

CHAPTER 153  
FUNDING FOR LOCAL SERVICES  
[Prior to 7/1/83, see Social Services[770] Ch 131]  
[Previously appeared as Ch 131—renumbered IAB 2/29/84]  
[Prior to 2/11/87, Human Services[498]]

DIVISION I  
SOCIAL SERVICES BLOCK GRANT

PREAMBLE

This division sets forth the requirements for reporting required for receipt of federal social services block grant (SSBG) funds and service availability and allocation methodology related to those funds.

**441—153.1(234) Definitions.**

“*Direct services*” means services provided by staff of the department of human services to clients. This includes the administrative support necessary to maintain and oversee services. Direct services are funded with state and federal dollars.

“*State purchase services*” means those services the department purchases in every county statewide. State purchase services are funded with state and federal funds.

**441—153.2(234) Development of preexpenditure report.**

**153.2(1)** The department of human services shall develop the social services block grant preexpenditure report on an annual basis. The report shall be developed in accordance with the Code of Federal Regulations, Title 45, Part 96, Subpart G, as amended to July 20, 2000. The report shall describe the services to be funded, in what areas services are available and the amount of funding available. The plan shall also indicate the source of funding.

**153.2(2)** The department shall issue a proposed preexpenditure report before publication of the final report. The proposed report shall be available for public review and comment:

*a.* In each local office where a service area manager is based during regular business hours for a two-week period; and

*b.* On the department’s Internet Web site, [www.dhs.iowa.gov](http://www.dhs.iowa.gov).

**153.2(3)** The time and scope of public review will be announced each year. The announcement will indicate the time the proposed report can be viewed. The department:

*a.* Shall make this information available on the department’s Internet Web site, [www.dhs.iowa.gov](http://www.dhs.iowa.gov), and post signs in each local human services office; and

*b.* May publish advertisements in each service area listing the time of review.

**153.2(4)** The department shall accept comments about the preexpenditure report during the specified public review and comment period. Individuals or groups may submit written comments to the service area manager or to the Division of Fiscal Management, Iowa Department of Human Services, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, Iowa 50319-0114. The service area manager may arrange public hearings where testimony will be accepted.

**153.2(5)** The department shall consider the public comment when developing the final preexpenditure report.

**153.2(6)** A copy of the final preexpenditure report will be available:

*a.* In each local office where a service area manager is based; and

*b.* On the department’s Internet Web site, [www.dhs.iowa.gov](http://www.dhs.iowa.gov).

**441—153.3(234) Amendment to preexpenditure report.**

**153.3(1)** The preexpenditure report may be amended throughout the year. The department may file an amendment changing the kind, scope or duration of a service. Decisions to change a direct service or state purchase service will be made by the department.

Prior to filing an amendment the department and the county boards of supervisors will evaluate available funds and the effect any change will have on clients.

**153.3(2)** An amendment in the preexpenditure report will be posted in the local offices affected by the amendment at least 30 days prior to the effective date of the change. However, in the event funding for the service has been exhausted, an amendment shall be posted immediately notifying the public that the service will no longer be available. The service area manager will, whenever possible, give advance notice of a service termination made necessary because funds have been exhausted. When a service is added or extended, an amendment may be posted immediately and a 30-day posting period is not required.

**153.3(3)** Individuals or groups may submit written comments to the service area manager or to the Division of Fiscal Management, Iowa Department of Human Services, Hoover State Office Building, 1305 E. Walnut Street, Des Moines, Iowa 50319-0114.

**153.3(4)** Nothing in this rule will supersede the requirement for notifying clients of adverse action as provided in 441—130.5(234).

**441—153.4(234) Service availability.**

**153.4(1)** A client shall apply for services in the appropriate office of the Iowa department of human services.

*a.* The department shall determine eligibility according to 441—130.3(234).

*b.* The department shall develop a case plan to monitor the client's progress toward achieving goals as identified in 441—130.7(234).

**153.4(2)** An eligible client shall receive a service for which the client is eligible, subject to the provisions of 441—Chapter 130, when the service is listed in the geographic area in which the client resides. The geographic area for direct and state purchase is the state.

**153.4(3)** To the extent federal law prohibits use of federal funds for provision of social service block grant services to persons the department has defined as eligible, state funds shall be used to pay for these services.

**441—153.5(234) Allocation of block grant funds.**

**153.5(1)** The department shall follow a cost allocation plan for determining the appropriate administrative costs to be funded with block grant money.

**153.5(2)** Funding for services shall be allocated in accordance with the annual budgeting process. The department's annual budget is available for review on the department's Internet Web site at [www.dhs.iowa.gov](http://www.dhs.iowa.gov). Costs may be shifted in and between service areas to ensure continued statewide availability of services.

**441—153.6(234) Local purchase planning process.** Rescinded IAB 7/8/92, effective 7/1/92.

**441—153.7(234) Advisory committees.** Rescinded IAB 3/6/02, effective 7/1/02.

**441—153.8(234) Expenditure of supplemental funds.** When supplemental funds are issued through the social services block grant as emergency disaster relief, the department shall administer the funds in compliance with the terms of the federal award rather than the provisions of this division.

[ARC 7641B, IAB 3/25/09, effective 3/1/09; ARC 7830B, IAB 6/3/09, effective 7/8/09]

**441—153.9 and 153.10** Reserved.

These rules are intended to implement Iowa Code section 234.6.

