

**CHAPTER 155****MENTAL HEALTH, MENTAL RETARDATION, AND  
DEVELOPMENTAL DISABILITIES SERVICES***H.F. 727*

**AN ACT** relating to mental health, mental retardation, and developmental disabilities service provisions, including county funding for such services expenditures and placements of persons with serious mental impairments and providing effective and retroactive applicability dates.

*Be It Enacted by the General Assembly of the State of Iowa:*

**DIVISION I  
ALLOWED GROWTH FUNDING POOLS**

Section 1. Section 331.424A, subsection 6, Code 2001, is amended by striking the subsection.

Sec. 2. Section 331.427, subsection 2, paragraph n, Code 2001, is amended by striking the paragraph.

Sec. 3. Section 331.438, subsection 1, paragraph a, unnumbered paragraph 2, Code 2001, is amended by striking the unnumbered paragraph.

Sec. 4. Section 426B.5, subsection 1, paragraphs b, c, and d, Code 2001, are amended to read as follows:

b. A statewide per capita expenditure target amount is established. The statewide per capita expenditure target amount shall be equal to the ~~seventy-fifth~~ one-hundredth percentile of all county per capita expenditures in the fiscal year beginning July 1, 1997, and ending June 30, 1998.

~~c. Only a county levying the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A is eligible to receive moneys from the per capita expenditure target pool for a fiscal year. Moneys available in the pool for a fiscal year shall be distributed to those eligible counties whose per capita expenditure in the latest fiscal year for which the actual expenditure information is available is less than the statewide per capita expenditure target amount. Moneys available in the per capita expenditure pool for a fiscal year shall be distributed to those counties who meet all of the following eligibility requirements:~~

(1) The county is levying the maximum amount allowed for the county's mental health, mental retardation, and developmental disabilities services fund under section 331.424A.

(2) The county's per capita expenditure in the latest fiscal year for which the actual expenditure information is available is equal to or less than the statewide per capita expenditure target amount.

(3) In the fiscal year that commenced two years prior to the fiscal year of distribution, the county's mental health, mental retardation, and developmental disabilities services fund ending balance under generally accepted accounting principles was equal to or less than twenty-five percent of the county's actual gross expenditures for the fiscal year that commenced two years prior to the fiscal year of distribution.

(4) The county is in compliance with the filing date requirements under section 331.403.

d. The distribution amount a county receives from the moneys available in the pool shall be determined based upon the county's proportion of the general population of the counties eligible to receive moneys from the pool for that fiscal year. However, a county shall not receive moneys in excess of the amount which would cause the county's per capita expenditure to ~~equal~~ exceed the statewide per capita expenditure target. Moneys credited to the per

capita expenditure target pool which remain unobligated or unexpended at the close of a fiscal year shall remain in the pool for distribution in the succeeding fiscal year.

Sec. 5. Section 426B.5, subsection 2, Code 2001, is amended by striking the subsection.

Sec. 6. Section 426B.5, subsection 3, Code 2001, is amended by adding the following new paragraph before paragraph a and relettering the subsequent paragraphs:

NEW PARAGRAPH. 0a. For the purposes of this subsection, unless the context otherwise requires:

(1) "Net expenditure amount" means a county's gross expenditures from the services fund for a fiscal year as adjusted by subtracting all services fund revenues for that fiscal year that are received from a source other than property taxes, as calculated on a modified accrual basis.

(2) "Services fund" means a county's mental health, mental retardation, and developmental disabilities services fund created in section 331.424A.

Sec. 7. Section 426B.5, subsection 3, paragraph c, subparagraphs (1), (2), and (4), Code 2001, are amended to read as follows:

(1) A county must apply to the board for assistance from the risk pool on or before April 1 to cover an unanticipated ~~cost~~ net expenditure amount in excess of the county's current fiscal year ~~budget~~ budgeted net expenditure amount for the county's ~~mental health, mental retardation, and developmental disabilities~~ services fund. For purposes of applying for risk pool assistance and for repaying unused risk pool assistance, the current fiscal year ~~budget~~ budgeted net expenditure amount shall be deemed to be the higher of either the ~~budget~~ budgeted net expenditure amount in the management plan approved under section 331.439 for the fiscal year in which the application is made or the prior fiscal year's ~~gross expenditures from the services fund~~ net expenditure amount.

(2) Basic eligibility for risk pool assistance shall require a projected ~~need~~ net expenditure amount in excess of the sum of one hundred five percent of the county's current fiscal year ~~budget~~ budgeted net expenditure amount and any amount of the county's prior fiscal year ending fund balance in excess of twenty-five percent of the county's gross expenditures from the services fund in the prior fiscal year. However, if a county's services fund ending balance in the previous fiscal year was less than ten percent of the amount of the county's gross expenditures from the services fund for that fiscal year and the county has a projected net expenditure amount for the current fiscal year that is in excess of one hundred one percent of the budgeted net expenditure amount for the current fiscal year, the county shall be considered to have met the basic eligibility requirement and is qualified for risk pool assistance.

