

H. B. 2797

(By Delegate Andes)

[Introduced March 1, 2013; referred to the
Committee on Health and Human Resources then the
Judiciary.]

A BILL to repeal §16-2D-1, §16-2D-2, §16-2D-3, §16-2D-4, §16-2D-4a,
§16-2D-4b, §16-2D-5, §16-2D-5a, §16-2D-6, §16-2D-7, §16-2D-7a,
§16-2D-8, §16-2D-9, §16-2D-10, §16-2D-11, §16-2D-12, §16-2D-
13, §16-2D-14 and §16-2D-15 of the Code of West Virginia,
1931, as amended; to repeal §16-29A-20; to repeal §16-42-6 of
said code; to repeal §49-7-30 of said code; to amend and
reenact §9-5-19 of said code; to amend and reenact §16-1-4 of
said code; to amend and reenact §16-29B-1, §16-29B-8, §16-29B-
11 and §16-29B-19a of said code; to amend and reenact §16-29I-
6 of said code; and to amend and reenact §33-15B-5 of said
code, all relating to elimination of the requirement that
health facilities receive a certificate of need before
opening.

Be it enacted by the Legislature of West Virginia:

That §16-2D-1, §16-2D-2, §16-2D-3, §16-2D-4, §16-2D-4a, §16-

1 2D-4b, §16-2D-5, §16-2D-5a, §16-2D-6, §16-2D-7, §16-2D-7a, §16-2D-
 2 8, §16-2D-9, §16-2D-10, §16-2D-11, §16-2D-12, §16-2D-13, §16-2D-14
 3 and §16-2D-15 of the Code of West Virginia, 1931, as amended, be
 4 repealed; that §16-29A-20 of said code be repealed; that §16-42-6
 5 of said code be repealed; that §49-7-30 of said code be repealed;
 6 that §9-5-19 of said code be amended and reenacted; that §16-1-4 of
 7 said code be amended and reenacted; that §16-29B-1, §16-29B-8, §16-
 8 29B-11 and §16-29B-19a of said code be amended and reenacted; that
 9 §16-29I-6 of said code be amended and reenacted; and that §33-15B-5
 10 of said code be amended and reenacted, all to read as follows:

11 **CHAPTER 9. HUMAN SERVICES.**

12 **ARTICLE 5. MISCELLANEOUS PROVISIONS.**

13 **§9-5-19. Summary review for certain behavioral health facilities**
 14 **and services.**

15 (a) A certificate of need as provided in article two-d,
 16 chapter sixteen of this code is not required by an entity proposing
 17 additional behavioral health care services, but only to the extent
 18 necessary to gain federal approval of the Medicaid MR/DD waiver
 19 program, if a summary review is performed in accordance with the
 20 provisions of this section.

21 (b) Prior to initiating any summary review, the secretary
 22 shall direct the revision of the state Mental Health Plan as
 23 required by the provisions of 42 U.S.C. 300x and section four,

1 article one-a, chapter twenty-seven of this code. In developing
2 those revisions, the secretary is to appoint an advisory committee
3 composed of representatives of the associations representing
4 providers, child care providers, physicians and advocates. The
5 secretary shall appoint the appropriate department employees
6 representing regulatory agencies, reimbursement agencies and
7 oversight agencies of the behavioral health system.

8 (c) If the Secretary of the Department of Health and Human
9 Resources determines that specific services are needed but
10 unavailable, he or she shall provide notice of the department's
11 intent to develop those services. Notice may be provided through
12 publication in the State Register, publication in newspapers or a
13 modified request for proposal as developed by the secretary.

