

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Committee Substitute

for

Senate Bill 231

By Senator Helton

[Reported January 16, 2026, 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, and §16-67-5, relating to value-
3 based payment requirements; providing legislative intent; defining terms; establishing
4 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.

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

§16-67-2. Definitions.

1 As used in this article:

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

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

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

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

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

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

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

25 (e) On or before July 1, 2026, the Bureau for Medical Services, in consultation with the
26 Bureau for Behavioral Health, relevant state agencies, Marshall University, Joan C. Edwards

School of Medicine, West Virginia University School of Medicine Behavioral Health Faculty, individuals in recovery, providers, law enforcement, and other relevant 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 utilized under value-based programs shall include, but not be limited to, the following:

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

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

(3) Criminal justice and child welfare avoidance — which 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 — which 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; and

(5) Provider transition plan — which means the development and implementation by a provider of a concrete plan to assist an individual moving 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) Inclusive of the delivery of services to address the social determinants of health;

(3) Account for individual complexity and acuity and may include different tiers of performance measures and incentive models based on comorbidity and severity; 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 or before July 1, 2027, the Bureau of Medical Service shall implement its baseline year.

(b) On or before 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 or before 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 to:

(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 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 be 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.