WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 791

By Senator Tarr

[Introduced February 14, 2024; referred  
to the Committee on Finance]

A BILL to amend and reenact §9-4-3 of the Code of West Virginia, 1931, as amended, relating to modifying the membership requirements of the Medical Services Fund Advisory Council; augmenting its purpose; requiring that it employ an actuary; requiring certain actions from the Commissioner for the Bureau for Medical Services; and addressing the six-year plan to mitigate long-term financial liabilities.

Be it enacted by the Legislature of West Virginia:

ARTICLE 4. STATE ADVISORY BOARD; MEDICAL SERVICES FUND; ADVISORY COUNCIL; GENERAL RELIEF FUND.

§9-4-3. Advisory council.

(a) (1) The advisory council, created by chapter 143, Acts of the Legislature, regular session, 1953, as an advisory body to the state Medicaid Agency with respect to the medical services fund and disbursements therefrom and to advise about health and medical services, is continued so long as the medical services fund remains in existence, and thereafter so long as the state Medicaid Agency considers the advisory council to be necessary or desirable, and it is organized as provided by this section and applicable federal law and has those advisory powers and duties as are granted and imposed by this section and elsewhere by law.

(2) The purpose of the Council is to bring fiscal stability to the Medicaid program through development of annual financial plans and long-range plans designed to meet the agency's estimated total financial requirements.

(b) The advisory council shall consist of not less than nine members, nor more than 15 members, all but four of whom shall be appointed by the state Medicaid Agency and serve until replaced or reappointed on a rotating basis. These members shall include:

(1) The Secretary for the Department of Human Services, who shall serve as Chair of the Council;

(2) Chairs of the House and Senate Finance Committees, or their designees are members ex officio;

(3) The President of the Senate and Speaker of the House of Delegates, or their designees, are members ex officio;

(4) Four members shall be selected from the public at large, meeting the following requirements:

(A) One member selected from the public at large shall generally have knowledge and expertise relating to the financing, development, or management of employee benefit programs;

(B) One member selected from the public at large shall have at least three years of experience in the insurance benefits business;

(C) One member selected from the public at large shall be a certified public accountant with at least three years of experience with financial management and employee benefits program experience; and

(D) One member selected from the public at large shall be a health care actuary or certified public accountant with at least three years of financial experience with the health care marketplace.

~~(c)(1)~~ (5) The heads of the Bureau of Public Health and Bureau for Medical Services are members ex officio.

~~(2)~~ (6) The cochairs of the Legislative Oversight Commission on Health and Human Resources Accountability, or their designees, are nonvoting ex officio members.

~~(3)~~ (7) The remaining members comprising the council consist of:

(A) One member of recognized ability in the field of medicine and surgery with respect to whose appointment the state Medical Association shall be afforded the opportunity of making nomination of three qualified persons;

(B) One member of recognized ability in the field of dentistry with respect to whose appointment the state Dental Association shall be afforded the opportunity of nominating three qualified persons;

(C) One member chosen from a list of three persons nominated by the West Virginia Primary Care Association;

(D) One member chosen from a list of three persons nominated by the Behavioral Health Providers Association of West Virginia; and

(E) The remaining members chosen from persons of recognized ability in the fields of hospital administration, nursing and allied professions and from consumers groups, including Medicaid recipients, members of the West Virginia Directors of Senior and Community Services, labor unions, cooperatives and consumer- sponsored prepaid group practices plans.

(F) No member of the council may be a registered lobbyist.

(G) All appointments shall be residents of West Virginia. All members of the Council shall have a fiduciary responsibility to protect West Virginia's taxpayer interests and the interests of Medicaid beneficiaries. Beginning July 1, 2025, and every year thereafter, all Council members shall complete fiduciary training and timely complete any conflict-of-interest forms required to serve as a fiduciary.

~~(d)~~ (c) The council shall meet on call of the state Medicaid Agency.

~~(e)~~ (d) Each member of the advisory council shall receive reimbursement for reasonable and necessary travel expenses for each day actually served in attendance at meetings of the council in accordance with the state's travel regulations. Requisitions for the expenses shall be accompanied by an itemized statement, which shall be filed with the Auditor and preserved as a public record.

(e) The advisory council shall assist the state Medicaid Agency in the establishment of rules, standards and bylaws necessary to carry out the provisions of this section and shall serve as consultants to the state Medicaid Agency in carrying out the provisions of this section.

(f) The council shall retain the services of an impartial, professional actuary, with demonstrated experience in analysis of large group health insurance plans, to estimate the total financial requirements of the Bureau for each fiscal year and to review and render written professional opinions as to financial plans proposed by the Council. The actuary shall also assist in the development of alternative financing options and perform any other services requested by the Council, the Secretary, or the Commissioner. All reasonable fees and expenses for actuarial services shall be paid by the Bureau for Medical Services.

(g) The Commissioner for the Bureau for Medical Services shall make every effort to evaluate and administer programs to improve quality, improve health status of members, develop innovative payment methodologies, manage health care delivery costs, evaluate effective benefit designs, evaluate cost sharing and benefit-based programs, and adopt effective industry programs that can manage the long-term effectiveness and costs for the Medicaid program, but not be limited to:

(1) Increasing generic fill rates;

(2) Managing specialty pharmacy costs;

(3) Implementing and evaluating medical home models and health care delivery;

(4) Coordinating with providers, private insurance carriers, and, to the extent possible, Medicare to encourage the establishment of cost-effective accountable care organizations;

(5) Exploring and developing advanced payment methodologies for care delivery such as case rates, managed care, capitation, and other potential risk-sharing models and partial risk-sharing models for accountable care organizations and medical homes;

(6) Adopting measures identified by the Centers for Medicare and Medicaid Services to reduce cost and enhance quality;

(7) Evaluating the expenditures to reduce excessive use of emergency room visits, imaging services, and other drivers of the agency's medical rate of inflation;

(8) Recommending cutting-edge benefit designs to the council to drive behavior and control costs for the plans;

(9) Implementing programs to encourage the use of the most efficient and high-quality providers by beneficiaries;

(10) Identifying beneficiaries who have multiple chronic illnesses and initiating programs to coordinate the care of these patients;

(11) Initiating steps to adjust payment by the agency for the treatment of hospital-acquired infections and related events consistent with the payment policies, operational guidelines, and implementation timetable established by the Centers of Medicare and Medicaid Services.

(12) Initiating steps to reduce the number of beneficiaries who experience avoidable readmissions to a hospital for the same diagnosis-related group illness within 30 days of being discharged by a hospital in this state or another state consistent with the payment policies, operational guidelines, and implementation timetable established by the Centers of Medicare and Medicaid Services.

(13) Identifying expenditure reduction opportunities to curtail benefits and eligible populations in line with parameters approved by the Centers for Medicare and Medicaid Services in other jurisdictions.

(14) Analyzing the Medicaid Six-Year Plan concerning assumptions that formulate expenditure projections with the purpose of crafting strategies to mitigate long term financial liabilities in the program.

NOTE: The purpose of this bill is to modify the Medical Services Fund Advisory Council membership requirements, augment its purpose, require that it employ an actuary, require certain actions from the Commissioner for the Bureau for Medical Services, and address the six-year plan to mitigate long-term financial liabilities.

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