

# Senate Bill No. 366

(By Senators Kessler (Mr. President) and M. Hall,  
By Request of the Executive)

---

[Introduced January 16, 2014; referred to the Committee on  
Health and Human Resources; and then to the Committee on the  
Judiciary.]

---

A BILL to amend and reenact §5-16B-1 and §5-16B-2 of the Code  
of West Virginia, 1931, as amended, all relating to moving the  
Children’s Health Insurance Program from the Department of  
Administration to the Department of Health and Human  
Resources; and providing for the orderly transfer of functions,  
funds and accounts.

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

That §5-16B-1 and §5-16B-2 of the Code of West Virginia,  
1931, as amended, be amended and reenacted, all to read as follows:

**ARTICLE 16B. WEST VIRGINIA CHILDREN’S HEALTH  
INSURANCE PROGRAM.**

**§5-16B-1. Expansion of health care coverage to children;  
creation of program; legislative directives.**

1 (a) It is the intent of the Legislature to expand access to  
2 health services for eligible children and to pay for this  
3 coverage by using private, state and federal funds to purchase  
4 those services or purchase insurance coverage for those  
5 services. To achieve this intention, the West Virginia  
6 Children's Health Insurance Program is hereby created. The  
7 program shall be administered by the Children's Health  
8 Insurance Agency within the Department of Administration  
9 in accordance with the provisions of this article and the  
10 applicable provisions of Title XXI of the Social Security Act  
11 of 1997: Provided, That beginning on and after July 1, 2014,  
12 the agencies, boards and programs, including all of the allied,  
13 advisory, affiliated or related entities and funds, associated  
14 with the Children's Health Insurance Program and Children's  
15 Health Insurance Agency are incorporated in and  
16 administered as a part of the Department of Health and  
17 Human Resources. Participation in the program may be made

18 available to families of eligible children, subject to eligibility  
19 criteria and processes to be established, which shall not  
20 create an entitlement to coverage in any person. Nothing in  
21 this article may be construed to require any appropriation of  
22 state general revenue funds for the payment of any benefit  
23 provided for in this article. In the event that this article  
24 conflicts with the requirements of federal law, federal law  
25 governs.

26 (b) In developing a children's health insurance program  
27 that operates with the highest degree of simplicity and  
28 governmental efficiency, the board shall avoid duplicating  
29 functions available in existing agencies and may enter into  
30 interagency agreements for the performance of specific tasks  
31 or duties at a specific or maximum contract price.

32 (c) In developing benefit plans, the board may consider  
33 any cost savings, administrative efficiency or other benefit to  
34 be gained by considering existing contracts for services with  
35 state health plans and negotiating modifications of those  
36 contracts to meet the needs of the program.

37 (d) ~~Upon~~ For the transfer of the functions of the  
38 Children's Health Insurance Program and the Children's  
39 Health Insurance Agency from the ~~department of health and~~  
40 ~~human resources to the children's health insurance agency~~  
41 ~~within the~~ Department of Administration to the Department  
42 of Health and Human Resources, the Secretary of the  
43 Department of ~~health and human resources~~ Administration  
44 and the Secretary of the Department of ~~administration~~ Health  
45 and Human Resources, acting jointly, are empowered to  
46 authorize and shall authorize such transfers of program and  
47 agency funds including, but not limited to, the West Virginia  
48 Children's Health Fund created in section seven of this article  
49 and associated investment accounts; and transfers of  
50 Children's Health Insurance Program and Children's Health  
51 Insurance Agency personnel and equipment, as are necessary,  
52 to facilitate an orderly transfer of the functions of the  
53 Children's Health Insurance Program and Children's Health  
54 Insurance Agency. ~~Authority to make transfers pursuant to~~  
55 ~~this subsection expires on the thirty-first day of December,~~  
56 ~~two thousand~~

57 (e) In order to enroll as many eligible children as possible  
58 in the program created by this article and to expedite the  
59 effective date of their health insurance coverage, the board  
60 shall develop and implement a plan whereby applications for  
61 enrollment may be taken at any primary care center or other  
62 health care provider, as determined by the director, and  
63 transmitted electronically to the program's offices for  
64 eligibility screening and other necessary processing. The  
65 board may use any funds available to it in the development  
66 and implementation of the plan, including grant funds or  
67 other private or public moneys.

**§5-16B-2. Definitions.**

1 As used in this article, unless the context clearly requires  
2 a different meaning:

3 (a) "Agency" means the Children's Health Insurance  
4 Agency; ~~within the department of administration;~~

5 (b) "Board" means the Children's Health Insurance  
6 Program Board;

7 (c) “Director” means the Director of the Children’s  
8 Health Insurance Agency;

9 (d) “Essential community health service provider” means  
10 a health care provider that:

11 (1) Has historically served medically needy or medically  
12 indigent patients and demonstrates a commitment to serve  
13 low-income and medically indigent populations which  
14 constitute a significant portion of its patient population or, in  
15 the case of a sole community provider, serves medically  
16 indigent patients within its medical capability; and

17 (2) Either waives service fees or charges fees based on a  
18 sliding scale and does not restrict access or services because  
19 of a client’s financial limitations. Essential community health  
20 service provider includes, but is not limited to, community  
21 mental health centers, school health clinics, primary care  
22 centers, pediatric health clinics or rural health clinics.

23 (e) “Program” means the West Virginia Children’s Health  
24 Insurance Program.

---

(NOTE: The purpose of this bill is to move the Children's Health Insurance Program ("CHIP") from the Department of Administration to the Department of Health and Human Resources.

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