

WEST VIRGINIA LEGISLATURE  
REGULAR SESSION, 1977



ENROLLED

SENATE BILL NO. 389

(By Mr. Huffield)



PASSED April 9, 1977

In Effect twenty days from Passage

100.000

**ENROLLED**  
**Senate Bill No. 389**

(By MR. HATFIELD)

[Passed April 9, 1977; in effect ninety days from passage.]

AN ACT to amend chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article twenty-five-a, relating to establishing health maintenance organizations; issuance of certificate of authority; powers of health maintenance organizations; fiduciary responsibilities; approval of contracts; evidence of coverage and charges for health care services; annual report; information to enrollees; enrollment; complaint system; investments; prohibited practices; regulation of marketing; examinations; suspension or revocation of certificate of authority; rehabilitation, liquidation or conservation of health maintenance organizations; regulations; administrative procedures; fees; penalties and enforcement; filings and reports as public documents; confidentiality of medical information; authority to contract with health maintenance organizations under medicaid; and required health maintenance organization option.

*Be it enacted by the Legislature of West Virginia:*

That chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article twenty-five-a, to read as follows:

**ARTICLE 25A. HEALTH MAINTENANCE ORGANIZATION ACT.**

**§33-25A-1. Short title and purpose.**

1 (a) This article may be cited as the "Health Maintenance Organization Act of 1977."

2  
3 (b) Faced with the continuation of mounting costs of  
4 health care coupled with its inaccessibility to large  
5 segments of the population, the Legislature has determined  
6 that there is a need to encourage alternative

7 methods for the delivery of health care services, with a  
8 view toward achieving greater efficiency, availability,  
9 distribution, and economy in providing these services.

10 In carrying out this intention, it is the policy of the  
11 state to eliminate legal barriers to the establishment of  
12 prepaid health care plans accountable to consumers for the  
13 health care services they provide; to provide for the  
14 financial and administrative soundness of these health  
15 care plans as it relates to their ability to provide such  
16 services, and to exempt prepaid health care plans from  
17 regulation as an insurer, the operation of insurance laws  
18 of the state and all other laws inconsistent with the pur-  
19 poses of this article.

**§33-25A-2. Definitions.**

1 (1) "Basic health care services" means physician,  
2 hospital, out-of-area, podiatric, laboratory, X-ray, emer-  
3 gency, short-term mental health services not exceeding  
4 twenty outpatient visits in any twelve-month period, and  
5 cost-effective preventive services including immuniza-  
6 tions, well-child care, periodic health evaluations for  
7 adults, voluntary family planning services, infertility ser-  
8 vices and children's eye and ear examinations conducted  
9 to determine the need for vision and hearing corrections.

10 (2) "Commissioner" means the commissioner of insur-  
11 ance.

12 (3) "Consumer" means any person who is not a pro-  
13 vider of care or an employee, officer, director, or stock-  
14 holder of any provider of care.

15 (4) "Copayment" means a nominal payment required of  
16 enrollees as a condition of the receipt of specific health  
17 services.

18 (5) "Employee" means a person in some official em-  
19 ployment or position working for a salary or wage con-  
20 tinuously for no less than one calendar quarter and who  
21 is in such a relation to another person that the latter may  
22 control the work of the former and direct the manner in  
23 which the work shall be done.

24 (6) "Employer" means any individual, corporation,  
25 partnership, other private association, or state or local

26 government that employs the equivalent of at least  
27 twenty-five full-time employees during any four consecu-  
28 tive calendar quarters.

29 (7) "Enrollee" means an individual who has been vol-  
30 untarily enrolled in a health maintenance organization,  
31 including individuals on whose behalf a contractual ar-  
32 rangement has been entered into with a health mainte-  
33 nance organization to receive health care services.

34 (8) "Evidence of coverage" means any certificate,  
35 agreement or contract issued to an enrollee setting out the  
36 coverage and other rights to which the enrollee is en-  
37 titled.

38 (9) "Health care services" means any services or goods  
39 included in the furnishing to any individual of medical,  
40 mental or dental care, or hospitalization or incident to the  
41 furnishing of such care of hospitalization, osteopathic  
42 services, home health, health education, rehabilitation, as  
43 well as the furnishing to any person of any and all other  
44 services or goods for the purpose of preventing, alleviat-  
45 ing, curing or healing human illness or injury.

46 (10) "Health maintenance organization" means a public  
47 or private organization which provides, or otherwise  
48 makes available to enrollees, health care services, includ-  
49 ing at a minimum basic health care services:

50 (a) Is compensated except for copayments for the  
51 provision of basic health care services to enrollees solely  
52 on a predetermined periodic rate basis;

53 (b) Provides physicians' services primarily (i) directly  
54 through physicians who are either employees or partners  
55 of such organization, or (ii) through arrangements with  
56 individual physicians or one or more groups of physicians  
57 organized on a group practice or individual practice  
58 basis, or (iii) through some combination of (i) and (ii)  
59 above;

60 (c) Assures the availability, accessibility and quality  
61 including effective utilization of the health care services  
62 which it provides or makes available through clearly  
63 identifiable focal points of legal and administrative re-  
64 sponsibility.

65 (11) "Individual practice basis" means any agreement or  
66 arrangement to provide medical services on behalf of a  
67 health maintenance organization among or between phy-  
68 sicians or between a health maintenance organization and  
69 individual physicians or groups of physicians, where the  
70 physicians are not employees or partners of such health  
71 maintenance organization and are not members of or  
72 affiliated with a medical group.

73 (12) "Medical group" means (a) a professional corpora-  
74 tion, partnership, association, or other organization which  
75 is composed solely of health professionals licensed to  
76 practice medicine or osteopathy and of such other licensed  
77 health professionals, including podiatrists, dentists and  
78 optometrists, as are necessary for the provision of health  
79 services for which the group is responsible; (b) a majority  
80 of the members of which are licensed to practice medicine  
81 or osteopathy; (c) as their principal professional activity  
82 engage in the coordinated practice of their profession; (d)  
83 pool their income for practice as members of the group  
84 and distribute it among themselves according to a pre-  
85 arranged salary, drawing account or other plan; and (e)  
86 share medical and other records and substantial portions  
87 of major equipment and professional, technical, and ad-  
88 ministrative staff.

89 (13) "Premium" means a predetermined periodic rate  
90 unrelated to the actual or potential utilization of services  
91 of any particular person which is charged by the health  
92 maintenance organization for health services provided to  
93 an enrollee.

