WEST VIRGINIA CODE CHAPTER 16 ARTICLE 29B

WV Legislature

§16-29B-1. Legislative findings; purpose.

The Legislature hereby finds that the health and welfare of the citizens of this state is being threatened by unreasonable increases in the cost of health care services, a fragmented system of health care, lack of integration and coordination of health care services, unequal access to primary and preventative care, lack of a comprehensive and coordinated health information system to gather and disseminate data to promote the availability of cost-effective, high-quality services and to permit effective health planning and analysis of utilization, clinical outcomes and cost and risk factors. In order to alleviate these threats: (1) Information on health care costs must be gathered; and (2) an entity of state government must be given authority to ensure the containment of health care costs, to gather and disseminate health care information; to analyze and report on changes in the health care delivery system as a result of evolving market forces, and to assure that the state health plan, certificate of need program, and information systems serve to promote cost containment, access to care, quality of services and prevention. Therefore, the purpose of this article is to protect the health and well-being of the citizens of this state by guarding against unreasonable loss of economic resources as well as to ensure the continuation of appropriate access to cost-effective, high-quality health care services.

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§16-29B-2. Effective Date.

All powers, duties and functions of the West Virginia Health Care Authority shall be transferred to the West Virginia Department of Health.

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§16-29B-3. Definitions.

(a) Definitions of words and terms defined in article two-d of this chapter are incorporated in this section unless this section has different definitions.

(b) As used in this article, unless a different meaning clearly appears from the context:

(1) "Authority" means the Health Care Authority created pursuant to the provisions of this article;

(2) "Board" means the five-member board of directors of the West Virginia Health Care Authority;

(3) "Charges" means the economic value established for accounting purposes of the goods and services a hospital provides for all classes of purchasers;

(4) "Class of purchaser" means a group of potential hospital patients with common characteristics affecting the way in which their hospital care is financed. Examples of classes of purchasers are Medicare beneficiaries, welfare recipients, subscribers of corporations established and operated pursuant to article twenty-four, chapter thirty-three of this code, members of health maintenance organizations and other groups as defined by the authority;

(5) "Covered facility" means a hospital, behavioral health facility, kidney disease treatment center, including a free-standing hemodialysis unit; ambulatory health care facility; ambulatory surgical facility; home health agency; rehabilitation facility; or community mental health or intellectual disability facility, whether under public or private ownership or as a profit or nonprofit organization and whether or not licensed or required to be licensed, in whole or in part, by the state: *Provided*, That nonprofit, community-based primary care centers providing primary care services without regard to ability to pay which provide the Secretary with a year-end audited financial statement prepared in accordance with generally accepted auditing standards and with governmental auditing standards issued by the Comptroller General of the United States shall be deemed to have complied with the disclosure requirements of this section.

(6) "Executive Director" or "Director" means the administrative head of the Health Care Authority as set forth in section five-a of this article;

(7) "Health care provider" means a person, partnership, corporation, facility, hospital or institution licensed, certified or authorized by law to provide professional health care service in this state to an individual during this individual's medical, remedial, or behavioral health care, treatment or confinement. For purposes of this article, "health care provider" shall not include the private office practice of one or more health care professionals licensed to practice in this state pursuant to the provisions of chapter thirty of this code;

(8) "Hospital" means a facility subject to licensure as such under the provisions of article five-b of this chapter, and any acute care facility operated by the state government which is

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primarily engaged in providing to inpatients, by or under the supervision of physicians, diagnostic and therapeutic services for medical diagnosis, treatment and care of injured, disabled or sick persons, and does not include state mental health facilities or state long-term care facilities;

(9) "Person" means an individual, trust, estate, partnership, committee, corporation, association or other organization such as a joint stock company, a state or political subdivision or instrumentality thereof or any legal entity recognized by the state;

(10) "Purchaser" means a consumer of patient care services, a natural person who is directly or indirectly responsible for payment for such patient care services rendered by a health care provider, but does not include third-party payers;

(11) "Rates" means all value given or money payable to health care providers for health care services, including fees, charges and cost reimbursements;

(12) "Records" means accounts, books and other data related to health care costs at health care facilities subject to the provisions of this article which do not include privileged medical information, individual personal data, confidential information, the disclosure of which is prohibited by other provisions of this code and the laws enacted by the federal government, and information, the disclosure of which would be an invasion of privacy;

(13) "Related organization" means an organization, whether publicly owned, nonprofit, tax-exempt or for profit, related to a health care provider through common membership, governing bodies, trustees, officers, stock ownership, family members, partners or limited partners including, but not limited to, subsidiaries, foundations, related corporations and joint ventures. For the purposes of this subsection family members means brothers and sisters, whether by the whole or half blood, spouse, ancestors and lineal descendants;

(14) "Secretary" means the Secretary of the Department of Health; and

(15) "Third-party payor" means any natural person, person, corporation or government entity responsible for payment for patient care services rendered by health care providers.

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§16-29B-4.

