

FILED FEB 15 2000

SENATE FILE 2169

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Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the establishment of a long-term care program,
2 including the creation of a long-term care trust fund,
3 providing for appropriation of the moneys in the fund, and
4 making appropriations.

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

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SF 2169 HUMAN RESOURCES

1 Section 1. NEW SECTION. 249H.1 TITLE.

2 This chapter shall be known and may be cited as the "Iowa
3 Long-Term Care Program Act".

4 Sec. 2. NEW SECTION. 249H.2 LEGISLATIVE FINDINGS --
5 GOAL.

6 1. The general assembly finds that:

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

10 b. An increasing number of elders and persons with
11 disabilities in the state require long-term care services
12 provided outside of a medical institution.

13 c. A full array of long-term care services is necessary to
14 provide cost-effective and appropriate services to the varied
15 population of health care consumers.

16 d. The supported development of long-term care
17 alternatives, including assisted-living facility services,
18 adult day care, and home and community-based services, is
19 critical in areas of the state where such alternatives
20 otherwise are not likely to be developed.

21 e. Cost containment in the delivery of health care is
22 necessary to improve services and access for all Iowans.

23 f. Grants are necessary to cover the expenditures related
24 to the development of alternative health care services.
25 Development of these alternatives will improve access to and
26 delivery of long-term care services to underserved individuals
27 or in underserved areas, which will in turn contain or reduce
28 the cost and improve the quality of health care services.

29 g. A continuing source of funding is necessary to enhance
30 the state's ability to meet the rising demand of elders with
31 low and moderate incomes in obtaining an appropriate variety
32 of long-term care services.

33 2. The goal of this program is to create a comprehensive
34 long-term care system that is consumer-directed, provides a
35 balance between the alternatives of institutionally and

1 noninstitutionally provided services, and contributes to the
2 quality of the lives of Iowans.

3 Sec. 3. NEW SECTION. 249H.3 DEFINITIONS.

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

6 1. "Affordable" means rates for payment of services which
7 do not exceed the rates established for providers of medical
8 and health services under the medical assistance program. In
9 relation to services provided by a provider of services under
10 a home and community based waiver, "affordable" means that the
11 total monthly cost of the home and community-based waiver
12 services provided do not exceed the cost for that level of
13 care as established by rule by the department of human
14 services, pursuant to chapter 17A, in consultation with the
15 department of elder affairs.

16 2. "Case mix reimbursement" means a reimbursement
17 methodology that recognizes the acuity and need level of the
18 residents of a nursing facility.

19 3. "Elder" means elder as defined in section 231.4 and as
20 defined under the PACE program pursuant to 42 U.S.C. §
21 1396(u)(4).

22 4. "Long-term care alternatives" means those services
23 specified under the medical assistance program as home and
24 community-based waiver services for elder persons or adults
25 with disabilities, elder group homes certified under chapter
26 231B, assisted-living programs certified under chapter 231C,
27 and the PACE program.

28 5. "Long-term care coordinating unit" means the long-term
29 care coordinating unit created within the department of elder
30 affairs pursuant to section 231.58, or its designee.

31 6. "Long-term care program" means the long-term care
32 program created in this chapter to provide for long-term care
33 alternatives, long-term care service development, and nursing
34 facility conversion.

35 7. "Long-term care provider" means a provider of services

1 through long-term care alternatives.

2 8. "Long-term care service development" means any of the
3 following:

4 a. The remodeling of existing space and, if necessary, the
5 construction of additional space required to accommodate
6 development of long-term care alternatives, excluding the
7 development of assisted-living programs or elder group home
8 alternatives.

9 b. New construction for long-term care alternatives,
10 excluding new construction of assisted-living programs or
11 elder group homes, if the long-term care coordinating unit
12 determines that new construction is more cost-effective than
13 the conversion of existing space.

14 9. "Nursing facility" means a licensed nursing facility as
15 defined in section 135C.1 or a licensed hospital as defined in
16 section 135B.1, a distinct part of which provides long-term
17 care nursing facility beds.