94 (14) "Provider" means any physician, hospital or other  
95 person or organization which is licensed or otherwise  
96 authorized in this state to furnish health care services.

97 (15) "Service area" means the area identified by a  
98 health maintenance organization as the area within which  
99 health care services will be provided by the health main-  
100 tenance organization.

**§33-25A-3. Establishment of health maintenance organizations.**

1 (1) Notwithstanding any law of this state to the con-  
2 trary, any person may apply to the commissioner for and

3 obtain a certificate of authority to establish or operate a  
4 health maintenance organization in compliance with this  
5 article. No person shall sell health maintenance organi-  
6 zation enrollee contracts, nor shall any health mainte-  
7 nance organization commence services, prior to receipt of  
8 a certificate of authority. Any person may, however,  
9 establish the feasibility of a health maintenance organi-  
10 zation prior to receipt of authority through funding drives  
11 and by receiving loans, grants and preliminary payments.  
12 The commissioner shall promulgate regulations in ac-  
13 cordance herewith establishing methods of determining  
14 the feasibility of operating prospective health mainte-  
15 nance organizations.

16 (2) Every health maintenance organization in opera-  
17 tion as of the effective date of this article shall submit an  
18 application for a certificate of authority under this sec-  
19 tion within thirty days of the effective date of this  
20 article. Each such applicant may continue to operate until  
21 the commissioner acts upon the application. In the event  
22 that an application is denied pursuant to section four of  
23 this article, the applicant shall henceforth be treated as a  
24 health maintenance organization whose certificate of  
25 authority has been revoked.

26 (3) The commissioner may require any organization pro-  
27 viding or arranging for health care services on a pre-  
28 determined periodic rate to apply for a certificate of  
29 authority under this article. Any organization directed to  
30 apply for a certificate of authority shall be subject to the  
31 provisions of subsection (2) of this section.

32 (4) Each application for a certificate of authority shall  
33 be verified by an officer or authorized representative of  
34 the applicant, shall be in a form prescribed by the com-  
35 missioner, and shall set forth or be accompanied by any  
36 and all information required by the commissioner, in-  
37 cluding (a) the basic organizational document; (b) the  
38 bylaws or rules and regulations; (c) a list of the names,  
39 addresses and official positions of each member of the  
40 governing body, which shall contain a full disclosure in  
41 the application of any financial interest by such officer  
42 or member of the governing body or any provider or any  
43 organization or corporation owned or controlled by such

44 person and the health maintenance organization and the  
45 extent and nature of any contract or financial arrange-  
46 ments between such persons and the health maintenance  
47 organization; (d) description of the health maintenance  
48 organization; (e) a copy of each evidence of coverage  
49 form and of each enrollee contract form; (f) financial  
50 statements which include the assets, liabilities, and  
51 sources of financial support of the applicant and any  
52 corporation or organization owned or controlled by the  
53 applicant; (g) (i) a description of the proposed method  
54 of marketing the plan, (ii) a schedule of proposed charges,  
55 and (iii) a financial plan which includes a three-year  
56 projection of the expenses and income and other sources  
57 of future capital; (h) a power of attorney duly executed  
58 by such applicant, if not domiciled in this state, appoint-  
59 ing the commissioner and his successors in office, and  
60 duly authorized deputies, as the true and lawful attorney  
61 of such applicant in and for this state upon whom all  
62 lawful process in any legal action or proceeding against  
63 the health maintenance organization on a cause of action  
64 arising in this state may be served; (i) a statement  
65 reasonably describing the geographic area or areas to be  
66 served and the type or types of enrollees to be served; (j)  
67 a description of the complaint procedures to be utilized  
68 as required under section twelve of this article; (k) a  
69 description of the mechanism by which enrollees will be  
70 afforded an opportunity to participate in matters of policy  
71 and operation under section six of this article; and (l)  
72 such other information as the commissioner may require  
73 to be provided.

74 (5) A health maintenance organization shall, unless  
75 otherwise provided for by regulations promulgated by the  
76 commissioner, file notice prior to any modification of the  
77 operations or documents filed pursuant to this section or  
78 as the commissioner may require by regulation. If the  
79 commissioner does not disapprove of the filing within  
80 thirty days of filing, it shall be deemed approved and may  
81 be implemented by the health maintenance organiza-  
82 tion.

**§33-25A-4. Issuance of certificate of authority.**

1 (1) Upon receipt of an application for a certificate of  
2 authority, the commissioner shall determine whether the  
3 application for a certificate of authority, with respect to  
4 health care services to be furnished has demonstrated:

5 (a) The willingness and potential ability to assure  
6 that basic health services will be provided in such a  
7 manner as to enhance and assure both the availability and  
8 accessibility of adequate personnel and facilities;

9 (b) Arrangements for an ongoing evaluation of the  
10 quality of health care;

11 (c) A procedure to develop, compile, evaluate, and  
12 report statistics relating to the cost of its operations,  
13 the pattern of utilization of its services, the quality, avail-  
14 ability and accessibility of its services, and such other  
15 matters as may be reasonably required by regulation.

16 (2) The commissioner shall issue or deny a certificate  
17 of authority to any person filing an application within  
18 sixty days after receipt of the application. Issuance of a  
19 certificate of authority shall be granted upon payment of  
20 the application fee prescribed, if the commissioner is  
21 satisfied that the following conditions are met:

22 (a) The health maintenance organization's proposed  
23 plan of operation meets the requirements of subsection  
24 (1) of this section;

25 (b) The health maintenance organization will effec-  
26 tively provide or arrange for the provisions of at least  
27 basic health care services on a prepaid basis except for  
28 copayments: *Provided*, That nothing herein shall be con-  
29 strued to relieve a health maintenance organization from  
30 the obligations to provide health care services because of  
31 the nonpayment of copayments unless the enrollee fails to  
32 make payment in at least three instances over any twelve-  
33 month period: *Provided, however*, That nothing herein  
34 shall permit a health maintenance organization to charge  
35 copayments to medicare beneficiaries or medicaid  
36 recipients in excess of the copayments permitted under  
37 those programs, nor shall a health maintenance organiza-  
38 tion be required to provide services to such medicare

39 beneficiaries or medical recipients in excess of the bene-  
40 fits compensated under such programs;

41 (c) The health maintenance organization is financially  
42 responsible and may reasonably be expected to meet its  
43 obligations to enrollees and prospective enrollees. In  
44 making this determination, the commissioner may con-  
45 sider:

