

# **WEST VIRGINIA LEGISLATURE**

## **2021 REGULAR SESSION**

**Introduced**

### **Senate Bill 390**

BY SENATORS MARONEY AND STOLLINGS

[Introduced February 22, 2021; referred  
to the Committee on Health and Human Resources]



1 A BILL to amend and reenact §33-4A-1, §33-4A-2, §33-4A-3, §33-4A-4, §33-4A-5, §33-4A-6, §33-  
2 4A-7, and §33-4A-8 of the Code of West Virginia, 1931, as amended, all relating to the all-  
3 payer claims database; reflecting that Health Care Authority is part of the organizational  
4 structure of the Department of Health and Human Resources and is no longer a separate  
5 governmental agency; and clarifying and accurately delineating the roles of the entities  
6 responsible for the all-payer claims database.

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

**ARTICLE 4A. ALL-PAYER CLAIMS DATABASE.**

**§33-4A-1. Definitions.**

1 (a) "All-payer claims database" or "APCD" means the program authorized by this article  
2 that collects, retains, uses, and discloses information concerning the claims and administrative  
3 expenses of health care payers.

4 (b) "Commissioner" means the West Virginia Insurance Commissioner.

5 (c) "Data" means the data elements from enrollment and eligibility files, specified types of  
6 claims, and reference files for data elements not maintained in formats consistent with national  
7 coding standards.

8 ~~(d) "Executive Director" means the executive director of the West Virginia Health Care~~  
9 ~~Authority.~~

10 ~~(e)~~ "Health care payer" means any entity that pays or administers the payment of health  
11 insurance claims or medical claims under workers' compensation insurance to providers in this  
12 state, including workers' compensation insurers; accident and sickness insurers; nonprofit  
13 hospital service corporations, medical service corporations, and dental service organizations;  
14 nonprofit health service corporations; prepaid limited health service organizations; health  
15 maintenance organizations; and government payers, including, but not limited to, Medicaid,  
16 Medicare, and the Public Employees Insurance Agency; the term also includes any third-party

17 administrator, including any pharmacy benefits manager, that administers a fully funded ~~or self-~~  
18 ~~funded~~ plan:

19 A “health insurance claim” does not include:

20 (1) Any claim paid under an individual or group policy providing coverage only for accident  
21 or disability income insurance or any combination thereof; coverage issued as a supplement to  
22 liability insurance; liability insurance, including general liability insurance and automobile liability;  
23 credit-only insurance; coverage for on-site medical clinics; other similar insurance coverage,  
24 which may be specified by rule, under which benefits for medical care are secondary or incidental  
25 to other insurance benefits; or

26 (2) Any of the following if provided under a separate policy, certificate, or contract of  
27 insurance: Limited scope dental or vision benefits; benefits for long-term care, nursing home care,  
28 home health care, community-based care, or any combination thereof; coverage for only a  
29 specified disease or illness; or hospital indemnity or other fixed indemnity insurance.

30 “Health insurance claims” shall only include information from Medicare supplemental  
31 policies if the same information is obtained with respect to Medicare.

32 ~~(f)~~ (e) “Personal identifiers” means information relating to an individual member or insured  
33 that identifies, or can be used to identify, locate, or contact a particular individual member or  
34 insured, including, but not limited to, the individual’s name, street address, Social Security  
35 number, e-mail address, and telephone number.

36 ~~(g)~~ (f) “Secretary” means the Secretary of the West Virginia Department of Health and  
37 Human ~~Services~~ Resources.

38 ~~(h)~~ (g) “Third-party administrator” has the same meaning ascribed to it in §33-46-2 of this  
39 code.

