



TERRY E. BRANSTAD  
GOVERNOR

**OFFICE OF THE GOVERNOR**

KIM REYNOLDS  
LT. GOVERNOR

May 25, 2012

The Honorable Matt Schultz  
Secretary of State of Iowa  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit:

Senate File 2315, an Act relating to redesign of publicly funded mental health and disability services by requiring certain core services and addressing other services and providing for establishment of regions, revising related property tax levy provisions, and including effective date and applicability provisions.

The above Senate File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Terry E. Branstad".

Terry E. Branstad  
Governor

cc: Secretary of the Senate  
Clerk of the House



Senate File 2315

AN ACT

RELATING TO REDESIGN OF PUBLICLY FUNDED MENTAL HEALTH AND  
DISABILITY SERVICES BY REQUIRING CERTAIN CORE SERVICES AND  
ADDRESSING OTHER SERVICES AND PROVIDING FOR ESTABLISHMENT OF  
REGIONS, REVISING RELATED PROPERTY TAX LEVY PROVISIONS, AND  
INCLUDING EFFECTIVE DATE AND APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I  
CORE SERVICES

Section 1. Section 225C.2, Code 2011, is amended by adding  
the following new subsections:

NEW SUBSECTION. 7A. *"Mental health and disability services  
region"* means a mental health and disability services region  
formed in accordance with section 331.438B.

NEW SUBSECTION. 7B. *"Mental health and disability services  
regional service system"* means the mental health and disability  
service system for a mental health and disability services  
region.

NEW SUBSECTION. 9. *"Regional administrator"* means the same  
as defined in section 331.438A.

Sec. 2. Section 225C.4, subsection 1, paragraphs a, b, c, f,  
h, j, q, and s, Code 2011, are amended to read as follows:

a. Prepare and administer the comprehensive mental health  
and disability services plan as provided in section 225C.6B,  
including state mental health and mental retardation plans for  
the provision of disability services within the state and the  
state developmental disabilities plan. The administrator shall  
~~consult with~~ take into account any related planning activities  
implemented by the Iowa department of public health, the state  
board of regents or a body designated by the board for that

purpose, the department of management or a body designated by the director of the department for that purpose, the department of education, the department of workforce development and any other appropriate governmental body, in order to facilitate coordination of disability services provided in this state. The state mental health and mental retardation plans shall be consistent with the state health plan, and shall ~~incorporate county disability services~~ take into account mental health and disability services regional service system management plans.

b. Assist ~~county boards of supervisors and mental health and developmental disabilities regional planning councils~~ mental health and disability services region governing boards and regional administrators in planning for community-based disability services.

c. Emphasize the provision of evidence-based outpatient and community support services by community mental health centers and local mental retardation providers as a preferable alternative to acute inpatient ~~hospital~~ services and services provided in large institutional settings.

f. ~~Promote coordination of~~ Coordinate community-based services with those of the state mental health institutes and state resource centers.

h. Administer and distribute state appropriations ~~to~~ in connection with the mental health and ~~developmental disabilities community~~ disability regional services fund established by section ~~225C.7~~ 225C.7A.

j. Establish and maintain a data collection and management information system oriented to the needs of patients, providers, the department, and other programs or facilities. The system shall be used to identify, collect, and analyze service outcome data in order to assess the effects of the services on the persons utilizing the services. The administrator shall annually submit to the commission information collected by the department indicating the changes and trends in the disability services system. The administrator shall make the outcome data available to the public.

g. In cooperation with the department of inspections and appeals, recommend minimum standards under section 227.4 for the care of and services to persons with mental illness ~~and~~ or mental retardation residing in county care facilities. The administrator shall also cooperate with the department of inspections and appeals in recommending minimum standards for

care of and services provided to persons with mental illness or an intellectual disability living in a residential care facility regulated under chapter 135C.

s. Provide technical assistance concerning disability services and funding to ~~counties and mental health and developmental disabilities regional planning councils~~ mental health and disability services region governing boards and regional administrators.

Sec. 3. Section 225C.4, subsection 1, Code 2011, is amended by adding the following new paragraphs:

NEW PARAGRAPH. u. Enter into performance-based contracts with regional administrators as described in section 331.438C. A performance-based contract shall require a regional administrator to fulfill the statutory and regulatory requirements of the regional service system under this chapter and chapter 331. A failure to fulfill the requirements may be addressed by remedies specified in the contract, including but not limited to suspension of contract payments or cancellation of the contract. The contract provisions may include but are not limited to requirements for the regional service system to attain outcomes within a specified range of acceptable performance in any of the following categories:

- (1) Access standards for the required core services.
- (2) Penetration rates for serving the number of persons expected to be served.
- (3) Utilization rates for inpatient and residential treatment.
- (4) Readmission rates for inpatient and residential treatment.
- (5) Employment of the persons receiving services.
- (6) Administrative costs.
- (7) Data reporting.
- (8) Timely and accurate claims processing.

NEW PARAGRAPH. v. Provide information through the internet concerning waiting lists for services implemented by mental health and disability services regions.

Sec. 4. Section 225C.6, subsection 1, paragraph b, Code Supplement 2011, is amended to read as follows:

b. ~~Adopt~~ Pursuant to recommendations made for this purpose by the administrator, adopt necessary rules pursuant to chapter 17A which relate to disability programs and services, including but not limited to definitions of each disability included within the term "*disability services*" as necessary for

purposes of state, county, and regional planning, programs, and services.

Sec. 5. Section 225C.6, subsection 1, paragraph 1, Code Supplement 2011, is amended by striking the paragraph and inserting in lieu thereof the following:

1. Pursuant to a recommendation made by the administrator, identify basic financial eligibility standards for the disability services provided by a mental health and disability services region. The initial standards shall be as specified in chapter 331.

Sec. 6. Section 225C.6A, unnumbered paragraph 1, Code 2011, is amended to read as follows:

1. ~~The commission~~ department shall do the following relating to ~~redesign of the~~ data concerning the disability services system in the state:

Sec. 7. Section 225C.6A, subsections 1 through 3, Code 2011, are amended to read as follows:

~~1. Identify sources of revenue to support statewide delivery of core disability services to eligible disability populations.~~

~~2. Ensure there is a continuous improvement process for development and maintenance of the disability services system for adults and children. The process shall include but is not limited to data collection and reporting provisions.~~

~~3.~~ a. Plan, collect, and analyze data as necessary to issue cost estimates for serving additional populations and providing core disability services statewide. The department shall maintain compliance with applicable federal and state privacy laws to ensure the confidentiality and integrity of individually identifiable disability services data. The department ~~shall regularly~~ may periodically assess the status of the compliance in order to assure that data security is protected.

b. In implementing a system under this ~~subsection~~ section for collecting and analyzing state, county and region, and private contractor data, the department shall establish a client identifier for the individuals receiving services. The client identifier shall be used in lieu of the individual's name or social security number. The client identifier shall consist of the last four digits of an individual's social security number, the first three letters of the individual's last name, the individual's date of birth, and the individual's gender in an order determined by the department.

~~e. 2.~~ Each ~~county~~ regional administrator shall regularly report to the department ~~annually on or before December 1, for the preceding fiscal year~~ the following information for each individual served: demographic information, expenditure data, and data concerning the services and other support provided to each individual, as specified ~~in administrative rule adopted by the commission~~ department.

Sec. 8. Section 225C.6B, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 3. *State and regional disability service systems.* The publicly financed disability services for persons with mental illness, intellectual disability or other developmental disability, or brain injury in this state shall be provided by the department and the counties operating together as regions. The financial and administrative responsibility for such services is as follows:

a. Disability services for children and adults that are covered under the medical assistance program pursuant to chapter 249A are the responsibility of the state.

b. Adult mental health and intellectual disability services that are not covered under the medical assistance program are the responsibility of the county-based regional service system.

Sec. 9. NEW SECTION. 225C.7A **Mental health and disability regional services fund.**

1. A mental health and disability regional services fund is created in the office of the treasurer of state under the authority of the department, which shall consist of the amounts appropriated to the fund by the general assembly for each fiscal year. Before completion of the department's budget estimate as required by section 8.23, the director of human services, in consultation with the commission, shall determine and include in the estimate the amount which in order to address the increase in the costs of providing services should be appropriated to the fund for the succeeding fiscal year.

2. The department shall distribute the moneys appropriated from the fund to mental health and disability services regions for funding of disability services in accordance with performance-based contracts with the regions and in the manner provided in the appropriations. If the allocation methodology includes a population factor, the definition of "population" in section 331.438A shall be applied.

Sec. 10. Section 331.439, subsection 1, paragraph a, Code Supplement 2011, is amended to read as follows:

a. The county accurately reported by December 1 the county's expenditures for mental health, mental retardation, and developmental disabilities services and the information required under section 225C.6A, subsection ~~3, paragraph "c"~~ 2, for the previous fiscal year in accordance with rules adopted by the state commission. The information reported shall conform with the cost principles for state, local, and Indian tribal governments issued by the United States office of management and budget. The information shall also segregate expenditures for administration, purchase of service, and enterprise costs in which the county is a service provider or is directly billing and collecting payments and shall be submitted on forms prescribed by the department of management. If the department of human services determines good cause exists, the department may extend a deadline otherwise imposed under this chapter, chapter 225C, or chapter 426B for a county's reporting concerning mental health, mental retardation, or developmental disabilities services or related revenues and expenditures.

Sec. 11. Section 331.439, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 9A. a. Commencing during the fiscal year beginning July 1, 2012, the county management plan for mental health services shall provide that an individual's eligibility for individualized services shall be determined by a standardized functional assessment methodology approved for this purpose by the director of human services.

b. Commencing during the fiscal year beginning July 1, 2012, the county management plan for intellectual disability services shall provide that an individual's eligibility for individualized services shall be determined by a standardized functional assessment methodology approved for this purpose by the director of human services.

c. Commencing during the fiscal year beginning July 1, 2012, if a county management plan provides for brain injury services the plan shall provide that an individual's eligibility for individualized services shall be determined by a standardized functional assessment methodology approved for this purpose by the director of human services.

Sec. 12. NEW SECTION. 331.439A Regional service system management plan.

1. The mental health and disability services provided by counties operating as a region shall be delivered in

accordance with a regional service system management plan approved by the region's governing board and implemented by the regional administrator in accordance with this section. The requirements for a regional service system management plan and plan format shall be specified in rule adopted by the state commission pursuant to a recommendation made by the department. A regional management plan shall include an annual service and budget plan, a policies and procedures manual, and an annual report. Each region's initial plan shall be submitted to the department by April 1, 2014.

2. Each region shall submit to the department an annual service and budget plan approved by the region's governing board and subject to approval by the director of human services. Provisions for the director of human services' approval of the annual service and budget plan, and any amendments to the plan, and other requirements shall be specified in rule adopted by the state commission. The provisions addressed in the annual plan shall include but are not limited to all of the following:

*a.* The region's budget and financing provisions for the next fiscal year. The provisions shall address how county, regional, state, and other funding sources will be used to meet the service needs within the region.

*b.* The scope of services included in addition to the required core services. Each service included shall be described and projection of need and the funding necessary to meet the need shall be included.

*c.* The location of the local access points for services.

*d.* The plan for assuring effective crisis prevention, response, and resolution.

*e.* The provider reimbursement provisions. A region's use of provider reimbursement approaches in addition to fee-for-service reimbursement and for compensating the providers engaged in a systems of care approach and other nontraditional providers shall be encouraged. A region also shall be encouraged to use and the department shall approve funding approaches that identify and incorporate all services and sources of funding used by persons receiving services, including medical assistance program funding.

*f.* Financial forecasting measures.

*g.* The targeted case managers designated for the region.

3. Each region shall submit an annual report to the department on or before December 1. The annual report shall



provide information on the actual numbers of persons served, moneys expended, and outcomes achieved.

4. The region shall have in effect a policies and procedures manual for the regional service system. The manual shall be approved by the region's governing board and is subject to approval by the director of human services. An approved manual shall remain in effect subject to amendment. An amendment to the manual shall be submitted to the department at least forty-five days prior to the date of implementation of the amendment. Prior to implementation of an amendment to the manual, the amendment must be approved by the director of human services in consultation with the state commission. The manual shall include but is not limited to all of the following:

*a.* A description of the region's policies and procedures for financing and delivering the services included in the annual service and budget plan.

*b.* The enrollment and eligibility process.

*c.* The method of annual service and budget plan administration.

*d.* The process for managing utilization and access to services and other assistance. The process shall also describe how coordination between the services included in the annual service and budget plan and the disability services administered by the state and others will be managed.

*e.* The quality management and improvement processes.

*f.* The risk management provisions and fiscal viability of the annual service and budget plan, if the region contracts with a private entity.

*g.* The requirements for designation of targeted case management providers and for implementation of evidence-based models of case management. The requirements shall be designed to provide the person receiving the case management with a choice of providers, allow a service provider to be the case manager but prohibit the provider from referring a person receiving the case management only to services administered by the provider, and include other provisions to ensure compliance with but not exceed federal requirements for conflict-free case management. The qualifications of targeted case managers and other persons providing service coordination under the management plan shall be specified in the rules. The rules shall also include but are not limited to all of the following relating to targeted case management and service coordination services:

(1) Performance and outcome measures relating to the health, safety, work performance, and community residency of the persons receiving the services.

(2) Standards for delivery of the services, including but not limited to social history, assessment, service planning, incident reporting, crisis planning, coordination, and monitoring for persons receiving the services.

(3) Methodologies for complying with the requirements of this paragraph "g" which may include the use of electronic recordkeeping and remote or internet-based training.

*h.* A plan for a systems of care approach in which multiple public and private agencies partner with families and communities to address the multiple needs of the persons and their families involved with the regional service system.

*i.* Measures to provide services in a decentralized manner that utilize the strengths and assets of the administrators and service providers within and available to the region.

*j.* A plan for provider network formation and management.

*k.* Service provider payment provisions.

*l.* A process for resolving grievances.

*m.* Measures for implementing interagency and multisystem collaboration and care coordination.

5. The provisions of a regional service system management plan shall include measures to address the needs of persons who have two or more co-occurring mental health, intellectual or other developmental disability, brain injury, or substance-related disorders and individuals with specialized needs. Implementation of measures to meet the needs of persons with a developmental disability other than intellectual disability, brain injury, or substance-related disorders is contingent upon identification of a funding source to meet those needs and implementation of provisions to engage the entity under contract with the state to provide services to address substance-related disorders within the regional service system.

6. If a county has been exempted pursuant to section 331.438B from the requirement to enter into a regional service system, the county and the county's board of supervisors shall fulfill all requirements under this chapter for a regional service system, regional service system management plan, regional governing board, and regional administrator, and any other provisions applicable to a region of counties providing local mental health and disability services.

7. The region may either directly implement a system of service management and contract with service providers, or contract with a private entity to manage the regional service system, provided all requirements of this section are met by the private entity. The regional service system shall incorporate service management and functional assessment processes developed in accordance with applicable requirements.

8. A region may provide assistance to service populations with disabilities to which the counties comprising the region have historically provided assistance but who are not included in the core services required under section 331.439D, subject to the availability of funding.

9. If a region determines that the region cannot provide services for the fiscal year in accordance with the regional plan and remain in compliance with applicable budgeting requirements, the region may implement a waiting list for the services. The procedures for establishing and applying a waiting list shall be specified in the regional plan. If a region implements a waiting list for services, the region shall notify the department of human services. The department shall maintain on the department's internet site an up-to-date listing of the regions that have implemented a waiting list and the services affected by each waiting list.

10. The director's approval of a regional plan shall not be construed to constitute certification of the respective county budgets or of the region's budget.

