

WEST VIRGINIA LEGISLATURE

SECOND EXTRAORDINARY SESSION, 1988

— ● —

ENROLLED

Com. Sub. for
HOUSE BILL No. 204

(By ~~##~~ Del. Leary + Del. White)

— ● —

Passed June 3, 1988

In Effect July 1, 1988 ~~Passage~~

ENROLLED
COMMITTEE SUBSTITUTE
FOR
H. B. 204
(By DELEGATES LEARY and WHITE)

[Passed June 3, 1988; in effect July 1, 1988.]

AN ACT to amend chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article sixteen-a, relating to the creation of a small business health insurance initiative program through joint efforts of public employees insurance agency and legislative task force on uncompensated health care and medicaid expenditures; establishment of multiple small employer insurance pool; "small business" to be defined; bids from insurance companies or carriers for insurance coverage; reports to Legislature; data of department of employment security to be furnished; state antitrust laws to not apply; small business health insurance initiative program termination; and specifying effective dates.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 16A. SMALL BUSINESS HEALTH INSURANCE INITIATIVE.

§5-16A-1. Short title.

1 This article may be cited as the "Small Business
2 Health Insurance Initiative."

§5-16A-2. Legislative findings.

1 The Legislature hereby finds and declares as follows:

2 (a) In excess of three hundred thousand, or nearly
3 sixteen percent, of West Virginians are without health
4 insurance and are not covered by federal or state health
5 care assistance and eighty percent of these persons have
6 incomes below two hundred percent of the federal
7 poverty level and are thus medically indigent;

8 (b) This problem is worsening as the number of
9 persons so uninsured has increased by thirty thousand,
10 or eleven percent, since the year one thousand nine
11 hundred eighty;

12 (c) Over seventy-eight thousand, or thirteen percent,
13 of West Virginia workers are without health insurance,
14 and that these workers and their uninsured dependents
15 together are estimated to total over one hundred thirty-
16 two thousand, or more than forty-four percent, of all
17 uninsured persons in the state;

18 (d) No relief appears available for the uninsured
19 working citizens of this state in the form of adequate
20 health insurance or access to funds to pay therefor and
21 the health and welfare of these uninsured working
22 citizens and their dependents is increasingly threatened;

23 (e) Studies show that the numbers of such uninsured
24 persons are rising as a result of changing patterns of
25 employment in which jobs are available in ever enlarg-
26 ing numbers in industries involving service and trade
27 and that these are among the least likely industries to
28 provide health insurance for employees;

29 (f) The system of cost shifting by providers of
30 uncompensated health care to paying health care
31 consumers creates increasing numbers of persons
32 unable to afford health insurance and has resulted in a
33 climate where the financial stability of health care
34 providers is increasingly threatened;

35 (g) Thousands of uninsured working citizens are

36 employed in small businesses of fifty or less employees,
37 many of which do not have available to them affordable
38 group health insurance plans for their employees;

39 (h) The severity of these problems demands a solution,
40 and projects have been developed in other states which
41 do provide affordable, necessary health insurance
42 coverage through the combining of small employee
43 groups into a larger insurance pool;

44 (i) To address these problems, the public employees
45 insurance agency created by article sixteen of this
46 chapter is the appropriate logical entity to implement
47 a small business health insurance initiative to target the
48 forty-four percent of working West Virginians and their
49 dependents without health insurance, with the cooper-
50 ation and assistance of the legislative task force on
51 uncompensated health care and medicaid expenditures
52 created by article twenty-nine-c, chapter sixteen of this
53 code.

**§5-16A-3. Insurance initiative; purpose; planning; devel-
opment and implementation.**

1 On the first day of July, one thousand nine hundred
2 eighty-eight, the planning of a small business health
3 insurance initiative in the state shall be commenced by
4 the public employees insurance agency and the resour-
5 ces available to it, with the advice and assistance of the
6 legislative task force on uncompensated health care and
7 medicaid expenditures. The purpose of the project shall
8 be to make available affordable health insurance by
9 pooling in a group for health insurance purposes groups
10 of small businesses to provide for acute and primary
11 health care services to working citizens of the state and
12 their dependents who are without health insurance
13 benefits offered in connection with their employment.
14 The public employees insurance agency shall be respon-
15 sible for the development and implementation of the
16 program. In so doing, the agency may seek the advice
17 and assistance of the legislative task force on uncompen-
18 sated health care and medicaid expenditures.

**§5-16A-4. Funding and payment procedures separated
from public employees insurance agency**

appropriations.

1 Funds received through employer-employee premi-
2 ums of participating small businesses or from any entity
3 granting funds for the purposes of this program shall
4 be set aside and kept at all times separate and apart
5 from any and all funds appropriated or remitted
6 heretofore or in the future to and for the public
7 employees insurance agency for purposes enumerated in
8 article sixteen, chapter five of this code. No such funds
9 shall be utilized to supplement any health care insu-
10 rance offered through the initiative established under
11 the provisions of this article. No benefit or program
12 entitlement offered to those eligible under the provisions
13 of said article sixteen may be affected by the initiative
14 established in this article, and initiative procedures and
15 mechanisms for processing of claims shall be kept
16 separate and apart from those established pursuant to
17 said article sixteen.

