

WEST VIRGINIA LEGISLATURE

2023 REGULAR SESSION

ENROLLED

Committee Substitute

for

Committee Substitute

for

Senate Bill 268

BY SENATORS TAKUBO, HAMILTON, QUEEN, PLYMALE,

DEEDS, AND NELSON

[Passed March 06, 2023; in effect from passage]

SB 268

OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

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1 AN ACT to amend and reenact §5-16-2, §5-16-3, §5-16-4, §5-16-5 of the Code of West Virginia,
2 1931, as amended; to repeal §5-16-5b of said code; to amend and reenact §5-16-7, §5-
3 16-7b, §5-16-7c, §5-16-7g, §5-16-8, §5-16-9, §5-16-10, §5-16-11, §5-16-13, §5-16-14, §5-
4 16-15, §5-16-16, §5-16-18, §5-16-23, §5-16-25, and §5-16-26 of said code; to repeal 5-
5 16-28 of said code; and to amend said code by adding thereto three new sections,
6 designated §5-16-30, §5-16-31, and §5-16-32, all relating generally to the West Virginia
7 Public Employees Insurance Act; providing definitions; removing antiquated reporting
8 requirement; imposing fiduciary responsibility on finance board members and requiring
9 training; providing requirements for actuary opinions and financial plans; modifying levels
10 of reimbursements to health care providers; modifying public hearing requirements;
11 providing for the use of Governor's revenue estimates; requiring director to provide certain
12 information to the board; requiring that certain actuary opinions and financial plans include,
13 but not be limited to, the aggregate premium cost-sharing percentages between
14 employers and employees, including the amounts of any subsidization of retired employee
15 benefits, at a level of 80 percent for the employer and 20 percent for employees beginning
16 with the plan year for fiscal year 2024; providing for retention of excess revenues;
17 terminating the Post-July 1, 2010, Employee Trust Fund; removing limitations on benefits
18 for certain services provided for autism spectrum disorder; moving certain provisions of
19 law to other places within the code; modifying provisions relating to coverage for
20 reconstructive surgery following mastectomies; modifying provisions relating to coverage
21 for prescription insulin drugs; providing for health and wellness programs; require PEIA to
22 use networks to provide care to members out of state; clarifying language allowing a PEIA
23 plan to provide benefits for retired employees and their spouses and dependents; requiring
24 employees to pay actuarial value of plan for spouse coverage in certain circumstances;
25 requiring programs that qualify for favorable income tax treatment; providing for optional
26 dental, optical, disability, and prepaid retirement plan, and audiology and hearing-aid

27 service plans, and preferred provider plans; providing for employers' payment of PEIA
28 costs; providing for coverage of members of the Legislature; providing for reserve fund
29 and quarterly reports; requiring an independent actuarial study of financial solvency of
30 plan; and providing that amendments made to article shall be incorporated into the plan
31 beginning with plan year 2024.

Be it enacted by the Legislature of West Virginia:

ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES' INSURANCE ACT.

§5-16-2. Definitions.

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

3 "Agency" or "PEIA" means the Public Employees Insurance Agency created by this article.

4 "Applied behavior analysis" means the design, implementation, and evaluation of
5 environmental modifications using behavioral stimuli and consequences in order to produce
6 socially significant improvement in human behavior and includes the use of direct observation,
7 measurement, and functional analysis of the relationship between environment and behavior.

8 "Autism spectrum disorder" means any pervasive developmental disorder, including
9 autistic disorder, Asperger's syndrome, Rett syndrome, childhood disintegrative disorder, or
10 Pervasive Development Disorder as defined in the most recent edition of the Diagnostic and
11 Statistical Manual of Mental Disorders of the American Psychiatric Association.

12 "Certified behavior analyst" means an individual who is certified by the Behavior Analyst
13 Certification Board or certified by a similar nationally recognized organization.

14 "Dependent" includes an eligible employee's child under the age of 26 as defined in the
15 Patient Protection and Affordable Care Act.

16 "Device" means a blood glucose test strip, glucometer, continuous glucose monitor
17 (CGM), lancet, lancing device, or insulin syringe used to cure, diagnose, mitigate, prevent, or treat
18 diabetes or low blood sugar, but does not include insulin pumps.

19 "Director" means the Director of the Public Employees Insurance Agency created by this
20 article.

21 "Distant site" means the telehealth site where the health care practitioner is seeing the
22 patient at a distance or consulting with a patient's health care practitioner.

23 "Employee" means any person, including an elected officer, who works regularly full-time
24 in the service of the State of West Virginia; and, for the purpose of this article only, the term
25 "employee" also means any person, including an elected officer, who works regularly full-time in
26 the service of a county board of education; a public charter school established pursuant to §18-
27 5G-1 *et seq.* of this code if the charter school includes in its charter contract entered into pursuant
28 to §18-5G-7 of this code a determination to participate in the Public Employees Insurance
29 program; a county, city, or town in the state; any separate corporation or instrumentality
30 established by one or more counties, cities, or towns, as permitted by law; any corporation or
31 instrumentality supported in most part by counties, cities, or towns; any public corporation charged
32 by law with the performance of a governmental function and whose jurisdiction is coextensive with
33 one or more counties, cities, or towns; any comprehensive community mental health center or
34 intellectually and developmentally disabled facility established, operated, or licensed by the
35 Secretary of the Department of Health and Human Resources pursuant to §27-2A-1 of this code
36 and which is supported in part by state, county, or municipal funds; any person who works
37 regularly full-time in the service of the Higher Education Policy Commission, the West Virginia
38 Council for Community and Technical College Education, or a governing board as defined in
39 §18B-1-2 of this code; any person who works regularly full-time in the service of a combined city-
40 county health department created pursuant to §16-2-1 *et seq.* of this code; any person designated
41 as a 21st Century Learner Fellow pursuant to §18A-3-11 of this code; and any person who works
42 as a long-term substitute as defined in §18A-1-1 of this code in the service of a county board of
43 education: *Provided*, That a long-term substitute who is continuously employed for at least 133
44 instructional days during an instructional term, and, until the end of that instructional term, is

45 eligible for the benefits provided in this article until September 1 following that instructional
46 term: *Provided, however,* That a long-term substitute employed fewer than 133 instructional days
47 during an instructional term is eligible for the benefits provided in this article only during such time
48 as he or she is actually employed as a long-term substitute. On and after January 1, 1994, and
49 upon election by a county board of education to allow elected board members to participate in the
50 Public Employees Insurance Program pursuant to this article, any person elected to a county
51 board of education shall be considered to be an "employee" during the term of office of the elected
52 member. Upon election by the State Board of Education to allow appointed board members to
53 participate in the Public Employees Insurance Program pursuant to this article, any person
54 appointed to the State Board of Education is considered an "employee" during the term of office
55 of the appointed member: *Provided further,* That the elected member of a county board of
56 education and the appointed member of the State Board of Education shall pay the entire cost of
57 the premium if he or she elects to be covered under this article. Any matters of doubt as to who
58 is an employee within the meaning of this article shall be decided by the director.

59 On or after July 1, 1997, a person shall be considered an "employee" if that person meets
60 the following criteria:

- 61 (A) Participates in a job-sharing arrangement as defined in §18A-1-1 *et seq.* of this code;
62 (B) Has been designated, in writing, by all other participants in that job-sharing
63 arrangement as the "employee" for purposes of this section; and
64 (C) Works at least one-third of the time required for a full-time employee.

65 "Employer" means the State of West Virginia, its boards, agencies, commissions,
66 departments, institutions, or spending units; a county board of education; a public charter school
67 established pursuant to §18-5G-1 *et seq.* of this code if the charter school includes in its charter
68 contract entered into pursuant to §18-5G-7 of this code a determination to participate in the Public
69 Employees Insurance Program; a county, city, or town in the state; any separate corporation or
70 instrumentality established by one or more counties, cities, or towns, as permitted by law; any

71 corporation or instrumentality supported in most part by counties, cities, or towns; any public
72 corporation charged by law with the performance of a governmental function and whose
73 jurisdiction is coextensive with one or more counties, cities, or towns; any comprehensive
74 community mental health center or intellectually and developmentally disabled facility established,
75 operated, or licensed by the Secretary of the Department of Health and Human Resources
76 pursuant to §27-2A-1 *et seq.* of this code and which is supported in part by state, county, or
77 municipal funds; a combined city-county health department created pursuant to §16-2-1 *et seq.*
78 of this code; and a corporation meeting the description set forth in §18B-12-3 of this code that is
79 employing a 21st Century Learner Fellow pursuant to §18A-3-11 of this code but the corporation
80 is not considered an employer with respect to any employee other than a 21st Century Learner
81 Fellow. Any matters of doubt as to who is an "employer" within the meaning of this article shall be
82 decided by the director. The term "employer" does not include within its meaning the National
83 Guard.

84 "Established patient" means a patient who has received professional services, face-to-
85 face, from the physician, qualified health care professional, or another physician or qualified
86 health care professional of the exact same specialty and subspecialty who belongs to the same
87 group practice, within the past three years.

88 "Finance board" means the Public Employees Insurance Agency finance board created
89 by this article.

90 "Health care practitioner" means a person licensed under §30-1-1 *et seq.* of this code
91 who provides health care services.

92 "Originating site" means the location where the patient is located, whether or not
93 accompanied by a health care practitioner, at the time services are provided by a health care
94 practitioner through telehealth, including, but not limited to, a health care practitioner's office,
95 hospital, critical access hospital, rural health clinic, federally qualified health center, a patient's

96 home, and other nonmedical environments such as school-based health centers, university-
97 based health centers, or the work location of a patient.

98 "Objective evidence" means standardized patient assessment instruments, outcome
99 measurements tools, or measurable assessments of functional outcome. Use of objective
100 measures at the beginning of treatment, during, and after treatment is recommended to quantify
101 progress and support justifications for continued treatment. The tools are not required but their
102 use will enhance the justification for continued treatment.

103 "Person" means any individual, company, association, organization, corporation, or other
104 legal entity.

105 "Plan" means a group hospital and surgical insurance plan or plans, a group prescription
106 drug insurance plan or plans, a group major medical insurance plan or plans, and a group life and
107 accidental death insurance plan or plans.

