

# House Amendment 1362

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1 1 Amend House File 841 as follows:  
1 2 #1. By striking everything after the enacting  
1 3 clause and inserting the following:  
1 4 <DIVISION I  
1 5 IOWACARE  
1 6 Section 1. NEW SECTION. 249J.1 TITLE.  
1 7 This chapter shall be known and may be cited as the  
1 8 "Iowacare Act".  
1 9 Sec. 2. NEW SECTION. 249J.2 FEDERAL FINANCIAL  
1 10 PARTICIPATION == CONTINGENT IMPLEMENTATION.  
1 11 This chapter shall be implemented only to the  
1 12 extent that federal matching funds are available for  
1 13 nonfederal expenditures under this chapter. The  
1 14 department shall not expend funds under this chapter,  
1 15 including but not limited to expenditures for  
1 16 reimbursement of providers and program administration,  
1 17 if appropriated nonfederal funds are not matched by  
1 18 federal financial participation.  
1 19 Sec. 3. NEW SECTION. 249J.3 DEFINITIONS.  
1 20 As used in this chapter, unless the context  
1 21 otherwise requires:  
1 22 1. "Department" means the department of human  
1 23 services.  
1 24 2. "Director" means the director of human  
1 25 services.  
1 26 3. "Expansion population" means the individuals  
1 27 who are eligible solely for benefits under the medical  
1 28 assistance program as provided in this chapter.  
1 29 4. "Full benefit dually eligible Medicare Part D  
1 30 beneficiary" means a person who is eligible for  
1 31 coverage for Medicare Part D drugs and is  
1 32 simultaneously eligible for full medical assistance  
1 33 benefits pursuant to chapter 249A, under any category  
1 34 of eligibility.  
1 35 5. "Full benefit recipient" means an adult who is  
1 36 eligible for full medical assistance benefits pursuant  
1 37 to chapter 249A under any category of eligibility.  
1 38 6. "Medical assistance" or "Medicaid" means  
1 39 medical assistance as defined in section 249A.2.  
1 40 7. "Medicare Part D" means the Medicare Part D  
1 41 program established pursuant to the Medicare  
1 42 Prescription Drug, Improvement, and Modernization Act  
1 43 of 2003, Pub L. No. 108=173.  
1 44 8. "Minimum data set" means the minimum data set  
1 45 established by the centers for Medicare and Medicaid  
1 46 services of the United States department of health and  
1 47 human services for nursing home resident assessment  
1 48 and care screening.  
1 49 9. "Nursing facility" means a nursing facility as  
1 50 defined in section 135C.1.  
2 1 10. "Public hospital" means a public hospital as  
2 2 defined in section 249I.3.  
2 3 Sec. 4. NEW SECTION. 249J.4 PURPOSE.  
2 4 It is the purpose of this chapter to propose a  
2 5 variety of initiatives to increase the efficiency,  
2 6 quality, and effectiveness of the health care system;  
2 7 to increase access to appropriate health care; to  
2 8 provide incentives to consumers to engage in  
2 9 responsible health care utilization and personal  
2 10 health care management; to reward providers based on  
2 11 quality of care and improved service delivery; and to  
2 12 encourage the utilization of information technology,  
2 13 to the greatest extent possible, to reduce  
2 14 fragmentation and increase coordination of care and  
2 15 quality outcomes.  
2 16 DIVISION II  
2 17 MEDICAID EXPANSION  
2 18 Sec. 5. NEW SECTION. 249J.5 EXPANSION POPULATION  
2 19 ELIGIBILITY.  
2 20 1. Except as otherwise provided in this chapter,  
2 21 an individual nineteen through sixty-four years of age  
2 22 shall be eligible solely for the expansion population  
2 23 benefits described in this chapter when provided  
2 24 through the expansion population provider network as

2 25 described in this chapter, if the individual meets all  
2 26 of the following conditions:

2 27 a. The individual is not eligible for coverage  
2 28 under the medical assistance program in effect on  
2 29 April 1, 2005, or was eligible for coverage under the  
2 30 medical assistance program in effect on April 1, 2005,  
2 31 but chose not to enroll in that program.

2 32 b. The individual has a family income at or below  
2 33 two hundred percent of the federal poverty level as  
2 34 defined by the most recently revised poverty income  
2 35 guidelines published by the United States department  
2 36 of health and human services.

2 37 c. The individual fulfills all other conditions of  
2 38 participation for the expansion population described  
2 39 in this chapter, including requirements relating to  
2 40 personal financial responsibility.

2 41 2. Individuals otherwise eligible solely for  
2 42 family planning benefits authorized under the medical  
2 43 assistance family planning services waiver, effective  
2 44 January 1, 2005, as described in 2004 Iowa Acts,  
2 45 chapter 1175, section 116, subsection 8, may also be  
2 46 eligible for expansion population benefits provided  
2 47 through the expansion population provider network.

2 48 3. Individuals with family incomes below three  
2 49 hundred percent of the federal poverty level as  
2 50 defined by the most recently revised poverty income  
3 1 guidelines published by the United States department  
3 2 of health and human services may also be eligible for  
3 3 obstetrical and newborn care under the expansion  
3 4 population if deductions for the medical expenses of  
3 5 all family members would reduce the family income to  
3 6 one hundred eighty-five percent of the federal poverty  
3 7 level or below.

3 8 4. Enrollment for the expansion population may be  
3 9 limited, closed, or reduced and the scope and duration  
3 10 of expansion population services provided may be  
3 11 limited, reduced, or terminated if the department  
3 12 determines that federal medical assistance program  
3 13 matching funds or appropriated state funds will not be  
3 14 available to pay for existing or additional  
3 15 enrollment.

3 16 5. Eligibility for the expansion population shall  
3 17 not include individuals who have access to group  
3 18 health insurance or who were terminated from health  
3 19 insurance coverage in the six-month period immediately  
3 20 prior to application for coverage through the  
3 21 expansion population, unless such coverage was  
3 22 involuntarily terminated or the reason for not  
3 23 accessing group health insurance or for terminating  
3 24 coverage is allowed by rule of the department.

3 25 6. Each expansion population member shall provide  
3 26 to the department all insurance information required  
3 27 by the health insurance premium payment program.

3 28 7. The department shall contract with the  
3 29 administrators of county general relief to perform  
3 30 intake functions for the expansion population, but  
3 31 only at the discretion of each individual  
3 32 administrator of county general relief.

3 33 Sec. 6. NEW SECTION. 249J.6 EXPANSION POPULATION  
3 34 BENEFITS.

3 35 1. Beginning July 1, 2005, the expansion  
3 36 population shall be eligible for all of the following  
3 37 expansion population services:

3 38 a. Inpatient hospital procedures described in the  
3 39 diagnostic related group codes designated by the  
3 40 department.

3 41 b. Outpatient hospital services described in the  
3 42 ambulatory patient groupings or noninpatient services  
3 43 designated by the department.

3 44 c. Physician and advanced registered nurse  
3 45 practitioner services described in the current  
3 46 procedural terminology codes specified by the  
3 47 department.

3 48 d. Dental services described in the dental codes  
3 49 specified by the department.

3 50 e. Limited pharmacy benefits provided by an  
4 1 expansion population provider network hospital  
4 2 pharmacy and solely related to an appropriately billed  
4 3 expansion population service.

4 4 f. Transportation to and from an expansion  
4 5 population provider network provider only when

4 6 provided by the provider or a volunteer.  
4 7 2. Beginning no later than March 1, 2006, all  
4 8 expansion population members shall receive a single  
4 9 complete medical examination and personal health  
4 10 improvement plan within ninety days of enrollment in  
4 11 the program. These services may be provided by an  
4 12 expansion population provider network physician,  
4 13 advanced registered nurse practitioner, or physician  
4 14 assistant or any other physician, advanced registered  
4 15 nurse practitioner, or physician assistant, available  
4 16 to any full benefit recipient including but not  
4 17 limited to such providers available through a free  
4 18 clinic under a contract with the department to provide  
4 19 these services or through federally qualified health  
4 20 centers or rural health clinics that employ a  
4 21 physician.

4 22 3. Beginning no later than July 1, 2006, expansion  
4 23 population members shall be provided all of the  
4 24 following:

4 25 a. Access to a pharmacy assistance clearinghouse  
4 26 program to match expansion population members with  
4 27 free or discounted prescription drug programs provided  
4 28 by the pharmaceutical industry.

4 29 b. Access to a medical information hotline,  
4 30 accessible twenty-four hours per day, seven days per  
4 31 week, to assist expansion population members in making  
4 32 appropriate choices about the use of emergency room  
4 33 and other health care services.

4 34 4. Membership in the expansion population shall  
4 35 not preclude an expansion population member from  
4 36 eligibility for services not covered under the  
4 37 expansion population for which the expansion  
4 38 population member is otherwise entitled under state or  
4 39 federal law.

4 40 5. Members of the expansion population shall not  
4 41 be considered full benefit dually eligible Medicare  
4 42 Part D beneficiaries for the purposes of calculating  
4 43 the state's payment under Medicare Part D, until such  
4 44 time as the expansion population is eligible for all  
4 45 of the same benefits as full benefit recipients under  
4 46 the medical assistance program.

4 47 Sec. 7. NEW SECTION. 249J.7 EXPANSION POPULATION  
4 48 PROVIDER NETWORK.

4 49 1. Expansion population members shall only be  
4 50 eligible to receive expansion population services  
5 1 through a provider included in the expansion  
5 2 population provider network. Except as otherwise  
5 3 provided in this chapter, the expansion population  
5 4 provider network shall be limited to a publicly owned  
5 5 acute care teaching hospital located in a county with  
5 6 a population over three hundred fifty thousand, the  
5 7 university of Iowa hospitals and clinics, and the  
5 8 state hospitals for persons with mental illness  
5 9 designated pursuant to section 226.1 with the  
5 10 exception of the programs at such state hospitals for  
5 11 persons with mental illness that provide substance  
5 12 abuse treatment, serve gero-psychiatric patients, or  
5 13 treat sexually violent predators.

5 14 2. Expansion population services provided to  
5 15 expansion population members by providers included in  
5 16 the expansion population provider network shall be  
5 17 payable at the full benefit recipient rates.

5 18 3. Unless otherwise prohibited by law, a provider  
5 19 under the expansion population provider network may  
5 20 deny care to an individual who refuses to apply for  
5 21 coverage under the expansion population.

