

WEST VIRGINIA  
SECRETARY OF STATE  
KEN HECHLER  
ADMINISTRATIVE LAW DIVISION

Form #5

Do Not Mark In this Box

FILED IN THE OFFICE OF  
THE SECRETARY OF STATE  
THIS DATE Dec 2, 1988  
ADMINISTRATIVE LAW DIVISION

NOTICE OF AGENCY ADOPTION OF A PROCEDURAL OR INTERPRETIVE RULE  
OR A LEGISLATIVE RULE EXEMPT FROM LEGISLATIVE REVIEW

AGENCY: West Virginia Hospital Finance Authority TITLE NUMBER: \_\_\_\_\_

CITE AUTHORITY: West Virginia Code Sections 16-29A-5(a) and 29A-3-3

RULE TYPE: PROCEDURAL  INTERPRETIVE \_\_\_\_\_

EXEMPT LEGISLATIVE RULE \_\_\_\_\_

CITE STATUTE(S) GRANTING EXEMPTION FROM LEGISLATIVE REVIEW

AMENDMENT TO AN EXISTING RULE: YES \_\_\_\_\_, NO


IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF NEW RULE BEING ADOPTED: 3

TITLE OF RULE BEING ADOPTED: Establishment of Uniform Procedures  
and Guidelines for Hospital Financings by the West Virginia  
Hospital Finance Authority

THE ABOVE RULE IS HEREBY ADOPTED AND FILED WITH THE SECRETARY OF STATE. THE  
EFFECTIVE DATE OF THIS RULE IS January 3, 1989

  
Robert A. Durbin, Executive Director

WEST VIRGINIA PROCEDURAL RULE  
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY  
CHAPTER 16-29A  
SERIES 3

TITLE: Establishment of Uniform Application Procedures and Guidelines for Hospital Financings by the West Virginia Hospital Finance Authority

PROMULGATION HISTORY ABSTRACT

DATE PROPOSED RULE REVIEWED AND APPROVED BY WEST VIRGINIA HOSPITAL FINANCE AUTHORITY: June 24, 1988

DATE PROPOSED RULE FILED WITH SECRETARY OF STATE: June 24, 1988

DATE OF PUBLIC HEARING: July 29, 1988

DATE RULE ADOPTED BY THE WEST VIRGINIA HOSPITAL FINANCE AUTHORITY: December 1, 1988

DATE NOTICE OF AGENCY ADOPTION FILED WITH SECRETARY OF STATE: December 2, 1988

EFFECTIVE DATE: January 3, 1989

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Establishment of Uniform Procedures and Guidelines for Hospital Financings by the West Virginia Hospital Finance Authority

Type of Rule: Legislative Interpretive  Procedural

Agency West Virginia Hospital Finance Authority Address Suite 105, 100 Dee Drive Charleston, WV 25311

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR		
	Increase	Decrease	Current	Next	Thereafter
Estimated Total Cost	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Personal Services					
Current Expense					
Repairs and Alterations					
Equipment					
Other					

2. Explanation of above estimates:

These rules only establish procedures regarding hospital financings by the Authority and should not result in any additional expense for the Authority or applicants for hospital financings by the Authority.

3. Objectives of these rules:

To establish uniform procedures and guidelines for hospital financings by the Authority. The procedures and guidelines established in these rules should result in the Authority handling bond issues in a more efficient manner by, among other things, insuring that the Authority is promptly provided with adequate information regarding bond issues

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

Improved efficiency of the Authority without any additional expense.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of citizens.

Hospitals, and the citizens served thereby, will be better served by the Authority without any additional expense.

C. Economic Impact on Citizens/Public at Large.

The citizens will benefit, without any additional expense, because the Authority will operate more efficiently resulting in debt service savings for hospitals which should better enable hospitals to provide the citizens with health care at a reasonable cost.

Date: December 1, 1988

Signature of Agency Head or Authorized Representative

Robert A. Durbin  
Robert A. Durbin, Executive Director

WEST VIRGINIA PROCEDURAL RULE  
WEST VIRGINIA HOSPITAL FINANCE AUTHORITY  
CHAPTER 16-29A  
SERIES 3

FILED

1988 DEC -2 PM 4:23

SECRETARIES OFFICE

Title: Establishment of Uniform Application Procedures and Guidelines for Hospital Financings by the West Virginia Hospital Finance Authority.

Section 1. General

1.1 Scope - Matters addressed in these rules are as follows:

a. Application requirements;

b. Requirements for giving the Authority advance notice of (1) key planning and drafting meetings and calls and (2) other important action needed in the financing including action by the Authority Board;

c. Requirements for providing the Authority drafts of financing agreements and other documents to be used in the financing; and

d. Requirements for providing the Authority and its advisors with additional information regarding the hospital, the financing and related matters.