108 "Prescription insulin drug" means a prescription drug that contains insulin and is used to
109 treat diabetes, and includes at least one type of insulin in all of the following categories:

- 110 (1) Rapid-acting;
- 111 (2) Short-acting;
- 112 (3) Intermediate-acting;
- 113 (4) Long-acting;
- 114 (5) Pre-mixed insulin products;
- 115 (6) Pre-mixed insulin/GLP-1 RA products; and
- 116 (7) Concentrated human regular insulin.

117 "Primary coverage" means individual or group hospital and surgical insurance coverage
118 or individual or group major medical insurance coverage or group prescription drug coverage in
119 which the spouse or dependent is the named insured or certificate holder.

120 "Remote patient monitoring services" means the delivery of home health services using
121 telecommunications technology to enhance the delivery of home health care, including monitoring

122 of clinical patient data such as weight, blood pressure, pulse, pulse oximetry, blood glucose, and
123 other condition-specific data; medication adherence monitoring; and interactive video
124 conferencing with or without digital image upload.

125 "Retired employee" means an employee of the state who retired after April 29, 1971, and
126 an employee of the Higher Education Policy Commission, the Council for Community and
127 Technical College Education, a state institution of higher education, or a county board of
128 education who retires on or after April 21, 1972, and all additional eligible employees who retire
129 on or after the effective date of this article, meet the minimum eligibility requirements for their
130 respective state retirement system, and whose last employer immediately prior to retirement
131 under the state retirement system is a participating employer in the state retirement system and
132 in the Public Employees Insurance Agency: *Provided*, That for the purposes of this article, the
133 employees who are not covered by a state retirement system, but who are covered by a state-
134 approved or state-contracted retirement program or a system approved by the director, shall, in
135 the case of education employees, meet the minimum eligibility requirements of the State Teachers
136 Retirement System, and in all other cases, meet the minimum eligibility requirements of the Public
137 Employees Retirement System and may participate in the Public Employees Insurance Agency
138 as retired employees upon terms as the director sets by rule as authorized in this article.
139 Employers with employees who are, or who are eligible to become, retired employees under this
140 article shall be mandatory participants in the Retiree Health Benefit Trust Fund created pursuant
141 to §5-16D-1 *et seq.* of this code. Nonstate employers may opt out of the West Virginia other post-
142 employment benefits plan of the Retiree Health Benefit Trust Fund and elect to not provide
143 benefits under the Public Employees Insurance Agency to retirees of the nonstate employer, but
144 may do so only upon the written certification, under oath, of an authorized officer of the employer
145 that the employer has no employees who are, or who are eligible to become, retired employees
146 and that the employer will defend and hold harmless the Public Employees Insurance Agency
147 from any claim by one of the employer's past, present, or future employees for eligibility to

148 participate in the Public Employees Insurance Agency as a retired employee. As a matter of law,
149 the Public Employees Insurance Agency shall not be liable in any respect to provide plan benefits
150 to a retired employee of a nonstate employer which has opted out of the West Virginia other post-
151 employment benefits plan of the Retiree Health Benefit Trust Fund pursuant to this section.

152 "Telehealth services" means the use of synchronous or asynchronous
153 telecommunications technology or audio-only telephone calls by a health care practitioner to
154 provide health care services, including, but not limited to, assessment, diagnosis, consultation,
155 treatment, and monitoring of a patient; transfer of medical data; patient and professional health-
156 related education; public health services; and health administration. The term does not include e-
157 mail messages or facsimile transmissions.

158 "Virtual telehealth" means a new patient or follow-up patient for acute care that does not
159 require chronic management or scheduled medications.

§5-16-3. Composition of Public Employees Insurance Agency.

1 (a) The Public Employees Insurance Agency consists of the director, the finance board,
2 the advisory board, and any employees who may be authorized by law. The director shall be
3 appointed by the Governor, with the advice and consent of the Senate, and serve at the will and
4 pleasure of the Governor. The director shall have at least three years' experience in health or
5 governmental health benefit administration as his or her primary employment duty prior to
6 appointment as director. The director shall receive actual expenses incurred in the performance
7 of official business. The director shall employ any administrative, technical, and clerical
8 employees required for the proper administration of the programs provided in this article. The
9 director shall perform the duties that are required of him or her under the provisions of this article
10 and is the Chief Administrative Officer of the Public Employees Insurance Agency. The director
11 may employ a deputy director.

12 (b) Except for the director, his or her personal secretary, the deputy director, and the chief
13 financial officer, all positions in the agency shall be included in the classified service of the civil
14 service system pursuant to §29-6-1 *et seq.* of this code.

15 (c) The director is responsible for the administration and management of the Public
16 Employees Insurance Agency as provided in this article and in connection with his or her
17 responsibility may make all rules necessary to effectuate the provisions of this article. Nothing in
18 §5-16-4 or §5-16-5 of this code limits the director's ability to manage on a day-to-day basis the
19 group insurance plans required or authorized by this article, including, but not limited to,
20 administrative contracting, studies, analyses and audits, eligibility determinations, utilization
21 management provisions and incentives, provider negotiations, provider contracting and payment,
22 designation of covered and noncovered services, offering of additional coverage options or cost
23 containment incentives, pursuit of coordination of benefits, and subrogation, or any other actions
24 which would serve to implement the plan or plans designed by the finance board. The director is
25 to function as a benefits management professional and should avoid political involvement in
26 managing the affairs of the Public Employees Insurance Agency.

27 (d) The director may, if it is financially advantageous to the state, operate the Medicare
28 retiree health benefit plan offered by the agency based on a plan year that runs concurrent with
29 the calendar year. Financial plans as addressed in section five of this article shall continue to be
30 on a fiscal-year basis.

31 (e) The director should make every effort to evaluate and administer programs to improve
32 quality, improve health status of members, develop innovative payment methodologies, manage
33 health care delivery costs, evaluate effective benefit designs, evaluate cost sharing and benefit-
34 based programs, and adopt effective industry programs that can manage the long-term
35 effectiveness and costs for the programs at the Public Employees Insurance Agency to include,
36 but not be limited to:

37 (1) Increasing generic fill rates;

- 38 (2) Managing specialty pharmacy costs;
- 39 (3) Implementing and evaluating medical home models and health care delivery;
- 40 (4) Coordinating with providers, private insurance carriers, and, to the extent possible,
41 Medicare to encourage the establishment of cost-effective accountable care organizations;
- 42 (5) Exploring and developing advanced payment methodologies for care delivery such as
43 case rates, capitation, and other potential risk-sharing models and partial risk-sharing models for
44 accountable care organizations and medical homes;
- 45 (6) Adopting measures identified by the Centers for Medicare and Medicaid Services to
46 reduce cost and enhance quality;
- 47 (7) Evaluating the expenditures to reduce excessive use of emergency room visits,
48 imaging services, and other drivers of the agency's medical rate of inflation;
- 49 (8) Recommending cutting-edge benefit designs to the finance board to drive behavior
50 and control costs for the plans;
- 51 (9) Implementing programs to encourage the use of the most efficient and high-quality
52 providers by employees and retired employees;
- 53 (10) Identifying employees and retired employees who have multiple chronic illnesses and
54 initiating programs to coordinate the care of these patients;
- 55 (11) Initiating steps to adjust payment by the agency for the treatment of hospital-acquired
56 infections and related events consistent with the payment policies, operational guidelines, and
57 implementation timetable established by the Centers of Medicare and Medicaid Services. The
58 agency shall protect employees and retired employees from any adjustment in payment for
59 hospital acquired infections; and
- 60 (12) Initiating steps to reduce the number of employees and retired employees who
61 experience avoidable readmissions to a hospital for the same diagnosis-related group illness
62 within 30 days of being discharged by a hospital in this state or another state consistent with the

63 payment policies, operational guidelines, and implementation timetable established by the
64 Centers of Medicare and Medicaid Services.

§5-16-4. Public Employees Insurance Agency Finance Board.

1 (a) The Public Employees Insurance Agency Finance Board is continued and consists of
2 the Secretary of the Department of Administration or his or her designee, as a voting member,
3 and 10 members appointed by the Governor, with the advice and consent of the Senate, for terms
4 of four years and each may serve until his or her successor is appointed and qualified. Members
5 may be reappointed for successive terms. No more than six members, including the Secretary of
6 the Department of Administration, may be of the same political party. Members of the board shall
7 satisfy the qualification requirements provided for by subsection (b) of this section. The Governor
8 shall make appointments necessary to satisfy the requirements of subsection (b) of this section
9 to staggered terms as determined by the Governor.

10 (b) (1) Of the 10 members appointed by the Governor with advice and consent of the
11 Senate:

12 (A) One member shall represent the interests of education employees. The member shall
13 hold a bachelor's degree, shall have obtained teacher certification, shall be employed as a teacher
14 for a period of at least three years prior to his or her appointment, and shall remain a teacher for
15 the duration of his or her appointment to remain eligible to serve on the board.

16 (B) One member shall represent the interests of public employees. The member shall be
17 employed to perform full- or part-time service for wages, salary, or remuneration for a public body
18 for a period of at least three years prior to his or her appointment and shall remain an employee
19 of a public body for the duration of his or her appointment to remain eligible to serve on the board.

20 (C) One member shall represent the interests of retired employees. The member shall
21 meet the definition of retired employee as provided in §5-16-2 of this code.

22 (D) One member shall represent the interests of a participating political subdivision. The
23 member shall have been employed by a political subdivision for a period of at least three years

24 prior to his or her appointment and shall remain an employee of a political subdivision for the
25 duration of his or her appointment to remain eligible to serve on the board. The member may not
26 be an elected official.

27 (E) One member shall represent the interests of hospitals. The member shall have been
28 employed by a hospital for a period of at least three years prior to his or her appointment and shall
29 remain an employee of a hospital for the duration of his or her appointment to remain eligible to
30 serve on the board.

31 (F) One member shall represent the interests of non-hospital health care providers. The
32 member shall have owned his or her non-hospital health care provider business for a period of at
33 least three years prior to his or her appointment and shall maintain ownership of his or her non-
34 hospital health care provider business for the duration of his or her appointment to remain eligible
35 to serve on the board.

