

Legislative Oversight Commission on  
Health and Human Resources Accountability

*MAY 2009*

Department of Administration

State Children's Health Insurance Program  
UPDATE



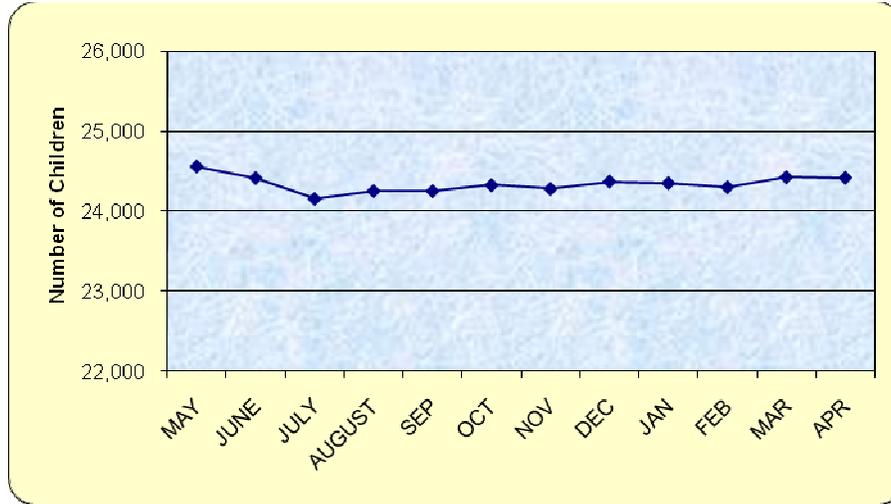
# WV CHILDREN'S HEALTH INSURANCE AGENCY

## REPORT FOR MAY 2009

### I. Enrollment on April 30, 2009: 24,421

See Attachment 1 for enrollment by county.

Current 12-Month Enrollment Period: May 2008 through April 2009



### Enrollee Totals: February 2009 to April 2009

Month	Total	1 Year	Total
February	1,780	Average	1,742
March	2,078	High	2,078
April	1,884	Low	1,406

### New Enrollee (Never Before on CHIP) Totals: February 2009 to April 2009

Month	Total	1 Year	Total
February	725	Average	710
March	726	High	838
April	710	Low	581

### II. Re-enrollment for 3 Month Period: February 2009 to April 2009

Total Forms Mailed		Enrolled within Notice Period		Reopened Cases After Closure		Final Closures	
Month	Total	#	%	#	%	#	%
February	1,951	1,063	55%	341	17%	547	28%
March	1,985	1,151	58%	253	13%	581	29%
April	1,705	1,098	64%	168	10%	439	26%

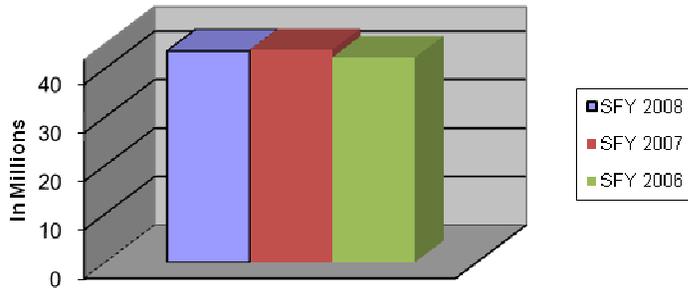
**III. Financial Activity**

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

*The average annualized claims cost per child for the month ended March 2009 was \$1,914.*

