



## Fiscal Services Division

### ADMINISTRATIVE RULES – FISCAL IMPACT SUMMARIES

June 11, 2013

*Iowa Code Section 17A.4(4) requires the Legislative Services Agency (LSA) to analyze the fiscal impact of all administrative rules with an impact of \$100,000 or more and provide a summary of the impact to the Administrative Rules Review Committee (ARRC). Fiscal Impact Statements filed by State agencies can be found on our website at <https://www.legis.iowa.gov/LSAReports/fiscalImpactAdminRules.aspx>*

| Table of Contents                     |      |  |      |
|---------------------------------------|------|--|------|
| Agency                                | Page | Agency   | Page |
| Attorney General                      | 1    | Department of Education                        | 12   |
| Dental Board                          | 1    | Department on Aging                            | 13   |
| Insurance Division                    | 2    | Department of Agriculture and Land Stewardship | 13   |
| Racing and Gaming Commission          | 2    | Credit Union Division                          | 14   |
| Department of Revenue                 | 3    | Educational Examiners Board                    | 14   |
| Environmental Protection Commission   | 3    | Labor Services Division                        | 15   |
| Natural Resources Commission          | 4    | Board of Pharmacy                              | 15   |
| Department of Inspections and Appeals | 5    | Real Estate Appraiser Examining Board          | 16   |
| Iowa Public Information Board         | 7    | Real Estate Commission                         | 16   |
| Department of Public Health           | 8    | Soil Conservation Division                     | 16   |
| Secretary of State                    | 9    | Special Review - Human Services                | 17   |
| Department of Human Services          | 10   |  |      |

**\*Agencies with a blue border have one or more rules with a fiscal impact of \$100,000 per year or more.**

#### Attorney General

**ARC 0751C**

**Rule Summary** Amends forfeited property rules to conform with Iowa Code section 809A.17. Decreases the amount of forfeiture proceeds retained by the Office of the Attorney General from 20.0% to 10.0% for both cash and real estate. Removes the requirement of notice to the Office of the Attorney General whenever property is seized for forfeiture, except for real estate seizures. Requires local agencies to apply for vehicle title transfer or junking certificate within 10 days of receipt of title from the State of Iowa.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Beth Lenstra (Ext. 16301)

#### Dental Board

**ARC 0768C**

**Rule Summary** Terminates the "Notice of Intended Action" and postpones further action until after the Board receives the recommendations from its Ad Hoc Expanded Functions Committee. This Committee was appointed by the Board Chair on October 25, 2012, to address expanded functions for dental hygienists and dental assistants.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

## Insurance Division

**ARC 0716C**

- Rule Summary** Updates rules to conform to the North American Securities Administrators Association (NASAA) model rules. Highlights of the changes include:
- Eliminates the billing of salary costs as part of an audit fee and updating the deposit to use the Commerce Revolving Fund.
  - Provides for automatic acceptance of Financial Industry Regulatory Authority (FINRA) exams.
  - Requires filing of the Uniform Application for Investment Adviser Registration (Form ADV) Part 2 electronically with the Investment Advisory Registration Depository (IARD) instead of on paper with the administrator.
  - Updates investment adviser prohibited conduct by adding recent NASAA model changes.
  - Updates investment adviser recordkeeping requirements and investment adviser financial reporting requirements.
  - Adopts the state model for denial, suspension, or revocation of agent or investment adviser representative registration for failure to pay state debt.
  - Designates certain nationally recognized securities manuals for identifying exempt transactions.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

## Racing and Gaming Commission

**ARC 0734C**

- Rule Summary** Provides the following:
- Items 1 – 9, and 11, change the Racing and Gaming Commission's address.
  - Item 10 specifies the standard of review for appeals of certain Steward decisions is to be abuse of discretion and how an appeal may be filed.
  - Item 12 establishes a shelf application for a licensee's debt.
  - Item 13 replaces Chapter 8 (Wagering and Simulcasting) with language to treat pari-mutuel wagers and calculations similar to casino gambling games and requires pari-mutuel wagers and calculations to be made available to the public upon request at a designated location.
  - Item 14 rescinds Chapter 9 (Harness Racing).
  - Items 15 and 16 remove the requirement for the appointment of a Clerk of the Course as a racing official.
  - Items 17 and 18 specify the standard of review for appeals of certain Steward decisions is to be abuse of discretion.
  - Item 19 establishes a requirement for trainers to ensure their employees are properly licensed by the Commission.
  - Item 20 clarifies that approved gambling games of chance are to be conducted on the gaming floor.
  - The item related to allowing a multi-state progressive slot machine system subject to agreement between participating states has been removed since the rule was first submitted.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

---

**Department of Revenue**

**ARC 0770C**

**Rule Summary** Requires county assessors to adjust for non-cropland in distributing agricultural productivity valuation to each parcel. The adjustment is to be applied to non-cropland with a corn suitability rating (CSR) that is greater than 50.0% of the average corn suitability rating for cropland for the county. An example of the adjustment calculation is provided. The adjustment procedure is to be implemented by the 2017 assessment year. Counties may apply for an extension up to the 2019 assessment year. A taxpayer may apply to the county for the adjustment to non-cropland beginning with the 2014 assessment.