DIVISION II  
DECATEGORIZATION OF CHILD WELFARE AND JUVENILE JUSTICE FUNDING

PREAMBLE

Decategorization of child welfare and juvenile justice funding is an initiative intended to establish systems of delivering human services based upon client needs that replace systems based upon a multitude of categorical funding programs and funding sources, each with different service definitions

and eligibility requirements. Decategorization is designed to redirect child welfare and juvenile justice funding to services that are more preventive, family-centered, and community-based in order to reduce use of restrictive approaches that rely on institutional, out-of-home, and out-of-community care.

**441—153.11(232) Definitions.** For the purposes of this division, the following definitions apply:

“*Budget accountability*” means that expenditures for decategorization services from a decategorization project’s funding pool during the state fiscal year do not exceed the total amount of funding available in the funding pool for the state fiscal year.

“*Carryover funding*” means moneys designated for a project’s decategorization services funding pool that remain unencumbered or unobligated at the close of the state fiscal year.

“*Chief juvenile court officer*” mean the judicial department official responsible for managing and supervising juvenile court services operations within one of the eight judicial districts.

“*Decategorization*” means an initiative established pursuant to Iowa Code section 232.188 that is designed to redirect child welfare and juvenile justice funding to services that are more preventive, family-centered, and community-based in order to reduce use of more restrictive approaches.

“*Decategorization agreement*” means the agreement entered into among representatives of the department of human services, juvenile court services, and the county government in one or more counties to implement a decategorization project in accordance with the requirements of Iowa Code Supplement section 232.188 and this division.

“*Decategorization project*” means the county or counties that have entered into a decategorization agreement to implement the decategorization initiative in the county or multicounty area covered by the agreement.

“*Decategorization services funding pool*” or “*funding pool*” means the funding designated for a decategorization project from all sources.

“*Department*” means the department of human services.

“*Governance board*” means a decategorization governance board, which is the group that enters into and implements a decategorization agreement.

“*Service area manager*” means the department official responsible for managing the department’s programs, operations, and child welfare budget within one of the eight department service areas.

“*Unencumbered or unobligated*” means funding within a decategorization services funding pool that is not spent by the project’s governance board for a specific program or purpose by the close of the state fiscal year.

**441—153.12(232) Implementation requirements.** The decategorization initiative shall be implemented through the creation and operation of decategorization projects. One or more counties may jointly agree to form a decategorization project to implement the initiative. The decategorization initiative shall be implemented in accordance with the following requirements:

**153.12(1) Decategorization agreement.** Representatives from the department, juvenile court services, and county government within the county or counties interested in forming a decategorization project shall develop a written agreement to work together to implement decategorization.

**153.12(2) Department approval.** A decategorization project must request and receive approval from the department director.

**153.12(3) Governance board.** A decategorization project shall be implemented by a decategorization governance board.

a. The department director shall ensure that each decategorization project has an operating governance board that includes:

(1) Representatives designated by administrators of the department and of juvenile court services; and

(2) Officials with the authority to represent county government in the affected county or counties.

b. Decategorization projects may choose to expand their governance boards to include representatives from other entities.

**153.12(4) Department information.** The service area manager shall provide the governance board with:

*a.* Information concerning the department service area's funding allocation for department-administered child welfare service programs; and

*b.* A copy of the service area's child welfare and juvenile justice annual plan.

**153.12(5) Juvenile justice information.** The chief juvenile court officer shall provide the governance board with information on the judicial district's allocation of funding for juvenile justice service programs.

**153.12(6) Support and coordination.** The department service area manager and the chief juvenile court officer shall:

*a.* Work with the governance board throughout each state fiscal year to coordinate planning and to target resources most effectively.

*b.* Regularly provide the governance board with available data concerning child welfare and juvenile justice needs, service trends and expenditures, child welfare and juvenile justice outcomes, and other relevant issues.

*c.* Work with the governance board to:

(1) Support board planning and service development; and

(2) Promote effective alignment of available financial resources to enhance preventive, family-centered, and community-based services.

**441—153.13(232) Role and responsibilities of decategorization project governance boards.** The governance board of a decategorization project shall have the following authority and responsibilities:

**153.13(1) Rules of operation.** The governance board shall establish and adopt written rules of operation that are available to the public.

**153.13(2) Open meetings and records.** The governance board shall adhere to statutory requirements for government bodies concerning open meetings and open records procedures as specified in Iowa Code chapters 21 and 22.

**153.13(3) Coordination.** The governance board shall coordinate project planning, decategorization service decisions, and budget planning activities with the service area manager and the chief juvenile court officer for the county or counties comprising the project.

**153.13(4) Right to services.** The governance board shall implement the decategorization initiative in a manner that does not limit the legal rights of children and families to receive services.

**153.13(5) Community service planning.** The governance board shall undertake community planning activities within the county or counties comprising the project. These activities shall be designed to develop services that are more preventive, family-centered, and community-based.

*a.* As part of decategorization community planning, the governance board shall partner with other community stakeholders to develop service alternatives that provide less restrictive levels of care for children and families within the project area. The governance board shall involve community representatives, including representatives for families and youth and for county organizations, in the development of specific and quantifiable short-term and long-term plans for:

(1) Enhancing preventive, family-centered, and community-based services; and

(2) Reducing reliance on out-of-community care and restrictive interventions.