18 10. "Nursing facility conversion" means any of the
19 following:

20 a. The remodeling of nursing facility space existing on
21 July 1, 1999, and certified for medical assistance nursing
22 facility reimbursement and, if necessary, the construction of
23 additional space required to accommodate an assisted-living
24 program.

25 b. New construction of an assisted-living program if
26 existing nursing facility beds are no longer licensed and the
27 long-term care coordinating unit determines that new
28 construction is more cost-effective than the conversion of
29 existing space.

30 11. "PACE program" means a program of all-inclusive care
31 for the elderly established pursuant to 42 U.S.C. § 1396(u)(4)
32 that provides delivery of comprehensive health and social
33 services to elders by integrating acute and long-term care
34 services, and that is operated by a public, private,
35 nonprofit, or proprietary entity. "Pre-PACE program" means a

1 PACE program in the initial start-up phase that provides the
2 same scope of services as a PACE program.

3 12. "Persons with disabilities" means individuals with
4 disabilities as disability is defined in section 225B.2.

5 Sec. 4. NEW SECTION. 249H.4 LONG-TERM CARE TRUST FUND --
6 CREATED -- APPROPRIATIONS.

7 1. A long-term care trust fund is created in the state
8 treasury under the authority of the department of human
9 services. Moneys received through intergovernmental
10 agreements for the long-term care program and moneys received
11 from sources, including grants, contributions, and participant
12 payments, shall be deposited in the fund.

13 2. The department of human services, upon receipt of
14 federal revenue on or after July 1, 1999, from public nursing
15 facilities, participating in the medical assistance program,
16 shall deposit the federal revenue received in the trust fund,
17 less a sum of five thousand dollars per participating public
18 nursing facility.

19 3. Moneys deposited in the trust fund shall be used only
20 for the purposes of the long-term care program as specified in
21 this chapter.

22 4. The trust fund shall be operated in accordance with the
23 guidelines of the health care financing administration of the
24 United States department of health and human services. The
25 trust fund shall be separate from the general fund of the
26 state and shall not be considered part of the general fund of
27 the state. The moneys in the trust fund shall not be
28 considered revenue of the state, but rather shall be funds of
29 the long-term care program. The moneys in the trust fund are
30 not subject to section 8.33 and shall not be transferred,
31 used, obligated, appropriated, or otherwise encumbered, except
32 to provide for the purposes of this chapter. Notwithstanding
33 section 12C.7, subsection 2, interest or earnings on moneys
34 deposited in the trust fund shall be credited to the trust
35 fund.

1 5. The department of human services shall adopt rules
2 pursuant to chapter 17A to administer the trust fund and to
3 establish procedures for participation by public nursing
4 facilities in the intergovernmental transfer of funds to the
5 long-term care trust fund.

6 6. The treasurer of state shall provide a quarterly report
7 of long-term care trust fund activities and balances to the
8 long-term care coordinating unit.

9 Sec. 5. NEW SECTION. 249H.5 APPROPRIATIONS -- LONG-TERM
10 CARE TRUST FUND.

11 1. Moneys deposited in the long-term care trust fund
12 created in section 249H.4 shall be used only as provided in
13 appropriations from the trust fund to the department of human
14 services and the department of elder affairs, and for
15 purposes, including the awarding of grants, as specified in
16 this chapter.

17 2. Moneys in trust fund are appropriated as follows:

18 a. To the department of human services, a maximum of
19 sixty-five million dollars for the fiscal period beginning
20 July 1, 2000, and ending on or before June 30, 2005, to be
21 used for the conversion of existing nursing facility space and
22 development of long-term care alternatives.

23 b. To the department of elder affairs, an amount
24 necessary, annually, for expenses incurred in implementation
25 and administration of long-term care service programs and for
26 delivery of long-term care services to elders with low or
27 moderate incomes.

28 c. To the department of human services, an amount
29 necessary, annually, for all of the following:

30 (1) Expenses incurred in implementation of the long-term
31 care program.