Notice of Intended Action was published on April 3, 2013, as ARC 0653C with a public hearing notice published in ARC 0659C. Only nonsubstantive edits were made to the amended rule.

**Fiscal Impact** A geographic information system (GIS) is a system designed to capture, store, manipulate, analyze, manage, and present many types of geographical data. Most counties already perform valuations using digital GIS tools, so there is no fiscal impact for them. The adjustment will simply be a recalculation. Between four and six counties have digital GIS but do not have the necessary software tools. Depending on the upgrade assistance needed, the cost is estimated to be between \$5,000 to \$7,000 each or a total cost between \$20,000 to \$42,000. Seven counties do not have GIS systems and digital parcels. For these counties, the valuation adjustment will be a manual task, and the county assessor or hired part-time staff will perform the required calculations. Manual measurement and calculation is a slow process and may take several years to complete using part-time help. The cost per county for part-time staff is estimated to be between \$15,000 to \$20,000 per year or \$45,000 to \$60,000 over a three year-period. If a county decides to add a digital GIS parcel system, then it will cost that county approximately \$105,000 to \$115,000 for the system, software, and digital parcels.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

**Environmental Protection Commission**

**ARC 0740C**

**Rule Summary** Adopts federal air toxic standards for stationary engines known as Reciprocating Internal Combustion Engines for National Emission Standards for Hazardous Air Pollutants (RICE NESHAP). By adopting the federal standards, the Department of Natural Resources (DNR), rather than the federal Environmental Protection Agency (EPA), will implement and enforce these regulations in Iowa.

In 2010, an earlier version of the RICE NESHAP was adopted but rescinded by Executive Order (EO) 72. The EPA agreed to reconsider the RICE NESHAP regulations and published changes in the Federal Register on January 31, 2013. Refer to: [www.gpo.gov/fdsys/pkg/FR-2013-01-30/pdf/2013-01288.pdf](http://www.gpo.gov/fdsys/pkg/FR-2013-01-30/pdf/2013-01288.pdf).

The DNR has worked closely with stakeholders regarding the rule change and stakeholders include investor-owned electric utilities, municipal utilities, rural electric cooperatives, industries, institutional facilities, and others.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Deb Kozel (Ext. 16767)

---

**Natural Resource Commission**

**ARC 0720C**

**Rule Summary** Makes changes to the number of wildlife refuge areas or sanctuaries:

- Adds one new waterfowl wildlife refuge in Cerro Gordo County known as Union Hills.
- Removes Three Mile Lake in Union County and Lake Sugema in Van Buren County. Although these areas are no longer wildlife refuges, they remain public lands that are open for public hunting.

**Fiscal Impact** No fiscal impact. The DNR does not anticipate additional costs for the new waterfowl refuge as the area is owned and managed by the DNR. The two refuges being removed will remain under the management of the DNR and all areas are currently, and will continue to be, monitored by Conservation Officers.

**ARC 0721C**

**Rule Summary** Implements regulations for hunting waterfowl and coot, and includes season dates, bag limits, possession limits, shooting hours, and areas open to hunting. Changes include:

- Changes season dates to comply with federal regulations.
- Ensures all seasons are open on weekends.
- Removes the bag limit on light geese.

**Fiscal Impact** No fiscal impact.

**ARC 0719C**

**Rule Summary** Changes hunting regulations for crows and pigeons by allowing the hunting of pigeons year round.

**Fiscal Impact** No fiscal impact. The DNR does not anticipate a large increase in licenses sold due to the rule change.

**ARC 0717C**

**Rule Summary** Implements regulations for the resident deer hunting season including; season dates, bag limits, possession limits, shooting hours, areas open to hunting, licensing procedures, means and methods of take, and transportation and reporting requirements.

Reduces the antlerless deer quota numbers in six counties in the Nishnabotna Wildlife Unit that includes:

- Cass County – from 1,300 to 550
- Fremont County – 1,500 to 600
- Mills County – from 1,350 to 950
- Montgomery County – from 1,300 to 1,050
- Page County – from 1,800 to 950
- Pottawattamie County – from 2,100 to 1,300

The quota reduction is designed to stabilize deer numbers in counties where the deer population has been reduced to levels set by the Deer Study Advisory Group in 2009.

**Fiscal Impact** The DNR estimates the fiscal impact to be less than \$100,000 due to the quota reduction. Although the proposed reduction is a total of 3,950 licenses, only 730 of these licenses were sold in 2012. This will result in a reduction of less than \$20,000 in fees to the Fish and Game Protection Fund.

**ARC 0718C**

**Rule Summary** Implements regulations for hunting and trapping furbearers including season dates, bag limits, possession limits, and areas open to hunting. Other changes include:

- Adds six counties to the open area for bobcats.
- Removes statewide quotas for bobcats and river otters.
- Allows the season to run concurrently with the other furbearer seasons.
- Eliminates the 24-hour reporting requirement but still requires that a Convention on the International Trade of Endangered Species (CITES) tag be obtained for each bobcat and river otter.
- Reduces the number of river otters that can be taken from three to two to prevent too many river otters being taken in any one area.

