WEST VIRGINIA LEGISLATURE
SECOND REGULAR SESSION, 1992

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ENROLLED

Com. Sub. for
HOUSE BILL No. 4184

(By Delegates Lane & Kiss)

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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 provide guidelines regarding uniform health care administration in order to best serve consumers, health care providers and insurers and to organize and streamline the claims process. The purpose of this article is to require the insurance commissioner to develop standard forms and procedures regarding health care claims and to require that all insurers, third party providers, and health care providers implement 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 providers in the state; all insurers writing or issuing accident and sickness policies covered by article fifteen of this chapter; hospital service corporations, health service corporations, medical service corporations, and dental service corporations organized in accordance with the provisions of article one, chapter thirty-one and chapter thirty-three of this code; all third party providers; all state agencies and departments, including, but not limited to, the public employees insurance agency; workers' compensation insurance; and providers 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 legislative rules in accordance with the provisions of chapter twenty-nine-a of this code regarding the implementation and use of uniform health care administrative forms. Such rules shall be developed no later than the first day of December, one thousand nine hundred ninety-two, and shall establish, where practical, the acceptance and use throughout the health care system of standard administrative forms, terms or
procedures, including, but not limited to, the following:

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

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

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

(b) The legislative rules required herein shall be developed by the insurance commissioner with the advice of a thirteen-member panel to be appointed by the commissioner. Such panel shall consist of the insurance commissioner; one allopath and one osteopath who shall be recommended by the West Virginia State medical association; a representative of the hospital industry who shall be recommended by the West Virginia hospital association; one dentist recommended by the West Virginia dental association and one pharmacist recommended by the West Virginia pharmacists association; two members representing commercial health insurers who shall be recommended by the association representing accident and sickness insurance; a representative of third party administrators; a representative of the public employees insurance agency; a representative from the workers' compensation commission; and two members representing consumers. The insurance commissioner shall make such appointments thirty days after the effective date of this section.

(c) The insurance commissioner and the advisory panel shall review the legislative rules effected pursuant to this section as necessary on at least an annual basis.
and update the same in a timely manner in order to conform to current legislation and health care administrative trends.

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

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

(b) This section shall not limit the right of any insurer, third party provider, state agency or department to 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.

Every such corporation is hereby declared to be a scientific, nonprofit institution and as such exempt from the payment of all property and other taxes. Every such corporation, to the same extent such provisions are applicable to insurers transacting similar kinds of insurance and not inconsistent with the provisions of this article, shall be governed by and be subject to the provisions as hereinbelow indicated, of the following articles of this chapter: Article two (insurance commissioner), article four (general provisions) except that section sixteen of article four shall not be applicable thereto, article six, section thirty-four (fee for form and rate filing), article six-c (guaranteed loss ratio), article seven (assets and liabilities), article ten (rehabilitation and liquidation), article eleven (unfair practices and frauds), article twelve (agents, brokers and solicitors), section fourteen, article fifteen (individual policies), article fifteen-a (long-term care insurance), article fifteen-b (uniform health care administration act), section three-a, article sixteen, (mental illness), section three-c, article sixteen (group accident and sickness insurance), section three-d, article sixteen (medicare
supplement), section three-f, article sixteen (treatment
of temporomandibular joint disorder and craniomandib-
ular disorder), article sixteen-c (small employer group
policies), article sixteen-d (marketing and rate practices
for small employers), article twenty-six-a (West Virginia
life and health insurance guaranty association act), after
the first day of October, one thousand nine hundred
ninety-one, article twenty-seven (insurance holding
company systems), article twenty-eight (individual
accident and sickness insurance minimum standards),
article thirty-three (annual audited financial report),
article thirty-four (administrative supervision), article
thirty-four-a (standards and commissioner's authority
for companies deemed to be in hazardous financial
condition) and article thirty-five (criminal sanctions for
failure to report impairment); and no other provision of
this chapter shall apply to such corporations unless
specifically made applicable by the provisions of this
article. If, however, any such corporation shall be
converted into a corporation organized for a pecuniary
profit, or if it shall transact business without having
obtained a license as required by section five of this
article, it shall thereupon forfeit its right to these
exemptions.

ARTICLE 25. HEALTH CARE CORPORATIONS.

§33-25-6. Supervision and regulation by insurance com-
missioner; 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
sixteen-d (marketing and rate practices for small employers), article twenty-seven (insurance holding company systems), article thirty-three (annual audited financial report), article thirty-four-a (standards and commissioner's authority for companies deemed to be in hazardous financial condition) and article thirty-five (criminal sanctions for failure to report impairment); and no other provision of this chapter shall apply to such corporations unless specifically made applicable by the provisions of this article.

ARTICLE 25A. HEALTH MAINTENANCE ORGANIZATION ACT.


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

(2) Factually accurate advertising or solicitation regarding the range of services provided, the premiums and copayments charged, the sites of services and hours of operation, and any other quantifiable, nonprofessional aspects of its operation by a health maintenance organization granted a certificate of authority, or its representative shall not be construed to violate any provision of law relating to solicitation or advertising by health professions: Provided, That nothing contained herein shall be construed as authorizing any solicitation or advertising which identifies or refers to any individual provider, or makes any qualitative judgment concerning any provider.

(3) Any health maintenance organization authorized under this article shall not be deemed to be practicing
medicine and shall be exempt from the provision of chapter thirty of this code, relating to the practice of medicine.

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

(5) Any long-term care insurance policy delivered or issued for delivery in this state by a health maintenance organization shall comply with the provisions of article fifteen-a of this chapter.
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The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

Chairman Senate Committee

Chairman House Committee

Originating in the House.

Takes effect ninety days from passage.

Clerk of the Senate

Clerk of the House of Delegates

President of the Senate

Speaker of the House of Delegates

The within is approved this the 1st day of April, 1992.

Governor
PRESENTED TO THE

GOVERNOR

Date 3/16/92

Time 9:00 A.M.