

WEST VIRGINIA LEGISLATURE

2026 REGULAR SESSION

Introduced

Senate Bill 626

**FISCAL
NOTE**

By Senator Helton

[Introduced January 27, 2026; referred

to the Committee on Health and Human Resources;
and then to the Committee on Finance]

1 A BILL to amend and reenact §5F-2-1a, §16B-2-1, and §16B-2-4 of the Code of West Virginia,
2 1931, as amended, relating to the Office of the Inspector General; removing the Inspector
3 General from inclusion in the Department of Health; removing the requirement that the
4 Department of Health provide administrative support; clarifying that the Inspector General
5 has the power to conduct performance audits, financial audits, evaluations, and
6 attestations engagements of the Department of Human Services, the Department of
7 Health, and the Department of Health Facilities and their independent contractors;
8 requiring reporting; and requiring notification to the prosecuting attorney and law-
9 enforcement in the event that the Inspector General believes a criminal law has been
10 violated.

Be it enacted by the Legislature of West Virginia:

**CHAPTER 5F. REORGANIZATION OF THE EXECUTIVE BRANCH OF
STATE GOVERNMENT.**

ARTICLE 2. OFFICE OF THE INSPECTOR GENERAL, DUTIES, AND POWERS.

**§5F-2-1a. Termination of the department of health and human resources; transfer and
incorporation of agencies and boards legislative intent; creation of new
departments.**

1 (a) It is the intent of the Legislature to devolve the functions of the Department of Health
2 and Human Resources into three new and separate departments of the executive branch as
3 provided in this Act over a period of transition that concludes with the termination of the
4 Department of Health and Human Resources. It is the intent of the Legislature that the provisions
5 of this Act be construed to achieve the restructuring and reallocation of the powers, duties and
6 functions of the Department of Health and Human Resources to the three new departments
7 created in this section in an orderly manner designed to maintain the delivery of services that have
8 heretofore been provided by the Department of Health and Human Resources by the new

9 departments during the transition and beyond the termination of the Department of Health and
10 Human Resources without disruption and to streamline and, where possible, to share
11 administrative and operative expenses where common to each of the new departments. To that
12 end, the Secretary of the Department of Health and Human Resources, the Secretary of the
13 Department of Human Services, the Secretary of the Department of Health and the Secretary of
14 the Department of Health Facilities shall enter into a memorandum of understanding to effect the
15 provisions of this Act that shall, at a minimum, create a Office of Shared Administration mutually
16 administered by the secretaries that shall coordinate efforts with the Department of Administration
17 to maximize efficiencies and function of services in an effort to contain expenses within the
18 Department of Human Services, the Department of Health and the Department of Health
19 Facilities. The Office of Shared Administration shall implement a plan to maximize function and
20 efficiency administrative services for the purpose of streamlining administrative services and
21 reducing expenses within the departments. The Office of Shared Administration shall complete
22 implementation by June 30, 2024, and shall provide quarterly updates to the Legislative Oversight
23 Commission on Health and Human Resources Accountability.

24 (b) The Department of Human Services created under §5F-1-2 of this code is a separate
25 and distinct department of the executive branch. The following agencies and boards, including all
26 of the allied, advisory, affiliated, or related entities and funds associated with any agency or board,
27 are transferred to, incorporated in and administered as a part of the Department of Human
28 Services:

29 (1) Bureau for Social Services;
30 (2) Bureau for Medical Services;
31 (3) Bureau for Child Support Enforcement;
32 (4) Bureau for Family Assistance;
33 (5) Bureau for Behavioral Health; and
34 (6) Any other agency or entity hereinafter established within the Department of Human

35 Services by an act of the Legislature.

36 (c) (1) The Department of Health created under §5F-1-2 of this code is a separate and
37 distinct department of the executive branch. The following agencies and boards, including all of
38 the allied, advisory, affiliated, or related entities and funds associated with any agency or board,
39 are transferred to, incorporated in and administered as a part of the Department of Health:

40 (A) Bureau for Public Health;

41 (B) Office of Emergency Medical Services;

42 (C) Office of the Chief Medical Examiner;

43 (D) Center for Threat Preparedness;

44 (E) Health Care Authority; and

45 (F) Any other agency or entity hereinafter established within the Department of Health by
46 an act of the Legislature.