(4) A county receiving risk pool assistance in a fiscal year in which the county did not levy the maximum amount allowed for the county's ~~mental health, mental retardation, and developmental disabilities~~ services fund under section 331.424A shall be required to repay the risk pool assistance during the two succeeding fiscal years. The repayment amount shall be limited to the amount by which the actual amount levied was less than the maximum amount allowed, with at least fifty percent due in the first succeeding fiscal year and the remainder due in the second succeeding fiscal year.

Sec. 8. Section 426B.5, subsection 3, Code 2001, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. On or before March 1 and September 1 of each fiscal year, the department of human services shall provide the risk pool board with a report of the financial condition of each funding source administered by the board. The report shall include but is not limited to an itemization of the funding source's balances, types and amount of revenues credited, and payees and payment amounts for the expenditures made from the funding source during the reporting period.

Sec. 9. 2000 Iowa Acts, chapter 1090, sections 5 and 6, are repealed.

<sup>1</sup> The word "mental" probably intended

Sec. 10. 2000 Iowa Acts, chapter 1232, sections 6, 7, 8, 9, and 10, are repealed.

Sec. 11. EFFECTIVE DATE AND UNOBLIGATED MONEYS BUDGET CERTIFICATION — RETROACTIVE APPLICABILITY.

1. The following sections of this division of this Act, being deemed of immediate importance, take effect upon enactment:

a. The sections of this division of this Act amending Code section 426B.5, subsections 2 and 3, which are applicable to fiscal years beginning on or after July 1, 2001.

b. The sections of this division of this Act amending Code sections 331.424A, 331.427, and 331.438, and repealing 2000 Iowa Acts, chapter 1090, sections 5 and 6, and 2000 Iowa Acts, chapter 1232, sections 6, 7, 8, 9, and 10. In addition, such sections are retroactively applicable to April 13, 2000.

c. This section.

2. Any moneys in the incentive and efficiency pool created in section 426B.5, subsection 2, that remain unencumbered or unobligated at the close of the fiscal year beginning July 1, 2000, shall be credited to the appropriation and allocation for the per capita expenditure target pool for distribution to counties for fiscal year 2001-2002 made in 2000 Iowa Acts, chapter 1232, section 1, subsection 2.

## DIVISION II DISPUTED BILLINGS

Sec. 12. DISPUTED BILLINGS.

1. To the extent allowable under federal law or regulation, if the costs of a service are payable in whole or in part by a county in accordance with a chapter of the Code listed in this section, the service was rendered prior to July 1, 1997, and the county that would be obligated to pay for the costs of the service has not been billed for the service or has disputed the billing prior to the effective date of this section, or the state has fully charged off the cost of the service to an appropriation made in a prior fiscal year or has not provided information to appropriately document the basis for the billing, the county shall have no obligation to pay for the service.

2. This section is applicable to service costs that are a county obligation under the following chapters of the Code:

a. Chapter 222.

b. Chapter 230.

c. Chapter 249A.

Sec. 13. EFFECTIVE DATE — APPLICABILITY. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

## DIVISION III COUNTY BILLING RESPONSIBILITIES

Sec. 14. Section 222.2, Code 2001, is amended by adding the following new subsection: NEW SUBSECTION. 2A. "Department" means the department of human services.

Sec. 15. Section 222.73, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent of each resource center and special unit shall compute by February 1 the average daily patient charge and outpatient treatment charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges to ~~the director of revenue and finance~~ and notify the counties of the billing charges.

Sec. 16. Section 222.73, subsection 2, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent shall certify to the ~~director of revenue and finance~~ department the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service units chargeable to the county. The billings to a county of legal settlement are subject to adjustment for all of the following circumstances:

Sec. 17. Section 222.73, subsection 4, Code 2001, is amended to read as follows:

4. The department shall certify to ~~the director of revenue and finance~~ and the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the ~~director of revenue and finance~~ department shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the ~~director of revenue and finance~~ department shall credit the county for the difference starting with the billing for the quarter ending June 30.

Sec. 18. Section 222.74, Code 2001, is amended to read as follows:

222.74 DUPLICATE TO COUNTY.

When certifying to the ~~director of revenue and finance~~ department amounts to be charged against each county as provided in section 222.73, the superintendent shall send to the county auditor of each county against which the superintendent has so certified any amount, a duplicate of the ~~certificate~~ certification statement. The county auditor upon receipt of the duplicate ~~certificate~~ certification statement shall enter it to the credit of the state in the ledger of state accounts, and shall immediately issue a notice to the county treasurer authorizing the treasurer to transfer the amount from the county fund to the general state revenue. The county treasurer shall file the notice as authority for making the transfer and shall include the amount transferred in the next remittance of state taxes to the treasurer of state, designating the fund to which the amount belongs.

