

House Amendment 1375

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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 not to exceed a total of thirty=
18 2 four million dollars, which would otherwise be
18 3 distributed to the county hospital, to the treasurer
18 4 of state for deposit by the treasurer of state in the
18 5 indigent patient care program account, the acute care
18 6 teaching hospital account, and the state hospitals for
18 7 persons with mental illness account under this
18 8 section, in amounts determined by the department. The
18 9 board of trustees of the acute care teaching hospital
18 10 identified in this subsection and the department shall
18 11 execute an agreement under chapter 28E to specify the
18 12 requirements relative to transfer of the proceeds and
18 13 the distribution of moneys to the hospital from the
18 14 acute care teaching hospital account.

18 15 9. The state board of regents on behalf of the
18 16 university of Iowa hospitals and clinics and the
18 17 department shall execute an agreement under chapter
18 18 28E to specify the requirements relating to
18 19 distribution of moneys to the hospital from the
18 20 indigent patient care program account.

18 21 10. The state and any county utilizing the acute
18 22 care teaching hospital located in a county with a
18 23 population over three hundred fifty thousand for
18 24 mental health services prior to July 1, 2005, shall
18 25 annually enter into an agreement with such hospital to
18 26 pay a per diem amount that is not less than the per
18 27 diem amount paid for those services in effect for the
18 28 fiscal year beginning July 1, 2004, for each expansion
18 29 population member accessing such services at that
18 30 hospital on or after July 1, 2005.

18 31 DIVISION X

18 32 CORRESPONDING PROVISIONS

18 33 Sec. 26. Section 97B.52A, subsection 1, paragraph
18 34 c, Code 2005, is amended to read as follows:

18 35 c. For a member whose first month of entitlement
18 36 is July 2000 or later, the member does not return to
18 37 any employment with a covered employer until the
18 38 member has qualified for at least one calendar month
18 39 of retirement benefits, and the member does not return
18 40 to covered employment until the member has qualified
18 41 for no fewer than four calendar months of retirement
18 42 benefits. For purposes of this paragraph, effective
18 43 July 1, 2000, any employment with a covered employer
18 44 does not include employment as an elective official or
18 45 member of the general assembly if the member is not
18 46 covered under this chapter for that employment. For
18 47 purposes of determining a bona fide retirement under
18 48 this paragraph and for a member whose first month of
18 49 entitlement is July 2004 or later, but before July
18 50 2006, covered employment does not include employment
19 1 as a licensed health care professional by a public
19 2 hospital as defined in section 249I.3, with the
19 3 exception of public hospitals governed pursuant to
19 4 chapter 226.

19 5 Sec. 27. Section 218.78, subsection 1, Code 2005,
19 6 is amended to read as follows:
19 7 1. All institutional receipts of the department of
19 8 human services, including funds received from client
19 9 participation at the state resource centers under
19 10 section 222.78 and at the state mental health
19 11 institutes under section 230.20, shall be deposited in
19 12 the general fund except for reimbursements for
19 13 services provided to another institution or state
19 14 agency, for receipts deposited in the revolving fund
19 15 fund under section 904.706, for deposits into the
19 16 medical assistance fund under section 249A.11, for any
19 17 deposits into the medical assistance fund of any
19 18 medical assistance payments received through the
19 19 expansion population program pursuant to chapter 249J,

19 20 and rentals charged to employees or others for room,
19 21 apartment, or house and meals, which shall be
19 22 available to the institutions.

19 23 Sec. 28. Section 230.20, subsection 2, paragraph
19 24 a, Code 2005, is amended to read as follows:
19 25 a. The superintendent shall certify to the
19 26 department the billings to each county for services
19 27 provided to patients chargeable to the county during
19 28 the preceding calendar quarter. The county billings
19 29 shall be based on the average daily patient charge and
19 30 other service charges computed pursuant to subsection
19 31 1, and the number of inpatient days and other service
19 32 units chargeable to the county. However, a county
19 33 billing shall be decreased by an amount equal to
19 34 reimbursement by a third party payor or estimation of
19 35 such reimbursement from a claim submitted by the
19 36 superintendent to the third party payor for the
19 37 preceding calendar quarter. When the actual third
19 38 party payor reimbursement is greater or less than
19 39 estimated, the difference shall be reflected in the
19 40 county billing in the calendar quarter the actual
19 41 third party payor reimbursement is determined. For
19 42 the purposes of this paragraph, "third-party payor
19 43 reimbursement" does not include reimbursement provided
19 44 under chapter 249J.