*b.* In community planning, the governance board may use information from federal reviews of Iowa's child welfare system and indicators and outcomes from other community planning efforts. The governance board shall coordinate its community planning efforts as much as possible with those of other planning entities in the community, such as but not limited to:

(1) Communities of promise;

(2) Community empowerment;

(3) United Way;

(4) Community partnerships for protecting children;

(5) Comprehensive school improvement planning;

(6) Comprehensive substance abuse agency planning; and

(7) Substance-abuse-free environment (SAFE) program planning.

**153.13(6) *Annual service plan.*** The governance board shall oversee the development and submission of an annual child welfare and juvenile justice services plan that meets the requirements of rule 441—153.18(232). The governance board shall involve community representatives and county organizations in the development of the plan for the use of the decategorization services funding pool.

**153.13(7) *Fiscal management.*** The governance board shall manage and have authority over the project's decategorization services funding pool.

*a.* The governance board shall develop a plan to maintain budget accountability by ensuring during each state fiscal year that there is ongoing accountability for results, fiscal monitoring, and oversight of expenditures from the decategorization services funding pool.

*b.* Budget planning and decategorization services funding decisions shall be coordinated with the affected service area managers and chief juvenile court officers or their designees throughout each state fiscal year.

*c.* The governance board shall ensure that expenditures do not exceed the amount of funding available within the funding pool.

*d.* If necessary, the governance board shall approve actions to reduce expenditures, discontinue programs, or take other action to manage expenditures within the available decategorization services funding pool during each state fiscal year.

**153.13(8) *Annual report.*** The governance board shall oversee the development and submission of an annual progress report for the decategorization project that meets the requirements of rule 441—153.19(232).

**441—153.14(232) *Realignment of decategorization project boundaries.*** If a governance board votes to change the composition of counties participating in the project, the governance board shall send a letter to the department director that describes the nature of the proposed project realignment and is signed by each board member who supports the proposed realignment.

**153.14(1)** If the realignment request involves the move of one or more counties from one decategorization project to another, the governance board of the project receiving the county or counties shall send a letter to the department director expressing support for the realignment.

**153.14(2)** The department director shall review the request and within 30 days shall provide a written decision to the project governance boards involved.

*a.* In evaluating the request, the department director shall consider the reasons expressed for the proposed realignment and the community and budgetary impacts of the realignment.

*b.* The director may consult with governance board representatives and others before making a decision.

**441—153.15(232) *Decategorization services funding pool.***

**153.15(1) *Creation and composition of pool.*** The department shall create the decategorization services funding pool for a project by combining funding resources that may be made available to the project from one or more of the following funding sources:

*a.* The project's allocation of any funding designated for decategorization in a state appropriation. When the general assembly designates a portion of the department's child welfare appropriation specifically for decategorization services, the designated funds shall be allocated to decategorization project services funding pools. Unless otherwise specified by legislation, the designated funds shall be allocated among decategorization projects based solely on each project's share of the population of children under the age of 18.

*b.* Child welfare and juvenile justice services funds that are:

(1) Specifically designated and committed in writing to the project by the service area manager; and

(2) Accepted by the project's governance board.

*c.* Any juvenile justice program funds that are:

(1) Specifically designated and committed in writing to the decategorization project by a chief juvenile court officer; and

(2) Accepted by the project's governance board.

*d.* Any carryover funds available to the project from funding transfers and from operation of decategorization services during the previous state fiscal year.

*e.* Funds made available to the project from any other funding source, such as another state agency or a grant awarded to the project. Funds awarded to the project under this provision may be subject to specific conditions, reporting requirements, and expenditure limits specified by the entity that awards funding.

**153.15(2)** *Use of funding pool.* A governance board shall use the funding pool in accordance with the following requirements:

*a.* The funding pool shall be used to provide services that meet at least one of the following criteria:

(1) Services are flexible;

(2) Services are individualized;

(3) Services are family-centered;

(4) Services are preventive;

(5) Services are community-based;

(6) Services are comprehensive; or

(7) Services promote coordinated service systems for children and families in order to reduce the use of restrictive approaches that rely on institutional, out-of-home, and out-of-community care.

*b.* The governance board may use the funding pool for enhancements to the child welfare and juvenile justice service systems within the project.

*c.* The funding pool shall not be used for any of the following services:

(1) Institutional services;

(2) Out-of-home services; or

(3) Out-of-community services.

*d.* The funding pool shall be expended in accordance with statutes and rules regarding vendor solicitation and service contracting, including Iowa Code chapter 8 and department of administrative services rules at 11—Chapters 106 and 107, Iowa Administrative Code.

**153.15(3)** *Designation and transfer of department funds.* A service area manager may choose during each state fiscal year to designate and transfer a portion of the service area's child welfare and juvenile justice service allocation to a decategorization project's funding pool. When designating funds, the service area manager and the governance board shall follow these procedures:

*a.* The service area manager shall provide written notification of any funding designations to the governance boards within the service area by June 1 of the state fiscal year. The service area manager shall specify any special terms and conditions of the funding designation in the written notification to the governance board.

*b.* The governance board shall consider the offer of designated funding and provide written notification of acceptance or rejection to the service area manager by June 30 of the state fiscal year.

