

WVIA LEGISLATIVE UPDATE

September 11, 2025

Legislative Interim Meetings conclude without Special Session on PEIA

The [West Virginia Legislature](#) convened in Charleston this week for interim meetings, though the anticipated Special Session addressing PEIA reform did not take place. Discussions however continue about a potential Special Session, and the Governor has laid out a four-point plan for legislators to consider to "fix" PEIA.

His plan includes removing coverage eligibility for spouses who are offered health insurance through their own employer; and establishing a PEIA fraud unit, among other areas. Lawmakers have expressed reservations about whether the proposals warrant immediate attention. Also, last week at the PEIA Finance Board Meeting, PEIA's financial trends were reported as stable, though the long-term sustainability concerns remain a priority for legislative action since the program is expected to experience cost growth of about \$50 million a year over the next few years.

Legislative discussions are: PEIA reforms

While a Special Session did not take place, lawmakers discussed PEIA reform efforts during the interim [Select Committee on Insurance and PEIA](#). National consultant BDO USA presented lawmakers with nine potential cost-saving measures for PEIA that could collectively save approximately \$55 million annually—about 5% of PEIA's billion-dollar budget. The recommendations come as Governor Morrisey's administration anticipates \$50 million in additional state expenses year-over-year, while PEIA participants face 14% premium increases that BDO says are justified after costs were frozen from 2018-2022.

According to BDO, the primary cost drivers are prescription drug coverage, particularly specialty drugs like GLP-1 medications for diabetes and weight loss, along with the recent increase in healthcare provider reimbursement rates to 110% of Medicare rates. It was noted however that increased reimbursement has improved provider participation and access to care.

The nine recommended measures include reducing non-state employee memberships (\$1 million net savings), implementing enhanced anti-fraud functions (\$17-27 million), income-based premium tiering (\$20 million), specialty drug management (\$8 million), prescription drug

importing from Canada (\$5.3 million), supplemental drug discount programs (\$1.1-3.3 million), spousal coverage disenrollment (\$15 million), enhanced wellness programs (\$1.7 million), and promoting high-deductible health plans (\$0.6-1.6 million).

Lawmakers have taken these recommendations under advisement, with some measures potentially able to be implemented by the executive branch without legislative action.

Key Health-Related Committees

The WVHA Legislative Team participated in several other key interim meetings and a summary is provided below.

Joint Health Committee discusses cooperative agreements, provider enrollment issues

The Joint Standing Committee on Health held two briefings on policy issues of interest to the WVHA. The committee first reviewed West Virginia's only cooperative agreement, created during the merger of Cabell-Huntington Hospital and St. Mary's Hospital. Melissa Leisure, Chief Legal Officer for Marshall Health Network, explained that cooperative agreements are voluntary unless merging facilities are within 20 miles of each other, and outlined the agreement's requirements including rate review by the Attorney General, quality metrics monitoring, and regular reporting to the West Virginia Health Care Authority. She noted the merger's benefits included operational efficiencies and implementation of a common electronic medical record system.

The majority of the meeting focused on the provider enrollment process, with presentations from three key stakeholders. Mason Mabry from Gainwell Technologies highlighted that West Virginia operates an efficient centralized enrollment system compared to the other 23 states where Gainwell operates, processing most applications within 30 days through a combination of electronic and paper submissions.

Ben Beakes, representing the Medicaid Managed Care Organizations (MCOs), distinguished between enrollment and credentialing processes, explaining that credentialing allows each plan to develop unique provider networks through background reviews and malpractice history analysis while meeting NCQA standards.

Michelle Coon from Vandalia Health Network provided the provider perspective, describing the current two-step process requiring separate enrollment with Gainwell and credentialing with the four MCOs. She recommended reducing administrative burden by mandating universal use of uniform credential forms, implementing concurrent enrollment, and credentialing processes, and establishing a single effective date across all MCOs.

Both issues are likely to be the focus of potential legislation coming out of the interim process and the WVHA will monitor these topics closely.

Lawmakers receive updates from Cabinet Secretaries

The Legislative Oversight Commission on Health and Human Services Accountability received an update on the activities and challenges faced by the West Virginia Department of Health and the Department of Human Services. The Cabinet secretaries discussed strategic health initiatives, regulatory oversight, public health programs, child welfare efforts, and system modernization, highlighting ongoing efforts to improve health outcomes, efficiency, and service delivery across the state.

Department of Health Overview

Dr. Arvin Singh, Cabinet Secretary of the Department of Health talked about strategic health priorities and initiatives. He said the Department focuses on four key areas identified through community health needs assessments: chronic disease, access to care, maternal/child/fetal health, and behavioral health. These priorities align with the state health assessment and the governor's four pillars, serving as a "North Star" guiding the department's work.

