MINUTES OF THE REGULAR MEETING OF THE ADMINISTRATIVE RULES REVIEW COMMITTEE

Tuesday, February 11, 1986. Time of Meeting:

Senate Committee Room 116, 8:00 a.m., Place of Meeting:

State Capitol, Des Moines, Iowa.

Senator Berl E. Priebe, Chairman; Representative Members Present:

James D. O'Kane, Vice Chairman; Senators Donald V. Doyle and Dale L. Tieden; Representatives Edward G. Parker (arrived late), and Betty Jean Clark, all members being present. Also present:

Barbara Burnett, Governor's Administrative Rules Coordinator; Joseph Royce, Committee Counsel; Phyllis Barry, Deputy Code Editor; and Vivian Haag, Executive Administrator.

GENERAL SERVICES Chairman Priebe called on General Services

Representative, Robert Soldat, for the following:

Purchasing, set-aside for contracts with Iowa female and minority small businesses, 6.8 ARC 6282 1/15/86

Soldat reviewed changes from the Notice. cussion centered on the question of whether the text of the rule indicated that only procurement by General Services was covered. It was noted that the Lottery agency had a similar rule and Royce asked if the two departments had conferred on the matter. He pointed out the importance of uniformity in

the provisions to be adopted by several agencies. Action on rule 6.8 was deferred until the

arrival of the Lottery representative.

Barry informed the Committee that Health Department rules relative to Code of Ethics for Social Workers had been resubmitted as Notice of Intended Action--rules 161.212-161.217. The amendments were intended to comply with ARRC request to substitute "shall" for "must" and Barry recommended emergency adoption to

avoid an additional publication.

was amenable.

William Armstrong represented the Beer and BEER & LIQUOR Liquor Control Department for the following:

The Committee

In re 13.3, Armstrong gave brief overview of responsibilities certain divisions have in the program of allowing liquor companies to place advertising materials in stores. Armstrong said the Department had proposed legislation to include "agency store" in the definition of

6.8

Committee Business

CONTROL DEPT

13.3

BEER & LIQUOR CONTROL "liquor store." At this time, there is only one agency store.

Doyle called attention to 13.3(3) a and asked if the "policy" pertained to this rule, and Armstrong replied that it was not included. Priebe and Doyle concurred that a submission policy should be in the rule. Armstrong was willing to comply.

14.8 No recommendations for 14.8.

ATTORNEY Linda Thomas Lowe briefly reviewed regulation of Agreements and Practices, Chapter 15, Notice, ARC 6285, also GENERAL Filed Emergency, ARC 6284, IAB 1-15-86. The chapter coordinates the Iowa Consumer Credit Code cosigner provision with various federal regulations which will be helpful to lenders. Lending institutions may follow mandatory federal regulations on notice to cosigners in consumer credit transactions as long as certain information is attached from the Iowa notice. A hearing had been set for February 10 but no one appeared. not anticipate federal changes but emphasized that the rules would be amended to reflect any changes. noted that agriculture was specifically exempted from this area.

REVENUE Brian Bruner, Property Tax Administration; James D. DEPT. Hamilton, Policy Section; and Clair R. Cramer, Policy Section, appeared for Revenue Department to review:

In response to Priebe, Cramer indicated that amendments to clarify the sales and use tax returns and payments remained unchanged since the Notice of Intended Action.

In re 12.3, last sentence, O'Kane asked if cities and counties had sales activity from gambling. Cramer responded that intent was that the last phrase modified "persons" not cities and counties. Tieden was told that "persons" was not defined, but that the Revenue Department normally adheres to Code definition in chapter 4 which defines "person" as individual, corporation, partnership, etc.

There was brief discussion of pending "amnesty" legislation with Doyle inquiring if that would affect this area. Cramer indicated that filing requirements have been untouched by that legislation.

According to Cramer, with the exception of some minor rewording, 18.39 was identical to the Notice. The amendments were intended to implement 1985 Acts, SF 395. No recommendations for Rule 18.39 or 26.69.

