

 WEST VIRGINIA
HOSPITAL ASSOCIATION

2006 Legislative Summary



It's Your Life. It's Our Passion.



Summary of

West Virginia Healthcare
Legislation

2006 Regular Session

West Virginia Legislature - 2006 Regular Session Wrap-Up

May 2006

Dear Member:

Once again we pause to look back on the impact that the West Virginia Hospital Association (WVHA) and its 73 members had on the 2006 Legislative Session.

In 2006, WVHA continued its tradition of effective advocacy through its members' executives, senior staff, trustees, physicians and volunteers. The Association used its strong grassroots advocacy platform as the foundation for promoting a strong healthcare system that supports and improves the health status of the people served by West Virginia's hospitals.

Because grassroots lobbying is the key to any successful legislative advocacy effort, the WVHA improved upon its existing programs this year: Wednesday "Lobby Days;" and the Annual Small Rural Hospital Breakfast; and also reinstated a reinvigorated "premier" grassroots event: Hospital Day at the Legislature.

Thursday, February 23, 2006 proved a great success as over 150 hospital personnel from more than 30 hospitals across the state gathered in Charleston to present a unified voice for the hospital field on key healthcare issues. The day included a proclamation issued by Governor Joe Manchin proclaiming the day as Hospital Day in the Mountain State. Participants were also briefed on critical legislative issues by key legislators. The Senate and House also adopted *Senate Resolution 28* and *House Resolution 26* respectively, designating the day as *Hospital Day at the Legislature*. The remainder of the day allowed participants to meet with their local legislators to discuss WVHA target issues such as Medicaid; the uninsured; workforce; and protection of medical liability reform, as well as other specific bills of interest.

The pages that follow highlight the most significant action taken on these and other healthcare issues addressed during the 2006 Regular Session, including activity on the fiscal year (FY) 2007 budget and the modest gains experienced by hospitals. Altogether, there were more than 2,300 bills introduced while lawmakers convened in Charleston. More than 260 bills passed, affecting many aspects of West Virginia life. Bill text is available online at www.legis.state.wv.us by simply entering the bill number in the space provided on the Legislature's front page.

On behalf of WVHA, we thank all those hospital representatives who contributed their time and expertise throughout the entire session to help positively influence healthcare policy in West Virginia. We particularly appreciate the efforts of those who testified, wrote letters, met with legislators and made phone calls during the 2006 Regular Session.

Again, many thanks.



Tony Gregory
Vice President, Legislative Affairs

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ATV SAFETY

HB 4119

Creating the ATV Responsibility Act - This bill creates the All Terrain Vehicle (ATV) Responsibility Act and sets forth certain safety requirements that authorized outfitters licensed by the Hatfield-McCoy Regional Recreation Authority must meet if they are to rent ATVs and motorcycles to the public. Additionally, it sets forth liability for those outfitters and the renters of the vehicles if they fail to comply with the law and limits their liability if they do comply.

Effective: Passed March 11, 2006; in effect ninety days from passage - June 9, 2006

BEHAVIORAL HEALTH

SB 551

Relating to involuntary commitment process for addicted persons – This bill adds language to the mental hygiene *Code* to restrict involuntary commitment for addicted persons to those who, as a result of their addiction, are likely to cause serious harm to themselves or others.

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

HB 4488

Creating a commission to complete a comprehensive study of the state's behavioral health system – This bill establishes a new Comprehensive Behavioral Health Commission within the Department of Health and Human Resources (DHHR). The group is to study the current behavioral health system including prevention, treatment, education, related services including substance abuse and domestic violence as well as expenditure of funds and certificate of need (CON) issues. Each item studied shall be reported for children, adults and seniors. The report shall include recommendations on system changes necessary to meet the needs of those served by the system and a determination of the total public and private dollars to be spent.

Members of the Commission include: a representative of the circuit and family court system, Corrections Commissioner, Bureau of Senior Services Director, DHHR Secretary, Behavioral Health Commissioner, Bureau of Children and Families Commissioner, WV Director, National Alliance on Mental Illness (NAIMI), Higher Education Chancellor, and a psychiatrist. A State Senator and Delegate will serve as Ex-officio members.

An advisory board appointed by the Governor will include members representing the West Virginia Hospital Association (WVHA) as well as the WV Psychological Association, WV National Alliance of Social Workers, WV Behavioral Healthcare Providers Association, WV Child Care Association, WV Primary Care Association, WV Council of Churches, and a person from each medical school.

The Commission is to submit a preliminary report of its progress in its study to the Governor and the Legislature by January 1, 2007, and a final report including its recommendations by January 1, 2008. Additionally, the DHHR is required to submit a report to the Governor and the Legislature by July 1, 2008, regarding implementation of the Commission's recommendations. The DHHR shall report no less than quarterly to the interim Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA).

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

BUDGET/RESERVE FUND/SUPPLEMENTAL APPROPRIATIONS

SB 125 - The Budget Bill – FY 2007

The fiscal year (FY) budget for the period beginning July 1, 2007, was passed by the Legislature with an additional \$60 million in funding for Medicaid as recommended by the Governor at the beginning of the session. Following a series of candid meetings with staff from the Governor's Office and DHHR, WVHA learned early in the session that the projected year-end deficit for FY 2007 was projected to be over \$80 million. Based on that analysis, the \$60 million appropriated to Medicaid would be short by about \$20 million in the projected level of state funds required to balance the Medicaid budget for FY 2007.

It is important to note, however, that these figures do not take into account the current status of the Medicaid budget and in particular, how the program will end the current fiscal year (FY 2006). This is a significant unknown especially when considering such factors as the various budget measures implemented by Medicaid during the year, some unanticipated provider tax revenue and the lack of detailed accounting information due to the on-going problems experienced by the claims management system Unisys. These factors may in fact result in a slight surplus for Medicaid at the conclusion of the fiscal year.

Regardless of how the current FY 2006 Medicaid budget ends, the Administration has continued to implement a series of expense reductions and administrative changes within Medicaid to help reduce projected funding shortfalls. While the full range of options to reduce expenditures is an on-going consideration, no provider—hospital or physician—payment cuts are being discussed or proposed as of press time. However, the Association remains vigilant in monitoring how the Department is continuing to reduce expenditures within the program and balance its budget in light of a potential funding shortfall.

As for specific items of interest to WVHA members given the passage of the FY 2007 budget, hospitals saw some modest gains in several areas. As mentioned above, the governor increased by \$60 million the amount of general revenues going into Medicaid. Secondly, the budget also provided \$1 million in new or additional funding for the existing line item related to "rural hospitals under 150 beds," bringing the total funding for this line item to \$2,596,000. This additional funding will be included in the hospital enhanced payment program (PEIA/Medicaid Transfer Program) formula for distribution and matched by the federal government three-to-one. The Transfer Program itself was continued for next year and increased by \$100,000 - also to be matched three-to-one. The existing line item for Tertiary/Teaching Hospitals was continued at a level of \$3,106,000.

