

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Committee Substitute

for

Senate Bill 718

BY SENATOR RUCKER

[Reported March 27, 2025, from the Committee on
Health and Human Resources]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
2 designated §16-67-1, §16-67-2, §16-67-3, §16-67-4, §16-67-5, §16-67-6, §16-67-7, and
3 §16-67-8; and to repeal §16-29B-24, relating to hospital transparency; setting forth
4 legislative findings; defining terms; setting forth duties of Insurance Commissioner; setting
5 forth reports to be filed; setting forth the form of the reports to be filed; requiring the
6 submission of public payor information; providing the commissioner may protect
7 information; requiring rulemaking; providing for penalties; and adding effective date.

Be it enacted by the Legislature of West Virginia:

ARTICLE 29B. HEALTH CARE AUTHORITY.

§16-29B-24. Reports required to be filed; and legislative rulemaking regarding uniform bill database.

1 [Repealed].

ARTICLE 67. HOSPITAL TRANSPARENCY.

§16-67-1. Legislative findings.

1 The West Virginia Legislature finds that the rising cost of health care and services provided
2 by hospitals are matters of vital concern to the people of this state and have a direct relationship
3 to the ability of the people to obtain health care. Of particular concern is the impact of hospital
4 consolidation on health care prices. Data indicates that hospital consolidation leads to increased
5 prices, even as much as 40 percent. Hospital price transparency is vital to drive the cost of health
6 care down for both consumers and health plans.

§16-67-2. Definitions.

1 As used in this article.

2 "Annual report" means an annual financial report for the hospital's fiscal year prepared by
3 an accountant.

4 "Commissioner" means the Director of the West Virginia Insurance Commission.

5 "Discount contract" means any rate in effect in the discount contract for the payment of
6 patient care services between a purchaser or third-party payor and a hospital which contract
7 establishes discounts to the purchaser or third-party payor. Examples of discount contracts shall
8 include, but not be limited to, written contracts between a hospital and a third-party payor or
9 purchaser establishing a discount to the payor or purchaser in the form of a percentage reduction
10 in the amount of charges or other adjustments that have the effect of decreasing the amount of
11 charges and informal arrangements between hospitals and purchasers or third-party payors which
12 have the effect of decreasing the amount of charges for a group of patients.

13 "Facility fee" means an administrative charge for using a hospital-owned facility.

14 "Hospital" means a hospital or extended care facility operated in connection with a
15 hospital, within the meaning of this article, and shall mean any institution, place, building, or
16 agency in which an accommodation of five or more beds is maintained, furnished, or offered for
17 the hospitalization of the sick or injured: *Provided*, That nothing contained in this article shall apply
18 to nursing homes, rest homes, personal care facilities, homes for the aged, extended care
19 facilities not operated in connection with a hospital, boarding homes, homes for the infirm or
20 chronically ill, convalescent homes, hotels, or other similar places that furnish to their guests only
21 board and room, or either of them: *Provided, however*, That the hospitalization, care, or treatment
22 in a household, whether for compensation or not, of any person related by blood or marriage,
23 within the degree of consanguinity of second cousin to the head of the household, or his or her
24 spouse, shall not be deemed to constitute the premises of a hospital or extended care facility
25 operated in connection with a hospital, within the meaning of this article. "Hospital" shall not
26 include state hospitals as defined by §27-1-6 of this code.

27 "West Virginia Insurance Commission" means the West Virginia Insurance Commission.

28 "Rates" means all rates, fees, or charges imposed by all hospitals and payers as specified
29 in this article for health care services.

30 "Records" means accounts; books; charts; contracts; documents; files; maps; papers;
31 profiles; reports; annual and otherwise, schedules, and any other fiscal data, however recorded
32 or stored.

§16-67-3. General powers and duties of the Director of the West Virginia Insurance
Commission regarding reporting and review.

1 (a) In addition to the power granted to the commissioner granted elsewhere, the
2 commissioner shall have the powers as indicated by this section and it shall be his or her duty to:

3 (1) Promulgate rules and regulations in accordance the provisions of §29A-3-1 et seq. of
4 this code to implement and make effective the powers, duties, and responsibilities contained in
5 the provisions of this article;

6 (2) Require the filing of fiscal information by hospitals relating to any matter relating to the
7 cost of health care services in this state; and

8 (3) Exercise, subject to the limitations and restrictions imposed in this article, all other
9 powers which are reasonably necessary or essential to carry out the expressed purposes of this
10 article.

11 (b) The commissioner shall also investigate and recommend to the Legislature whether
12 other health care providers should be made subject to the provisions of this article.

13 (c) The commissioner shall, not later than December 31 of each year, prepare and transmit
14 to the Governor and the clerks of both houses of the Legislature a report containing the material
15 and data as required by this article, based upon the most recent data available.

§16-67-4. Reports required to be published and filed; form of reports; right of inspection.

