

441—25.22(225C) Incentive fund application, approval, and reporting.

25.22(1) *Application for regional incentive funds.* A mental health and disability services region must submit an application on forms specified by the department with required supporting documentation. An application to receive regional incentive funds must meet the following requirements:

- a. The region shall submit the application with supporting documentation electronically to the department by 4:30 p.m. on November 15 of the state fiscal year in which funding is requested.
- b. The application shall be complete and signed by the chairperson of the regional governing board and regional chief executive officer.
- c. Application supporting documentation shall include evidence to demonstrate compliance with subrule 25.22(2).

25.22(2) *Applicant conditions.* To receive funding, a region must submit to the department sufficient data to demonstrate that the region has met the standards in the region's performance-based contract outlined in rule 441—25.23(225C). Additionally, the region must meet the following conditions:

- a. The region must be in compliance with the regional service system management plan as defined in Iowa Code section 225C.60.
- b. The region's ending fund balance in the fiscal year that commenced two years prior to the year of application shall meet the ending balance threshold in accordance with Iowa Code section 225C.7A.
- c. The region must need incentive funds for one or more of the following circumstances:
 - (1) If the region has an operating deficit, to reimburse the region for a reduction in available funding for core services as the result of the reduction and elimination of the levy.
 - (2) To incentivize quality core services that meet or exceed the defined outcomes in the performance-based contract.
 - (3) To support regional efforts to fund non-core services that support the defined outcomes of core services in the performance-based contract.
 - (4) For support of non-core services to maintain individuals in a community setting or reduce the risk that individuals needing services and supports would be placed in more restrictive, higher-cost settings.

25.22(3) *Incentive fund application review and approval.* The department shall make its final decisions for incentive funds on or before December 15 of the fiscal year of application.

- a. A written notice regarding acceptance or rejection of an application and the total amount obligated shall be furnished to the mental health and disability services region.
- b. The department shall distribute incentive funds payable to the mental health and disability services regions for the amounts due on or before January 1.

25.22(4) *Incentive fund reporting.* Mental health and disability services regions shall submit to the department a report on forms specified by the department twice each calendar year subsequent to an award distribution. Reports shall be submitted by February 15 and August 15.

25.22(5) *Incentive fund review.* The department shall analyze year-end financial records and annual independent audits of the mental health and disability services region for all years subsequent to an incentive fund award. If the department determines a mental health and disability services region's actual need for incentive funds was less than the amount of incentive funds granted, the mental health and disability services region shall refund the difference between the amount of assistance granted and the actual need.

- a. A written notice outlining the department's findings and moneys identified for repayment shall be furnished to the regional administrative entity.
- b. The mental health and disability services region shall submit the refund within 30 days of receiving notice from the department. Refunds shall be credited to the incentive fund.

This rule is intended to implement Iowa Code section 225C.7A.

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