36 (G) Four members shall be selected from the public at large, meeting the following
37 requirements:

38 (i) One member selected from the public at large shall generally have knowledge and
39 expertise relating to the financing, development, or management of employee benefit programs;

40 (ii) One member selected from the public at large shall have at least three years of
41 experience in the insurance benefits business;

42 (iii) One member selected from the public at large shall be a certified public accountant
43 with at least three years of experience with financial management and employee benefits program
44 experience; and

45 (iv) One member selected from the public at large shall be a health care actuary or certified
46 public accountant with at least three years of financial experience with the health care
47 marketplace.

48 (2) No member of the board may be a registered lobbyist.

49 (3) All appointments shall be selected to represent the different geographical areas within
50 the state and all members shall be residents of West Virginia. No member may be removed from
51 office by the Governor except for official misconduct, incompetence, neglect of duty, neglect of
52 fiduciary duty, or other specific responsibility imposed by this article or gross immorality.

53 (4) All members of the board shall have a fiduciary responsibility to protect plan assets for
54 the benefit of plan participants.

55 (5) Beginning July 1, 2023, and every year thereafter, all board members shall complete
56 fiduciary training and timely complete any conflict-of-interest forms required to serve as a
57 fiduciary.

58 (c) The Secretary of the Department of Administration shall serve as chair of the finance
59 board, which shall meet at times and places specified by the call of the chair or upon the written
60 request to the chair by at least two members. The Director of the Public Employees Insurance
61 Agency shall serve as staff to the board. Notice of each meeting shall be given in writing to each
62 member by the director at least three days in advance of the meeting. Six members shall
63 constitute a quorum. The board shall pay each member the same compensation and expense
64 reimbursement that is paid to members of the Legislature for their interim duties for each day or
65 portion of a day engaged in the discharge of official duties.

66 (d) Upon termination of the board and notwithstanding any provisions of this article to the
67 contrary, the director is authorized to assess monthly employee premium contributions and to
68 change the types and levels of costs to employees only in accordance with this subsection. Any
69 assessments or changes in costs imposed pursuant to this subsection shall be implemented by
70 legislative rule proposed by the director for promulgation pursuant to §29A-3-1 *et seq.* of this
71 code. Any employee assessments or costs previously authorized by the finance board shall then
72 remain in effect until amended by rule of the director promulgated pursuant to this subsection.

§5-16-5. Powers and duties of the finance board.

1 (a) The purpose of the finance board is to bring fiscal stability to the Public Employees
2 Insurance Agency through development of annual financial plans and long-range plans designed
3 to meet the agency's estimated total financial requirements, taking into account all revenues
4 projected to be made available to the agency and apportioning necessary costs equitably among
5 participating employers, employees, and retired employees and providers of health care services.

6 (b) The finance board shall retain the services of an impartial, professional actuary, with
7 demonstrated experience in analysis of large group health insurance plans, to estimate the total
8 financial requirements of the Public Employees Insurance Agency for each fiscal year and to
9 review and render written professional opinions as to financial plans proposed by the finance
10 board. The actuary shall also assist in the development of alternative financing options and
11 perform any other services requested by the finance board or the director. All reasonable fees
12 and expenses for actuarial services shall be paid by the Public Employees Insurance Agency.
13 Any financial plan or modifications to a financial plan approved or proposed by the finance board
14 shall be submitted to and reviewed by the actuary and may not be finally approved and submitted
15 to the Governor and to the Legislature without the actuary's written professional opinion that the
16 plan may be reasonably expected to generate sufficient revenues to meet all estimated program
17 and administrative costs of the agency, including incurred but unreported claims, for the fiscal
18 year for which the plan is proposed.

19 (c) All financial plans shall establish:

20 (1) The minimum level of reimbursement at 110 percent of the Medicare amount for all
21 providers: *Provided*, That the plan shall reimburse a West Virginia hospital that provides inpatient
22 medical care to a beneficiary, covered by the state and non-state plans, at a minimum rate of 110
23 percent of the Medicare diagnosis-related group rate for the admission, or the Medicare per diem,
24 per day rate applicable to a critical access hospital, as appropriate: *Provided, however*, That the
25 rates established pursuant to this subdivision do not apply to any Medicare primary retiree health
26 plan.

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

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

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

30 The financial plans may provide for different levels of costs based on the insureds' ability
31 to pay. The finance board may establish different levels of costs to retired employees based upon
32 length of employment with a participating employer, ability to pay, or other relevant factors. The
33 financial plans may also include optional alternative benefit plans with alternative types and levels
34 of cost. The finance board may develop policies which encourage the use of West Virginia health
35 care providers.

36 In addition, the finance board may allocate a portion of the premium costs charged to
37 participating employers to subsidize the cost of coverage for participating retired employees, on
38 such terms as the finance board determines are equitable and financially responsible.

39 (d)(1) The finance board shall prepare an annual financial plan for each fiscal year. The
40 finance board chairman shall request the actuary to estimate the total financial requirements of
41 the Public Employees Insurance Agency for the fiscal year.

42 (2) The finance board shall prepare a proposed financial plan designed to generate
43 revenues sufficient to meet all estimated program and administrative costs of the Public
44 Employees Insurance Agency for the fiscal year. The proposed financial plan shall allow for no
45 more than 30 days of accounts payable to be carried over into the next fiscal year. Before final
46 adoption of the proposed financial plan, the finance board shall request the actuary to review the
47 plan and to render a written professional opinion stating whether the plan will generate sufficient
48 revenues to meet all estimated program and administrative costs of the Public Employees
49 Insurance Agency for the fiscal year. The actuary's report shall explain the basis of its opinion. If
50 the actuary concludes that the proposed financial plan will not generate sufficient revenues to
51 meet all anticipated costs, then the finance board shall make necessary modifications to the

52 proposed plan to ensure that all actuarially determined financial requirements of the agency will
53 be met.

54 (3) Upon obtaining the actuary's opinion, the finance board shall conduct at least two
55 public hearings in each congressional district to receive public comment on the proposed financial
56 plan, shall review the comments, and shall finalize and approve the financial plan.

57 (4) For each fiscal year, the Governor shall provide his or her estimate of total revenues
58 to the finance board no later than October 15 of the preceding fiscal year: *Provided*, That for the
59 prospective financial plans required by this section, the Governor shall estimate the revenues
60 available for each fiscal year of the plans based on the estimated percentage of growth in general
61 fund revenues: *Provided, however*, That the director and finance board may only use revenue
62 estimates from the Governor as necessary to maintain an actuarially recommended reserve fund
63 and to maintain premium cost-sharing percentages as required in this article: *Provided, further*,
64 That the director and finance board may not incorporate revenue sources into the finance board
65 plan beyond the premium cost-sharing percentages as required in this article. The director shall
66 provide the number of covered lives for the current fiscal year and a five-year analysis of the costs
67 for covering paid claims to the finance board no later than October 15 of the preceding year. The
68 finance board shall submit its final approved financial plan after obtaining the necessary actuary's
69 opinion, which opinion shall include, but not be limited to, the aggregate premium cost-sharing
70 percentages between employers and employees, including the amounts of any subsidization of
71 retired employee benefits, at a level of 80 percent for the employer and 20 percent for employees,
72 to the Governor and to the Legislature no later than January 1 preceding the fiscal year. The
73 financial plan for a fiscal year becomes effective and shall be implemented by the director on July
74 1 of the fiscal year. In addition to each final approved financial plan required under this section,
75 the finance board shall also simultaneously submit financial statements based on generally
76 accepted accounting practices (GAAP) and the final approved plan restated on an accrual basis
77 of accounting, which shall include allowances for incurred but not reported claims. The financial

78 statements and the accrual-based financial plan restatement shall not affect the approved
79 financial plan.

80 (e) The provisions of §29A-1-1 *et seq.* of this code shall not apply to the preparation,
81 approval and implementation of the financial plans required by this section.

82 (f) By January 1 of each year, the finance board shall submit to the Governor and the
83 Legislature a prospective financial plan for a period not to exceed five years for the programs
84 provided in this article. Factors the board shall consider include, but are not limited to, the trends
85 for the program and the industry; the medical rate of inflation; utilization patterns; cost of services;
86 and specific information such as average age of employee population, active to retiree ratios, the
87 service delivery system, and health status of the population.

88 (g) The prospective financial plans shall be based on the estimated revenues submitted
89 in accordance §5-16-5(d)(4) of this code and shall include an average of the projected cost-
90 sharing percentages of premiums and an average of the projected deductibles and copays for the
91 various programs. Each plan year, the aggregate premium cost-sharing percentages between
92 employers and employees, including the amounts of any subsidization of retired employee
93 benefits, shall be at a level of 80 percent for the employer and 20 percent for employees, except
94 for the employers provided in §5-16-18(d) of this code whose premium cost-sharing percentages
95 shall be governed by that subsection. After the submission of the initial prospective plan, the board
96 may not increase costs to the participating employers or change the average of the premiums,
97 deductibles, and copays for employees, except in the event of a true emergency. If the board
98 invokes the emergency provisions, the cost shall be borne between the employers and employees
99 in proportion to the cost-sharing ratio for that plan year. For purposes of this section, "emergency"
100 means that the most recent projections demonstrate that plan expenses will exceed plan
101 revenues by more than one percent in any plan year. The aggregate premium cost-sharing
102 percentages between employers and employees, including the amounts of any subsidization of
103 retired employee benefits, may be offset, in part, by a legislative appropriation for that purpose.

104 (h) The finance board shall meet on at least a quarterly basis to review implementation of
105 its current financial plan in light of the actual experience of the Public Employees Insurance
106 Agency. The board shall review actual costs incurred, any revised cost estimates provided by the
107 actuary, expenditures, and any other factors affecting the fiscal stability of the plan, and may make
108 any additional modifications to the plan necessary to ensure that the total financial requirements
109 of the agency for the current fiscal year are met. The finance board may not increase the types
110 and levels of cost to employees during its quarterly review except in the event of a true
111 emergency.

112 (i) For any fiscal year in which legislative appropriations differ from the Governor's
113 estimate of general and special revenues available to the agency, the finance board shall, within
114 30 days after passage of the budget bill, make any modifications to the plan necessary to ensure
115 that the total financial requirements of the agency for the current fiscal year are met.

