



**PRELIMINARY
FINANCIAL STATEMENTS**

**FOR THE TWELVE MONTHS ENDING
JUNE 30,2020**

West Virginia Children's Health Insurance Program
 Comparative Statement of Revenues, Expenditures, Changes in Fund Balance, and Budget-to-Actual
 For the Twelve Months Ending June 30, 2020 and June 30, 2019

	Annual	Budget	Actual	Actual	Actual		Budget	
	Budget 2019	Year-to-Date	June 30, 2020	June 30, 2019	Variance	%	Variance	%
					\$	%	\$	%
Beginning Operating Fund Balance			\$5,262,948	\$5,541,320	(\$278,372)	-5%		
Revenues								
Federal Grants			\$52,042,651	\$50,584,639	\$1,458,012	3%		
State Appropriations					\$0	0%		
Premium Revenues	\$1,529,958	\$1,529,958	\$1,129,537	\$1,575,299	(\$445,762)	-28%	(\$400,421)	-26%
Investment Earnings (Interest)			\$187,745	\$197,398	(\$9,653)	-5%		
Total Operating Fund Revenues			<u>\$53,359,934</u>	<u>\$52,357,336</u>	<u>\$1,002,598</u>	<u>2%</u>		
Expenditures:								
Claims Expenses:								
Physicians & Surgical			\$13,172,915	\$13,902,271	(\$729,356)	-5%		
Prescribed Drugs			\$11,218,055	\$9,507,918	\$1,710,137	18%		
Outpatient Services			\$8,584,482	\$8,502,536	\$81,946	1%		
Dental			\$6,843,113	\$7,561,134	(\$718,021)	-9%		
Inpatient Hospital Services			\$3,620,492	\$4,025,981	(\$405,489)	-10%		
Other Services			\$3,312,420	\$3,015,199	\$297,221	10%		
Therapy			\$2,047,610	\$2,076,513	(\$28,903)	-1%		
Inpatient Mental Health			\$569,995	\$637,804	(\$67,809)	-11%		
Vision			\$545,328	\$680,659	(\$135,331)	-20%		
Outpatient Mental Health			\$440,321	\$380,733	\$59,588	16%		
Medical Transportation			\$423,551	\$439,516	(\$15,965)	-4%		
Durable & Disposable Med. Equip.			\$342,267	\$419,495	(\$77,228)	-18%		
Less: Other Collections**			(\$66,972)	(\$139,654)	\$72,682	-52%		
Drug Rebates	(\$2,168,732)	(\$2,168,732)	(\$2,421,110)	(\$1,695,346)	(\$725,764)	43%	\$319,350	-15%
Total Claims Expenses	\$50,481,331	\$50,481,331	<u>\$48,632,467</u>	<u>\$49,314,759</u>	<u>(\$682,292)</u>	<u>-1%</u>	<u>(\$1,848,864)</u>	<u>-4%</u>
Administrative Expenses:								
Salaries and Benefits			\$23,863	\$0	\$23,863			
Program Administration	\$5,679,624	\$5,679,624	\$3,552,617	\$2,815,419	\$737,198	26%	(\$2,127,007)	-37%
Eligibility			\$0	\$1,958	(\$1,958)	100%		
Outreach & Health Promotion	\$100,000	\$100,000	\$0	\$640	(\$640)	-100%	(\$100,000)	-100%
Current	\$350,000	\$350,000	\$165,528	\$83,254	\$82,274	99%	(\$184,472)	-53%
Total Administrative Expenses in Operating Fund	<u>\$6,129,624</u>	<u>\$6,129,624</u>	<u>\$3,742,008</u>	<u>\$2,901,271</u>	<u>\$840,737</u>	<u>29%</u>	<u>(\$2,387,616)</u>	<u>-39%</u>
Total Operating Fund Expenditures	<u>\$56,610,955</u>	<u>\$56,610,955</u>	<u>\$52,374,474</u>	<u>\$52,216,030</u>	<u>\$158,444</u>	<u>0%</u>	<u>(\$4,236,481)</u>	<u>-7%</u>
Adjustments			<u>(\$29,796)</u>	<u>\$419,677</u>				
Ending Operating Fund Balance			<u>\$6,218,611</u>	<u>\$5,262,040</u>	<u>\$956,571</u>	<u>18%</u>		
Money Market			\$1,011,736	\$684,209				
Bond Pool			\$3,696,120	\$4,550,946				
Cash on Deposit			\$1,510,754	\$27,794				
Unrealized Gain/Loss on Investment			(\$963,253)	(\$88,045)	(\$875,208)	994%		
Ending Fund Balance (Accrued Basis)			<u>\$5,255,358</u>	<u>\$5,350,994</u>	<u>(\$95,636)</u>	<u>-2%</u>		
Revenues Outside of Operating Funds:								
Federal Grants			\$1,602,173	\$950,021				
Total WVCHIP Revenues			\$54,962,106	\$53,307,357				
Program Expenses outside of Operating Funds:								
Salaries and Benefits	\$702,625	\$702,625	\$431,591	\$521,841	(\$90,250)	-17%	(\$247,171)	-35%
Eligibility	\$350,000	\$350,000	\$1,090,552	\$141,673	\$948,879	670%	\$740,552	212%
Total Administrative Expenses	<u>\$7,182,249</u>	<u>\$7,182,249</u>	<u>\$5,264,150</u>	<u>\$3,564,785</u>	<u>\$1,699,365</u>	<u>48%</u>	<u>(\$1,918,099)</u>	<u>-27%</u>
Total WVCHIP Expenditures	<u>\$57,663,580</u>	<u>\$57,663,580</u>	<u>\$53,896,617</u>	<u>\$52,879,544</u>	<u>\$1,017,073</u>	<u>2%</u>	<u>(\$3,766,963)</u>	<u>-7%</u>