**Sec. 13. NEW SECTION. 331.439B Financial eligibility requirements.**

A person must comply with all of the following financial eligibility requirements to be eligible for services under the regional service system:

1. The person must have an income equal to or less than one hundred fifty percent of the federal poverty level, as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, to be eligible for regional service system public funding. It is the intent of the general assembly to consider increasing this income eligibility provision to two hundred percent of the federal poverty level.

2. a. A region or a service provider contracting with the region shall not apply a copayment, sliding fee scale, or other cost sharing requirement for a particular service to a person with an income equal to or less than one hundred fifty percent

of the federal poverty level.

*b.* Notwithstanding subsection 1, a person with an income above one hundred fifty percent of the federal poverty level may be eligible for services subject to a copayment, sliding fee scale, or other cost-sharing requirement approved by the department.

*c.* A provider under the regional service system of a service that is not funded by the medical assistance program under chapter 249A may waive the copayment or other cost-sharing arrangement if the provider is not reimbursed for the cost with public funds.

3. A person who is eligible for federally funded services and other support must apply for such services and support.

4. The person is in compliance with resource limitations identified in rule adopted by the state commission. The limitation shall be derived from the federal supplemental security income program resource limitations. A person with resources above the federal supplemental security income program resource limitations may be eligible subject to limitations adopted in rule by the state commission pursuant to a recommendation made by the department. If a person does not qualify for federally funded services and other support but meets income, resource, and functional eligibility requirements for regional services, the following types of resources shall be disregarded:

*a.* A retirement account that is in the accumulation stage.

*b.* A burial, medical savings, or assistive technology account.

**Sec. 14. NEW SECTION. 331.439C Diagnosis — functional assessment.**

1. A person must comply with all of the following requirements to be eligible for mental health services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.439B.

*b.* The person is at least eighteen years of age and is a resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has had at any time during the preceding twelve-month period a mental health, behavioral, or emotional disorder or, in the opinion of a mental health professional, may now have such a diagnosable disorder. The diagnosis shall be made in accordance with the criteria provided in the diagnostic and statistical manual of mental disorders, fourth edition text revised, published by the American psychiatric association, and shall not include the manual's "V" codes identifying conditions other than a disease or injury. The diagnosis shall also not include substance-related disorders, dementia, antisocial personality, or developmental disabilities, unless co-occurring with another diagnosable mental illness.

*d.* The person's eligibility for individualized services shall be determined in accordance with the standardized functional assessment methodology approved for mental health services by the director of human services in consultation with the state commission.

2. A person must comply with all of the following requirements to be eligible for intellectual disability services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.439B.

*b.* The person is at least eighteen years of age and is a resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has a diagnosis of intellectual disability.

*d.* The person's eligibility for individualized services shall be determined in accordance with the standardized functional assessment methodology approved for intellectual disability and developmental disability services by the director of human services.

3. A person must comply with all of the following requirements to be eligible for brain injury services under the regional service system:

*a.* The person complies with financial eligibility requirements under section 331.439B.

*b.* The person is at least eighteen years of age and is a

resident of this state. However, a person who is seventeen years of age, is a resident of this state, and is receiving publicly funded children's services may be considered eligible for services through the regional service system during the three-month period preceding the person's eighteenth birthday in order to provide a smooth transition from children's to adult services.

*c.* The person has a diagnosis of brain injury.

*d.* The person's eligibility for individualized services shall be determined in accordance with a standardized functional assessment methodology approved for this purpose by the director of human services.

Sec. 15. NEW SECTION. 331.439D Regional core services.

1. For the purposes of this section, unless the context otherwise requires, "domain" means a set of similar services that can be provided depending upon a person's service needs.

2. *a.* (1) A region shall work with service providers to ensure that services are available to residents of the region, regardless of potential payment source for the services.

(2) Subject to the available appropriations, the director of human services shall ensure the initial core service domains listed in subsection 4 are covered services for the medical assistance program under chapter 249A to the greatest extent allowable under federal regulations. Within funds available, the region shall pay for such services for eligible persons when payment through the medical assistance program or another third-party payment is not available, unless the person is on a waiting list for such payment or it has been determined that the person does not meet the eligibility criteria for any such service.

*b.* Until funding is designated for other service populations, eligibility for the service domains listed in this section shall be limited to such persons who are in need of mental health or intellectual disability services. However, if a county in a region was providing services to an individual person with a developmental disability other than intellectual disability or a brain injury prior to formation of the region, the individual person shall remain eligible for the services provided when the region is formed, provided that funds are available to continue such services.

*c.* It is the intent of the general assembly to address the need for funding so that the availability of the service domains listed in this section may be expanded to include such

persons who are in need of developmental disability or brain injury services.

3. Pursuant to recommendations made by the director of human services, the state commission shall adopt rules as required by section 225C.6 to define the services included in the initial and additional core service domains listed in this section. The rules shall provide consistency, to the extent possible, with similar service definitions under the medical assistance program. The rules relating to the credentialing of a person directly providing services shall require all of the following:

*a.* The person shall provide services and represent the person as competent only within the boundaries of the person's education, training, license, certification, consultation received, supervised experience, or other relevant professional experience.

*b.* The person shall provide services in substantive areas or use intervention techniques or approaches that are new only after engaging in appropriate study, training, consultation, and supervision from a person who is competent in those areas, techniques, or approaches.

*c.* If generally recognized standards do not exist with respect to an emerging area of practice, the person shall exercise careful judgment and take responsible steps, including obtaining appropriate education, research, training, consultation, and supervision, in order to ensure competence and to protect from harm the persons receiving the services in the emerging area of practice.

4. The initial core service domains shall include the following:

*a.* Treatment designed to ameliorate a person's condition, including but not limited to all of the following:

- (1) Assessment and evaluation.
- (2) Mental health outpatient therapy.
- (3) Medication prescribing and management.
- (4) Mental health inpatient treatment.

*b.* Basic crisis response provisions, including but not limited to all of the following:

- (1) Twenty-four-hour access to crisis response.
- (2) Evaluation.
- (3) Personal emergency response system.

*c.* Support for community living, including but not limited to all of the following:

- (1) Home health aide.

(2) Home and vehicle modifications.

(3) Respite.

(4) Supportive community living.

*d.* Support for employment, including but not limited to all of the following:

(1) Day habilitation.

(2) Job development.

(3) Supported employment.

(4) Prevocational services.

*e.* Recovery services, including but not limited to all of the following:

(1) Family support.

(2) Peer support.

*f.* Service coordination including coordinating physical health and primary care, including but not limited to all of the following:

(1) Case management.

(2) Health homes.

5. A region shall ensure that access is available to providers of core services that demonstrate competencies necessary for all of the following:

*a.* Serving persons with co-occurring conditions.

*b.* Providing evidence-based services.

*c.* Providing trauma-informed care that recognizes the presence of trauma symptoms in persons receiving services.

6. A region shall ensure that services within the following additional core service domains are available to persons not eligible for the medical assistance program under chapter 249A or receiving other third-party payment for the services, when public funds are made available for such services:

*a.* Comprehensive facility and community-based crisis services, including but not limited to all of the following:

(1) Twenty-four-hour crisis hotline.

(2) Mobile response.

(3) Twenty-three-hour crisis observation and holding, and crisis stabilization facility and community-based services.

(4) Crisis residential services.

*b.* Subacute services provided in facility and community-based settings.

*c.* Justice system-involved services, including but not limited to all of the following:

(1) Jail diversion.

(2) Crisis intervention training.



(3) Civil commitment prescreening.

*d.* Advances in the use of evidence-based treatment, including but not limited to all of the following:

- (1) Positive behavior support.
- (2) Assertive community treatment.
- (3) Peer self-help drop-in centers.

7. A regional service system may provide funding for other appropriate services or other support. In considering whether to provide such funding, a region may consider the following criteria:

*a.* Applying a person-centered planning process to identify the need for the services or other support.

*b.* The efficacy of the services or other support is recognized as an evidence-based practice, is deemed to be an emerging and promising practice, or providing the services is part of a demonstration and will supply evidence as to the services' effectiveness.

*c.* A determination that the services or other support provides an effective alternative to existing services that have been shown by the evidence base to be ineffective, to not yield the desired outcome, or to not support the principles outlined in *Olmstead v. L.C.*, 527 U.S. 581 (1999).

**Sec. 16. NEW SECTION. 331.440B Regional service system financing.**

1. The financing of a regional mental health and disability service system is limited to a fixed budget amount. The fixed budget amount shall be the amount identified in a regional service system management plan and budget for the fiscal year. A region shall receive state funding for growth in non-Medicaid expenditures through the mental health and disability regional services fund created in section 225C.7A to address increased service costs, additional service populations, additional core service domains, and increased numbers of persons receiving services.

2. A region shall implement its regional service system management plan in a manner so as to provide adequate funding of services for the entire fiscal year by budgeting for ninety-nine percent of the funding anticipated to be available for the regional plan for the fiscal year. A region may expend all of the funding anticipated to be available for the regional plan.

**Sec. 17. IMPLEMENTATION OF ACT.** Section 25B.2, subsection 3, shall not apply to this division of this Act.

Sec. 18. CODE EDITOR. The Code editor may codify the provisions of this division of this Act and any other provisions of this Act involving chapter 331 as one or more new parts of chapter 331, division III.

Sec. 19. APPLICABILITY. The provisions of this division of this Act enacting new Code sections 331.439A through 331.439D, and section 331.440B apply beginning on July 1, 2013.

Sec. 20. APPLICABILITY. The provisions of this division of this Act amending chapter 225C are applicable prior to July 1, 2013, for purposes of adopting rules to be effective on or after July 1, 2013.

Sec. 21. EFFECTIVE DATE. The following provisions of this Act take effect July 1, 2013:

1. The sections of this division of this Act amending chapter 225C.

## DIVISION II

### REDESIGN PLANNING, SUPPORT, AND IMPLEMENTATION

Sec. 22. REDESIGN SUPPORT.

1. The department of human services shall work with the Iowa state association of counties in providing training, support, and technical assistance to counties in developing the mental health and disability services regional services system as provided in this Act and in evaluating whether any barriers exist that would prevent or restrict the community services network developed by the association from being used as the data system for the service system.

2. The department of human services shall identify third-party coverage sources and develop estimates and financing options for maximizing the use of the third-party coverage sources in adding eligibility for core services under the mental health and disability services regional service system for adults with a developmental disability other than intellectual disability and for adults with brain injury. The estimates and financing options shall be submitted to the governor and general assembly on or before December 14, 2012.

3. a. The department of human services shall create a transition committee of appropriate stakeholders with whom to consult on the transition from the current mental health and disability services system to the regional service system as provided in this Act. In addition, the transition committee shall consider the data collected for the current system and for the new regional system and whether improvements are warranted.

b. In designating the committee members, the director of human services shall consult with the chairpersons and ranking members of the committees on human resources of the senate and house of representatives and other members of the general assembly identified by the majority or minority leader of the senate or the speaker or minority leader of the house of representatives. In addition, the membership shall include four members of the general assembly, with one each appointed by the majority and minority leader of the senate and the speaker and minority leader of the house of representatives.

Sec. 23. MENTAL HEALTH AND DISABILITY SERVICES REDESIGN TRANSITION FUND.

1. A mental health and disability services redesign transition fund is created under the authority of the department of human services for the fiscal year beginning July 1, 2012, and ending June 30, 2013. Moneys credited to the fund shall be used as provided in appropriations made from the fund, to be enacted by the general assembly, for allocation by the department to counties for one-time assistance for continuation of current core county mental health and disability services to targeted populations that are not funded by the Medicaid program.

2. The eligibility provisions for a county to receive moneys from the fund shall include but are not limited to all of the following:

a. The application and application materials submitted are approved by the county board of supervisors.

b. The county levy certified for the county's services fund under section 331.424A for the fiscal year is the maximum amount authorized by law.

c. The county financial information provided with the application is independently verified. The financial information to be provided shall be specified by the department and may include actual and projected cash and accrued fund balances, detailed accounts receivable and payable information, budgeted revenues and expenditures, identification of the need for the amount requested, and costs for the county's services administration.

d. The required county service information is provided with the application. The county service information to be provided shall be specified by the department and may include the following:

(1) The type, amount, and scope of services provided by the

county as compared with other counties.

(2) The extent to which the county subsidizes the services directly provided or authorized by the county.

(3) The extent to which the services funded by the county are included in the county's management plan approved under section 331.439.

(4) The extent to which services are provided to persons other than adults with an intellectual disability or mental illness with income that is at or below 150 percent of the federal poverty level.

e. The application contains a sustainability plan in accordance with the requirements specified by the department. The requirements shall include but are not limited to explanation as to how the moneys requested will be used during this transition year to provide services in a manner that will allow the county to remain within the funding available to the county under per capita funding provisions, applicable to the county as enacted by this Act, commencing with the fiscal year beginning July 1, 2013.

f. The application is submitted on or before the specified application date. The initial application date specified shall be on or after October 15, 2012. The department shall complete the application process and make a recommendation by December 1, 2012, to the governor and general assembly for an appropriate amount of funding to meet the need for assistance under this section as determined by the department's analysis of the applications, which amount may be addressed by an appropriation by the Eighty-fifth General Assembly, 2013 Regular Session.

g. Other items specified by rule. The department shall consult with the transition committee created by this division of this Act in recommending the adoption of rules by the mental health and disability services commission delineating the requirements for funding under this section.

3. The department may provide for distribution provisions in which the amount awarded is distributed in more than one payment based upon actual expenditures and submission of required information.

4. The mental health and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this section, and the rules shall become effective immediately upon filing or on a later effective date

specified in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this subsection shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this subsection, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this subsection shall also be published as notice of intended action as provided in section 17A.4.

**Sec. 24. MENTAL HEALTH AND DISABILITY SERVICES WORKFORCE DEVELOPMENT WORKGROUP.**

1. The department of public health shall create and provide support to a mental health and disability services workforce development workgroup to address issues in connection with assuring that an adequate workforce is available in the state to provide mental health and disability services. The membership of the workgroup shall include the other state agencies involved with the services and other appropriate stakeholders designated by the director of public health in consultation with the chairpersons and ranking members of the committees on human resources of the senate and house of representatives and other members of the general assembly identified by the majority or minority leader of the senate or the speaker or minority leader of the house of representatives. In addition, the membership shall include four members of the general assembly with one each appointed by the majority and minority leader of the senate and the speaker and minority leader of the house of representatives. The workgroup shall report to the governor and general assembly providing findings and recommendations and financing information concerning the findings and recommendations. A preliminary report shall be submitted on or before December 14, 2012, and a final report on or before December 16, 2013.

2. The workgroup shall consider the recommendations of the direct care worker task force created pursuant to 2005 Iowa Acts, chapter 88, and the direct care worker advisory council created pursuant to 2008 Iowa Acts, chapter 69, regarding training, level of competency, core curricula, and certification, including but not limited to those provisions relating to the use of the college of direct support and other

internet-based training.

**Sec. 25. REGIONAL SERVICE SYSTEM — OUTCOMES AND PERFORMANCE MEASURES COMMITTEE.**

1. The department of human services shall establish an outcomes and performance measures committee to make recommendations for specific outcomes and performance measures to be utilized by the mental health and disability services regional service system. The membership of the committee shall include appropriate stakeholders designated by the director of human services in consultation with the chairpersons and ranking members of the committees on human resources of the senate and house of representatives and other members of the general assembly identified by the majority or minority leader of the senate or the speaker or minority leader of the house of representatives. In addition, the membership shall include four members of the general assembly with one each appointed by the majority and minority leader of the senate and the speaker and minority leader of the house of representatives.

2. The committee's recommendations shall incorporate the outcome measurement methodologies previously developed by the mental health and disability services commission. To the extent possible, the committee shall seek to provide outcome and performance measures recommendations that are consistent across the mental health and disability services populations addressed. The committee shall also evaluate data collection requirements utilized in the mental health and disability regional service system to identify the requirements that could be eliminated or revised due to the administrative burden involved or the low degree of relevance to outcomes or other reporting requirements.

