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OFFICE WEST VIRGINIA  
SECRETARY OF STATE

**WEST VIRGINIA LEGISLATURE**  
FIRST REGULAR SESSION, 2007



**ENROLLED**

**COMMITTEE SUBSTITUTE  
FOR  
House Bill No. 3223**

(By Delegates Long and Porter)



Passed March 9, 2007

In Effect from Passage

FILED

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COMMITTEE SUBSTITUTE

OFFICE WEST VIRGINIA  
SECRETARY OF STATE

FOR

# H. B. 3223

(BY DELEGATES LONG AND PORTER)

[Passed March 9, 2007; in effect from passage.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article, designated §16-29I-1, §16-29I-2, §16-29I-3, §16-29I-4, §16-29I-5, §16-29I-6, §16-29I-7, §16-29I-8, §16-29I-9 and §16-29I-10, all relating to creating a revolving loan fund to be administered by the West Virginia Health Care Authority Board to provide loans to assist hospitals in the rationalization and restructuring of their health care delivery systems; setting forth the criteria and conditions for approving hospital restructuring plans and loans from the revolving funds; and providing the Health Care Authority Board with reporting responsibilities and rule making authority to implement the provisions of the new article.

*Be it enacted by the Legislature of West Virginia:*

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new article, designated §16-29I-1, §16-29I-2, §16-29I-3, §16-29I-4, §16-29I-5, §16-29I-6, §16-29I-7, §16-29I-8, §16-29I-9 and §16-29I-10, all to read as follows:

**ARTICLE 29I. WEST VIRGINIA HEALTH CARE  
AUTHORITY REVOLVING LOAN  
AND GRANT FUND.**

**§16-29I-1. Legislative findings; purpose.**

1 (a) The Legislature hereby finds and declares that the  
2 rationalization and restructuring of the health care delivery  
3 system, particularly for services provided by hospitals can  
4 provide for efficiencies and corresponding reduced costs for  
5 the delivery and provision of health care services provided by  
6 hospitals. Further, the Legislature finds and declares that the  
7 rationalization and restructuring of the health care delivery  
8 system by a hospital or combination of hospitals can, if  
9 undertaken properly, provide health care cost savings for  
10 both public health care funds administered or funded by the  
11 state and for private payors and health care insurers operating  
12 within the State of West Virginia.

13 (b) The Legislature further finds that state support of the  
14 rationalization and restructuring of the delivery of hospital  
15 services with state resources can be used to promote  
16 beneficial cost containment restructuring for the health care  
17 delivery system in the State of West Virginia.

18 (c) Therefore, the purpose of this article is to provide for  
19 a revolving loan fund to be administered and used by the  
20 board to provide loans, including low interest or no interest  
21 loans to hospitals or combinations of hospitals to assist in the  
22 rationalization and restructuring of the health care delivery  
23 system in the State of West Virginia.

**§16-29I-2. Short title.**

1 This article may be cited as the West Virginia Health  
2 Care Authority Revolving Loan Fund Act.

**§16-29I-3. Definitions.**

1 Definitions of words and terms defined in articles two-d,  
2 five-f and twenty-nine-b of this chapter are incorporated in

3 this section for the purposes of this article unless this article  
4 contains different definitions.

5 (a) "Fund" means the West Virginia Health Care  
6 Authority Revolving Loan Fund created under section four of  
7 this article.

8 (b) "Hospital Restructuring Plan" means a plan submitted  
9 by a hospital or combination of hospitals to the board for  
10 review and approval pursuant to section five of this article.

**§16-29I-4. Revolving fund created.**

1 (a) (1) The board shall create and establish a special  
2 revolving fund of moneys made available to the fund by  
3 appropriation, grant, contribution, loan, or statutory  
4 dedication to be known as the West Virginia Health Care  
5 Authority Revolving Loan Fund. The fund shall be  
6 governed, administered and accounted for by the board.

