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SECRETARY OF STATE

WEST VIRGINIA LEGISLATURE

SECOND REGULAR SESSION, 1992

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ENROLLED

Com. Sub. for
HOUSE BILL No. 4184

(By Delegates Lane + Kiss)

— ● —

Passed March 6, 1992

In Effect ninety Days From Passage

ENROLLED
COMMITTEE SUBSTITUTE
FOR
H. B. 4184
(By DELEGATES LANE AND KISS)

[Passed March 6, 1992; in effect ninety days from passage.]

AN ACT to amend chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new article, designated article fifteen-b; to amend and reenact section four, article twenty-four; section six, article twenty-five; and section twenty-four, article twenty-five-a of said chapter, all relating to health care administration; creating the uniform health care administration act; setting forth policies and procedures; authorizing the insurance commissioner to promulgate legislative rules; creating an advisory panel; creating a compliance period; reserving rights to additional information; and requiring the participation of certain health care providers, insurers, health care corporations and other such agencies.

Be it enacted by the Legislature of West Virginia:

That chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, be amended by adding thereto a new article, designated article fifteen-b; and that section four, article twenty-four; section six, article twenty-five; and section twenty-four, article twenty-five-a of said chapter be amended and reenacted, all to read as follows:

CHAPTER 33. INSURANCE.

ARTICLE 15B. UNIFORM HEALTH CARE ADMINISTRATION ACT.

§33-15B-1. Policy provisions.

1 The Legislature hereby finds that there is a need to
2 provide guidelines regarding uniform health care
3 administration in order to best serve consumers, health
4 care providers and insurers and to organize and
5 streamline the claims process. The purpose of this
6 article is to require the insurance commissioner to
7 develop standard forms and procedures regarding
8 health care claims and to require that all insurers, third
9 party providers, and health care providers implement
10 and use such standards in a uniform manner.

§33-15B-2. Scope of article.

1 The provisions of this article apply to all health care
2 providers in the state; all insurers writing or issuing
3 accident and sickness policies covered by article fifteen
4 of this chapter; hospital service corporations, health
5 service corporations, medical service corporations, and
6 dental service corporations organized in accordance
7 with the provisions of article one, chapter thirty-one and
8 chapter thirty-three of this code; all third party
9 providers; all state agencies and departments, including,
10 but not limited to, the public employees insurance
11 agency; workers' compensation insurance; and providers
12 of services under medicare and medicaid.

§33-15B-3. Insurance commissioner to promulgate rules; use of standardized forms and classifications; advisory panel and appointments.

1 (a) The insurance commissioner shall promulgate
2 legislative rules in accordance with the provisions of
3 chapter twenty-nine-a of this code regarding the
4 implementation and use of uniform health care adminis-
5 trative forms. Such rules shall be developed no later
6 than the first day of December, one thousand nine
7 hundred ninety-two, and shall establish, where practi-
8 cable, the acceptance and use throughout the health care
9 system of standard administrative forms, terms or

10 procedures, including, but not limited to, the following:

11 (1) The standard health care financing administration
12 fifteen hundred (HCFA 1500) health insurance claim
13 form, or other similar forms, and terms and definitions
14 to be used therewith which are consistent with insur-
15 ance industry standards.

16 (2) International classification of disease, ninth
17 clinical modifications (ICD-9-CM) and common proced-
18 ural terminology (CPT) codes, as amended, or another
19 similar standard code.

20 (3) Consideration of current practices involving
21 reimbursement of claims and explanation of benefits,
22 and the implementation of standards and guidelines
23 regarding explanation of benefits, including, but not
24 limited to, consideration of line item explanations of
25 payments or denial of payments.

26 (b) The legislative rules required herein shall be
27 developed by the insurance commissioner with the
28 advice of a thirteen-member panel to be appointed by
29 the commissioner. Such panel shall consist of the
30 insurance commissioner; one allopath and one osteopath
31 who shall be recommended by the West Virginia State
32 medical association; a representative of the hospital
33 industry who shall be recommended by the West
34 Virginia hospital association; one dentist recommended
35 by the West Virginia dental association and one
36 pharmacist recommended by the West Virginia phar-
37 macists association; two members representing commer-
38 cial health insurers who shall be recommended by the
39 association representing accident and sickness insur-
40 ance; a representative of third party administrators; a
41 representative of the public employees insurance
42 agency; a representative from the workers' compensa-
43 tion commission; and two members representing consu-
44 mers. The insurance commissioner shall make such
45 appointments thirty days after the effective date of this
46 section.

47 (c) The insurance commissioner and the advisory
48 panel shall review the legislative rules effected pursuant
49 to this section as necessary on at least an annual basis

50 and update the same in a timely manner in order to
51 conform to current legislation and health care adminis-
52 trative trends.

§33-15B-4. Compliance period; reservation of right to additional information.

1 (a) All health care providers, insurers, third party
2 providers and state agencies or departments shall have
3 one year from the date the insurance commissioner
4 establishes the legislative rules required by section three
5 herein to comply with the requirements of the same.

6 (b) This section shall not limit the right of any insurer,
7 third party provider, state agency or department to
8 require additional information on any claim.

**ARTICLE 24. HOSPITAL SERVICE CORPORATIONS, MEDICAL
SERVICE CORPORATIONS, DENTAL SERVICE
CORPORATIONS AND HEALTH SERVICE
CORPORATIONS.**

§33-24-4. Exemptions; applicability of insurance laws.