46 (i) The financial soundness of the health maintenance  
47 organization's arrangements for health care services and  
48 proposed schedule of charges used in connection therewith;

49 (ii) The adequacy of working capital;

50 (iii) Any arrangements which will guarantee for a  
51 reasonable period of time the continued availability or  
52 payment of the cost of health care services in the event  
53 of discontinuance of the plan;

54 (iv) Any agreement with providers for the provisions of  
55 health care services; and

56 (d) Reasonable provisions have been made for emer-  
57 gency and out-of-area health care services;

58 (e) The enrollees will be afforded an opportunity to  
59 participate in matters of policy and operation pursuant to  
60 section six of this article;

61 (f) The health maintenance organization has demon-  
62 strated that it will assume full financial risk on a pro-  
63 spective basis for the provision of health care services,  
64 including hospital care: *Provided*, That the requirement  
65 in this paragraph shall not prohibit a health maintenance  
66 organization from obtaining insurance or making other  
67 arrangements (i) for the cost of providing to any enrollee  
68 comprehensive health maintenance services, the aggregate  
69 value of which exceeds four thousand dollars in any year,  
70 (ii) for the cost of providing comprehensive health care  
71 services to its members on a nonelective emergency basis,  
72 or while they are outside the area served by the organiza-  
73 tion, or (iii) for not more than ninety-five percent of the  
74 amount by which the health maintenance organization's  
75 costs for any of its fiscal years exceed one hundred five  
76 percent of its income for such fiscal years.

77 (3) A certificate of authority shall be denied only  
78 after compliance with the requirements of section twenty-  
79 one of this article.

80 (4) Except as provided in subsection (2), section three  
81 of this article, no person who has not been issued a  
82 certificate of authority shall use the words "health  
83 maintenance organization" or the initials "HMO" in its  
84 name, contracts or literature: *Provided*, That persons  
85 who are operating under a contract with, operating in  
86 association with, enrolling enrollees for, or otherwise  
87 authorized by a health maintenance organization licensed  
88 under this article to act on its behalf may use the terms  
89 "health maintenance organization" or "HMO" for the  
90 limited purpose of denoting or explaining their associa-  
91 tion or relationship with the authorized health mainte-  
92 nance organization. No health maintenance organization  
93 which has a minority of board members who are con-  
94 sumers shall use the words "consumer controlled" in its  
95 name or in any way represent to the public that it is con-  
96 trolled by consumers.

**§33-25A-5. Powers of health maintenance organizations.**

1 Upon obtaining a certificate of authority as required  
2 under this article, a health maintenance organization may  
3 enter into health maintenance contracts in this state and  
4 engage in any activities, consistent with the purposes and  
5 provisions of this article, which are necessary to the  
6 performance of its obligations under such contracts, sub-  
7 ject to the limitations provided for in this article. The  
8 commissioner may promulgate rules and regulations lim-  
9 iting or regulating the powers of health maintenance  
10 organizations which he finds to be in the public interest.

**§33-25A-6. Governing body.**

1 (1) The governing body of any health maintenance  
2 organization may include enrollees, providers, or other  
3 individuals.

4 (2) Such governing body shall establish a mechanism to  
5 afford the enrollees an opportunity to participate in  
6 matters of policy and operation through the establishment  
7 of advisory panels, by the use of advisory referenda on

8 major policy decisions, or through the use of other mech-  
9 anisms as may be prescribed by the commissioner.

**§33-25A-7. Fiduciary responsibilities; approval of contracts.**

1 (a) Any director, officer or partner of a health main-  
2 tenance organization who receives, collects, disburses or  
3 invests funds in connection with the activities of such  
4 organization shall be responsible for such funds in a  
5 fiduciary relationship to the enrollees.

6 (b) Any contracts made with hospitals and practition-  
7 ers of medical, dental and related services enabling a  
8 health maintenance organization to provide health care  
9 services authorized under this article shall be filed with  
10 the commissioner. The commissioner shall have power to  
11 require immediate renegotiation of such contracts when-  
12 ever he determines that they provide for excessive pay-  
13 ments, or that they fail to include reasonable incentives  
14 for cost control, or that they otherwise substantially and  
15 unreasonably contribute to escalation of the costs of pro-  
16 viding health care services to enrollees.

**§33-25A-8. Evidence of coverage and charges for health care services.**

1 (1) (a) Every enrollee is entitled to evidence of coverage  
2 in accordance with this section. The health maintenance  
3 organization or its designated representative shall issue  
4 the evidence of coverage.

5 (b) No evidence of coverage, or amendment thereto,  
6 shall be issued or delivered to any person in this state  
7 until a copy of the form of the evidence of coverage, or  
8 amendment thereto, has been filed with and approved by  
9 the commissioner.

10 (c) An evidence of coverage shall contain a clear,  
11 concise and complete statement of (i) the health care  
12 services and the insurance or other benefits, if any, to  
13 which the enrollee is entitled; (ii) any exclusions or  
14 limitations on the services, kind of services, benefits, or  
15 kind of benefits, to be provided, including any copay-  
16 ments; (iii) where and in what manner information is  
17 available as to how services, including emergency and out-  
18 of-area services, may be obtained; (iv) the total amount

19 of payment and copayment, if any, for health care ser-  
20 vices and the indemnity or service benefits, if any, which  
21 the enrollee is obligated to pay with respect to individual  
22 contracts, or an indication whether the plan is contribu-  
23 tory or noncontributory with respect to group certificates;  
24 and (v) a description of the health maintenance organi-  
25 zation's method for resolving enrollee complaints.

26 (d) Any subsequent approved change in an evidence  
27 of coverage shall be issued to each enrollee.

28 (e) A copy of the form of the evidence of coverage to  
29 be used in this state, and any amendment thereto, shall  
30 be subject to the filing and approval requirements of  
31 subdivision (b), subsection (1) of this section, unless the  
32 commissioner promulgates a regulation dispensing with  
33 this requirement or unless it is subject to the jurisdic-  
34 tion of the commissioner under the laws governing health  
35 insurance or, hospital or medical service corporations, in  
36 which event the filing and approval provisions of such  
37 laws shall apply. To the extent, however, that such pro-  
38 visions do not apply the requirements in subdivision (c),  
39 subsection (1) of this section, shall be applicable.

