

Sec. 2. NEW SECTION. 331.424B CEMETERY LEVY.

The board may levy annually a tax not to exceed six and three-fourths cents per thousand dollars of the assessed value of all taxable property in the county to repair and maintain all cemeteries under the jurisdiction of the board including pioneer cemeteries and to pay other expenses of the board or the cemetery commission as provided in section 331.325. The proceeds of the tax levy shall be credited to the county general fund. Sections 444.25A and 444.25B do not apply to the property tax levied or expended for cemeteries pursuant to section 331.325.

Sec. 3. Section 359.28, Code 1995, is amended to read as follows:  
359.28 CONDEMNATION.

The township trustees are hereby empowered to condemn, or purchase and pay for out of the general fund, or the specific fund voted for such purpose, and enter upon and take, any lands within the territorial limits of such township for the use of cemeteries, a community center or juvenile playgrounds, in the same manner as is now provided for cities. However, the board of supervisors or a cemetery commission appointed by the board of supervisors shall control and maintain pioneer cemeteries as defined in section 331.325.

Approved May 1, 1996

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## CHAPTER 1183

### MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITY SERVICES

H.F. 2427

**AN ACT** relating to mental health, mental retardation, developmental disabilities, and other services paid for in whole or in part by counties or the state, and including an applicability provision and an effective date.

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

#### DIVISION I

#### MENTAL RETARDATION SERVICE PROVISIONS

Section 1. Section 222.2, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 3A. "Single entry point process" means the same as defined in section 331.440.

Sec. 2. Section 222.13, subsections 1 through 3, Code Supplement 1995, are amended to read as follows:

1. If an adult person is believed to be a person with mental retardation, the adult person or the adult person's guardian may request the county board of supervisors or their designated agent to apply to the superintendent of any state hospital-school for the voluntary admission of the adult person either as an inpatient or an outpatient of the hospital-school. Submission of an application is subject to a recommendation supporting the placement developed through the single entry point process. After determining the legal settlement of the adult person as provided by this chapter, the board of supervisors shall, on forms prescribed by the administrator, apply to the superintendent of the hospital-school in the district for the admission of the adult person to the hospital-school. An application for admission to a special unit of any adult person believed to be in need of any of the services provided by the special unit under section 222.88 may be made in the same manner, upon

request of the adult person or the adult person's guardian. The superintendent shall accept the application providing a preadmission diagnostic evaluation, performed through the single entry point process, confirms or establishes the need for admission, except that an application may not be accepted if the institution does not have adequate facilities available or if the acceptance will result in an overcrowded condition.

2. If the hospital-school has no appropriate program for the treatment of an adult or minor person with mental retardation applying under this section or section 222.13A, the board of supervisors shall arrange for the placement of the person in any public or private facility within or without the state, approved by the director of the department of human services, which offers appropriate services for the person, as determined through the single entry point process.

3. Upon applying for admission of an adult or minor person to a hospital-school, or a special unit, or upon arranging for the placement of the person in a public or private facility, the board of supervisors shall make a full investigation into the financial circumstances of that person and those liable for that person's support under section 222.78, to determine whether or not any of them are able to pay the expenses arising out of the admission of the person to a hospital-school, ~~or special treatment unit, or public or private facility~~. If the board finds that the person or those legally responsible for the person are presently unable to pay the expenses, ~~they the board~~ shall direct that the expenses be paid by the county. The board may review its finding at any subsequent time while the person remains at the hospital-school, or is otherwise receiving care or treatment for which this chapter obligates the county to pay. If the board finds upon review that the person or those legally responsible for the person are presently able to pay the expenses, the finding shall apply only to the charges incurred during the period beginning on the date of the review and continuing thereafter, unless and until the board again changes its finding. If the board finds that the person or those legally responsible for the person are able to pay the expenses, ~~they the board~~ shall direct that the charges be so paid to the extent required by section 222.78, and the county auditor shall be responsible for the collection of the charges.

Sec. 3. Section 222.13A, subsection 2, Code Supplement 1995, is amended to read as follows:

2. Upon receipt of an application for voluntary admission of a minor, the board of supervisors shall provide for a preadmission diagnostic evaluation of the minor to confirm or establish the need for the admission. The preadmission diagnostic evaluation shall be performed by a person who meets the qualifications of a qualified mental retardation professional who is designated through the single entry point process.

