

Guiana De Pass 4/13 (p. 1531)
Appropriations 4/18 (p. 2147)

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SENATE FILE 2351

BY COMMITTEE ON APPROPRIATIONS

(FORMERLY SSB 2264)

Approved 4/13 (p. 1512)

Passed Senate, Date 4-17-84 (p. 1605) Passed House, Date 4-19-84 (P.2320)

Vote: Ayes 45 Nays 9 Vote: Ayes 73 Nays 24

Approved Stem Vets May 18, 1984

A BILL FOR

1 An Act relating to the administration and financing of
2 current programs other than mental health programs under
3 the jurisdiction of the department of human services and
4 to the foster care review board for the fiscal year
5 beginning July 1, 1984, and ending June 30, 1985.

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

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1 Section 1. GENERAL ADMINISTRATION. There is appropriated
2 from the general fund of the state for the fiscal year
3 beginning July 1, 1984, and ending June 30, 1985, to the
4 department of human services for general administration, the
5 following amounts, or so much thereof as is necessary:

6
7 1984-1985
Fiscal Year

8 For salaries and support of
9 not more than four hundred twenty-
10 six and seventy-three hundredths
11 full-time equivalent positions an-
12 nually, maintenance, and miscel-
13 laneous purposes, including an
14 amount for a contract to imple-
15 ment a medically needy program \$ 7,200,000

16 For the fiscal year beginning July 1, 1984, and ending
17 June 30, 1985, the department may receive and there is
18 appropriated, in addition to its appropriations from the
19 general fund of the state, such funds from damages awarded
20 to the state by the civil antitrust judgment involving the
21 sale of chickens, to the department for use in the distribution
22 of federal surplus commodities, if the judgment allows the
23 funds received to be used for such purposes.

24 Sec. 2. FIELD OPERATIONS. There is appropriated from
25 the general fund of the state for the fiscal year beginning
26 July 1, 1984, and ending June 30, 1985, to the department
27 of human services for the division of field operations, the
28 following amounts, or so much thereof as is necessary:

29
30 1984-1985
Fiscal Year

31 For salaries and support of
32 not more than two thousand one
33 hundred eighty-nine and three-
34 tenths full-time equivalent po-
35 sitions annually which includes

1 three additional protective ser-
2 vice workers, maintenance, and
3 miscellaneous purposes \$ 19,800,000

4 Sec. 3. SPECIAL PROGRAMS. There is appropriated from
5 the general fund of the state for the fiscal year beginning
6 July 1, 1984, and ending June 30, 1985, to the department
7 of human services, the following amounts, or so much thereof
8 as is necessary, to be used for the purposes designated:

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1984-1985
Fiscal Year

SPECIAL PROGRAMS

1. For aid to families with
dependent children \$ 64,600,000

a. The department shall establish the schedule of living
costs for one person at two hundred thirteen dollars, for
two persons at four hundred twenty-one dollars, for three
persons at four hundred ninety-seven dollars, for four persons
at five hundred seventy-eight dollars, for five persons at
six hundred forty dollars, for six persons at seven hundred
twelve dollars, for seven persons at seven hundred eighty-
two dollars, for eight persons at eight hundred fifty-three
dollars, for nine persons at nine hundred twenty-three dollars,
for ten persons at one thousand nine dollars, and for each
additional person at one hundred one dollars per person.
The department shall not increase current grant payments under
the aid to families with dependent children program.

b. The department shall establish and operate a work
incentive demonstration program for recipients of aid to
families with dependent children and shall incorporate the
coordinated manpower services demonstration projects for
recipients of aid to families with dependent children in two
of the department's districts as a part of the work incentive
demonstration program. All recipients who participate in
the work incentive demonstration program shall be paid a
transportation and participation allowance of five dollars

1 for each day the recipients are determined to be eligible
2 for the allowance. The department may use funds appropriated
3 by this subsection to pay the allowances if federal funds
4 are insufficient to pay the allowances.

5 2. For medical assistance, including reimbursement for
6 all covered services, except for services in institutions
7 for mental diseases or intermediate care facilities for the
8 mentally retarded, to a pregnant woman or child under twenty-
9 one years of age under a medically needy program to be
10 effective November 1, 1984, for a two-month certification
11 period and retroactive for a three-month period as authorized
12 under federal law or regulation, provided the income of the
13 woman or child is reduced by allowable medical expenses to
14 one hundred thirty-three percent of the assistance which would
15 be payable to a similarly situated woman or child under the
16 aid to families with dependent children program and provided
17 the woman or child would also qualify under the resource
18 guidelines of the aid to families with dependent children
19 program, notwithstanding any contrary provision of chapter
20 249A, and reimbursement for abortion services, which shall
21 be available under the medical assistance program only for
22 those abortions which are medically necessary. Medically
23 necessary abortions are those performed under any of the
24 following conditions:

25 a. The attending physician certifies that continuing the
26 pregnancy would endanger the life of the pregnant woman.

27 b. The attending physician certifies that the fetus is
28 physically deformed, mentally deficient, or afflicted with
29 a congenital illness.

30 c. The pregnancy is the result of a rape which is re-
31 ported within forty-five days of the incident to a law en-
32 forcement agency or public or private health agency which
33 may include a family physician.

34 d. The pregnancy is the result of incest which is re-
35 ported within one hundred fifty days of the incident to a

1 law enforcement agency or public or private health agency
2 which may include a family physician.

3 e. Any spontaneous abortion,
4 commonly known as a miscarriage,
5 if not all of the products of

6 conception are expelled \$134,350,000

7 The department may seek a waiver pursuant to Title XIX,
8 section 1915(b) of the federal Social Security Act and, if
9 a waiver is granted, the department may enter into contracts
10 with cost-effective providers, including the university of
11 Iowa hospitals and clinics. It is the intent of the general
12 assembly that the funds due the university hospitals under
13 such a contract shall be taken from the appropriation to the
14 university hospitals for medical and surgical treatment of
15 indigent patients as provided in chapter 255. The department
16 and the university hospitals, in consultation with the state
17 comptroller, shall establish procedures for the proper
18 accounting of the funds due the university hospitals under
19 such a contract for the purpose of qualifying the amount of
20 the funds as state matching funds pursuant to Title XIX of
21 the federal Social Security Act. Such a contract for the
22 provision of hospital and professional care for medically
23 needy indigent obstetric and newborn patients by the university
24 of Iowa hospitals and clinics, shall be limited in
25 applicability to those counties containing and adjacent to
26 counties which contain the university hospitals or satellite
27 clinics of the university hospitals, and shall take into
28 consideration the number of obstetric and newborn patients
29 served from those counties during the prior fiscal year under
30 the statewide indigent patient care program established by
31 chapter 255. Such a contract shall not affect the use of
32 the statewide indigent patient care program for obstetric
33 and newborn patients by counties not included in the contract
34 and the statewide indigent patient care program shall not
35 be replaced by the medically needy program authorized by this

1 subsection.

2 During the fiscal year beginning July 1, 1984, the
3 university hospitals shall collect and submit monthly to the
4 legislative fiscal bureau, while maintaining patient
5 confidentiality, the following data related to the medically
6 needy program:

7 (1) The number and types of indigent patients referred
8 to the university hospitals under the statewide indigent
9 patient care program established by chapter 255, the types
10 of services, including obstetrical services, provided to the
11 indigent patients, and associated hospital charges incurred
12 related to available appropriation support.

13 (2) The number and types of all medical assistance patients
14 served at the university hospitals, the types of services,
15 including obstetrical services, provided to the patients,
16 and the actual hospital charges and medical assistance payments
17 associated with the provision of the services.

18 (3) The number and types of medically needy patients
19 served at the university hospitals, the types of services,
20 including obstetrical services, provided to the patients,
21 and the actual hospital charges and medical assistance payments
22 associated with the provision of the services.

23 The university hospitals shall also provide to the
24 legislative fiscal bureau the data described in subparagraph
25 (1) for the fiscal year beginning July 1, 1983, and ending
26 June 30, 1984.

27 During the fiscal year beginning July 1, 1984, the
28 university hospitals shall continue to collect information
29 from the counties on patients served under the statewide
30 indigent patient care program established by chapter 255,
31 including information on family, employment, and financial
32 status, third-party coverage, county of residence, and other
33 necessary information, with all information identifying
34 individuals considered patient records of the university
35 hospitals and its confidentiality maintained accordingly.

1 The information shall be integrated with data regarding
2 services provided to the patients and the charges for the
3 services and shall be provided to the legislative fiscal
4 bureau. The legislative fiscal bureau shall not collect
5 information on the use of county emergency relief funds to
6 provide medical services to persons who would qualify for
7 medical services under a medically needy component of the
8 medical assistance program. The legislative fiscal bureau
9 shall review options for hospital involvement in the financing
10 of any potential modifications to the medically needy program.

11 The department shall not require prior authorization under
12 the medical assistance program for the receipt of prescription
13 drugs subject to the maximum allowable cost limitations.

14 The department shall make available reimbursements under
15 the medical assistance program for the following over-the-
16 counter drugs if ordered by a person authorized to prescribe
17 prescription drugs: aspirin and acetaminophen; ferrous salts
18 of iron; prenatal multiple vitamins; and with prior
19 authorization, other multiple vitamins.

20 If the department reasonably expects that savings from
21 the implementation of a drug utilization review program will
22 cover the department's share of the costs of a contract for
23 the development and implementation of such a program, the
24 department may contract with the Iowa pharmacy foundation
25 for the development and implementation of such a program.
26 The program shall establish written criteria and standards
27 defining acceptable pharmaceutical services, assess rendered
28 services by using the criteria and standards, correct per-
29 formance deficiencies through education, assess the results
30 of the education directed at correcting the deficiencies,
31 and document any savings as a result of the implementation
32 of the program.

33 The department shall proceed with its proposal for a program
34 of home and community-based services to be provided pursuant
35 to a waiver under Title XIX of the federal Social Security

1 Act in order to provide cost effective alternatives to
2 placements in long-term-care medical institutions. The program
3 shall be funded with the appropriation made by this subsection.
4 A county shall reimburse the department for the cost of
5 services under the program, which is not paid from federal
6 funds, to mentally retarded or mentally ill persons with legal
7 settlement in the county at the same percentage which the
8 county is required to reimburse the state for mentally retarded
9 or mentally ill persons receiving services at state
10 institutions.

11 3. For contractual services-
12 medical carrier \$ 2,200,000

13 4. For child support recoveries,
14 including salaries and support of
15 not more than ninety-six full-time
16 equivalent positions annually, ex-
17 cept as otherwise provided in this
18 subsection, maintenance, and mis-
19 cellaneous purposes \$ 840,000

20 The commissioner of human services, within the limitations
21 of the funds appropriated in this subsection or funds
22 transferred from the aid to families with dependent children
23 program for this purpose, may establish new positions and
24 add additional employees to the child support recovery unit
25 when the commissioner determines that both the current and
26 additional employees together can reasonably be expected to
27 recover for the aid to families with dependent children program
28 and the nonpublic assistance support recovery program more
29 than twice the amount of money required to pay the salaries
30 and support for both the current and additional employees.
31 The department shall demonstrate the cost effectiveness of
32 the current and additional employees by reporting to the
33 social services appropriations subcommittee the ratio of the
34 total amount of administrative costs for child support
35 recoveries to the total amount of the child support recoveries.

1 5. For state supplementary as-
 2 sistance, including state supple-
 3 mentary assistance for the blind \$ 8,450,000

4 6. For aid to Indians under
 5 section 252.43 \$ 37,000

6 The tribal council shall not use more than ten percent
 7 of the funds for administrative expenses.

8 7. For home-based services \$ 5,180,000

9 Of the funds appropriated by this subsection, one hundred
 10 sixty thousand (160,000) dollars, or so much thereof as is
 11 necessary, is appropriated for family planning services.

12 8. For foster care \$ 21,930,000

13 Of the funds appropriated by this subsection, sixty-three
 14 thousand (63,000) dollars, or so much thereof as is necessary,
 15 is appropriated for foster parent training.

16 The department may transfer a portion of the funds ap-
 17 propriated by this subsection for use in providing subsidized
 18 adoption services, if funds allocated under subsection 7 are
 19 insufficient to provide necessary subsidized adoption services.

20 No more than forty percent of all children in foster care
 21 funded under Title IV, Part E of the federal Social Security
 22 Act shall be in foster care for more than twenty-four months.

23 9. For community-based services \$ 1,650,000

24 a. Of the funds appropriated by this subsection, four
 25 hundred twenty-five thousand (425,000) dollars, or so much
 26 thereof as is necessary, is appropriated to assist child care
 27 centers under section 237A.13. Notwithstanding section
 28 237A.13, subsection 4, funds unencumbered as of April 30,
 29 1985, shall not be reallocated unless the unencumbered funds
 30 reclaimed exceed two thousand dollars.