Sec. 19. Section 222.75, Code 2001, is amended to read as follows:

222.75 DELINQUENT PAYMENTS — PENALTY.

~~Should any~~ If a county fails to pay ~~the bills~~ a billed charge within forty-five days from the date the county auditor received the ~~certificate~~ certification statement from the superintendent pursuant to section 222.74, the ~~director of revenue and finance~~ department may charge the delinquent county a penalty of not greater than one percent per month on and after forty-five days from the date the county auditor received the ~~certificate~~ certification statement until paid.

Sec. 20. Section 222.79, Code 2001, is amended to read as follows:

222.79 CERTIFICATION STATEMENT PRESUMED CORRECT.

In actions to enforce the liability imposed by section 222.78, the ~~certificate~~ certification statement sent from the superintendent to the county auditor pursuant to section 222.74 stating the sums charged in such cases shall be presumptively correct.

Sec. 21. Section 229.41, Code 2001, is amended to read as follows:

229.41 VOLUNTARY ADMISSION.

Persons making application pursuant to section 229.2 on their own behalf or on behalf of another person who is under eighteen years of age, if the person whose admission is sought is received for observation and treatment on the application, shall be required to pay the costs of hospitalization at rates established by the administrator. The costs may be collected weekly in advance and shall be payable at the business office of the hospital. The collections shall be remitted to the ~~director of revenue and finance~~ department of human services monthly to be credited to the general fund of the state.

Sec. 22. Section 229.42, Code 2001, is amended to read as follows:

229.42 COSTS PAID BY COUNTY.

If a person wishing to make application for voluntary admission to a mental hospital established by chapter 226 is unable to pay the costs of hospitalization or those responsible for the person are unable to pay the costs, application for authorization of voluntary admission must be made through a single entry point process before application for admission is made to the hospital. The person's county of legal settlement shall be determined through the single entry point process and if the admission is approved through the single entry point process, the person's admission to a mental health hospital shall be authorized as a voluntary case. The authorization shall be issued on forms provided by the administrator. The costs of the hospitalization shall be paid by the county of legal settlement to the ~~director of revenue and finance~~ department of human services and credited to the general fund of the state, providing the mental health hospital rendering the services has certified to the county auditor of the county of legal settlement the amount chargeable to the county and has sent a duplicate statement of the charges to the ~~director of revenue and finance~~ department of human services. A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the single entry point process. The mental health institute and the county shall work together to locate appropriate alternative placements and services, and to educate patients and family members of patients regarding such alternatives.

All the provisions of chapter 230 shall apply to such voluntary patients so far as is applicable.

The provisions of this section and of section 229.41 shall apply to all voluntary inpatients or outpatients either away from or at the institution ~~heretofore or hereafter~~ receiving mental health services.

~~Should any~~ If a county fails to pay ~~these bills~~ the billed charges within forty-five days from the date the county auditor received the ~~certificate~~ certification statement from the superintendent, the ~~director of revenue and finance~~ department of human services shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the county received the ~~certificate~~ certification statement until paid. ~~Such~~ The penalties received shall be credited to the general fund of the state.

Sec. 23. Section 230.20, subsection 1, unnumbered paragraph 1, Code 2001, is amended to read as follows:

The superintendent of each mental health institute shall compute by February 1 the average daily patient charges and other service charges for which each county will be billed for services provided to patients chargeable to the county during the fiscal year beginning the following July 1. The department shall certify the amount of the charges ~~to the director of revenue and finance~~ and notify the counties of the billing charges.

Sec. 24. Section 230.20, subsection 2, paragraph a, Code 2001, is amended to read as follows:

a. The superintendent shall certify to the ~~director of revenue and finance~~ department the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county. However, a county billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the county billing in the calendar quarter the actual third party payor reimbursement is determined.

Sec. 25. Section 230.20, subsections 4 and 5, Code 2001, are amended to read as follows:

4. The department shall certify to the ~~director of revenue and finance~~ and the counties by February 1 the actual per-patient-per-day costs, as computed pursuant to subsection 3, and

the actual costs owed by each county for the immediately preceding calendar year for patients chargeable to the county. If the actual costs owed by the county are greater than the charges billed to the county pursuant to subsection 2, the ~~director of revenue and finance department~~ shall bill the county for the difference with the billing for the quarter ending June 30. If the actual costs owed by the county are less than the charges billed to the county pursuant to subsection 2, the ~~director of revenue and finance department~~ shall credit the county for the difference starting with the billing for the quarter ending June 30.