14 (d) The secretary may initiate a summary review of additional
15 behavioral health care services, but only to the extent necessary
16 to gain federal approval of the Medicaid MR/DD waiver program, by
17 recommending exemption from the provisions of article two-d,
18 chapter sixteen of this code to the Health Care Authority. The
19 recommendation is to include the following findings:

20 (1) That the proposed service is consistent with the state
21 health plan and the state mental health plan;

22 (2) That the proposed service is consistent with the
23 department's programmatic and fiscal plan for behavioral health
24 services;

1 (3) That the proposed service contributes to providing
2 services that prevent admission to restrictive environments or
3 enables an individual to remain in a nonrestrictive environment;

4 (4) That the proposed service contributes to reducing the
5 number of individuals admitted to inpatient or residential
6 treatment programs or services;

7 (5) If applicable, that the proposed service will be
8 community-based, locally accessible, provided in an appropriate
9 setting consistent with the unique needs and potential of each
10 client and his or her family and located in an area that is
11 unserved or underserved or does not allow consumers a choice of
12 providers; and

13 (6) That the secretary is determining that sufficient funds
14 are available for the proposed service without decreasing access to
15 or provision of existing services. The secretary may, from time to
16 time, transfer funds pursuant to the general provisions of the
17 budget bill.

18 (e) The secretary's findings required by this section shall be
19 filed with the secretary's recommendation and appropriate
20 documentation. If the secretary's findings are supported by the
21 accompanying documentation, the proposal does not require a
22 certificate of need.

23 ~~(f) Any entity that does not qualify for summary review is~~
24 ~~subject to a certificate of need review.~~

1 ~~(g)~~ (f) Any provider of the proposed services denied
2 authorization to provide those services pursuant to the summary
3 review has the right to appeal that decision to the state agency in
4 accordance with the provisions of section ten, article two-d,
5 chapter sixteen of this code.

6 **CHAPTER 16. PUBLIC HEALTH.**

7 **ARTICLE 1. STATE PUBLIC HEALTH SYSTEM.**

8 **§16-1-4. Proposal of rules by the secretary.**

9 (a) The secretary may propose rules in accordance with the
10 provisions of article three, chapter twenty-nine-a of this code
11 that are necessary and proper to effectuate the purposes of this
12 chapter. The secretary may appoint or designate advisory councils
13 of professionals in the areas of hospitals, nursing homes, barbers
14 and beauticians, postmortem examinations, mental health and
15 intellectual disability centers and any other areas necessary to
16 advise the secretary on rules.

17 (b) The rules may include, but are not limited to, the
18 regulation of:

19 (1) Land usage endangering the public health: *Provided*, That
20 no rules may be promulgated or enforced restricting the subdivision
21 or development of any parcel of land within which the individual
22 tracts, lots or parcels exceed two acres each in total surface area
23 and which individual tracts, lots or parcels have an average

1 frontage of not less than one hundred fifty feet even though the
2 total surface area of the tract, lot or parcel equals or exceeds
3 two acres in total surface area, and which tracts are sold, leased
4 or utilized only as single-family dwelling units. Notwithstanding
5 the provisions of this subsection, nothing in this section may be
6 construed to abate the authority of the department to:

7 (A) Restrict the subdivision or development of a tract for any
8 more intense or higher density occupancy than a single-family
9 dwelling unit;

10 (B) Propose or enforce rules applicable to single-family
11 dwelling units for single-family dwelling unit sanitary sewerage
12 disposal systems; or

13 (C) Restrict any subdivision or development which might
14 endanger the public health, the sanitary condition of streams or
15 sources of water supply;

16 (2) The sanitary condition of all institutions and schools,
17 whether public or private, public conveyances, dairies,
18 slaughterhouses, workshops, factories, labor camps, all other
19 places open to the general public and inviting public patronage or
20 public assembly, or tendering to the public any item for human
21 consumption and places where trades or industries are conducted;

22 (3) Occupational and industrial health hazards, the sanitary
23 conditions of streams, sources of water supply, sewerage facilities
24 and plumbing systems and the qualifications of personnel connected