Repealed.

Acts, 1989 Reg. Sess., Ch. 87.

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§16-29B-5. West Virginia Health Care Authority; composition of the board; qualifications; terms; oath; expenses of members; vacancies; appointment of chairman, and meetings of the board.

(a) The "West Virginia Health Care Authority" is continued. Any references in this code to the West Virginia Health Care Cost Review Authority means the West Virginia Health Care Authority.

(b) There is created a board of review to serve as the adjudicatory body of the authority and shall conduct all hearings as required in this article, article two-d of this chapter.

(1) The board shall consist of five members, appointed by the Governor, with the advice and consent of the Senate. The board members are not permitted to hold political office in the government of the state either by election or appointment while serving as a member of the board. The board members are not eligible for civil service coverage as provided in section four, article six, chapter twenty-nine of this code. The board members shall be citizens and residents of this state.

(2) No more than three of the board members may be members of the same political party. One board member shall have a background in health care finance or economics, one board member shall have previous employment experience in human services, business administration or substantially related fields, one board member shall have previous experience in the administration of a health care facility, one board member shall have previous experience as a provider of health care services, and one board member shall be a consumer of health services with a demonstrated interest in health care issues.

(3) Each member appointed by the Governor shall serve staggered terms of six years. Any member whose term has expired shall serve until his or her successor has been appointed. Any person appointed to fill a vacancy shall serve only for the unexpired term. Any member shall be eligible for reappointment. In cases of vacancy in the office of member, such vacancy shall be filled by the Governor in the same manner as the original appointment.

(4) Each board member shall, before entering upon the duties of his or her office, take and subscribe to the oath provided by section five, article IV of the Constitution of the State of West Virginia, which oath shall be filed in the office of the Secretary of State.

(5) The Governor shall designate one of the board members to serve as chairman at the Governor’s will and pleasure.

(6) The Governor may remove any board member only for incompetency, neglect of duty, gross immorality, malfeasance in office or violation of the provisions of this article.

(7) No person while in the employ of, or holding any official relation to, any hospital or health care provider subject to the provisions of this article, or who has any pecuniary interest in any hospital or health care provider, may serve as a member of the board. Nor

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may any board member be a candidate for or hold public office or be a member of any political committee while acting as a board member; nor may any board member or employee of the board receive anything of value, either directly or indirectly, from any third-party payor or health care provider. If any of the board members become a candidate for any public office or for membership on any political committee, the Governor shall remove the board member from the board and shall appoint a new board member to fill the vacancy created. No board member or former board member may accept employment with any hospital or health care provider subject to the jurisdiction of the board in violation of the West Virginia governmental ethics act, chapter six-b of this code: *Provided*, That the act may not apply to employment accepted after termination of the board.

(8) The concurrent judgment of three of the board members shall be considered the action of the board. A vacancy in the board does not affect the right or duty of the remaining board members to function as a board.

(9) Each member of the board shall serve without compensation, but shall receive expense reimbursement for all reasonable and necessary expenses actually incurred in the performance of the duties of the office, in the same amount paid to members of the Legislature for their interim duties as recommended by the citizens legislative compensation commission and authorized by law. No member may be reimbursed for expenses paid by a third party.

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§16-29B-5a. Executive Director of the authority; powers and duties.

(a) The Secretary shall appoint an executive director of the authority to supervise and direct the fiscal and administrative matters of the authority. This person shall be qualified by training and experience to direct the operations of the authority. The executive director is ineligible for civil service coverage as provided in section four, article six, chapter twenty-nine of this code and serves at the will and pleasure of the Secretary.

(b) The executive director shall:

(1) Serve on a full-time basis and may not be engaged in any other profession or occupation;

(2) Not hold political office in the government of the state either by election or appointment while serving as executive director;

(3) Shall be a citizen of the United States and shall become a citizen of the state within ninety days of appointment; and

(4) Report to the Secretary.

(c) The executive director has other powers and duties as set forth in this article.

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§16-29B-6

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

WV Legislature

§16-29B-7

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

WV Legislature

§16-29B-8. Powers generally; budget expenses of the authority.

The authority may:

(1) In cooperation with the secretary, propose legislative rules in accordance with §29A-3-1 *et seq*. of this code;

(2) Hold public hearings, conduct investigations, and require the filing of information relating to matters affecting the costs of health care services subject to the provisions of this article, and may subpoena witnesses, papers, records, documents, and all other data in connection therewith. The board may administer oaths or affirmations in any hearing or investigation; and

(3) Exercise, subject to limitations or restrictions herein imposed, all other powers which are reasonably necessary or essential to affect the express objectives and purposes of this article.

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§16-29B-9

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

WV Legislature

§16-29B-10

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

WV Legislature

§16-29B-11

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

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§16-29B-12. Certificate of need hearings; administrative procedures act applicable; hearings examiner; subpoenas.