Sec. 4. Section 222.28, Code 1995, is amended to read as follows:

222.28 COMMISSION TO EXAMINE.

The court may, at or prior to the final hearing, appoint a commission of one qualified physician and one qualified psychologist, designated through the single entry point process, who shall make a personal examination of the person alleged to be mentally retarded for the purpose of determining the mental condition of the person.

Sec. 5. Section 222.59, subsection 1, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

Upon receiving a request from an authorized requester, the superintendent of a state hospital-school shall ~~assist~~ coordinate with the single entry point process in assisting the requester in identifying available community-based services as an alternative to continued placement of a patient in the state hospital-school. For the purposes of this section, "authorized requester" means the parent, guardian, or custodian of a minor patient, the guardian of an adult patient, or an adult patient who does not have a guardian. The assistance shall identify alternatives to continued placement which are appropriate to the patient's needs and shall include but are not limited to any of the following:

Sec. 6. Section 222.73, subsection 2, Code Supplement 1995, is amended by adding the following new paragraph:

NEW PARAGRAPH. f. A county shall not be billed for the cost of a patient unless the patient's admission is authorized through the applicable single entry point process. The state hospital-school and the county shall work together to locate appropriate alternative placements and services, and to educate patients and the family members of patients regarding such alternatives.

Sec. 7. Section 222.73, subsection 2, unnumbered paragraph 2, Code Supplement 1995, is amended to read as follows:

The per diem costs billed to each county shall not exceed the per diem costs ~~in effect on July 1, 1988~~ billed to the county in the fiscal year beginning July 1, 1996. However, the per diem costs billed to a county may be adjusted annually in a fiscal year to reflect increased costs to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics ~~percentage increase in the total of county fixed budgets pursuant to the allowed growth factor adjustment authorized by the general assembly for that fiscal year in accordance with section 331.439.~~

Sec. 8. EFFECTIVE DATE. Section 222.73, subsection 2, unnumbered paragraph 2, Code Supplement 1995, as amended by this division of this Act, takes effect July 1, 1997.

## DIVISION II MENTAL HEALTH SERVICE PROVISIONS

Sec. 9. Section 225.11, Code 1995, is amended to read as follows:  
225.11 INITIATING COMMITMENT PROCEDURES.

When a court finds upon completion of a hearing held pursuant to section 229.12 that the contention that a respondent is seriously mentally impaired has been sustained by clear and convincing evidence, and the application filed under section 229.6 also contends or the court otherwise concludes that it would be appropriate to refer the respondent to the state psychiatric hospital for a complete psychiatric evaluation and appropriate treatment pursuant to section 229.13, the judge may order that a financial investigation be made in the manner prescribed by section 225.13. If the costs of a respondent's evaluation or treatment are payable in whole or in part by a county, an order under this section shall be for referral of the respondent through the single entry point process for an evaluation and referral of the respondent to an appropriate placement or service, which may include the state psychiatric hospital for additional evaluation or treatment. For purposes of this chapter, "single entry point process" means the same as defined in section 331.440.

Sec. 10. Section 225.15, Code 1995, is amended to read as follows:  
225.15 EXAMINATION AND TREATMENT.

When ~~the a~~ a respondent arrives at the state psychiatric hospital, ~~it shall be the duty of the admitting physician to~~ shall examine the respondent and determine whether or not, in the physician's judgment, ~~the patient~~ respondent is a fit subject for ~~such~~ observation, treatment, and hospital care. If, upon examination, the physician decides that ~~such patient~~ the respondent should be admitted to the hospital, ~~the patient~~ respondent shall be provided a proper bed in the hospital; and the physician who ~~shall have~~ has charge of the ~~patient~~ respondent shall proceed with ~~such~~ observation, medical treatment, and hospital care as in the physician's judgment are proper and necessary, in compliance with sections 229.13 to 229.16.

A proper and competent nurse shall also be assigned to look after and care for ~~such patient~~ the respondent during ~~such~~ observation, treatment, and care ~~as aforesaid.~~ Observation, treatment, and hospital care under this section which are payable in whole or in part by a county shall only be provided as determined through the single entry point process.