31 b. Of the funds appropriated by this subsection, one
 32 hundred twenty-five thousand (125,000) dollars, or so much
 33 thereof as is necessary, is appropriated for child abuse
 34 prevention services.

35 c. Of the funds appropriated by this subsection, one

1 hundred thousand (100,000) dollars, or so much thereof as
2 is necessary, is appropriated for programs for displaced
3 homemakers, and one hundred thousand (100,000) dollars, or
4 so much thereof as is necessary, is appropriated for programs
5 for victims of domestic abuse.

6 d. Of the funds appropriated by this subsection, two
7 hundred fifty-five thousand (255,000) dollars, or so much
8 thereof as is necessary, is appropriated to provide grants
9 for community-based juvenile services to reduce the need for
10 long-term juvenile institutional placements and to encourage
11 home-based treatment programs as alternatives to juvenile
12 institutional care. Except as provided in paragraph "e",
13 the department shall only approve grants for nonresidential
14 community-based juvenile services and shall give priority
15 in the approval of grants to projects which divert juveniles
16 from incarceration in jails or provide services to reduce
17 the population at state juvenile institutions.

18 e. Of the funds appropriated by paragraph "d", fifty
19 thousand (50,000) dollars, or so much thereof as is necessary,
20 may be used for diagnostic and evaluation services for
21 juveniles.

22 f. The commissioner of human services shall pay from funds
23 appropriated by this subsection, as the entitled aid from
24 the state under section 232.142, subsection 4, one-half of
25 one percent of the total cost of the establishment,
26 improvements, operation, and maintenance of approved county
27 or multicounty juvenile homes.

28 10. For county-based reimburse-
29 ment under section 232.141, subsec-
30 tion 4, paragraph d \$ 1,550,000

31 11. For operation of the state
32 training school and the Iowa juve-
33 nile home, including salaries and
34 support of not more than one hun-
35 dred ninety-six and one-half full-

1 time equivalent positions at the
2 state training school and of not
3 more than one hundred fifteen
4 full-time equivalent positions at
5 the Iowa juvenile home, mainte-
6 nance, and miscellaneous purposes \$ 7,250,000

7 The department shall close a living unit at the training
8 school for juvenile delinquents at Eldora and shall
9 periodically notify the chief judges of the judicial districts
10 and the chairpersons and ranking members of the social services
11 appropriations subcommittee of the number of resident inmates
12 at the Eldora campus when that number equals or approaches
13 one hundred eighty. Notwithstanding the entering of orders
14 for placement at the Eldora campus of the state training
15 school pursuant to section 232.52, subsection 2, paragraph
16 "e", on and after the date of the closing of the living unit
17 at the Eldora campus the department shall not admit any
18 juvenile to the Eldora campus unless the Eldora campus has
19 less than one hundred eighty resident inmates at the time
20 of admission. The department shall place the names of those
21 juveniles, who are subject to orders for placement at the
22 Eldora campus of the state training school but cannot be ad-
23 mitted upon the entering of the orders, on a waiting list.
24 The department shall establish priority admission policies
25 for those juveniles on the waiting list and shall notify the
26 courts ordering placement of the tentative admission dates
27 for the juveniles.

28 12. For volunteers \$ 72,000

29 Sec. 4. BLOCK GRANT SUPPLEMENTATION. There is appropriated
30 from the general fund of this state for the fiscal year begin-
31 ning July 1, 1984, and ending June 30, 1985, to the department
32 of human services for supplementation of federal social
33 services block grant funds and for allocation to the various
34 counties for the purchase of local services for eligible
35 individuals, the following amount, or so much thereof as is

1 necessary:

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4

1984-1985
Fiscal Year
\$ 2,940,000

5 1. Of the funds appropriated by this section, two million
6 six hundred ninety thousand (2,690,000) dollars, or so much
7 thereof as is necessary, is appropriated for allocation to
8 counties for the purchase of local services other than
9 additional child day care services for which funds are
10 appropriated in subsection 2. The department shall increase
11 the current income guidelines for income eligible persons
12 receiving services, other than child day care services, funded
13 with federal social services block grant funds for the fiscal
14 year beginning July 1, 1984 by the same percentage and at
15 the same time as federal social security benefits are increased
16 due to a recognized increase in the cost of living. The
17 department shall increase the current income guidelines for
18 income eligible persons receiving child day care services
19 funded with federal social services block grant funds for
20 the fiscal year beginning July 1, 1984 by no more than four
21 and six-tenths percent. If the department determines that
22 funds allocated under this subsection will not be fully
23 expended, the department may increase the income guidelines
24 in order to provide for the expenditure of all funds allocated
25 under this subsection. A county may use up to four percent
26 of the federal social services block grant funds and funds
27 allocated to the county under this subsection for the purchase
28 of child day care services without matching the federal and
29 state funds with local funds.

30 2. Of the funds appropriated by this section, two hundred
31 fifty thousand (250,000) dollars, or so much thereof as is
32 necessary, is appropriated for allocation to counties, on
33 the same basis as funds are allocated under subsection 1,
34 for the purchase of additional child day care services without
35 requiring the counties to provide matching local funds. The

1 funds appropriated by this subsection shall be used to
2 supplement and shall not be used to replace federal social
3 services block grant funds or state funds allocated under
4 subsection 1 by the county for child day care services,
5 provided the county's allocation of such funds for child day
6 care services is at least equal to the county's expenditure
7 of such funds for child day care services in the fiscal year
8 ending June 30, 1983. The department shall reallocate funds
9 under this subsection from counties which do not qualify for
10 or do not utilize the funds to counties which do qualify for
11 the funds. If the department determines that funds allocated
12 under this subsection will not be fully expended, the
13 department may increase the income guidelines in order to
14 provide for the expenditure of all funds allocated under this
15 subsection.

16 3. The department, in establishing eligibility standards
17 for sheltered work and work activity services, shall disregard
18 the first sixty-five dollars of income from sheltered work
19 or work activity services and fifty percent of any income
20 from sheltered work or work activity services above sixty-
21 five dollars.

22 Sec. 5. REIMBURSEMENT RATES.

23 1. The reimbursement rates and reimbursements for medical
24 assistance providers on July 1, 1984 shall be established
25 at the levels in effect on July 1, 1983. Until November 1,
26 1984, the department shall continue to reduce reimbursements
27 for services other than rural health clinic services by a
28 factor of two and one-half percent in the same manner as
29 provided in 1983 Iowa Acts, chapter 201, section 5, subsection
30 1, paragraph "b". Except for inpatient and outpatient hospital
31 services, skilled nursing facility services, intermediate
32 care facility services, intermediate care facility services
33 for the mentally retarded, home health agency services, rural
34 health clinic services, rehabilitation agency services, mental
35 hospital services, and out-of-state hospital services,

1 effective November 1, 1984 and within the funds appropriated,
2 the reimbursement rates may be increased by an amount which
3 equals no more than three percent of the reimbursement rates
4 in effect on July 1, 1984, which increase shall include the
5 elimination of the two and one-half percent reduction in
6 reimbursements.

7 a. Beginning July 1, 1984, the department shall establish
8 the medical assistance reimbursement rate for psychologists
9 at the fortieth percentile of psychologist profiles compiled
10 for the fiscal year beginning July 1, 1982, and ending June
11 30, 1983. However, no reimbursement rate shall be less than
12 the rate in effect on June 30, 1984. Effective November 1,
13 1984, the reimbursement rate may be increased by an amount
14 which equals no more than three percent of the reimbursement
15 rate in effect on July 1, 1984.

16 b. Beginning July 1, 1984, the department shall establish
17 the medical assistance reimbursement rate for optometrists
18 at the twenty-eighth percentile of optometrist profiles
19 compiled for the fiscal year beginning July 1, 1982, and
20 ending June 30, 1983. However, no reimbursement rate shall
21 be less than the rate in effect on June 30, 1984. Effective
22 November 1, 1984, the reimbursement rate may be increased
23 by an amount which equals no more than three percent of the
24 reimbursement rate in effect on July 1, 1984.

25 c. Beginning July 1, 1984, the basis for establishing
26 the maximum medical assistance reimbursement rate for inter-
27 mediate care facilities shall be no higher than the fifty-
28 seventh percentile of all facilities' per diems as calculated
29 from the June 30, 1984 compilation of unaudited financial
30 and statistical reports. The department may establish the
31 maximum reimbursement rate for intermediate care facilities,
32 beginning on January 1, 1985, at the fiftieth percentile of
33 all facilities' per diems as calculated from the December
34 31, 1984 compilation of unaudited financial and statistical
35 reports, if the calculated rate would exceed the maximum

1 reimbursement rate effective on July 1, 1984. The department
2 shall reinstate the incentive and inflation payments to
3 facilities with costs below the maximum reimbursement rate
4 for services provided on or after July 1, 1984.

5 2. For the fiscal year beginning July 1, 1984:

6 a. The maximum reimbursement rate for residential care
7 facilities utilizing the cost-related reimbursement system
8 shall be established at the point where twenty-five percent
9 of such facilities would have received full cost coverage
10 for their actual allowable per diems in effect on June 30,
11 1984.

12 b. The flat reimbursement rate for residential care
13 facilities shall be established at twelve dollars and thirty-
14 five cents per day.

15 c. The reimbursement rates and reimbursements for in-home
16 health related care under the state supplementary assistance
17 program shall be established at the levels in effect on October
18 31, 1983.

19 3. For the fiscal year beginning July 1, 1984, the current
20 reimbursement rates for all foster family homes and for
21 subsidized adoptions may be increased, on the average, by
22 not more than three percent of the reimbursement rates in
23 effect on July 1, 1983. However, that average increase shall
24 be distributed in such a manner as to increase the
25 reimbursements to all foster family age categories by the
26 same dollar amount.

27 4. For the fiscal year beginning July 1, 1984, except
28 as provided in subsection 5, the current reimbursement rates
29 for purchase of service providers may be increased by not
30 more than three percent of the reimbursement rates authorized
31 on July 1, 1983.

32 5. For the fiscal year beginning July 1, 1984, the current
33 reimbursement rates for local purchase of service providers
34 which receive reimbursement from federal social services block
35 grant funds and state funds supplementing those federal funds,

1 may be increased by not more than three and one-half percent
2 of the reimbursement rates authorized on July 1, 1983.

3 6. The board of pharmacy examiners shall rescind its
4 rules, adopted pursuant to 1982 Iowa Acts, chapter 1260,
5 section 96, relating to the reduction of charges to the medical
6 assistance program.

7 7. The department of human services and the state
8 department of health shall study jointly the feasibility and
9 costs of establishing by administrative rule, within the
10 intermediate care facility category in chapter 135C, a special
11 classification for facilities intended to provide specialized
12 rehabilitative services to brain-injured individuals. The
13 study shall include an examination of reimbursement
14 methodologies for such facilities under the medical assistance
15 program. The departments shall complete the study and report
16 the findings of the study and any recommendations to the
17 general assembly by January 15, 1985.

18 Sec. 6. INVOLUNTARY TRANSFERS. If a skilled nursing
19 facility or an intermediate care facility receives payments
20 under Title XIX of the federal Social Security Act for one
21 or more patients in the facility, the facility shall not
22 involuntarily transfer any patient to another facility if
23 that patient had previously been receiving medical assistance
24 under chapter 249A for care in the facility and has been
25 disqualified for that medical assistance because of an increase
26 in income, but agrees to pay all of the patient's income and
27 resources not exempt under guidelines in Title XIX of the
28 federal Social Security Act for continued care in the facility
29 and that payment equals or exceeds the medical assistance
30 reimbursement rate for the particular facility.

31 Sec. 7. TRANSFERS. Except as provided in section 3,
32 subsection 4 of this Act, funds appropriated under section
33 3, subsections 1, 2, 8, and 10 of this Act, shall not be
34 transferred or used for any other purposes than specified
35 in those subsections, notwithstanding section 8.39. However,

1 funds appropriated under section 3, subsections 1, 2, 8, and
2 10 of this Act may be transferred under section 8.39 among
3 those subsections and may be used for the purposes specified
4 in those subsections.

5 Sec. 8. ADDITIONAL STAFF. Notwithstanding the limitations
6 on full-time equivalent positions in section 1, section 2,
7 and section 3, subsections 4 and 11 of this Act, the department
8 of human services may add staff above the limitations if the
9 department receives additional federal funding not originally
10 anticipated and budgeted.

11 Sec. 9. SUPPLEMENTAL SECURITY INCOME REIMBURSEMENTS TO
12 COUNTIES. The commissioner of human services may enter into
13 an agreement with the federal social security administration
14 to secure reimbursements to counties contracting with the
15 department for assistance paid in the form of county general
16 relief during an interim period prior to a determination
17 of eligibility for federal supplemental security income
18 payments. If a reimbursement dispute arises between a county
19 and the federal social security administration, the county
20 shall pay for an independent audit. If the federal social
21 security administration establishes a claim against a county
22 and withholds funds from the state or directs the department
23 to pay the claim to a recipient of federal supplemental
24 security income, the department shall set off against other
25 funds due the county from the department the amount of the
26 claim.