47 (2) ~~The Office of the Inspector General is a separate and autonomous agency within the
48 Department of Health as provided in §16B-2-1. The following agencies and boards, including all of
49 the allied, advisory, affiliated, or related entities and funds associated with any agency or board,
50 are transferred to, incorporated in and administered as a part of the Office of the Inspector
51 General. The Office of the Inspector General, shall include:~~

52 (A) ~~Office of Health Facility Licensure and Certification;~~

53 (B) ~~Board of Review;~~

54 (C) ~~Foster Care Ombudsman;~~

55 (D) ~~Olmstead Office;~~

56 (E) ~~Investigations and Fraud Management;~~

57 (F) ~~Quality Control;~~

58 (G) ~~Mental Health Ombudsman;~~

59 (H) ~~WV Clearance for Access: Registry and Employment Screening;~~ and

60 (I) ~~Human Rights Commission.~~

61 (d) The Department of Health Facilities created under §5F-1-2 of this code is a separate
62 and distinct department of the executive branch. The following state facilities, including all of the
63 allied, advisory, affiliated, or related entities and funds associated with any state facility, are
64 transferred to, incorporated in and administered as a part of the Department of Health Facilities:

65 (1) Hopemont Hospital;

66 (2) Jackie Withrow Hospital;

67 (3) John Manchin, Sr. Health Care Center;

68 (4) Lakin Hospital;

69 (5)(1) Mildred Mitchell-Bateman Hospital;

70 (6)(2) Welch Community Hospital;

71 (7)(3) William R. Sharpe Jr. Hospital; and

74 (e) Any secretary may recommend that a bureau, office, board, commission or other state
75 entity be included or excluded from the organization of the departments created in this section to
76 the Joint Committee on Government and Finance and the Legislative Commission on Health and
77 Human Resources Accountability.

78 (f) All programs, orders, determinations, rules, permits, grants, contracts, certificates,
79 bonds, authorizations and privileges which have been issued, promulgated, made, granted or
80 allowed to become pursuant to authority provided by this code to the Department of Health and
81 Human Resources or the Secretary of that Department that are in effect on the dates of the
82 creation of the new departments as provided in this section shall continue in effect according to
83 their terms until modified, terminated, superseded, set aside or revoked by the department or
84 secretary that assumes authority over the subject matter of the same under the provisions of this
85 Act.

CHAPTER 16B. INSPECTOR GENERAL.

ARTICLE 2. OFFICE OF THE INSPECTOR GENERAL, DUTIES, AND POWERS.

§16B-2-1. Office of the Inspector General continued; appointment and qualifications of

Director of Office of Health Facility Licensure and Certification and the Director of Investigations and Fraud Management Units.

(c) The Inspector General shall be professionally qualified through experience or education in at least two of the following areas:

(1) Law;

(2) Auditing;

(3) Government operations;

(4) Financial management; or

(5) Health policy.

(d) The Inspector General shall be paid an annual salary as provided in the budget.

(e) Funding for the office shall be as provided in the state budget.

(f) The Inspector General shall:

(1) Conduct and supervise investigations, perform inspections, evaluations, and review, provide quality control for the programs of the Department of Human Services, the Department of Health, and the Department of Health Facilities to promote legal, regulatory, programmatic, and fiscal compliance.

(2) Investigate fraud, waste, and abuse of the Department of Human Services, the Department of Health, and the Department of Health Facilities' funds, and conduct, whether by omission or in the Department of Human Services, the Department of Health, and the Department of Health Facilities, that threatens or has the reasonable likelihood to threaten public health or demonstrates negligence, incompetence, or malfeasance, including but not limited to the following:

(A) Conducting performance audits, financial audits, evaluations, and attestations
gements of the Department of Human Services, the Department of Health, and the
ment of Health Facilities and their independent contractors to:

(i) Determine whether acts of fraud, waste, abuse, or corruption have been committed or
ing committed by the Department of Human Services, the Department of Health, and the
ment of Health Facilities state officers, employees, or their independent contractors

47 including any allegations of criminal acts affecting the operations of state agencies. However, no
48 investigation of an elected official of the state of West Virginia shall occur, be initiated, undertaken,
49 or continued except upon the request of the Governor or a grand jury;

50 (ii) Determine whether the Department of Human Services, the Department of Health, and
51 the Department of Health Facilities' programs are efficient, effective, offered in compliance with
52 the laws and regulations, and obtain success in achieving program objectives; and

53 (iii) Determine whether the Department of Human Services, the Department of Health, and
54 the Department of Health Facilities' has presented their financial statements fairly in accordance
55 with generally accepted accounting principles, has an internal control structure that provides
56 reasonable assurance of achieving the control objectives; and has complied with laws and
57 regulations that could have a direct impact and material effect on its financial statements, the
58 Federal Financial Management Improvement Act and other such laws and regulations.