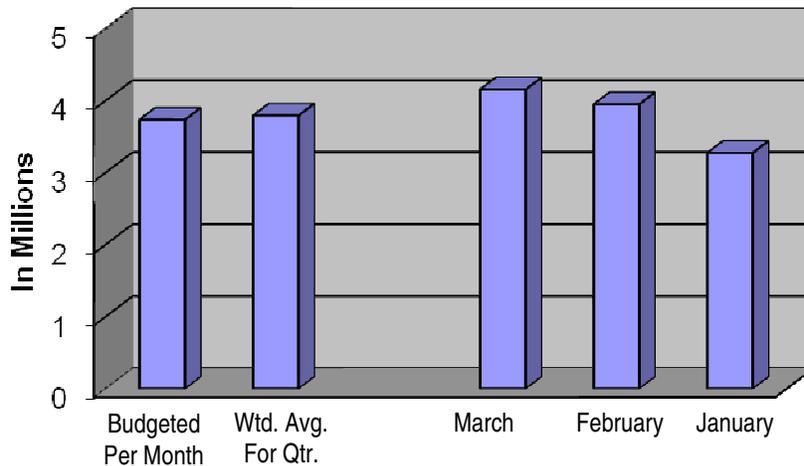
**Annual Expenditures for a 3 Year Period: SFY 2006 – SFY 2008**

	<b>SFY 2008</b>	<b>FFP% 2008</b>	<b>SFY 2007</b>	<b>FFP% 2007</b>	<b>SFY 2006</b>	<b>FFP% 2006</b>
Federal	35,626,232	81.98	35,472,537	80.97	34,247,276	81.09
State	7,947,861	18.02	8,336,944	19.03	7,986,385	18.91
<b>Total Costs</b>	<b>43,574,093</b>	<b>100.00</b>	<b>43,809,481</b>	<b>100.00</b>	<b>42,233,661</b>	<b>100.00</b>



**Monthly Budgeted and Current 3 Month Period: January 2009 – March 2009**

	Budgeted Per Month	Wtd. Avg. For Qtr.	Actual		
			March 2009	February 2009	January 2009
Federal	3,028,695	3,095,269	3,391,274	3,222,358	2,672,176
State	706,285	697,488	764,190	726,126	602,148
<b>Total</b>	<b>3,734,980</b>	<b>3,792,757</b>	<b>4,155,464</b>	<b>3,948,484</b>	<b>3,274,342</b>



