WEST VIRGINIA CODE: §33-25A-7

§33-25A-7. Fiduciary responsibilities of officers; fidelity bond; approval of contracts by commissioner.

(a) Any director, officer or partner of a health maintenance organization who receives, collects, disburses or invests funds in connection with the activities of the organization is responsible for the funds in a fiduciary relationship to the enrollees.

(b) A health maintenance organization shall maintain a blanket fidelity bond covering all directors, officers, managers and employees of the organization who receive, collect, disburse or invest funds in connection with the activities of the organization, issued by an insurer licensed in this state or, if the fidelity bond required by this subsection is not available from an insurer licensed in this state, a fidelity bond procured by an excess line broker licensed in this state, in an amount at least equal to the minimum amount of fidelity insurance as provided in the national association of Insurance Commissioners handbook, as amended, or as determined under a rule promulgated by the commissioner.

(c) Any contracts made with providers of health care services enabling a health maintenance organization to provide health care services authorized under this article shall be filed with the commissioner. The commissioner has the power to require immediate cancellation of the contracts or the immediate renegotiation of the contract by the parties whenever he or she determines that they provide for excessive payments, or that they fail to include reasonable incentives for cost control, or that they otherwise substantially and unreasonably contribute to escalation of the costs of providing health care services to enrollees.

WV Legislature