3. The committee recommendations shall be submitted to the governor, general assembly, and policymaking bodies. Initial recommendations shall be submitted on or before December 14, 2012, and final recommendations on or before December 16, 2013. The mental health and disability services commission and other policymaking bodies shall consider the recommendations in eliminating or otherwise revising data collection requirements.

**Sec. 26. CHILDREN'S DISABILITY SERVICES WORKGROUP.** The December 2012 report of the workgroup created by the department of human services pursuant to 2011 Iowa Acts, chapter 121, section 1, to develop a proposal for publicly funded children's disability services shall include an analysis of service and cost effects of transitioning the behavioral health

intervention services formerly known as remedial services and the psychiatric medical institution for children services to the Iowa plan. The report shall also provide a specific proposal for developing services in this state to meet the needs of children who are placed out-of-state due to the lack of treatment services in this state. The workgroup membership shall be expanded to include up to four legislators, with one each appointed by the majority leader and the minority leader of the senate and the speaker and the minority leader of the house of representatives.

Sec. 27. DISPUTED BILLINGS.

1. To the extent allowable under federal law or regulation, if the costs of a service are payable in whole or in part by a county in accordance with a chapter of the Code listed in this section, the service was rendered prior to July 1, 2011, and the county that would be obligated to pay for the costs of the service has not been billed for the service or has disputed the billing prior to the effective date of this section, or the state has fully charged off the cost of the service or has not provided information to appropriately document the basis for the billing, the county shall have no obligation to pay for the service.

2. This section is applicable to service costs that are a county obligation for services provided under any of the following chapters of the Code:

- a. Chapter 221.
- b. Chapter 222.
- c. Chapter 229.
- d. Chapter 230.
- e. Chapter 233B.
- f. Chapter 249A.
- g. Chapter 812.

Sec. 28. NEW SECTION. 225C.6E Regional service system — regulatory requirements.

1. The departments of inspections and appeals, human services, and public health shall comply with the requirements of this section in their efforts to improve the regulatory requirements applied to the mental health and disability regional service system administration and service providers.

2. The three departments shall work together to establish a process to streamline accreditation, certification, and licensing standards applied to the regional service system administration and service providers.

3. The departments of human services and inspections and appeals shall jointly review the standards and inspection process applicable to residential care facilities.

4. The three departments shall do all of the following in developing regulatory requirements applicable to the regional service system administration and service providers:

*a.* Consider the costs to administrators and providers in the development of quality monitoring efforts.

*b.* Implement the use of uniform, streamlined, and statewide cost reporting standards and tools by the regional service system and the department of human services.

*c.* Make quality monitoring information, including services, quality, and location information, easily available and understandable to all citizens.

*d.* Establish standards that are clearly understood and are accompanied by interpretive guidelines to support understanding by those responsible for applying the standards.

*e.* Develop a partnership with providers in order to improve the quality of services and develop mechanisms for the provision of technical assistance.

*f.* Develop consistent data collection efforts based on statewide standards and make information available to all providers. The efforts under this paragraph shall be made with representatives of the Iowa state association of counties.

*g.* Evaluate existing provider qualification and monitoring efforts to identify duplication and gaps, and align the efforts with valued outcomes.

*h.* Streamline and enhance existing standards.

*i.* Consider allowing providers to seek accreditation from a national accrediting body in lieu of state accreditation or certification.

### DIVISION III

#### COMMUNITY MENTAL HEALTH CENTER AMENDMENTS

Sec. 29. Section 230A.110, subsection 1, as enacted by 2011 Iowa Acts, chapter 121, section 20, is amended to read as follows:

1. The division shall recommend and the commission shall adopt standards for designated community mental health centers and comprehensive community mental health programs, with the overall objective of ensuring that each center and each affiliate providing services under contract with a center furnishes high-quality mental health services within a framework of accountability to the community it serves.



The standards adopted shall conform with federal standards applicable to community mental health centers and shall be in substantial conformity with the applicable behavioral health standards adopted by the joint commission, formerly known as the joint commission on accreditation of health care organizations, ~~and~~ or other recognized national standards for evaluation of psychiatric facilities unless in the judgment of the division, with approval of the commission, there are sound reasons for departing from the standards.

DIVISION IV

REGIONAL SERVICE SYSTEM

Sec. 30. Section 97B.1A, subsection 8, paragraph a, Code Supplement 2011, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (13) Employees of a regional administrator formed in accordance with section 331.438E, determined to be an instrumentality of the political subdivision forming the regional administrator.

Sec. 31. NEW SECTION. 331.438A Definitions.

As used in this part, unless the context otherwise requires:

1. "Department" means the department of human services.
2. "Disability services" means the same as defined in section 225C.2.
3. "Population" means the population shown by the latest preceding certified federal census or the latest applicable population estimate issued by the United States census bureau, whichever is most recent.
4. "Regional administrator" means the administrative office, organization, or entity formed by agreement of the counties participating in a region to function on behalf of those counties in accordance with this part.
5. "State commission" means the mental health and disability services commission created in section 225C.5.

Sec. 32. NEW SECTION. 331.438B Mental health and disability services regions — criteria.

1. a. Local access to mental health and disability services for adults shall be provided either by counties organized into a regional service system or by individual counties that are exempted as provided by this subsection. The department of human services shall encourage counties to enter into a regional system when the regional approach is likely to increase the availability of services to residents of the state who need the services. It is the intent of the

general assembly that the adult residents of this state should have access to needed mental health and disability services regardless of the location of their residence.

b. (1) The director of human services shall exempt a county from being required to enter into a regional service system if the county furnishes evidence that the county complies with the requirements in subsection 3, paragraphs "c", "d", "e", and "f", and is able to provide the core services required by law to the county's residents in a manner that is as cost effective and with outcomes that are at least equal to what could be provided to the residents if the county would provide the services through a regional service system. The director shall identify criteria for evaluating the evidence provided by counties applying for the exemption. The criteria identified shall be specified in rule adopted by the state commission.

(2) To be considered for an exemption under subparagraph (1), a county must file a written statement of intent to apply for an exemption with the department on or before May 1, 2013, and the county's exemption application must be filed with the department on or before June 30, 2013. The director of human services shall issue a decision on the application within forty-five days of receiving the application. This subparagraph is repealed July 1, 2013.

c. If a county has been exempted pursuant to this subsection from the requirement to enter into a regional service system, the county and the county's board of supervisors shall fulfill all requirements under this chapter and chapter 225C for a regional service system, regional service system management plan, regional governing board, and regional administrator, and any other provisions applicable to a region of counties providing local mental health and disability services.

2. The director of human services shall approve any region meeting the requirements of subsection 3. However, the director of human services, in consultation with the state commission, may grant a waiver from the requirement relating to the minimum number of counties if there is convincing evidence that compliance with such requirement is not workable.

3. Each county in the state shall participate in an approved mental health and disability services region, unless exempted pursuant to subsection 1. A mental health and disability services region shall comply with all of the following requirements:

a. The counties comprising the region are contiguous.

*b.* The region has at least three counties.

*c.* The region has the capacity to provide required core services and perform required functions.

*d.* At least one community mental health center or a federally qualified health center with providers qualified to provide psychiatric services, either directly or through contractual arrangements with mental health professionals qualified to provide psychiatric services, is located within the region, has the capacity to provide outpatient services for the region, and is either under contract with the region or has provided documentation of intent to contract with the region to provide the services.

*e.* A hospital with an inpatient psychiatric unit or a state mental health institute is located in or within reasonably close proximity to the region, has the capability to provide inpatient services for the region, and is either under contract with the region or has provided documentation of intent to contract with the region to provide the services.

*f.* The regional administrator structure proposed for or utilized by the region has clear lines of accountability and the regional administrator functions as a lead agency utilizing shared county staff or other means of limiting administrative costs.

4. County formation of a mental health and disability services region is subject to all of the following:

*a.* On or before April 1, 2013, counties voluntarily participating in a region have complied with all of the following formation criteria:

(1) The counties forming the region have been identified and the board of supervisors of the counties have approved a written letter of intent to join together to form the region.

(2) The proposed region complies with the requirements in subsection 3.

(3) The department provides written notice to the boards of supervisors of the counties identified for the region in the letter of intent that the counties have complied with the requirements in subsection 3.

*b.* Upon compliance with the provisions of paragraph "*a*", the participating counties are eligible for technical assistance provided by the department.

*c.* During the period of April 2, 2013, through July 1, 2013, the department shall work with any county that has not agreed to be part of a region in accordance with paragraph

"a" and with the regions forming around the county to resolve issues preventing the county from joining a region. By July 1, 2013, a county that has not agreed to be part of a region in accordance with paragraph "a" shall be assigned by the department to a region, unless exempted pursuant to subsection 1.

d. On or before December 31, 2013, all counties shall be part of a region that is in compliance with the provisions of paragraph "a" other than meeting the April 1, 2013, date.

e. On or before June 30, 2014, unless exempted pursuant to subsection 1, all counties shall be in compliance with all of the following mental health and disability services region implementation criteria:

(1) The board of supervisors of each county participating in the region has voted to approve a chapter 28E agreement.

(2) The duly authorized representatives of all the counties participating in the region have signed the chapter 28E agreement that is in compliance with section 331.438C.

(3) The county board of supervisors' or supervisors' designee members and other members of the region's governing board have been appointed in accordance with section 331.438C.

(4) Executive staff for the region's regional administrator have been identified or engaged.

(5) An initial draft of a regional service management transition plan has been developed which identifies the steps to be taken by the region to do all of the following:

(a) Designate local access points for the disability services administered by the region.

(b) Designate the region's targeted case manager providers funded by the medical assistance program.

(c) Identify the service provider network for the region.

(d) Define the service access and service authorization process to be utilized for the region.

(e) Identify the information technology and data management capacity to be employed to support regional functions.

(f) Establish business functions, funds accounting procedures, and other administrative processes.

(g) Comply with data reporting and other information technology requirements identified by the department.

(6) The department has approved the region's chapter 28E agreement and the initial draft of the regional management transition plan.

f. If the department, in consultation with the state

commission, determines that a region is in substantial compliance with the implementation criteria in paragraph "e" and has sufficient operating capacity to begin operations, the region may commence partial or full operations prior to July 2014.

5. If the department determines that a region or an exempted county is not adequately fulfilling the requirements under this chapter for a regional service system, the department shall address the region or county in the following order:

a. Require compliance with a corrective action plan.

b. Reduce the amount of the annual state funding provided for the regional service system, not to exceed fifteen percent of the amount.

c. Withdraw approval for the region or for the county exemption, as applicable.

Sec. 33. NEW SECTION. 331.438C Regional governance structure.

1. The counties comprising a mental health and disability services region shall enter into an agreement under chapter 28E to form a regional administrator under the control of a governing board to function on behalf of those counties.

2. The governing board shall comply with all of the following requirements:

a. The voting membership of the governing board shall consist of at least one board of supervisors member from each county comprising the regions or their designees.

b. The membership of the governing board shall also include one individual who utilizes mental health and disability services or is an actively involved relative of such an individual. This member shall be designated by the advisory committee or committees formed by the governing board pursuant to this section. The member designated in accordance with this paragraph shall serve in a nonvoting, ex officio capacity.

c. The membership of the governing board shall not include employees of the department of human services.

d. The membership of the governing board shall also consist of one member representing service providers in the region. This member shall be designated by the advisory committee or committees formed by the governing board pursuant to this section. The member designated in accordance with this paragraph shall serve in a nonvoting, ex officio capacity.

e. The governing board shall have a regional advisory committee consisting of individuals who utilize services or

actively involved relatives of such individuals, service providers, and regional governing board members.

3. a. The regional administrator shall be under the control of the governing board. The regional administrator shall enter into performance-based contracts with the department in accordance with section 225C.4, subsection 1, paragraph "u" for the regional administrator to manage, on behalf of the counties comprising the region, the mental health and disability services that are not funded by the medical assistance program under chapter 249A and for coordinating with the department the provision of mental health and disability services that are funded under the medical assistance program.

b. The regional administrator staff shall include one or more coordinators of disability services. A coordinator shall possess a bachelor's or higher level degree in a human services-related or administrative-related field, including but not limited to social work, psychology, nursing, or public or business administration, from an accredited college or university. However, in lieu of a degree in public or business administration, a coordinator may provide documentation of relevant management experience. An action of a coordinator involving a clinical decision shall be made in conjunction with a professional who is trained in the delivery of the mental health or disability service addressed by the clinical decision. The regional administrator shall determine whether referral to a coordinator of disability services is required for a person seeking to access a service through a local access point of the regional service system.

Sec. 34. NEW SECTION. 331.438D Regional finances.

1. The funding under the control of the governing board shall be maintained in a combined account, in separate county accounts that are under the control of the governing board, or pursuant to other arrangements authorized by law that limit the administrative burden of such control while facilitating public scrutiny of financial processes.

2. The accounting system and financial reporting to the department shall conform with the cost principles for state, local, and Indian tribal governments issued by the United States office of management and budget. The information shall segregate expenditures for administration, purchase of service, and enterprise costs for which the region is a service provider or is directly billing and collecting payments and shall be identified along with other financial information in

a uniform chart of accounts prescribed by the department of management. Following periodic review of administrative costs, the department shall make recommendations, in consultation with the legislative services agency, for standards defining region administrative costs and the methodology for calculating a region's administrative load. Such standards shall be specified in rule adopted by the state commission.

3. The funding provided pursuant to appropriations from the mental health and disability regional services fund created in section 225C.7A and from performance-based contracts with the department shall be credited to the account or accounts under the control of the governing board.

Sec. 35. NEW SECTION. 331.438E Regional governance agreements.

1. In addition to compliance with the applicable provisions of chapter 28E, the chapter 28E agreement entered into by the counties comprising a mental health and disability services region in forming the regional administrator to function on behalf of the counties shall comply with the requirements of this section.

2. The organizational provisions of the agreement shall include all of the following:

*a.* A statement of purpose, goals, and objectives of entering into the agreement.

*b.* Identification of the governing board membership and the terms, methods of appointment, voting procedures, and other provisions applicable to the operation of the governing board. The voting procedures may provide for a weighted vote on decisions identified by the governing board. A weighted vote may provide for assignment of a number of votes to each of the counties comprising the region equal to its population within the region, may require at least three-fourths of the total votes cast for approval of a decision, or may provide for another weighted vote option determined by the governing board.

*c.* The identification of the process for selecting the executive staff of the regional administrator serving as the single point of accountability for the region.

*d.* The counties participating in the agreement.

*e.* The time period of the agreement and terms for termination or renewal of the agreement.

*f.* The circumstances under which additional counties may join the region.

*g.* Methods for dispute resolution and mediation.

*h.* Methods for termination of a county's participation in the region.

*i.* Provisions for formation and assigned responsibilities for one or more advisory committees consisting of individuals who utilize services or actively involved relatives of such individuals, service providers, governing board members, and other interests identified in the agreement.

3. The administrative provisions of the agreement shall include all of the following:

*a.* Responsibility of the governing board in appointing and evaluating the performance of the chief executive officer of the regional administrator.

*b.* A general list of the functions and responsibilities of the regional administrator's chief executive officer and other administrative staff.

*c.* Specification of the functions to be carried out by each party to the agreement and by any subcontractor of a party to the agreement. A contract with a provider network shall be separately addressed.

4. The financial provisions of the agreement shall include all of the following:

*a.* Methods for pooling, management, and expenditure of the funding under the control of the regional administrator. If the agreement does not provide for pooling of the participating county moneys in a single fund, the agreement shall specify how the participating county moneys will be subject to the control of the regional administrator.