5 22 Sec. 8. NEW SECTION. 249J.8 EXPANSION POPULATION  
5 23 MEMBERS == FINANCIAL PARTICIPATION.

5 24 1. Beginning July 1, 2005, each expansion  
5 25 population member shall pay a monthly premium not to  
5 26 exceed one-twelfth of five percent of the member's  
5 27 annual family income to be paid on the last day of the  
5 28 month of coverage. An expansion population member  
5 29 shall pay the monthly premium for a minimum of four  
5 30 consecutive months, regardless of the length of  
5 31 enrollment of the member. An expansion population  
5 32 member shall not be required to pay any premium if the  
5 33 department determines that the total cost of  
5 34 activities related to collection of the premium would  
5 35 exceed ninety-five percent of the premium to be  
5 36 collected. Timely payment of premiums, including any

5 37 arrearages accrued from prior enrollment, is a  
5 38 condition of receiving any expansion population  
5 39 services. An expansion population member shall also  
5 40 pay the same copayments required of other adult  
5 41 recipients of the medical assistance program.

5 42 2. The department may reduce the required out-of-  
5 43 pocket expenditures for an individual expansion  
5 44 population member based upon the member's increased  
5 45 wellness activities such as smoking cessation or  
5 46 compliance with the personal health improvement plan  
5 47 completed by the member.

5 48 3. The department shall submit to the governor and  
5 49 the general assembly by March 15, 2006, a design for  
5 50 each of the following:

6 1 a. An insurance cost subsidy program for expansion  
6 2 population members who have access to employer health  
6 3 insurance plans, provided that the design shall  
6 4 require that no less than fifty percent of the cost of  
6 5 such insurance shall be paid by the employer.

6 6 b. A health care account program option for  
6 7 individuals eligible for enrollment in the expansion  
6 8 population. The health care account program option  
6 9 shall be available only to adults who have been  
6 10 enrolled in the expansion population for at least  
6 11 twelve consecutive calendar months. Under the health  
6 12 care account program option, the individual would  
6 13 agree to exchange one year's receipt of benefits under  
6 14 the expansion population to which the individual would  
6 15 otherwise be entitled for a credit of up to a  
6 16 specified amount toward any medical assistance program  
6 17 covered service. The balance in the health care  
6 18 account at the end of the year, if any, would be  
6 19 available for withdrawal by the individual.

6 20 Sec. 9. NEW SECTION. 249J.9 FUTURE EXPANSION  
6 21 POPULATION, BENEFITS, AND PROVIDER NETWORK GROWTH.

6 22 1. POPULATION. The department shall contract with  
6 23 the division of insurance of the department of  
6 24 commerce or another appropriate entity to track, on an  
6 25 annual basis, the number of uninsured and underinsured  
6 26 Iowans, the cost of private market insurance coverage,  
6 27 and other barriers to access to private insurance for  
6 28 Iowans. Based on these findings and available funds,  
6 29 the department shall make recommendations, annually,  
6 30 to the governor and the general assembly regarding  
6 31 further expansion of the expansion population.

6 32 2. BENEFITS.

6 33 a. The department shall not provide additional  
6 34 services to expansion population members without  
6 35 express authorization provided by the general  
6 36 assembly.

6 37 b. The department, upon the recommendation of the  
6 38 clinicians advisory panel established pursuant to  
6 39 section 249J.17, may change the scope and duration of  
6 40 any of the available expansion population services,  
6 41 but this subsection shall not be construed to  
6 42 authorize the department to make expenditures in  
6 43 excess of the amount appropriated for benefits for the  
6 44 expansion population.

6 45 3. EXPANSION POPULATION PROVIDER NETWORK.

6 46 a. The department shall not expand the expansion  
6 47 population provider network unless the department is  
6 48 able to pay for expansion population services provided  
6 49 by such providers at the full benefit recipient rates.

6 50 b. The department may limit access to the  
7 1 expansion population provider network by the expansion  
7 2 population to the extent the department deems  
7 3 necessary to meet the financial obligations to each  
7 4 provider under the expansion population provider  
7 5 network. This subsection shall not be construed to  
7 6 authorize the department to make any expenditure in  
7 7 excess of the amount appropriated for benefits for the  
7 8 expansion population.

7 9 Sec. 10. NEW SECTION. 249J.10 MAXIMIZATION OF  
7 10 FUNDING FOR INDIGENT PATIENTS.

7 11 1. Unencumbered certified local matching funds may  
7 12 be used to cover the state share of the cost of  
7 13 services for the expansion population.

7 14 2. The department of human services shall include  
7 15 in its annual budget submission, recommendations  
7 16 relating to a disproportionate share hospital and  
7 17 indirect medical education allocation plan that

7 18 maximizes the availability of federal funds for  
7 19 payments to hospitals for the care and treatment of  
7 20 indigent patients.  
7 21 3. If state and federal law and regulations so  
7 22 provide and if federal disproportionate share hospital  
7 23 funds and indirect medical education funds are  
7 24 available under Title XIX of the federal Social  
7 25 Security Act, federal disproportionate share hospital  
7 26 funds and indirect medical education funds shall be  
7 27 distributed as specified by the department.

7 28 DIVISION III

7 29 REBALANCING LONG-TERM CARE

7 30 Sec. 11. NEW SECTION. 249J.11 NURSING FACILITY  
7 31 LEVEL OF CARE DETERMINATION FOR FACILITY-BASED AND  
7 32 COMMUNITY-BASED SERVICES.

7 33 The department shall amend the medical assistance  
7 34 state plan to provide for all of the following:

7 35 1. That nursing facility level of care services  
7 36 under the medical assistance program shall be  
7 37 available to an individual admitted to a nursing  
7 38 facility on or after July 1, 2005, who meets  
7 39 eligibility criteria for the medical assistance  
7 40 program pursuant to section 249A.3, if the individual  
7 41 also meets any of the following criteria:

7 42 a. Based upon the minimum data set, the individual  
7 43 requires limited assistance, extensive assistance, or  
7 44 has total dependence on assistance, provided by the  
7 45 physical assistance of one or more persons, with three  
7 46 or more activities of daily living as defined by the  
7 47 minimum data set which may include but are not limited  
7 48 to locomotion, dressing, eating, personal hygiene, or  
7 49 toileting.

7 50 b. The individual requires the establishment of a  
8 1 safe, secure environment due to moderate or severe  
8 2 impairment of cognitive skills for daily decision  
8 3 making.

8 4 c. The individual has established a dependency  
8 5 requiring residency in a medical institution for more  
8 6 than one year.

8 7 2. That an individual admitted to a nursing  
8 8 facility prior to July 1, 2005, and an individual  
8 9 applying for home and community-based services waiver  
8 10 services at the nursing facility level of care on or  
8 11 after July 1, 2005, who meets the eligibility criteria  
8 12 for the medical assistance program pursuant to section  
8 13 249A.3, shall also meet any of the following criteria:

8 14 a. Based on the minimum data set, the individual  
8 15 requires supervision or limited assistance, provided  
8 16 by the physical assistance of not more than one  
8 17 person, for one or more activities of daily living as  
8 18 defined by the minimum data set which may include but  
8 19 are not limited to locomotion, dressing, eating,  
8 20 toileting, personal hygiene, or bathing.

8 21 b. The individual requires the establishment of a  
8 22 safe, secure environment due to modified independence  
8 23 or moderate impairment of cognitive skills for daily  
8 24 decision making.

8 25 3. That, beginning July 1, 2005, if nursing  
8 26 facility level of care is determined to be medically  
8 27 necessary for an individual and the individual meets  
8 28 the nursing facility level of care requirements for  
8 29 home and community-based services waiver services  
8 30 under subsection 2, but appropriate home and  
8 31 community-based services are not available to the  
8 32 individual in the individual's community at the time  
8 33 of the determination or the provision of available  
8 34 home and community-based services to meet the skilled  
8 35 care requirements of the individual is not cost-  
8 36 effective, the criteria for admission of the  
8 37 individual to a nursing facility for nursing facility  
8 38 level of care services shall be the criteria in effect  
8 39 on June 30, 2005.

8 40 Sec. 12. NEW SECTION. 249J.12 SERVICES FOR  
8 41 PERSONS WITH MENTAL RETARDATION OR DEVELOPMENTAL  
8 42 DISABILITIES.

8 43 1. The department, in cooperation with the Iowa  
8 44 state association of counties, the Iowa association of  
8 45 community providers, and other interested parties,  
8 46 shall develop a case-mix adjusted reimbursement system  
8 47 plan for both institution-based and community-based  
8 48 services for persons with mental retardation or

8 49 developmental disabilities for submission to the  
8 50 general assembly by January 1, 2007. The department  
9 1 shall not implement the case-mix adjusted  
9 2 reimbursement system plan without express  
9 3 authorization by the general assembly.  
9 4 2. The department, in consultation with the Iowa  
9 5 state association of counties, the Iowa association of  
9 6 community providers, and other interested parties,  
9 7 shall develop a plan for submission to the governor  
9 8 and the general assembly no later than July 1, 2007,  
9 9 to enhance alternatives for community-based care for  
9 10 individuals who would otherwise require care in an  
9 11 intermediate care facility for persons with mental  
9 12 retardation. The plan shall not be implemented  
9 13 without express authorization by the general assembly.

9 14 Sec. 13. NEW SECTION. 249J.13 CHILDREN'S MENTAL  
9 15 HEALTH WAIVER SERVICES.  
9 16 1. The department shall provide medical assistance  
9 17 waiver services to not more than three hundred  
9 18 children who meet the eligibility criteria for the  
9 19 medical assistance program pursuant to section 249A.3  
9 20 and also meet both of the following criteria:  
9 21 a. The child requires behavioral health care  
9 22 services and qualifies for the level of care provided  
9 23 by a psychiatric medical institution for children.  
9 24 b. The child has a diagnosable mental, behavioral,  
9 25 or emotional disorder of sufficient duration to meet  
9 26 diagnostic criteria specified within the diagnostic  
9 27 and statistical manual of mental disorders, fourth  
9 28 edition, that results in functional impairment that  
9 29 substantially interferes with or limits the child's  
9 30 role or functioning in the child's family, school, or  
9 31 community activities.  
9 32 2. If necessary, the department shall renegotiate  
9 33 the medical assistance contract provisions for  
9 34 behavioral health services for the contractor to  
9 35 address the needs of the children described in  
9 36 subsection 1.

