West Virginia Children's Health Insurance Program

Annual Report 2009

A REAUTHORIZED WVCHIP *expands to more families, protects from rising health care costs, and keeps kids covered - even when parents lose jobs!*

West Virginia
Children's Health Insurance Program

2009 Annual Report

Joe Manchin III, Governor

Joe Manchin III, Governor
State of West Virginia

Robert W. Ferguson, Jr., Cabinet Secretary
West Virginia Department of Administration

Sharon L. Carte, Executive Director
West Virginia Children's Health Insurance Program

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

Our Mission

To provide quality health insurance to eligible children
and strive for a health care system in which all
West Virginia children have access to health care coverage.

Our Vision

All West Virginia's children have access to health care coverage.

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Introductory Section

"We have the ability to prevent or control many of the health care problems associated with common childhood conditions that can have a long term detrimental impact on children's development and opportunities in life. This argues for access to well-child care for all children to identify problems early and manage chronic conditions effectively."

Committee on the Consequences of Uninsurance
Institute of Medicine of the National Academies
2002

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December 15, 2009

Honorable Joe Manchin III, Governor
State of West Virginia

Honorable Members of the
West Virginia Legislature

Board of Directors
West Virginia Children's Health Insurance Program

Robert W. Ferguson, Jr., Cabinet Secretary
West Virginia Department of Administration

Sharon L. Carte, Executive Director
West Virginia Children's Health Insurance Program

Ladies and Gentlemen:

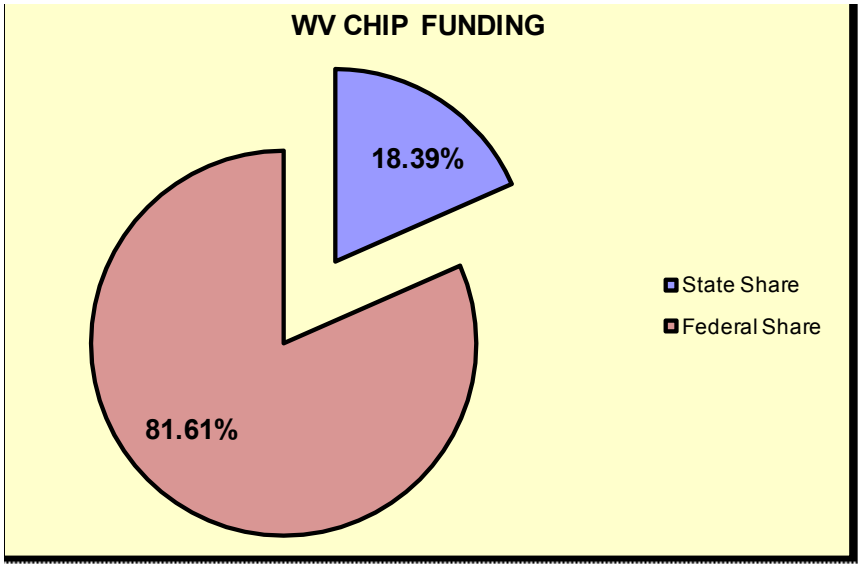
It is a privilege to submit to you the Annual Report of the West Virginia Children's Health Insurance Program (WVCHIP) for the fiscal year ended June 30, 2009. This report was prepared by the Financial Officer of WVCHIP. Management of WVCHIP is responsible for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures. We believe the data, as presented, are accurate in all material respects and presented in a manner that fairly reports the financial position and results of operations of WVCHIP. All disclosures necessary to enable the reader to gain an understanding of WVCHIP's financial activities have been included. It should be noted that these financial reports are unaudited and for management purposes only.

This Annual Report is presented in three sections: introductory, financial, and statistical. The introductory section contains this transmittal letter, a list of the principal officers of WVCHIP, and WVCHIP's organizational chart. The financial section includes the basic financial statements and footnotes as well as certain supplementary information as required by State Code. Also included in the financial section is management's discussion and analysis (MD&A) which provides the reader a narrative introduction, overview, and further analysis of the financial information presented. The statistical section includes selected financial and statistical data to provide a picture of the population served and the services they received.

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

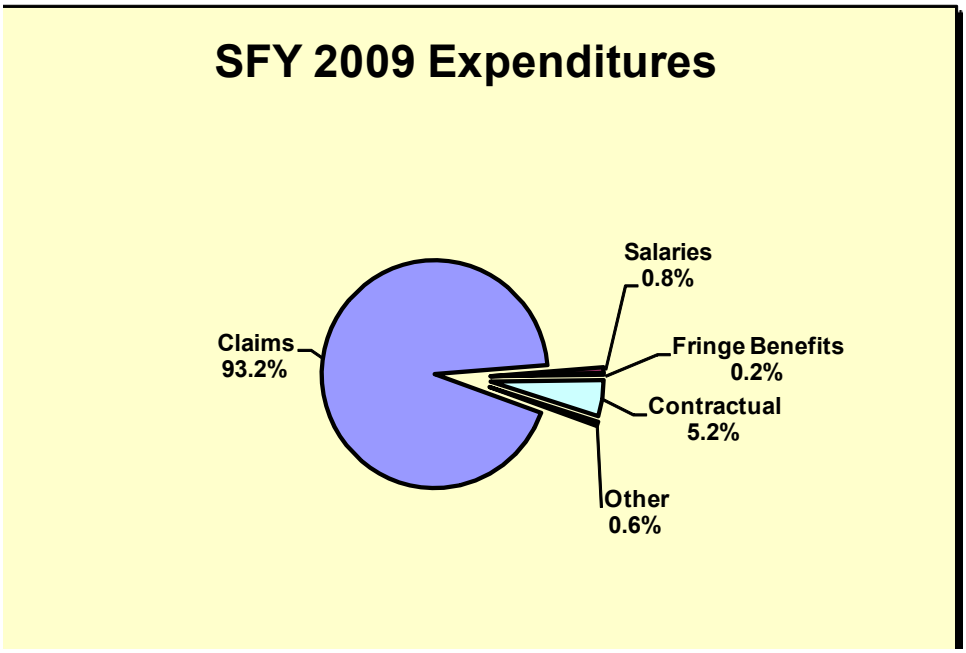
FINANCIAL PERFORMANCE AND OUTLOOK

WVCHIP is funded by both federal and state monies. Each year the program receives an allotment of federal money that may be used to fund program expenditures at a set percentage. Currently, federal allotments are available for a period of two years. State money is provided through general appropriations that are approved by both the Governor and the State Legislature. State money that is not used in the current year is carried-over to the next year. The match rates at June 30, 2009, were 81.61% federal share and 18.39% state share.



WV State Code requires that estimated program claims and administrative costs, including incurred but not reported claims, not exceed 90 percent of the total funding available to the program, and provides for an actuarial opinion to ensure that this requirement will be met. The Actuarial Report dated June 30, 2009, confirms this requirement will be met through SFY 2015, assuming that state appropriations remain at the current level as SFY 2010, $10,972,709, and considering projected enrollment and program costs trends.

Based on estimated funding, enrollment, and costs, the June 30, 2009, Actuarial Report projected federal funding shortfalls of $14.1 million, $21.7 million, and $26.6 million in state fiscal years (SFY) 2014, 2015, and 2016, respectively. No federal funding shortfalls are projected for SFYs 2010 through 2013. All projections assume federal allotments will remain at the same level as the 2009 allotment.



REAUTHORIZATION

The Children's Health Insurance Program was reauthorized by Congress and signed into law by President Obama on February 4, 2009, extending the program through 2013. Under the new bill, states will receive increased annual allotments based on a revised formula that considers each state's actual projected spending and demographics, as well as national trends. Also, provisions that extend program eligibility and streamlined enrollment processes are part of the bill. More information regarding reauthorization is included in the MD&A section that starts on page 10 of this report.

INITIATIVES

This year WVCHIP met numerous objectives and demands related to reauthorization changes and provisions as well as evaluation and initiation of a new Third-Party Administrator (TPA) contract. Wells Fargo, Third-Party Administrators, Inc. (Wells Fargo, TPA) continues to serve the WVCHIP under the new contract. The program also expanded eligibility to 250% of the Federal Poverty Level (FPL) on January 1, 2009. Additionally, on-going review and monitoring functions for enrollment data processes and procedures commenced in spring 2009. All initiatives are discussed in more detail in the Major Initiatives section of the MD&A.

OTHER

Title XXI of the Social Security Act, enacted in 1997 by the Balanced Budget Act, authorized Federal grants to states for the provision of child health assistance to uninsured, low-income children. The Centers for Medicare and Medicaid Services (CMS) monitors the operation of WVCHIP. Financial statements are presented for the state fiscal year ended June 30, 2009. The federal fiscal year ends September 30 and further documentation is submitted to CMS based on that period. Certain statistical information such as HEDIS-type reports, by nature, is presented on a calendar year basis as required.

ACKNOWLEDGMENTS

This year West Virginia's CHIP program was modestly expanded yet again to serve more children and their families - a 2008 decision taken in advance of the 2009 Congressional reauthorization of the CHIP statute and funding. A very special note of gratitude and acknowledgement is due Governor Joe Manchin III, members of the West Virginia Legislature *(in particular those health committee leaders serving as ex-officio Board members)*, and all members of the Children's Health Insurance Board. This decision of continued support for program growth and additional coverage of more children, when there were still questions and even skepticism about the extent of future federal funding, allowed several hundred more children to have affordable coverage in a difficult economy when it was most needed. Thank you for keeping faith with the needs of these children.

Our most sincere appreciation is also extended to Secretary Robert W. Ferguson, Jr., whose strong leadership and support helps this Agency focus on its mission foremost. Finally, this report would not have been possible without the dedication and effort of WVCHIP's Executive Director, Sharon L. Carte. Respectfully, we submit this Annual Report for the West Virginia Children's Health Insurance Program for the year ended June 30, 2009.

Sincerely,

Stacey L. Shamblin, MHA
Financial Officer

Principal Officials

Joe Manchin III, Governor
State of West Virginia

Robert W. Ferguson, Jr., Cabinet Secretary
West Virginia Department of Administration

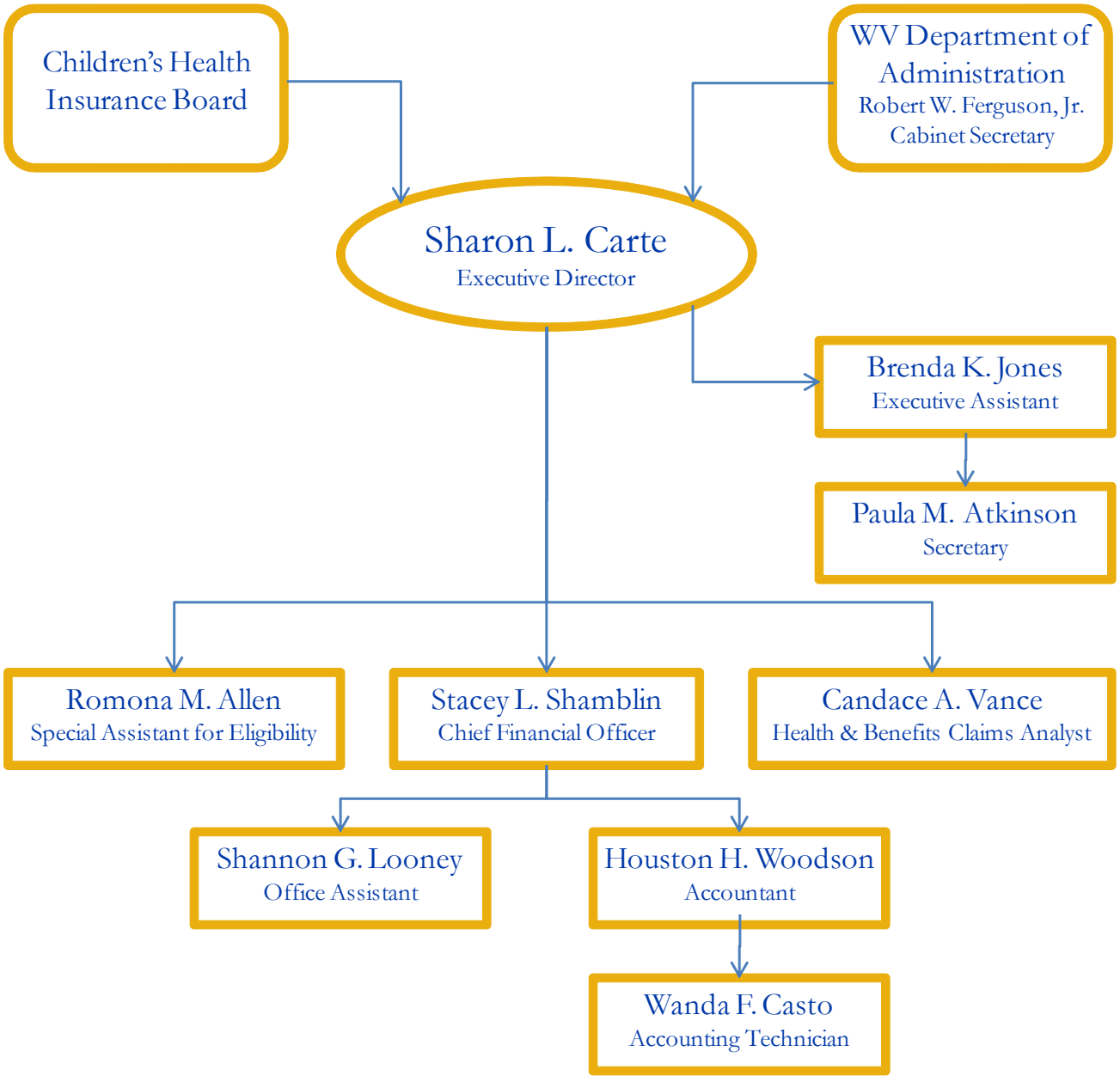
Board Members

Sharon L. Carte, Chair
Ted Cheatham, Public Employees Insurance Agency, Director
Martha Yeager Walker, Department of Health & Human Resources, Cabinet Secretary
The Honorable Roman Prezioso, West Virginia Senate, Ex-Officio
The Honorable Don Perdue, West Virginia House of Delegates, Ex-Officio
Lynn T. Gunnoe, Citizen Member
Margie Hale, Citizen Member
Travis Hill, Citizen Member
Larry Hudson, Citizen Member
Judith Radcliff, Citizen Member
VACANT, Citizen Member

Staff

Sharon L. Carte, Executive Director
Romona M. Allen, Special Assistant for Eligibility
Paula M. Atkinson, Secretary
Wanda F. Casto, Accounting Technician
Brenda K. Jones, Executive Assistant
Shannon G. Looney, Office Assistant
Stacey L. Shamblin, Financial Officer
Candace A. Vance, Health and Benefits Claims Analyst
Houston H. Woodson, Accountant

Staff Organizational Chart



STATE OF WEST VIRGINIA
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Financial Section

Who Are The Remaining Children Not Benefiting?

"Children with health care coverage are more likely to receive timely care for childhood illnesses such as sore throats, ear aches, and asthma; make fewer visits to the emergency room or hospital; and have access to needed medications and better preventive services."

-Fernando Indacochea, MD, Grant County Pediatrician and American Academy of Pediatrics, WV Chapter President

MANAGEMENT'S DISCUSSION AND ANALYSIS

WEST VIRGINIA CHILDREN'S HEALTH INSURANCE PROGRAM
For the Year Ended June 30, 2009

Management of the West Virginia Children's Health Insurance Program (WVCHIP) provides this Management's Discussion and Analysis for readers of WVCHIP's financial statements. This narrative overview of the financial statements of WVCHIP is for the year ended June 30, 2009. We encourage readers to consider this information in conjunction with the additional information that is furnished in the footnotes follow the financial statements. Please note that these financial statements are unaudited and for management purposes only.

HISTORY AND BACKGROUND

WVCHIP's primary purpose is to provide health insurance coverage to uninsured children in families whose income disqualifies them from coverage available through the Medicaid Program, but is less than or equal to 250% of the current Federal Poverty Level (FPL). When Congress amended the Social Security Act in 1997 to create Title XXI "State Children's Health Insurance Program" (SCHIP), federal funding was allocated to the states for such programs over a ten year period. The West Virginia Legislature established the legal framework for this State's program in legislation enacted in April 1998. The program was Congressionally reauthorized through 2013 on February 4, 2009.

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

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

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

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

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

- In June 2000, WVCHIP notified the federal government that it was withdrawing the Medicaid expansion program and combining it with Phase II to create a separate state program.
- Phase III: In October 2000, WVCHIP expanded coverage for all children through age 18 in families with incomes between 150% and 200% FPL.
- In June 2002, WVCHIP modified its co-payment requirements for pharmacy benefits to eliminate co-pays for generic drugs and expand co-pay requirements for brand name drugs. It also adopted an annual benefit limit of $200,000 and a lifetime benefit limit of $1,000,000.
- In January 2006, WVCHIP modified its pharmacy benefits by implementing a Preferred Drug List which encouraged utilization of generic drugs and increased the amount of drug rebates received from drug manufacturers.
- In January 2007, WVCHIP expanded its upper income limit for program eligibility to 220%FPL. This expanded program from 200-220%FPL is called WVCHIP Premium. Families enrolled in this group are required to make monthly premium payments based on the number of children enrolled in the family. Children in this group receive full medical and drug benefits, limited dental, and no vision coverage.
- In January 2008, WVCHIP modified its state plan to allow the program to secure federal match to pay for comprehensive well-child exams for uninsured children entering Kindergarten using administrative funds.
- In January 2009, WVCHIP further expanded its upper income limit for program eligibility to 250% FPL. Children covered under this expanded group are enrolled in WVCHIP Premium.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

FINANCIAL HIGHLIGHTS

The following financial statements summarize the financial position and the results of operations for the years ended June 30, 2009 and 2008. (See pages 15 and 16.)

- Total assets increased approximately $2,978,203, or 25% in comparison to the previous year-end amount. This increase is primarily a result of higher ending cash balances and reflects the program's increased carry-over funding for the next year. There was also a slight increase in funds due from the federal government based on a higher ending balance of unpaid insurance claims liability compared to last year.
- Total liabilities decreased by approximately $274,193 from last year. The majority of the decrease is attributable to a decrease in deferred revenues.
- Total fund equity increased approximately $3,252,397 in comparison to the previous year end amount.
- Total operating revenues increased by $2,470,718, or 5%.
- Medical, dental, and prescription drug expenditures comprise approximately 93% of WVCHIP's total costs. These expenditures increased approximately 6%, or $2,323,370 over the prior year.
- Administrative costs accounted for 7% of overall expenditures. These expenditures increased approximately $266,944, representing an increase of 9%.