**Fiscal Impact** The DNR anticipates an increase in trapping, but cannot predict how many additional licenses will be sold. If the DNR sells an additional 1,000 licenses, there will be an increase of \$23,000 to the Fish and Game Protection Fund.

STAFF CONTACT: Deb Kozel (Ext. 16767)

---

**Department of Inspections and Appeals**

**ARC 0766C**

**Rule Summary** Strikes the terms “mental retardation” and “mentally retarded” in Chapter 22, “Health Care Facility Audits,” Chapter 50, “Health Care Facilities Administration,” Chapter 54, “Governor’s Award for Quality Care,” Chapter 57, “Residential Care Facilities,” Chapter 58, “Nursing Facilities,” and Chapter 65, “Intermediate Care Facilities for Persons with Mental Illness (ICF/PMI)” and replaces them with the terms “intellectually disabled” and “intellectual disabilities” as appropriate.

Notice of Intended Action was published on February 6, 2013, as ARC 0601C. No public comments were received, but the Department changed “qualified mental retardation professional” to “qualified intellectual disabilities professional” to match the federal job description.

**Fiscal Impact** No fiscal impact.

**ARC 0776C**

**Rule Summary** Amends Chapter 50, “Health Care Facilities Administration,” Chapter 57, “Residential Care Facilities,” Chapter 58, “Nursing Facilities,” Chapter 62, “Residential Care Facilities for Persons with Mental Illness (RCF/PMI),” Chapter 63, “Residential Care Facilities for the Intellectually Disabled,” Chapter 64, “Intermediate Care Facilities for the Intellectually Disabled,” and Chapter 65, “Intermediate Care Facilities for Persons with Mental Illness (ICF/PMI)” to implement legislative changes, including Senate File 347 (Nursing Home Conditional Employment), that require health care facilities to conduct criminal record checks, and child abuse and dependent adult abuse record checks of prospective employees. Facilities may conditionally employ an individual for up to 60 days pending completion of the background check.

**Fiscal Impact** No fiscal impact.

**ARC 0761C**

**Rule Summary** Clarifies the definition of health care worker subject to the tuberculosis (TB) screening requirements outlined in Chapter 59 by excluding volunteers in a health care facility or hospital that are not on a consistent and regular schedule and work less than five hours per week. Also excludes from the definition of “health care worker” individuals such as visitors, building contractors, repair workers, or others

that are in the facility or hospital for a very limited purpose and are not in the facility or hospital on a regular basis.

These rules were previously filed; no public comment was received; and no changes have been made in the current version. ARC 0674C was filed emergency, and ARC 0675C gave notice of intended action. Chapter 59, the emergency filing of ARC 0674C, and the amended definition of health care worker had an effective date of March 26, 2013.

**Fiscal Impact** No significant impact but the amended definition of a health care worker will reduce costs somewhat by testing and screening fewer individuals.

**Rule Summary** **ARC 0763C**  
Rescinds Chapter 61 and replaces it with a new Chapter 61. Removes the design and construction standards from the Chapter and incorporates by reference generally accepted design and construction standards for the construction and renovation of state-licensed nursing facilities. The proposed changes bring the focus of the Chapter onto physical standards directly related to the care of nursing home residents, including the preparation of foods, and the maintenance of specialized units or rooms.

Notice of Intended Action was published on December 12, 2012, as ARC 0514C. Comments were received and changes were made. Highlights of those changes include determining that a project is in compliance with State building code when these rules are met regardless of whether a local jurisdiction's building code is less or more restrictive than the State code, allowing conversion of a nursing home to a hospital and vice versa without considering it a change of occupancy, requiring only the remodeled portion of a building to meet new construction standards, clarifying that exit door alarms are required on all exterior doors, deleting rules for bed location, soap holders, showerheads, and windows of seclusion rooms, and clarifying that an exhaust ventilation system must discharge outside the building.

**Fiscal Impact** No fiscal impact.

**Rule Summary** **ARC 0765C**  
Strikes the terms "mental retardation" and "mentally retarded" in Chapter 63, "Residential Care Facilities for the Mentally Retarded" and replaces them with the terms "intellectually disabled" and "intellectual disabilities" as appropriate.

Notice of Intended Action was published on February 6, 2013, as ARC 0600C. No public comments were received, but the Department did make some changes. "Qualified mental retardation professional" was changed to "qualified intellectual disabilities professional" to match the federal job description, and obsolete language that is no longer relevant was rescinded.

**Fiscal Impact** No fiscal impact.

**Rule Summary** **ARC 0764C**  
Strikes the terms "mental retardation" and "mentally retarded" in Chapter 64, "Intermediate Care Facilities for the Mentally Retarded" and replaces them with the terms "intellectually disabled" and "intellectual disabilities" as appropriate.

Notice of Intended Action was published on February 6, 2013, as ARC 0599C. No public comments were received, but the Department did make some changes. "Qualified mental retardation professional" was changed to "qualified intellectual

disabilities professional” to match the federal job description, and obsolete language that is no longer relevant was rescinded.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

## Iowa Public Information Board

**ARC 0741C**

**Rule Summary** Establishes new administrative rules for the Iowa Public Information Board. The Board was created by SF 430 (Public Information Board) during the 2012 Legislative Session to provide an alternative means to enforce laws governing open meetings and public records. The Board members were appointed by the Governor and have met to develop rules and lay the groundwork to begin operations on July 1, 2013.