(a) The board shall conduct such hearings as it deems necessary for the performance of its functions and shall hold hearings when required by the provisions of this chapter or upon a written demand by a person aggrieved by any act or failure to act by the board regulation or order of the board. All hearings of the board pursuant to this section shall be announced in a timely manner and shall be open to the public. In making decisions in the certificate of need process, the board shall be guided by the state health plan approved by the Governor.

(b) All pertinent provisions of article five, chapter twenty-nine-a of this code shall apply to and govern the hearing and administrative procedures in connection with and following the hearing except as specifically stated to the contrary in this article. General counsel for Department of Health or general counsel for the authority shall represent the interest of the authority at all hearings.

(c) Any hearing may be conducted by members of the board or by a hearing examiner appointed by the board for such purpose. The chairperson of the board may issue subpoenas and subpoenas duces tecum which shall be issued and served pursuant to the time, fee and enforcement specifications in section one, article five, chapter twenty-nine-a of this code.

(d) Notwithstanding any other provision of state law, when a hospital alleges that a factual determination made by the board is incorrect, the burden of proof shall be on the hospital to demonstrate that such determination is, in light of the total record, not supported by substantial evidence. The burden of proof remains with the hospital in all cases.

(e) After any hearing, after due deliberation, and in consideration of all the testimony, the evidence and the total record made, the board shall render a decision in writing. The written decision shall be accompanied by findings of fact and conclusions of law as specified in §29A-5-3 of this code, and the copy of the decision and accompanying findings and conclusions shall be served by certified mail, return receipt requested, upon the party demanding the hearing, and upon its attorney of record, if any.

(f) Any interested individual, group or organization shall be recognized as affected parties upon written request from the individual, group or organization. Affected parties shall have the right to bring relevant evidence before the board and testify thereon. Affected parties shall have equal access to records, testimony and evidence before the board and shall have equal access to the expertise of the authority's staff. The authority, with the approval of the secretary, shall have authority to propose rules to administer provisions of this section.

(g) A decision of the board is final unless reversed, vacated or modified upon judicial review thereof, in accordance with the provisions of section thirteen of this article.

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§16-29B-13. Review of final orders of board.

(a) A final decision of the board and the record upon which it was made shall, upon request of any affected party, be reviewed by the agency of the state designated by the Governor to hear appeals under the provisions of article two-d of this chapter. To be effective, such request must be received within thirty days after the date upon which all parties received notice of the board decision, and the hearing shall commence within thirty days of receipt of the request.

(b) For the purpose of administrative review of board decisions, the review agency shall conduct its proceedings in conformance with the West Virginia rules of civil procedure for trial courts of record and the local rules for use in the civil courts of Kanawha County and shall review appeals in accordance with the provisions governing the judicial review of contested administrative cases in section four, article five, chapter twenty-nine-a of this code, notwithstanding the exceptions of section five, article five, chapter twenty-nine-a of this code.

(c) The decision of the review agency shall be made in writing within forty-five days after the conclusion of such hearing.

(d) The written findings of the review agency shall be sent to all affected parties, and shall be made available by the commission to others upon request.

(e) The decision of the review agency shall be considered the final decision of the board; however, the review agency may remand the matter to the board for further action or consideration.

(f) Upon the entry of a final decision by the review agency, any affected party may within thirty days after the date upon which all affected parties receive notice of the decision of the review agency, appeal said decision in the circuit court of Kanawha County. The decision of the review agency shall be reviewed by that circuit court in accordance with the provisions for the judicial review of administrative decisions contained in section four, article five, chapter twenty-nine-a of this code.

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§16-29B-14. Injunction; mandamus.

The board may compel obedience to its lawful orders by injunction or mandamus or other proper proceedings in the name of the state in any circuit court having jurisdiction of the parties or of the subject matter, or the Supreme Court of Appeals direct, and such proceeding shall be determined in an expeditious manner.

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§16-29B-15. Refusal to comply.

(a) Whenever a hospital fails or refuses to furnish to the board any records or information requested under the provisions of this article or otherwise fails or refuses to comply with the requirements of this article or any reasonable rule and regulation promulgated by the board under the provisions of this article, the board may make and enter an order of enforcement and serve a copy thereof on the hospital in question by certified mail, return receipt requested.

(b) The hospital shall be granted a hearing on the order of enforcement if, within twenty days after receipt of a copy thereof, it files with the board a written demand for hearing. A demand for hearing shall operate automatically to stay or suspend the execution of the order of enforcement, with the exception of orders relating to rate increases.

(c) Upon receipt of a written demand for a hearing, the board shall set a time and place therefor, not less than ten and no more than thirty days thereafter. Any scheduled hearing may be continued by the board upon motion for good cause shown by the hospital demanding the hearing.

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§16-29B-16.

Repealed.

Acts, 1997 Reg. Sess., Ch. 102.

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§16-29B-17

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

WV Legislature

§16-29B-18

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

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§16-29B-19

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-19a

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-20

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-20a

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-21

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-21a

Repealed.

