

Legislative Oversight Commission on
Health and Human Resources Accountability

September 2007

Department of Administration

State Children's Health Insurance Program
UPDATE



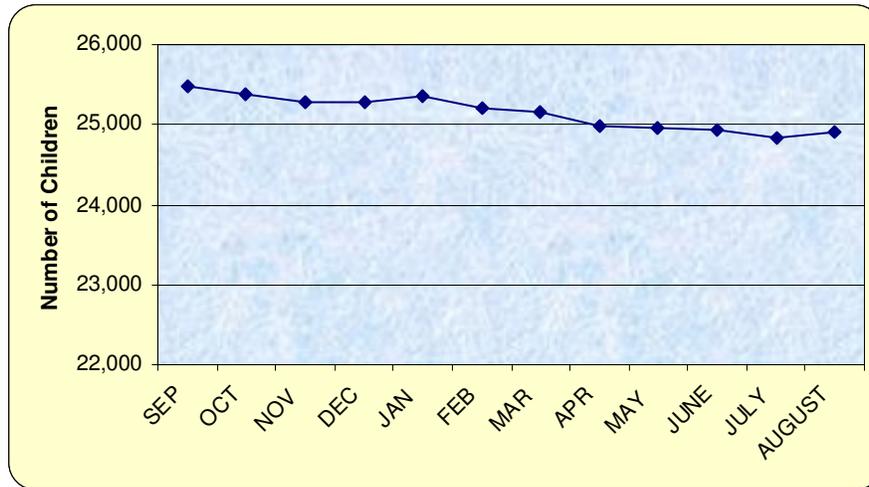
WV CHILDREN'S HEALTH INSURANCE AGENCY

REPORT FOR SEPTEMBER 2007

I. Enrollment on August 31, 2007: 24,907

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: September 2006 through August 2007



Enrollee Totals: June 2007 to August 2007

Month	Total	1 Year	Total
June	1,604	Average	1,853
July	1,707	High	2,204
August	1,856	Low	1,502

New Enrollee (Never Before on CHIP) Totals: June 2007 to August 2007

Month	Total	1 Year	Total
June	733	Average	909
July	714	High	1,149
August	750	Low	668

II. Re-enrollment for 3 Month Period: May 2007 to July 2007

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
May	1,744	1,049	60%	189	11%	506	29%
June	1,903	1,071	56%	204	11%	628	33%
July	2,016	1,109	55%	276	14%	631	31%

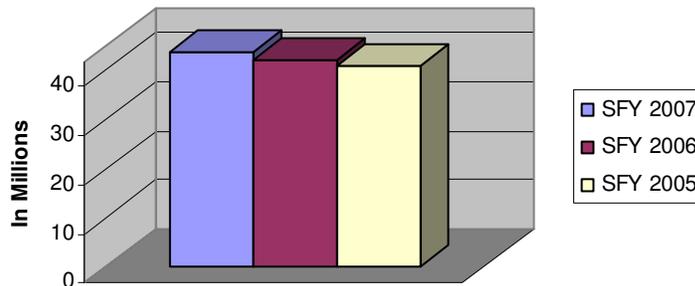
III. Financial Activity

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

The average annualized claims cost per child for the month ended July 2007 was \$1,803.

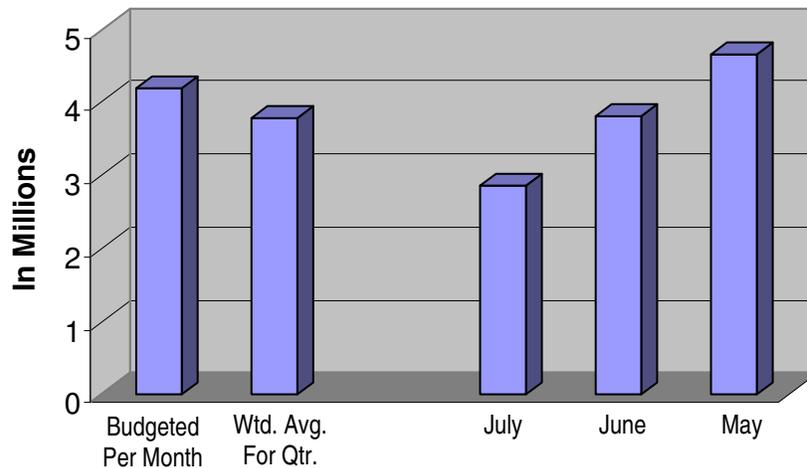
Annual Expenditures for a 3 Year Period: SFY 2005 – SFY 2007