In an era of shrinking resources and a constricted Medicaid budget, it is heartening that the Legislature has recognized the importance of funding West Virginia's hospitals. Hospitals will need to continue their strong grassroots advocacy to maintain adequate funding for the future of the health care delivery system. While there is no way to be able to ensure adequate Medicaid funding will be available each year, the fact that the Governor and Legislature continue to support Medicaid is a good sign. Hopefully, our efforts in conjunction with HB 4021 described later in this summary, will be instrumental in making the case for long-term stable and predictable funding of governmental health care programs.

As for other areas of interest, the approved FY 2007 budget includes \$675,594 for assistance to Level I, II, and III Trauma Centers and the completion of a new statewide trauma system. The statewide EMS Program also will receive \$926,647.

The budget includes \$5,650,592 for the tobacco education program, which is the same as the current budget. The Center for End-of-Life Initiative will receive \$195,000, the CARDIAC Project will receive \$300,000 and the Cancer Registry \$277,684.

New funds were provided for arthritis initiatives in the DHHR Bureau for Public Health to be coordinated with existing osteoporosis programs for a combined budget of \$280,000.

Also, the West Virginia University (WVU) School of Health Sciences – Charleston Division received an appropriation of \$2,378,438 as well as \$511,105 for the Poison Control Hotline, the latter to be used as enhanced allocations for the director's salary and in-kind contributions. Also, there is an appropriated amount of \$943,080 to the WVU Medical School and \$295,477 to the Marshall University Medical School for graduate medical education to be transferred for federal Medicaid matching funds, upon approval of the Chancellor for the Higher Education Policy Commission and the DHHR Secretary.

Effective: Passed March 19, 2006; in effect from passage

HB 4015 – Reserve Fund

Relating to funding of the Revenue Shortfall Reserve Fund - The bill increases funding of the State's primary reserve fund, formally named the Revenue Shortfall Reserve Fund and popularly known as the "Rainy Day Fund."

The regular mechanism for funding the Rainy Day Fund is the transfer of half of any state surplus revenues remaining at the end of a fiscal year into this Rainy Day Fund until this Rainy Day Fund equals a cap of 5 percent of the state General Revenue Fund.

The bill raises that cap to ten percent, or more specifically, it "shall be funded continuously and on a revolving basis . . . up to an aggregate amount not to exceed ten percent of the total appropriations from the State Fund, General Revenue, for the fiscal year just ended."

The bill also infuses a secondary Rainy Day Fund with money. Under current law, the State has been preserving a certain portion of money it received from a national federal lawsuit settlement. That money, now being held in what is known as the West Virginia Tobacco Settlement Medical

Trust Fund, approximating \$233 million, will be transferred into a new Rainy Day Fund – Part B, more formally known as the Revenue Shortfall Reserve Fund – Part B.

Under this bill, the Tobacco Settlement Medical Trust Fund will be closed. The repayments on a loan made several years ago to the Physicians’ Mutual Insurance Company will also be deposited into this Rainy Day Fund – Part B.

Except for \$100 million, which will be invested by the Board of Treasury Investments and used for cash-flow purposes, the money in the primary Rainy Day Fund will be invested by the State Investment Management Board. The money in this Rainy Day Fund will continue to be available through appropriation for revenue shortfalls, for emergency revenue needs caused by acts of God or natural disasters or for other fiscal needs as determined solely by the Legislature.

All of the money in the secondary Rainy Day Fund – Part B, however, will be invested by the Investment Management Board. Until 2025, neither the corpus of the Rainy Day Fund – Part B nor any money earned on that fund may be spent by appropriation for any purpose unless all the money in the primary Rainy Day Fund has been spent and then only in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

Earnings that accrue on this Rainy Day Fund – Part B after June 30, 2025, may be expended by appropriation, even if all the money in the primary Rainy Day Fund has not first been spent, on PEIA programs; expansion of the federal-state Medicaid program; public health programs, services and agencies; and on state owned or operated health facilities.

However, even after June 30, 2025, the corpus of this Rainy Day Fund – Part B may not be spent by appropriation for any purpose unless all the money in the primary Rainy Day Fund has first been spent and then only in instances of revenue shortfalls or fiscal emergencies of an extraordinary nature.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

SB 794

Supplemental appropriation from the surplus in general revenue to various health agencies

– This appropriation impacts the Division of Rehabilitation Services and DHHR’s indigent burials program.

Effective: Passed March 10, 2006; in effect from passage

HB 4855

Making a supplementary appropriation to the department of education and the arts, department of environmental protection, department of health and human resources, etc. –

This appropriation impacts the DHHR’s Medical Services Trust Fund.

Effective: Passed March 11, 2006; in effect from passage

HB 4857

Making a supplementary appropriation to the department of administration - children's health insurance agency, to the department of commerce - division of natural resources, to the department of transportation - public port authority, etc.- This appropriation impacts the Children's Health Insurance Program (CHIP) as well as relates to the Health Care Authority and its acquisition of federal grants.

Effective: Passed March 11, 2006; in effect from passage

CHILD WELFARE

HB 4790

Prescribing and modifying the duties of the Secretary of the Department of Health and Human Resources (DHHR) in child welfare placement – This bill allows the DHHR to promulgate emergency rules for licensing requirements for group residential programs by September 2006 and voluntary registration of relative family child care homes and informal family child care homes. The definition of “child” for the purpose of residential services includes transitioning adults between 18-21 years of age, and the number of children being cared for in a foster family home was revised to no more than five children.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4854

Allows all licensed psychologists to perform court appointed evaluations in child witness cases – This bill removes the restriction that only a doctoral-level psychologist can serve as a court appointed licensed psychologist advisor to provide an expert opinion on the evaluation of children and taking testimony of child witnesses through the use of live 2-way closed circuit TV. The bill also expands the pool of behavioral health professionals available by choice to circuit courts to perform evaluations in child witness protection cases to all licensed psychologists with at least five years of clinical experience.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

CERTIFICATE OF NEED

SB 773

Relating to certificate of need standards – This bill clarifies the policy considerations that the Health Care Authority shall utilize in developing the State Health Plan criteria, including cost, quality, need, access, continuity of care. The legislation is needed to clarify a recent State Supreme Court decision, which put into question the justification used by the Authority in establishing the State Health Plan Certificate of Need (CON) criteria. The legislation does not

change the list of services subject to review and imposes no additional restrictions on healthcare providers.

Effective: Passed March 11, 2006; in effect from passage

EDUCATION AND HEALTHCARE DELIVERY

SB 53

Changing ratio of school nurses to enrollment – This bill increases the number of school nurses in preschool through grade 12. Prior to the legislation, there was no required ratio for students in grades 8 through 12 and preschool. The previous 1 to 1,500 ratio set in 1987, applied only to students in kindergarten through grade 7. The estimated cost for the portion of the bill that provides funding to the county boards to assist them in meeting the required school nurse ratio is \$1.5 million for the 2006-07 year. Including the state Department of Education's request of \$1,000,000 for allocation to the county boards for delivery of high acuity health care needs, the total estimated cost of this bill for the 2006-07 year is \$2.5 million.

