

# WVIA LEGISLATIVE UPDATE

April 21, 2023

## Summary of April Legislative Interim Meetings

The Legislature was in town this week for the first round of legislative interim meetings since the conclusion of the 2023 Regular Session. A few items of note:

- During the Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA), Dr. Jeffrey Coben, acting director of the Department of Health and Human Resources (DHHR), reported that he will be meeting with the Governor's Office next week to discuss his plans to restructure the DHHR pursuant to [HB 2006](#). The bill ends the current DHHR structure and creates three separate Departments effective January 1, 2024: the Department of Health; the Department of Human Resources and; the Department of Health Facilities. In a line of questioning from legislators, Coben reported that in the restructuring process it will be critical to monitor "new" DHHR interactions with the federal government, particularly as it relates to matching funds the State receives.
- The Joint Standing Committee on Insurance and PEIA focused its attention on pharmacy benefit managers (PBM). The Committee heard from Erin Hunter, Deputy Commissioner and General Counsel, West Virginia Insurance Commission who provided an update on recently implemented PBM legislation. Also, Jason Haught, Interim Director and CFO, PEIA, discussed the agency's current contract with Express Scripts.
- We learned that the Joint Committee on Children and Families plans to review childhood immunization bills that did not pass this session. The Committee wants to hear from proponents/opponents of the legislation throughout the interim period which is a new development this interim period. The Committee also heard from Jeremiah Samples, advisor to the Legislature, who reported on various aspects of the behavioral health system in West Virginia.
- The Joint Health Committee heard from a representative of the West Virginia Attorney General's Office on the West Virginia First program which would divide settlements with opioid manufacturers and distributors, with 24.5% going to cities and counties, 3% going to the Attorney General's Office and 72.5% going to the West Virginia First Foundation. Once funds from future settlements are distributed, the funds can be used by cities and counties for developing programs for substance abuse avoidance, research and education; funding for law enforcement to combat the sale and distribution of drugs; and substance abuse treatment and recovery.

- The Joint EMS Committee reviewed HB 3153 - relating to the distribution of certain taxes and surcharges to benefit volunteer and part-volunteer fire departments and emergency medical services providers. The bill, which failed to complete legislative action this session, would have increased the surcharge on fire and casualty policies from 0.55% to 1%, to provide an increase to the state fire protection fund. The Committee learned the lack of funding for West Virginia's volunteer fire departments and emergency medical services has reached a crisis level. Volunteer fire departments haven't seen a state budget line-item increase since 2005 and the emergency medical services have never had one.
- In other news: State Revenue Secretary Dave Hardy indicated the State has already heard from one of its bond rating agencies concerning the new law that cuts state income taxes by 21%. Hardy told legislators that Moody's has responded favorably with a report to bondholders. Also included in their favorable response was the passage of SB 268, relating to PEIA reform and provider payment increases. State Deputy Revenue Secretary Mark Muchow told legislators that the reduction in the personal income tax, which was retroactive to Jan. 1, will cause the governor's office to rework the revenue collection estimates before the end of the fiscal year. Nine months into the fiscal year - total revenues have outpaced estimates by \$1.26 billion. The Justice administration has predicted the revenue collection surplus could reach \$1.7 billion by July 1.

The next round of interim meetings is May 7-9 in Huntington.

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