Sec. 11. Section 225.17, Code 1995, is amended to read as follows:

**225.17 COMMITTED PRIVATE PATIENT – TREATMENT.**

If the judge of the district court, finds upon the review and determination made under the provisions of section 225.14 that the respondent is an appropriate subject for placement at the state psychiatric hospital, and that the respondent, or those legally responsible for the respondent, are able to pay the expenses ~~thereof associated with the placement~~, the judge shall enter an order directing that the respondent shall be sent to the state psychiatric hospital at the state University of Iowa for observation, treatment, and hospital care as a committed private patient.

When the respondent arrives at the said hospital, the respondent shall receive the same treatment as is provided for committed public patients in section 225.15, in compliance with sections 229.13 to 229.16. However, observation, treatment, and hospital care under this section of a respondent whose expenses are payable in whole or in part by a county shall only be provided as determined through the single entry point process.

Sec. 12. Section 225C.2, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 8. “Single entry point process” means the same as defined in section 331.440.

Sec. 13. Section 225C.12, Code 1995, is amended to read as follows:

**225C.12 PARTIAL REIMBURSEMENT TO COUNTIES FOR LOCAL INPATIENT MENTAL HEALTH CARE AND TREATMENT.**

1. A county which pays, from county funds budgeted under section ~~331.424, subsection 1, paragraphs “d” and “g”~~ 331.424A, the cost of care and treatment of a ~~mentally ill~~ person with mental illness who is admitted pursuant to a preliminary diagnostic evaluation under sections 225C.14 to 225C.17 for treatment as an inpatient of a hospital facility, other than a state mental health institute, which has a designated mental health program and is a hospital accredited by the accreditation program for hospital facilities of the joint commission on accreditation of ~~hospitals~~ health organizations, is entitled to reimbursement from the state for a portion of the daily cost so incurred by the county. However, a county is not entitled to reimbursement for a cost incurred in connection with the hospitalization of a person who is eligible for medical assistance under chapter 249A, or who is entitled to have care or treatment paid for by any other third party payor, or who is admitted for preliminary diagnostic evaluation under sections 225C.14 to 225C.17. The amount of reimbursement for the cost of treatment of a local inpatient to which a county is entitled, on a per-patient-per-day basis, is an amount equal to twenty percent of the average of the state mental health institutes’ individual average daily patient costs in the most recent calendar quarter for the program in which the local inpatient would have been served if the patient had been admitted to a state mental health institute.

2. A county may claim reimbursement by filing with the administrator a claim in a form prescribed by the administrator by rule. Claims may be filed on a quarterly basis, and when received shall be verified as soon as reasonably possible by the administrator. The administrator shall certify to the director of revenue and finance the amount to which each county claiming reimbursement is entitled, and the director of revenue and finance shall issue warrants to the respective counties drawn upon funds appropriated by the general assembly for the purpose of this section. A county shall place funds received under this section in the county mental health ~~and institutions, mental retardation, and developmental disabilities services~~ fund created under section 331.424A. If the appropriation for a fiscal year is insufficient to pay all claims arising under this section, the director of revenue and finance shall prorate the funds appropriated for that year among the claimant counties so that an equal proportion of each county’s claim is paid in each quarter for which proration is necessary.

Sec. 14. Section 225C.14, subsection 1, Code 1995, is amended to read as follows:

1. Except in cases of medical emergency, a person shall be admitted to a state mental health institute as an inpatient only after a preliminary diagnostic evaluation ~~by a community mental health center or by an alternative diagnostic facility~~ performed through the single entry point process has confirmed that the admission is appropriate to the person's mental health needs, and that no suitable alternative method of providing the needed services in a less restrictive setting or in or nearer to the person's home community is currently available. If provided for through the single entry point process, the evaluation may be performed by a community mental health center or by an alternative diagnostic facility. The policy established by this section shall be implemented in the manner and to the extent prescribed by sections 225C.15, 225C.16 and 225C.17.

Sec. 15. Section 225C.15, Code 1995, is amended to read as follows:

225C.15 COUNTY IMPLEMENTATION OF EVALUATIONS.

The board of supervisors of a county shall, no later than July 1, 1982, require that the policy stated in section 225C.14 be followed with respect to admission of persons from that county to a state mental health institute. A community mental health center which is supported, directly or in affiliation with other counties, by that county ~~shall~~ may perform the preliminary diagnostic evaluations for that county, unless the performance of the evaluations is not covered by the agreement entered into by the county and the center under section 230A.12, and the center's director certifies to the board of supervisors that the center does not have the capacity to perform the evaluations, in which case the board of supervisors shall proceed under section 225C.17.

