

# **WEST VIRGINIA LEGISLATURE**

## **2016 REGULAR SESSION**

### **Committee Substitute**

**for**

### **House Bill 4352**

(By Delegates E. Nelson, Ellington, Summers,  
Waxman and Lane)

[Originated in the Committee on Finance,  
February 25, 2016.]



1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section,  
2 designated §9-5-24, relating to the potential sale, renovation or leasing of certain state-  
3 owned health care facilities by the Secretary of the Department of Health and Human  
4 Resources; requiring the secretary to contract a consultant to submit a plan relating to the  
5 potential sale, renovation or lease of such facilities to the Governor and Joint Committee  
6 on Government and Finance by November 30, 2016; identifying the minimum contents of  
7 said plan; exempting the hiring of the said consultant from certain purchasing  
8 requirements; requiring the secretary to update the Joint Committee on Government and  
9 Finance regarding the selection of the consultant; requiring the Director of the Division of  
10 Personnel to assist the secretary to create a strategy related to the employees of the  
11 facilities that are the subject of the plan; creating in the State Treasury a special revenue  
12 account to be known as the "Health Care Facilities Liquidation Fund"; requiring the  
13 secretary to prepare an accounting of all such assets, and providing that expenditures  
14 from the fund are not authorized from collections deposited in the fund but are to be made  
15 only in accordance with appropriation by the Legislature; and prohibiting the secretary  
16 from acting pursuant to the plan without enactment of legislation authorizing the same.

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

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new  
2 section, designated §9-5-24, to read as follows:

**ARTICLE 5. MISCELLANEOUS PROVISIONS.**

**§9-5-24. Selling of state owned health care facilities.**

1 (a) The secretary shall contract with a consultant and prepare a plan which includes but  
2 is not limited to options concerning selling, renovating or leasing Hopemont Hospital, Jackie  
3 Withrow Hospital, John Manchin Sr. Health Center and Lakin Hospital: *Provided*, That the  
4 consultant shall consider the aforementioned facilities on a facility-by-facility basis with regard to  
5 options concerning selling, renovating or leasing the same. The consideration for this contract

6 shall not exceed three hundred thousand dollars. This plan shall be submitted to the Governor  
7 and the Joint Committee on Government and Finance by November 30, 2016.

8 (b) The plan shall include at a minimum:

9 (1) A feasible time table for the sale, renovation or leasing of the facilities described in  
10 subsection (a) of this section;

11 (2) Strategies to minimize effects on state and contract employees of the facilities  
12 described in subsection (a) of this section;

13 (3) Strategies to minimize effects on long term care facility residents, including any  
14 potential risk that could arise from relocating current residents of the facilities described in  
15 subsection (a) of this section;

16 (4) Feedback from relevant internal and external stakeholders;

17 (5) Identification of barriers the secretary may encounter in the sale, renovation or leasing  
18 of the facilities described in subsection (a) of this section;

19 (6) Strategies to do the following:

20 (A) Reduce the cost of operating the facilities described in subsection (a) of this section;  
21 and

22 (B) Produce the most revenue from the sale, renovation or leasing of the facilities  
23 described in subsection (a) of this section, including strategies to sell licensed beds and provide  
24 purchase options, lease options or separate sale of buildings, land, chattel and equipment;

25 (7) A complete accounting of the facilities described in subsection (a) of this section and  
26 assets related thereto; and

27 (8) Identification and analysis of legal issues arising from the sale, renovation or leasing  
28 of the facilities described in subsection (a) of this section.

29 (c) The hiring of the consultant as described in subsection (a) of this section is not subject  
30 to the purchasing requirements of article three, chapter five-a of this code.

31 (d) The secretary shall provide bimonthly updates to the Joint Committee on Government  
32 and Finance regarding the selection of the consultant described in subsection (a) of this section:

33 Provided, the secretary is encouraged to seek out several potential consultant candidates prior to  
34 entering into a contract with a consultant to create the plan as described in subsection (a) of this  
35 section.

36 (e) The Director of the Division of Personnel shall assist the secretary and the consultant  
37 to create a strategy to minimize any effects on employees of the facilities described in subsection  
38 (a) of this section.

39 (f) There is hereby created in the State Treasury a special revenue account to be known  
40 as the "Health Care Facilities Transition Fund." The fund shall consist of appropriations to  
41 effectuate the purposes of this section and any revenue or sales proceeds derived from activities  
42 provided for in accordance with this section. Expenditures from the fund are for the purposes set  
43 forth in this section and are not authorized from collections but are to be made only in accordance  
44 with appropriation by the Legislature and in accordance with the provisions of article three,  
45 chapter twelve of this code.

46 (g) This section shall be construed broadly as to provide the secretary with the latitude to  
47 accomplish the goals of this section.

48 (h) The secretary may not sell, renovate or lease pursuant to the plan described in  
49 subsection (a) of this section until the enactment of legislation specifically authorizing the same.