27 Sec. 10. RULES. The department of human services shall
28 adopt administrative rules under section 17A.4, subsection
29 2, and section 17A.5, subsection 2, paragraph "b", relating
30 to transportation and participation allowances under the work
31 incentive demonstration program in section 3, subsection
32 1, paragraph "b" of this Act, the medically needy program
33 in section 3, subsection 2 of this Act and reimbursements
34 under the medical assistance program in section 5, subsection
35 1 of this Act, and the Eldora campus of the state training

1 school in section 3, subsection 11 of this Act and may adopt
2 administrative rules under section 17A.4, subsection 2 and
3 section 17A.5, subsection 2, paragraph "b", relating to the
4 schedule of living costs under the aid to families with
5 dependent children program in section 3, subsection 1,
6 paragraph "a" of this Act, prior authorization for certain
7 prescription drugs, reimbursements for certain over-the-counter
8 drugs, a drug utilization review program, and the federal
9 waiver proposal for a program of home and community-based
10 services under the medical assistance program in section 3,
11 subsection 2 of this Act, reimbursements in section 5,
12 subsections 2 through 5 of this Act, income guidelines for
13 and child day care services allocations of state funds
14 supplementing federal social services block grant funds in
15 section 4 of this Act, and supplemental security income
16 reimbursements to counties in section 9 of this Act, and the
17 rules shall become effective immediately upon filing, unless
18 a later effective date is specified in the rules.

19 Sec. 11. FOSTER CARE REVIEW BOARD. There is appropriated
20 from the general fund of the state for the fiscal year
21 beginning July 1, 1984, and ending June 30, 1985, to the
22 foster care review board, the following amount, or so much
23 thereof as is necessary:

24		1984-1985
25		<u>Fiscal Year</u>
26	For salaries, support, main-	
27	tenance, and miscellaneous pur-	
28	poses	\$ 70,000

29 Sec. 12. FEDERAL FUNDS. All federal grants to and the
30 federal receipts of the department of human services and the
31 foster care review board are appropriated for the purposes
32 set forth in the federal grants or receipts.

33 Sec. 13. CAPITAL IMPROVEMENTS EXCLUDED. Funds appropriated
34 by this Act shall not be used for capital improvements.

35 EXPLANATION

1 This bill appropriates moneys from the general fund of
2 the state for the fiscal year beginning July 1, 1984, and
3 ending June 30, 1985 to the department of human services for
4 general administration, field operations, and special programs,
5 including aid to families with dependent children, medical
6 assistance, child support recovery, state supplementary
7 assistance, home-based services, foster care, community-based
8 services, county-based reimbursements, and state institutional
9 services for juveniles. Block grant supplemental funds are
10 appropriated. Funds are appropriated for operation of the
11 foster care review board. The bill takes effect July 1, 1984.

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SENATE FILE 2351

S-5929

Amend Senate File 2351 as follows:

- 1. Page 9, line 34, by striking the word "one" and inserting in lieu thereof the word "two".
- 2. Page 9, line 35, by striking the words "ninety-six and one-half" and inserting in lieu thereof the word "one".
- 3. Page 10, line 6, by striking the figure "7,250,000" and inserting in lieu thereof the figure "7,390,000".
- 4. Page 10, by striking lines 7 through 27.
- 5. By striking page 16, line 35, through page 17, line 1, and inserting in lieu thereof the following: "1 of this Act, and may adopt":

S-5929 FILED APRIL 16, 1984

BY RAY TAYLOR

Law 4/17 (p. 1600)

SENATE FILE 2351

S-5941

Amend Senate File 2351 as follows:

- A** 1. Page 1, line 33, by striking the word "eighty-nine" and inserting in lieu thereof the word "seventy-nine".
- B** 2. Page 2, line 3, by striking the figure "19,800,000" and inserting in lieu thereof the figure "19,674,000".
- C** 3. Page 3, lines 6 through 8, by striking the words "all covered services, except for services in institutions for mental diseases or intermediate care facilities for the mentally retarded" and inserting in lieu thereof the words "only those services required by federal law or regulation".
- D** 4. Page 3, lines 8 and 9, by striking the words "child under twenty-one years of age" and inserting in lieu thereof the following "dependent child, as defined in section 239.1".
- E** 5. Page 3, line 10, by striking the word and figures "November 1, 1984" and inserting in lieu thereof the word and figures "January 1, 1985".
- F** 6. Page 4, line 6, by striking the figure "134,350,000" and inserting in lieu thereof the figure "134,476,000".
- G** 7. Page 13, lines 27 and 28, by striking the word "fifty-seventh" and inserting in lieu thereof the word "sixty-sixth".
- H** 8. By striking page 13, line 30, through page 14, line 1 and inserting in lieu thereof the words "and statistical reports. The department".

S-5941 FILED
APRIL 17, 1984

BY BERL E. PRIEBE

DIVISIONS A, B, F, G, H--ADOPTED

AL MILLER

~~G. JOSEPH COLEMAN~~ *ALZOK*

DIVISIONS C, E LOST

CHARLES MILLER EMIL HUSAK

DIVISION D - WITHDRAWN

JAMES V. GALLAGHER RAY TAYLOR

(pp 1546-1599)

DALE L. TIEDEN MILO COLTON

ARNE WALDSTEIN

DONALD V. DOYLE

NORMAN RODGERS

SENATE FILE 2351

S-5903

- 1 Amend Senate File 2351 as follows:
2 1. Page 11, lines 20 and 21, by striking the
3 words "four and six-tenths" and inserting in
4 lieu thereof the word "ten".

S-5903 FILED

APRIL 13, 1984

Adopted 4/11 (p. 1600)

BY TOM MANN

TOM SLATER

SENATE FILE 2351

S-5906

- 1 Amend Senate File 2351 as follows:
2 1. Page 1, line 15, by striking the figure
3 "7,200,000" and inserting in lieu thereof the figure
4 "7,187,000".
5 2. Page 2, line 3, by striking the figure
6 "19,800,000" and inserting in lieu thereof the figure
7 "19,768,000".
8 3. Page 10, line 6, by striking the figure
9 "7,250,000" and inserting in lieu thereof the figure
A 10 "7,235,000".

S-5906 FILED

APRIL 13, 1984

A. Adopted, B. w/d 4/17 (p. 1601)

BY CHARLES BRUNER

SENATE FILE 2351

S-5921

- 1 Amend Senate File 2351 as follows:
2 1. Page 12, by inserting after line 21 the
3 following:
4 "4. The counties shall purchase child day care
5 services funded under this section from all categories
6 of child day care providers, including child care centers,
7 group day care homes, and family day care homes."

S-5921 FILED

APRIL 16, 1984

Adopted 4/17 (p. 1600)

BY BERL E. PRIEBE

SENATE FILE 2351

S-5925

- 1 Amend Senate File 2351 as follows:
2 1. Page 15, by striking lines 7 through 17 and
3 inserting in lieu thereof the following:
4 "7. The department of human services, in
5 conjunction with the state department of health, shall
6 study the specialized care needs of brain damaged,
7 mentally retarded, mentally ill, respiratory dependent,
8 and other heavy care or special needs populations
9 which could be served in intermediate care facilities
10 or skilled nursing facilities if adequate
11 reimbursements were available, or in specialized
12 intermediate care facilities or skilled nursing
13 facilities designed to serve populations with
14 particular disabling conditions, if more appropriate.
15 The department shall make preliminary recommendations
16 based on the study to the governor by November 1,
17 1984 and shall make a final report to the general
18 assembly by January 15, 1985 regarding recommended
19 changes or additions to facility licensing standards
20 and recommended changes in medical assistance
21 reimbursement methodologies."

S-5925 FILED

APRIL 16, 1984

Adopted 4/17 (p. 1600)

BY CHARLES BRUNER

SENATE FILE 2351

5944

- 1 Amend Senate File 2351 as follows:
2 1. Page 1, line 10, by striking the words "six
3 and seventy-three" and inserting in lieu thereof the
4 words "three and ninety-eight".
5 2. Page 1, by striking lines 13 through 15 and
6 inserting in lieu thereof the following:
7 "laneous purposes \$7,020,000".
8 3. Page 1, by inserting after line 15 the
9 following:
10 "For salaries and support of
11 not more than two and three-fourths
12 full-time equivalent positions
13 annually, maintenance, and miscel-
14 laneous purposes for a contract to
15 implement a medically needy program \$ 180,000".
16 4. Page 1, lines 33 and 34, by striking the words
17 "eight-nine and three-tenths" and inserting in lieu
18 thereof the word "forty-five".
19 5. Page 2, line 3, by striking the figure
20 "19,800,000" and inserting in lieu thereof the figure
21 "19,420,000".
22 6. Page 2, by inserting after line 3 the following:
23 "For salaries and support of
24 not more than forty-four and three-
25 tenths full-time equivalent
26 positions annually, maintenance, and
27 miscellaneous purposes to implement
28 a medically needy program \$ 380,000".
29 7. Page 2, by inserting after line 13 the
30 following:
31 "For supplementary funds
32 for aid to families with dependent
33 children if a medically needy
34 program is not implemented \$ 200,000".
35 8. Page 3, by striking lines 6 through 20 and
36 inserting in lieu thereof the words "abortion services,
37 which shall"
38 9. Page 4, line 6, by striking the figure
39 "134,350,000" and inserting in lieu thereof the figure
40 "132,700,000".
41 10. Page 4, by inserting after line 6 the
42 following:
43 "For medical assistance
44 reimbursement for all
45 covered services, except
46 for services in institut-
47 ions for mental diseases
48 or intermediate care
49 facilities for the mentally
50 retarded, to a pregnant

1 woman or child under
 2 twenty-one years of age
 3 under a medically needy
 4 program to be effective
 5 November 1, 1984, for a
 6 two-month certification
 7 period and retroactive
 8 for a three-month period
 9 as authorized under federal
 10 law or regulation, provided
 11 the income of the woman or
 12 child is reduced by allow-
 13 able medical expenses to
 14 one hundred thirty-three
 15 percent of the assistance
 16 which would be payable to
 17 a similarly situated woman
 18 or child under the aid to
 19 families with dependent
 20 children program and
 21 provided the woman or
 22 child would also qualify
 23 under the resource guide-
 24 lines of the aid to families
 25 with dependent children
 26 program, notwithstanding any
 27 contrary provision of chapter 249A \$1,650,000".
 28 11. Page 7, line 12, by striking the figure "2,200,000"
 29 and inserting in lieu thereof the figure "2,190,000".
 30 12. Page 7, by inserting after line 12 the following:
 31 For contractual services-
 32 medical carrier for a medically
 33 needy program \$ 10,000".

S-5944 FILED & WITHDRAWN BY ARNE WALDSTEIN
APRIL 17, 1984 (p. 1601)

SENATE FILE 2351

S-5945

1 Amend amendment S-5906 to Senate File 2351 as
 2 follows:
 3 1. Page 1, by striking lines 8 through 10 and
 4 inserting in lieu thereof the following:
 5 "3. Page 9, line 34, by striking the word "one"
 6 and inserting in lieu thereof the word "two".
 7 4. Page 9, line 35, by striking the words "ninety-
 8 six and one-half" and inserting in lieu thereof the
 9 word "one".
 10 5. Page 10, line 6, by striking the figure
 11 "7,250,000" and inserting in lieu thereof the figure
 12 "7,375,000".
 13 6. Page 10, by striking lines 7 through 27.
 14 7. By striking page 16, line 35, through page
 15 17, line 1, and inserting in lieu thereof the
 16 following: "1 of this Act, and may adopt"."

S-5945 FILED BY RAY TAYLOR
APRIL 17, 1984 EMIL J. HUSAK
RULED OUT OF ORDER (p. 1601)

SENATE FILE 2351

S-5961

1 Amend Senate File 2351 as follows:
2 1. By striking page 12, line 23 through page 13,
3 line 6 and inserting in lieu thereof the following:
4 "1. Except for inpatient and outpatient hospital
5 services, skilled nursing facility services,
6 intermediate care facility services, intermediate
7 care facility services for the mentally retarded,
8 home health agency services, rural health clinic
9 services, rehabilitation agency services, mental
10 hospital services, and out-of-state hospital services,
11 the reimbursement rates and reimbursements for medical
12 assistance providers on July 1, 1984 shall be
13 established at the levels in effect on July 1, 1983,
14 increased by an amount which equals no more than one
15 and two-tenths percent of the reimbursement rates
16 in effect on July 1, 1983. The department shall
17 continue to reduce reimbursements for services other
18 than rural health clinic services by a factor of two
19 and one-half percent in the same manner as provided
20 in 1983 Iowa Acts, chapter 201, section 5, subsection
21 1, paragraph "b"."