116 (j) In the event the revenues in a given year exceed the expenses, the amount of revenues
117 in excess of the expenses shall be retained by the Public Employees Insurance Agency to offset
118 future premium increases.

§5-16-5b. Creation of trust for retirees hired on or after July 1, 2010.

1 [Repealed.]

§5-16-7. Authorization to establish plans; mandated benefits; optional plans; separate rating for claims experience purposes.

1 (a) The agency shall establish plans for those employees herein made eligible and
2 establish and promulgate rules for the administration of these plans subject to the limitations
3 contained in this article. These plans shall include:

4 (1) Coverages and benefits for x-ray and laboratory services in connection with
5 mammograms when medically appropriate and consistent with current guidelines from the United
6 States Preventive Services Task Force; pap smears, either conventional or liquid-based cytology,
7 whichever is medically appropriate and consistent with the current guidelines from either the

8 United States Preventive Services Task Force or the American College of Obstetricians and
9 Gynecologists; and a test for the human papilloma virus when medically appropriate and
10 consistent with current guidelines from either the United States Preventive Services Task Force
11 or the American College of Obstetricians and Gynecologists, when performed for cancer
12 screening or diagnostic services on a woman age 18 or over;

13 (2) Annual checkups for prostate cancer in men age 50 and over;

14 (3) Annual screening for kidney disease as determined to be medically necessary by a
15 physician using any combination of blood pressure testing, urine albumin or urine protein testing,
16 and serum creatinine testing as recommended by the National Kidney Foundation;

17 (4) For plans that include maternity benefits, coverage for inpatient care in a duly licensed
18 health care facility for a mother and her newly born infant for the length of time which the attending
19 physician considers medically necessary for the mother or her newly born child. No plan may
20 deny payment for a mother or her newborn child prior to 48 hours following a vaginal delivery or
21 prior to 96 hours following a caesarean section delivery if the attending physician considers
22 discharge medically inappropriate;

23 (5) For plans which provide coverages for post-delivery care to a mother and her newly
24 born child in the home, coverage for inpatient care following childbirth as provided in subdivision
25 (4) of this subsection if inpatient care is determined to be medically necessary by the attending
26 physician. These plans may include, among other things, medicines, medical equipment,
27 prosthetic appliances, and any other inpatient and outpatient services and expenses considered
28 appropriate and desirable by the agency; and

29 (6) Coverage for treatment of serious mental illness:

30 (A) The coverage does not include custodial care, residential care, or schooling. For
31 purposes of this section, "serious mental illness" means an illness included in the American
32 Psychiatric Association's diagnostic and statistical manual of mental disorders, as periodically
33 revised, under the diagnostic categories or subclassifications of:

- 34 (i) Schizophrenia and other psychotic disorders;
- 35 (ii) Bipolar disorders;
- 36 (iii) Depressive disorders;
- 37 (iv) Substance-related disorders with the exception of caffeine-related disorders and
38 nicotine-related disorders;
- 39 (v) Anxiety disorders; and
- 40 (vi) Anorexia and bulimia.

41 With regard to a covered individual who has not yet attained the age of 19 years, "serious mental
42 illness" also includes attention deficit hyperactivity disorder, separation anxiety disorder, and
43 conduct disorder.

44 (B) The agency shall not discriminate between medical-surgical benefits and mental health
45 benefits in the administration of its plan. With regard to both medical-surgical and mental health
46 benefits, it may make determinations of medical necessity and appropriateness and it may use
47 recognized health care quality and cost management tools including, but not limited to, limitations
48 on inpatient and outpatient benefits, utilization review, implementation of cost-containment
49 measures, preauthorization for certain treatments, setting coverage levels, setting maximum
50 number of visits within certain time periods, using capitated benefit arrangements, using fee-for-
51 service arrangements, using third-party administrators, using provider networks, and using patient
52 cost sharing in the form of copayments, deductibles, and coinsurance. Additionally, the agency
53 shall comply with the financial requirements and quantitative treatment limitations specified in 45
54 CFR 146.136(c)(2) and (c)(3), or any successor regulation. The agency may not apply any
55 nonquantitative treatment limitations to benefits for behavioral health, mental health, and
56 substance use disorders that are not applied to medical and surgical benefits within the same
57 classification of benefits: *Provided*, That any service, even if it is related to the behavioral health,
58 mental health, or substance use diagnosis if medical in nature, shall be reviewed as a medical
59 claim and undergo all utilization review as applicable;

60 (7) Coverage for general anesthesia for dental procedures and associated outpatient
61 hospital or ambulatory facility charges provided by appropriately licensed health care individuals
62 in conjunction with dental care if the covered person is:

63 (A) Seven years of age or younger or is developmentally disabled and is an individual for
64 whom a successful result cannot be expected from dental care provided under local anesthesia
65 because of a physical, intellectual, or other medically compromising condition of the individual
66 and for whom a superior result can be expected from dental care provided under general
67 anesthesia.

68 (B) A child who is 12 years of age or younger with documented phobias or with
69 documented mental illness and with dental needs of such magnitude that treatment should not be
70 delayed or deferred and for whom lack of treatment can be expected to result in infection, loss of
71 teeth, or other increased oral or dental morbidity and for whom a successful result cannot be
72 expected from dental care provided under local anesthesia because of such condition and for
73 whom a superior result can be expected from dental care provided under general anesthesia.

74 (8) (A) All plans shall include coverage for diagnosis, evaluation, and treatment of autism
75 spectrum disorder in individuals ages 18 months to 18 years. To be eligible for coverage and
76 benefits under this subdivision, the individual must be diagnosed with autism spectrum disorder
77 at age eight or younger. Such plan shall provide coverage for treatments that are medically
78 necessary and ordered or prescribed by a licensed physician or licensed psychologist and in
79 accordance with a treatment plan developed from a comprehensive evaluation by a certified
80 behavior analyst for an individual diagnosed with autism spectrum disorder.

81 (B) The coverage shall include, but not be limited to, applied behavior analysis which shall
82 be provided or supervised by a certified behavior analyst. This subdivision does not limit, replace,
83 or affect any obligation to provide services to an individual under the Individuals with Disabilities
84 Education Act, 20 U. S. C. §1400 *et seq.*, as amended from time to time, or other publicly funded

85 programs. Nothing in this subdivision requires reimbursement for services provided by public
86 school personnel.

87 (C) The certified behavior analyst shall file progress reports with the agency semiannually.
88 In order for treatment to continue, the agency must receive objective evidence or a clinically
89 supportable statement of expectation that:

90 (i) The individual's condition is improving in response to treatment;

91 (ii) A maximum improvement is yet to be attained; and

92 (iii) There is an expectation that the anticipated improvement is attainable in a reasonable
93 and generally predictable period of time.

94 (D) To the extent that the provisions of this subdivision require benefits that exceed the
95 essential health benefits specified under section 1302(b) of the Patient Protection and Affordable
96 Care Act, Pub. L. No. 111-148, as amended, the specific benefits that exceed the specified
97 essential health benefits shall not be required of insurance plans offered by the Public Employees
98 Insurance Agency.

99 (9) For plans that include maternity benefits, coverage for the same maternity benefits for
100 all individuals participating in or receiving coverage under plans that are issued or renewed on or
101 after January 1, 2014: *Provided*, That to the extent that the provisions of this subdivision require
102 benefits that exceed the essential health benefits specified under section 1302(b) of the Patient
103 Protection and Affordable Care Act, Pub. L. No. 111-148, as amended, the specific benefits that
104 exceed the specified essential health benefits shall not be required of a health benefit plan when
105 the plan is offered in this state.

106 (10) (A) Coverage, through the age of 20, for amino acid-based formula for the treatment
107 of severe protein-allergic conditions or impaired absorption of nutrients caused by disorders
108 affecting the absorptive surface, function, length, and motility of the gastrointestinal tract. This
109 includes the following conditions, if diagnosed as related to the disorder by a physician licensed
110 to practice in this state pursuant to either §30-3-1 *et seq.* or §30-14-1 *et seq.* of this code:

111 (i) Immunoglobulin E and nonimmunoglobulin E-medicated allergies to multiple food
112 proteins;

113 (ii) Severe food protein-induced enterocolitis syndrome;

114 (iii) Eosinophilic disorders as evidenced by the results of a biopsy; and

115 (iv) Impaired absorption of nutrients caused by disorders affecting the absorptive surface,
116 function, length, and motility of the gastrointestinal tract (short bowel).

117 (B) The coverage required by paragraph (A) of this subdivision shall include medical foods
118 for home use for which a physician has issued a prescription and has declared them to be
119 medically necessary, regardless of methodology of delivery.

120 (C) For purposes of this subdivision, "medically necessary foods" or "medical foods" shall
121 mean prescription amino acid-based elemental formulas obtained through a pharmacy: *Provided,*
122 That these foods are specifically designated and manufactured for the treatment of severe allergic
123 conditions or short bowel.

124 (D) The provisions of this subdivision shall not apply to persons with an intolerance for
125 lactose or soy.

126 (11) The cost for coverage of children's immunization services from birth through age 16
127 years to provide immunization against the following illnesses: Diphtheria, polio, mumps, measles,
128 rubella, tetanus, hepatitis-b, hemophilia influenzae-b, and whooping cough. Any contract entered
129 into to cover these services shall require that all costs associated with immunization, including
130 the cost of the vaccine, if incurred by the health care provider, and all costs of vaccine
131 administration be exempt from any deductible, per visit charge, and copayment provisions which
132 may be in force in these policies or contracts. This section does not require that other health care
133 services provided at the time of immunization be exempt from any deductible or copayment
134 provisions.

135 (12) The provision requiring coverage for 12-month refill for contraceptive drugs codified
136 at §33-58-1 of this code.

137 (13) The group life and accidental death insurance herein provided shall be in the amount
138 of \$10,000 for every employee.

139 (b) The agency shall make available to each eligible employee, at full cost to the employee,
140 the opportunity to purchase optional group life and accidental death insurance as established
141 under the rules of the agency. In addition, each employee is entitled to have his or her spouse
142 and dependents, as defined by the rules of the agency, included in the optional coverage, at full
143 cost to the employee, for each eligible dependent.

