WEST VIRGINIA LEGISLATURE
THIRD EXTRAORDINARY SESSION, 1990

ENROLLED
Committee Substitute for
SENATE BILL NO. 5

(By Senators Pingree, M. President and
Harmon, by Request of the Executive)

PASSED August 26, 1990
In Effect from Passage
AN ACT to amend and reenact article sixteen, chapter five of the code of West Virginia, one thousand nine hundred thirty-one, as amended, relating to the “West Virginia Public Employees Insurance Act”; setting forth a short title and legislative intent; providing definitions; continuing public employees insurance agency; composition of agency; creating the position of director; appointment, qualifications, duties, and responsibilities of director; employees of agency to be included in classified service; establishing expiration date of agency; creating public employees insurance agency finance board; providing for appointment, qualifications, terms and removal of members, compensation and expenses, and expiration date of finance board; director to establish premiums with legislative approval upon termination of the board; establishing powers and duties of finance board; development of initial and future annual financial plans; approval of plans required by actuary; board required to amend plan if in
actuary’s opinion plan will generate insufficient revenues; exempting financial plans from rule-making requirements; employees to be notified of changes in types and levels of costs and benefits; quarterly review of plans and modifications to plan; creating public employees insurance agency advisory board; composition, qualifications, appointment and terms of members; powers and duties of advisory board; reimbursement of expenses of advisory board members; authorizing and requiring director to establish group hospital and surgical insurance, group major medical insurance, group prescription drug insurance, and group life and accidental death insurance plans; requiring the director to make optional group life and accidental death insurance available; rating of employees for claims experience purposes; establishing conditions of insurance program, including reasonable and customary expenses, coordination of benefits, encouraging “wellness” programs and activities; authorizing contracting authority for various group insurance plans; authorizing contracting authority for various group insurance plans for retired employees, their spouses and dependents; statement of benefits to employees; prohibition with respect to fraud or misrepresentations; civil penalties; withholding of benefits; extended insurance coverage after termination or retirement; requiring director to establish program for favorable federal income tax treatment; optional dental, optical, disability and pre-paid retirement plan to be made available by director to employees, with employee to bear full premium cost thereof with separate funds established and required; preferred provider plan or system to be established for reduction of costs, with director authorized to renegotiate contracts in respect thereof; noncoverage of preexisting conditions of injury, sickness, pregnancy or other health condition within specified period prior to effective coverage with exceptions; payment of costs by employer; agency to deposit moneys in a special fund; authorization to accept gifts, grants and matching funds; payment by employers of proportionate share of administrative costs; prohibition against direct or indirect benefitting from contracts by specified officials,
members, or employees, with criminal penalties and exception for certain contracts; participation in insurance program not mandatory, with exceptions; members of Legislature eligible for coverage upon payment of full coverage costs; director to promulgate rules and regulations for administration of article; entitlement of certain retirees and employees to continue coverage; reserve fund for budget excess; required quarterly report by finance board and director to joint committee on government and finance; and severability section.

Be it enacted by the Legislature of West Virginia:

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

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.

§5-16-1. Short title; legislative intent.

1 The short title by which this article may be referred to is “West Virginia Public Employees Insurance Act” and it is the express intent of the Legislature to encourage and promote a uniform partnership relation between all employers and employees participating in the insurance plan or plans formulated under the provisions of this article and constituting the insurance program, and to hereby declare such insurance program to be for a public purpose.

§5-16-2. Definitions.

1 The following words and phrases as used in this article, unless a different meaning is clearly indicated by the context, shall have the following meanings:

4 (1) “Advisory board” means the public employees insurance agency advisory board created by this article.

7 (2) “Agency” means the public employees insurance agency created by this article.

9 (3) “Director” means the director of the public
employees insurance agency, created by this article.

(4) "Employee" means any person, including elected officers, who works regularly full time in the service of the state of West Virginia and, for the purpose of this article only, the term "employee" also means any person, including elected officers, who works regularly full time in the service of a county board of education; a county, city or town in the state; any separate corporation or instrumentality established by one or more counties, cities or towns, as permitted by law; any corporation or instrumentality supported in most part by counties, cities or towns; any public corporation charged by law with the performance of a governmental function and whose jurisdiction is coextensive with one or more counties, cities or towns; any comprehensive community mental health center or comprehensive mental retardation facility established, operated or licensed by the secretary of health and human resources pursuant to section one, article two-a, chapter twenty-seven of this code, and which is supported in part by state, county or municipal funds; any person who works regularly full time in the service of the university of West Virginia board of trustees or the board of directors of the state college system; and any person who works regularly full time in the service of a combined city-county health department created pursuant to article two, chapter sixteen of this code. Any matters of doubt as to who is an employee within the meaning of this article shall be decided by the director.

(5) "Employer" means the state of West Virginia, its boards, agencies, commissions, departments, institutions or spending units; a county board of education; a county, city or town in the state; any separate corporation or instrumentality established by one or more counties, cities or towns, as permitted by law; any corporation or instrumentality supported in most part by counties, cities or towns; any public corporation charged by law with the performance of a governmental function and whose jurisdiction is coextensive with one or more counties, cities or towns; any comprehen-
sive community mental health center or comprehen-
sive mental retardation facility established, operated
or licensed by the secretary of health and human
resources pursuant to section one, article two-a,
chapter twenty-seven of this code, and which is
supported in part by state, county or municipal funds;
and a combined city-county health department created
pursuant to article two, chapter sixteen of this code.
Any matters of doubt as to who is an "employer"
within the meaning of this article shall be decided by
the director. The term "employer" shall not include
within its meaning the national guard.

(6) "Finance board" means the public employees
insurance agency finance board created by this article.

(7) "Retired employee" shall mean an employee of
the state who retired after the twenty-ninth day of
April, one thousand nine hundred seventy-one, and an
employee of the university of West Virginia board of
trustees or the board of directors of the state college
system or a county board of education who retires on
or after the twenty-first day of April, one thousand
nine hundred seventy-two, and all additional eligible
employees who retire on or after the effective date of
this article and meet the minimum eligibility require-
ments for their respective state retirement system:
Provided, That for the purposes of this article such
employees who are not covered by a state retirement
system shall, in the case of education employees, meet
the minimum eligibility requirements of the state
teachers retirement system, and in all other cases,
meet the minimum eligibility requirements of the
public employees retirement system.

§5-16-3. Public employees insurance agency continued;
appointment, qualification, compensation,
and duties of director of agency; employees;
civil service coverage; director vested after
specified date with powers of public
employees insurance board; expiration of
agency.