1 with any of those facilities, without regard to whether the
2 supplies or systems are publicly or privately owned; and the design
3 of all water systems, plumbing systems, sewerage systems, sewage
4 treatment plants, excreta disposal methods and swimming pools in
5 this state, whether publicly or privately owned;

6 (4) Safe drinking water, including:

7 (A) The maximum contaminant levels to which all public water
8 systems must conform in order to prevent adverse effects on the
9 health of individuals and, if appropriate, treatment techniques
10 that reduce the contaminant or contaminants to a level which will
11 not adversely affect the health of the consumer. The rule shall
12 contain provisions to protect and prevent contamination of
13 wellheads and well fields used by public water supplies so that
14 contaminants do not reach a level that would adversely affect the
15 health of the consumer;

16 (B) The minimum requirements for: Sampling and testing; system
17 operation; public notification by a public water system on being
18 granted a variance or exemption or upon failure to comply with
19 specific requirements of this section and rules promulgated under
20 this section; record keeping; laboratory certification; as well as
21 procedures and conditions for granting variances and exemptions to
22 public water systems from state public water systems rules; and

23 (C) The requirements covering the production and distribution
24 of bottled drinking water and may establish requirements governing

1 the taste, odor, appearance and other consumer acceptability
2 parameters of drinking water;

3 (5) Food and drug standards, including cleanliness,
4 proscription of additives, proscription of sale and other
5 requirements in accordance with article seven of this chapter as
6 are necessary to protect the health of the citizens of this state;

7 (6) The training and examination requirements for emergency
8 medical service attendants and emergency medical care technician-
9 paramedics; the designation of the health care facilities, health
10 care services and the industries and occupations in the state that
11 must have emergency medical service attendants and emergency
12 medical care technician-paramedics employed and the availability,
13 communications and equipment requirements with respect to emergency
14 medical service attendants and to emergency medical care
15 technician-paramedics. Any regulation of emergency medical service
16 attendants and emergency medical care technician- paramedics may
17 not exceed the provisions of article four-c of this chapter;

18 (7) The health and sanitary conditions of establishments
19 commonly referred to as bed and breakfast inns. For purposes of
20 this article, "bed and breakfast inn" means an establishment
21 providing sleeping accommodations and, at a minimum, a breakfast
22 for a fee. The secretary may not require an owner of a bed and
23 breakfast providing sleeping accommodations of six or fewer rooms
24 to install a restaurant-style or commercial food service facility.

1 The secretary may not require an owner of a bed and breakfast
2 providing sleeping accommodations of more than six rooms to install
3 a restaurant-type or commercial food service facility if the entire
4 bed and breakfast inn or those rooms numbering above six are used
5 on an aggregate of two weeks or less per year;

6 (8) Fees for services provided by the Bureau for Public Health
7 including, but not limited to, laboratory service fees,
8 environmental health service fees, health facility fees and permit
9 fees;

10 (9) The collection of data on health status, the health system
11 and the costs of health care;

12 (10) Opioid treatment programs duly licensed and operating
13 under the requirements of chapter twenty-seven of this code.

14 ~~(A) The Health Care Authority shall develop new certificate of~~
15 ~~need standards, pursuant to the provisions of article two-d of this~~
16 ~~chapter, that are specific for opioid treatment program facilities.~~

17 ~~— (B) No applications for a certificate of need for opioid~~
18 ~~treatment programs may be approved by the Health Care Authority as~~
19 ~~of the effective date of the 2007 amendments to this subsection.~~

20 ~~(C)~~ (A) There is a moratorium on the licensure of new opioid
21 treatment programs that do not have a certificate of need as of the
22 effective date of the 2007 amendments to this subsection, which
23 shall continue until the Legislature determines that there is a
24 necessity for additional opioid treatment facilities in West

1 Virginia.

2 ~~(D)~~ (B) The secretary shall file revised emergency rules with
3 the Secretary of State to regulate opioid treatment programs in
4 compliance with the provisions of this section. Any opioid
5 treatment program facility that has received a certificate of need
6 pursuant to article two-d, of this chapter by the Health Care
7 Authority shall be permitted to proceed to license and operate the
8 facility.