*c.* If the governance board accepts the designated funding, the funds shall:

(1) Be transferred to the project's decategorization services funding pool; and

(2) Be under the sole management authority of the governance board, subject to any special terms and conditions agreed to by the governance board.

*d.* Any funding from such transfers that remains unencumbered or unobligated at the close of the state fiscal year shall be carryover funding in accordance with subrule 153.15(5).

**153.15(4)** *Designation and transfer of juvenile justice funds.* A chief juvenile court officer may choose to designate and transfer a portion of the judicial district's juvenile justice program funding to a decategorization project's services funding pool. When designating funds, the chief juvenile court officer and the governance board shall follow these procedures:

*a.* The chief juvenile court officer shall provide written notification of any funding designations to the governance boards within the judicial district by June 1 of the state fiscal year. The chief juvenile

court officer shall specify any special terms and conditions of the funding designation in the written notification to the governance board.

b. The governance board shall consider the offer of funding and shall provide the chief juvenile court officer with written notification of acceptance or rejection of the funding by June 30 of the state fiscal year.

c. If the governance board accepts the designated funding, the funds shall:

(1) Be transferred to the project's decategorization services funding pool; and

(2) Be under the sole management authority of the governance board, subject to any special terms and conditions agreed to by the governance board.

d. Any funding from such transfers that remains unencumbered or unobligated at the close of the state fiscal year shall be carryover funding in accordance with subrule 153.15(5).

**153.15(5) Carryover funding.** Funds allocated to a decategorization project from a legislative appropriation for decategorization services and funds designated and transferred to a decategorization project's funding pool that remain unencumbered or unobligated at the close of a state fiscal year are referred to as "carryover funding." The following procedures shall apply to the determination and use of decategorization carryover funding:

a. Upon the close of a state fiscal year, the department shall determine the exact amount of funding that is unencumbered or unobligated in each project's decategorization services funding pool. The department shall collaborate with governance boards to reconcile expenditure records and determine the amount of carryover funding for each decategorization project.

b. Before December 15 of each state fiscal year, the department shall provide each governance board with written notification of the official amount of carryover funding available from the previous state fiscal year.

c. Carryover funding shall not revert to the state general fund but shall remain available to the governance board until the close of the succeeding state fiscal year.

d. Carryover funding shall be under the authority of the project's governance board. These funds shall be available for expenditure for child welfare and juvenile justice systems enhancements and other purposes of the project as determined by the governance board.

e. Any carryover funding not expended by a decategorization project by the close of the succeeding state fiscal year shall revert to the fiscal authority of the department. The department shall return these funds to the state general fund.

**441—153.16(232) Relationship of decategorization funding pool to other department child welfare funding.** With the exception of any portion of the service area's child welfare allocation that is allocated by law for decategorization services, each service area's child welfare allocation shall be managed under the authority of the respective service area manager as follows:

**153.16(1) Allocation.** Each service area manager receives an allocation from the state appropriation for child welfare and juvenile justice services funding to meet child welfare and juvenile justice needs within all counties comprising the service area. The service area manager is responsible for meeting service needs throughout the service area within that allocation.

**153.16(2) Budgeting.** The service area manager may establish internal child welfare and juvenile justice services budget targets for the counties comprising the service area. Based on budget monitoring and changes in circumstances, the service area manager may revise the child welfare and juvenile justice budget targets within the service area to provide for the safety, permanency, and well-being of children served in the child welfare and juvenile justice systems.

**153.16(3) Transfer to project.** A service area manager may choose to designate and to transfer a portion of the service area's child welfare allocation to the funding pool of a decategorization project. The service area manager may ask a governance board to accept specific terms and conditions concerning use of this funding. Once funding is transferred to a governance board, the funding is under the management authority of the governance board, subject to any special terms and conditions agreed to by the governance board.

**153.16(4) *Communication with the governance board.*** The service area manager shall regularly communicate with the governance boards within the service area to provide updated data and other information on child welfare and juvenile justice funding amounts, service expenditures and trends, and other issues in order to assist the governance board in service and budget planning.

**441—153.17(232) Relationship of decategorization funding pool to juvenile court services funding streams.** Funds allocated by the department among the eight judicial districts for the court-ordered services and graduated sanctions programs shall be managed under the authority of the chief juvenile court officer for each judicial district as follows:

**153.17(1) *Allocation.*** Each chief juvenile court officer receives an allocation from the state appropriation for the court-ordered services and graduated sanction programs. The chief juvenile court officer is responsible for managing needs for these programs throughout the judicial district within that allocation.

**153.17(2) *Budgeting.*** The chief juvenile court officer may establish internal budget targets for expenditures from the court-ordered services and graduated sanction programs for the counties comprising the judicial district. Based on budget monitoring and changes in circumstances, a chief juvenile court officer may revise the budget targets established within the judicial district to provide programs most effectively for children within the district.

**153.17(3) *Transfer to project.*** A chief juvenile court officer may choose to designate and to transfer a portion of the judicial district's allocation for court-ordered services and graduated sanction programs to the funding pool of a decategorization project. The chief juvenile court officer may ask a governance board to accept specific terms and conditions concerning use of this funding. Once funding is transferred to a governance board, the funding is under the management authority of the governance board, subject to any special terms and conditions agreed to by the governance board.