1.2 Authority - West Virginia Code § 16-29A-5(a); West Virginia Code § 29A-3-3

1.3 Filing Date - Dec 2, 1988

1.4 Effective Date - January 3, 1989

1.5 Repeal of Former Rule - Not applicable.

Section 2. Application Requirements

2.1 To apply for financing through the Authority, a hospital must provide the Authority the following items:

a. A letter of intent that (1) briefly summarizes the proposed financing, (2) requests the Authority's assistance and (3) acknowledges that the Authority's fee schedule will apply to the Authority's evaluation of and other involvement in the financing.

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Series 3, Sec. 2

b. A written application, signed by a duly authorized officer of the hospital, that provides the following information:

(1) The legal name, street address and mailing address of the hospital making the application.

(2) The legal name, street address and mailing address of any other hospital or entity of which the applying hospital is a division or subsidiary or with it is legally affiliated.

(3) The names and addresses of:

(a) The hospital's independent auditor.

(b) The hospital's general counsel.

(c) The proposed underwriter(s) and bond counsel (if any) for the financing.

(d) The hospital's feasibility consultant (if new construction is to be financed).

(e) The hospital's financial advisor (if any).

(4) A description of the financing, including:

(a) Amount.

(b) Purpose(s).

(c) Plans for placing or marketing bonds.

(d) Plans (if any) for obtaining credit rating(s) for the bonds.

(e) A statement as to whether the bonds are to be "book entry" bonds, and,

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if not, an explanation of the reasons for using certificate bonds.

- (f) If outstanding bonds or other obligations are to be refunded or refinanced, a summary of the key terms of such bonds or obligations.
- (g) The proposed time schedule for financing.
- (h) Estimated costs of issuance, including:
  - (i) Bond Counsel
  - (ii) Hospital Counsel
  - (iii) Rating Agency Fee(s)
  - (iv) Authority's Counsel
  - (v) Authority's Fee
  - (vi) Bond Trustee
  - (vii) Bank's Counsel
  - (viii) Accountants
  - (ix) Tender Agent
  - (x) Printing Bonds
  - (xi) Printing POS/OS
  - (xii) Underwriter's Counsel
  - (xiii) Other
- (i) Any other material aspects of the proposed financing that the hospital believes the Authority should consider.

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(5) Verification (preferably from U. S. Internal Revenue Service) of the hospital's tax status.

(6) A copy of the hospital's most recent interim financial statements.

(7) A brief summary of the key terms of outstanding loans and other obligations that are material, without limitation, the payment terms, security provisions and restructure covenants of a material nature should be described.

(8) A copy of each Certificate(s) of Need relating to any project(s) or item(s) to be financed.

c. If the hospital is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, a completed questionnaire regarding Tax-Exempt Financings of 501(c)(3) Health Care Facilities in the form set forth in Appendix A hereto.

Section 3. Advance Notice Of Key Meetings And Actions.

3.1 The hospital shall give the Authority at least ten business days advance notice of all planning and drafting sessions for the financing and of all key actions required for the financing, including meetings and actions of the Board.

Section 4. Drafts Of Financing Documents.

4.1 Throughout the financing the hospital shall provide the Authority (or cause it to be provided) copies of drafts of any and all material agreements and documents for the financing, in sufficient time to allow the Authority and its counsel at least five (5) business days to review such drafts before commenting or acting upon them.

Section 5. Additional And Updated Information.

5.1 The hospital shall provide the Authority and its counsel and any other designated advisors with such additional information as shall be necessary or appropriate to evaluate or consummate the proposed financing, and shall promptly provide the Authority updated information whenever there has been a material change in previously furnished plans, information or documents.

TAX-EXEMPT FINANCINGS OF 501(c)(3) HEALTH CARE FACILITIES

Name of Bond Issue: \_\_\_\_\_

Beneficiary Institution: Name: \_\_\_\_\_

Address: Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Closing of Bond Issue (or Pool Draw): \_\_\_\_\_

