WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1989

ENROLLED

HOUSE BILL No. 2598

(By Del. White and Muravsky)

Passed April 6 1989
In Effect from Passage
ENROLLED
H. B. 2598
(By Delegates White and Murensky)

[Passed April 6, 1989; in effect from passage.]

AN ACT to amend and reenact section fourteen, article five, chapter nine of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the medicaid program; health care facilities financed by bonds; extension of rules regarding reimbursement of capital costs.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 5. MISCELLANEOUS PROVISIONS.

§9-5-14. Medicaid program; health care facilities financed by bonds; rules regarding reimbursement of capital costs.

1. (a) The Legislature finds and declares that a number of health care facilities have been financed by public bonded indebtedness, and as a result of policies, rules, regulations and standards which may be in conflict, the facilities and the health and welfare of those citizens served by such facilities are in jeopardy. The provisions of subsection (b) are enacted for the purpose of addressing this as a short term solution.

2. (b) As to any health care facility licensed under article five-c, chapter sixteen of this code, constructed
after the first day of April, one thousand nine hundred eighty-one, and affected on or after that date by the reimbursement methodology implemented by the department regarding standard appraised value, beginning on the first day of April, one thousand nine hundred eighty-eight, and for a two year period only, ending on the thirty-first day of March, one thousand nine hundred ninety, all in compliance with federal rules and regulations, the department shall reimburse such health care facilities no less than any actual annual capital costs including, but not limited to, debt service, lease payments or costs of comparable financing arrangements incurred in connection with any capital expenditure approved pursuant to article two-d, chapter sixteen of this code, or any rule or regulation promulgated thereunder or in conjunction with the financing of such capital expenditure pursuant to article two-c, chapter thirteen of this code, whichever is greater; and in no event, for the purpose of reimbursement of such capital costs, shall the value of any health care facility licensed pursuant to article five-c, chapter sixteen of this code, be deemed to be less than the greater of the aggregate principal amount of any public bond issue undertaken pursuant to the provisions of article two-c, chapter thirteen of this code or the maximum capital expenditure approved pursuant to article two-d, chapter sixteen of this code or any rule or regulation promulgated thereunder, and any appraisal made by the department in connection therewith shall include costs related to the financing of the bond issue or the maximum capital expenditure approved pursuant to article two-d, chapter sixteen of this code, as applicable: Provided, That said values may be reduced by (a) any functional obsolescence which is determined and identified annually pursuant to any rule or regulation promulgated hereunder and (b) the pro rata share of such value which is attributable to capital expenditures incurred with respect to facilities which provide services which are not eligible for reimbursement under Title XIX of the Social Security Act: Provided, however, That the department shall not exceed the medicare upper payment limit for medicaid in making any reimburse-
As to any health care facility constructed after the first day of April, one thousand nine hundred eighty-one, and affected on or after that date by the reimbursement methodology implemented by the department regarding standard appraised value, with respect to reimbursement to the state by such health care facility arising from adjustment of projected rates, the department shall provide for the adjustment of projected rates based upon values which are consistent with the provisions of this section and based upon the actual occupancy experience of the health care facility during the projected rate period, all in compliance with federal rules and regulations.

(c) The medicaid payments that a long-term care facility would otherwise receive shall not be reduced in any manner as a result of the operation of this section.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Frederick L. Parker  
Chairman Senate Committee

Bernard V. Kelly  
Chairman House Committee

Originating in the House.

Takes effect from passage.

J. H. Wills  
Clerk of the Senate

Donnell E. tog  
Clerk of the House of Delegates

President of the Senate  
Speaker of the House of Delegates

The within is approved this the 27th day of April, 1989.

Winston Caperton  
Governor