WEST VIRGINIA LEGISLATURE  
Regular Session 2002  

ENROLLED

Committee Substitute for

SENATE BILL NO. 458

(By Senators Minard and Veeser)

PASSED March 9, 2002

In Effect ninety days from Passage
ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 458

(SENATORS MINARD AND KESSLER, original sponsors)

[Passed March 9, 2002; in effect ninety days from passage.]

AN ACT to amend article twenty-five-a, chapter thirty-three of the code of West Virginia, one thousand nine hundred thirty-one, as amended, by adding thereto a new section, designated section twenty-three-a, relating to the health maintenance organization act; authorizing the commissioner to impose a civil penalty on providers who collect or attempt to collect from health maintenance organization subscribers money for covered services; providing for notice and hearing; and establishing penalties.

Be it enacted by the Legislature of West Virginia:

That article twenty-five-a, chapter thirty-three of the code of West Virginia, one thousand nine hundred and thirty-one, as amended, be amended by adding thereto a new section, designated section twenty-three-a, to read as follows:
ARTICLE 25A. HEALTH MAINTENANCE ORGANIZATION ACT.


No provider shall collect or attempt to collect from a health maintenance organization enrollee any money for services covered by the health maintenance organization. If a provider collects or attempts to collect from a health maintenance organization enrollee any money for services covered by the health maintenance organization, then the provider may be subjected to a civil money penalty to be imposed by the commissioner. Upon a determination that there is probable cause to believe that there has been a violation of this section, the commissioner may provide written notice to the alleged violator, stating the nature of the alleged violation and that failure to refund the amount of any improper billing within thirty days may result in imposition of a civil penalty pursuant to the provisions of this section. If the alleged violator fails to make a refund within thirty days, the commissioner shall issue a written notice of hearing stating the nature of the alleged violation and the time and place at which the alleged violator shall appear to show good cause why a civil penalty should not be imposed: Provided, That if the commissioner has previously found on three occasions that probable cause existed to support a violation, the alleged violator shall not be afforded the opportunity to make a refund before issuance of the notice of hearing for any subsequent violation.

If, after notice and hearing, the commissioner determines that a violation of this section has occurred, the commissioner may assess a civil penalty of not less than the amount charged the subscriber but not more than one thousand dollars. Subsequent violations of this section result in fines of not more than two thousand dollars. Any provider so assessed shall be notified of the assessment in writing and the notice shall specify the reasons for the assessment. Any provider may waive the right to a hearing and receive a reduction in penalties of twenty-five percent.
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 ninety days 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 29th Day of March, 2002.

Governor