*b.* Methods for allocating administrative funding and resources.

*c.* Contributions and uses of initial funding or related contributions made by the counties participating in the region for purposes of commencing operations by the regional administrator.

*d.* Methods for acquiring or disposing of real property.

*e.* A process for determining the use of savings for reinvestment.

*f.* A process for performance of an annual independent audit of the regional administrator.

5. If implementation of a region's regional administrator results in a change in the employer of county employees assigned to the central point of coordination administrator under section 331.440, Code Supplement 2011, to another public employer and the employees were covered under a collective



bargaining agreement, such employees shall be retained and the agreement shall be continued by the successor employer as though there had not been a change in employer.

Sec. 36. NEW SECTION. 331.438F County of residence — services to residents — service authorization appeals — disputes between counties or regions and the department.

1. For the purposes of this section, unless the context otherwise requires:

*a. "County of residence"* means the county in this state in which, at the time a person applies for or receives services, the person is living and has established an ongoing presence with the declared, good faith intention of living in the county for a permanent or indefinite period of time. The county of residence of a person who is a homeless person is the county where the homeless person usually sleeps. A person maintains residency in the county in which the person last resided while the person is present in another county receiving services in a hospital, a correctional facility, a halfway house for community-based corrections or substance-related treatment, a nursing facility, an intermediate care facility for persons with an intellectual disability, or a residential care facility, or for the purpose of attending a college or university.

*b. "Homeless person"* means the same as defined in section 48A.2.

*c. "Mental health professional"* means the same as defined in section 228.1.

*d. "Person"* means a person who is a United States citizen or a qualified alien as defined in 8 U.S.C. § 1641.

2. If a person appeals a decision regarding a service authorization or other services-related decision made by a regional administrator that cannot be resolved informally, the appeal shall be heard in a contested case proceeding by a state administrative law judge. The administrative law judge's decision shall be considered final agency action under chapter 17A.

3. If a service authorization or other services-related decision made by a regional administrator concerning a person varies from the type and amount of service identified to be necessary for the person in a clinical determination made by a mental health professional and the mental health professional believes that failure to provide the type and amount of service identified could cause an immediate danger to the person's

health or safety, the person may request an expedited review of the regional administrator's decision to be made by the department of human services. An expedited review held in accordance with this subsection is subject to the following procedures:

*a.* The request for the expedited review shall be filed within five business days of receiving the notice of decision by the regional administrator. The request must be in writing, plainly state the request for an expedited review in the caption and body of the request, and be supported by written documentation from the mental health professional who made the clinical determination stating how the notice of decision on services could cause an immediate danger to the person's health or safety.

*b.* The expedited review shall be performed by a mental health professional, who is either the administrator of the division of mental health and disability services of the department of human services or the administrator's designee. If the administrator is not a mental health professional, the expedited review shall be performed by a designee of the administrator who is a mental health professional and is free of any conflict of interest to perform the expedited review. The expedited review shall be performed within two business days of the time the request is filed. If the reviewer determines the information submitted in connection with the request is inadequate to perform the review, the reviewer shall request the submission of additional information and the review shall be performed within two business days of the time that adequate information is submitted. The regional administrator and the person, with the assistance of the mental health professional who made the clinical determination shall each provide a brief statement of facts, conclusions, and reasons for the decision made. Supporting clinical information shall also be attached. All information related to the proceedings and any related filings shall be considered to be mental health information subject to chapter 228.

*c.* The administrator or designee shall issue an order, including a brief statement of findings of fact, conclusions of law, and policy reasons for the order, to justify the decision made concerning the expedited review. If the decision concurs with the contention that there is an immediate danger to the person's health or safety, the order shall identify the type and amount of service which shall be provided for the person.

The administrator or designee shall give such notice as is practicable to persons who are required to comply with the order. The order is effective when issued.

*d.* The decision of the administrator or designee shall be considered a final agency action and is subject to judicial review in accordance with section 17A.19. The record for judicial review consists of any documents regarding the matter that were considered or prepared by the administrator or designee. The administrator or designee shall maintain these documents as the official record of the decision. If the matter is appealed to the district court, the record shall be filed as confidential.

4. If a county of residence is part of a mental health and disability services region that has agreed to pool funding and liability for services, the responsibilities of the county under law regarding such services shall be performed on behalf of the county by the regional administrator. The county of residence or the county's mental health and disability services region, as applicable, is responsible for paying the public costs of the mental health and disability services that are not covered by the medical assistance program under chapter 249A and are provided in accordance with the region's approved service management plan to persons who are residents of the county or region.

5. *a.* The dispute resolution process implemented in accordance with this subsection applies to residency disputes. The dispute resolution process is not applicable to disputes involving persons committed to a state facility pursuant to chapter 812 or rule of criminal procedure 2.22, Iowa court rules, or to disputes involving service authorization decisions made by a region.

*b.* If a county, region, or the department, as applicable, receives a billing for services provided to a resident in another county or region, or objects to a residency determination certified by the department or another county's or region's regional administrator and asserts either that the person has residency in another county or region or the person is not a resident of this state or the person's residency is unknown so that the person is deemed a state case, the person's residency status shall be determined as provided in this subsection. The county or region shall notify the department of the county's or region's assertion within one hundred twenty days of receiving the billing. If the county or

region asserts that the person has residency in another county or region, that county or region shall be notified at the same time as the department. If the department disputes a residency determination certification made by a regional administrator, the department shall notify the affected counties or regions of the department's assertion.

c. The department, county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the person's residency status within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under chapter 17A before an administrative law judge assigned in accordance with section 10A.801 to determine the person's residency status.

d. (1) The administrative law judge's determination of the person's residency status shall be considered final agency action, notwithstanding contrary provisions of section 17A.15. The party that does not prevail in the determination or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the determination may be sought in accordance with section 17A.19.

(2) If following the determination of a person's residency status in accordance with this subsection, additional evidence becomes available that merits a change in that determination, the parties affected may change the determination by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the department, county, or region, or by the administrative law judge.

e. (1) Unless a petition is filed for judicial review, the administrative law judge's determination of the person's residency status shall result in one of the following:

(a) If a county or region is determined to be the person's residence, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region or the department on the person's behalf prior to the determination.

(b) If it is determined that the person is not a resident of this state or the person's residency is unknown so that the person is deemed to be a state case, the department shall pay

the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the determination.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the determination was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

6. a. The dispute resolution process implemented in accordance with this subsection applies beginning July 1, 2012, to billing disputes between the state and a county or region, other than residency disputes or other dispute processes under this section, involving the responsibility for service costs for services provided on or after July 1, 2011, under any of the following:

- (1) Chapter 221.
- (2) Chapter 222.
- (3) Chapter 229.
- (4) Chapter 230.
- (5) Chapter 249A.
- (6) Chapter 812.

b. If a county, region, or the department, as applicable, disputes a billing for service costs listed in paragraph "a", the dispute shall be resolved as provided in this subsection. The county or region shall notify the department of the county's or region's assertion within ninety days of receiving the billing. However, for services provided on or after July 1, 2011, for which a county has received the billing as of July 1, 2012, the county shall notify the department of the county's assertion on or before October 1, 2012. If the department disputes such a billing of a regional administrator, the department shall notify the affected counties or regions of the department's assertion.

c. The department, county, or region that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the dispute within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under chapter 17A before an administrative law judge assigned in accordance with section 10A.801 to determine facts and issue a decision to resolve the dispute.

*d.* (1) The administrative law judge's decision is a final agency action, notwithstanding contrary provisions of section 17A.15. The party that does not prevail in the decision or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the decision may be sought in accordance with section 17A.19.

(2) If following the decision regarding a dispute in accordance with this subsection, additional evidence becomes available that merits a change in that decision, the parties affected may change the decision by mutual agreement. Otherwise, a party may move that the matter be reconsidered by the department, county, or region, or by the administrative law judge.

*e.* (1) Unless a petition is filed for judicial review, the administrative law judge's decision regarding a disputed billing shall result in one of the following:

(a) If a county or region is determined to be responsible for the disputed amounts, the county or region shall pay the amounts due and shall reimburse any other amounts paid for services provided by the other county or region or the department on the person's behalf prior to the decision.

(b) If it is determined that the state is responsible for the disputed amounts, the state shall pay the amounts due and shall reimburse the county or region, as applicable, for any payment made on behalf of the person prior to the decision.

(2) The payment or reimbursement shall be remitted within forty-five days of the date the decision was issued. After the forty-five-day period, a penalty of not greater than one percent per month may be added to the amount due.

Sec. 37. CODE EDITOR. The Code editor may codify the provisions of this division of this Act and any other provisions of this Act involving chapter 331 as one or more new parts of chapter 331, division III.

Sec. 38. EMERGENCY RULES. The mental health and disability services commission may adopt administrative rules under section 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this division of this Act enacting section 331.438B, that relate to criteria for evaluation of an application for an exemption from regionalization, and the rules shall become effective immediately upon filing or on a later effective date specified

in the rules, unless the effective date is delayed by the administrative rules review committee. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. The delay authority provided to the administrative rules review committee under section 17A.4, subsection 7, and section 17A.8, subsection 9, shall be applicable to a delay imposed under this section, notwithstanding a provision in those sections making them inapplicable to section 17A.5, subsection 2, paragraph "b". Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 39. APPLICABILITY. The provisions of this division of this Act enacting new sections in chapter 331, except as specifically provided by the provisions, are applicable beginning July 1, 2013.

DIVISION V

SUBACUTE CARE FACILITIES FOR PERSONS WITH SERIOUS AND PERSISTENT MENTAL ILLNESS

Sec. 40. NEW SECTION. 135P.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Advanced registered nurse practitioner" means a person currently licensed as a registered nurse under chapter 152 or 152E who is registered with the board of nursing as an advanced registered nurse practitioner.

2. "Department" means the department of inspections and appeals.

3. "Direction" means authoritative policy or procedural guidance for the accomplishment of a function or an activity.

4. "Licensee" means the holder of a license issued to operate a subacute care facility for persons with serious and persistent mental illness.

5. "Mental health professional" means the same as defined in section 228.1.

6. "Mental health services" means services provided by a mental health professional operating within the scope of the professional's practice which address mental, emotional, medical, or behavioral problems.

7. "Physician" means a person licensed under chapter 148.

8. "Physician assistant" means a person licensed to practice under the supervision of a physician as authorized in chapters 147 and 148C.

9. "*Rehabilitative services*" means services to encourage and assist restoration of a resident's optimum mental and physical capabilities.

10. "*Resident*" means a person who is eighteen years of age or older and has been determined by a mental health professional to need subacute mental health services.

11. "*Subacute care facility for persons with serious and persistent mental illness*" or "*subacute care facility*" means an institution, place, building, or agency with restricted means of egress providing subacute mental health services for a period exceeding twenty-four consecutive hours to persons in need of the services.

12. "*Subacute mental health services*" means the same as defined in section 225C.6.

13. "*Supervision*" means direct oversight and inspection of the act of accomplishing a function or activity.

14. "*Treatment care plan*" means a plan of care and services designed to eliminate the need for acute care by improving the condition of a person with serious and persistent mental illness. Services must be based upon a diagnostic evaluation, which includes an examination of the medical, psychological, social, behavioral, and developmental aspects of the person's situation, reflecting the need for inpatient care.

Sec. 41. NEW SECTION. 135P.2 Purpose.

The purpose of this chapter is to provide for the development, establishment, and enforcement of basic standards for the operation, construction, and maintenance of a subacute care facility which will ensure the safe and adequate diagnosis, evaluation, and treatment of persons with serious and persistent mental illness so that the persons are able to experience recovery and live successfully in the community.

Sec. 42. NEW SECTION. 135P.3 Nature of care — seclusion room — admissions.

1. A subacute care facility shall utilize a team of professionals to direct an organized program of diagnostic services, subacute mental health services, and rehabilitative services to meet the needs of residents in accordance with a treatment care plan developed for each resident under the supervision of a licensed psychiatrist. The goal of a treatment care plan is to transition residents to a less restrictive environment, including a home-based community setting. Social and rehabilitative services shall be provided under the direction of a mental health professional.



2. The licensed psychiatrist providing supervision of the subacute care facility shall evaluate the condition of each resident as medically necessary and shall be available to residents of the facility on an on-call basis at all other times. Additional evaluation and treatment may be provided by a mental health professional. The subacute care facility may employ a seclusion room meeting the conditions described in 42 C.F.R. § 483.364(b) with approval of the licensed psychiatrist of the facility or by order of the resident's physician, a physician assistant, or an advanced registered nurse practitioner.

Sec. 43. NEW SECTION. 135P.4 Licensure.

1. A person shall not establish, operate, or maintain a subacute care facility unless the person obtains a license for the subacute care facility under this chapter.

2. An intermediate care facility for persons with mental illness licensed under chapter 135C may convert to a subacute care facility by providing written notice to the department that the facility has employed a full-time psychiatrist and desires to make the conversion.

Sec. 44. NEW SECTION. 135P.5 Application for license.

An application for a license under this chapter shall be submitted on a form requesting information required by the department, which may include affirmative evidence of the applicant's ability to comply with the rules for standards adopted pursuant to this chapter. An application for a license shall be accompanied by the required license fee which shall be credited to the general fund of the state. The initial and annual license fee is twenty-five dollars.

Sec. 45. NEW SECTION. 135P.6 Inspection — conditions for issuance.

The department shall issue a license to an applicant under this chapter if the following conditions exist:

1. The department has ascertained that the applicant's facilities and staff are adequate to provide the care and services required of a subacute care facility.

2. a. The department of human services has submitted written approval of the application based upon the process used by the department of human services to identify the best qualified providers. The department of human services shall utilize a request for proposals process to identify the best qualified providers, limit the number of subacute care facility beds, and ensure the geographic dispersion of subacute mental

health services.

b. The department of human services shall not give approval to an application which would cause the number of publicly funded subacute care facility beds licensed under this chapter to exceed fifty beds.

c. The subacute care facility beds identified by the request for proposals process shall be existing beds which have been awarded a certificate of need pursuant to chapter 135. Such beds shall not be required to obtain an additional certificate of need upon conversion to licensed subacute care facility beds.

Sec. 46. NEW SECTION. 135P.7 Denial, suspension, or revocation of license.

The department may deny an application or suspend or revoke a license if the department finds that an applicant or licensee has failed or is unable to comply with this chapter or the rules establishing minimum standards pursuant to this chapter or if any of the following conditions apply:

1. It is shown that a resident is a victim of cruelty or neglect due to the acts or omissions of the licensee.

2. The licensee has permitted, aided, or abetted in the commission of an illegal act in the subacute care facility.

3. An applicant or licensee acted to obtain or to retain a license by fraudulent means, misrepresentation, or submitting false information.

4. The licensee has willfully failed or neglected to maintain a continuing in-service education and training program for persons employed by the subacute care facility.

5. The application involves a person who has failed to operate a subacute care facility in compliance with the provisions of this chapter.

Sec. 47. NEW SECTION. 135P.8 Provisional license.

The department may issue a provisional license, effective for not more than one year, to a licensee whose subacute care facility does not meet the requirements of this chapter if, prior to issuance of the license, the applicant submits written plans to achieve compliance with the applicable requirements and the plans are approved by the department. The plans shall specify the deadline for achieving compliance.

Sec. 48. NEW SECTION. 135P.9 Notice and hearings.

The procedure governing notice and hearing to deny an application or suspend or revoke a license shall be in accordance with rules adopted by the department pursuant to

chapter 17A. A full and complete record shall be kept of the proceedings and of any testimony. The record need not be transcribed unless judicial review is sought. A copy or copies of a transcript may be obtained by an interested party upon payment of the cost of preparing the transcript or copies.

Sec. 49. NEW SECTION. 135P.10 Rules.