	SFY 2007	FFP% 2007	SFY 2006	FFP% 2006	SFY 2005	FFP% 2005
Federal	35,472,537	80.97	34,247,276	81.09	33,767,136	82.26
State	8,336,944	19.03	7,986,385	18.91	7,235,862	17.74
Total Costs	43,809,481	100.00	42,233,661	100.00	41,002,998	100.00



Monthly Budgeted and Current 3 Month Period: May 2007 – July 2007

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			July 2007	June 2007	May 2007
Federal	3,401,971	3,051,376	2,302,963	3,089,478	3,761,685
State	797,994	717,151	541,255	726,106	884,091
Total	4,199,965	3,768,526	2,844,218	3,815,584	4,645,777



IV. Other Highlights

UPDATE: CHIP REAUTHORIZATION BY CONGRESS

In early August both the Senate and the House of Representatives voted on bills to reauthorize CHIP for the next five years. Now that summer recess has ended, a conference committee will be formed to send a conference bill to the President. The President has threatened a veto. If a veto were sustained, it is likely that the Congress would provide either a part year or a one year continuing resolution for the program.

NEW REGULATIONS ISSUED IN CMS LETTER

On August 17, CMS issued a letter to all state officials clarifying how it “interprets existing” statutory and regulatory requirements, in effect amending previous policies. This letter identifies five strategies states have used to ensure that CHIP coverage does not substitute for (or “crowd out”) private insurance coverage. For any state proposing to expand above 250% FPL, it will have to demonstrate use of all five strategies in order to gain state plan changes or waivers. Another burden this letter proposes is having states ensure that they currently cover 95% of all children at or below 200% before they expand above this level. It is unclear at this time if CMS has the authority to make such major policy changes through this informal mechanism and these changes have added more uncertainty for states considering, or prepared to consider, expansion.

STATE FISCAL YEAR 2007 BUDGET

Projections for fiscal year ending show CHIP at 5% under budget.

WVCHIP PREMIUM

Premium participation in CHIP is at 149 as of August 31, 2007.

