	3.3	58	23.8	1	0.4
Totals	2737	2181	79.7	288	10.5	88	3.2	12	0.4	84	3.1	61	2.2	20	0.7

Revenue Recovery Activity	July 2009
COLLECTION ACTIVITY	
Receipts - Old Fund (Employer out of business)	\$ 9,663.02
Receipts - PC & NU (Private Carrier Cancellation & Rogue Employers)	\$ 91,668.42
Receipts - Payment Agreements	\$ 35,283.49
Receipts - Collection Agency	\$
# of active accounts uninsured (cumulative)	838
\$ of active accounts uninsured (cumulative)	\$ 2,534,539.16
Telephone contacts	2,299
Walk-ins	16
LIENS	
Liens sent to county clerks for recordation	167
Liens sent to county clerks for release	59
Intent to lien letters sent to employer/owner/officer/member	53
INJUNCTIONS	
Affidavits for injunction submitted to legal	13
Hearings attended	8
# of injunction complaints filed	19
# of injunctions granted	3
# of agreed orders entered	1
PAYMENT AGREEMENTS	
# of repayment agreements applications	6
Agreements set up	7
Total # of agreements on system (cumulative)	102
Intent to void letters mailed	8
Agreements voided	4
MISCELLANEOUS	
Terminations Processed	184
Rule 11 Letters Mailed	303
Rule 11 hearings	0
Uninsured Policies Resolved	316
All Cash Receipts from WC accounts	\$ 136,614.93

Workers' Compensation Rules Update

A public hearing was held regarding the proposed amendments to the Title 85, Series 1 - "Claims Management and Administration," Series 9 - "Workers' Compensation Uninsured Employers' Fund," and Series 32 - "State Agency Revocation Or Refusal To Grant, Issue Or Renew Contracts, Licenses, Permits, Certificates Or Other Authority To Conduct A Trade, Profession Or Business To Or With An Employing Unit In Default Of Its Workers' Compensation Obligations" workers' compensation rules during the Industrial Council ("INDC") meeting held on July 30, 2009 at 3:00 PM. The public comment period ended at that time. No comments were received.

The September 10, 2009 meeting of the Industrial Council has been canceled due to scheduling difficulty among voting members. It is tentatively rescheduled to September 24, 2009, at 3:00 p.m., pending confirmation of availability of voting members. The final versions of Series 1, 9, and 32 will be presented when the meeting is held.

BOARD OF TREASURY INVESTMENTS

CALENDAR NOTES

CD Auction

September 9, 2009

Board Meeting

October 29, 2009

LEGISLATIVE

OPERATING REPORT

SEP - 3 2009

JULY 2009

MANAGER

**Board of
Treasury
Investments**

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

**Board of
Directors**

John D. Perdue,
State Treasurer,
Chairman

Joe Manchin III,
Governor

Glen B. Gainer
III, State Auditor

Martin Glasser,
Esq. Attorney
Appointed by
the Governor

Jack Rossi, CPA
Appointed by
the Governor

Executive Staff

Executive
Director
Glenda Probst,
CPA, CTP

Chief Financial
Officer

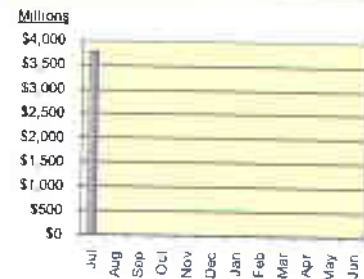
Kara K. Brewer,
CPA, MBA

Total Net Assets Under Management

\$3,779,494,000

Last Month
\$3,663,992,000

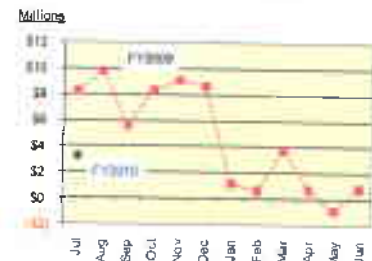
Beginning of Fiscal Year
\$3,663,992,000