9 ~~(E)~~ (C) All existing opioid treatment programs shall be
10 subject to monitoring by the secretary. All staff working or
11 volunteering at opioid treatment programs shall complete the
12 minimum education, reporting and safety training criteria
13 established by the secretary. All existing opioid treatment
14 programs shall be in compliance within one hundred eighty days of
15 the effective date of the revised emergency rules as required
16 herein. The revised emergency rules shall provide at a minimum:

17 (i) That the initial assessment prior to admission for entry
18 into the opioid treatment program shall include an initial drug
19 test to determine whether an individual is either opioid addicted
20 or presently receiving methadone for an opioid addiction from
21 another opioid treatment program.

22 (ii) The patient may be admitted to the opioid treatment
23 program if there is a positive test for either opioids or methadone
24 or there are objective symptoms of withdrawal, or both, and all

1 other criteria set forth in the rule for admission into an opioid
2 treatment program are met. Admission to the program may be allowed
3 to the following groups with a high risk of relapse without the
4 necessity of a positive test or the presence of objective symptoms:
5 Pregnant women with a history of opioid abuse, prisoners or
6 parolees recently released from correctional facilities, former
7 clinic patients who have successfully completed treatment but who
8 believe themselves to be at risk of imminent relapse and HIV
9 patients with a history of intravenous drug use.

10 (iii) That within seven days of the admission of a patient,
11 the opioid treatment program shall complete an initial assessment
12 and an initial plan of care.

13 (iv) That within thirty days after admission of a patient, the
14 opioid treatment program shall develop an individualized treatment
15 plan of care and attach the plan to the patient's chart no later
16 than five days after the plan is developed. The opioid treatment
17 program shall follow guidelines established by a nationally
18 recognized authority approved by the secretary and include a
19 recovery model in the individualized treatment plan of care. The
20 treatment plan is to reflect that detoxification is an option for
21 treatment and supported by the program; that under the
22 detoxification protocol the strength of maintenance doses of
23 methadone should decrease over time, the treatment should be
24 limited to a defined period of time, and participants are required

1 to work toward a drug-free lifestyle.

2 (v) That each opioid treatment program shall report and
3 provide statistics to the Department of Health and Human Resources
4 at least semiannually which includes the total number of patients;
5 the number of patients who have been continually receiving
6 methadone treatment in excess of two years, including the total
7 number of months of treatment for each such patient; the state
8 residency of each patient; the number of patients discharged from
9 the program, including the total months in the treatment program
10 prior to discharge and whether the discharge was for:

11 (A) Termination or disqualification;

12 (B) Completion of a program of detoxification;

13 (C) Voluntary withdrawal prior to completion of all
14 requirements of detoxification as determined by the opioid
15 treatment program;

16 (D) Successful completion of the individualized treatment care
17 plan; or

18 (E) An unexplained reason.

19 (vi) That random drug testing of all patients shall be
20 conducted during the course of treatment at least monthly. For
21 purposes of these rules, "random drug testing" means that each
22 patient of an opioid treatment program facility has a statistically
23 equal chance of being selected for testing at random and at
24 unscheduled times. Any refusal to participate in a random drug

1 test shall be considered a positive test. Nothing contained in
2 this section or the legislative rules promulgated in conformity
3 herewith will preclude any opioid treatment program from
4 administering such additional drug tests as determined necessary by
5 the opioid treatment program.

6 (vii) That all random drug tests conducted by an opioid
7 treatment program shall, at a minimum, test for the following:

8 (A) Opiates, including oxycodone at common levels of dosing;

9 (B) Methadone and any other medication used by the program as
10 an intervention;

11 (C) Benzodiazepine including diazepam, lorazepam, clonazepam
12 and alprazolam;

13 (D) Cocaine;

14 (E) Methamphetamine or amphetamine;

15 (F) Tetrahydrocannabinol, delta-9-tetrahydrocannabinol or
16 dronabinol or other similar substances; or

17 (G) Other drugs determined by community standards, regional
18 variation or clinical indication.