**153.17(4) *Communication with the governance board.*** The chief juvenile court officer shall regularly communicate with the governance boards within the judicial district to provide data and other information on juvenile justice program allocation amounts, service expenditures and trends, and other issues that may assist the governance boards in service and budget planning.

**441—153.18(232) Requirements for annual services plan.** Each decategorization project shall annually develop and submit a child welfare and juvenile justice decategorization services plan.

**153.18(1) *Content of plan.*** The decategorization services plan shall describe:

*a.* The project's proposed use of funding from the decategorization services funding pool during the state fiscal year.

*b.* The community planning and needs assessment process that was used in developing the annual decategorization services plan, including information on:

- (1) The community members and organizations that participated in developing the plan; and
- (2) Efforts to coordinate with other community planning initiatives affecting children and families.

*c.* The project's specific and quantifiable short-term plans and desired results for the state fiscal year and how these plans align with the project's long-term plans to improve outcomes for vulnerable children and families by enhancing service systems.

*d.* The methods that the project will use to track results and outcomes during the year.

*e.* The project's plans for monitoring and maintaining fiscal accountability, which shall include monitoring:

- (1) The performance and results achieved by contractors that receive funding; and
- (2) Expenditures from the decategorization services funding pool throughout the state fiscal year.

*f.* The project's plans to expend projected carryover funds by the conclusion of the state fiscal year.

**153.18(2) *Submission of plan.*** The decategorization services plan shall be submitted to the department's child welfare administrator and to the Iowa empowerment board by October 1 of each state fiscal year.



**441—153.19(232) Requirements for annual progress report.** Each decategorization project shall develop and submit an annual progress report.

**153.19(1) Content of report.** At a minimum, the progress report shall:

- a. Summarize the project's key activities and the progress toward reaching the project's desired outcomes during the previous state fiscal year.
- b. Describe key activities, outcomes, and expenditures for programs and services that received funding from the governance board during the previous state fiscal year.
- c. Describe any lessons learned and planning adjustments made by the governance board during the previous state fiscal year.

**153.19(2) Submission of report.** The progress report shall be submitted to the department's child welfare administrator and to the Iowa empowerment board by December 1 of each state fiscal year.

These rules are intended to implement Iowa Code Supplement section 232.188.

**441—153.20 to 153.30** Reserved.

DIVISION III  
MENTAL ILLNESS, MENTAL RETARDATION, AND  
DEVELOPMENTAL DISABILITIES—LOCAL SERVICES  
[Rescinded IAB 3/6/02, effective 5/1/02]

**441—153.31 to 153.50** Reserved.

DIVISION IV  
STATE PAYMENT PROGRAM FOR LOCAL MENTAL HEALTH, MENTAL RETARDATION, AND  
DEVELOPMENTAL DISABILITIES SERVICES TO ADULTS WITHOUT LEGAL SETTLEMENT

PREAMBLE

The state payment program provides 100 percent state funds to pay for local mental health, mental retardation, and developmental disabilities services for eligible adults who have no legal settlement in Iowa. The state payment program is intended to enable all eligible residents to receive services from the county mental health, mental retardation and developmental disabilities services fund through the county central point of coordination, regardless of the resident's legal settlement status.

Three basic principles underlie the state payment program.

First, duration of residency, including legal settlement, is not an eligibility factor for local mental health, mental retardation, and developmental disabilities service programs. The state payment program ensures that each of the local mental health, mental retardation, and developmental disabilities services provided by an Iowa county to residents who have legal settlement is also available to residents of that county who do not have legal settlement.

Second, each state is responsible to provide care and services for its own residents. Iowa provides for residents of Iowa.

Third, one's own family is of primary importance to one's well-being. Thus, the state payment program emphasizes that care and services for a person be provided near the person's own family, unless this is contraindicated or impossible to provide.

**441—153.51(331) Definitions.**

*"Adult"* means a person who is 18 years of age or older and is a United States citizen or a qualified alien as defined in 8 U.S.C. §1641.

*"Applicant"* means a person for whom payment is requested from the state payment program.

*"Approved county management plan"* means the county plan for mental health, mental retardation, and developmental disabilities services developed pursuant to Iowa Code section 331.439 that has been approved by the department's director.

*"Central point of coordination"* or *"CPC"* means the administrative entity designated by a county board of supervisors or by the boards of supervisors of a consortium of counties to act as the single entry point to the service system established under an approved county management plan.

“*County of residence*” means the county in Iowa where, at the time an adult applies for or receives services, the adult is living and has established an ongoing presence with the declared, good-faith intention of living permanently or for an indefinite period. The county of residence of an adult who is a homeless person is the county where the adult usually sleeps. “County of residence” does not mean the county where the adult is present for the purpose of:

1. Attending a college or university; or
2. Receiving services in a hospital, a correctional facility, a nursing facility, an intermediate care facility for persons with mental retardation, or a residential care facility.

The county of residence may be transferred using procedures set forth in subrule 153.53(5).

“*Department*” means the Iowa department of human services.

“*Division*” means the division of mental health and disability services of the department of human services.