5. An individual statement shall be prepared for a patient on or before the fifteenth day of the month following the month in which the patient leaves the mental health institute, and a general statement shall be prepared at least quarterly for each county to which charges are made under this section. Except as otherwise required by sections 125.33 and 125.34 the general statement shall list the name of each patient chargeable to that county who was served by the mental health institute during the preceding month or calendar quarter, the amount due on account of each patient, and the specific dates for which any third party payor reimbursement received by the state is applied to the statement and billing, and the county shall be billed for eighty percent of the stated charge for each patient specified in this subsection. The statement prepared for each county shall be certified by the department ~~to the director of revenue and finance~~ and a duplicate statement shall be mailed to the auditor of that county.

Sec. 26. Section 230.22, Code 2001, is amended to read as follows:  
230.22 PENALTY.

Should any county fail to pay the amount billed by a statement submitted pursuant to section 230.20 within forty-five days from the date the statement is received by the county, the ~~director of revenue and finance department~~ shall charge the delinquent county the penalty of one percent per month on and after forty-five days from the date the statement is received by the county until paid. Provided, however, that the penalty shall not be imposed if the county has notified the ~~director of revenue and finance department~~ of error or questionable items in the billing, in which event, the ~~director of revenue and finance department~~ shall suspend the penalty only during the period of negotiation.

Sec. 27. Section 230.34, Code 2001, is amended by adding the following new subsection:  
NEW SUBSECTION. 4. As used in this chapter, unless the context otherwise requires, "department" means the department of human services.

#### DIVISION IV ACCREDITATION STANDARDS

Sec. 28. Section 225C.6, subsection 1, paragraph e, Code 2001, is amended to read as follows:

e. ~~If no other person~~ Unless another governmental body sets standards for a service available to persons with disabilities, adopt state standards for that service. The commission shall provide that a service provider's compliance with standards for a service set by a nationally recognized body shall be deemed to be in compliance with the state standards adopted by the commission for that service. The commission shall adopt state standards for those residential and community-based providers of services to persons with mental illness or developmental disabilities that are not otherwise subject to licensure by the department of human services or department of inspections and appeals, including but not limited to services payable under the adult rehabilitation option of the medical assistance program and other services payable from funds credited to a county mental health, mental retardation, and developmental disabilities services fund created in section 331.424A. In addition, the commission shall review the licensing standards used by the department of human services or department of inspections and appeals for those facilities providing services to persons with mental illness or developmental disabilities.

DIVISION V  
INVOLUNTARY COMMITMENT PLACEMENTS

Sec. 29. Section 229.6A, subsection 2, Code 2001, is amended to read as follows:

2. The procedural requirements of this chapter are applicable to minors involved in hospitalization proceedings pursuant to subsection 1 and placement proceedings pursuant to section 229.14B.

Sec. 30. Section 229.13, Code 2001, is amended to read as follows:

229.13 EVALUATION ORDER — ~~OUTPATIENT TREATMENT~~ — UNAUTHORIZED DEPARTURE OR FAILURE TO APPEAR.

~~If upon completion of the hearing the court finds that the contention that the respondent has a serious mental impairment is sustained by clear and convincing evidence, the court shall order a respondent whose expenses are payable in whole or in part by a county committed to the care of a hospital or facility designated through the single entry point process, and shall order any other respondent committed to the care of a hospital or a facility licensed to care for persons with mental illness or substance abuse or under the care of a facility that is licensed to care for persons with mental illness or substance abuse on an outpatient basis as expeditiously as possible for a complete psychiatric evaluation and appropriate treatment.~~

1. If upon completion of the hospitalization hearing the court finds by clear and convincing evidence that the respondent has a serious mental impairment, the court shall order the respondent committed as expeditiously as possible for a complete psychiatric evaluation and appropriate treatment as follows:

a. The court shall order a respondent whose expenses are payable in whole or in part by a county placed under the care of an appropriate hospital or facility designated through the single entry point process on an inpatient or outpatient basis.

b. The court shall order any other respondent placed under the care of an appropriate hospital or facility licensed to care for persons with mental illness or substance abuse on an inpatient or outpatient basis.

2. The court shall provide notice to the respondent and the respondent's attorney of the placement order under subsection 1. The court shall advise the respondent and the respondent's attorney that the respondent has a right to request a placement hearing held in accordance with the requirements of section 229.14B.

3. If the respondent is ordered at the a hearing to undergo outpatient treatment, the outpatient treatment provider must be notified and agree to provide the treatment prior to placement of the respondent under the treatment provider's care.

4. The court shall furnish to the chief medical officer of the hospital or facility at the time the respondent arrives at the hospital or facility for inpatient or outpatient treatment a written finding of fact setting forth the evidence on which the finding is based. If the respondent is ordered to undergo outpatient treatment, the order shall also require the respondent to cooperate with the treatment provider and comply with the course of treatment.

