

**CHAPTER 1186**

**APPROPRIATIONS — HUMAN SERVICES**

*S.F. 2313*

**AN ACT** relating to appropriations for the department of human services and the prevention of disabilities policy council and including other provisions and appropriations involving human services and health care and providing for effective and applicability dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. **FAMILY INVESTMENT PROGRAM.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For assistance under the family investment program under chapter 239:

..... \$ 37,139,476

1. The department may fund the employee portion of the cash bonus program from unspent funds under the appropriation made in this section.

2. The department shall continue to contract for services in developing and monitoring an entrepreneurial training waiver program to provide technical assistance in self-employment training to families which receive assistance under the family investment program, contingent on federal approval of the annual waiver renewal requests. The waiver program shall be provided for the fiscal year beginning July 1, 1994, and ending June 30, 1995, or for as long as federal approval of the statewide program is granted.

3. The department shall continue the special needs program under the family investment program.

4. Notwithstanding section 239.6, the department is not required to reconsider eligibility of family investment program recipients every six months if a federal waiver is granted.

5. Notwithstanding any contrary provision of chapter 239, the department shall continue to implement the family investment program in accordance with the provisions of the waiver request approved by the United States department of health and human services pursuant to 1993 Iowa Acts, chapter 97, section 3.

6. The department may adopt emergency rules for the family investment, food stamp, and medical assistance programs to change or delete welfare reform initiatives that threaten the integrity or continuation of the program or that are not cost-effective. Prior to the adoption of rules, the department shall consult with the welfare reform council, members of the public involved in development of the policy established in the 1993 session, and the chairpersons and ranking members of the human resources committees of the senate and the house of representatives.

7. The department shall consolidate the individual planning and agreement provisions of the family investment program and the family development and self-sufficiency grant program to ensure service coordination by providing that if a recipient is participating in the grant program, the recipient's family investment agreement shall be developed or revised in consultation with the family development and self-sufficiency grant program worker.

Sec. 2. **EMERGENCY ASSISTANCE.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For emergency assistance to families with dependent children for homeless prevention programs:

..... \$ 1,767,500

The emergency assistance provided for in this section shall be available beginning October 1 of the fiscal year and shall be provided only if all other publicly funded resources have been exhausted. The emergency assistance includes, but is not limited to, assisting people who face

eviction, potential eviction, or foreclosure, utility shutoff or fuel shortage, loss of heating energy supply or equipment, homelessness, utility or rental deposits, or other specified crisis which threatens family or living arrangements. The emergency assistance shall be available to migrant families who would otherwise meet eligibility criteria. The department may adopt emergency rules to implement the program including eligibility criteria and benefit levels. The department may contract for the administration and delivery of the program. The program shall be terminated when funds are exhausted.

Sec. 3. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$ 344,719,351

1. Medically necessary abortions are those performed under any of the following conditions:

- a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.
- b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.
- c. The pregnancy is the result of a rape which is reported within 45 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- d. The pregnancy is the result of incest which is reported within 150 days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated in this section.

3. a. If a medical assistance recipient is receiving care which is reimbursed under a federally approved home and community-based services waiver but would otherwise be approved for care in an intermediate care facility for the mentally retarded, the recipient's county of legal settlement shall reimburse the department on a monthly basis for the portion of the recipient's cost of care which is not paid from federal funds.

b. The department's admission requirements involving medical assistance payment for an individual's placement in an intermediate care facility for the mentally retarded shall require, prior to the placement, referral of the individual through an approved case management program. The case management program shall identify any appropriate alternatives to the placement and shall inform the individual of the alternatives. The department may adopt emergency rules to implement the provisions of this subsection.

c. The department shall conduct a study of the needs of Iowans with mental retardation or other developmental disabilities who require an intermediate level of licensed care and shall make recommendations regarding the means to best address the needs identified, including the feasibility of establishing a special classification of nursing facility for persons with mental retardation or other developmental disability whose ability to respond to active treatment protocols is limited due to age or medical needs. Participants in the study shall include representatives of the department of inspections and appeals, Iowa state association of counties, arc of Iowa, the governor's planning council for developmental disabilities, and the Iowa association of residential and rehabilitation facilities.

4. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care which is reimbursed under a federally approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for the mentally retarded, provided under the medical assistance program for persons with mental retardation, a developmental disability, or chronic mental illness. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the cost of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 18 years of age or younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 18 years of age and under shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for the mentally retarded (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

5. The department shall expand coverage of services to children under medical assistance to include nutritional counseling services for children not eligible for women, infant and children (WIC) nutritional counseling services due to exceeding the WIC age limit or who require services in excess of those available under WIC. The department may adopt emergency rules in order to implement this change.

6. Upon receipt of a federal waiver, the department may adopt and implement emergency rules to establish a prepaid mental health services plan for medical assistance patients. The rules shall include but not be limited to defining the structure of the program, establishing the scope of services to be provided in the program, establishing client eligibility for prepaid mental health services, establishing the basis and rate of reimbursement for the program, defining the expected outcome measures of the program, and defining a client appeal process. Notwithstanding the provisions of subsection 4, paragraph "a", of this section and section 249A.26, requiring counties to pay all or part of the nonfederal share of certain services provided to persons with disabilities under the medical assistance program, the state shall pay 100 percent of the nonfederal share of any services included in the plan implemented pursuant to this subsection. The department shall report to the legislative fiscal committee of the legislative council concerning implementation of the prepaid mental health services plan for medical assistance patients, including but not limited to the decision-making process involved in the awarding of any contract under this subsection.

7. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$10,000 may be expended for administrative purposes.

8. The department of human services shall seek a federal waiver to implement a pilot project to allow up to 16 nursing homes, as defined in section 155.1, to be operated under an outcome-based alternative plan for regulatory compliance. The waiver shall include a request for suspension of federal regulations which the department identifies as more restrictive than necessary to provide a safe and healthy environment for residents of a nursing home. Following approval of the waiver, the department shall establish a request for proposal, or other research-based selection process, and shall select up to 16 nursing homes to operate under the

alternative system, based upon criteria and requirements which shall include but are not limited to all of the following:

a. The department of inspections and appeals shall utilize the regulations established for the pilot project for state licensure survey purposes, except during adverse actions such as fining and citation, conditional licensure or license revocation proceedings, in which cases existing state licensure rules shall be used. The department of inspections and appeals shall investigate complaints registered against homes involved in the pilot project utilizing the federal regulations developed for those homes. State licensure rules shall be utilized if adverse action results from a complaint investigation. The nursing home shall comply with the requirements of chapter 481 I.A.C. 61, applicable state law, and applicable fire regulations.

b. The department shall adopt rules which establish the minimum requirements for alternative nursing homes, and the nursing homes shall comply with the minimum requirements established.

c. The nursing homes shall develop and implement a written plan of operation which is outcome-based and which establishes goals for the home in meeting the outcomes identified. The plan shall include an ongoing process for identifying and attaining the outcomes identified. The plan shall also include a method for evaluation of the effect of the alternative form of operation on the quality of life of the residents and the need for alternative methods of staff development and service delivery.

d. The nursing homes shall provide for input from the residents regarding the most appropriate environment and services to the residents.

e. The nursing homes shall report annually to the department regarding the success of the nursing homes in reaching the goals established and regarding recommendations for additional improvements in the structure and operation of the nursing homes and the services provided the residents of the homes.

f. The department shall annually report to the chairpersons and ranking members of the joint appropriations subcommittee on human services on the progress of the pilot project and shall include in the report recommendations regarding the use of alternatives to standard nursing homes.