#### IV. Other Highlights

##### Changes Under the Children's Health Insurance Program Reauthorization Act of 2009 (CHIPRA)

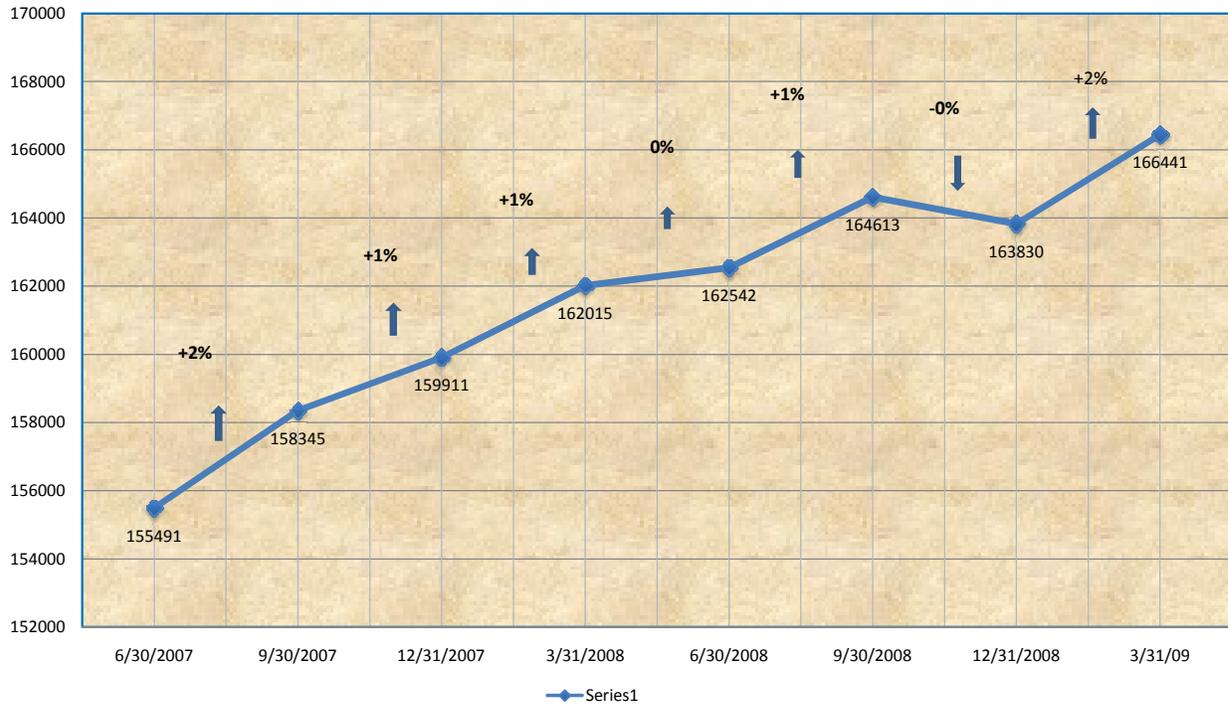
- ◆ **Financial:** At present, information and guidance from the Centers for Medicare and Medicaid Services (CMS) concerning changes to law under the reauthorized Act (CHIPRA) is slowly being released on a section by section basis. At this point the Agency is still awaiting official confirmation of its 2009 allotment – still expected to be in the \$40 to \$43 million range in federal funds. At the same time the Agency is reviewing new mandates under the law in order to assure compliance.
- ◆ **New Mandates:** These involve assuring mental health parity, assuring a benchmarked level of dental benefits, and preparing to change to a prospective payment system for Community Health Centers. One other mandate is that CHIP applicants are now subject to the same citizenship documentation requirements as Medicaid applicants. CHIP is hopeful that DHHR will be able to implement social security data matches to prevent this from being a barrier to enrollment.
- ◆ **New Coverage Options:** New latitude exists for states to exercise coverage options for supplemental dental services coverage, provide premium assistance for Employer Sponsored Plans, coverage for pregnant women, and coverage of legal immigrants.
- ◆ **Performance Bonus:** Since the re-based formula is structured to encourage further enrollment growth, there is a performance bonus that states may qualify for if they target further growth. If West Virginia qualified to be eligible, the performance bonus would go to the Medicaid agency since they often see a larger increase in enrollment when states expand coverage to children. The bonus is also meant to encourage states to streamline their enrollment and renewal processes. The Agency hopes to explore with DHHR the possibility of whether or not we can undertake any initiative in these areas.