5. The chief medical officer of the hospital or facility at which the respondent is placed shall report to the court no more than fifteen days after the individual respondent is admitted to or placed under the care of the hospital or facility, making a recommendation for disposition of the matter. An extension of time may be granted, ~~for~~ not to exceed seven days upon a showing of cause. A copy of the report shall be sent to the respondent's attorney, who may contest the need for an extension of time if one is requested. ~~Extension~~ An extension of time shall be granted upon request unless the request is contested, in which case the court shall make such inquiry as it deems appropriate and may either order the respondent's release from the hospital or facility or grant extension of time for psychiatric evaluation. If the chief medical officer fails to report to the court within fifteen days after the individual is admitted to or placed under the care of the hospital or facility, and ~~no~~ an extension of time has not been requested, the chief medical officer is guilty of contempt and shall be punished under

chapter 665. The court shall order a rehearing on the application to determine whether the respondent should continue to be held detained at or placed under the care of the facility.

6. If, after placement ~~and admission~~ of a respondent in or under the care of a hospital or other suitable facility for inpatient treatment, the respondent departs from the hospital or facility or fails to appear for treatment as ordered without prior proper authorization from the chief medical officer, upon receipt of notification of the respondent's departure or failure to appear by the chief medical officer, a peace officer of the state shall without further order of the court exercise all due diligence to take the respondent into protective custody and return the respondent to the hospital or facility.

Sec. 31. Section 229.14, Code 2001, is amended to read as follows:

229.14 CHIEF MEDICAL OFFICER'S REPORT.

1. The chief medical officer's report to the court on the psychiatric evaluation of the respondent shall be made not later than the expiration of the time specified in section 229.13. At least two copies of the report shall be filed with the clerk, who shall dispose of them in the manner prescribed by section 229.10, subsection 2. The report shall state one of the four following alternative findings:

1- a. That the respondent does not, as of the date of the report, require further treatment for serious mental impairment. If the report so states, the court shall order the respondent's immediate release from involuntary hospitalization and terminate the proceedings.

2- ~~b. That the respondent is seriously mentally impaired and in need of full-time custody, care and inpatient treatment in a hospital, and is considered likely to benefit from treatment. If the report so states, the court shall enter an order which may require the respondent's continued hospitalization for appropriate treatment. The report shall include the chief medical officer's recommendation for further treatment.~~

3- c. That the respondent is seriously mentally impaired and in need of treatment, but does not require full-time hospitalization. If the report so states, it shall include the chief medical officer's recommendation for treatment of the respondent on an outpatient or other appropriate basis, ~~and the court shall enter an order which may direct the respondent to submit to the recommended treatment. The order shall provide that if the respondent fails or refuses to submit to treatment as directed by the court's order, the court may order that the respondent be taken into immediate custody as provided by section 229.11 and, following notice and hearing held in accordance with the procedures of section 229.12, may order the respondent treated as a patient requiring full-time custody, care, and treatment in a hospital until such time as the chief medical officer reports that the respondent does not require further treatment for serious mental impairment or has indicated the respondent is willing to submit to treatment on another basis as ordered by the court. If a patient is transferred for treatment to another provider under this subsection, the treatment provider who will be providing the outpatient or other appropriate treatment shall be provided with relevant court orders by the former treatment provider.~~

4- d. The respondent is seriously mentally impaired and in need of full-time custody and care, but is unlikely to benefit from further inpatient treatment in a hospital. ~~If the report so states, the~~ The report shall include the chief medical officer's recommendation for an appropriate alternative placement for the respondent and the court shall enter an order which may direct the respondent's transfer to the recommended placement.

2. Following receipt of the chief medical officer's report under subsection 1, paragraph "b", "c", or "d", the court shall issue an order for appropriate treatment as follows:

a. For a respondent whose expenses are payable in whole or in part by a county, placement as designated through the single entry point process in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or in an appropriate alternative placement.

b. For any other respondent, placement in the care of an appropriate hospital or facility on an inpatient or outpatient basis, or other appropriate treatment, or an appropriate alternative placement.



c. A For a respondent who is an inmate in the custody of the department of corrections may, as a court ordered alternative placement, the court may order the respondent to receive mental health services in a correctional program. If the court or the respondent's attorney considers the placement inappropriate, an alternative placement may be arranged upon consultation with the chief medical officer and approval of the court.

d. If the court orders treatment of the respondent on an outpatient or other appropriate basis as described in the chief medical officer's report pursuant to subsection 1, paragraph "c", the order shall provide that, should the respondent fail or refuse to submit to treatment in accordance with the court's order, the court may order that the respondent be taken into immediate custody as provided by section 229.11 and, following notice and hearing held in accordance with the procedures of section 229.12, may order the respondent treated as an inpatient basis requiring full-time custody, care, and treatment in a hospital until such time as the chief medical officer reports that the respondent does not require further treatment for serious mental impairment or has indicated the respondent is willing to submit to treatment on another basis as ordered by the court. If a patient is transferred for treatment to another provider under this paragraph, the treatment provider who will be providing the outpatient or other appropriate treatment shall be provided with relevant court orders by the former treatment provider.