9. The department of human services may employ not more than two additional full-time equivalent positions and shall use no more than \$45,000 of the funds appropriated in this section to develop a medical assistance home and community-based waiver for persons with brain injury who currently reside in a medical institution and who have been residents of a medical institution for a minimum of thirty consecutive days.

10. The department shall not provide medical assistance coverage of drugs which are prescribed for an individual for fertility purposes.

11. The department shall review the listing of organ transplants covered by medical assistance. The review shall include consideration of insurance industry standards and practice methods and procedures; one-year, two-year, and three-year survival rates; and best available practices and research. Coverage shall be determined by medical necessity criteria. If the review concludes that coverage of additional organ transplants is appropriate, the department shall request the general assembly to provide funding for the coverage for fiscal year 1995-1996. The department shall review, at least annually, the current listing of organ transplants which may be covered by medical assistance.

Sec. 4. MEDICAL CONTRACTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 5,630,350

1. The department shall continue to contract for drug utilization review under the medical assistance program.

2. The department shall determine, in consultation with the drug utilization review commission, the feasibility of assigning a unique identification number to each individual pharmacist.

3. The department may use not more than \$60,000 of the funds appropriated in this section to contract for services to expand the point of service reimbursement system.

4. The department shall conduct a study of the reimbursement methodology for home intravenous pharmacy products and services and develop a proposal for revising the methodology to provide adequate compensation for the products and services. The proposal shall be submitted to the governor and the legislative fiscal bureau on or before January 1, 1995.

Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance:

..... \$ 19,315,000

The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement the provisions of this paragraph.

Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For protective child day care assistance and state child care assistance:

..... \$ 7,397,259

1. Of the funds appropriated in this section, \$3,146,286 shall be used for protective child day care assistance.

2. Of the funds appropriated in this section, \$2,430,934 shall be used for state child care assistance.

3. Based upon the availability of the funding provided in subsection 2 the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

a. Families who are at or below 100 percent of the federal poverty level and are employed at least 30 hours a week.

b. Parents under the age of 21 who are employed full-time or part-time or who are participating in an approved training program or who are enrolled in an education program.

c. Families who are at or below 155 percent of the federal poverty level who have a special needs child.

d. Families who are at or below 100 percent of the federal poverty level who are employed part-time at least 20 hours per week.

4. a. The funds allocated in this section for protective and state child care assistance shall be allocated to the department of human services regions and each region shall distribute the allocation to the counties within the region. If a region determines that a specified portion of the funds provided to a county in that region is sufficient to meet the county's current demand and projected growth, the region may transfer the excess amount of funds to another county in that region. If the region determines that a specified portion of the funds provided to the region is sufficient to meet the region's current demand and projected growth for the remainder of the fiscal year, the excess amount may be transferred for use in another region.

b. For state child care assistance, eligibility shall be limited to children whose family income is equal to or less than 100 percent of the federal office of management and budget poverty guidelines. However, on or after October 1, 1994, the department may increase the income eligibility limit to be equal to or less than 75 percent of the Iowa median family income.

c. The department may adopt emergency rules to comply with the federal child care development block grant and federal at-risk child care program; to streamline the existing day care program; and to deliver the services within state and federal funds appropriated.

d. Nothing in this section shall be construed or is intended as, or shall imply, a grant of entitlement for services to persons who are eligible for assistance due to an income level consistent with the requirements of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

5. Of the funds appropriated in this section, \$640,270 is allocated for the statewide program for child day care resource and referral services under section 237A.26.

6. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child day care assistance and related programs.

7. a. Of the funds appropriated in this section, \$1,179,769 shall be used for transitional child care assistance.

b. Notwithstanding section 239.21, the department of human services shall provide the transitional child care assistance in accordance with the federal Family Support Act of 1988, Pub. L. No. 100-485, § 302, and applicable federal regulations.

8. During the 1994-1995 fiscal year, the department shall utilize the moneys deposited in the child day care credit fund created in section 237A.28 for state child care assistance, in addition to the moneys appropriated for that purpose in this section.

Sec. 7. JOBS PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the federal-state job opportunities and basic skills (JOBS) program, food stamp employment and training program, family development and self-sufficiency grants, and implementing family investment agreements, in accordance with this section:

..... \$ 12,071,270

1. Of the funds appropriated in this section, \$11,161,970 is allocated for the JOBS program.

2. Notwithstanding any contrary provisions of chapter 249C, the department shall implement work and training programs in accordance with the waiver request approved by the United States department of health and human services pursuant to 1993 Iowa Acts, chapter 97, section 3.

3. Of the funds appropriated in this section, \$129,985 is allocated for the food stamp employment and training program.

4. Of the funds appropriated in this section, \$779,315 is allocated to the family development and self-sufficiency grant program as provided under section 217.12.

a. Not more than 5 percent of the funds allocated in this subsection shall be used for the administration of the grant program.

b. Federal funding matched by state, county, or other funding which is not appropriated in this section shall be deposited in the department's JOBS account. If the match funding is generated by a family development and self-sufficiency grantee, the federal funding received shall be used to expand the family development and self-sufficiency grant program. If the match funding is generated by another source, the federal funding received shall be used to expand the grant program or the JOBS program. The department may adopt emergency rules to implement the provisions of this paragraph.

c. Based upon the annual evaluation report concerning each grantee funded by this allocation, the family development and self-sufficiency council may use funds allocated to renew grants.

Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For child support recovery, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 4,951,546

1. The director of human services, within the limitations of the funds appropriated in this section, or funds transferred from the family investment program for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds employees, the department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint appropriations subcommittee on human services the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recovered.