1 (a) Every hospital as defined in this article, within 120 days after the end of each facility's
2 fiscal year end, unless an extension be granted by the commissioner for good cause shown, shall
3 be required to file the following:

4 (1) An annual report;

5 (A) The annual report shall be filed as a Class II legal advertisement in a qualified
6 newspaper within the county within which such hospital is located;

7 (B) It shall be prepared by the hospital's auditor or an independent accountant;

8 (C) It shall contain a complete statement of the following:

9 (i) Assets and liabilities;

10 (ii) Income and expenses;

11 (iii) Profit and loss for the period reported;

12 (iv) A statement of ownership for persons owning more than five percent of the capital
13 stock outstanding and the dividends paid thereon, if any, and to whom paid for the period reported;
14 and

15 (v) A statement that includes details concerning the contents of the advertisement,
16 together with other reports, statements, and schedules required to be filed with the commissioner
17 required by the provisions of this section, and shall be available for public inspection at the
18 commissioner's office.

19 (b) Every hospital shall also file with the commissioner the following statements,
20 schedules, or reports in such form as specified by the commissioner within 120 days after the end
21 of each facility's fiscal year end:

22 (1) A statement of services available and services rendered;

23 (2) A complete schedule of such hospital's then current rates, broken down by each
24 individual service, with costs allocated to each category of costs in accordance with the rules and
25 regulations as promulgated by the commissioner;

26 (3) A statement of all charges, fees, or salaries for goods or services rendered to the
27 hospital for the period reported which shall exceed the sum of \$150,000 and a statement of all
28 charges, fees, or other sums collected by the hospital for or on the account of any person, firm,
29 partnership, corporation, or other entity however structured, which shall exceed the sum of
30 \$150,000 during the period reported;

31 (4) A listing of facility fees charged and a description of how such facility fees are
32 calculated;

33 (5) A total uncompensated care amount;

34 (6) A total charity care amount;

35 (7) A copy of all discount contracts provided by each third party; and

36 (8) Such other reports of the costs as the commissioner may prescribe. The commissioner
37 may require the certification of specified financial reports by the hospital's auditor or independent
38 accountant.

39 (c) No report, statement, schedule, or other filing required or permitted to be filed
40 hereunder shall contain any medical or individual information personally identifiable to a patient
41 or consumer of health services, whether directly or indirectly.

42 (d) All reports, statements, and schedules filed with the commissioner under this section
43 shall be open to public inspection and shall be available for examination via a web-based portal,
44 which shall include, but not be limited, to a hospital rate comparison tool allowing hospital rates
45 by payer and by procedure to be evaluated.

46 (e) In the event that further information is deemed necessary to verify the accuracy of any
47 information set forth in any statement, schedule, or report filed by a covered facility under the
48 provisions of this article, the commissioner shall have the authority to require the production of
49 any records necessary to verify such information.

50 (f) The commissioner shall engage in analysis and studies relating to health care costs,
51 the financial status of hospitals, or hospital costs in the state.

52 (g) Notwithstanding any provision to the contrary, the commissioner shall have the ability
53 to take any steps necessary to protect the privacy, confidentiality, or propriety nature of any
54 information on file: *Provided*, That this does not compromise the commissioner's ability to conduct
55 a data analysis or provide a comparison of hospital rates by payer and by procedure.

§16-67-5. Information from state payers.

1 (a) Notwithstanding any other provision to the contrary, the Public Employees Insurance
2 Agency shall provide the commissioner with its rates by procedure code beginning July 1, 2026,
3 and annually thereafter. In the event that the rates by procedure code vary by hospital, the rates
4 by procedure code shall be provided on a hospital-by-hospital basis to allow for a comparison by
5 each hospital and hospital-affiliated procedure.

6 (b) Notwithstanding any other provision to the contrary, the Bureau for Medical Services
7 shall provide the commissioner with its rates by procedure code beginning July 1, 2026, and
8 annually thereafter. In the event that the rates by procedure code vary by hospital, the rates by
9 procedure code shall be provided on a hospital-by-hospital basis to allow for a comparison by
10 each hospital and hospital-affiliated procedure.

§16-67-6. Rulemaking.

1 The commissioner shall propose rules for legislative approval in accordance with the
2 provisions of §29A-3-1 et seq., of this code to implement the provisions of this section including,
3 but not limited to, provisions related to confidentiality.

§16-67-7. Penalty.

1 (a) Every hospital failing to comply with the requirements of this article shall be notified by
2 the commissioner of its non-compliance.

3 (b) In the event that such non-compliance continues for 10 days after receipt of the notice,
4 the delinquent hospital shall be subject to a penalty of \$1,000 for each day thereafter such failure
5 continues.

6 (c) This penalty shall be recovered by the commissioner in a civil action and paid into an
7 account for use by the commissioner.

§16-67-8. Effective date.

1 The effective date of the article shall be July 1, 2026.