S-5961 FILED & ADOPTED
APRIL 17, 1984 (p. 1605)

BY CHARLES BRUNER
ARNE WALDSTEIN JULIA GENTLEMAN
BERL E. PRIEBE RAY TAYLOR

SENATE FILE 2351

S-5948

1 Amend Senate File 2351 as follows:
2 1. Page 1, line 14, by striking the words
3 "for a contract" and inserting in lieu thereof
4 the word "necessary".
5 2. By striking page 4, line 31 through page
6 5, line 1, and inserting in lieu thereof the
7 following: "chapter 255. The medically needy
8 program established under this section shall not
9 limit a patient's right to use the statewide
10 indigent patient care program for obstetric and
11 newborn services."

S-5948 FILED & ADOPTED BY TOM SLATER
APRIL 17, 1984 (p. 1595)

SENATE FILE 2351

S-5959

1 Amend Senate File 2351 as follows:
2 1. Page 4, line 7, by striking the word "The"
3 and inserting in lieu thereof the words "For purposes
4 of a medically needy program, the".
5 2. Page 6, line 4, by inserting after the word
6 "bureau." the following: "The department shall
7 maintain records on the use of the medical assistance
8 program by individuals qualifying under the medically
9 needy program and the cost of that use to the state.
10 By March 1, 1985, from the data collected, the
11 department shall estimate the annual medical assistance
12 cost of the program to the state, and, if that amount
13 exceeds four million five hundred thousand dollars,
14 the department shall present to the general assembly
15 program alternatives to reduce the cost to the medical
16 assistance program to or below four million five
17 hundred thousand dollars. The legislative fiscal
18 bureau shall estimate the increased reimbursements
19 to the university of Iowa hospitals and clinics under
20 the medically needy program for patients who otherwise
21 would have used the statewide indigent patient care
22 program."
23 3. Page 14, line 2, by inserting after the word
24 "payments" the words and figures ", as set forth in
25 departmental rules prior to November 1, 1983,".

S-5959 FILED & ADOPTED BY CHARLES BRUNER
APRIL 17, 1984 (p. 1601) ARNE WALDSTEIN

SENATE FILE 2351

S-5960

1 Amend Senate File 2351 as follows:
2 1. Page 16, by striking lines 5 through 10.

S-5960 FILED & LOST BY ARNE WALDSTEIN
APRIL 17, 1984 (p. 1600)

1 Section 1. GENERAL ADMINISTRATION. There is appropriated
2 from the general fund of the state for the fiscal year
3 beginning July 1, 1984, and ending June 30, 1985, to the
4 department of human services for general administration, the
5 following amounts, or so much thereof as is necessary:

6
7 1984-1985
Fiscal Year

8 For salaries and support of
9 not more than four hundred twenty-
10 six and seventy-three hundredths
11 full-time equivalent positions an-
12 nually, maintenance, and miscel-
13 laneous purposes, including an
14 amount necessary to implement a
15 medically needy program \$ 7,187,000

16 For the fiscal year beginning July 1, 1984, and ending
17 June 30, 1985, the department may receive and there is
18 appropriated, in addition to its appropriations from the
19 general fund of the state, such funds from damages awarded
20 to the state by the civil antitrust judgment involving the
21 sale of chickens, to the department for use in the distribution
22 of federal surplus commodities, if the judgment allows the
23 funds received to be used for such purposes.

24 Sec. 2. FIELD OPERATIONS. There is appropriated from
25 the general fund of the state for the fiscal year beginning
26 July 1, 1984, and ending June 30, 1985, to the department
27 of human services for the division of field operations, the
28 following amounts, or so much thereof as is necessary:

29
30 1984-1985
Fiscal Year

31 For salaries and support of
32 not more than two thousand one
33 hundred seventy-nine and three-
34 tenths full-time equivalent po-
35 sitions annually which includes

1 three additional protective ser-
2 vice workers, maintenance, and
3 miscellaneous purposes \$ 19,674,000

4 Sec. 3. SPECIAL PROGRAMS. There is appropriated from
5 the general fund of the state for the fiscal year beginning
6 July 1, 1984, and ending June 30, 1985, to the department
7 of human services, the following amounts, or so much thereof
8 as is necessary, to be used for the purposes designated:

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1984-1985
Fiscal Year

11 SPECIAL PROGRAMS

12 1. For aid to families with
13 dependent children \$ 64,600,000

14 a. The department shall establish the schedule of living
15 costs for one person at two hundred thirteen dollars, for
16 two persons at four hundred twenty-one dollars, for three
17 persons at four hundred ninety-seven dollars, for four persons
18 at five hundred seventy-eight dollars, for five persons at
19 six hundred forty dollars, for six persons at seven hundred
20 twelve dollars, for seven persons at seven hundred eighty-
21 two dollars, for eight persons at eight hundred fifty-three
22 dollars, for nine persons at nine hundred twenty-three dollars,
23 for ten persons at one thousand nine dollars, and for each
24 additional person at one hundred one dollars per person.
25 The department shall not increase current grant payments under
26 the aid to families with dependent children program.

27 b. The department shall establish and operate a work
28 incentive demonstration program for recipients of aid to
29 families with dependent children and shall incorporate the
30 coordinated manpower services demonstration projects for
31 recipients of aid to families with dependent children in two
32 of the department's districts as a part of the work incentive
33 demonstration program. All recipients who participate in
34 the work incentive demonstration program shall be paid a
35 transportation and participation allowance of five dollars

1 for each day the recipients are determined to be eligible
2 for the allowance. The department may use funds appropriated
3 by this subsection to pay the allowances if federal funds
4 are insufficient to pay the allowances.

5 2. For medical assistance, including reimbursement for
6 all covered services, except for services in institutions
7 for mental diseases or intermediate care facilities for the
8 mentally retarded, to a pregnant woman or child under twenty-
9 one years of age under a medically needy program to be
10 effective November 1, 1984, for a two-month certification
11 period and retroactive for a three-month period as authorized
12 under federal law or regulation, provided the income of the
13 woman or child is reduced by allowable medical expenses to
14 one hundred thirty-three percent of the assistance which would
15 be payable to a similarly situated woman or child under the
16 aid to families with dependent children program and provided
17 the woman or child would also qualify under the resource
18 guidelines of the aid to families with dependent children
19 program, notwithstanding any contrary provision of chapter
20 249A, and reimbursement for abortion services, which shall
21 be available under the medical assistance program only for
22 those abortions which are medically necessary. Medically
23 necessary abortions are those performed under any of the
24 following conditions:

25 a. The attending physician certifies that continuing the
26 pregnancy would endanger the life of the pregnant woman.

27 b. The attending physician certifies that the fetus is
28 physically deformed, mentally deficient, or afflicted with
29 a congenital illness.

30 c. The pregnancy is the result of a rape which is re-
31 ported within forty-five days of the incident to a law en-
32 forcement agency or public or private health agency which
33 may include a family physician.

34 d. The pregnancy is the result of incest which is re-
35 ported within one hundred fifty days of the incident to a

1 law enforcement agency or public or private health agency
2 which may include a family physician.

3 e. Any spontaneous abortion,
4 commonly known as a miscarriage,
5 if not all of the products of

6 conception are expelled \$ 134,476,000

7 For purposes of a medically needy program, the department
8 may seek a waiver pursuant to Title XIX, section 1915(b) of
9 the federal Social Security Act and, if a waiver is granted,
10 the department may enter into contracts with cost-effective
11 providers, including the university of Iowa hospitals and
12 clinics. It is the intent of the general assembly that the
13 funds due the university hospitals under such a contract shall
14 be taken from the appropriation to the university hospitals
15 for medical and surgical treatment of indigent patients as
16 provided in chapter 255. The department and the university
17 hospitals, in consultation with the state comptroller, shall
18 establish procedures for the proper accounting of the funds
19 due the university hospitals under such a contract for the
20 purpose of qualifying the amount of the funds as state matching
21 funds pursuant to Title XIX of the federal Social Security
22 Act. Such a contract for the provision of hospital and
23 professional care for medically needy indigent obstetric and
24 newborn patients by the university of Iowa hospitals and
25 clinics, shall be limited in applicability to those counties
26 containing and adjacent to counties which contain the
27 university hospitals or satellite clinics of the university
28 hospitals, and shall take into consideration the number of
29 obstetric and newborn patients served from those counties
30 during the prior fiscal year under the statewide indigent
31 patient care program established by chapter 255. The medically
32 needy program established under this section shall not limit
33 a patient's right to use the statewide indigent patient care
34 program for obstetric and newborn services.

35 During the fiscal year beginning July 1, 1984, the

1 university hospitals shall collect and submit monthly to the
2 legislative fiscal bureau, while maintaining patient
3 confidentiality, the following data related to the medically
4 needy program:

5 (1) The number and types of indigent patients referred
6 to the university hospitals under the statewide indigent
7 patient care program established by chapter 255, the types
8 of services, including obstetrical services, provided to the
9 indigent patients, and associated hospital charges incurred
10 related to available appropriation support.

11 (2) The number and types of all medical assistance patients
12 served at the university hospitals, the types of services,
13 including obstetrical services, provided to the patients,
14 and the actual hospital charges and medical assistance payments
15 associated with the provision of the services.

16 (3) The number and types of medically needy patients
17 served at the university hospitals, the types of services,
18 including obstetrical services, provided to the patients,
19 and the actual hospital charges and medical assistance payments
20 associated with the provision of the services.

21 The university hospitals shall also provide to the
22 legislative fiscal bureau the data described in subparagraph
23 (1) for the fiscal year beginning July 1, 1983, and ending
24 June 30, 1984.

25 During the fiscal year beginning July 1, 1984, the
26 university hospitals shall continue to collect information
27 from the counties on patients served under the statewide
28 indigent patient care program established by chapter 255,
29 including information on family, employment, and financial
30 status, third-party coverage, county of residence, and other
31 necessary information, with all information identifying
32 individuals considered patient records of the university
33 hospitals and its confidentiality maintained accordingly.
34 The information shall be integrated with data regarding
35 services provided to the patients and the charges for the

1 services and shall be provided to the legislative fiscal
2 bureau. The department shall maintain records on the use
3 of the medical assistance program by individuals qualifying
4 under the medically needy program and the cost of that use
5 to the state. By March 1, 1985, from the data collected,
6 the department shall estimate the annual medical assistance
7 cost of the program to the state, and, if that amount exceeds
8 four million five hundred thousand dollars, the department
9 shall present to the general assembly program alternatives
10 to reduce the cost to the medical assistance program to or
11 below four million five hundred thousand dollars. The
12 legislative fiscal bureau shall estimate the increased
13 reimbursements to the university of Iowa hospitals and clinics
14 under the medically needy program for patients who otherwise
15 would have used the statewide indigent patient care program.
16 The legislative fiscal bureau shall not collect information
17 on the use of county emergency relief funds to provide medical
18 services to persons who would qualify for medical services
19 under a medically needy component of the medical assistance
20 program. The legislative fiscal bureau shall review options
21 for hospital involvement in the financing of any potential
22 modifications to the medically needy program.

23 The department shall not require prior authorization under
24 the medical assistance program for the receipt of prescription
25 drugs subject to the maximum allowable cost limitations.

26 The department shall make available reimbursements under
27 the medical assistance program for the following over-the-
28 counter drugs if ordered by a person authorized to prescribe
29 prescription drugs: aspirin and acetaminophen; ferrous salts
30 of iron; prenatal multiple vitamins; and with prior
31 authorization, other multiple vitamins.

32 If the department reasonably expects that savings from
33 the implementation of a drug utilization review program will
34 cover the department's share of the costs of a contract for
35 the development and implementation of such a program, the

1 department may contract with the Iowa pharmacy foundation
2 for the development and implementation of such a program.
3 The program shall establish written criteria and standards
4 defining acceptable pharmaceutical services, assess rendered
5 services by using the criteria and standards, correct per-
6 formance deficiencies through education, assess the results
7 of the education directed at correcting the deficiencies,
8 and document any savings as a result of the implementation
9 of the program.

10 The department shall proceed with its proposal for a program
11 of home and community-based services to be provided pursuant
12 to a waiver under Title XIX of the federal Social Security
13 Act in order to provide cost effective alternatives to
14 placements in long-term-care medical institutions. The program
15 shall be funded with the appropriation made by this subsection.
16 A county shall reimburse the department for the cost of
17 services under the program, which is not paid from federal
18 funds, to mentally retarded or mentally ill persons with legal
19 settlement in the county at the same percentage which the
20 county is required to reimburse the state for mentally retarded
21 or mentally ill persons receiving services at state
22 institutions.