Effective: Passed March 11, 2006; to take effect July 1, 2006

SB 785

Relating to school physical education requirements - The Legislature has determined that children are becoming more sedentary, more overweight and more likely to develop health risks and diseases including Type II Diabetes, high blood cholesterol and high blood pressure. This bill provides for random testing of students to determine their Body Mass Index (BMI) to help predict who is at risk of obesity. The bill revises previous legislation that required testing of all students in every grade (except some at the high school level), and which state school officials said was too cumbersome. Students are not required to participate in the BMI sampling and those students who do not feel comfortable can opt out of the test.

The bill requires the State Department of Education to develop a rule requiring certain scientifically drawn Body Mass Index (BMI) sample collections, as well as the reporting and use of the BMI data from school children. Aggregate data is to be protected by HIPPA guidelines, but is to be reported to the Governor, the state Board of Education, the Healthy Lifestyles Coalition and to the interim Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA) as an indicator of health life-styles progress.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 2548

The Diabetes Care Plan Act – This bill requires all students with diabetes to have individual care plans that meet or exceed American Diabetes Association guidelines. The guidelines are to be developed by the state Department of Education by January 1, 2007. After that, county boards

of education would adopt plans to implement these guidelines and also conduct staff development to ensure that teachers and school personnel can give appropriate help to students with diabetes. The state Department of Education must submit a status activity report to the interim Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA) by September 1, 2007.

The legislation gives children equal say in writing the care plans with their parents, physician and school staff. The school nurse must put the plan together with the information supplied, instead of using a standard form, as is the case now.

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

EMPLOYER IMMUNITY

HB 4296

Providing employer immunity from liability for disclosing job-related information concerning an employee or former employee to a prospective employer - This bill provides civil immunity to employers for disclosing information about current or former employees to prospective employers. The bill provides that in the event an employer provided false information, the employee may ask that corrected information be provided to those who received the erroneous information. The bill requires that copies of information provided to the prospective employer must also be provided in writing to the employee in certain instances.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HEALTH INFORMATION TECHNOLOGY (HIT)

SB 170

Creating Health Information Network – This is the Governor’s bill that creates a public-private entity known as the West Virginia Health Information Network (WVHIN), to oversee the design, implementation, operation and maintenance of a fully interoperable electronic network to facilitate public and private use of healthcare information in West Virginia. The network will facilitate, among other things, transactions such as drug-to-drug interaction alerts; preventive medicine alerts; electronic access to the results of laboratory, X-ray or other diagnostic examinations; disease management; and the establishment of a health alert system related to homeland security.

A 17-member Board comprised of stakeholders from across the healthcare community, including the West Virginia Hospital Association (WVHA) will govern the network under the administrative, personnel and technical support of the Health Care Authority. The Governor will appoint the Chair, the Vice Chair will be elected by the Board and the Chair of the Health Care Authority will serve as Secretary-Treasurer.

Various powers and duties of the Board are established in the bill including promoting more efficient and effective communication among multiple health care providers including hospitals, physicians, payors, employers, pharmacies, laboratories and other health care entities.

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

HEALTHCARE REFORM

HB 4021

Relating to a pilot program authorizing participating health care clinics and private medical practitioners to provide primary and preventive health services for a prepaid fee.

This is the “healthcare reform bill” of the 2006 Regular Session. This bill includes the Governor’s initiatives for insurance coverage but also establishes an interagency council generally charged with studying health care financing and delivery system issues to address goals of access, cost-containment, quality, and financing.

Sonia Chambers, WV Health Care Authority Chairwoman, and Jane Cline, Insurance Commissioner, will chair the Interagency Council. The Council is charged with making quarterly status reports to the Legislature, presenting an annual report on cost shifting, and conducting four public hearings by January 1, 2007. The Council is also specifically charged with establishing a payment and regulatory advisory committee to study incentives for improving patient safety and quality while controlling the rate of growth of health care expenditures, with recommendations due to the Legislature by January 1, 2008.

Key features of the bill are included below. A complete WVHA summary is available in **Appendix A** in the this book.

- Authorizes the CHIP plan to expand coverage from 200% of the federal poverty level to 300%. The state cost to expand coverage is estimated at \$359,000 for 2007; \$1 million for 2008 and \$2 million for 2011;
- Requires the DHHR Secretary to ensure that the Medicaid claims processing system (Unisys) provides detailed quarterly financial reports to a legislative health interim committee, a management reporting system and specific utilization data by provider, member eligibility groups and service beginning no later than October 1, 2006;
- Provides for a “Preventive Care Clinic-based Health Plan,” which would allow certain clinics and practitioners to offer pre-paid preventive and primary health services to consumers at a low cost. This portion of the bill provides for a pilot program for eight providers selected by and licensed by the Health Care Authority to begin to offer limited health benefits for a set fee. The Insurance Commissioner is to develop guidelines for and approve the fees that may be charged. With some exceptions for qualifying events, participants must not have had insurance coverage for a 12-month period immediately preceding enrollment;

- Provides for the “Affordable Health Insurance Act,” which would offer more flexibility in the design of health insurance plans to allow insurers to offer basic services with an emphasis on preventive and primary care services. The portion of the bill clarifies that insurers offering the plans shall reimburse providers at previously negotiated reimbursement rates;
- Creates an “Interagency Health Council” to consider strategies to address the following goals: *1) provide access to affordable high quality health care; 2) slow the rate of growth of health care costs by 2010; 3) provide incentives for health care professionals and facilities to improve quality and patient safety; and, 4) assure equitable financing of health care in West Virginia.* Members of the Council include: the state Insurance Commissioner, DHHR Secretary and the directors of the state Health Care Authority, PEIA and CHIP.
 - The Council’s responsibilities include: identifying trends; developing incentives for cost containment, developing quality of care incentives, establishing regional demonstration projects, assessing the feasibility of regional delivery systems, and collaborating in development of studies. The Council is to have four public hearings prior to January 1, 2007 to solicit input from citizens, providers, employers, insurers and interested parties.
 - On an annual basis, the Council shall recommend to the interim Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA) those strategies that will move the state toward the goals articulated in this section of the legislation { *1) provide access to affordable high quality health care; 2) slow the rate of growth of health care costs by 2010; 3) provide incentives for health care professionals and facilities to improve quality and patient safety; and 4) assure equitable financing of health care in West Virginia* }. The recommendations must consider the extent to which listed benchmarks have been met, including cost neutrality, reduction in administrative costs; improvement of quality; and reduction in rate of growth of health care costs.
 - The Council is authorized to establish committees and subcommittees as well as a special advisory committee to study a payment and regulatory system that provides incentives to improve patient safety and quality while controlling the rate of growth of healthcare expenditures below current projected growth rates. Considerations of this special advisory committee are to include hospital services, budgeting, efficiency, performance, utilization and inflations, estimated cost shifts, uncompensated care, government payors, and the impact of the state health plan. The advisory committee report shall be reviewed by the Council and reported to the Legislature by January 1, 2008.