2. Nonpublic assistance application and user fees received by the child support recovery program are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions if fees collected relating to the new positions are sufficient to pay the salaries and support for the positions. The director shall report any positions added pursuant to this subsection to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. The director of human services may establish new positions and add state employees to the child support recovery unit if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions, the positions are necessary to ensure continued federal funding of the program, or the new positions can reasonably be expected to recover more than twice the amount of money to pay the salaries and support for the new positions.

5. The child support recovery unit shall continue to work with the judicial department to determine the feasibility of a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial department and the child support recovery unit.

6. Funding is provided within this appropriation for expenses relating to a child support public awareness campaign. The department shall transfer \$50,000 to the office of the attorney general and the department and the attorney general shall cooperate as necessary for continuation of the campaign.

7. Of the funds appropriated in this section the department shall use up to \$30,000 to establish a pilot program option in not more than ten counties within one judicial district to provide and supervise a community service pilot project for absent parents who are ordered by the court to perform community service for failure to pay child support pursuant to section 598.23A. Notwithstanding the existing community service work requirements of section 598.23A, the department, in cooperation with the office of the attorney general, shall establish parameters for the participation of an absent parent in the pilot program. Funding shall be provided for the administration of the pilot project which shall include reimbursement for the services of an attorney employed by the office of the attorney general, office equipment, transportation costs of the attorney, service fees for contempt of court actions, contracting fees for an agency to provide and supervise the community service pilot project, and transportation costs for community service participants. The department may adopt emergency rules to implement the provisions of this subsection.

Sec. 9. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the operation of the state training school and the Iowa juvenile home, including salaries, support, maintenance, and miscellaneous purposes:

For the state juvenile institutions:

..... \$ 12,937,878

1. The following amounts of the funds appropriated in this section are allocated for the Iowa juvenile home at Toledo:

..... \$ 4,799,897

2. The following amounts of the funds appropriated in this section are allocated for the state training school at Eldora:

..... \$ 8,137,981

3. During the fiscal year beginning July 1, 1994, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Each state juvenile institution shall apply for adolescent pregnancy prevention grants for the fiscal year beginning July 1, 1994.

5. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

6. The department shall report to the legislative fiscal bureau, on or before the twentieth day of each month, the department's current expenditures for the institutions receiving allocations under the appropriations. The report shall include a comparison of actual to budgeted expenditures for each institution.

Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$ 74,617,612

1. The department may transfer moneys appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

2. a. Of the funds appropriated in this section, up to \$23,309,136 is allocated for group foster care maintenance and services. For the fiscal year beginning July 1, 1994, the statewide target, as provided in section 232.143, for the average number of children placed in group foster care services in any day of the fiscal year which are a charge upon or paid for by the state shall be 1,350. Notwithstanding the statewide target established in this subsection and sections 232.52, 232.102, 232.117, 232.127, and 232.182, a target established in a region's group foster care plan developed pursuant to section 232.143 may be exceeded, a group foster care placement may be ordered, and state payment may be made if a clinical assessment and consultation team finds that the placement is necessary to meet the child's needs. If the daily average target established in a region's group foster care plan is exceeded, the department and courts in that region shall refer at least five percent of the region's group foster care placements to a clinical assessment and consultation team to determine if alternative services would meet the child's service needs and to assist the region in reducing the number of children in group foster care placements in the regional target within 45 days from the date the target was exceeded. The department and the courts shall work together to ensure that a region's group foster care expenditures shall not exceed the funds allocated to the region for group foster care placements in the 1994-1995 fiscal year. The department may adopt emergency rules to implement the provisions of this paragraph.

b. In each quarter of the fiscal year, the department shall compare the actual number of group foster care placements in a region and the targets allocated to the region for that



quarter. The department shall develop a methodology to provide, within the funds allocated in this subsection, fiscal incentives to regions which have reduced the number or length of group foster care placements.

c. The department shall report quarterly to the legislative fiscal bureau concerning the status of each region's efforts to limit the number of group foster care placements in accordance with the regional plan established pursuant to section 232.143.

d. Notwithstanding the formula specified in section 232.143, subsection 1, the department and the judicial department shall develop a formula for allocating a portion of the statewide target to each of the department's regions based on factors determined by the department and the judicial department which may include but are not limited to historical usage of group foster care beds and indicators of need for group foster care placements. The formula shall be established by May 1, 1994. The department may adopt emergency rules to implement the provisions of this paragraph.

e. The reimbursement rates paid for placement of children out-of-state shall be calculated according to the same rate-setting principles as those used for in-state providers, unless the director determines that appropriate care cannot be provided within the state.

f. The department shall not certify any additional enhanced residential treatment beds except those beds for which applications for certification were received on or before February 1, 1994, unless the director of human services approves the beds as necessary, based on the type of children to be served and the location of the enhanced residential treatment beds. The department may adopt emergency rules to implement the provisions of this paragraph.

g. Of the funds appropriated in this section, not more than \$6,529,390 is allocated as the state match funding for psychiatric medical institutions for children.

3. Not more than 25 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, shall be placed in foster care for a period of more than 24 months.

4. The department shall continue to contract for a statewide system for recruiting, retaining, and supporting foster care families consistent with the recommendation of the department's family foster care advisory committee. The department may continue the contract for this purpose which was initiated in the fiscal year beginning July 1, 1993, if defined goals have been achieved. The department shall involve the family foster care advisory committee in overseeing the work of the contractor, and further defining needs in the system.

5. In accordance with the provisions of section 232.188, the department shall continue the demonstration program to decategorize child welfare services in the five counties in which the program has commenced. The department may approve additional applications from a county or cluster of counties to initiate a demonstration program provided the department, the boards of supervisors in the counties, and the affected judicial districts agree to implement the program. The schedule for implementing the demonstration program in additional counties shall provide that the program be implemented on or after January 1, 1995. The department shall establish, for the demonstration program counties, a child welfare fund composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, child and family services, family-centered services, subsidized adoption, child day care, local purchase portion of the mental health, mental retardation, developmental disabilities, and brain injury community services appropriated in this Act, state juvenile institution care, mental health institute care, state hospital-school care, juvenile detention, department-direct services, and court-ordered evaluation and treatment of juvenile services. Notwithstanding any other provision of law, the fund shall be considered encumbered for the purposes of section 8.33. Notwithstanding other service funding provisions in law, the department shall establish the fund by transferring funds from the budgets affected, except for the funds appropriated for the state mental health institutes, the state hospital-schools, the state training school, and the Iowa juvenile home which shall remain on account for the county at these institutions. By June 15 preceding the beginning of the next fiscal year, the department shall inform each demonstration program county of the estimated amount that will be available in the county's child welfare fund and on account at the institutions for that

county during the ensuing fiscal year. The department shall confirm each county's budgeted amount by October 1 of the fiscal year. A limited amount of the fund may be used to support services and reimbursement rates not allowable within historical program or service categories and administrative rules. In addition, a limited amount of the child welfare fund may be used for emergency family assistance to provide resources for a family to remain together or to be unified. The demonstration program shall be designed to operate in a county for a three-year period. The three-year time period for a decategorization project shall be considered to begin on January 1 in the first year following the year in which the county's decategorization project was approved by the department.