32 (2) Expenses incurred in administration of medical
33 assistance home and community-based waivers and the PACE
34 program due to implementation of the long-term care trust
35 fund.

1 (3) Expenses incurred due to increased service delivery
2 provided under medical assistance home and community-based
3 waivers as a result of nursing facility conversions and long-
4 term care service development, for the fiscal period beginning
5 July 1, 2000, and ending on or before June 30, 2005.

6 (4) Expenses incurred in program administration related to
7 implementation of nursing facility case mix reimbursement
8 under the medical assistance program.

9 d. To the department of human services, an amount
10 necessary to provide funding for nursing facility provider
11 reimbursements, which supports transition to a case mix
12 reimbursement system.

13 e. To the department of human services an amount
14 necessary, annually, for additional expenses incurred relative
15 to implementation of the long-term care program in assisting
16 home and community-based waiver consumers with rent expenses
17 pursuant to the state supplementary assistance program.

18 3. Any funds remaining after disbursement of moneys under
19 subsection 2 shall be invested with the interest earned to be
20 available in subsequent fiscal years for the purposes provided
21 in subsection 2, paragraph "b", and subsection 2, paragraph
22 "c", subparagraphs (1) and (2).

23 Sec. 6. NEW SECTION. 249H.6 NURSING FACILITY CONVERSION
24 AND LONG-TERM CARE SERVICES DEVELOPMENT GRANTS.

25 1. The department of human services, at the direction of
26 the long-term care coordinating unit, may use moneys
27 appropriated to the department from the long-term care trust
28 fund to award grants to any of the following:

29 a. A licensed nursing facility that has been an approved
30 provider under the medical assistance program for the three-
31 year period prior to application for the grant. The grant
32 awarded may be used to convert all or a portion of the
33 licensed nursing facility to a certified assisted-living
34 program and may be used for capital or one-time expenditures,
35 including but not limited to start-up expenses, training

1 expenses, and operating losses for the first year of operation
2 following conversion associated with the nursing facility
3 conversion.

4 b. A long-term care provider or a licensed nursing
5 facility that has been an approved provider under the medical
6 assistance program for the three-year period prior to
7 application for the grant or a provider that will meet
8 applicable medical assistance provider requirements as
9 specified in subsection 2, paragraph "c" or "d". The grant
10 awarded may be used for capital or one-time expenditures,
11 including but not limited to start-up expenses, training
12 expenses, and operating losses for the first year of operation
13 for long-term care service development.

14 2. A grant shall be awarded only to an applicant who meets
15 all of the following criteria, as applicable to the type of
16 grant:

17 a. The applicant is a long-term care provider or a nursing
18 facility that is located in an area determined by the long-
19 term care coordinating unit to be underserved with respect to
20 a particular long-term care alternative service, and that has
21 demonstrated the ability or potential to provide quality long-
22 term care alternative services.

23 b. The applicant is able to provide a minimum matching
24 contribution of twenty percent of the total cost of any
25 conversion, remodeling, or construction.

26 c. The applicant is applying for a nursing facility
27 conversion grant and is able to demonstrate all of the
28 following:

29 (1) Conversion of the nursing facility or a distinct
30 portion of the nursing facility to an assisted-living program
31 is projected to offer efficient and economical care to
32 individuals requiring long-term care services in the service
33 area.

34 (2) Assisted-living services are otherwise not likely to
35 be available in the area for individuals eligible for services

1 under the medical assistance program.

2 (3) The resulting reduction in the availability of nursing
3 facility services is not projected to cause undue hardship on
4 those individuals requiring nursing facility services for a
5 period of at least ten years.

6 (4) Public support following a community-based assessment.

7 (5) Conversion of the nursing facility is projected to
8 result in a lower per client reimbursement cost to the grant
9 applicant under the medical assistance program.

10 d. The applicant is applying for a long-term care service
11 development grant and is able to demonstrate all of the
12 following:

13 (1) Long-term care service development is projected to
14 offer efficient and economical care to individuals requiring
15 long-term care services in the service area.