(a) The public employees insurance agency, hereto-
fore created, is continued, and shall consist of the
director, the finance board, the advisory board and
such employees as may be authorized by law. The
director shall be appointed by the governor, with the
advice and consent of the senate. He or she shall serve
at the will and pleasure of the governor, unless earlier
removed from office for cause as provided by law. The
director shall have at least three years experience in
health insurance administration prior to appointment
as director. The director shall receive an annual salary
established by the governor not to exceed fifty-five
thousand dollars and actual expenses incurred in the
performance of official business. The director shall
employ such administrative, technical and clerical
employees as shall be required for the proper admin-
istration of the insurance programs herein provided.
The director shall perform such duties as are required
of him or her under the provisions of this article and
shall be the chief administrative officer of the public
employees insurance agency.

(b) All positions in the agency, except for the
director and his or her personal secretary, shall be
included in the classified service of the civil service
system pursuant to article six, chapter twenty-nine of
this code. Any person required to be included in the
classified service by the provisions of this subsection
who was employed in any of the positions included
herein on or after the effective date of this article,
shall not be required to take and pass qualifying or
competitive examinations upon or as a condition to
being added to the classified service: Provided, That no
person required to be included in the classified service
by the provisions of this subsection who was employed
in any of the positions included herein as of the
effective date of this section, shall be thereafter
severed, removed or terminated in his or her employ-
ment prior to his or her entry into the classified
service except for cause as if such person had been in
the classified service when severed, removed or
terminated.

(c) The director shall be responsible for the admin-
istration and management of the public employees insurance agency as provided for in this article and in connection therewith shall have the power and authority to make all rules and regulations necessary to effectuate the provisions of this article. Nothing in sections four or five of this article shall limit the director's ability to manage on a day-to-day basis the group insurance plans required or authorized by this article, including, but not limited to, administrative contracting, studies, analyses and audits, eligibility determinations, utilization management provisions and incentives, provider negotiations, provider contracting and payment, designation of covered and noncovered services, offering of additional coverage options or cost containment incentives, pursuit of coordination of benefits and subrogation, or any other actions which would serve to implement the plan or plans designed by the finance board.

(d) The public employees insurance agency shall terminate in the manner provided in section four, article ten, chapter four of this code, on the first day of July, one thousand nine hundred ninety-three, unless extended by legislation enacted before the termination date.

§5-16-4. Public employees insurance agency finance board created; qualifications, terms and removal of members; quorum; compensation and expenses; termination date.

(a) There is hereby created the public employees insurance agency finance board, which shall consist of the director and four members appointed by the governor with the advice and consent of the senate for terms of four years and until the appointment of their successors: Provided, That the members initially appointed by the governor shall be appointed not later than the tenth day of September, one thousand nine hundred ninety, and may serve and may perform the duties required by this article until such time as the senate may convene to give its advice and consent. Of the members first appointed, one shall be appointed for a term of one year; one for two years, one for three
years, and one for four years. Members may be reappointed for successive terms. No more than three members (including the director) may be of the same political party.

(b) Of the four members appointed by the governor, one member shall represent the interests of education employees, one shall represent the interests of public employees and two shall be selected from the public at large. The two members appointed from the public shall each have experience in the financing, development or management of employee benefit programs. No member may be removed from office by the governor except for official misconduct, incompetence, neglect of duty, neglect of fiduciary duty or other specific responsibility imposed by this article, or gross immorality.

(c) The director shall serve as chairperson of the finance board, which shall meet at such time and place as shall be specified by the call of the director or upon the written request to the director of at least two members. Notice of each meeting shall be given in writing to each member by the director at least three days in advance of the meeting. Three members shall constitute a quorum. Members may be compensated fifty dollars for each day or portion of a day actually spent in the performance of their duties and may be reimbursed for reasonable and necessary expenses actually incurred in the performance of their duties.

(d) The finance board shall terminate on the thirtieth day of June, one thousand nine hundred ninety-three, unless extended by legislation enacted before the termination date.

(e) Upon termination of the board and notwithstanding any provisions in this article to the contrary, the director is authorized to assess monthly employee premium contributions and to change the types and levels of costs to employees only in accordance with this subsection. Any assessments or changes in costs imposed pursuant to this subsection shall be implemented by rules and regulations of the director.
promulgated pursuant to the provisions of chapter
twenty-nine-a of this code. Any employee assessments
or costs authorized by the finance board shall remain
in effect until amended by rule or regulation of the
director promulgated pursuant to this subsection.

§5-16-5. Purpose, powers and duties of the finance board;
initial financial plan; financial plan for following year; and annual financial plans.

(a) The purpose of the finance board created by this
article is to bring fiscal stability to the public
employees insurance agency through development of
an annual financial plan designed to meet the agency's
estimated total financial requirements, taking into
account all revenues projected to be made available to
the agency, and apportioning necessary costs equitably
among participating employers, employees and retired
employees and providers of health care services.

(b) The finance board shall retain the services of an
impartial, professional actuary, with demonstrated
experience in analysis of large group health insurance
plans, to estimate the total financial requirements of
the public employees insurance agency for each fiscal
year and to review and render written professional
opinions as to financial plans proposed by the finance
board. The finance board shall also employ the actuary
to develop alternative financing options and to per-
form such other services as may be requested by the
finance board. All reasonable fees and expenses for
actuarial services shall be paid by the public
employees insurance agency. Any financial plan or
modifications to a financial plan approved or proposed
by the finance board pursuant to this section shall be
submitted to and reviewed by the actuary, and may
not be finally approved and submitted to the governor
and to the Legislature without the actuary's written
professional opinion that the plan may be reasonably
expected to generate sufficient revenues to meet all
estimated program and administrative costs of the
agency, excluding incurred but unreported claims, for
the fiscal year for which the plan is proposed. The
actuary's opinion on the initial plan required by
subsection (d) of this section shall allow for a target of forty-five days of accounts payable to be carried over into the next fiscal year. The actuary's opinion on the financial plan for fiscal year one thousand nine hundred ninety-two shall allow for between thirty and forty-five days of accounts payable to be carried over into the next fiscal year. The actuary's opinion on the financial plan for any succeeding fiscal year shall allow for no more than thirty days of accounts payable to be carried over into the next fiscal year. The actuary's opinion for any fiscal year shall not include a requirement for establishment of a reserve fund.