6. Of the funds appropriated in this section, up to \$92,009 is allocated for continued foster care services to a child who is 18 years of age or older in accordance with the provisions of section 234.35, subsection 4, paragraph "c". However, if funding in this appropriation would remain unobligated at the end of the fiscal year, the allocation in this subsection may be exceeded to the extent necessary to provide the continued foster care services. The department shall distribute the moneys allocated in this subsection to the departmental regions based on each region's proportion of the total number of children placed in foster care on March 31 preceding the beginning of the fiscal year, who, during the fiscal year would no longer be eligible for foster care due to age.

7. During the fiscal period of this appropriation, the department, in coordination with the legislative fiscal bureau and the judicial department, shall continue to track those out-of-home placements of children in which the state or a county is financially involved. The tracking information shall be submitted quarterly to the governor, the chairpersons and ranking members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau and shall include all of the following information:

a. The number of placements of children within each of the following age ranges: 0 through 5; 6 through 10; 11 through 15; and 16 through 21.

b. The number of children placed in each of the following: family foster care, group foster care, state training school, Iowa juvenile home, psychiatric medical institutions for children (PMICs), residential substance abuse treatment programs, hospitals for acute psychiatric care, state mental health institutes, shelter care, juvenile detention, adult correctional facilities, state hospital-schools, intermediate care facilities for the mentally retarded (ICF/MR), and residential care facilities for the mentally retarded (RCF/MR).

8. Notwithstanding section 232.142, subsection 3, the financial aid paid by the state for the establishment, improvements, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 1994, shall be limited to \$510,000. Funds allocated in this subsection shall be prorated among eligible detention homes.

9. The amount of the appropriation made in this section available for foster care is based upon expansion of the number of children in foster care who are eligible for federal supplemental security income (SSI). The department may use up to \$300,000 of those funds to enter into a performance-based contract to secure SSI benefits for children placed in foster care. The contract shall include provisions for training of department of human services and juvenile court staff, completion of applications, tracking of application results, and representation during the appeals process whenever an appeal is necessary to secure SSI benefits. Notwithstanding section 217.30 and section 232.2, subsection 11, and any other provision of law to the contrary, the custodian of a child in foster care may release medical, mental health, substance abuse, or any other information necessary only to determine the child's eligibility for SSI benefits, and may sign releases for the information. In any release of information made pursuant to this subsection, confidentiality shall be maintained to the maximum extent possible.

10. A limited amount of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

11. Notwithstanding section 234.35, subsection 1, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$6,710,720 for the fiscal year beginning July 1, 1994. The department may adopt emergency rules to implement the provisions of this subsection.

12. Of the funds appropriated in this section, not more than \$500,297 may be used to develop and maintain the state's implementation of the national adoption and foster care information system pursuant to the requirements of Pub. L. No. 99-509. The department may transfer funds as necessary from the appropriations in this Act for field operations and general administration to implement this subsection. Moneys allocated in accordance with this subsection shall be considered encumbered for the purposes of section 8.33.

13. The department shall continue training seminars throughout the state on the use of reasonable efforts to prevent or eliminate the need for removal of a child from the child's home, and on family-centered approaches to serving children and families. The department shall work with the judicial department to make the training applicable and available to court officers involved with referrals of children to foster care. In addition, the department shall work with the supreme court to provide ongoing instruction and technical assistance in selected counties in the state concerning application of reasonable efforts. Counties shall be selected by targeting those with a high rate of placement of children outside the children's homes. The recipients of technical assistance shall include court officials, department of human services referral workers, and child welfare service providers. Trainers shall include respected peers and colleagues of the training recipients. The department shall also incorporate family-centered approaches to serving families into the department's general child welfare training for child welfare workers. The department shall use not more than \$132,006 of the funds appropriated in this section for the contract. The department shall seek assistance from the reasonable efforts model court project, the child welfare league of America, the national association of family-based services, the national conference of state legislatures, and private foundations; and shall draw from successful initiatives used in other states in implementing the provisions of this subsection.

14. Of the funds appropriated in this section, not more than \$1,036,680 may be used for respite services to families of children with mental retardation or other developmental disabilities, who would otherwise enter or continue group care placement.

15. Of the funds appropriated in this section, up to \$682,766 may be used as determined by the department for any of the following purposes:

- a. For general administration of the department to improve staff training efforts.
- b. For oversight of termination of parental rights and permanency planning efforts on a statewide basis.
- c. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases.
- d. For specialized permanency planning field operations staff.

16. The department shall continue to contract for family foster care homes developed for children who present severe emotional or behavioral management problems who might otherwise be placed in group foster care. Contracts shall provide that the family receives a certain fixed payment regardless of placements, and shall specify that at least one parent shall generally be available in the home 24 hours per day in order to provide intensive and consistent structure and therapeutic intervention, and to respond to crises. Each home shall serve a maximum of three children.

17. Upon receipt of federal approval, the department shall utilize the federal emergency assistance program to fund approved children and family services under this section and other programs providing emergency services to families and children. The department may transfer moneys appropriated in this section, as necessary, to pay the nonfederal share of services reimbursed under the emergency assistance program which are provided to children and families who would otherwise receive the services. The department may adopt emergency rules to implement the provisions of this subsection. The rules may include but are not limited to the development of program descriptions, provider standards, cost principles, rate-setting,

contract requirements, service and financial eligibility criteria, claims submission criteria and program accountability standards. The department shall work with affected parties in developing the rules authorized in this subsection.

18. The department shall adopt rules for purchase of recruitment and home studies as necessary to secure an adequate number of foster families to serve children needing foster care placement. In implementing the provisions of this subsection, the department may issue requests for proposals, establish a flat fee schedule, or expand the pool of providers from which the services are purchased. The department may adopt emergency rules to implement the provisions of this subsection.