The rules address:

- Organization and General Administration – requirements for requesting and processing advisory opinions and addressing conflicts of interest of Board members.
- Complaint Investigation and Resolution Procedures – requirements for filing and processing written complaints as well as investigating, assessing civil penalties, and reaching settlements.
- Declaratory Orders – procedures for petitioning the Board for a declaratory order that may bind the requestor based on the facts presented.
- Contested Cases – procedures that will apply in the event that a complaint is not resolved informally and results in charges by the Board that proceed to a hearing.
- Petitions for Rule Making – procedures to request that the Board adopt new rules, amend rules, or repeal existing rules.
- Agency Procedures for Rule Making – procedures that apply in any rule making undertaken by the Board under Iowa Code chapter 17A.
- Fair Information Practices – identification of records to be maintained by the Board and specifying records that are open, those that are confidential, and those that contain personally identifiable information about members of the public.
- Records Access – procedures for requesting access to records, for requesting that records provided to the Board be kept confidential, for making additions, dissents, or objections to records maintained by the Board, the use of records, and the conditions allowing records to be released.

Notice of Intended Action was published in March 20, 2013, as ARC 0644C. Comments were received and clarifications were made. Highlights of other changes include:

- Board advice to a government official or a lawful custodian of a public record constitutes a defense to proceedings before the Board.
- Requires the Board to maintain confidentiality of records it receives if the government body is statutorily required to keep the records confidential. Upon resolution of a complaint, the Board may enter an order concluding the record is confidential or direct the government body to release the record, or any part determined not to be confidential.

**Fiscal Impact** The Board is funded by an appropriation by the Administration and Regulation Appropriations Subcommittee. The rules have no fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

## Administrative Rules – Fiscal Impact Summaries

June 11, 2013

8

### Department of Public Health

|                      |  |                  |
|----------------------|--|------------------|
|                      |  | <b>ARC 0754C</b> |
| <b>Rule Summary</b>  | Exempts health care providers and hospitals from reporting communicable and infectious disease lab results if the health care provider or hospital ensures that the laboratory performing the analysis provides a report containing the required information to the Department of Public Health.   |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0755C</b> |
| <b>Rule Summary</b>  | Updates rules to establish the health insurance assistance component of the AIDS Drug Assistance Program (ADAP). This includes the eligibility guidelines and program rules. In addition, new federal requirements for semi-annual reviews of eligibility are included, and the procedures for establishing and removing waiting lists are simplified.   |                  |
| <b>Fiscal Impact</b> | No State General Fund match is required. This program is completely funded by the federal Health Resources and Services Administration (HRSA) of the U.S. Department of Health and Human Services. Payment of insurance co-pays and deductibles also allows the state ADAP to access rebates from pharmaceutical manufacturers through the HRSA 340B drug-pricing program, which generates revenues for the program. These revenues must be used for Ryan White Part B Program expenses. |                  |
|                      |  | <b>ARC 0775C</b> |
| <b>Rule Summary</b>  | Updates definitions and references to the DPH website for accessing documents.   |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0772C</b> |
| <b>Rule Summary</b>  | Revises criteria and provides interpretive guidelines for Iowa Trauma System Regional Level II Hospital and Emergency Care Facility categorization.  |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0774C</b> |
| <b>Rule Summary</b>  | Updates trauma triage and transfer protocols to remove outdated references.  |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0773C</b> |
| <b>Rule Summary</b>  | Revises EMS provider definitions, dates for trauma core course objectives, requirements for trauma service medical directors, and general/trauma surgeon definitions.  |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0756C</b> |
| <b>Rule Summary</b>  | Eliminates a requirement that the Department's Emergency Medical Services (EMS) System Development grants be awarded competitively to remove barriers that local applicants currently experience and improve the accessibility to receive these grants.  |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---

## Administrative Rules – Fiscal Impact Summaries

June 11, 2013

9

### Secretary of State

- ARC 0736C**
- Rule Summary** Provides a formal mechanism for individuals with disabilities to participate in accessibility testing of new voting systems being considered for certification. The rule has been modified since it was first proposed to accommodate a situation when no interested parties participate in the testing.
- Fiscal Impact** No fiscal impact.
- ARC 0729C**
- Rule Summary** Conforms to the current practice of assessing a \$10 fee to accept a notice of action involving nonresident small claims actions.
- Fiscal Impact** No fiscal impact. An undetermined amount is deposited in the General Fund annually under the current practice.
- ARC 0695C**
- Rule Summary** Provides standards for county commissioners of election to follow when using the two newly certified voting systems approved by the Iowa Board of Voting Equipment Examiners.
- Fiscal Impact** No fiscal impact.
- ARC 0728C**
- Rule Summary** Rescinds rules pertaining to the collection of postsecondary school registration fees as the Secretary of State no longer has statutory authority to collect those fees. The obligation was repealed during the 2009 Legislative Session with the enactment of SF 270 (Registration of Postsecondary Schools Act).
- Fiscal Impact** No fiscal impact.
- ARC 0730C**
- Rule Summary** Conforms to the current practice of the Secretary of State requiring email addresses of registered agents for any business organizations that file electronically with the Secretary of State. The addresses are not a public record.
- Fiscal Impact** No fiscal impact.
- ARC 0731C**
- Rule Summary** Conforms to the current practice of assessing a fee of \$500 for athlete agent registrations and renewals. The fee is authorized by Iowa Code section 9A.109.
- Fiscal Impact** No fiscal impact. The Secretary collects approximately \$5,500 annually and the fees are deposited in the General Fund.
- ARC 0727C**
- Rule Summary** Implements updated rules related to notarial acts and officers to conform to SF 2265 (Notarial Acts Act) as enacted during the 2012 Legislative Session.
- Fiscal Impact** No fiscal impact.