Sec. 16. Section 225C.16, Code 1995, is amended to read as follows:

225C.16 REFERRALS FOR EVALUATION.

1. The chief medical officer of a state mental health institute, or that officer's physician designee, shall advise a person residing in that county who applies for voluntary admission, or a person applying for the voluntary admission of another person who resides in that county, in accordance with section 229.41, that the board of supervisors has implemented the policy stated in section 225C.14, and shall advise that a preliminary diagnostic evaluation of the prospective patient be sought ~~from the appropriate community mental health center or alternative diagnostic facility~~, if that has not already been done. This subsection does not apply when voluntary admission is sought in accordance with section 229.41 under circumstances which, in the opinion of the chief medical officer or that officer's physician designee, constitute a medical emergency.

2. The clerk of the district court in that county shall refer a person applying for authorization for voluntary admission, or for authorization for voluntary admission of another person, in accordance with section 229.42, to the appropriate ~~community mental health center or alternative diagnostic facility~~ entity designated through the single entry point process under section 225C.14 for the preliminary diagnostic evaluation unless the applicant furnishes a written statement from ~~that center or facility~~ the appropriate entity which indicates that the evaluation has been performed and that the person's admission to a state mental health institute is appropriate. This subsection does not apply when authorization for voluntary admission is sought under circumstances which, in the opinion of the chief medical officer or that officer's physician designee, constitute a medical emergency.

3. Judges of the district court in that county or the judicial hospitalization referee appointed for that county shall so far as possible arrange for ~~a physician on the staff of or designated by the appropriate community mental health center or alternative diagnostic facility~~ the entity designated through the single entry point process under section 225C.14 to perform a prehearing examination of a respondent required under section 229.8, subsection 3, paragraph "b".

4. The chief medical officer of a state mental health institute shall promptly submit to the appropriate ~~community mental health center or alternative diagnostic facility~~ entity designated through the single entry point process under section 225C.14 a report of the

voluntary admission of a patient under the medical emergency clauses of subsections 1 and 2. The report shall explain the nature of the emergency which necessitated the admission of the patient without a preliminary diagnostic evaluation by the ~~center or alternative facility~~ designated entity.

Sec. 17. Section 227.10, Code 1995, is amended to read as follows:

227.10 TRANSFERS FROM COUNTY OR PRIVATE INSTITUTIONS.

Patients who have been admitted at public expense to any institution to which this chapter is applicable may be involuntarily transferred to the proper state hospital for the mentally ill in the manner prescribed by sections 229.6 to 229.13. The application required by section 229.6 may be filed by the administrator of the division or the administrator's designee, or by the administrator of the institution where the patient is then being maintained or treated. If the patient was admitted to that institution involuntarily, the administrator of the division may arrange and complete the transfer, and shall report it as required of a chief medical officer under section 229.15, subsection 4. The transfer shall be made at county expense, and the expense recovered, as provided in section 227.7. However, transfer under this section of a patient whose expenses are payable in whole or in part by a county is subject to an authorization for the transfer through the single entry point process.

Sec. 18. Section 229.1, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 15. "Single entry point process" means the same as defined in section 331.440.

Sec. 19. NEW SECTION. 229.1B SINGLE ENTRY POINT PROCESS.

Notwithstanding any provision of this chapter to the contrary, any person whose hospitalization expenses are payable in whole or in part by a county shall be subject to all requirements of the single entry point process.

Sec. 20. Section 229.11, unnumbered paragraph 1, Code 1995, is amended to read as follows:

If the applicant requests that the respondent be taken into immediate custody and the judge, upon reviewing the application and accompanying documentation, finds probable cause to believe that the respondent ~~is seriously mentally impaired~~ has a serious mental impairment and is likely to injure the respondent or other persons if allowed to remain at liberty, the judge may enter a written order directing that the respondent be taken into immediate custody by the sheriff or the sheriff's deputy and be detained until the hospitalization hearing, ~~which.~~ The hospitalization hearing shall be held no more than five days after the date of the order, except that if the fifth day after the date of the order is a Saturday, Sunday, or a holiday, the hearing may be held on the next succeeding business day. If the expenses of a respondent are payable in whole or in part by a county, for a placement in accordance with subsection 1, the judge shall give notice of the placement to the single entry point process and for a placement in accordance with subsection 2 or 3, the judge shall order the placement in a hospital or facility designated through the single entry point process. The judge may order the respondent detained for the period of time until the hearing is held, and no longer, in accordance with subsection 1 if possible, and if not then in accordance with subsection 2 or, only if neither of these alternatives are available, in accordance with subsection 3. Detention may be:

Sec. 21. Section 229.13, unnumbered paragraph 1, Code 1995, is amended to read as follows:

If upon completion of the hearing the court finds that the contention that the respondent ~~is seriously mentally impaired has been~~ has a serious mental impairment is sustained by clear and convincing evidence, ~~it the court shall order the a respondent placed in 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. If the respondent is ordered at the 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. 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 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.

PARAGRAPH DIVIDED. The chief medical officer of the hospital or facility shall report to the court no more than fifteen days after the individual 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 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 extension of time has 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 at or placed under the care of the facility.

Sec. 22. Section 229.24, subsection 3, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of legal settlement, the clerk of the district court shall provide to the county of legal settlement and to the county in which the hospitalization order is entered shall have access to, in a form prescribed by the council on human services pursuant to a recommendation of the state-county management committee established in section 331.438, the following information pertaining to the individual which would be confidential under subsection 1:

Sec. 23. Section 229.42, unnumbered paragraph 1, Code 1995, is amended to read as follows:

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 ~~such~~ the person are unable to pay ~~such~~ the costs, application for authorization of voluntary admission must be made to any clerk of the district court before application for admission is made to the hospital. ~~After determining~~ The clerk shall determine the person's county of legal settlement and if the admission is approved through the single entry point process, the said clerk shall, ~~on forms provided by the administrator of the division,~~ authorize ~~such~~ the person's admission to a mental health hospital as a voluntary case. The authorization shall be issued on forms provided by the administrator. The clerk shall at once provide a duplicate copy of the form to the ~~county board of supervisors~~ single entry point process. The costs of the hospitalization shall be paid by the county of legal settlement to the director of revenue and finance 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 ~~responsible~~ county of legal settlement the amount chargeable ~~thereto~~ to the county and has sent a duplicate statement of ~~such~~ the charges to the director of revenue and finance.

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.

Sec. 24. Section 230.1, Code 1995, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. A county of legal settlement is not liable for costs and expenses associated with a person with mental illness unless the costs and expenses are for services and other support authorized for the person through the single entry point process. For the purposes of this chapter, "single entry point process" means the same as defined in section 331.440.

Sec. 25. Section 230.20, subsection 2, Code Supplement 1995, is amended to read as follows:

2. a. The superintendent shall certify to the director of revenue and finance 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.

b. The per diem costs billed to each county shall not exceed the per diem costs ~~in effect on July 1, 1988~~ billed to the county in the fiscal year beginning July 1, 1996. However, the per diem costs billed to a county may be adjusted annually to reflect increased costs to the extent of the ~~adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics~~ percentage increase in the total of county fixed budgets pursuant to the allowed growth factor adjustment authorized by the general assembly for the fiscal year in accordance with section 331.439.

Sec. 26. EFFECTIVE DATE. Section 230.20, subsection 2, paragraph "b", Code Supplement 1995, as amended by this division of this Act, takes effect July 1, 1997.

### DIVISION III SERVICE REGULATION, INFORMATION, PLANNING, AND PAYMENT PROVISIONS

Sec. 27. Section 230A.13, unnumbered paragraph 2, Code 1995, is amended to read as follows:

Release of ~~administrative and diagnostic information which would identify, as defined in section 228.1, subsections 1 and 3, and demographic information necessary for aggregated reporting to meet the data requirements established by the department of human services, division of mental health and developmental disabilities, relating to an individual who is receiving or has received treatment at~~ receives services from a community mental health center shall not through the applicable single entry point process, may be made a condition of support of that center by any county under this section. ~~Section 331.504, subsection 8 notwithstanding, a community mental health center shall not be required to file a claim which would in any manner identify such an individual, if the center's budget has been approved by the county board under this section and the center is in compliance with section 230A.16, subsection 3.~~

Sec. 28. Section 235A.15, subsection 2, paragraph c, Code Supplement 1995, is amended by adding the following new subparagraph:



NEW SUBPARAGRAPH. (13) To the administrator of an agency providing mental health, mental retardation, or developmental disability services under a county management plan developed pursuant to section 331.439, if the information concerns a person employed by or being considered by the agency for employment.