19. The director of human services shall appoint a committee to advise the director concerning managed care approaches and implementation considerations for determining service necessity for children served by psychiatric medical institutions for children (PMIC). The members of the committee shall include persons who are knowledgeable about these issues, as well as representatives of PMIC providers and in-patient psychiatric hospitals. The director shall select the system under which service-necessity determinations for PMICs will be managed and shall place the PMIC determinations under that system on or after November 1, 1994. The director's decision shall be based on the following criteria: the needs of the children served by PMIC facilities under the system in effect prior to November 1, 1994, the department's ability to assure prompt access to care, the department's ability to promote affordable effective care, the degree of coordination with other services for which the state is responsible, the department's ability to assure that service decisions support the principles of least restrictive and most appropriate care, and consistency of the service management system with legal expectations. If necessary to implement the director's decision, the department may transfer moneys appropriated in this section to the appropriation in this Act for medical assistance and amend the managed mental health care contract to include PMICs, or include PMIC placements in the statewide target for group foster care placements in subsection 2, paragraph "a", in which case the statewide target shall be increased to be not more than 1,733, as determined by the director. If the director decides to include PMICs in the statewide target, the regional plans developed by the department and the juvenile court pursuant to section 232.143 shall be revised to include PMIC placements. The department may adopt emergency rules to implement the provisions of this subsection.

20. The department shall appoint a committee to review whether unnecessary or redundant reporting or referral provisions are required by the department's medical assistance children's service initiative. Committee members shall include referral workers, clinical assessment and consultation team members, service providers, and other appropriate persons. The committee shall submit a report to the director of human services, and the director shall make a determination regarding these issues by November 1, 1994. The department may adopt emergency rules to appropriately revise the provisions in accordance with the director's determination.

21. The department and the juvenile court shall conduct an assessment of the service needs and demographic characteristics of the children and families served through the department's child welfare, juvenile justice, and mental health systems. The assessment shall be coordinated with the efforts of the child welfare task force to develop profiles of the general characteristics of children and families utilizing those service systems. The department shall report the findings of the assessment to the members of the joint appropriations subcommittee on human services and the legislative fiscal bureau by June 30, 1995.

Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs, on the condition that family planning services are funded, including salaries, support, maintenance, and miscellaneous purposes:  
..... \$ 2,256,126

1. Of the funds appropriated in this section, \$652,451 shall be used for adolescent pregnancy prevention grants, including not more than \$152,451 for programs to prevent second or subsequent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. Rules adopted by the department may allow for revision of existing grant categories and the addition of grant categories which allow for the development and initiation of a statewide adolescent pregnancy prevention campaign and of a statewide assessment or evaluation grant. The department may adopt emergency rules to implement the provisions of this subsection.

2. Of the funds appropriated in this section, \$300,000 shall be used for grants to community or regional groups which demonstrate broad-based representation from community representatives including but not limited to schools, churches, human service-related organizations, and businesses. Priority in the awarding of grants shall be given to groups which provide services to both urban and rural areas within the proximity of the community or region and which provide age-appropriate programs adapted for both male and female youth at the elementary, middle, and high school levels. A program shall focus on the prevention of initial pregnancies during the adolescent years by emphasizing sexual abstinence as the only completely safe and effective means of avoiding pregnancy and sexually transmitted diseases and by providing information regarding the comparative failure rates of contraceptives, and by emphasizing responsible decision making in relationships, managing of peer and social pressures, development of self-esteem, the costs and responsibilities of parenting, and information regarding the alternative of adoption for placement of a child. The program shall also include an evaluation and assessment component which includes evaluation of and recommendations for improvement of the program by the youth and parents involved. Evaluation and assessment reports shall be provided to the department of human services, at a time determined by the department in the grant award. Community or regional groups interested in applying for a grant under this subsection may be issued a planning grant or may utilize grant moneys for the costs of technical assistance to analyze community needs, match service providers to needs, negotiate service provision strategies, or other assistance to focus grant services provided under this subsection. The technical assistance may be provided by organizations affiliated with institutions under the authority of the state board of regents or other organizations experienced in providing technical assistance concerning similar services. The department may adopt emergency rules to implement the provisions of this subsection.

3. Of the funds appropriated in this section, \$532,789 shall be used by the department for child abuse prevention grants.

4. Of the funds appropriated in this section, an additional \$300,000, based upon the amount allocated for this purpose in the previous fiscal year, shall be used for family planning services.

**Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4:

..... \$ 3,090,000

1. Notwithstanding section 232.141 or any other provision of law, the funds appropriated in this section shall be allocated to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination on the allocations on or before June 15.

2. a. Each judicial district shall continue the planning group for the court-ordered services for juveniles provided in that district which was established pursuant to 1991 Iowa Acts, chapter 267, section 119. A planning group shall continue to perform its duties as specified in that law. Reimbursement rates for providers of court-ordered evaluation and treatment services paid under section 232.141, subsection 4, shall be negotiated with providers by each judicial district's planning group.

b. Each district planning group shall submit an annual report in January to the state court administrator and the department of human services. The report shall cover the preceding fiscal year and shall include a preliminary report on the current fiscal year. The administrator and the department shall compile these reports and submit the reports to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The department of human services shall develop policies and procedures to ensure that the funds appropriated in this section are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed to achieve the following objectives relating to services provided under chapter 232:

a. Maximize the utilization of funds which may be available from the medical assistance program including usage of the early and periodic screening, diagnosis, and treatment (EPSDT) program.

b. Recover payments from any third-party insurance carrier which is liable for coverage of the services, including health insurance coverage.

c. Pursue development of agreements with regularly utilized out-of-state service providers which are intended to reduce per diem costs paid to those providers.

4. The department of human services, in consultation with the state court administrator and the judicial district planning groups, shall compile a monthly report describing spending in the districts for court-ordered services for juveniles, including the utilization of the medical assistance program. The reports shall be submitted on or before the twentieth day of each month to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Notwithstanding chapter 232 or any other provision of law, a district or juvenile court in a department of human services district shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district allocation to pay for the service. The chief juvenile court officer shall work with the judicial district planning group to encourage use of the funds appropriated in this section such that there are sufficient funds to pay for all court-related services during the entire year. The eight chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the allocations and shall cooperatively request the state court administrator to transfer funds between the districts' allocations as prudent.

6. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

7. Of the funds appropriated in this section, not more than \$200,000 may be used by the judicial department for administration of the requirements under this section and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

8. Of the funds appropriated in this section, not more than \$200,000 may be transferred to the appropriation in this Act for child and family services and used to provide school-based supervision of children adjudicated under chapter 232.

