

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
**KEN HECHLER**  
**ADMINISTRATIVE LAW DIVISION**

Form #1

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FILED  
1988 MAY -9 PM 2:10  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

**NOTICE OF PUBLIC HEARING ON A PROPOSED RULE**

AGENCY: Health Care Cost Review Authority TITLE NUMBER: § 65-5F, § 65-29B

RULE TYPE: Interpretive; CITE AUTHORITY W. Va. Code, § 16-29B-8, -17, -18 & -23, and § 16-5F-3(a)

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 PROPOSED: Twelve (12)

TITLE OF RULE BEING PROPOSED: Coverage by Financial Disclosure Acts  
and Utilization Review of Psychiatric Hospitals and Rehabilitation  
Hospitals

DATE OF PUBLIC HEARING: Monday, June 13, 1988 TIME: 10:00 a.m.

LOCATION OF PUBLIC HEARING: Suite 201  
100 Dee Drive  
Charleston, WV 25311


COMMENTS LIMITED TO: ORAL , WRITTEN , BOTH

COMMENTS MAY ALSO BE MAILED TO THE FOLLOWING ADDRESS: Suite 201  
100 Dee Drive  
Charleston, WV 25311

The Department requests that persons wishing to make comments at the hearing make an effort to submit written comments in order to facilitate the review of these comments.

The issues to be heard shall be limited to the proposed rule.

ATTACH A **BRIEF** SUMMARY OF YOUR PROPOSAL

  
WALTER J. DALE  
Chairman

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Coverage by Financial Disclosure Acts and Utilization Review of Psychiatric Hospitals and Rehabilitation Hospitals

Type of Rule:  Legislative  Interpretive  Procedural

Agency Health Care Cost Review Authority Address Suite 201, 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.

All of the regulatory programs affected by this rule are already in place. No new programs are implemented by these rules.

3. Objectives of these rules: To include psychiatric hospitals and rehabilitation hospitals with the programs' implementing the Health Care Facility Financial Disclosure Act, W. Va. Code, § 16-5-F-1 et seq., and the Health Care Cost Review Authority Act, W. Va. Code, § 16-29B-1 et seq. Both of these Acts are written to include all acute inpatient facilities, but there has been some confusion in the industry as to that applicability.

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

As to additional cost, there should not be any. Inclusion of these hospitals under the Health Care Cost Review Authority Act will generate more revenue for the Authority's operations.

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

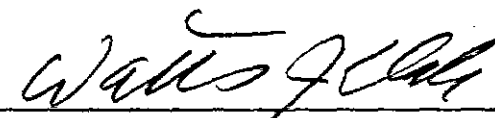
None for political subdivision and groups of citizens. There will be costs imposed upon the hospitals including up to one-tenth of one percent (0.1%) of its gross revenue. Most of the documents to be filed by the hospitals are copies of documents the hospitals already have to prepare for other purposes. Of the documents prepared specifically for these Acts the average cost should be \$2,500.00.

C. Economic Impact on Citizens/Public at Large.

None

Date MAY 9, 1988

Signature of Agency Head or Authorized Representative



WALTER J. DALE  
Chairman

## SUMMARY

The purpose of this interpretive rule is to specifically notify psychiatric hospitals (of which there are two) and rehabilitation hospitals (of which there are three free-standing, one proposed free-standing, and two discrete part units) that the board considers the various filing and disclosure requirements of the Health Care Facility Financial Disclosure Act, W. Va. Code, § 16-5F-1 et seq., and the Health Care Cost Review Authority Act, W. Va. Code, § 16-29B-1 et seq., to apply to such hospitals. No new programs are included. The rule notes that the exception provided by the rate review program for psychiatric hospitals and rehabilitation hospitals is still applicable. "Procedural Rule for Requests for Hospital Rate Changes," 65 CSR 3 (1987).

WEST VIRGINIA INTERPRETIVE RULE  
HEALTH CARE COST REVIEW AUTHORITY  
CHAPTERS 16-5F and 16-29B

SERIES XII

Title:            **COVERAGE BY FINANCIAL DISCLOSURE ACTS AND  
UTILIZATION REVIEW OF PSYCHIATRIC  
HOSPITALS AND REHABILITATION HOSPITALS**

- Section 1.        **General**
2.            **Definitions**
  3.            **Introduction**
  4.            **Utilization Review and Quality Assurance**
  5.            **Annual Financial Reporting System**
  6.            **Health Care Facility Financial Disclosure**
  7.            **Rate Review**
  8.            **Discrete Part Units**

FILED IN THE OFFICE OF  
THE SECRETARY OF STATE  
THIS DATE May 9, 1988  
ADMINISTRATIVE LAW DIVISION

WEST VIRGINIA INTERPRETIVE RULE  
HEALTH CARE COST REVIEW AUTHORITY  
CHAPTERS 16-5F and 16-29B

SERIES XII

Title:           COVERAGE BY FINANCIAL DISCLOSURE ACTS AND  
                  UTILIZATION REVIEW OF PSYCHIATRIC  
                  HOSPITALS AND REHABILITATION HOSPITALS

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Section 1.       General

1.1 — Scope - This interpretive rule is intended to provide guidance to certain free-standing, speciality hospitals that, in the agency's opinion, are subject to the requirements of the Health Care Facility Financial Disclosure Act, W. Va. Code, § 16-5F-1 et seq., and of the West Virginia Health Care Cost Review Authority Act, W. Va. Code, § 16-29B-1 et seq. Pursuant to W. Va. Code, § 16-29B-10, and § 16-29B-16(a), both of those Acts are administered by the board of the Health Care Cost Review Authority, W. Va. Code, § 16-29B-5.