Footnotes:

- Statement is on cash basis
- Estimate of Incurred but Not Reported (IBNR) claims on June 30, 2020 is \$4,180,000. The June 30, 2019 estimate was \$3,903,155.
- Administrative Accounts Payable balance on June 30, 2020 \$ 492,754. The June 30, 2019 balance was \$ 678,415.
- 2020 and 2019 adjustments to fund balance represent timing issues between the payment of expense and the draw-down of federal rev
- Revenues are primarily federal funds. WVCHIP's Federal Matching Assistance Percentage (FMAP) was 93.96% starting 10/01/2019 and 100% 07/01/2019 thru 09/30/2019. FMAP was 100% in SFY2019
- Other Collections are primarily provider refunds and subrogation (amounts received from other insurers responsible for bills WVCHIP paid - primarily auto).
- Physician & Surgical services include physicians, clinics, lab, Federally Qualified Health Centers (FQHC), and vaccine payments.
- Other Services include home health, chiropractors, psychologists, podiatrists, and nurse practitioners.
- In response to the COVID-19 pandemic, CMS increased the FMAP to 98.03% starting 01/01/2020 through 09/30/2020.

Unaudited - For Management Purposes Only

PRELIMINARY STATEMENT

West Virginia Children's Health Insurance Program
 Changes in Federal Allotment Balance
 For the Twelve Months Ending June 30, 2020

Beginning Balance 07/01/2019	
CHP19	<u>\$50,778,487</u>
	<u>\$50,778,487</u>
New Allotments	
CHP20	<u>\$81,735,803</u>
Total Allotment Available	\$132,514,290
Adjustments	<u>\$0</u>
Adjusted Available Allotments	<u>\$132,514,290</u>
Draw-downs	
SCHIP	(\$53,518,175)
MCHIP	<u>(\$28,066,193)</u>
Ending Balance 06/30/2020	<u>\$50,929,922</u>
Draws In-transit	
MCHIP QE 6/30/2020 (Projected)	(\$6,065,074)
SCHIP - QE 6/30/2020 Eligibility Expenses	<u>(\$235,503)</u>
Adjusted Ending Balance 06/30/2020	<u>\$44,629,345</u>

FOOTNOTES:

- 1) WVCHIP is federally funded through annual block grants
- 2) SCHIP = the state's separate CHIP (children over 133%FPL up to 300%FPL)
- 3) MCHIP = the state's CHIP-Medicaid expansion (Medicaid children ages 6 to 18 over 108%FPL up to 133%FPL without other insurance)