16 (2) The proposed long-term care alternative is otherwise
17 not likely to be available in the area for individuals
18 eligible for services under the medical assistance program.

19 (3) Public support following a community-based assessment.

20 e. The applicant agrees to do all of the following as
21 applicable to the type of grant:

22 (1) Participate and maintain a minimum medical assistance
23 client base participation rate of forty percent, subject to
24 the demand for participation by individuals eligible for
25 medical assistance.

26 (2) Provide a service delivery package that is affordable
27 for those individuals eligible for services under the medical
28 assistance home and community-based services waiver program.

29 (3) Provide a refund to the long-term care trust fund, on
30 an amortized basis, in the amount of the grant, if the
31 applicant or the applicant's successor in interest ceases to
32 operate an affordable long-term care alternative within the
33 first ten-year period of operation following the awarding of
34 the grant.

35 3. The department of human services shall adopt rules in

1 cooperation with the long-term care coordinating unit,
2 pursuant to chapter 17A, to provide all of the following:

3 a. An application process and eligibility criteria for the
4 awarding of grants. The eligibility criteria shall include
5 but are not limited to the applicant's demonstration of an
6 affordable service package, the applicant's use of the funds
7 for allowable costs, and the applicant's ability to refund the
8 funds if required under subsection 2, paragraph "e",
9 subparagraph (3). The primary eligibility criterion used
10 shall be the applicant's potential impact on the overall goal
11 of moving toward a balanced, comprehensive, affordable, high-
12 quality, long-term care system.

13 b. Criteria to be utilized in determining the amount of
14 the grant awarded.

15 c. Weighted criteria to be utilized in prioritizing the
16 awarding of grants to individual grantees during a grant
17 cycle. Greater weight shall be given to the applicant's
18 demonstration of potential reduction of nursing facility beds,
19 the applicant's ability to meet demonstrated community need,
20 and the established history of the applicant in providing
21 quality long-term care services.

22 d. Policies and procedures for certification of the
23 matching funds required of applicants under subsection 2,
24 paragraph "b".

25 e. Other procedures the department of human services deems
26 necessary for the proper administration of this section,
27 including but not limited to the submission of progress
28 reports on a bimonthly basis to the long-term care
29 coordinating unit.

30 4. The department of human services shall establish a
31 calendar for receiving and evaluating applications and for
32 awarding of grants.

33 5. a. The department of human services shall develop a
34 cost report to be completed by a grantee which includes, but
35 is not limited to, revenue, costs, loans undertaken by the

1 grantee, fixed assets of the grantee, a balance sheet, and a
2 profit and loss statement.

3 b. Grantees shall submit, annually, completed cost reports
4 to the department of human services regarding the project for
5 a period of ten years following the date of initial operation
6 of the grantee's long-term care alternative.

7 6. The department of human services, in consultation with
8 the department of elder affairs, shall provide annual reports
9 to the governor and the general assembly concerning grants
10 awarded. The annual report shall include the total number of
11 applicants and approved applicants, an overview of the various
12 grants awarded, and detailed reports of the cost of each
13 project funded by a grant and information submitted by the
14 approved applicant.

15 7. This section does not create an entitlement to any
16 funds available for grants under this section, and the
17 department of human services may only award grants to the
18 extent funds are available and within its discretion, to the
19 extent applications are approved.

20 8. In addition to any other remedies provided by law, the
21 department of human services may recoup any grant funding
22 previously awarded and disbursed to a grantee or the grantee's
23 successor in interest and may reduce the amount of any grant
24 awarded, but not yet disbursed, to a grantee or the grantee's
25 successor in interest, by the amount of any refund owed by a
26 grantee or the grantee's successor in interest pursuant to
27 subsection 2, paragraph "e", subparagraph (3).

28 9. The long-term care coordinating unit shall review
29 projects that receive grants under this section to ensure that
30 the goal to provide alternatives to nursing facility care is
31 being met and that an adequate number of nursing facility
32 services remain to meet the needs of Iowans.