“*Homeless person*” means a person who lacks a fixed, regular, and adequate nighttime residence and who has a primary nighttime residence that is one of the following:

1. A supervised publicly or privately operated shelter designed to provide temporary living accommodations.
2. An institution that provides a temporary residence for persons intended to be institutionalized.
3. A public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

“*Legal representative*” means a person recognized by law as standing in the place or representing the interests of another; for example, a guardian, conservator, custodian, parent of a minor, or the executor, administrator or next of kin of a deceased person.

“*Legal settlement*” is a legal status as defined in Iowa Code sections 252.16 and 252.17.

“*Member*” means a person authorized by the division to receive benefits from the state payment program.

“*Provider*” means a provider of mental health, mental retardation, or developmental disabilities services that has a valid contract for the service with a county to provide services under a county management plan.

“*Resident,*” for purposes of division IV of this chapter, means a person who is present in the state and who has established an ongoing presence with the declared, good-faith intention of living in Iowa permanently or for an indefinite period.

**441—153.52(331) Eligibility requirements.** To be eligible for the state payment program, an applicant must meet all of the following conditions.

**153.52(1) *Adult status.*** The applicant shall be an adult as defined in 441—153.51(331).

**153.52(2) *Residency.*** The applicant shall be a resident of Iowa, present in the state and without legal settlement in an Iowa county. The applicant shall not be in Iowa for purposes of a visit or vacation nor be traveling through the state to another destination at the time of application for services.

**153.52(3) *Eligibility under county management plan.*** The applicant shall meet the eligibility criteria established in the approved county management plan for the applicant’s county of residence.

**153.52(4) *Payment source.*** The applicant shall have no other political entity, organization, or other source responsible for provision of or payment for the needed services nor be eligible to have the service funded or provided at no additional cost to the state by another state-funded or federally funded facility or program. The department may, on a case-by-case basis, attempt collection from a legally responsible entity.

**441—153.53(331) Application procedure.**

**153.53(1) *Initiation of application.*** The county CPC or the CPC’s designee shall be responsible for applying for state payment program funding for any person who may be eligible and whose county of residence is that county.

*a.* When an applicant is awaiting discharge from a state mental health institute or state resource center, the facility’s social worker shall initiate the application and forward it to the CPC of the applicant’s

county of residence for completion. If the applicant has no clear county of residence, the application shall be forwarded to the county where the applicant intends to establish residency upon discharge. This county may be designated by the applicant's declaration.

*b.* Applications shall be made only with the knowledge and consent of the applicant or the applicant's legal representative.

**153.53(2) Application requirements.** The CPC or the CPC's designee shall complete the application, preferably in electronic format. A complete application shall include:

*a.* A funding request for the applicant showing:

- (1) The services being requested,
- (2) The total monthly dollar amount needed for the services requested, and
- (3) The chart of accounts codes from the county billing system for the requested services.

*b.* A copy of a legal settlement worksheet that is completed in accordance with provisions of Iowa Code chapter 252 and other applicable laws and rulings of courts; and

*c.* The client profile report (or equivalent) from a CPC application that contains information necessary for the division to enter the member into the data system used for payment processing.

**153.53(3) Application submission.** The CPC or the CPC's designee shall:

*a.* Submit the complete application as defined in subrule 153.53(2) to the division within 15 business days of the date the CPC or designee receives a completed and signed CPC application form containing a properly completed legal settlement worksheet.

*b.* Generate a delivery receipt for the application, whether sent to the division by E-mail, fax, or certified mail. The division may require the delivery receipt when it is alleged that an application was sent but the division has no record of receiving the application.

**153.53(4) Application date.**

*a. Waiting list not in effect.* When a waiting list is not in effect, the application date shall be the latest of the following dates:

- (1) The date on court commitment documents,
- (2) The date on the CPC application form, or
- (3) 60 days before the division receives the complete application, if the complete application is received more than 60 days after the date on the CPC application form.

*b. Waiting list in effect.* When a waiting list is in effect pursuant to subrule 153.54(5), the date of application shall be:

- (1) The date on court commitment documents, or
- (2) The date the application is moved off the waiting list.

**153.53(5) Transfer of county of residence.** The designated county of residence for an adult may be transferred when it seems more reasonable for the county in which the person is receiving services to assume management of the services.

*a.* Examples of situations where transfer may be reasonable include, but are not limited to:

(1) The person receiving services has been in a facility for more than a year; and the person no longer has any connection to the county of residence, such as relatives who live there, and, so far as anyone can tell, has no desire to return to the county of residence.

(2) The person receiving services was in the state and county of residence for such a short time before needing services that no real attachment was established in the county of residence.

(3) The person is a student attending a college or university but lives and works in the community 12 months per year.

*b.* If the county of residence desires a transfer and the county in which the person is receiving services agrees, the county accepting the transfer shall notify the department's state payment program manager. The new county of residence shall complete the application procedures, if necessary, and maintain responsibility for the person's case.

*c.* If the county of residence desires a transfer and the county in which the services are being received does not agree, the county of residence may appeal for resolution to the residency team established by the mental health, mental retardation, developmental disabilities, and brain injury

commission. Either county may appeal the decision of the residency team using the procedures in 441—Chapter 7.