##### CHIP Enrollment Trends

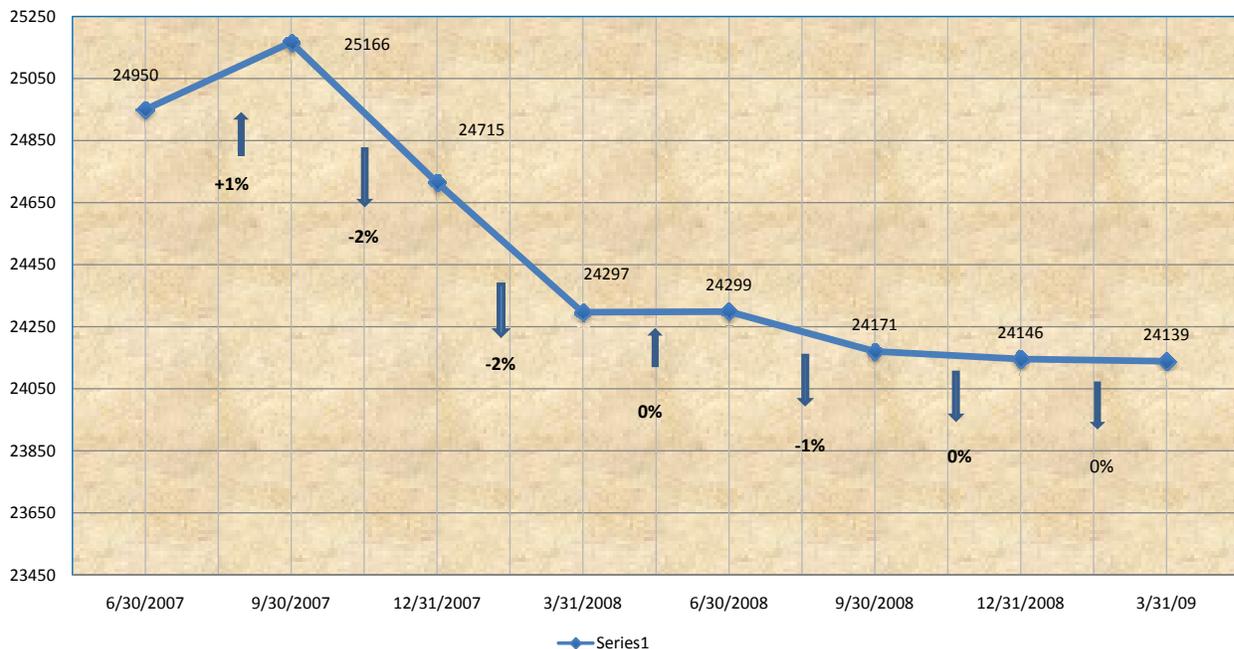
- ◆ During the past year the Agency has been asked about its slight decline in enrollment. A comparison of CHIP and Medicaid enrollment trends over the past 18 months seems to clearly reflect the economic climate that as employment and income have dropped lower, Medicaid bears the brunt with an increased enrollment trend, and working families in CHIP have also had decreases in income or employment may now qualify under Medicaid instead of CHIP **(please refer to attached graphs for the period of June 2007 to March 2009)**.
- ◆ Despite this trend WVCHIP is running some paid advertisements to continue to raise awareness of expanded income guidelines now permitting families of 4 with a household income up to \$55,125 to enroll when they pay a premium share.

## CHIP and Medicaid Child Enrollment Changes between June 2007 and March 2009

### Medicaid Quarterly Enrollment



### WV CHIP Quarterly Enrollment



#### CHIP Decrease:

- Since September 2007 CHIP enrollment has experienced an overall enrollment decline of 1,027, a 4% decrease over a 15 month period.

#### Medicaid Increase:

- Since September 2007 Medicaid enrollment has shown an overall enrollment growth of 8,096, a 5% increase over the same 15 month period.

