



STATE BOARD OF VOCATIONAL EDUCATION
 DIVISION OF VOCATIONAL REHABILITATION
 State Capitol Building Charleston, West Virginia 25305

Emergency

Earl W. Wolfe
 Director

October 17, 1984

(304) 348-2375

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

OFFICE OF WEST VIRGINIA
 SECRETARY OF STATE

1984 OCT 18 PM 1:01

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Dear Mr. Manchin:

The West Virginia Division of Vocational Rehabilitation is submitting emergency rules pertaining to the methodology used by our Agency for payment to all hospitals in the state for inpatient hospitalization.

The methodology described in the rules has been in effect since the beginning of our current fiscal year but is not described in detail in the fee schedule pertaining to hospital rates which is currently filed with your office.

With the inception of the West Virginia Health Care Cost Review Authority, questions arose related to the Authority's general power to govern rates set by third-party payors, including the Division of Vocational Rehabilitation.

We have recently been advised by the Authority of the need to promulgate regulations which explicitly describe our policies for setting hospital rates. The emergency rules we are submitting are in compliance with this advice.

The Authority approved revenue limits for the first group of West Virginia hospitals effective September 1, 1984. Because the rate-setting mechanism of the Authority has already been implemented and because of our Agency's crucial need to conserve funds, particularly for the ever-increasing costs of hospitalization, it is essential that these regulations become effective immediately to enable us to continue payment in accordance with the described methodology. It is for this reason the rules are submitted on an emergency basis.

Thank you for your consideration.

Sincerely yours,

Earl W. Wolfe
 Earl W. Wolfe, Director

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WEST VIRGINIA PROCEDURAL RULES
WEST VIRGINIA DIVISION OF VOCATIONAL REHABILITATION OFFICE OF WEST VIRGINIA
SECRETARY OF STATE

Chapter 18-100 }
Series #II
(1982)

Subject: Emergency Procedural Rules to Implement Methodology for Hospital
Payment Rates

Section 1. General

1.01. Scope - These emergency regulations set forth rules for a rate setting mechanism by which in-state hospitals will be reimbursed for inpatient and short-stay hospitalization.

1.02. Authority - These emergency regulations are issued under the authority of West Virginia Code, Chapter 29A, Article 1, Section 1.?

1.03. Filing Date - These emergency regulations are promulgated on the 17th day of October, 1984, and filed 17th day of October, in the Secretary of State's Office.

1.04. Effective Date - These emergency regulations become effective on October 17, 1984.

Section 2. Definitions

2.01. Agency - means the West Virginia Division of Vocational Rehabilitation established pursuant to Chapter 18, Article 10A, Section 3, of the Code of West Virginia.

2.02. Charges - means the economic value established by the hospital for goods and services provided.

2.03. Hospital - means a facility subject to licensure as such under the provisions of Chapter 16, Article 5-6 and any acute care facility operated by the state government which is primarily engaged in providing to inpatients, diagnostic and therapeutic services for medical diagnosis, treatment, and care of injured, disabled or sick persons, and does not include state mental health facilities or

2.03. state long-term care facilities.

2.04. - Rates - means the value given or money payable to hospitals for health care services.

Section 3. Methodology for Hospital Rates

3.01. General - In an effort to conserve expenditure of Agency funds toward ever-increasing hospitalization charges, the Agency must implement a rate of payment to hospitals which allows for the maximum utilization of allocated funds yet is equitable, and is founded on and reflects a systematized consideration of each hospital's costs.

3.02. Basis for Hospital Payment Rates - The Agency has adopted the percentages used by the Department of Human Services for the Medicaid Interim Percentage Payment program as the basis for hospital reimbursements. For Medicaid reimbursement purposes the Department of Human Services assigns an individual percentage of payment rate to each hospital in the state. These rates are based on hospital audits of cost reports, and are subject to change after each audit. Agency rates will be adjusted accordingly following notification from Human Services of percentage changes.

3.03. Application - These payment rates will be utilized for all inpatient and short-stay hospitalization, but will not apply for outpatient hospital services.

3.04. Payment In Full - Although the actual payment to each hospital will reflect a given percentage of the actual total charges, the rate authorized by the Agency will constitute payment in full. The hospital will therefore be prohibited from billing the balance of charges to any client of the Agency.

WEST VIRGINIA EMERGENCY PROCEDURAL RULES
WEST VIRGINIA DIVISION OF VOCATIONAL REHABILITATION

Emergency Procedural Rules to Implement Methodology for Hospital Payment Rates

Chapter 18-100
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INDEX

	Page
Section 1. General	1
Section 2. Definitions	1
Section 3. Methodology for Hospital Rates	2