

WEST VIRGINIA
SECRETARY OF STATE

KEN HECHLER

ADMINISTRATIVE LAW DIVISION

Form #1

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JUN 11 PM 3:31

NOTICE OF PUBLIC HEARING ON A PROPOSED RULE

AGENCY: West Virginia Health Care Cost Review Authority TITLE NUMBER: 65

RULE TYPE: Legislative; CITE AUTHORITY 16-2D-4(h); 16-2D-8

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: 16

TITLE OF RULE BEING PROPOSED: Exemption For Shared Services

DATE OF PUBLIC HEARING: July 13, 1990 TIME: 9:30 a.m.

LOCATION OF PUBLIC HEARING: Health Care Cost Review Authority

Large Conference Room

100 Dee Drive, Suite 201

Charleston, WV 25311

COMMENTS LIMITED TO: ORAL , WRITTEN , BOTH

COMMENTS MAY ALSO BE MAILED TO THE FOLLOWING ADDRESS: Health Care Cost Review Authority

ATTN: Mariannce K. Stonestr

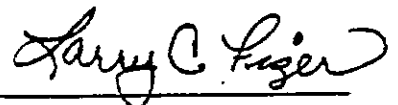
100 Dee Drive, Suite 201

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



LARRY C. FIZER, Chairman



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Building 3, Capitol Complex
Charleston, WV 25305

Gaston Caperton
Governor

June 11, 1990

The Honorable Ken Hechler
Secretary of State
State Capitol Complex
Building 1, Suite 157-K
Charleston, West Virginia 25305

Re: Legislative Rule for the Health Care Cost Review
Authority

Dear Secretary Hechler:

Enclosed is a proposed legislative rule of the Health Care
Cost Review Authority for shared mobile services. I hereby
approve this rule for filing.

Very truly yours,

A handwritten signature in cursive script that reads "Taunja Willis Miller".

Taunja Willis Miller, Secretary
Department of Health and Human
Resources

TWM/mt

cc: Marianne K. Stonestreet, General Counsel
Health Care Cost Review Authority

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TITLE 65
WEST VIRGINIA LEGISLATIVE RULE
HEALTH CARE COST REVIEW AUTHORITY

OFFICE OF LEGISLATIVE SERVICES
MARTINSBURG, WEST VIRGINIA

SERIES 16

Title: EXEMPTION FOR SHARED SERVICES

§ 65-16-1 General

1.1. Scope - This legislative rule establishes an exemption from certificate of need review for certain shared services between two or more acute care facilities when the shared services can reasonably be mobile as provided by W. Va. Code, § 16-2D-4(h). This rule further repeals section 5 of "Exemptions From Certificate of Need Review," § 65 C.S.R. 11 (1988).

1.2. Authority - W. Va. Code § 16-2D-4(h) and § 16-2D-8.

1.3. Filing Date - _____.

1.4. Effective Date - _____.

1.5. This legislative rule repeals and replaces section 5 of the "Exemptions From Certificate of Need Review," § 65 C.S.R. 11 (1988).

HCCRA
Leg. Rule, 16-5F
Series 16, Sec. 2

§ 65-16-2 Introduction

This legislative rule implements Enrolled House Bill 4230 which was passed by the Legislature on March 10, 1990 and became effective ninety (90) days from passage. This bill amended W. Va. Code, § 16-2D-4(h) by placing more stringent requirements upon the eligibility for an exemption for shared services and also by limiting the exemption to lithotripsy and magnetic resonance imaging (MRI). This bill authorizes the state agency to promulgate rules to implement the exemption.

§ 65-16-3 Definitions

As used in this legislative rule, all terms that are defined in the Act at section 2 thereof have those same meanings which are in some cases further clarified herein. All terms not defined in the Act have the following meanings unless the context expressly requires otherwise.

3.1. "Act" means the certificate of need act, West Virginia Code, § 16-2D-1 et seq.

3.2. "State agency" means the West Virginia Health Care Cost Review Authority which is designated to administer the certificate of need program by West Virginia Code, § 16-29B-11.

3.3 "Verified notice" means a notice containing the facts required by this rule and which has attached to it a statement made under oath before a notary public or other official entitled to administer oaths by the chief executive officer of the entity applying for the exemption that the facts and circumstances set forth in the notice are true or are believed to be true by the chief executive officer.