Sec. 29. Section 235B.6, subsection 2, paragraph c, Code Supplement 1995, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (6) To the administrator of an agency providing mental health, mental retardation, or developmental disability services under a county management plan developed pursuant to section 331.439, if the information concerns a person employed by or being considered by the agency for employment.

Sec. 30. Section 249A.12, subsection 2, Code Supplement 1995, is amended to read as follows:

2. A county shall reimburse the department on a monthly basis for that portion of the cost of assistance provided under this section to a recipient with legal settlement in the county, which is not paid from federal funds, if the recipient's placement has been approved by the appropriate review organization as medically necessary and appropriate. The department's goal for the maximum time period for submission of a claim to a county is not more than sixty days following the submission of the claim by the provider of the service to the department. The department's goal for completion and crediting of a county for cost settlement for the actual costs of a home and community-based waiver service is within two hundred seventy days of the close of a fiscal year for which cost reports are due from providers. The department shall place all reimbursements from counties in the appropriation for medical assistance, and may use the reimbursed funds in the same manner and for any purpose for which the appropriation for medical assistance may be used.

Sec. 31. Section 249A.12, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 5. a. The state-county management committee shall recommend to the department the actions necessary to assist in the transition of individuals being served in an intermediate care facility for the mentally retarded, who are appropriate for the transition, to services funded under a medical assistance waiver for home and community-based services for persons with mental retardation in a manner which maximizes the use of existing public and private facilities. The actions may include but are not limited to submitting any of the following or a combination of any of the following as a request for a revision of the medical assistance waiver for home and community-based services for persons with mental retardation in effect as of June 30, 1996:

(1) Allow for the transition of intermediate care facilities for the mentally retarded licensed under chapter 135C as of June 30, 1996, to services funded under the medical assistance waiver for home and community-based services for persons with mental retardation. The request shall be for inclusion of additional persons under the waiver associated with the transition.

(2) Allow for reimbursement under the waiver for day program or other service costs.

(3) Allow for exception provisions in which an intermediate care facility for the mentally retarded which does not meet size and other facility-related requirements under the waiver in effect on June 30, 1996, may convert to a waiver service for a set period of time such as five years. Following the set period of time, the facility would be subject to the waiver requirements applicable to services which were not operating under the exception provisions.

b. In implementing the provisions of this subsection, the state-county management committee shall consult with other states. The waiver revision request or other action necessary to assist in the transition of service provision from intermediate care facilities for the mentally retarded to alternative programs shall be implemented by the department in a manner that can appropriately meet the needs of individuals at an overall lower cost to counties, the federal government, and the state. In addition, the department shall take into

consideration significant federal changes to the medical assistance program in formulating the department's actions under this subsection. The department shall consult with the state-county management committee in adopting rules for oversight of facilities converted pursuant to this subsection. A transition approach described in paragraph "a" may be modified as necessary to obtain federal waiver approval. The department shall report on or before January 2, 1997, to the general assembly regarding its actions under this subsection and any federal response, and shall submit an update upon receiving a federal response to the waiver request or other action taken which requires a federal response. If implementation of any of the provisions of this subsection does not require a federal waiver, the department shall implement the provisions in the fiscal year beginning July 1, 1996.

Sec. 32. Section 249A.26, Code 1995, is amended to read as follows:

249A.26 COUNTY PARTICIPATION IN FUNDING FOR SERVICES TO PERSONS WITH DISABILITIES.

1. The state shall pay for one hundred percent of the nonfederal share of the services paid for under any prepaid mental health services plan for medical assistance implemented by the department as authorized by law.

2. The county of legal settlement shall pay for fifty percent of the nonfederal share of the cost of case management provided to adults, day treatment, and partial hospitalization provided under the medical assistance program for persons with mental retardation, a developmental disability, or chronic mental illness. For purposes of this section, persons with mental disorders resulting from Alzheimer's disease or substance abuse shall not be considered chronically mentally ill. To the maximum extent allowed under federal law and regulations, the department shall consult with and inform a county of legal settlement's single entry point process, as defined in section 331.440, regarding the necessity for and the provision of any service for which the county is required to provide reimbursement under this subsection.

