

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

House Bill 5636

By Delegate Toney

[Introduced February 17, 2026; referred to the
Committee on Finance]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article,
 2 designated §49-13-1, §49-13-2, and §49-13-3, relating to ensuring prompt payment
 3 through the Child Welfare Payment System for socially necessary service providers
 4 contracted to provide services through contracts with the state, requiring updates to known
 5 problems in the PATH reporting system and implementing a better payment system,
 6 requiring meetings with providers and the Department of Human Services' finance
 7 department, and requiring prompt payment and prompt reconciliation for billing.

Be it enacted by the Legislature of West Virginia:

ARTICLE 13. CHILD WELFARE PAYMENT SYSTEM UPGRADES.

§49-13-1. Legislative findings.

1 The Legislature finds that the implications of the various state system and financial
 2 accounting failures have reached a critical status:

3 (1) Providers have reported having to dip into lines of credit, costing their agencies
 4 significant interest.

5 (2) Providers have reported that financial institutions have informed providers that lines of
 6 credit will be reduced as a result of unsteady cashflow.

7 (3) Providers report they are unable to invest in any expansion of any of the critically
 8 needed youth services the state desperately needs due to the impact payment issues are having
 9 on capital.

10 (4) Despite extensive demand for critical services to children, providers report they are
 11 operating at bare minimum capacity.

12 (5) Providers are dropping out of service lines and closing programs entirely because they
 13 cannot afford to float the money waiting on the state to reimburse for services.

14 (6) Providers report that they are unable to take on new service lines in areas with critical
 15 shortages because of persistent payment and regulatory barriers.

16 (7) Providers have expressed that staff have had to go without needed retention bonuses

17 and pay raises and that payrolls have been delayed.

18 (8) Providers have reported that children that could be served in their communities are
19 being forced into less than ideal placements like hotels because providers do not have the
20 financial foundation to build out services.

21 (9) There have been delayed payments intended to support foster children in the state’s
22 care.

§49-13-2. System-wide payment.

1 The Department of Human Services must implement the following changes by July 1,
2 2027:

3 (1) Decouple payments from worker triggers and remove the dependency on individual
4 Child Protective Services/Youth Services worker system entries to trigger payment.

5 (2) Implement invoice-based payments and transition to a standardized, invoice-based
6 payment system for services rendered.

7 (3) Mandate timely reconciliation and establish a formal annual reconciliation process that
8 must be completed within six months, following the end of the fiscal year.

9 (4) Create a dedicated payment resolution process by designating a specific, high-level
10 contact within the department finance unit and a clear, documented process for providers to
11 escalate and resolve payment issues efficiently.

12 (5) Hold regular finance meetings and institute regular monthly meetings between provider
13 representatives and the department finance unit to proactively review payment trends, address
14 emerging issues, and improve communication.

§49-13-3. Specific service line payments.

1 (a) Allow child placement agency provider updates to foster family status and grant child
2 placement agencies secure, time limited access to the State PATH system for the sole purpose of
3 updating foster family status, including openings and certifications in order to improve data
4 accuracy and ensure payments reflect real-time capacity.

- 5 (b) Address residential transitional living payment fixes and correct the known Systemic
6 Coding Errors within the PATH system that improperly codes and reimburses transitional living
7 services, ensuring accurate payment rates for this service line.

NOTE: The purpose of this bill is to improve the payment systems of Department of Human Services to ensure prompt payment through the Child Welfare Payment System for socially necessary service providers contracted to provide services through contracts with the state.

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