144 (c) The finance board may cause to be separately rated for claims experience purposes:

145 (1) All employees of the State of West Virginia;

146 (2) All teaching and professional employees of state public institutions of higher education
147 and county boards of education;

148 (3) All nonteaching employees of the Higher Education Policy Commission, West Virginia
149 Council for Community and Technical College Education, and county boards of education; or

150 (4) Any other categorization which would ensure the stability of the overall program.

151 (d) The agency shall maintain the medical and prescription drug coverage for Medicare-
152 eligible retirees by providing coverage through one of the existing plans or by enrolling the
153 Medicare-eligible retired employees into a Medicare-specific plan, including, but not limited to, the
154 Medicare/Advantage Prescription Drug Plan. If a Medicare-specific plan is no longer available or
155 advantageous for the agency and the retirees, the retirees remain eligible for coverage through
156 the agency.

157 (e) The agency shall establish procedures to authorize treatment with a nonparticipating
158 provider if a covered service is not available within established time and distance standards and
159 within a reasonable period after service is requested, and with the same coinsurance, deductible,
160 or copayment requirements as would apply if the service were provided at a participating provider,
161 and at no greater cost to the covered person than if the services were obtained at or from a
162 participating provider.

163 (f) If the Public Employees Insurance Agency offers a plan that does not cover services
164 provided by an out-of-network provider, it may provide the benefits required in paragraph (A),
165 subdivision (6), subsection (a) of this section if the services are rendered by a provider who is
166 designated by and affiliated with the Public Employees Insurance Agency, and only if the same
167 requirements apply for services for a physical illness.

168 (g) In the event of a concurrent review for a claim for coverage of services for the
169 prevention of, screening for, and treatment of behavioral health, mental health, and substance
170 use disorders, the service continues to be a covered service until the Public Employees Insurance
171 Agency notifies the covered person of the determination of the claim.

172 (h) Unless denied for nonpayment of premium, a denial of reimbursement for services for
173 the prevention of, screening for, or treatment of behavioral health, mental health, and substance
174 use disorders by the Public Employees Insurance Agency shall include the following language:

175 (1) A statement explaining that covered persons are protected under this section, which
176 provides that limitations placed on the access to mental health and substance use disorder
177 benefits may be no greater than any limitations placed on access to medical and surgical benefits;

178 (2) A statement providing information about the internal appeals process if the covered
179 person believes his or her rights under this section have been violated; and

180 (3) A statement specifying that covered persons are entitled, upon request to the Public
181 Employees Insurance Agency, to a copy of the medical necessity criteria for any behavioral
182 health, mental health, and substance use disorder benefit.

183 (i) On or after June 1, 2021, and annually thereafter, the Public Employees Insurance
184 Agency shall submit a written report to the Joint Committee on Government and Finance that
185 contains the following information regarding plans offered pursuant to this section:

186 (1) Data that demonstrates parity compliance for adverse determination regarding claims
187 for behavioral health, mental health, or substance use disorder services and includes the total
188 number of adverse determinations for such claims;

189 (2) A description of the process used to develop and select:

190 (A) The medical necessity criteria used in determining benefits for behavioral health,
191 mental health, and substance use disorders; and

192 (B) The medical necessity criteria used in determining medical and surgical benefits;

193 (3) Identification of all nonquantitative treatment limitations that are applied to benefits for
194 behavioral health, mental health, and substance use disorders and to medical and surgical
195 benefits within each classification of benefits;

196 (4) The results of analyses demonstrating that, for medical necessity criteria described in
197 subdivision (2) of this subsection and for each nonquantitative treatment limitation identified in
198 subdivision (3) of this subsection, as written and in operation, the processes, strategies,
199 evidentiary standards, or other factors used in applying the medical necessity criteria and each
200 nonquantitative treatment limitation to benefits for behavioral health, mental health, and
201 substance use disorders within each classification of benefits are comparable to, and are applied
202 no more stringently than, the processes, strategies, evidentiary standards, or other factors used
203 in applying the medical necessity criteria and each nonquantitative treatment limitation to medical
204 and surgical benefits within the corresponding classification of benefits;

205 (5) The Public Employees Insurance Agency's report of the analyses regarding
206 nonquantitative treatment limitations shall include at a minimum:

207 (A) Identify factors used to determine whether a nonquantitative treatment limitation will
208 apply to a benefit, including factors that were considered but rejected;

209 (B) Identify and define the specific evidentiary standards used to define the factors and
210 any other evidence relied on in designing each nonquantitative treatment limitation;

211 (C) Provide the comparative analyses, including the results of the analyses, performed to
212 determine that the processes and strategies used to design each nonquantitative treatment
213 limitation, as written, and the written processes and strategies used to apply each nonquantitative
214 treatment limitation for benefits for behavioral health, mental health, and substance use disorders

215 are comparable to, and are applied no more stringently than, the processes and strategies used
216 to design and apply each nonquantitative treatment limitation, as written, and the written
217 processes and strategies used to apply each nonquantitative treatment limitation for medical and
218 surgical benefits;

219 (D) Provide the comparative analysis, including the results of the analyses, performed to
220 determine that the processes and strategies used to apply each nonquantitative treatment
221 limitation, in operation, for benefits for behavioral health, mental health, and substance use
222 disorders are comparable to, and are applied no more stringently than, the processes and
223 strategies used to apply each nonquantitative treatment limitation, in operation, for medical and
224 surgical benefits; and

225 (E) Disclose the specific findings and conclusions reached by the Public Employees
226 Insurance Agency that the results of the analyses indicate that each health benefit plan offered
227 by the Public Employees Insurance Agency complies with paragraph (B), subdivision (6),
228 subsection (a) of this section; and

229 (6) After the initial report required by this subsection, annual reports are only required for
230 any year thereafter during which the Public Employees Insurance Agency makes significant
231 changes to how it designs and applies medical management protocols.

232 (j) The Public Employees Insurance Agency shall update its annual plan document to
233 reflect its comprehensive parity compliance. An annual report shall also be filed with the Joint
234 Committee on Government and Finance and the Public Employees Insurance Agency Finance
235 Board.

§5-16-7b. Coverage for telehealth services.

1 (a) The plan shall provide coverage of health care services provided through telehealth
2 services if those same services are covered through face-to-face consultation by the policy.

3 (b) The plan may not exclude a service for coverage solely because the service is provided
4 through telehealth services.

5 (c) The plan shall provide reimbursement for a telehealth service at a rate negotiated
6 between the provider and the insurance company for virtual telehealth encounters. The plan shall
7 provide reimbursement for a telehealth service for an established patient, or care rendered on a
8 consulting basis to a patient located in an acute care facility, whether inpatient or outpatient, on
9 the same basis and at the same rate under a contract, plan, agreement, or policy as if the service
10 is provided through an in-person encounter rather than provided via telehealth.

11 (d) The plan may not impose any annual or lifetime dollar maximum on coverage for
12 telehealth services other than an annual or lifetime dollar maximum that applies in the aggregate
13 to all items and services covered under the policy, or impose upon any person receiving benefits
14 pursuant to the provisions of or the requirements of this section any copayment, coinsurance, or
15 deductible amounts, or any policy year, calendar year, lifetime, or other durational benefit
16 limitation or maximum for benefits or services that is not equally imposed upon all terms and
17 services covered under the policy, contract, or plan.

18 (e) An originating site may charge the plan a site fee.

19 (f) The coverage required by this section shall include the use of telehealth technologies
20 as it pertains to medically necessary remote patient monitoring services to the full extent that
21 those services are available.

§5-16-7c. Required coverage for reconstruction surgery following mastectomies.

1 (a) The plan shall provide, in a case of a participant or beneficiary who is receiving benefits
2 in connection with a mastectomy and who elects breast reconstruction in connection with such
3 mastectomy, coverage for:

4 (1) All stages of reconstruction of the breast on which the mastectomy has been
5 performed;

6 (2) Surgery and reconstruction of the other breast to produce a symmetrical appearance;

7 and

8 (3) Prostheses and physical complications of mastectomy, including lymphedemas in a
9 manner determined in consultation with the attending physician and the patient. Coverage shall
10 be provided for a minimum stay in the hospital of not less than 48 hours for a patient following a
11 radical or modified mastectomy and not less than 24 hours of inpatient care following a total
12 mastectomy or partial mastectomy with lymph node dissection for the treatment of breast cancer.
13 Nothing in this section shall be construed as requiring inpatient coverage where inpatient
14 coverage is not medically necessary or where the attending physician in consultation with the
15 patient determines that a shorter period of hospital stay is appropriate. Such coverage may be
16 subject to annual deductibles and coinsurance provisions as may be deemed appropriate and as
17 are consistent with those established for other benefits under the plan. Written notice of the
18 availability of such coverage shall be delivered to the participant upon enrollment and annually
19 thereafter in the summary plan description or similar document.

20 (b) The plan may not:

21 (1) Deny a patient eligibility, or continued eligibility, to enroll or renew coverage under the
22 terms of the plan, solely for the purpose of avoiding the requirements of this section; and

23 (2) Penalize or otherwise reduce or limit the reimbursement of an attending provider, or
24 provide incentives (monetary or otherwise) to an attending provider, to induce such provider to
25 provide care to an individual participant or beneficiary in a manner inconsistent with this section.

§5-16-7g. Coverage for prescription insulin drugs.

1 (a) A policy, plan, or contract that is issued or renewed on or after January 1, 2023, shall
2 provide coverage for prescription insulin drugs and equipment pursuant to this section.

3 (b) Cost sharing for a 30-day supply of a covered prescription insulin drug may not exceed
4 \$35 in aggregate, including situations where the covered person is prescribed more than one
5 insulin drug, per 30-day supply, regardless of the amount or type of insulin needed to fill such
6 covered person's prescription. Cost sharing for a 30-day supply of covered device(s) may not
7 exceed \$100 in aggregate, including situations where the covered person is prescribed more than

8 one device, per 30-day supply. Each cost-share maximum is covered regardless of the person's
9 deductible, copayment, coinsurance, or any other cost-sharing requirement.

