

WEST VIRGINIA LEGISLATURE

2022 REGULAR SESSION

Introduced

Senate Bill 706

BY SENATORS PLYMALE AND STOLLINGS

[Introduced February 21, 2022; referred
to the Committee on Health and Human Resources]

1 A BILL to amend §5-16-25 of the Code of West Virginia, 1931, as amended; and to amend said
 2 code by adding thereto a new section, designated §5-16-30, all relating to the West
 3 Virginia Public Employees Insurance Act; reimbursement of hospital in-patient rates by
 4 the plan; naming of funds within the Public Employees Insurance Agency; creating the
 5 Supplemental Reimbursement Fund; providing for the administration of the fund, sources
 6 of funding for the fund, the purposes for expenditures from the fund; and authorizing
 7 expenditures from the fund from collections and pursuant to legislative appropriations.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

§5-16-25. Reserve fund.

1 Upon the effective date of this section, the finance board shall establish and maintain a
 2 reserve fund for the purposes of offsetting unanticipated claim losses in any fiscal year and
 3 supplementing any reimbursements made to hospitals in accordance with §5-16-30 of this code
 4 at a rate less than the Medicare reimbursement up to the Medicare reimbursement rate. Beginning
 5 with the fiscal year 2002 plan and for each succeeding fiscal year plan, the finance board shall
 6 maintain the actuarily recommended reserve in an amount no less than 10 percent of the
 7 projected total plan costs for that fiscal year in the reserve fund, which is to be certified by the
 8 actuary and included in the final, approved financial plan submitted to the Governor and
 9 Legislature in accordance with the provisions of this article.

§5-16-30. Hospital inpatient rates.

1 (a) The plan shall reimburse any hospital that provides inpatient care to a participant
 2 beneficiary at rates negotiated between the hospital and the plan: *Provided*, That any
 3 reimbursement at a rate less than Medicare reimbursement rate shall be increased up to the
 4 Medicare rate by utilizing funds provided for in §5-16-25 of this code.

5 (b) Nothing in this section limits the authority of the director under §5-16-3(c) and §5-16-9
 6 of this code, including, but not limited to, his or her authority to manage provider contracting and

7 payments and to designate covered and noncovered services.

8 (c) This section does not limit the authority of the director, the plan, or the plans under §5-
9 16-11 of this code.

10 (d) This section shall apply to all policies, contracts, plans, or agreements subject to this
11 section that are delivered, executed, amended, adjusted, or renewed on or after July 1, 2023.

12 (e) The director is authorized to promulgate rules including, but not limited to, emergency
13 rules to effectuate the provisions of this article.

NOTE: The purpose of this bill is to require the PEIA plan to reimburse hospitals that provide inpatient care to a participant beneficiary at a rate below the Medicare reimbursement rate to supplement this reimbursement rate with funds within the reserve fund.

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