40 (2) Such charges may be established in accordance  
41 with actuarial principles: *Provided*, That premiums shall  
42 not be excessive, inadequate, or unfairly discriminatory.  
43 A certification by a qualified actuary, to the appropri-  
44 ateness of the charges based on reasonable assumptions  
45 shall accompany the filing along with adequate supporting  
46 information. In determining whether such charges are  
47 reasonable, the commissioner shall consider whether such  
48 health maintenance organization has (a) made a vigorous,  
49 good faith effort to control rates paid to health care  
50 providers; and (b) established a premium schedule, in-  
51 cluding copayments, if any, which encourages enrollees  
52 to seek out preventive health care services.

53 (3) The commissioner shall within a reasonable period  
54 approve any form if the requirements of subsection (1)  
55 are met and any schedule of charges if the requirements  
56 of subsection (2) are met. It shall be unlawful to issue  
57 such form or to use such schedule of charges until ap-  
58 proved. If the commissioner disapproves of such filing,

59 he shall notify the filer promptly. In the notice, the com-  
60 missioner shall specify the reasons for his disapproval  
61 and the findings of fact and conclusions which support  
62 his reasons. A hearing will be granted by the commis-  
63 sioner within fifteen days after a request in writing, by  
64 the person filing, has been received by the commission. If  
65 the commissioner does not disapprove any form or sched-  
66 ule of charges within sixty days of the filing of such  
67 forms or charges, they shall be deemed approved.

68 (4) The commissioner may require the submission of  
69 whatever relevant information in addition to the sched-  
70 ule of charges which he deems necessary in determining  
71 whether to approve or disapprove a filing made pursuant  
72 to this section.

73 (5) An enrollee shall be allowed to cancel a contract  
74 with a health maintenance organization at any time for  
75 any reason provided that a health maintenance organiza-  
76 tion may require that he or she give thirty days' notice  
77 of disenrollment to such organization.

#### §33-25A-9. Annual report.

1 (1) Every health maintenance organization shall  
2 annually, on or before the first day of March, file a report  
3 verified by at least two principal officers with the com-  
4 missioner, covering the preceding calendar year.

5 (2) Such report shall be on forms prescribed by the  
6 commissioner and shall include:

7 (a) A financial statement of the organization, including  
8 its balance sheet and receipts and disbursements for the  
9 preceding year certified by an independent certified  
10 public accountant, reflecting at least (i) all prepayment  
11 and other payments received for health care services  
12 rendered, (ii) expenditures to all providers, by classes or  
13 groups of providers, and insurance companies or nonprofit  
14 health service plan corporations engaged to fulfill obli-  
15 gations arising out of the health maintenance contract,  
16 and (iii) expenditures for capital improvements, or  
17 additions thereto, including, but not limited to, construc-  
18 tion, renovation or purchase of facilities and capital  
19 equipment;

20 (b) The number of new enrollees enrolled during the  
21 year, the number of enrollees as of the end of the year  
22 and the number of enrollees terminated during the year;

23 (c) A summary of information compiled pursuant to  
24 subdivision (c), subsection (1), section four of this article  
25 in such form as may be required by the department of  
26 health;

27 (d) A report of the names and residence addresses of  
28 all persons set forth in subdivision (c), subsection (4),  
29 section three of this article who were associated with the  
30 health maintenance organization during the preceding  
31 year, and the amount of wages, expense reimbursements,  
32 or other payments to such individuals for services to the  
33 health maintenance organization, including a full dis-  
34 closure of all financial arrangements during the preceding  
35 year required to be disclosed pursuant to subdivision  
36 (c), subsection (4), section three of this article; and

37 (e) Such other information relating to the performance  
38 of the health maintenance organization as is reasonably  
39 necessary to enable the commissioner to carry out his  
40 duties under this article.

**§33-25A-10. Information to enrollees.**

1 Every health maintenance organization or its repre-  
2 sentative shall annually, before the first day of April,  
3 provide to its enrollees a summary of: Its most recent  
4 annual financial statement including a balance sheet and  
5 statement of receipts and disbursements; a description  
6 of the health maintenance organization, its basic health  
7 care services, its facilities and personnel, any material  
8 changes therein since the last report, the current evidence  
9 of coverage, and a clear and understandable description  
10 of the health maintenance organization's method for  
11 resolving enrollee complaints: *Provided*, That with respect  
12 to enrollees who have been enrolled through contracts  
13 between a health maintenance organization and an em-  
14 ployer, the health maintenance organization shall be  
15 deemed to have satisfied the requirement of the section by  
16 providing the requisite summary to each enrolled em-  
17 ployee.

**§33-25A-11. Enrollment.**

1 (1) Once a health maintenance organization has been  
2 in operation at least five years, or has enrollment of not  
3 less than fifty thousand persons, such health maintenance  
4 organization shall, in any year following a year in which  
5 the health maintenance organization has achieved an  
6 operating surplus, maintain an open enrollment period of  
7 at least thirty days during which time the health main-  
8 tenance organization shall, within the limits of its  
9 capacity, accept individuals in the order in which  
10 they apply without regard to preexisting illness, medical  
11 conditions, or degree of disability except for individuals  
12 who are confined to an institution because of chronic  
13 illness or permanent injury: *Provided*, That no health  
14 maintenance organization shall be required to continue  
15 an open enrollment period after such time as enrollment  
16 pursuant to such open enrollment period is equal to three  
17 percent of the health maintenance organization's net  
18 increase in enrollment during the previous year.

19 (2) Where a health maintenance organization demon-  
20 strates to the satisfaction of the commissioner that it  
21 has a disproportionate share of high-risk enrollees and  
22 that, by maintaining open enrollment, it would be re-  
23 quired to enroll so disproportionate a share of high-risk  
24 enrollees as to jeopardize its economic viability, the  
25 commissioner may:

26 (a) Waive such requirement for open enrollment for a  
27 period of not more than three years; or

28 (b) Authorize such organization to impose such under-  
29 writing restrictions upon open enrollment as are neces-  
30 sary (i) to preserve its financial stability; (ii) to prevent  
31 excessive adverse selection by prospective enrollees; or  
32 (iii) to avoid unreasonably high or unmarketable charges  
33 for enrollee coverage of health services. A health main-  
34 tenance organization may receive more than one such  
35 waiver or authorization.