(c) All financial plans required by this section shall include the design of a benefit plan or plans. All financial plans shall establish:

(1) Maximum levels of reimbursement which the public employee insurance agency makes to categories of health care providers;

(2) Any necessary cost containment measures for implementation by the director;

(3) The levels of premium costs to participating employers; and

(4) The types and levels of cost to participating employees and retired employees.

The financial plans may provide for different levels of costs based on the insureds' ability to pay. The financial plans may also include optional alternative benefit plans with alternative types and levels of cost. The finance board may develop policies which encourage the use of West Virginia health care providers.

(d) Initial plan.—The director shall convene the first meeting of the finance board no later than the fifteenth day of September, one thousand nine hundred ninety. For presentation by the director at the first meeting, the governor shall prepare an estimate of the total amount of general and special revenues which the state has or will have available to fund the public employees insurance agency and its programs for the fiscal year ending on the thirtieth day of June, one
The finance board shall prepare, no later than the tenth day of November, one thousand nine hundred ninety, a proposed financial plan designed to generate revenues sufficient to meet all program and administrative costs of the public employees insurance agency which have already been incurred but are unpaid, or which the actuary estimates will be incurred and paid during the remainder of fiscal year one thousand nine hundred ninety-one, excluding incurred but unreported claims. The finance board shall establish in the proposed financial plan a target of forty five days of accounts payable which may be carried over into the next fiscal year.

The finance board shall request its actuary to review the proposed financial plan and to render a written professional opinion stating whether the plan may be reasonably expected to generate sufficient revenues to meet all estimated program and administrative costs of the public employees insurance agency for the fiscal year. The actuary’s report shall explain the basis of his or her opinion. If the actuary concludes that the proposed financial plan will not generate sufficient revenues to meet all anticipated costs, then the finance board shall make necessary modifications to the proposed plan to insure that all actuarily-determined financial requirements of the agency will be met.

Upon obtaining the actuary’s opinion and making all necessary modifications to the proposed plan, the finance board shall conduct two or more public hearings to receive public comment on the proposed financial plan, shall review such comments, and shall finalize and approve the financial plan no later than the twentieth day of November, one thousand nine hundred ninety. Employees shall be notified of any changes in the types and levels of employee costs or benefits contained in the financial plan at least thirty days prior to the date of implementation of the financial plan.

The finance board shall submit to the governor and
to the Legislature the final, approved financial plan no
later than the first day of December, one thousand
ten hundred ninety. The financial plan shall become
effective and shall be implemented by the director on
the first day of January, one thousand nine hundred
ninety-one.

(e) Plan for fiscal year one thousand nine hundred
ninety-two.—No later than the first day of December,
one thousand nine hundred ninety, the governor shall
prepare and provide to the finance board an estimate
of the total amount of general and special revenues
which the state will have available to fund the public
employees insurance agency and its programs for the
fiscal year beginning the first day of July, one thou-
sand nine hundred ninety-one. The finance board shall
request its actuary to estimate the total financial
requirements of the public employees insurance
agency for the fiscal year.

The finance board shall prepare a proposed financial
plan designed to generate revenues sufficient to meet
all estimated program and administrative costs of the
public employees insurance agency for the fiscal year.
The proposed financial plan shall allow for between
thirty and forty-five days of accounts payable to be
carried over into the next fiscal year. Before final
adoption of the proposed financial plan, the finance
board shall request its actuary to review the plan and
to render a written professional opinion stating
whether the plan will generate sufficient revenues to
meet all estimated program and administrative costs of
the public employees insurance agency for the fiscal
year. The actuary's report shall explain the basis of its
opinion. If the actuary concludes that the proposed
financial plan will not generate sufficient revenues to
meet all anticipated costs, then the finance board shall
make necessary modifications to the proposed plan to
insure that all actuarily-determined financial require-
ments of the agency will be met.

Upon obtaining the actuary's opinion, the finance
board shall conduct one or more public hearings in
each congressional district to receive public comment
on the proposed financial plan, shall review such
comments, and shall finalize and approve the financial
plan.

The finance board shall submit to the governor and
to the Legislature its final, approved financial plan for
fiscal year one thousand nine hundred ninety-two,
together with the actuary’s final written opinion, no
later than the first day of May, one thousand nine
hundred ninety-one. The financial plan shall become
effective and shall be implemented by the director on
the first day of July, one thousand nine hundred
ninety-one.

(f) Annual plans.—The finance board shall prepare,
in the manner provided in subsection (e) of this
section, an annual financial plan for fiscal year one
thousand nine hundred ninety-three and each fiscal
year thereafter during which the finance board
remains in existence. Any such financial plan shall be
designed to allow thirty days or less of accounts
payable to be carried over into the next fiscal year.
For each such fiscal year, the governor shall provide
his estimate of total revenues to the finance board no
later than the first day of July of the preceding fiscal
year. The finance board shall submit its final,
approved financial plan, after obtaining the necessary
actuary’s opinion and conducting one or more public
hearings in each congressional district, to the governor
and to the Legislature no later than the first day of
January preceding the fiscal year. The financial plan
for a fiscal year shall become effective and shall be
implemented by the director on the first day of July
of such fiscal year.

(g) The provisions of chapter twenty-nine-a of this
code shall not apply to the preparation, approval and
implementation of the financial plans required by this
section.

(h) The finance board shall meet on at least a
quarterly basis to review implementation of its cur-
rent financial plan in light of the actual experience of
the public employees insurance agency. The board
shall review actual costs incurred, any revised cost estimates provided by the actuary, expenditures, and any other factors affecting the fiscal stability of the plan, and may make any additional modifications to the plan necessary to insure that the total financial requirements of the agency for the current fiscal year are met. The financial board may not change the types and levels of cost to employees during its quarterly review except in the event of a true emergency.

(i) For any fiscal year in which legislative appropriations differ from the governor's estimate of general and special revenues available to the agency, the finance board shall, within thirty days after passage of the budget bill, make any modifications to the plan necessary to insure that the total financial requirements of the agency for the current fiscal year are met.

(j) The types and levels of costs to employers, employees and retired employees participating in public employees insurance agency group insurance plans which are currently in effect on the effective date of this article, are hereby authorized. The types and levels of costs to employees participating in public employees insurance agency group insurance plans which are currently in effect on the effective date of this article, shall remain in effect unless and until changed or authorized to be changed by the finance board in a financial plan prepared and approved in accordance with this section.

§5-16-6. Creation and composition of advisory board; powers and duties of board generally; expenses.