19 45 Sec. 29. Section 230.20, subsections 5 and 6, Code
19 46 2005, are amended to read as follows:

19 47 5. An individual statement shall be prepared for a
19 48 patient on or before the fifteenth day of the month
19 49 following the month in which the patient leaves the
19 50 mental health institute, and a general statement shall
20 1 be prepared at least quarterly for each county to
20 2 which charges are made under this section. Except as
20 3 otherwise required by sections 125.33 and 125.34 the
20 4 general statement shall list the name of each patient
20 5 chargeable to that county who was served by the mental
20 6 health institute during the preceding month or
20 7 calendar quarter, the amount due on account of each
20 8 patient, and the specific dates for which any third
20 9 party payor reimbursement received by the state is
20 10 applied to the statement and billing, and the county
20 11 shall be billed for eighty percent of the stated
20 12 charge for each patient specified in this subsection.
20 13 For the purposes of this subsection, "third-party
20 14 payor reimbursement" does not include reimbursement
20 15 provided under chapter 249J. The statement prepared

20 16 for each county shall be certified by the department
20 17 and a duplicate statement shall be mailed to the
20 18 auditor of that county.

20 19 6. All or any reasonable portion of the charges
20 20 incurred for services provided to a patient, to the
20 21 most recent date for which the charges have been
20 22 computed, may be paid at any time by the patient or by
20 23 any other person on the patient's behalf. Any payment
20 24 ~~so~~ made by the patient or other person, and any
20 25 federal financial assistance received pursuant to
20 26 Title XVIII or XIX of the federal Social Security Act
20 27 for services rendered to a patient, shall be credited
20 28 against the patient's account and, if the charges ~~so~~
20 29 paid as described in this subsection have previously
20 30 been billed to a county, reflected in the mental
20 31 health institute's next general statement to that
20 32 county. However, any payment made under chapter 249J
20 33 shall not be reflected in the mental health

20 34 institute's next general statement to that county.

20 35 Sec. 30. Section 249A.4, subsection 8, unnumbered
20 36 paragraph 1, Code 2005, is amended to read as follows:

20 37 Shall advise and consult at least semiannually with
20 38 a council composed of the presidents of the following
20 39 organizations, or a president's representative who is
20 40 a member of the organization represented by the
20 41 president: the Iowa medical society, the Iowa
20 42 osteopathic medical association, the Iowa academy of
20 43 family physicians, the Iowa chapter of the American
20 44 academy of pediatrics, the Iowa physical therapy
20 45 association, the Iowa dental association, the Iowa
20 46 nurses association, the Iowa pharmacy association, the
20 47 Iowa podiatric medical society, the Iowa optometric
20 48 association, the Iowa association of community
20 49 providers, the Iowa psychological association, the
20 50 Iowa psychiatric society, the Iowa chapter of the
21 1 national association of social workers, the Iowa
21 2 hospital association, the Iowa association of rural
21 3 health clinics, the opticians' association of Iowa,
21 4 inc., the Iowa association of hearing health
21 5 professionals, the Iowa speech and hearing
21 6 association, the Iowa health care association, the
21 7 Iowa association for home care, the Iowa council of
21 8 health care centers, the Iowa physician assistant
21 9 society, the Iowa association of nurse practitioners,
21 10 the Iowa occupational therapy association, the Iowa
21 11 association of homes and services for the aging, the
21 12 ARC of Iowa which was formerly known as the
21 13 association for retarded citizens of Iowa, the
21 14 alliance for the mentally ill of Iowa, Iowa state
21 15 association of counties, and the governor's
21 16 developmental disabilities council, together with one
21 17 person designated by the Iowa chiropractic society;
21 18 one state representative from each of the two major
21 19 political parties appointed by the speaker of the
21 20 house, one state senator from each of the two major
21 21 political parties appointed by the president of the
21 22 senate, after consultation with the majority leader
21 23 and the minority leader of the senate, each for a term
21 24 of two years; ~~four~~ public representatives equal in
21 25 number to the number of representatives of