Acts, 2016 Reg. Sess., Ch. 202

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§16-29B-22

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

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§16-29B-23

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

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§16-29B-24. Reports required to be filed; and legislative rulemaking regarding uniform bill database.

(a) A covered facility, within 120 days after the end of its fiscal year, unless granted an extension by the authority, shall file with the authority its annual financial report prepared by an accountant or auditor.

(b) A covered facility, if applicable by legislative rule, shall submit, upon request of the authority, but at least annually:

(1) A statement of charges for all services rendered, except a behavioral health facility shall submit its gross rates for its top 30 services by utilization;

(2) The Health Care Authority financial report, through the uniform reporting system;

(3) The current Uniform Bill form in effect for inpatients. This data is not subject to the provisions of §16-29B-25(f) of this code: *Provided*, That the authority, in cooperation with the secretary, shall propose rules for legislative approval in accordance with the provisions of §29A-3-1 et seq. of this code within the applicable time limit to be considered by the Legislature during the regular session of the Legislature, 2023. The legislative rule shall include the following:

(A) Procedures for the collection, retention, use, and disclosure of data from the uniform bill database, including provisions and safeguards to protect the privacy, integrity, confidentiality, and availability of any data;

(B) Procedures for the collection of required data elements, required data format, code tables, edit specifications, thresholds required for a submission to be deemed complete, methods for submitting data, and submission schedules;

(C) Fees not to exceed $50 per custom data request payable by users of the data, if any; and

(D) Repeal of all other existing policies, manuals, and guidelines regarding the submission of uniform bill data promulgated by the authority, as of the effective date of the legislative rule or July 1, 2024, whichever comes first.

(c) The authority may request from a covered facility, except hospitals, the information from §16-29B-24(a) and §16-29B-24(b) of this code from its related organization.

(d) A home health agency shall annually submit a utilization survey.

(e) A covered facility failing to submit a report to the authority shall be notified by the authority and, if the failure continues for 10 days after receipt of the notice, the delinquent facility or organization is subject to a penalty of $1,000 for each day thereafter the failure continues.

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§16-29B-25. Data repository.

(a) The authority shall:

(1) Coordinate and oversee the health data collection of state agencies;

(2) Lead state agencies' efforts to make the best use of emerging technology to affect the expedient and appropriate exchange of health care information and data, including patient records and reports; and

(3) Coordinate database development, analysis, and report to facilitate cost management, review utilization review and quality assurance efforts by state payor and regulatory agencies, insurers, consumers, providers, and other interested parties.

(b) A state agency collecting health data shall work through the authority to develop an integrated system for the efficient collection, responsible use, and dissemination of data and to facilitate and support the development of statewide health information systems that will allow for the electronic transmittal of all health information and claims processing activities of a state agency within the state, and to coordinate the development and use of electronic health information systems within state government.

(c) The authority shall establish minimum requirements and issue reports relating to information systems of state health programs, including simplifying and standardizing forms and establishing information standards and reports for capitated managed care programs.

(d) The authority shall develop a comprehensive system to collect ambulatory health care data.

(e) The authority may access any health-related database maintained or operated by a state agency for the purposes of fulfilling its duties. The use and dissemination of information from that database shall be subject to the confidentiality provisions applicable to that database.

(f) A report, statement, schedule, or other filing may not contain any medical or individual information personally identifiable to a patient or a consumer of health services, whether directly or indirectly.

(g) A report, statement, schedule, or other filing filed with the authority is open to public inspection and examination during regular hours. A copy shall be made available to the public upon request upon payment of a fee.

(h) The authority may require the production of any records necessary to verify the accuracy of any information set forth in any statement, schedule, or report filed under the provisions of this article.

(i) The authority may provide requested aggregate data to an entity. The authority may

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charge a fee to an entity to obtain the data collected by the authority. The authority may not charge a fee to a covered entity to obtain the data collected by the authority.

(j) The authority shall provide to the Legislative Oversight Commission on Health and Human Resources Accountability before July 1, 2018, and every other year thereafter, a strategic data collection and analysis plan:

(1) What entities are submitting data;

(2) What data is being collected;

(3) The types of analysis performed on the submitted data;

(4) A way to reduce duplicative data submissions; and

(5) The current and projected expenses to operate the data collection and analysis program.

(k) The Secretary of the Department of Health may assume the powers and duties provided to the authority in this section, if the secretary determines it is more efficient and cost effective to have direct control over the data repository program. To the extent that the secretary assumes the powers and duties in this section, the secretary shall inform the Legislative Oversight Commission on Health and Human Resources Accountability by July 1 of each year, regarding each program for which he or she is exercising such authority and shall propose rules for legislative approval in accordance with the provisions of §29A-3-1 *et seq*. of this code within the time limit to be considered by the Legislature during its next regular session. In the event the secretary has already assumed the powers and duties provided to the authority in this section, the secretary shall propose rules for legislative approval in accordance with the provisions of §29A-3-1 *et seq*. of this code within the time limit to be considered by the Legislature during the regular session of the Legislature, 2023.