(a) The public employees insurance agency advisory board is hereby created and established to provide advice and make recommendations to the director concerning group hospital and surgical insurance, group major medical insurance, and group life and accidental death insurance for all employees in the manner as hereinafter provided. All business of the advisory board shall be transacted in the name of West Virginia public employees insurance agency advisory board.
(b) The advisory board shall consist of fifteen members who are citizens of the United States and residents of this state as follows: Three members representing licensed health care professionals, health care facilities or other types of health care providers, appointed by the governor, with the advice and consent of the senate; five members either covered by the public employees insurance plans or from organizations representing such employees, one of whom shall represent either retired public employees or retired educators, appointed by the governor, with the advice and consent of the senate, and selected so as to represent as broadly as possible all elements of the employees covered by the plan: Provided, That such members shall not be (1) employees of or contractors to any health care facility, (2) licensed health care professionals, (3) members of the immediate family of licensed health care professionals, or (4) an employee of or contractor to any such licensed health care professionals; the insurance commissioner or his or her designee; one representative of the West Virginia health care cost review authority, appointed by the governor, with the advice and consent of the senate; five members from the public at large appointed by the governor, with the advice and consent of the senate. Members of the board shall be selected to represent, as broadly as possible, the different geographical areas within the state. No more than ten of the fifteen members of the board shall be of the same political party.

Of the members first appointed by the governor to the advisory board, one health care provider member shall be appointed for a term of two years; one health care provider member shall be appointed for a term of four years and one health care provider member shall be appointed for a term of five years; the member who is the representative of the West Virginia health care cost review authority shall be appointed for a term of three years; the five members who are participants in the public employees insurance plan shall be
appointed to terms of one, two, three, four and five years respectively; and the five members who are the public at large shall be appointed to terms of one, two, three, four and five years respectively. Subsequent appointed members shall be appointed to five-year terms except for members appointed to fill vacancies who shall serve for the remainder of the vacant term. Members of the advisory board are eligible for reappointment upon the expiration of their terms but may not serve more than two full five-year terms consecutively. Members' terms shall commence on the first day of September of the year of appointment and end on the thirty-first day of August in the year in which the term expires.

The advisory board shall hold a meeting at least twice each year and shall designate the time and place of such meeting. Nine advisory board members shall constitute a quorum at any meeting of the advisory board. Each advisory board member shall be entitled to one vote on each question before the advisory board. A majority of the quorum present shall be required for a decision by the advisory board at its meetings. The advisory board shall keep a record of its proceedings.

The board shall elect one of its members as chairperson and shall meet at such time and place as shall be specified by the call of the chairman. All meetings shall be open to the public. Notice of each meeting shall be given in writing to each member by the director at least three days in advance of the meeting period.

The advisory board shall be responsible for advising and making recommendations to the director regarding the administration and management of the public employees insurance agency as provided for in this article. Under no circumstances, however, will the decisions, advice or recommendations of the advisory board be controlling or binding on the director.

No member of the advisory board shall receive any compensation for serving as such; however, each
member of the advisory board shall be reimbursed for all reasonable and necessary expenses actually incurred by him or her in carrying out his or her duties as a member of the advisory board.

§5-16-7. Authorization to establish group hospital and surgical insurance plan, group major medical insurance plan, group prescription drug plan and group life and accidental death insurance plan; rules and regulations for administration of plans; what plans may provide; optional plans; separate rating for claims experience purposes.

The agency shall establish a group hospital and surgical insurance plan or plans, a group prescription drug insurance plan or plans, a group major medical insurance plan or plans, and a group life and accidental death insurance plan or plans for those employees herein made eligible, and to establish and promulgate rules and regulations for the administration of such plans, subject to the limitations contained in this article. Such plans may also include, among other things, medicines, medical equipment, prosthetic appliances, and such other inpatient and outpatient services and expenses deemed appropriate and desirable by the agency.

The agency shall make available to each employee herein made eligible, at full cost to the employee, the opportunity to purchase optional group life and accidental death insurance in an amount not to exceed fifty thousand dollars for life insurance and fifty thousand dollars for accidental death insurance as established under the rules and regulations of the agency. In addition, each employee shall be entitled to have his spouse and dependents, as defined by the rules and regulations of the agency, included in such optional coverage, at full cost to the employee, in an amount not to exceed five thousand dollars for life insurance and five thousand dollars for accidental death insurance for the spouse and not to exceed two thousand dollars in life insurance and two thousand dollars in accidental death insurance for each eligible
dependent; and with full authorization hereby to the
agency to make the same available and provide such
opportunity of purchase to each employee.

The finance board may cause to be separately rated
for claims experience purposes (1) all employees of the
state of West Virginia, (2) all teaching and professional
employees of the university of West Virginia board of
trustees or the board of directors of the state college
system and county boards of education, (3) all non-
teaching employees of the university of West Virginia
board of trustees or the board of directors of the state
college system and county boards of education, or (4)
any other categorization which would ensure the
stability of the overall program.

§5-16-8. Conditions of insurance program.

1 The insurance plans herein provided for shall be
designed by the public employees insurance agency:

1 (1) To provide a reasonable relationship between the
hospital, surgical, medical, and prescription drug
benefits to be included and the expected reasonable
and customary hospital, surgical, medical and prescrip-
tion drug expenses as established by the director to be
incurred by the affected employee, his or her spouse
and his or her dependents. The establishment of
reasonable and customary expenses by the public
employees insurance agency pursuant to the preceding
sentence is not subject to the state administrative
procedures act in chapter twenty-nine-a of this code.

1 (2) To include reasonable controls which may
include deductible and coinsurance provisions applica-
tible to some or all of the benefits, and shall include
other provisions, including, but not limited to, copay-
ments, preadmission certification, case management
programs, and preferred provider arrangements.

1 (3) To prevent unnecessary utilization of the various
hospital, surgical, medical and prescription drug
services available.

1 (4) To provide reasonable assurance of stability in
future years for the plans.
(5) To provide major medical insurance for said employees.

(6) To provide certain group life and accidental death insurance for the employees covered under this article.

(7) To include provisions for the coordination of benefits payable by the terms of such plans with the benefits to which such employee, or his or her spouse or his or her dependents may be entitled by the provisions of any other group hospital, surgical, medical, major medical, or prescription drug insurance or any combination thereof.

(8) To provide a cash incentive plan for employees, spouses, and dependents by the thirty-first day of December, one thousand nine hundred eighty-eight, to increase utilization of, and to encourage the use of, lower cost alternative health care facilities, health care providers and generic drugs. Such plan shall be reviewed annually by the director and the advisory board.