23 3. For contractual services-
24 medical carrier \$ 2,200,000

25 4. For child support recoveries,
26 including salaries and support of
27 not more than ninety-six full-time
28 equivalent positions annually, ex-
29 cept as otherwise provided in this
30 subsection, maintenance, and mis-
31 cellaneous purposes \$ 840,000

32 The commissioner of human services, within the limitations
33 of the funds appropriated in this subsection or funds
34 transferred from the aid to families with dependent children
35 program for this purpose, may establish new positions and

1 add additional employees to the child support recovery unit
 2 when the commissioner determines that both the current and
 3 additional employees together can reasonably be expected to
 4 recover for the aid to families with dependent children program
 5 and the nonpublic assistance support recovery program more
 6 than twice the amount of money required to pay the salaries
 7 and support for both the current and additional employees.
 8 The department shall demonstrate the cost effectiveness of
 9 the current and additional employees by reporting to the
 10 social services appropriations subcommittee the ratio of the
 11 total amount of administrative costs for child support
 12 recoveries to the total amount of the child support recoveries.

13 5. For state supplementary as-
 14 sistance, including state supple-
 15 mentary assistance for the blind \$ 8,450,000

16 6. For aid to Indians under
 17 section 252.43 \$ 37,000

18 The tribal council shall not use more than ten percent
 19 of the funds for administrative expenses.

20 7. For home-based services \$ 5,180,000

21 Of the funds appropriated by this subsection, one hundred
 22 sixty thousand (160,000) dollars, or so much thereof as is
 23 necessary, is appropriated for family planning services.

24 8. For foster care \$ 21,930,000

25 Of the funds appropriated by this subsection, sixty-three
 26 thousand (63,000) dollars, or so much thereof as is necessary,
 27 is appropriated for foster parent training.

28 The department may transfer a portion of the funds ap-
 29 propriated by this subsection for use in providing subsidized
 30 adoption services, if funds allocated under subsection 7 are
 31 insufficient to provide necessary subsidized adoption services.

32 No more than forty percent of all children in foster care
 33 funded under Title IV, Part E of the federal Social Security
 34 Act shall be in foster care for more than twenty-four months.

35 9. For community-based services \$ 1,650,000

1 a. Of the funds appropriated by this subsection, four
2 hundred twenty-five thousand (425,000) dollars, or so much
3 thereof as is necessary, is appropriated to assist child care
4 centers under section 237A.13. Notwithstanding section
5 237A.13, subsection 4, funds unencumbered as of April 30,
6 1985, shall not be reallocated unless the unencumbered funds
7 reclaimed exceed two thousand dollars.

8 b. Of the funds appropriated by this subsection, one
9 hundred twenty-five thousand (125,000) dollars, or so much
10 thereof as is necessary, is appropriated for child abuse
11 prevention services.

12 c. Of the funds appropriated by this subsection, one
13 hundred thousand (100,000) dollars, or so much thereof as
14 is necessary, is appropriated for programs for displaced
15 homemakers, and one hundred thousand (100,000) dollars, or
16 so much thereof as is necessary, is appropriated for programs
17 for victims of domestic abuse.

18 d. Of the funds appropriated by this subsection, two
19 hundred fifty-five thousand (255,000) dollars, or so much
20 thereof as is necessary, is appropriated to provide grants
21 for community-based juvenile services to reduce the need for
22 long-term juvenile institutional placements and to encourage
23 home-based treatment programs as alternatives to juvenile
24 institutional care. Except as provided in paragraph "e",
25 the department shall only approve grants for nonresidential
26 community-based juvenile services and shall give priority
27 in the approval of grants to projects which divert juveniles
28 from incarceration in jails or provide services to reduce
29 the population at state juvenile institutions.

30 e. Of the funds appropriated by paragraph "d", fifty
31 thousand (50,000) dollars, or so much thereof as is necessary,
32 may be used for diagnostic and evaluation services for
33 juveniles.

34 f. The commissioner of human services shall pay from funds
35 appropriated by this subsection, as the entitled aid from

1 the state under section 232.142, subsection 4, one-half of
2 one percent of the total cost of the establishment,
3 improvements, operation, and maintenance of approved county
4 or multicounty juvenile homes.

5 10. For county-based reimburse-
6 ment under section 232.141, subsec-
7 tion 4, paragraph d \$ 1,550,000

8 11. For operation of the state
9 training school and the Iowa juve-
10 nile home, including salaries and
11 support of not more than one hun-
12 dred ninety-six and one-half full-
13 time equivalent positions at the
14 state training school and of not
15 more than one hundred fifteen
16 full-time equivalent positions at
17 the Iowa juvenile home, mainte-
18 nance, and miscellaneous purposes \$ 7,235,000

19 The department shall close a living unit at the training
20 school for juvenile delinquents at Eldora and shall
21 periodically notify the chief judges of the judicial districts
22 and the chairpersons and ranking members of the social services
23 appropriations subcommittee of the number of resident inmates
24 at the Eldora campus when that number equals or approaches
25 one hundred eighty. Notwithstanding the entering of orders
26 for placement at the Eldora campus of the state training
27 school pursuant to section 232.52, subsection 2, paragraph
28 "e", on and after the date of the closing of the living unit
29 at the Eldora campus the department shall not admit any
30 juvenile to the Eldora campus unless the Eldora campus has
31 less than one hundred eighty resident inmates at the time
32 of admission. The department shall place the names of those
33 juveniles, who are subject to orders for placement at the
34 Eldora campus of the state training school but cannot be ad-
35 mitted upon the entering of the orders, on a waiting list.

1 The department shall establish priority admission policies
2 for those juveniles on the waiting list and shall notify the
3 courts ordering placement of the tentative admission dates
4 for the juveniles.

5 12. For volunteers \$ 72,000

6 Sec. 4. BLOCK GRANT SUPPLEMENTATION. There is appropriated
7 from the general fund of this state for the fiscal year begin-
8 ning July 1, 1984, and ending June 30, 1985, to the department
9 of human services for supplementation of federal social
10 services block grant funds and for allocation to the various
11 counties for the purchase of local services for eligible
12 individuals, the following amount, or so much thereof as is
13 necessary:

14	1984-1985
15	<u>Fiscal Year</u>
16	\$ 2,940,000

17 1. Of the funds appropriated by this section, two million
18 six hundred ninety thousand (2,690,000) dollars, or so much
19 thereof as is necessary, is appropriated for allocation to
20 counties for the purchase of local services other than
21 additional child day care services for which funds are
22 appropriated in subsection 2. The department shall increase
23 the current income guidelines for income eligible persons
24 receiving services, other than child day care services, funded
25 with federal social services block grant funds for the fiscal
26 year beginning July 1, 1984 by the same percentage and at
27 the same time as federal social security benefits are increased
28 due to a recognized increase in the cost of living. The
29 department shall increase the current income guidelines for
30 income eligible persons receiving child day care services
31 funded with federal social services block grant funds for
32 the fiscal year beginning July 1, 1984 by no more than ten
33 percent. If the department determines that funds allocated
34 under this subsection will not be fully expended, the
35 department may increase the income guidelines in order to

1 provide for the expenditure of all funds allocated under this
2 subsection. A county may use up to four percent of the federal
3 social services block grant funds and funds allocated to the
4 county under this subsection for the purchase of child day
5 care services without matching the federal and state funds
6 with local funds.

7 2. Of the funds appropriated by this section, two hundred
8 fifty thousand (250,000) dollars, or so much thereof as is
9 necessary, is appropriated for allocation to counties, on
10 the same basis as funds are allocated under subsection 1,
11 for the purchase of additional child day care services without
12 requiring the counties to provide matching local funds. The
13 funds appropriated by this subsection shall be used to
14 supplement and shall not be used to replace federal social
15 services block grant funds or state funds allocated under
16 subsection 1 by the county for child day care services,
17 provided the county's allocation of such funds for child day
18 care services is at least equal to the county's expenditure
19 of such funds for child day care services in the fiscal year
20 ending June 30, 1983. The department shall reallocate funds
21 under this subsection from counties which do not qualify for
22 or do not utilize the funds to counties which do qualify for
23 the funds. If the department determines that funds allocated
24 under this subsection will not be fully expended, the
25 department may increase the income guidelines in order to
26 provide for the expenditure of all funds allocated under this
27 subsection.

28 3. The department, in establishing eligibility standards
29 for sheltered work and work activity services, shall disregard
30 the first sixty-five dollars of income from sheltered work
31 or work activity services and fifty percent of any income
32 from sheltered work or work activity services above sixty-
33 five dollars.

34 4. The counties shall purchase child day care services
35 funded under this section from all categories of child day

1 care providers, including child care centers, group day care
2 homes, and family day care homes.

3 Sec. 5. REIMBURSEMENT RATES.

4 1. Except for inpatient and outpatient hospital services,
5 skilled nursing facility services, intermediate care facility
6 services, intermediate care facility services for the mentally
7 retarded, home health agency services, rural health clinic
8 services, rehabilitation agency services, mental hospital
9 services, and out-of-state hospital services, the reimbursement
10 rates and reimbursements for medical assistance providers
11 on July 1, 1984 shall be established at the levels in effect
12 on July 1, 1983, increased by an amount which equals no more
13 than one and two-tenths percent of the reimbursement rates
14 in effect on July 1, 1983. The department shall continue
15 to reduce reimbursements for services other than rural health
16 clinic services by a factor of two and one-half percent in
17 the same manner as provided in 1983 Iowa Acts, chapter 201,
18 section 5, subsection 1, paragraph "b".

19 a. Beginning July 1, 1984, the department shall establish
20 the medical assistance reimbursement rate for psychologists
21 at the fortieth percentile of psychologist profiles compiled
22 for the fiscal year beginning July 1, 1982, and ending June
23 30, 1983. However, no reimbursement rate shall be less than
24 the rate in effect on June 30, 1984. Effective November 1,
25 1984, the reimbursement rate may be increased by an amount
26 which equals no more than three percent of the reimbursement
27 rate in effect on July 1, 1984.

28 b. Beginning July 1, 1984, the department shall establish
29 the medical assistance reimbursement rate for optometrists
30 at the twenty-eighth percentile of optometrist profiles
31 compiled for the fiscal year beginning July 1, 1982, and
32 ending June 30, 1983. However, no reimbursement rate shall
33 be less than the rate in effect on June 30, 1984. Effective
34 November 1, 1984, the reimbursement rate may be increased
35 by an amount which equals no more than three percent of the

1 reimbursement rate in effect on July 1, 1984.

2 c. Beginning July 1, 1984, the basis for establishing
3 the maximum medical assistance reimbursement rate for inter-
4 mediate care facilities shall be no higher than the sixty-
5 sixth percentile of all facilities' per diems as calculated
6 from the June 30, 1984 compilation of unaudited financial
7 and statistical reports. The department shall reinstate the
8 incentive and inflation payments, as set forth in departmental
9 rules prior to November 1, 1983, to facilities with costs
10 below the maximum reimbursement rate for services provided
11 on or after July 1, 1984.

12 2. For the fiscal year beginning July 1, 1984:

13 a. The maximum reimbursement rate for residential care
14 facilities utilizing the cost-related reimbursement system
15 shall be established at the point where twenty-five percent
16 of such facilities would have received full cost coverage
17 for their actual allowable per diems in effect on June 30,
18 1984.

19 b. The flat reimbursement rate for residential care
20 facilities shall be established at twelve dollars and thirty-
21 five cents per day.

22 c. The reimbursement rates and reimbursements for in-home
23 health related care under the state supplementary assistance
24 program shall be established at the levels in effect on October
25 31, 1983.

26 3. For the fiscal year beginning July 1, 1984, the current
27 reimbursement rates for all foster family homes and for
28 subsidized adoptions may be increased, on the average, by
29 not more than three percent of the reimbursement rates in
30 effect on July 1, 1983. However, that average increase shall
31 be distributed in such a manner as to increase the
32 reimbursements to all foster family age categories by the
33 same dollar amount.

34 4. For the fiscal year beginning July 1, 1984, except
35 as provided in subsection 5, the current reimbursement rates

1 for purchase of service providers may be increased by not
2 more than three percent of the reimbursement rates authorized
3 on July 1, 1983.

4 5. For the fiscal year beginning July 1, 1984, the current
5 reimbursement rates for local purchase of service providers
6 which receive reimbursement from federal social services block
7 grant funds and state funds supplementing those federal funds,
8 may be increased by not more than three and one-half percent
9 of the reimbursement rates authorized on July 1, 1983.

10 6. The board of pharmacy examiners shall rescind its
11 rules, adopted pursuant to 1982 Iowa Acts, chapter 1260,
12 section 96, relating to the reduction of charges to the medical
13 assistance program.