**3.2% Growth This
Fiscal Year**

Total Net Income & Gains

Fiscal Year
\$3,234,000



Fiscal Year Comparison

Money Market Pools

As of July 31, 2009

Pool	1-Day Yield *	7-Day Yield *	30-Day Avg. Yield *	W.A.M. **	Net Assets
WV Money Market	.1382%	.1668%	.2095%	47 Days	\$2.7 Billion
WV Gov't Money Market	.0437%	.0334%	.0947%	49 Days	\$282.3 Million

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

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

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS
THE ECONOMIC STATE
JULY 2009

Falling Economy Is Bottoming Out

The second quarter of 2009 reflected a U.S. economy that had moved from a freefall to a bottoming out phase. The official beginning and end of recessions are determined by the National Bureau of Economic Research (NBER), and are usually announced long after the fact. For example, it was not until mid-2008 that the NBER determined the current recession started in December of 2007. While the official end of this recession may not be identified for many months, it is likely that mid-year 2009 will be identified as the turning point identified.

On the positive front, GDP contracted at a better than expected 1% annualized rate from April through June despite the pullback from consumers who continue to deleverage and increase savings. Since the U.S. economy is largely driven by consumer spending patterns, debt reduction and increased savings can hamper economic growth. The 0.7% rise in the Conference Board's leading economic indicators in June (released in July) marked the third straight monthly gain, adding to the belief that the recovery is underway.

Housing is now showing solid signs that it has begun to stabilize. Existing home sales were up in July for the fourth straight month, increasing 7.2% and marking the highest month-over-month increase in more than a decade, and now standing at the highest level in nearly two years. New home sales jumped 11% in June marking the fourth straight monthly increase.

Unemployment, while still high, dropped to 9.4% in July from 9.5% in June. While a decline of any kind is welcome, many believe this rate will continue to climb throughout 2009 and into 2010, topping out at over 10%.

Despite the growing body of evidence that the economy is bottoming out, many remain skeptical of an economic recovery and point to the stock market as proof. A common point made about the recent market rebound is that it is a "low quality" rally that has come too far too fast. However, it typically is the low quality stocks that rebound first because they have been beaten down the most in a market decline.

Although consumer confidence did drop in July for the second straight month, this was a month that clearly reflected that a shift in investor sentiment from "overly cautious" to a "more optimistic" view as investors bought up risky and oversold securities resulting in a credit market recovery to levels last seen prior to the fall of Lehman Brothers in mid-September 2008.

Interest rates fell across the yield curve in July despite a record \$200 billion of Treasury debt issuance in the last week of the month. At month end, the 10-year note was 5 basis points lower at 3.48% and the 30-year bond was 3 basis points lower at 4.30%. Spreads at the front end of the curve (2-10) had tightened by 5 basis points to 237 basis points, while the back end of the curve (10-30) was actually 2 basis points wider at 82 basis points.

All spread sectors outperformed their same-duration Treasury issue. The Barclays Capital Aggregate Index returned 1.6% during July, a very solid return, but the real story continued to be in the credit sectors where improving corporate performance and strong investor demand helped.

The Barclays Credit Index returned a healthy 3.8% and long credits were up 6.4% and the high yield market had another strong month up over 6% bringing YTD returns to over 37% as measured by the Merrill Lynch High Yield Master II Index.

The Merrill Lynch 3-Month T-Bill Index returned 0.02% in July trailing the 0.35% return of the Merrill Lynch 1-3 Year Government / Corporate A+ Index. Year-to-date, the 3-Month T-Bills returned 0.12% while the 1-3 Year Government / Corporate Index A+ returned 1.65%.

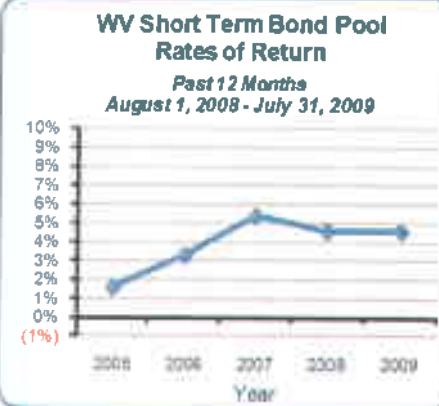
West Virginia Board of Treasury Investments