36 (3) The enrollment by a health maintenance organiza-  
37 tion of medicare beneficiaries who are at least sixty-five  
38 years of age and medicaid beneficiaries shall not exceed  
39 fifty percent of its total enrollee population. The commis-  
40 sioner may waive this requirement with respect to any

41 health maintenance organization intending to enroll at  
42 least forty percent of its enrollees from medically under-  
43 served areas, as defined by the commissioner, if he is  
44 satisfied that such organization is making substantial  
45 progress toward achieving compliance.

**§33-25A-12. Complaint system.**

1 (1) A health maintenance organization shall establish  
2 and maintain a complaint system, which has been ap-  
3 proved by the commissioner, to provide adequate and  
4 reasonable procedures for the expeditious resolution of  
5 written complaints initiated by enrollees concerning any  
6 matter relating to any provisions of such organization's  
7 health maintenance contracts, including, but not limited  
8 to, claims regarding the scope of coverage for health care  
9 services; denials, cancellations, or nonrenewals of enrollee  
10 coverage; observance of an enrollee's rights as a patient;  
11 and the quality of the health care services rendered.

12 (2) A health maintenance organization shall give a  
13 timely and reasoned response, in writing, to each written  
14 complaint it receives. Copies of such complaints and the  
15 responses thereto shall be available to the commissioner,  
16 and the public for inspection for three years.

17 (3) Each health maintenance organization shall submit  
18 to the commissioner an annual report in a form prescribed  
19 by the commissioner which describes such complaint sys-  
20 tem and contains a compilation and analysis of the com-  
21 plaints filed, their disposition, and their underlying  
22 causes.

**§33-25A-13. Investments.**

1 With the exception of investments otherwise made in  
2 accordance with this article, the investable funds of a  
3 health maintenance organization shall be invested only in  
4 securities or other investments permitted by the laws of  
5 this state for the investment of assets constituting the  
6 legal reserves of life insurance companies or such other  
7 securities or investments as the commissioner may permit.

**§33-25A-14. Prohibited practices.**

1 (1) No health maintenance organization, or representa-  
2 tive thereof, may cause or knowingly permit the use of

3 advertising which is untrue or misleading, solicitation  
4 which is untrue or misleading, or any form of evidence  
5 of coverage which is deceptive. For purposes of this  
6 article:

7 (a) A statement or item of information shall be deemed  
8 to be untrue if it does not conform to fact in any respect  
9 which is or may be significant to an enrollee of, or person  
10 considering enrollment in, a health maintenance orga-  
11 nization;

12 (b) A statement or item of information shall be deemed  
13 to be misleading, whether or not it may be literally  
14 untrue, if, in the total context in which such statement  
15 is made or such item of information is communicated,  
16 such statement or item of information may be reasonably  
17 understood by a reasonable person, not possessing special  
18 knowledge regarding health care coverage, as indicating  
19 any benefit or advantage or the absence of any exclusion,  
20 limitation, or disadvantage of possible significance to an  
21 enrollee of, or person considering enrollment in, a health  
22 maintenance organization, if such benefit or advantage or  
23 absence of limitation, exclusion or disadvantage does not  
24 in fact exist;

25 (c) An evidence of coverage shall be deemed to be  
26 deceptive if the evidence of coverage taken as a whole,  
27 and with consideration given to typography and format,  
28 as well as language, shall be such as to cause a reasonable  
29 person, not possessing special knowledge regarding health  
30 maintenance organizations, and evidences of coverage  
31 therefor, to expect benefits, services, or other advantages  
32 which the evidence of coverage does not provide or which  
33 the health maintenance organization issuing such evidence  
34 of coverage does not regularly make available for enrollees  
35 covered under such evidence of coverage; and

36 (d) The commissioner may further define practices  
37 which are untrue, misleading, or deceptive.

38 (2) No health maintenance organization may cancel or  
39 fail to renew the coverage of an enrollee except for (a)  
40 failure to pay the charge for health care coverage; (b)  
41 termination of the health maintenance organization; (c)  
42 termination of the group plan; (d) enrollee moving out of

43 the area served; (e) enrollee moving out of an eligible  
44 group; or (f) other reasons established in regulations  
45 promulgated by the commissioner. No health maintenance  
46 organization shall use any technique of rating or grouping  
47 to cancel or fail to renew the coverage of an enrollee. An  
48 enrollee shall be given thirty days' notice of any can-  
49 cellation or nonrenewal, including therein the reason  
50 therefor: *Provided*, That each enrollee moving out of an  
51 eligible group shall be granted the opportunity to enroll  
52 in the health maintenance organization on an individual  
53 basis.

54 A health maintenance organization may not disenroll an  
55 enrollee for nonpayment of copayments unless the  
56 enrollee has failed to make payment in at least three in-  
57 stances over any twelve-month period; however, the en-  
58 rollee may not be disenrolled if the disenrollment would  
59 constitute abandonment of a patient. Any enrollee wrong-  
60 fully disenrolled shall be reenrolled.

61 (3) No health maintenance organization may use in its  
62 name, contracts, or literature any of the words "insur-  
63 ance," "casualty," "surety," "mutual," or any other words  
64 which are descriptive of the insurance, casualty or surety  
65 business or deceptively similar to the name or description  
66 of any insurance or surety corporation doing business  
67 in this state: *Provided*, That when a health maintenance  
68 organization has contracted with an insurance company  
69 for any coverage permitted by this article, it may so  
70 state.

71 (4) The providers under agreement with a health  
72 maintenance organization to provide health care services  
73 and the health maintenance organization shall not have  
74 recourse against enrollees for amounts above those speci-  
75 fied in the evidence of coverage as the periodic prepay-  
76 ment, or copayment, for health care services.

77 (5) No health maintenance organization shall enroll  
78 more than three hundred thousand persons in this state.

79 (6) No health maintenance organization shall dis-  
80 criminate in enrollment policies or quality of services  
81 against any person on the basis of race, sex, age, religion,  
82 place of residence, health status, or source of payment:

83 *Provided*, That differences in rates based on valid actuarial  
84 distinctions, including, distinctions relating to age and  
85 sex, shall not be considered discrimination in enrollment  
86 policies.

87 (7) No agent of a health maintenance organization or  
88 person selling enrollments in a health maintenance orga-  
89 nization shall sell an enrollment in a health maintenance  
90 organization unless such agent or person shall first dis-  
91 close in writing to the prospective purchaser the follow-  
92 ing information using the following exact terms in bold  
93 print: (a) "Services offered," including any exclusions or  
94 limitations; (b) "full cost," including copayments; (c)  
95 "facilities available and hours of services"; (d) "trans-  
96 portation services"; (e) "disenrollment rate"; and (f)  
97 "staff," including the names of all full-time staff physi-  
98 cians, consulting specialists, hospitals and pharmacies as-  
99 sociated with the health maintenance organization. In  
100 any home solicitation, any three-day cooling-off period  
101 applicable to consumer transactions generally shall apply  
102 in the same manner as consumer transactions.