Sec. 13. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the state mental health institutes for salaries, support, maintenance, and miscellaneous purposes:

..... \$ 42,470,116

1. The funds appropriated in this section are allocated as follows:

a. State mental health institute at Cherokee:

..... \$ 14,425,374

b. State mental health institute at Clarinda:	\$	6,008,952
.....		
c. State mental health institute at Independence:	\$	17,153,764
.....		
d. State mental health institute at Mount Pleasant:	\$	4,882,026
.....		

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. The department shall report to the legislative fiscal bureau, on or before the twentieth day of each month, the department's current expenditures for the institutions receiving allocations under this appropriation. The report shall include a comparison of actual to budgeted expenditures for each institution.

4. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state.

5. The department shall develop a proposal for implementing a forensic mental health unit. The proposal shall be submitted to the governor and the members of the joint appropriations subcommittee on human services on or before January 15, 1995.

Sec. 14. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the state hospital-schools, for salaries, support, maintenance, and miscellaneous purposes:	\$	65,789,681
.....		
1. The funds appropriated in this section are allocated as follows:		
a. State hospital-school at Glenwood:	\$	35,497,594
.....		
b. State hospital-school at Woodward:	\$	30,292,087
.....		

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. The department shall report to the legislative fiscal bureau, on or before the twentieth day of each month, the department's current expenditures for the institutions receiving allocations under this appropriation. The report shall include a comparison of actual to budgeted expenditures for each institution.

Sec. 15. MENTAL ILLNESS — MENTAL RETARDATION — DEVELOPMENTAL DISABILITIES SPECIAL SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness, mental retardation, and developmental disabilities special services:	\$	121,220
.....		

1. The department and the Iowa finance authority shall develop methods to implement the financing for existing community-based facilities and to implement financing for small community-based facilities, including those facilities which may be developed under a federally approved home and community-based waiver for services provided under the medical assistance program. The department shall develop criteria for the facilities which may include provisions to restrict placements to current state hospital-school clients or to avert the placement of persons in a state hospital-school. As the facilities are developed, the department shall assure that clients are referred to the facilities upon their development.

2. The funds appropriated in this section are to provide funds for construction and start-up costs to develop community living arrangements to provide for persons who are mentally ill and homeless. These funds may be used to match federal Stewart B. McKinney Homeless Assistance Act grant funds.

Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the family support subsidy program:

..... \$ 1,082,550

Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:

..... \$ 53,212

Grants must be used by a family to defray special costs of caring for the family member to prevent out-of-home placement of the family member or to provide for independent living costs. A grant may provide up to \$5,000 per person for costs associated with an assistive animal. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency. Regular reports regarding the special needs grants with the family support subsidy program and an annual report concerning the characteristics of the grantees shall be provided to the legislative fiscal bureau.

Sec. 18. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities services where the client has no established county of legal settlement:

..... \$ 5,973,492

Sec. 19. MENTAL ILLNESS – MENTAL RETARDATION – DEVELOPMENTAL DISABILITIES – BRAIN INJURY – COMMUNITY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness, mental retardation, developmental disabilities, and brain injury community services in accordance with the provisions of this Act:

..... \$ 29,277,958

1. Of the funds appropriated in this section, \$15,639,333 shall be allocated to counties for funding of community-based mental illness, mental retardation, developmental disabilities, and brain injury services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with mental illness, mental retardation, developmental disability, or brain injury (MI/MR/DD/BI). However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.



b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with MI/MR/DD/BI.

c. The mental health and mental retardation commission shall adopt rules pursuant to chapter 17A describing the contemporary services. The commission may adopt emergency rules to implement this subsection.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. The department shall submit an annual report concerning each population served and each service funded in this section to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. a. Provision of funding under subsection 1 is contingent upon a county participating in the county's mental illness, mental retardation, developmental disabilities, and brain injury (MI/MR/DD/BI) planning councils established pursuant to 1992 Iowa Acts, chapter 1241, section 25, subsection 4.

b. A planning council shall develop plans for the provision of services for the fiscal year beginning July 1, 1994, for persons with MI/MR/DD/BI in the county or counties comprising the planning council.

c. County MI/MR/DD/BI expenditure reports for the prior fiscal year are due to the department on October 15 of each year. The county MI/MR/DD/BI plan for the fiscal year beginning July 1, 1994, is due to the department April 1, 1994.

d. If a county has not established or is not affiliated with a community mental health center under chapter 230A, the county shall expend a portion of the money received under this appropriation to contract with a community mental health center to provide mental health services to the county's residents. If such a contractual relationship is unworkable or undesirable, the mental health and mental retardation commission may waive the expenditure requirement. However, if the commission waives the requirement, the commission shall address the specific concerns of the county and shall attempt to facilitate the provision of mental health services to the county's residents through an affiliation agreement or other means.

e. (1) A county is entitled to receive money from this appropriation if that county raised by county levy and expended for mental health, mental retardation, and developmental disabilities services, in the preceding fiscal year, an amount of money at least equal to the amount so raised and expended for those purposes during the fiscal year beginning July 1, 1980.

(2) With reference to the fiscal year beginning July 1, 1980, money "raised by county levy and expended for mental health, mental retardation, and developmental disabilities services" means the county's maintenance of effort determined by using the general allocation application for the state community mental health and mental retardation services fund under section 225C.10, subsection 1, Code 1993. The department, with the agreement of each county, shall establish the actual amount expended by each county for persons with mental illness, mental retardation, or a developmental disability in the fiscal year which ended on July 1, 1980, and this amount shall be deemed each county's maintenance of effort.

6. a. Of the funds appropriated in this section, \$13,287,625 is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with eligibility guidelines established in the department's rules outlining general provisions for service administration. Services eligible for payment with funds allocated in this subsection are limited to any of the following which are provided in accordance with the department's administrative rules for the services: adult support, adult day care, administrative support for volunteers, community supervised apartment living arrangements, residential services for adults, sheltered work, supported employment, supported work training, transportation, and work activity.

c. In purchasing services with funds allocated in this subsection, a county shall designate a person to provide for eligibility determination and development of a case plan for individuals for whom the services are purchased. The designated person shall be a medical assistance case manager serving the person's county of residence. If an individual does not have a case manager, the individual's eligibility shall be determined by a social services caseworker of the department serving the individual's county of residence. The case plan shall be developed in accordance with the department's rules outlining general provisions for service administration.

d. Services purchased with funds allocated in this subsection must be the result of a referral by the person who identified the services in developing the individual's case plan.

e. Services purchased with funds allocated in this subsection must be under a purchase of service contract established in accordance with the department's administrative rules for purchase of service.

f. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase services in the preceding fiscal year.

g. Each county shall submit to the department a plan for funding of the services eligible for payment under this subsection. The plan may provide for allocation of the funds for one or more of the eligible services. The plan shall identify the funding amount the county allocates for each service and the time period for which the funding will be available. Only those services which have funding allocated in the plan are eligible for payment with funds provided in this subsection.

h. A county shall provide advance notice to the individual receiving services, the service provider, and the person responsible for developing the case plan of the date the county determines that funding will no longer be available for a service.

i. Moneys allocated to a county pursuant to paragraph "f" shall be provided to the county as claims are submitted to the state.

j. The moneys provided under this subsection do not establish an entitlement to the services funded under this subsection.