1 (c) Nothing in this section prevents the agency from reducing a covered person's cost
2 sharing by an amount greater than the amount specified in this subsection.

3 (d) No contract between the agency or its pharmacy benefits manager and a pharmacy or
4 its contracting agent shall contain a provision: (i) Authorizing the agency's pharmacy benefits
5 manager or the pharmacy to charge; (ii) requiring the pharmacy to collect; or (iii) requiring a
6 covered person to make a cost-sharing payment for a covered prescription insulin drug in an
7 amount that exceeds the amount of the cost-sharing payment for the covered prescription insulin
8 drug established by the agency as provided in subsection (b) of this section.

9 (e) The agency shall provide coverage for the following equipment and supplies for the
10 treatment or management of diabetes for both insulin-dependent and noninsulin-dependent
11 persons with diabetes and those with gestational diabetes: Blood glucose monitors, monitor
12 supplies, insulin, injection aids, syringes, insulin infusion devices, pharmacological agents for
13 controlling blood sugar, and orthotics.

14 (f) The agency shall provide coverage for diabetes self-management education to ensure
15 that persons with diabetes are educated as to the proper self-management and treatment of their
16 diabetes, including information on proper diets. Coverage for self-management education and
17 education relating to diet shall be provided by a health care practitioner who has been
18 appropriately trained as provided in §33-53-1(k) of this code.

19 (g) The education may be provided by a health care practitioner as part of an office visit
20 for diabetes diagnosis or treatment, or by a licensed pharmacist for instructing and monitoring a
21 patient regarding the proper use of covered equipment, supplies, and medications, or by a
22 certified diabetes educator or registered dietitian.

23 (h) A pharmacy benefits manager, a health plan, or any other third party that reimburses
24 a pharmacy for drugs or services shall not reimburse a pharmacy at a lower rate and shall not

25 assess any fee, charge-back, or adjustment upon a pharmacy on the basis that a covered
26 person's costs sharing is being impacted.

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

1 The insurance plans provided for in this article shall be designed by the Public Employees
2 Insurance Agency:

3 (1) To provide a reasonable relationship between the hospital, surgical, medical, and
4 prescription drug benefits to be included and the expected reasonable and customary hospital,
5 surgical, medical, and prescription drug expenses as established by the director to be incurred by
6 the affected employee, his or her spouse, and his or her dependents. The establishment of
7 reasonable and customary expenses by the Public Employees Insurance Agency pursuant to the
8 preceding sentence is not subject to chapter §29A-1-1 *et seq.* of this code;

9 (2) To include reasonable controls which may include deductible and coinsurance
10 provisions applicable to some or all of the benefits, and shall include other provisions, including,
11 but not limited to, copayments, preadmission certification, case management programs, and
12 preferred provider arrangements;

13 (3) To prevent unnecessary utilization of the various hospital, surgical, medical, and
14 prescription drug services available;

15 (4) To provide reasonable assurance of stability in future years for the plans;

16 (5) To provide major medical insurance for the employees covered under this article;

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

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

23 (8) To provide a cash incentive plan for employees, spouses, and dependents to increase
24 utilization of, and to encourage the use of, lower cost alternative health care facilities, health care
25 providers, and generic drugs. The plan shall be reviewed annually by the director and the advisory
26 board;

27 (9) To provide health and wellness programs and resources impacting various
28 components of health and wellness. PEIA may explore, review, evaluate, and offer a variety of
29 health and wellness programming and resources to meet the needs of its members. These
30 programs are voluntary for participants and are separate and distinct from any medical benefit;

31 (10) To provide a program, to be administered by the director, for a patient audit plan with
32 reimbursement up to a maximum of \$1,000 annually to employees for discovery of health care
33 provider or hospital overcharges when the affected employee brings the overcharge to the
34 attention of the plan. The hospital or health care provider shall certify to the director that it has
35 provided, prior to or simultaneously with the submission of the statement of charges for payments,
36 an itemized statement of the charges to the employee participant for which payment is requested
37 of the plan;

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

41 (12) (A) To provide coverage for emergency services under offered plans.

42 (B) Plans shall provide coverage for emergency services, including any pre-hospital
43 services, to the extent necessary to screen and stabilize the covered person. The plans shall
44 reimburse, less any applicable copayments, deductibles, or coinsurance for emergency services
45 rendered and related to the condition for which the covered person presented. Prior authorization
46 of coverage shall not be required for the screening services if a prudent layperson acting
47 reasonably would have believed that an emergency medical condition existed. Prior authorization
48 of coverage shall not be required for stabilization if an emergency medical condition exists. In the

49 event that prior authorization was obtained, the authorization may not be retracted after the
50 services have been provided except when the authorization was based on a material
51 misrepresentation about the medical condition by the provider of the services or the insured
52 person. The provider of the emergency services and the plan representative shall make a good
53 faith effort to communicate with each other in a timely fashion to expedite post-evaluation or post-
54 stabilization services. Payment of claims for emergency services shall be based on the
55 retrospective review of the presenting history and symptoms of the covered person.

56 (C) For purposes of this subdivision:

57 "Emergency services" means those services required to screen for or treat an emergency
58 medical condition until the condition is stabilized, including pre-hospital care;

59 "Prudent layperson" means a person who is without medical training and who draws on
60 his or her practical experience when making a decision regarding whether an emergency medical
61 condition exists for which emergency treatment should be sought;

62 "Emergency medical condition for the prudent layperson" means one that manifests itself
63 by acute symptoms of sufficient severity, including severe pain, such that the person could
64 reasonably expect the absence of immediate medical attention to result in serious jeopardy to the
65 individual's health, or, with respect to a pregnant woman, the health of the unborn child, serious
66 impairment to bodily functions, or serious dysfunction of any bodily organ or part;

67 "Stabilize" means with respect to an emergency medical condition, to provide medical
68 treatment of the condition necessary to assure, with reasonable medical probability that no
69 medical deterioration of the condition is likely to result from or occur during the transfer of the
70 individual from a facility: *Provided*, That this provision may not be construed to prohibit, limit, or
71 otherwise delay the transportation required for a higher level of care than that possible at the
72 treating facility;

73 "Medical screening examination" means an appropriate examination within the capability
74 of the hospital's emergency department, including ancillary services routinely available to the
75 emergency department, to determine whether or not an emergency medical condition exists; and

76 "Emergency medical condition" means a condition that manifests itself by acute symptoms
77 of sufficient severity including severe pain such that the absence of immediate medical attention
78 could reasonably be expected to result in serious jeopardy to the individual's health, or, with
79 respect to a pregnant woman, the health of the unborn child, serious impairment to bodily
80 functions, or serious dysfunction of any bodily part or organ.

§5-16-9. Authorization to execute contracts.

1 (a) The director is given exclusive authorization to execute such contract or contracts as
2 are necessary to carry out the provisions of this article.

3 (b) The provisions of §5A-3-1 *et seq.* of this code, relating to the Division of Purchasing of
4 the Department of Finance and Administration, shall not apply to any contracts for any insurance
5 coverage or professional services authorized to be executed under the provisions of this article.
6 Before entering into any contract for any insurance coverage, as authorized in this article, the
7 director shall invite competent bids from all qualified and licensed insurance companies or carriers
8 that may wish to offer plans for the insurance coverage desired. The director shall negotiate and
9 contract directly with health care providers and other entities, organizations, and vendors in order
10 to secure competitive premiums, prices, and other financial advantages. The director shall deal
11 directly with insurers or health care providers and other entities, organizations, and vendors in
12 presenting specifications and receiving quotations for bid purposes. No commission or finder's
13 fee, or any combination thereof, shall be paid to any individual or agent: *Provided*, That this shall
14 not preclude an underwriting insurance company or companies, at their own expense, from
15 appointing a licensed resident agent within this state to service the companies' contracts awarded
16 under the provisions of this article. Commissions reasonably related to actual service rendered
17 for the agent or agents may be paid by the underwriting company or companies. In no event shall

18 payment be made to any agent or agents when no actual services are rendered or performed.
19 The director shall award the contract or contracts on a competitive basis. In awarding the contract
20 or contracts the director shall take into account the experience of the offering agency, corporation,
21 insurance company, or service organization in the group hospital and surgical insurance field,
22 group major medical insurance field, group prescription drug field, and group life and accidental
23 death insurance field, and its facilities for the handling of claims. In evaluating these factors, the
24 director may employ the services of impartial, professional insurance analysts or actuaries, or
25 both. Any contract executed by the director with a selected carrier shall be a contract to govern
26 all eligible employees subject to the provisions of this article. Nothing contained in this article shall
27 prohibit any insurance carrier from soliciting employees covered hereunder to purchase additional
28 hospital and surgical, major medical, or life and accidental death insurance coverage.

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

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

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

40 (f) The director shall include language in all contracts for pharmacy benefits management,
41 as defined by §33-51-3 of this code, requiring the pharmacy benefit manager to report quarterly
42 to the agency the following:

43 (1) The overall total amount charged to the agency for all claims processed by the
44 pharmacy benefit manager during the quarter;

45 (2) The overall total amount of reimbursements paid to pharmacy providers during the
46 quarter;

47 (3) The overall total number of claims in which the pharmacy benefits manager reimbursed
48 a pharmacy provider for less than the amount charged to the agency for all claims processed by
49 the pharmacy benefit manager during the quarter; and

50 (4) For all pharmacy claims, the total amount paid to the pharmacy provider per claim,
51 including, but not limited to, the following:

52 (A) The cost of drug reimbursement;

53 (B) Dispensing fees;

54 (C) Copayments; and

55 (D) The amount charged to the agency for each claim by the pharmacy benefit manager.