FINANCIAL ANALYSIS

Costs

A 6% trend in medical, dental, and prescription drug claims is about the same as the 7% increases in spending experienced by plans nationally. After adjusting for decreased enrollment, a net increase of 7% appears to be in line with national experience. Three factors affect total claims expenditures; enrollment, utilization of services, and fees paid to providers for services they render to WVCHIP members. Each of these factors contributed to the following increases in WVCHIP's claims costs:

- Enrollment: -1.6%
- Service Utilizaton: +2.3%
- Price/Fee Increases +5.3%

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

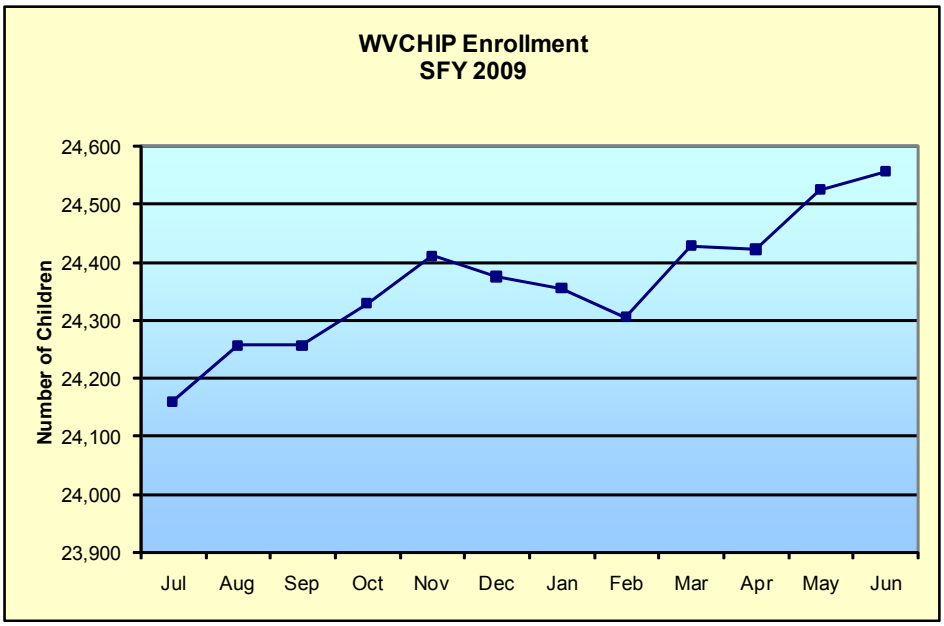
Enrollment

Monthly enrollment decreased steadily over the year, with an overall decrease in enrollment of 1.6% compared to last year.

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

GROUP	FPL	AVG MONTHLY ENROLLMENT	PERCENT INCREASE
CHIP Gold (Phases I&II)	100% - 150%	14,975	-3.5%
CHIP Blue (Phase III)	151% - 200%	8,990	-0.3%
WVCHIP Premium	201% - 250%	398	+7.5%

WVCHIP Premium is the newest enrollment group and includes children in families with income above 200%FPL up to and including 250%FPL. Initially, 12 children were enrolled in this group when it was "rolled-out" in February 2007. By June 2009, enrollment increased to 664 members. Enrollment in this group continues to grow and by the end of November 2009, 849 children were enrolled. Enrollment has grown 96% since December 2008, due to the expansion of the income eligibility limit from 220% FPL to 250% FPL in January 2009.



Utilization

It is easy to assume that a health plan would incur lower costs with decreased enrollment: less members = payments for less services = decreased costs. This is not a correct assumption for WVCHIP's experience during SFY 2009, however. Increased payments due to service utilization changes are caused by factors more dynamic than simply the number of members covered by the plan. Not only do changes in plan membership cause the plan to pay for more or less services, but also other factors including provider practices and service guidelines; services mandated or recommended by either law or professional organizations; the benefit package and utilization management strategies adopted by the plan; as well as many others. A combination of these many factors contributed to an increase of 2.3% in claims expenditures for the year.

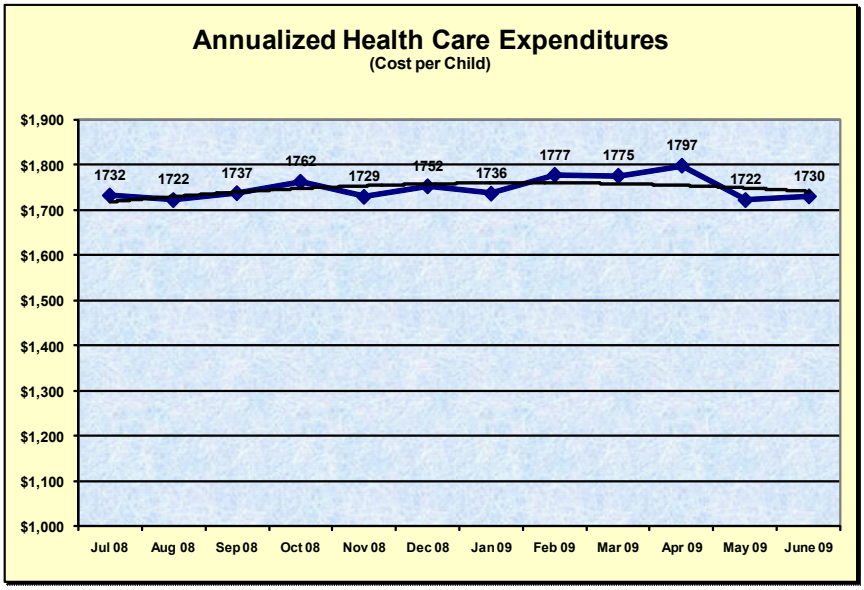
"Pent-up" demand refers to the amount of services utilized by new plan members. Children new to the program may require more medical, dental, or prescription drug services within the first three-months of enrollment due to the fact they may have not been able to access these services prior to enrollment in the plan. This "pent-up" demand is illustrated in Table 13 on page 55.

Prices/Fees

The amount WVCHIP pays providers for particular services is also determined by a number of factors; fee schedules adopted by the plan or rates negotiated with providers; whether the service is provided in West Virginia or outside the state; and service availability, among others. A combination of all these factors contributed to price inflation. During State Fiscal Year 2009, price increases were around 5.3%.

Average Cost Per Child

WVCHIP's average cost per child for State Fiscal Year 2009 was $1,730. This amount represents the average cost per child based on a "rolling enrollment" calculation and is not adjusted for the total unduplicated enrollment in the program for the year. This average increased 1.7% over the prior year and resulted from all factors discussed above. The fluctuation in the average cost per child during the year is illustrated in the table below.



Administrative Costs

In addition to employee salaries, the plan pays a number of other costs to administer the plan. One of the largest areas of administrative costs are payments made to outside contractors for claims processing and benefits management services. The two largest contractors are Wells Fargo, Third-Party Administrators, Incorporated and Express Scripts, Incorporated. Wells Fargo processes medical and dental claims for the plan, as well as provides utilization management services. Express Scripts is the plan's Pharmacy Benefits Manager. Also, administrative payments are made to the West Virginia Department of Health and Human Resources for eligibility determinations, West Virginia University's Rational Drug Therapy Program that reviews prior authorization requests for drugs, and the program's helpline established to assist families with questions and problems, among other payments to vendors necessary to administer the program. Expenditures for Outreach and Health Promotion activities are also included in administrative costs. Administrative costs increased by 9% over the prior year.

West Virginia Children's Health Insurance Program
Comparative Balance Sheet
June 30, 2009 and 2008
(Accrual Basis)

	June 30, 2009	June 30, 2008	Variance	
Assets:				
Cash and Cash Equivalents	$10,952,407	$ 8,254,028	$2,698,379	33%
Due From Federal Government	2,996,053	2,770,112	225,941	8%
Due From Other Funds	675,131	608,897	66,234	11%
Accrued Interest Receivable	3,500	14,754	(11,254)	-76%
Fixed Assets, at Historical Cost	70,282	71,379	(1,097)	-2%
Total Assets	$14,697,373	$11,719,170	$2,978,203	25%
Liabilities:				
Due To Other Funds	$ 256,634	$ 102,684	$ 153,950	150%
Deferred Revenue	916,682	1,483,051	(566,369)	-38%
Unpaid Insurance Claims Liability	3,414,550	3,276,325	138,225	4%
Total Liabilities	$ 4,587,867	$ 4,862,060	$(274,193)	-6%
Fund Equity	$10,109,507	$ 6,857,110	$3,252,397	47%
Total Liabilities and Fund Equity	$14,697,373	$11,719,170	$2,978,203	25%

Unaudited - For Management Purposes Only - Unaudited

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

	June 30, 2009	June 30, 2008	Variance	
Revenues:				
Federal Grants	$38,289,446	$35,752,885	$2,536,561	7%
State Appropriations	10,971,688	10,968,995	2,693	0%
Premium Revenues	150,892	88,681	62,211	70%
Investment Earnings	106,999	237,746	(130,747)	-55%
Total Operating Revenues	$49,519,025	$47,048,307	$2,470,718	5%
Operating Expenditures:				
Claims:				
Outpatient Services	$12,039,069	$10,904,046	$1,135,023	10%
Physicians and Surgical	9,692,383	9,313,246	379,137	4%
Prescribed Drugs	8,353,732	8,091,038	262,694	3%
Dental	4,921,403	4,912,268	9,135	0%
Inpatient Hospital Services	3,880,590	3,778,757	101,833	3%
Outpatient Mental Health	1,304,259	1,253,366	50,893	4%
Durable & Disposable Equipment	1,200,580	1,123,405	77,175	7%
Inpatient Mental Hospital	740,324	568,000	172,324	30%
Vision	591,725	598,284	(6,559)	-1%
Therapy	463,922	376,665	87,257	23%
Medical Transportation	341,704	234,090	107,614	46%
Other Services	146,680	91,773	54,907	60%
Less Collections*	(709,494)	(601,431)	(108,063)	18%
Total Claims	42,966,877	40,643,507	2,323,370	6%
General and Admin Expenses:				
Salaries and Benefits	490,749	471,346	19,403	4%
Program Administration	2,178,074	2,045,437	132,637	6%
Eligibility	318,877	303,426	15,451	5%
Outreach & Health Promotion	128,013	80,419	47,594	59%
Current	184,039	132,180	51,859	39%
Total Administrative	3,299,752	3,032,808	266,944	9%
Total Expenditures	**46,266,629**	**43,676,315**	**2,590,314**	**6%**
Excess of Revenues Over (Under) Expenditures	3,252,396	3,371,992	(119,596)	-4%
Fund Equity, Beginning	6,857,110	3,485,118	3,371,992	97%
Fund Equity, Ending	$10,109,506	$ 6,857,110	$3,252,396	47%

* Collections are primarily drug rebates and subrogation

Unaudited - For Management Purposes Only - Unaudited

West Virginia Children's Health Insurance Program
Notes to Financial Statements
For the Twelve Months Ended June 30, 2009

Note 1

Summary of Significant Accounting Policies

Basis of Presentation

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

Financial Reporting Entity

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

Basis of Accounting

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

Assets and Liabilities

Cash and Cash Equivalents

Cash equivalents principally consist of amounts on deposit in the State Treasurer's Office (STO) that are pooled funds managed by the West Virginia Board of Treasury Investments (BTI). In addition, WVCHIP makes interest-earning deposits in certain investment pools maintained by BTI that are available to WVCHIP with overnight notice. Interest income from these investments is prorated to WVCHIP at rates specified by BTI based on the balance of WVCHIP's deposits maintained in relation to the total deposits of all state agencies participating in the pool. The carrying value of the deposits reflected in the financial statements approximates fair value.

Deferred Revenue

Receipts to reimburse for program expenditures to be incurred in the future periods are classified as deferred revenue.

Insurance Claims Payable

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

Note 2

Cash and Investments

At June 30, 2008, information concerning the amount of deposits with financial institutions, including deposits, of the State Treasurer's Office is as follows:

	Carrying Amount	Bank Balance	Collateralized Amount
Cash			
Deposits with Treasurer	$ 102,926	———	———
Investments			
	Amount Unrestricted	Fair Value	Investments Pool
Investment with Board of Treasury Investments	$10,849,481	$10,849,481	Cash Liquidity
Total	$10,952,407		

Reconciliation of cash and cash equivalents and investments as reported in the financial statements to the amounts disclosed in the footnote:

Deposits	
Cash and Cash equivalents as reported	$10,952,407
Less: investments disclosed as cash equivalents	10,849,481
Carrying amount of deposits as disclosed in this footnote	$ 102,926
Investments	
Investments as Reported	---------
Add: investments disclosed as cash equivalents	$10,849,481
Carrying value of investments as disclosed in this footnote	$10,849,481

Note 3

Due to other funds:

Public Employees Insurance Agency Piggyback Contracts	$ 155,602
DHHR & WVOT (Eligibility)	52,014
Other	49,018
Total due to other funds	$ 256,634

Note 4

Risk Management
Unpaid Claims Liabilities

Claims payable, beginning of year	$ 3,279,046
Incurred claims expense	42,966,877
Payments:	
Claim payments for current year	35,757,996
Claim payments for prior year	7,073,377
Claims payable, year to date	$ 3,414,550

Note 5

Contingencies

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

West Virginia Children's Health Insurance Program
Budget to Actual Statement
State Fiscal Year 2009
For the Twelve Months Ended June 30, 2009

	Budgeted for Year	Year to Date Budgeted Amt	Year to Date Actual Amt	Year to Date Variance*		Monthly Budgeted Amt	Jun-09	May-09	Apr-09
Projected Cost	$42,533,167	$42,533,167	$43,686,983	($1,153,816)	-3%	$3,544,431	$3,580,395	$3,639,125	$5,133,053
Premiums	136,290	136,290	150,892	($14,602)	11%	11,358	$20,786	$18,087	$16,052
Subrogation & Rebates	539,625	$539,625	$709,151	($169,526)	31%	44968.75	43452.34	8186.02	78263.26
Net Benefit Cost	$41,857,252	$41,857,252	$42,826,940	($969,688)	-2%	$3,488,104	$3,516,157	$3,612,852	$5,038,738
Salaries & Benefits	515,486	515,486	490,300	25,186	5%	42,957	39,895	39,816	40,615
Program Administration	2,080,170	2,080,170	2,069,780	10,391	0%	173,348	204,232	178,320	92,096
Eligibility	318,670	318,670	316,106	2,564	1%	26,556	60,771	7,523	1,848
Outreach	81,895	81,895	125,835	($43,940)	-54%	6,825	15,860	13,870	3,780
Current Expense	$140,400	$140,400	$143,779	($3,379)	-2%	$11,700	$13,584	$6,222	$16,774
Total Admin Cost	$3,136,622	$3,136,622	$3,145,801	($9,179)	0%	$261,385	$334,342	$245,752	$155,113
Total Program Cost	$44,993,874	$44,993,874	$45,972,741	($978,867)	($0)	$3,749,489	$3,850,499	$3,858,604	$5,193,851
Federal Share 81.61%	36,761,120	36,761,120	37,554,533	(793,413)	-2%	3,063,427	3,142,392	3,149,007	4,238,702
State Share 18.39%	8,232,754	8,232,754	8,418,208	(185,453)	-2%	$686,063	$708,107	$709,597	$955,149
Total Program Cost **	$44,993,874	$44,993,874	$45,972,741	($978,867)	-2%	$3,749,489	$3,850,499	$3,858,604	$5,193,851

* Positive percentages indicate favorable variances

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

Unaudited - Cash Basis For Management Purposes Only - Unaudited

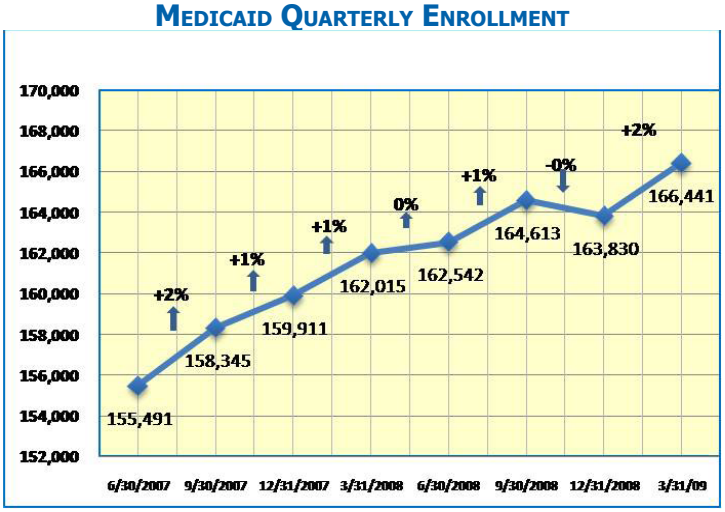
MAJOR INITIATIVES.

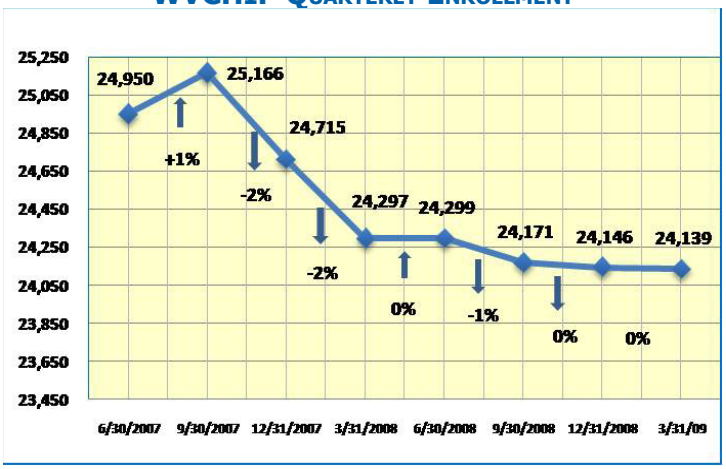
Expanding Eligibility to Families with Incomes up to 250% Federal Poverty Level (FPL)

In January 2009, WVCHIP expanded its income eligibility limit to allow for program participation by families with household incomes up to a new maximum of 250% FPL. The previous level was 220% FPL. Now families of four with gross incomes up to $55,125 can participate under the WVCHIP Premium plan. While it was a modest expansion, it could not have come at a better time for average families who found they could no longer afford even the employee's share of an employer sponsored plan (a comprehensive family plan now averaging of $13,375 a year). In some cases the expansion had more significance to those families who lost not only health care coverage, but also jobs during this difficult economic period. They are still able to take their children to see a doctor or fill their prescriptions as needed.

The Downward Economy Impacts Enrollment, But Children Retain Coverage

WVCHIP enrollment trended downward during the first eleven months of the state's fiscal year, with a very slight increase, less than 1%, in the last month of the year. A review and comparison of enrollment trends starting in the prior state fiscal year (2008) for both the WVCHIP and Medicaid programs reflect the impact of the recessed economic climate (see graphs below).