(9) To provide “wellness” programs and activities which will include, but not be limited to, benefit plan incentives to discourage tobacco, alcohol and chemical abuse and an educational program to encourage proper diet and exercise. In establishing “wellness” programs, the division of vocational rehabilitation shall cooperate with the public employees insurance agency in establishing statewide wellness programs and with such division of vocational rehabilitation to contact county boards of education for the use of facilities, equipment or any service related to such purpose, at the request of the director, under the authority hereby granted to contract therefor. Boards of education shall be limited to charging only the cost of janitorial service and increased utilities for the use of the gymnasium and related equipment. The cost of the exercise program shall be paid by county boards of education, the public employees insurance agency, or participating employees, their spouses or dependents. All exercise programs shall be made available to all
employees, their spouses or dependents and shall not be limited to employees of county boards of education.

(10) To provide a program, to be administered by the director, for a patient audit plan with reimbursement up to a maximum of one thousand dollars annually, to employees for discovery of health care provider or hospital overcharges when the affected employee brings such overcharge to the attention of the plan. The hospital or health care provider shall certify to the director that it has provided, prior to or simultaneously with the submission of the statement of charges for payments, an itemized statement of the charges to the employee participant for which payment is requested of the plan.

(11) To require that all employers give written notice to each covered employee prior to institution of any changes in benefits to employees, and to include appropriate penalty for any employer not providing the required information to any employee.

§5-16-9. Authorization to execute contracts for group hospital and surgical insurance, group major medical insurance, group prescription drug insurance, group life and accidental death insurance and other accidental death insurance; limitations; awarding of contracts; reinsurance; certificates for covered employees; discontinuance of contracts.

The director is hereby given exclusive authorization to execute such contract or contracts as are necessary to carry out the provisions of this article and to provide the plan or plans of group hospital and surgical insurance coverage, group major medical insurance coverage, group prescription drug insurance coverage and group life and accidental death insurance coverage selected in accordance with the provisions of this article, such contract or contracts to be executed with one or more agencies, corporations, insurance companies or service organizations licensed to sell group hospital and surgical insurance, group major medical insurance, group prescription drug insurance
and group life and accidental death insurance in this state.

The group life and accidental death insurance herein provided for shall be in the amount of ten thousand dollars for every employee. The amount of the group life and accidental death insurance to which an employee would otherwise be entitled shall be reduced to five thousand dollars upon such employee attaining age sixty-five.

All of the insurance coverage to be provided for under this article may be included in one or more similar contracts issued by the same or different carriers.

The provisions of article three, chapter five-a of this code, relating to the division of purchases of the department of finance and administration, shall not apply to any contracts for any insurance coverage or professional services authorized to be executed under the provisions of this article. Before entering into any contract for any insurance coverage, as herein authorized, said director shall invite competent bids from all qualified and licensed insurance companies or carriers, who may wish to offer plans for the insurance coverage desired. The director shall deal directly with insurers in presenting specifications and receiving quotations for bid purposes. No commission or finder's fee, or any combination thereof, shall be paid to any individual or agent; but this shall not preclude an underwriting insurance company or companies, at their own expense, from appointing a licensed resident agent, within this state, to service the companies' contracts awarded under the provisions of this article. Commissions reasonably related to actual service rendered for such agent or agents may be paid by the underwriting company or companies: Provided, That in no event shall payment be made to any agent or agents when no actual services are rendered or performed. The director shall award such contract or contracts on a competitive basis. In awarding the contract or contracts the director shall take into account the experience of the offering agency, corpo-
ration, insurance company or service organization in the group hospital and surgical insurance field, group major medical insurance field, group prescription drug field and group life and accidental death insurance field, and its facilities for the handling of claims. In evaluating these factors, the director may employ the services of impartial, professional insurance analysts or actuaries or both. Any contract executed by the director with a selected carrier shall be a contract to govern all eligible employees subject to the provisions of this article. Nothing contained in this article shall prohibit any insurance carrier from soliciting employees covered hereunder to purchase additional hospital and surgical, major medical or life and accidental death insurance coverage.

The director may authorize the carrier with whom a primary contract is executed to reinsure portions of such contract with other carriers which elect to be a reinsurer and who are legally qualified to enter into a reinsurance agreement under the laws of this state.

Each employee who is covered under any such contract or contracts shall receive a statement of benefits to which such employee, his or her spouse and his or her dependents are entitled thereunder, setting forth such information as to whom such benefits shall be payable, to whom claims shall be submitted, and a summary of the provisions of any such contract or contracts as they affect the employee, his or her spouse and his or her dependents.

The director may at the end of any contract period discontinue any contract or contracts it has executed with any carrier and replace the same with a contract or contracts with any other carrier or carriers meeting the requirements of this article.

§5-16-10. Contract provisions for group hospital and surgical, group major medical, group prescription drug and group life and accidental death insurance for retired employees, their spouses and dependents.

Any contract or contracts entered into hereunder
may provide for group hospital and surgical, group major medical, group prescription drug and group life and accidental death insurance for retired employees and their spouses and dependents as defined by rules and regulations of the public employees insurance agency, and on such terms as the director may deem appropriate.

In the event the public employees insurance agency provides the above benefits for retired employees, their spouses and dependents, the public employees insurance agency shall adopt rules and regulations prescribing the conditions under which retired employees may elect to participate in or withdraw from the plan or plans. Any contract or contracts herein provided for shall be secondary to any hospital, surgical, major medical, prescription drug or other health insurance plan administered by the United States department of health and human services to which the retired employee, spouse or dependent may be eligible under any law or regulation of the United States.

§5-16-11. To whom benefits paid.

Any benefits payable under any group hospital and surgical, group major medical and group prescription drug plan or plans may be paid either directly to the attending physician, hospital, medical group, or other person, firm, association or corporation furnishing the service upon which the claim is based, or to the insured upon presentation of valid bills for such service, subject to such provisions designed to facilitate payments as may be made by the director.

§5-16-12. Misrepresentation by employee or provider; penalty.

Any person who knowingly secures or attempts to secure benefits payable under this article to which the person is not entitled, or who knowingly secures or attempts to secure greater benefits than those to which the person is entitled, by willfully misrepresenting the presence or extent of benefits to which the person is entitled under a collateral insurance source,
or by willfully misrepresenting any material fact relating to any other information requested by the director or by willfully overcharging for services provided, or by willfully misrepresenting the diagnosis or nature of the service provided, may be found to be overpaid and shall be civilly liable for any overpayment. In addition to the civil remedy provided herein, the director shall withhold payment of any benefits due to that person until any overpayment has been recovered or may directly set off, after holding internal administrative proceedings to assure due process, any such overcharges or improperly derived payment against benefits due such person hereunder. Nothing in this section shall be construed to limit any other remedy or civil or criminal penalty provided by law.