56 In the event there is a difference between the amount for any pharmacy claim paid to the
57 pharmacy provider and the amount reimbursed to the agency, the pharmacy benefit manager
58 shall report an itemization of all administrative fees, rebates, or processing charges associated
59 with the claim. All data and information provided by the pharmacy benefit manager shall be kept
60 secure, and notwithstanding any other provision of this code to the contrary, the agency shall
61 maintain the confidentiality of the proprietary information and not share or disclose the proprietary
62 information contained in the report or data collected with persons outside the agency. All data and
63 information provided by the pharmacy benefit manager shall be considered proprietary and
64 confidential and exempt from disclosure under the West Virginia Freedom of Information Act
65 pursuant to §29B-1-4(a)(1) of this code. Only those agency employees involved in collecting,
66 securing, and analyzing the data for the purpose of preparing the report provided for herein shall
67 have access to the proprietary data. The director shall provide a quarterly report to the Joint
68 Committee on Health detailing the information required by this section, including any difference

69 or spread between the overall amount paid by pharmacy benefit managers to the pharmacy
70 providers and the overall amount charged to the agency for each claim by the pharmacy benefit
71 manager. To the extent necessary, the director shall use aggregated, nonproprietary data only:
72 *Provided*, That the director must provide a clear and concise summary of the total amounts
73 charged to the agency and reimbursed to pharmacy providers on a quarterly basis.

74 (g) If the information required herein is not provided, the agency may terminate the
75 contract with the pharmacy benefit manager and the Office of the Insurance Commissioner shall
76 discipline the pharmacy benefit manager as provided in §33-51-8(e) of this code.

77 (h) The Public Employees Insurance Agency shall contract with networks to provide care
78 to its members out of state.

**§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.**

1 A plan may provide benefits for retired employees and their spouses and dependents as
2 defined by rules and regulations of the Public Employees Insurance Agency, and on such terms
3 as the director may deem appropriate.

4 In the event the Public Employees Insurance Agency provides the above benefits for
5 retired employees, their spouses, and dependents, the Public Employees Insurance Agency shall
6 adopt rules and regulations prescribing the conditions under which retired employees may elect
7 to participate in or withdraw from the plan or plans. Any plan provided for shall be secondary to
8 any insurance plan administered by the United States Department of Health and Human Services
9 to which the retired employee, spouse, or dependent may be eligible under any law or regulation
10 of the United States. If an employee eligible to participate in the Public Employees Insurance
11 Agency plans is also eligible to participate in the state Medicaid program, and chooses to do so,
12 then the Public Employees Insurance Agency may transfer to the Medicaid program funds to pay
13 the required state share of such employee's participation in Medicaid except that the amount

14 transferred may not exceed the amount that would be allocated by the agency to subsidize the
15 cost of coverage for the retired employee if he or she were enrolled in the Public Employees
16 Insurance Agency's plans.

§5-16-11. To whom benefits paid.

1 Any benefits payable under a plan may be paid either directly to the medical provider,
2 hospital, medical group, or other person, firm, association, or corporation furnishing the service
3 upon which the claim is based, or to the insured upon presentation of valid bills for such service,
4 subject to such provisions designed to facilitate payments as may be made by the director.

**§5-16-13. Payment of costs by employer and employee; spouse and dependent coverage;
involuntary employee termination coverage; conversion of annual leave and sick
leave authorized for health or retirement benefits; authorization for retiree
participation; continuation of health insurance for surviving dependents of
deceased employees; requirement of new health plan; limiting employer
contribution.**

1 (a) *Cost-sharing.* — The director shall provide plans that shall be paid by the employer
2 and employee.

3 (b) *Spouse and dependent coverage.* —(1) An employee is entitled to have his or her
4 spouse and dependents included in any plan to which the employee is entitled to participate.

5 (2) The spouse and dependent coverage is limited to excess or secondary coverage for
6 each spouse and dependent who has primary coverage from any other source. If an employee's
7 spouse has health insurance available through an employer not defined in §5-16-2 of this code,
8 then the employer may not cover any portion of premiums for the employee's spouse coverage,
9 unless the employee adds his or her spouse to his or her coverage by paying the cost of the
10 actuarial value of the plan: *Provided*, That this does not apply to spouses of retired employees or
11 employers subject to §5-16-22 of this code. For purposes of this subsection, "actuarial value"
12 means the value as recommended by healthcare actuaries under §5-16-5 of this code.

13 The director may require proof regarding spouse and dependent primary coverage and
14 shall adopt rules governing the nature, discontinuance, and resumption of any employee's
15 coverage for his or her spouse and dependents.

16 (c) *Continuation after termination.* — If an employee participating in the plan is terminated
17 from employment involuntarily or in reduction of work force, the employee's insurance coverage
18 provided under this article shall continue for a period of three months at no additional cost to the
19 employee and the employer shall continue to contribute the employer's share of plan premiums
20 for the coverage. An employee discharged for misconduct shall not be eligible for extended
21 benefits under this section. Coverage may be extended up to the maximum period of three
22 months, while administrative remedies contesting the charge of misconduct are pursued. If the
23 discharge for misconduct be upheld, the full cost of the extended coverage shall be reimbursed
24 by the employee. If the employee is again employed or recalled to active employment within 12
25 months of his or her prior termination, he or she shall not be considered a new enrollee and may
26 not be required to again contribute his or her share of the premium cost if he or she had already
27 fully contributed such share during the prior period of employment.

28 (d) *Conversion of accrued annual and sick leave for extended insurance coverage upon*
29 *retirement for employees who elected to participate in the plan before July, 1988.* — Except as
30 otherwise provided in subsection (g) of this section, when an employee participating in the plan,
31 who elected to participate in the plan before July 1, 1988, is compelled or required by law to retire
32 before reaching the age of 65, or when a participating employee voluntarily retires as provided by
33 law, that employee's accrued annual leave and sick leave, if any, shall be credited toward an
34 extension of the insurance coverage provided by this article, according to the following formulae:
35 The insurance coverage for a retired employee shall continue one additional month for every two
36 days of annual leave or sick leave, or both, which the employee had accrued as of the effective
37 date of his or her retirement. For a retired employee, his or her spouse and dependents, the
38 insurance coverage shall continue one additional month for every three days of annual leave or

39 sick leave, or both, which the employee had accrued as of the effective date of his or her
40 retirement.(e) *Conversion of accrued annual and sick leave for extended insurance coverage*
41 *upon retirement for employees who elected to participate in the plan after June, 1988. —*
42 Notwithstanding subsection (d) of this section, and except as otherwise provided in subsections
43 (g) and (l) of this section, when an employee participating in the plan who elected to participate
44 in the plan on and after July 1, 1988, is compelled or required by law to retire before reaching the
45 age of 65, or when the participating employee voluntarily retires as provided by law, that
46 employee's annual leave or sick leave, if any, shall be credited toward one half of the premium
47 cost of the insurance provided by this article, for periods and scope of coverage determined
48 according to the following formulae: (1) One additional month of single retiree coverage for every
49 two days of annual leave or sick leave, or both, which the employee had accrued as of the
50 effective date of his or her retirement; or (2) one additional month of coverage for a retiree, his or
51 her spouse, and dependents for every three days of annual leave or sick leave, or both, which
52 the employee had accrued as of the effective date of his or her retirement. The remaining premium
53 cost shall be borne by the retired employee if he or she elects the coverage. For purposes of this
54 subsection, an employee who has been a participant under spouse or dependent coverage and
55 who reenters the plan within 12 months after termination of his or her prior coverage shall be
56 considered to have elected to participate in the plan as of the date of commencement of the prior
57 coverage. For purposes of this subsection, an employee shall not be considered a new employee
58 after returning from extended authorized leave on or after July 1, 1988.

59 (f) In the alternative to the extension of insurance coverage through premium payment
60 provided in subsections (d) and (e) of this section, the accrued annual leave and sick leave of an
61 employee participating in the plan may be applied, on the basis of two days' retirement service
62 credit for each one day of accrued annual and sick leave, toward an increase in the employee's
63 retirement benefits with those days constituting additional credited service in computation of the
64 benefits under any state retirement system: *Provided*, That for a person who first becomes a

65 member of the Teachers Retirement System as provided in §18-7A-1 *et seq.* of this code on or
66 after July 1, 2015, accrued annual and sick leave of an employee participating in the plan may
67 not be applied for retirement service credit: *Provided, however,* That the additional credited
68 service shall not be used in meeting initial eligibility for retirement criteria, but only as additional
69 service credited in excess thereof.

70 (g) *Conversion of accrued annual and sick leave for extended insurance coverage upon*
71 *retirement for certain higher education employees.* Except as otherwise provided in subsection
72 (k) of this section, when an employee, who is a higher education full-time faculty member
73 employed on an annual contract basis other than for 12 months, is compelled or required by law
74 to retire before reaching the age of 65, or when such a participating employee voluntarily retires
75 as provided by law, that employee's insurance coverage, as provided by this article, shall be
76 extended according to the following formulae: The insurance coverage for a retired higher
77 education full-time faculty member, formerly employed on an annual contract basis other than for
78 12 months, shall continue beyond the effective date of his or her retirement one additional year
79 for each three and one-third years of teaching service, as determined by uniform guidelines
80 established by the University of West Virginia Board of Trustees and the Board of Directors of the
81 State College System, for individual coverage, or one additional year for each five years of
82 teaching service for family coverage.

83 (h) *Retiree participation.* —All retired employees are eligible to obtain health insurance
84 coverage. The retired employee's premium contribution for the coverage shall be established by
85 the finance board.

86 (i) *Surviving spouse and dependent participation.* — A surviving spouse and dependents
87 of a deceased employee, who was either an active or retired employee participating in the plan
88 just prior to his or her death, are entitled to be included in any comprehensive group health
89 insurance coverage provided under this article to which the deceased employee was entitled, and

90 the spouse and dependents shall bear the premium cost of the insurance coverage. The finance
91 board shall establish the premium cost of the coverage.

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

100 (k) *Participation of certain former employees.* — An employee, eligible for coverage under
101 the provisions of this article who has 20 years of service with any agency or entity participating in
102 the public employees insurance program or who has been covered by the public employees
103 insurance program for 20 years may, upon leaving employment with a participating agency or
104 entity, continue to be covered by the program if the employee pays 105 percent of the cost of
105 retiree coverage: *Provided*, That the employee shall elect to continue coverage under this
106 subsection within two years of the date the employment with a participating agency or entity is
107 terminated.