The downward turn started two years ago. WVCHIP enrollment declined by about 4% - a decrease of 1,027 in average enrollment over the 18 month period between September 2007 and March 2009. During this same period, Medicaid grew by about 8,096 or about 5%, bearing the fiscal brunt of this trend. These changes were due not only to decreases in family household income, but also from loss of employer sponsored coverage through job loss, or costs passed to employees with coverage by employer plans unaffordable. The "Good News" of this picture is that the combined efforts of CHIP and Medicaid add up to sustained coverage for West Virginia children with overall uninsurance rates remaining at the same relatively low level as the year before.

The U.S. Census Bureau's Current Population Survey, 2007 to 2009 Annual Social and Economic Supplements show that the numbers and rates of uninsured children have steadily decreased over the last couple of years. The 2006 survey estimated that 20,000 West Virginia children, or 4.8%, were uninsured. These estimates decreased to 11,000, or 2.8%, on the 2008 survey – reflecting that even though the economy was in decline, children did keep coverage. This stands in contrast to the rate of uninsurance for adults which grew from 16.4% in 2007 to 17.8% in 2009.

A New Third-Party Administrator Contract

In the fall of 2008, following the lead of the Public Employees Insurance Agency, WVCHIP participated on the evaluation team that led to the selection of a successful vendor for a new third-party administrator (TPA) contract to begin in July 2009. Overnight, selection team activity transitioned to work on the implementation of the new contract activities. While our current vendor Wells Fargo Third-Party Administrators was the successful bidder, the new contract also included subcontracts with new vendors Aetna and its partner Active Health. Under the new contract, Active Health performs utilization and case management functions, and Aetna allows WVCHIP to take advantage of its networks when providers or services are utilized outside the state of West Virginia. These functions are of particular importance when our children must have specialized services not available in the state, and are often some of our most costly services. This new contract requires an investment of slightly more than $2 million annually, an increase of over $1 million in administrative costs in 2010, which management will monitor closely for returns on investment.

Federal Reauthorization and Continuing CHIPRA Implementation

On February 4, 2009, President Obama signed into law the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA). To most, this law simply meant an extension of federal funding of their state's public health insurance program for children of working families for another 4 years, and also the changing of a flawed federal funding formula to one which provided greater predictability and stability for growth to cover all children. The CHIPRA legislation itself had numerous provisions: additional coverage options to cover expanded child population, pregnant women, legal immigrants, assurance of minimum dental and mental health benefits, administrative streamlining of enrollment and re-enrollment practices, new outreach funding, and a performance bonus to help offset the costs of increased enrollment that often impacts state's Medicaid programs more than it does their CHIP. The Act also contained a number of provisions that emphasize quality care and demonstration funding to be determined in the coming year.

The Agency reviewed all major provisions of the legislation at its spring meeting of the Children's Health Insurance Board and began to account for those mandated provisions where the program was not fully in compliance. This meant, primarily, some adjustments to the limited dental and vision benefits offered to WVCHIP Premium members only (then less than 700 total enrolled members), and an assurance of mental health parity (to all WVCHIP members). These changes were reviewed and projected by the program actuary for inclusion in the program's Financial Plan for 2010. The Agency must still plan and implement many provisions that will not be complete until 2010, or even 2011. Most notable among these is a mandate to begin a prospective payment system for the state's federally qualified health clinics (FQHCs) and rural health centers (RHCs). These primary care centers are state and federally funded to serve low income populations mostly in rural areas of the state. A mandate to verify citizenship for WVCHIP applicants will start in January 2010.

Review Enrollment Processes for Efficiencies and Improvements

In the spring of 2009, WVCHIP staff and a group of its partners started work on reviewing processes used to transfer enrollment data from the point of origination to the end user, either the third-party administrator or the pharmacy benefits manager. The goal of this group is to identify and correct process errors and establish more efficient processes, to lower error rates due to data transfers, and improve customer services, as well as protect WVCHIP funding and private member information. Work also includes the design and development of a new database that is more secure, allows WVCHIP employees to make necessary changes, and is located on the state's mainframe. Representatives from the WV Department of Health and Human Resources, RAPIDS, Wells Fargo, TPA, and the state's Office of Technology, responsible for the maintenance and upkeep of WVCHIP's enrollment database, as well as WVCHIP employees, participate in this group. The group will be ongoing and will meet less frequently once current objectives are complete.

CONTACTING WVCHIP's MANAGEMENT

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

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Required Supplementary Information

"West Virginia's children through age 18 are only 23% of the population, but they are 100% of West Virginia's future!"

WVCHIP Outreach Brochure

West Virginia Children's Health Insurance Program
Report of Independent Actuary
June 30, 2009 Quarterly Report

OVERVIEW

CCRC Actuaries, LLC ("CCRC Actuaries") was engaged by the West Virginia Children's Health Insurance Program ("CHIP Program") to assist the West Virginia CHIP Board in the analysis of actual and projected plan experience in the current State Fiscal Year 2009 ("FY 2009") through Fiscal Year 2016 ("FY 2016"). West Virginia enabling legislation of the CHIP Program requires that an actuary provide a written opinion that all estimated program and administrative costs of the agency under the plan, including incurred but unreported claims, will not exceed 90 percent of the funding available to the program for the fiscal year for which the plan is proposed.

CHIP Program management requested CCRC Actuaries to produce the Baseline Scenario which includes the WVCHIP Premium expansion to 250% of the Federal Poverty Level ("FPL") and the continuation of FY 2010 State funding of $10,972,709 that we have assumed the funding remains unchanged in future years. At the Federal level, the Federal funding in FY 2009 for West Virginia has been revised to $43,263,469, and we have assumed that this funding remains constant in the future.

In addition, CHIP Program management requested an Expansion Scenario, which assumes a proposed expansion schedule to 300% FPL effective January 2010. Under this scenario, participant premiums are assumed to cover 25% of the policy cost for children in the 250% to 300% FPL group.

Under the submitted West Virginia CHIP Premium expansion plan ("WVCHIP Premium"), the CHIP expansion to 220% began enrollment effective in January 2007. Subsequently, WVCHIP Premium was expanded to 250% FPL effective in January 2009. Premiums are assumed to cover 20% of the policy cost for children in the 200% to 250% FPL eligibility group. The monthly premiums are $35 for families with one child in the program and $71 for families with more than one child in the program. We have assumed the premiums will increase with policy cost increases in the future to maintain the 20% cost share threshold in the 200% to 250% FPL. As of June 2009, there are 664 children enrolled in WVCHIP Premium.

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

- Medical Co-payments: $20 Office Visits
  $25 Inpatient & Outpatient Visits
  $35 Emergency Room Visits
- Prescription Drugs Co-payments: $0 Generic
  $15 Brand
- Dental Benefits are limited to $150 Preventative services only
- No Vision services are covered

Under the Children's Health Insurance Program Reauthorization Act of 2009 ("CHIPRA"), CHIPRA reauthorizes CHIP for four and a half years through the end of September 2013, and invests $44 billion in new funding for the program for all States on top of the so-called "baseline" of $5 billion per year, bringing the total amount available for CHIP to $69 billion. While this forecast assumes Federal funding level based on a preliminary estimate for FY 2010, CHIPRA has several mechanisms to adjust Federal expenditures to levels required by the State programs. The Federal funds formula allows for re-basing of the allotment every two years, and there is a contingency fund established separate from the funds allotted to the State of West Virginia that will be used to offset any shortfalls it might experience in Federal funding.

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

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

Second, it allows States for the first time to offer dental coverage to children who are enrolled in private or job-based plans that do not include dental coverage. As long as these children are otherwise eligible for CHIP, States can enroll them in CHIP exclusively for dental coverage.

In compliance with CHIPRA's requirements, the current dental benefit for coverages over 200% FPL need to be changed. Currently, dental services for this group are limited to preventative services and subject to a maximum of $150 per year. The new dental benefit will include both preventative and restoration services. Restoration services will include a co-payment of $25 per service.

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

In accordance with the mental health parity provision of CHIPRA, West Virginia CHIP must remove the current maximum of 26 outpatient visits per year. Based on our analysis of current utilization, we have estimated that this will be a substantial increase in mental health claims and the program will see a 45% per capita increase in outpatient mental health costs effective 1/1/2010.

With reference to "Birth to Three", it is a program administered by West Virginia Department of Health and Human Resources ("WVDHHR") that work with children identified as having developmental delays. West Virginia CHIP has proposed to the WVDHHR to start reimbursing for services provided to West Virginia CHIP members. This will increase projected medical cost of additional $300,000 per year effective 1/1/2010, with an initial cost of $150,000 for Fiscal Year 2010.

In regard to the CHIPRA elimination of the waiting period for legal immigrant children and pregnant women benefit, we believe this will be a negligible factor in West Virginia. Due to the low numbers of immigrants living in West Virginia, we are projecting no increase in enrollment.

Under the Baseline Scenario, the projected cost of the CHIP Program in FY 2009 met the 90% funding requirement and we have assumed the same State funding in FY 2009 for the projected future years as shown in Appendix A.

Based on the Baseline Scenario and the 90% expenditure limitation on State funding of the program, we are not projecting a shortfall in State funding based on funding levels provided by CHIP management through FY 2015. Note that we are currently projecting the State funding shortfall under the 90% funding requirement of approximately $653,000 in FY 2016. We have assumed FY 2010 State funding of $10,972,709 remains unchanged in future years.

At the Federal level, the Federal funding in FY 2009 for West Virginia was $43,263,469, and we assume this funding remains constant in the future. Note that we are currently projecting the Federal funding shortfall of approximately $14,083,000 in FY 2014, $21,710,000 in FY 2015 and $26,643,000 in FY 2016 in the Baseline Scenario.

It is noteworthy that under both scenarios, we are not projecting any deficits in the State and Federal financing through 2013. Both scenarios are assuming that State funding will remain at current levels through 2015. While we are projecting no State deficits through 2015, Federal deficits are projected to occur in 2014 under both scenarios.

It should also be noted that this projection reflects the current information on the availability of Federal funding. We have not assumed any future Federal redistributions for fiscal years 2003 through 2008 in this projection. The Federal share of program expenditure is currently 81.61% for Federal Fiscal Year 2009. The Federal share of program expenditure is assumed to be 81.83% for Fiscal Year 2010 and future years.

Enrollment for the program as of June 2009 has increased slightly consistent with the trends observed previously. In total, the current enrollment is consistent with the enrollment as of May 2005. The current program enrollment as of June 2009 consists of 24,555 children total: 14,727 children as part of Phase I and Phase II that consists of children whose families are below 150% of the federal poverty level ("WVCHIP Gold"), 9,164 children as part of Phase III that consists of children whose families are between 150% and 200% of the federal poverty level ("WVCHIP Blue"), and 664 children as part of WVCHIP Premium. WVCHIP Blue children are required to make co-payments as part of the benefit structure of the program. Since the March 31, 2009 Quarterly Report with April 2009 enrollment data, overall enrollment has increased by 134 children. While WVCHIP Gold has increased enrollment by 49 children, WVCHIP Blue has decreased enrollment by 106 children and WVCHIP Premium has increased enrollment by 191 children.

The monitoring and analysis of claim trends is critical to the accurate forecast of future costs of the program. While the program's enrollment has decreased in recent months, there has been some moderation of cost trends. Current claim trend experience has been financially favorable over the past several years. However, medical claim trends have increased and we have adjusted the FY 2009 medical claim trend assumption from 6% to 8%. We have maintained the dental claim trend assumption of 5% and prescription drugs claim trend assumption of 8% as assumed in the March 31, 2009 Quarterly Report, based on trend experience consistent with these assumptions.

Administrative expenses for West Virginia CHIP were originally projected to be $3,488,312 in FY 2009. Net administrative expenses in FY 2009 finished at $3,127,615, representing a 2% increase over FY 2008 administrative expenses of $3,073,329. West Virginia CHIP management team assumes a 5% administrative expense trend in future years.

Drugs rebates were originally projected to be $835,139 in FY 2009, and the year ended with drugs rebates of $599,663. West Virginia CHIP management team assumes a 4% drugs rebates trend in future years.

Under the State fiscal year basis, we have calculated that the incurred claim costs under the Baseline Scenario assumptions for FY 2009 to be $43,997,440. The updated projection for FY 2010 claims is $50,006,585

PLAN ENROLLMENT

We have updated our projection based on the enrollment through June 2009. WVCHIP Gold enrollment have been decreasing in recent months. The program had enrollment at the end of FY 2008 of 24,418 children, with 15,227 under WVCHIP Gold, 8,902 under WVCHIP Blue, and 289 under WVCHIP Premium. Current enrollment as of June 2009 is 24,555 children, with 14,727 under WVCHIP Gold, 9,164 under WVCHIP Blue, and 664 under WVCHIP Premium.

It is noteworthy that WVCHIP Premium enrollment continues to be significantly below projected levels made at the implementation of this component of the Program. For the purposes of this report, we are continuing to utilize the original growth assumptions, combined with actual WVCHIP Premium enrollment through June 2009, and will continue to evaluate these projections in the future.

The following table summarizes the FY 2007 to FY 2009 enrollment information using end of month enrollment information by WVCHIP Gold, WVCHIP Blue, WVCHIP Premium and in total:

Date	WVCHIP Gold	WVCHIP Blue	WVCHIP Premium	Total	Annual % Growth
July-06	15,867	8,993		24,860	1.2%
Aug-06	16,006	9,163		25,169	1.9%
Sep-06	16,207	9,312		25,519	3.5%
Oct-06	16,083	9,300		25,383	2.6%
Nov-06	15,986	9,284		25,270	2.7%
Dec-06	16,027	9,246		25,273	2.5%
Jan-07	16,153	9,205		25,358	3.0%
Feb-07	16,075	9,195	12	25,282	2.5%
Mar-07	15,975	9,162	21	25,158	1.4%
Apr-07	15,829	9,120	42	24,991	1.4%
May-07	15,728	9,155	68	24,951	0.3%
Jun-07	15,658	9,181	100	24,939	0.4%
July-07	15,633	9,073	127	24,833	-0.1%
Aug-07	15,687	9,071	149	24,907	-1.0%
Sep-07	15,712	9,035	166	24,913	-2.4%
Oct-07	15,752	9,102	191	25,045	-1.3%
Nov-07	15,704	9,087	230	25,021	-1.0%
Dec-07	15,617	9,030	246	24,893	-1.5%
Jan-08	15,588	9,045	253	24,886	-1.9%
Feb-08	15,349	8,780	261	24,390	-3.5%
Mar-08	15,316	9,006	264	24,586	-2.3%
Apr-08	15,289	9,061	268	24,618	-1.5%
May-08	15,310	8,963	288	24,561	-1.6%
Jun-08	15,227	8,902	289	24,418	-2.1%
July-08	15,077	8,784	298	24,159	-2.7%
Aug-08	15,134	8,813	309	24,256	-2.6%
Sep-08	15,125	8,827	303	24,255	-2.6%
Oct-08	15,126	8,867	335	24,328	-2.9%
Nov-08	15,096	8,966	348	24,410	-2.4%
Dec-08	15,111	8,925	338	24,374	-2.1%
Jan-09	15,058	8,951	345	24,354	-2.1%
Feb-09	15,020	8,910	374	24,304	-0.4%
Mar-09	14,848	9,160	419	24,427	-0.6%
Apr-09	14,678	9,270	473	24,421	-0.8%
May-09	14,705	9,247	572	24,524	-0.2%
Jun-09	14,727	9,164	664	24,555	0.6%

The tables below summarize the projected fiscal year June 30th ending enrollment assumptions for Baseline Scenario and Expansion Scenario, by WVCHIP Gold & Blue, and WVCHIP Premium.

Baseline Scenario (250% FPL)

Ending Enrollment	FY2009	FY2010	FY2011	FY2012	FY2013
WVCHIP Gold & Blue	23,891	23,891	23,891	23,891	23,891
WVCHIP Premium	664	928	1,192	1,396	1,540
Total	24,555	24,819	25,083	25,287	25,431

Expansion Scenario (300% FPL)

Ending Enrollment	FY2009	FY2010	FY2011	FY2012	FY2013
WVCHIP Gold & Blue	23,891	23,891	23,891	23,891	23,891
WVCHIP Premium	664	1,024	1,480	1,876	2,212
Total	24,555	24,915	25,371	25,767	26,103

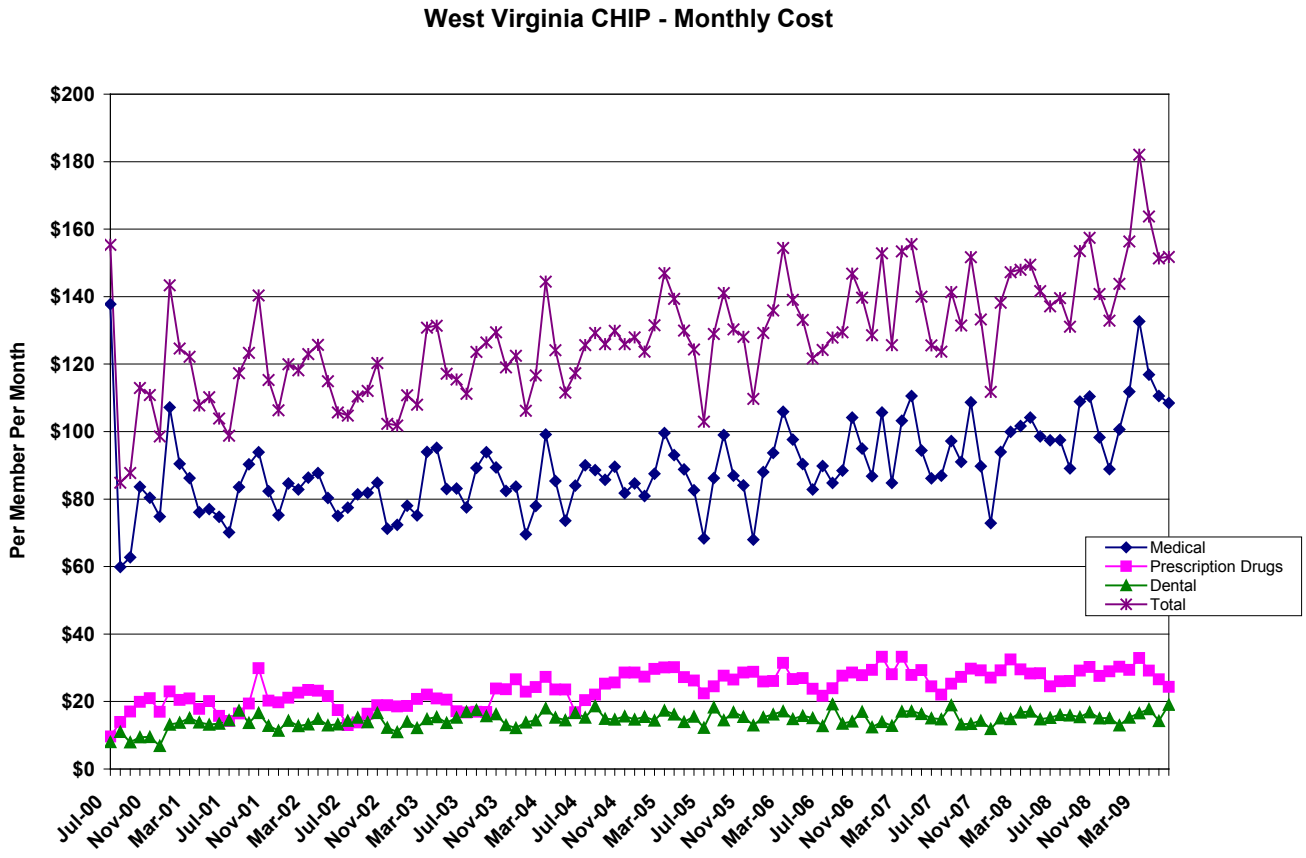
CLAIM COST AND TREND ANALYSIS

We have adjusted the trend assumptions from the March 31, 2009 Quarterly Report. The new trend assumptions are 8% for medical claims, 5% for dental claims and 8% for prescription drugs claims. Detail historical claim trend analysis for medical, dental and prescription drugs are summarized in the Attachments found at the end of the report.