33 Sec. 7. NEW SECTION. 249H.7 HOME AND COMMUNITY-BASED
34 SERVICES FOR ELDERS.

35 1. Beginning October 1, 2000, the department of elder

1 affairs, in consultation with the long-term care coordinating
2 unit, shall use funds appropriated from the long-term care
3 trust fund for activities related to the design, maintenance,
4 or expansion of home and community-based services for elders,
5 including but not limited to adult day care, personal care,
6 respite, homemaker, chore, and transportation services
7 designed to promote the independence of and to delay the use
8 of institutional care by elders with low and moderate incomes.
9 At any time that moneys are appropriated, the department of
10 elder affairs, in consultation with the long-term care
11 coordinating unit, shall disburse the funds to the area
12 agencies on aging.

13 2. The department of elder affairs shall adopt rules, in
14 consultation with the long-term care coordinating unit and the
15 area agencies on aging, pursuant to chapter 17A, to provide
16 all of the following:

17 a. The criteria and process for disbursement of funds,
18 appropriated in accordance with subsection 1, to area agencies
19 on aging.

20 b. The criteria for long-term care providers to receive
21 funding as subcontractors of the area agencies on aging.

22 c. Other procedures the department of elder affairs deems
23 necessary for the proper administration of this section,
24 including but not limited to the submission of progress
25 reports, on a bimonthly basis, to the long-term care
26 coordinating unit.

27 3. This section does not create an entitlement to any
28 funds available for disbursement under this section and the
29 department of elder affairs may only disburse moneys to the
30 extent funds are available and, within its discretion, to the
31 extent requests for funding are approved.

32 4. Long-term care providers that receive funding under
33 this section shall submit annual reports to the appropriate
34 area agency on aging. The department of elder affairs shall
35 develop the report to be submitted, which shall include, but

1 is not limited to, units of service provided, the number of
2 service recipients, costs, and the number of units of service
3 identified as necessitated but not provided.

4 5. The department of elder affairs, in cooperation with
5 the department of human services, shall provide annual reports
6 to the governor and the general assembly concerning the impact
7 of moneys disbursed under this section on the availability of
8 long-term care services in Iowa. The reports shall include
9 the types of services funded, the outcome of those services,
10 and the number of individuals receiving those services.

11 Sec. 8. NEW SECTION. 249H.8 PACE PROGRAM.

12 For the purposes of this chapter, all of the following
13 apply to a PACE program:

14 1. A person operating a PACE program shall have a PACE
15 program agreement with the health care financing
16 administration of the United States department of health and
17 human services, shall enter a contract with the department of
18 human services and shall comply with 42 U.S.C. § 1396(u)(4)
19 and all regulations promulgated pursuant to that section.

20 2. Services provided under a PACE or pre-PACE program
21 shall be provided on a capitated basis.

22 3. A pre-PACE program may contract with the department of
23 human services to provide services to individuals eligible for
24 medical assistance, on a capitated basis, for a limited scope
25 of the PACE service package through a prepaid health plan
26 agreement, with the remaining services reimbursed directly to
27 the service providers by the medical assistance or federal
28 Medicare programs.

29 4. PACE and pre-PACE programs are not subject to
30 regulation under chapter 514B.

31 5. A PACE or pre-PACE program shall, at the time of
32 entering into the initial contract and of renewal of a
33 contract with the department of human services, demonstrate
34 cash reserves in an amount established by rule of the
35 department to cover expenses in the event of insolvency.

1 Sec. 9. NEW SECTION. 249H.9 FUTURE REPEAL.

2 Section 249H.6 is repealed on June 30, 2005. However,
3 grants awarded and moneys appropriated for grants on or before
4 June 30, 2005, shall be disbursed to eligible applicants after
5 that date if necessary.

6 Sec. 10. Section 231.58, subsection 2, Code 1999, is
7 amended by adding the following new paragraph:

8 NEW PARAGRAPH. h. Provide direction and oversight for
9 disbursement of moneys from the long-term care trust fund
10 created in section 249H.4.