103 The form disclosure statement shall not be used in  
104 sales until it has been approved by the commissioner or  
105 submitted to the commissioner for ten days without  
106 disapproval. Any person who fails to disclose the req-  
107 uisite information prior to the sale of an enrollment  
108 may be held liable in an amount equivalent to one year's  
109 subscription rate to the health maintenance organiza-  
110 tion, plus costs and a reasonable attorney's fee.

111 (8) No contract with an enrollee shall prohibit an  
112 enrollee from canceling his or her enrollment at any  
113 time for any reason except that such contract may re-  
114 quire thirty days' notice to the health maintenance orga-  
115 nization.

116 (9) Any person who in connection with an enrollment  
117 violates any subsection of this section may be held liable  
118 for an amount equivalent to one year's subscription rate,  
119 plus costs and a reasonable attorney's fee.

**§33-25A-15. Regulation of marketing.**

1 The commissioner may, in his discretion, after notice  
2 and hearing, promulgate rules and regulations as are

3 necessary to regulate marketing of health maintenance  
4 organizations by persons compensated directly or indi-  
5 rectly by such health maintenance organizations. When  
6 necessary such rules and regulations may prohibit door-to-  
7 door solicitations, may prohibit commission sales, and  
8 may provide for such other proscriptions and other regu-  
9 lations as are required to effectuate the purposes of this  
10 article.

**§33-25A-16. Powers of insurers and hospital and medical  
service corporations.**

1 (1) An insurance company licensed in this state, or a  
2 hospital or medical service corporation authorized to do  
3 business in this state, may either directly or through a  
4 subsidiary or affiliate organize and operate a health main-  
5 tenance organization under the provisions of this article.  
6 Notwithstanding any other law which may be inconsistent  
7 herewith, any two or more such insurance companies,  
8 hospital or medical service corporations, or subsidiaries  
9 or affiliates thereof, may jointly organize and operate a  
10 health maintenance organization. The business of insur-  
11 ance is deemed to include the providing of health care  
12 by a health maintenance organization owned or operated  
13 by an insurer or a subsidiary thereof.

14 (2) Notwithstanding any provision of insurance and  
15 hospital or medical service corporation laws, an insurer or  
16 a hospital or medical service corporation may contract  
17 with a health maintenance organization to provide insur-  
18 ance or similar protection against the cost of care provided  
19 through health maintenance organizations and to provide  
20 coverage in the event of the failure of the health main-  
21 tenance organization to meet its obligations. The enrollees  
22 of a health maintenance organization constitute a permis-  
23 sible group under such laws. Among other things, under  
24 such contracts, the insurer or hospital or medical service  
25 corporation may make benefit payments to health main-  
26 tenance organizations for health care services rendered by  
27 providers.

**§33-25A-17. Examinations.**

1 (1) The commissioner may make an examination of the  
2 affairs of any health maintenance organization and pro-

3 viders with whom such organization has contracts, agree-  
4 ments or other arrangements as often as he deems it  
5 necessary for the protection of the interests of the people  
6 of this state but not less frequently than once every three  
7 years.

8 (2) The commissioner shall contract with the depart-  
9 ment of health to make examinations concerning the  
10 quality of health care services of any health maintenance  
11 organization and providers with whom such organization  
12 has contracts, agreements or other arrangements as often  
13 as it deems necessary for the protection of the interests  
14 of the people of this state but not less frequently than  
15 once every three years: *Provided*, That in making the  
16 foregoing examination, the department of health shall  
17 utilize the services of persons or organizations with  
18 demonstrable expertise in assessing quality of health  
19 care.

20 (3) Every health maintenance organization and affili-  
21 ated provider shall submit its books and records to  
22 such examinations and in every way facilitate them. For  
23 the purpose of examinations, the commissioner and the  
24 department of health shall have all powers necessary to  
25 conduct such examinations, including, but not limited to,  
26 the power to issue subpoenas, the power to administer  
27 oaths to, and examine the officers and agents of the health  
28 maintenance organization and the principles of such  
29 providers concerning their business.

30 (4) The expenses of examinations under this section  
31 shall be assessed against the organization being examined  
32 and remitted to the commissioner.

33 (5) In lieu of such examination, the commissioner may  
34 accept the report of an examination made by other states.

**§33-25A-18. Suspension or revocation of certificate of authority.**

1 (1) The commissioner may suspend or revoke any  
2 certificate of authority issued to a health maintenance  
3 organization under this article if he finds that any of the  
4 following conditions exist:

5 (a) The health maintenance organization is operating  
6 significantly in contravention of its basic organizational

7 document, in any material breach of contract with an  
8 enrollee, or in a manner contrary to that described in and  
9 reasonably inferred from any other information sub-  
10 mitted under section three unless amendments to such  
11 submissions have been filed with an approval by the  
12 commissioner;

13 (b) The health maintenance organization issues evi-  
14 dence of coverage or uses a schedule of premiums for  
15 health care services which do not comply with the re-  
16 quirements of section eight of this article;

17 (c) The health maintenance organization does not  
18 provide or arrange for basic health care services;

19 (d) The department of health certifies to the com-  
20 missioner that: (i) The health maintenance organization  
21 is unable to fulfill its obligations to furnish health care  
22 services as required under its contract with enrollees; or  
23 (ii) the health maintenance organization does not meet  
24 the requirements of subsection (1), section four of this  
25 article;

26 (e) The health maintenance organization is no longer  
27 financially responsible and may reasonably be expected to  
28 be unable to meet its obligations to enrollees or prospec-  
29 tive enrollees;

30 (f) The health maintenance organization has failed to  
31 implement a mechanism affording the enrollees an  
32 opportunity to participate in matters of policy and opera-  
33 tion under section six of this article;

34 (g) The health maintenance organization has failed to  
35 implement the complaint system required by section  
36 twelve of this article in a manner to reasonably resolve  
37 valid complaints;

38 (h) The health maintenance organization, or any  
39 person on its behalf, has advertised or merchandised its  
40 services in an untrue, misrepresentative, misleading,  
41 deceptive or unfair manner;

42 (i) The continued operation of the health maintenance  
43 organization would be hazardous to its enrollees; or

44 (j) The health maintenance organization has otherwise  
45 failed to substantially comply with this article.