19 (viii) That a positive drug test is a test that results in the
20 presence of any drug or substance listed in this schedule and any
21 other drug or substance prohibited by the opioid treatment program.
22 A positive drug test result after the first six months in an opioid
23 treatment program shall result in the following:

24 (A) Upon the first positive drug test result, the opioid

1 treatment program shall:

2 (1) Provide mandatory and documented weekly counseling of no
3 less than thirty minutes to the patient, which shall include weekly
4 meetings with a counselor who is licensed, certified or enrolled in
5 the process of obtaining licensure or certification in compliance
6 with the rules and on staff at the opioid treatment program;

7 (2) Immediately revoke the take home methadone privilege for
8 a minimum of thirty days; and

9 (B) Upon a second positive drug test result within six months
10 of a previous positive drug test result, the opioid treatment
11 program shall:

12 (1) Provide mandatory and documented weekly counseling of no
13 less than thirty minutes, which shall include weekly meetings with
14 a counselor who is licensed, certified or enrolled in the process
15 of obtaining licensure or certification in compliance with the
16 rules and on staff at the opioid treatment program;

17 (2) Immediately revoke the take-home methadone privilege for
18 a minimum of sixty days; and

19 (3) Provide mandatory documented treatment team meetings with
20 the patient.

21 (C) Upon a third positive drug test result within a period of
22 six months the opioid treatment program shall:

23 (1) Provide mandatory and documented weekly counseling of no
24 less than thirty minutes, which shall include weekly meetings with

1 a counselor who is licensed, certified or enrolled in the process
2 of obtaining licensure or certification in compliance with the
3 rules and on staff at the opioid treatment program;

4 (2) Immediately revoke the take-home methadone privilege for
5 a minimum of one hundred twenty days; and

6 (3) Provide mandatory and documented treatment team meetings
7 with the patient which will include, at a minimum: The need for
8 continuing treatment; a discussion of other treatment alternatives;
9 and the execution of a contract with the patient advising the
10 patient of discharge for continued positive drug tests.

11 (D) Upon a fourth positive drug test within a six-month
12 period, the patient shall be immediately discharged from the opioid
13 treatment program or, at the option of the patient, shall
14 immediately be provided the opportunity to participate in a twenty-
15 one day detoxification plan, followed by immediate discharge from
16 the opioid treatment program: *Provided*, That testing positive
17 solely for tetrahydrocannabinol, delta-9-tetrahydrocannabinol or
18 dronabinol or similar substances shall not serve as a basis for
19 discharge from the program.

20 (ix) That the opioid treatment program must report and provide
21 statistics to the Department of Health and Human Resources
22 demonstrating compliance with the random drug test rules,
23 including:

24 (A) Confirmation that the random drug tests were truly random

1 in regard to both the patients tested and to the times random drug
2 tests were administered by lottery or some other objective standard
3 so as not to prejudice or protect any particular patient;

4 (B) Confirmation that the random drug tests were performed at
5 least monthly for all program participants;

6 (C) The total number and the number of positive results; and

7 (D) The number of expulsions from the program.

8 (x) That all opioid treatment facilities be open for business
9 seven days per week; however, the opioid treatment center may be
10 closed for eight holidays and two training days per year. During
11 all operating hours, every opioid treatment program shall have a
12 health care professional as defined by rule promulgated by the
13 secretary actively licensed in this state present and on duty at
14 the treatment center and a physician actively licensed in this
15 state available for consultation.