Effective: Passed March 11, 2006; in effect from passage

HOSPITAL LICENSURE

SB 350

Authorizing Department of Health and Human Resources (DHHR) promulgate legislative rules – This is the Omnibus Rules bill authorizing the DHHR to promulgate a number of healthcare related legislative rules including hospital licensure.

For more than two years, WVHA worked with the Office of Health Facility and Licensure and Certification (OHFLAC) and a task force of volunteer hospitals, to re-write the outdated rules. The rules passed by the Legislature this year repeal and replace existing hospital licensure rules. Among the more than 15 provisions revised include rules relating to:

- The application procedure for issuance or renewal of a license to operate a hospital or extended care unit;
- Governing bodies;
- Procedural standards for new construction and additions, alterations, renovations or conversions of existing buildings;
- Standards for paramedical services such as pharmacy, medical records and information, dietetic services and infection control;
- Standards for patient care units;
- Requirements for extended care/nursing facility units;
- Requirements for ancillary diagnostic and treatment including laboratory departments, radiology and imaging departments, rehabilitation services, respiratory care and the morgue and autopsy facilities;
- Standards for nursing care;
- Processes for discharging patients;
- Annual quality assessments for performance improvement

Other DHHR rules addressed in SB 350 relate to: assisted living residences; Alzheimer's/dementia special care units and programs; public water systems; lead abatement licensing; DHRR fees and permits; cancer registry; reportable diseases, events and conditions; and regulation of opioid treatment programs.

Effective: Passed March 9, 2006; in effect from passage.

INSURANCE

SB 223

Relating to examination of insurance and health care entities – This bill increases from 10 to 30 days the period in which companies have to respond to the results of a financial or market conduct examination by the Insurance Commissioner. It also makes a minimum five-year examination cycle uniform for all insurance entities; the Commissioner may, however, examine more frequently as the situation demands.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

SB 454

Removing Insurance Commissioner as health maintenance organizations' (HMO) attorney for service of process purposes – This bill removes a provision of the insurance *Code* that made the Insurance Commissioner the agent of HMOs for service of process; the Secretary of State is now the agent under general corporation law.

Effective: Passed February 24, 2006; in effect ninety days from passage – May 25, 2006

SB 467

Amending group life insurance requirements - The bill removes current statutory requirements that employers must have 75 percent of eligible employees participate in the group life insurance plan. The new provisions also allow insurers to offer the plans to groups with as few as two employees instead of the current law restrictions of ten employees.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

SB 468

Modifying requirements for participation in group accident and sickness insurance programs - The bill removes current statutory requirements that employers must have 75 percent of eligible employees participate in the group accident and sickness plan. The new provisions also allow insurers to offer the plans to groups with as few as two employees instead of the current law restrictions of ten employees.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4379

Relating to insurance coverage for mammograms, pap smears and Human Papilloma Virus (HPV) – This bill makes changes to the current statutory requirement that certain health insurance policies include mammogram tests and now mandates that such plans include coverage for a pap smear “either conventional or liquid-based cytology, whichever is medically appropriate in the opinion of the woman’s physician, and an annual test for the Human Papilloma Virus (HPV).”

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4383

Continuing the pilot program offered through a Community Access Program to coordinate health care provider reimbursements indefinitely as determined by the insurance commissioner – The Community Access Program was established by Congress to fund pilot programs aimed at providing greater access to healthcare. A state statute authorizing such

programs (and exempting them from regulation by the Insurance Commissioner) provided for annual sunseting of the programs, but for the last few years the programs have been extended by amendments to the statute.

Although the federal grants have expired, one such program operating in Cabell County, the OUCH (Offering the Uninsured in Cabell County Health Care) program, has funds remaining. To obviate the need for OUCH to seek periodic statutory extension of its authority to continue its operations, the bill authorizes the Insurance Commissioner to extend OUCH's existence beyond the new statutory sunset date of June 30, 2007. The program must submit periodic reports to the Commissioner as well as to the interim Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA).

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

HB 4470

Updating the definition of "Medicare supplement policy" - The purpose of this bill is to update the definition of "Medicare supplement policy" in accordance with the uniform definition developed by the National Association of Insurance Commissioners.

Effective: Passed March 10, 2006; in effect ninety days from passage – June 8, 2006

HB 4847

Relating to group limited health benefits insurance plans – This bill, the counterpart to the portion of House Bill 4021 that authorizes the sale of individual limited benefits health insurance plans, permits the sale of the group limited benefits health insurance policies to employers to cover temporary, part-time and seasonal workers who have not had coverage for the previous year. Like the individual limited benefit plans, such policies do not have to include many of the mandatory benefits required to be in most health insurance policies. Policies are required to display in a prominent place the following language in bold face type: “This limited group health benefits plan does not provide comprehensive medical coverage. It is a basic or limited benefits policy and contains specific dollar limits that will be paid for medical services that may not be exceeded. If the costs of services exceeds those limits, the beneficiary and not the insurer is responsible for payment of the excess amounts.”

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

METHAMPHETAMINE CONTROL

SB 791

Clarifying offenses and penalties relating to ephedrine, pseudoephedrine and phenylpropanolamine – This bill clarifies that offenses and penalties for prohibited acts relating to controlled substances under Schedule V standards and schedules do not apply to ephedrine,

pseudophedrine and phenylpropanolamine. The bill also clarifies reporting requirements for pharmacists and pharmacy technicians regarding the sale, transfer and distribution of certain substances containing ephedrine, pseudophedrine and phenylpropanolamine to the Board of Pharmacy.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

MINIMUM WAGE

HB 4023

Raising the minimum wage in accordance with legislation now pending before Congress –

This bill stipulates that changes to the minimum wage will take precedence over the federal minimum wage until such time as the federal minimum wage is raised to a level that exceeds the newly defined state minimum wage. The changes to the minimum wage are as follows:

- After June 30, 2006, the minimum wage will be \$5.85 per hour;
- After June 30, 2007, the minimum wage will be \$6.55 per hour;
- After June 30, 2008, the minimum wage will be \$7.25 per hour.

At present, the state minimum wage is \$5.15 per hour, in effect since August 1, 1998.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

PHYSICIANS/MEDICAL PROFESSIONALS

SB 463

Modifying qualifications for license to practice medicine – This bill extends by three years the seven-year time frame for an applicant to complete and attain a passing score on all components of the examination for licensure for any medical student participating in accredited fellowship training. The law already allows an extension for any medical student enrolled in a dual MD-PhD program.

This bill also allows the Board of Medicine to grant licenses to an applicant who otherwise does not meet all the criteria for licensure in West Virginia in extraordinary circumstances. This provision was previously in law but sunsetted on July 1, 2005. It will now be in effect until July 1, 2007. The law sets out criteria that must be met including that the Board finds, based on the applicant's exceptional education, training and practice credentials, the applicant's practice in the state would be beneficial to the public welfare and that the applicant's credentials are substantially equivalent to the requirements for licensure.