Financial Highlights as of July 31, 2009

WV Short Term Bond Pool

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

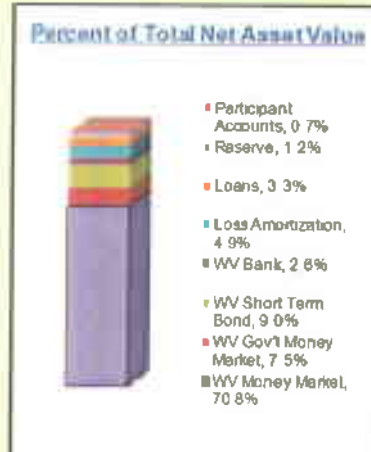
August 1 - July 31	<u>Return</u>	Net Assets At July 31 <i>(In Millions)</i>
2009	4.6%	\$ 339.8
2008	4.6%	\$ 357.7
2007	5.4%	\$ 231.6
2006	3.3%	\$ 268.4
2005	1.6%	\$ 260.5



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

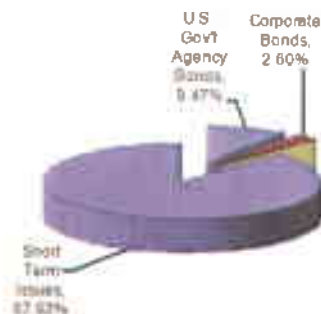
Summary of Value and Earnings *(In Thousands)*

Pool	Net Asset Value	July Net Income <i>(Loss)</i>	Fiscal YTD Net Income <i>(Loss)</i>
WV Money Market	\$ 2,677,101	\$ 464	\$ 464
WV Gov't Money Market	282,282	33	33
WV Short Term Bond	339,837	1,960	1,960
WV Bank	100,192	62	62
Loss Amortization	184,416	309	309
Loans	124,712	311	311
Reserve	45,329	38	38
Participant Accounts	25,625	57	57
	\$ 3,779,494	\$ 3,234	\$ 3,234

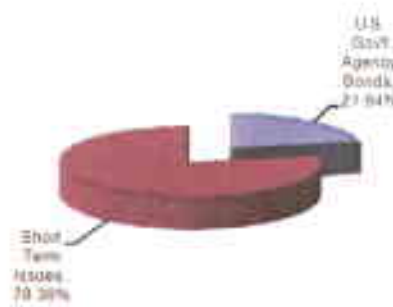


Securities by Type for Operating Pools *(Percentage of Asset Value)*

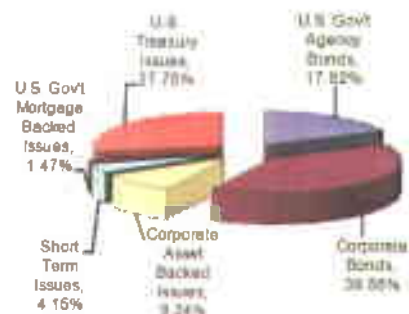
WV Money Market



WV Gov't Money Market



WV Short Term Bond



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

JULY 31, 2009

(IN THOUSANDS)