#### 9 37 DIVISION IV

#### 9 38 HEALTH PROMOTION PARTNERSHIPS

9 39 Sec. 14. NEW SECTION. 249J.14 HEALTH PROMOTION  
9 40 PARTNERSHIPS.  
9 41 1. SERVICES FOR ADULTS AT STATE MENTAL HEALTH  
9 42 INSTITUTES. Beginning July 1, 2005, inpatient and  
9 43 outpatient hospital services at the state hospitals  
9 44 for persons with mental illness designated pursuant to  
9 45 section 226.1 shall be covered services under the  
9 46 medical assistance program.  
9 47 2. DIETARY COUNSELING. By July 1, 2006, the  
9 48 department shall design and begin implementation of a  
9 49 strategy to provide dietary counseling and support to  
9 50 child and adult recipients of medical assistance to  
10 1 assist these recipients in avoiding excessive weight  
10 2 gain or loss and to assist in development of personal  
10 3 weight loss programs for recipients determined by the  
10 4 recipient's health care provider to be clinically  
10 5 overweight.  
10 6 3. ELECTRONIC MEDICAL RECORDS. By October 1,  
10 7 2006, the department shall develop a practical  
10 8 strategy for expanding utilization of electronic  
10 9 medical recordkeeping by medical assistance program  
10 10 providers. The plan shall focus, initially, on  
10 11 medical assistance program recipients whose quality of  
10 12 care would be significantly enhanced by the  
10 13 availability of electronic medical recordkeeping.  
10 14 4. PROVIDER INCENTIVE PAYMENT PROGRAMS. By  
10 15 January 1, 2007, the department shall design and  
10 16 implement a medical assistance provider incentive  
10 17 payment program based upon evaluation of public and  
10 18 private sector models.  
10 19 5. HEALTH ASSESSMENT FOR MEDICAL ASSISTANCE  
10 20 RECIPIENTS WITH MENTAL RETARDATION OR DEVELOPMENTAL  
10 21 DISABILITIES. The department shall work with the  
10 22 university of Iowa colleges of medicine, dentistry,  
10 23 nursing, pharmacy, and public health, and the  
10 24 university of Iowa hospitals and clinics to determine  
10 25 whether the physical and dental health of recipients  
10 26 of medical assistance who are persons with mental  
10 27 retardation or developmental disabilities are being  
10 28 regularly and fully addressed and to identify barriers  
10 29 to such care. The department shall report the

10 30 department's findings to the governor and the general  
10 31 assembly by January 1, 2007.

10 32 6. SMOKING CESSATION. The department shall  
10 33 implement a program with the goal of reducing smoking  
10 34 among recipients of medical assistance who are  
10 35 children to less than one percent and among those who  
10 36 are adults to less than ten percent, by July 1, 2007.

10 37 7. DENTAL HOME FOR CHILDREN. By July 1, 2008,  
10 38 every recipient of medical assistance who is a child  
10 39 twelve years of age or younger shall have a designated  
10 40 dental home and shall be provided with the dental  
10 41 screenings and preventive care identified in the oral  
10 42 health standards under the early and periodic  
10 43 screening, diagnostic, and treatment program.

#### 10 44 DIVISION V

#### 10 45 IOWA MEDICAID ENTERPRISE

10 46 Sec. 15. NEW SECTION. 249J.15 COST AND QUALITY  
10 47 PERFORMANCE EVALUATION.

10 48 Beginning July 1, 2005, the department shall  
10 49 contract with an independent consulting firm to do all  
10 50 of the following:

11 1 1. Annually evaluate and compare the cost and  
11 2 quality of care provided by the medical assistance  
11 3 program with the cost and quality of care available  
11 4 through private insurance and managed care  
11 5 organizations doing business in the state.

11 6 2. Annually evaluate the improvements by the  
11 7 medical assistance program in the cost and quality of  
11 8 services provided to Iowans over the cost and quality  
11 9 of care provided in the prior year.

11 10 Sec. 16. NEW SECTION. 249J.16 OPERATIONS ==  
11 11 PERFORMANCE EVALUATION.

11 12 Beginning July 1, 2006, the department shall submit  
11 13 a report of the results of an evaluation of the  
11 14 performance of each component of the Iowa Medicaid  
11 15 enterprise using the performance standards contained  
11 16 in the contracts with the Iowa Medicaid enterprise  
11 17 partners.

11 18 Sec. 17. NEW SECTION. 249J.17 CLINICIANS  
11 19 ADVISORY PANEL == CLINICAL MANAGEMENT.

11 20 1. Beginning July 1, 2005, the medical director of  
11 21 the Iowa Medicaid enterprise, with the approval of the  
11 22 medical assistance director, shall assemble and act as  
11 23 chairperson for a clinicians advisory panel to  
11 24 recommend to the department clinically appropriate  
11 25 health care utilization management and coverage  
11 26 decisions for the medical assistance program which are  
11 27 not otherwise addressed by the Iowa medical assistance  
11 28 drug utilization review commission created pursuant to  
11 29 section 249A.24 or the medical assistance  
11 30 pharmaceutical and therapeutics committee established  
11 31 pursuant to section 249A.20A. The meetings shall be  
11 32 open to the public except to the extent necessary to  
11 33 prevent the disclosure of personal health information.

11 34 2. The medical director of the Iowa Medicaid  
11 35 enterprise shall prepare an annual report summarizing  
11 36 the recommendations made by the panel and adopted by  
11 37 the department regarding clinically appropriate health  
11 38 care utilization management and coverage under the  
11 39 medical assistance program.

11 40 Sec. 18. NEW SECTION. 249J.18 HEALTH CARE  
11 41 SERVICES PRICING AND REIMBURSEMENT OF PROVIDERS.

11 42 The department shall annually collect data on  
11 43 third-party payor rates in the state and, as  
11 44 appropriate, the usual and customary charges of health  
11 45 care providers, including the reimbursement rates paid  
11 46 to providers and by third-party payors participating  
11 47 in the medical assistance program. The department  
11 48 shall consult with the division of insurance of the  
11 49 department of commerce in adopting administrative  
11 50 rules specifying the reporting format and guaranteeing  
12 1 the confidentiality of the information provided by the  
12 2 providers and third-party payors. The department  
12 3 shall review the data and make recommendations to the  
12 4 governor and the general assembly regarding pricing  
12 5 changes and reimbursement rates annually by January 1.

#### 12 6 DIVISION VI

#### 12 7 GOVERNANCE

12 8 Sec. 19. NEW SECTION. 249J.19 MEDICAL ASSISTANCE  
12 9 PROJECTIONS AND ASSESSMENT COUNCIL.

12 10 1. A medical assistance projections and assessment

12 11 council is created consisting of the following  
12 12 members:  
12 13 a. The co-chairpersons and ranking members of the  
12 14 legislative joint appropriations subcommittee on  
12 15 health and human services, or a member of the  
12 16 appropriations subcommittee designated by the co=  
12 17 chairperson or ranking member.  
12 18 b. The chairpersons and ranking members of the  
12 19 human resources committees of the senate and the house  
12 20 of representatives, or a member of the committee  
12 21 designated by the chairperson or ranking member.  
12 22 c. The chairpersons and ranking members of the  
12 23 appropriations committees of the senate and the house  
12 24 of representatives, or a member of the committee  
12 25 designated by the chairperson or ranking member.  
12 26 2. The council shall meet as often as deemed  
12 27 necessary, but shall meet at least quarterly. The  
12 28 council may use sources of information deemed  
12 29 appropriate, and the department and other agencies of  
12 30 state government shall provide information to the  
12 31 council as requested. The legislative services agency  
12 32 shall provide staff support to the council.  
12 33 3. The council shall select a chairperson,  
12 34 annually, from its membership. A majority of the  
12 35 members of the council shall constitute a quorum.  
12 36 4. The council shall do all of the following:  
12 37 a. Make quarterly cost projections for the medical  
12 38 assistance program.  
12 39 b. Review quarterly reports on all initiatives  
12 40 under this chapter, including those provisions in the  
12 41 design, development, and implementation phases, and  
12 42 make additional recommendations for medical assistance  
12 43 program reform on an annual basis.  
12 44 c. Review quarterly reports on the success of the  
12 45 Iowa Medicaid enterprise based upon the contractual  
12 46 performance measures for each Iowa Medicaid enterprise  
12 47 partner.  
12 48 d. Assure that the expansion population is managed  
12 49 at all times within funding limitations. In assuring  
12 50 such compliance, the council shall assume that  
13 1 supplemental funding will not be available for  
13 2 coverage of services provided to the expansion  
13 3 population.  
13 4 5. The department of human services, the  
13 5 department of management, and the legislative services  
13 6 agency shall utilize a joint process to arrive at an  
13 7 annual consensus projection for medical assistance  
13 8 program expenditures for submission to the council.  
13 9 By December 15 of each fiscal year, the council shall  
13 10 agree to a projection of expenditures for the fiscal  
13 11 year beginning the following July 1, based upon the  
13 12 consensus projection submitted.

13 13 DIVISION VII

13 14 ENHANCING THE FEDERAL=STATE FINANCIAL PARTNERSHIP

13 15 Sec. 20. NEW SECTION. 249J.20 PAYMENTS TO HEALTH  
13 16 CARE PROVIDERS BASED ON ACTUAL COSTS.

13 17 Payments under the medical assistance program to  
13 18 public hospitals and public nursing facilities shall  
13 19 not exceed the actual medical assistance costs  
13 20 reported on the Medicare hospital and hospital health  
13 21 care complex cost report submitted to the centers for  
13 22 Medicare and Medicaid services of the United States  
13 23 department of health and human services. The public  
13 24 hospitals and public nursing facilities shall retain  
13 25 one hundred percent of the medical assistance payments  
13 26 earned under state reimbursement rules. State  
13 27 reimbursement rules may provide for reimbursement at  
13 28 less than actual cost.

13 29 Sec. 21. NEW SECTION. 249J.21 INDEPENDENT ANNUAL  
13 30 AUDIT.

13 31 The department shall contract with a certified  
13 32 public accountant to provide an analysis, on an annual  
13 33 basis, to the governor and the general assembly  
13 34 regarding compliance of the Iowa medical assistance  
13 35 program with each of the following:

13 36 1. That the state has not instituted any new  
13 37 provider taxes as defined by the centers for Medicare  
13 38 and Medicaid services of the United States department  
13 39 of health and human services.

