

Path to Prosperity: Reimagining West Virginia's Economy

The disruptions we face due to the COVID-19 pandemic present many challenges that we must now unite in order to adequately face. Now, more than ever, is a time for coming together to accomplish good policy that improves peoples' lives, while avoiding hyperbolic, partisan rhetoric that only serves to divide us. As one of the foremost policy organizations in West Virginia, Americans for Prosperity stands ready to partner with lawmakers of both parties to accomplish a robust response to the uncertain times ahead.

There are four areas of primary focus that we are highlighting: **1) Cutting red tape in health care; 2) Get people back to work by ensuring fiscally responsibility and long-term economic recovery; 3) Reimagining education in the era of COVID-19; and 4) Removing roadblocks to West Virginians accessing technology and innovation.**

Cutting red tape in health care

Even in normal circumstances West Virginians face [health care shortages in nearly every county](#). In the wake of the Coronavirus, and the accompanying fears of a massive spike in patients overwhelming our already encumbered health care system, it is abundantly clear that practitioners face too many barriers to providing the care West Virginians deserve.

For too long Big Medical special interests, health care lobbyists, and rouge bureaucrats have fought to keep in place a wrongheaded status quo, holding the advancement of life saving services, procedures, and practitioners back from serving Mountaineers – just to protect their own bottom line. In a recent study, the Mercatus Center [found West Virginia ranks 38th in the country](#) for health care openness and access. This is not acceptable after witnessing what healthcare shortages do to our citizens' health, safety, and prosperity. In order to combat future public health emergencies and, frankly, to provide a level of care that our citizens deserve, we recommend the following actions.

Part One

In order to remove red tape so that our medical community could more effectively respond to the COVID-19 crisis, Governor Justice, through executive order for the duration of the crisis as per his emergency powers, waived certain statutory requirements. If a law held back our response to COVID-19, it's also holding back medical professionals from providing care to West Virginians under any circumstance. **You should immediately adopt laws to permanently eliminate these statutory requirements:**

1. The [licensing requirement](#) for telemedicine providers to be licensed in West Virginia, provided that such provider possesses a license within their own state
2. The [scope of practice requirement](#) that forces Physician Assistants to have a collaborative agreement in order to practice to the full scope of their training and education
3. The [requirement](#) that telemedicine be conducted by video only

4. The [requirement](#) that registered nurses or advance practice registered nurses who are licensed in another state, with no pending complaints, investigations, consent orders, board orders, or pending disciplinary proceedings, must be also be licensed in West Virginia to practice in the state
5. The [requirement](#) for supervision or presence of any other healthcare provider when anesthesia is administered by a certified registered nurse anesthetist
6. [Requirements](#) that inhibit advance practice registered nurses from being able to prescribe medicine

Part Two

1. Continue to reject the crony price fixing scheme known as “payment parity” which mandates that telemedicine visits cost the same as an in-person visit. **NOTE: Providers should be allowed the ability in code to bill for telemedicine visits, but code should not fix prices for that transaction.**
2. Eliminate all certificate of need laws. These laws allow government bureaucrats to arbitrarily deny medical providers from expanding current services or creating new services. This hinders our health care community’s ability to meet the needs of communities across the state and hinders entrepreneurship.
3. Eliminate any requirement that forces a health care professional already licensed to practice medicine in another state, with requisite experience and no pending complaints, investigations, consent orders, board orders, or pending disciplinary proceedings, to be licensed in West Virginia (otherwise known as universal recognition of licensure).
4. Mandate payers submit data to an all-payer database
5. Eliminate restrictions on direct primary care and expand entrepreneurial business structures within our health care system
6. Institute a Free Speech in Medicine law, so drug manufacturers can share truthful and non-misleading information about off-label uses of their drugs with physicians
7. Do not expand Medicaid. Instead of pouring more patients into already strained Medicaid provider networks, we should reimagine our health care system by eliminating burdensome regulations that enables more medical providers to give care that West Virginians need
8. Reimburse Medicaid providers for remote monitoring and store and forward telemedicine
9. Do not increase licensing burdens or diminish scope of practice for healthcare professionals

Get people back to work by ensuring fiscally responsibility and long-term economic recovery

Government has a proper role. However, our state government, in too many instances, works outside of its proper role. Our state is facing a \$500M budget gap due to the COVID-19 pandemic. Previous legislatures, when faced with large holes in the budget, chose to increase taxes that hurt average people instead of reducing non-essential government spending. Under normal conditions, tax increases greatly slow economic activity and disproportionately hurt the most vulnerable.

Given the state of economic downturn that has accompanied our response to Coronavirus, not only is it unrealistic and unreasonable to increase individuals' tax burden to address our budget shortfall, doing so will stall the economic recovery our state desperately needs. In short, tax increases to patch the budget are simply a non-starter. Period.

Instead, we recommend the following tax and spending reforms that will both help our short-term budget gap and, in the long-term, increase people's financial well-being while bringing much needed increased population to the state.