[ARC 8319B, IAB 12/2/09, effective 11/1/09; ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8611B, IAB 3/10/10, effective 4/14/10; ARC 8612B, IAB 3/10/10, effective 4/14/10]

#### **441—153.54(331) Eligibility determination.**

##### **153.54(1) Approval by county.**

a. The CPC or the CPC's designee shall determine whether an applicant is eligible for services based on the eligibility guidelines contained in the approved county management plan for the applicant's county of residence.

b. The county shall apply any policies and procedures regarding waiting lists to state payment program applicants in the same manner as it applies them to persons who have legal settlement in that county.

**153.54(2) Certification by the department.** Within 15 business days after receipt of a complete application as specified in subrule 153.53(2), division staff shall certify the applicant's eligibility for the state payment program to the central point of coordination.

a. The applicant's legal settlement status shall be ascertained in accordance with Iowa Code sections 252.16 and 252.17 and with other applicable laws, rulings of courts and opinions of the Iowa attorney general.

b. An application shall be approved only when funds are available. When funds are insufficient, the application shall be placed on a statewide waiting list pursuant to subrule 153.54(5).

##### **153.54(3) Effective date of eligibility.**

a. An applicant's eligibility for state payment program funding shall be effective from the application date as defined in subrule 153.53(4).

b. Each member shall be assigned a payment slot number based on the member's application date and commitment status.

(1) Members under a court-ordered involuntary commitment shall be considered the first priority for payment slot number assignment, in order of oldest commitment date first. The CPC shall notify the department within seven days of the date when the commitment order is released. When the commitment order is released, the member shall be reassigned a payment slot according to subparagraph 153.54(5) "b"(2).

(2) Slot number assignment for members who are not under an involuntary commitment order shall be based on the application date. For a member who was on a commitment order which has been released, the application date is the date of the member's first commitment order or the member's original application date, whichever is earliest. If there are multiple members with the same application date, the members will be prioritized by the birth month and day (earliest birth date first). If there are multiple members with the same birth month and day, the last four digits of the members' social security numbers will be used, with the lowest number being considered first.

**153.54(4) Notification of eligibility decisions.** The CPC or the CPC's designee shall notify the applicant or member of the following decisions in accordance with CPC requirements and procedures:

a. Certification of the applicant's eligibility.

b. A change in a member's services, including termination of service.

**153.54(5) Waiting list.** The department shall start a waiting list when analysis of submitted expenditure reports indicates that the amount of funds needed to pay for the currently assigned payment slots exceeds the state payment program appropriation.

a. *Notice of waiting list.* The department shall notify county CPCs:

(1) Before implementing a waiting list, and

(2) Promptly when the department determines a waiting list is no longer required.

b. *Placement on the waiting list.* When a waiting list is in effect, all new applications shall be placed on the waiting list with the exception of applicants who are subject to an involuntary commitment. Applicants who are subject to an involuntary commitment are exempted from waiting list placement for the services listed on the court order when the CPC includes a copy of relevant court orders directing

services under Iowa Code chapter 229 for which payment is sought. If this documentation is not included, the application will be placed on the waiting list.

*c. Movement off the waiting list.* The department shall review the waiting list every 30 days. As funds are determined available, applications shall be moved off of the statewide waiting list. Applicants shall be served on a first-come, first-served basis, as determined by the date and time the complete application is received in the division office.

(1) In cases where applications are received simultaneously, the applicants will be prioritized by the birth month and day (earliest birth date first).

(2) If there are multiple applicants with the same birth month and day, the last four digits of the applicants' social security numbers will be used, with the lowest number being considered first.

*d. Notification of applicant status.* The department shall notify the CPC of each applicant's status quarterly, unless an application can be removed from the waiting list sooner. When the department notifies the CPC that an application can be removed from the waiting list, the CPC shall:

(1) Verify with the applicant that the services are still needed, and

(2) Notify the applicant that service funding is available for services identified.

[ARC 8319B, IAB 12/2/09, effective 11/1/09; ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8611B, IAB 3/10/10, effective 4/14/10; ARC 8612B, IAB 3/10/10, effective 4/14/10]

**441—153.55(331) Eligible services.** Services eligible for reimbursement under the state payment program are the services defined in the approved county management plan of the applicant's county of residence.

**153.55(1) Purchased services.**

*a.* Service management may be provided through a county CPC process during the period for which services are paid.

*b.* The county may pay for services as long as the member is eligible and the following criteria are met:

(1) The member is receiving a service that requires funding from the state payment program.

(2) The service is provided under the approved county management plan of the member's county of residence.

(3) The member's county of residence provides or pays for the service from the county mental health, mental retardation, and developmental disabilities services fund for persons who have legal settlement in the county.

(4) Service providers bill the other payment systems for which the member is eligible before billing the county of residence.

**153.55(2) Excluded costs.** The following costs are excluded from payment by the state payment program:

*a.* Services received before the effective date of eligibility.

*b.* The cost of local services that the member is eligible to have funded by private sources or by other state or federal programs or funds, such as medical assistance program services or services provided in a state institution.

*c.* Scheduled appointments or consultations for which the member did not appear.

*d.* Service management (county chart of accounts numbers beginning with 22-000) for members eligible for Medicaid targeted case management, unless the Iowa plan contractor decertifies the member for case management services.

*e.* Services described by the following county chart of accounts codes:

(1) 4x03, information and referral.

(2) 4x04, consultation.

(3) 4x11, direct administrative.

(4) 4x12, purchased administrative.

(5) 4x21-374, case management Medicaid match.

