MINUTES
Mental Health and Disability Services Funding Study Committee

Friday, October 5, 2018

MEMBERS PRESENT

Senator Jeff Edler, Co-chairperson
Senator Joe Bolkcom
Senator Mark Costello
Senator Amanda Ragan
Senator Mark Segebart
Representative Joel Fry, Co-chairperson
Representative Timi Brown-Powers
Representative Gary Carlson
Representative Lisa Heddens
Representative Shannon Lundgren

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I. Procedural Business

Call to Order and Adjournment. The first of two meetings of the Mental Health and Disability Services Funding Study Committee was called to order by temporary Co-chairperson Fry at 9:07 a.m., Friday, October 5, 2018, in Room 103 of the State Capitol, Des Moines. Representative Shannon Lundgren attended the meeting via a telecommunications connection. The meeting was adjourned at 11:40 a.m.

Committee Organization. The committee elected temporary co-chairpersons Edler and Fry as permanent co-chairpersons and adopted the proposed procedural rules unanimously.

Review of Committee Charge. Mr. Jess Benson, Senior Fiscal Legislative Analyst, Legislative Services Agency (LSA) Fiscal Services Division, reviewed the charge for the committee.

Opening Comments and Introductions. Co-chairpersons Fry and Edler welcomed the members of the committee and other attendees and invited member introductions. Co-chairperson Fry commented on the bipartisan mental health legislation that developed out of the work of the complex service needs workgroup and the importance of elevating mental illness to a status similar to other illnesses.

II. History of Mental Health and Disability Services in Iowa Legislature

Mr. Benson provided the committee with an overview of major legislative enactments related to the funding for Mental Health and Disability Services (MHDS) in Iowa.

Mr. Benson explained the current MHDS funding approach stems from 1995 legislation, Senate File 69. Under the Act, the General Assembly capped the total amount generated from the MHDS levy at $214.2 million statewide and gave counties the option to lock in FY 1994 actual expenditures or FY 1996 net expenditures as the new county levy dollar cap. The state then provided $88.4 million in property tax relief to certain eligible counties to reduce the total levy to $125.8 million statewide.

Mr. Benson noted there were several MHDS bills enacted following Senate File 69, but Senate File 2315, in 2012, set up MHDS funding in its current structure. Senate File 2315 provided that beginning in FY 2013, the state assumed responsibility for the nonfederal share of Medicaid previously funded by the counties, directed counties to establish regions, created core and core plus MHDS service domains, set MHDS eligibility standards, and created a new per capita levy system with a cap of $47.28 per capita.

According to Mr. Benson, the next major change to MHDS funding was the enactment of Senate File 446 in 2013. Senate File 446 took advantage of the option under the Affordable Care Act to expand Medicaid to individuals not previously Medicaid eligible and certain individuals became eligible to receive more intensive MHDS services under Medicaid. Due to this, counties were required to return 80 percent of the savings resulting from the expansion to the state for one year to help offset the state cost for Medicaid either by returning all or a portion of the county's equalization payment or reducing the following year's property tax levy.

In 2017, Senate File 504 was enacted. Senate File 504 equalized the MHDS property tax rates levied in each county on a regional basis and set a maximum per capita amount to be levied across the entire region. There are now 14 different maximum levy rates among the 99 counties, ranging from $25.84 to $47.28 per capita. Senate File 504 also set limits on funds counties may reserve for cash flow and gave the counties three years to spend down excess fund balances, and included specific funding transfer and service provisions for Polk County and Broadlawns Medical Center.

Mr. Benson concluded his remarks by discussing several ongoing issues related to the MHDS funding system and several of the funding options and legislative proposals that have been presented in recent years.

Questions and Discussion. In response to questions from the committee, Mr. Benson confirmed that the Complex Needs Workgroup final report includes calculations for the startup, and ongoing, costs for MHDS services. The final report will be submitted to the General Assembly. Mr. Benson explained that under the current MHDS system, counties may pay for services not covered by a region or managed care organization. The committee discussed the funding caps currently in place. Mr. Benson explained the differing funding situations between each of the regions and how the smaller regions are unable to levy sufficient amounts under the current system to meet the needs of the region.

III. Telehealth Services Provider

Mr. Doug Wilson, President, Integrated Telehealth Partners (ITP), provided the committee with an overview of the services ITP provides through contracts with 10 of the 14 MHDS regions, mental health clinics, ACT Teams, hospitals, county jails, and crisis centers throughout Iowa. According to Mr. Wilson, ITP has handled approximately 4,500 cases in Iowa. Mr. Wilson stated that ITP's goal is to find the appropriate level of care for patients through appropriate evaluations utilizing telehealth. Mr. Wilson explained the process the patient goes through when using the telehealth service. Within two hours of intake, hospitals contact ITP which then connects the hospital to an Iowa licensed psychologist. The psychologist performs a medical consultation and assesses the level of care the patient may need. Once the level of care is agreed upon by the emergency department physician and the psychologist, advocates employed by ITP find placements in the level of care that matches the patient's needs followed with a warm handoff with the placement. Mr. Wilson identified a few of the issues ITP experiences when placing patients including long drive times between the emergency department and the placement, including that approximately 20 percent of patients are difficult to place due to complex needs or age; and outlined several proposals and considerations relating to efficiencies that could be achieved through modifications of the state's placement process, the modernization of medical file sharing, and potential integration of ITP's software applications. Mr. Wilson also emphasized the need for increased and continued data and analytics collection in order to further optimize the system and establish accountability measures.

Questions and Discussion. In response to questions from the committee, Mr. Wilson explained that 20 percent of complex patients are difficult to place not because of a lack of desire to help, but because of the liability and costs associated with the patient. In response to a question about the commute times between initial point of contact with the patient and the placement of the patient, Mr. Wilson suggested zones be designed within the regions for persons to be placed. The committee discussed the MHDS providers utilized by ITP. Mr. Wilson explained that while all of the providers are licensed in the state, not all of those providers reside in the state.

IV. Committee Discussion

Each of the committee members discussed their priorities.

Members of the committee proposed inviting a panel including Richard Shults, the MHDS Division Administrator at the Department of Human Services; MHDS region CEOs; regional administrators; and mental health service providers to the next committee meeting. Concerns were raised relating to payments for providers, whether the payments were sufficient, and the timeliness of the payments. The committee also discussed examining the timing of expenditures for new areas and core services.

V. Committee Small Group Tours

Upon adjournment, committee members and legislative staff toured the Crisis Observation Center and other mental health services departments at Broadlawns Medical Center in Des Moines. Tours were also provided for the Crisis Observation Center operated by Broadlawns Medical Center, a nine-bedroom facility in Des Moines.

VI. Materials Filed with the Legislative Services Agency

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the "Committee Documents" link on the committee's Internet site:

www.legis.iowa.gov/committees/meetings/documents?committee=31963&ga=ALL

1. Legislative Services Agency
   - Mental Health and Disabilities Services Levies FY 2017 - FY 2019.
   - History of Adult Mental Health and Disabilities Services Funding in Iowa
2. Integrated Telehealth Partners
   - Integrated Telehealth Partners Presentation