14 7. The department of human services and the state
15 department of health shall study jointly the feasibility and
16 costs of establishing by administrative rule, within the
17 intermediate care facility category in chapter 135C, a special
18 classification for facilities intended to provide specialized
19 rehabilitative services to brain-injured individuals. The
20 study shall include an examination of reimbursement
21 methodologies for such facilities under the medical assistance
22 program. The departments shall complete the study and report
23 the findings of the study and any recommendations to the
24 general assembly by January 15, 1985.

25 Sec. 6. INVOLUNTARY TRANSFERS. If a skilled nursing
26 facility or an intermediate care facility receives payments
27 under Title XIX of the federal Social Security Act for one
28 or more patients in the facility, the facility shall not
29 involuntarily transfer any patient to another facility if
30 that patient had previously been receiving medical assistance
31 under chapter 249A for care in the facility and has been
32 disqualified for that medical assistance because of an increase
33 in income, but agrees to pay all of the patient's income and
34 resources not exempt under guidelines in Title XIX of the
35 federal Social Security Act for continued care in the facility

1 and that payment equals or exceeds the medical assistance
2 reimbursement rate for the particular facility.

3 Sec. 7. TRANSFERS. Except as provided in section 3,
4 subsection 4 of this Act, funds appropriated under section
5 3, subsections 1, 2, 8, and 10 of this Act, shall not be
6 transferred or used for any other purposes than specified
7 in those subsections, notwithstanding section 8.39. However,
8 funds appropriated under section 3, subsections 1, 2, 8, and
9 10 of this Act may be transferred under section 8.39 among
10 those subsections and may be used for the purposes specified
11 in those subsections.

12 Sec. 8. ADDITIONAL STAFF. Notwithstanding the limitations
13 on full-time equivalent positions in section 1, section 2,
14 and section 3, subsections 4 and 11 of this Act, the department
15 of human services may add staff above the limitations if the
16 department receives additional federal funding not originally
17 anticipated and budgeted.

18 Sec. 9. SUPPLEMENTAL SECURITY INCOME REIMBURSEMENTS TO
19 COUNTIES. The commissioner of human services may enter into
20 an agreement with the federal social security administration
21 to secure reimbursements to counties contracting with the
22 department for assistance paid in the form of county general
23 relief during an interim period prior to a determination of
24 eligibility for federal supplemental security income payments.
25 If a reimbursement dispute arises between a county and the
26 federal social security administration, the county shall pay
27 for an independent audit. If the federal social security
28 administration establishes a claim against a county and
29 withholds funds from the state or directs the department to
30 pay the claim to a recipient of federal supplemental security
31 income, the department shall set off against other funds due
32 the county from the department the amount of the claim.

33 Sec. 10. RULES. The department of human services shall
34 adopt administrative rules under section 17A.4, subsection
35 2, and section 17A.5, subsection 2, paragraph "b", relating

1 to transportation and participation allowances under the work
2 incentive demonstration program in section 3, subsection 1,
3 paragraph "b" of this Act, the medically needy program in
4 section 3, subsection 2 of this Act and reimbursements under
5 the medical assistance program in section 5, subsection 1
6 of this Act, and the Eldora campus of the state training
7 school in section 3, subsection 11 of this Act and may adopt
8 administrative rules under section 17A.4, subsection 2 and
9 section 17A.5, subsection 2, paragraph "b", relating to the
10 schedule of living costs under the aid to families with
11 dependent children program in section 3, subsection 1,
12 paragraph "a" of this Act, prior authorization for certain
13 prescription drugs, reimbursements for certain over-the-counter
14 drugs, a drug utilization review program, and the federal
15 waiver proposal for a program of home and community-based
16 services under the medical assistance program in section 3,
17 subsection 2 of this Act, reimbursements in section 5,
18 subsections 2 through 5 of this Act, income guidelines for
19 and child day care services allocations of state funds
20 supplementing federal social services block grant funds in
21 section 4 of this Act, and supplemental security income
22 reimbursements to counties in section 9 of this Act, and the
23 rules shall become effective immediately upon filing, unless
24 a later effective date is specified in the rules.

25 Sec. 11. FOSTER CARE REVIEW BOARD. There is appropriated
26 from the general fund of the state for the fiscal year
27 beginning July 1, 1984, and ending June 30, 1985, to the
28 foster care review board, the following amount, or so much
29 thereof as is necessary:

30		1984-1985
31		<u>Fiscal Year</u>
32	For salaries, support, main-	
33	tenance, and miscellaneous pur-	
34	poses	\$ 70,000

35 Sec. 12. FEDERAL FUNDS. All federal grants to and the

1 federal receipts of the department of human services and the
2 foster care review board are appropriated for the purposes
3 set forth in the federal grants or receipts.

4 Sec. 13. CAPITAL IMPROVEMENTS EXCLUDED. Funds appropriated
5 by this Act shall not be used for capital improvements.

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SF 2351
rj/slc/26c

SENATE FILE 2351

H-6423

1 Amend Senate File 2351 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 3, lines 6 through 8, by striking the
4 words "all covered services, except for services in
5 institutions for mental diseases or intermediate care
6 facilities for the mentally retarded" and inserting
7 in lieu thereof the words "only those services under
8 a medically needy program required by federal law
9 or regulation".
10 2. Page 3, lines 8 and 9, by striking the words
11 "child under twenty-one years of age" and inserting
12 in lieu thereof the following "dependent child, as
13 defined in section 239.1."

H-6423 FILED APRIL 18, 1984 BY VAN MAANEN of Mahaska
A. Loebe; B w/r 4/19 (p. 2317)

SENATE FILE 2351

H-6427

1 Amend the amendment H-6406 to Senate File 2351
2 as amended, passed and reprinted by the Senate as
3 follows:
4 1. Page 1, line 11, by striking the figure
5 "134,350,000" and inserting in lieu thereof the figure
6 "154,950,000".

H-6427 FILED APRIL 18, 1984 BY VAN MAANEN of Mahaska
W/L 4/19 (p. 2309)

SENATE FILE 2351

H-6430

1 Amend Senate File 2351 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 4, by striking lines 7 through 34.

BY KREWSON of Polk
BUHR of Polk
CLARK of Cerro Gordo
HAVERLAND of Polk
MULLINS of Kossuth

H-6430 FILED APRIL 18, 1984
Loebe 4/19 (p. 2318)

SENATE FILE 2351

H-6446

1 Amend amendment H-6406 to Senate File 2351 as
2 amended, passed and reprinted by the Senate as follows:
3 1. Page 1, by striking lines 13 through 35.
4 2. Page 1, by striking lines 36 through 47.
5 3. By striking page 1, line 48 through page 2,
6 line 17.

H-6446 FILED APRIL 18, 1984 BY CARL of Poweshiek
Adopted 4/19 (p. 2309)

SENATE FILE 2351

H-6418

1 Amend Senate File 2351 as amended, passed and
2 reprinted by the Senate as follows:
3 1. Page 4, line 6, by striking the figure
4 "134,476,000" and inserting in lieu thereof the figure
5 "135,043,100".

H-6418 FILED APRIL 18, 1984 BY VAN MAANEN of Mahaska

One of order 4/19 (p. 2316)

SENATE FILE 2351

H-6420

1 Amend amendment H-6406 to Senate File 2351 as
2 amended, passed and reprinted by the Senate, as
3 follows:
4 1. Page 1, by inserting after line 2 the following:
5 "1. Page 1, by inserting after line 15 the
6 following:
7 "Of the funds appropriated by this section, one
8 hundred eighty thousand (180,000) dollars, or so much
9 thereof as is necessary, is appropriated for the
10 implementation of a medically needy program."
11 2. Page 1, by inserting after line 8 the following:
12 "____. Page 2, by inserting after line 3 the
13 following:
14 "Of the funds appropriated by this section, three
15 hundred eighty thousand (380,000) dollars, or so much
16 thereof as is necessary, is appropriated to implement
17 a medically needy program."
18 3. Page 1, by inserting after line 11 the
19 following:
20 "____. Page 4, by inserting after line 6 the
21 following:
22 "Of the funds appropriated by this subsection,
23 one million six hundred fifty thousand (1,650,000)
24 dollars, or so much thereof as is necessary, is
25 appropriated for the medically needy program authorized
26 by this subsection."
27 _____. Page 7, by inserting after line 24 the
28 following:
29 "Of the funds appropriated by this subsection,
30 ten thousand (10,000) dollars, or so much thereof
31 as is necessary, is appropriated to implement a
32 medically needy program.""

BY WELDEN of Hardin

H-6420 FILED APRIL 18, 1984

VAN MAANEN of Mahaska

Lat 4/19 (p. 2316)

SENATE FILE 2351

H-6406

1 Amend Senate File 2351, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 1, line 33, by striking the word "seventy-
4 nine" and inserting in lieu thereof the word "eighty-
5 nine".

6 2. Page 2, line 3, by striking the figure
7 "19,674,000" and inserting in lieu thereof the figure
8 "19,768,000".

9 3. Page 4, line 6, by striking the figure
10 "134,476,000" and inserting in lieu thereof the figure
11 "134,350,000".

12 4. By striking page 12, line 34 through page 13, line 2.

13 5. Page 13, by striking lines 4 through 18 and
14 inserting in lieu thereof the following:

15 "1. The reimbursement rates and reimbursements
16 for medical assistance providers on July 1, 1984 shall
17 be established at the levels in effect on July 1,
18 1983. Until November 1, 1984, the department shall
19 continue to reduce reimbursements for services other
20 than rural health clinic services by a factor of two
21 and one-half percent in the same manner as provided
22 in 1983 Iowa Acts, chapter 201, section 5, subsection
23 1, paragraph "b". Except for inpatient and outpatient
24 hospital services, skilled nursing facility services,
25 intermediate care facility services, intermediate
26 care facility services for the mentally retarded,
27 home health agency services, rural health clinic
28 services, rehabilitation agency services, mental
29 hospital services, and out-of-state hospital services,
30 effective November 1, 1984 and within the funds
31 appropriated, the reimbursement rates may be increased
32 by an amount which equals no more than three percent
33 of the reimbursement rates in effect on July 1, 1984,
34 which increase shall include the elimination of the
35 two and one-half percent reduction in reimbursements."

36 6. Page 14, lines 4 and 5, by striking the word
37 "sixty-sixth" and inserting in lieu thereof the word
38 "fifty-seventh".

39 7. Page 14, line 7, by inserting after the word
40 "reports." the following: "The department may
41 establish the maximum reimbursement rate for
42 intermediate care facilities, beginning on January
43 1, 1985, at the fiftieth percentile of all facilities'
44 per diems as calculated from the December 31, 1984
45 compilation of unaudited financial and statistical
46 reports, if the calculated rate would exceed the
47 maximum reimbursement rate effective on July 1, 1984."

48 8. Page 15, by striking lines 14 through 24 and
49 inserting in lieu thereof the following:

50 "7. The department of human services, in

1 conjunction with the state department of health, shall
2 study the specialized care needs of brain damaged,
3 mentally retarded, mentally ill, respiratory dependent,
4 and other heavy care or special needs populations
5 which could be served in intermediate care facilities
6 or skilled nursing facilities if adequate
7 reimbursements were available, or in specialized
8 intermediate care facilities or skilled nursing
9 facilities designed to serve populations with
10 particular disabling conditions, if more appropriate.
11 The department shall make preliminary recommendations
12 based on the study to the governor by November 1,
13 1984 and shall make a final report to the general
14 assembly by January 15, 1985 regarding recommended
15 changes or additions to facility licensing standards
16 and recommended changes in medical assistance
17 reimbursement methodologies."

H-6406 FILED APRIL 18, 1984 BY COMMITTEE ON APPROPRIATIONS

Adopted as amended by 6446 4/19 (p. 2316)

SENATE FILE 2351

H-6415

1 Amend Senate File 2351 as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 10, line 11, by striking the word "one"
4 and inserting in lieu thereof the word "two".
5 2. Page 10, line 12, by striking the words "ninety-
6 six and one-half" and inserting in lieu thereof the
7 word "one".
8 3. Page 10, line 18, by striking the figure
9 "7,235,000" and inserting in lieu thereof the figure
10 "7,375,000".
11 4. By striking page 10, line 19 through page 11,
12 line 4.
13 5. By striking page 17, lines 6 and 7 and inserting
14 in lieu thereof the following: "of this Act, and
15 may adopt".

H-6415 FILED APRIL 18, 1984 BY MILLER of Woodbury

File 4/19 (p. 2320)

SENATE FILE 2351

H-6416

1 Amend Senate File 2351 as amended, passed and
2 reprinted by the Senate as follows:
3 1. By striking page 10, line 19, through page 11,
4 line 4.

H-6416 FILED APRIL 18, 1984 BY WELDEN of Hardin

File 4/19 (p. 2320)

SENATE FILE 2351

H-6476

- 1 Amend Senate File 2351, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 4, lines 27 and 28, by striking the words
- 4 "or satellite clinics of the university hospitals".

