WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Originating

House Bill 3518

By Delegates Rohrbach, Hite, Horst, Hall,

Fehrenbacher, Mazzocchi and Riley

[Originating in the Committee on Finance; Reported

on March 27, 2025]

A BILL to amend §9-4A-2a of the Code of West Virginia, 1931, as amended, relating to disenrollment and elimination of state coverage in a certain Medicaid waiver expansion program if the federal medical assistance for the expansion program is reduced.

Be it enacted by the Legislature of West Virginia:

ARTICLE 4A. MEDICAID UNCOMPENSATED CARE FUND.

§9-4A-2a. Medical services trust fund.

(a) The Legislature finds and declares that certain dedicated revenues should be preserved in trust for the purpose of stabilizing the state's Medicaid program and providing services for future federally mandated population groups in conjunction with federal reform.

(b) There is created a special account within the Department of Human Services, which shall be an interest-bearing account and may be invested in the manner permitted by §12-6-9 of this code, designated the medical services trust fund. Funds paid into the account shall be derived from the following sources:

(1) Transfers, by intergovernmental transfer, from the hospital services revenue account provided for in §16-1-15a of this code;

(2) All interest or return on investment accruing to the fund;

(3) Any gifts, grants, bequests, transfers or donations which may be received from any governmental entity or unit or any person, firm, foundation or corporation; and

(4) Any appropriations by the Legislature which may be made for this purpose.

(c) Expenditures from the fund are limited to the following:

(1) Payment of backlogged billings from providers of Medicaid services when cash-flow problems within the medical services fund do not permit payment of providers within federally required time limits; and

(2) Funding for services to future federally mandated population groups in conjunction with federal health care reform: *Provided*, That other Medicaid funds have been exhausted for the federally mandated expansion: *Provided, however*, That new optional services for which a state

Medicaid plan amendment is submitted after May 1, 1993, which are not cost effective for the state, are eliminated prior to expenditure of any moneys from this fund for Medicaid expansion.

(3) Payment of the required state match for Medicaid disproportionate share payments in order to receive federal financial participation in the disproportionate share hospital program.

(d) Expenditures from the fund solely for the purposes set forth in subsection (c) of this section shall be authorized in writing by the Governor, who shall determine in his or her discretion whether any expenditure shall be made, based on the best interests of the state as a whole and its citizens, and shall designate the purpose of the expenditure. Upon authorization signed by the Governor, funds may be transferred to the medical services fund: *Provided*, That all expenditures from the medical services trust fund shall be reported forthwith to the Joint Committee on Government and Finance.

(e) Notwithstanding the ~~provision~~ provisions of §12-2-2 of this code, moneys within the medical services trust fund may not be redesignated for any purpose other than those set forth in subsection (c) of this section, except that, upon elimination of the Medicaid program in conjunction with federal health care reform, moneys within the fund may be redesignated for the purpose of providing health care coverage or services in coordination with federal reform.

(f) If the increased federal medical assistance percentages for newly eligible individuals included in 42 U.S.C. §1396d(y)(1) [2010] of the Patient Protection and Affordable Care Act are modified through federal law or regulation from the methodology in effect on January 1, 2014, resulting in a reduction in federal medical assistance as determined by the department, the secretary shall disenroll and eliminate coverage for individuals who obtained coverage through 42 U.S.C. §1396d(y)(1) [2010] of the Patient Protection and Affordable Care Act. The disenrollment process shall include written notification to affected Medicaid beneficiaries, Medicaid managed care plans, and other providers that coverage will cease as soon as allowable under federal law following the date the department is notified of a reduction in Federal Medical Assistance Percentage.

NOTE: The purpose of this bill is to disenroll and eliminate state coverage in a certain Medicaid waiver expansion program if the federal medical assistance for the expansion program is reduced.

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