Overall, the recent experience remains favorable compared to our trend assumptions. It is noteworthy to comment that most recently, medical trend rates have remained above the 6% trend assumption due to higher than expected hospitalizations and higher claim backlog. As we review trends over different time periods, the twelve months analysis reflects lower overall trend than the six months and the nine months analysis. The table below summarizes WV CHIP experience over the last six months, nine months and twelve months as of June 30, 2009. Overall trend experience has been favorable, with a composite trend of 9.0% over the last twelve months. Note that Prescription Drugs trends are before consideration of drugs rebates.

Trend Period	Six Months	Nine Months	Twelve Months
Medical	14.3%	12.9%	11.5%
Dental	2.3%	7.1%	5.6%
Prescription Drugs	0.1%	0.4%	2.3%
Composite	10.2%	9.7%	9.0%

The following graph summarizes incurred claims on a per member per month ("PMPM") basis for the major categories of medical, dental and prescription drugs based on information received through June 2009. The attachment at the end of this report shows the trends for WVCHIP Gold & Blue and an average for the same three categories.



Detailed claim trends for medical, dental and prescription drugs are summarized in the Attachment found at the end of the report. The trends for each of the three categories are relatively flat over the seven years period.

FINANCIAL PROJECTION – STATE FISCAL YEARS 2009-2016

Under the Baseline Scenario, we have assumed the continuation of FY 2010 State funding of $10,972,709, and the funding remains unchanged in future years. At the Federal level, the Federal funding in FY 2009 for West Virginia was $43,263,469, and we assume this funding remains constant in the future.

The updated incurred claims for FY 2009 is $43,997,440 based on the fiscal year 2009 average enrollment of 24,364 children and the incurred claim per member per month cost data assumption of $150.49, as summarized in the following table.

Category	Current Report FY2009 Baseline Incurred Claims	Current Report FY2009 Baseline Per Member Per Month	3/31/09 Report FY2009 Baseline Per Member Per Month	12/31/08 Report FY2009 Baseline Per Member Per Month
Medical	$31,076,886	$106.29	$109.76	$104.38
Prescription Drugs	8,296,644	28.38	28.29	28.79
Dental	4,623,910	15.82	15.53	15.63
Total	$43,997,440	$150.49	$153.58	$148.80

The Baseline Scenario financial forecast for the Federal and State fiscal years 2009 through 2016 can be found in Appendix A. Based on the assumptions developed under Baseline Scenario, we are not projecting a shortfall in State funding under the 90% funding requirement based on funding levels provided by CHIP management through FY 2015. Note that we are currently projecting the State funding shortfall under the 90% funding requirement of approximately $653,000 in FY 2016. At the Federal level, we are currently projecting the Federal funding shortfall of approximately $14,083,000 in FY 2014, $21,710,000 in FY 2015 and $26,643,000 in FY 2016 in the Baseline Scenario.

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

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

Appendix C summarizes the original and restated IBNR claim liabilities for the CHIP Program in Fiscal Year 2008 to 2009. IBNR projections have been recently lower to reflect current claim experience as illustrated.

STATEMENT OF ACTUARIAL OPINION

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

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

In my opinion, all estimated program and administrative costs of the agency under the plan, including incurred but unreported claims, will not exceed 90 percent of the funding available to the program for the future fiscal years 2009 through 2016 based on current enrollment under the Baseline Scenario.

It should be noted that this opinion is based on State funding levels as illustrated in Appendix A and FY 2009 through FY 2016 have not been appropriated by the West Virginia Legislature.

Dave Bond
Fellow of the Society of Actuaries
Member of the American Academy of Actuaries
Managing Partner
CCRC Actuaries, LLC
Reisterstown, Maryland
July 28, 2009

Brad Paulis
Reviewing Partner
CCRC Actuaries, LLC
Reisterstown, Maryland
July 28, 2009

APPENDIX A

West Virginia Children's Health Insurance Program

June 30, 2009 Quarterly Report

(Baseline Scenario)

Available Funding - Beginning of the Year	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Federal 2008	$21,993,795	$0	$0	$0	$0	$0	$0	$0
Federal 2009	43,263,469	27,368,138	0	0	0	0	0	0
Federal 2010	0	43,263,469	27,763,217	0	0	0	0	0
Federal 2011	0	0	43,263,469	23,508,100	0	0	0	0
Federal 2012	0	0	0	43,263,469	15,250,572	0	0	0
Federal 2013	0	0	0	0	43,263,469	2,825,333	0	0
Federal 2014	0	0	0	0	0	43,263,469	0	0
Federal 2015	0	0	0	0	0	0	43,263,469	0
Federal 2016	0	0	0	0	0	0	0	43,263,469
State Funding 2008	$7,930,719	$0	$0	$0	$0	$0	$0	$0
State Funding 2009	10,971,688	10,535,285	1,115,861	0	0	0	0	0
State Funding 2010	0	10,972,709	10,972,709	1,681,541	0	0	0	0
State Funding 2011	0	0	10,972,709	10,972,709	1,362,043	0	0	0
State Funding 2012	0	0	0	10,972,709	10,972,709	115,123	0	0
State Funding 2013	0	0	0	0	10,972,709	10,972,709	0	0
State Funding 2014	0	0	0	0	0	10,972,709	8,837,700	0
State Funding 2015	0	0	0	0	0	0	10,972,709	5,507,293
State Funding 2016	0	0	0	0	0	0	0	10,972,709
Phase II & Phase III Program Costs	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**
Medical Expenses	$30,562,020	$34,015,271	$36,893,022	$39,844,463	$43,032,021	$46,474,582	$50,192,549	$54,207,953
Prescription Drug Expenses	8,159,190	8,784,440	9,487,195	10,246,171	11,065,865	11,951,134	12,907,225	13,939,803
Dental Expenses	4,547,304	5,550,806	6,796,961	7,136,809	7,493,649	7,868,332	8,261,748	8,674,836
Administrative Expenses	3,061,492	3,204,541	3,364,768	3,533,006	3,709,656	3,895,139	4,089,896	4,294,391
WVCHIP Premium Program Costs								
Medical Expenses	$514,866	$1,165,068	$1,677,016	$2,228,036	$2,692,110	$3,191,520	$3,708,870	$4,040,091
Prescription Drugs Expenses	137,454	300,879	431,252	572,949	692,287	820,713	953,752	1,038,926
Dental Expenses	76,607	190,122	308,964	399,078	468,807	540,337	610,484	646,531
Administrative Expenses	66,123	140,718	196,089	253,282	297,536	342,934	387,454	410,332
Premiums (WVCHIP Premium)	$150,892	$305,826	$436,787	$578,243	$696,263	$822,637	$952,836	$1,034,591
Program Revenues - Interest	$118,252	$134,552	$144,270	$147,808	$145,810	$138,009	$123,932	$103,098
Program Revenues - Drug Rebates	599,663	623,650	648,596	674,540	701,522	729,583	758,766	789,117
Net Incurred Program Costs Excluding Interest	$46,374,500	$52,422,367	$58,069,884	$62,961,012	$68,054,147	$73,532,472	$79,400,376	$103,098
Net Paid Program Costs	45,884,500	51,959,367	57,629,884	62,592,012	67,657,147	73,104,472	78,939,376	789,117
Federal Share	$37,889,126	$42,868,390	$47,518,586	$51,520,996	$55,688,709	$60,171,622	$64,973,328	$69,906,677
State Share of Expenses - Net of Interest	8,367,122	9,419,424	10,407,028	11,292,207	12,219,629	13,222,841	14,303,116	15,419,380
Beginning IBNR	$3,450,000	$3,940,000	$4,403,000	$4,843,000	$5,212,000	$5,609,000	$6,037,000	$6,498,000
Ending IBNR	3,940,000	4,403,000	4,843,000	5,212,000	5,609,000	6,037,000	6,498,000	6,995,000

APPENDIX A

West Virginia Children's Health Insurance Program

June 30, 2009 Quarterly Report

(Baseline Scenario)

Funding Sources - End of the Year	2009	2010	2011	2012	2013	2014	2015	2016
Federal 2008	$0	$0	$0	$0	$0	$0	$0	$0
Federal 2009	27,368,138	0	0	0	0	0	0	0
Federal 2010	0	27,763,217	0	0	0	0	0	0
Federal 2011	0	0	23,508,100	0	0	0	0	0
Federal 2012	0	0	0	15,250,572	0	0	0	0
Federal 2013	0	0	0	0	2,825,333	0	0	0
Federal 2014	0	0	0	0	0	0	0	0
Federal 2015	0	0	0	0	0	0	0	0
Federal 2016	0	0	0	0	0	0	0	0
Federal Shortfall	***$0***	***$0***	***$0***	***$0***	***$0***	***$14,082,820***	***$21,709,859***	***$26,643,208***
State Funding 2008	$0	$0	$0	$0	$0	$0	$0	$0
State Funding 2009	10,535,285	1,115,861	0	0	0	0	0	0
State Funding 2010	0	10,972,709	1,681,541	0	0	0	0	0
State Funding 2011	0	0	10,972,709	1,362,043	0	0	0	0
State Funding 2012	0	0	0	10,972,709	115,123	0	0	0
State Funding 2013	0	0	0	0	10,972,709	0	0	0
State Funding 2014	0	0	0	0	0	8,837,700	0	0
State Funding 2015	0	0	0	0	0	0	5,507,293	0
State Funding 2016	0	0	0	0	0	0	0	1,060,622
State Shortfall	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***
State Shortfall - 90% Funding Requirement	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$0***	***$652,642***

415 Main Street
Reisterstown, MD 21136

Phone: 410-833-4220
Fax: 410-833-4229

Email: info@ccrcactuaries.com

November 23, 2009

Ms. Sharon Carte
Director
West Virginia Children's Health Insurance Program
1018 Kanawha Blvd. E., Suite 209
Charleston, WV 25301

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

Dear Sharon:

CCRC Actuaries, LLC was engaged by the management of West Virginia Children's Health Insurance Program ("CHIP Program") to assist the West Virginia CHIP Board in the analysis of actual and projected plan experience and review the claim experience through October 2009. We conclude that the plan will continue to meet the statutory requirement of 10% reserve in FY 2010 based on the updated information.

It is noteworthy that we are not projecting a shortfall in State funding based on funding levels provided by CHIP management through FY 2015 based on the assumption that future funding remains constant. After the September 30, 2009 Quarterly Report was issued in October 2009, several changes have occurred in the program:

- Enrollment for the CHIP Program as of October 2009 had been gradually increasing to 24,890 from 24,159 in July 2008;

- October 2009 claim experience showed the projected incurred FY 2010 expenditure to be $48,500,626, a decrease of $881,740 from $ 49,382,366 in the September 30, 2009 Quarterly Report.

- The categories of FY 2009 medical, dental and prescription drug expenses in the current claim experience through October 2009 showed improvement over the September 30, 2009 Quarterly Report.

- Overall current PMPM cost for Fiscal Year 2010 is now projected to be $162.21, down from the projected $165.60 PMPM cost in the September 30, 2009 Quarterly Report. Medical PMPM for Fiscal Year 2010 is now projected to be $113.06, down from the projected $116.47 PMPM cost in the September 30, 2009 Quarterly Report. Dental PMPM for Fiscal Year 2010 is now projected to be $18.36, slightly down from the projected $19.25 PMPM cost in the September 30, 2009 Quarterly Report. Prescription Drugs PMPM for Fiscal Year 2010 is now projected to be $30.78, slightly up from the projected $29.88 PMPM cost in the September 30, 2009 Quarterly Report.

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

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

Sincerely,

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

Program Outreach and Health Awareness

A Continuing Community Partnership

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

A Targeted Approach

Based on health insurance survey data from the U.S. Census Bureau's "2009 Annual Social and Economic Supplement," WVCHIP continues to prioritize outreach efforts to the top fifth of our counties *(shown on page 43)* in the State with either higher estimated numbers or percentages of uninsured children. Some potential impact of these efforts at the county level can be seen in the Statistical Section in Tables 9 and 10 *(shown on Page 52 and 53)*.

Public Information via the Helpline, Website, and WVinRoads

WVCHIP continues to make application and program information available through its 1-877-982-2447 toll-free Helpline, which averages over 1,700 calls a month and mails out about 400 applications a month. Information is also available through the agency's website at www.wvchip.org where program guidelines and applications can be downloaded and printed. The WVCHIP website provides a wealth of information to the public about the agency, its governance, applying and enrolling, benefits, major annual reports, program statistics, and other program and health related information.

An online electronic application process that allows people to apply from the convenience of home and print out their own applications is available by the WVDHHR Rapids Project at www.wvinroads.org. Many *INROADS* users who have evaluated the online application process have commented on its ease of use, costs avoided from travel to pick up applications, and time savings from having to wait in line at local offices.

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

WVCHIP supports those community partners interested in children's health through a three-tiered approach to outreach: tier one is promoting general awareness through information and materials; tier two is referring to partners or the Helpline who can provide an application; and tier three is application assistance where a local community partner can provide access to electronic application answer questions actively guide an applicant through the process.

For all of the above approaches to outreach, WVCHIP turns to the WV Healthy Kids and Families Coalition (WVHKF), a group of community and faith-based organizations. The WV Council of Churches serves as the fiscal agent for this group which also includes local community health centers, school nurses, child care agencies, and faith based community programs among others. Their efforts include a monthly e-bulletin that goes out to all members interested in children's health issues as well as organizing West Virginia's annual "Growing Healthy Kids" conference. This conference has included nationally recognized speakers for key topics such as oral health, prenatal care, as well as workshops for preventive health and mental health.

Many participating coalition members keep CHIP applications at their work sites and help refer applicants to either the CHIP Helpline or local DHHR offices for assistance. Last year as many as 100 statewide partners ordered health informational materials from WVCHIP's website to promote children's health coverage at local events sponsored in their communities.

During the past year, WVCHIP began working with a group of faith-based partners throughout the state who will actively assist in the electronic application process available through the wvInroads Community Partner system. Since West Virginians are inclined to turn to those they know and trust in their local communities, this can help the public learn more about the value of electronic applications and make it more widely available to those without online access in the home.

Health Collaborative Efforts

Collaborations are important to allow multiple agencies and entities inside and outside state government to integrate efforts related to a statewide mission for the health of West Virginia's children. WVCHIP prioritizes prevention efforts to support our State's Healthy People 2010 objectives for children.

The following projects and collaborative efforts were implemented in fiscal year 2009:

- ★ Continued participation in efforts to promote healthy lifestyles with the West Virginia Immunization Network, Action for Healthy Kids Coalition, and West Virginia Asthma Coalition.

- ★ WVCHIP continued to promote full periodic and comprehensive well-child visits recommended by pediatricians in a "HealthCheck" Campaign. WVCHIP sponsored health messages focusing on vision, dental, development, and hearing screenings that appeared in Child Care Provider Quarterly Magazine. WVCHIP supports the "HealthCheck" form as a standard form or model for provider use in all well-child exam visits.

- ★ WVCHIP has been a participant on the Oral Health Advisory Board as it works to develop the State's first Oral Health Plan which will be reported to the Legislature early in 2010.

- ★ WVCHIP is one of five payers supporting a pediatric obesity pilot sponsored by *Kidnitiative West Virginia*, a physician quality improvement project. It is also conducted in association with the West Virginia Health Improvement Instititute which is seeking to develop innovation communities among physicians working to make improvements to better achieve certain care standards.

- ★ Recognizing a number of children were in jeopardy of losing health coverage when their parents lost employer coverage due to workforce reductions, WVCHIP put more time and resources into supporting dislocated workers this year. Staff members were on hand as part of the Governor's Rapid Response teams to provide CHIP information at 12 sessions to over 1,400 dislocated workers.

- ★ WVCHIP information flyers and pocket slide guidelines on the "ABC's of Baby Care" were provided in Day One Program packets to be distributed to all new mothers at participating West Virginia hospitals.

Health Collaborative Efforts (continued)

★ For the fourth consecutive year, WVCHIP served on the steering committee and as a sponsor of the "Growing Healthy Children Conference." Held annually in Charleston, the conference covers an array of topics on current child health concerns from oral health, mental health, school-based health and child development presented in open plenary and workshop sessions. The C.W. Benedum Foundation and the American Academy of Pediatricians, WV Chapter are also sponsors.

Camp NEW You and West Virginia's Pediatric Obesity Pilot Projects:

Camp NEW You

Camp NEW You was designed as an outgrowth of the nationally recognized Cardiac (Coronary Artery Disease Detection in Appalachian Counties) Project run by West Virginia University. It seeks to provide an intervention for overweight youth ages 11 to 14 through a one year program. The program starts with a three week intensive camp experience that includes medical assessments, education and practice of good nutrition, physical activities plan, weight reduction, etc. with the support of trained nutritionists, physical activity experts, and behavioral health experts.