1. The department of inspections and appeals and the department of human services shall collaborate in establishing standards for licensing of subacute care facilities to achieve all of the following objectives:

a. Subacute mental health services are provided based on sound, proven clinical practice.

b. Subacute mental health services are established in a manner that allows the services to be included in the federal medical assistance state plan.

2. It is the intent of the general assembly that subacute mental health services be included in the Medicaid state plan adopted for the implementation of the federal Patient Protection and Affordable Care Act, benchmark plan.

3. The department of inspections and appeals, in consultation with the department of human services and affected professional groups, shall adopt and enforce rules setting out the standards for a subacute care facility and the rights of the residents admitted to a subacute care facility. The department of inspections and appeals and the department of human services shall coordinate the adoption of rules and the enforcement of the rules in order to prevent duplication of effort by the departments and of requirements of the licensee.

Sec. 50. NEW SECTION. 135P.11 Complaints alleging violations.

1. A person may request an inspection of a subacute care facility by filing with the department a complaint of an alleged violation of an applicable requirement of this chapter or a rule adopted pursuant to this chapter. The complaint shall state in a reasonably specific manner the basis of the complaint. A statement of the nature of the complaint shall be delivered to the subacute care facility involved at the time of or prior to the inspection.

2. Upon receipt of a complaint made in accordance with subsection 1, the department shall make a preliminary review of the complaint. Unless the department concludes that the complaint is intended to harass a subacute care facility or a licensee or is without reasonable basis, it shall within twenty

working days of receipt of the complaint make or cause to be made an on-site inspection of the subacute care facility which is the subject of the complaint. The department of inspections and appeals may refer to the department of human services any complaint received by the department of inspections and appeals if the complaint applies to rules adopted by the department of human services. The complainant shall also be notified of the name, address, and telephone number of the designated protection and advocacy agency if the alleged violation involves a facility with one or more residents with a developmental disability or mental illness. In any case, the complainant shall be promptly informed of the result of any action taken by the department in the matter.

3. An inspection made pursuant to a complaint filed under subsection 1 need not be limited to the matter or matters referred to in the complaint; however, the inspection shall not be a general inspection unless the complaint inspection coincides with a scheduled general inspection. Upon arrival at the subacute care facility to be inspected, the inspector shall show identification to the person in charge of the subacute care facility and state that an inspection is to be made, before beginning the inspection. Upon request of either the complainant or the department, the complainant or the complainant's representative or both may be allowed the privilege of accompanying the inspector during any on-site inspection made pursuant to this section. The inspector may cancel the privilege at any time if the inspector determines that the privacy of a resident of the subacute care facility to be inspected would be violated. The dignity of the resident shall be given first priority by the inspector and others.

Sec. 51. NEW SECTION. 135P.12 Information confidential.

1. The department's final findings regarding licensure shall be made available to the public in a readily available form and place. Other information relating to the subacute care facility is confidential and shall not be made available to the public except in proceedings involving licensure, a civil suit involving a resident, or an administrative action involving a resident.

2. The name of a person who files a complaint with the department shall remain confidential and is not subject to discovery, subpoena, or any other means of legal compulsion for release to a person other than an employee of the department or an agent involved in the investigation of the complaint.

3. Information regarding a resident who has received or is receiving care shall not be disclosed directly or indirectly except as authorized under section 217.30.

Sec. 52. NEW SECTION. 135P.13 Judicial review.

Judicial review of the action of the department may be sought pursuant to the Iowa administrative procedure Act, chapter 17A. Notwithstanding chapter 17A, a petition for judicial review of the department's actions under this chapter may be filed in the district court of the county in which the related subacute care facility is located or is proposed to be located. The status of the petitioner or the licensee shall be preserved pending final disposition of the judicial review.

Sec. 53. NEW SECTION. 135P.14 Penalty.

A person who establishes, operates, or manages a subacute care facility without obtaining a license under this chapter commits a serious misdemeanor. Each day of continuing violation following conviction shall be considered a separate offense.

Sec. 54. NEW SECTION. 135P.15 Injunction.

Notwithstanding the existence or pursuit of another remedy, the department may maintain an action for injunction or other process to restrain or prevent the establishment, operation, or management of a subacute care facility without a license.

Sec. 55. Section 225.15, unnumbered paragraph 1, Code 2011, is amended to read as follows:

When a respondent arrives at the state psychiatric hospital, the admitting physician shall examine the respondent and determine whether or not, in the physician's judgment, the respondent is a fit subject for observation, treatment, and hospital care. If, upon examination, the physician decides that the respondent should be admitted to the hospital, the respondent shall be provided a proper bed in the hospital; ~~and the.~~ The physician who has charge of the respondent shall proceed with observation, medical treatment, and hospital care as in the physician's judgment are proper and necessary, in compliance with sections 229.13 to 229.16. After the respondent's admission, the observation, medical treatment, and hospital care of the respondent may be provided by a mental health professional, as defined in section 228.1, who is licensed as a physician, advanced registered nurse practitioner, or physician assistant.

Sec. 56. Section 225C.6, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 4. *a.* The department shall coordinate with the department of inspections and appeals in the establishment of facility-based and community-based, subacute mental health services.

*b.* A person shall not provide community-based, subacute mental health services unless the person has been accredited to provide the services. The commission shall adopt standards for subacute mental health services and for accreditation of providers of community-based, subacute mental health services.

*c.* As used in this subsection, "*subacute mental health services*" means all of the following:

(1) A comprehensive set of wraparound services for persons who have had or are at imminent risk of having acute or crisis mental health symptoms that do not permit the persons to remain in or threatens removal of the persons from their home and community, but who have been determined by a mental health professional and a licensed health care professional, subject to the professional's scope of practice, not to need inpatient acute hospital services. For the purposes of this subparagraph, "*mental health professional*" means the same as defined in section 228.1 and "*licensed health care professional*" means a person licensed under chapter 148 to practice medicine and surgery or osteopathic medicine and surgery, an advanced registered nurse practitioner licensed under chapter 152 or 152E and registered with the board of nursing, or a physician assistant licensed to practice under the supervision of a physician as authorized in chapters 147 and 148C.

(2) Intensive, recovery-oriented treatment and monitoring of the person with direct or remote access to a psychiatrist or advanced registered nurse practitioner.

(3) An outcome-focused, interdisciplinary approach designed to return the person to living successfully in the community.

(4) Services that may be provided in a wide array of settings ranging from the person's home to a facility providing subacute mental health services.

(5) Services that are time limited to not more than ten days or another time period determined in accordance with rules adopted for this purpose.

*d.* Subacute mental health services and the standards for the services shall be established in a manner that allows for accessing federal Medicaid funding.

Sec. 57. SUBACUTE CARE FACILITY — REIMBURSEMENT  
METHODOLOGY. The department of human services shall develop

a reimbursement methodology for subacute care facility for persons with serious and persistent mental illness services, as defined in this division of this Act. It is the intent of the general assembly that the reimbursement methodology will take effect during the fiscal year beginning July 1, 2012, and result in an initial reimbursement rate in the range of \$400 to \$500 per day. Such rate shall be subject to annual adjustment as provided by law.

Sec. 58. STUDY OF SUBACUTE FACILITIES. The department of human services shall conduct a feasibility study and cost analysis of providing institutional subacute services utilizing facilities available at one or more of the state mental health institutes or the Iowa veterans home, and shall submit a report of the study containing findings and recommendations to the governor and general assembly on or before December 1, 2012.

Sec. 59. STATE AGENCY ACTIVITIES CONCERNING SUBACUTE, CRISIS STABILIZATION, AND RESIDENTIAL CARE FACILITY SERVICES.

1. The department of human services shall work with the departments of public health and inspections and appeals and other relevant stakeholders to identify appropriate definitions and other regulatory provisions to address residential care facilities and both facility and nonfacility subacute and crisis stabilization services. The department shall consider the experience of the crisis stabilization program pilot project authorized by this division of this Act in identifying regulatory provisions for such programs. The appropriate department shall adopt rules to implement the provisions identified.

2. It is the intent of the general assembly that the Medicaid state plan adopted for the implementation of the federal Patient Protection and Affordable Care Act, Pub. L. No. 111-148, will include coverage of both facility and nonfacility subacute and crisis stabilization services.

3. The department of human services shall work with the entity under contract with the department to provide mental health managed care under the medical assistance program to ensure there is adequate reimbursement of both facility and nonfacility subacute and crisis stabilization services.

Sec. 60. CRISIS STABILIZATION PROGRAM PILOT PROJECT.

1. The department of human services shall authorize a facility-based, crisis stabilization program pilot project implemented by the regional service network initiated pursuant to 2008 Iowa Acts, chapter 1187, section 59, subsection 9. The

facility operated by the program shall not be required to be licensed under chapter 135B, 135C, or 231C. The purpose of the pilot project is to provide a prototype for the departments of human services, inspections and appeals, and public health to develop regulatory standards for such programs and facilities. The pilot project shall comply with appropriate standards associated with funding of the services provided by the project that are identified by the department of human services. The facility shall be limited to not more than 10 beds and shall be authorized to operate through June 30, 2013.

2. The network, in cooperation with the departments of human services, inspections and appeals, and public health, shall report to the governor, the general assembly, and the legislative services agency concerning the pilot project on or before December 14, 2012, providing findings and recommendations. The report shall include recommendations for criteria concerning admissions, staff qualifications, staffing levels, exclusion and inclusion of service recipients, lengths of stays, transition between services, and facility requirements, and for goals and objectives for such programs and facilities.

Sec. 61. IMPLEMENTATION OF ACT. Section 25B.2, subsection 3, shall not apply to this division of this Act.

#### DIVISION VI

#### CO-OCCURRING CONDITIONS

Sec. 62. Section 125.10, subsection 3, Code Supplement 2011, is amended to read as follows:

3. Coordinate the efforts and enlist the assistance of all public and private agencies, organizations and individuals interested in the prevention of substance abuse and the treatment of substance abusers, chronic substance abusers, and intoxicated persons. The director's actions to implement this subsection shall also address the treatment needs of persons who have a mental illness, an intellectual disability, brain injury, or other co-occurring condition in addition to a substance-related disorder.

Sec. 63. Section 125.12, subsection 3, Code Supplement 2011, is amended to read as follows:

3. The director shall provide for adequate and appropriate treatment for substance abusers, chronic substance abusers, intoxicated persons, and concerned family members admitted under sections 125.33 and 125.34, or under section 125.75, 125.81, or 125.91. Treatment shall not be provided at a



correctional institution except for inmates. A mental health professional, as defined in section 228.1, who is employed by a treatment provider under the program may provide treatment to a person with co-occurring substance-related and mental health disorder. Such treatment may also be provided by a person employed by such a treatment provider who is receiving the supervision required to meet the definition of mental health professional but has not completed the supervision component.

Sec. 64. Section 226.10, Code 2011, is amended to read as follows:

**226.10 Equal treatment.**

The ~~several~~ patients of the state mental health institutes, according to their different conditions of mind and body, and their respective needs, shall be provided for and treated with equal care. If in addition to mental illness a patient has a co-occurring intellectual disability, brain injury, or substance abuse disorder, the care provided shall also address the co-occurring needs.

Sec. 65. EFFECTIVE UPON ENACTMENT. The following provision or provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. The section of this Act authorizing a crisis stabilization program pilot project.

DIVISION VII

BRAIN INJURY DEFINITION

Sec. 66. Section 135.22, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. "Brain injury" means the occurrence of injury clinically evident damage to the head brain resulting directly or indirectly from trauma, infection, anoxia, vascular lesions, or tumor of the brain, not primarily related to a degenerative disease or aging process that is documented in a medical record with one or more of the following conditions attributed to the head injury:

~~(1) An observed or self-reported decreased level of consciousness.~~

~~(2) Amnesia.~~

~~(3) A skull fracture.~~

~~(4) An objective neurological or neuropsychological abnormality.~~

(5) A diagnosed intracranial lesion, which temporarily or permanently impairs a person's physical, cognitive, or behavioral functions, and is diagnosed by a physician. The

diagnoses of clinically evident damage to the brain used for a diagnosis of brain injury shall be the same as specified by rule for eligibility for the home and community-based services waiver for persons with brain injury under the medical assistance program.

Sec. 67. Section 225C.23, subsection 2, Code 2011, is amended to read as follows:

2. For the purposes of this section ~~and section 135.22A, "brain injury" means the occurrence of injury to the head not primarily related to a degenerative disease or aging process that is documented in a medical record with one or more of the following conditions attributed to the head injury:~~

~~a. An observed or self-reported decreased level of consciousness.~~

~~b. Amnesia.~~

~~c. A skull fracture.~~

~~d. An objective neurological or neuropsychological abnormality.~~

~~e. A diagnosed intracranial lesion same as defined in section 135.22.~~

#### DIVISION VIII

#### LEGAL SETTLEMENT

Sec. 68. Section 218.99, Code 2011, is amended to read as follows:

**218.99 Counties to be notified of patients' personal accounts.**

The administrator in control of a state institution shall direct the business manager of each institution under the administrator's jurisdiction which is mentioned in section 331.424, subsection 1, paragraph "a", subparagraphs (1) and (2), and for which services are paid under section 331.424A, to quarterly inform the county of ~~legal settlement's entity designated to perform the county's central point of coordination process~~ residence of any patient or resident who has an amount in excess of two hundred dollars on account in the patients' personal deposit fund and the amount on deposit. The administrators shall direct the business manager to further notify the ~~entity designated to perform the county's central point of coordination process~~ county of residence at least fifteen days before the release of funds in excess of two hundred dollars or upon the death of the patient or resident. If the patient or resident has no ~~county of legal settlement~~ residency in this state or the person's residency is unknown so

that the person is deemed to be a state case, notice shall be made to the director of human services and the administrator in control of the institution involved.

Sec. 69. Section 222.10, Code 2011, is amended to read as follows:

**222.10 Duty of peace officer.**

When any person with mental retardation departs without proper authority from an institution in another state and is found in this state, any peace officer in any county in which such patient is found may take and detain the patient without warrant or order and shall report such detention to the administrator. The administrator shall provide for the return of the patient to the authorities in the state from which the unauthorized departure was made. Pending return, such patient may be detained temporarily at one of the institutions of this state governed by the administrator or by the administrator of the division of child and family services of the department of human services. The provisions of this section relating to the administrator shall also apply to the return of other nonresident persons with mental retardation having legal ~~settlement~~ residency outside the state of Iowa.

Sec. 70. Section 222.13, subsection 1, Code 2011, is amended to read as follows:

1. If an adult person is believed to be a person with mental retardation, the adult person or the adult person's guardian may submit a request through the central point of coordination process for the county board of supervisors of the adult person's county of residence in writing to apply to the superintendent of any state resource center for the voluntary admission of the adult person either as an inpatient or an outpatient of the resource center. ~~After determining the legal settlement of the adult person as provided by this chapter,~~ The board of supervisors shall, on forms prescribed by the department's administrator, apply to the superintendent of the resource center in the district for the admission of the adult person to the resource center. An application for admission to a special unit of any adult person believed to be in need of any of the services provided by the special unit under section 222.88 may be made in the same manner, upon request of the adult person or the adult person's guardian. The superintendent shall accept the application providing if a preadmission diagnostic evaluation, performed through the central point of coordination process, confirms or establishes

the need for admission, except that an application ~~may~~ shall not be accepted if the institution does not have adequate facilities available or if the acceptance will result in an overcrowded condition.