WV CHIP Enrollment Report

ATTACHMENT 1

August 2007

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Aug-07	Total Medicaid Enrollment Aug-07	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	Total % Insured 3/2002*	# Children Insured Ranking*	Est. # Uninsured Eligible*
Barbour	3,248	321	1,604	1,925	59.3%	92.5%	34	255
Berkeley	22,882	1,147	5,704	6,851	29.9%	93.9%	21	1,084
Boone	5,706	323	2,613	2,936	51.5%	97.9%	4	133
Braxton	3,044	216	1,630	1,846	60.6%	95.6%	13	155
Brooke	4,658	302	1,482	1,784	38.3%	98.5%	3	0**
Cabell	18,900	960	8,142	9,102	48.2%	91.6%	39	1,218
Calhoun	1,389	133	863	996	71.7%	88.0%	52	207
Clay	2,454	201	1,369	1,570	64.0%	95.1%	15	94
Doddridge	1,607	123	735	858	53.4%	96.4%	6	60
Fayette	9,692	964	4,889	5,853	60.4%	92.1%	36	706
Gilmer	1,154	101	584	685	59.4%	92.8%	32	115
Grant	2,463	165	908	1,073	43.6%	95.8%	11	82
Greenbrier	7,110	577	2,873	3,450	48.5%	94.8%	17	306
Hampshire	5,110	285	1,854	2,139	41.9%	91.3%	40	295
Hancock	6,270	407	2,249	2,656	42.4%	92.9%	31	443
Hardy	2,950	120	1,051	1,171	39.7%	93.6%	26	200
Harrison	14,973	964	6,012	6,976	46.6%	99.9%	1	0**
Jackson	6,277	383	2,382	2,765	44.0%	93.9%	22	340
Jefferson	11,465	438	2,155	2,593	22.6%	93.9%	23	651
Kanawha	40,647	2,085	16,908	18,993	46.7%	96.4%	7	772
Lewis	3,577	286	1,808	2,094	58.5%	88.0%	53	431
Lincoln	4,945	403	2,564	2,967	60.0%	93.3%	27	327
Logan	7,610	532	3,952	4,484	58.9%	92.1%	37	654
Marion	11,245	784	4,352	5,136	45.7%	95.9%	10	516
Marshall	7,176	401	2,737	3,138	43.7%	97.5%	5	217
Mason	5,461	332	2,533	2,865	52.5%	95.7%	12	249
McDowell	5,170	432	3,504	3,936	76.1%	93.8%	25	373
Mercer	12,687	1,097	6,728	7,825	61.7%	91.0%	41	1,268
Mineral	5,973	304	2,083	2,387	40.0%	90.7%	43	251
Mingo	6,204	428	3,349	3,777	60.9%	88.5%	51	566
Monongalia	14,346	713	4,101	4,814	33.6%	92.6%	33	1,144
Monroe	2,728	251	945	1,196	43.8%	93.1%	29	196
Morgan	3,365	219	1,024	1,243	36.9%	89.2%	49	285
Nicholas	5,478	458	2,508	2,966	54.1%	94.4%	19	324
Ohio	9,068	471	3,152	3,623	40.0%	95.6%	14	480
Pendleton	1,632	124	417	541	33.2%	99.0%	2	19
Pleasants	1,593	103	503	606	38.0%	93.9%	24	88
Pocahontas	1,717	148	647	795	46.3%	87.7%	54	224
Preston	6,354	539	2,401	2,940	46.3%	90.2%	47	236
Putnam	12,522	610	3,212	3,822	30.5%	93.2%	28	486
Raleigh	15,992	1,292	6,920	8,212	51.4%	91.7%	38	1,395
Randolph	5,971	486	2,466	2,952	49.4%	89.7%	48	653
Ritchie	2,234	153	830	983	44.0%	96.2%	9	81
Roane	3,266	314	1,684	1,998	61.2%	90.5%	44	336
Summers	2,322	223	1,172	1,395	60.1%	88.9%	50	315
Taylor	3,307	217	1,463	1,680	50.8%	90.9%	42	356
Tucker	1,354	184	483	667	49.3%	93.1%	30	103
Tyler	1,887	102	898	1,000	53.0%	94.9%	16	93