Sec. 32. Section 229.14A, Code 2001, is amended to read as follows:  
229.14A ESCAPE FROM CUSTODY.

A person who is placed in a hospital or other suitable facility for evaluation under section 229.13 or who is required to remain hospitalized for treatment under section 229.14, ~~subsection 2,~~ shall remain at that hospital or facility unless discharged or otherwise permitted to leave by the court or the chief medical officer of the hospital or facility. If a person placed at a hospital or facility or required to remain at a hospital or facility leaves the facility without permission or without having been discharged, the chief medical officer may notify the sheriff of the person's absence and the sheriff shall take the person into custody and return the person promptly to the hospital or facility.

Sec. 33. NEW SECTION. 229.14B PLACEMENT ORDER — NOTICE AND HEARING.

1. With respect to a chief medical officer's report made pursuant to section 229.14, subsection 1, paragraph "b", "c", or "d", or any other provision of this chapter related to involuntary commitment for which the court issues a placement order or a transfer of placement is authorized, the court shall provide notice to the respondent and the respondent's attorney or mental health advocate pursuant to section 229.19 concerning the placement order and the respondent's right to request a placement hearing to determine if the order for placement or transfer of placement is appropriate.

2. The notice shall provide that a request for a placement hearing must be in writing and filed with the clerk within seven days of issuance of the placement order.

3. A request for a placement hearing may be signed by the respondent, the respondent's next friend, guardian, or attorney.

4. The court, on its own motion, may order a placement hearing to be held.

5. a. A placement hearing shall be held no sooner than four days and no later than seven days after the request for the placement hearing is filed unless otherwise agreed to by the parties.

b. The respondent may be transferred to the placement designated by the court's placement order and receive treatment unless a request for hearing is filed prior to the transfer. If the request for a placement hearing is filed prior to the transfer, the court shall determine where the respondent shall be detained and treated until the date of the hearing.

c. If the respondent's attorney has withdrawn pursuant to section 229.19, the court shall appoint an attorney for the respondent in the manner described in section 229.8, subsection 1.

6. Time periods shall be calculated for the purposes of this section excluding weekends and official holidays.

7. If a respondent's expenses are payable in whole or in part by a county through the single entry point process, notice of a placement hearing shall be provided to the county attorney and the county's single entry point process administrator. At the hearing, the county may present evidence regarding appropriate placement.

8. In a placement hearing, the court shall determine a placement for the respondent in accordance with the requirements of section 229.23, taking into consideration the evidence presented by all the parties.

9. A placement made pursuant to an order entered under section 229.13 or 229.14 or this section shall be considered to be authorized through the single entry point process.

Sec. 34. Section 229.15, subsections 1 through 3, Code 2001, are amended to read as follows:

1. Not more than thirty days after entry of an order for continued hospitalization of a patient under section 229.14, subsection ~~2~~ 1, paragraph "b", and thereafter at successive intervals of not more than sixty days continuing so long as involuntary hospitalization of the patient continues, the chief medical officer of the hospital shall report to the court which entered the order. The report shall be submitted in the manner required by section 229.14, shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will be required to remain at the hospital. The chief medical officer may at any time report to the court a finding as stated in section 229.14, subsection 4 1, and the court shall act ~~thereon~~ upon the finding as required by ~~that~~ section 229.14, subsection 2.

2. Not more than sixty days after the entry of a court order for treatment of a patient pursuant to a report issued under section 229.14, subsection ~~3~~ 1, paragraph "c", and thereafter at successive intervals as ordered by the court but not to exceed ninety days so long as that court order remains in effect, the medical director of the facility treating the patient shall report to the court which entered the order. The report shall state whether the patient's condition has improved, remains unchanged, or has deteriorated, and shall indicate if possible the further length of time the patient will require treatment by the facility. If at any time the patient without good cause fails or refuses to submit to treatment as ordered by the court, the medical director shall at once so notify the court, which shall order the patient hospitalized as provided by section 229.14, subsection ~~3~~ 2, paragraph "d", unless the court finds that the failure or refusal was with good cause and that the patient is willing to receive treatment as provided in the court's order, or in a revised order if the court sees fit to enter one. If at any time the medical director reports to the court that in the director's opinion the patient requires full-time custody, care and treatment in a hospital, and the patient is willing to be admitted voluntarily to the hospital for these purposes, the court may enter an order approving hospitalization for appropriate treatment upon consultation with the chief medical officer of the hospital in which the patient is to be hospitalized. If the patient is unwilling to be admitted voluntarily to the hospital, the procedure for determining involuntary hospitalization, as set out in section 229.14, subsection ~~3~~ 2, paragraph "d", shall be followed.