Sec. 71. Section 222.31, subsection 1, paragraph b, subparagraph (1), Code 2011, is amended to read as follows:

(1) Commit the person to the state resource center designated by the administrator to serve the county in which the hearing is being held, or to a special unit. The court shall, prior to issuing an order of commitment, request that a diagnostic evaluation of the person be made by ~~the superintendent of the resource center or the special unit, or the superintendent's qualified designee~~ a person qualified to perform the diagnostic evaluation. ~~The evaluation shall be conducted at a place as the superintendent may direct.~~ The cost of the evaluation shall be defrayed by the committed person's county of legal settlement residence unless otherwise ordered by the court. ~~The cost of the evaluation to be charged~~ of the evaluation to be charged may be equal to but shall not exceed the actual cost of the evaluation. ~~Persons referred by a court to a resource center or the special unit for diagnostic evaluation shall be considered as outpatients of the institution. No~~ An order of commitment shall not be issued unless the superintendent of the institution recommends that the order be issued, and advises the court that adequate facilities for the care of the person are available.

Sec. 72. Section 222.49, Code 2011, is amended to read as follows:

**222.49 Costs paid.**

The costs of proceedings shall be ~~defrayed from the county treasury~~ paid by the county or the state, as determined in accordance with section 222.60, unless otherwise ordered by the court. When the person alleged to be mentally retarded is found not to be mentally retarded, the court shall render judgment for such costs against the person filing the petition except when the petition is filed by order of court.

Sec. 73. Section 222.50, Code 2011, is amended to read as follows:

**222.50 County of ~~legal settlement~~ residence or state to pay.**

When the proceedings are instituted in a county in which the person who is alleged to have mental retardation was found but which is not the county of ~~legal settlement~~ residence of the person, and the costs are not taxed to the petitioner, the

~~person's county which is the legal settlement of the person of residence or the state, as determined in accordance with section 222.60, shall, on presentation of a properly itemized bill for such costs, repay the costs to the former county. When the person's legal settlement is outside the state or is unknown, the costs shall be paid out of money in the state treasury not otherwise appropriated, itemized on vouchers executed by the auditor of the county which paid the costs, and approved by the administrator.~~

Sec. 74. Section 222.60, subsection 1, Code 2011, is amended to read as follows:

1. All necessary and legal expenses for the cost of admission or commitment or for the treatment, training, instruction, care, habilitation, support and transportation of persons with mental retardation, as provided for in the county management plan provisions implemented pursuant to section 331.439, subsection 1, in a state resource center, or in a special unit, or any public or private facility within or without the state, approved by the director ~~of the department~~ of human services, shall be paid by either:

a. ~~The person's county in which such person has legal settlement as defined in section 252.16~~ of residence.

b. ~~The state when such the person has no legal settlement or when such settlement is unknown~~ is a resident in another state or in a foreign country or the residence is unknown. The payment responsibility shall be deemed to be a state case.

Sec. 75. Section 222.60, subsection 2, Code 2011, is amended to read as follows:

2. a. Prior to a county of ~~legal settlement~~ residence approving the payment of expenses for a person under this section, the county may require that the person be diagnosed to determine if the person has mental retardation or that the person be evaluated to determine the appropriate level of services required to meet the person's needs relating to mental retardation. The diagnosis and the evaluation may be performed concurrently and shall be performed by an individual or individuals approved by the county who are qualified to perform the diagnosis or the evaluation. Following the initial approval for payment of expenses, the county ~~of legal settlement~~ may require that an evaluation be performed at reasonable time periods.

b. The cost of a county-required diagnosis and an evaluation is at the county's expense. ~~In the~~ For a state case ~~of a person~~

~~without legal settlement or whose legal settlement is unknown,~~  
the state may apply the diagnosis and evaluation provisions of  
this subsection at the state's expense.

c. A diagnosis or an evaluation under this section may be  
part of a county's central point of coordination process under  
section 331.440, provided that a diagnosis is performed only by  
an individual qualified as provided in this section.

Sec. 76. Section 222.61, Code 2011, is amended to read as  
follows:

**222.61 ~~Legal settlement~~ Residency determined.**

When a county receives an application on behalf of any person  
for admission to a resource center or a special unit or when  
a court issues an order committing any person to a resource  
center or a special unit, the board of supervisors shall  
~~utilize~~ refer the determination of residency to the central  
point of coordination process to determine and certify that  
the ~~legal settlement~~ residence of the person is in one of the  
following:

1. In the county in which the application is received or in  
which the court is located.
2. In some other county of the state.
3. In another state or in a foreign country.
4. Unknown.

Sec. 77. Section 222.62, Code 2011, is amended to read as  
follows:

**222.62 ~~Settlement~~ Residency in another county.**

When the board of supervisors determines through the  
central point of coordination process that the ~~legal settlement~~  
residency of the person is other than in the county in which  
the application is received, the determination shall be  
certified to the superintendent of the resource center or the  
special unit where the person is a patient. The certification  
shall be accompanied by a copy of the evidence supporting the  
determination. The superintendent shall charge the expenses  
already incurred and unadjusted, and all future expenses of  
the patient, to the county certified to be the county of ~~legal~~  
~~settlement~~ residency.

Sec. 78. Section 222.63, Code 2011, is amended to read as  
follows:

**222.63 Finding of ~~settlement~~ residency — objection.**

A board of supervisors' certification utilizing the central  
point of coordination process that a person's ~~legal settlement~~  
residency is in another county shall be sent ~~by the board of~~

~~supervisors~~ to the auditor of the county of ~~legal settlement residence~~. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor of the county of ~~legal settlement residence~~ shall submit the certification to the board of supervisors of the auditor's county and it shall be conclusively presumed that the patient has a ~~legal settlement residency~~ in that county unless that county disputes the determination of ~~legal settlement residency~~ as provided in section ~~225C.8~~ 331.438F.

Sec. 79. Section 222.64, Code 2011, is amended to read as follows:

**222.64 Foreign state or country or unknown ~~legal settlement residency~~.**

If the ~~legal settlement residency~~ of the person is determined by the ~~board of supervisors through the central point of coordination process~~ a county or the state to be in a foreign state or country or is determined to be unknown, the ~~board of supervisors~~ county or the state shall certify the determination to the administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. The care of the person shall be as arranged by the ~~board of supervisors~~ county or the state or by an order as the court may enter. Application for admission or order of commitment may be made pending investigation by the administrator.

Sec. 80. Section 222.65, Code 2011, is amended to read as follows:

**222.65 Investigation.**

If an application is made for placement of a person in a state resource center or special unit, the department's administrator shall immediately investigate the ~~legal settlement residency~~ of the person and proceed as follows:

1. If the administrator concurs with a certified determination as to ~~legal settlement residency~~ of the person so that the person is deemed a state case under section 222.60, the administrator shall cause the person either to be transferred to a resource center or a special unit or to be transferred to the place of foreign ~~settlement residency~~.
2. If the administrator disputes a certified determination of ~~legal settlement residency~~, the administrator shall order the person transferred to a state resource center or a special unit until the dispute is resolved.
3. If the administrator disputes a certified determination

of ~~legal settlement~~ residency, the administrator shall utilize the procedure provided in section ~~225C.8~~ 331.438F to resolve the dispute. A determination of the person's ~~legal settlement~~ residency status made pursuant to section ~~225C.8~~ 331.438F is conclusive.

Sec. 81. Section 222.66, Code 2011, is amended to read as follows:

**222.66 Transfers — state cases — expenses.**

1. The transfer to a resource center or a special unit or to the place of ~~legal settlement~~ residency of a person with mental retardation who has no ~~legal settlement~~ residence in this state or whose ~~legal settlement~~ residency is unknown, shall be made in accordance with such directions as shall be prescribed by the administrator and when practicable by employees of the state resource center or the special unit. The actual and necessary expenses of such transfers shall be paid by the department on itemized vouchers sworn to by the claimants and approved by the administrator and the approved amount is appropriated to the department from any funds in the state treasury not otherwise appropriated.

2. The case of a person with an intellectual disability who is determined to have no residence in this state or whose residence is unknown shall be considered a state case.

Sec. 82. Section 222.67, Code 2011, is amended to read as follows:

**222.67 Charge on finding of settlement residency.**

If a person has been received into a resource center or a special unit as a patient whose ~~legal settlement is supposedly outside the state or~~ residency is unknown and the administrator determines that the ~~legal settlement~~ residency of the patient was at the time of admission or commitment in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the patient to the county of ~~legal settlement~~ residence. The certification shall be sent to the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. If the person's ~~legal settlement~~ residency status has been determined in accordance with section ~~225C.8~~ 331.438F, the legal costs and expenses shall be charged to the county or as a state case in accordance with that determination. The costs and expenses shall be collected as provided by law in other cases.



Sec. 83. Section 222.68, Code 2011, is amended to read as follows:

**222.68 Costs paid in first instance.**

All necessary and legal expenses for the cost of admission or commitment of a person to a resource center or a special unit when the person's ~~legal settlement~~ residency is found to be in another county of this state shall in the first instance be paid by the county from which the person was admitted or committed. The county of ~~legal settlement~~ residence shall reimburse the county which pays for all such expenses. ~~Where any~~ If a county fails to make such reimbursement within forty-five days following submission of a properly itemized bill to the county of ~~legal settlement~~ residence, a penalty of not greater than one percent per month on and after forty-five days from submission of the bill may be added to the amount due.

Sec. 84. Section 222.69, Code 2011, is amended to read as follows:

**222.69 Payment by state.**

~~All~~ The amount necessary to pay the necessary and legal expenses ~~for the cost~~ of admission or commitment of a person to a resource center or a special unit when the person's ~~legal settlement~~ residence is outside this state or is unknown ~~shall be paid out of~~ is appropriated to the department from any money in the state treasury not otherwise appropriated. Such payments shall be made by the department on itemized vouchers executed by the auditor of the county from which the expenses have been paid and approved by the administrator.

Sec. 85. Section 222.70, Code 2011, is amended to read as follows:

**222.70 ~~Legal settlement~~ Residency disputes.**

If a dispute arises between counties or between the department and a county as to the ~~legal settlement~~ residency of a person admitted or committed to a resource center, a special unit, or a community-based service, the dispute shall be resolved as provided in section ~~225C-8~~ 331.438F.

Sec. 86. Section 222.73, subsection 2, paragraph a, unnumbered paragraph 1, Code 2011, is amended to read as follows:

The superintendent shall certify to the department the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient

charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. The billings to a county of ~~legal settlement~~ residence are subject to adjustment for all of the following circumstances:

Sec. 87. Section 222.77, Code 2011, is amended to read as follows:

**222.77 Patients on leave.**

The cost of support of patients placed on convalescent leave or removed as a habilitation measure from a resource center, or a special unit, except when living in the home of a person legally bound for the support of the patient, shall be paid by the county of ~~legal settlement~~ residence or the state as provided in section 222.60. ~~If the patient has no county of legal settlement, the cost shall be paid from the support fund of the resource center or special unit and charged on abstract in the same manner as other state inpatients until the patient becomes self-supporting or qualifies for support under other statutes.~~

Sec. 88. Section 222.78, Code 2011, is amended to read as follows:

**222.78 Parents and others liable for support.**

1. The father and mother of any patient admitted or committed to a resource center or to a special unit, as either an inpatient or an outpatient, and any person, firm, or corporation bound by contract made for support of the patient are liable for the support of the patient. The patient and those legally bound for the support of the patient shall be liable to the county or state, as applicable, for all sums advanced ~~by the county to the state under~~ in accordance with the provisions of sections 222.60 and 222.77.

2. The liability of any person, other than the patient, who is legally bound for the support of a patient who is under eighteen years of age in a resource center or a special unit shall not exceed the average minimum cost of the care of a normally intelligent minor without a disability of the same age and sex as the minor patient. The administrator shall establish the scale for this purpose but the scale shall not exceed the standards for personal allowances established by the state division under the family investment program. The father or mother shall incur liability only during any period when the father or mother either individually or jointly receive a net income from whatever source, commensurate with

that upon which they would be liable to make an income tax payment to this state. The father or mother of a patient shall not be liable for the support of the patient upon the patient attaining eighteen years of age. Nothing in this section shall be construed to prevent a relative or other person from voluntarily paying the full actual cost as established by the administrator for caring for the patient with mental retardation.

Sec. 89. Section 222.79, Code 2011, is amended to read as follows:

**222.79 Certification statement presumed correct.**

In actions to enforce the liability imposed by section 222.78, ~~the certification statement sent from the superintendent to the county auditor pursuant to section 222.74~~ or the county of residence, as applicable, shall submit a certification statement stating the sums charged in such cases and the certification statement shall be considered presumptively correct.

Sec. 90. Section 222.80, Code 2011, is amended to read as follows:

**222.80 Liability to county or state.**

A person admitted or committed to a county institution or home or admitted or committed at county or state expense to a private hospital, sanitarium, or other facility for treatment, training, instruction, care, habilitation, and support as a patient with mental retardation shall be liable to the county or state, as applicable, for the reasonable cost of the support as provided in section 222.78.

Sec. 91. Section 222.82, Code 2011, is amended to read as follows:

**222.82 Collection of liabilities and claims.**

~~The~~ If liabilities and claims exist as provided in section 222.78 or other provision of this chapter, the county of residence or the state, as applicable, may proceed as provided in this section. If the liabilities and claims are owed to a county of residence, the county's board of supervisors of each county may direct the county attorney to proceed with the collection of said the liabilities and claims as a part of the duties of the county attorney's office when the board of supervisors deems such action advisable. If the liabilities and claims are owed to the state, the state shall proceed with the collection. The board of supervisors or the state, as applicable, may and is hereby empowered to compromise any

and all liabilities to the county or state arising under this chapter when such compromise is deemed to be in the best interests of the county or state. Any collections and liens shall be limited in conformance to section 614.1, subsection 4.

Sec. 92. Section 222.86, Code 2011, is amended to read as follows:

**222.86 Payment for care from fund.**

If a patient is not receiving medical assistance under chapter 249A and the amount in the account of any patient in the patients' personal deposit fund exceeds two hundred dollars, the business manager of the resource center or special unit may apply any amount of the excess to reimburse the county of ~~legal settlement or the state in a case where no legal settlement exists~~ residence or the state for liability incurred by the county or the state for the payment of care, support, and maintenance of the patient, when billed by the county ~~of legal settlement or by the administrator for a patient having no legal settlement~~ or state, as applicable.

Sec. 93. Section 222.92, subsection 3, paragraph a, Code 2011, is amended to read as follows:

a. Moneys received by the state from billings to counties ~~under section 222.73.~~

Sec. 94. Section 225.23, Code 2011, is amended to read as follows:

**225.23 Collection for treatment.**

If the bills for a committed or voluntary private patient are paid by the state, the state psychiatric hospital shall file a certified copy of the claim for the bills with the ~~auditor of the patient's county of residence~~ department of administrative services. The ~~county of residence~~ department shall proceed to collect the claim in the name of the state psychiatric hospital and, when collected, ~~pay the amount collected to the director of the department of administrative services. The hospital shall also, at the same time, forward a duplicate of the claim to the director of the department of administrative services.~~

Sec. 95. Section 225C.6A, subsection 4, Code 2011, is amended by striking the subsection.

Sec. 96. Section 225C.16, subsection 2, Code 2011, is amended to read as follows:

2. The clerk of the district court in that county shall refer a person applying for authorization for voluntary admission, or for authorization for voluntary admission of another person, in accordance with section 229.42, to the

appropriate entity designated through the central point of coordination process of the person's county of residence under section 225C.14 for the preliminary diagnostic evaluation unless the applicant furnishes a written statement from the appropriate entity which indicates that the evaluation has been performed and that the person's admission to a state mental health institute is appropriate. This subsection does not apply when authorization for voluntary admission is sought under circumstances which, in the opinion of the chief medical officer or that officer's physician designee, constitute a medical emergency.