13 40 2. That public hospitals and public nursing  
13 41 facilities are not paid more than the actual costs of



13 42 care for medical assistance program and  
13 43 disproportionate share hospital program recipients  
13 44 based upon Medicare program principles of accounting  
13 45 and cost reporting.  
13 46 3. That the state is not recycling federal funds  
13 47 provided under Title XIX of the Social Security Act as  
13 48 defined by the centers for Medicare and Medicaid  
13 49 services of the United States department of health and  
13 50 human services.

14 1 Sec. 22. NEW SECTION. 249J.22 FUND FOR HEALTH  
14 2 CARE TRANSFORMATION.

14 3 1. A fund for health care transformation is  
14 4 created in the state treasury under the authority of  
14 5 the department. Moneys received through the physician  
14 6 payment adjustment as described in 2003 Iowa Acts,  
14 7 chapter 112, section 11, subsection 1, and through the  
14 8 adjustment to hospital payments to provide an  
14 9 increased base rate to offset the high costs incurred  
14 10 for providing services to medical assistance patients  
14 11 as described in 2004 Iowa Acts, chapter 1175, section  
14 12 86, subsection 2, paragraph "b", shall be deposited in  
14 13 the fund.

14 14 2. Moneys in the fund shall be separate from the  
14 15 general fund of the state and shall not be considered  
14 16 part of the general fund of the state. The moneys  
14 17 deposited in the fund are not subject to section 8.33  
14 18 and shall not be transferred, used, obligated,  
14 19 appropriated, or otherwise encumbered, except to  
14 20 provide for the purposes specified in this section.  
14 21 Notwithstanding section 12C.7, subsection 2, interest  
14 22 or earnings on moneys deposited in the fund shall be  
14 23 credited to the fund.

14 24 3. Moneys deposited in the fund for health care  
14 25 transformation shall be used only as provided in  
14 26 appropriations from the fund for the costs associated  
14 27 with certain services provided to the expansion  
14 28 population pursuant to section 249J.6, certain  
14 29 initiatives to be designed pursuant to section 249J.8,  
14 30 the case-mix adjusted reimbursement system for persons  
14 31 with mental retardation or developmental disabilities  
14 32 pursuant to section 249J.12, certain health promotion  
14 33 partnership activities pursuant to section 249J.14,  
14 34 the cost and quality performance evaluation pursuant  
14 35 to section 249J.15, auditing requirements pursuant to  
14 36 section 249J.21, the provision of additional indigent  
14 37 patient care and treatment, and administrative costs  
14 38 associated with this chapter.

14 39 DIVISION VIII  
14 40 LIMITATIONS

14 41 Sec. 23. NEW SECTION. 249J.23 LIMITATIONS.

14 42 1. The provisions of this chapter shall not be  
14 43 construed, are not intended as, and shall not imply a  
14 44 grant of entitlement for services to individuals who  
14 45 are eligible for assistance under this chapter or for  
14 46 utilization of services that do not exist or are not  
14 47 otherwise available on the effective date of this Act.  
14 48 Any state obligation to provide services pursuant to  
14 49 this chapter is limited to the extent of the funds  
14 50 appropriated or distributed for the purposes of this  
15 1 chapter.

15 2 2. The provisions of this chapter shall not be  
15 3 construed and are not intended to affect the provision  
15 4 of services to recipients of medical assistance  
15 5 services existing on the effective date of this Act.

15 6 DIVISION IX  
15 7 HOSPITAL TRUST FUND

15 8 Sec. 24. Section 249I.3, subsections 4 and 5, Code  
15 9 2005, are amended to read as follows:

15 10 4. "Hospital trust fund" means the fund and the  
15 11 accounts of the fund created in this chapter to secure  
15 12 funds based on hospital inpatient and outpatient  
15 13 prospective payment methodologies under the medical  
15 14 assistance program and to provide for the deposit of  
15 15 moneys from various sources for the support of certain  
15 16 public hospitals.

15 17 5. "Public hospital" means a hospital licensed  
15 18 pursuant to chapter 135B and governed pursuant to  
15 19 chapter 145A, 226, 347, 347A, or 392.

15 20 Sec. 25. Section 249I.4, Code 2005, is amended to  
15 21 read as follows:

15 22 249I.4 HOSPITAL TRUST FUND == CREATED ==

15 23 APPROPRIATIONS.

15 24 1. A hospital trust fund is created in the state  
15 25 treasury under the authority of the department of  
15 26 human services. ~~Moneys received through agreements~~  
~~15 27 for the trust fund and moneys received from sources,~~  
~~15 28 including grants, contributions, and participant~~  
~~15 29 payments, shall be deposited in the trust fund.~~

15 30 2. Moneys deposited in the trust fund and the  
15 31 accounts of the trust fund shall be used only as  
15 32 provided in appropriations or distributions from the  
15 33 trust fund to the department and the accounts of the  
15 34 trust fund for the purposes specified in the  
15 35 appropriation or distribution.

15 36 3. The trust fund and the accounts of the trust  
15 37 fund shall be separate from the general fund of the  
15 38 state and shall not be considered part of the general  
15 39 fund of the state. The moneys in the trust fund and  
15 40 the accounts of the trust fund shall not be considered  
15 41 revenue of the state, but rather shall be funds of the  
15 42 trust fund and the accounts of the trust fund. The  
15 43 moneys in the trust fund and the accounts of the trust  
15 44 fund are not subject to section 8.33 and shall not be  
15 45 transferred, used, obligated, appropriated, or  
15 46 otherwise encumbered, except to provide for the  
15 47 purposes of this chapter. Notwithstanding section  
15 48 12C.7, subsection 2, interest or earnings on moneys  
15 49 deposited in the trust fund and the accounts of the  
15 50 trust fund shall be credited to the trust fund and the

16 1 accounts of the trust fund.

16 2 4. The department shall adopt rules pursuant to  
16 3 chapter 17A to administer the trust fund and the  
16 4 accounts of the trust fund and to establish procedures  
16 5 for participation by public hospitals.

16 6 5. The treasurer of state shall provide a  
16 7 quarterly report of trust fund activities and balances  
16 8 to the director.

16 9 6. The hospital trust fund shall consist of the  
16 10 following accounts:

16 11 a. THE PUBLIC HOSPITAL ACCOUNT. Moneys received  
16 12 through agreements for the trust fund based on  
16 13 hospital inpatient and outpatient prospective payment  
16 14 methodologies, and moneys received from other sources  
16 15 for deposit in the account, including grants,  
16 16 contributions, and participant payments, shall be  
16 17 deposited in the public hospital account.

16 18 b. THE INDIGENT PATIENT CARE PROGRAM ACCOUNT.  
16 19 Moneys appropriated from the general fund of the state  
16 20 to the account, moneys received as federal financial  
16 21 participation funds pursuant to chapter 249J and  
16 22 credited to the account, moneys received for  
16 23 disproportionate share hospitals and credited to the  
16 24 account, moneys received for indirect medical  
16 25 education and credited to the account, proceeds  
16 26 transferred from the county treasurer as specified in  
16 27 subsection 8, and moneys from any other source  
16 28 credited to the account shall be deposited in the  
16 29 account. Moneys in the account shall be appropriated  
16 30 to the university of Iowa hospitals and clinics for  
16 31 the purposes provided in the federal law making the  
16 32 funds available or as specified in the state  
16 33 appropriation, and shall be distributed as determined  
16 34 by the department.

16 35 c. THE ACUTE CARE TEACHING HOSPITAL ACCOUNT.  
16 36 Moneys appropriated from the general fund of the state  
16 37 to the account, moneys received as federal financial  
16 38 participation funds pursuant to chapter 249J and  
16 39 credited to the account, moneys received for  
16 40 disproportionate share hospitals and credited to the  
16 41 account, moneys received for indirect medical  
16 42 education and credited to the account, proceeds  
16 43 transferred from the county treasurer as specified in  
16 44 subsection 8, and moneys received from any other  
16 45 source and credited to the account shall be deposited  
16 46 in the account. Moneys in the account shall be  
16 47 appropriated to a publicly owned acute care teaching  
16 48 hospital located in a county with a population over  
16 49 three hundred fifty thousand, for the purposes  
16 50 provided in the federal law making the funds available  
17 1 or as specified in the state appropriation, and shall  
17 2 be distributed as determined by the department.

17 3 d. THE STATE HOSPITALS FOR PERSONS WITH MENTAL

17 4 ILLNESS ACCOUNT. Moneys appropriated from the general  
17 5 fund of the state to the account, moneys received as  
17 6 federal financial participation funds pursuant to  
17 7 chapter 249J and credited to the account, moneys  
17 8 received for disproportionate share hospitals and  
17 9 credited to the account, proceeds transferred from the  
17 10 county treasurer as specified in subsection 8, and  
17 11 moneys received from any other source and credited to  
17 12 the account shall be deposited in the account.  
17 13 Allocations or appropriations made to the state  
17 14 hospitals for persons with mental illness for the  
17 15 purposes of routine maintenance, infrastructure  
17 16 improvements, or education shall be retained in the  
17 17 respective hospital's allocation or appropriation and  
17 18 shall not be deposited in the account. Moneys in the  
17 19 account shall be appropriated to the state hospitals  
17 20 for persons with mental illness designated pursuant to  
17 21 section 226.1 for the purposes provided in the federal  
17 22 law making the funds available or as specified in the  
17 23 state appropriation, and shall be distributed as  
17 24 determined by the department.

17 25 7. The department shall determine the distribution  
17 26 of moneys from each account in the fund based upon the  
17 27 source of receipt of the moneys. Notwithstanding  
17 28 section 262.28, payments to be made to participating  
17 29 hospitals under subsection 6, paragraphs "b" through  
17 30 "d", may be made on a prospective basis in varying  
17 31 monthly installments. After the close of the state  
17 32 fiscal year, the payments shall be adjusted to reflect  
17 33 actual expenditures, and the adjusted payments shall  
17 34 be made prior to September 1. If payments to a  
17 35 participating hospital under subsection 6, paragraphs  
17 36 "b" through "d", are made in excess of actual  
17 37 expenditures, the participating hospital shall remit  
17 38 the excess amount to the department. If payments to a  
17 39 participating hospital under subsection 6, paragraphs  
17 40 "b" through "d", are insufficient to reflect actual  
17 41 expenditures, the department shall pay the difference  
17 42 to the participating hospital.

