

WVHA

LEGISLATIVE UPDATE

January 13, 2023

PEIA Senate Bill on the move; busy first 3 days of legislative session

It's been a busy first 3 days of the legislative session with the passage by the WV Senate of a bill to increase PEIA inpatient rates for hospitals. As we previously reported, the Senate introduced and passed [SB 127](#) to increase PEIA inpatient rates to hospitals to 110% of Medicare. The vote was unanimous [33-0](#). The bill is effective July 1, 2023, and it's now in the House of Delegates for further consideration. The bill has not been referred to committee yet.

In addition to the Senate's action, Governor Justice in his State of the State Address announced the dedication of \$40 million to PEIA to increase reimbursement rates to hospitals. This allocation accounts for funding the provisions of [SB 127](#). From what we understand, the \$40 million is built into the general revenue base budget to deal with the reimbursement issue – at the 110% calculation based on Medicare. This step, along with the Senate's action sends a strong message to the hospital community and the PEIA patients we serve that access to care is a top priority for policymakers. We are encouraged by these actions and look forward to working with the Governor, Senate, and House to ensure a plan is adopted that requires PEIA to pay West Virginia hospitals fairly and equitably. Also, State Budget Office representatives this week presented the Governor's Budget to Senate and House Finance Committee members and here's some additional information we learned about PEIA:

- PEIA is fully funded with no premium increases;
- There will be a supplemental appropriation in the amount of \$85 million going back into the PEIA Rainy Day Fund. Also included from surplus is an additional \$15 million, bringing the total to \$100 million to the PEIA Rainy Day Fund to offset premium increases; and
- \$19 million is also appropriated in general revenue for PEIA subsidy to offset premium increases (previously \$21 million + \$19 million = \$40 million).

Governor's State of the State Address

Along with funding PEIA, the Governor also called for several other major initiatives including: a 50 percent reduction in West Virginia's personal income tax over three years. He called the proposal a "tsunami" and "the biggest tax cut in the history of this state." In his address, Justice suggested the reduction could be 30 percent the first year, then 10 percent each of the following two years. The House Finance Committee moved swiftly yesterday to approve the package in [HB 2526](#). This bill is now before the full House for consideration and on 1st reading Monday. Senate leaders have talked about having their own budget proposal and their own tax plan, independent of what the governor and House want to do.

Another proposal focuses on a 5% pay increase for teachers, school service personnel and all other state workers. If successful, it would be the fourth time the Governor has gotten pay raises for teachers through the legislature. To read the full transcript of the Governor's Address click [here](#).

Bills Introduced

In just the first 3 days of the session, the Legislature has introduced [770 bills](#). Some of these bills impact hospitals from a financial, clinical, regulatory, and operational standpoint. The WVHA Legislative Team will be reviewing these, and other

bills introduced this session for impact on hospitals. Please be on the lookout for WVHA communication highlighting bills of interest.

2023 WVHA Legislative Agenda/Resources/Hospital Advocacy Week

Along with seeking an increase in hospital payments from **(PEIA)** in line with the cost of providing care; other WVHA top legislative priorities include:

- Providing targeted fiscal relief for physicians through the **Physician Payment Improvement Program**;
- Protecting the Certificate of Need **(CON)** program;
- Advocating for the protection of health care workers through **anti-doxing** legislation to make it a crime to disseminate personal identifying information with the intent to intimidate or threaten;
- Aligning state law enabling Critical Access Hospitals (CAHs) to convert to Community Outpatient Medical Centers with new federal guidance allowing for establishment of **Rural Emergency Hospitals**;
- Sustaining the state's current **childhood immunization laws**; and
- Streamlining the **Prior Authorization** process, among other issues.

Many of these and other issues are highlighted in our [2023 WVHA State Legislative Agenda](#) and more details, including talking points are found on our password protected [Advocacy Page](#). Also, please be on the lookout for further details regarding our upcoming [Hospital Advocacy Week 2023 activities](#) scheduled for February 6-10, 2023. For more information, please contact [Whitney Cherry](#).

WV Legislature's Website

The West Virginia Legislature's [website](#) is updated with lawmaker and committee membership information. Key committees that we'll be following, along with their membership and contact information is listed below. To live stream the action throughout the session click [here](#).

- [House Health Committee](#)
- [House Finance Committee](#)
- [House Judiciary Committee](#)
- [House Government Organization](#)
- [Senate Health Committee](#)
- [Senate Finance Committee](#)
- [Senate Judiciary Committee](#)
- [Senate Government Organization](#)

If you have any questions, please feel free to contact [me](#), [Jim Kaufman](#) or [Brandon Hatfield](#). Thanks.

Tony



Tony Gregory | Vice President, Legislative Affairs
West Virginia Hospital Association
100 Association Drive Charleston, West Virginia 25311
tgregory@wvha.org | 304.353.9719 | www.wvha.org