21 26 professional groups and associations specifically
21 27 represented on the council under this subsection,

21 28 appointed by the governor for staggered terms of two
21 29 years each, none of whom shall be members of, or
21 30 practitioners of, or have a pecuniary interest in any
21 31 of the professions or businesses represented by any of
21 32 the several professional groups and associations
21 33 specifically represented on the council under this
21 34 subsection, and ~~at least one~~ all of whom shall be a
21 35 recipient current or former recipients of medical
21 36 assistance; the director of public health, or a
21 37 representative designated by the director; the
21 38 director of the department of elder affairs, or a
21 39 representative designated by the director; the dean of
21 40 Des Moines university == osteopathic medical center,
21 41 or a representative designated by the dean; and the
21 42 dean of the university of Iowa college of medicine, or
21 43 a representative designated by the dean.

21 44 Sec. 31. Section 249A.11, Code 2005, is amended to
21 45 read as follows:

21 46 249A.11 PAYMENT FOR PATIENT CARE SEGREGATED.

21 47 A state resource center or mental health institute,
21 48 upon receipt of any payment made under this chapter
21 49 for the care of any patient, shall segregate an amount
21 50 equal to that portion of the payment which is required
22 1 by law to be made from nonfederal funds except for any
22 2 nonfederal funds received through the expansion

22 3 population program pursuant to chapter 249J. The
22 4 money segregated shall be deposited in the medical
22 5 assistance fund of the department of human services.

22 6 Sec. 32. Section 249H.4, Code 2005, is amended by
22 7 adding the following new subsection:

22 8 NEW SUBSECTION. 7. The director shall amend the
22 9 medical assistance state plan to eliminate the
22 10 mechanism to secure funds based on skilled nursing
22 11 facility prospective payment methodologies under the
22 12 medical assistance program and to terminate agreements
22 13 entered into with public nursing facilities under this
22 14 chapter, effective June 30, 2005.

22 15 Sec. 33. Section 249I.5, Code 2005, is amended to
22 16 read as follows:

22 17 249I.5 STATE PLAN AMENDMENT.

22 18 The director shall amend the ~~state~~ medical
22 19 assistance state plan as necessary to implement this
22 20 chapter. The director shall amend the medical
22 21 assistance state plan to eliminate the mechanism to
22 22 secure funds based on hospital inpatient and
22 23 outpatient prospective payment methodologies under the
22 24 medical assistance program and to terminate agreements
22 25 entered into under this chapter, effective June 30,
22 26 2005.

22 27 Sec. 34. 2004 Iowa Acts, chapter 1175, section 86,
22 28 subsection 2, paragraph b, unnumbered paragraph 2, and
22 29 subparagraphs (1), (2), and (3), are amended to read
22 30 as follows:

22 31 ~~Of the amount appropriated in this lettered~~
22 32 ~~paragraph, \$25,950,166 shall be considered encumbered~~
22 33 ~~and shall not be expended for any purpose until~~
22 34 ~~January 1, 2005.~~

22 35 (1) ~~However, if~~ If the department of human
22 36 services adjusts hospital payments to provide an
22 37 increased base rate to offset the high cost incurred
22 38 for providing services to medical assistance patients
22 39 on or prior to January July 1, 2005, a portion of the
22 40 amount specified in this unnumbered paragraph equal to
22 41 the increased Medicaid payment shall ~~revert to the~~
22 42 ~~general fund of the state. Notwithstanding section~~
22 43 ~~8.54, subsection 7, the amount required to revert~~
22 44 ~~under this subparagraph shall not be considered to be~~
22 45 ~~appropriated for purposes of the state general fund~~
22 46 ~~expenditure limitation for the fiscal year beginning~~
22 47 ~~July 1, 2004.~~