Sec. 97. Section 226.9C, subsection 1, unnumbered paragraph 1, Code Supplement 2011, is amended to read as follows:

The state mental health institute at Mount Pleasant shall operate the dual diagnosis mental health and ~~substance abuse~~ substance-related disorder treatment program on a net budgeting basis in which fifty percent of the actual per diem and ancillary services costs are chargeable to the patient's county of ~~legal settlement~~ residence or as a state case, as appropriate. Subject to the approval of the department, revenues attributable to the dual diagnosis program for each fiscal year shall be deposited in the mental health institute's account and are appropriated to the department for the dual diagnosis program, including but not limited to all of the following revenues:

Sec. 98. Section 226.45, Code 2011, is amended to read as follows:

**226.45 Reimbursement to county or state.**

If a patient is not receiving medical assistance under chapter 249A and the amount to the account of any patient in the patients' personal deposit fund exceeds two hundred dollars, the business manager of the hospital may apply any of the excess to reimburse the county of ~~legal settlement~~ residence or the state ~~in a case where no legal settlement exists~~ for a state case for liability incurred by the county or the state for the payment of care, support and maintenance of the patient, when billed by the county of ~~legal settlement~~ residence or by the administrator for a ~~patient having no legal settlement~~ state case.

Sec. 99. Section 229.9A, Code 2011, is amended to read as follows:

**229.9A Advocate informed.**

The court shall direct the clerk to furnish the advocate

of the respondent's county of ~~legal settlement~~ residence with a copy of application and any order issued pursuant to section 229.8, subsection 3. The advocate may attend the hospitalization hearing of any respondent for whom the advocate has received notice of a hospitalization hearing.

Sec. 100. Section 229.12, subsection 2, Code 2011, is amended to read as follows:

2. All persons not necessary for the conduct of the proceeding shall be excluded, except that the court may admit persons having a legitimate interest in the proceeding and shall permit the advocate from the respondent's county of ~~legal settlement~~ residence to attend the hearing. Upon motion of the county attorney, the judge may exclude the respondent from the hearing during the testimony of any particular witness if the judge determines that witness's testimony is likely to cause the respondent severe emotional trauma.

Sec. 101. Section 229.19, subsection 1, paragraph b, Code 2011, is amended to read as follows:

b. The court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from a patient's county of ~~legal settlement~~ residence to represent the interests of the patient. If a patient has no county of ~~legal settlement~~ residence or the patient is a state case, the court or, if the advocate is appointed by the county board of supervisors, the board shall assign the advocate appointed from the county where the hospital or facility is located to represent the interests of the patient.

Sec. 102. Section 229.24, subsection 3, unnumbered paragraph 1, Code 2011, is amended to read as follows:

If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of ~~legal settlement~~ residence, the clerk of the district court shall provide to the ~~county of legal settlement~~ county of residence and to the county in which the hospitalization order is entered the following information pertaining to the individual which would be confidential under subsection 1:

Sec. 103. Section 229.31, Code 2011, is amended to read as follows:

**229.31 Commission of inquiry.**

A sworn complaint, alleging that a named person is not seriously mentally impaired and is unjustly deprived of liberty in any hospital in the state, may be filed by any person with the clerk of the district court of the county in which such

named person is so confined, or of the county in which such named person ~~has a legal settlement, and thereupon a~~ is a resident. Upon receiving the complaint, a judge of ~~said~~ that court shall appoint a commission of not more than three persons to inquire into the truth of ~~said~~ the allegations. One of ~~said~~ the commissioners shall be a physician and if additional commissioners are appointed, one of ~~such~~ the additional commissioners shall be a lawyer.

Sec. 104. Section 229.42, Code 2011, is amended to read as follows:

**229.42 Costs paid by county.**

1. If a person wishing to make application for voluntary admission to a mental hospital established by chapter 226 is unable to pay the costs of hospitalization or those responsible for the person are unable to pay the costs, application for authorization of voluntary admission must be made through a central point of coordination process before application for admission is made to the hospital. The person's county of ~~legal settlement~~ residence shall be determined through the central point of coordination process and if the admission is approved through the central point of coordination process, the person's admission to a mental health hospital shall be authorized as a voluntary case. The authorization shall be issued on forms provided by the administrator. The costs of the hospitalization shall be paid by the county of ~~legal settlement~~ residence to the department of human services and credited to the general fund of the state, provided that the mental health hospital rendering the services has certified to the county auditor of the county of ~~legal settlement~~ residence the amount chargeable to the county and has sent a duplicate statement of the charges to the department of human services. A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the central point of coordination process. The mental health institute and the county shall work together to locate appropriate alternative placements and services, and to educate patients and family members of patients regarding such alternatives.

2. All the provisions of chapter 230 shall apply to such voluntary patients so far as is applicable.

3. The provisions of this section and of section 229.41 shall apply to all voluntary inpatients or outpatients receiving mental health services either away from or at the institution.

4. If a county fails to pay the billed charges within forty-five days from the date the county auditor received the certification statement from the superintendent, the department of human services shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the county received the certification statement until paid. The penalties received shall be credited to the general fund of the state.

Sec. 105. Section 229.43, Code 2011, is amended to read as follows:

**229.43 ~~Nonresidents or no settlement~~ Nonresident patients.**

The administrator may place patients of mental health institutes ~~who have no county of legal settlement,~~ who are nonresidents, ~~or whose legal settlement is unknown~~ on convalescent leave to a private sponsor or in a health care facility licensed under chapter 135C, when in the opinion of the administrator the placement is in the best interests of the patient and the state of Iowa. If the patient was involuntarily hospitalized, the district court which ordered hospitalization of the patient must be informed when the patient is placed on convalescent leave, as required by section 229.15, subsection 5.

Sec. 106. Section 230.1, Code 2011, is amended to read as follows:

**230.1 Liability of county and state.**

1. The necessary and legal costs and expenses attending the taking into custody, care, investigation, admission, commitment, and support of a person with mental illness admitted or committed to a state hospital shall be paid by a county or by the state as follows:

~~a. By the county in which such person has a legal settlement, if~~ If the person is eighteen years of age or older, by the person's county of residence.

~~b. By the state when~~ as a state case if such person has no ~~legal settlement~~ residence in this state, ~~when if~~ the person's ~~legal settlement~~ residence is unknown, or if the person is under eighteen years of age.

2. The ~~legal settlement~~ county of residence of any person ~~found mentally ill~~ with mental illness who is a patient of any state institution shall be ~~that~~ the person's county of residence existing at the time of admission ~~thereto~~ to the institution.

3. A county of ~~legal settlement~~ residence is not liable



for costs and expenses associated with a person with mental illness unless the costs and expenses are for services and other support authorized for the person through the central point of coordination process. For the purposes of this chapter, "*central point of coordination process*" means the same as defined in section 331.440.

Sec. 107. Section 230.2, Code 2011, is amended to read as follows:

**230.2 Finding of ~~legal settlement~~ residence.**

If a person's ~~legal settlement~~ residency status is disputed, ~~legal settlement~~ the residency shall be determined in accordance with section ~~225C.8~~ 331.438F. Otherwise, the district court may, when the person is ordered placed in a hospital for psychiatric examination and appropriate treatment, or as soon thereafter as the court obtains the proper information, determine and enter of record whether the ~~legal settlement~~ residence of the person is ~~one of the following in a county or the person is deemed to be a state case~~, as follows:

1. In the county from which the person was placed in the hospital~~;~~.
2. In ~~some other~~ another county of the state~~;~~.
3. In ~~some~~ a foreign state or country~~;~~ or and deemed to be a state case.
4. Unknown and deemed to be a state case.

Sec. 108. Section 230.3, Code 2011, is amended to read as follows:

**230.3 Certification of ~~settlement~~ residence.**

If a person's ~~legal settlement~~ county of residence is determined ~~through~~ by the county's central point of coordination process to be in another county of this state, the county making the determination shall certify the determination to the superintendent of the hospital to which the person is admitted or committed. The certification shall be accompanied by a copy of the evidence supporting the determination. Upon receiving the certification, the superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the person, to the county determined to be the county of ~~legal settlement~~ residence.

Sec. 109. Section 230.4, Code 2011, is amended to read as follows:

**230.4 Certification to debtor county.**

A determination of a person's ~~legal settlement~~ county of residence made in accordance with section 230.2 or 230.3 shall

be sent by the court or the county to the county auditor of the county of ~~legal-settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The auditor shall provide the certification to the board of supervisors of the auditor's county, and it shall be conclusively presumed that the person has ~~a legal settlement~~ residence in the notified county unless that county disputes the finding of ~~legal settlement~~ residence as provided in section ~~225C.8~~ 331.438F.

Sec. 110. Section 230.5, Code 2011, is amended to read as follows:

**230.5 Nonresidents.**

If a person's ~~legal settlement~~ residence is determined in accordance with section 230.2 or 230.3 to be in a foreign state or country, or is unknown, the court or the county shall immediately certify the determination to the department's administrator. The certification shall be accompanied by a copy of the evidence supporting the determination. A court order issued pursuant to section 229.13 shall direct that the patient be hospitalized at the appropriate state hospital for persons with mental illness.

Sec. 111. Section 230.6, Code 2011, is amended to read as follows:

**230.6 Investigation by administrator.**

The administrator shall immediately investigate the ~~legal settlement~~ residency of a patient and proceed as follows:

1. If the administrator concurs with a certified determination of ~~legal settlement~~ residency concerning the patient, the administrator shall cause the patient either to be transferred to a state hospital for persons with mental illness at the expense of the state, or to be transferred, with approval of the court as required by chapter 229 to the place of foreign ~~settlement~~ residence.

2. If the administrator disputes a certified legal ~~settlement~~ residency determination, the administrator shall order the patient to be maintained at a state hospital for persons with mental illness at the expense of the state until the dispute is resolved.

3. If the administrator disputes a ~~legal settlement~~ residency determination, the administrator shall utilize the procedure provided in section ~~225C.8~~ 331.438F to resolve the dispute. A determination of the person's ~~legal settlement~~ residency status made pursuant to section ~~225C.8~~ 331.438F is

conclusive.

Sec. 112. Section 230.8, Code 2011, is amended to read as follows:

**230.8 Transfers of persons with mental illness — expenses.**

The transfer to any state hospitals or to the places of their ~~legal settlement~~ residence of persons with mental illness who have no ~~legal settlement~~ residence in this state or whose ~~legal settlement~~ residence is unknown and deemed to be a state case, shall be made according to the directions of the administrator, and when practicable by employees of the state hospitals, ~~and the~~. The actual and necessary expenses of such transfers shall be paid on itemized vouchers sworn to by the claimants and approved by the administrator, and the amount of the expenses is appropriated to the department from any funds in the state treasury not otherwise appropriated.

Sec. 113. Section 230.9, Code 2011, is amended to read as follows:

**230.9 Subsequent discovery of residence.**

If, after a person has been received by a state hospital for persons with mental illness as a state case patient whose ~~legal settlement~~ residence is supposed to be outside this state ~~or unknown~~, the administrator determines that the ~~legal settlement~~ residence of the person was, at the time of admission or commitment, in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the person to the county of ~~legal settlement~~ residence. The certification shall be sent to the county of ~~legal settlement~~ residence. The certification shall be accompanied by a copy of the evidence supporting the determination. The costs and expenses shall be collected as provided by law in other cases. If the person's ~~legal settlement~~ residency status has been determined in accordance with section ~~225C.8~~ 331.438F, the legal costs and expenses shall be charged to the county of residence or as a state case in accordance with that determination.

Sec. 114. Section 230.10, Code 2011, is amended to read as follows:

**230.10 Payment of costs.**

All legal costs and expenses attending the taking into custody, care, investigation, and admission or commitment of a person to a state hospital for persons with mental illness under a finding that ~~such~~ the person has a ~~legal settlement~~

residency in another county of this state shall be charged against the county of ~~legal-settlement~~ residence.

Sec. 115. Section 230.11, Code 2011, is amended to read as follows:

**230.11 Recovery of costs from state.**

Costs and expenses attending the taking into custody, care, and investigation of a person who has been admitted or committed to a state hospital, United States department of veterans affairs hospital, or other agency of the United States government, for persons with mental illness and who has no ~~legal-settlement~~ residence in this state or whose ~~legal settlement~~ residence is unknown, including cost of commitment, if any, shall be paid ~~out of~~ as a state case as approved by the administrator. The amount of the costs and expenses approved by the administrator is appropriated to the department from any money in the state treasury not otherwise appropriated, on itemized vouchers executed by the auditor of the county which has paid them, and approved by the administrator.

Sec. 116. Section 230.12, Code 2011, is amended to read as follows:

**230.12 ~~Legal-settlement~~ Residency disputes.**

If a dispute arises between different counties or between the administrator and a county as to the ~~legal-settlement~~ residence of a person admitted or committed to a state hospital for persons with mental illness, the dispute shall be resolved as provided in section ~~225C.8~~ 331.438F.

Sec. 117. Section 230.32, Code 2011, is amended to read as follows:

**230.32 Support of nonresident patients on leave.**

The cost of support of patients without ~~legal-settlement~~ residence in this state, who are placed on convalescent leave or removed from a state mental institute to any health care facility licensed under chapter 135C for rehabilitation purposes, shall be paid from the hospital support fund and shall be charged on abstract in the same manner as state inpatients, until such time as the patient becomes self-supporting or qualifies for support under existing statutes.

Sec. 118. Section 232.141, subsection 8, Code 2011, is amended to read as follows:

8. This subsection applies only to placements in a juvenile shelter care home which is publicly owned, operated as a county or multicounty shelter care home, organized under a chapter

28E agreement, or operated by a private juvenile shelter care home. If the actual and allowable costs of a child's shelter care placement exceed the amount the department is authorized to pay in accordance with law and administrative rule, the unpaid costs may be recovered from the child's county of legal settlement. However, the maximum amount of the unpaid costs which may be recovered under this subsection is limited to the difference between the amount the department is authorized to pay and the statewide average of the actual and allowable rates in effect in May of the preceding fiscal year for reimbursement of juvenile shelter care homes. In no case shall the home be reimbursed for more than the home's actual and allowable costs. The unpaid costs are payable pursuant to filing of verified claims against the county of legal settlement. A detailed statement of the facts upon which a claim is based shall accompany the claim. Any dispute between counties arising from filings of claims pursuant to this subsection shall be settled in the manner provided to determine ~~legal settlement~~ residency in section ~~225C.8~~ 331.438F.

Sec. 119. Section 249A.12, subsection 2, Code 2011, is amended to read as follows:

2. A county shall reimburse the department on a monthly basis for that portion of the cost of assistance provided under this section to a recipient ~~with legal settlement in who~~ is a resident of the county, which is not paid from federal funds, if the recipient's placement has been approved by the appropriate review organization as medically necessary and appropriate. The department's goal for the maximum time period for submission of a claim to a county is not more than sixty days following the submission of the claim by the provider of the service to the department. The department's goal for completion and crediting of a county for cost settlement for the actual costs of a service under a home and community-based services waiver is within two hundred seventy days of the close of a fiscal year for which cost reports are due from providers. The department shall place all reimbursements from counties in the appropriation for medical assistance, and may use the reimbursed funds in the same manner and for any purpose for which the appropriation for medical assistance may be used.

Sec. 120. Section 249A.12, subsection 6, paragraphs c and d, Code 2011, are amended to read as follows:

c. The person's county of ~~legal settlement~~ residence shall pay for the nonfederal share of the cost of services provided

under the waiver, and the state shall pay for the nonfederal share of such costs if the person ~~has no legal settlement is~~ not a resident of this state or the ~~legal settlement person's~~ residency is unknown so that the person is deemed to be a state case.

d. The county of ~~legal settlement~~ residence shall pay for one hundred percent of the nonfederal share of the costs of care provided for adults which is reimbursed under a home and community-based services waiver that would otherwise be approved for provision in an intermediate care facility for persons with mental retardation provided under the medical assistance program.