59 (B) Preparing a detailed report of each investigation shall be prepared and submitted
60 beginning on July 1, 2027 and each year thereafter to the Legislative Oversight Commission on
61 Health and Human Resources Accountability.

62 (C) The Department of Human Services, the Department of Health, and the Department of
63 Health Facilities shall respond to each finding contained in the audit within 30 days of receipt of the
64 audit

65 (D) Providing timely notification to the appropriate prosecuting attorney and law-
66 enforcement agencies whenever the Inspector General has reasonable grounds to believe there
67 has been a violation of state criminal law;

68 (3) Cooperate with and coordinate investigative efforts with the Medicaid Fraud Control
69 Unit within the Office of the Attorney General, and where a preliminary investigation establishes a
70 sufficient basis to warrant referral, shall refer such matters to the Medicaid Fraud Control Unit;

71 (4) Cooperate with and coordinate investigative efforts with departmental programs and
72 other state and federal agencies to ensure a provider is not subject to duplicative audits; and

73 (5) Be empowered to consult with the Legislature for policy development;

74 (6) (A) Organize a board of review, consisting of a chairman appointed by the Inspector

75 General and as many assistants or employees as may be determined by the Inspector General

76 and as may be required by federal laws and rules respecting assistance; the board of review to

77 have such powers of a review nature and such additional powers as may be granted to it by the

78 Inspector General and as may be required by federal laws and rules respecting assistance;

79 (B) Provide by rules, review, and appeal procedures within the office as may be required by
80 applicable federal laws and rules respecting assistance, and as will provide applicants for, and
81 recipients of, all classes of assistance, an opportunity to be heard by the board of review, a
82 member thereof, or individuals designated by the board, upon claims involving denial, reduction,
83 closure, delay, or other action or inaction pertaining to public assistance;

84 (7) (A) May subpoena any person or evidence, administer oaths, take and certify affidavits,
85 and take depositions and other testimony for the purpose of investigating fraud, waste, and abuse
86 of Department of Health, Department of Human Services, or Department of Health Facilities'
87 funds, or behavior in the same departments that threaten public safety or demonstrate negligence,
88 incompetence, or malfeasance;

89 (B) If a person fails to comply with a lawful order or subpoena issued under this subsection,
90 on petition of the Inspector General or a designated Assistant Inspector General, a court of
91 competent jurisdiction may compel:

92 (i) Compliance with the order or subpoena; or

93 (ii) Testimony or the production of evidence;

94 (C) Within 30 business days after receiving a complaint or allegation, the Inspector
95 General shall respond to the individual who filed the complaint or allegation with:

96 (i) A preliminary indication of whether the Office of the Inspector General is able to
97 investigate the complaint or allegation; and

(ii) If the Office of the Inspector General is unable to investigate the complaint or allegation,

99 because of a conflict of interest, the Office of the Inspector General shall refer the complaint or
100 allegation to another unit of government or law enforcement.

101 (g) Neither the secretary nor any employee of the Department of Human Services,
102 Department of Health, or the Department of Health Facilities may prevent, inhibit, or prohibit or
103 cause to be prevented, inhibited, or prohibited, the Inspector General or his or her employees from
104 initiating, carrying out, or completing any investigation, inspection, evaluation, review, or other
105 activity oversight of public integrity by the Office of the Inspector General.

106 (h) The Inspector General formulates, approves, and submits his or her budget to the
107 Governor for consideration by the Governor.

108 (i) The Inspector General shall supervise all personnel of the Office of the Inspector
109 General. Qualification, compensation, and personnel practice relating to the employees of the
110 Office of the Inspector General, shall be governed by the classified service.

111 (j) Employ and discharge within the Office of the Inspector General employees, including
112 professional employees such as investigators and other professional personnel as may be
113 necessary to carry out the functions of the Inspector General, which employees shall continue to
114 be within the classified service provisions of §29-6-1 *et seq.* of this code and rules promulgated
115 thereunder, except for the Inspector General.

116 (k) Cause the various sections of the Office of the Inspector General to be operated
117 effectively, efficiently, and economically, and to develop goals, policies, and plans that are
118 necessary or desirable for the effective, efficient, and economical operation of the Office of the
119 Inspector General.

120 (l) Eliminate or consolidate positions and name a person to fill more than one position.

121 (m) Reorganize internal functions or operations.

122 (n) Enter into contracts or agreements requiring the expenditure of public funds and
123 authorize the expenditure or obligation of public funds as authorized by law: *Provided*, That the
124 powers granted to the Inspector General to enter into agreements and to make expenditures or

125 obligations of public funds under this provision shall not exceed or be interpreted as authority to
126 exceed the powers granted by the Legislature.