§5-16-13. Payment of costs by employer and employee; coverage for employee's spouse and dependents generally; short term continuance of coverage for involuntary employee termination; extended insurance coverage for retired employees with accrued annual leave and sick leave; increased retirement benefits for retired employees with accrued annual and sick leave; additional eligible retired employees; option for health insurance coverage without life insurance coverage made available to retirees; health insurance for surviving dependents of deceased employees.

(a) The director is hereby authorized to provide under any contract or contracts entered into under the provisions of this article that the costs of any such group hospital and surgical insurance, group major medical insurance, group prescription drug insurance, group life and accidental death insurance benefit plan or plans may be paid by the employer and employee. In addition, each employee shall be entitled to have his or her spouse and dependents, as defined by the rules and regulations of the public employees insurance agency, included in any group hospital and surgical insurance, group major medical insurance or
group prescription drug insurance coverage: Provided,
That such spouse and dependent coverage shall be
limited to excess or secondary coverage for each
spouse and dependent who has primary coverage from
any other source. For purposes of this section, the
term “primary coverage” means individual or group
hospital and surgical insurance coverage or individual
or group major medical insurance coverage or group
prescription drug coverage in which the spouse or
dependent is the named insured or certificate holder.
The director may require proof regarding spouse and
dependent primary coverage and shall adopt rules and
regulations governing the nature, discontinuance and
resumption of any employee's coverage for his or her
spouse and dependents.

(b) Should a participating employee be terminated
from employment involuntarily or in reduction of
work force, the employee's insurance coverage pro-
vided under this article shall continue for a period of
three months at no additional cost to the employee:
Provided, That an employee discharged for misconduct
shall not be eligible for extended benefits under this
section: Provided, however, That coverage may be
extended up to the maximum period of three months,
while administrative remedies contesting the charge of
misconduct are pursued: Provided further, That
should the discharge for misconduct be upheld, the
full cost of the extended coverage shall be reimbursed
by the employee. If the employee is again employed or
recalled to active employment within twelve months
of his prior termination, he or she shall not be
considered a new enrollee and shall not be required to
again contribute his or her share of the premium cost,
if he or she had already fully contributed such share
during the prior period of employment.

(c) Except as otherwise provided in subsection (f) for
higher education full-time faculty employed on an
annual contract basis other than for twelve months,
when a participating employee, who has elected to
participate in the plan before the first day of July, one
thousand nine hundred eighty-eight, is compelled or
required by law to retire before reaching the age of sixty-five, or when a participating employee voluntarily retires as provided by law, that employee's accrued annual leave and sick leave, if any, shall be credited toward an extension of the insurance coverage provided by this article, according to the following formulae: Such insurance coverage for a retired employee shall continue one additional month for every two days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his or her retirement. For a retired employee, his or her spouse and dependents, such insurance coverage shall continue one additional month for every three days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his retirement.

(d) Notwithstanding the preceding subsection, except as otherwise provided in subsection (f) for higher education full-time faculty employed on an annual contract basis other than for twelve months, when a participating employee who elects to participate in the plan on and after the first day of July, one thousand nine hundred eighty-eight, is compelled or required by law to retire before reaching the age of sixty-five, or when such a participating employee voluntarily retires as provided by law, that employee's annual leave or sick leave, if any, shall be credited toward one-half of the premium cost of the insurance provided by this article, for periods and scope of coverage determined according to the following formulae: (1) One additional month of single retiree coverage for every two days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his or her retirement; (2) One additional month of coverage for a retiree, his or her spouse and dependents for every three days of annual leave or sick leave, or both, which the employee had accrued as of the effective date of his or her retirement. The remaining premium cost shall be borne by such retired employee if he or she elects such coverage. For purposes of this subsection, an employee who has been a participant under spouse or dependent coverage and who reenters the
An employee after returning from extended authorized leave on or after the first day of July, one thousand nine hundred eighty-eight.

(e) In the alternative to the extension of insurance coverage through premium payment provided in the two preceding subsections, on and after the first day of July, one thousand nine hundred eighty-eight, the participating employee's accrued annual leave and sick leave may be applied, on the basis of two days retirement service credit for each one day of accrued annual and sick leave, toward an increase in the employee's retirement benefits with such days constituting additional credited service in computation of such benefits under any state retirement system. However, such credited service shall not be used in meeting initial eligibility for retirement criteria, but only as additional service credited in excess thereof.

(f) When a participating employee, who is a higher education full-time faculty member employed on an annual contract basis other than for twelve months, is compelled or required by law to retire, on or after the first day of August, one thousand nine hundred eighty-eight, before reaching the age of sixty-five, or when such a participating employee voluntarily retires as provided by law, on or after the first day of August, one thousand nine hundred eighty-eight, that employee's insurance coverage, as provided by this article, shall be extended according to the following formulae: Such insurance coverage for a retired higher education full-time faculty member, formerly employed on an annual contract basis other than for twelve months, shall continue beyond the effective date of his or her retirement one additional year for each three and one-third years of teaching service, as determined by uniform guidelines established by the university of West Virginia board of trustees and the
board of directors of the state college system, for individual coverage, or one additional year for each five years of teaching service for "family" coverage.

(g) Any employee who retired prior to the twenty-first day of April, one thousand nine hundred seventy-two, and who also otherwise meets the conditions of the "retired employee" definition in section two of this article, shall be eligible for insurance coverage under the same terms and provisions of this article. The premium cost for any such coverage as established by the finance board shall be borne by such retired employee.

(h) All retirees under the provisions of this article, including those defined in section two of this article; those retiring prior to the twenty-first day of April, one thousand nine hundred seventy-two; and those hereafter retiring, shall be eligible for and permitted to obtain health insurance coverage. The premium cost for any such coverage as established by the finance board, shall be borne by such retired employee.

(i) A surviving spouse and dependents of a deceased employee, who was either an active or retired employee just prior to such decease, shall be entitled to be included in any group insurance coverage provided under this article, and such spouse and dependents shall bear the premium cost of such insurance coverage. The finance board shall establish the premium cost of any such coverage.

