# WEST VIRGINIA LEGISLATURE

## 2026 REGULAR SESSION

## Introduced

# Senate Bill 231

FISCAL NOTE

By Senator Helton

[Introduced January 14, 2026; referred

to the Committee on Health and Human Resources;

and then to the Committee on Finance]

A BILL to amend the Code of West Virginia, 1931, as amended, by adding a new article, designated §16-67-1, §16-67-2, §16-67-3, §16-67-4, and §16-67-5, relating to value-based payment requirements; providing legislative intent; defining terms; establishing value-based measures; creating timelines for implementation; and setting out authority.

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

## ARTICLE 67. ADDICTION CARE RECOVERY OUTCOMES.

### §16-67-1. Legislative findings and purpose.

The Legislature finds that West Virginia continues to be severely impacted by substance use disorder and overdose deaths. While the state has made substantial investments in treatment, recovery, and prevention, the current addiction care system is fragmented and not aligned to measurable long-term recovery outcomes. The purpose of this article is to reorganize the state's addiction care system into value-based continuum of care and incentivize coordination, integration, and accountability for recovery success.

### §16-67-2. Definitions.

As used in this article:

"Continuum of care" means a coordinated system of services that includes prevention, early intervention, treatment (including withdrawal management and medication-assisted treatment), recovery support, supportive housing, vocational and educational support, and peer services. The continuum shall address the need of individuals at all states of substance use disorder and recovery.

"Value-based payment" means a payment model that rewards providers for quality and cost-effective care and penalizes providers for failure to meet specified metrics, shifting from paying for volume (fee-for-service) to paying for patient health outcomes and experiences. This payment model shall include performance-based payments tied to specific outcomes identified in this article.

### §16-67-3. Establishment of value-based measures.

(a) On or before October 1, 2026, the Bureau for Medical Services, in conjunction with their managed care organizations, shall establish standard billing codes for all substance use disorder services to be used by providers in the continuum of care on or before January 15, 2027.

(b) The Bureau for Medical Services shall collect data from all providers in the continuum of care regarding billing codes and other measures to be collected by providers as set forth in this article for analysis purposes to determine utilization trends, costs, and outcomes by provider.

(c) The Bureau of Medical Services shall analyze the data for utilization and costs trends. After the outcome measures are determined as set forth in this article, the Bureau of Medical Services shall collect and analyze the measures to improve quality in the Medicaid program and determine how to establish value-based payments to incentivize quality substance use disorder outcomes. Any trends indicating overutilization or overbilling shall be referred to the Medicaid Fraud Control Unit.

(d) The Bureau for Medical Services shall submit a report to the Legislative Oversight Commission on Health and Human Resources Accountability on before January 1, 2028, and annually thereafter, regarding substance use disorder utilization trends, and costs by provider and provider type. All providers shall be given a synthetic identifier in the report to allow trends to be followed in multiple years. Once the outcome measures are developed, this report shall further include outcomes by provider and provider type. All providers shall be given a synthetic identifier in the report to allow trends to be followed in multiple years. The outcome portion of this report shall first be included on July 1, 2028, and be reported annually thereafter. All reports shall contain a comparison of state utilization, cost, and outcomes, to the previous fiscal years data to also include but not be limited to the rate for neonatal abstinence syndrome, and statewide adult deaths. This analysis shall also include a comparison of utilization, cost, outcomes, the rate of neonatal abstinence, and adult death rates to a national rate.

(e) On or before July 1, 2026, the Bureau for Medical Services, in consultation with the Bureau for Behavioral Health, and relevant state agencies, individuals in recovery, providers, law

enforcement, and other stakeholders, shall develop a set of outcome-based performance measures for each level of care within the addiction treatment and recovery services care continuum.

(f) The measures to be incentivized under value-based programs shall include but are not limited to the following:

(1) "Housing stability" means whether the individual is in stable, safe and long term housing;

(2) "Sobriety" means verified abstinence from non-prescribed substances or effective management thorough medication-assisted treatment;

(3) "Criminal justice" and "child welfare avoidance" means no new arrests, law enforcement interactions, or child protective services (CPS) investigations, indicating improvement in the societal burden of their addiction and costs to other governmental agencies;

(4) "Self-sufficiency" means participation in employment, education, training programs, or other activities indicative of long-term recovery and independence, indicating a reduction in dependence on governmental benefits.

(5) "Provider transition plan" means the development and implementation by a provider of a concrete plan to assist an individual to move between different settings or providers.

(g) These metrics developed pursuant to this article shall be:

(1) Measurable and capable of validation using existing or enhanced state data systems or data input from outside providers;

(2) Account for the delivery of social determinants of health to the individual;

(3) Account for individual complexity and acuity; and

(4) Protective of privacy and consistent with the Health Insurance Portability and Insurance Act and other relevant state and federal regulations.

**§16-67-4. Implementation of value-based payment model.**

(a) On July 1, 2027, the Bureau of Medical Service shall implement its baseline year.

(b) On July 1, 2028, the Bureau for Medical Services shall require the Managed Care Organizations to provide a value-based payment in conformity with the approved outcome measures and standard billing codes set forth in and developed pursuant to this article.

**§16-67-5. Centers for Medicare and Medicaid (CMS) Authority.**

On October 1, 2026, the Bureau for Medical Services, to the extent necessary, shall submit for the appropriate CMS authority to implement any payment and coverage changes necessary to effectuate this article. The amendment shall include but not be limited:

(1) Development of the value-based payment model, which shall include but not be limited to enhanced payments for provider outcomes for meeting or exceeding the outcome measures as set forth in this article and penalizing providers for failing to be meet outcome measures;

(2) The payment model shall account for a baseline year in which data is collected, communicated to providers to allow notice of performance, and to establish the baseline;

(3) The model shall allow for an annual review of performance measures to permit flexibility and to address quality outcomes;

(4) Provisions for a provider to be de-certified, to have specific code blocked, to be terminated, or otherwise excluded from the Medicaid program when the provider fails to meet the established outcome measures for three consecutive quarters;

(5) Specific performance measures; and

(6) System-level outcomes that the performance-based model shall produce with common return-on-health-investment measures that can be used to compare the investments in a specific system of care relative to the outcomes.

NOTE: The purpose of this bill is to require value-based contracting for substance use disorder, to require value-based outcomes for grants, and requires a state plan amendment to the extent necessary.

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