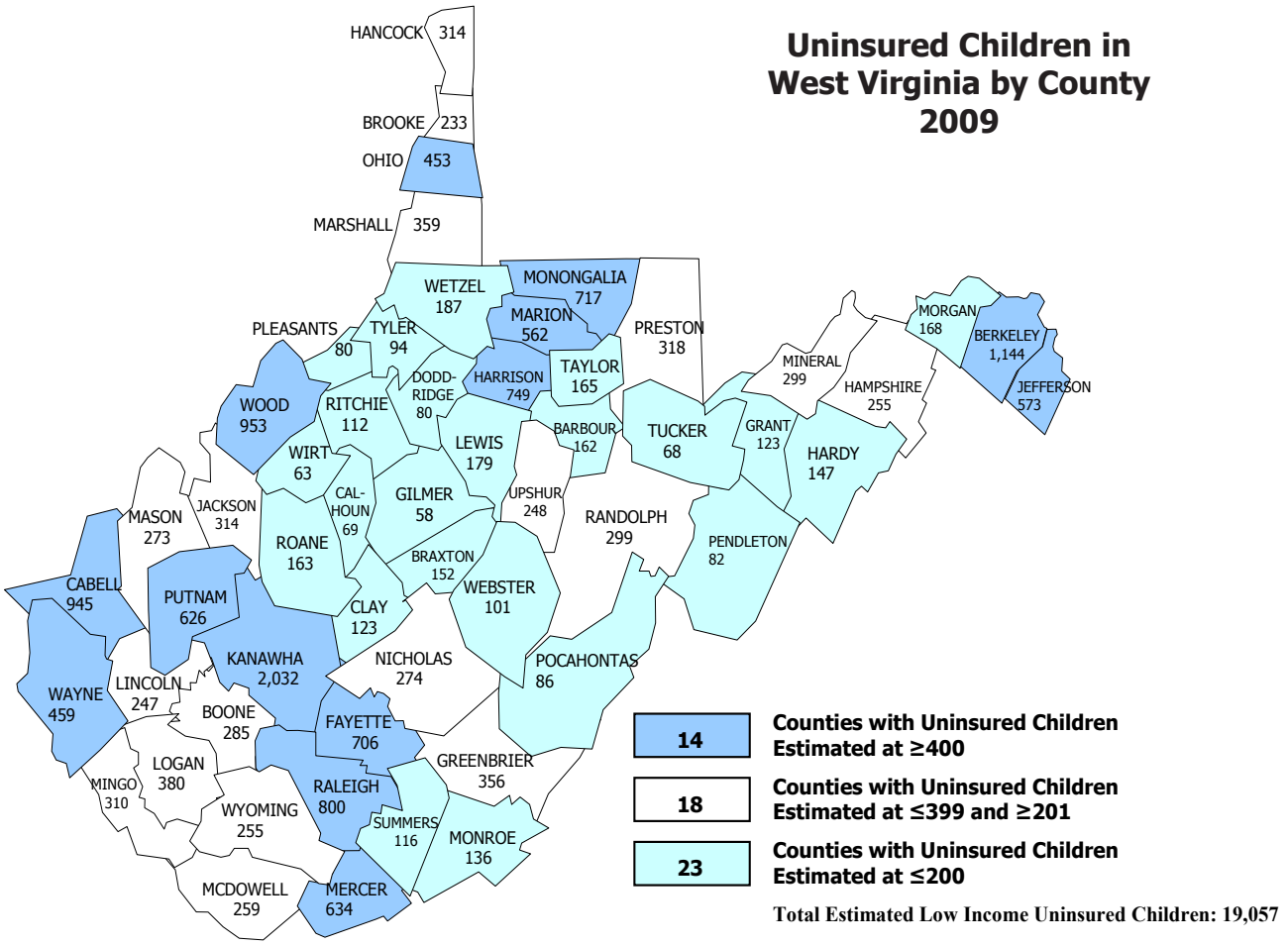
After completion of the three week camp experience, each participant is assigned a "personal lifestyle coach" who has worked with them at the camp and continues to support healthy lifestyle changes and goals work throughout the remaining eleven months of the program. Although WVCHIP cannot provide coverage for this intervention as a regular benefit, it supports limited participation of interested WVCHIP members up to an average of five scholarships each year from its administrative funds.

Pediatric Obesity Pilot

WVCHIP is one of five payers supporting the Pediatric Obesity Pilot. This pilot is sponsored by *Kidnitiative West Virginia*, a physician quality improvement project. Kidnitiative helps participating physicians and their practice teams organize how they deliver care within primary practice settings to better meet standards of care. In this case, the aim of the poject will be to make improvements to:

1) assure systematic collection of Body Mass Index; and,
2) engage the patient in self management for weight control and fitness through the children's 5210 programs; and,
3) allow physician coaching on this risk status over a three visit intervention model.

Targeted Outreach For Uninsured Children



Note 1: The most recent estimate for all uninsured children statewide from the U.S. Census Current Population Survey is from 6.3% to 5%. Even a five percent extrapolation at the county level may 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 lower estimated limit of 5% as a target number for outreach due to the way census sampling is likely to overstate this rate.

STATE OF WEST VIRGINIA
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Statistical Section

"We don't vaccinate just to protect our children. We also vaccinate to protect our grandchildren and their grandchildren. With one disease, smallpox, we "stopped the leak" in the boat by eradicating the disease. Our children don't have to get smallpox shots any more because the disease no longer exists. If we keep vaccinating now, parents in the future may be able to trust that diseases like polio and meningitis won't infect, cripple, or kill children. Vaccinations are one of the best ways to put an end to the serious effects of certain diseases. "

U.S. Department of Health and Human Services
Centers for Disease Control and Prevention

All statistics are for the fiscal year ended June 30, 2009, unless noted otherwise.

Table 1: Enrollment

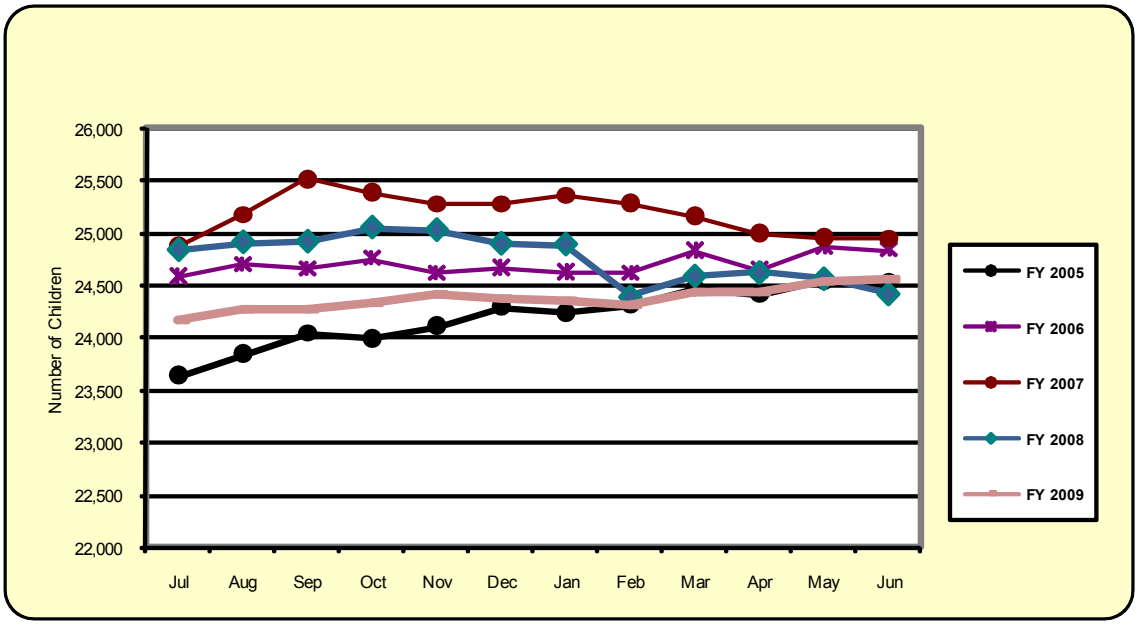
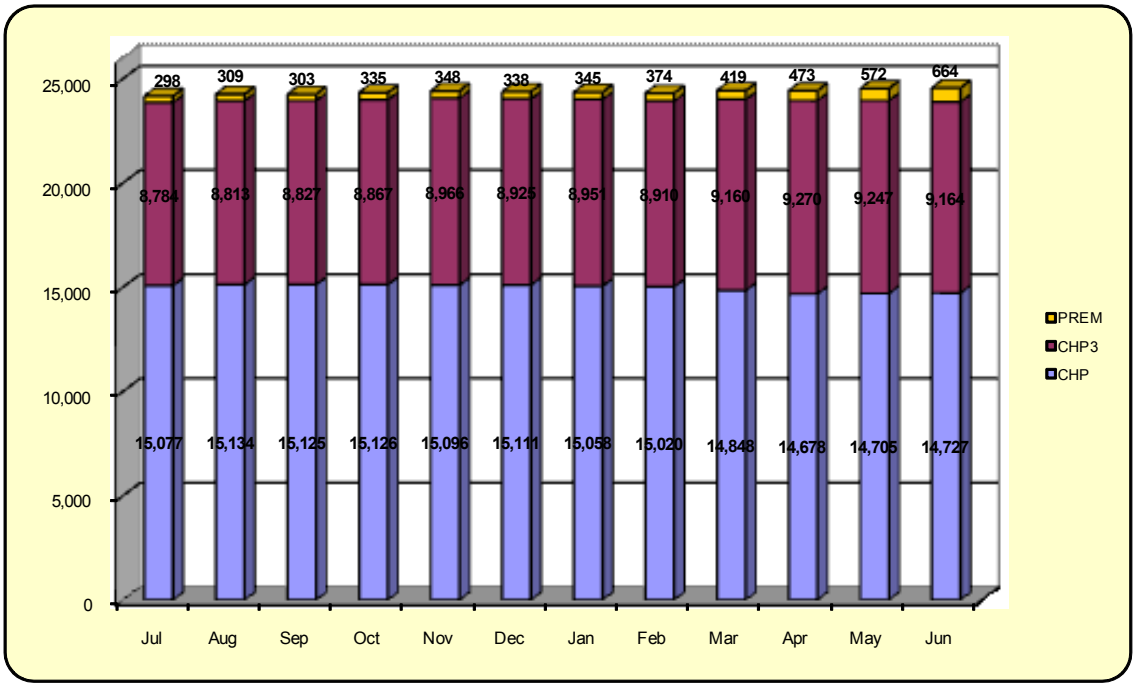
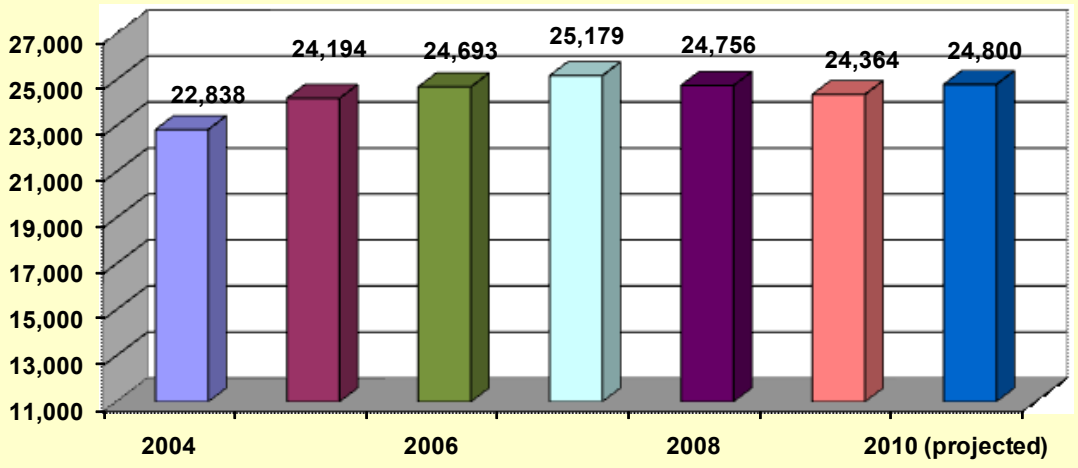


Table 2: Enrollment Detail



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

Table 3: Average Enrollment
SFY 2004 - 2010



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

Year	Number	% Change
2001	30,006	
2002	33,569	+11.9%
2003	33,709	+0.4%
2004	35,495	+5.3%
2005	36,978	+4.2%
2006	38,064	+2.9%
2007	38,471	+1.1%
2008	37,707	-0.7%
2009	37,874	+0.4%

Total unduplicated number of children ever enrolled as of June 30, 2009 in WVCHIP since inception:
117,585

Table 4: Enrollment By Gender

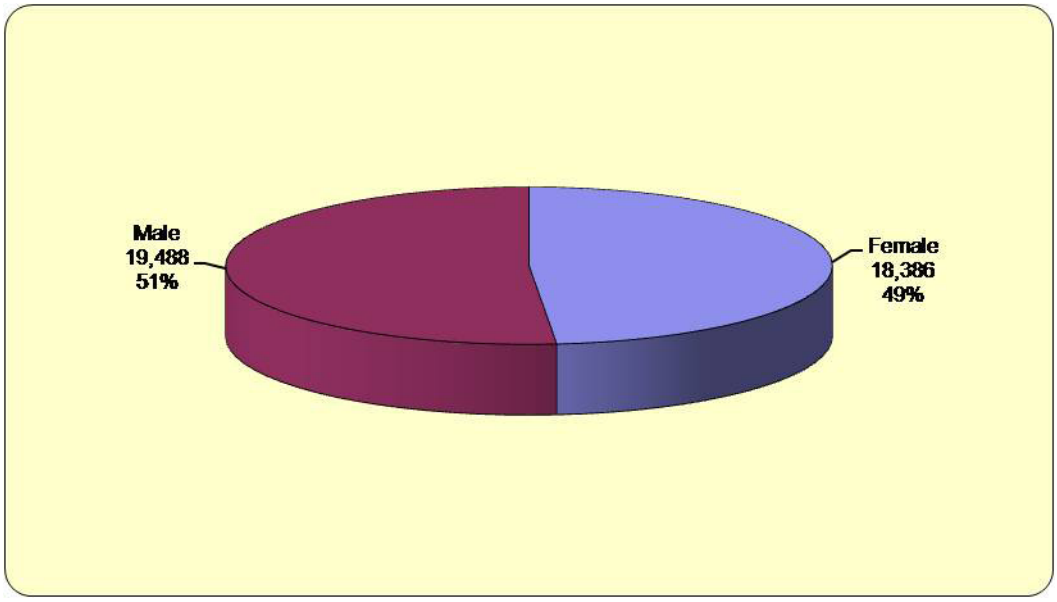


Table 5: Enrollment By Age

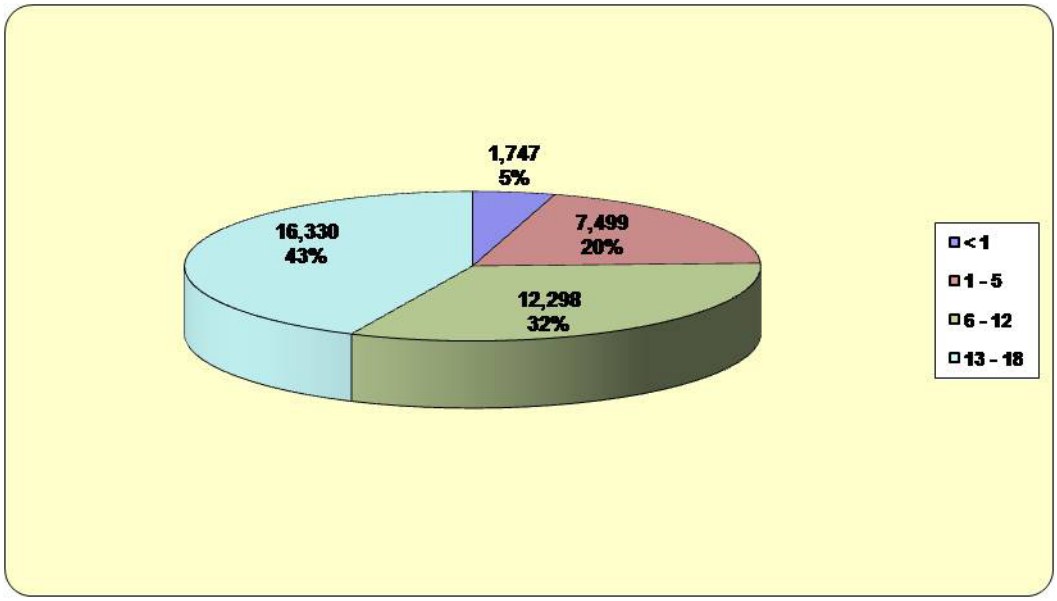
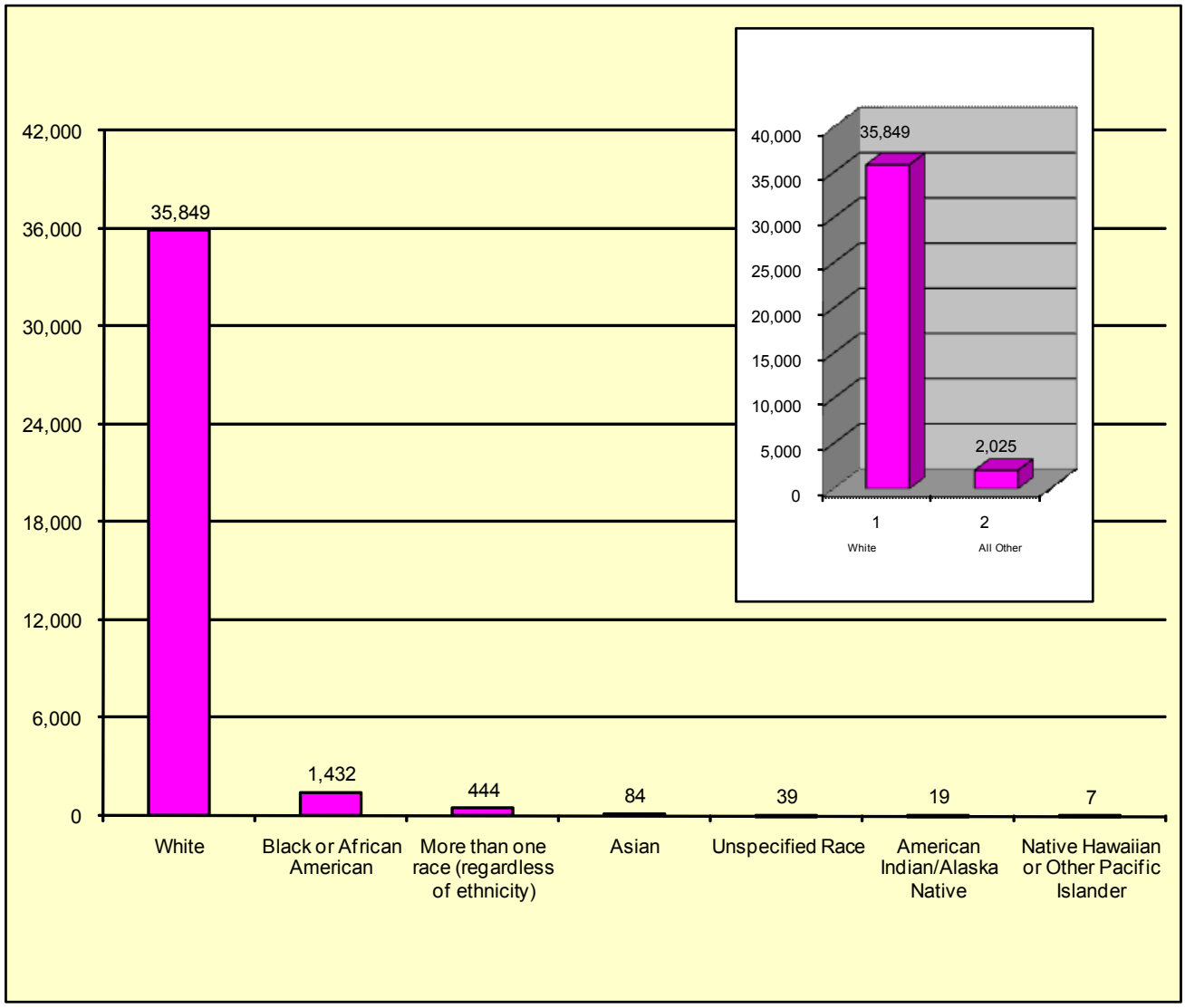
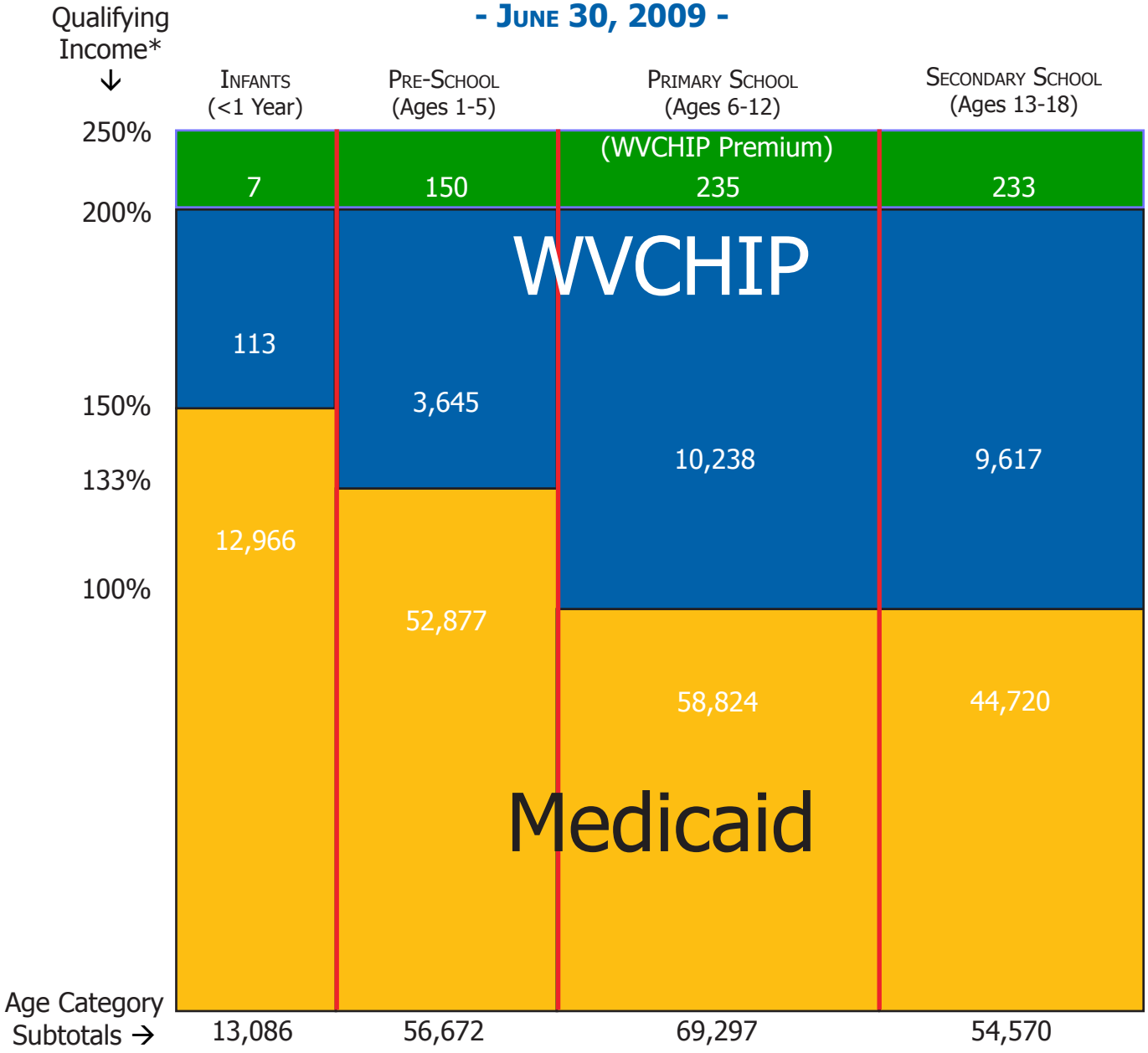