(j) In construing the provisions of this section or any other provisions of this code, the Legislature declares that it is not now nor has it ever been the Legislature's intent that elected public officials be provided any sick leave, annual leave or personal leave, and the enactment of this section is based upon the fact and assumption that no statutory or inherent authority exists extending sick leave, annual leave or personal leave to elected public officials and the very nature of such positions preclude the arising or accumulation of such, so as to be thereafter usable as premium paying credits for which such officials may claim extended
177 insurance benefits.


The director shall develop, implement and have in place by the thirty-first day of December, one thousand nine hundred ninety, deductible and employee premium programs which qualify for favorable federal income tax treatment under section 125 of the Internal Revenue Code.


On and after the first day of July, one thousand nine hundred eighty-nine, the director shall make available to participants in the public employees insurance system (1) a dental insurance plan; (2) an optical insurance plan; (3) a disability insurance plan; and (4) a prepaid retirement insurance plan. Public employees insurance participants may elect to participate in any one of these plans separately or in combination. Notwithstanding anything in this article to the contrary, all actuarial and administrative costs of each plan shall be totally borne by the premium payments of the participants or local governing bodies electing to participate in that plan. The director is authorized to employ such administrative practices and procedures with respect to these optional plans as are authorized for the administration of other plans under this article. The director shall establish separate funds (1) for deposit of dental insurance premiums and payment of dental insurance claims, (2) for deposit of optical insurance premium payments and payment of optical insurance claims, (3) for deposit of disability insurance premium payments and payment of disability insurance claims. Such funds shall not be supplemented by nor be used to supplement any other funds.

§5-16-16. Preferred provider plan.

The director shall, on or before the first day of April, one thousand nine hundred eighty-eight, or as soon as practicable, establish a preferred provider system for
the delivery of health care to plan participants by all
health care providers, which may include, but not be
limited to, medical doctors, chiropractors, physicians,
osteopathic physicians, surgeons, hospitals, clinics,
nursing homes, pharmacies and pharmaceutical
companies.

The director shall establish the terms of the pre-
ferred provider system and the incentives therefor.
The terms and incentives may include multi-year
renewal options as are not prohibited by the constitu-
tion of this state.

§5-16-17. Preexisting conditions not covered; defined.

A preexisting condition is an injury, sickness or
pregnancy, or any condition relating to that injury,
sickness or pregnancy, for which a participant is
diagnosed, receives treatment, or incurs expenses
within three months prior to the effective date of
coverage: Provided, That a preexisting condition shall
not include a condition which meets the definition of
handicap as provided in section three, article eleven,
chapter five of this code.

For all participants enrolling in the plan after the
effective date of this section, no payment shall be
made for expenses incurred for or in connection with
a preexisting condition unless the expenses are
incurred after the expiration of a one-year period
during which the participant is continuously partici-
pating in the plan: Provided, That these provisions
shall not apply to employees who return from
extended authorized leave on or after the effective
date of this section.

§5-16-18. Payment of costs by employer; schedule of insur-
ance; special funds created; duties of trea-
surer with respect thereto.

All employers operating from state general revenue
or special revenue funds or federal funds or any
combination thereof shall budget the cost of insurance
coverage provided by the public employees insurance
agency to current and retired employees of the
employer as a separate line item, titled PEI, in its respective annual budget and shall be responsible for the transfer of funds to the director for the cost of insurance for employees covered by the plan. Each spending unit shall pay to the director its proportionate share from each source of funds. Any agency wishing to charge general revenue funds for insurance benefits for retirees under section thirteen of this article must provide documentation to the director that such benefits cannot be paid for by any special revenue account or that the retiring employee has been paid solely with general revenue funds for twelve months prior to retirement.

All other employers not operating from the state general revenue fund shall pay to the director their share of premium costs from their respective budgets. The finance board shall establish such employers' share of premium costs to reflect and pay the actual costs of such coverage including incurred but not reported claims.

The contribution of such other employers (namely: a county, city or town in the state; any separate corporation or instrumentality established by one or more counties, cities or towns, as permitted by law; any corporation or instrumentality supported in most part by counties, cities or towns; any public corporation charged by law with the performance of a governmental function and whose jurisdiction is coextensive with one or more counties, cities or towns; any comprehensive community mental health center or comprehensive mental retardation facility established, operated or licensed by the secretary of health and human resources pursuant to section one, article two-a, chapter twenty-seven of this code, and which is supported in part by state, county or municipal funds; and a combined city-county health department created pursuant to article two, chapter sixteen of the code) for their employees shall be such percentage of the cost of the employees' insurance package as the employers deem reasonable and proper under their own particular circumstances.
The employee's proportionate share of the premium or cost shall be withheld or deducted by the employer from such employee's salary or wages as and when paid and such sums shall be forwarded to the director with such supporting data as the director may require.

All moneys received by the public employees insurance agency shall be deposited in a special fund or funds as are necessary in the state treasury and the treasurer of the state shall be custodian of such fund or funds and shall administer such fund or funds in accordance with the provisions of this article or as the director may from time to time direct. The treasurer shall pay all warrants issued by the state auditor against such fund or funds as the director may direct in accordance with the provisions of this article. On and after the first day of July, one thousand nine hundred eighty-eight, all payments previously required to be made to the public employees insurance board shall be made to the public employees insurance agency.

§5-16-19. Authorization to take advantage of acts of congress, accept gifts, grants and matching funds.

The public employees insurance agency is authorized to take full advantage of the benefits and provisions of any acts of congress and to accept any and all gifts, grants and matching funds, whether in the form of money or services.

§5-16-20. Expense fund.

The Legislature shall annually appropriate such sums as may be necessary to pay the proportionate share of the administrative costs for the state as an employer, and each division, agency, board, commission or department of the state which operates out of special revenue funds or federal funds or both shall pay its proportionate share of the administrative costs of the insurance plan or plans authorized under the provisions of this article. All other employers not operating from the state general revenue fund shall pay their proportionate share of the administrative
§5-16-21. No member or employee of public employees insurance agency shall gain directly or indirectly from any contract or contracts provided for hereunder; criminal penalties.

No elected or appointed official of the state of West Virginia; nor any member, officer, or employee of the Legislature; nor any officer, agent, servant or employee in the executive branch of state government shall have any interest, direct or indirect, in the gain or profits arising from any contract or contracts provided for in this article. Any such person who shall gain, directly or indirectly, from any contract or contracts herein provided for, except as an insured beneficiary thereof, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by a fine not exceeding one thousand dollars, or by imprisonment in the county jail for a period not exceeding one year, or by both, in the discretion of the court:

Provided, That nothing in this section shall be construed to prohibit an elected or appointed official of this state, nor an employee of the legislative, judicial or executive branches from providing health care or entering into contracts provided for in section seventeen of this article.

