

WEST VIRGINIA LEGISLATURE

REGULAR SESSION, 1951.



ENROLLED

HOUSE BILL No. 233

(By Mr. Meadows)



PASSED March 9 1951

In Effect July 1, 1957 Passage



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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
2 the Corporation with Hospitals and Physicians.—Each*

3 contract made by the corporation with participating hos-
4 pitals and physicians shall contain the following pro-
5 visions:

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

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

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

20 On or before the twentieth day of each month, every
21 corporation shall make an accounting with all partici-
22 pating hospitals and physicians, at which time all bills
23 incurred during the third month next preceding the

24 month of accounting to be paid in full or prorated and
25 paid to the extent of available funds. On or before the
26 first day of each April, every corporation shall make a
27 special accounting, at which time the prorated settlements
28 for any bills incurred during the preceding calendar year
29 shall be adjusted, and any deficits thereon shall be made
30 up to the extent of available funds. At such annual ac-
31 counting, settlements with all participating hospitals or
32 physicians shall be equalized for the entire preceding year.

33 Any surplus remaining after an annual accounting may
34 be used by a corporation, upon an affirmative vote of a
✓35 majority of its board of directors, for the following pur-
36 poses, in the order of priority stated below:

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

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

42 (3) To reduce rates charged subscribers, or to expand
43 services rendered them.

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

Robert C. Byrd
Chairman Senate Committee

James M. Loop
Chairman House Committee

Originated in the House of Delegates

Takes effect *July 1, 1951* passage.

Howard K. Lee
Clerk of the Senate

J.R. Aliff
Clerk of the House of Delegates

W. B. Battle
President of the Senate

W. E. Ranner
Speaker House of Delegates

The within *Approved* this the *15th*
day of *MARCH*, 1951.

Chas. L. Patton
Governor



of West Virginia **MAR 15 1951**
D. PITT O'BRIEN,
SECRETARY OF STATE