7 (2) Any money collected pursuant to this section,  
8 including the repayment of loans made by the board, shall be  
9 paid into the fund by any state agent or entity charged with  
10 the collection of the money, credited to the fund, and used  
11 only for the purposes set forth in this article.

12 (b) The board may pledge revenues to the fund and from  
13 time to time establish one or more restricted accounts within  
14 the fund for the purpose of providing funds to guarantee  
15 loans made pursuant to this article. No loan guarantee shall  
16 be made pursuant to this article unless recourse under the  
17 loan guarantee is limited solely to amounts in the restricted  
18 account or accounts. No person shall have any recourse to  
19 any restricted accounts established pursuant to this subsection  
20 other than those persons to whom the loan guarantee or loan  
21 guarantees have been made.

22 (c) Each loan or loan guarantee made or provided by the  
23 board from the fund shall be evidenced by a loan document,  
24 a loan guarantee document or any other writing or document  
25 or documents as the board may consider appropriate, between

26 the Health Care Authority Board and the hospital or hospitals  
27 to which the loan, or loan guarantee, was made available or  
28 provided. The agreements shall include, without limitation  
29 and to the extent applicable, the following provisions:

30 (1) The estimated total costs of the hospital restructuring  
31 plan, the amount of the loan, or loan guarantee and the terms  
32 of repayment and the security for the loan if any;

33 (2) The specific purposes for which the loan proceeds  
34 shall be expended and the conditions and procedures for  
35 dispersing a loan proceeds; and

36 (3) The duties, conditions and obligations imposed by the  
37 board upon the hospital or hospitals regarding the hospital  
38 restructuring plan.

39 (d) Moneys in the fund shall be approved for expenditure  
40 by the Health Care Authority Board only as the moneys are  
41 available in the fund. Approval of expenditures by the board  
42 may occur without appropriation by the Legislature prior to  
43 the first day of July, two thousand eight. After the first day  
44 of July, two thousand eight, expenditures from the fund shall  
45 be made by the board only pursuant to available amounts  
46 appropriated by the Legislature.

**§16-291-5. Use of revolving loan funds by loan hospital restructuring plans.**

1 A hospital or combination of hospitals, whether or not  
2 related by common ownership or management, may submit  
3 to the board for its approval, a hospital restructuring plan  
4 which provides for the rationalization and restructuring of  
5 health care delivery services provided by the hospital or  
6 combination of hospitals. The submission of a hospital  
7 restructuring plan or plans by a hospital or a combination of  
8 hospitals, shall be in a form and manner authorized by the  
9 board and shall include the following information:

10 (1) The sponsoring hospital or combination of hospitals  
11 submitting the hospital restructuring plan;

12 (2) All financial information required by the board  
13 relevant to an analysis of the proposed hospital restructuring  
14 plan and the subsequent delivery of impacted services;

15 (3) An estimate of savings and the methodologies used to  
16 calculate those savings for both public and private health care  
17 payors attributable to the implementation of the hospital  
18 restructuring plan;

19 (4) The amount of any loan requested by the hospital or  
20 combination of hospitals and the purposes for which any loan  
21 will be used by the hospital or combination of hospitals, to  
22 implement the hospital restructuring plan;

23 (5) An identification of any other benefits or  
24 enhancements of services provided by the hospital or  
25 combination of hospitals attributable to the implementation  
26 of the hospital restructuring plan; and

27 (6) Any other relevant information requested by the board  
28 necessary to review and analyze the submitted hospital  
29 restructuring plan.

**§16-29I-6. Review of hospital restructuring plans.**

1 (a) The board shall review and may approve or reject  
2 hospital restructuring plans submitted to it from time to time.  
3 Upon approval of any submitted plan, the board may in its  
4 sole discretion provide from the fund a loan, low-interest  
5 loan, or no-interest loan, in a form and on those terms and  
6 conditions as the board considers appropriate to assist in the  
7 implementation of the hospital restructuring plan. Prior to  
8 approving any plan, the board shall make a factual  
9 determination that the implementation of the hospital  
10 restructuring plan will rationalize and restructure the delivery  
11 of health care services provided by the hospital or

12 combination of hospitals submitting the plan, and shall  
13 further determine that the implementation of the plan will  
14 provide a cost savings for hospital services delivered by the  
15 hospital or combination of hospitals for both public and  
16 private health care payors.