REVENUE DEPARTMENT

Discussion of Rule 71.25(1)a which sets out procedure to be followed by local property tax officials in making assessments of omitted property. Bruner explained that 71.25(1)a was a result of a Supreme Court case and addressed a situation where there was an original assessment on a property but the building was not included. The Court ruled in Oakland v. Bilyeu that the building could be picked up for assessment even though there was an original assessment on the property.

Subrule 71.25(1)b clarified that omitted assessment could be made to a previously exempt property.

46.1

Cramer gave brief background re 46.1(1)d which was revised so that the Lottery Agency may comply with it after a new game is implemented in 1986. In this game, retail establishments will make direct payments of large prizes to winning bettors. Priebe requested that the word "must" be changed to "shall" in 46.1(1)d.

Tieden raised question concerning taxation of lottery winnings and whether estimated income tax payments were required. Department officials answered that winnings would be included as income for tax purposes -credit given for the amount withheld up to 5 per cent. Tieden suspected that some winners were not fully aware of the tax liability. It was his opinion that the press, when reporting winnings, should mention that the amount was less tax. No action.

PUBLIC

The following agenda was before the Committee: INSTRUCTION Foreign language supplementary payments, ch 59 ARC 6315 .F. 1/29/86

> Dwight Carlson, Transportation Division, reviewed 6.13 to permit a new instructional program for motorcycle education. Priebe interpreted the rule as allowing carte blanche authority to DPI. Carlson responded that the course used was developed by the National Motorcylce Safety Council.

Committee members asked for inclusion of a date certain and deletion of "or as determined by the department of public instruction" at the end of 6.13(1). Carlson said teacher in-service training was scheduled for March to May. Presently qualified teachers would not be affected. There was Committee consensus that the rule was unclear and Priebe recommended that it be rewritten. Royce advised that if all pertinent material were included in a manual, which would be adopted by reference, it would be acceptable.

ch 59

Paul Spurlock, Assistant Director of Instruction and Curriculum Division, presented new rules governing foreign language supplementary payments.

PUBLIC Continued

The rules are intended to implement 1985 Acts, chapter INSTRUCTION 263. It was pointed out that funds addressed in chapter 59 go to the schools, not the students.

Chairman Priebe announced a short recess.

PUBLIC SAFETY

Connie White, Lynelle Sanders, and Carroll Bidler were present on behalf of the Department of Public Safety for the following:

No questions re 2.3(8), 2.4(5)d, 8.2, 8.101, 11.61 or chapter 19. In response to Tieden, the Department did not anticipate extra cost for the missing persons' payments.

IOWA FINANCE AUTHORITY

Larry Tuel, General Counsel, was present for review of chapter 9, title guaranty division, ARC 6289, Notice, IAB 1/15/86. Tuel said the rules specify basic organization and procedures for the Title Guaranty Division and are informational for the most Priebe was interested in knowing if additional Tuel thought that an attorney staff would be needed. and possibly a secretary would be hired. Another possibility was to purchase professional insurance services through an insurance administrator at lesser cost.

Responding to Tieden, it was Tuel's understanding that the Attorney General's ruling on portions of the Act as being unconstitutional would have no effect on the rule.

9.7

In re 9.7, Doyle asked about existing forms and Parker noted there were none--policy cannot be issued until January 1, 1987. Tuel commented that more details, including form descriptions, would be forthcoming.

LOTTERY **AGENCY**

Charles Strutt appeared on behalf of Lottery for the following:

Strutt explained that variable compensation would allow creation of an incentive program to reward licensee retailers based on sales volume. cited 99B.9(3) j as authority for rule 4.4.

In re 5.1 and 5.8, Royce called attention to the fact that a consortium was formed to draft uniform rules that implemented the statute relative to set-aside procurements for female and minority small businesses. Royce referenced General Services' rules found on page 1244, IAB 1/15/86. He reiterated the importance of consistency in various agency rules on the subject. Strutt expressed willingness to resolve any conflicting language. - 3295 -

LOTTERY AGENCY Delay

Doyle moved that the effective date of Rule 526--5.8 (99E, 18) be delayed 70 days for further study and resolution of any conflicts. Motion carried. Doyle recommended that the Lottery Agency adopt language from the General Services rule under emergency provisions of Code chapter 17A.