3. To the maximum extent allowed under federal law and regulations, a person with mental illness or mental retardation shall not be eligible for any service which is funded in whole or in part by a county share of the nonfederal portion of medical assistance funds unless the person is referred through the single entry point process, as defined in section 331.440. However, to the extent federal law allows referral of a medical assistance recipient to a service without approval of the single entry point process, the county of legal settlement shall be billed for the nonfederal share of costs for any adult person for whom the county would otherwise be responsible.

Sec. 33. Section 331.424A, subsection 2, Code Supplement 1995, is amended to read as follows:

2. For the fiscal year beginning July 1, 1996, and succeeding fiscal years, county revenues from taxes and other sources designated for mental health, mental retardation, and developmental disabilities services shall be credited to the mental health, mental retardation, and developmental disabilities services fund of the county. The board shall make appropriations from the fund for payment of services provided under the county management plan approved pursuant to section 331.439. The county may pay for the services in cooperation with other counties by pooling appropriations from the fund with other counties or through county regional entities including but not limited to the county's mental health and developmental disabilities regional planning council created pursuant to section 225C.18.

Sec. 34. Section 331.438, subsection 4, paragraph b, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

The management committee shall consist of not more than ~~eleven~~ twelve voting members ~~representing the state and counties~~ as follows:

Sec. 35. Section 331.438, subsection 4, paragraph b, subparagraph (2), Code Supplement 1995, is amended to read as follows:

(2) The committee shall include one member nominated by service providers, ~~and~~ one member nominated by service advocates and consumers, and one member nominated by the state's council of the association of federal, state, county, and municipal employees, with both these members appointed by the governor.

Sec. 36. Section 331.438, subsection 4, paragraph c, subparagraph (10), Code Supplement 1995, is amended to read as follows:

(10) Make recommendations to improve the programs and cost effectiveness of state and county contracting processes and procedures, including strategies for negotiations relating to managed care. The recommendations developed for the state and county regarding managed care shall include but are not limited to standards for limiting excess costs and profits, and for restricting cost shifting under a managed care system.

Sec. 37. Section 331.438, subsection 4, paragraph c, Code Supplement 1995, is amended by adding the following new subparagraphs:

NEW SUBPARAGRAPH. (15) Make recommendations to the mental health and developmental disabilities commission for administrative rules providing statewide standards and a monitoring methodology to determine whether cost-effective individualized services are available as required pursuant to section 331.439, subsection 1, paragraph "b".

NEW SUBPARAGRAPH. (16) Make recommendations to the mental health and developmental disabilities commission for administrative rules establishing statewide minimum standards for services and other support required to be available to persons covered by a county management plan under section 331.439.

NEW SUBPARAGRAPH. (17) Make recommendations to the mental health and developmental disabilities commission and counties for measuring and improving the quality of state and county mental health, mental retardation, and developmental disabilities services and other support.

Sec. 38. Section 331.440, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. An application for services may be made through the single entry point process of a person's county of residence. However, if a person who is subject to a single entry point process has legal settlement in another county or the costs of services or other support provided to the person are the financial responsibility of the state, an authorization through the single entry point process shall be coordinated with the person's county of legal settlement or with the state, as applicable. The county of residence and county of legal settlement of a person subject to a single entry point process may mutually agree that the single entry point process functions shall be performed by the single entry point process of the person's county of legal settlement.

Sec. 39. **MEDICAL ASSISTANCE CLAIMS AND COST SETTLEMENT.** The department of human services shall formulate a work group which includes representatives of counties designated by the Iowa state association of counties in developing a course of action to meet the goals for submission of claims and completion of cost settlement under section 249A.12, subsection 2, as amended by this Act. A report which includes data describing the conditions which cause the goal time frames to be exceeded, other conditions associated with billings and payments, and options to address the problems identified shall be submitted to the governor and general assembly on or before December 16, 1996. The options may include possible sanctions for failure to meet the time frames.

Sec. 40. **EFFECTIVE DATE.** Section 31 of this division of this Act, being deemed of immediate importance, takes effect upon enactment.

Approved May 2, 1996