3. When a patient has been placed in a an alternative facility other than a hospital pursuant to a report issued under section 229.14, subsection 4 1, paragraph "d", a report on the patient's condition and prognosis shall be made to the court which placed the patient, at least once every six months, unless the court authorizes annual reports. If an evaluation of the patient is performed pursuant to section 227.2, subsection 4, a copy of the evaluation report shall be submitted to the court within fifteen days of the evaluation's completion. The court may in its discretion waive the requirement of an additional report between the annual evaluations. If the administrator exercises the authority to remove residents from a county care facility or other county or private institution under section 227.6, the administrator shall promptly notify each court which placed in that facility any resident so removed.

Sec. 35. Section 229.15, subsection 4, Code 2001, is amended by striking the subsection and inserting in lieu thereof the following:

4. a. When in the opinion of the chief medical officer the best interest of a patient would

be served by a convalescent or limited leave, the chief medical officer may authorize the leave and, if authorized, shall promptly report the leave to the court. When in the opinion of the chief medical officer the best interest of a patient would be served by a transfer to a different hospital for continued full-time custody, care, and treatment, the chief medical officer shall promptly send a report to the court. The court shall act upon the report in accordance with section 229.14B.

b. This subsection shall not be construed to add to or restrict the authority otherwise provided by law for transfer of patients or residents among various state institutions administered by the department of human services. If a patient is transferred under this subsection, the treatment provider to whom the patient is transferred shall be provided with copies of relevant court orders by the former treatment provider.

Sec. 36. Section 229.16, Code 2001, is amended to read as follows:

229.16 DISCHARGE AND TERMINATION OF PROCEEDING.

When the condition of a patient who is hospitalized pursuant to a report issued under section 229.14, subsection ~~2~~ 1, paragraph "b", or is receiving treatment pursuant to a report issued under section 229.14, subsection ~~3~~ 1, paragraph "c", or is in full-time care and custody pursuant to a report issued under section 229.14, subsection ~~4~~ 1, paragraph "d", is such that in the opinion of the chief medical officer the patient no longer requires treatment or care for serious mental impairment, the chief medical officer shall tentatively discharge the patient and immediately report that fact to the court which ordered the patient's hospitalization or care and custody. ~~The court shall thereupon~~ Upon receiving the report, the court shall issue an order confirming the patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. Copies of the order shall be sent by regular mail to the hospital, the patient, and the applicant if the applicant has filed a written waiver signed by the patient.

Sec. 37. Section 229.17, Code 2001, is amended to read as follows:

229.17 STATUS OF RESPONDENT DURING APPEAL.

~~Where~~ If a respondent appeals to the supreme court from a finding that the contention the respondent is seriously mentally impaired has been sustained, and the respondent was previously ordered taken into immediate custody under section 229.11 or has been hospitalized for psychiatric evaluation and appropriate treatment under section 229.13 before the court is informed of intent to appeal its finding, the respondent shall remain in custody as previously ordered by the court, the time limit stated in section 229.11 notwithstanding, or shall remain in the hospital subject to compliance by the hospital with sections 229.13 to 229.16, as the case may be, unless the supreme court orders otherwise. If a respondent appeals to the supreme court regarding a placement order, the respondent shall remain in placement unless the supreme court orders otherwise.

Sec. 38. Section 229.21, subsection 3, Code 2001, is amended by adding the following new paragraph:

NEW PARAGRAPH. d. Any respondent with respect to whom the magistrate or judicial hospitalization referee has held a placement hearing and has entered a placement order may appeal the order to a judge of the district court. The request for appeal must be given to the clerk in writing within ten days of the entry of the magistrate's or referee's order. The request for appeal shall be signed by the respondent, or the respondent's next friend, guardian, or attorney.

Sec. 39. Section 229.28, Code 2001, is amended to read as follows:

229.28 HOSPITALIZATION IN CERTAIN FEDERAL FACILITIES.

When a court finds that the contention that a respondent is seriously mentally impaired has been sustained or proposes to order continued hospitalization of any person, or an alternative placement, as described under section 229.14, subsection ~~2~~ 1, paragraph "b" or "d", and the court is furnished evidence that the respondent or patient is eligible for care

and treatment in a facility operated by the veterans administration or another agency of the United States government and that the facility is willing to receive the respondent or patient, the court may so order. The respondent or patient, when so hospitalized or placed in a facility operated by the veterans administration or another agency of the United States government within or outside of this state, shall be subject to the rules of the veterans administration or other agency, but shall not thereby lose any procedural rights afforded the respondent or patient by this chapter. The chief officer of the facility shall have, with respect to the person so hospitalized or placed, the same powers and duties as the chief medical officer of a hospital in this state would have in regard to submission of reports to the court, retention of custody, transfer, convalescent leave or discharge. Jurisdiction is retained in the court to maintain surveillance of the person's treatment and care, and at any time to inquire into that person's mental condition and the need for continued hospitalization or care and custody.