# WV CHIP Enrollment Report

ATTACHMENT 1

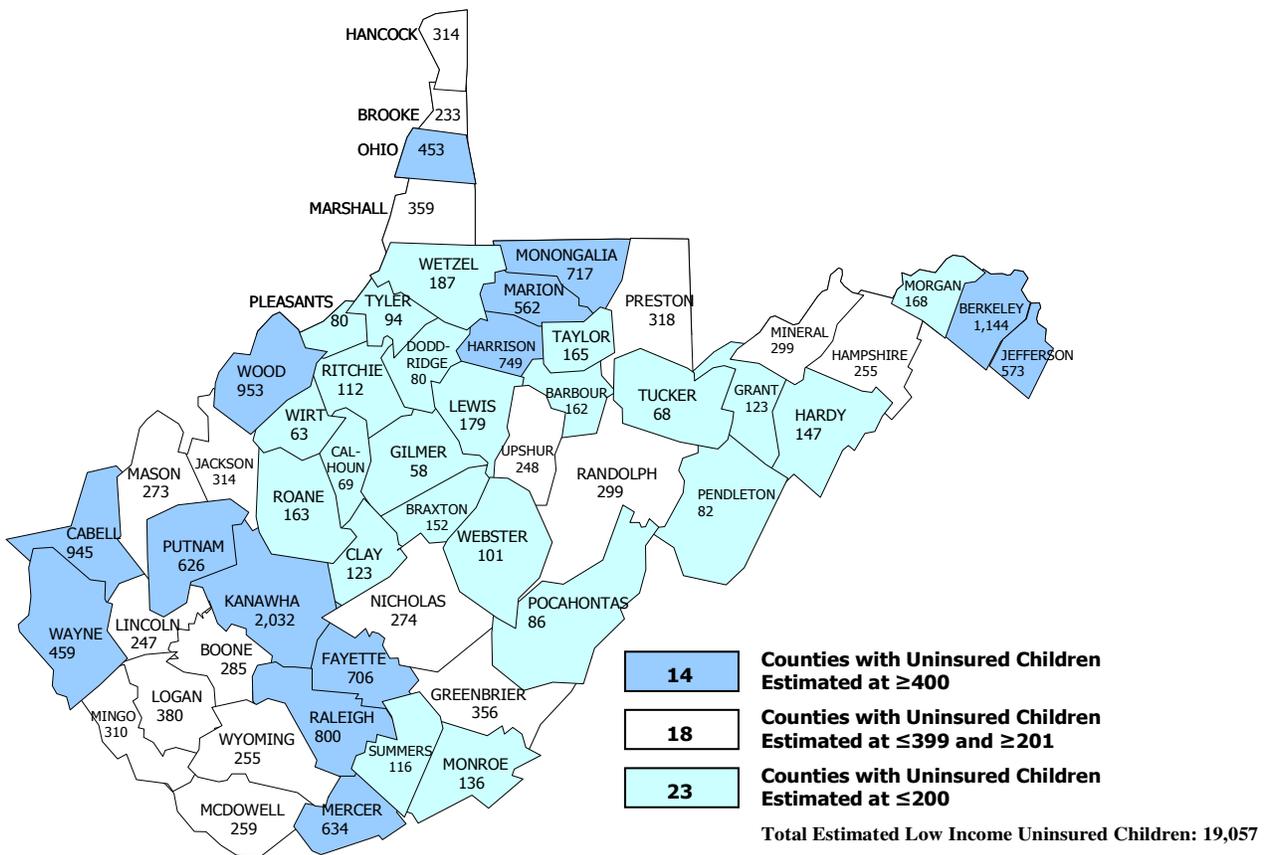
April 2009

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Apr-09	Total Medicaid Enrollment Apr-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid Enrollment % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Kanawha	40,647	2,187	16,472	18,659	45.9%	2,032	1
Berkeley	22,882	1,253	6,496	7,749	33.9%	1,144	2
Wood	19,063	1,127	7,745	8,872	46.5%	953	3
Cabell	18,900	993	7,960	8,953	47.4%	945	4
Raleigh	15,992	1,227	6,935	8,162	51.0%	800	5
Harrison	14,973	909	5,746	6,655	44.4%	749	6
Monongalia	14,346	741	4,128	4,869	33.9%	717	7
Mercer	12,687	1,096	6,515	7,611	60.0%	634	8
Putnam	12,522	676	3,066	3,742	29.9%	626	9
Jefferson	11,465	406	2,385	2,791	24.3%	573	10
Marion	11,245	699	4,224	4,923	43.8%	562	11
Fayette	9,692	912	4,547	5,459	56.3%	485	12
Wayne	9,176	556	4,063	4,619	50.3%	459	13
Ohio	9,068	550	2,898	3,448	38.0%	453	14
Logan	7,610	536	3,775	4,311	56.7%	380	15
Marshall	7,176	364	2,649	3,013	42.0%	359	16
Greenbrier	7,110	576	2,721	3,297	46.4%	356	17
Preston	6,354	475	2,305	2,780	43.8%	318	18
Jackson	6,277	373	2,529	2,902	46.2%	314	19
Hancock	6,270	360	2,241	2,601	41.5%	314	20
Mingo	6,204	374	3,104	3,478	56.1%	310	21
Mineral	5,973	302	2,001	2,303	38.6%	299	22
Randolph	5,971	434	2,514	2,948	49.4%	299	23
Boone	5,706	295	2,503	2,798	49.0%	285	24
Nicholas	5,478	405	2,522	2,927	53.4%	274	25
Mason	5,461	297	2,561	2,858	52.3%	273	26
McDowell	5,170	381	3,270	3,651	70.6%	259	27
Hampshire	5,110	266	1,935	2,201	43.1%	255	28
Wyoming	5,092	423	2,530	2,953	58.0%	255	29
Upshur	4,956	435	2,235	2,670	53.9%	248	30
Lincoln	4,945	409	2,564	2,973	60.1%	247	31
Brooke	4,658	294	1,455	1,749	37.5%	233	32
Wetzel	3,732	219	1,620	1,839	49.3%	187	33
Lewis	3,577	298	1,705	2,003	56.0%	179	34
Morgan	3,365	244	1,165	1,409	41.9%	168	35
Taylor	3,307	236	1,327	1,563	47.3%	165	36
Roane	3,266	267	1,669	1,936	59.3%	163	37
Barbour	3,248	290	1,491	1,781	54.8%	162	38
Braxton	3,044	194	1,549	1,743	57.3%	152	39
Hardy	2,950	170	1,121	1,291	43.8%	147	40
Monroe	2,728	186	1,018	1,204	44.1%	136	41
Grant	2,463	141	907	1,048	42.5%	123	42
Clay	2,454	191	1,369	1,560	63.6%	123	43
Summers	2,322	213	1,127	1,340	57.7%	116	44
Ritchie	2,234	142	904	1,046	46.8%	112	45
Webster	2,020	182	1,126	1,308	64.8%	101	46
Tyler	1,887	126	772	898	47.6%	94	47
Pocahontas	1,717	148	670	818	47.6%	86	48