17 (b) The board may approve hospital restructuring plans  
18 and loans from the revolving fund contingent upon any  
19 conditions considered necessary by the board to assure the  
20 repayment of any loan, which may include but need not be  
21 limited to the successful implementation of the cost  
22 containment objectives of any hospital restructuring plan.

23 (c) The board may withhold future rate approvals,  
24 certificates of need and rural health system loans and grants  
25 if any of the terms or conditions of the loan provided by the  
26 board are not subsequently satisfied or met by the hospital or  
27 combination of hospitals receiving the loan from the fund.

**§16-29I-7. Temporary exemption for approval process.**

1 The board may conduct any hearing or hearing it  
2 considers necessary for the consideration of hospital  
3 restructuring plans: *Provided*, That both the application  
4 consideration process and the loan approval process provided  
5 for in this article and undertaken by the board and completed  
6 prior to the first day of July, two thousand eight, are exempt  
7 from the requirements of articles two-d and twenty-nine-b of  
8 this chapter for holding hearings upon the written demand of  
9 any person alleging that they are interested in or affected by  
10 any act or failure to act by the board pursuant to article  
11 twenty-nine-b of this chapter.

**§16-29I-8. Review of final decisions of board.**

1 A final decision of the board accepting or rejecting a  
2 hospital restructuring plan submitted pursuant to the terms of  
3 this article, shall upon request of the hospital or combination  
4 of hospitals making application of the plan be reviewed and

5 approved pursuant to the provisions of article twenty-nine-b  
6 of this chapter: *Provided*, That no appeal or review authority  
7 shall have the authority or jurisdiction to require the board to  
8 provide or alter the conditions of any loan.

**§16-29I-9. Rule-making authority.**


1 The board may propose rules, including emergency rules,  
2 for legislative approval in accordance with the provisions of  
3 article three, chapter twenty-nine-a of this code, to implement  
4 and make effective the powers, duties and responsibilities  
5 contained in this article.

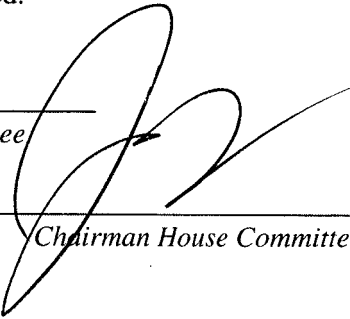
**§16-29I-10. Annual report.**

1 The board shall within thirty days following the close of  
2 the fiscal year, or from time to time as requested by the  
3 Legislature, prepare and transmit to the Governor and the  
4 Legislative Oversight Commission on Health and Human  
5 Resources Accountability, a report of its operations and  
6 activities for the proceeding year regarding the consideration,  
7 denial or approval of hospital restructuring plans and any  
8 loans made pursuant to the approval of the plans.



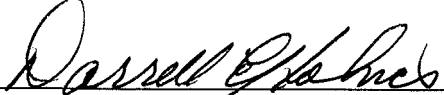
That Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

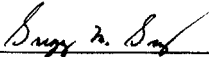
  
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Chairman Senate Committee

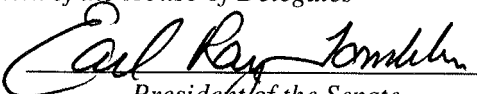
  
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Chairman House Committee

Originating in the House.

In effect from passage.


  
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Clerk of the Senate

  
\_\_\_\_\_  
Clerk of the House of Delegates

  
\_\_\_\_\_  
President of the Senate

  
\_\_\_\_\_  
Speaker of the House of Delegates

The within is approved this the 23rd  
day of March, 2007.

  
\_\_\_\_\_  
Governor

PRESENTED TO THE  
GOVERNOR

MAR 18 2007

Time

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