MERIT EMPLOYMENT

The following Merit Employment Department rules were before the Committee:

Emmeline Wynn represented the Department and stated that revisions in Chapters 5, 6, and 7 reflect collective bargaining agreements.

- In re 570--5.3(19A), Priebe asked if there were applicants who did not meet minimum qualifications. Wynn answered in the affirmative citing lack of education or experience as reasons. Individuals are given opportunity to submit additional information and no attempt is made to eliminate undesirable applicants.
- Clark reasoned that addition of "only" before "those positions" in 570--2.1(19A) would clarify the provision. In discussion of 570--8.3(19A), Wynn said the change of "certifies" to "indicates" refers to certifying a list of eligibles.
- Doyle was interested in notification procedure when examinations are canceled or postponed--5.6. Wynn recalled that notice of date of test is sent.

 Applicants would be notified within 5 days of a cancellation. Doyle recommended addition of language to provide that applicants be notified of cancellation and retest dates and times.

No Agency Reps

No agency representatives were requested to appear for the following:

| CONSERVATION COMMISSION[290] | |
|---|------------|
| Park user fee. excluded areas, 51.3 ARC 6301 | /86 |
| COMPTROLLER, STATE[270] | |
| Auditing claims, 1.1(5), 1.2(5)"a" to "c," 1.3(1), 1.3(2), 1.4(1), 1.5(3), 1.5(4)"a" and "b." 1.6(2), 1.7(6) ARC 6290 | /86 /86 |
| EMPLOYMENT AGENCY LICENSING COMMISSION[350] | |
| Reports, forms, 9.4, 10.1, 10.4 ARC 6297 .F | /86 |
| ENERGY POLICY COUNCIL(180) | |
| Class "A" energy auditors, ch 6 ARC 6307 | |
| INSURANCE DEPARTMENT[510] Workers' compensation group self-insurance. 56.6(4) ARC 6299 | 9/8€ |
| INSURANCE DEPARTMENT[510] Annuity mortality tables for use in determining reserve liabilities for annuities, ch 43. filed emergency ARC 6286 f.f 1/15, | |
| LABOR, BUREAU OF[530] | |
| Occupational safety and health rules for general industry, 10.20 ARC 6296 | /86 |

Minutes Approved

O'Kane moved approval of minutes of the January meeting. Motion carried.

COMMERCE COMMISSION

Allen Kniep, Assistant General Counsel, represented Commerce Commission for the following:

Billing procedures for large volume gas customers. 19.3(7), 19.4(2)"a." 19.4(6), 19.4(11), 19.4(15) ARC 6292.

According to Kniep, the rulemaking was commenced as result of petition by Peoples Natural Gas Company for amendment of billing procedures for large volume, nonresidential gas customers who become delinquent in payment of bills. The rules were submitted exactly as proposed by Peoples. Some comments have been received and utilities favor the changes. The Commission has not yet responded. Kniep continued that companies such as John Deere oppose provisions in 19.4(11) that bills may be considered delinquent 5 days after the bill is rendered, and in 19.4(15) which allows a utility to disconnect on 24-hours' notice. Parker concurred with their assessment. He declared that policy should be applicable to residential users also. Kniep said a March 6 hearing date was scheduled.

PLANNING &

Rod Huenemann, CSBG Program Administrator, was present PROGRAMMING for review of chapter 22, Community Services Block Grant, ARC 6305, Notice, IAB 1-29-86.

> Huenemann said that the program provides funds to community action agencies for anticipatory services. A number of changes in federal law have been made since the existing rules were promulgated in 1983.

22.9

Tieden was informed that language in 22.9 was federal law and was incorporated into the contracts. recipient of funds does not get involved in political activities. State law determines allocation of funds on noncompetitive basis. Huenemann noted there are 19 community action agencies in the state and a \$3.7 million appropriation exists.