127 (o) Promulgate rules, as defined in §29A-1-2 of this code, to implement and make effective
128 the powers, authority, and duties granted and imposed by the provisions of this chapter in
129 accordance with the provisions of chapter 29A of this code. The Inspector General may
130 promulgate emergency rules pursuant to §29A-3-15 of this code to effectuate the purposes of this
131 section.

132 (p) Delegate to administrators the duties the Inspector General may deem appropriate,
133 from time to time, to facilitate execution of the powers, authority, and duties delegated to the
134 Inspector General.

135 (q) Transfer permanent state employees between units of the Inspector General.

136 (r) Enter into memorandums of understanding;

137 (s) Take any other action involving or relating to internal management not otherwise
138 prohibited by law;

139 (t) All legislative rules currently in effect impact the Office of the Inspector General or its
140 programs will continue to remain in full force and effect.

141 (u) (1) The Director of Office of Health Facility Licensure and Certification shall be
142 appointed by the Governor, within 90 days of a vacancy, subject to the advice and consent of the
143 Senate;

144 (2) The Director of the Office of Health Facility Licensure and Certification shall have at
145 least eight years' experience in the field of licensure and regulatory matters; and

146 (v)(1) The Director of Investigations and Fraud Management shall be appointed by the
147 Governor, subject to advice and consent of the Senate.

148 (2) The Director of Investigations and Fraud Management shall have at least eight years'
149 experience in the field of investigations and fraud matters.

150 (w) The Inspector General, the Director of The Office of Health Facility Licensure and

151 Certification and the Director of the Investigations and Fraud Management may not be the same
152 person.

§16B-2-4. Authority of Investigations and Fraud Management Division to subpoena

witnesses and documents.

1 (a) When the Investigations and Fraud Management Unit of the Office of the Inspector
2 General, which is charged with investigating welfare fraud, and intra-agency employee
3 misconduct, conducting performance audits, financial audits, evaluations, and attestations
4 engagements of the Department of Human Services, the Department of Health, and the
5 Department of Health Facilities and their independent contractors has credible information that
6 indicates a person has engaged in an act or activity related to the Department of Human Services,
7 the Department of Health, or the Department of Health Facilities programs, benefits, or intra-
8 agency employee misconduct which is subject to prosecution, it may conduct an investigation to
9 determine if the act has been committed. To the extent necessary to the investigation, the
10 Inspector General or an employee of the Office of the Inspector General may administer oaths or
11 affirmations and issue subpoenas for witnesses and documents relevant to the investigation,
12 including information concerning the existence, description, nature, custody, condition, and
13 location of any book, record, documents or other tangible thing, and the identity and location of
14 persons having knowledge of relevant facts or any matter reasonably calculated to lead to the
15 discovery of admissible evidence.

16 When the Investigations and Fraud Management Unit has probable cause to believe that a
17 person has engaged in an act or activity which is subject to prosecution relating to the Department
18 of Human Services, the Department of Health, or the Department of Health Facilities programs,
19 benefits, or intra-agency employee misconduct, the Inspector General or an employee of the
20 Office of the Inspector General may request search warrants and present and swear or affirm
21 criminal complaints.

22 (b) If documents necessary to an investigation of the Investigations and Fraud

23 Management Unit appear to be located outside the state, the documents shall be made available
24 by the person or entity within the jurisdiction of the state having control over such documents either
25 at a convenient location within the state or, upon payment of necessary expenses to the division
26 for transportation and inspection, at the place outside the state where these documents are
27 maintained.

28 (c) Upon failure of a person to comply with a subpoena or a subpoena for the production of
29 evidence or failure of a person to give testimony without lawful excuse and upon reasonable notice
30 to all persons affected thereby, the Investigations and Fraud Management Division may apply to
31 the circuit court of the county in which compliance is sought for appropriate orders to compel
32 obedience with the provisions of this section.

33 (d) The Investigations and Fraud Management Unit may not make public the name or
34 identity of a person whose acts or conduct is investigated pursuant to this section or the facts
35 disclosed in an investigation except as the same may be used in any legal action or enforcement
36 proceeding brought pursuant to this code or federal law.

NOTE: The purpose of this bill is to remove the Office of the Inspector General from the Department of Health, where is it for administrative purposes, and to clarify that the Office of the Inspector General has the ability to conduct performance audits, financial audits, evaluations, and attestations engagements of the Department of Human Services, the Department of Health, and the Department of Health Facilities and their independent contractors.

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