This threat represents a call to action for fiscally responsible lawmakers to safeguard citizens from increased tax burdens, and instead choose to set every West Virginian up for success in the economic recovery effort to come. It also represents an opportunity to eliminate barriers in order to create the conditions for a new, stronger West Virginia economy in which every Mountaineer has an unprecedented ability to reach their full potential.

Short-Term Actions

1. Use Federal Coronavirus Stabilization funding *only for Coronavirus related expenditures*, not to increase general revenue expenditures for new, non-Coronavirus related spending
2. Governor Justice should immediately use his considerable fiscal power to reduce non-essential spending at the agency level
3. Do *not* increase West Virginians' tax burden to close the budget shortfall or to increase spending as this will hinder citizens' ability to foster economic recovery;
4. Instead, utilize rainy day funds and spending reductions to achieve a balanced budget in the short-term
5. Find savings in current state appropriations by eliminating all non-essential government spending
6. Find savings by eliminating all corporate welfare in the budget and tax incentive schemes. Entrepreneurs need an even playing field in order to overcome the unprecedented economic downturn we're seeing from the shuttering of our economy
7. Institute and maintain a government spending freeze for all non-essential expenditures
8. Begin a long-term phase-out of non-essential government employees by not rehiring those positions
9. Create a Joint Legislative Committee to track all Coronavirus-related state spending and;
10. Work with the State Auditor to ensure COVID-19 related spending is transparent and accessible on WVcheckbook.gov
11. Work with business leaders and policy experts to identify bottom-up solutions that identify and remove unnecessary regulatory burdens from businesses and individuals

Mid to Long-Term Actions

1. Once we begin to recover in the long-term, we should enact historic, comprehensive tax reform that will jumpstart our economy and bring a new economy that works better for every West Virginian and increase our population
2. [According](#) to the Institute for Justice, "As the nation's economy and health-care system struggle to adjust to the pandemic, more and more states are reexamining some of their oldest occupational and business regulations—rules that, although couched as protecting consumers, do far more to limit competition." West Virginia should join in

this effort by conducting a comprehensive review and sunset process, through the lens of [least restrictive means and best practices](#), for all government occupational licenses, and related red tape holding West Virginians back from reaching their full potential. It is imperative for our economic recovery that we begin to rapidly identify which licenses are necessary, which are overly burdensome and could be done in a less restrictive fashion, and which simply represent [protectionism](#) meant to stymie competition and should be eliminated entirely. This review will provide a roadmap for adopting changes to the regulatory status quo that will increase opportunities for folks to get back to work and help contribute to our recovering economy

3. Implement a performance-based [budgeting requirement](#) to help focus state government on essential priorities and modernize our budgeting process
4. To help focus state government on essential priorities and modernize our budgeting process, implement a well-structured, constitutional Tax and Expenditure Limit or Taxpayer Bill of Rights
5. Continue to increase rainy day funds to appropriate levels
6. Implement [comprehensive pension reform](#). Across the country, state and local governments are facing a looming pension crisis that threatens state budgets, state employees' retirements and taxpayers, with over \$5 trillion in unfunded pension liability. While these retirement benefit programs are different in every state and require a unique solution, there are [several policies](#) that should be considered in order to ensure that state pensions are solvent for the future.
10. Continue adding to a system of transparency for state expenditures

A warning about corporate cronyism

There is a well-intentioned, but ultimately destructive legislative culture that believes tax breaks for specific, often powerful and well-connected business interests helps grow the economy. This is empirically false.

These programs *inflict insidious harm on the free market*. Companies are rewarded for special interest lobbying activities rather than creating value. In practice, subsidies destroy economic value and corrupt our understanding of the benefits of free markets. Politicians and bureaucrats pick winners and losers, rather than consumers and free enterprise. Politically connected companies gain an unfair advantage over their competitors who then face significant barriers including higher costs.

Economic development subsidies *don't lead to greater prosperity*. Economic growth, state per capita gross domestic product, or job growth do not increase due to corporate welfare programs.¹ The benefits typically go to large, well-known corporations, not local businesses and can threaten a state's fiscal health. And while subsidies do benefit the winners, they typically make no difference to a state's overall prosperity and often hurt it. Little wonder, since the rest of the taxpayers, including local businesses, must pay the tab.²

¹ Matthew Mitchell, Michael D. Farren, Olivia Gonzalez, Jeremy Horpedahl, "[The Economics of a Targeted Economic Development Subsidy](#)," Mercatus Center, November 21, 2019; Michael D. LaFaive and Michael Hicks, "[An Assessment of the Michigan Business Development Program](#)," Mackinac Center, February 20, 2018

² "Analysis: Tax Increment Financing in Wisconsin," Maclver Institute, March 29, 2019;

Economic development subsidies have *little impact on location decisions*. Predictably, the most important factors are market-oriented including a skilled labor force, affordable cost structures, and connection to markets. The most impactful government policies are regulatory burdens, not subsidies.³ In fact, many firms wind up locating exactly where they said they wanted to anyway regardless of proposed incentives.