11 Sec. 11. MAINTENANCE OF FISCAL EFFORT. The fiscal effort,
12 existing on June 30, 2000, represented by appropriations made
13 for long-term care services by the general assembly, shall be
14 maintained and a reduction shall not be made in such
15 appropriations to the department of human services or the
16 department of elder affairs for those services as a result of
17 this Act.

18 Sec. 12. DEPARTMENT OF ELDER AFFAIRS APPROPRIATION. There
19 is appropriated from the long-term care trust fund created in
20 section 249H.4 in this Act to the department of elder affairs
21 for the fiscal year beginning July 1, 2000, and ending June
22 30, 2001, the following amount, or so much thereof as is
23 necessary, to be used for the purposes designated:

24 For the development of a comprehensive long-term care
25 system, including program administration and costs associated
26 with implementation, salaries, support, maintenance,
27 miscellaneous purposes, and for not more than the following
28 full-time equivalent positions:

29	\$	4,188,123
30	FTEs	7.00

31 The department of elder affairs may adopt emergency rules
32 to carry out the provisions of this section.

33 Sec. 13. DEPARTMENT OF HUMAN SERVICES APPROPRIATION.

34 There is appropriated from the long-term care trust fund
35 created in section 249H.4 in this Act to the department of

1 human services for the fiscal year beginning July 1, 2000, and
2 ending June 30, 2001, the following amounts, or so much
3 thereof as is necessary, to be used for the purposes
4 designated:

5 1. To provide grants to nursing facilities for conversion
6 to assisted living programs or to provide long-term care
7 alternatives and to provide grants to long-term care providers
8 for development of long-term care alternatives:
9 \$ 15,000,000

10 2. To supplement the medical assistance appropriation and
11 to provide reimbursement for health care services and rent
12 expenses to eligible persons through the home and community-
13 based services waiver and the state supplementary assistance
14 program, including program administration and data system
15 costs associated with implementation, salaries, support,
16 maintenance, miscellaneous purposes, and for not more than the
17 following full-time equivalent positions:
18 \$ 2,189,569
19 FTEs 5.00

20 3. To implement nursing facility provider reimbursement
21 increases or reimbursement methodology changes:
22 \$ 12,750,000

23 The department shall transfer these funds to supplement
24 other appropriations to the department of human services to
25 carry out the purposes of this subsection.

26 Sec. 14. EMERGENCY RULES.

27 1. The department of human services and the department of
28 elder affairs may adopt emergency rules to implement this Act.

29 2. If the department of human services or the department
30 of elder affairs adopts emergency rules under section 17A.4,
31 subsection 2, and section 17A.5, subsection 2, paragraph "b",
32 to implement this Act, the rules shall become effective
33 immediately upon filing, unless the effective date is delayed
34 by the administrative rules review committee, notwithstanding
35 section 17A.4, subsection 5, and section 17A.8, subsection 9,

1 or unless a later effective date is specified in the rules.
2 Any rules adopted in accordance with the provisions of this
3 section shall also be published as notice of intended action
4 as provided in section 17A.4.

5 EXPLANATION

6 This bill creates a new Code chapter, 249H, established in
7 Code section 249H.1 as the "Iowa Long-Term Care Program Act".

8 Code section 249H.2 provides the legislative findings
9 related to and the goal of the program. The goal of the
10 program is to create a comprehensive long-term care system
11 that is consumer-directed, provides balance between the
12 options of institutional and noninstitutional care, and
13 contributes to the quality of life.

14 Code section 249H.3 provides definitions used in the
15 chapter.

16 Code section 249H.4 creates the long-term care trust fund
17 and provides for ongoing appropriations from the trust fund.
18 The trust fund is created in the state treasury under the
19 authority of the department of human services. Moneys
20 deposited in the fund include those received through
21 intergovernmental agreements for the long-term care program,
22 grants, contributions, participant payments, and a portion of
23 the federal moneys received by the department of human
24 services from public nursing facilities. Moneys in the fund
25 are to be appropriated only for the purposes of the long-term
26 care program. The trust fund is to be operated in accordance
27 with the guidelines of the health care financing
28 administration of the United States department of health and
29 human services. Moneys in the fund are not considered part of
30 the general fund of the state. Moneys in the fund at the end
31 of a fiscal year do not revert to the state general fund and
32 cannot be transferred, used, obligated, appropriated, or
33 otherwise encumbered, except for purposes of the long-term
34 care program. Interest or earnings on moneys in the trust
35 fund are credited to the trust fund. The department of human

