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**WEST VIRGINIA CODE CHAPTER 9**  
**ARTICLE 4A**

WV Legislature

**§9-4A-1. Legislative findings.**

The Legislature finds and declares the following:

- (a) Federal Medicaid laws encourage special recognition of disproportionate share hospitals for Medicaid reimbursement purposes.
- (b) These same federal laws permit and encourage the state to fund the Medicaid program through flexible means, including public and private contributions to serve as the state share for purposes of federal financial participation.
- (c) Because of state budget constraints, moneys paid to disproportionate share hospitals under the Medicaid program have not been sufficient to allow the hospitals to recover adequate reimbursement for the costs associated with providing appropriate services to Medicaid clients of this state.
- (d) The policy of this state is to encourage disproportionate share hospitals to continue providing health care services to the needy citizens of West Virginia; such encouragement and support are increasingly important when combined with federal financial participation.
- (e) Cost shifting is a serious problem and it is the intent of the Legislature to reduce cost shifting.

**§9-4A-2. Creation of Medicaid uncompensated care fund.**

(a) There is created in the state Treasury a special revolving fund known as the Medicaid uncompensated care fund. All moneys deposited or accrued in this fund shall be used exclusively:

(1) To provide the state's share of the federal Medicaid program funds in order to improve inpatient payments to disproportionate share hospitals; and

(2) To cover administrative cost incurred by the Department of Human Services and associated with the Medicaid program and this fund: *Provided*, That no expenditures may be made to cover said administrative costs for any fiscal year after 1992, except as appropriated by the Legislature.

(b) Moneys from the following sources may be placed into the fund:

(1) All public funds transferred by any public agency to the Medicaid program for deposit in the fund as contemplated or permitted by applicable federal Medicaid laws;

(2) All private funds contributed, donated or bequeathed by corporations, individuals or other entities to the fund as contemplated and permitted by applicable federal Medicaid laws;

(3) Interest which accrued on amounts in the fund from sources identified in subdivisions (1) and (2) of this subsection; and

(4) Federal financial participation matching the amounts referred to in subdivisions (1), (2) and (3) of this subsection, in accordance with Section 1902 (a) (2) of the Social Security Act.

(c) Any balance remaining in the Medicaid uncompensated care fund at the end of any state fiscal year shall not revert to the state Treasury but shall remain in this fund and shall be used only in a manner consistent with this article.

(d) Moneys received into the fund shall not be counted or credited as part of the legislative general appropriation to the state Medicaid program.

(e) The fund shall be administered by the Department of Human Services. Moneys shall be disbursed from the fund on a quarterly basis. The secretary of the department shall implement the provisions of this article prior to the receipt of any transfer, contribution, donation or bequest from any public or private source.

(f) All moneys expended from the fund after receipt of federal financial participation shall be allocated to reimbursement of inpatient charges and fees of eligible disproportionate share hospitals. Except for the payment of administrative costs as provided for in this section, appropriation from this fund for any other purposes is void.

**§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 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.

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**§9-4A-2b. Expansion of coverage to children and terminally ill.**

(a) It is the intent of the Legislature that steps be taken to expand coverage to children and the terminally ill and to pay for this coverage by fully utilizing federal funds. To achieve this intention, the Department of Human Services shall undertake the following:

(1) The department shall provide a streamlined application form, which shall be no longer than two pages, for all families applying for medical coverage for children under any of the programs set forth in this section; and

(2) The department shall provide the option of hospice care to terminally ill West Virginians who otherwise qualify for Medicaid.

(3) The department shall accelerate the Medicaid option for coverage of Medicaid to all West Virginia children whose family income is below one hundred percent of the federal poverty guideline.

(b) Notwithstanding the provisions of §9-4A-2a of this code, the accruing interest in the medical services trust fund may be utilized to pay for the programs specified in subsection (a) of this section: *Provided*, That to the extent the accrued interest is not sufficient to fully fund the specified programs, the disproportionate share hospital funds paid into the medical services trust fund after June 30, 1994, may be applied to cover the cost of the specified programs.

(c) Annually on January 1, the department shall report to the Governor and to the Legislature information regarding the number of children and elderly covered by the programs in subdivisions (2) and (3) of subsection (a), the cost of services by type of service provided, a cost-benefit analysis of the acceleration and expansion on other insurers and the reduction of uncompensated care in hospitals as a result of the programs.

**§9-4A-3.**

Repealed.

Acts, 2000 Reg. Sess., Ch. 45.

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**§9-4A-4. Legislative reports.**

(a) The Secretary of the Department of Human Services shall make an annual report to the Legislature on the use of the Medicaid uncompensated care fund.

(b) The health care cost review authority shall make an annual report to the Legislature on the impact of improved Medicaid inpatient payments resulting from the fund on nongovernmental payor health care costs.

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