(6) 4x32-328, home/vehicle modification.

[ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8612B, IAB 3/10/10, effective 4/14/10]

**441—153.56(331) Program administration.****153.56(1) CPC responsibilities.**

*a.* Financial participation on the part of the member shall be governed by the financial participation provisions of the approved county management plan of the member's county of residence.

*b.* The CPC or the CPC's designee shall submit to the division's state payment program manager by the fifth business day of each month a report on the eligible services paid for during the previous month. The report shall be submitted electronically and shall include the following data in each record:

- (1) The calendar month and year in which the county made the payment.
- (2) The name of the county submitting the information.
- (3) The member's name.
- (4) The member's state identification number.
- (5) The member's identification number as assigned under subparagraph 153.56(2) "a"(2).
- (6) The member's diagnostic group code.
- (7) The provider's name.
- (8) The chart of accounts code for each service paid.
- (9) The number of units paid (if applicable).
- (10) The beginning date of each service for which the county paid.
- (11) The ending date of each service for which the county paid.
- (12) The dollar amount paid.

*c.* The CPC or the CPC's designee shall include payments made on behalf of members in the data warehouse annual reports required by 441—Chapter 25, Division IV.

**153.56(2) Department responsibilities.** As the sponsoring agency, the department shall be responsible for:

*a.* Enrolling members as necessary to produce payment to the counties, including:

- (1) Maintaining member information in the data system for payment;
- (2) Notifying counties of the member identification number required for billing; and
- (3) Closing data system files on members as directed by the counties, or when the member has not had any payments processed for a six-month period.

*b.* Verifying receipt of monthly payment report files. Within 15 business days of receipt of each county's monthly payment report file, the department shall:

- (1) Identify the county's payment amount for that month and the number of clients included in the payment; and
- (2) Notify the county of any clients whose costs were denied and the reason for the denial.

*c.* Generating and reconciling payments to the counties.

*d.* Receiving and auditing reports of member activity and expenditures from the counties.

**153.56(3) Payment to counties.** The following policies shall govern payment to counties for services furnished to members:

*a. Monthly payment.* Beginning in May 2007, the department shall make a monthly payment to each county based on the expense report for the previous month that was submitted by the county pursuant to paragraph 153.56(1) "b." The department shall process monthly payments by the twentieth day of each month.

*b. Prospective payment.* The department may make a prospective payment to the county for cash flow purposes by July 10 of each year.

(1) The prospective payment shall be based on the sum of the expense reports that the department received from the county in April, May, and June of that year.

(2) For the state fiscal year ending June 30, 2007, the payments made to the county on or before April 1, 2007, shall be considered the prospective payment.

*c. Payment reconciliation.* The department and counties shall reconcile the total of the prospective payment and monthly payments made to a county with the total actual expenses paid by the county for that same period.

*d. Payment adjustment.* Beginning in April of each year, the department may adjust the monthly payment to the county to:

- (1) Spend down the balance of the prospective payments previously made; or
- (2) Make additional payment to ensure that the county has sufficient moneys for cash flow purposes.

*e. Deductions.* For the state fiscal year ending June 30, 2007, moneys that the county received but did not expend, according to the report required by paragraph 153.56(1)“b,” shall be deducted from the county’s subsequent payment.

[ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8612B, IAB 3/10/10, effective 4/14/10]

**441—153.57(331) Reduction, denial, or termination of benefits.** The member’s state payment program benefits may be denied, terminated, or reduced according to the provisions of the approved county management plan of the member’s county of residence.

**153.57(1) Termination of eligibility.** A member shall remain eligible until:

- a.* Reimbursement for episodic commitment costs has been made to the county if the member was enrolled for commitment costs only;
- b.* The CPC in the county of residence notifies the state payment program manager that the member is no longer eligible;
- c.* No services have been reported for the member for six months; or
- d.* The member is disenrolled pursuant to subrule 153.57(2).

**153.57(2) Disenrollment.** If instituting a waiting list does not adequately address the funding shortfall, the department shall begin disenrollment of members.

*a.* Members who are enrolled and receiving services being reimbursed by the state and who are not under court-ordered involuntary commitment shall be disenrolled beginning with the highest payment slot number first.

*b.* The department shall notify the member and the CPC when a member is to be disenrolled. The department shall give the member at least ten days’ notice of disenrollment pursuant to rule 441—7.7(17A). The department shall give a member receiving any residential service 30 days’ notice of disenrollment from the program consistent with department of inspections and appeals’ rule 481—57.36(135C).

*c.* Any member who is disenrolled shall be placed on the waiting list as provided in subrule 153.54(5).

[ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8612B, IAB 3/10/10, effective 4/14/10]

**441—153.58(331) Appeals.**

**153.58(1)** Decisions regarding denial or termination of state payment program eligibility, including disenrollment, may be appealed to the department pursuant to 441—Chapter 7. Continuation of assistance will be granted pursuant to rule 441—7.9(17A).

**153.58(2)** Decisions (other than eligibility) adversely affecting applicants or members shall be appealed pursuant to the county CPC’s appeal provisions.

[ARC 8319B, IAB 12/2/09, effective 11/1/09; ARC 8486B, IAB 1/13/10, effective 1/1/10; ARC 8611B, IAB 3/10/10, effective 4/14/10]

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