The bill also adds a new section, which specifies that a physician whose license has been revoked or suspended in another state may not be granted a license in West Virginia until reinstatement of his or her license in that state.

Effective: Passed March 8, 2006; in effect from passage

SB 554

Clarifying use of Forensic Medical Examination Fund for certain nurses' training - This bill clarifies that the Prosecuting Attorneys Association may expend money from the Forensic Medical Examination Fund to pay to train nurses to examine victims of sexual assault.

Effective: Passed March 10, 2006; in effect ninety days from passage – June 8, 2006

HB 4108

Allowing an osteopathic physician and surgeon to supervise up to three physician assistants generally – This bill aims to expand the number of physician assistants (PAs) an osteopathic physician may supervise from two to three in a non-hospital setting, instead of the current limitation of two. This modification would make the provisions of the *West Virginia Code* relating to the supervision of PAs by osteopathic physicians more consistent with the supervision of PAs by medical doctors, as provided by other sections of the *Code*.

The bill also modifies language in the *Code* regarding the number of continuing education hours an osteopathic physician assistant must have for licensure. The language now specifies that the number of hours required for licensure must conform with the requirement of the national certification board of PAs. The national requirement is 100 hours every two years. The statute only required 40 hours and the Board's rule only requires 20 hours every two years. This change will not affect the PAs because they already must comply with the national standards. This bill also requires the Board to draft a rule change to mirror the new statutory requirement.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4661

Continuing the Board of Registered Professional Nurses rule relating to dialysis technicians – This bill is the result of the West Virginia Board of Registered Professional Nurses missing the deadline to file a rule stipulating the standards for preparing individuals for the role of dialysis technician and the standards for approved dialysis technician training programs. With the passage of this bill, the Board has been given until July 2007 to file the new rule.

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

PHYSICIANS' MUTUAL INSURANCE COMPANY

SB 619

Relating to Physicians' Mutual Insurance Company board member's term – This bill eliminates the term cap of two consecutive terms for the 11 members of the Board of Directors for the Physicians' Mutual Insurance Company.

Effective: Passed March 7, 2006; in effect ninety days from passage – June 5, 2006

SB 755

Relating to Physicians' Mutual Insurance Company – This bill clarifies that the Physicians' Mutual Insurance Company has authority to decline to renew insurance contracts based upon perceived risks of issuing a policy and/or set rates according to risks. Specifically, the bill states that the Mutual can “decline or refuse to renew any and all such contracts of insurance transferred to the company from the Board of Risk and Insurance Management (BRIM) upon the expiration of the respective terms of each contract of insurance so transferred and nothing in this section is intended to or shall be construed to otherwise obligate the company to accept, underwrite or renew any contract of insurance whatsoever.”

The bill also clarifies the circumstances, which may be considered in order to determine such risks to include: Board of Medicine complaints; criminal charges; substance abuse; sexual misconduct; etc.

This bill also provides for requirements and minimum standards for self-funding programs as a substitute for medical professional liability insurance. The bill allows for a trust of not less than \$1 million in cash or cash equivalents (exclusive of funds for maintenance, administration, legal defense, etc.) to be established by or for the benefit of the physician and funded by conveyance to the trustee. There are specifications as to who may be the trustee and the powers that they may have. The fund is irrevocable except under the following certain circumstances: if the physician purchases commercial medical liability coverage and tail coverage or prior acts coverage whichever is applicable or if the physician retires and the statute of limitations has expired for any cases that could be filed or tail coverage has been purchased.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

RETIREMENT

HB 4654

Relating to the West Virginia Retiree Health Benefit Trust Fund – This bill establishes a Public Employees Insurance Agency (PEIA) Trust Fund for retirees for the purpose of providing for and administering retiree post-employment health care benefits, and the respective revenues and costs of those benefits as a cost sharing multiple employer plan. Amendments to the bill also provide that aggregate premium cost-sharing percentages between governmental employers and employees scheduled to be at a level of 20 percent for employees by July 2006 shall be offset, in part, by a legislative appropriation.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

RULE-MAKING REVIEW BILLS

SB 299

Authorizing various executive or administrative agencies promulgate legislative rules –

This is the Omnibus Rules bill containing a number of rules for various licensing boards including the following health-related boards: the Board of Dental Examiners, the Board of Examiners for Licensed Practical Nurses, the Board of Occupational Therapy, the Board of Optometry, the Board of Osteopathy, the Board of Pharmacy, the Board of Examiners of Psychologists, and the Radiologic Technology Board of Examiners.

Effective: Passed March 11, 2006; in effect from passage

SB 357

Authorizing Department of Revenue promulgate legislative rules – This is the Omnibus Rules bill containing a number of agency rules including the state Department of Insurance's rules on unfair trade practices. Amendments adopted during the legislative session clarify that the rules are not intended to include any procedures for third party bad faith claims against medical professional liability insurers.

Effective: Passed March 11, 2006; in effect from passage

HB 4172

Authorizing the Department of Administration to promulgate legislative rules – This is the Omnibus Rules bill containing a variety of new Ethics Commission rules related to complaints, investigations and hearings; lobbying; code of conduct for administrative law judges; filing of verified time records; compliance audits; and ethics training requirements for designated public officials.

Effective: Passed March 10, 2006; in effect from passage

HB 4210

Authorizing the Department of Commerce to promulgate legislative rules – This is the Omnibus Rules bill containing the Nurse Overtime Rules. These authorizing rules enable the state Department of Labor to promulgate legislative rules helping to enforce the provisions of Senate Bill 251, the Nurse Overtime and Patient Safety Act of 2004.

WVHA worked closely with key stakeholders through the prior interim period, specifically through the Legislative Rule-Making Review Process, to ensure the rules as proposed, modified and amended by the Department of Labor, did not exceed statutory authority and were satisfactory in adequately carrying out the provisions of the law.

The provisions of the rule:

- Establish definitions for a number of terms including “on-call time;”
- Specify overtime restrictions; and
- Establish procedures for the filing of complaints to the state Department of Labor

Effective: Passed March 10, 2006; in effect from passage

SENIOR CARE

SB 112

Establishing Alzheimer's Disease Registry – This bill establishes an Alzheimer's Disease Registry within West Virginia University (WVU) to act as a central information database for policy and planning relative to Alzheimer's disease.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4685

Arthritis Prevention Education Act – This bill creates an Arthritis Prevention Education Program within the DHHR's Bureau for Public Health. The goal is to develop strategies to promote and maintain a program to educate consumers and health professionals about the risk factors, diagnostic procedures, prescription drug information and treatment options for arthritis.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

STATE GOVERNMENT PURCHASING

HB 4031

Relating to the Purchasing Division of the Department of Administration – This is the Governor's bill related to streamlining the state's purchasing guidelines and procedures. The bill includes language excluding contracts executed per the Pharmaceutical Availability and Affordability Act of 2004.

