

1 **H. B. 2418**

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3 (By Delegates Boggs, Moore, Miley, Azinger and A. Evans)
4 [Introduced February 13, 2013; referred to the
5 Committee on Finance.]
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10 A BILL to amend and reenact §5-16-9 of the Code of West Virginia,
11 1931, as amended, relating to requiring the Public Employees
12 Insurance Agency to advertise that it is seeking contract bids
13 prior to accepting bids for those contracts; requiring the
14 Public Employees Insurance Agency to give potential bidders
15 thirty days to submit a bid; requiring Public Employees
16 Insurance Agency contractors who seek to subcontract out a
17 portion of a contract to advertise that it is seeking bids
18 prior to awarding the subcontract; and requiring those
19 contractors to give potential bidders thirty days to submit a
20 bid.

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

22 That §5-16-9 of the Code of West Virginia, 1931, as amended,
23 be amended and reenacted to read as follows:

24 **ARTICLE 16. WEST VIRGINIA PUBLIC EMPLOYEES INSURANCE ACT.**

1 **§5-16-9. Authorization to execute contracts for group hospital and**
2 **surgical insurance, group major medical insurance,**
3 **group prescription drug insurance, group life and**
4 **accidental death insurance and other accidental death**
5 **insurance; mandated benefits; limitations; awarding of**
6 **contracts; reinsurance; certificates for covered**
7 **employees; discontinuance of contracts.**

8 (a) The director is hereby given exclusive authorization to
9 execute ~~such contract or~~ contracts as are necessary to carry out
10 the provisions of this article and to provide the plan or plans of
11 group hospital and surgical insurance coverage, group major medical
12 insurance coverage, group prescription drug insurance coverage and
13 group life and accidental death insurance coverage selected in
14 accordance with ~~the provisions of~~ this article, ~~such~~ the contract
15 or contracts to be executed with one or more agencies,
16 corporations, insurance companies or service organizations licensed
17 to sell group hospital and surgical insurance, group major medical
18 insurance, group prescription drug insurance and group life and
19 accidental death insurance in this state.

20 (b) The group hospital or surgical insurance coverage and
21 group major medical insurance coverage ~~herein~~ provided in this
22 article shall include coverages and benefits for X ray and
23 laboratory services in connection with mammogram and pap smears

1 when performed for cancer screening or diagnostic services and
2 annual checkups for prostate cancer in men age fifty and over.
3 ~~Such~~ The benefits shall include, but are not ~~be~~ limited to, the
4 following:

5 (1) Mammograms when medically appropriate and consistent with
6 the current guidelines from the United States Preventive Services
7 Task Force;

8 (2) A pap smear, either conventional or liquid-based cytology,
9 whichever is medically appropriate and consistent with the current
10 guidelines from the United States Preventive Services Task Force or
11 The American College of Obstetricians and Gynecologists, for women
12 age eighteen and over;

13 (3) A test for the human papilloma virus (HPV) for women age
14 eighteen or over, when medically appropriate and consistent with
15 the current guidelines from either the United States Preventive
16 Services Task Force or The American College of Obstetricians and
17 Gynecologists for women age eighteen and over;

18 (4) A checkup for prostate cancer annually for men age fifty
19 or over; and

20 (5) Annual screening for kidney disease as determined to be
21 medically necessary by a physician using any combination of blood
22 pressure testing, urine albumin or urine protein testing and serum
23 creatinine testing as recommended by the National Kidney
24 Foundation.

1 (6) Coverage for general anesthesia for dental procedures and
2 associated outpatient hospital or ambulatory facility charges
3 provided by appropriately licensed healthcare individuals in
4 conjunction with dental care if the covered person is:

5 (A) Seven years of age or younger or is developmentally
6 disabled and is either an individual for whom a successful result
7 cannot be expected from dental care provided under local anesthesia
8 because of a physical, intellectual or other medically compromising
9 condition of the individual and for whom a superior result can be
10 expected from dental care provided under general anesthesia; or

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

20 (c) The group life and accidental death insurance ~~herein~~
21 provided in this article shall be in the amount of \$10,000 for
22 every employee. The amount of the group life and accidental death
23 insurance to which an employee would otherwise be entitled shall be
24 reduced to \$5,000 upon ~~such~~ the employee attaining age sixty-five.

1 (d) All of the insurance coverage to be provided ~~for~~ under
2 this article may be included in one or more similar contracts
3 issued by the same or different carriers.

4 (e) (1) ~~The provisions of~~ Article three, chapter five-a of
5 this code, relating to the Division of Purchasing of the Department
6 of Finance and Administration, ~~shall~~ does not apply to any
7 contracts for any insurance coverage or professional services
8 authorized to be executed under ~~the provisions of~~ this article.