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§16-29B-26. Exemptions from state antitrust laws.

(a) Actions of the authority shall be exempt from antitrust action under state and federal antitrust laws. Any actions of hospitals and health care providers under the authority's jurisdiction, when made in compliance with orders, directives, rules, approvals or regulations issued or promulgated by the authority, shall likewise be exempt.

(b) It is the intention of the Legislature that this chapter shall also immunize cooperative agreements approved and subject to supervision by the authority and activities conducted pursuant thereto from challenge or scrutiny under both state and federal antitrust law: Provided, That a cooperative agreement that is not approved and subject to supervision by the authority shall not have such immunity.

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§16-29B-27

Repealed

Acts, 2017 Reg. Sess., Ch 185.

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§16-29B-28. Review of Cooperative agreements.

(a) Definitions. — As used in this section the following terms have the following meanings:

(1) "Academic medical center" means an accredited medical school, one or more faculty practice plans affiliated with the medical school or one or more affiliated hospitals which meet the requirements set forth in 42 C. F. R. 411.355(e).

(2) "Accredited academic hospital" means a hospital or health system that sponsor four or more approved medical education programs.

(3) "Cooperative agreement" means an agreement between a qualified hospital which is a member of an academic medical center and one or more other hospitals or other health care providers. The agreement shall provide for the sharing, allocation, consolidation by merger or other combination of assets, or referral of patients, personnel, instructional programs, support services and facilities or medical, diagnostic, or laboratory facilities or procedures or other services traditionally offered by hospitals or other health care providers.

(4) "Commercial health plan" means a plan offered by any third party payor that negotiates with a party to a cooperative agreement with respect to patient care services rendered by health care providers.

(5) "Health care provider" means the same as that term is defined in section three of this article.

(6) "Teaching hospital" means a hospital or medical center that provides clinical education and training to future and current health professionals whose main building or campus is located in the same county as the main campus of a medical school operated by a state university.

(7) "Qualified hospital" means an academic medical center or teaching accredited academic hospital, which has entered into a cooperative agreement with one or more hospitals or other health care providers but is not a critical access hospital for purposes of this section.

(b) Findings. —

(1) The Legislature finds that the state's schools of medicine, affiliated universities and teaching hospitals are critically important in the training of physicians and other healthcare providers who practice health care in this state. They provide access to healthcare and enhance quality healthcare for the citizens of this state.

(2) A medical education is enhanced when medical students, residents and fellows have access to modern facilities, state of the art equipment and a full range of clinical services and that, in many instances, the accessibility to facilities, equipment and clinical services can be achieved more economically and efficiently through a cooperative agreement among a qualified hospital and one or more hospitals or other health care providers.

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(c) Legislative purpose. — The Legislature encourages cooperative agreements if the likely benefits of such agreements outweigh any disadvantages attributable to a reduction in competition. When a cooperative agreement, and the planning and negotiations of cooperative agreements, might be anticompetitive within the meaning and intent of state and federal antitrust laws the Legislature believes it is in the state's best interest to supplant such laws with regulatory approval and oversight by the Health Care Authority as set out in this article. The authority has the power to review, approve or deny cooperative agreements, ascertain that they are beneficial to citizens of the state and to medical education, to ensure compliance with the provisions of the cooperative agreements relative to the commitments made by the qualified hospital and conditions imposed by the Health Care Authority.

(d) Cooperative Agreements. —

(1) A qualified hospital may negotiate and enter into a cooperative agreement with other hospitals or health care providers in the state:

(A) In order to enhance or preserve medical education opportunities through collaborative efforts and to ensure and maintain the economic viability of medical education in this state and to achieve the goals hereinafter set forth; and

(B) When the likely benefits outweigh any disadvantages attributable to a reduction in competition that may result from the proposed cooperative agreement.

(2) The goal of any cooperative agreement would be to:

(A) Improve access to care;

(B) Advance health status;

(C) Target regional health issues;

(D) Promote technological advancement;

(E) Ensure accountability of the cost of care;

(F) Enhance academic engagement in regional health;

(G) Preserve and improve medical education opportunities;

(H) Strengthen the workforce for health-related careers; and

(I) Improve health entity collaboration and regional integration, where appropriate.

(3) A qualified hospital located in this state may submit an application for approval of a proposed cooperative agreement to the authority. The application shall state in detail the

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nature of the proposed arrangement including the goals and methods for achieving:

(A) Population health improvement;

(B) Improved access to health care services;

(C) Improved quality;

(D) Cost efficiencies;

(E) Ensuring affordability of care;

(F) Enhancing and preserving medical education programs; and

(G) Supporting the authority's goals and strategic mission, as applicable.

(4) (A) An application for review of a cooperative agreement as provided in this section shall be submitted and approved prior to the finalization of the cooperative agreement, if the cooperative agreement involves the merger, consolidation or acquisition of a hospital located within a distance of twenty highway miles of the main campus of the qualified hospital.

