

ninety-five percent. If a new revenue source is established and implemented, the original state general fund expenditure limitation amount provided for in subsection 3 shall be readjusted to include ninety-five percent of the estimated revenue from the new revenue source.

Sec. 11. Section 8.54, subsections 7 and 8, Code 2001, are amended by striking the subsections and inserting in lieu thereof the following:

7. The governor shall transmit to the general assembly, in accordance with section 8.21, a budget which does not exceed the state general fund expenditure limitation. The general assembly shall pass a budget which does not exceed the state general fund expenditure limitation. The governor shall not transmit a budget with recommended appropriations in excess of the state general fund expenditure limitation and the general assembly shall not pass a budget with appropriations in excess of the state general fund expenditure limitation. The governor shall not approve or disapprove appropriation bills or items of appropriation bills passed by the general assembly in a manner that would cause the final budget approved by the governor to exceed the state general fund expenditure limitation. In complying with the requirements of this subsection, the governor and the general assembly shall not rely on any anticipated reversion of appropriations in order to meet the state general fund expenditure limitation.

Sec. 12. Sections 8.24, 8.37, 8.39A, and 8.42, Code 2001, are repealed.

Sec. 13. EFFECTIVE DATE — APPLICABILITY. This Act, being deemed of immediate importance, takes effect upon enactment. Sections 1 through 5, 7, 8, 10, and 11 are first applicable to the budget and appropriations made for the fiscal year beginning July 1, 2002, and ending June 30, 2003.

Approved November 16, 2001

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**CHAPTER 3**  
HOSPITAL TRUST FUND  
H.F. 763

**AN ACT** relating to the establishment of a hospital trust fund, providing an effective date, and providing for retroactive applicability.

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

DIVISION I  
TITLE AND FINDINGS

Section 1. NEW SECTION. 249I.1 TITLE.

This chapter shall be known and may be cited as the "Iowa Hospital Trust Fund".

Sec. 2. NEW SECTION. 249I.2 LEGISLATIVE FINDINGS — GOAL.

1. The general assembly finds that:

a. The preservation, improvement, and coordination of the health care infrastructure of Iowa is critical to the health and safety of Iowans.

b. Iowa hospital providers are a vital and critical component of Iowa's health care and economic infrastructure.

c. An increasing number of Iowans are eligible for and enrolled in Iowa's medical assistance program.

2. The goal of the trust fund is to provide a continuing source of funding to ensure the

state's ability to support the labor force, infrastructure, technology needs, and other elements of the hospital system.

DIVISION II  
IOWA HOSPITAL TRUST FUND

Sec. 3. NEW SECTION. 249I.3 DEFINITIONS.

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

1. "Department" means the department of human services.
2. "Director" means the director of human services.
3. "Hospital" means hospital as defined in section 135B.1.
4. "Hospital trust fund" means the fund created in this chapter to secure funds based on hospital inpatient and outpatient prospective payment methodologies under the medical assistance program.
5. "Public hospital" means a hospital licensed pursuant to chapter 135B and governed pursuant to chapter 145A, 347, 347A, or 392.

Sec. 4. NEW SECTION. 249I.4 HOSPITAL TRUST FUND — CREATED — APPROPRIATIONS.

1. A hospital trust fund is created in the state treasury under the authority of the department of human services. Moneys received through agreements for the trust fund and moneys received from sources, including grants, contributions, and participant payments, shall be deposited in the trust fund.

2. Moneys deposited in the trust fund shall be used only as provided in appropriations from the trust fund to the department for the purposes specified in the appropriation.

3. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund shall not be considered revenue of the state, but rather shall be funds of the trust fund. The moneys in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered, except to provide for the purposes of this chapter. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

4. The department shall adopt rules pursuant to chapter 17A to administer the trust fund and to establish procedures for participation by public hospitals.

5. The treasurer of state shall provide a quarterly report of trust fund activities and balances to the director.

Sec. 5. NEW SECTION. 249I.6 STATE PLAN AMENDMENT.

The director shall amend the state medical assistance plan as necessary to implement this chapter.

Sec. 6. EMERGENCY RULES.

1. The department of human services may adopt emergency rules to implement this Act.

2. If the department of human services adopts emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement this Act, the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules. 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. 7. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 8. RETROACTIVE APPLICABILITY. The section in this Act that creates section 249I.4 as it relates to receipt of funding, is retroactively applicable to October 1, 2001.

Approved November 16, 2001