Often, *program details are not transparent*, legislators and taxpayers do not know what government support has been given, what the total costs are, who received support, or what the results are. In some cases, results and reports are incorrect or misleading while oversight and controls are lax. Promised results are frequently not delivered.⁴

These kinds of targeted subsidy programs have a *corrupting effect on democratic institutions*, incentivizing unproductive behaviors by politicians and businesses, and eroding public faith that the system is fair.

Every exemption, loophole, carveout, and sweetheart deal that lawmakers hand out in the form of corporate welfare takes us farther away from the robust, comprehensive tax reform we need to not only achieve the rapid economic recovery necessary for the state to survive the economic fallout of the pandemic, but the chance to give them a new, stronger economy. President Trump did this on the federal level with his historic Tax Cuts and Jobs Act

Please do not fall prey to the half-measures of cronyism. West Virginians need comprehensive tax relief instead of being stuck with a bill of sale.

Reimagining education and innovation in an uncertain future

This public health crisis has been a shock to our collective system. Perhaps nowhere is this more true than in the area of education. Just because kids can't be in school doesn't mean learning stops. And in an uncertain future, it is high time we take proactive steps to make sure that every child has the chance at an education that is right for them, regardless of income level or ZIP code. Thankfully, principled lawmakers in West Virginia are ahead of the curve in highlighting the desperate need for more educational opportunities for every kid. Those policies are more timely now than ever.

All children in our state deserve an educational opportunity that best meets their unique needs – one that embraces the freedom of innovation and the dignity of the individual. We must provide educators the freedom to provide innovative solutions to educate our children. Educational innovation is about empowering educators and the community to meet the needs of unique families. We believe that the best way to achieve these goals is to offer every child a personalized education. Today, we no longer have to force students to conform to the same inflexible standardized system. Technology now allows us to build educational environments that are responsive to the unique needs and talents of every child. We support educational models that make learning more creative, more inspiring and simply more effective. Out of necessity, it is time to be bold by reimagining our approach to K-12 education.

- 1. Enact universal education savings accounts (also known as empowerment scholarships) so that each student can use the education funding that belongs to them in a way that will meet their direct and unique learning needs**

³ Michael Farren and Anne Philpot, "[With Amazon HQ2, the Losers Are the Winners: Why Economic Development Subsidies Hurt More than They Help](#)," Mercatus Center, November, 2018

⁴ Jarrett Skorup, "[MEGA Failure: Job Projections From Michigan Tax Credit Program Rarely Came True](#)," CAPCON, May 15, 2014; Bill Peacock and Cody Ross, "[The Texas Enterprise Fund](#)," Texas Public Policy Institute, December 2015

2. **Implement student-centered funding so that more money goes directly to kids and learning**
 3. **Eliminate the red tape holding our teachers back from teaching and focusing on what's best for kids instead of arbitrary rules and regulations**
 4. **Ensure implementation of open enrollment policies that allow students to attend the public school of their choice, regardless of attendance boundaries**
 5. **Additional recommendations, especially those that are more short term focused, will come from some of our coalition partners in the K-12 space**
-

Removing roadblocks to West Virginians accessing technology and innovation

1. **Remove as many regulatory barriers to creating and deploying broadband and satellites:** West Virginia should prohibit unreasonable restrictions from cities and homeowners' associations when homeowners seek to install small, outdoor broadband antennas on their private property. The FCC's over-the-air-reception-device rules, which prohibit similar restrictions on TV antennas and satellite dishes, are a good model. In most cases, unless there's a safety reason or a historical site involved, the FCC prohibits fees and permitting requirements on outdoor TV devices. The FCC is considering extending its rules to small outdoor broadband antennas, but its power over cities and homeowners' associations is limited. States can more directly implement similar reforms because states regulate cities and define property rights. This is a potentially powerful reform that helps wireless providers deploy equipment. Starry, a fixed wireless provider, said that if this reform were enacted nationwide, the company could cover an additional million homes with gigabit-capable broadband in the next year alone. **This is the number one legislative action that could be taken. It sets the stage for permanent infrastructure building to provide internet access to rural and urban communities.**
2. **Use existing infrastructure to create new wi-fi hot spots that can be spread across both rural and urban communities:** For example, some policy experts have argued in favor of using school buses and other existing infrastructure as wi-fi hot spots. See this Brookings blog for more info (https://madison.com/wsj/news/local/education/wisconsin-launches-emergency-internet-wi-fi-finder/article_18f7f17b-c725-5f57-af92-10561f37d0a1.html). This provides temporary and immediate relief to communities that need internet access now but don't have it.
3. **West Virginia's Broadband Enhancement Council should take action:** However, it appears that WV's state commission on broadband already has taken some good first steps; their website already has a map pointing out where people can access wi-fi and they've already started mapping out which areas of the state don't have access to high-speed internet so they can target them for future broadband deployment. They're a bit ahead of the curve on this, honestly.