	WV Money Market Pool	WV Government Money Market Pool	WV Short Term Bond Pool	WV Bank Pool	Other Pools	Participant Directed Accounts
Assets						
Investments:						
At amortized cost	\$ 2,682,864	\$ 282,320		\$ 100,000	\$ 169,691	\$ 22,313
At fair value	-	-	\$ 338,161	-	184,416	3,096
Cash	-	-	-	-	-	-
Collateral for securities loaned	234,290	-	119,558	-	-	-
Other assets	587	16	2,680	192	354	218
Total assets	2,917,741	282,336	460,399	100,192	354,461	25,627
Liabilities						
Payable for securities loaned	234,290	-	119,558	-	-	-
Other liabilities	6,350	54	1,004	-	4	2
Total liabilities	240,640	54	120,562	-	4	2
Net Assets	\$ 2,677,101	\$ 282,282	\$ 339,837	\$ 100,192	\$ 354,457	\$ 25,625
Investment Income						
Interest and dividends	\$ 363	\$ 47	\$ 944	\$ 62	\$ 333	\$ 64
Securities lending income	-	-	-	-	-	-
Provision for securities lending loss	(205)	(63)	-	-	-	-
Net accretion (amortization)	458	65	(140)	-	564	(13)
Provision for uncollectible loans	-	-	-	-	-	-
Total investment income	616	49	804	62	937	51
Expenses						
Fees	152	25	37	-	4	1
Securities lending borrower rebates	-	-	-	-	-	-
Bad debt expense	-	-	-	-	-	-
Total expenses	152	25	37	-	4	1
Net investment income	464	24	767	62	933	50
Net realized gain (loss) from investments						
Net increase (decrease) in fair value of investments	-	9	127	-	(275)	7
Net gain (loss) from investments	-	9	1,193	-	(275)	7
Net increase (decrease) in net assets from operations	464	33	1,960	62	658	57
Distributions to participants	455	32	1,043	62	349	-
Participant activity						
Purchases, reinvestment of units and contributions	848,984	147,608	12,267	62	848	827
Redemptions and withdrawals	742,852	149,185	323	-	4,027	-
Inter-pool transfers in	25,085	-	-	25,000	-	-
Inter-pool transfers out	25,000	-	-	25,085	-	-
Net increase (decrease) in net assets from participant activity	106,217	(1,577)	11,944	(23)	(3,179)	827
Increase (decrease) in net assets	106,226	(1,576)	12,861	(23)	(2,870)	884
Net assets at beginning of period	2,570,875	283,858	326,976	100,215	357,327	24,741
Net assets at end of period	\$ 2,677,101	\$ 282,282	\$ 339,837	\$ 100,192	\$ 354,457	\$ 25,625

WEST VIRGINIA BOARD OF TREASURY INVESTMENTS

JULY 31, 2009 ASSETS

By Pool (In Thousands)

West Virginia Money Market	\$	2,677,101
West Virginia Government Money Market		282,282
Short-Term Bond		339,837
Bank		100,192
Loss Amortization		184,416
Loans		124,712
Reserve		45,329
Participant Accounts		25,625
TOTAL:	\$	3,779,494

RETURNS

Month	Money Market Pool	Gov't Money Market Pool	Short-Term Bond Pool
July 2007	5.18%	5.11%	5.41%
July 2008	2.43%	2.25%	4.56%
July 2009	0.21%	0.10%	4.59%
August 2009	0.15%	0.05%	4.79%

NOTES:

West Virginia Money Market Pool -- Simple Money Market Yield

West Virginia Government Money Market Pool -- Simple Money Market Yield

West Virginia Sort-Term Bond Pool -- Previous 12- Month Rate of Return

(President Tomblin presides)

AGENDA
JOINT COMMITTEE ON GOVERNMENT AND FINANCE
September 16, 2009

3:00 - 4:00 p.m.

Senate Finance Room

1. Approval of August 12, 2009, minutes

2. Committee Reports/Requests:

Judiciary Subcommittee B (Senator Oliverio, Chair; Delegate Fleischauer, Chair)
Requests expense reimbursement of travel expenses for Brigitte Courtet, not to exceed \$300, be approved. - Joe Altizer

MOVE that expense reimbursement be approved for Brigitte Courtet, not to exceed \$300.

WV Law Institute

Requests approval of the proposed budget of \$55,820, to study criminal sentencing reforms. - Senator Kessler

MOVE that the proposed budget of \$55,820 for WV Law Institute, be approved.

3. Monthly/Quarterly Reports Distribution:

Status Reports on the Lottery Commission, Unemployment Compensation Trust Fund, and General Revenue Fund

4. Monthly/Quarterly Reports Distribution: Robert Ferguson, Cabinet Secretary

PEIA

BRIM

CHIP

Real Estate Report

5. Monthly/Quarterly Report Distribution from Department of Health and Human Resources: Patsy Hardy, Cabinet Secretary

Medicaid Report

6. Pharmaceutical Cost Management Council Distribution

7. Investment Management Board Distribution: Craig Slaughter

8. Workers' Compensation: Jane Cline, Insurance Commissioner

9. **Board of Treasury Report Distribution**

10. **Other Business**

11. **Scheduled Interim Dates:** October 13-15 (Tuesday, Wednesday, and Thursday)
November 17-19 (Tuesday, Wednesday, and Thursday)
December 7-9 (Monday, Tuesday, and Wednesday)
January 10-12 (Sunday, Monday, and Tuesday)

12. **Adjournment**