

State Auditor  
Glen B. Gainer, Jr., Chairman

State Treasurer  
Larrie Bailey, Member

Worker's Compensation  
Commissioner  
Gretchen O. Lewis, Member

Executive Secretary  
Si Galperin, Jr.



JOHN D. ROCKEFELLER, IV  
GOVERNOR

**PUBLIC EMPLOYEES INSURANCE BOARD**

September 12, 1984

Embleton Building, Second Floor  
922 Quarrier Street  
Charleston, West Virginia 25301  
Telephone (304) 348-7850

Honorable A. James Manchin  
West Virginia Secretary of State  
State Capitol Complex  
Charleston, West Virginia 25305

Dear Mr. Manchin:

The attached rules were authorized and approved by the West Virginia Public Employees Insurance Board at a meeting held on July 25, 1984.

In accordance with Chapter 29A, Article 3, Section 11 of the West Virginia code, these rules are now being submitted as proposed legislative rules.

The proposed rules provide definition to the term "mental illness" as it pertains to continuing insurance coverage to children beyond the attainment of age nineteen, and the implementation of a change in late enrollment guidelines and pre-existing condition limitations for late enrolled employees and/or dependents.

Respectfully submitted;

*Si Galperin, Jr.*  
Si Galperin, Jr.  
Executive Secretary

FILED IN THE OFFICE OF  
A. JAMES MANCHIN  
SECRETARY OF STATE

THIS DATE 9-12-84  
Administrative Law Division

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NOTICE OF APPROVAL

The attached proposed Legislative Rules constitute the official rules which were approved by the West Virginia Public Employees Insurance Board at a meeting held on July 25, 1984, and are now being filed pursuant to law in the office of the Secretary of State, State of West Virginia, and with the Legislative Rule Making Committee.

A handwritten signature in cursive script, reading "Si Galperin, Jr.", positioned above a horizontal line.

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**PUBLIC EMPLOYEES INSURANCE BOARD**

**STATEMENT OF CIRCUMSTANCES**

The attached proposed legislative rules were promulgated pursuant to passage of Senate Bill 425 and House Bill 1429.

Senate Bill 425 amended the current PEIB Legislative Rules by adding the term "mental illness" to PEIB Leg. 5-16, Section 2.01(b), as it pertains to continuing insurance coverage for children beyond the attainment of age nineteen. This rule provides definition to the term "mental illness".

There are presently approximately 2000 State Employees who are not members of the PEIB insurance programs because they cannot prove their insurability. The majority of these employees did not enroll in the program when initially employed simply because they were adequately insured under their spouse's insurance coverage. The present economic conditions of the State has created many layoffs, and now these State Employees find themselves, their spouses and their children without insurance protection. This rule change will now allow these people to join our insurance program and apply their accrued sick and/or annual leave when they retire to pay their PEIB insurance premiums as was provided for the State Employees in House Bill 1429.

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CONTENT SUMMARY

The rule change to PEIB Legislative Rule 5-16, Section 2.01 (b), was made necessary by the passage of Senate Bill 425 during the 1984 legislative session which inserted the term "mental illness" into our rules as it pertains to continuing insurance coverage to children beyond the attainment of age nineteen. This rule change provides definition to this term.

The rule change to PEIB Legislative Rule 5-16, Section 4, provides a change in late enrollment guidelines for employees who were not previously insurable due to pre-existing conditions and not being able to provide evidence of insurability because of these conditions. This rule change allows these previously uninsurable employees to now enroll in the programs of insurance with certain limitations being applied. The limitations are:

1. The insurance coverage will go into effect on the first day of the fourth month following the date of enrollment.
2. No benefits will be paid for expenses due to any injury, sickness or related condition which was diagnosed or treated within 12 months prior to the date the late enrollee becomes covered under the plan.

A handwritten signature in cursive script that reads "Si Galperin, Jr.".

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Si Galperin, Jr.  
Executive Secretary



OFFICE OF THE SECRETARY OF STATE  
A. JAMES MANCHIN  
CHARLESTON 25306

THE STATE CAPITOL

STATE REGISTER FILING

ROBERT W JACKSON  
DEPUTY SECRETARY OF STATE  
CORPORATE AFFAIRS

I, Si Galperin, Jr., Executive Secretary  
Title or Position

West Virginia Public Employees Ins. Bd. hereby submit to records in  
the State Register on 8 1/2 x 11" two (2) copies of

- (xx) proposed rules and regulations concerning topics of material not covered by existing rules and regulations;
- ( ) proposed rules and regulations superseding rules and regulations already on file;
- ( ) notice of hearing;
- (xx) findings and determinations;
- ( ) Emergency rules and regulations
- (xx) Legislative ( ), Procedural ( ) Interpretive regulations
- ( ) other - specify \_\_\_\_\_

This filing pertains to

CHAPTER 5 ARTICLE 16 SECTION \_\_\_\_\_ of the  
West Virginia Code, 1931, as amended.

SERIES 1, SECTION 4 PAGE NO. 5 thru 7 of the  
Administrative Code.

