

WEST VIRGINIA LEGISLATURE
REGULAR SESSION, 1990

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ENROLLED

Committee Substitute for
SENATE BILL NO. 507

(By Senators *Thomas and Blatnik*)

PASSED *March 9,* 1990

In Effect *from* Passage

ENROLLED
COMMITTEE SUBSTITUTE
FOR
Senate Bill No. 507

(BY SENATORS THOMAS AND BLATNIK, *original sponsors*)

[Passed March 9, 1990; 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 continuing provisions regarding the reimbursement of capital costs for certain health care facilities financed by public bonded indebtedness and limiting the amount of reimbursement.

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
- 2 of health care facilities have been financed by public
- 3 bonded indebtedness, and as a result of policies, rules

4 and standards which may be in conflict, the facilities
5 and the health and welfare of those citizens served by
6 such facilities are in jeopardy. The provisions of
7 subsection (b) are enacted for the purpose of address-
8 ing this as a short term solution. The provisions of
9 subsection (d) are enacted for the purpose of further
10 addressing such conflicting policies, rules and
11 standards.

12 (b) As to any health care facility licensed under
13 article five-c, chapter sixteen of this code, constructed
14 after the first day of April, one thousand nine hundred
15 eighty-one, and affected on or after that date by the
16 reimbursement methodology implemented by the
17 department regarding standard appraised value, begin-
18 ning on the first day of April, one thousand nine
19 hundred eighty-eight, and for a two-year period only,
20 ending on the thirty-first day of March, one thousand
21 nine hundred ninety, all in compliance with federal
22 rules and regulations, the department shall reimburse
23 such health care facilities no less than any actual
24 annual capital costs including, but not limited to, debt
25 service, lease payments or costs of comparable financ-
26 ing arrangements incurred in connection with any
27 capital expenditure approved pursuant to article two-
28 d, chapter sixteen of this code or any rule promulgated
29 thereunder or in conjunction with the financing of
30 such capital expenditure pursuant to article two-c,
31 chapter thirteen of this code, whichever is greater; and
32 in no event, for the purpose of reimbursement of such
33 capital costs, may the value of any health care facility
34 licensed pursuant to article five-c, chapter sixteen of
35 this code be deemed to be less than the greater of the
36 aggregate principal amount of any public bond issue
37 undertaken pursuant to the provisions of article two-
38 c, chapter thirteen of this code or the maximum
39 capital expenditure approved pursuant to article two-
40 d, chapter sixteen of this code or any rule promulgated
41 thereunder, and any appraisal made by the depart-
42 ment in connection therewith shall include costs
43 related to the financing of the bond issue or the
44 maximum capital expenditure approved pursuant to
45 article two-d, chapter sixteen of this code, as applica-

46 ble: *Provided*, That said values may be reduced by (A)
47 any functional obsolescence which is determined and
48 identified annually pursuant to any rule promulgated
49 hereunder and (B) the pro rata share of such value
50 which is attributable to capital expenditures incurred
51 with respect to facilities which provide services which
52 are not eligible for reimbursement under Title XIX of
53 the social security act: *Provided, however*, That the
54 department may not exceed the medicare upper
55 payment limit for medicaid in making any reimburse-
56 ment pursuant to this section.

57 As to any health care facility constructed after the
58 first day of April, one thousand nine hundred eighty-
59 one, and affected on or after that date by the reimbur-
60 sement methodology implemented by the department
61 regarding standard appraised value, with respect to
62 reimbursement to the state by such health care facility
63 arising from adjustment of projected rates, the depart-
64 ment shall provide for the adjustment of projected
65 rates based upon values which are consistent with the
66 provisions of this section and based upon the actual
67 occupancy experience of the health care facility during
68 the projected rate period, all in compliance with
69 federal rules and regulations.

70 (c) The medicaid payments that a long-term care
71 facility would otherwise receive may not be reduced
72 in any manner as a result of the operation of this
73 section.

74 (d) For the rate setting cycle beginning on the first
75 day of April, one thousand nine hundred ninety, and
76 for a period ending on the first day of July, one
77 thousand nine hundred ninety-two, the department
78 shall reimburse health care facilities described in
79 subsection (b), with sixty or more licensed beds, for
80 actual annual capital costs in the manner prescribed in
81 subsection (b): *Provided*, That the capital costs reim-
82 bursement attributable to subsection (b) of this sec-
83 tion, may not exceed the medicare upper payment
84 limit based upon presumed occupancy of ninety
85 percent or actual occupancy of the facility, whichever
86 is greater: *Provided, however*, That any capital cost

87 reimbursement attributable to the computation made
88 pursuant to the provisions of this subsection (d) shall
89 not exceed the per patient day cost of capital as
90 computed under the rules of the department, without
91 reference to this section, plus six dollars per patient
92 day. Requests for information from the department
93 regarding reimbursement pursuant to this subsection
94 (d) shall be completed and submitted to the depart-
95 ment not later than sixty days subsequent to the
96 receipt of the department's request by the facility.

97 The department shall provide for the adjustment of
98 projected rates for health care facilities described in
99 subsection (b), with sixty or more licensed beds, in the
100 manner prescribed in subsection (b).

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

Melvin L. Parker
.....
Chairman Senate Committee

Bernard V. Kelly
.....
Chairman House Committee

Originated in the Senate.

In effect from passage.

Russell W. Helms
.....
Clerk of the Senate

Donald L. Kopp
.....
Clerk of the House of Delegates

Bill Duntelle
.....
President of the Senate

Bob Chamber
.....
Speaker House of Delegates

The within *is approved*.....this the *3rd*.....
day of *March*.....1990.

Justin Caperton
.....
Governor

PRESENTED TO THE

GOVERNOR

Date 3/16/90

Time 3:57 pm