BY KREWSON of Polk
BUHR of Polk
CLARK of Cerro Gordo
HAVERLAND of Polk

H-6476 FILED APRIL 19, 1984
LOST (p. 2326)

SENATE FILE 2351

H-6478

- 1 Amend Senate File 2351 as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 4, line 27, by striking the word
- 4 "satellite" and inserting in lieu thereof the
- 5 words "existing prenatal".

H-6478 FILED APRIL 19, 1984 BY CARL of Poweshiek
ADOPTED BY UNANIMOUS CONSENT (p. 2326)

HOUSE AMENDMENT TO SENATE FILE 2351

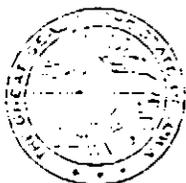
H-6029

- 1 Amend Senate File 2351, as amended, passed, and
- 2 reprinted by the Senate, as follows:
- 3 1. Page 1, line 33, by striking the word "seventy-
- 4 nine" and inserting in lieu thereof the word "eighty-
- 5 nine".
- 6 2. Page 2, line 3, by striking the figure
- 7 "19,674,000" and inserting in lieu thereof the figure
- 8 "19,768,000".
- 9 3. Page 4, line 6, by striking the figure
- 10 "134,476,000" and inserting in lieu thereof the figure
- 11 "134,350,000".
- 12 4. Page 4, line 27, by striking the word
- 13 "satellite" and inserting in lieu thereof the words
- 14 "existing prenatal".
- 15 5. By striking page 12, line 34 through page 13,
- 16 line 2.

-6029 FILED
APRIL 19, 1984

RECEIVED FROM THE HOUSE

Senate concurred 4/19/84 (p. 1702)



TERRY E. BRANSTAD
GOVERNOR

OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319

515 281-5211

May 18, 1984

The Honorable Mary Jane Odell
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate File 2351, an act relating to the administration and financing of current programs other than mental health programs under the jurisdiction of the department of human services and to the foster care review board for the fiscal year beginning July 1, 1984, and ending June 30, 1985.

Senate File 2351 is approved May 18, 1984, with the following exception which I hereby disapprove.

I am unable to approve of the item designated as Section 3, subsection 11, unnumbered paragraph, which reads as follows:

The department shall close a living unit at the training school for juvenile delinquents at Eldora and shall periodically notify the chief judges of the judicial districts and the chairpersons and ranking members of the social services appropriations subcommittee of the number of resident inmates at the Eldora campus when that number equals or approaches one hundred eighty. Notwithstanding the entering of orders for placement at the Eldora campus of the state training school pursuant to section 232.52, subsection 2, paragraph "e", on and after the date of the closing of the living unit at the Eldora campus the department shall not admit any juvenile to the Eldora campus unless the Eldora campus has less than one hundred eighty resident inmates at the time of admission. The department shall place the names of those juveniles, who

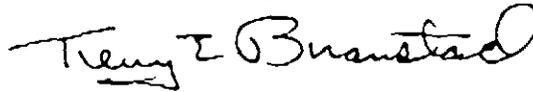
The Honorable Mary Jane Odell
May 18, 1984
Page 2

are subject to orders for placement at the Eldora campus of the state training school but cannot be admitted upon the entering of the orders, on a waiting list. The department shall establish priority admission policies for those juveniles on the waiting list and shall notify the courts ordering placement of the tentative admission dates for the juveniles.

The State Training School is currently the only secure setting for Iowa's worst juvenile offenders. Those who are sent to Eldora have usually committed several delinquent acts. Juvenile Court judges have ordered them to be taken from their home communities for a reason. To cap the population at 180 and create a waiting list could constitute a danger to the public safety of our citizens.

For the above reason, I hereby respectfully disapprove of this item in accordance with Amendment 4 of the Amendments of 1968 to the Constitution of the State of Iowa. All other items of Senate File 2351 are hereby approved as of this date.

Very truly yours,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 2351

AN ACT

RELATING TO THE ADMINISTRATION AND FINANCING OF CURRENT PROGRAMS OTHER THAN MENTAL HEALTH PROGRAMS UNDER THE JURISDICTION OF THE DEPARTMENT OF HUMAN SERVICES AND TO THE FOSTER CARE REVIEW BOARD FOR THE FISCAL YEAR BEGINNING JULY 1, 1984, AND ENDING JUNE 30, 1985.

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

Section 1. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services for general administration, the following amounts, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries and support of not more than four hundred twenty-six and seventy-three hundredths full-time equivalent positions annually, maintenance, and miscellaneous purposes, including an amount necessary to implement a medically needy program \$ 7,187,000

For the fiscal year beginning July 1, 1984, and ending June 30, 1985, the department may receive and there is appropriated, in addition to its appropriations from the general fund of the state, such funds from damages awarded to the state by the civil antitrust judgment involving the sale of chickens, to the department for use in the distribution of federal surplus commodities, if the judgment allows the funds received to be used for such purposes.

Sec. 2. FIELD OPERATIONS. There is appropriated from the general fund of the state for the fiscal year beginning

July 1, 1984, and ending June 30, 1985, to the department of human services for the division of field operations, the following amounts, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries and support of not more than two thousand one hundred eighty-nine and three-tenths full-time equivalent positions annually which includes three additional protective service workers, maintenance, and miscellaneous purposes \$ 19,768,000

Sec. 3. SPECIAL PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1984-1985
Fiscal Year

SPECIAL PROGRAMS

1. For aid to families with dependent children \$ 64,600,000

a. The department shall establish the schedule of living costs for one person at two hundred thirteen dollars, for two persons at four hundred twenty-one dollars, for three persons at four hundred ninety-seven dollars, for four persons at five hundred seventy-eight dollars, for five persons at six hundred forty dollars, for six persons at seven hundred twelve dollars, for seven persons at seven hundred eighty-two dollars, for eight persons at eight hundred fifty-three dollars, for nine persons at nine hundred twenty-three dollars, for ten persons at one thousand nine dollars, and for each additional person at one hundred one dollars per person. The department shall not increase current grant payments under the aid to families with dependent children program.

b. The department shall establish and operate a work incentive demonstration program for recipients of aid to families with dependent children and shall incorporate the coordinated manpower services demonstration projects for recipients of aid to families with dependent children in two of the department's districts as a part of the work incentive demonstration program. All recipients who participate in the work incentive demonstration program shall be paid a transportation and participation allowance of five dollars for each day the recipients are determined to be eligible for the allowance. The department may use funds appropriated by this subsection to pay the allowances if federal funds are insufficient to pay the allowances.

2. For medical assistance, including reimbursement for all covered services, except for services in institutions for mental diseases or intermediate care facilities for the mentally retarded, to a pregnant woman or child under twenty-one years of age under a medically needy program to be effective November 1, 1984, for a two-month certification period and retroactive for a three-month period as authorized under federal law or regulation, provided the income of the woman or child is reduced by allowable medical expenses to one hundred thirty-three percent of the assistance which would be payable to a similarly situated woman or child under the aid to families with dependent children program and provided the woman or child would also qualify under the resource guidelines of the aid to families with dependent children program, notwithstanding any contrary provision of chapter 249A, and reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary. 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 forty-five 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 one hundred fifty 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 ~~and the amount of the fund is \$ 124,350,000~~

For purposes of a medically needy program, the department may seek a waiver pursuant to Title XIX, section 1915(e) of the federal Social Security Act and, if a waiver is granted, the department may enter into contracts with cost-effective providers, including the university of Iowa hospitals and clinics. It is the intent of the general assembly that the funds due the university hospitals under such a contract shall be taken from the appropriation to the university hospitals for medical and surgical treatment of indigent patients as provided in chapter 255. The department and the university hospitals, in consultation with the state comptroller, shall establish procedures for the proper accounting of the funds due the university hospitals under such a contract for the purpose of qualifying the amount of the funds as state matching funds pursuant to Title XIX of the federal Social Security Act. Such a contract for the provision of hospital and professional care for medically needy indigent obstetric and newborn patients by the university of Iowa hospitals and clinics, shall be limited in applicability to those counties containing and adjacent to counties which contain the

university hospitals or existing prenatal clinics of the university hospitals, and shall take into consideration the number of obstetric and newborn patients served from those counties during the prior fiscal year under the statewide indigent patient care program established by chapter 255. The medically needy program established under this section shall not limit a patient's right to use the statewide indigent patient care program for obstetric and newborn services.

During the fiscal year beginning July 1, 1984, the university hospitals shall collect and submit monthly to the legislative fiscal bureau, while maintaining patient confidentiality, the following data related to the medically needy program:

(1) The number and types of indigent patients referred to the university hospitals under the statewide indigent patient care program established by chapter 255, the types of services, including obstetrical services, provided to the indigent patients, and associated hospital charges incurred related to available appropriation support.

(2) The number and types of all medical assistance patients served at the university hospitals, the types of services, including obstetrical services, provided to the patients, and the actual hospital charges and medical assistance payments associated with the provision of the services.

(3) The number and types of medically needy patients served at the university hospitals, the types of services, including obstetrical services, provided to the patients, and the actual hospital charges and medical assistance payments associated with the provision of the services.

The university hospitals shall also provide to the legislative fiscal bureau the data described in subparagraph (1) for the fiscal year beginning July 1, 1983, and ending June 30, 1984.

During the fiscal year beginning July 1, 1984, the university hospitals shall continue to collect information

from the counties on patients served under the statewide indigent patient care program established by chapter 255, including information on family, employment, and financial status, third-party coverage, county of residence, and other necessary information, with all information identifying individuals considered patient records of the university hospitals and its confidentiality maintained accordingly. The information shall be integrated with data regarding services provided to the patients and the charges for the services and shall be provided to the legislative fiscal bureau. The department shall maintain records on the use of the medical assistance program by individuals qualifying under the medically needy program and the cost of that use to the state. By March 1, 1985, from the data collected, the department shall estimate the annual medical assistance cost of the program to the state, and, if that amount exceeds four million five hundred thousand dollars, the department shall present to the general assembly program alternatives to reduce the cost to the medical assistance program to or below four million five hundred thousand dollars. The legislative fiscal bureau shall estimate the increased reimbursements to the university of Iowa hospitals and clinics under the medically needy program for patients who otherwise would have used the statewide indigent patient care program. The legislative fiscal bureau shall not collect information on the use of county emergency relief funds to provide medical services to persons who would qualify for medical services under a medically needy component of the medical assistance program. The legislative fiscal bureau shall review options for hospital involvement in the financing of any potential modifications to the medically needy program.

The department shall not require prior authorization under the medical assistance program for the receipt of prescription drugs subject to the maximum allowable cost limitations.

The department shall make available reimbursements under the medical assistance program for the following over-the-counter drugs if ordered by a person authorized to prescribe prescription drugs: aspirin and acetaminophen; ferrous salts of iron; prenatal multiple vitamins; and with prior authorization, other multiple vitamins.

If the department reasonably expects that savings from the implementation of a drug utilization review program will cover the department's share of the costs of a contract for the development and implementation of such a program, the department may contract with the Iowa pharmacy foundation for the development and implementation of such a program. The program shall establish written criteria and standards defining acceptable pharmaceutical services, assess rendered services by using the criteria and standards, correct performance deficiencies through education, assess the results of the education directed at correcting the deficiencies, and document any savings as a result of the implementation of the program.

The department shall proceed with its proposal for a program of home and community-based services to be provided pursuant to a waiver under Title XIX of the federal Social Security Act in order to provide cost effective alternatives to placements in long-term-care medical institutions. The program shall be funded with the appropriation made by this subsection. A county shall reimburse the department for the cost of services under the program, which is not paid from federal funds, to mentally retarded or mentally ill persons with legal settlement in the county at the same percentage which the county is required to reimburse the state for mentally retarded or mentally ill persons receiving services at state institutions.

3. For contractual services-
medical carrier \$ 2,200,000

4. For child support recoveries,

including salaries and support of not more than ninety-six full-time equivalent positions annually, except as otherwise provided in this subsection, maintenance, and miscellaneous purposes \$ 840,000

The commissioner of human services, within the limitations of the funds appropriated in this subsection or funds transferred from the aid to families with dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the commissioner determines that both the current and additional employees together can reasonably be expected to recover for the aid to families with dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost effectiveness of the current and additional employees by reporting to the social services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

5. For state supplementary assistance, including state supplementary assistance for the blind \$ 9,450,000

6. For aid to Indians under section 252.43 \$ 37,000

The tribal council shall not use more than ten percent of the funds for administrative expenses.

7. For home-based services \$ 5,180,000

Of the funds appropriated by this subsection, one hundred sixty thousand (160,000) dollars, or so much thereof as is necessary, is appropriated for family planning services.

8. For foster care \$ 21,930,000

Of the funds appropriated by this subsection, sixty-three thousand (63,000) dollars, or so much thereof as is necessary, is appropriated for foster parent training.