O'Kane mentioned that the allocation formula is based on census figures and Huenemann concurred. Clark voiced disapproval of the word "dedesignation" in 22.11(7A) and suggested use of "affiliation."

HUMAN SERVICES

The following Human Services agenda was reviewed:

| State community mental health and mental retardation services fund. 32.2(1), 32.2(2) a (1), 32.2(3), 32.2(4), 32.3(4), 32.3(5), 32.2(6), 32.2(7), 32.2(7), 32.2(8), 3 | 2-9 1/20/88 |
|--|----------------|
| ARC 6302 | |
| Community supervised living arrangements, ch 36 ARC 6303 | 1/29/86 |
| Medical assistance conditions of eligibility 75.5/41'a" ARC 6287 | 1/15/86 |
| Medical assistance, application and investigation, 76.1 to 76.4, 76.11 ARC 6304 | 1/29/86 |
| Medical Assistance, 78.1(2)"a"(2), 78.1(2)"e" 78.1(11), 78.1(18), 78.1(19), 78.3, 78.3(18), 78.4(1)"6"(12), 78.4(1)"c"(2), | |
| 29 411747 (1) to (9) 78 4(1771) 78 4(1774) (6) and (7) 78 4(177 78 4(177) (1) 78 6(2) 78 11(8) 78 14(6) | |
| 78.147F(78.26(3), 78.28. 79.8(1), 79.8(6) to 79.8(10), 79.9 to 79.11 ARC 6288 | 1/15/86 |
| The sale of the sa | |

Department representatives in attendance were: Mary Ann Walker, Cynthia Tracy, Kathi Kellen, Ruth E. Schlesinger, Dan Gilbert, Julie Dettmann, Margaret O. Ward, and David C. Segerstrom.

No comments re amendments to chapter 32. Discussion of chapter 36 which establishes minimum standards for the programming of community supervised living arrangements.

HUMAN SERVICES Dettmann indicated that new money was unavailable for the program. Some counties have chosen to start their own programs. Programs were developed through input from counties as well as provider groups.

Discussion of the fact that the Department omitted the word "apartment" (living) even though it was included in the statute. Dettmann defended the Department's position contending that "apartment" was restrictive and would preclude use of a small home. Royce advised that the statute was specific and legislation would be required to delete "apartment." Dettmann was directed to work with Royce on the matter and reinstate the Code language in Chapter 36 heading.

Clark called attention to definition of "service coordinator" and the parenthetical insertion: "(This
person is also known as a case manager)." She
observed that the words "case manager" appeared
several times in the rules and suggested revision to
provide! "'Case manager' is a person who provides
service coordination." According to Dettmann, that
area had been the subject of frequent discussion in
the Department and the Developmental Disabilities
Council and others had strong feelings about the definition. No formal action.

- According to Walker, amendment to 75.5(4) a changes the Medicaid policy for treatment of income and resources for couples who reside together for 6 months in the same room of a medical institution. A recent federal interpretation requires that these couples be considered as individuals. The Department has experienced difficulty in assessing the impact of the change. A computer check revealed 132 couples in care facilities. Those with income below \$3400 would not be affected. Clark expressed opposition to the change.
- No questions re 76.1 to 76.4 and 76.11. Walker pointed 76.1 et al chs 78,79 out that amendments to chapter 78 were substitutes for those published as ARC 6021 ub 10-9-85 IAB. The amendments are proposed as part of a settlement agreement in a recent law suit. Tieden questioned how "severity of illness" was ascertained in 78.3. Gilbert replied 78.3 that the Iowa Foundation for Medical Care makes the determination from information provided by the physician and nurses. A physician is called when a denial is necessary. Priebe failed to understand the need 78.28 for prior approval for vitamins [78.28(1)b]. Kellen responded that, generally, there are very few diseases attributable to vitamin deficiency--beriberi is one example. No action taken.
- WATER, AIR Mark Landa, Randy Clark, and Jerry Tonneson were & WASTE present for the Department.