16 (xi) That the Office of Health Facility Licensure and
17 Certification develop policies and procedures in conjunction with
18 the Board of Pharmacy that will allow physicians treating patients
19 through an opioid treatment program access to the Controlled
20 Substances Monitoring Program database maintained by the Board of
21 Pharmacy at the patient's intake, before administration of
22 methadone or other treatment in an opioid treatment program, after
23 the initial thirty days of treatment, prior to any take-home
24 medication being granted, after any positive drug test, and at each

1 ninety-day treatment review to ensure the patient is not seeking
2 prescription medication from multiple sources. The results
3 obtained from the Controlled Substances Monitoring Program database
4 shall be maintained with the patient records.

5 (xii) That each opioid treatment program shall establish a
6 peer review committee, with at least one physician member, to
7 review whether the program is following guidelines established by
8 a nationally recognized authority approved by the secretary. The
9 secretary shall prescribe the procedure for evaluation by the peer
10 review. Each opioid treatment program shall submit a report of the
11 peer review results to the secretary on a quarterly basis.

12 (xiii) The secretary shall propose a rule for legislative
13 approval in accordance with the provisions of article three,
14 chapter twenty-nine-a of this code for the distribution of state
15 aid to local health departments and basic public health services
16 funds.

17 The rule shall include the following provisions:

18 Base allocation amount for each county;

19 Establishment and administration of an emergency fund of no
20 more than two percent of the total annual funds of which unused
21 amounts are to be distributed back to local boards of health at the
22 end of each fiscal year;

23 A calculation of funds utilized for state support of local
24 health departments;

1 Distribution of remaining funds on a per capita weighted
2 population approach which factors coefficients for poverty, health
3 status, population density and health department interventions for
4 each county and a coefficient which encourages counties to merge in
5 the provision of public health services;

6 A hold-harmless provision to provide that each local health
7 department receives no less in state support for a period of four
8 years beginning in the 2009 budget year.

9 The Legislature finds that an emergency exists and, therefore,
10 the secretary shall file an emergency rule to implement the
11 provisions of this section pursuant to the provisions of section
12 fifteen, article three, chapter twenty-nine-a of this code. The
13 emergency rule is subject to the prior approval of the Legislative
14 Oversight Commission on Health and Human Resources Accountability
15 prior to filing with the Secretary of State.

16 (xiv) Other health-related matters which the department is
17 authorized to supervise and for which the rule-making authority has
18 not been otherwise assigned.

19 **ARTICLE 29B. HEALTH CARE AUTHORITY.**

20 **§16-29B-1. Legislative findings; purpose.**

21 The Legislature hereby finds and declares that the health and
22 welfare of the citizens of this state is being threatened by
23 unreasonable increases in the cost of health care services, a
24 fragmented system of health care, lack of integration and

1 coordination of health care services, unequal access to primary and
2 preventative care, lack of a comprehensive and coordinated health
3 information system to gather and disseminate data to promote the
4 availability of cost-effective, high-quality services and to permit
5 effective health planning and analysis of utilization, clinical
6 outcomes and cost and risk factors. In order to alleviate these
7 threats: (1) Information on health care costs must be gathered;
8 (2) a system of cost control must be developed; and (3) an entity
9 of state government must be given authority to ensure the
10 containment of health care costs, to gather and disseminate health
11 care information; to analyze and report on changes in the health
12 care delivery system as a result of evolving market forces,
13 including the implementation of managed care; and to assure that
14 the state health plan, ~~certificate of need program~~, rate regulation
15 program and information systems serve to promote cost containment,
16 access to care, quality of services and prevention. Therefore, the
17 purpose of this article is to protect the health and well-being of
18 the citizens of this state by guarding against unreasonable loss of
19 economic resources as well as to ensure the continuation of
20 appropriate access to cost-effective, high-quality health care
21 services.

