

CHAPTER 23  
MENTAL HEALTH AND DISABILITY SERVICES  
REDESIGN TRANSITION FUND

PREAMBLE

This chapter provides rules for gathering information and guiding the development of recommendations to the governor and legislature for the mental health and disability services transition fund for state fiscal year 2013.

**441—23.1(225C,84GA,SF2315) Definitions.**

“*Commission*” or “*MHDS commission*” means the mental health and disability services commission.

“*County-operated program*” means services directly provided by county employees.

“*Current core county mental health and disability services*” means those services defined in the county management plan approved by the commission and effective as of June 30, 2012.

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

“*Documentation information and materials*” means source documents, worksheets, notes, or any written material used in completing the application for transition funds.

“*Independently verified*” means a signed written opinion of accuracy and reasonableness of financial information submitted in the application by the county auditor based on a review and verification of the documentation information and materials used to complete the application.

“*Subsidize*” means that the county provides additional funding for county-operated services over and above amounts reimbursed from third-party payers, including Medicaid or Medicare, or costs in excess of usual and customary charges for the service.

“*Sustainability plan*” means financial estimates and a description of estimates and assumptions used to ensure that services requested to be funded by the transition fund can and will continue when the transition fund is discontinued at the end of state fiscal year 2013.

“*Target population*” means an adult diagnosed with a mental illness as defined in Iowa Code section 4.1(21A) or an individual with an intellectual disability as defined in Iowa Code section 4.1(9A).

“*Transition fund*” means the mental health and disability services redesign transition fund that has been established pursuant to 2012 Iowa Acts, Senate File 2315, section 23, and, once funds have been appropriated, will provide one-time assistance in state fiscal year 2013 to support county continuation of current core county mental health and disability services to target populations not funded by Medicaid. [ARC 0346C, IAB 10/3/12, effective 9/11/12; ARC 0573C, IAB 2/6/13, effective 4/1/13]

**441—23.2(225C,84GA,SF2315) Eligibility.** A county is eligible for one-time transition funds in state fiscal year 2013, once transition funds are appropriated, if the county meets the following eligibility requirements. Each county shall:

1. Demonstrate that the county levy certified for its services fund under Iowa Code section 331.424A for state fiscal year 2013 is the maximum amount authorized by law.

2. Demonstrate that the county’s projected expenditures for state fiscal year 2013, excluding increased costs for county administration and subsidies for county-operated programs, are in excess of the county’s projected available funds for state fiscal year 2013.

3. Demonstrate that a reduction in the amount, scope, and duration of current core county mental health and disability services is necessary in the absence of transition funding.

4. Submit an application that meets the application requirements.

[ARC 0346C, IAB 10/3/12, effective 9/11/12; ARC 0573C, IAB 2/6/13, effective 4/1/13]

**441—23.3(225C,84GA,SF2315) Application requirements.** All of the following requirements must be met for a county to be eligible for transition funds.

**23.3(1)** The application must be:

a. Submitted using Form 470-5125, MHDS Transition Fund Application, prescribed by the department.

b. Completed with all forms and information.

c. Signed by the chairperson of the county board of supervisors, county auditor, and central point of coordination administrator.

d. Verified independently by the county auditor.

e. Delivered no later than 4:30 p.m. on November 1, 2012.

**23.3(2)** The application for transition funds must include the following current core county mental health and disability services information:

a. County eligibility criteria for an individual to receive county mental health and disability services.

b. A copy of the copay and sliding fee schedule as established in the county management plan.

c. A complete list of fees and copays that the county charges for each service provided.

d. The number of individuals who received non-Medicaid-funded services paid for by the county in state fiscal year 2012.

e. The projected number of individuals who will receive non-Medicaid-funded services paid by the county in state fiscal year 2013, state fiscal year 2014, and state fiscal year 2015.

**23.3(3)** The application for transition funds shall include actual unaudited county financial information for state fiscal year 2012 and projected county financial information for state fiscal year 2013, state fiscal year 2014, and state fiscal year 2015 reported on a cash basis.

a. Financial information regarding available funds.

(1) Amount of funds carried forward from the previous state fiscal year excluding any amount received from the risk pool in state fiscal year 2012.

(2) Amount of county funding levied and how amount of county funding levied compares with the maximum amount authorized by law.

(3) Amount of state fiscal year 2012 risk pool funds awarded to the county listed by the state fiscal year in which risk pool funds were or will be used, including an explanation of any amounts of state fiscal year 2012 risk pool funds that are projected to be returned.

(4) Amount of funding received in state fiscal year 2012 through the state payment program for non-Medicaid-funded services for individuals for whom legal settlement has not been determined, including this same amount for projected state fiscal year 2013, state fiscal year 2014, and state fiscal year 2015.

b. Financial information regarding expenditures.

(1) Amount for county administrative costs, excluding administrative costs of county-operated programs, determined using cost allocation methods consistent with principles contained in OMB Circular A-87.

(2) Total amount needed to pay for expenses due and owing that were incurred in previous state fiscal years including, but not limited to:

1. County administrative costs.

2. Provider payments including the cost of services for county-operated programs and excluding any costs that subsidize county-operated programs.