(B) In reviewing an application for cooperative agreement, the authority shall give deference to the policy statements of the Federal Trade Commission.

(C) If an application for a review of a cooperative agreement is not required the qualified hospital may apply to the authority for approval of the cooperative agreement either before or after the finalization of the cooperative agreement.

(e) Procedure for review of cooperative agreements. —

(1) Upon receipt of an application, the authority shall determine whether the application is complete. If the authority determines the application is incomplete, it shall notify the applicant in writing of additional items required to complete the application. A copy of the complete application shall be provided by the parties to the Office of the Attorney General simultaneous with the submission to the authority. If an applicant believes the materials submitted contain proprietary information that is required to remain confidential, such information must be clearly identified and the applicant shall submit duplicate applications, one with full information for the authority's use and one redacted application available for release to the public.

(2) The authority shall upon receipt of a completed application, publish notification of the application on its website as well as provide notice of such application placed in the State Register. The public may submit written comments regarding the application within ten days following publication. Following the close of the written comment period, the authority shall review the application as set forth in this section. Within thirty days of the receipt of a complete application the authority may:

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(i) Issue a certificate of approval which shall contain any conditions the authority finds necessary for the approval;

(ii) Deny the application; or

(iii) Order a public hearing if the authority finds it necessary to make an informed decision on the application.

(3) The authority shall issue a written decision within seventy-five days from receipt of the completed application. The authority may request additional information in which case they shall have an additional fifteen days following receipt of the supplemental information to approve or deny the proposed cooperative agreement.

(4) Notice of any hearing shall be sent by certified mail to the applicants and all persons, groups or organizations who have submitted written comments on the proposed cooperative agreement. Any individual, group or organization who submitted written comments regarding the application and wishes to present evidence at the public hearing shall request to be recognized as an affected party as set forth in article two-d of this chapter. The hearing shall be held no later than forty-five days after receipt of the application. The authority shall publish notice of the hearing on the authority's website fifteen days prior to the hearing. The authority shall additionally provide timely notice of such hearing in the State Register.

(5) Parties may file a motion for an expedited decision.

(f) Standards for review of cooperative agreements. —

(1) In its review of an application for approval of a cooperative agreement submitted pursuant to this section, the authority may consider the proposed cooperative agreement and any supporting documents submitted by the applicant, any written comments submitted by any person and any written or oral comments submitted, or evidence presented, at any public hearing.

(2) The authority shall consult with the Attorney General of this state regarding his or her assessment of whether or not to approve the proposed cooperative agreement.

(3) The authority shall approve a proposed cooperative agreement and issue a certificate of approval if it determines, with the written concurrence of the Attorney General, that the benefits likely to result from the proposed cooperative agreement outweigh the disadvantages likely to result from a reduction in competition from the proposed cooperative agreement.

(4) In evaluating the potential benefits of a proposed cooperative agreement, the authority shall consider whether one or more of the following benefits may result from the proposed cooperative agreement:

(A) Enhancement and preservation of existing academic and clinical educational programs;

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(B) Enhancement of the quality of hospital and hospital-related care, including mental health services and treatment of substance abuse provided to citizens served by the authority;

(C) Enhancement of population health status consistent with the health goals established by the authority;

(D) Preservation of hospital facilities in geographical proximity to the communities traditionally served by those facilities to ensure access to care;

(E) Gains in the cost-efficiency of services provided by the hospitals involved;

(F) Improvements in the utilization of hospital resources and equipment;

(G) Avoidance of duplication of hospital resources;

(H) Participation in the state Medicaid program; and

(I) Constraints on increases in the total cost of care.

(5) The authority's evaluation of any disadvantages attributable to any reduction in competition likely to result from the proposed cooperative agreement shall include, but need not be limited to, the following factors:

(A) The extent of any likely adverse impact of the proposed cooperative agreement on the ability of health maintenance organizations, preferred provider organizations, managed health care organizations or other health care payors to negotiate reasonable payment and service arrangements with hospitals, physicians, allied health care professionals or other health care providers;

(B) The extent of any reduction in competition among physicians, allied health professionals, other health care providers or other persons furnishing goods or services to, or in competition with, hospitals that is likely to result directly or indirectly from the proposed cooperative agreement;

(C) The extent of any likely adverse impact on patients in the quality, availability and price of health care services; and

(D) The availability of arrangements that are less restrictive to competition and achieve the same benefits or a more favorable balance of benefits over disadvantages attributable to any reduction in competition likely to result from the proposed cooperative agreement.

(6) (A) After a complete review of the record, including, but not limited to, the factors set out in subsection (e) of this section, any commitments made by the applicant or applicants and any conditions imposed by the authority, if the authority determines that the benefits likely to result from the proposed cooperative agreement outweigh the disadvantages likely to result from a reduction in competition from the proposed cooperative agreement, the

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authority shall approve the proposed cooperative agreement.