22 48 (2) ~~If the adjustment described in subparagraph~~
22 49 ~~(1) to increase the base rate is not made prior to~~
22 50 ~~January 1, 2005, the amount specified in this~~
23 1 ~~unnumbered paragraph shall no longer be considered~~
23 2 ~~encumbered, may be expended, and shall be available~~
23 3 ~~for the purposes originally specified be transferred~~
23 4 ~~by the university of Iowa hospitals and clinics to the~~
23 5 ~~medical assistance fund of the department of human~~
23 6 ~~services. Of the amount transferred, an amount equal~~
23 7 ~~to the federal share of the payments shall be~~
23 8 ~~transferred to the fund for health care transformation~~
23 9 ~~created in section 249J.22.~~

23 10 ~~(3)~~ (2) Any incremental increase in the base rate
23 11 made pursuant to subparagraph (1) shall not be used in
23 12 determining the university of Iowa hospital and
23 13 clinics disproportionate share rate or when
23 14 determining the statewide average base rate for
23 15 purposes of calculating indirect medical education
23 16 rates.

23 17 Sec. 35. 2003 Iowa Acts, chapter 112, section 11,
23 18 subsection 1, is amended to read as follows:

23 19 1. For the fiscal ~~year~~ years beginning July 1,
23 20 2003, and ending June 30, 2004, and beginning July 1,
23 21 2004, and for each fiscal year thereafter ending June
23 22 30, 2005, the department of human services shall
23 23 institute a supplemental payment adjustment applicable
23 24 to physician services provided to medical assistance
23 25 recipients at publicly owned acute care teaching
23 26 hospitals. The adjustment shall generate supplemental
23 27 payments to physicians which are equal to the

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

23 43 Sec. 36. CORRESPONDING DIRECTIVES TO DEPARTMENT.

23 44 The department shall do all of the following:

23 45 1. Withdraw the request for the waiver and the
23 46 medical assistance state plan amendment submitted to
23 47 the centers for Medicare and Medicaid services of the
23 48 United States department of health and human services
23 49 regarding the nursing facility quality assurance
23 50 assessment as directed pursuant to 2003 Iowa Acts,
24 1 chapter 112, section 4, 2003 Iowa Acts, chapter 179,
24 2 section 162, and 2004 Iowa Acts, chapter 1085,
24 3 sections 8, 10, and 11.

24 4 2. Amend the medical assistance state plan to
24 5 eliminate the mechanism to secure funds based on
24 6 hospital inpatient and outpatient prospective payment
24 7 methodologies under the medical assistance program,
24 8 effective June 30, 2005.

24 9 3. Amend the medical assistance state plan to
24 10 eliminate the mechanisms to receive supplemental
24 11 disproportionate share hospital and indirect medical
24 12 education funds as originally submitted, effective
24 13 June 30, 2005.

24 14 4. Amend the medical assistance state plan
24 15 amendment to adjust hospital payments to provide an
24 16 increased base rate to offset the high cost incurred
24 17 for providing services to medical assistance patients
24 18 at the university of Iowa hospitals and clinics as
24 19 originally submitted based upon the specifications of
24 20 2004 Iowa Acts, chapter 1175, section 86, subsection
24 21 2, paragraph "b", unnumbered paragraph 2, and
24 22 subparagraphs (1),(2), and (3), to be approved for the
24 23 fiscal year beginning July 1 2004, and ending June 30,
24 24 2005, only, and to be eliminated June 30, 2005.

24 25 5. Amend the medical assistance state plan
24 26 amendment to establish a physician payment adjustment
24 27 from the university of Iowa hospitals and clinics, as
24 28 originally submitted as described in 2003 Iowa Acts,
24 29 chapter 112, section 11, subsection 1, to be approved
24 30 for the state fiscal years beginning July 1, 2003, and
24 31 ending June 30, 2004, and beginning July 1, 2004, and
24 32 ending June 30, 2005, and to be eliminated effective
24 33 June 30, 2005.

24 34 6. Amend the medical assistance state plan to
24 35 eliminate the mechanism to secure funds based on
24 36 skilled nursing facility prospective payment
24 37 methodologies under the medical assistance program,
24 38 effective June 30, 2005.