STAFF CONTACT: Ron Robinson (Ext. 16256)

---

**Department of Human Services**

**ARC 0735C**

**Rule Summary** Establishes criteria for exempting counties from joining regions to administer mental health and disability services. The Department of Human Services (DHS) is charged with implementing redesign of the mental health and disability services system into a regionally-administered, locally-delivered service system. The authority to accept applications for an exemption is repealed effective July 1, 2013.

**Fiscal Impact** No fiscal impact.

**ARC 0746C**

**Rule Summary** Revises the following eligibility rules related to Medicaid and the Iowa Family Planning Network:

- Deletes the requirement concerning health insurance coverage.
- Deletes the requirement concerning hawk-i coverage.
- Revises the maximum income standard to reflect the Modified Adjusted Gross Income (MAGI) deduction of 5.0% of the gross income effective January 1, 2014.

**Fiscal Impact** The fiscal impacts for these changes are expected to be minimal. The revision of the maximum income standard is expected to add additional individuals to the Family Planning Waiver; however the State pays for only 10.0% of the cost. The fiscal impact for the third change is \$2,300 in FY 2014 and \$16,500 in FY 2015. These changes are required by federal law.

**ARC 0757C**

**Rule Summary** Changes the name of the Home and Community-Based Services (HCBS) III and Handicapped Waiver to the Health and Disability Waiver. The Health and Disability Waiver is amended to allow targeted case managers as well as service workers to manage this waiver. The word “consumer” has been changed to member.

**Fiscal Impact** No fiscal impact.

**ARC 0747C**

**Rule Summary** Amends the rules to reflect programmatic changes affecting the hawk-i Program as required by the federal Patient Protection and Affordable Care Act. Major changes include:

- Implementation of the Modified Adjusted Gross Income (MAGI) methodology. The MAGI is a national standard that requires all states to consider family income when determining eligibility for participation in insurance affordability programs such as Medicaid, CHIP, and plans offered through the Health Insurance Marketplace/Exchange.
- Implementation of the single application and streamlined eligibility process required for all insurance affordability programs and the requirement to verify information to establish income through data matches to the greatest extent possible. The rules are also amended to align references to the general eligibility requirements of the Medicaid program when applicable.
- Technical changes related to health plan regions have also been made.

**Fiscal Impact** This rule is estimated to cost \$147,250 in FY 2014 for a third party administrator to make these changes. These changes are required by federal law.

## Administrative Rules – Fiscal Impact Summaries

June 11, 2013

11

|                      |  |                  |
|----------------------|--|------------------|
|                      |  | <b>ARC 0758C</b> |
| <b>Rule Summary</b>  | Clarifies the policy related to the treatment of income and resources for institutionalized spouses that apply for the Program for All-Inclusive Care for the Elderly (PACE).  |                  |
| <b>Fiscal Impact</b> | No fiscal impact.  |                  |
|                      |  | <b>ARC 0760C</b> |
| <b>Rule Summary</b>  | Adds language to include Indian Health Care providers in the IowaCare Network to serve IowaCare-eligible Native Americans.   |                  |
| <b>Fiscal Impact</b> | This change is required by the federal government. There is a potential for a slight savings with the federal government financing 100.0% of the expenditures.   |                  |
|                      |  | <b>ARC 0759C</b> |
| <b>Rule Summary</b>  | Revises the sliding scale used to determine premiums for medical assistance benefits under the IowaCare Program to reflect the revised 2013 Federal Poverty Levels (FPL) based on income for the household size.   |                  |
| <b>Fiscal Impact</b> | Minimal fiscal impact. This will have an estimated state impact of \$261 for FY 2013 and \$1,718 for FY 2014 in potential increase per premiums collected. The majority of IowaCare members have income less than 100.0% of the FPL and do not pay any premiums.   |                  |
|                      |  | <b>ARC 0691C</b> |
| <b>Rule Summary</b>  | Makes the following changes: <ul style="list-style-type: none"><li>Decreases the statewide average cost of nursing facility services to a private-pay person. The figure is being revised to reflect the decrease in the cost of private pay rates for nursing facility care in Iowa. The change is not related to rates paid by Medicaid for nursing facility care. The figure is used to determine a period of ineligibility when an applicant or recipient transfers assets for less than fair market value. When assets are transferred to attain or maintain Medicaid eligibility, the individual is ineligible for Medicaid payment of long-term care services. The period of ineligibility is determined by dividing the amount transferred by the statewide average cost of nursing facility services to a private-pay person.</li><li>Updates the average private-pay charges for nursing facility care used to determine the disposition of the income of a Medical Assistance Income Trust (MAIT). These amounts are not related to the rates paid by Medicaid for nursing facility care. For this purpose, the DHS survey for statewide average private-pay charges at nursing facility level of care included only the free standing nursing facilities in Iowa. Hospital-based skilled facilities and special population units were not included in the survey, since recipients are allowed to use the average cost of the specialized care. This change may result in fewer individuals eligible for Medicaid with Miller trusts. However, very few, if any, individuals in nursing facilities will have monthly income between the old and new amounts.</li></ul> |                  |
| <b>Fiscal Impact</b> | Minimal fiscal impact. Decreasing the statewide average cost used to determine a period of ineligibility for long-term care services due to a transfer of assets will increase the period of ineligibility. Decreasing the statewide average charges used to determine the disposition of income from a MAIT may mean that fewer individuals will be able to create trusts to establish Medicaid eligibility. These changes are marginal in nature and are not expected to significantly impact the number of Medicaid members receiving long-term care services.  |                  |