(B) The authority may reasonably condition approval upon the parties' commitments to:

(i) Achieving improvements in population health;

(ii) Access to health care services;

(iii) Quality and cost efficiencies identified by the parties in support of their application for approval of the proposed cooperative agreement; and

(iv) Any additional commitments made by the parties to the cooperative agreement.

Any conditions set by the authority shall be fully enforceable by the authority. No condition imposed by the authority, however, shall limit or interfere with the right of a hospital to adhere to religious or ethical directives established by its governing board.

(7) The authority's decision to approve or deny an application shall constitute a final order or decision pursuant to the West Virginia Administrative Procedure Act (§ 29A-1-1, et seq.). The authority may enforce commitments and conditions imposed by the authority in the circuit court of Kanawha County or the circuit court where the principal place of business of a party to the cooperative agreement is located.

(g) Enforcement and supervision of cooperative agreements. — The authority shall enforce and supervise any approved cooperative agreement for compliance.

(1) The authority is authorized to promulgate legislative rules in furtherance of this section. Additionally, the authority shall promulgate emergency rules pursuant to the provisions of section fifteen, article three, chapter twenty-nine-a of this code to accomplish the goals of this section. These rules shall include, at a minimum:

(A) An annual report by the parties to a cooperative agreement. This report is required to include:

(i) Information about the extent of the benefits realized and compliance with other terms and conditions of the approval;

(ii) A description of the activities conducted pursuant to the cooperative agreement, including any actions taken in furtherance of commitments made by the parties or terms imposed by the authority as a condition for approval of the cooperative agreement;

(iii) Information relating to price, cost, quality, access to care and population health improvement;

(iv) Disclosure of any reimbursement contract between a party to a cooperative agreement approved pursuant to this section and a commercial health plan or insurer entered into

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subsequent to the finalization of the cooperative agreement. This shall include the amount, if any, by which an increase in the average rate of reimbursement exceeds, with respect to inpatient services for such year, the increase in the Consumer Price Index for all Urban Consumers for hospital inpatient services as published by the Bureau of Labor Statistics for such year and, with respect to outpatient services, the increase in the Consumer Price Index for all Urban Consumers for hospital outpatient services for such year; and

(v) Any additional information required by the authority to ensure compliance with the cooperative agreement.

(B) If an approved application involves the combination of hospitals, disclosure of the performance of each hospital with respect to a representative sample of quality metrics selected annually by the authority from the most recent quality metrics published by the Centers for Medicare and Medicaid Services. The representative sample shall be published by the authority on its website.

(C) A procedure for a corrective action plan where the average performance score of the parties to the cooperative agreement in any calendar year is below the fiftieth percentile for all United States hospitals with respect to the quality metrics as set forth in (B) of this subsection. The corrective action plan is required to:

(i) Be submitted one hundred twenty days from the commencement of the next calendar year; and

(ii) Provide for a rebate to each commercial health plan or insurer with which they have contracted an amount not in excess of one percent of the amount paid to them by such commercial health plan or insurer for hospital services during such two-year period if in any two consecutive-year period the average performance score is below the fiftieth percentile for all United States hospitals. The amount to be rebated shall be reduced by the amount of any reduction in reimbursement which may be imposed by a commercial health plan or insurer under a quality incentive or awards program in which the hospital is a participant.

(D) A procedure where if the excess above the increase in the Consumer Price Index for all Urban Consumers for hospital inpatient services or hospital outpatient services is two percent or greater the authority may order the rebate of the amount which exceeds the respective indices by two percent or more to all health plans or insurers which paid such excess unless the party provides written justification of such increase satisfactory to the authority taking into account case mix index, outliers and extraordinarily high cost outpatient procedure utilizations.

(E) The ability of the authority to investigate, as needed, to ensure compliance with the cooperative agreement.

(F) The ability of the authority to take appropriate action, including revocation of a certificate of approval, if it determines that:

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(i) The parties to the agreement are not complying with the terms of the agreement or the terms and conditions of approval;

(ii) The authority's approval was obtained as a result of an intentional material misrepresentation;

(iii) The parties to the agreement have failed to pay any required fee; or

(iv) The benefits resulting from the approved agreement no longer outweigh the disadvantages attributable to the reduction in competition resulting from the agreement.

(G) If the authority determines the parties to an approved cooperative agreement have engaged in conduct that is contrary to state policy or the public interest, including the failure to take action required by state policy or the public interest, the authority may initiate a proceeding to determine whether to require the parties to refrain from taking such action or requiring the parties to take such action, regardless of whether or not the benefits of the cooperative agreement continue to outweigh its disadvantages. Any determination by the authority shall be final. The authority is specifically authorized to enforce its determination in the circuit court of Kanawha County or the circuit court where the principal place of business of a party to the cooperative agreement is located.

(H) Fees as set forth in subsection (h).