§5-16-22. Permissive participation; exemptions.

The provisions of this article shall not be mandatory upon any employee or employer who is not an employee of or is not the state of West Virginia, its boards, agencies, commissions, departments, institutions or spending units or a county board of education, and nothing contained in this article shall be construed so as to compel any employee or employer to enroll in or subscribe to, any insurance plan authorized by the provisions of this article.

Those employees enrolled in the insurance program authorized under the provisions of article two-b, chapter twenty-one-a of this code shall not be required to enroll in or subscribe to an insurance plan or plans.
authorized by the provisions of this article, and the
employees of any department which has an existing
insurance program for its employees to which the
government of the United States contributes any part
or all of the premium or cost thereof may be exemp-
ted from the provisions of this article. Any employee
or employer exempted under the provisions of this
paragraph may enroll in any insurance program
authorized by the provisions of this article at any time,
to the same extent as any other qualified employee or
employer, but any such employee or employer shall
not remain enrolled in both such programs. The
provisions of articles fourteen, fifteen and sixteen,
chapter thirty-three of this code, relating to group life
insurance, accident and sickness insurance, and group
accident and sickness insurance, shall not be applicable
to the provisions of this article whenever the provi-
sions of said articles and chapter are in conflict with
or contrary to any provision set forth herein or to any
plan or plans established by the public employees
insurance agency.

Employers, other than the state of West Virginia, its
boards, agencies, commissions, departments, institu-
tions, spending units, or a county board of education
shall be exempt from participating in the insurance
program provided for by the provisions of this article
unless participation by the employer has been
approved by a majority vote of the employer's govern-
ing body. It shall be the duty of the clerk or secretary
of the governing body of an employer who by such
majority vote becomes a participant in the insurance
program to notify the director not later than ten days
after such vote.

§5-16-23. Members of Legislature may be covered, if cost of
the entire coverage is paid by such members.

Notwithstanding the definition of the term
"employee" contained in section two of this article and
notwithstanding any other provision of this article to
the contrary, members of the Legislature may partic-
ipate in and be covered by any insurance plan or plans
authorized hereunder for state officers and employees,
except that all members of the Legislature who elect to participate in or to be covered by any such plan or plans shall pay their proportionate individual share of the full cost for all group coverage on themselves and their spouses and dependents, so that there will be no cost to the state for the coverage of any such members, spouses and dependents.

§5-16-24. Rules and regulations for administration of article; eligibility of certain retired employees and dependents of deceased members for coverage; employees on medical leave of absence entitled to coverage; life insurance.

The director shall promulgate such rules and regulations as may be required for the effective administration of the provisions of this article. Except as specifically provided in subsection (e), section four of this article, all rules and regulations of the public employees insurance agency and all hearings held by the public employees insurance agency shall be exempt from the provisions of chapter twenty-nine-a of this code. Any rules and regulations now in existence promulgated by the public employees insurance board or director shall remain in full force and effect until they are amended or replaced by the director.

Such regulations shall provide that any employee of the state who has been compelled or required by law to retire before reaching the age of sixty-five years shall be eligible to participate in the public employees' health insurance program at his own expense for the cost of coverage after any extended coverage to which he, his spouse and dependents may be entitled by virtue of his accrued annual leave or sick leave, pursuant to the provisions of section thirteen of this article, has expired. Any employee who voluntarily retires, as provided by law, shall be eligible to participate in the public employees' health insurance program at his own expense for the cost of coverage after any extended coverage to which he, his spouse and dependents may be entitled by virtue of his accrued annual leave or sick leave, pursuant to the provisions of section thirteen of this article, has
expired. The dependents of any deceased retired
employee shall be entitled to continue their participa-
tion and coverage upon payment of the total cost for
such coverage.

Any employee who is on a medical leave of absence,
approved by his employer, shall, subject to the follow-
ing provisions of this paragraph, be entitled to con-
tinue his coverage until he returns to his employment,
and such employee and employer shall continue to pay
their proportionate share of premium costs as pro-
vided by this article: Provided, That the employer
shall be obligated to pay its proportionate share of the
premium cost only for a period of one year: Provided,
however, That during the period of such leave of
absence, the employee shall, at least once each month,
submit to the employer the statement of a qualified
physician certifying that the employee is unable to
return to work.

Any retiree, retiring heretofore or hereafter, shall
be eligible to participate in the public employees' life
insurance program, including the optional life insur-
ance coverage as already available to active employees
under this article, at his own expense for the cost of
coverage, based upon actuarial experience; and the
director shall prepare, by rule and regulation, for such
participation and coverages under declining term
insurance and optional additional coverage for such
retirees.

§5-16-25. Reserve fund.

In the event that the budgeted allocation to the
public employees insurance agency exceeds actual
costs in any given month, the director shall deposit
those moneys in a reserve fund maintained by the
public employees insurance board or director, for the
exclusive purpose of offsetting any future increases in
group insurance plan costs.

§5-16-26. Quarterly report.

By the thirtieth day of October, one thousand nine
hundred ninety-one, and on or before the thirtieth day
of January, April, July and October of each year thereafter, the director shall prepare for the approval of the finance board, and thereafter present to the joint committee on government and finance a quarterly report setting forth:

(a) A summary of the cost to the plan of health care claims incurred in the preceding calendar quarter;

(b) A summary of the funds accrued to the plan by legislative appropriation, employer and employee premiums or otherwise in the preceding calendar quarter for payment of health care claims;

(c) An explanation of all cost containment measures, increased premium rates and any other plan changes adopted by the director in the preceding calendar quarter and estimated cost savings and enhanced revenues resulting therefrom, and a certification that the director made a good faith effort to develop and implement all reasonable health care cost containment alternatives;

(d) Expected claim costs for the next calendar year;

(e) Such other information as the director deems appropriate; and

(f) Any other financial or other information as may be requested by the joint committee on government and finance.

§5-16-27. Severability.

If any provision of this article or the application thereof to any person or circumstance is held unconstitutional or invalid, such unconstitutionality or invalidity shall not affect other provisions or applications of the article, and to this end the provisions of this article are declared to be severable.
The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originated in the Senate.

In effect from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker House of Delegates

The within is approved this the __________ day of ________, 1990.

Governor