Table 6: Enrollment By Race/Ethnicity



Race/Ethnicity	WV CHIP Population	% of WV CHIP Population	WV Population Under 18 Years	% of WV Population Under 18 Years
White	35,849	94.7%	409,963	94.5%
Black or African American	1,432	3.8%	15,528	3.6%
More than one race (regardless of ethnicity)	444	1.2%	4,207	1.0%
Asian	84	0.2%	2,863	0.7%
Unspecified Race	39	0.1%	0	0.0%
American Indian/Alaska Native	19	0.1%	998	0.2%
Native Hawaiian or Other Pacific Islander	7	0.0%	87	0.0%
Total	**37,874**	**100.0%**	**433,644**	**100.0%**

Table 7: Health Coverage Of West Virginia Children By WVCHIP And Medicaid - June 30, 2009 -



*Household incomes through 250% of the Federal Poverty Level (FPL)

Total WVCHIP Enrollment **24,238** **Total WV Medicaid Enrollment** **169,387**

Total # of Children Covered by WVCHIP and Medicaid - 193,625

Table 8: Annual Re-Enrollment and Non-Responses Upon Renewal
July 2008 through June 2009

County	# of Renewal Forms Mailed Monthly To CHIP Households	# of Closure Notices Mailed For Non-Returned Forms	# of Households Re-Opened as CHIP	% of Households Re-Opened After Closure	# of Households Closed with No Response	% of Households Closed
Tyler	93	29	8	27.6%	18	19.4%
Pendleton	84	30	11	36.7%	18	21.4%
Lewis	262	94	33	35.1%	58	22.1%
Summers	188	58	11	19.0%	42	22.3%
Nicholas	361	115	27	23.5%	84	23.3%
Mineral	361	128	34	26.6%	88	24.4%
Upshur	355	141	44	31.2%	87	24.5%
Wirt	109	46	16	34.8%	27	24.8%
Greenbrier	533	188	42	22.3%	134	25.1%
Jackson	315	123	34	27.6%	80	25.4%
Wetzel	189	69	14	20.3%	48	25.4%
Wood	1,025	421	129	30.6%	265	25.9%
Tucker	154	62	21	33.9%	40	26.0%
Preston	449	176	50	28.4%	117	26.1%
Morgan	353	119	20	16.8%	94	26.6%
Monroe	194	84	31	36.9%	52	26.8%
Wyoming	390	139	29	20.9%	105	26.9%
Roane	251	100	26	26.0%	68	27.1%
Randolph	380	174	54	31.0%	104	27.4%
Clay	142	59	16	27.1%	40	28.2%
Braxton	195	76	16	21.1%	56	28.7%
Mingo	619	249	61	24.5%	178	28.8%
Logan	469	187	43	23.0%	135	28.8%
Fayette	773	321	89	27.7%	225	29.1%
Brooke	250	105	25	23.8%	74	29.6%
Ohio	478	229	83	36.2%	142	29.7%
Gilmer	74	27	5	18.5%	22	29.7%
Ritchie	131	62	21	33.9%	39	29.8%
Marshall	334	136	34	25.0%	100	29.9%
Wayne	512	211	45	21.3%	154	30.1%
Boone	275	114	25	21.9%	83	30.2%
Pocahontas	138	56	11	19.6%	42	30.4%
Marion	694	302	76	25.2%	215	31.0%
Cabell	847	355	80	22.5%	263	31.1%
Taylor	205	97	25	25.8%	64	31.2%
Grant	117	58	18	31.0%	37	31.6%
McDowell	966	416	87	20.9%	310	32.1%
Doddridge	102	58	22	37.9%	33	32.4%
Mason	287	120	19	15.8%	93	32.4%
Pleasants	77	44	15	34.1%	25	32.5%
Hardy	129	70	18	25.7%	42	32.6%
Mercer	238	110	26	23.6%	78	32.8%
Raleigh	1,177	496	77	15.5%	397	33.7%
Harrison	820	395	104	26.3%	278	33.9%
Monongalia	214	91	13	14.3%	73	34.1%
Lincoln	345	155	27	17.4%	119	34.5%
Kanawha	1,844	792	122	15.4%	637	34.5%
Calhoun	110	53	11	20.8%	38	34.5%
Hancock	330	169	37	21.9%	114	34.5%
Jefferson	340	154	27	17.5%	118	34.7%
Putnam	552	245	44	18.0%	195	35.3%
Webster	163	69	11	15.9%	58	35.6%
Barbour	270	120	14	11.7%	102	37.8%
Berkeley	1,101	575	115	20.0%	425	38.6%
Hampshire	226	118	20	16.9%	88	38.9%
Totals	**21,590**	**9,190**	**2,116**	**23.0%**	**6,621**	**30.7%**
12-Mo. Ave.		***766***	***176***	***23.0%***	***552***	***30.7%***

MEDIAN

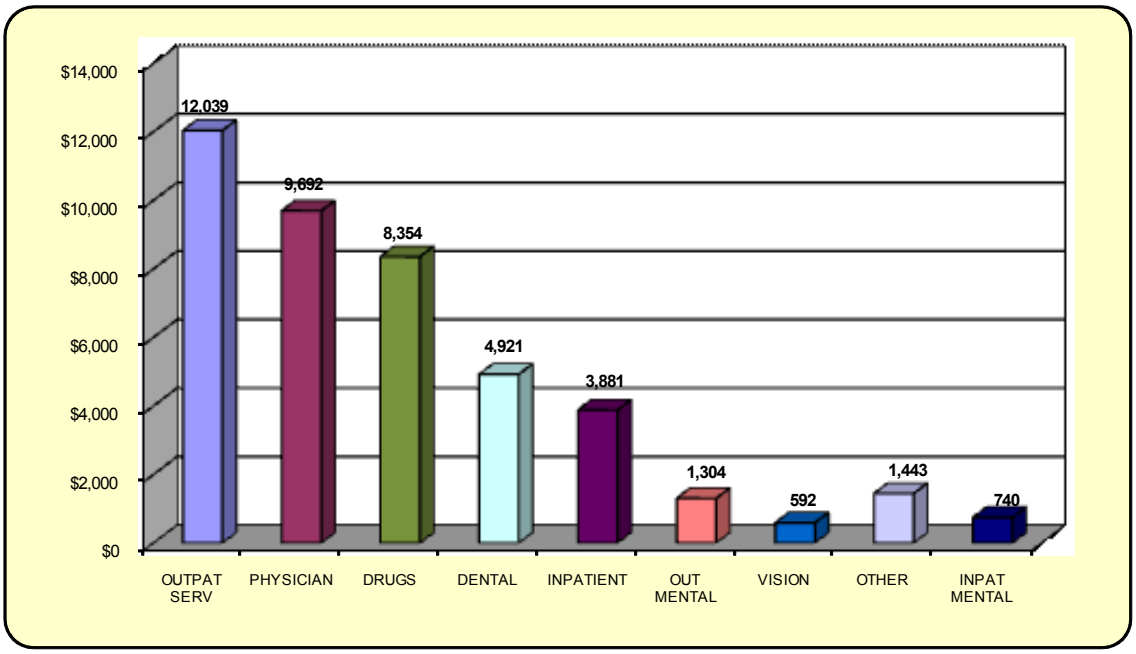
Table 9: Enrollment Changes By County
As % Difference from July 2008 through June 2009

County	Total Enrollees July 2008	Total Enrollees June 2009	Difference	% Change	
Brooke	257	306	49	16%	
Tyler	106	126	20	16%	
Clay	169	198	29	15%	
Gilmer	87	101	14	14%	
Putnam	619	714	95	13%	
Grant	131	150	19	13%	
Doddridge	118	135	17	13%	
Morgan	228	252	24	10%	
Upshur	397	437	40	9%	
Jefferson	388	425	37	9%	
Kanawha	2,036	2,203	167	8%	
Hampshire	257	278	21	8%	
Pendleton	94	101	7	7%	
Berkeley	1,204	1,281	77	6%	
Logan	525	555	30	5%	
Cabell	936	987	51	5%	
Mineral	279	294	15	5%	
Ritchie	144	150	6	4%	
Ohio	532	552	20	4%	
Monongalia	715	740	25	3%	
Calhoun	123	127	4	3%	
Pleasants	93	96	3	3%	
Jackson	367	378	11	3%	
Mercer	1,058	1,088	30	3%	
Summers	210	214	4	2%	
Lewis	294	299	5	2%	
Wood	1,132	1,149	17	1%	
Greenbrier	575	583	8	1%	
Raleigh	1,253	1,259	6	0%	**MEDIAN**
Randolph	445	447	2	0%	
Fayette	893	897	4	0%	
Taylor	236	237	1	0%	
Mingo	391	392	1	0%	
Lincoln	398	394	-4	-1%	
Nicholas	417	412	-5	-1%	
Boone	308	303	-5	-2%	
Harrison	923	904	-19	-2%	
Webster	186	182	-4	-2%	
Preston	491	478	-13	-3%	
Roane	279	271	-8	-3%	
Barbour	303	294	-9	-3%	
Hancock	371	354	-17	-5%	
Marshall	375	355	-20	-6%	
Wayne	579	547	-32	-6%	
McDowell	393	370	-23	-6%	
Hardy	158	148	-10	-7%	
Pocahontas	152	142	-10	-7%	
Wetzel	216	200	-16	-8%	
Wirt	119	109	-10	-9%	
Marion	784	717	-67	-9%	
Wyoming	443	403	-40	-10%	
Tucker	165	150	-15	-10%	
Mason	347	293	-54	-18%	
Braxton	229	190	-39	-21%	
Monroe	231	188	-43	-23%	
Totals	**24,159**	**24,555**	**396**	**2%**	
12-Mo. Ave.		***24,364***	***33***	***1%***	

Table 10: Enrollment Changes By County
As % of Children Never Before Enrolled from July 2008 through June 2009

County	Total Enrollees July 2008	Total Enrollees June 2009	New Enrollees Never in Program	New Enrollees As % of Jun-09	
Hardy	158	148	77	52%	
Pleasants	93	96	49	51%	
Mason	347	293	133	45%	
Mineral	279	294	128	44%	
Hancock	371	354	151	43%	
Grant	131	150	63	42%	
Berkeley	1,204	1,281	533	42%	
Wetzel	216	200	82	41%	
Hampshire	257	278	112	40%	
Jefferson	388	425	171	40%	
Brooke	257	306	121	40%	
Marshall	375	355	138	39%	
Cabell	936	987	382	39%	
Kanawha	2,036	2,203	850	39%	
Putnam	619	714	272	38%	
Wood	1,132	1,149	436	38%	
Morgan	228	252	94	37%	
Boone	308	303	110	36%	
Doddridge	118	135	48	36%	
Logan	525	555	195	35%	
Webster	186	182	62	34%	
Randolph	445	447	152	34%	
Roane	279	271	92	34%	
Monongalia	715	740	250	34%	
Gilmer	87	101	34	34%	
Wayne	579	547	184	34%	
Jackson	367	378	127	34%	**MEDIAN**
Ohio	532	552	182	33%	
Mercer	1,058	1,088	356	33%	
Ritchie	144	150	49	33%	
Nicholas	417	412	134	33%	
Greenbrier	575	583	189	32%	
Harrison	923	904	292	32%	
Fayette	893	897	288	32%	
Marion	784	717	229	32%	
Clay	169	198	63	32%	
Tyler	106	126	40	32%	
Pendleton	94	101	32	32%	
McDowell	393	370	116	31%	
Summers	210	214	66	31%	
Taylor	236	237	73	31%	
Lewis	294	299	92	31%	
Wyoming	443	403	124	31%	
Calhoun	123	127	39	31%	
Upshur	397	437	130	30%	
Mingo	391	392	116	30%	
Raleigh	1,253	1,259	372	30%	
Lincoln	398	394	114	29%	
Barbour	303	294	85	29%	
Braxton	229	190	54	28%	
Monroe	231	188	53	28%	
Preston	491	478	134	28%	
Wirt	119	109	29	27%	
Pocahontas	152	142	37	26%	
Tucker	165	150	36	24%	
Totals	**24,159**	**24,555**	**8,570**	**35%**	
12-Mo. Ave.		***24,364***	***714***	***3%***	