46 (2) A certificate of authority shall be suspended or  
47 revoked only after compliance with the requirements of  
48 section twenty-one of this article.

49 (3) When the certificate of authority of a health  
50 maintenance organization is suspended, the health  
51 maintenance organization shall not, during the period of  
52 such suspension, enroll any additional enrollees except  
53 newborn children or other newly acquired dependents of  
54 existing enrollees, and shall not engage in any advertis-  
55 ing or solicitation whatsoever.

56 (4) When the certificate of authority of a health  
57 maintenance organization is revoked, such organization  
58 shall proceed, immediately following the effective date of  
59 the order of revocation, to terminate its affairs, and shall  
60 conduct no further business except as may be essential  
61 to the orderly conclusion of the affairs of such organiza-  
62 tion. It shall engage in no further advertising or sollicita-  
63 tion whatsoever. The commissioner may, by written  
64 order, permit such further operation of the organization  
65 as he may find to be in the best interests of enrollees, to  
66 the end that enrollees will be afforded the greatest  
67 practical opportunity to obtain continuing health care  
68 coverage.

**§33-25A-19. Rehabilitation, liquidation or conservation of  
health maintenance organization.**

1 Any rehabilitation, liquidation or conservation of a  
2 health maintenance organization shall be deemed to be  
3 the rehabilitation, liquidation or conservation of an in-  
4 surance company and shall be conducted under the super-  
5 vision of the commissioner pursuant to the law governing  
6 the rehabilitation, liquidation or conservation of in-  
7 surance companies. The commissioner may apply for  
8 an order directing him to rehabilitate, liquidate or con-  
9 serve a health maintenance organization upon any one  
10 or more grounds set out in the vocational rehabilitation  
11 statutes or when, in his opinion, the continued operation  
12 of the health maintenance organization would be hazard-  
13 ous either to the enrollees or to the people of this state.

**§33-25A-20. Regulations.**

1 The commissioner may after notice and hearing  
2 promulgate reasonable rules and regulations in accor-  
3 dance with chapter twenty-nine-a of this code, as are  
4 necessary or proper to effectuate the purposes of this  
5 article and to prevent circumvention and evasion thereof.

**§33-25A-21. Administrative procedures.**

1 (1) When the commissioner has cause to believe that  
2 grounds for the denial of an application for a certifi-  
3 cate of authority exist, or that grounds for the suspension  
4 or revocation of a certificate of authority exist, he shall  
5 notify the health maintenance organization in writing  
6 specifically stating the grounds for denial, suspension or  
7 revocation and fixing a time of at least twenty days  
8 thereafter for a hearing on the matter.

9 (2) After such hearing, or upon the failure of the  
10 health maintenance organization to appear at such hear-  
11 ing, the commissioner shall take action as is deemed  
12 advisable on written findings which shall be mailed to the  
13 health maintenance organization. The action of the com-  
14 missioner shall be subject to review. The court may  
15 modify, affirm or reverse the order of the commissioner  
16 in whole or in part.

17 (3) The provisions of the administrative procedures  
18 act, chapter twenty-nine-a of this code, shall apply to  
19 proceedings under this article to the extent that they are  
20 not in conflict with subsections (1) and (2) of this  
21 section.

**§33-25A-22. Fees.**

1 Every health maintenance organization subject to this  
2 article shall pay to the commissioner the following fees:  
3 For filing an application for a certificate of authority or  
4 amendment thereto, one hundred dollars; and for filing  
5 each annual report, ten dollars. Fees charged under this  
6 section shall be deposited in the general fund of the state  
7 treasury.

**§33-25A-23. Penalties and enforcement.**

1 (1) The commissioner may, in lieu of suspension or  
2 revocation of a certificate of authority under section

3 nineteen of this article, levy an administrative penalty  
4 in an amount not less than one hundred dollars nor more  
5 than five thousand dollars, if reasonable notice in writing  
6 is given of the intent to levy the penalty and the health  
7 maintenance organization has a reasonable time within  
8 which to remedy the defect in its operations which gave  
9 rise to the penalty citation. The commissioner may  
10 augment this penalty by an amount equal to the sum  
11 that he calculates to be the damages suffered by en-  
12 rollees or other members of the public.

13 (2) Any person who violates any provision of this  
14 article shall be guilty of a misdemeanor, and, upon  
15 conviction thereof, shall be fined not less than one  
16 thousand dollars nor more than ten thousand dollars, or  
17 imprisoned in the county jail not more than one year, or  
18 both fined and imprisoned.

19 (3) (a) If the commissioner shall for any reason have  
20 cause to believe that any violation of this article or  
21 regulations promulgated pursuant thereto has occurred  
22 or is threatened, prior to the levy of a penalty or sus-  
23 pension or revocation of a certificate of authority, the  
24 commissioner shall give notice to the health maintenance  
25 organization and to the representatives, or other persons  
26 who appear to be involved in such suspected violation, to  
27 arrange a conference with the alleged violators or their  
28 authorized representatives for the purpose of attempting  
29 to ascertain the facts relating to such suspected violation,  
30 and, in the event it appears that any violation has oc-  
31 curred or is threatened, to arrive at an adequate and  
32 effective means of correcting or preventing such viola-  
33 tion.

34 (b) Proceedings under this subsection shall not be  
35 governed by any formal procedural requirements, and  
36 may be conducted in such manner as the commissioner  
37 may deem appropriate under the circumstances. En-  
38 rollees shall be afforded notice by publication of pro-  
39 ceedings under this subsection (3) and shall be afforded  
40 the opportunity to intervene.

41 (4) (a) The commissioner may issue an order direct-  
42 ing a health maintenance organization or a representative

43 of a health maintenance organization to cease and desist  
44 from engaging in any act or practice in violation of the  
45 provisions of this article or regulations promulgated  
46 pursuant thereto.

47 (b) Within ten days after service of the order of cease  
48 and desist, the respondent may request a hearing on the  
49 question of whether acts or practices in violation of this  
50 article have occurred. Such hearings shall be conducted  
51 pursuant to chapter twenty-nine-a of this code, and  
52 judicial review shall be available as provided by chapter  
53 twenty-nine-a of this code.