1 Every such corporation is hereby declared to be a
2 scientific, nonprofit institution and as such exempt from
3 the payment of all property and other taxes. Every such
4 corporation, to the same extent such provisions are
5 applicable to insurers transacting similar kinds of
6 insurance and not inconsistent with the provisions of this
7 article, shall be governed by and be subject to the
8 provisions as hereinbelow indicated, of the following
9 articles of this chapter: Article two (insurance commis-
10 sioner), article four (general provisions) except that
11 section sixteen of article four shall not be applicable
12 thereto, article six, section thirty-four (fee for form and
13 rate filing), article six-c (guaranteed loss ratio), article
14 seven (assets and liabilities), article ten (rehabilitation
15 and liquidation), article eleven (unfair practices and
16 frauds), article twelve (agents, brokers and solicitors),
17 section fourteen, article fifteen (individual policies),
18 article fifteen-a (long-term care insurance), article
19 fifteen-b (uniform health care administration act),
20 section three-a, article sixteen, (mental illness), section
21 three-c, article sixteen (group accident and sickness
22 insurance), section three-d, article sixteen (medicare

23 supplement), section three-f, article sixteen (treatment
 24 of temporomandibular joint disorder and craniomandib-
 25 ular disorder), article sixteen-c (small employer group
 26 policies), article sixteen-d (marketing and rate practices
 27 for small employers), article twenty-six-a (West Virginia
 28 life and health insurance guaranty association act), after
 29 the first day of October, one thousand nine hundred
 30 ninety-one, article twenty-seven (insurance holding
 31 company systems), article twenty-eight (individual
 32 accident and sickness insurance minimum standards),
 33 article thirty-three (annual audited financial report),
 34 article thirty-four (administrative supervision), article
 35 thirty-four-a (standards and commissioner's authority
 36 for companies deemed to be in hazardous financial
 37 condition) and article thirty-five (criminal sanctions for
 38 failure to report impairment); and no other provision of
 39 this chapter shall apply to such corporations unless
 40 specifically made applicable by the provisions of this
 41 article. If, however, any such corporation shall be
 42 converted into a corporation organized for a pecuniary
 43 profit, or if it shall transact business without having
 44 obtained a license as required by section five of this
 45 article, it shall thereupon forfeit its right to these
 46 exemptions.

ARTICLE 25. HEALTH CARE CORPORATIONS.

§33-25-6. Supervision and regulation by insurance commissioner; exemption from insurance laws.

1 Corporations organized under this article shall be
 2 subject to supervision and regulation by the insurance
 3 commissioner. Such corporations organized under this
 4 article, to the same extent such provisions are applicable
 5 to insurers transacting similar kinds of insurance and
 6 not inconsistent with the provisions of this article, shall
 7 be governed by and be subject to the provisions as
 8 hereinbelow indicated, of the following articles of this
 9 chapter: Article six-c (guaranteed loss ratio), article
 10 seven (assets and liabilities), article eight (investments),
 11 article ten (rehabilitation and liquidation), section
 12 fourteen, article fifteen (individual policies), article
 13 fifteen-b (uniform health care administration act),
 14 article sixteen-c (small employer group policies), article

15 sixteen-d (marketing and rate practices for small
16 employers), article twenty-seven (insurance holding
17 company systems), article thirty-three (annual audited
18 financial report), article thirty-four-a (standards and
19 commissioner's authority for companies deemed to be in
20 hazardous financial condition) and article thirty-five
21 (criminal sanctions for failure to report impairment);
22 and no other provision of this chapter shall apply to such
23 corporations unless specifically made applicable by the
24 provisions of this article.

ARTICLE 25A. HEALTH MAINTENANCE ORGANIZATION ACT.

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

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

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

26 (3) Any health maintenance organization authorized
27 under this article shall not be deemed to be practicing

28 medicine and shall be exempt from the provision of
29 chapter thirty of this code, relating to the practice of
30 medicine.

31 (4) The provisions of article six-c (guaranteed loss
32 ratio), article seven (assets and liabilities), article eight
33 (investments), section fourteen, article fifteen (individual
34 policies), article fifteen-b (uniform health care
35 administration act), section three-f, article sixteen
36 (concerning treatment of temporomandibular disorder
37 and craniomandibular disorder), article sixteen-c (small
38 employer group policies), article sixteen-d (marketing
39 and rate practices for small employers), article twenty-
40 seven (insurance holding company systems), article
41 thirty-four-a (standards and commissioner's authority
42 for companies deemed to be in hazardous financial
43 condition) and article thirty-five (criminal sanctions for
44 failure to report impairment) shall be applicable to any
45 health maintenance organization granted a certificate of
46 authority under this article.

47 (5) Any long-term care insurance policy delivered or
48 issued for delivery in this state by a health maintenance
49 organization shall comply with the provisions of article
50 fifteen-a of this chapter.

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

Somer Deck

Chairman Senate Committee

Ernest C Moore

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Darrell E. Atkins

Clerk of the Senate

Donald L Kopp

Clerk of the House of Delegates

Keith R. Mottola

President of the Senate

BTCC

Speaker of the House of Delegates

The within *as appended* this the *1st*
day of *April*, 1992.

Yaston Caperton

Governor

PRESENTED TO THE
GOVERNOR
Date 3/16/92
Time 9:20 am