Sec. 121. Section 249A.12, subsections 7 and 8, Code 2011, are amended to read as follows:

7. When paying the necessary and legal expenses for intermediate care facility for persons with mental retardation services, the cost requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established by the department for intermediate care facilities for persons with mental retardation, and the state or a county of ~~legal settlement~~ residence shall not be obligated for any amount in excess of the rates.

8. If a person with mental retardation has no ~~legal settlement~~ residence in this state or ~~the legal settlement~~ whose residency is unknown so that the person is deemed to be a state case and services associated with the mental retardation can be covered under a medical assistance home and community-based services waiver or other medical assistance program provision, the nonfederal share of the medical assistance program costs for such coverage shall be paid from the appropriation made for the medical assistance program.

Sec. 122. Section 249A.26, subsection 2, Code 2011, is amended to read as follows:

2. a. Except as provided for disallowed costs in section 249A.27, the county of ~~legal settlement~~ residence shall pay for fifty percent of the nonfederal share of the cost and the state shall have responsibility for the remaining fifty percent of the nonfederal share of the cost of case management provided to adults, day treatment, and partial hospitalization provided under the medical assistance program for persons with mental retardation, a developmental disability, or chronic mental illness. For purposes of this section, persons with mental

disorders resulting from Alzheimer's disease or ~~substance abuse~~ a substance-related disorder shall not be considered ~~chronically mentally ill~~ to be persons with chronic mental illness. To the maximum extent allowed under federal law and regulations, the department shall consult with and inform a person's county of legal settlement's residence's central point of coordination process, as defined in section 331.440, regarding the necessity for and the provision of any service for which the county is required to provide reimbursement under this subsection.

b. The state shall pay for one hundred percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based services waiver services for persons who have no legal settlement residence in this state or ~~the legal settlement~~ whose residence is unknown so that the persons are deemed to be state cases.

c. The case management services specified in this subsection shall be paid for by a county only if the services are provided outside of a managed care contract.

Sec. 123. Section 249A.26, subsections 3, 4, 7, and 8, Code 2011, are amended to read as follows:

3. To the maximum extent allowed under federal law and regulations, a person with mental illness or mental retardation shall not be eligible for any service which is funded in whole or in part by a county share of the nonfederal portion of medical assistance funds unless the person is referred through the central point of coordination process, as defined in section 331.440. However, to the extent federal law allows referral of a medical assistance recipient to a service without approval of the central point of coordination process, the county of ~~legal settlement~~ residence shall be billed for the nonfederal share of costs for any adult person for whom the county would otherwise be responsible.

4. The county of ~~legal settlement~~ residence shall pay for one hundred percent of the nonfederal share of the cost of services provided to adult persons with chronic mental illness who qualify for habilitation services in accordance with the rules adopted for the services. The state shall pay for one hundred percent of the nonfederal share of the cost of such services provided to such persons who have no ~~legal settlement~~ residency in this state or ~~the legal settlement~~ whose residency is unknown so that the persons are deemed to be state cases.

7. Unless a county has paid or is paying for the nonfederal share of the costs of a person's home and community-based waiver services or placement in an intermediate care facility for persons with mental retardation under the county's mental health, mental retardation, and developmental disabilities services fund created in section 331.424A, or unless a county of ~~legal settlement~~ residence would become liable for the costs of services for a person at the level of care provided in an intermediate care facility for persons with mental retardation due to the person reaching the age of majority, the state shall pay for the nonfederal share of the costs of an eligible person's services under the home and community-based services waiver for persons with brain injury.

8. If a dispute arises between different counties or between the department and a county as to the ~~legal settlement~~ residency of a person who receives medical assistance for which the nonfederal share is payable in whole or in part by a county of ~~legal settlement~~ residence, and cannot be resolved by the parties, the dispute shall be resolved as provided in section ~~225C.8~~ 331.438F.

Sec. 124. Section 252.23, Code 2011, is amended to read as follows:

**252.23 Legal settlement disputes.**

If the alleged settlement is disputed, then, within thirty days after notice as provided in section 252.22, a copy of the notices sent and received shall be filed in the office of the clerk of the district court of the county against which claim is made, and a cause docketed without other pleadings, and tried as an ordinary action, in which the county granting the assistance shall be plaintiff, and the other defendant, and the burden of proof shall be upon the county granting the assistance. However, a ~~legal settlement~~ dispute concerning the liability of a person's county of residence for assistance provided through the county's mental health and disability services system implemented under chapter 331 in connection with services initiated under chapter 222, 230, or 249A shall be resolved as provided in section ~~225C.8~~ 331.438F.

Sec. 125. Section 252.24, Code 2011, is amended to read as follows:

**252.24 County of settlement liable.**

1. The county where the settlement is shall be liable to the county granting assistance for all reasonable charges and expenses incurred in the assistance and care of a poor person.



2. When assistance is furnished by any governmental agency of the county, township, or city, the assistance shall be deemed to have been furnished by the county in which the agency is located and the agency furnishing the assistance shall certify the correctness of the costs of the assistance to the board of supervisors of that county and that county shall collect from the county of the person's settlement. The amounts collected by the county where the agency is located shall be paid to the agency furnishing the assistance. This statute applies to services and supplies furnished as provided in section 139A.18.

3. Notwithstanding subsection 2, if assistance or maintenance is provided by a county through the county's mental health and disability services system implemented under chapter 331, liability for the assistance and maintenance is the responsibility of the person's county of residence.

Sec. 126. Section 331.440, subsection 2, paragraph b, Code Supplement 2011, is amended to read as follows:

b. "County of residence" means the county in this state in which, at the time an adult person applies for or receives services, the adult person is living and has established an ongoing presence with the declared, good faith intention of living for a permanent or indefinite period of time. The county of residence of an adult person who is a homeless person is the county where the homeless person usually sleeps. A person maintains residency in the county in which the person last resided while the person is present in another county receiving services in a hospital, a correctional facility, a halfway house for community-based corrections or substance-related treatment, a nursing facility, an intermediate care facility for persons with an intellectual disability, or a residential care facility, or for the purpose of attending a college or university.

Sec. 127. Section 331.502, subsection 11, Code 2011, is amended to read as follows:

11. Carry out duties relating to the determination of ~~legal settlement~~ residency, collection of funds due the county, and support of persons with mental retardation as provided in sections 222.13, 222.50, 222.61 to 222.66, 222.69, and 222.74.

Sec. 128. Section 347.16, subsection 3, Code 2011, is amended to read as follows:

3. Care and treatment may be furnished in a county public hospital to any sick or injured person who has legal settlement

outside the county which maintains the hospital, subject to such policies and rules as the board of hospital trustees may adopt. If care and treatment is provided under this subsection to a person who is indigent, the county in which that person has legal settlement shall pay to the board of hospital trustees the fair and reasonable cost of the care and treatment provided by the county public hospital unless the cost of the indigent person's care and treatment is otherwise provided for. If care and treatment is provided to an indigent person under this subsection, the county public hospital furnishing the care and treatment shall immediately notify, by regular mail, the auditor of the county of legal settlement of the indigent person of the provision of care and treatment to the indigent person. However, if the care and treatment is provided by a county through the county's mental health and disability services system implemented under chapter 331, liability for the assistance and maintenance is the responsibility of the person's county of residence.

Sec. 129. REPEAL. Section 225C.8, Code 2011, is repealed.

Sec. 130. EFFECTIVE DATE. This division of this Act takes effect July 1, 2013.

#### DIVISION IX

##### PROPERTY TAX-RELATED PROVISIONS

Sec. 131. MENTAL HEALTH AND DISABILITY SERVICES REDESIGN FISCAL VIABILITY ANALYSIS. The legislative council is requested to authorize a study committee to analyze the viability of the mental health and disability services redesign financing provisions in this Act, during the 2012 and 2013 legislative interims. The study committee may contract for an independent analysis to be performed. The study committee shall consider reports from the transition committee created by this division of this Act. Reports of the analysis containing findings and recommendations shall be submitted for consideration by the Eighty-fifth General Assembly during the 2013 legislative session. The study committee may meet during the 2013 legislative interim to consider and determine whether revisions to 2013 redesign financing enactments are warranted and to make appropriate recommendations for consideration during the 2014 legislative session.

Sec. 132. Section 331.424A, Code Supplement 2011, is amended to read as follows:

331.424A County mental health, ~~mental retardation,~~ and ~~developmental~~ disabilities services fund.

1. For the purposes of this chapter and chapter 426B, unless the context otherwise requires, ~~"services fund" means the county mental health, mental retardation, and developmental disabilities services fund created in subsection 2. The county finance committee created in section 333A.2 shall consult with the state commission in adopting rules and prescribing forms for administering the services fund.:~~

a. "Base year expenditures for mental health and disabilities services" means the same as defined in section 331.438, Code Supplement 2011, minus the amount the county received from the property tax relief fund pursuant to section 426B.1, Code 2011, for the fiscal year beginning July 1, 2008.

b. "County population expenditure target amount" means the product of the statewide per capita expenditure target amount multiplied by a county's general population.

c. "County services fund" means a county mental health and disabilities services fund created pursuant to this section.

d. "Per capita growth amount" means the amount by which the statewide per capita expenditure target amount may grow from one year to the next.

e. "Statewide per capita expenditure target amount" means the dollar amount of a statewide expenditure target per person as established by statute.

2. The county finance committee created in section 333A.2 shall consult with the department of human services and the department of management in adopting rules and prescribing forms for administering the county services funds.

~~2. 3. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, county County revenues from taxes and other sources designated by a county for mental health, mental retardation, and developmental disabilities services shall be credited to the county mental health, mental retardation, and developmental disabilities services fund of which shall be created by the county. The board shall make appropriations from the fund for payment of services provided under the county regional service system management plan approved pursuant to section 331.439 331.439A. The county may pay for the services in cooperation with other counties by pooling appropriations from the county services fund with appropriations from the county services fund of other counties or through county regional entities including but not limited to the county's mental health and developmental disabilities regional planning council created pursuant to section 225C.18 through the~~

county's regional administrator, or through another arrangement specified in the regional governance agreement entered into by the county under section 331.438E.

~~3. 4. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, receipts~~ Receipts from the state or federal government for ~~such~~ the mental health and disability services administered or paid for by a county shall be credited to the county services fund, including moneys allotted distributed to the county from the state payment made pursuant to section 331.439 and moneys allotted to the county for property tax relief pursuant to section 426B.1 department of human services and moneys allocated under chapter 426B.

~~4. 5. For the fiscal year beginning July 1, 1996, and for each subsequent fiscal year, the county shall certify a levy for payment of services. For each fiscal year, county revenues from taxes imposed by the county credited to the services fund shall not exceed an amount equal to the amount of base year expenditures for mental health and disability services as defined in section 331.438, less the amount of property tax relief to be received pursuant to section 426B.2, in the fiscal year for which the budget is certified. The county auditor and the board of supervisors shall reduce the amount of the levy certified for the services fund by the amount of property tax relief to be received. A levy certified under this section is not subject to the appeal provisions of section 331.426 or to any other provision in law authorizing a county to exceed, increase, or appeal a property tax levy limit.~~

~~5. 6. Appropriations specifically authorized to be made from the mental health, mental retardation, and developmental disabilities services fund shall not be made from any other fund of the county.~~

~~6. 7. This section is repealed July 1, 2013.~~  
Notwithstanding subsection 5, for the fiscal years beginning July 1, 2013, and July 1, 2014, county revenues from taxes levied by the county and credited to the county services fund shall not exceed the lower of the following amounts:

a. The amount of the county's base year expenditures for mental health and disabilities services.

b. The amount equal to the product of the statewide per capita expenditure target for the fiscal year beginning July 1, 2013, multiplied by the county's general population for the same fiscal year.

Sec. 133. Section 331.432, subsection 3, Code Supplement

2011, is amended to read as follows:

3. Except as authorized in section 331.477, transfers of moneys between the county mental health, ~~mental retardation,~~ and ~~developmental~~ disabilities services fund created pursuant to section 331.424A and any other fund are prohibited.

Sec. 134. Section 426B.1, subsection 2, Code 2011, is amended by striking the subsection and inserting in lieu thereof the following:

2. Moneys shall be distributed from the property tax relief fund to counties for the mental health and disability regional service system for providing county base property tax equivalent equalization payments and the per capita growth amount established pursuant to section 426B.3, in accordance with the appropriations made to the fund and other statutory requirements.

Sec. 135. Section 426B.2, subsections 1 and 2, Code 2011, are amended by striking the subsections.

Sec. 136. Section 426B.2, subsection 3, Code 2011, is amended to read as follows:

3. ~~a.~~ The director of human services shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with ~~subsection 1~~ section 426B.3, and mail the warrants to the county auditors in July and January of each year.

~~b. Any replacement generation tax in the property tax relief fund as of May 1 shall be paid to the county treasurers in July and January of the fiscal year beginning the following July 1. The department of management shall determine the amount each county will be paid pursuant to this lettered paragraph for the following fiscal year. The department shall reduce by the determined amount the amount of each county's certified budget to be raised by property tax for that fiscal year which is to be expended for mental health, mental retardation, and developmental disabilities services and shall revise the rate of taxation as necessary to raise the reduced amount. The department of management shall report the reduction in the certified budget and the revised rate of taxation to the county auditors by June 15.~~

Sec. 137. Section 426B.3, Code 2011, is amended by striking the section and inserting in lieu thereof the following:

**426B.3 Per capita funding for fiscal years 2013-2014 and 2014-2015.**

1. For the fiscal years beginning July 1, 2013, and July 1,

2014, the state and county funding for the mental health and disability services administered or paid for by counties shall be provided based on a statewide per capita expenditure target amount computed in accordance with this section.

2. The statewide per capita expenditure target amount shall consist of the sum of the following:

a. A county base property tax equivalent to forty-seven dollars and twenty-eight cents per capita. Each per capita growth amount established by statute as provided in paragraph "b", shall be added to this amount.

b. A per capita growth amount, which may be stated as a percentage of the prior fiscal year's county base property tax per capita amount, as established by statute.

3. The per capita growth amount established by statute shall provide funding for increases in non-Medicaid expenditures from county services funds due to service costs, additional service populations, additional core service domains, and numbers of persons receiving services.

4. a. For the fiscal years beginning July 1, 2013, and July 1, 2014, a county with a county population expenditure target amount that exceeds the amount of the county's base year expenditures for mental health and disabilities services shall receive an equalization payment for the difference.

b. The equalization payments determined in accordance with this subsection shall be made by the department of human services for each fiscal year as provided in appropriations made from the property tax relief fund for this purpose.

Sec. 138. REPEAL. Section 426B.6, Code Supplement 2011, is repealed.

Sec. 139. EFFECTIVE DATE. The following provisions of this division of this Act take effect July 1, 2013:

1. The section of this Act amending section 331.424A.
2. The section of this Act amending section 331.432.
3. The section of this Act amending section 426B.1.
4. The sections of this Act amending section 426B.2.
5. The section of this Act amending section 426B.3.

Sec. 140. APPLICABILITY. The following provisions of this division of this Act are applicable commencing with the budget and tax levy certification process for the fiscal year beginning July 1, 2013:

1. The section of this Act amending section 331.424A.
2. The section of this Act amending section 426B.1.
3. The sections of this Act amending section 426B.2.

4. The section of this Act amending section 426B.3.



JOHN P. KIBBIE  
President of the Senate



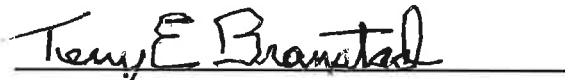
KRAIG PAULSEN  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2315, Eighty-fourth General Assembly.



MICHAEL E. MARSHALL  
Secretary of the Senate

Approved May 25, 2012



TERRY E. BRANSTAD  
Governor