# WV CHIP Enrollment Report

April 2009

County Ranking	County Pop. 2005 Est. (0-18 Yrs)	Total CHIP Enrollment Apr-09	Total Medicaid Enrollment Apr-09	Total CHIP/Medicaid Enrollment	CHIP/Medicaid % of Population	2007 Est. Uninsured 5%	2007 # Children Uninsured Ranking*
Pendleton	1,632	101	434	535	32.8%	82	49
Doddridge	1,607	128	694	822	51.1%	80	50
Pleasants	1,593	106	506	612	38.4%	80	51
Calhoun	1,389	130	817	947	68.2%	69	52
Tucker	1,354	158	483	641	47.3%	68	53
Wirt	1,268	115	566	681	53.7%	63	54
Gilmer	1,154	105	531	636	55.1%	58	55
<b>Totals</b>	<b>382,490</b>	<b>24,421</b>	<b>152,165</b>	<b>176,586</b>	<b>46.2%</b>	<b>19,125</b>	



**Note 1:** The most recent estimate for uninsured children statewide from the US Census Current Population Survey is 8%. CHIP uses a 5% estimate to reflect the percentage of uninsured children for outreach purposes who could qualify for CHIP or Medicaid. It should be noted that even this five percent extrapolation to the county level could vary significantly from county to county depending on the availability of employee sponsored insurance. However, it remains our best gross estimate of the remaining uninsured children.

**Note 2:** Since it has been estimated that 7 of 10 uninsured children qualify or may have qualified for CHIP or Medicaid in the past, WVCHIP asserts that a 5% uninsured estimate is a more realistic target number for outreach.

**West Virginia Children's Health Insurance Program**  
**Comparative Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Nine Months Ending March 31, 2009 and March 31, 2008**  
**(Modified Accrual Basis)**