Effective: Passed March 10, 2006; in effect ninety days from passage – June 8, 2006

SUNSET LEGISLATION

The Legislature has established a system for the termination, continuation or reestablishment of state agencies and programs following a thorough review of their operation and

performance. The following are state entities, which were evaluated by the Legislature prior to the 2006 Regular Session and subsequently continued for operation during the Session.

SB 212 continues the **Board of Dental Examiners** until July 1, 2008.

SB 215 continues the **Board of Examiners in Counseling** until July 1, 2008.

SB 217 continues the **Board of Osteopathy** until July 1, 2016.

HB 4069 continues the **Rural Health Advisory Panel** until July 1, 2009.

HB 4310 continues the **Board of Risk and Insurance Management** until July 1, 2011.

HB 4850

Expediting the sunrise application process – This bill amends the time frames for the sunrise application process; applications received on or before the first day of June will be reported on or before the first day of December of that year. Applications received on or before the first day of December will be reported on or before the first day of June the following year.

Effective: Passed March 11, 2006; in effect from passage

OTHER BILLS OF INTEREST TO WVHA

SB 183

Creating certain special license plates – This bill includes opportunity for Organ Donor License Plates along with other new specialty plates. The “Donate Life” special license plate will now be available to motorist supporters of organ and tissue donation.

Effective: Passed March 11, 2006; in effect from passage

SB 576

Changing the way prejudgment and post judgment interest is determined – The bill brings West Virginia more in line with how judgment interest is handled in other states. The bill establishes a regional economic standard with the secondary discount rate of interest from the Fifth District Federal Reserve plus three percentage points. However, starting January 1, 2007, the interest rate cannot drop below 7 percent or rise above 11 percent. The bill also provides a pre-judgment interest for written agreements between parties to be established in that agreement and post-judgment interest to be pursuant to the formula set out above.

Effective: Passed March 9, 2006; in effect ninety days from passage – June 7, 2006

HB 4491

Establishing the third week of October as Disability History Week for the State of West Virginia – The bill is intended to increase the awareness and understanding of the history and contributions of people with disabilities in the state, nation, and world.

Effective: Passed March 8, 2006; in effect ninety days from passage – June 6, 2006

HB 4565

Establishing section of vital statistics in Bureau for Public Health - This bill represents a substantial rewrite of the article on vital statistics. This article has not been significantly revised since 1982. The bill provides for a more effective and efficient operation of the state's vital statistics system. Updates will modernize the system to comply with federal mandates for homeland security, identity theft and fraud protections. A modest fee increase will support the secure system of electronic record keeping.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

HB 4651

Relating to continuing the statewide poison center generally – This bill continues the West Virginia Poison Center located at the Robert C. Byrd Health Sciences Center, West Virginia University (WVU), Charleston Division and operated by WVU as the West Virginia Poison Center. The bill provides for the appointment of an advisory board including WVHA representation and it sets out the responsibilities of the center and it lists the powers and authority of the director.

Effective: Passed March 11, 2006; in effect ninety days from passage – June 9, 2006

APPENDIX A – HB 4021 SUMMARY

HB 4021 Interagency Council

Chairs: WVHCA and Insurance Commission

Members: PEIA, DHHR, CHIP

Prepared by West Virginia Hospital Association

Goal 1: Access. Develop strategies for an integrated health care system providing access to affordable, high quality health care that is financed in a fair and equitable manner.

Goal 3: Quality. The delivery system should model continuous improvement of health care quality and patient safety and provide incentives to health care providers and facilities to provide best and most appropriate care.

Goal 2: Costs. To slow the rate of growth of healthcare costs by 2010 by consideration of provider budgets, lifestyle and behavior, consumer price information, IT, prescription drug and chronic care initiatives, aligned incentives, and long-term strategies.

Goal 4: Equitable financing. Health care system should be fairly and equitably funded.

Duties:

- Report emerging trends and behaviors among participants in the health care system.
- Develop incentives for cost containment and methods to assess effectiveness.
- Develop quality of care initiatives.
- Direct studies to accomplish goals of this section.
- Assess feasibility of publicly financed reinsurance program for health plans.
- Recommend alternative reimbursement mechanisms for health services that encourage cost effectiveness, improve quality, increase efficiency, reward primary care practices that prevent chronic illness, avoid preventable hospitalizations, and reduce long terms costs to the system.
- Assess feasibility of expanding federal programs such as Medicaid and CHIP.
- Receive reports from the WV Health Information Network and integrate into health planning.
- Collaborate in development of a behavioral health plan.
- Receive input and make recommendations, generally, to the Senate and House committees on Health and Finance, and the Joint Committee on Government and Finance regarding the long-term development of policies and programs designed to ensure that West Virginia is moving towards an integrated system of care that provides all citizens of West Virginia access to affordable, high quality health care that is financed in a fair and equitable manner.

Outcomes:

- Establish committees to assist in the Council's work and conduct four public hearings by January 1, 2007.
- Propose demonstration projects to coordinate care within a region.
- Establish payment and regulatory advisory committee to develop a report on incentives for improving patient safety and quality while controlling rate of growth of health care expenditures with recommendations to the Legislature by January 1, 2008.
- Annual cost shift report to Joint Committee on Government and Finance.
- Annual report to LOCHERRA on benchmarks toward achieving goals.
- Quarterly status reports and recommendations to the Legislature.

KEY FEATURES OF HB 4021

- Authorizes the CHIP plan to expand coverage from 200% of the federal poverty level to 300%. The state cost to expand coverage is estimated at \$359,000 for 2007; \$1 million for 2008 and \$2 million for 2011;
- Requires the DHHR Secretary to ensure that the Medicaid claims processing system (Unisys) provides detailed quarterly financial reports to a legislative health interim committee, a management reporting system and specific utilization data by provider, member eligibility groups and service beginning no later than October 1, 2006;
- Provides for a “Preventive Care Clinic-based Health Plan,” which would allow certain clinics and practitioners to offer pre-paid preventive and primary health services to consumers at a low cost. This portion of the bill provides for a pilot program for eight providers selected by and licensed by the Health Care Authority to begin to offer limited health benefits for a set fee. The Insurance Commissioner is to develop guidelines for and approve the fees that may be charged. With some exceptions for qualifying events, participants must not have had insurance coverage for a 12-month period immediately preceding enrollment;
- Provides for the “Affordable Health Insurance Act,” which would offer more flexibility in the design of health insurance plans to allow insurers to offer basic services with an emphasis on preventive and primary care services. The portion of the bill clarifies that insurers offering the plans shall reimburse providers at previously negotiated reimbursement rates;
- Creates an “Interagency Health Council” to consider strategies to address the following goals: *1) provide access to affordable high quality health care; 2) slow the rate of growth of health care costs by 2010; 3) provide incentives for health care professionals and facilities to improve quality and patient safety; and, 4) assure equitable financing of health care in West Virginia.* Members of the Council include: the state Insurance commissioner, DHHR secretary and the directors of the state Health Care Authority, PEIA and CHIP.
 - The Council’s responsibilities include: identifying trends; developing incentives for cost containment, developing quality of care incentives, establishing regional demonstration projects, assessing the feasibility of regional delivery systems, and collaborating in development of studies. The Council is to have four public hearings prior to January 1, 2007 to solicit input from citizens, providers, employers, insurers and interested parties.
 - On an annual basis, the Council shall recommend to the interim Legislative Oversight Commission on Health and Human Resources Accountability those strategies that will move the state toward the goals articulated in this section of the legislation { *1) provide access to affordable high quality health care; 2) slow the rate of growth of health care costs by 2010; 3) provide incentives for health care professionals and facilities to improve quality and patient safety; and 4) assure equitable financing of health care in West Virginia* }. The recommendations must consider the extent to which listed benchmarks have been met, including cost neutrality, reduction in

administrative costs; improvement of quality; and reduction in rate of growth of health care costs.