17 43 8. Notwithstanding any provision to the contrary,  
17 44 from each semiannual collection of taxes levied under  
17 45 section 347.7 and collected after July 1, 2005, the  
17 46 county treasurer of the county with a population over  
17 47 three hundred fifty thousand in which a publicly owned  
17 48 acute care teaching hospital is located shall transfer  
17 49 the proceeds collected pursuant to section 347.7 for  
17 50 the general fund levy and the tort liability and  
18 1 insurance fund levy, which would otherwise be  
18 2 distributed to the county hospital, to the treasurer  
18 3 of state for deposit by the treasurer of state in the  
18 4 indigent patient care program account, the acute care  
18 5 teaching hospital account, and the state hospitals for  
18 6 persons with mental illness account under this  
18 7 section, in amounts determined by the department. The  
18 8 board of trustees of the acute care teaching hospital  
18 9 identified in this subsection and the department shall  
18 10 execute an agreement under chapter 28E to specify the  
18 11 requirements relative to transfer of the proceeds and  
18 12 the distribution of moneys to the hospital from the  
18 13 acute care teaching hospital account.

18 14 9. The state board of regents on behalf of the  
18 15 university of Iowa hospitals and clinics and the  
18 16 department shall execute an agreement under chapter  
18 17 28E to specify the requirements relating to  
18 18 distribution of moneys to the hospital from the  
18 19 indigent patient care program account.

18 20 10. As a condition of the eligibility of the  
18 21 county with a population over three hundred fifty  
18 22 thousand for state payment as defined in section  
18 23 331.438 for the fiscal year beginning July 1, 2005,  
18 24 and for succeeding fiscal years, the county shall  
18 25 annually pay to an acute care teaching hospital  
18 26 located in the county a state maintenance of effort  
18 27 payment that is equal to the amount that was paid from  
18 28 the county's services fund under section 331.424A, for  
18 29 those services provided by the acute care teaching  
18 30 hospital for the fiscal year beginning July 1, 2003,  
18 31 on behalf of persons receiving services that were not  
18 32 reimbursed under the medical assistance program prior  
18 33 to July 1, 2005.

18 35 CORRESPONDING PROVISIONS

18 36 Sec. 26. Section 97B.52A, subsection 1, paragraph  
18 37 c, Code 2005, is amended to read as follows:

18 38 c. For a member whose first month of entitlement  
18 39 is July 2000 or later, the member does not return to  
18 40 any employment with a covered employer until the  
18 41 member has qualified for at least one calendar month  
18 42 of retirement benefits, and the member does not return  
18 43 to covered employment until the member has qualified  
18 44 for no fewer than four calendar months of retirement  
18 45 benefits. For purposes of this paragraph, effective  
18 46 July 1, 2000, any employment with a covered employer  
18 47 does not include employment as an elective official or  
18 48 member of the general assembly if the member is not  
18 49 covered under this chapter for that employment. For  
18 50 purposes of determining a bona fide retirement under  
19 1 this paragraph and for a member whose first month of  
19 2 entitlement is July 2004 or later, but before July  
19 3 2006, covered employment does not include employment  
19 4 as a licensed health care professional by a public  
19 5 hospital as defined in section 249I.3, with the  
19 6 exception of public hospitals governed pursuant to  
19 7 chapter 226.

19 8 Sec. 27. Section 218.78, subsection 1, Code 2005,  
19 9 is amended to read as follows:

19 10 1. All institutional receipts of the department of  
19 11 human services, including funds received from client  
19 12 participation at the state resource centers under  
19 13 section 222.78 and at the state mental health  
19 14 institutes under section 230.20, shall be deposited in  
19 15 the general fund except for reimbursements for  
19 16 services provided to another institution or state  
19 17 agency, for receipts deposited in the revolving farm  
19 18 fund under section 904.706, for deposits into the  
19 19 medical assistance fund under section 249A.11, for any  
19 20 deposits into the medical assistance fund of any  
19 21 medical assistance payments received through the  
19 22 expansion population program pursuant to chapter 249J,

19 23 and rentals charged to employees or others for room,  
19 24 apartment, or house and meals, which shall be  
19 25 available to the institutions.

19 26 Sec. 28. Section 230.20, subsection 2, paragraph  
19 27 a, Code 2005, is amended to read as follows:

19 28 a. The superintendent shall certify to the  
19 29 department the billings to each county for services  
19 30 provided to patients chargeable to the county during  
19 31 the preceding calendar quarter. The county billings  
19 32 shall be based on the average daily patient charge and  
19 33 other service charges computed pursuant to subsection  
19 34 1, and the number of inpatient days and other service  
19 35 units chargeable to the county. However, a county  
19 36 billing shall be decreased by an amount equal to  
19 37 reimbursement by a third party payor or estimation of  
19 38 such reimbursement from a claim submitted by the  
19 39 superintendent to the third party payor for the  
19 40 preceding calendar quarter. When the actual third  
19 41 party payor reimbursement is greater or less than  
19 42 estimated, the difference shall be reflected in the  
19 43 county billing in the calendar quarter the actual  
19 44 third party payor reimbursement is determined. For  
19 45 the purposes of this paragraph, "third-party payor  
19 46 reimbursement" does not include reimbursement provided  
19 47 under chapter 249J.

19 48 Sec. 29. Section 230.20, subsections 5 and 6, Code  
19 49 2005, are amended to read as follows:

19 50 5. An individual statement shall be prepared for a  
20 1 patient on or before the fifteenth day of the month  
20 2 following the month in which the patient leaves the  
20 3 mental health institute, and a general statement shall  
20 4 be prepared at least quarterly for each county to  
20 5 which charges are made under this section. Except as  
20 6 otherwise required by sections 125.33 and 125.34 the  
20 7 general statement shall list the name of each patient  
20 8 chargeable to that county who was served by the mental  
20 9 health institute during the preceding month or  
20 10 calendar quarter, the amount due on account of each  
20 11 patient, and the specific dates for which any third  
20 12 party payor reimbursement received by the state is  
20 13 applied to the statement and billing, and the county  
20 14 shall be billed for eighty percent of the stated  
20 15 charge for each patient specified in this subsection.

20 16 For the purposes of this subsection, "third-party  
20 17 payor reimbursement" does not include reimbursement  
20 18 provided under chapter 249J. The statement prepared  
20 19 for each county shall be certified by the department  
20 20 and a duplicate statement shall be mailed to the  
20 21 auditor of that county.  
20 22 6. All or any reasonable portion of the charges  
20 23 incurred for services provided to a patient, to the  
20 24 most recent date for which the charges have been  
20 25 computed, may be paid at any time by the patient or by  
20 26 any other person on the patient's behalf. Any payment  
20 27 ~~so~~ made by the patient or other person, and any  
20 28 federal financial assistance received pursuant to  
20 29 Title XVIII or XIX of the federal Social Security Act  
20 30 for services rendered to a patient, shall be credited  
20 31 against the patient's account and, if the charges ~~so~~  
20 32 paid as described in this subsection have previously  
20 33 been billed to a county, reflected in the mental  
20 34 health institute's next general statement to that  
20 35 county. However, any payment made under chapter 249J  
20 36 shall not be reflected in the mental health  
20 37 institute's next general statement to that county.

20 38 Sec. 30. Section 249A.4, subsection 8, unnumbered:  
20 39 paragraph 1, Code 2005, is amended to read as follows:  
20 40 Shall advise and consult at least semiannually with  
20 41 a council composed of the presidents of the following  
20 42 organizations, or a president's representative who is  
20 43 a member of the organization represented by the  
20 44 president: the Iowa medical society, the Iowa  
20 45 osteopathic medical association, the Iowa academy of  
20 46 family physicians, the Iowa chapter of the American  
20 47 academy of pediatrics, the Iowa physical therapy  
20 48 association, the Iowa dental association, the Iowa  
20 49 nurses association, the Iowa pharmacy association, the  
20 50 Iowa podiatric medical society, the Iowa optometric  
21 1 association, the Iowa association of community  
21 2 providers, the Iowa psychological association, the  
21 3 Iowa psychiatric society, the Iowa chapter of the  
21 4 national association of social workers, the Iowa  
21 5 hospital association, the Iowa association of rural  
21 6 health clinics, the opticians' association of Iowa,  
21 7 inc., the Iowa association of hearing health  
21 8 professionals, the Iowa speech and hearing  
21 9 association, the Iowa health care association, the  
21 10 Iowa association for home care, the Iowa council of  
21 11 health care centers, the Iowa physician assistant  
21 12 society, the Iowa association of nurse practitioners,  
21 13 the Iowa occupational therapy association, the Iowa  
21 14 association of homes and services for the aging, the  
21 15 ARC of Iowa which was formerly known as the  
21 16 association for retarded citizens of Iowa, the  
21 17 alliance for the mentally ill of Iowa, Iowa state  
21 18 association of counties, and the governor's  
21 19 developmental disabilities council, together with one  
21 20 person designated by the Iowa chiropractic society;  
21 21 one state representative from each of the two major  
21 22 political parties appointed by the speaker of the  
21 23 house, one state senator from each of the two major  
21 24 political parties appointed by the president of the  
21 25 senate, after consultation with the majority leader  
21 26 and the minority leader of the senate, each for a term  
21 27 of two years; ~~four~~ public representatives equal in  
21 28 number to the number of representatives of  
21 29 professional groups and associations specifically  
21 30 represented on the council under this subsection,  
21 31 appointed by the governor for staggered terms of two  
21 32 years each, none of whom shall be members of, or  
21 33 practitioners of, or have a pecuniary interest in any  
21 34 of the professions or businesses represented by any of  
21 35 the several professional groups and associations  
21 36 specifically represented on the council under this  
21 37 subsection, and ~~at least one~~ all of whom shall be a  
21 38 ~~recipient current or former recipients~~ of medical  
21 39 assistance; the director of public health, or a  
21 40 representative designated by the director; the  
21 41 director of the department of elder affairs, or a  
21 42 representative designated by the director; the dean of  
21 43 Des Moines university == osteopathic medical center,  
21 44 or a representative designated by the dean; and the  
21 45 dean of the university of Iowa college of medicine, or  
21 46 a representative designated by the dean.

21 47 Sec. 31. Section 249A.11, Code 2005, is amended to  
21 48 read as follows:

21 49 249A.11 PAYMENT FOR PATIENT CARE SEGREGATED.