**§33-4A-2. Establishment and development of an all-payer claims database.**

1 (a) The secretary, ~~commissioner and the executive director, collectively referred to herein~~  
2 as the “MOU parties”, shall enter into a memorandum of understanding to develop an all-payer  
3 ~~claims database program.~~

4 ~~(b) The memorandum of understanding shall, at a minimum:~~

5 ~~(1) Provide that the commissioner will shall have primary responsibility for the collection,~~  
6 ~~retention, and dissemination of the data in an all-payer claims database (APCD). The~~  
7 ~~commissioner shall have primary responsibility for enforcement of data collection. order to~~  
8 ~~facilitate the efficient administration of state oversight, the secretary will have primary~~  
9 ~~responsibility for the retention of data supplied to the state under its health care oversight function,~~  
10 ~~and the executive director will have primary responsibility for the dissemination of the data;~~

11 ~~(2) Delineate the MOU parties' roles, describe the process to develop legislative rules~~  
12 ~~required by this article, establish communication processes and a coordination plan, and address~~  
13 ~~vendor relationship management;~~

14 ~~(3) (b) Provide The secretary shall provide for the development of a plan for the financial~~  
15 ~~stability of the APCD, including provision for funding by the MOU parties' agencies; and~~

16 ~~(4) (c) Provide The secretary shall provide for the use of the hospital discharge uniform~~  
17 ~~billing data collected by the West Virginia Health Care Authority Department of Health and Human~~  
18 ~~Resources as a tool in the validation of APCD reports.~~

**§33-4A-3. Powers of the commissioner, secretary and executive director; exemption from purchasing rules.**

1 (a) The MOU parties secretary may:

2 (1) Accept gifts, bequests, grants, or other funds dedicated to the furtherance of the goals  
3 of the all-payer claim database (APCD);

4 (2) Select a vendor to handle data collection and processing and such other tasks as  
5 deemed appropriate;

6 (3) Enter into agreements with other states to perform joint administrative operations,  
7 share information, and assist in the development of multistate efforts to further the goals of this  
8 article: *Provided*, That any such agreements must include adequate protections with respect to

9 the confidentiality of the information to be shared and comply with all state and federal laws and  
10 regulations;

11 (4) Enter into memoranda of understanding with other governmental agencies to carry out  
12 any of its functions, including contracts with other states to perform joint administrative functions;

13 (5) Attempt to ensure that the requirements with respect to the reporting of data be  
14 standardized ~~so as to minimize the expense to parties subject to similar requirements in other~~  
15 ~~jurisdictions~~;

16 (6) Enter into voluntary agreements to obtain data from payers not subject to mandatory  
17 reporting under this article; and

18 (7) Exempt a payer or class of payers from the requirements of this article for cause.

19 (b) Contracts for professional services for the development and operation of the APCD  
20 are not subject to the provisions of §5A-3-1 *et seq.* of this code relating to the Purchasing Division  
21 of the Department of Administration. The award of such contracts shall be subject to a competitive  
22 process established by the ~~MOU parties~~ secretary.

23 (c) The ~~MOU parties~~ secretary shall make an annual report to the Governor, which shall  
24 also be filed with the Joint Committee on Government and Finance, summarizing the activities of  
25 the APCD in the preceding calendar year.

**§33-4A-4. Data subject to this article.**

1 (a) All health care payers shall submit data to the ~~commissioner~~ secretary, or an entity  
2 designated by the ~~commissioner~~ secretary, at such times and in a form specified in rule. Any  
3 health care payer that the secretary or commissioner determines paid or administered the  
4 payment of health insurance claims in this state for policies on fewer than 500 covered lives in  
5 the previous calendar year is exempt from the requirements of this article.

6 (b) Data submitted in accordance with this article shall be considered confidential by law  
7 and privileged, are exempt from disclosure pursuant to §29B-1-1 *et seq.* of this code, are not open  
8 to public inspection, are not subject to subpoena, are not subject to discovery or admissible in

9 evidence in any criminal, private, civil, or administrative action, are not subject to production  
10 pursuant to court order, and shall only be used and disclosed pursuant to law and legislative rules  
11 promulgated pursuant to this article.

12 (c)(1) Data submitted to and retained by the all-payer claims database (APCD) shall be  
13 available as a resource for the ~~MOU parties~~ secretary and commissioner to ~~continuously conduct~~  
14 public health analyses, conduct program analyses, review health care utilization, expenditures,  
15 and performance in West Virginia, conduct academic research, and to enhance the ability of  
16 consumers to make informed and cost-effective health care decisions.

17 (2) Data submitted to and retained by the APCD may, in accordance with this article and  
18 the legislative rules promulgated pursuant to this article, also be available as a resource for  
19 insurers, researchers, employers, providers, purchasers of health care, consumers, and state  
20 agencies. Any such use shall be limited to public health, research, consumer reporting, and  
21 program evaluation purposes.

