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OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

# WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1989

— ● —

# ENROLLED

HOUSE BILL No. 2598

(By ~~Mr.~~ Del. White & Murensky )

— ● —

Passed April 6 1989

In Effect from Passage

**ENROLLED**  
**H. B. 2598**

(By DELEGATES WHITE AND MURENSKY)

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[Passed April 6, 1989; in effect from passage.]

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AN ACT to amend and reenact section fourteen, article five, chapter nine of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the medicaid program; health care facilities financed by bonds; extension of rules regarding reimbursement of capital costs.

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

That section fourteen, article five, chapter nine of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended and reenacted, to read as follows:

**ARTICLE 5. MISCELLANEOUS PROVISIONS.**

**§9-5-14. Medicaid program; health care facilities financed by bonds; rules regarding reimbursement of capital costs.**

1       (a) The Legislature finds and declares that a number  
2 of health care facilities have been financed by public  
3 bonded indebtedness, and as a result of policies, rules,  
4 regulations and standards which may be in conflict, the  
5 facilities and the health and welfare of those citizens  
6 served by such facilities are in jeopardy. The provisions  
7 of subsection (b) are enacted for the purpose of address-  
8 ing this as a short term solution.

9       (b) As to any health care facility licensed under  
10 article five-c, chapter sixteen of this code, constructed

11 after the first day of April, one thousand nine hundred  
12 eighty-one, and affected on or after that date by the  
13 reimbursement methodology implemented by the de-  
14 partment regarding standard appraised value, begin-  
15 ning on the first day of April, one thousand nine  
16 hundred eighty-eight, and for a two year period only,  
17 ending on the thirty-first day of March, one thousand  
18 nine hundred ninety, all in compliance with federal  
19 rules and regulations, the department shall reimburse  
20 such health care facilities no less than any actual annual  
21 capital costs including, but not limited to, debt service,  
22 lease payments or costs of comparable financing  
23 arrangements incurred in connection with any capital  
24 expenditure approved pursuant to article two-d, chapter  
25 sixteen of this code, or any rule or regulation promul-  
26 gated thereunder or in conjunction with the financing  
27 of such capital expenditure pursuant to article two-c,  
28 chapter thirteen of this code, whichever is greater; and  
29 in no event, for the purpose of reimbursement of such  
30 capital costs, shall the value of any health care facility  
31 licensed pursuant to article five-c, chapter sixteen of this  
32 code, be deemed to be less than the greater of the  
33 aggregate principal amount of any public bond issue  
34 undertaken pursuant to the provisions of article two-c,  
35 chapter thirteen of this code or the maximum capital  
36 expenditure approved pursuant to article two-d, chapter  
37 sixteen of this code or any rule or regulation promul-  
38 gated thereunder, and any appraisal made by the  
39 department in connection therewith shall include costs  
40 related to the financing of the bond issue or the  
41 maximum capital expenditure approved pursuant to  
42 article two-d, chapter sixteen of this code, as applicable:  
43 *Provided*, That said values may be reduced by (a) any  
44 functional obsolescence which is determined and  
45 identified annually pursuant to any rule or regulation  
46 promulgated hereunder and (b) the pro rata share of  
47 such value which is attributable to capital expenditures  
48 incurred with respect to facilities which provide services  
49 which are not eligible for reimbursement under Title  
50 XIX of the Social Security Act: *Provided, however*, That  
51 the department shall not exceed the medicare upper  
52 payment limit for medicaid in making any reimburse-

53 ment pursuant to this section.

54 As to any health care facility constructed after the  
55 first day of April, one thousand nine hundred eighty-  
56 one, and affected on or after that date by the reimbur-  
57 sement methodology implemented by the department  
58 regarding standard appraised value, with respect to  
59 reimbursement to the state by such health care facility  
60 arising from adjustment of projected rates, the depart-  
61 ment shall provide for the adjustment of projected rates  
62 based upon values which are consistent with the  
63 provisions of this section and based upon the actual  
64 occupancy experience of the health care facility during  
65 the projected rate period, all in compliance with federal  
66 rules and regulations.

67 (c) The medicaid payments that a long-term care  
68 facility would otherwise receive shall not be reduced in  
69 any manner as a result of the operation of this section.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

*Frederick L. Parker*  
.....  
Chairman Senate Committee

*Bernard V. Kelly*  
.....  
Chairman House Committee

Originating in the House.

Takes effect from passage.

*Jack O'Neil*  
.....  
Clerk of the Senate

*Donald Y. Topp*  
.....  
Clerk of the House of Delegates

*John T. ...*  
.....  
President of the Senate

*Bob ...*  
.....  
Speaker of the House of Delegates

The within *is approved* ..... this the *27<sup>th</sup>*  
day of *April* ....., 1989.

*Winston Caperton*  
.....  
Governor

PRESENTED TO THE

GOVERNOR

Date 4/14/84

Time 5:13