24 39 7. Request a waiver from the centers for Medicare
24 40 and Medicaid services of the United States department
24 41 of health and human services of the provisions
24 42 relating to the early and periodic screening,
24 43 diagnostic, and treatment program requirements as
24 44 described in section 1905(a)(5) of the federal Social
24 45 Security Act relative to the expansion population.

24 46 Sec. 37. Sections 249A.20B and 249A.34, Code 2005,
24 47 are repealed.

24 48 Sec. 38. 2003 Iowa Acts, chapter 112, section 4,
24 49 2003 Iowa Acts, chapter 179, section 162, and 2004
24 50 Iowa Acts, chapter 1085, section 8, and section 10,
25 1 subsection 5, are repealed.

25 2 DIVISION XI

25 3 PHARMACY COPAYMENTS

25 4 Sec. 39. COPAYMENTS FOR PRESCRIPTION DRUGS UNDER
25 5 THE MEDICAL ASSISTANCE PROGRAM. The department of
25 6 human services shall require recipients of medical
25 7 assistance to pay the following copayments on each
25 8 prescription filled for a covered prescription drug,

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

25 28 DIVISION XII

25 29 STATE PAPERS PROGRAM

25 30 Sec. 40. Section 135B.31, Code 2005, is amended to
25 31 read as follows:

25 32 135B.31 EXCEPTIONS.

~~25 33 Nothing in this This division is not intended or
25 34 should and shall not affect in any way that the
25 35 obligation of public hospitals under chapter 347 or
25 36 municipal hospitals, as well as the state hospital at
25 37 Iowa City, to provide medical or obstetrical and
25 38 newborn care for indigent persons under chapter 255 or
25 39 255A, wherein medical care or treatment is provided by
25 40 hospitals of that category to patients of certain
25 41 entitlement, nor to the operation by the state of
25 42 mental or other hospitals authorized by law. Nothing
25 43 herein This division shall not in any way affect or
25 44 limit the practice of dentistry or the practice of
25 45 oral surgery by a dentist.~~

25 46 Sec. 41. Section 144.13A, subsection 3, Code 2005,
25 47 is amended to read as follows:

~~25 48 3. If the person responsible for the filing of the
25 49 certificate of birth under section 144.13 is not the
25 50 parent, the person is entitled to collect the fee from
26 1 the parent. The fee shall be remitted to the state
26 2 registrar. If the expenses of the birth are
26 3 reimbursed under the medical assistance program
26 4 established by chapter 249A, or paid for under the
26 5 statewide indigent patient care program established by
26 6 chapter 255, or paid for under the obstetrical and
26 7 newborn indigent patient care program established by
26 8 chapter 255A, or if the parent is indigent and unable
26 9 to pay the expenses of the birth and no other means of
26 10 payment is available to the parent, the registration
26 11 fee and certified copy fee are waived. If the person
26 12 responsible for the filing of the certificate is not
26 13 the parent, the person is discharged from the duty to
26 14 collect and remit the fee under this section if the
26 15 person has made a good faith effort to collect the fee
26 16 from the parent.~~

26 17 Sec. 42. Section 249A.4, subsection 12, Code 2005,
26 18 is amended by striking the subsection.

26 19 UNIVERSITY OF IOWA HOSPITALS AND CLINICS

26 20 Sec. 43. NEW SECTION. 263.18 TREATMENT OF
26 21 PATIENTS == USE OF EARNINGS FOR NEW FACILITIES.

26 22 1. The university of Iowa hospitals and clinics
26 23 authorities may at their discretion receive patients
26 24 into the hospital for medical, obstetrical, or
26 25 surgical treatment or hospital care. The university
26 26 of Iowa hospitals and clinics ambulances and ambulance
26 27 personnel may be used for the transportation of such
26 28 patients at a reasonable charge if specialized
26 29 equipment is required.

26 30 2. The university of Iowa hospitals and clinics
26 31 authorities shall collect from the person or persons
26 32 liable for support of such patients reasonable charges
26 33 for hospital care and service and deposit payment of
26 34 the charges with the treasurer of the university for
26 35 the use and benefit of the university of Iowa
26 36 hospitals and clinics.