108 (l) *Prohibition on conversion of accrued annual and sick leave for extended coverage upon*
109 *retirement for new employees who elect to participate in the plan after June, 2001.* — Any
110 employee hired on or after July 1, 2001, who elects to participate in the plan may not apply
111 accrued annual or sick leave toward the cost of premiums for extended insurance coverage upon
112 his or her retirement. This prohibition does not apply to the conversion of accrued annual or sick
113 leave for increased retirement benefits, as authorized by this section: *Provided*, That any person
114 who has participated in the plan prior to July 1, 2001, is not a new employee for purposes of this
115 subsection if he or she becomes reemployed with an employer participating in the plan within two

116 years following his or her separation from employment and he or she elects to participate in the
117 plan upon his or her reemployment.

118 (m) *Prohibition on conversion of accrued years of teaching service for extended coverage*
119 *upon retirement for new employees who elect to participate in the plan July, 2009.* —Any
120 employee hired on or after July 1, 2009, who elects to participate in the plan may not apply
121 accrued years of teaching service toward the cost of premiums for extended insurance coverage
122 upon his or her retirement.

§5-16-14. Program qualifying for favorable federal income tax treatment.

1 The director shall develop deductible and employee premium programs which qualify for
2 favorable federal income tax treatment under section 125 of the Internal Revenue Code.

**§5-16-15. Optional dental, optical, disability, and prepaid retirement plan, and audiology
and hearing-aid service plan.**

1 (a) The director shall make available to participants in the public employees insurance
2 system:

- 3 (1) A dental insurance plan;
- 4 (2) An optical insurance plan;
- 5 (3) A disability insurance plan;
- 6 (4) A prepaid retirement insurance plan; and
- 7 (5) An audiology and hearing-aid services insurance plan.

8 (b) Public employees insurance participants may elect to participate in any one of these
9 plans separately or in combination. All actuarial and administrative costs of each plan shall be
10 totally borne by the premium payments of the participants or local governing bodies electing to
11 participate in that plan. The director is authorized to employ such administrative practices and
12 procedures with respect to these optional plans as are authorized for the administration of other
13 plans under this article. The director shall establish separate funds for each of the above listed
14 plans. The funds shall not be supplemented by nor be used to supplement any other funds.

§5-16-16. Preferred provider plan.

1 The director shall establish a preferred provider system for the delivery of health care to
2 plan participants by all health care providers, which may include, but not be limited to, medical
3 doctors, chiropractors, physicians, osteopathic physicians, surgeons, hospitals, clinics, nursing
4 homes, pharmacies, and pharmaceutical companies.

5 The director shall establish the terms of the preferred provider system and the incentives
6 therefor. The terms and incentives may include multiyear renewal options as are not prohibited
7 by the Constitution of this state and capitated primary care arrangements which are not subject
8 to the provisions of §33-25A-1 *et seq.* of this code.

**§5-16-18. Payment of costs by employer; schedule of insurance; special funds created;
duties of Treasurer with respect thereto.**

1 (a) All employers operating from state general revenue or special revenue funds, or federal
2 funds, or any combination of those funds, shall budget the cost of insurance coverage provided
3 by the Public Employees Insurance Agency to current and retired employees of the employer as
4 a separate line item titled PEIA in its respective annual budget and are responsible for the transfer
5 of funds to the director for the cost of insurance for employees covered by the plan. Each spending
6 unit shall pay to the director its proportionate share from each source of funds. Any agency
7 wishing to charge General Revenue Funds for insurance benefits for retirees under §5-16-13 of
8 this code shall provide documentation to the director that the benefits cannot be paid for by any
9 special revenue account or that the retiring employee has been paid solely with General Revenue
10 Funds for 12 months prior to retirement.

11 (b) If the general revenue appropriation for any employer, excluding county boards of
12 education, is insufficient to cover the cost of insurance coverage for the employer's participating
13 employees, retired employees, and surviving dependents, the employer shall pay the remainder
14 of the cost from its "personal services" or "unclassified" line items. The amount of the payments
15 for county boards of education shall be determined by the method set forth in §18-9A-24 of this

16 code: *Provided*, That local excess levy funds shall be used only for the purposes for which they
17 were raised: *Provided, however*, That after approval of its annual financial plan, but in no event
18 later than December 31 of each year, the finance board shall notify the Legislature and county
19 boards of education of the maximum amount of employer premiums that the county boards of
20 education shall pay for covered employees during the following fiscal year.

21 (c) All other employers not operating from the state General Revenue Fund shall pay to
22 the director their share of premium costs from their respective budgets. The finance board shall
23 establish the employers' share of premium costs to reflect and pay the actual costs of the
24 coverage including incurred but not reported claims.

25 (d) The contribution of the other employers that are counties, cities, or towns in the state;
26 any separate corporation or instrumentality established by one or more counties, cities, or towns,
27 as permitted by law; any corporation or instrumentality supported in most part by counties, cities
28 or towns; any public corporation charged by law with the performance of a governmental function
29 and whose jurisdiction is coextensive with one or more counties, cities, or towns; any
30 comprehensive community mental health center or comprehensive mental health facility
31 established, operated, or licensed by the Secretary of the Department of Health and Human
32 Resources pursuant to §27-2A-1 *et seq.* of this code, and which is supported in part by state,
33 county, or municipal funds; and a combined city-county health department created pursuant to
34 §16-2-1 *et seq.* of this code for their employees shall be the percentage of the cost of the
35 employees' insurance package as the employers determine reasonable and proper under their
36 own particular circumstances.

37 (e) The employee's proportionate share of the premium or cost shall be withheld or
38 deducted by the employer from the employee's salary or wages as and when paid and the sums
39 shall be forwarded to the director with any supporting data as the director may require.

40 (f) All moneys received by the Public Employees Insurance Agency shall be deposited in
41 a special fund or funds as are necessary in the State Treasury and the Treasurer is custodian of

42 the fund or funds and shall administer the fund or funds in accordance with the provisions of this
43 article or as the director may from time to time direct. The Treasurer shall pay all warrants issued
44 by the State Auditor against the fund or funds as the director may direct in accordance with the
45 provisions of this article. All funds received by the agency, shall be deposited, as determined by
46 the director, in any of the investment pools with the West Virginia Investment Management Board,
47 with the interest income or other earnings a proper credit to all such funds for the benefit of the
48 Public Employees Insurance Agency.

49 (g) The Public Employees Insurance Agency may recover an additional interest amount
50 from any employer that fails to pay in a timely manner any premium or minimum annual employer
51 payment, as defined in §5-16D-1 *et seq.* of this code, which is due and payable to the Public
52 Employees Insurance Agency or the Retiree Health Benefit Trust. The agency may recover the
53 amount due plus an additional amount equal to 2.5 percent per annum of the amount due. Accrual
54 of interest owed by the delinquent employer commences upon the 31st day following the due date
55 for the amount owed and shall continue until receipt by the Public Employees Insurance Agency
56 of the delinquent payment. Interest shall compound every 30 days.

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

1 Notwithstanding any other provision of this article to the contrary, members of the
2 Legislature may participate in and be covered by any insurance plan or plans authorized
3 hereunder for state officers and employees, except that all members of the Legislature who elect
4 to participate in or to be covered by any such plan or plans shall pay their proportionate individual
5 share of the full cost for all group coverage on themselves, their spouses, and dependents, so
6 that there will be no cost to the state for the coverage of any such members, spouses, and
7 dependents.

§5-16-25. Reserve fund.

1 The finance board shall establish and maintain a reserve fund for the purposes of
2 offsetting unanticipated claim losses in any fiscal year. The finance board shall maintain the
3 actuarily recommended reserve in an amount no less than 10 percent of the projected total plan
4 costs for that fiscal year in the reserve fund, which is to be certified by the actuary and included
5 in the final, approved financial plan submitted to the Governor and Legislature.

§5-16-26. Quarterly report.

1 On or before the 30th day of January, April, July, and October the director shall prepare
2 for the approval of the finance board, and thereafter present to the Joint Committee on
3 Government and Finance a quarterly report setting forth:

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

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

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

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

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

16 (f) Any other financial or other information as may be requested by the Joint Committee
17 on Government and Finance.

§5-16-28. Incorporation of the coverage for 12-month refill for contraceptive drugs.

1 [Repealed.]

§5-16-30. PEIA solvency.

1 The Public Employees Insurance Agency shall return to, and provide that, the aggregate
2 premium cost-sharing percentages between employers and employees, including the amounts of
3 any subsidization of retired employee benefits, shall be at a level of 80 percent for the employer
4 and 20 percent for employees during fiscal year 2024 and thereafter.

§5-16-31. PEIA actuarial study.

1 PEIA shall conduct an independent actuarial study of the financial solvency of the plan,
2 including, but not limited to, a consideration of alternatives to bring long-term financial stability to
3 the plan, options regarding continued nonstate employee participation in the plan, collapsing
4 salary levels, and any other cost-saving measures. PEIA shall seek input from public employees,
5 retirees, providers, and other interested parties on solutions to evaluate in the study. The actuarial
6 study shall begin on or before July 1, 2023. A report on the study shall be presented to the Joint
7 Committee on Government and Finance on or before July 1, 2024.

§5-16-32. Effective date of amendments.

1 The amendments made to this article during the regular session of the Legislature, 2023,
2 shall be incorporated into the plan beginning with plan year 2024.

The Clerk of the Senate and the Clerk of the House of Delegates hereby certify that the foregoing bill is correctly enrolled.


.....
Clerk of the Senate


.....
Clerk of the House of Delegates

Originated in the Senate.

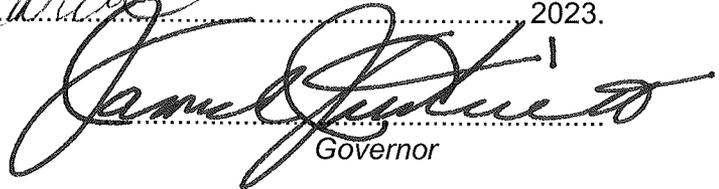
In effect from passage.

FILED
2023 MAR 17 P 12:44
OFFICE OF WEST VIRGINIA
SECRETARY OF STATE


.....
President of the Senate


.....
Speaker of the House of Delegates

The within is approved this the 17th
Day of March 2023.


.....
Governor

PRESENTED TO THE GOVERNOR

MAR 07 2023

Time 9:38 AM