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WATER, AIR & WASTE Continued

The following agenda was before the Committee:

According to Landa, the Department has filed Notice of Intended Action to amend chapters 22 and 23 (ARC 6280) which deal with permitting air contaminant sources and limits of credit granted to a company for stack heights which exceed good engineering practice.

ch 22

Discussion returned to adopted amendments to Chapter 22 as they pertain to emission offsets for sources in nonattainment areas. Offset credit is limited to direct replacement facilities. Also, the Department incorporated its consent orders into state implementation plants so it will be federally enforceable. Designation of attainment and nonattainment areas has been updated. Four areas have been resdesignated for attainment for total suspended particulates which includes Davenport, Cedar Rapids, portions of Mason City and Des Moines. Landa pointed out that language was added to clarify that before offsets can be granted, the Department must obtain EPA approval.

Returning to discussion of ARC 6280, Landa indicated it was most important to note that stacks and dispersion techniques constructed after December 31, 1970 will be affected. Once a review is made of the sources, emissions may need to be reduced. Discussion of the timetable for compliance by April 8, 1986 or no later than December 31, 1986.

Tieden asked for explanation of "L" in the stack dimension formula. Tonneson said the good engineering practice attempts to have stack heights great enough that when smoke is emitted, the building effect or wake effect will not be drawn toward the ground. The formula provides that stack must be two and one-half times building height or one and one-half the height plus the length, whichever is the lesser, to avoid the downwash situation. No other questions.

HEALTH DEPARTMENT Mark Wheeler, Hearing Officer; Keith Rankin, Barber Examiners; Irene G. Howard, Professional Licensing; Robert Minkler, Health Care Facilities; and Susan Osmann, Certificate of Need, were present for the following agenda:

| Hospitals and health care facilities, 51.4(3)*e." "C and "k." 57.11(3), 58.10(3), 59.12(3), 63.9(3), 57.11(5), 58.10(5), 59.12(5), 63.9(5), 57.15, 63.15, 57.15(2), 63.15(2), 58.10(2)*c." 59.19(2)*c." 59.19(2)*c." 64.13(15), 64.13(16) ARC 6314. #. Physical and occupational therapy, license rerewal, continuing education, 137.5(1), 138.2(7), 138.210(2) ARC 6310. #. Mortuary science examiners, declaratory rulings, 137.7, 138.208 ARC 6309. #. Mortuary science examiners, continuing education, disciplinary procedures 147.107, 147.204 ARC 6312. #. Speech pathology and audiology, waiver for continuing education, 156.7 ARC 6313. #. | 1/29/86 1/29/86 1/29/86 1/29/86 |
|--|--|
| Reports, ch 97 ARC 6298 Advanced emergency medical care, 132, 13(8), filed emergency ARC 6283 AC Barber examiners, 152, 105, 152, 106 ARC 6281 AC Standards for certificate of need revenue, 203, 11(3)* ARC 6300 AC 6 | 1/15/86 1/15/86 |

HEALTH
DEPARTMENT
CONTINUED

Also present: Blaine Donaldson, Methodist Manor, Storm Lake.

Minkler gave brief overview of miscellaneous amendments pertaining to hospitals and health care facilities. Public hearing was held December 2, no oral presentations, and no written comments were received by the December 6 deadline. An Economic Impact Statement on the rules was filed by the Department as requested by the ARRC. O'Kane questioned absence of comment since the Committee had received comments. Minkler was aware of that but he had received nothing from the 440 ICFMRs, 133 hospitals, 418 RCFS and RCFMRS, and 6 Associations.

Donaldson expressed opposition to $57.15(2)\underline{a}$ and $63.15(2)\underline{a}$, which requires the physician's signature to be a part of the resident's physical exam records. He contended that the physician rarely signs the hospital discharge summary since it is typed by medical records personnel. A general physical examination form is signed by the physician.