26 37 3. Earnings of the university of Iowa hospitals
26 38 and clinics shall be administered so as to increase,
26 39 to the greatest extent possible, the services

26 40 available for patients, including acquisition,
26 41 construction, reconstruction, completion, equipment,
26 42 improvement, repair, and remodeling of medical
26 43 buildings and facilities, additions to medical
26 44 buildings and facilities, and the payment of principal
26 45 and interest on bonds issued to finance the cost of
26 46 medical buildings and facilities as authorized by the
26 47 provisions of chapter 263A.

26 48 4. The physicians and surgeons on the staff of the
26 49 university of Iowa hospitals and clinics who care for
26 50 patients provided for in this section may charge for
27 1 the medical services provided under such rules,
27 2 regulations, and plans approved by the state board of
27 3 regents.

27 4 Sec. 44. NEW SECTION. 263.19 PURCHASES.

27 5 Any purchase in excess of ten thousand dollars, of
27 6 materials, appliances, instruments, or supplies by the
27 7 university of Iowa hospitals and clinics, when the
27 8 price of the materials, appliances, instruments, or
27 9 supplies to be purchased is subject to competition,
27 10 shall be made pursuant to open competitive quotations,
27 11 and all contracts for such purchases shall be subject
27 12 to chapter 72. However, purchases may be made through
27 13 a hospital group purchasing organization provided that
27 14 the university of Iowa hospitals and clinics is a
27 15 member of the organization and the group purchasing
27 16 organization selects the items to be offered to
27 17 members through a competitive bidding process.

27 18 Sec. 45. NEW SECTION. 263.20 COLLECTING AND
27 19 SETTLING CLAIMS FOR CARE.

27 20 Whenever a patient or person legally liable for the
27 21 patient's care at the university of Iowa hospitals and
27 22 clinics has insurance, an estate, a right of action
27 23 against others, or other assets, the university of
27 24 Iowa hospitals and clinics, through the facilities of
27 25 the office of the attorney general, may file claims,
27 26 institute or defend suit in court, and use other legal
27 27 means available to collect accounts incurred for the
27 28 care of the patient, and may compromise, settle, or
27 29 release such actions under the rules and procedures
27 30 prescribed by the president of the university and the
27 31 office of the attorney general. If a county has paid
27 32 any part of such patient's care, a pro rata amount
27 33 collected, after deduction for cost of collection,
27 34 shall be remitted to the county and the balance shall
27 35 be credited to the hospital fund.

27 36 Sec. 46. NEW SECTION. 263.21 TRANSFER OF
27 37 PATIENTS FROM STATE INSTITUTIONS.

27 38 The director of the department of human services,
27 39 in respect to institutions under the director's
27 40 control, the administrator of any of the divisions of
27 41 the department, in respect to the institutions under
27 42 the administrator's control, the director of the
27 43 department of corrections, in respect to the
27 44 institutions under the department's control, and the
27 45 state board of regents, in respect to the Iowa braille
27 46 and sight saving school and the Iowa school for the
27 47 deaf, may send any inmate, student, or patient of an
27 48 institution, or any person committed or applying for
27 49 admission to an institution, to the university of Iowa
27 50 hospitals and clinics for treatment and care. The
28 1 department of human services, the department of
28 2 corrections, and the state board of regents shall
28 3 respectively pay the traveling expenses of such
28 4 patient, and when necessary the traveling expenses of
28 5 an attendant for the patient, out of funds
28 6 appropriated for the use of the institution from which
28 7 the patient is sent.

28 8 Sec. 47. NEW SECTION. 263.22 MEDICAL CARE FOR
28 9 PAROLEES AND PERSONS ON WORK RELEASE.

28 10 The director of the department of corrections may
28 11 send former inmates of the institutions provided for
28 12 in section 904.102, while on parole or work release,
28 13 to the university of Iowa hospitals and clinics for
28 14 treatment and care. The director may pay the
28 15 traveling expenses of any such patient, and when
28 16 necessary the traveling expenses of an attendant of
28 17 the patient, out of funds appropriated for the use of
28 18 the department of corrections.