7. Of the funds allocated in subsection 1, not more than \$248,862 shall be provided to those counties having supplemental per diem contracts in effect on June 30, 1994, under 1993 Iowa Acts, chapter 172, section 16, subsection 2. The amount provided to each county shall be equal to the amount the county would be eligible to receive under the supplemental per diem contracts in effect on June 30, 1994, if the contracts were continued in effect for the entire fiscal year beginning July 1, 1994.

8. Of the funds appropriated in this section, \$321,000 shall be allocated to counties in accordance with the methodology for distribution of local purchase of services moneys in subsection 6, paragraph "f". The moneys provided pursuant to this subsection shall be used by counties to increase reimbursement rates for local purchase services listed in subsection 6, paragraph "b". The moneys provided in this subsection shall not be considered by the department in any calculation or methodology involving the purchase of service system.

9. The department of human services shall cooperate with the division of vocational rehabilitation of the department of education in assuring that counties are aware of any opportunities to utilize purchase of service funds to match federal funds available to provide vocational services to persons eligible for services under subsection 6.

Sec. 20. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes: ..... \$ 37,567,639

Sec. 21. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 9,587,716

Of the funds appropriated in this section, \$57,090 is allocated for the prevention of disabilities policy council established in section 225B.3.

Sec. 22. COUNCIL ON HUMAN INVESTMENT. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount or so much thereof as is necessary, to be used for the purpose designated:

For administrative costs relating to the council on human investment:

..... \$ 139,200

Sec. 23. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

..... \$ 85,793

Sec. 24. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY DETERMINATION SYSTEM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the development costs of the "X-PERT" knowledge-based computer software package for public assistance benefit eligibility determination, including salaries, support, maintenance, and miscellaneous purposes:

..... \$ 1,411,703

Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. For the fiscal year beginning July 1, 1994, the department of human services may allocate any increases in payments for durable medical products and supplies so that equipment and supplies which have greater wholesale cost increases may be reimbursed at a higher rate and those which have a lower or no wholesale cost increase may be reimbursed at a lower rate or have no increase.

b. For the fiscal year beginning July 1, 1994, providers of obstetric services when provided by physicians or certified nurse-midwives shall have their medical assistance reimbursement rates increased by 10 percent over the rates in effect on June 30, 1994.

c. For the fiscal year beginning July 1, 1994, early and periodic screening, diagnosis, and treatment program providers shall have their medical assistance rates for screening increased by 5 percent over the rates in effect on June 30, 1994.

d. For the fiscal year beginning July 1, 1994, skilled nursing facilities shall have their medical assistance rates increased by 4.9 percent over the rates in effect on June 30, 1994.

e. The dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1994. The reimbursement policy for drug product costs shall be in accordance with federal requirements.

f. (1) Reimbursement rates for in-patient services shall be increased by an average of 4.2 percent over the rates in effect on June 30, 1994. Effective July 1, 1994, the department shall implement a new outpatient hospital reimbursement system based upon ambulatory patient groups. Reimbursements made in the initial twelve-month implementation period of the new

system shall be retrospectively adjusted so that the reimbursement made is within a five percent deviation of the lower of cost or charges for the services provided during the fiscal year ending June 30, 1994, as adjusted to reflect actual changes in inflation, increased insureds, utilization per insured, and acuity of service.

(2) Effective July 1, 1994, the department shall implement a revised medical assistance payment policy to provide that reimbursement for costs of screening and treatment provided in the hospital emergency room is made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program. The department shall implement both the revised policy for screening and treatment costs and the prospective payment methodology for other medical assistance services at the same time. The payment system for reimbursement of costs of screening and treatment provided in the hospital emergency room in effect during the fiscal year beginning July 1, 1993, shall not continue beyond June 30, 1994.

g. Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal medicare program.

h. Home health agencies certified for the federal medicare program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal medicare audited costs.

i. The basis for establishing the maximum medical assistance reimbursement rate for nursing facilities shall be the 70th percentile of facility costs as calculated from the June 30, 1994, unaudited compilation of cost and statistical data. However, to the extent funds are available within the amount projected for reimbursement of nursing facilities within the appropriation for medical assistance in this Act, and within the appropriation for medical assistance as a whole, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1994, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1995.

j. The department may revise the fee schedule used for physician reimbursement.

k. Federally qualified health centers shall be reimbursed at 100 percent of reasonable costs as determined by the department in accordance with federal requirements.

l. The department shall review and utilize small area analysis or similar analysis to identify differences in hospital in-patient utilization. In addition, the department shall identify incentives to reward efficient, effective, and quality care.

m. The drug utilization review commission shall conduct a study to review alternative payment systems for compensation of pharmacists for the provision of pharmaceutical care services and shall submit a report of findings and recommendations regarding a payment system to the legislative fiscal bureau and to the chairpersons and ranking members of the joint appropriations subcommittee on human services by November 30, 1994.

2. For the fiscal year beginning July 1, 1994, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall be \$20.02 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be \$14.31 per day. For the fiscal year beginning July 1, 1994, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be \$390.15 per month.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 1993.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1994, the foster family basic monthly maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$341, the rate for children ages 6 through 11 years shall be \$356, the rate for children ages 12 through 15 years shall be \$397, and the rate for children ages 16 and

older shall be \$423. Effective July 1, 1994, the monthly allowance for children in independent living shall be \$441. Effective July 1, 1994, the department shall increase the maximum start-up allowance for children in independent living from \$250 to \$400.

5. For the fiscal year beginning July 1, 1994, the maximum reimbursement rates for social service providers shall be the same as the rates in effect on June 30, 1994, except under any of the following circumstances:

a. If a new service was added after June 30, 1994, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

6. The department may adopt emergency rules to implement the provisions of this section.

Sec. 26. ASSISTANCE TO GAMBLERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1994, and ending June 30, 1995, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For the gamblers assistance program:

..... \$ 21,000

The Iowa lottery board and the state racing and gaming commission shall cooperate with the gamblers assistance program to incorporate information regarding the gamblers assistance program and its toll-free telephone number in printed materials distributed by the board and commission. The commission may require licensees to have the information available in a conspicuous place as a condition of licensure.

