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**H. B. 4651**

(By Delegates Perdue, Hatfield, Lawrence, Moye, Barill,  
Fleischauer, Perry, Moore, Poore, Ellington and Lane)  
[Originating in the Committee on Health and Human Resources.]

A BILL to amend and reenact §9-2-9 of the Code of West Virginia, 1931, as amended, all relating to requiring public notice of state plan amendments, reimbursement changes, demonstration projects and waiver applications, requiring a response to all public comments and requiring approval by the Legislative Oversight Commission on Health and Human Resource Accountability prior to submission to the federal government for approval.

*Be it enacted by the Legislature of West Virginia:*

That §9-2-9 of the Code of West Virginia, 1931, as amended, be amended and reenacted, all to read as follows:

**ARTICLE 2. COMMISSIONER OF HUMAN SERVICES; POWERS, DUTIES AND RESPONSIBILITIES GENERALLY.**

**§9-2-9. Secretary to develop Medicaid monitoring and case**

1                   **management.**

2           (a) The Secretary of the Department of Health and Human  
3 Resources shall:

4           (1) Develop a managed care system to monitor the services  
5 provided by the Medicaid program to individual clients;

6           (2) Develop an independent referral service, including the  
7 review of individual cases for abuses of the program; and

8           (3) Develop a schedule for implementation of the managed care  
9 and independent referral system. The managed care system shall  
10 focus on, but not be limited to, the behavioral health and mental  
11 health services.

12          (b) In addition thereto, and in accordance with applicable  
13 federal Medicaid laws, the secretary shall prepare recommendations,  
14 to be submitted to the Joint Committee on Government and Finance.  
15 In developing recommendations the secretary shall consider as  
16 options the following:

17          (1) Review of Medicaid services which are optional under  
18 federal Medicaid law and identification of services to be retained,  
19 reduced or eliminated;

20          (2) The elimination, reduction or phase-out of: (I) Services  
21 which are not generally available to West Virginia citizens not  
22 covered under the state's Medicaid program; or (ii) services which  
23 are not generally covered under group policies of insurance made

1 available to employees of employers within the state;

2 (3) The elimination or reduction of services, or reduction of  
3 provider reimbursement rates, for identified services of marginal  
4 utility;

5 (4) Higher reimbursement rates for primary and preventive  
6 care;

7 (5) Changes in fee structure, which may include a system of  
8 prospective payments, and may include establishment of global fees  
9 for identified services or diagnoses including maternity care;

10 (6) Utilization caps for certain health care procedures;

11 (7) Restriction of coverage for cosmetic procedures;

12 (8) Identification of excessive use of certain health care  
13 procedures by individuals and a policy to restrict excessive use;

14 (9) Identification of services which reduce the need for more  
15 costly options for necessary care and retention or expansion of  
16 those programs;

17 (10) Identification of services for which preauthorization is  
18 a requirement for Medicaid reimbursement;

19 (11) Recommendations relating to the development of a  
20 demonstration project on long-term care, which demonstration  
21 project may be limited to patients with alzheimer's disease;

22 (12) A policy concerning the department's procedures for  
23 compliance, monitoring and inspection; and

1           (13) Such other options as may be developed.

2           (c) The secretary shall utilize in-state health care  
3 facilities for inpatient treatment when such facilities are  
4 available. Prior authorization, consistent with applicable federal  
5 law, shall be required for out-of-state inpatient treatment.

6           (d) The secretary shall report to the Joint Committee on  
7 Government and Finance on the development and implementation of  
8 Medicaid programs that provide incentives to working persons. The  
9 secretary shall consider: Subsidies for low income working  
10 persons; individual or small employer buy-ins to the State Medicaid  
11 Fund; prospective payment systems for primary care physicians in  
12 underserved areas; and a system to improve monitoring of  
13 collections, expenditures, service delivery and utilization.

14           (e) The secretary shall report quarterly to the Joint  
15 Committee on Government and Finance regarding provider and facility  
16 compliance with federal and state Medicaid laws, including, but not  
17 limited to, the following: The number of inspections conducted  
18 during the previous quarter; description of programs, services and  
19 facilities reviewed; findings; and recommendations for corrections.

20           (f) The secretary shall, upon federal certification of the  
21 claims management system, ensure that the claims management system  
22 processing Medicaid claims provides:

23           (1) Detailed quarterly financial reports to the Legislative

1 Oversight Commission on Health and Human Resources Accountability;

2 (2) A management reporting system no later than the first day  
3 of July, two thousand six; and

4 (3) Specific utilization data by provider, member eligibility  
5 groups and service no later than the first day of October, two  
6 thousand six.

7 (g) The secretary shall provide public notice of any proposed  
8 amendment to the state plan for Medicaid, proposed changes to the  
9 reimbursement schedule for Medicaid, any demonstration projects  
10 permitted by federal law or any waiver applications. The notice  
11 shall be filed with the Secretary of State, for publication in the  
12 State Register, including the text of the proposed amendment, the  
13 proposed demonstration project, reimbursement changes and waiver  
14 applications including a fiscal note. The notice shall fix a date,  
15 time and place for the receipt of public comment in the form of  
16 written statements and any relevant documents. The proposed  
17 amendment, proposed demonstration project, reimbursement schedule  
18 change or waiver application must comply with the following:

19 (a) A review of and approval for all state plan amendments,  
20 reimbursement changes, proposed demonstration projects or waiver  
21 applications along with public comments and medicaid responses to  
22 the public comments by the Legislative Oversight Commission on  
23 Health and Human Resource Accountability;

1 (b) If a situation arises in which approval must occur in a  
2 shortened timeframe, the secretary may file the information  
3 required in subsection(a) with the co-chairs and the senior  
4 minority member of each house on the Legislative Oversight  
5 Commission on Health and Human Resource Accountability for an  
6 expedited process; and

7 (c)Upon approval by the Legislative Oversight Commission on Health  
8 and Human Resource Accountability, the secretary may file the  
9 proposed plans and changes with the federal government for final  
10 approval.

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NOTE: The purpose of this bill is to require public notice of state plan amendments, waiver applications, changes to reimbursement and demonstration projects, a public comment period and approval by LOCHHRA prior to submission for federal approval.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.