28 19 Sec. 48. Section 271.6, Code 2005, is amended to
28 20 read as follows:

28 21 271.6 INTEGRATED TREATMENT OF UNIVERSITY HOSPITAL
28 22 PATIENTS.

28 23 The authorities of the Oakdale campus may authorize
28 24 patients for admission to the hospital on the Oakdale
28 25 campus who are referred from the university hospitals
28 26 and who shall retain the same status, classification,
28 27 and authorization for care which they had at the
28 28 university hospitals. Patients referred from the
28 29 university hospitals to the Oakdale campus shall be
28 30 deemed to be patients of the university hospitals.
28 31 ~~Chapters 255 and 255A and The~~ operating policies of
28 32 the university hospitals shall apply to the patients
28 33 and to the payment for their care the same as the
28 34 provisions apply to patients who are treated on the
28 35 premises of the university hospitals.

28 36 Sec. 49. Section 331.381, subsection 9, Code 2005,
28 37 is amended by striking the subsection.

28 38 Sec. 50. Section 331.502, subsection 17, Code
28 39 2005, is amended by striking the subsection.

28 40 Sec. 51. Section 331.552, subsection 13, Code
28 41 2005, is amended to read as follows:

28 42 13. Make transfer payments to the state for school
28 43 expenses for blind and deaf children, and support of
28 44 persons with mental illness, ~~and hospital care for the~~
~~28 45 indigent~~ as provided in sections 230.21, ~~255.26,~~
28 46 269.2, and 270.7.

28 47 Sec. 52. Section 331.653, subsection 26, Code
28 48 2005, is amended by striking the subsection.

28 49 Sec. 53. Section 331.756, subsection 53, Code
28 50 2005, is amended by striking the subsection.

29 1 Sec. 54. Section 602.8102, subsection 48, Code
29 2 2005, is amended by striking the subsection.

29 3 Sec. 55. Chapters 255 and 255A, Code 2005, are
29 4 repealed.

29 5 Sec. 56. MEDICAL ASSISTANCE ELIGIBILITY FOR
29 6 INMATES OF PUBLIC INSTITUTIONS. The department shall
29 7 maximize the federal financial participation exception
29 8 under the medical assistance program for inmates of
29 9 public institutions who are patients in a medical
29 10 institution as provided in 42 U.S.C. } 1396d(a)(27)(A)
29 11 and are otherwise eligible for medical assistance.

29 12 DIVISION XIII

29 13 STATE MEDICAL INSTITUTION

29 14 Sec. 57. NEW SECTION. 218A.1 STATE MEDICAL
29 15 INSTITUTION.

29 16 1. All of the following shall be collectively
29 17 designated as a single state medical institution:

- 29 18 a. The mental health institute, Mount Pleasant,
29 19 Iowa.
- 29 20 b. The mental health institute, Independence,
29 21 Iowa.
- 29 22 c. The mental health institute, Clarinda, Iowa.
- 29 23 d. The mental health institute, Cherokee, Iowa.
- 29 24 e. The Glenwood state resource center.
- 29 25 f. The Woodward state resource center.

29 26 2. Necessary portions of the institutes and
29 27 resource centers shall remain licensed as separate
29 28 hospitals and as separate intermediate care facilities
29 29 for persons with mental retardation, and the locations
29 30 and operations of the institutes and resource centers
29 31 shall not be subject to consolidation to comply with
29 32 this chapter.

29 33 3. The state medical institution shall qualify for
29 34 payments described in subsection 4 for the fiscal
29 35 period beginning July 1, 2005, and ending June 30,
29 36 2010, if the state medical institution and the various
29 37 parts of the institution comply with the requirements
29 38 for payment specified in subsection 4, and all of the
29 39 following conditions are met:

29 40 a. The total number of beds in the state medical
29 41 institution licensed as hospital beds is less than
29 42 fifty percent of the total number of all state medical
29 43 institution beds. In determining compliance with this
29 44 requirement, however, any reduction in the total
29 45 number of beds that occurs as the result of reduction
29 46 in census due to an increase in utilization of home
29 47 and community-based services shall not be considered.