§ 65-16-4 Exemption Criteria

4.1 Any acute care facility otherwise subject to the certificate of need program may obtain an exemption from certificate of need review for shared services between two (2) or more acute care facilities. The shared services must be those provided by major medical equipment and through existing technology can reasonably be made mobile. The major medical equipment which is eligible for this exemption is magnetic resonance imaging (MRI) devices and lithotripters. On an annual basis the state agency shall review existing technologies to determine if other major medical equipment should be included in this exemption. Qualification for an exemption under this rule shall not constitute a waiver or exemption from certificate of need review for the offering of magnetic resonance imaging or lithotripsy services by the acute care facility if these services are provided by major medical equipment which is not mobile and is not shared with another acute care facility.

HCCRA
Leg. Rule
Series 16, Sec. 4

4.2. To qualify as a "shared service," the equipment must be on site at each acute care facility at least four (4) days per month. This requirement may be waived by the state agency if three (3) or more acute care facilities share the equipment.

4.3. This exemption is limited to one piece of major medical equipment per shared service. An acute care facility may obtain only one exemption for each shared service permitted under this rule.

4.4. This exemption is not available if the shared services mobile unit is less cost effective than a fixed unit. The state agency shall determine cost effectiveness based upon patient charges.

4.5. This exemption is not available if any non-acute care facility or entity will utilize the major medical equipment for the provision of health services to that facility's or entity's patients. The equipment may be owned by a non-acute care facility or entity, which in term contracts, leases, or rents it exclusively for use by acute care facilities. Provided, that a physician shall not own in whole or in part any major medical equipment subject to this rule which provides services to any acute care facility at which he or she has admitting privileges.

HCCRA
Leg. Rule
Series 16, Sec. 4

4.6. In order to obtain the exemption, each acute care facility must file a verified notice with the state agency. The verified notice shall identify the hospitals and all other entities involved in the proposal, identify the equipment to be acquired and the services to be provided, the fair market value of the equipment to be provided, the capital expenditures to be made by each hospital, each hospital's annual operating expenses for each of the first three (3) years of operation of the shared services, the proposed schedule for the equipment's use at each hospital, a complete list of all persons and/or entities with an ownership interest in the equipment, a complete list of all physicians with admitting privileges at the facility, and the proposed charges to the patient for the service.

4.7. Following receipt of the verified notice, the state agency shall publish a notice of the filing in the Saturday Charleston newspapers, the State Register, and in the state agency's newsletter. The notice shall identify the applicants and describe the proposal. It shall also describe the review period including the rights of affected parties to a hearing.

4.8. Following receipt of the verified notice, the state agency shall determine within fifteen (15) days whether or not the verified notice is complete. If the verified notice is not complete, the state agency shall request additional information. Upon receipt of that additional information, the state agency shall have fifteen (15) days within which to determine if the verified

HCCRA
Leg. Rule
Series 16, Sec. 4

notice is complete. Upon determining that the verified notice is complete, the state agency shall publish a notice of that fact in the Saturday Charleston newspapers, the State Register, and in the state agency's newsletter. The notice shall identify the applicants, shall describe the proposal, and shall, if a hearing on the exemption has been requested, state the time, place, and date of the hearing.

4.9. If a hearing has not been requested, then following the determination of completeness the state agency shall within ten (10) days issue a written decision on the verified notice which decision shall be a final decision for purposes of West Virginia Code, § 16-2D-7(r) and § 16-2D-10. The state agency shall publish notice of the decision in the Saturday Charleston newspapers, the State Register, and the state agency's newsletter. The major medical equipment affected by this rule shall not be acquired or contracted for until after entry of a final decision.

4.10. If a hearing has been requested by an affected party, the state agency shall follow the provisions of subsections 5.1, 5.2 and 5.3 of this legislative rule.

4.11. In order to be effective, the request for a hearing must be from an affected party and must be filed in writing with the state agency within

fifteen (15) days of the publication of the notice in the Saturday Charleston newspapers as required by subsection 4.7.