According to Minkler, hospital rules require a signature within 48 hours. However, he was willing to work with Donaldson for a resolution. Donaldson had serious reservations with paragraph b of the subrules which requires the residents in the various care facilities to undergo tuberculosis testing every three years. He provided statistics with respect to the percentage of TB in residents admitted during the last 5 years. He considered the 12 cases to be so minimal that the rule would not be cost-effective. Donaldson's concern also applied to 58.15(2)c and 59.19(2)c.

Motion to Delay

O'Kane moved that Items 4 and 5 [57.15(2), 63.15(2), 58.15(2) c and 59.19(2) c] be delayed for 70 days for further study. O'Kane asked that the Board consider limiting application of the rules to skilled nursing facilities. Motion carried.

Vote

Tieden was told that the TB tests for Methodist Manor averaged \$3196 per year. Minkler indicated that costs vary from 26 to 75 cents per shot. Donaldson had included nursing time, ambulance, etc. in his figures. O'Kane visualized that many tests generate reaction thus necessitating chest X rays. No further comments.

No questions re 137.5, 137.7, 147.6, 147.107, 147.204, and 156.7. Wheeler apprised the Committee that rescission of Chapter 97 would eliminate requirement for furneral directors and embalmers to send in reports of deaths.

3.5

HEALTH Guely reported that the Pilot Program for advanced emer-DEPT. gency medical care would be extended to December 31, 1986 under emergency amendments to 132.13(8).

ch 152 According to Rankin, amendments to Barber Examiner rules were basically cleanup. Doyle wondered if language in 152.106 was somewhat stringent--"..., but in no case later than thirty days...". Rankin said exceptions could be made and Committee members suggested substituting "sixty" days for "thirty." Rankin was amenable but called attention to the fact that the Auditor had requested the time limit. No questions on 203.11(3)b.

LABOR BUREAU Walter Johnson appeared to discuss problem areas with proposed rules relative to Hazardous Chemical Risks Right to Know--IAB 12/18/85, chapters 110, et al. Also present: Don Hauser, Iowa Manufacturers Association and Winton Etchen, Iowa Fertilizer and Chemical Association.

Johnson reported the public hearing had been held January 20 where many written and oral comments were received. Most of them address two or three areas. Two requests for regulatory flexibility analysis were received, one being a deliberate attempt to delay the rules, according The worker right-to-know rules were scheduled to Johnson. to be effective May 23, 1986, for all manufacturers since they had been adopted at the federal level. He requested input into the Bureau's plan for implementation: Bureau of Labor will proceed to analyse all comments and suggestions, make appropriate changes, and make rules effective for all businesses with 25 employees or more. After that is accomplished, the regulatory flexibility analysis would be completed as requested by small business employers.

O'Kane reasoned it was unfortunate that the flexibility analysis request was being used to delay the process.

Hauser said manufacturers were preparing for compliance. The hazardous chemical standard upon which the law is based becomes effective on the May date for manufacturers. The state law conatins three aspects—two of which are not required by federal regualtions—community right—to—know, and the emergency response agency right—to—know. Hauser continued that manufacturers find this is consuming a tremendous amount of time and resources, and at the public hearing, they requested consideration of delay on the effective application of those two areas.

Johnson stated that the Bureau was considering the request but they recognize the importance of implementing the worker right-to-know aspect of the legislation. He did not consider it critical to delay the community portion.

Hauser emphasized that he was not being critical of the Bureau of Labor.

LABOR Continued

Etchen commented that requirements for posting of signs had created concern and he wanted to work with the Department and with information on "sufficient specificity". His firm had developed a brochure on worker right-to-know.

Johnson took the position that the sign provisions were based on the statute which requires a sign to be posted outside the building for each chemical inside that building.

There was no Committee action taken.

HAZARDOUS CHEMICALS

The following item was considered by the Committee but no action was taken.

Hazardous Chemicals Information Interagency Coordinating Council [462]
Operations, ch 1 ARC 6214......12/18/85

Adjourned

Chairman Priebe adjourned the Committee at 11:20 a.m.

Next Meeting Next meeting was scheduled for March 11.

Respectfully submitted,

Phyllis Barry

Assisted by Vivian Haaq

APPROVED:

CHAIRMAN