	March 31, 2009	March 31, 2008	Variance	
Revenues:				
Federal Grants	27,156,582	26,022,441	1,134,141	4%
State Appropriations	7,351,031	7,349,227	1,804	0%
Premium Revenues	95,967	62,842	33,125	53%
Investment Earnings	<u>98,105</u>	<u>189,354</u>	<u>(91,249)</u>	-48%
<b>Total Operating Revenues</b>	<b><u>34,701,685</u></b>	<b><u>33,623,864</u></b>	<b><u>1,077,821</u></b>	<b><u>3%</u></b>
Operating Expenditures:				
Claims:				
Outpatient Services	8,460,553	7,819,057	641,496	8%
Physicians & Surgical	7,001,268	6,702,001	299,267	4%
Prescribed Drugs	6,339,071	5,988,826	350,245	6%
Dental	3,616,952	3,571,683	45,269	1%
Inpatient Hospital Services	2,750,808	2,750,863	(55)	0%
Outpatient Mental Health	907,759	890,281	17,478	2%
Durable & Disposable Med. Equip.	885,592	815,348	70,244	9%
Vision	452,573	446,214	6,359	1%
Inpatient Mental Health	448,582	416,256	32,326	8%
Therapy	317,624	282,916	34,708	12%
Medical Transportation	237,341	183,440	53,901	29%
Other Services	74,669	69,746	4,923	7%
Less: Collections*	<u>(578,919)</u>	<u>(504,378)</u>	<u>(74,541)</u>	<u>15%</u>
<b>Total Claims</b>	<b><u>30,913,873</u></b>	<b><u>29,432,253</u></b>	<b><u>1,481,620</u></b>	<b><u>5%</u></b>
General and Admin Expenses:				
Salaries and Benefits	369,747	361,117	8,630	2%
Program Administration	1,622,801	1,581,768	41,033	3%
Eligibility	236,674	243,468	(6,794)	-3%
Outreach & Health Promotion	92,546	56,451	36,095	64%
Current	<u>104,255</u>	<u>92,997</u>	<u>11,258</u>	<u>12%</u>
<b>Total Administrative</b>	<b><u>2,426,023</u></b>	<b><u>2,335,801</u></b>	<b><u>90,222</u></b>	<b><u>4%</u></b>
<b>Total Expenditures</b>	<b><u>33,339,896</u></b>	<b><u>31,768,054</u></b>	<b><u>1,571,842</u></b>	<b><u>5%</u></b>
Excess of Revenues				
Over (Under) Expenditures	1,361,789	1,855,810	(494,021)	-27%
Fund Equity, Beginning	<u>4,977,366</u>	<u>3,485,118</u>	<u>1,492,248</u>	<u>43%</u>
Fund Equity, Ending	<u>6,339,155</u>	<u>5,340,928</u>	<u>998,227</u>	<u>19%</u>

\* Collections are primarily drug rebates and subrogation

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

	<b>March 31, 2009</b>	<b>March 31, 2008</b>	<b>Variance</b>	
<b>Assets:</b>				
Cash & Cash Equivalents	\$9,686,396	\$6,561,960	\$3,124,436	48%
Due From Federal Government	\$2,969,064	\$2,719,454	\$249,610	9%
Due From Other Funds	\$669,049	\$597,763	\$71,286	12%
Accrued Interest Receivable	\$2,237	\$20,000	(\$17,763)	-89%
Fixed Assets, at Historical Cost	<u>\$70,282</u>	<u>\$61,569</u>	<u>\$8,713</u>	<u>14%</u>
 Total Assets	 <u>\$13,397,028</u>	 <u>\$9,960,746</u>	 <u>\$3,436,282</u>	 <u>34%</u>
<b>Liabilities:</b>				
Due to Other Funds	\$118,113	\$307,217	(\$189,104)	-62%
Deferred Revenue	\$3,419,760	\$1,302,601	\$2,117,159	163%
Unpaid Insurance Claims Liability	<u>\$3,520,000</u>	<u>\$3,010,000</u>	<u>\$510,000</u>	<u>17%</u>
 Total Liabilities	 <u>\$7,057,873</u>	 <u>\$4,619,818</u>	 <u>\$2,438,055</u>	 <u>53%</u>
 Fund Equity	 <u>\$6,339,155</u>	 <u>\$5,340,928</u>	 <u>\$998,227</u>	 <u>19%</u>
 Total Liabilities and Fund Equity	 <u>\$13,397,028</u>	 <u>\$9,960,746</u>	 <u>\$3,436,282</u>	 <u>34%</u>

## PRELIMINARY FINANCIAL STATEMENTS

Unaudited - For Management Purposes Only - Unaudited

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

<b>Investment Account</b>
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Funds Invested	\$8,535,406
Interest Earned	<u>98,105</u>
<b>Total</b>	<b><u>\$8,633,511</u></b>

Unaudited - For Management Purposes Only - Unaudited