- The Council is authorized to establish committees and subcommittees as well as a special advisory committee to study a payment and regulatory system that provides incentives to improve patient safety and quality while controlling the rate of growth of healthcare expenditures below current project growth rates. Considerations of this special advisory committee are to include hospital services, budgeting, efficiency, performance, utilization and inflations, estimated cost shifts, uncompensated care, government payors, and the impact of the state health plan. The advisory committee report shall be reviewed by the Council and reported to the Legislature by January 1, 2008.

DETAILED OUTLINE HB 4021

I. WVCHIP Expansion Chapter 5 Article 16-B-6d (New section)

- Modification to CHIP program to include coverage for uninsured children of families with income between 200% and 300% of federal poverty level.
- Benefit plan may vary from current benefits.
- Benefit plan may include premiums, co-insurance, copays, and deductibles to assure fiscal stability.
- Children covered by employer-sponsored plan during previous twelve-month period are not eligible unless coverage is lost due to parent's loss of employment.
- Provider reimbursement schedules shall be no lower than reimbursement offered by CHIP program.
- Program will not be continued if the federal government does not appropriate funds for this expansion and/or federal funding decreases over-all, necessitating changes within the CHIP program.
- CHIP board will make quarterly reports to LOCCHRA.

II. New Medicaid Claims Management System Requirements Chapter 9 Article 2-6 (amended)

Secretary shall ensure that the claims management system processing Medicaid claims provides:

- Quarterly financial reports to LOCHHRA.
- A management reporting system by July 1, 2006.
- Specific utilization by provider, member eligibility groups and services no later than October 1, 2006.

III. Creation of the Preventive Care Pilot Program (Clinic based program)
Chapter 16 Article 2J (New article)

- During FY beginning July 1, 2006, the Health Care Authority, in consultation with the Insurance Commissioner, shall develop and implement a three year pilot program that permits no more than eight providers to market and sell prepaid memberships entitling subscribers to obtain preventive and primary care services from participating providers.
- Each provider will be issued a preventive care pilot program license for operation from the Health Care Authority under terms established by the Authority and Insurance Commissioner. Licenses may be revoked and penalties for violations may be imposed.
- Insurance Commissioner shall approve forms, fees, and marketing materials of plans and providers.
- Insurance Commission shall certify whether an applicant or participating provider is in sound financial condition.
- Subscribers will be provided information on exclusions and limitations on services and benefits, fees and co-payments.
- Each participating provider must offer a minimum set of preventive and primary care services as established by the Health Care Authority.
- Eligibility is limited to persons that have not had health insurance coverage for the previous twelve months. Employers may participate if they offer a High Deductible Health Plan and can demonstrate that participation will not affect the coverage they currently offer.
- The Health Care Authority shall establish criteria to evaluate the pilot program and may require participating providers to submit data and other information as required. By December 1, 2007 and annually thereafter, the Authority shall report to LOCCRHA on progress or necessary changes, or expansion of the pilot program.

IV. Establishment of Interagency Council
Article 29 G (New article)

- Findings
 - Many citizens have unmet health care needs.
 - Currently, the health care system is sufficiently funded but is not currently structured to adequately and uniformly meet statewide needs of the population.
 - Reforms to health care delivery systems including reimbursement may address inequities in access, inequities in funding and result in a modified system to meet the needs of the state and its citizens.
- Goals

- Access. Develop strategies for an integrated health care system providing access to affordable, high quality health care that is financed in a fair and equitable manner.
 - The state shall consider promoting local or regional collaborative efforts to use resources more equitably and efficiently.
 - The state shall consider methods to expand benefits over time after meeting defined benchmarks, taking into consideration of available funds and priorities of West Virginia citizens.
- Costs. To slow the rate of growth of healthcare costs by 2010 by consideration of:
 - A budget process for hospitals and health care providers.
 - Increase consumer access to health care price and quality information.
 - Promote self-care and healthy lifestyles.
 - Enhanced prescription drug initiatives.
 - Funding of chronic care initiatives.
 - Investments in health information technology.
 - Alignment of health care professional reimbursement with best practices and outcomes rather than utilization.
 - Development of long-term strategies for the delivery system as well as policy, planning, and regulation within government.
- Quality. The delivery system should model continuous improvement of health care quality and patient safety and provide incentives to health care providers and facilities to provide the best and most appropriate care.
- Equitable financing. The health care system should be fairly and equitably funded.
- Interagency Council
 - To be chaired jointly by the chair of the Health Care Authority and the Insurance Commissioner, consisting also of the Secretary of DHHR, Director PEIA, Director CHIP, and other agency persons deemed necessary.
 - Duties
 - Report emerging trends and behaviors among participants in the health care system.
 - Develop incentives for cost containment and methods to assess effectiveness.
 - Develop quality of care initiatives.
 - Direct studies to accomplish goals of this section.
 - Assess feasibility of publicly financed reinsurance program for health plans.
 - Recommend alternative reimbursement mechanisms for health services that encourage cost effectiveness, improve quality, increase efficiency, reward primary care practices that prevent chronic illness, avoid preventable hospitalizations, and reduce long terms costs to the system.
 - Assess feasibility of expanding federal programs such as Medicaid and CHIP.
 - Receive reports from the WV Health Information Network and integrate into health planning.
 - Collaborate in development of a behavioral health plan.
 - Receive input and make recommendations, generally, to the Senate and House committees on Health and Finance, and the Joint Committee on

Government and Finance regarding the long-term development of policies and programs designed to ensure that West Virginia is moving towards an integrated system of care that provides all citizens of West Virginia access to affordable, high quality health care that is financed in a fair and equitable manner.