1 services is directed to adopt rules to administer the trust
2 fund and to establish participation in the program for public
3 nursing facilities. The treasurer of state is directed to
4 provide a quarterly report of the trust fund activities and
5 balances to the long-term care coordinating unit.

6 Code section 249H.5 provides for appropriations from the
7 trust fund. Appropriations include:

8 1. An appropriation to the department of human services of
9 a maximum of \$65 million over a maximum five-year period to be
10 used for the conversion of existing nursing facility space and
11 development of long-term care alternatives.

12 2. An appropriation to the department of elder affairs,
13 annually, in an amount necessary to cover expenses of
14 implementation and administration of long-term care services
15 programs and for delivery of long-term care services to low
16 and moderate income elders.

17 3. An appropriation to the department of human services,
18 annually, for administrative purposes and service delivery
19 related to the long-term care program and trust fund and to
20 implementation of a new reimbursement system.

21 4. An appropriation to the department of human services,
22 in an amount necessary to provide nursing facility provider
23 reimbursements which supports a case mix reimbursement system.

24 5. An appropriation to the department of human services,
25 annually, for additional expenses, relative to the long-term
26 care program, that are incurred due to rent expenses of
27 consumers participating in a home and community-based waiver
28 program under the state supplementary assistance program.

29 The remainder of the funds is to be invested with the
30 interest and earnings to be used for administration of
31 programs and delivery of long-term care services and for
32 expenses related to implementation of the long-term care
33 program and administration of the trust fund.

34 Code section 249H.6 provides the procedures and criteria
35 for the awarding of grants for conversion of nursing

1 facilities to provide assisted-living programs and for long-
2 term care services development. The section provides that the
3 section does not create an entitlement to any funds available
4 for grant purposes, but that the department of human services,
5 in its discretion, may only award grants to the extent funds
6 are available and applications are approved.

7 Code section 249H.7 provides for appropriation of funds
8 beginning October 1, 2000, to the department of elder affairs
9 for activities related to home and community-based services
10 for elders. Moneys appropriated to the department of elder
11 affairs are to be disbursed through the area agencies on
12 aging. The section provides that the section does not create
13 an entitlement, but that the department of elder affairs, in
14 its discretion, may only disburse funds to the extent funds
15 are available and requests for funding are approved.

16 Code section 249H.8 describes provisions relating to the
17 PACE program and the pre-PACE program, which is defined in the
18 bill as a program that provides delivery of comprehensive
19 health and social services to elders by integrating acute and
20 long-term care services, and is operated by an entity as
21 permitted under federal regulation. A pre-PACE program is
22 defined as a PACE program in its initial stages that provides
23 the same scope of services as a PACE program.

24 Code section 249H.9 provides a sunset provision for new
25 Code section 249H.6, which is the section that provides grants
26 for nursing facility conversion and long-term care services
27 development. Under the bill, Code section 249H.6 would be
28 repealed effective June 30, 2005.

29 The bill also provides for a conforming change in the Code
30 to include the duty of the provision of direction and
31 oversight for disbursement of moneys from the trust fund in
32 the duties of the long-term care coordinating unit.

33 The bill establishes that the general assembly is to
34 maintain the fiscal effort in funding long-term care services,
35 existing on June 30, 2000, and is not to make reductions in

1 appropriations for this purpose as a result of the bill.

2 The bill provides for fiscal year 2000-2001 appropriations
3 to the department of human services and the department of
4 elder affairs relating to the long-term care program.

5 The bill provides for emergency rulemaking authority for
6 the department of human services and the department of elder
7 affairs in implementing the bill.

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