22 **§16-29B-8. Powers generally; budget expenses of the board.**

23 (a) In addition to the powers granted to the board elsewhere
24 in this article, the board may:

1 (1) Adopt, amend and repeal necessary, appropriate and lawful
2 policy guidelines and rules in accordance with article three,
3 chapter twenty-nine-a of this code: *Provided*, That subsequent
4 amendments and modifications to any rule promulgated pursuant to
5 this article and not exempt from the provisions of article three,
6 chapter twenty-nine-a of this code may be implemented by emergency
7 rule;

8 (2) Hold public hearings, conduct investigations and require
9 the filing of information relating to matters affecting the costs
10 of health care services subject to the provisions of this article
11 and may subpoena witnesses, papers, records, documents and all
12 other data in connection therewith. The board may administer oaths
13 or affirmations in any hearing or investigation;

14 (3) Apply for, receive and accept gifts, payments and other
15 funds and advances from the United States, the state or any other
16 governmental body, agency or agencies or from any other private or
17 public corporation or person (with the exception of hospitals
18 subject to the provisions of this article, or associations
19 representing them, doing business in the State of West Virginia,
20 except in accordance with subsection (c) of this section), and
21 enter into agreements with respect thereto, including the
22 undertaking of studies, plans, demonstrations or projects. Any
23 such gifts or payments that may be received or any such agreements
24 that may be entered into shall be used or formulated only so as to

1 pursue legitimate, lawful purposes of the board, and shall in no
2 respect inure to the private benefit of a board member, staff
3 member, donor or contracting party;

4 (4) Lease, rent, acquire, purchase, own, hold, construct,
5 equip, maintain, operate, sell, encumber and assign rights or
6 dispose of any property, real or personal, consistent with the
7 objectives of the board as set forth in this article: *Provided,*
8 That such acquisition or purchase of real property or construction
9 of facilities shall be consistent with planning by the state
10 building commissioner and subject to the approval of the
11 Legislature;

12 (5) Contract and be contracted with and execute all
13 instruments necessary or convenient in carrying out the board's
14 functions and duties; and

15 (6) Exercise, subject to limitations or restrictions herein
16 imposed, all other powers which are reasonably necessary or
17 essential to effect the express objectives and purposes of this
18 article.

19 (b) The board shall annually prepare a budget for the next
20 fiscal year for submission to the Governor and the Legislature
21 which shall include all sums necessary to support the activities of
22 the board and its staff.

23 (c) Each hospital subject to the provisions of this article
24 shall be assessed by the board on a pro rata basis using the gross

1 revenues of each hospital as reported under the authority of
2 section eighteen of this article as the measure of the hospital's
3 obligation. The amount of such fee shall be determined by the
4 board except that in no case shall the hospital's obligation exceed
5 one tenth of one percent of its gross revenue. Such fees shall be
6 paid on or before July 1, in each year and shall be paid into the
7 State Treasury and kept as a special revolving fund designated
8 Health Care Cost Review Fund", with the moneys in such fund being
9 expendable after appropriation by the Legislature for purposes
10 consistent with this article. Any balance remaining in said fund
11 at the end of any fiscal year shall not revert to the treasury, but
12 shall remain in said fund and such moneys shall be expendable after
13 appropriation by the Legislature in ensuing fiscal years.

14 (d) Each hospital's assessment shall be treated as an
15 allowable expense by the board.

16 (e) The board is empowered to withhold rate approvals
17 ~~certificates of need~~ and rural health system loans and grants if
18 any such fees remain unpaid, unless exempted under subsection (g),
19 section four, article two-d of this chapter.

