

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 684

By Senators Tarr and Maroney

[Introduced February 7, 2024; referred
to the Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,
 2 designated §9-5-34, relating to required contract terms for managed care contracts with
 3 the Bureau for Medical Services; setting the medical loss ratio for managed care
 4 organizations contracting with the Bureau for Medical Services; establishing rebates;
 5 setting an effective date; and requiring contract change orders in certain circumstances.

Be it enacted by the Legislature of West Virginia:

ARTICLE 5. MISCELLANEOUS PROVISIONS.

§9-5-34. Managed care organization medical loss ratio.

1 (a) Notwithstanding any provision of this code to the contrary, the medical loss ratio
 2 percentage for any managed care organization contract with the Bureau for Medical Services shall
 3 be set at ninety percent.

4 (b) In any instance when a managed care organization's medical loss ratio drops below
 5 ninety percent, a rebate is required to the Bureau for Medical Services for the percentage
 6 difference between the calculated medical loss ratio and the contractual ninety percent required in
 7 subsection (a) of this section.

8 (c) Fifty percent of a calculated rebate amount between the ninety percent required in
 9 subsection (a) of this section and ninety-three percent is owned and shall be retained by the
 10 managed care organization and the remaining fifty percent shall be a rebate to the Bureau of
 11 Medical Services.

12 (d) Effective July 1, 2025, any newly executed managed care organization contract shall
 13 include a medical loss ratio of ninety percent as set out in subsection (a) of this section. The
 14 contract shall also contractually establish the obligation of the managed care organization to
 15 rebate the Bureau of Medical Services as required by subsections (b) and (c) of this section.

16 (e) Effective July 1, 2025, a change order is required for any existing contract for managed
 17 care services with the Bureau of Medical Services. Such change order shall incorporate into the
 18 contract the required contractual provisions as set forth in this section.

NOTE: The purpose of this bill is to requiring contract terms for managed care contracts with the Bureau for Medical Services; setting the medical loss ratio for managed care organizations contracting with the Bureau for Medical Services; establishing rebates; setting an effective date; and requiring contract change orders in certain circumstances.

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