Table 11: Expenditures by Provider Type
Accrual Basis



Expenditures by Provider Type
Accrual Basis

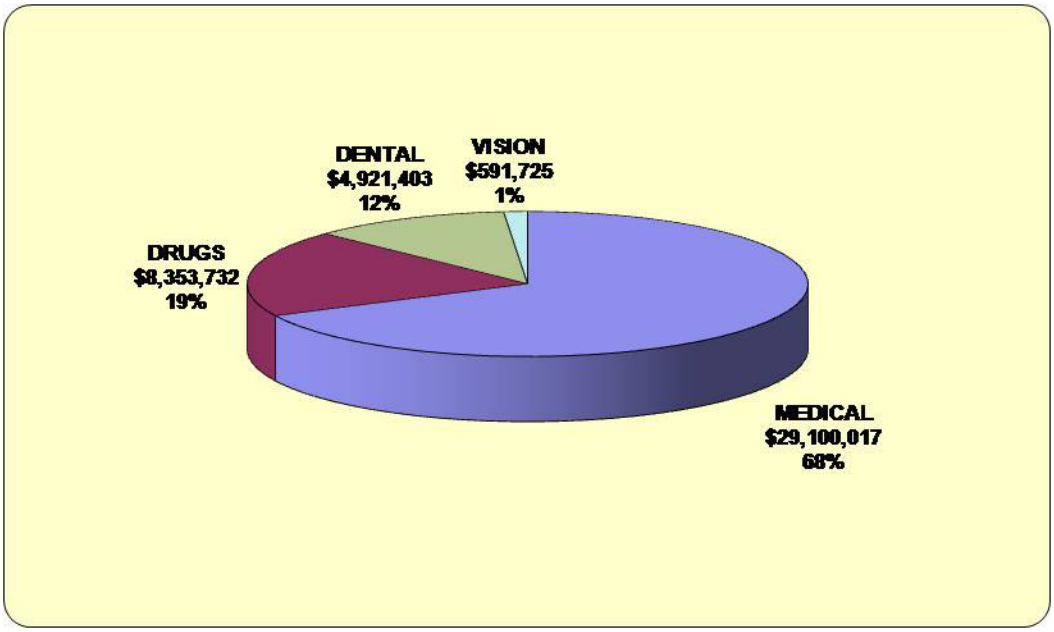


Table 12: Total Program Expenditures

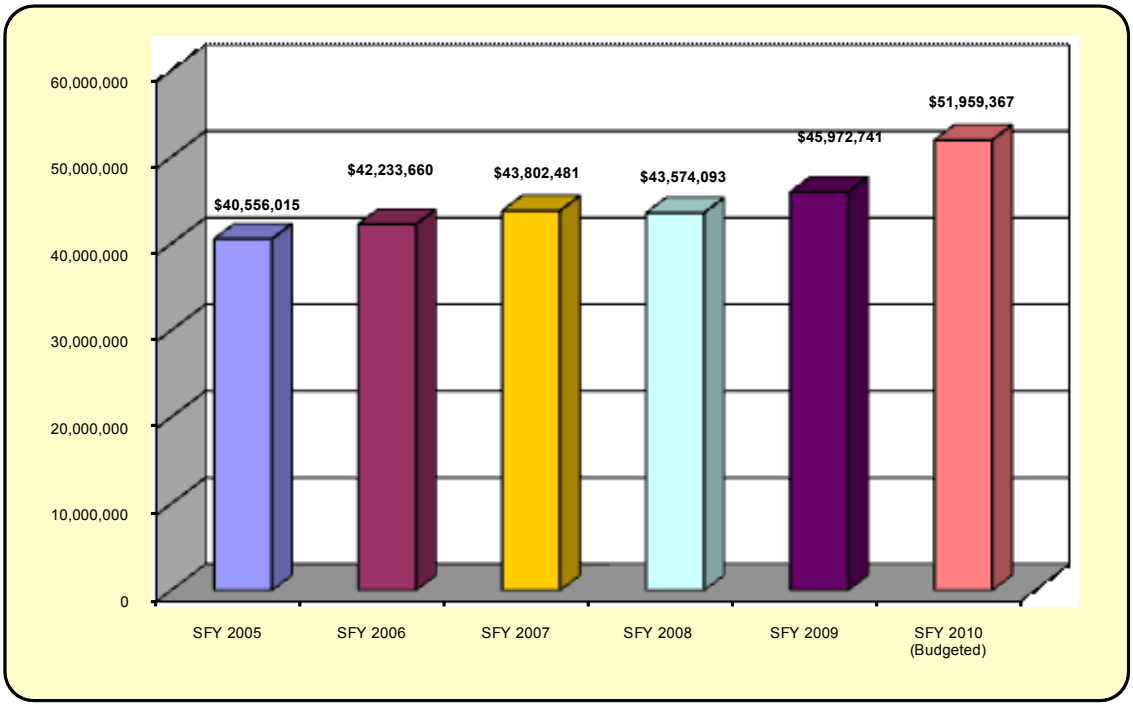
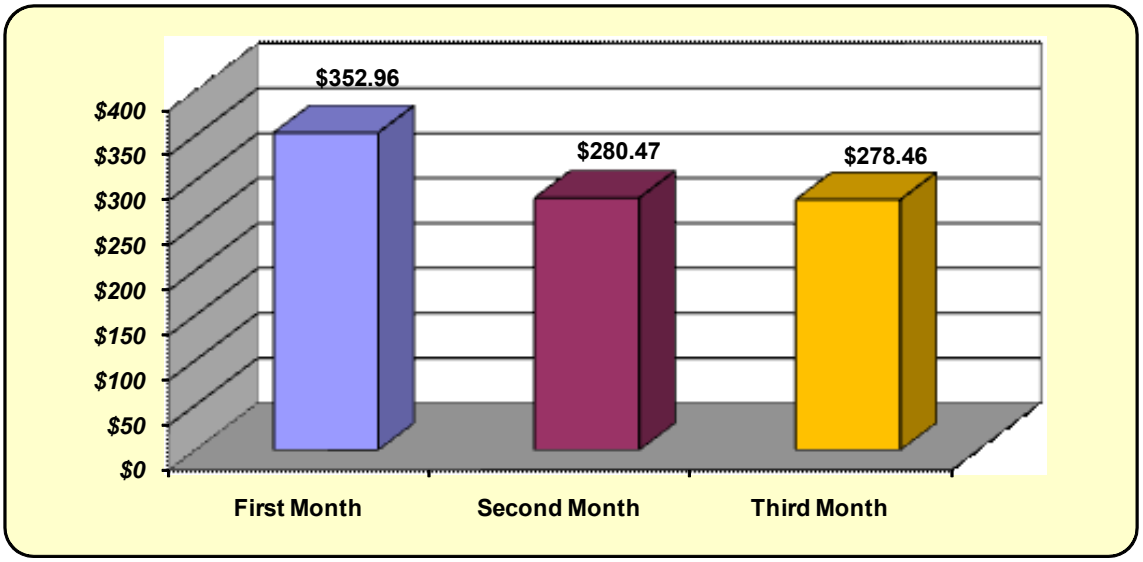


Table 13: Average Claimant Costs in First Three Months
Showing Pent Up Demand For Services Upon Enrollment



The Health Plan Effectiveness Data and Information Set (HEDIS®) and HEDIS-Type Data as Utilized By WVCHIP

HEDIS® is a set of standardized performance measures designed to ensure that purchasers and consumers have the information they need to reliably compare the performance of managed health care plans. However, many states are using HEDIS® to assess services delivered to both Medicaid and State Children's Health Insurance Program (SCHIP) beneficiaries to monitor program performance. Typically, the performance measures in HEDIS® are related to many significant public health issues for adults such as cancer, heart disease, smoking, asthma and diabetes. Child health measures may include preventive and well child visits, immunization status, access to primary care practitioners, dental visits and can include selected chronic conditions.

WVCHIP utilizes HEDIS®-type measures that identify only those individuals with a continuous 12 month enrollment period whose treatment information can be included in calculations of measures assessing the level of services extracted from claims payment data in a fee-for-service environment. For HEDIS® measures involving services or treatments delivered in set time frames (e.g., preventive services, screenings, well-care visits), managed care plan members must be enrolled for a minimum of 12 months, with no more than one break of 45 days, to be included in the calculation of the HEDIS® rate. For other measures, the required period of continuous enrollment varies. HEDIS® is sponsored, supported and maintained by the National Committee for Quality Assurance.

The following tables present HEDIS® or HEDIS-Type results for WVCHIP enrollees during calendar year 2008 *(See Tables 14 - 20)*. Table 15 reflects a Vision Visit rate that is a WVCHIP measure only.

Note on Immunizations:

WVCHIP is unable to report a HEDIS® measure for all children receiving the recommended combinations of immunizations prior to age three. This is a combined result of the relatively few children covered by WVCHIP between birth to two years (since children in households with incomes up to 150% FPL are covered by Medicaid and since HEDIS® data only counts those children enrolled for 12 months of a calendar year). For this reason the HEDIS® measure is not particularly meaningful for participants in WVCHIP and has been deleted. For other data of available immunizations for children covered by WVCHIP (including the HEDIS® age group), please see Table 25.

HEDIS-Type Data
January 1, 2008 to December 31, 2008

Table 14: Dental Visits

This measure estimates the number of children enrolled for the entire 2008 calendar year, ages 2 through 18, that had at least one dental visit during the year.

Age Group	Number of Continuously Enrolled Children	Number Having Dental Checkup Visit	% Year 08	% Prior Year 07	% Prior Year 06
2 to 3 Years	474	458	96.62%	97.54%	96.33%
4 to 6 Years	888	869	97.86%	97.58%	97.51%
7 to 10 Years	2,448	2,377	97.10%	97.24%	96.70%
11 to 14 Years	2,917	2,826	96.88%	96.23%	95.52%
15 to 18 Years	2,422	2,308	95.29%	94.17%	94.72%
Total	**8,675**	**8,380**	**96.60%**	**96.06%**	**95.84%**

Table 15: Vision Visits

This measure estimates the number of children enrolled for the entire 2008 calendar year who received a vision visit.

Age Group	Number of Continuously Enrolled Children	Number Having Vision Checkup Visit	% Year 08	%Prior Year 07	% Prior Year 06
Under 1 Year	2	1	50.00%	0.00%	0.00%
1 to 5 Years	1,070	159	14.86%	14.27%	12.24%
6 to 11 Years	3,475	1,172	33.73%	30.72%	30.64%
12 to 18 Years	4,643	1,744	37.56%	36.07%	35.72%
Total	**9,190**	**3,076**	**33.47%**	**31.54%**	**30.99%**

HEDIS Data
2006 - 2008

Table 16:
Number of Wellness Visits for Children in the First 15 Months of Life

The percentage of members who turned 15 months old during the calendar year who had the recommended six or more of well-child visits with a PCP during their first 15 months of life.

2008

Number of Continuously Enrolled Children	Number of Visits	Number of Children	% of children for Year 2008
17	0	1	5.88%
17	1	2	11.76%
17	2	1	5.88%
17	3	1	5.88%
17	4	2	11.76%
17	5	7	41.19%
17	6 or more	3	17.65%
Total		**17**	**100.00%**

2007

Number of Continuously Enrolled Children	Number of Visits	Number of Children	% of children for Year 2007
16	0	0	0.00%
16	1	0	0.00%
16	2	0	0.00%
16	3	0	0.00%
16	4	4	25.00%
16	5	7	43.75%
16	6 or more	5	31.25%
Total		**16**	**100.00%**

2006

Number of Continuously Enrolled Children	Number of Visits	Number of Children	% of children for Year 2006
14	0	0	0.00%
14	1	0	0.00%
14	2	1	7.14%
14	3	3	21.43%
14	4	7	50.00%
14	5	1	7.14%
14	6 or more	2	14.29%
Total		**14**	**100.00%**

HEDIS Data
January 1, 2008 to December 31, 2008

Table 17: Well Child Visits and Adolescent Visits

These measures estimate the number of children enrolled for the entire 2008 calendar year from ages birth through six years and from 12 to 19 years of age who have had a well child visit with a physician coded as preventive office visits only.

Age Group	Number of Continuously Enrolled Children	Number Having Well Visit	% Year 08	% Prior Year 07	% Prior Year 06
Well Child					
Less Than Or Equal To 15 Months	18	18	100.00%	94.12%	100.00%
Third Year Of Life	257	166	64.59%	89.18%	94.93%
Fourth Year Of Life	240	182	75.83%	88.69%	92.86%
Fifth Year Of Life	317	242	76.34%	84.21%	96.01%
Sixth Year Of Life	331	216	65.26%	82.81%	94.64%
Total	**1,163**	**824**	**70.85%**	**86.04%**	**94.73%**
Adolescents					
12 To 19 Years of Age	4,643	1,704	36.70%	60.32%	83.05%
Total	**4,643**	**1,704**	**36.70%**	**60.32%**	**83.05%**

Table 18: Access To Primary Care

This measure estimates the number of children enrolled for the entire 2008 calendar year from ages 1 to 19 who received office visits/outpatient services for procedures coded to primary care services only.

Age Group	Number of Continuously Enrolled Children	Number Having Primary Care Visit	% Year 08	% Prior Year 07	%Prior Year 06
12 to 24 Months	56	55	98.21%	98.48%	92.06%
25 Months to 6 Years	1,345	1,281	95.24%	94.73%	95.06%
7 to 11 Years	3,144	2,757	87.69%	87.92%	87.04%
12 to 19 Years	4,652	3,966	85.25%	83.49%	81.87%
Total	**9,197**	**8,059**	**90.06%**	**89.55%**	**89.42%**

HEDIS-Type Data
January 1, 2008 to December 31, 2008

Table 19: Proper Use of Asthma Medications

This measure estimates the number of children enrolled for the entire 2008 calendar year as well as the complete year prior with persistent asthma who were prescribed appropriate medication.

Age Group	Asthma Patients	Number with Proper Use of Medications	% Year 08	% Prior Year 07	% Prior Year 06
5 to 9 Years	310	283	91.29%	92.23%	94.80%
10 to 17 Years	435	384	88.27%	88.10%	90.17%
18-19 Years	35	30	85.71%		
Total	780	697	89.36%	92.25%	92.25%

Table 20: Diabetic Care

This measure estimates the number of children enrolled for the entire 2008 calendar year with type 1 and type 2 diabetes who were shown to have had a hemoglobin A1c (HbA1c) test; a serum cholesterol level (LDL-C) screening; and an eye exam and a screen for kidney disease.

Age Group	Diabetic Patients	HB1C Test	Rate of HB1C Test	Eye Examinations	Rate of Eye Examinations	LDLC Test	Rate of LDLC Test
4 to 5 Years							
6 to 11 Years	28	22	78.57%	27	96.42%	6	21.42%
12 to 18 Years	45	43	95.50%	44	97.77%	14	31.11%
Total % Year 08	**73**	**65**	**89.04%**	**71**	**97.26%**	**20**	**27.40%**
Total % Prior Year 07	**64**	**56**	**87.50%**	**60**	**93.75%**	**13**	**20.31%**
Total % Prior Year 06	**59**	**54**	**91.53%**	**57**	**96.61**	**13**	**22.03%**

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Selected Utilization Data as Health Status Indicators

WVCHIP currently operates exclusively in a fee-for-service payment structure. The data in Tables 21 - 25 reflect preventive services as extracted from claims payments. The selected preventive services are:

- → Vision
- → Dental
- → Well Child Visits
- → Access to Primary Care
- → Immunizations

Unlike the HEDIS®-type data in the preceding Tables 14 - 20, the health status indicator data reflects services for all WVCHIP enrollees whether they are enrolled for one month or twelve months in the annual measurement period. Also, it captures more specific data for the entire population, which may not be captured in a HEDIS® measure. (e.g. the HEDIS® child immunization measure is specific to a required combined set of several immunizations over a two year period for two year-olds resulting in a "0" measure, whereas the selected immunization data reflect more detail.)

The advantage of having separate HEDIS®-type measures is to allow comparison among managed health care plans and with other states' CHIP or Medicaid programs.

Table 21:
Health Status Indicators
January 1, 2008 to December 31, 2008

Vision Services

Age Group	Enrollment	Services	Utilization Rate	CHIP Expenditures	Per Member Per Year 08	Per Member Per Year 07	Per Member Per Year 06
0 to 364 Days	119					3.15	3.69
1 to 2 Years	1550	60	0.04	5,346.57	3.45	3.20	2.32
3 Years	819	52	0.06	4,380.50	5.35	7.65	6.30
4 to 5 Years	1686	297	0.18	24,969.83	14.81	12.55	11.17
6 to 11 Years	9090	2766	0.30	235,931.80	25.96	23.55	24.00
12 to 18 Years	11275	3735	0.33	313,300.80	27.79	25.64	25.17
Overall	**24,539**	**6,910**	**0.28**	**583,929.50**	**23.80**	**21.52**	**20.99**

Table 22:
Health Status Indicators
January 1, 2008 to December 31, 2008

Dental Services

Age Group	Enrollment	Services	Utilization Rate	CHIP Expenditures	Per Member Per Year 08	Per Member Per Year 07	Per Member Per Year 06
0 to 364 Days	119					-	
1 to 2 Years	1550	515	0.33	55,823.98	36.02	24.24	28.36
3 Years	819	798	0.97	106,523.98	130.07	97.35	143.45
4 to 5 Years	1686	2524	1.50	326,991.32	193.95	147.75	178.94
6 to 11 Years	9090	14586	1.60	1,819,154.08	200.13	145.12	175.10
12 to 18 Years	11275	16022	1.42	2,251,449.72	199.69	134.03	177.18
Overall	**24,539**	**34,445**	**1.40**	**4,559,943.08**	**185.82**	**165.08**	**164.71**

Table 23:
Health Status Indicators
January 1, 2008 to December 31, 2008

Well Child Visits

Age Group	Enrollment	Services	Utilization Rate	CHIP Expenditures	Per Member Per Year 08	Per Member Per Year 07	Per Member Per Year 06
0 to 364 Days	119	472	3.97	42,589.35	357.89	504.50	322.78
1 to 2 Years	1550	2427	1.57	232,878.20	150.24	139.27	142.78
3 Years	819	616	0.75	50,052.73	61.11	60.86	54.05
4 to 5 Years	1686	1569	0.93	148,666.12	88.18	74.39	76.63
6 to 11 Years	9090	3392	0.37	318,546.91	35.04	33.57	33.03
12 to 18 Years	11275	3767	0.33	342,052.52	30.34	30.68	29.13
Overall	**24,539**	**12,243**	**0.50**	**1,134,785.83**	**46.24**	**43.33**	**41.69**

Table 24:
Health Status Indicators
January 1, 2008 to December 31, 2008

Access to Primary Care Services

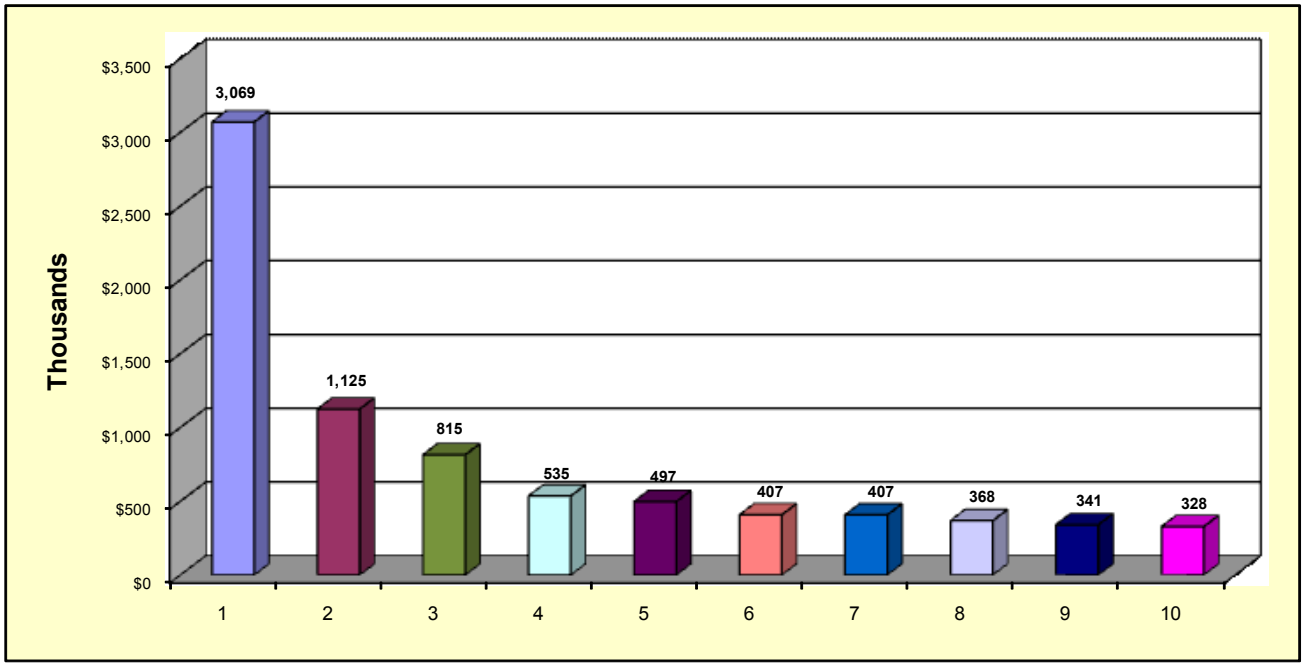
Age Group	Enrollment	Services	Utilization Rate	CHIP Expenditures	Per Member Per Year 08	Per Member Per Year 07	Per Member Per Year 06
0 to 364 Days	119	970	8.15	69,119.98	580.84	535.91	673.06
1 to 2 Years	1550	10023	6.47	678,987.85	438.06	393.55	382.79
3 Years	819	3530	4.31	216,808.80	264.72	247.60	249.21
4 to 5 Years	1686	8141	4.83	533,445.79	316.40	273.59	283.10
6 to 11 Years	9090	31082	3.42	2,038,575.05	227.27	210.75	203.00
12 to 18 Years	11275	37049	3.29	2,401,357.86	212.98	194.03	186.49
Overall	**24,539**	**90,795**	**3.70**	**5,938,295.33**	**241.99**	**231.14**	**222.10**