Sec. 40. CODIFICATION. The Code editor shall transfer section 229.14A, Code 2001, as amended by this Act to section 229.14B, and shall codify section 229.14B, as enacted by this Act, as section 229.14A.

#### DIVISION VI RELATED PROVISIONS

Sec. 41. Section 225.27, Code 2001, is amended to read as follows:  
225.27 DISCHARGE — TRANSFER.

The state psychiatric hospital may, at any time, discharge any patient as recovered, as improved, or as not likely to be benefited by further treatment. If the patient being so discharged was involuntarily hospitalized, the hospital shall notify the committing judge or court ~~thereof of the discharge~~ as required by section 229.14, ~~subsection 3~~ or section 229.16, whichever is applicable. Upon receiving the notification, the court shall issue an order confirming the patient's discharge from the hospital or from care and custody, as the case may be, and shall terminate the proceedings pursuant to which the order was issued. The court or judge shall, if necessary, appoint ~~some~~ a person to accompany the discharged patient from the state psychiatric hospital to such place as the hospital or the court may designate, or authorize the hospital to appoint such attendant.

Sec. 42. Section 226.26, Code 2001, is amended to read as follows:  
226.26 DANGEROUS PATIENTS.

The administrator, on the recommendation of the superintendent, and on the application of the relatives or friends of a patient who is not cured and who cannot be safely allowed to go at liberty, may release ~~such~~ the patient when fully satisfied that ~~such~~ the relatives or friends will provide and maintain all necessary supervision, care, and restraint over ~~such~~ the patient. If the patient being ~~so~~ released was involuntarily hospitalized, the consent of the district court which ordered the patient's hospitalization ~~placement~~ shall be obtained in advance in substantially the manner prescribed by section 229.14, ~~subsection 3~~.

Sec. 43. Section 226.33, Code 2001, is amended to read as follows:  
226.33 NOTICE TO COURT.

When a patient who was hospitalized involuntarily and who has not fully recovered is discharged from the hospital by the administrator under section 226.32, notice of the order shall at once be sent to the court which ordered the patient's hospitalization, in the manner prescribed by section 229.14, ~~subsection 4~~.

Sec. 44. Section 227.11, Code 2001, is amended to read as follows:  
227.11 TRANSFERS FROM STATE HOSPITALS.

A county chargeable with the expense of a patient in a state hospital for persons with mental illness shall ~~remove such~~ transfer the patient to a county or private institution for

persons with mental illness ~~which has complied~~ that is in compliance with the ~~aforesaid~~ applicable rules when the administrator of the division or the administrator's designee ~~so~~ orders the transfer on a finding that ~~said the~~ patient is suffering from chronic mental illness or from senility and will receive equal benefit by being so transferred. A county shall ~~remove~~ transfer to its county care facility any patient in a state hospital for persons with mental illness upon request of the superintendent of the state hospital in which the patient is confined pursuant to the superintendent's authority under section 229.15, subsection 4, and approval by the board of supervisors of the county of the patient's residence. In no case shall a patient be thus transferred except upon compliance with section ~~229.14, subsection 4,~~ 229.14B or without the written consent of a relative, friend, or guardian if such relative, friend, or guardian pays the expense of the care of such patient in a state hospital. Patients transferred to a public or private facility under this section may subsequently be placed on convalescent or limited leave or transferred to a different facility for continued full-time custody, care, and treatment when, in the opinion of the attending physician or the chief medical officer of the hospital from which the patient was so transferred, the best interest of the patient would be served by such leave or transfer. ~~However, if the patient was originally hospitalized involuntarily, the leave or transfer shall be made in compliance with section 229.15, subsection 4.~~ For any patient who is involuntarily committed, any transfer made under this section is subject to the placement hearing requirements of section 229.14B.

Approved May 21, 2001

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## CHAPTER 156

### CRITERIA FOR STATE ECONOMIC DEVELOPMENT FINANCIAL ASSISTANCE

*S.F. 81*

**AN ACT** relating to limitations on the disbursement of economic development financial assistance moneys by state agencies.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. Section 15A.1, Code 2001, is amended by adding the following new subsection:

**NEW SUBSECTION. 5.** In addition to the other requirements of this section, a state agency may give additional consideration or additional points in the application of rating or evaluation criteria in providing a grant, loan, or other financial assistance for economic development-related purposes to a person or business for whose benefit the financial assistance is to be provided if the person or business is located in an area that meets one of the following criteria:

- a. The area is a brownfield site as defined in section 15.291.
- b. The area is a blighted area as defined in section 403.17.
- c. The area is located in a city or county that meets the distress criteria provided under the enterprise zone program in section 15E.194, subsection 1 or 2.

Approved May 22, 2001