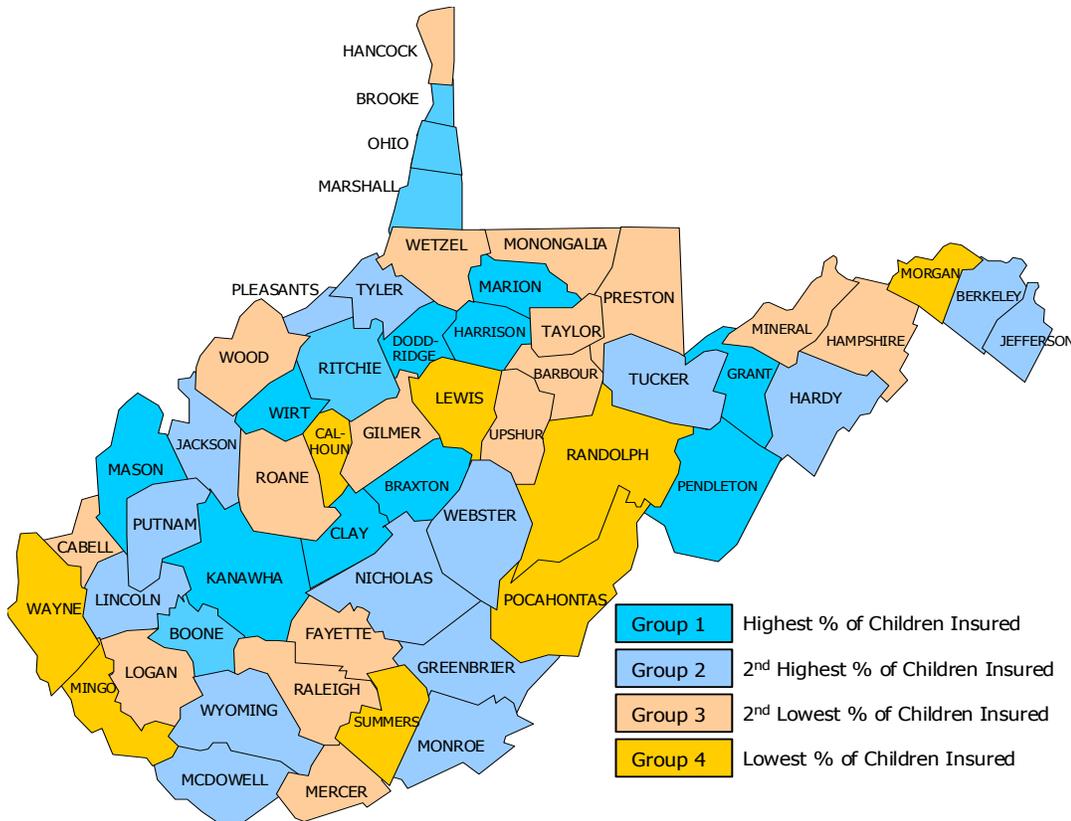
WV CHIP Enrollment Report

August 2007

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Upshur	4,956	410	2,257	2,667	53.8%	90.4%	46	547
Wayne	9,176	583	4,212	4,795	52.3%	87.7%	55	1,034
Webster	2,020	206	1,093	1,299	64.3%	94.7%	18	103
Wetzel	3,732	233	1,671	1,904	51.0%	92.5%	35	334
Wirt	1,268	131	566	697	55.0%	96.3%	8	46
Wood	19,063	1,089	7,880	8,969	47.0%	90.5%	45	1,624
Wyoming	5,092	434	2,839	3,273	64.3%	94.0%	20	231
Totals	382,490	24,907	154,961	179,868	47.0%	93.4%		22,446

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

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



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

	#####	#####	Variance	
Revenues:				
Federal Grants	2,327,254	1,663,331	663,923	40%
State Appropriations	2,193,799	2,193,340	459	0%
Premium Revenues	4,117	-	4,117	
Investment Earnings	<u>18,748</u>	<u>8,106</u>	<u>10,642</u>	131%
 Total Operating Revenues	 <u>4,543,918</u>	 <u>3,864,777</u>	 <u>679,141</u>	 <u>18%</u>
Operating Expenditures:				
Claims:				
Outpatient Services	1,026,715	500,596	526,119	105%
Prescribed Drugs	526,582	421,117	105,465	25%
Inpatient Hospital Services	419,660	694,116	(274,456)	-40%
Dental	402,139	331,317	70,822	21%
Physicians & Surgical	360,325	623,578	(263,253)	-42%
Outpatient Mental Health	82,450	91,267	(8,817)	-10%
Inpatient Mental Health	78,665	105,331	(26,666)	-25%
Medical Transportation	48,582	74,020	(25,438)	-34%
Vision	35,567	45,818	(10,251)	-22%
Therapy	35,133	45,686	(10,553)	-23%
Durable & Disposable Med. Equip.	21,942	18,647	3,295	18%
Other Services	(4,510)	9,601	(14,111)	-147%
Less: Collections*	<u>(98,388)</u>	<u>(97,047)</u>	<u>(1,341)</u>	1%
Total Claims	<u>2,934,862</u>	<u>2,864,047</u>	<u>70,815</u>	<u>2%</u>
General and Admin Expenses:				
Salaries and Benefits	47,905	45,981	1,924	4%
Program Administration	195,326	139,546	55,780	40%
Eligibility	29,933	22,964	6,969	30%
Outreach & Health Promotion	661	504	157	31%
Current	<u>10,880</u>	<u>7,818</u>	<u>3,062</u>	<u>39%</u>
Total Administrative	<u>284,705</u>	<u>216,813</u>	<u>67,892</u>	<u>31%</u>
 Total Expenditures	 <u>3,219,567</u>	 <u>3,080,860</u>	 <u>138,707</u>	 <u>5%</u>
 Excess of Revenues Over (Under) Expenditures	 1,324,351	 783,917	 540,434	 69%
 Fund Equity, Beginning	 <u>1,195,943</u>	 <u>1,027,377</u>	 <u>168,566</u>	 <u>16%</u>
 Fund Equity, Ending	 <u>2,520,294</u>	 <u>1,811,294</u>	 <u>709,000</u>	 <u>39%</u>