Table 25:
Health Status Indicators
January 1, 2008 to December 31, 2008

Immunizations Services

Age Group	Immunization Type	Enrollment	Services	Utilization Rate	CHIP Expenditures	Per Member Per Year 08	Per Member Per Year 07	Per Member Per Year 06
0 to 364 Days	Administration - Influenza Vaccine	119	1	0.01	12.00	0.10	0.43	
	DTaP		108	0.91			1.65	2.34
	Hepatitus B		61	0.51	24.36	0.20		0.23
	Hib		149	1.25	21.47	0.18	0.64	0.96
	IPV / OPV		55	0.46	25.90	0.22		1.31
	MMR							
	VZV							0.61
		119	**374**	**3.14**	**83.73**	**0.70**	**2.72**	**5.45**
1 to 2 Years	Administration - Influenza Vaccine	1550					0.10	0.10
	Diphtheria and Tetanus		6					
	DTaP		30	0.02			0.03	0.41
	Hepatitus B		44	0.03			0.02	0.02
	Hib		165	0.11	72.48	0.05	0.04	0.83
	IPV / OPV		60	0.04				0.14
	Measles		6					
	MMR		383	0.25			0.17	2.23
	VZV		391	0.25	5.00		0.16	3.27
	Rubella		1					
		1550	**1086**	**0.70**	**77.48**	**0.05**	**0.54**	**6.58**
3 Years	Administration - Influenza Vaccine	819	9	0.01	106.00	0.13	0.20	0.04
	DTaP		3					
	Hepatitus B		3					
	Hib		2					
	IPV / OPV		9	0.01				0.04
	MMR		13	0.02			0.12	0.12
	Measles		1					
	VZV		18	0.02				0.38
		819	**58**	**0.06**	**106.00**	**0.13**	**0.2**	**0.58**
4 to 5 Years	Administration - Influenza Vaccine	1686	14	0.01	156.00	0.09	0.09	0.04
	Pneumococcal Vaccine		1		12.00	0.01		
	Diphtheria and Tetanus		8				0.01	
	DTaP		13	0.01				
	Hepatitus B		14	0.01			0.02	0.04
	Hib		2					0.01
	IPV / OPV		597	0.35	74.92	0.04	0.10	0.28
	MMR		646	0.38	234.74	0.14	0.30	1.75
	Measles		3					
	Mumps		2					
	VZV		660	0.39	232.41	0.14	0.03	1.11
		1686	**1960**	**1.16**	**710.07**	**0.42**	**0.55**	**3.24**
6 to 11 Years	Administration - Influenza Vaccine	9090	61	0.01	658.25	0.07	0.09	0.04
	Administration - Pneumococcal Vaccine		3		34.00			
	Diptheria		1					
	Diphtheria and Tetanus		2					0.00
	DTaP		8					0.00
	Hepatitus B		21					0.01
	Hib		3					
	IPV / OPV		15		25.90			0.00
	MMR		25		91.16	0.01		0.00
	Tetanus		5		20.00	0.00		0.01
	VZV		653	0.07	380.48	0.04	0.07	0.60
		9090	**797**	**0.09**	**1209.79**	**0.13**	**0.14**	**0.66**
12 to 18 Years	Administration - Hepatitus B	11275	1		12.00			0.00
	Administration - Influenza Vaccine		64	0.01	655.69	0.06	0.07	0.04
	Administration - Pneumococcal Vaccine		3		34.00	0.00		
	Diphtheria and Tetanus		8					
	DTaP		17					
	Hepatitus B		197	0.02	90.25	0.01	0.01	0.04
	Hib		4					
	IPV / OPV		11					
	MMR		30					0.01
	Tetanus		37		184.93	0.02	0.01	0.07
	VZV		312	0.03			0.03	0.21
		11275	**684**	**0.06**	**976.87**	**0.09**	**0.12**	**0.37**
	Overall	**24,489**	**4,959**	**0.19**	**3,163.94**	**0.19**	**1.11**	**0.96**

Table 26: Top Ten Physician Services
By Amounts Paid
(in thousands)



Key

		CPT Code*
1	Office Visit Limited - Est. Patient	(99213)
2	Office Visit Intermediate - Est. Patient	(99214)
3	Individual Psychotherapy	(90806)
4	ER Exam - Intermediate - New Patient	(99283)
5	ER Exam - Extended - New Patient	(99284)
6	Office Visit Brief - Est. Patient	(99212)
7	Ophthalmological Exam - Comprehensive - Est. Patient	(92014)
8	Periodic Comprehensive Wellness Exam Age 5-11 - Est. Patient	(99393)
9	Office or Other Outpatient Visit	(99203)
10	Psychiatric Diagnostic Interview/Exam	(90801)

**As described in Current Procedure Terminology 2009 by the American Medical Association.*

Table 26: Top Ten Physician Services
By Amounts Paid

CPT Code Description

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

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

3 Individual Psychotherapy: requiring a face-to-face visit with a therapist for insight oriented, behavior modifying and/or supportive therapy for 45 to 50 minutes *(CPT 90806)*

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

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

6 Office Visit Brief - Est. Patient: for an established patient taking about ten minutes or less of face-to-face time with patient and/or family for self limiting or minor problems; 2 of 3 required visit components are a problem focused history and examination and straightforward medical decision making *(CPT 99212)*

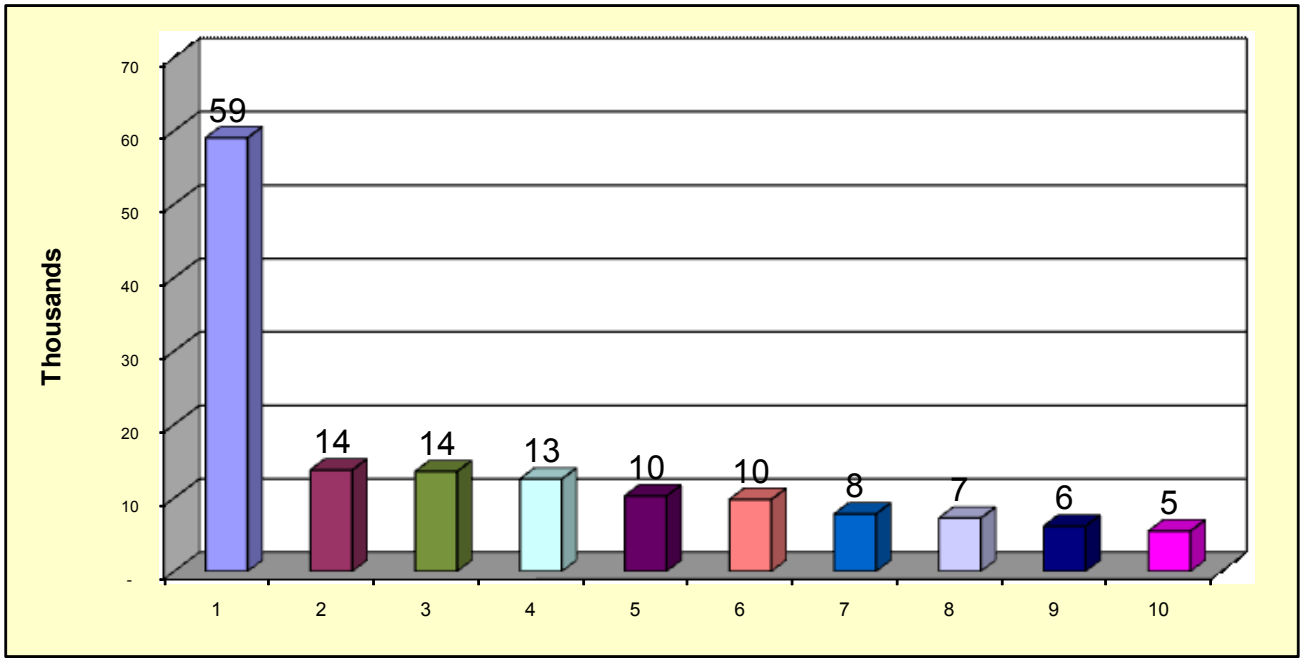
7 Ophthalmological Exam - Comprehensive - Est. Patient: for an established patient at an intermediate level in a face-to-face encounter by the physician for a general evaluation of the complete visual system including history, general medical observation, external and ophthalmological examinations, gross visual fields and basic sensorimotor examination. It need not be performed all in one session *(CPT 92014)*

8 Periodic Comprehensive Wellness Exam Age 5-11 - Est. Patient: an age and gender specific preventive medical exam that includes appropriate history, exam, any needed counseling/anticipatory guidance/risk factor reduction interventions as well as ordering of appropriate immunizations and laboratory tests for an established patient. These exams are coded to the correct age/stage period and are guided by criteria established by the American Academy of Pediatrics *(CPT 99393)*

9 Office or Other Outpatient Visit: for the evaluation and management of a new patient, which requires these three key components: a detailed history, a detailed examination, and medical decision making of low complexity. Counseling and/or coordination of care with other providers or agencies are provided consistent with the nature of the problem(s) and the patient's and/or family's needs. Usually, the presenting problem(s) are of moderate severity. Physicians typically spend 30 minutes face-to-face with the patient and/or family. *(CPT 99203)*

10 Psychiatric Diagnostic Interview/Exam: an examination which includes a history, mental status, and a disposition; may include communication with family or other sources, ordering and interpreting other medical or diagostic studies *(CPT 90801)*

Table 27: Top Ten Physician Services
By Number of Transactions
(in thousands)



Key

		CPT Code*
1	Office Visit Limited - Est. Patient	(99213)
2	Office Visit Intermediate - Est. Patient	(99214)
3	Office Visit Brief - Est. Patient	(99212)
4	Immunization Administration	(90471)
5	Individual Psychotherapy	(90806)
6	Blood Count	(85025)
7	Test for Streptococcus	(87880)
8	ER Exam - Intermediate - New Patient	(99283)
9	Immunization Administration - Each Add. Vaccine	(90472)
10	Physical Therapy	(97110)

**As described in Current Procedure Terminology 2009 by the American Medical Association.*

Table 27: Top Ten Physician Services
By Number of Transactions

CPT Code Description

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

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

3 Office Visit Brief - Est. Patient: for an established patient taking about ten minutes or less of face-to-face time with patient and/or family for self limiting or minor problems; 2 of 3 required visit components are a problem focused history and examination and straightforward medical decision making *(CPT 99212)*

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

5 Individual Psychotherapy: requiring a face-to-face visit with a therapist for insight oriented, behavior modifying and/or supportive therapy for 45 to 50 minutes *(CPT 90806)*

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

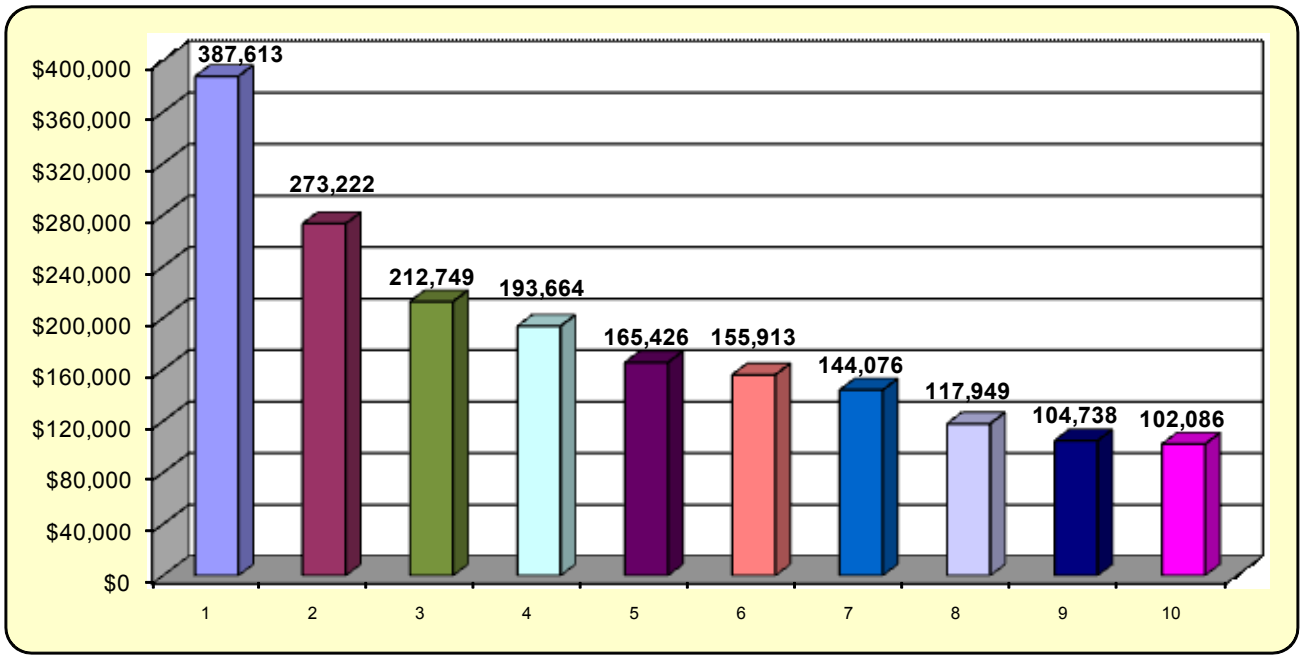
7 Test for Streptococcus: laboratory testing for Streptococcus bacteria group A as identified by colony morphology, growth on selective media *(CPT 87880)*

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

9 Immunization Administration - Each Add. Vaccine: injection of each additional vaccine (over one) whether percutaneous, intradermal, subcutaneous, or intramuscular *(CPT 90472)*

10 Physical Therapy: therapeutic procedure, one or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility *(CPT 97110)*

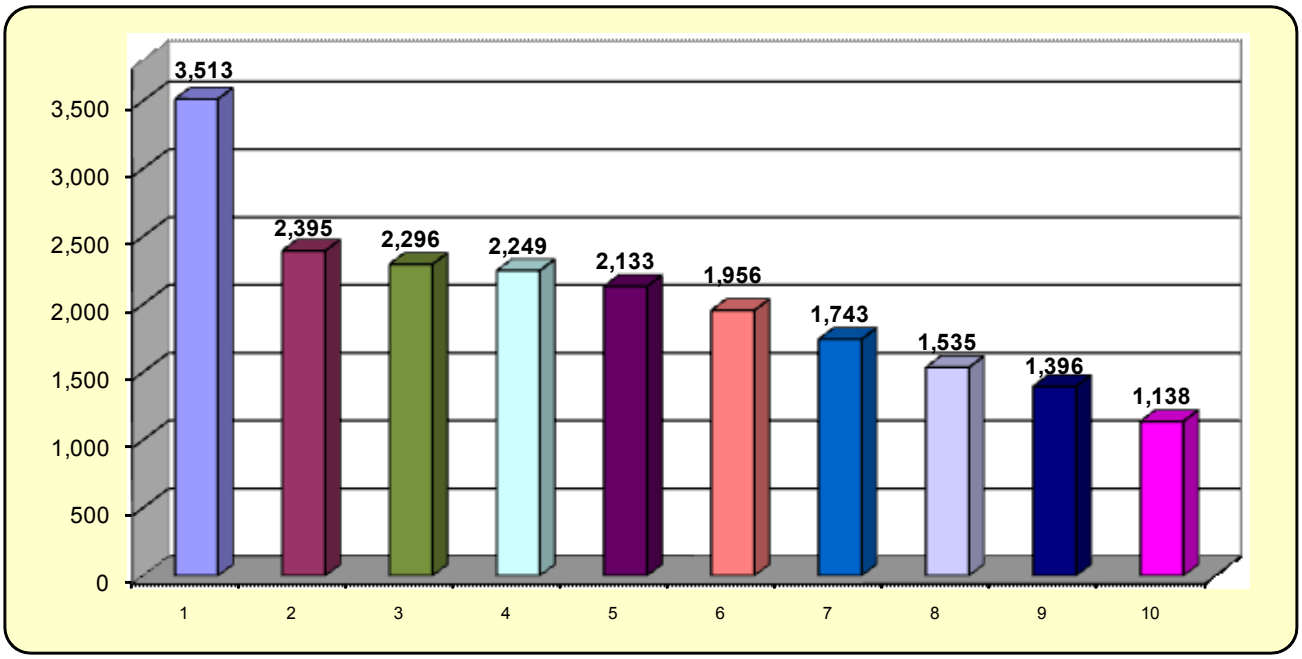
Table 28: Top Ten Prescription Drugs
By Ingredient Cost



Key

	Drug Brand Name		Major Use Indication
1	Singulair 5MG	-	Asthma
2	Humatrope 24MG	-	Growth Hormone
3	Adderall XR 20MG	-	Attention Deficit Hyperactivity Disorder (ADHD)
4	Singulair 10MG	-	Asthma
5	Adderall XR 30MG	-	Attention Deficit Hyperactivity Disorder (ADHD)
6	Concerta 36MG	-	Attention Deficit Hyperactivity Disorder (ADHD)
7	Nutroping AQ 20MG/2ML	-	Growth Hormone
8	Concerta ER 36MG	-	Attention Deficit Hyperactivity Disorder (ADHD)
9	Concerta 54MG	-	Attention Deficit Hyperactivity Disorder (ADHD)
10	Strattera 40MG	-	Attention Deficit Hyperactivity Disorder (ADHD)

Table 29: Top Ten Prescription Drugs
By Number of Rx



Key

	Drug Brand Name	Major Use Indication
1	Singulair 5MG	- Asthma
2	Fluticasone 50MCG	- Allergies
3	Loratadine 10MG	- Allergies
4	Proair HFA 90MCG	- Asthma
5	Azithromycin 250MG	- Antibiotic
6	Amoxicillin 400MG/5ML	- Antibiotic
7	Singulair 10MG	- Asthma
8	Amoxicillin 250MG/5ML	- Antibiotic
9	Yaz 28	- Birth Control
10	Promethazine-DM	- Allergies