**ARC 0690C**

**Rule Summary** Makes the following changes:

- Updates average charges for Psychiatric Medical Institutes for Children (PMICs) and Mental Health Institutes (MHIs) and the maximum Medicaid rate for Intermediate Care Facilities for individuals with Intellectual Disabilities (ICF/ID) that are used to determine the disposition of the income of a MAIT.
- The average charges for PMICs and MHIs are based on Medicaid rates because Medicaid is the primary payer of these services. The DHS maximum charges allowed for care in an ICF/ID include:
  - The average charge for care in a PMIC increased from \$5,472 per month to \$6,111 per month.
  - The average charge for care in an MHI increased from \$18,546 per month to \$19,590 per month.
  - The maximum Medicaid rate for ICF/ID increased from \$23,801 per month to \$25,922 per month.
- The increases in these amounts will allow a few additional individuals to qualify for medical assistance with MAITs because it increases the income limit for income assigned to a MAIT when Medicaid eligibility is considered.
- The average charge rate for care in a nursing facility is not addressed here because the average charge decreased. The decrease in these charges does not confer a benefit to recipients. Therefore, the implementation period cannot be waived and that change will be made by separate rule making.

**Fiscal Impact** Minimal fiscal impact. There are very few individuals with a MAIT so these changes will likely impact very few individuals. The exact number is unknown.

STAFF CONTACT: Jess Benson (Ext. 14611)

**Department of Education**

**ARC 0767C**

**Rule Summary** Increases the school bus inspection fee to \$40 per vehicle beginning July 3, 2013. The current fee for each bus inspection is \$28. No changes have been made to the rule since the initial notice, except changing the effective date from July 1 to July 3.

**Fiscal Impact** No fiscal impact.

School districts pay the fees when inspections are done. Currently, the Department of Education (DE) has two bus inspectors on staff paid by the fees. Raising the fee to \$40 will allow for the hiring of one additional inspector. Based on the number of buses statewide, the new inspection fee will increase the fees paid by all school districts by \$148,080, or \$426 per district.

**ARC 0693C**

**Rule Summary** Requires one-time consent and written notification for schools to access Medicaid or other public insurance benefits and annual notification thereafter. The changes are required to conform to federal rulemaking.

**Fiscal Impact** No fiscal impact.

**ARC 0694C**

**Rule Summary** Establishes guidelines and standards for School Administration Manager Programs in Iowa. Defines the term School Administration Manager (SAM) and describes the proper training model. Provides details for establishing SAM training programs.

Outlines the knowledge, standards, and skills necessary for individuals receiving SAM training. Grants the DE the authority to set and collect fees covering the costs of the SAM Program.

**Fiscal Impact** No State fiscal impact is anticipated if current DE staff is sufficient to monitor the SAM Program. It is unknown if the DE will require additional staff to monitor the SAM Program until it is fully implemented.

STAFF CONTACT: John Parker (Ext. 52249)

---

## Department on Aging

### ARC 0742C

**Rule Summary** Moves and combines certain definitions into a single Chapter. The purpose is to create one comprehensive Chapter of definitions. The changes also updates definitions and eliminates definitions no longer used.

**Fiscal Impact** No fiscal impact.

### ARC 0743C

**Rule Summary** Requires the Department and the Area Agencies on Aging (AAA) to comply with existing federal and State laws, rules, and regulations in regards to aspects of fiscal management and oversight. Changes the process and procedure used to develop and adopt distribution formulas for Older Americans Act funds and State appropriations. Creates a remedies section that allows the Department to mandate a plan of correction and impose remedies for fiscal failure to perform.