54 (5) In the case of any violation of the provisions of  
55 this article or regulations promulgated pursuant thereto,  
56 if the commissioner elects not to issue a cease and desist  
57 order, or in the event of noncompliance with a cease and  
58 desist order issued pursuant to subsection (4) of this  
59 section, the commissioner may institute a proceeding to  
60 obtain injunctive relief, or seeking other appropriate  
61 relief, in the circuit court of the county of the principal  
62 place of business of the health maintenance organization.

63 (6) Any enrollee of or resident of the service area of  
64 the health maintenance organization may bring an action  
65 to enforce any provision, standard or regulation enforce-  
66 able by the commissioner. In the case of any successful  
67 action to enforce this article, or accompanying standards  
68 or regulations, the individual shall be awarded the costs  
69 of the action together with a reasonable attorney's fee  
70 as determined by the court.

**§33-25A-24. Statutory construction and relationship to other laws.**

1 (1) Except as otherwise provided in this article, provi-  
2 sions of the insurance law and provisions of hospital or  
3 medical service corporation laws shall not be applicable to  
4 any health maintenance organization granted a certifi-  
5 cate of authority under this article. This provision shall  
6 not apply to an insurer or hospital or medical service  
7 corporation licensed and regulated pursuant to the in-  
8 surance laws or the hospital or medical service corpora-  
9 tion laws of this state except with respect to its health

10 maintenance corporation activities authorized and regu-  
11 lated pursuant to this article.

12 (2) Factually accurate advertising or solicitation re-  
13 garding the range of services provided, the premiums  
14 and copayments charged, the sites of services and hours  
15 of operation, and any other quantifiable, nonprofessional  
16 aspects of its operation by a health maintenance orga-  
17 nization granted a certificate of authority, or its repre-  
18 sentative shall not be construed to violate any provision  
19 of law relating to solicitation or advertising by health  
20 professions: *Provided*, That nothing contained herein  
21 shall be construed as authorizing any solicitation or ad-  
22 vertising which identifies or refers to any individual  
23 provider, or makes any qualitative judgment concerning  
24 any provider.

25 (3) Any health maintenance organization authorized  
26 under this article shall not be deemed to be practicing  
27 medicine and shall be exempt from the provision of chap-  
28 ter thirty of this code, relating to the practice of medicine.

**§33-25A-25. Filings and reports as public documents.**

1 All applications, filings and reports required under this  
2 article shall be treated as public documents.

**§33-25A-26. Confidentiality of medical information.**

1 Any data or information pertaining to the diagnosis,  
2 treatment or health of any enrollee or applicant obtained  
3 from such person or from any provider by any health  
4 maintenance organization shall be held in confidence and  
5 shall not be disclosed to any person except (1) to the  
6 extent that it may be necessary to facilitate an assess-  
7 ment of the quality of care delivered pursuant to section  
8 seventeen of this article or to review the complaint system  
9 pursuant to section twelve of this article; (2) upon the  
10 express written consent of the enrollee or legally au-  
11 thorized representative; (3) pursuant to statute or court  
12 order for the production of evidence or the discovery  
13 thereof; or (4) in the event of claim or litigation between  
14 such person and the health maintenance organization  
15 wherein such data or information is pertinent.

16 A health maintenance organization shall be entitled to  
17 claim any statutory privileges against such disclosure  
18 which the provider who furnished such information to  
19 the health maintenance organization is entitled to claim.

**§33-25A-27. Authority to contract with health maintenance organizations under medicaid.**

1 The department of welfare is hereby authorized to  
2 enter into contracts with health maintenance organiza-  
3 tions certified and permitted to market under the laws  
4 of this state, and to furnish to recipients of medical as-  
5 sistance under Title XIX of the Social Security Act, 42  
6 U.S.C. Section 1396, et. seq., health care services offered  
7 to such recipients under the Medical Assistance Plan of  
8 West Virginia.

**§33-25A-28. Required health maintenance organization option.**

1 (1) Each employer shall offer no less than once every  
2 year to every employee and dependent entitled to receive  
3 health care under an existing health benefit plan sup-  
4 ported in whole or in part by such employer the oppor-  
5 tunity to become enrollees in certified health maintenance  
6 organizations which have the capacity to provide basic  
7 health services in health maintenance organization ser-  
8 vice areas in which at least twenty-five such employees  
9 reside: *Provided*, That nothing herein shall require an em-  
10 ployer to contribute more on behalf of an employee seek-  
11 ing to enroll in a health maintenance organization than  
12 would be contributed on the employee's behalf to the  
13 existing health plan.

14 (2) If any employees of an employer are represented by  
15 a collective bargaining representative or other employee  
16 representative designated or selected under any law of  
17 this state, the offer described in subsection (1) of this  
18 section should be made to such collective bargaining  
19 representatives or other employee representative, and  
20 only if such representative approves the offer should  
21 it be made to employees represented by such represen-  
22 tatives.

23 (3) If there is more than one certified health mainte-  
24 nance organization which meets the requirements of sub-

25 section (1) of this section and such health maintenance  
26 organizations have service areas contemporaneously  
27 covering the same twenty-five or more employees, the  
28 employer shall offer such employees at least one health  
29 maintenance organization which provides health ser-  
30 vices primarily through staff physicians, or medical  
31 groups, or a combination of both; and one health mainte-  
32 nance organization which provides health services  
33 through other means.

34 (4) Any employer who knowingly fails to comply with  
35 any of the requirements of this section shall be subject  
36 to a fine of not more than ten thousand dollars for every  
37 thirty-day period that such violation continues.

38 (5) The commissioner is authorized, in addition to the  
39 remedy provided in subsection (4) of this section, to seek  
40 an injunction in a court of competent jurisdiction to  
41 compel compliance with the provisions of this section.

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

James L. Davis  
Chairman Senate Committee

Clarence C. Chestnut  
Chairman House Committee

Originated in the Senate.

To take effect ninety days from passage.

John Dillon, Jr.  
Clerk of the Senate

W. Blankenship  
Clerk of the House of Delegates

W. C. [Signature]  
President of the Senate

Donald L. Kopp  
Speaker House of Delegates

The within is approved this the 25  
day of April, 1977.

[Signature]  
Governor



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OFFICE OF THE GOVERNOR

APPROVED AND SIGNED BY THE GOVERNOR

Date April 25, 1977

Time 3:45 p.m.

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77 APR 27 P 4: 36

OFFICE  
SECRETARY OF STATE