

CHAPTER 1258**APPROPRIATIONS AND AMENDMENTS RELATING TO MEDICAL ASSISTANCE***S.F. 2365*

AN ACT relating to and making appropriations to the department of human services and the Iowa department of public health and providing other properly related matters and providing an effective date.

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

Section 1. MEDICAL ASSISTANCE EXPANSION.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

..... \$ 2,480,000

1. Of the funds appropriated by this section, \$1,350,000 is allocated to provide medical assistance to certain individuals who would be eligible for federal supplementary security income except for excess income and resources and are eligible for medical assistance pursuant to section 4 of this Act.

2. Of the funds appropriated by this section, \$1,050,000 is allocated to provide for medical assistance expenditures related to the increase in the community spouse resource allowance established under section 6 of this Act.

3. Of the funds appropriated by this section, \$60,000 is allocated for expenditures related to the increase in the resource allowance for persons who are medically needy established under section 2 of this Act.

4. Of the funds appropriated by this section, \$20,000 is allocated to develop or to contract for the development of a pharmaceutical assistance program to provide assistance to persons who have a chronic health condition requiring continuing, substantial expenditures for prescription drugs and durable medical equipment which are not reimbursed under the federal medicare program. The department of human services shall establish a task force which includes the department of elder affairs and providers of pharmaceutical drugs to develop the program. In developing the program, the task force shall give special consideration to individuals whose income is above the medical assistance eligibility limit and who have monthly medical expenditures which reduce their income below the eligibility limit. The task force, in consultation with the Iowa medical society and the Iowa association of area agencies on aging, shall also give consideration to linking the pharmaceutical assistance program with the medicare partners program sponsored by the Iowa medical society and the Iowa association of area agencies on aging and to seeking cooperation from participating pharmacists if the programs are linked. The pharmaceutical assistance program design shall seek to minimize administrative costs, encourage pharmacist participation, and address the needs of persons with continuing, substantial expenditures for prescription drugs and durable medical equipment. The department of human services shall submit the task force report to the general assembly on or before January 1, 1991. The department of human services shall submit a program design for the pharmaceutical program and the task force's recommendations for its implementation to the general assembly on or before January 1, 1991.

Sec. 2. MEDICALLY NEEDY RESOURCE LIMIT.

The department of human services shall adopt rules pursuant to chapter 17A, increasing resource limits for persons under the medically needy program to \$10,000 and the rules shall take effect upon filing unless a later date is specified in the rules.

***Sec. 3. IOWA DEPARTMENT OF PUBLIC HEALTH — HOME HEALTH PROVIDERS.**

There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1990, and ending June 30, 1991, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For grants to county boards of supervisors for the homemaker-home health aide program:
..... \$ 150,000

*Funds appropriated under this section shall be used to provide homemaker-home health aide services with emphasis on services to elderly and persons below the poverty level and children and adults in need of protective services with the objective of preventing or reducing inappropriate institutionalization. In addition, up to 15 percent of the funds appropriated under this section may be used to provide chore services. The funds shall not be used for any other purposes.**

**Sec. 4. Section 249A.3, subsection 2, Code Supplement 1989, is amended by adding the following new paragraph after paragraph f:*

NEW PARAGRAPH. *g. Individuals who meet all eligibility requirements for federal supplementary security income except for excess income and resources, who have income which is not more than one hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services, and who have resources which are within limits established by the department for individuals eligible for medical assistance under paragraph "h" of this section.**

**Sec. 5. Section 249A.3, subsection 2, paragraphs g and h, Code Supplement 1989, are amended to read as follows:*

g h. Individuals and families who would be eligible under subsection 1 or 2 of this section except for excess income or resources, or a reasonable category of those individuals and families.

*h i. Individuals who have attained the age of twenty-one but have not yet attained the age of sixty-five who qualify on a financial basis for, but who are otherwise ineligible to receive, federal supplementary security income or aid to dependent children.**

Sec. 6. Section 249A.3, Code Supplement 1989, is amended by adding the following new subsection:

NEW SUBSECTION. *9. Beginning October 1, 1990, in determining the eligibility of an institutionalized individual for assistance under this chapter, the department shall establish a minimum community spouse resource allowance amount of twenty-four thousand dollars to be retained for the benefit of the institutionalized individual's community spouse in accordance with the federal Social Security Act, section 1924(f) as codified in 42 U.S.C. § 1396r-5(f).*

Sec. 7. RULES.

The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the sections of this Act enumerated in this section. Rules adopted pursuant to sections 2,*4,* and 6 of this Act shall become effective immediately upon filing, unless a later effective date is specified in the rules. The rules shall also be published as notice of intended action as provided in section 17A.4.

***Sec. 8. TRANSFER OF FUNDS.**

*For accounting purposes, funds appropriated in this Act to the Iowa department of public health shall be considered to be part of the appropriations to the department for grants to county boards of supervisors for the homemaker-home health aide program contained in House File 2371, if House File 2371 is enacted by the Seventy-third General Assembly, 1990 Session.**

Sec. 9. EFFECTIVE DATE.

This Act takes effect October 1, 1990.

Approved April 3, 1990, except the items which I hereby disapprove and which are designated as section 1, subsection 1 in its entirety; section 1, subsection 4 in its entirety; sections 3, 4, and 5 in their entirety; that portion of section 7 which is herein bracketed in ink and initialed by me; and section 8 in its entirety. My reasons for vetoing these items are delineated in the item veto message pertaining to this Act to the president of the senate this same date a copy of which is attached hereto.

TERRY E. BRANSTAD, Governor

*Item veto; see message at end of the Act

Dear Madam President:

I hereby transmit Senate File 2365, an Act relating to and making appropriations to the department of human services and the Iowa department of public health and providing other properly related matters and providing an effective date.

This bill doubles the spousal impoverishment exemption from \$12,000 to \$24,000. I am pleased to approve this important provision, which will allow many spouses of persons residing in care facilities to avoid depletion of their resources.

Senate File 2365 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 1, subsection 1, in its entirety. This provision increases spending for the state's Medicaid program by \$1.35 million. Given the fiscal constraints of the state, I cannot approve this additional expenditure for the Medicaid program at this time.

I am unable to approve the item designated as Section 1, subsection 4, in its entirety. This provision would allocate funding to the Department of Human Services to establish a task force to develop a pharmaceutical assistance program. The Department of Human Services has estimated that such a program could cost the state in excess of \$3.6 million a year. Before we commit to the development of such a costly program, more study should be devoted to the concept, including other states' experiences with such programs.

I am unable to approve the item designated as Section 3, in its entirety. This provision appropriates \$150,000 to the Department of Public Health for the Homemaker-Home Health Aide Program. This appropriation would be in addition to the \$8,699,000 included for the program in House File 2371, which increases the funding by \$223,799 above last year's appropriation. Given the fiscal constraints of the state, I cannot approve this additional funding increase beyond that which I have approved in House File 2371.

I am unable to approve Sections 4 and 5, in their entirety. These provisions provide the statutory language changes necessary to implement Section 1, subsection 1, of this bill. Since this item has been vetoed, these provisions are unnecessary.

I am unable to approve the designated portion of Section 7 which grants authority to the Department of Human Services to adopt rules necessary to implement Section "4" of the bill. I have item vetoed Section 4, therefore, rulemaking authority relating to its provisions are unnecessary.

I am unable to approve the item designated as Section 8, in its entirety. With the item veto of Section 3, this language is unnecessary.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2365 are hereby approved as of this date.

Sincerely,
TERRY E. BRANSTAD, *Governor*