22 (d) Notwithstanding any other provision of law to the contrary, the APCD ~~shall~~ may not  
23 disclose any data that contain personal identifiers. The ~~MOU parties~~ secretary, in accordance with  
24 procedures and standards set forth in legislative rule, may approve access to ~~other~~ data elements  
25 not prohibited from disclosure by the APCD, as well as synthetic or created unique identifiers, for  
26 use by researchers, including government agencies, with established protocols for  
27 safeguarding confidential or privileged information. ~~The MOU parties' use~~ Use of the data by the  
28 secretary and commissioner shall not constitute a disclosure.

**§33-4A-5. User fees; waiver.**

1 Reasonable user fees may be set by the secretary, in the manner established in legislative  
2 rule, for the right to access and use the data available from the all-payer claims database. The  
3 ~~executive director~~ secretary may reduce or waive the fee if he or she determines that the user is  
4 unable to pay the scheduled fees and that the user has a viable plan to use the data or information  
5 in research of general value to the public health.

**§33-4A-6. Enforcement; injunctive relief.**

1           ~~In the event of~~ If there is any violation of this article or any rule adopted thereunder, the  
2 commissioner, ~~secretary or executive director~~ or secretary may seek to enjoin a further violation  
3 in the circuit court of Kanawha County. Injunctive relief ordered pursuant to this section may be  
4 in addition to any other remedies and enforcement actions available to the secretary and  
5 commissioner under this chapter.

**§33-4A-7. Special revenue account created.**

1           (a) There is hereby created a special revenue account in the State Treasury, designated  
2 the West Virginia All-Payer Claims Database Fund, which shall be an interest-bearing account  
3 and may be invested in the manner permitted by §12-6-1 *et seq.* of this code, with the interest  
4 income a proper credit to the fund and which shall not revert to the general revenue, unless  
5 otherwise designated in law. The fund shall be overseen by the ~~commissioner~~, secretary and  
6 ~~executive director~~, ~~shall be administered by the commissioner~~, and shall be used to pay all proper  
7 costs incurred in implementing the provisions of this article.

8           (b) The following funds shall be paid into this account:

- 9           (1) Penalties imposed on health care payers pursuant to this article and rules promulgated  
10 thereunder;
- 11           (2) Funds received from the federal government;
- 12           (3) Appropriations from the Legislature; and
- 13           (4) All other payments, gifts, grants, bequests, or income from any source.

**§33-4A-8. Rule-making authority.**

1           To effectuate the provisions of this article, the ~~MOU parties~~ secretary and commissioner  
2 may propose joint rules for legislative approval in accordance with the provisions of §29A-3-1 *et*  
3 *seq.* of this code as necessary to implement this article. ~~No actions to collect data or assess fees~~  
4 ~~pursuant to this article may be undertaken until rules promulgated hereunder are made effective.~~  
5 Such rules may include, but are not limited to, the following:



6 (a) Procedures for the collection, retention, use, and disclosure of data from the all-payer  
7 claims database (APCD), including procedures and safeguards to protect the privacy, integrity,  
8 confidentiality, and availability of any data;

9 (b) Penalties against health care payers for violation of rules governing the submission of  
10 data, including a schedule of fines for failure to file data or to pay assessments;

11 (c) Fees payable by users of the data and the process for a waiver or reduction of user  
12 fees. Any such fees shall be established at a level that, when considered together with other  
13 available funding sources, is deemed necessary to sustain the operation of the APCD;

14 (d) A proposed time frame for the creation of the database;

15 (e) Criteria for determining whether data collected, beyond the listed personal identifiers,  
16 is confidential clinical data, confidential financial data, or privileged medical information, and  
17 procedures to give affected providers and health care payers notice and opportunity to comment  
18 in response to requests for information that may be considered confidential or privileged;

19 (f) Penalties, including fines and other administrative sanctions, that may be imposed by  
20 the commissioner for a health care payer's failure to comply with requirements of this article and  
21 rules adopted thereunder; and

22 (g) Establishment of advisory boards to provide advice to the ~~MOU parties~~ secretary with  
23 respect to the various functions of the APCD.