**Fiscal Impact** No fiscal impact.

### ARC 0744C

**Rule Summary** Makes the following changes:

- The Department on Aging will be able to require area plans for a period of two years and up to four. Currently, the AAAs are required to submit four-year plans.
- The AAAs will be allowed flexibility to determine if a director is necessary. Currently, each AAA is required to have a full-time director.
- The Department on Aging will not need to de-designate an area agency on aging for failing to meet service standards. De-designation is still an option under rule 17-4.6231, but this will allow flexibility in response to deficiencies.
- The section related to priority service expenditures was moved to Chapter 5. The hearing section related to priority service expenditures was moved to the area plan hearing section of 17-6.2231.
- The inconsistent and unenforceable section of entrepreneurial activities will be removed. This change will give the AAAs clarification on what is necessary to perform entrepreneurial activities.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Jess Benson (Ext. 14611)

---

## Department of Agriculture and Land Stewardship

### ARC 0738C

**Rule Summary** Updates references and citations for the Renewable Fuels Program that was moved to the Department of Agriculture and Land Stewardship (DALs) last year.

**Fiscal Impact** No fiscal impact.

**ARC 0771C**

- Rule Summary** Makes changes to the Chronic Wasting Disease (CWD) provisions and includes:
- Changes wording of designated laboratories from “approved” to “official.”
  - Species that when an animal has contact with contaminated premises the animal becomes CWD exposed.
  - Removes the negative stain electron microscopy and bioassay from the list of official tests for CWD.
  - Updates identification requirements.
  - Clarifies that CWD testing must occur and the test found negative prior to the removal of the CWD quarantine.
  - Clarifies the DALs will investigate CWD suspect herds.
  - Clarifies that DNR must approve the disposal of CWD affected or exposed animals.
  - Clarifies that the herd plan must contain testing requirements and that animal movement restrictions can’t be lifted prior to approval of the herd plan.
  - Requires a complete physical herd inventory to be completed by the DALs every three years.

**Fiscal Impact** No fiscal impact.

**ARC 0733C**

**Rule Summary** Updates federal regulation references for the Meat and Poultry Inspection Program.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Deb Kozel (Ext. 16767)

---

**Credit Union Division**

**ARC 0769C**

**Rule Summary** Updates and consolidates voting procedures for specific types of credit union membership votes and responds to statutory changes that permit the use of multiple methods of voting by credit unions. The updates address conversion to a federal credit union, notice and voting procedures, mailed ballots, electronic voting, absentee ballots, in-person voting at a meeting, preservation of ballots, certification of the vote, and publication of the results. Limits on compensation of officials, nomination and election procedures for the board of directors, amending articles of incorporation and by-laws, votes to merge with another credit union, voluntary dissolution, votes to remove or reinstate a director, officer, or member of the auditing committee, votes on sale of assets, and submissions to the superintendent of credit unions are also addressed.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

**Educational Examiners Board**

**ARC 0762C**

**Rule Summary** Changes the endorsements for health, music, and physical education.

Current health endorsement requirements include 24 credit hours in community or public health, consumer health, substance abuse, family life education, mental emotional health, and human nutrition. “Consumer health” is changed to “personal

wellness” to reflect current language, and a requirement of a current certificate of CPR training is added. Holders of the physical education endorsement or family and consumer science endorsement may obtain this endorsement with 18 credit hours in health coursework.

Changes coursework requirements for a music endorsement to include a methods course in each of the following: general, vocal, and instrumental music.

Changes “adapted physical education” to “adaptive physical education” to reflect current language. Eliminates “physical education in the elementary school” because it is covered through the required elementary physical education methods coursework. “Personal wellness” is added in its place to reflect best practice, and a current certificate of CPR training is added to the requirements. Secondary physical education requirements remove “assessment in physical education” as a separate requirement and include this in “curriculum, assessment, and administration of physical education.” “Personal wellness” is added to the secondary physical education requirement, as well as a current certificate of CPR training.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: John Parker (Ext. 52249)

---

**Labor Services Division**

**ARC 0752C**

**Rule Summary** Adopts by reference changes to federal Occupational Safety and Health Standards concerning cranes and derricks in construction and hazard communication in general industry.

**Fiscal Impact** No fiscal impact.

**ARC 0753C**

**Rule Summary** Requires alarm bells to be located in all elevators installed since 1975.

**Fiscal Impact** Minimal fiscal impact.

**ARC 0739C**

**Rule Summary** Adds “Institution of Health and Custodial Care” under the definitions for the administration of the Boiler and Pressure Vessel Program.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Kenneth Ohms (515-725-2200)

---

**Pharmacy Board**

**ARC 0749C**

**Rule Summary** Authorizes a pharmacy that is not a primary provider pharmacy to treat patients for an emergency/first dose drug supply containing those drugs if products are not stocked or available from the primary provider pharmacy.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Estelle Montgomery (Ext. 16764)

---

**Real Estate Appraiser Examining Board**

**ARC 0745C**

**Rule Summary** Increases the years of experience required to be a supervisory appraiser from two to three years. Removes unnecessary language. Clarifies what is considered good standing, and adds language to clarify requirements from the Appraiser Qualifications Board. Specifies a course requirement for a supervisory appraiser with content established by the Appraiser Qualifications Board.