20 **§16-29B-11. Related programs.**

21 In addition to carrying out its duties under this article, the
22 board shall carry out its information disclosure functions set
23 forth in article five-f of this chapter and its functions set forth
24 in article two-d of this chapter, including health planning,

1 issuing grants and loans to financially vulnerable health care
 2 entities located in underserved areas, and the review and approval
 3 or disapproval of capital expenditures for health care facilities
 4 or services. ~~In making decisions in the certificate of need review
 5 process, the board shall be guided by the state health plan
 6 approved by the Governor.~~

7 **§16-29B-19a. Additional legislative directives; studies, findings**
 8 **and recommendations.**

9 (a) The Legislature finds and declares that changing market
 10 forces require periodic changes in the regulatory structure for
 11 health care providers and hereby directs the board to study the
 12 following:

13 ~~(1) The certificate of need program, including the effect of~~
 14 ~~any changes on managed care and access for uninsured and rural~~
 15 ~~consumers; determining which services or capital expenditures~~
 16 ~~should be exempt and why; and the status of similar programs in~~
 17 ~~other states;~~

18 ~~(2)~~ (1) The hospital rate-setting methodology, including the
 19 need for hospital rate-setting and the development of alternatives
 20 to the cost-based reimbursement methodology;

21 ~~(3)~~ (2) Managed care markets, including the need for
 22 regulatory programs in managed care markets; and

23 ~~(4)~~ (3) Barriers or obstacles, if any, presented by the
 24 ~~certificate of need program or standards in the state health plan~~

1 to health care providers' need to reduce excess capacity,
2 restructure services and integrate the delivery of services.

3 (b) The board may form task forces to assist it in addressing
4 these issues and it shall prepare a report on its findings and
5 recommendations, which is to be filed with the Governor, the
6 President of the Senate and the Speaker of the House of Delegates
7 on or before October 1, 1998 identifying each problem and
8 recommendation with specificity and the effect of each
9 recommendation on cost, access and quality of care. The task
10 forces, if formed, shall be composed of representatives of
11 consumers, businesses, providers, payors and state agencies.

12 (c) The board shall report quarterly to the Legislative
13 Oversight Commission on health and human resources accountability
14 regarding the appointment, direction and progress of the studies.

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

17 **§16-29I-6. Review of hospital restructuring plans.**

18 (a) The board shall review and may approve or reject hospital
19 restructuring plans submitted to it from time to time. Upon
20 approval of any submitted plan, the board may in its sole discretion
21 provide from the fund a loan, low-interest loan, or no-interest
22 loan, in a form and on those terms and conditions as the board
23 considers appropriate to assist in the implementation of the

1 hospital restructuring plan. Prior to approving any plan, the board
2 shall make a factual determination that the implementation of the
3 hospital restructuring plan will rationalize and restructure the
4 delivery of health care services provided by the hospital or
5 combination of hospitals submitting the plan, and shall further
6 determine that the implementation of the plan will provide a cost
7 savings for hospital services delivered by the hospital or
8 combination of hospitals for both public and private health care
9 payors.

10 (b) The board may approve hospital restructuring plans and
11 loans from the revolving fund contingent upon any conditions
12 considered necessary by the board to assure the repayment of any
13 loan, which may include, but need not be limited to, the successful
14 implementation of the cost containment objectives of any hospital
15 restructuring plan.

16 (c) The board may withhold future rate approvals ~~certificates~~
17 ~~of need~~ and rural health system loans and grants if any of the terms
18 or conditions of the loan provided by the board are not subsequently
19 satisfied or met by the hospital or combination of hospitals
20 receiving the loan from the fund.

21 **CHAPTER 33. INSURANCE.**

22 **ARTICLE 15B. UNIFORM HEALTH CARE ADMINISTRATION ACT.**

23 **§33-15B-5. Penalties for violation.**

1 Any person, partnership, corporation, limited liability
2 company, professional corporation, health care provider, insurer or
3 other payer, or other entity violating any provision of this article
4 shall be subject to a fine imposed by the commissioner of not more
5 than \$1000 for each violation. ~~and, in addition to or in lieu of~~
6 ~~any fine imposed, the West Virginia Health Care Authority is~~
7 ~~empowered to withhold rate approval or a certificate of need for any~~
8 ~~health care provider violating any provision of this article.~~

NOTE: The purpose of this bill is to end the requirement that health facilities acquire a certificate of need to open.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.