9 (2) Before entering into any contract for any insurance
10 coverage, as authorized in this article, the director shall:

11 (A) Invite competent bids from all qualified and licensed
12 insurance companies or carriers, who may wish to offer plans for
13 the insurance coverage desired; and

14 (B) Advertise that the director is seeking bids using
15 advertising media such as the purchasing bulletin, newspapers,
16 trade journals, or any other media targeted at those in West
17 Virginia who may want to submit a bid and give those interested at
18 least thirty days to submit a bid or notice of interest.

19 ~~Provided, That~~ (3) After the thirty-day period is complete,
20 the director shall negotiate and contract directly with health care
21 providers and other entities, organizations and vendors in order to
22 secure competitive premiums, prices and other financial advantages.

23 (4) The director shall deal directly with insurers or health
24 care providers and other entities, organizations and vendors in

1 presenting specifications and receiving quotations for bid
2 purposes.

3 (5) No commission or finder's fee, or any combination thereof,
4 ~~shall~~ may be paid to any individual or agent; but this ~~shall~~ does
5 not preclude an underwriting insurance company or companies, at
6 their own expense, from appointing a licensed resident agent,
7 within this state, to service the companies' contracts awarded
8 under ~~the provisions of~~ this article. Commissions reasonably
9 related to actual service rendered for the agent or agents may be
10 paid by the underwriting company or companies: *Provided, however,*
11 That in no event ~~shall~~ may payment be made to any agent or agents
12 when no actual services are rendered or performed.

13 (6) The director shall award the contract or contracts on a
14 competitive basis. In awarding the contract or contracts the
15 director shall take into account the experience of the offering
16 agency, corporation, insurance company or service organization in
17 the group hospital and surgical insurance field, group major
18 medical insurance field, group prescription drug field and group
19 life and accidental death insurance field, and its facilities for
20 the handling of claims. In evaluating these factors, the director
21 may employ the services of impartial, professional insurance
22 analysts or actuaries or both. Any contract executed by the
23 director with a selected carrier shall be a contract to govern all
24 eligible employees subject to ~~the provisions of~~ this article.

1 (7) Nothing contained in this article ~~shall prohibit~~ prohibits
2 any insurance carrier from soliciting employees covered ~~hereunder~~
3 under this article to purchase additional hospital and surgical,
4 major medical or life and accidental death insurance coverage.

5 (f) The director may authorize the carrier with whom a primary
6 contract is executed to reinsure portions of the contract with
7 other carriers which elect to be a reinsurer and who are legally
8 qualified to enter into a reinsurance agreement under the laws of
9 this state.

10 (g) Each employee who is covered under any contract or
11 contracts shall receive a statement of benefits to which the
12 employee, his or her spouse and his or her dependents are entitled
13 under the contract, setting forth the information as to whom the
14 benefits are payable, to whom claims shall be submitted and a
15 summary of the provisions of the contract or contracts as they
16 affect the employee, his or her spouse and his or her dependents.

17 (h) The director may at the end of any contract period
18 discontinue any contract or contracts it has executed with any
19 carrier and replace the same with a contract or contracts with any
20 other carrier or carriers meeting the requirements of this article.

21 (I) The director shall provide by contract or contracts
22 entered into under ~~the provisions of~~ this article the cost for
23 coverage of children's immunization services from birth through age
24 sixteen years to provide immunization against the following

1 illnesses: Diphtheria, polio, mumps, measles, rubella, tetanus,
2 hepatitis-b, haemophilus influenzae-b and whooping cough.
3 Additional immunizations may be required by the Commissioner of the
4 Bureau for Public Health for public health purposes. Any contract
5 entered into to cover these services shall require that all costs
6 associated with immunization, including the cost of the vaccine, if
7 incurred by the health care provider, and all costs of vaccine
8 administration be exempt from any deductible, per visit charge
9 and/or copayment provisions which may be in force in these policies
10 or contracts. This section does not require that other health care
11 services provided at the time of immunization be exempt from any
12 deductible and/or copayment provisions.

13 (j) Any contract that the director enters under this article
14 which contains provisions authorizing the person to whom the
15 contract is awarded to subcontract portions of the contract shall
16 require the contractor to advertise, prior to awarding a
17 subcontract, that it is seeking bids using advertising media such
18 as the Purchasing Bulletin, newspapers, trade journals or any other
19 media targeted at those in West Virginia who may want to submit a
20 bid and give those interested at least thirty days to submit a bid
21 or notice of interest.

NOTE: The purpose of this bill is to require the Public Insurance Agency and its contractors to advertise that they are

seeking bids prior to accepting bids on contracts and subcontracts. The bill requires that potential bidders be given thirty days to submit bids.

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