Issuer: \_\_\_\_\_

Senior Manager: \_\_\_\_\_

Rating Agency: \_\_\_\_\_; Rating: \_\_\_\_\_

Credit Enhancer: \_\_\_\_\_; Type of Enhancement: \_\_\_\_\_

Amount of Issue (or Pool Draw): Total: \$ \_\_\_\_\_

New Money: \$ \_\_\_\_\_; New Service?: \_\_\_\_\_; Upgrade to Code? \_\_\_\_\_

Refundings: Current: \$ \_\_\_\_\_; Advance: \$ \_\_\_\_\_

"Hospital": \$ \_\_\_\_\_; "Nonhospital": \$ \_\_\_\_\_

Outstanding "Nonhospital" Bonds After Issue: \$ \_\_\_\_\_

Equity Contribution: \$ \_\_\_\_\_; Issuance Costs \$ \_\_\_\_\_

Beds: Licensed: Before Project: \_\_\_\_\_; After Project: \_\_\_\_\_  
In Service: Before Project: \_\_\_\_\_; After Project: \_\_\_\_\_

BENEFITS OF BOND ISSUANCE: Benefits to community of facilities provided by new money or refunded bonds: specific services:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Refunding Savings in High to Low or Variable to Fixed Refunding:  
Annual: \$ \_\_\_\_\_; Total: \$ \_\_\_\_\_; Present Value:  
\$ \_\_\_\_\_

Other Refunding Benefits: \_\_\_\_\_

Problems/Additional Expenses Caused by Tax Reform Act: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Person Completing Questionnaire: Name: \_\_\_\_\_  
Organization: \_\_\_\_\_ : Address: \_\_\_\_\_  
Phone: \_\_\_\_\_ : Date Completed: \_\_\_\_\_

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PUBLIC HEARING REPORT

DATE: Friday, July 29, 1988

TIME: 11:00 a.m.

LOCATION: Suite 105, 100 Dee Drive  
Charleston, West Virginia 25311

ATTENDANCE: Robert A. Durbin, Executive Director of the West Virginia Hospital Finance Authority (the "Authority"); Ernestine Cooper, Administrative Assistant of the Authority; and Camden P. Siegrist of Bowles McDavid Graff & Love, Counsel to the Authority.

COMMENTS

RECEIVED: Robert A. Durbin, Executive Director of the Authority, commented that it would be more efficient for the Authority if a hospital which is an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, would submit a completed questionnaire in the form attached hereto as Appendix A along with its application for financing by the West Virginia Hospital Finance Authority.

AMENDMENTS MADE TO THE PROPOSED RULE AS A RESULT OF COMMENTS OR OTHER INFORMATION RECEIVED: Addition of Section 2.1.c.

REASONS FOR THOSE AMENDMENTS: To incorporate comment of Robert A. Durbin, Executive Director of the Authority, as discussed above.

Respectfully Submitted,

  
Robert A. Durbin, Executive Director

TAX-EXEMPT FINANCINGS OF 501(c)(3) HEALTH CARE FACILITIES

Name of Bond Issue: \_\_\_\_\_

Beneficiary Institution: Name: \_\_\_\_\_

Address: Street: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Date of Closing of Bond Issue (or Pool Draw): \_\_\_\_\_

Issuer: \_\_\_\_\_

Senior Manager: \_\_\_\_\_

Rating Agency: \_\_\_\_\_; Rating: \_\_\_\_\_

Credit Enhancer: \_\_\_\_\_; Type of Enhancement: \_\_\_\_\_

Amount of Issue (or Pool Draw): Total: \$ \_\_\_\_\_

New Money: \$ \_\_\_\_\_; New Service?: \_\_\_\_\_; Upgrade to Code? \_\_\_\_\_

Refundings: Current: \$ \_\_\_\_\_; Advance: \$ \_\_\_\_\_

"Hospital": \$ \_\_\_\_\_; "Nonhospital": \$ \_\_\_\_\_

Outstanding "Nonhospital" Bonds After Issue: \$ \_\_\_\_\_

Equity Contribution: \$ \_\_\_\_\_; Issuance Costs \$ \_\_\_\_\_

Beds: Licensed: Before Project: \_\_\_\_\_; After Project: \_\_\_\_\_

In Service: Before Project: \_\_\_\_\_; After Project: \_\_\_\_\_

BENEFITS OF BOND ISSUANCE: Benefits to community of facilities provided by new money or refunded bonds: specific services:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Refunding Savings in High to Low or Variable to Fixed Refunding:  
Annual: \$ \_\_\_\_\_; Total: \$ \_\_\_\_\_; Present Value:  
\$ \_\_\_\_\_

Other Refunding Benefits: \_\_\_\_\_

Problems/Additional Expenses Caused by Tax Reform Act: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

Person Completing Questionnaire: Name: \_\_\_\_\_

Organization: \_\_\_\_\_; Address: \_\_\_\_\_

Phone: \_\_\_\_\_; Date Completed: \_\_\_\_\_