Sec. 27. FAMILY INVESTMENT PROGRAM — TRANSITIONAL CHILD CARE ASSISTANCE WAIVERS.

1. The department of human services shall submit a request or requests to the United States department of health and human services for authorization to implement the following waivers of requirements involving the federal-state family investment program and federal-state transitional child care assistance while continuing to draw federal funding for the waived services at the same matching funds rate as provided for transitional child care assistance:

a. A waiver of federal requirements to provide transitional child care assistance benefits to family investment program recipients who have earned income and who voluntarily terminate benefits under the family investment program.

b. A waiver of federal requirements to provide transitional child care assistance benefits to family investment program recipients who have earned income and who are terminated from the family investment program due to receipt of child support.

c. A waiver of federal requirements to provide that if the department determines that state funding is not sufficient to pay the state share of costs of all recipients who would be eligible for transitional child care assistance benefits under this subsection, the department may deny eligibility for the benefits or establish a waiting list for access to the benefits.

2. Subject to federal approval of the waiver requests in subsection 1, the department shall determine the extent by which funding allocated in this Act for transitional child care assistance is sufficient to provide transitional child care assistance benefits in accordance with the federally approved waivers. The department shall provide the benefits in accordance with the federal waivers and to the extent funding is determined to be available.

Sec. 28. STATE INSTITUTIONS — CLOSINGS AND REDUCTIONS. If a state institution administered by the department of human services is to be closed or reduced in size, prior to the closing or reduction the department shall initiate and coordinate efforts in cooperation with the Iowa department of economic development to develop new jobs in the area in which the state institution is located. In addition, the department may take other actions to utilize the facilities of an institution, including but not limited to assisting not-for-profit users with

remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years.

**Sec. 29. INTERMEDIATE CARE FACILITIES FOR THE MENTALLY RETARDED – CERTIFICATE OF NEED.**

1. Notwithstanding the provisions of 1993 Iowa Acts, chapter 172, section 28, prohibiting the Iowa department of public health and the health facilities council from processing applications for and considering certificates of need for new or changed institutional health services for an intermediate care facility for the mentally retarded, for the fiscal year beginning July 1, 1994, the department and council shall process applications and consider applications if either of the following conditions are met:

a. An institutional health facility is reducing the size of the facility's intermediate care facility for the mentally retarded program and wishes to convert an existing number of the facility's approved beds in that program to smaller living environments in accordance with state policies in effect regarding the size and location of such facilities.

b. An institutional health facility proposes to locate a new intermediate care facility for the mentally retarded in an area of the state identified by the department of human services as underserved by intermediate care facility for the mentally retarded beds.

2. Both of the following requirements shall apply to an application considered under this section:

a. The new or changed beds shall not result in an increase in the total number of medical assistance certified intermediate care facility for the mentally retarded beds in the state as of July 1, 1994.

b. A letter of support for the application is provided by the director of human services and the county board of supervisors, or the board's designee, in the county in which the beds would be located.

3. The department of human services may adopt emergency rules to implement the provisions of this section.

**Sec. 30. FISCAL YEAR 1993-1994 COUNCIL ON HUMAN INVESTMENT APPROPRIATION.** Moneys appropriated to the department of human services for administrative costs of the council on human investment in 1993 Iowa Acts, chapter 180, section 60, shall be considered encumbered for purposes of section 8.33 and shall be used during the succeeding fiscal year for the purpose designated.

**Sec. 31. CHILD WELFARE TASK FORCE CONTINUED.** The date by which the child welfare task force established in 1992 Iowa Acts, chapter 1241, section 11, is required to complete its duties is extended to June 30, 1995. The task force shall perform planning activities relating to the family preservation and support services amendments to the federal Budget Reconciliation Act of 1993, Pub. L. No. 103-66, § 13711 et seq. The task force shall issue an interim report on or before November 15, 1994, concerning its findings and activities and shall issue a final report on or before the completion date provided in this section. As part of the final report, the task force shall examine profiles of general characteristics of children and families which utilize the systems in the state for child welfare, juvenile justice, and mental health.

**Sec. 32.** Section 99E.10, subsection 1, paragraph a, Code Supplement 1993, is amended by striking the paragraph and inserting in lieu thereof the following:

a. An amount equal to three-tenths of one percent of the gross lottery revenue shall be deposited in a gamblers assistance fund in the office of the treasurer of state. The director of human services shall administer the fund and shall provide that receipts are allocated on a monthly basis to provide programs which may include, but are not limited to, outpatient and follow-up treatment for persons affected by problem gambling, rehabilitation and residential treatment programs, information and referral services, and education and preventive services.

Sec. 33. Section 99F.11, subsection 3, Code 1993, is amended to read as follows:

3. ~~Three~~ Three-tenths of one percent of the adjusted gross receipts shall be deposited in the gamblers assistance fund specified in section 99E.10, subsection 1, paragraph "a".

Sec. 34. Section 252.16, subsection 6, Code 1993, is amended to read as follows:

6. Subsections 1, 2, 3, ~~and 7, and 8~~ do not apply to a blind person who is receiving assistance under the laws of this state. A blind person receiving assistance who has resided in one county of this state for a period of six months acquires legal settlement for support as provided in this chapter. However, a blind person who is an inpatient or resident of, or is supported by a state hospital-school created under chapter 222, a state mental health institute created under chapter 226, or the Iowa braille and sight saving school administered by the state board of regents does not acquire legal settlement in the county in which the institution is located.

Sec. 35. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and mental retardation commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules. In addition, the department may adopt administrative rules in accordance with the provisions of this section as necessary to comply with federal requirements or to adjust to a change in the level of federal funding which affect refugee programs during the fiscal year beginning July 1, 1994, and ending June 30, 1995. 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. 36. EFFECTIVE DATE. The following provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. Section 10, subsection 2, paragraph "d", relating to development of a formula for allocating certain group foster care beds.

2. Section 10, subsection 2, paragraph "f", relating to certification of additional enhanced residential treatment beds.

3. Section 10, subsection 19, relating to psychiatric medical institutions for children.

4. Section 10, subsection 20, relating to the department's medical assistance childrens' services initiative.

5. Section 12, subsection 1, relating to a determination of allocations by the state court administrator.

6. Section 19, subsection 5, paragraph "c", relating to submission of MI/MR/DD/BI plans to the department.

7. Section 31, relating to the continuation of the child welfare task force.

Sec. 37. REPEAL. Section 237.23, Code Supplement 1993, is repealed.

Sec. 38. Section 37 of this Act takes effect June 30, 1994.

Approved April 14, 1994