The department is collaborating with the National Governors Association (NGA) as part of the "Prescription for a Healthier America" project, joining seven other states to develop a strategic framework aimed at improving outcomes where West Virginia consistently ranks low, such as heart failure, neurological conditions, asthma, and infant mortality. One highlighted tactic within this framework is "food as medicine," promoting nutrition and healthy choices. Tools like the Food Scanner and Yuka apps are mentioned as resources for consumers to evaluate food products' health impacts and find better alternatives.

Dr. Singh also discussed grant accountability and public health impact. The department administers 300 to 500 grants annually to influence public health outcomes. Historically, grant accountability has focused on process metrics (tier one), such as clinic visits or program participation, which do not necessarily translate to improved health outcomes. The department plans to incorporate outcome-based metrics (tier two), such as reductions in adult obesity or diabetes incidence, to better measure success and ensure taxpayer dollars are used effectively. New grants will include these outcome metrics with year-over-year accountability.

Dr. Singh highlighted several program improvements and efficiency efforts.

- The Women, Infants, and Children (WIC) program is updating food formulations to remove additives in compliance with FDA and state regulations, aiming for implementation by April.
- Human Resources functions have been centralized to improve communication, retention, and recruitment across the department's bureaus.
- Critical leadership roles, including general counsel and state health officer, have been filled.

- An artificial intelligence (AI) workgroup explores AI applications for grant reporting, disease surveillance, and operational efficiency, including potential use of chatbots and analyzing public feedback for targeted inspections.

On the regulatory front, Dr. Singh noted the following:

- West Virginia is the only state with statewide protocols for tourniquet conversion and full blood administration in ground EMS, enhancing pre-hospital care and reducing tissue damage.
- The Center for Threat Preparedness has played a key role in managing responses to recent flood events, coordinating vaccine shipments, and providing situational reports to the State Emergency Operations Center.
- The Health Care Authority has approved over 200 new services and facilities this year, working to reduce approval times and remove unnecessary barriers to access.
- The Office of the Chief Medical Examiner (OCME) handles 40-45% of the state's approximately 25,000 annual deaths, including about 10,000 non-natural deaths, conducting 25-30 autopsies daily. OCME is updating a 20-year-old case management system to improve efficiency.
- The Office of Laboratory Services supports bioterrorism response, water quality, and disease verification, maintaining expensive lab equipment. A new consolidated lab facility is planned for opening in 2027-2028 in Charleston, integrating services from WVU, Marshall, State Police, OCME, and the lab.

Department of Human Services Update

Cabinet Secretary of Human Services Alex J. Mayer provided several updates.

Re: Child Welfare and Foster Care, the department concluded a child welfare listening tour, engaging stakeholders and families to gather insights. A significant focus is on children placed in hotels due to the complexities of their needs, not just lack of beds or foster parents.

Approximately 18 children remain in hotels, and nearly 600 are in out-of-state facilities. The department is collaborating with providers and national organizations to understand and address these challenges, including efforts to increase in-state facility capacity for specialized care (e.g., sexualized behaviors, aggression). However, no definite timeline exists for facility development in West Virginia. Efforts are underway to redesign the foster care licensing process, aiming to reduce the average licensing time from over 250 days to about three months. This involves engagement with child placing agencies and staff to streamline and improve the process.

Re: Data Transparency and AI, the department is migrating program data into an Enterprise Data System (EDS) to leverage AI capabilities for improved efficiency and cross-agency data sharing.

This includes integrating data from courts and state police to enhance service delivery and oversight.

Secretary Mayer provided legislative and policy updates and said HB 2880 has led to two critical incident review team meetings with positive feedback and ongoing recommendations. Overdose deaths have declined for the fourth consecutive month, approaching 2016 levels, attributed to efforts by the Behavioral Health Bureau and community partners. The state's soda waiver to exclude sugary drinks from SNAP purchases was recognized as a model implementation by the Food and Nutrition Service, with completion expected by January 1. The department is monitoring the *One Big Beautiful Bill Act* and Medicaid changes closely, awaiting federal guidance to plan accordingly. The Rural Transformation Program application is pending release of a Notice of Funding Opportunity from CMS, with the state preparing for submission.

In other legislative news...

Members of the Senate and House Finance committees learned that West Virginia's fiscal outlook has dramatically improved since Governor Morrissey's administration initially warned of a \$400 million budget deficit earlier this year. The state finished fiscal year 2025 with revenues \$250 million above projections, and early returns for the current fiscal year show collections running \$17 million ahead of estimates.

This turnaround resulted from proactive budget adjustments implemented throughout 2025 to address the projected shortfall, demonstrating that earlier fiscal caution has paid dividends. Looking ahead, the administration has strengthened its financial planning processes by reinstating six-year budget outlooks and requiring agencies to submit detailed five-year strategic plans alongside their standard budget requests.

While Revenue Secretary Eric Nelson expressed confidence in the state's current position, he noted ongoing pressures from PEIA employee insurance costs, the Hope Scholarship program, potential pay raises, and federal policy changes from the *One Big Beautiful Bill Act* that will require careful monitoring.

If you have any questions regarding legislative interims or activity, please do not hesitate to contact [me](#). Thanks.

Tony