

John D. Rockefeller IV  
governor

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chairperson  
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1984 SEP 14 PM 4:19

# Health Care Cost Review Authority

State Capitol Building  
Charleston, West Virginia 25305

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

September 12, 1984

*Emergency*

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

Dear Mr. Manchin:

RE: State Register  
Emergency Filing of Legislative  
Rules To Implement Utilization  
Review And Quality Assurance  
Program - Phase I

Enclosed herewith for filing in the State Register, please find three (3) copies of the above-noted legislative rules which we are filing on an emergency basis. Please return one (1) copy to us with your stamp acknowledging receipt. You are requested to published this letter in the State Register as notice to the public of our action.

The emergency which exists is the need to prevent substantial harm to the public interest. West Virginia Code, §16-29B-23, mandates that the Authority establish a utilization review and quality assurance program in order to avoid unnecessary or inappropriate utilization of hospital services and to ensure high quality hospital care. This program and its meritorious goals cannot be implemented without immediate promulgation of legislative rules. Further, West Virginia Code, §16-29B-16(e), mandates that the board of the Authority submit an application for a medicare waiver under section 1886(c) of the Social Security Act, as amended, within sixty (60) days of the promulgation of federal regulations implementing section 1886(c). The date of promulgation of the federal regulations is uncertain but could occur at any time. The program established by the Authority's rules will yield data which is essential to the preparation of the application. This data must be accumulated at once in order to meet the time limitations established by the Legislature.

With much appreciation of your assistance in this matter, I remain

Very truly yours,

JOHN H. KOZAK  
General Counsel

JHK/jmh

Enclosures

cc: Legislative Rule Making Review Committee

*Emergency*

September 13, 1984

EMERGENCY FILING

LEGISLATIVE RULES

WEST VIRGINIA  
HEALTH CARE COST REVIEW AUTHORITY

LEGISLATIVE RULES TO IMPLEMENT UTILIZATION REVIEW  
AND QUALITY ASSURANCE PROGRAM - PHASE 1

Chapter 16-29B  
Series IV  
(1984)

**FILED IN THE OFFICE OF  
SECRETARY OF STATE OF  
WEST VIRGINIA**

**THIS DATE** 9-14-84

WEST VIRGINIA HEALTH CARE COST REVIEW AUTHORITY

Emergency Filing

LEGISLATIVE RULES

LEGISLATIVE RULES TO IMPLEMENT UTILIZATION  
REVIEW AND QUALITY ASSURANCE PROGRAM - PHASE 1

Chapter 16-29B  
Series IV  
(1984)

TABLE OF CONTENTS

	Page
Section 1. General	1
Section 2. Definitions	2
Section 3. Professional Review Organization	3
Section 4. Patient Data	4
Section 5. Patient Confidentiality	4
Section 6. Sanctions	5
Section 7. Phase 2	5
Section 8. Severability	6

EMERGENCY FILING

LEGISLATIVE RULES

WEST VIRGINIA HEALTH CARE COST REVIEW AUTHORITY

Chapter 16-29B  
Series IV  
(1984)

Subject: Legislative Rules To Implement Utilization Review And Quality Assurance Program - Phase I

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Section 1. General.

1.01. Scope. These rules set forth initial requirements for the implementation of the utilization review and quality assurance program mandated by West Virginia Code, §16-29B-23. The requirements include specified time periods for the filing of information and descriptions of what must be filed. Also included is a description of a peer review organization. These rules supplement the Health Care Cost Review Authority Act, West Virginia Code, §§16-29B-1 et seq., as amended, and the West Virginia Administrative Procedures Act, West Virginia Code, §§29A-1-1 et seq., as amended, and must be read in conjunction with those Acts.

1.02. Authority. These rules are issued under the authority of the Health Care Cost Review Authority Act, West Virginia Code, §§16-29B-8(a)(1), -23, the Administrative Procedures Act, West Virginia Code, §§29A-2-9,-15, and the Freedom of Information Act, West Virginia Code, §29B-1-3.

1.03. Filing Date. These rules were promulgated on September 13, 1984, and were filed in the Office of the Secretary of State on September 13, 1984.

1.04. Effective Date. These rules are effective on an emergency basis upon their filing with the Office of the Secretary of State.

Section 2. Definitions. As used in these rules, all terms have the same meaning as provided in the definition section of the Health Care Cost Review Authority Act, West Virginia Code, §16-29B-3. Definitions of additional terms are set forth below and whenever those terms are used in these rules the following definitions apply, unless a different meaning clearly appears from the context.

2.01. Act means the West Virginia Health Care Cost Review Authority Act, West Virginia Code, §§16-29B-1 et seq., as amended.

2.02. Authority means the West Virginia Health Care Cost Review Authority, an autonomous division within the State Department of Health, established pursuant to West Virginia Code, §16-29B-5.

2.03. Contractor means the person or persons who enter into agreements with the Authority for the performance of duties required by the Authority's utilization review and quality assurance program.

2.04. Person means a natural person, a corporation, association, or other legal entity.

2.05. Program means the Authority's utilization review and quality assurance program required by Section 23 of the Act.

2.06. UB-82 means Uniform Bill-82.

Section 3. Professional Review Organization. In order to carry out its duties under the Act for the establishment of a utilization review and quality assurance program, the Authority must have available to it qualified medical and surgical expertise and the requisite data storage and handling capabilities. Accordingly, the Authority will, from time to time, enter into a contract or contracts with a person or persons to collect patient information, to process that information, and to compile reports from that information in formats to be determined by the Authority.