The department may transfer a portion of the funds appropriated by this subsection for use in providing subsidized adoption services, if funds allocated under subsection 7 are insufficient to provide necessary subsidized adoption services.

No more than forty percent of all children in foster care funded under Title IV, Part E of the federal Social Security Act shall be in foster care for more than twenty-four months.

9. For community-based services \$ 1,650,000

a. Of the funds appropriated by this subsection, four hundred twenty-five thousand (425,000) dollars, or so much thereof as is necessary, is appropriated to assist child care centers under section 237A.13. Notwithstanding section 237A.13, subsection 4, funds unencumbered as of April 30, 1985, shall not be reallocated unless the unencumbered funds reclaimed exceed two thousand dollars.

b. Of the funds appropriated by this subsection, one hundred twenty-five thousand (125,000) dollars, or so much thereof as is necessary, is appropriated for child abuse prevention services.

c. Of the funds appropriated by this subsection, one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated for programs for displaced homemakers, and one hundred thousand (100,000) dollars, or so much thereof as is necessary, is appropriated for programs for victims of domestic abuse.

d. Of the funds appropriated by this subsection, two hundred fifty-five thousand (255,000) dollars, or so much thereof as is necessary, is appropriated to provide grants for community-based juvenile services to reduce the need for long-term juvenile institutional placements and to encourage home-based treatment programs as alternatives to juvenile institutional care. Except as provided in paragraph "e",

the department shall only approve grants for nonresidential community-based juvenile services and shall give priority in the approval of grants to projects which divert juveniles from incarceration in jails or provide services to reduce the population at state juvenile institutions.

e. Of the funds appropriated by paragraph "d", fifty thousand (50,000) dollars, or so much thereof as is necessary, may be used for diagnostic and evaluation services for juveniles.

f. The commissioner of human services shall pay from funds appropriated by this subsection, as the entitled aid from the state under section 232.142, subsection 4, one-half of one percent of the total cost of the establishment, improvements, operation, and maintenance of approved county or multicounty juvenile homes.

10. For county-based reimbursement under section 232.141, subsection 4, paragraph d \$ 1,550,000

11. For operation of the state training school and the Iowa juvenile home, including salaries and support of not more than one hundred ninety-six and one-half full-time equivalent positions at the state training school and of not more than one hundred fifteen full-time equivalent positions at the Iowa juvenile home, maintenance, and miscellaneous purposes \$ 7,225,000

The department shall close a living unit at the training school for juvenile delinquents at Eldora and shall periodically notify the chief judges of the judicial districts and the chairpersons and ranking members of the social services appropriations subcommittee of the number of resident inmates at the Eldora campus when that number equals or approaches

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one hundred eighty. Notwithstanding the entering of orders for placement at the Eldora campus of the state training school pursuant to section 232.52, subsection 2, paragraph "e", on and after the date of the closing of the living unit at the Eldora campus the department shall not admit any juvenile to the Eldora campus unless the Eldora campus has less than one hundred eighty resident inmates at the time of admission. The department shall place the names of these juveniles, who are subject to orders for placement at the Eldora campus of the state training school but cannot be admitted upon the entering of the orders, on a waiting list. The department shall establish priority admission policies for those juveniles on the waiting list and shall notify the courts ordering placement of the tentative admission dates for the juveniles.

Veto

12. For volunteers \$ 72,000

Sec. 4. BLOCK GRANT SUPPLEMENTATION. There is appropriated from the general fund of this state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the department of human services for supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services for eligible individuals, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year
 \$ 2,940,000

1. Of the funds appropriated by this section, two million six hundred ninety thousand (2,690,000) dollars, or so much thereof as is necessary, is appropriated for allocation to counties for the purchase of local services other than additional child day care services for which funds are appropriated in subsection 2. The department shall increase the current income guidelines for income eligible persons receiving services, other than child day care services, funded

with federal social services block grant funds for the fiscal year beginning July 1, 1984 by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living. The department shall increase the current income guidelines for income eligible persons receiving child day care services funded with federal social services block grant funds for the fiscal year beginning July 1, 1984 by no more than ten percent. If the department determines that funds allocated under this subsection will not be fully expended, the department may increase the income guidelines in order to provide for the expenditure of all funds allocated under this subsection. A county may use up to four percent of the federal social services block grant funds and funds allocated to the county under this subsection for the purchase of child day care services without matching the federal and state funds with local funds.

2. Of the funds appropriated by this section, two hundred fifty thousand (250,000) dollars, or so much thereof as is necessary, is appropriated for allocation to counties, on the same basis as funds are allocated under subsection 1, for the purchase of additional child day care services without requiring the counties to provide matching local funds. The funds appropriated by this subsection shall be used to supplement and shall not be used to replace federal social services block grant funds or state funds allocated under subsection 1 by the county for child day care services, provided the county's allocation of such funds for child day care services is at least equal to the county's expenditure of such funds for child day care services in the fiscal year ending June 30, 1983. The department shall reallocate funds under this subsection from counties which do not qualify for or do not utilize the funds to counties which do qualify for the funds. If the department determines that funds allocated under this subsection will not be fully expended, the

department may increase the income guidelines in order to provide for the expenditure of all funds allocated under this subsection.

3. The department, in establishing eligibility standards for sheltered work and work activity services, shall disregard the first sixty-five dollars of income from sheltered work or work activity services and fifty percent of any income from sheltered work or work activity services above sixty-five dollars.

Sec. 5. REIMBURSEMENT RATES.

1. Except for inpatient and outpatient hospital services, skilled nursing facility services, intermediate care facility services, intermediate care facility services for the mentally retarded, home health agency services, rural health clinic services, rehabilitation agency services, mental hospital services, and out-of-state hospital services, the reimbursement rates and reimbursements for medical assistance providers on July 1, 1984 shall be established at the levels in effect on July 1, 1983, increased by an amount which equals no more than one and two-tenths percent of the reimbursement rates in effect on July 1, 1983. The department shall continue to reduce reimbursements for services other than rural health clinic services by a factor of two and one-half percent in the same manner as provided in 1983 Iowa Acts, chapter 201, section 5, subsection 1, paragraph "b".

a. Beginning July 1, 1984, the department shall establish the medical assistance reimbursement rate for psychologists at the fortieth percentile of psychologist profiles compiled for the fiscal year beginning July 1, 1982, and ending June 30, 1983. However, no reimbursement rate shall be less than the rate in effect on June 30, 1984. Effective November 1, 1984, the reimbursement rate may be increased by an amount which equals no more than three percent of the reimbursement rate in effect on July 1, 1984.

b. Beginning July 1, 1984, the department shall establish the medical assistance reimbursement rate for optometrists at the twenty-eighth percentile of optometrist profiles compiled for the fiscal year beginning July 1, 1982, and ending June 30, 1983. However, no reimbursement rate shall be less than the rate in effect on June 30, 1984. Effective November 1, 1984, the reimbursement rate may be increased by an amount which equals no more than three percent of the reimbursement rate in effect on July 1, 1984.

c. Beginning July 1, 1984, the basis for establishing the maximum medical assistance reimbursement rate for intermediate care facilities shall be no higher than the sixty-sixth percentile of all facilities' per diems as calculated from the June 30, 1984 compilation of unaudited financial and statistical reports. The department shall reinstate the incentive and inflation payments, as set forth in departmental rules prior to November 1, 1983, to facilities with costs below the maximum reimbursement rate for services provided on or after July 1, 1984.

2. For the fiscal year beginning July 1, 1984:

a. The maximum reimbursement rate for residential care facilities utilizing the cost-related reimbursement system shall be established at the point where twenty-five percent of such facilities would have received full cost coverage for their actual allowable per diems in effect on June 30, 1984.

b. The flat reimbursement rate for residential care facilities shall be established at twelve dollars and thirty-five cents per day.

c. The reimbursement rates and reimbursements for in-home health related care under the state supplementary assistance program shall be established at the levels in effect on October 31, 1983.

3. For the fiscal year beginning July 1, 1984, the current reimbursement rates for all foster family homes and for

subsidized adoptions may be increased, on the average, by not more than three percent of the reimbursement rates in effect on July 1, 1983. However, that average increase shall be distributed in such a manner as to increase the reimbursements to all foster family age categories by the same dollar amount.

4. For the fiscal year beginning July 1, 1984, except as provided in subsection 5, the current reimbursement rates for purchase of service providers may be increased by not more than three percent of the reimbursement rates authorized on July 1, 1983.

5. For the fiscal year beginning July 1, 1984, the current reimbursement rates for local purchase of service providers which receive reimbursement from federal social services block grant funds and state funds supplementing those federal funds, may be increased by not more than three and one-half percent of the reimbursement rates authorized on July 1, 1983.

6. The board of pharmacy examiners shall rescind its rules, adopted pursuant to 1982 Iowa Acts, chapter 1260, section 96, relating to the reduction of charges to the medical assistance program.

7. The department of human services and the state department of health shall study jointly the feasibility and costs of establishing by administrative rule, within the intermediate care facility category in chapter 135C, a special classification for facilities intended to provide specialized rehabilitative services to brain-injured individuals. The study shall include an examination of reimbursement methodologies for such facilities under the medical assistance program. The departments shall complete the study and report the findings of the study and any recommendations to the general assembly by January 15, 1985.

Sec. 8. INVOLUNTARY TRANSFERS. If a skilled nursing facility or an intermediate care facility receives payments under Title XIX of the federal Social Security Act for one

or more patients to the facility, the facility shall not involuntarily transfer any patient to another facility if that patient had previously been receiving medical assistance under chapter 249A for care in the facility and has been disqualified for that medical assistance because of an increase in income, but agrees to pay all of the patient's income and resources not exempt under guidelines in Title XIX of the federal Social Security Act for continued care in the facility and that payment equals or exceeds the medical assistance reimbursement rate for the particular facility.

Sec. 7. TRANSFERS. Except as provided in section 3, subsection 4 of this Act, funds appropriated under section 3, subsections 1, 2, 8, and 10 of this Act, shall not be transferred or used for any other purposes than specified in those subsections, notwithstanding section 8.39. However, funds appropriated under section 3, subsections 1, 2, 8, and 10 of this Act may be transferred under section 8.39 among those subsections and may be used for the purposes specified in those subsections.

Sec. 8. ADDITIONAL STAFF. Notwithstanding the limitations on full-time equivalent positions in section 1, section 2, and section 3, subsections 4 and 11 of this Act, the department of human services may add staff above the limitations if the department receives additional federal funding not originally anticipated and budgeted.

Sec. 9. SUPPLEMENTAL SECURITY INCOME REIMBURSEMENTS TO COUNTIES. The commissioner of human services may enter into an agreement with the federal social security administration to secure reimbursements to counties contracting with the department for assistance paid in the form of county general relief during an interim period prior to a determination of eligibility for federal supplemental security income payments. If a reimbursement dispute arises between a county and the federal social security administration, the county shall pay for an independent audit. If the federal social security

administration establishes a claim against a county and withholds funds from the state or directs the department to pay the claim to a recipient of federal supplemental security income, the department shall set off against other funds due the county from the department the amount of the claim.

Sec. 10. RULES. The department of human services shall adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", relating to transportation and participation allowances under the work incentive demonstration program in section 3, subsection 1, paragraph "b" of this Act, the medically needy program in section 3, subsection 2 of this Act and reimbursements under the medical assistance program in section 5, subsection 1 of this Act, and the Eldora campus of the state training school in section 3, subsection 11 of this Act and may adopt administrative rules under section 17A.4, subsection 2 and section 17A.5, subsection 2, paragraph "b", relating to the schedule of living costs under the aid to families with dependent children program in section 3, subsection 1, paragraph "a" of this Act, prior authorization for certain prescription drugs, reimbursements for certain over-the-counter drugs, a drug utilization review program, and the federal waiver proposal for a program of home and community-based services under the medical assistance program in section 3, subsection 2 of this Act, reimbursements in section 5, subsections 2 through 5 of this Act, income guidelines for and child day care services allocations of state funds supplementing federal social services block grant funds in section 4 of this Act, and supplemental security income reimbursements to counties in section 9 of this Act, and the rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 11. FOSTER CARE REVIEW BOARD. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1984, and ending June 30, 1985, to the

foster care review board, the following amount, or so much thereof as is necessary:

1984-1985
Fiscal Year

For salaries, support, maintenance, and miscellaneous purposes \$ 70,000

Sec. 12. FEDERAL FUNDS. All federal grants to and the federal receipts of the department of human services and the foster care review board are appropriated for the purposes set forth in the federal grants or receipts.

Sec. 13. CAPITAL IMPROVEMENTS EXCLUDED. Funds appropriated by this Act shall not be used for capital improvements.

CHARLES F. MILLER
President Pro Tempore of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2351, Seventieth General Assembly.

K. MARIE THAYER
Secretary of the Senate

Approved May 18 1984

TERRY E. BRANSTAD
Governor