1.2.     Authority - W. Va. Code, § 16-29B-8, -17, -18, & -23, and § 16-5F-3(a).

1.3.     Filing Date - \_\_\_\_\_.

1.4.     Effective Date - \_\_\_\_\_.

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Section 2.        Definitions.

2.1        The term "Authority" refers to the agency known as the West Virginia Health Care Cost Review Authority created by W. Va. Code, § 16-29B-5.

2.2        The term "board" refers to the three-member board which is charged with carrying out the duties imposed upon the Authority. W. Va. Code, § 16-29B-5(a).

2.3.        The term "free-standing" as applied to a hospital or other inpatient facility means a physical structure which is physically independent from other inpatient facilities or an inpatient facility which is administered and managed separately from other inpatient facilities, or both.

2.4.        The term "psychiatric hospital" means an institution which primarily provides to inpatients, by or under the supervision of a physician, specialized services for the diagnosis, treatment and rehabilitation of mentally ill and emotionally disturbed persons.

2.5.        The term "rehabilitation hospital" means an inpatient facility which is operated for the primary purpose of assisting in the rehabilitation of disabled persons through an integrated program of medical and other services which are provided under competent professional supervision.

HCCRA  
Int. Rule, 16-5F and 16-29B  
Series XII, Sec. 3

Section 3.        Introduction.

The board administers several different statutory programs. Two of those programs are involved in this interpretive rule. First, the West Virginia Health Care Cost Review Authority Act, W. Va. Code, § 16-29B-1 et seq., provides for a uniform system of accounts and financial reporting (section 17), for an annual financial reporting (section 18), and for a utilization review and quality assurance program (section 23). Second, the West Virginia Health Care Facility Financial Disclosure Act, § 16-5F-1 et seq., requires the annual publication and filing of certain financial reports. The purpose of this interpretive rule is to express the board's interpretation of the application of these provisions to free-standing psychiatric hospitals and to free-standing rehabilitation hospitals.

Section 4.        Utilization Review and Quality Assurance

By a legislative rule titled "Legislative Rules To Implement Utilization Review and Quality Assurance Program - Phase 1," 65 CSR 4 (1985), the board has adopted a program of patient data submission from West Virginia hospitals to the Authority. It is the opinion of the board that free-standing psychiatric and free-standing rehabilitation hospitals are subject to the provisions of that legislative rule.

HCCRA  
Int. Rule, 16-5F and 16-29B  
Series XII, Sec. 5

Section 5.     Annual Financial Reporting System

The board has implemented the provisions of sections 17 and 18 of the Health Care Cost Review Authority Act, § 16-29B-1 et seq., by adopting a "Uniform Reporting System and Annual Wage and Salary Survey." That system was exempt from the rule-making requirements of the Administrative Procedures Act, W. Va. Code, § 29A-3-1 et seq. See W. Va. Code, § 16-29B-17(a). It is the opinion of the board that free-standing psychiatric and free-standing rehabilitation hospitals are subject to the provisions of that system.

Section 6.     Health Care Facility Financial Disclosure

The board, pursuant to W. Va. Code, § 16-29B-16(a), replaced the director of the department of health as the administrator of the West Virginia Health Care Facility Financial Disclosure Act, § 16-5F-1 et seq. That Act requires "covered facilities" to publish and file certain financial reports and documents on an annual basis. It is the opinion of the board that free-standing psychiatric and free-standing rehabilitation hospitals are subject to the provisions of that Act.

HCCRA  
Int. Rule, 16-5F and 16-29B  
Series XII, Sec. 7

Section 7.        Rate Review

Nothing in this interpretive rule is intended to change the policy of the board as expressed in the "Procedural Rule For Requests For Hospital Rate Changes," 65 CSR 3 (1987), that presently excludes free-standing psychiatric and free-standing rehabilitation hospitals from the requirements of the rate review and rate setting programs of W. Va. Code, § 16-29B-1 et seq. If that policy is subsequently changed in a later phase of the rate review and rate setting programs, rules incorporating those changes will then be issued.

Section 8.        Discrete Part Units

It is the opinion of the board that if an acute-care, inpatient facility (that is, a hospital) has, among its other services, either a discrete part psychiatric unit or a discrete part rehabilitation unit, or both, those units as part of an otherwise covered hospital are subject to all of the publication and reporting requirements discussed in sections 4, 5, and 6 of this interpretive rule and are also subject to the requirements of the rate review and rate setting programs; i.e., such units must be included by the hospital in its submissions to the rate review and rate setting programs.