**Fiscal Impact** No fiscal impact. The increase in required experience is estimated to affect four appraisers.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

**Real Estate Commission**

**ARC 0750C**

**Rule Summary** Expands real estate continuing education topics to include the “use of technology in real estate.”

Notice of Intended Action was published on March 6, 2013, as ARC 0628C. No public comments were received, and a nonsubstantive edit was made.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Dwayne Ferguson (Ext. 16561)

---

**Soil Conservation Division**

**ARC 0737C**

**Rule Summary** Updates rules for the Iowa Financial Incentive Program for Soil Erosion Control and Water Protection Practices in the Water Protection Fund. Changes include:

- Updates allocation factors for individual counties for initial distribution of soil conservation funding.
- Allows additional funding for protection of public lakes and sets September 1 as the date to annually recall unobligated funding.
- Requires the Soil and Water Conservation Districts to review the priority ranking system annually and to share the information electronically with the DALs.
- Allows funding for water protection practices to be used in combination with other public funds.
- Allows additional funding for public lakes.

**Fiscal Impact** No fiscal impact.

STAFF CONTACT: Deb Kozel (Ext. 16767)

---

| Rule Ref # | Summary   | General Fund          | General Fund          |
|------------|---|-----------------------|-----------------------|
|            |   | Fiscal Impact FY 2014 | Fiscal Impact FY 2015 |
| 14-029     | Provides an increase to the foster family daily reimbursement rate and adoption subsidy daily maintenance rates effective July 1, 2013. The rates will be increased by 5.0% compared to the rates in effect in FY 2013.   | \$ 2,051,080          | \$ 2,090,998          |
| 14-031     | Increases the Child Care Assistance provider rate ceilings to reflect a 4.0% increase over current rates effective July 1, 2013.  | \$ 3,445,452          | \$ 3,473,876          |
| 14-033     | Increases the monthly maintenance rate and initial allowance for youth placed in the Supervised Apartment Living (SAL) Program by 5.0% compared to the rates in effect in FY 2013.  | \$ 28,000             | \$ 28,000             |
| 14-035     | Changes how the SAL rates are established. The SAL rates will no longer be established by purchase of service but by competitive performance-based contracts. Contractors with the DHS that provide Child Welfare Emergency Services (CWES) juvenile shelter care will have their SFY 2013 rates increased by 5.0% effective July 1, 2013.  | \$ 357,731            | \$ 357,523            |
| 14-037     | Increases youth stipend and provider rates for the Preparation for Adult Living (PAL) Program. Contractors and subcontractors with the DHS that provide PAL services will have their SFY 2013 rates increased by 5% effective July 1, 2013.   | \$ 95,000             | \$ 95,000             |
| 14-041     | Excludes coverage of and payment for elective, non-medically necessary cesarean section (C-section) deliveries. The Iowa Medicaid Enterprise (IME) currently reimburses hospitals and physicians for C-section deliveries, regardless of the medical necessity. This proposal will eliminate reimbursement to hospitals and physicians for C-sections that are not medically necessary. | \$ -499,800           | \$ -527,896           |
| 14-043     | Requires prior authorization (PA) for initial admission to, or continued stay in, a certified hospital "swing-bed," for a member that no longer requires acute (inpatient) hospital care and who would otherwise meet eligibility for a nursing facility or skilled level of care (LOC).  | \$ -1,041,250         | \$ -1,099,782         |
| 14-047     | Changes the reimbursement method for case management services under the Medicaid state plan, habilitation and Home and Community-based Services (HCBS) for the elderly and individuals with a brain injury.   | \$ -2,665,600         | \$ -2,815,443         |

| Rule Ref # | Summary   | General Fund<br>Fiscal Impact FY<br>2014 | General Fund<br>Fiscal Impact FY<br>2015 |
|------------|---|--|--|
| 14-049     | Transitions the provision of service provided by individual providers of personal care under the Consumer Directed Attendant Care (CDAC) option to agency-provided personal care services and retains the consumer choice option for those individuals able and desiring to self-direct services.   | \$ -1,092,350                            | \$ -1,153,755                            |
| 14-051     | Transfers administrative responsibility for Medicaid Habilitation to the contractor for the Iowa Plan for Behavioral Health.  | \$ -2,082,500                            | \$ -2,199,565                            |
| 14-053     | Changes the payment methodology for home health services to the Medicare Low Utilization Payment Amount (LUPA) methodology with state geographic wage adjustments. The DHS will update the rates every two years. The rates for private duty nursing and personal care home health services will be based on an hourly interim rate subject to cost settlement and subject to a limit calculated by the DHS and approved by the Centers for Medicare and Medicaid Services (CMS). | \$ 2,765,655                             | \$ 2,765,655                             |
| 14-055     | Implements Medicaid provider reimbursement rate increases in accordance with Senate File 446 (Health and Human Services Appropriations Act), Section 29, effective July 1, 2013. This includes a 10.0% increase for ambulance providers, a 3.0% increase for HCBS waiver providers, and a 1.0% increase for all other providers.  | \$ 11,895,953                            | \$ 12,564,668                            |
| 14-057     | Suspends enrollment in IowaCare effective on July 1, 2013, based on funding for FY 2014 and pursuant to the amended terms of the waiver of Title XIX requirements allowing federal funding for the IowaCare program. Suspensions will be lifted, based on date of application on or after July 1, 2013, as allowed by program attrition, within a cap on enrollment.  | \$ -362,737                              | \$ -                                     |