21 50 A state resource center or mental health institute,  
22 1 upon receipt of any payment made under this chapter  
22 2 for the care of any patient, shall segregate an amount  
22 3 equal to that portion of the payment which is required  
22 4 by law to be made from nonfederal funds ~~except for any~~  
22 5 ~~nonfederal funds received through the expansion~~  
22 6 ~~population program pursuant to chapter 249J.~~ The

22 7 money segregated shall be deposited in the medical  
22 8 assistance fund of the department of human services.

22 9 Sec. 32. Section 249H.4, Code 2005, is amended by  
22 10 adding the following new subsection:

22 11 NEW SUBSECTION. 7. The director shall amend the  
22 12 medical assistance state plan to eliminate the  
22 13 mechanism to secure funds based on skilled nursing  
22 14 facility prospective payment methodologies under the  
22 15 medical assistance program and to terminate agreements  
22 16 entered into with public nursing facilities under this  
22 17 chapter, effective June 30, 2005.

22 18 Sec. 33. Section 249I.5, Code 2005, is amended to  
22 19 read as follows:

22 20 249I.5 STATE PLAN AMENDMENT.

22 21 The director shall amend the ~~state~~ medical  
22 22 assistance ~~state~~ plan as necessary to implement this  
22 23 chapter. The director shall amend the medical  
22 24 assistance state plan to eliminate the mechanism to  
22 25 secure funds based on hospital inpatient and  
22 26 outpatient prospective payment methodologies under the  
22 27 medical assistance program and to terminate agreements  
22 28 entered into under this chapter, effective June 30,  
22 29 2005.

22 30 Sec. 34. 2004 Iowa Acts, chapter 1175, section 86,  
22 31 subsection 2, paragraph b, unnumbered paragraph 2, and  
22 32 subparagraphs (1), (2), and (3), are amended to read  
22 33 as follows:

22 34 ~~Of the amount appropriated in this lettered~~  
22 35 ~~paragraph, \$25,950,166 shall be considered encumbered~~  
22 36 ~~and shall not be expended for any purpose until~~  
22 37 ~~January 1, 2005.~~

22 38 (1) ~~However, if~~ If the department of human  
22 39 services adjusts hospital payments to provide an  
22 40 increased base rate to offset the high cost incurred  
22 41 for providing services to medical assistance patients  
22 42 on or prior to January July 1, 2005, a portion of the  
22 43 amount specified in this unnumbered paragraph equal to  
22 44 the increased Medicaid payment shall ~~revert to the~~  
22 45 ~~general fund of the state.~~ Notwithstanding section  
22 46 8-54, subsection 7, the amount required to revert  
22 47 under this subparagraph shall not be considered to be  
22 48 appropriated for purposes of the state general fund  
22 49 expenditure limitation for the fiscal year beginning  
22 50 July 1, 2004.

23 1 (2) ~~If the adjustment described in subparagraph~~  
23 2 ~~(1) to increase the base rate is not made prior to~~  
23 3 ~~January 1, 2005, the amount specified in this~~  
23 4 ~~unnumbered paragraph shall no longer be considered~~  
23 5 ~~encumbered, may be expended, and shall be available~~  
23 6 ~~for the purposes originally specified be transferred~~  
23 7 ~~by the university of Iowa hospitals and clinics to the~~  
23 8 ~~medical assistance fund of the department of human~~  
23 9 ~~services. Of the amount transferred, an amount equal~~  
23 10 ~~to the federal share of the payments shall be~~  
23 11 ~~transferred to the fund for health care transformation~~  
23 12 ~~created in section 249J.22.~~

23 13 (3) ~~(2)~~ Any incremental increase in the base rate  
23 14 made pursuant to subparagraph (1) shall not be used in  
23 15 determining the university of Iowa hospital and  
23 16 clinics disproportionate share rate or when  
23 17 determining the statewide average base rate for  
23 18 purposes of calculating indirect medical education  
23 19 rates.

23 20 Sec. 35. 2003 Iowa Acts, chapter 112, section 11,  
23 21 subsection 1, is amended to read as follows:

23 22 1. For the fiscal ~~year~~ years beginning July 1,  
23 23 2003, and ending June 30, 2004, and beginning July 1,  
23 24 2004, and for each fiscal year thereafter ending June  
23 25 30, 2005, the department of human services shall  
23 26 institute a supplemental payment adjustment applicable  
23 27 to physician services provided to medical assistance

23 28 recipients at publicly owned acute care teaching  
23 29 hospitals. The adjustment shall generate supplemental  
23 30 payments to physicians which are equal to the  
23 31 difference between the physician's charge and the  
23 32 physician's fee schedule under the medical assistance  
23 33 program. To the extent of the supplemental payments,  
23 34 a qualifying hospital shall, after receipt of the  
23 35 payments, transfer to the department of human services  
23 36 an amount equal to the actual supplemental payments  
23 37 that were made in that month. The department of human  
23 38 services shall deposit these payments in the  
23 39 department's medical assistance account. The  
23 40 department of human services shall amend the medical  
23 41 assistance state plan as necessary to implement this  
23 42 section. The department may adopt emergency rules to  
23 43 implement this section. The department of human  
23 44 services shall amend the medical assistance state plan  
23 45 to eliminate this provision effective June 30, 2005.

23 46 Sec. 36. CORRESPONDING DIRECTIVES TO DEPARTMENT.  
23 47 The department shall do all of the following:

23 48 1. Withdraw the request for the waiver and the  
23 49 medical assistance state plan amendment submitted to  
23 50 the centers for Medicare and Medicaid services of the  
24 1 United States department of health and human services  
24 2 regarding the nursing facility quality assurance  
24 3 assessment as directed pursuant to 2003 Iowa Acts,  
24 4 chapter 112, section 4, 2003 Iowa Acts, chapter 179,  
24 5 section 162, and 2004 Iowa Acts, chapter 1085,  
24 6 sections 8, 10, and 11.

24 7 2. Amend the medical assistance state plan to  
24 8 eliminate the mechanism to secure funds based on  
24 9 hospital inpatient and outpatient prospective payment  
24 10 methodologies under the medical assistance program,  
24 11 effective June 30, 2005.

24 12 3. Amend the medical assistance state plan to  
24 13 eliminate the mechanisms to receive supplemental  
24 14 disproportionate share hospital and indirect medical  
24 15 education funds as originally submitted, effective  
24 16 June 30, 2005.

24 17 4. Amend the medical assistance state plan  
24 18 amendment to adjust hospital payments to provide an  
24 19 increased base rate to offset the high cost incurred  
24 20 for providing services to medical assistance patients  
24 21 at the university of Iowa hospitals and clinics as  
24 22 originally submitted based upon the specifications of  
24 23 2004 Iowa Acts, chapter 1175, section 86, subsection  
24 24 2, paragraph "b", unnumbered paragraph 2, and  
24 25 subparagraphs (1),(2), and (3), to be approved for the  
24 26 fiscal year beginning July 1 2004, and ending June 30,  
24 27 2005, only, and to be eliminated June 30, 2005.

24 28 5. Amend the medical assistance state plan  
24 29 amendment to establish a physician payment adjustment  
24 30 from the university of Iowa hospitals and clinics, as  
24 31 originally submitted as described in 2003 Iowa Acts,  
24 32 chapter 112, section 11, subsection 1, to be approved  
24 33 for the state fiscal years beginning July 1, 2003, and  
24 34 ending June 30, 2004, and beginning July 1, 2004, and  
24 35 ending June 30, 2005, and to be eliminated effective  
24 36 June 30, 2005.

24 37 6. Amend the medical assistance state plan to  
24 38 eliminate the mechanism to secure funds based on  
24 39 skilled nursing facility prospective payment  
24 40 methodologies under the medical assistance program,  
24 41 effective June 30, 2005.

24 42 7. Request a waiver from the centers for Medicare  
24 43 and Medicaid services of the United States department  
24 44 of health and human services of the provisions  
24 45 relating to the early and periodic screening,  
24 46 diagnostic, and treatment program requirements as  
24 47 described in section 1905(a)(5) of the federal Social  
24 48 Security Act relative to the expansion population.

24 49 Sec. 37. Sections 249A.20B and 249A.34, Code 2005,  
24 50 are repealed.

25 1 Sec. 38. 2003 Iowa Acts, chapter 112, section 4,  
25 2 2003 Iowa Acts, chapter 179, section 162, and 2004  
25 3 Iowa Acts, chapter 1085, section 8, and section 10,  
25 4 subsection 5, are repealed.

25 5 DIVISION XI  
25 6 PHARMACY COPAYMENTS

25 7 Sec. 39. COPAYMENTS FOR PRESCRIPTION DRUGS UNDER  
25 8 THE MEDICAL ASSISTANCE PROGRAM. The department of

25 9 human services shall require recipients of medical  
25 10 assistance to pay the following copayments on each  
25 11 prescription filled for a covered prescription drug,  
25 12 including each refill of such prescription, as  
25 13 follows:  
25 14 1. A copayment of \$1 for each covered generic  
25 15 prescription drug not included on the prescription  
25 16 drug list.  
25 17 2. A copayment of \$1 for each covered brand-name  
25 18 or generic prescription drug included on the  
25 19 prescription drug list.  
25 20 3. A copayment of \$1 for each covered brand-name  
25 21 prescription drug not included on the prescription  
25 22 drug list for which the cost to the state is up to and  
25 23 including \$25.  
25 24 4. A copayment of \$2 for each covered brand-name  
25 25 prescription drug not included on the prescription  
25 26 drug list for which the cost to the state is more than  
25 27 \$25 and up to and including \$50.  
25 28 5. A copayment of \$3 for each covered brand-name  
25 29 prescription drug not included on the preferred drug  
25 30 list for which the cost to the state is more than \$50.

25 31 DIVISION XII

25 32 STATE PAPERS PROGRAM

25 33 Sec. 40. Section 135B.31, Code 2005, is amended to  
25 34 read as follows:

25 35 135B.31 EXCEPTIONS.

25 36 ~~Nothing in this~~ This division is not intended or  
25 37 ~~should and shall not~~ affect in any way ~~that the~~  
25 38 obligation of public hospitals under chapter 347 or  
25 39 municipal hospitals, ~~as well as the state hospital at~~  
25 40 ~~Iowa City, to provide medical or obstetrical and~~  
25 41 ~~newborn care for indigent persons under chapter 255 or~~  
25 42 ~~255A, wherein medical care or treatment is provided by~~  
25 43 ~~hospitals of that category to patients of certain~~  
25 44 entitlement, nor ~~to~~ the operation by the state of  
25 45 mental or other hospitals authorized by law. ~~Nothing~~  
25 46 ~~herein~~ This division shall not in any way affect or  
25 47 limit the practice of dentistry or the practice of  
25 48 oral surgery by a dentist.