3.01. West Virginia Medical Institute, Inc. The initial contractor shall be the West Virginia Medical Institute, Inc., a West Virginia corporation, whose principle place of business is located in Charleston, West Virginia. The West Virginia Medical Institute, Inc., is presently the holder of the contract with the Health Care Financing Administration of the United States Department of Health and Human Services to operate a peer review organization for the federal medicare program in the State of West Virginia.

3.02. Subsequent Contractors. The Authority may in the future either contract with the West Virginia Medical Institute, Inc., or with one or more other persons for the performance of subsequent programs under the terms of these rules.

Section 4. Patient Data.

4.01. Hospitals. Each hospital covered by the Act must submit one complete copy of the form UB-82 for each and every one of its inpatients. To the extent that a particular hospital must already submit a complete copy of UB-82 forms for one or more classes of patients (e.g., medicare or medicaid) to the contractor, then such submissions need not be duplicated and the previously required submission will suffice.

4.02. Data Format. The UB-82 forms must be submitted to the contractor on Industry Standard 1600 BPI tape or upon Wang format tape or upon similar computer tape format. Hard copies of the UB-82 forms are not to be submitted to the contractor unless the hospital does not itself have access to one of the above noted computer tape formats and unless the hospital first notifies the contractor.

Section 5. Patient Confidentiality. The contractor, and its officers, employees, and agents, as well as the Authority, and its officers, employees, and agents, shall maintain the confidentiality of all personal

medical information personally identifiable to a purchaser. The hospitals shall submit and the contractor shall collect such confidential data from the hospitals from the UB-82 forms and provide it to the Authority as provided for in its agreement with the Authority.

Section 6. Sanctions. Any person or persons who violate or refuse to comply with the requirements of these rules shall be subject to remedial action as provided for under the Act including criminal penalties as provided for by West Virginia Code, §16-29B-27, orders of enforcement as provided for by West Virginia Code, §16-29B-15, civil actions as provided for by West Virginia Code, §16-29B-14, and such other sanctions as are reasonably necessary or essential to effect the express objectives and purposes of the Act as provided for by West Virginia Code, §16-29B-8(a)(6).

Section 7. Phase 2. These rules cover only phase 1 of the Authority's program under Section 23(a) of the Act. Phase 2 of the program will consist of the implementation of the provisions of Section 23(b) and (c) of the Act. Phase 2 will be developed following the collection of this initial data and following the required hearings.

Section 8. Severability. If any provision or provisions of these rules or the application thereof to any person or circumstance shall be held invalid, such invalidity shall not affect the provisions or applications of these rules which can be given effect without the invalid provision or provisions or application and to this end the provisions of these rules are declared to be severable.

Health Care Cost Review Authority  
Legislative Rule 16-29B  
Series IV

WEST VIRGINIA HEALTH CARE COST REVIEW AUTHORITY

EMERGENCY FILING

LEGISLATIVE RULES

LEGISLATIVE RULES TO IMPLEMENT UTILIZATION REVIEW  
AND QUALITY ASSURANCE PROGRAM - PHASE 1

INDEX

Act, definition, 2.01  
Authority, 1.02  
Authority, definition, 2.02  
Contractor, definition, 2.03  
Data format, 4.02  
Definitions, 2  
Effective date, 1.04  
Filing date, 1.03  
General, 1  
Hospitals, 4.01  
Patient confidentiality, 5  
Patient data, 4  
Person, definition, 2.03

Health Care Cost Review Authority  
Legislative Rule 16-29B  
Series IV

INDEX (Continued)

Phase 2, 7

Program, definition, 2.05

Professional review organization, 3

Sanctions, 6

Scope, 1.01

Severability, 8

Subsequent contractors, 3.02

UB-82, definition, 2.06

West Virginia Medical Institute, Inc., 3.01

Legislative Review  
 Review and Quality Assurance

File No. 18-29E Series II (1984) Subject Phase I

Type of Rule: Legislative Interpretive Procedure

Agency Health Care Cost Review Authority Address 100 Oak Drive  
Charleston, WV 25311

Authorized Representative Bill J. Crouch, Executive Director Phone 345-5701

1. Effect of Proposed Rule	ANNUAL		FISCAL YEAR	
	Increase	Decrease	Current	Next Thereafter
Estimated Total Cost	\$	\$	\$180,350	\$193,876 <sup>c</sup>
Personal Services			45,258	48,652
Current Expense			135,092	145,224
Repairs and Alterations				
Equipment				
Others				

2. Explanation of above estimates.

The estimates are based on the percentage of time that agency staff spend on this activity and the cost of collecting and analyzing the data.

3. Date September 13, 1984 Agency Health Care Cost Review Authority

Signature of Agency Head  
Greg Richardson

Signature of Authorized Representative  
Bill J. Crouch

Agency Health Care Cost Review Authority

Division of Health Care Regulation  
Insurance Program - Public

Rule No 10-29E Series I (1984)

Sub 401

1. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

None

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

The hospital industry will be required to submit patient discharge data to the Authority. The cost of this will vary from hospital to hospital depending on the data processing capabilities and resources of the hospital.

C. Economic Impact on Citizens/Public at Large.

The public will benefit from the analysis of this data by the Authority and the West Virginia Medical Institute. This data will be utilized to evaluate the appropriateness of admissions and the quality of care provided. It will also be used to compare the costs of providing services between similar hospitals.

Date September 15, 1984

Agency Health Care Cost Review Authority

Signature of Agency Head

Greg K. Richardson

Signature of Authorized Representative

Bill F. Crouch