September 12, 1984  
Date Submitted

Si Galperin, Jr.  
Signature of Person Authorizing  
this Filing

STATEMENT OF ECONOMIC IMPACT OF PROPOSED RULES OR REGULATIONS

Agency W. V. Public Employees Insurance Board

Rule No. Leg. PEIB 5-16-Section 4 Subject Late enrollment guidelines

1. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

The potential cost to the General Revenue Fund of the State of W.V.

is as follows:   FY 85   \$1 Million

                  FY 86   \$2.5 Million

                  FY 87   \$3.5 Million

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

Any late enrolled employees of Political Subdivisions would require the Political Subdivision to have to pay the premiums for these previously uninsurable employees.

C. Economic Impact on Citizens/Public at Large.

The economic impact on the citizens and public at large would be the same as potential to the General Revenue fund as stated in "A".

Date September 12, 1984 Agency West Virginia Public Employees Ins. Bd.

Signature of Agency Head

*St. Galperin*

Signature of Authorized Representative

*Laurence Bond*



FISCAL NOTE ADDENDUM

There are now approximately 2000 state employees who are not in the insurance programs.

Based on this number of employees who will participate, the following costs are estimated:

1. \$3.8 million overall claims cost-General revenue and Special revenue for FY 85.
2. Less \$1.3 million Special revenue cost=
3. \$2.5 million claims cost to General revenue
4. Less \$75,000.00 employee 30% first year contribution=
5. \$1.75 million claims cost to General Revenue for FY85

This program will go into effect on December 1, 1984, leaving 7 months remaining in FY 85, which equates to the FY 85 claims cost of \$1 million dollars.

The FY 86 and FY 87 costs are based on the following facts:

1. After one year the employee is not required to pay a 30% contribution, thus eliminating this revenue.
2. After one year the pre-existing condition is eliminated and claims will increase on these previously uninsured conditions.
3. Claims costs will increase naturally due to inflationary increases.

1. Please give the citation of the statute which authorizes your promulgation of these rules.

W. V. Code, Chapter 5, Article 16, Section 5

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2. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

(29A-3-5)

- a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

Not applicable

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- b. Was the hearing held on the date scheduled and were all interested parties permitted to be heard?

Not applicable

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- c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

Not applicable

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d. Is the transcript of all evidence received preserved and available for public inspection and copying?

Yes

3. For all rules promulgated:

a. When did you file the rules in the State Register together with notice of a hearing time, date and location? (29A-3-5)

August 3, 1984 (Emergency Rules)

August 6, 1984 (Notice of Public Hearing)

b. Did you give at least 30 days notice and no more than 60 days notice? (29A-3-7)

Yes (30 days)

c. What other notice, including advertising, did you give of the hearing? (29A-3-5)

Provided notice to all participating agencies

Provided notice to the Capitol Press Corps

d. Was the hearing held on the scheduled date? If not, why not?

Yes-September 6, 1984--4:30 P.M. to 4:45 P.M.

e. Was the opportunity given for all interested parties to submit data, objections, suggested amendments, views, evidence or arguments?

Yes

f. List all persons who appeared at the hearing and what type of comment they made about the proposed rules (for, against, suggested and amendments). Please attach a copy of the minutes of the hearing.

See attached roster of attendance and minutes of hearing

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g. On what date did you file in the State Register notice of your action on the proposed rules together with the text of such rules?

September 12, 1984

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h. Are your proposed rules for the purpose of implementing a federally subsidized or assisted program? If so, give details of the program.

Not applicable

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i. What will be the economic impact of these proposed rules on: (i) those persons directly affected by the operation of these rules and (ii) the general public?

(i) These people will now be afforded the opportunity to now belong to the PEIB insurance programs and have adequate insurance coverage.

(ii) The costs of the program will be increased to the General Revenue fund.

j. What are the additional costs to your agency for administering these rules?

ISSD Data processing costs are estimated to be \$1000.00

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*L. W. G. Jr.*

Signature of department head,  
board chairman or executive  
secretary.

(Please attach additional sheets if necessary)

MINUTES OF PUBLIC HEARING

The open meeting of the Public Employees Insurance Board was held at the state Capitol Complex, Conference Room C, Charleston, West Virginia on September 6, 1984. The meeting was called to order by Lawrence Barker, Jr., of the Public Employees Insurance Board at 4:30 P.M.

Present:


Lawrence Barker, Jr.	Public Employees Insurance Board
Linda Adkins	Logan County Board of Education
Penny Stafford	Department of Highways
Ann Lanier	Department of Natural Resources

Mr. Barker opened the meeting by explaining the purpose of the meeting was to hear public comments on rules that were promulgated and filed as emergency rules on August 3, 1984. These rules provide a definition to the term "mental illness" as it pertains to continuing insurance coverage to a dependent child beyond the attainment of age nineteen, and the implementation of a change in late enrollment guidelines and pre-existing condition limitations for late enrolled employees and/or dependents.

The rules were read and explained by Mr. Barker to the attending audience. Although all in attendance expressed that they did not wish to make public comment, Mr. Barker opened the floor for any questions or comments that would be applicable to the proposed rules.

There being no public comments or questions from the audience, the public hearing was adjourned at 4:45 P.M.

Respectfully submitted:

  
Si Galperin, Jr.  
Executive Secretary