25 49 Sec. 41. Section 144.13A, subsection 3, Code 2005,  
25 50 is amended to read as follows:

26 1 3. If the person responsible for the filing of the  
26 2 certificate of birth under section 144.13 is not the  
26 3 parent, the person is entitled to collect the fee from  
26 4 the parent. The fee shall be remitted to the state  
26 5 registrar. If the expenses of the birth are  
26 6 reimbursed under the medical assistance program  
26 7 established by chapter 249A, ~~or paid for under the~~  
26 8 ~~statewide indigent patient care program established by~~  
26 9 ~~chapter 255, or paid for under the obstetrical and~~  
26 10 ~~newborn indigent patient care program established by~~  
26 11 ~~chapter 255A, or if the parent is indigent and unable~~  
26 12 to pay the expenses of the birth and no other means of  
26 13 payment is available to the parent, the registration  
26 14 fee and certified copy fee are waived. If the person  
26 15 responsible for the filing of the certificate is not  
26 16 the parent, the person is discharged from the duty to  
26 17 collect and remit the fee under this section if the  
26 18 person has made a good faith effort to collect the fee  
26 19 from the parent.

26 20 Sec. 42. Section 249A.4, subsection 12, Code 2005,  
26 21 is amended by striking the subsection.

26 22 UNIVERSITY OF IOWA HOSPITALS AND CLINICS

26 23 Sec. 43. NEW SECTION. 263.18 TREATMENT OF  
26 24 PATIENTS == USE OF EARNINGS FOR NEW FACILITIES.

26 25 1. The university of Iowa hospitals and clinics  
26 26 authorities may at their discretion receive patients  
26 27 into the hospital for medical, obstetrical, or  
26 28 surgical treatment or hospital care. The university  
26 29 of Iowa hospitals and clinics ambulances and ambulance  
26 30 personnel may be used for the transportation of such  
26 31 patients at a reasonable charge if specialized  
26 32 equipment is required.

26 33 2. The university of Iowa hospitals and clinics  
26 34 authorities shall collect from the person or persons  
26 35 liable for support of such patients reasonable charges  
26 36 for hospital care and service and deposit payment of  
26 37 the charges with the treasurer of the university for  
26 38 the use and benefit of the university of Iowa  
26 39 hospitals and clinics.



26 40 3. Earnings of the university of Iowa hospitals  
26 41 and clinics shall be administered so as to increase,  
26 42 to the greatest extent possible, the services  
26 43 available for patients, including acquisition,  
26 44 construction, reconstruction, completion, equipment,  
26 45 improvement, repair, and remodeling of medical  
26 46 buildings and facilities, additions to medical  
26 47 buildings and facilities, and the payment of principal  
26 48 and interest on bonds issued to finance the cost of  
26 49 medical buildings and facilities as authorized by the  
26 50 provisions of chapter 263A.

27 1 4. The physicians and surgeons on the staff of the  
27 2 university of Iowa hospitals and clinics who care for  
27 3 patients provided for in this section may charge for  
27 4 the medical services provided under such rules,  
27 5 regulations, and plans approved by the state board of  
27 6 regents.

27 7 Sec. 44. NEW SECTION. 263.19 PURCHASES.

27 8 Any purchase in excess of ten thousand dollars, of  
27 9 materials, appliances, instruments, or supplies by the  
27 10 university of Iowa hospitals and clinics, when the  
27 11 price of the materials, appliances, instruments, or  
27 12 supplies to be purchased is subject to competition,  
27 13 shall be made pursuant to open competitive quotations,  
27 14 and all contracts for such purchases shall be subject  
27 15 to chapter 72. However, purchases may be made through  
27 16 a hospital group purchasing organization provided that  
27 17 the university of Iowa hospitals and clinics is a  
27 18 member of the organization and the group purchasing  
27 19 organization selects the items to be offered to  
27 20 members through a competitive bidding process.

27 21 Sec. 45. NEW SECTION. 263.20 COLLECTING AND  
27 22 SETTLING CLAIMS FOR CARE.

27 23 Whenever a patient or person legally liable for the  
27 24 patient's care at the university of Iowa hospitals and  
27 25 clinics has insurance, an estate, a right of action  
27 26 against others, or other assets, the university of  
27 27 Iowa hospitals and clinics, through the facilities of  
27 28 the office of the attorney general, may file claims,  
27 29 institute or defend suit in court, and use other legal  
27 30 means available to collect accounts incurred for the  
27 31 care of the patient, and may compromise, settle, or  
27 32 release such actions under the rules and procedures  
27 33 prescribed by the president of the university and the  
27 34 office of the attorney general. If a county has paid  
27 35 any part of such patient's care, a pro rata amount  
27 36 collected, after deduction for cost of collection,  
27 37 shall be remitted to the county and the balance shall  
27 38 be credited to the hospital fund.

27 39 Sec. 46. NEW SECTION. 263.21 TRANSFER OF  
27 40 PATIENTS FROM STATE INSTITUTIONS.

27 41 The director of the department of human services,  
27 42 in respect to institutions under the director's  
27 43 control, the administrator of any of the divisions of  
27 44 the department, in respect to the institutions under  
27 45 the administrator's control, the director of the  
27 46 department of corrections, in respect to the  
27 47 institutions under the department's control, and the  
27 48 state board of regents, in respect to the Iowa braille  
27 49 and sight saving school and the Iowa school for the  
27 50 deaf, may send any inmate, student, or patient of an  
28 1 institution, or any person committed or applying for  
28 2 admission to an institution, to the university of Iowa  
28 3 hospitals and clinics for treatment and care. The  
28 4 department of human services, the department of  
28 5 corrections, and the state board of regents shall  
28 6 respectively pay the traveling expenses of such  
28 7 patient, and when necessary the traveling expenses of  
28 8 an attendant for the patient, out of funds  
28 9 appropriated for the use of the institution from which  
28 10 the patient is sent.

28 11 Sec. 47. NEW SECTION. 263.22 MEDICAL CARE FOR  
28 12 PAROLEES AND PERSONS ON WORK RELEASE.

28 13 The director of the department of corrections may  
28 14 send former inmates of the institutions provided for  
28 15 in section 904.102, while on parole or work release,  
28 16 to the university of Iowa hospitals and clinics for  
28 17 treatment and care. The director may pay the  
28 18 traveling expenses of any such patient, and when  
28 19 necessary the traveling expenses of an attendant of  
28 20 the patient, out of funds appropriated for the use of

28 21 the department of corrections.  
28 22 Sec. 48. Section 271.6, Code 2005, is amended to  
28 23 read as follows:  
28 24 271.6 INTEGRATED TREATMENT OF UNIVERSITY HOSPITAL  
28 25 PATIENTS.  
28 26 The authorities of the Oakdale campus may authorize  
28 27 patients for admission to the hospital on the Oakdale  
28 28 campus who are referred from the university hospitals  
28 29 and who shall retain the same status, classification,  
28 30 and authorization for care which they had at the  
28 31 university hospitals. Patients referred from the  
28 32 university hospitals to the Oakdale campus shall be  
28 33 deemed to be patients of the university hospitals.  
28 34 ~~Chapters 255 and 255A and The~~ operating policies of  
28 35 the university hospitals shall apply to the patients  
28 36 and to the payment for their care the same as the  
28 37 provisions apply to patients who are treated on the  
28 38 premises of the university hospitals.  
28 39 Sec. 49. Section 331.381, subsection 9, Code 2005,  
28 40 is amended by striking the subsection.  
28 41 Sec. 50. Section 331.502, subsection 17, Code  
28 42 2005, is amended by striking the subsection.  
28 43 Sec. 51. Section 331.552, subsection 13, Code  
28 44 2005, is amended to read as follows:  
28 45 13. Make transfer payments to the state for school  
28 46 expenses for blind and deaf children, and support of  
28 47 persons with mental illness, ~~and hospital care for the~~  
~~28 48 indigent~~ as provided in sections 230.21, 255.26,  
28 49 269.2, and 270.7.  
28 50 Sec. 52. Section 331.653, subsection 26, Code  
29 1 2005, is amended by striking the subsection.  
29 2 Sec. 53. Section 331.756, subsection 53, Code  
29 3 2005, is amended by striking the subsection.  
29 4 Sec. 54. Section 602.8102, subsection 48, Code  
29 5 2005, is amended by striking the subsection.  
29 6 Sec. 55. Chapters 255 and 255A, Code 2005, are  
29 7 repealed.  
29 8 Sec. 56. MEDICAL ASSISTANCE ELIGIBILITY FOR  
29 9 INMATES OF PUBLIC INSTITUTIONS. The department shall  
29 10 maximize the federal financial participation exception  
29 11 under the medical assistance program for inmates of  
29 12 public institutions who are patients in a medical  
29 13 institution as provided in 42 U.S.C. } 1396d(a)(27)(A)  
29 14 and are otherwise eligible for medical assistance.  
29 15 DIVISION XIII  
29 16 STATE MEDICAL INSTITUTION  
29 17 Sec. 57. NEW SECTION. 218A.1 STATE MEDICAL  
29 18 INSTITUTION.  
29 19 1. All of the following shall be collectively  
29 20 designated as a single state medical institution:  
29 21 a. The mental health institute, Mount Pleasant,  
29 22 Iowa.  
29 23 b. The mental health institute, Independence,  
29 24 Iowa.  
29 25 c. The mental health institute, Clarinda, Iowa.  
29 26 d. The mental health institute, Cherokee, Iowa.  
29 27 e. The Glenwood state resource center.  
29 28 f. The Woodward state resource center.  
29 29 2. Necessary portions of the institutes and  
29 30 resource centers shall remain licensed as separate  
29 31 hospitals and as separate intermediate care facilities  
29 32 for persons with mental retardation, and the locations  
29 33 and operations of the institutes and resource centers  
29 34 shall not be subject to consolidation to comply with  
29 35 this chapter.  
29 36 3. The state medical institution shall qualify for  
29 37 payments described in subsection 4 for the fiscal  
29 38 period beginning July 1, 2005, and ending June 30,  
29 39 2010, if the state medical institution and the various  
29 40 parts of the institution comply with the requirements  
29 41 for payment specified in subsection 4, and all of the  
29 42 following conditions are met:  
29 43 a. The total number of beds in the state medical  
29 44 institution licensed as hospital beds is less than  
29 45 fifty percent of the total number of all state medical  
29 46 institution beds. In determining compliance with this  
29 47 requirement, however, any reduction in the total  
29 48 number of beds that occurs as the result of reduction  
29 49 in census due to an increase in utilization of home  
29 50 and community-based services shall not be considered.  
30 1 b. An individual is appointed by the director of

30 2 human services to serve as the director of the state  
30 3 medical institution and an individual is appointed by  
30 4 the director of the human services to serve as medical  
30 5 director of the state medical institution. The  
30 6 individual appointed to serve as the director of the  
30 7 state medical institution may also be an employee of  
30 8 the department of human services or of a component  
30 9 part of the state medical institution. The individual  
30 10 appointed to serve as medical director of the state  
30 11 medical institution may also serve as the medical  
30 12 director of one of the component parts of the state  
30 13 medical institution.