3. State charges for the cost of services listed by the state fiscal year in which the charge was incurred:

- Including the county's portion of the nonfederal share of Medicaid.

- Including the county's share of mental health institutes and state resource centers minus credits.

- Excluding any state charges that will be forgiven consistent with 2012 Iowa Acts, Senate File 2315, section 27.

(3) Amount paid to private service providers for non-Medicaid-funded services.

(4) Amount paid for non-Medicaid-funded county-operated programs including an allocation of administrative costs for such services consistent with principles contained in OMB Circular A-87 and excluding any amounts to subsidize county-operated programs.

(5) Service expenditures reported in subparagraphs 23.3(3) “b”(3) and (4) above shall be divided into the following eligibility categories:

1. Individuals in the target population whose income is equal to or less than 150 percent of the federal poverty level.
  2. Individuals in the target population whose income is greater than 150 percent of the federal poverty level.
  3. Individuals with a disability other than the target population whose income is equal to or less than 150 percent of the federal poverty level.
  4. Individuals with a disability other than the target population whose income is greater than 150 percent of the federal poverty level.
- c. The county shall retain the county’s documentation information and materials used to complete the application for transition funding and shall have this documentation information and materials available for review by the department or its designee.

**23.3(4)** For a county to be considered for transition funds, it must submit a sustainability plan that includes projected expenditures for state fiscal year 2014 and state fiscal year 2015 and a justification for the projections including:

- a. A description of the facts and assumptions used when estimating revenues and expenditures for state fiscal year 2013, state fiscal year 2014, and state fiscal year 2015.
- b. Identification of key steps that will be taken to ensure that the level of current core county mental health and disability services continues beyond state fiscal year 2013.
- c. An explanation of how the requested moneys will be used during the transition year to provide services in a manner that shall enable the county to continue to provide services at current levels in future years within the amount of funding the county has available.

[ARC 0346C, IAB 10/3/12, effective 9/11/12; ARC 0573C, IAB 2/6/13, effective 4/1/13]

**441—23.4(225C,84GA,SF2315) Guidelines for the management of transition funds.** This rule establishes guidelines for the department for the receiving, analyzing, recommending, and reporting of transition fund applications.

**23.4(1)** The department shall provide each county’s central point of coordination administrator and the county board of supervisors a set of rules for transition funds and a copy of the application form to be used for applying for transition funds.

**23.4(2)** The department shall only accept county applications that are complete, submitted on the required forms, properly signed, independently verified, and received by the department by 4:30 p.m. on November 1, 2012.

**23.4(3)** The department shall develop a recommendation regarding the amount of transition funding the county should receive to continue the current core county mental health and disability services. The department’s recommendation shall:

- a. Exclude projected costs that reflect an increase in the amount, scope, or duration of services above that provided in state fiscal year 2012 based on an analysis of the number of individuals served and the cost per individual in state fiscal year 2013, state fiscal year 2014, and state fiscal year 2015.
- b. Exclude increased costs of county administration above that expended in state fiscal year 2012.
- c. Include recommendations for adjustments based on a review of the county’s documentation information and materials.
- d. Include costs of current core county mental health and disability services that are in excess of available funds, excluding the costs as shown in paragraphs 23.4(3) “a” and “b” above.

**23.4(4)** The department’s report to the governor and the legislature on December 1, 2012, shall include:

- a. The names of counties that applied for transition funds.
- b. The department’s recommendation of the amount that the county shall receive to continue current core county mental health and disability services in state fiscal year 2013.
- c. The department’s opinion regarding whether or not the county has a viable sustainability plan.

[ARC 0346C, IAB 10/3/12, effective 9/11/12; ARC 0573C, IAB 2/6/13, effective 4/1/13]

**441—23.5(225C,84GA,SF2315) Allocation of transition funds.** The department shall allocate funds to eligible counties consistent with legislative appropriations. If the amount appropriated by the legislature for transition funds is insufficient to provide for the full cost recommended by the department, and the legislation does not state anything to the contrary, the department shall distribute funds based on the following priorities:

1. Individuals in the target population whose income is equal to or less than 150 percent of the federal poverty level.
2. Individuals in the target population whose income is greater than 150 percent of the federal poverty level.
3. Individuals with a disability other than the target population whose income is equal to or less than 150 percent of the federal poverty level.
4. Individuals with a disability other than the target population whose income is greater than 150 percent of the federal poverty level.

[ARC 0346C, IAB 10/3/12, effective 9/11/12; ARC 0573C, IAB 2/6/13, effective 4/1/13]

These rules are intended to implement Iowa Code chapter 225C and 2012 Iowa Acts, Senate File 2315, section 23, and 2012 Iowa Acts, Senate File 2336, sections 56 and 66.

[Filed Emergency ARC 0346C, IAB 10/3/12, effective 9/11/12]

[Filed ARC 0573C (Notice ARC 0348C, IAB 10/3/12), IAB 2/6/13, effective 4/1/13]