(2) Until the promulgation of the emergency rules, the authority shall monitor and regulate cooperative agreements to ensure that their conduct is in the public interest and shall have the powers set forth in subdivision (1) of this subsection, including the power of enforcement set forth in paragraph (G), subdivision (1) of this subsection.

(h) Fees. — The authority may set fees for the approval of a cooperative agreement. These fees shall be for all reasonable and actual costs incurred by the authority in its review and approval of any cooperative agreement pursuant to this section. These fees shall not exceed $75,000. Additionally, the authority may assess an annual fee not to exceed $75,000 for the supervision of any cooperative agreement approved pursuant to this section and to support the implementation and administration of the provisions of this section.

(i) Miscellaneous provisions. —

(1) (A) An agreement entered into by a hospital party to a cooperative agreement and any state official or state agency imposing certain restrictions on rate increases shall be enforceable in accordance with its terms and may be considered by the authority in determining whether to approve or deny the application. Nothing in this chapter shall undermine the validity of any such agreement between a hospital party and the Attorney General entered before the effective date of this legislation.

(B) At least ninety days prior to the implementation of any increase in rates for inpatient and outpatient hospital services and at least sixty days prior to the execution of any

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reimbursement agreement with a third party payor, a hospital party to a cooperative agreement involving the combination of two or more hospitals through merger, consolidation or acquisition which has been approved by the authority shall submit any proposed increase in rates for inpatient and outpatient hospital services and any such reimbursement agreement to the Office of the West Virginia Attorney General together with such information concerning costs, patient volume, acuity, payor mix and other data as the Attorney General may request. Should the Attorney General determine that the proposed rates may inappropriately exceed competitive rates for comparable services in the hospital's market area which would result in unwarranted consumer harm or impair consumer access to health care, the Attorney General may request the authority to evaluate the proposed rate increase and to provide its recommendations to the Office of the Attorney General. The Attorney General may approve, reject or modify the proposed rate increase and shall communicate his or her decision to the hospital no later than 30 days prior to the proposed implementation date. The hospital may then only implement the increase approved by the Attorney General. Should the Attorney General determine that a reimbursement agreement with a third party payor includes pricing terms at anti-competitive levels, the Attorney General may reject the reimbursement agreement and communicate such rejection to the parties thereto together with the rationale therefor in a timely manner.

(2) The authority shall maintain on file all cooperative agreements the authority has approved, including any conditions imposed by the authority.

(3) Any party to a cooperative agreement that terminates its participation in such cooperative agreement shall file a notice of termination with the authority thirty days after termination.

(4) No hospital which is a party to a cooperative agreement for which approval is required pursuant to this section may knowingly bill or charge for health services resulting from, or associated with, such cooperative agreement until approved by the authority. Additionally, no hospital which is a party to a cooperative agreement may knowingly bill or charge for health services resulting from, or associated with, such cooperative agreement for which approval has been revoked or terminated.

(5) By submitting an application for review of a cooperative agreement pursuant to this section, the hospitals or health care providers shall be deemed to have agreed to submit to the regulation and supervision of the authority as provided in this section.

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§16-29B-29

Repealed

Acts, 2017 Reg. Sess., Ch. 185.

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§16-29B-30. Applicability; transition plan.

(a) Notwithstanding any provision of this code to the contrary, effective July 1, 2017, the Health Care Authority shall transfer to the Department of Health and Human and Resources. Any and all remaining functions of the Health Care Authority shall transfer at that time to the Department of Health and Human Resources.

(b) The Health Care Authority shall develop and implement a transition plan to transfer all their remaining functions to the Department of Health and Human Resources. The plan shall be submitted in writing to the Joint Committee on Government and Finance, the Governor and the Secretary of the Department of Health and Human Resources, the Secretary of the Department of Administration and the Division of Personnel. This plan shall be submitted no later than June 1, 2017. The plan shall include proposals for the following:

(1) Transition to appropriate entities or destruction of hard and electronic copies of files;

(2) Transfer of all certificate of need matters pending as of July 1, 2017, to the Department of Health and Human Resources.

(3) In consultation with the Department of Administration, discontinuation of use of the current building including termination of any lease or rental agreements, if necessary;

(4) In consultation with the Department of Administration, disposition of all state owned or leased office furniture and equipment, including any state owned vehicles, if necessary;

(5) Closing out and transferring existing budget allocations;

(6) A transition plan developed in conjunction with the Division of Personnel for remaining employees not transferred to other offices within state government;

(7) A plan to repeal all existing legislative rules made unnecessary by the transfer of the Health Care Authority; and

(8) Any other matters which would effectively terminate all functions not transferred to the Department of Health and Human Resources.

(9) Upon the effective date of the changes to this article made during the course of the 2017 Regular Session of the Legislature, any function of the Health Care Authority not otherwise eliminated or transferred shall become a function of the Department of Health and Human Resources.

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§16-29B-31. Hospice need standard review; membership; report to the Legislative Oversight Committee on Health and Human Resources.

[Repealed.]

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