§ 65-16-5 Requests For Hearings

5.1. In the event that an affected person requests a hearing, the exemption review period shall be terminated. A hearing shall then be held within thirty (30) days of the request for a hearing unless the state agency sets a later date upon a showing of good cause therefor.

5.2. The state agency may conduct a prehearing conference in accordance with Rule 16 of the West Virginia Rules of Civil Procedure. If an order is first obtained from the state agency or a hearing examiner appointed by it, the parties may engage in discovery as provided by the West Virginia Rules of Civil Procedure; except that the scope of discovery shall be limited to relevant and admissible evidence.

5.3. At the conclusion of the hearing, the parties may submit proposed findings of fact, conclusions of law, and legal briefs. The state agency shall then have twenty (20) days from the receipt of those items or the closure of the record if those items are not tendered to make its determination in writing.

HCCRA
Leg. Rule
Series 16, Sec. 5

5.4. A written decision made pursuant to subsection 5.3 shall be a final decision for purposes of West Virginia Code, § 16-2D-7(r) and § 16-2D-10. The state agency shall publish notice of the decision in the Saturday Charleston newspapers, the State Register, and the state agency's newsletter. The major medical equipment affected by this rule shall not be acquired or contracted for until after entry of a final decision.

SUMMARY OF PROPOSED RULE

The proposed legislative rule implements Enrolled House Bill 4230. This bill amended W. Va. Code, § 16-2D-4(h) by placing more stringent requirements upon the eligibility for an exemption from certificate of need review for shared services between two or more acute care facilities which can reasonably be mobile. This rule repeals and replaces section 5 of the "Exemptions From Certificate Of Need Review," § 65 CSR 11 (1988).

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Exemption For Shared Services

Type of Rule: X Legislative Interpretive Procedural

Agency West Virginia Health Care Cost Review Authority Address 100 Dee Drive, Suite 201 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	0	0	0	0	0
Current Expense	0	0	0	0	0
Repairs and Alterations	0	0	0	0	0
Equipment	0	0	0	0	0
Other	0	0	0	0	0

2. Explanation of above estimates.

The agency estimates no cost associated with the implementation of this rule.

3. Objectives of these rules:

To implement an exemption from certificates of need review for shared services between two or more acute care facilities when said services are available through existing technology and can reasonably be made mobile as required by W. Va. Code, § 16-2D-4(h).

4. 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.

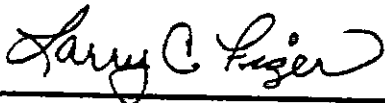
Acute Care Facilities affected by this rule should realize a savings by sharing the costs of major medical equipment.

C. Economic Impact on Citizens/Public at Large.

Citizens and the public should benefit from the cost savings to the acute care facilities if the cost savings are reflected in a reduction in hospital rates and charges.

Date June 11, 1990

Signature of Agency Head or Authorized Representative



LARRY C. FIZER, Chairman

DATE: June 11, 1990
TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE
FROM: Health Care Cost Review Authority
EMERGENCY RULE TITLE: Exemption For Shared Services

1. Date of filing: June 11, 1990
2. Statutory authority for promulgating the emergency rule: W. Va. Code, § 16-2D-4(h); § 16-2D-8
3. Date of filing of proposed legislative rule: June 11, 1990

4. Does the emergency rule adopt new language or does it amend or repeal a current legislative rule?

The emergency rule adopts new language and repeals and replaces section 5 of the "Exemptions From Certificate Of Need Review," § 65 CSR 11 (1988)

5. Has the same or similar emergency rule previously been filed and expired?

No

6. State, with particularity, those facts and circumstances which make the emergency rule necessary for the immediate preservation of public peace, health, safety or welfare.

See Response to #7.

7. If the emergency rule was promulgated in order to comply with a time limit established by the Code or federal statute or regulation, cite the Code provision, federal statute or regulation and time limit established therein.

W. Va. Code, § 16-2D-4(h) was amended by the Legislature via

Enrolled House Bill 4230. This bill was passed by the Legislature

on March 10, 1990, and became effective ninety days from passage.

This law mandates the state agency to promulgate rules within
ninety days.

8. State, with particularity, those facts and circumstances which make the emergency rule necessary to prevent substantial harm to the public interest.

See response to #7.