- The Council shall establish committees and subcommittees to assist in their work.
 - The Council shall propose demonstration or pilot projects designed to contain health care costs and improve the delivery and quality of health care including, but not limited to, a demonstration project to establish a regional system with providers and hospitals working cooperatively to provide and coordinate health care for all residents of the region.
 - The Council shall establish an advisory committee to study a payment and regulatory system that provides incentives to improve patient safety and quality while controlling the rate of growth of health care expenditures below current projected growth rates. The study shall include consideration of such items as hospital services, budgeting processes, efficient and economic operations, performance standards, utilization and inflation benchmarks, estimated cost shifts, uncompensated care, government payors, and the impact of the state health plan. The Council shall review the work of the advisory committee and report its findings and recommendations to the Legislature prior to January 1, 2008.
 - The Council shall report to the Joint Committee on Government and Finance on an annual basis the estimated cost shift to the private sector created by the federal and state government payors. Government payors include, but are not limited to, the Bureau for Medical Services, the Children's Health Insurance Program, Workers' Compensation and the Public Employees Insurance Agency.
 - The Council may request analysis from appropriate state agencies as needed. The agencies shall report this information at such times as determined necessary to fulfill the council's oversight responsibilities.
- **Benchmarks and schedule.**
 - On or before January 1, 2007 and each year thereafter, the Council shall recommend to the interim Legislative Commission on Health and Human Resources Accountability those strategies that could move the state toward the goals established in this article.
 - Prior to making recommendations the Council shall find that the appropriate benchmarks for the strategy being recommended have been met:
 - Financing necessary to support the recommendations is cost-neutral or less expensive with respect to the health care system and will not require more money than is projected to be spent in the existing system by West Virginia employers and individuals through taxes, premiums, and out-of-pocket expenses;
 - Administrative bureaucracy and costs will decrease as a percentage of total health care spending;
 - Quality of care will be improved; and
 - The future costs of health care will be less than the current growth rate, or the resources will be allocated in a manner that is more efficient and cost-effective, based on progress in implementing the following cost containment measures:

- Payment system to hospitals;
 - Increased consumer access to health care price and quality information;
 - Promotion of self-care and healthy lifestyles;
 - Enhanced prescription drug initiatives developed in cooperation with the pharmaceutical advocate;
 - Funding of chronic care initiatives;
 - Investments in health information technology;
 - Alignment of health care professional reimbursement with best practices and outcomes rather than utilization; and
 - The creation of additional federally qualified health centers (FQHC) or FQHC look-alikes if data supports this effort and the federal government so approves.
- Recommendations to the Legislature shall include an assessment of the cost savings or the reallocation of resources, increased access, improvements in quality and delivery, administrative simplification, fairness and equity in financing, continuity of coverage, and financial sustainability.
- **Public notice and hearings.**
 - In recognition of the importance of public engagement, the Council shall have four public hearings prior to January 1, 2007 to solicit input from citizens, employers, hospitals, health care professionals, insurers, other stakeholders, and interested parties about health care.
 - The Council shall report no less than quarterly to the interim Legislative Commission on Health and Human Resource Accountability and the Joint Committee on Government and Finance on the their activities and recommendations in health care reform to date.

<p>V. Individual Limited Health Benefits Plans (Affordable Health Insurance Act) Chapter 33 Article 15-D (New article)</p>

- Authorizes the Insurance Commissioner to approve individual limited health benefit plans to adults who have not had health insurance coverage in the previous 12-month period or lost coverage due to loss of eligibility.
- Plans are exempt from current mandatory benefits requirements. Minimum benefits will be established in rule making.
- Insurers are required to underwrite these plans as they do other individual plans and to use the reimbursement rates previously negotiated with the provider.

APPENDIX B – 2006 LEGISLATIVE INTERIM PERIOD

Following the conclusion of the 2006 Regular Session, legislative leaders approved the following interim studies that WVHA will be following during the interim period and assigned them to the various committees listed below.

JOINT STANDING COMMITTEE ON FINANCE

A subcommittee study on taxation to examine the issue of tax reform and any proposals put forth by the Governor on the subject.

JOINT STANDING COMMITTEE ON GOVERNMENT ORGANIZATION

- SCR 80 Requesting Joint Committee on Government and Finance study all-terrain vehicle (ATV) safety regulations. **(PASSED DURING THE 2006 REGULAR SESSION)**
- SCR 71 Requesting Joint Committee on Government and Finance study need for background checks for professional licensees.
- SCR 72 Requesting Joint Committee on Government and Finance study sunrise and sunset legislation processes.

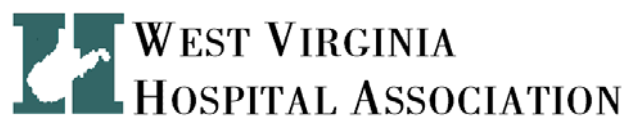
LEGISLATIVE OVERSIGHT COMMISSION ON HEALTH AND HUMAN RESOURCES ACCOUNTABILITY (LOCHHRA)

- HCR 61 Requesting the Joint Committee on Government and Finance study the state of emergency medicine in West Virginia. **(PASSED DURING THE 2006 REGULAR SESSION)**
- HCR 70 Requesting the Joint Committee on Government and Finance conduct a study on the need for and the appropriate methodology for providing salary improvements for counselors employed by the Division of Rehabilitation Services.
- HCR 75 Requesting the Joint Committee on Government and Finance study the prospect of reducing medical care costs for state employees.
- HCR 79 Requesting that the Committee on Government and Finance conduct a study on the public health crisis in West Virginia created by antibiotic resistance.
- HCR 82 Requesting that the Committee on Government and Finance study the Medicaid Waiver Program for the elderly and people with disabilities in West Virginia.
- SCR 88 Requesting Legislative Oversight Commission on Health and Human Resources study "money follows the person" concept. **(PASSED DURING THE 2006 REGULAR SESSION)**

In addition to the study topics above, LOCHHRA, upon approval of the Senate President and the House Speaker, may examine any of the topics detailed in the following study resolutions:

- HCR 80 Requesting the Joint Committee on Government and Finance study the feasibility of establishing a drug repository program for unused, nonnarcotic drugs for distribution to free health care clinics, primary care centers and other charitable medical facilities together with cost effective means of collection and distribution of such drugs.
- HCR 83 Requesting the Joint Committee on Government and Finance study the causes and adverse effects of children in this state who are not covered by healthcare insurance or otherwise lack access to adequate healthcare and to study potential methods to provide and to increase the availability of health care services and health care insurance to children in this state.
- HCR 92 Requesting the Joint Committee on Government and Finance, with the consultation and participation of the office of the Consumer Advocate within the agency of the Insurance Commissioner, to study the conundrum presented by a conflict between the statutory standards and requirements governing the practice of medicine and related health care occupations and underwriting guidelines governing the issuance of medical professional liability insurance policies;
- SCR 65 Requesting the Joint Committee on Government and Finance direct the Legislative Oversight Commission on Health and Human Resources Accountability study the feasibility of mandating that state hospitals and state long-term care facilities be subject to all state licensing rules and applicable statutory requirements.
- SR 27 Promoting the West Virginia Perinatal Wellness Study. **(PASSED DURING THE 2006 REGULAR SESSION)**

In addition to the approval of the various committees and their studies, the Joint Committee on Government and Finance authorized the continuation of the existing interim committees: Insurance Availability and Medical Malpractice Insurance Committee; and the Legislative Rule-Making Review Committee.



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