**§5-16A-5. Rules and regulations; contents; creation of
small business insurance pool.**

1 The public employees insurance agency shall develop
2 and implement the program through rules and regula-
3 tions promulgated in accordance with the provisions of
4 chapter twenty-nine-a of this code. The legislative task
5 force on uncompensated health care and medicaid
6 expenditures shall share with the public employees
7 insurance agency any and all pertinent data, studies,
8 reports, analyses, research, summaries, information
9 collected, filed or developed now or in the future in
10 order to effect the development and implementation of
11 the program contemplated herein. Upon request, in the
12 planning, development and implementation of the
13 program the insurance commissioner shall cooperate
14 with advice and assistance.

15 The rules and regulations shall provide for the
16 establishment of a multiple small employer insurance
17 pool for the provision of basic acute and primary health
18 care insurance coverage with measurable cost contain-
19 ment provisions to employers and employees of small
20 businesses in the state and their respective dependents;

21 shall specify that those eligible for participation in the
 22 program be small businesses in the state with fifty or
 23 fewer employees; shall develop a definition for “small
 24 business” which definition shall include nonprofit
 25 organizations and nonprofit corporations having fifty or
 26 fewer employees; shall permit bids from qualified and
 27 licensed insurance companies or carriers, who may wish
 28 to offer plans or reinsurance for the insurance coverage
 29 desired; shall address incentives for small business
 30 participation in the program, and a variety of effective
 31 cost controls; shall provide for an appropriate applica-
 32 tion form for participation and procedures for applica-
 33 tion; shall ensure accurate and appropriate marketing
 34 of the health insurance coverage to small businesses
 35 throughout the state; and shall establish criteria for
 36 monitoring the effectiveness of the multiple small
 37 employer insurance pool.

§5-16A-6. Legislative report.

1 The public employees insurance agency, with the
 2 advice and assistance of the legislative task force on
 3 uncompensated health care and medicaid expenditures,
 4 shall cooperate to prepare and submit reports to the
 5 Legislature before it convenes in the years one thousand
 6 nine hundred eighty-nine, one thousand nine hundred
 7 ninety, one thousand nine hundred ninety-one and one
 8 thousand nine hundred ninety-two, with studies, find-
 9 ings, conclusions and recommendations, including any
 10 recommendations for legislation, all relating to the
 11 purpose and effect of the small business health insu-
 12 rance initiative created herein. Said report shall be in
 13 addition to any report prepared by the legislative task
 14 force on uncompensated health care and medicaid
 15 expenditures pursuant to the provisions of article
 16 twenty-nine-c, chapter sixteen of this code.

**§5-16A-7. Availability of data of department of employ-
 ment security.**

1 In furtherance of the purposes of this article, the
 2 department of employment security shall, notwithstand-
 3 ing the provisions of section eleven, article ten, chapter
 4 twenty-one-a of this code, cooperate to make available

5 to the public employees insurance agency and the
6 legislative task force on uncompensated health care and
7 medicaid expenditures such information as they may
8 request for purposes consistent with this article to
9 identify and facilitate contact with small business
10 employers who may be eligible for participation in the
11 initiative. The provisions of this section shall be liberally
12 construed by the department of employment security in
13 order to effectuate the development of the small business
14 insurance initiative.

15 Information thus obtained by the public employees
16 insurance agency and the legislative task force on
17 uncompensated health care and medicaid expenditures
18 shall be maintained as strictly confidential and shall be
19 exempt from disclosure to the public.

§5-16A-8. Exemption from state antitrust laws.

1 The small business health insurance initiative and
2 those responsible for developing and implementing it
3 under the provisions of this article are exempted from
4 the provisions of section five, article eighteen, chapter
5 forty-seven of this code.

**§5-16A-9. Termination of small business health insurance
initiative program.**

1 The small business health insurance initiative pro-
2 gram shall be terminated pursuant to the provisions of
3 article ten, chapter four of this code on the first day of
4 July, one thousand nine hundred ninety-two, unless
5 continued or reestablished pursuant to the provisions of
6 that article.

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

Bruce O. Allison
Chairman Senate Committee

Bernard V. Kelly
Chairman House Committee

Originating in the House.

Takes effect July 1, 1988.

Todd C. Willis
Clerk of the Senate

Donald G. Kopp
Clerk of the House of Delegates

Don Tamm
President of the Senate

Robert M. Brant
Speaker of the House of Delegates

The within *Approved* this the *22nd*
June day of _____, 1988.

Richard R. Cray
Governor

PRESENTED TO THE

GOVERNOR

Date 6/8/88

Time 10:40 a.m.

RECEIVED

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OFFICE OF WEST VIRGINIA
SECRETARY OF STATE