30 14 c. A workgroup comprised of the director of human  
30 15 services or the director's designee, the director of  
30 16 the state medical institution, the directors of all  
30 17 licensed intermediate care facilities for persons with  
30 18 mental retardation in the state, and representatives  
30 19 from the Iowa state association of counties, the Iowa  
30 20 association of community providers, and other  
30 21 interested parties develops and presents a plan, for  
30 22 submission to the centers for Medicare and Medicaid  
30 23 services of the United States department of health and  
30 24 human services, to the general assembly no later than  
30 25 July 1, 2007, to reduce the number of individuals in  
30 26 intermediate care facilities for persons with mental  
30 27 retardation in the state and concurrently to increase  
30 28 the number of individuals with mental retardation and  
30 29 developmental disabilities in the state who have  
30 30 access to home and community-based services. The plan  
30 31 shall include a proposal to redesign the home and  
30 32 community-based services waivers for persons with  
30 33 mental retardation and persons with brain injury under  
30 34 the medical assistance program. The department shall  
30 35 not implement the plan without express authorization  
30 36 by the general assembly.

30 37 4. The department of human services shall submit a  
30 38 waiver to the centers for Medicare and Medicaid  
30 39 services of the United States department of health and  
30 40 human services to provide for all of the following:

30 41 a. Coverage under the medical assistance program,  
30 42 with appropriate federal matching funding, for  
30 43 inpatient and outpatient hospital services provided to  
30 44 eligible individuals by any part of the state medical  
30 45 institution that maintains a state license as a  
30 46 hospital.

30 47 b. Disproportionate share hospital payments for  
30 48 services provided by any part of the state medical  
30 49 institution that maintains a state license as a  
30 50 hospital.

31 1 c. Imposition of an assessment on intermediate  
31 2 care facilities for persons with mental retardation on  
31 3 any part of the state medical institution that  
31 4 provides intermediate care facility for persons with  
31 5 mental retardation services.

#### 31 6 DIVISION XIV

#### 31 7 APPROPRIATIONS AND EFFECTIVE DATES

#### 31 8 Sec. 58. APPROPRIATIONS FROM HOSPITAL TRUST FUND 31 9 ACCOUNTS.

31 10 1. There is appropriated from the indigent patient  
31 11 care program account created in section 249I.4 to the  
31 12 university of Iowa hospitals and clinics for the  
31 13 fiscal year beginning July 1, 2005, and ending June  
31 14 30, 2006, the following amount, or so much thereof as  
31 15 is necessary, to be used for the purposes designated:

31 16 For salaries, support, maintenance, equipment, and  
31 17 miscellaneous purposes, for the provision of medical  
31 18 and surgical treatment of indigent patients, for  
31 19 provision of services to recipients under the medical  
31 20 assistance program expansion population pursuant to  
31 21 chapter 249J, as enacted in this Act, and for medical  
31 22 education:

31 23 ..... \$ 27,284,584

31 24 2. There is appropriated from the acute care  
31 25 teaching hospital account created in section 249I.4 to  
31 26 a publicly owned acute care teaching hospital located  
31 27 in a county with a population over three hundred fifty  
31 28 thousand for the fiscal year beginning July 1, 2005,  
31 29 and ending June 30, 2006, the following amount, or so  
31 30 much thereof as is necessary, to be used for the  
31 31 purposes designated:

31 32 For the provision of medical and surgical treatment

31 33 of indigent patients and for provision of services to  
31 34 recipients under the medical assistance program  
31 35 expansion population pursuant to chapter 249J, as  
31 36 enacted in this Act:  
31 37 ..... \$ 40,000,000  
31 38 3. There is appropriated from the state hospitals  
31 39 for persons with mental illness account created in  
31 40 section 249I.4 to the state hospitals for persons with  
31 41 mental illness designated pursuant to section 226.1  
31 42 for the fiscal year beginning July 1, 2005, and ending  
31 43 June 30, 2006, the following amounts, or so much  
31 44 thereof as is necessary, to be used for the purposes  
31 45 designated:  
31 46 a. For services at the state mental health  
31 47 institute at Cherokee, including services to  
31 48 recipients under the medical assistance program  
31 49 expansion population pursuant to chapter 249J, as  
31 50 enacted in this Act:  
32 1 ..... \$ 13,074,889  
32 2 b. For services at the state mental health  
32 3 institute at Clarinda to recipients under the medical  
32 4 assistance program expansion population pursuant to  
32 5 chapter 249J, as enacted in this Act:  
32 6 ..... \$ 7,439,591  
32 7 c. For services at the state mental health  
32 8 institute at Independence to recipients under the  
32 9 medical assistance program expansion population  
32 10 pursuant to chapter 249J, as enacted in this Act:  
32 11 ..... \$ 17,329,091  
32 12 d. For services at the state mental health  
32 13 institute at Mount Pleasant to recipients under the  
32 14 medical assistance program expansion population  
32 15 designation pursuant to chapter 249J, as enacted in  
32 16 this Act:  
32 17 ..... \$ 6,131,181  
32 18 Sec. 59. EFFECTIVE DATES == CONTINGENT REDUCTION  
32 19 == RULES == RETROACTIVE APPLICABILITY.  
32 20 1. The provisions of this Act requiring the  
32 21 department of human services to request waivers from  
32 22 the centers for Medicare and Medicaid services of the  
32 23 United States department of health and human services  
32 24 and to amend the medical assistance state plan, being  
32 25 deemed of immediate importance, take effect upon  
32 26 enactment.  
32 27 2. The remaining provisions of this Act, with the  
32 28 exception of the provisions described in subsection 1,  
32 29 shall not take effect unless the department of human  
32 30 services receives approval of all waivers and medical  
32 31 assistance state plan amendments required under this  
32 32 Act. If all approvals are received, the remaining  
32 33 provisions of this Act shall take effect July 1, 2005,  
32 34 or on the date specified in the waiver or medical  
32 35 assistance state plan amendment for a particular  
32 36 provision. The department of human services shall  
32 37 notify the Code editor of the date of receipt of the  
32 38 approvals.  
32 39 3. If this Act is enacted and if the Eighty-first  
32 40 General Assembly enacts legislation appropriating  
32 41 moneys from the general fund of the state to the  
32 42 department of human services for the fiscal year  
32 43 beginning July 1, 2005, and ending June 30, 2006, for  
32 44 the state hospitals for persons with mental illness  
32 45 designated pursuant to section 226.1, for salaries,  
32 46 support, maintenance, and miscellaneous purposes and  
32 47 for full-time equivalent positions, and if this Act is  
32 48 enacted, the appropriations shall be reduced in the  
32 49 following amounts and the amounts shall be transferred  
32 50 to the medical assistance fund of the department of  
33 1 human services to diminish the effect of  
33 2 intergovernmental transfer reductions:  
33 3 a. For the state mental health institute at  
33 4 Cherokee:  
33 5 ..... \$ 13,074,889  
33 6 b. For the state mental health institute at  
33 7 Clarinda:  
33 8 ..... \$ 7,439,591  
33 9 c. For the state mental health institute at  
33 10 Independence:  
33 11 ..... \$ 17,329,091  
33 12 d. For the state mental health institute at Mount  
33 13 Pleasant:

33 14 ..... \$ 6,131,181  
33 15 4. If this Act is enacted and if the Eighty-first  
33 16 General Assembly enacts legislation appropriating  
33 17 moneys from the general fund of the state to the state  
33 18 university of Iowa for the fiscal year beginning July  
33 19 1, 2005, and ending June 30, 2006, for the university  
33 20 hospitals for salaries, support, maintenance,  
33 21 equipment, and miscellaneous purposes and for medical  
33 22 and surgical treatment of indigent patients as  
33 23 provided in chapter 255, for medical education, and  
33 24 for full-time equivalent positions, and if this Act is  
33 25 enacted, the appropriation is reduced by \$27,284,584  
33 26 and the amount shall be transferred to the medical  
33 27 assistance fund of the department of human services to  
33 28 diminish the effect of intergovernmental transfer  
33 29 reductions.  
33 30 5. If this Act is enacted, and if the Eighty-first  
33 31 General Assembly enacts 2005 Iowa Acts, House File  
33 32 816, and 2005 Iowa Acts, House File 816 includes a  
33 33 provision relating to medical assistance supplemental  
33 34 amounts for disproportionate share hospital and  
33 35 indirect medical education, the provision in House  
33 36 File 816 shall not take effect.  
33 37 6. The department of human services may adopt  
33 38 emergency rules pursuant to chapter 17A to implement  
33 39 and administer the provisions of this Act.  
33 40 7. The department of human services may procure  
33 41 sole source contracts to implement any provision of  
33 42 this Act.  
33 43 8. The provisions of this Act amending 2003 Iowa  
33 44 Acts, chapter 112, section 11, and repealing section  
33 45 249A.20B, are retroactively applicable to May 2, 2003.  
33 46 9. The section of this Act amending 2004 Iowa  
33 47 Acts, chapter 1175, section 86, is retroactively  
33 48 applicable to May 17, 2004.>  
33 49  
33 50

34 1  
34 2 COMMITTEE ON HUMAN RESOURCES  
34 3 UPMEYER of Hancock, Chairperson  
34 4 HF 841.305 81  
34 5 pf/cf/2038