* Collections are primarily drug rebates and subrogation

* State Appropriations restated in prior year to actual draw deposited

PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

**West Virginia Children's Health Insurance Program
 Budget to Actual Statement
 State Fiscal Year 2008
 For the One Month Ended July 31, 2007**

	<u>Budgeted for Year</u>	<u>Year to Date Budgeted Amt</u>	<u>Year to Date Actual Amt</u>	<u>Year to Date Variance*</u>		<u>Monthly Budgeted Amt</u>	<u>Jul-07</u>
Projected Cost	\$49,020,492	\$4,085,041	\$2,833,984	\$1,251,057	31%	\$4,085,041	#####
Premiums	136,290	\$11,358	4,117	\$0	n/a	11,358	4,117
Medical Copays	576,800	\$48,067	0	48,067	-100%	48,067	
Drug Copays	489,250	\$40,771	0	40,771	-100%	40,771	
Subrogation & Rebates	<u>760,000</u>	<u>\$63,333</u>	<u>98,388</u>	<u>(35,055)</u>	55%	<u>63,333</u>	<u>98,388</u>
Net Benefit Cost	47,058,152	\$3,921,513	\$2,735,596	\$1,185,917	30%	3,921,513	2,735,596
Salaries & Benefits	\$519,673	\$43,306	\$47,905	(\$4,599)	-11%	\$43,306	\$47,905
Program Administration	2,166,796	\$180,566	42,009	138,557	77%	180,566	42,009
Eligibility	340,055	\$28,338	6,646	21,692	77%	28,338	6,646
Outreach	27,157	\$2,263	661	1,602	71%	2,263	661
Current Expense	<u>287,741</u>	<u>23,978</u>	<u>11,401</u>	<u>12,577</u>	52%	<u>23,978</u>	<u>11,401</u>
Total Admin Cost	\$3,341,422	\$278,452	\$108,622	\$169,830	61%	\$278,452	\$108,622
Total Program Cost	<u>\$50,399,574</u>	<u>\$4,199,965</u>	<u>\$2,844,218</u>	<u>\$1,355,747</u>	32%	<u>\$4,199,965</u>	#####
Federal Share 80.97%	40,823,655	3,401,971	\$2,306,376	1,095,595	32%	3,401,971	2,306,376
State Share 19.03%	<u>9,575,919</u>	<u>797,993</u>	<u>\$537,842</u>	<u>260,152</u>	33%	<u>797,993</u>	<u>537,842</u>
Total Program Cost	<u>\$50,399,574</u>	<u>\$4,199,965</u>	<u>\$2,844,218</u>	<u>\$1,355,747</u>	32%	<u>\$4,199,965</u>	#####

* Positive percentages indicate favorable variances

** Budgeted Year Based on CCRC Actuary 6/30/2007 Report.

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

Unaudited - Cash Basis For Management Purposes Only - Unaudited

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

Investment Account

Funds Invested	\$6,088,114
Interest Earned	<u>18,748</u>
Total	<u>\$6,106,862</u>

Unaudited - For Management Purposes Only - Unaudited