WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1951.

ENROLLED

HOUSE BILL No. 233

(By Mr. Meadows)

PASSED March 9, 1951

In Effect July 1, 1951
ENROLLED

House Bill No. 233
(By Mr. Meadows)

(Passed March 9, 1951; in effect July 1, 1951.)

AN ACT to amend and reenact section seven, article thirteen, chapter thirty-one of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to required provisions in contracts made by nonprofit hospital and nonprofit medical service corporations with hospitals and physicians, providing for the proration of available funds and the determination of the amounts to be prorated based upon the third month next preceding the month of accounting.

Be it enacted by the Legislature of West Virginia:

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

Section 7. Required Provisions in Contracts Made by the Corporation with Hospitals and Physicians.—Each
contract made by the corporation with participating hos- 
itals and physicians shall contain the following pro-
visions:

(1) That the hospital or physician will render to any 
subscriber such service as he may be entitled to under 
the terms and conditions of the contract issued to the 
subscriber by the corporation.

(2) That in submitting bills to the corporation for 
services rendered to subscribers under the terms of 
their contract, the hospital or physicians will make only 
such charges as are set forth in an agreed schedule of 
fees to be paid by the corporation.

(3) That, in case of a deficit in available funds of the 
corporation, each participating hospital or physician will, 
on the basis stated in this section, accept a prorata share 
of available funds in full settlement of any bill sub-
mitted.

On or before the twentieth day of each month, every 
corporation shall make an accounting with all partici-
pating hospitals and physicians, at which time all bills 
incurred during the third month next preceding the
month of accounting to be paid in full or prorated and paid to the extent of available funds. On or before the first day of each April, every corporation shall make a special accounting, at which time the prorated settlements for any bills incurred during the preceding calendar year shall be adjusted, and any deficits thereon shall be made up to the extent of available funds. At such annual accounting, settlements with all participating hospitals or physicians shall be equalized for the entire preceding year.

Any surplus remaining after an annual accounting may be used by a corporation, upon an affirmative vote of a majority of its board of directors, for the following purposes, in the order of priority stated below:

(1) To liquidate on a pro rata basis any losses incurred by hospitals or physicians upon the settlement of bills in previous years.

(2) To return the original contributions for working capital, or any part thereof on a pro rata basis.

(3) To reduce rates charged subscribers, or to expand services rendered them.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Ralph C. Byrd
Chairman Senate Committee

James W. Roys
Chairman House Committee

Originated in the House of Delegates

Takes effect July 1, 1951

Howard Henry
Clerk of the Senate

JR. Aliff
Clerk of the House of Delegates

W. E. Warren
President of the Senate

W. E. Warren
Speaker House of Delegates

The within approved this the 15th day of March, 1951.

Oby L. Patton
Governor

MAR 15 1951
D. Pitt O'Brien,
Secretary of State