29 48 b. An individual is appointed by the director of
29 49 human services to serve as the director of the state
29 50 medical institution and an individual is appointed by
30 1 the director of human services to serve as medical

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

30 11 c. A workgroup comprised of the director of human
30 12 services or the director's designee, the director of
30 13 the state medical institution, the directors of all
30 14 licensed intermediate care facilities for persons with
30 15 mental retardation in the state, and representatives
30 16 from the Iowa state association of counties, the Iowa
30 17 association of community providers, and other
30 18 interested parties develops and presents a plan, for
30 19 submission to the centers for Medicare and Medicaid
30 20 services of the United States department of health and
30 21 human services, to the general assembly no later than
30 22 July 1, 2007, to reduce the number of individuals in
30 23 intermediate care facilities for persons with mental
30 24 retardation in the state and concurrently to increase
30 25 the number of individuals with mental retardation and
30 26 developmental disabilities in the state who have
30 27 access to home and community-based services. The plan
30 28 shall include a proposal to redesign the home and
30 29 community-based services waivers for persons with
30 30 mental retardation and persons with brain injury under
30 31 the medical assistance program. The department shall
30 32 not implement the plan without express authorization
30 33 by the general assembly.

30 34 4. The department of human services shall submit a
30 35 waiver to the centers for Medicare and Medicaid
30 36 services of the United States department of health and
30 37 human services to provide for all of the following:

30 38 a. Coverage under the medical assistance program,
30 39 with appropriate federal matching funding, for
30 40 inpatient and outpatient hospital services provided to
30 41 eligible individuals by any part of the state medical
30 42 institution that maintains a state license as a
30 43 hospital.

30 44 b. Disproportionate share hospital payments for
30 45 services provided by any part of the state medical
30 46 institution that maintains a state license as a
30 47 hospital.

30 48 c. Imposition of an assessment on intermediate
30 49 care facilities for persons with mental retardation on
30 50 any part of the state medical institution that
31 1 provides intermediate care facility for persons with
31 2 mental retardation services.

31 3 DIVISION XIV

31 4 APPROPRIATIONS AND EFFECTIVE DATES

31 5 Sec. 58. APPROPRIATIONS FROM HOSPITAL TRUST FUND
31 6 ACCOUNTS.

31 7 1. There is appropriated from the indigent patient
31 8 care program account created in section 249I.4 to the
31 9 university of Iowa hospitals and clinics for the
31 10 fiscal year beginning July 1, 2005, and ending June
31 11 30, 2006, the following amount, or so much thereof as
31 12 is necessary, to be used for the purposes designated:

31 13 For salaries, support, maintenance, equipment, and
31 14 miscellaneous purposes, for the provision of medical
31 15 and surgical treatment of indigent patients, for
31 16 provision of services to recipients under the medical
31 17 assistance program expansion population pursuant to
31 18 chapter 249J, as enacted in this Act, and for medical
31 19 education:

31 20 \$ 27,284,584

31 21 2. There is appropriated from the acute care
31 22 teaching hospital account created in section 249I.4 to
31 23 a publicly owned acute care teaching hospital located
31 24 in a county with a population over three hundred fifty
31 25 thousand for the fiscal year beginning July 1, 2005,
31 26 and ending June 30, 2006, the following amount, or so
31 27 much thereof as is necessary, to be used for the
31 28 purposes designated:

31 29 For the provision of medical and surgical treatment
31 30 of indigent patients and for provision of services to
31 31 recipients under the medical assistance program
31 32 expansion population pursuant to chapter 249J, as

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

33 14 moneys from the general fund of the state to the state
33 15 university of Iowa for the fiscal year beginning July
33 16 1, 2005, and ending June 30, 2006, for the university
33 17 hospitals for salaries, support, maintenance,
33 18 equipment, and miscellaneous purposes and for medical
33 19 and surgical treatment of indigent patients as
33 20 provided in chapter 255, for medical education, and
33 21 for full-time equivalent positions, and if this Act is
33 22 enacted, the appropriation is reduced by \$27,284,584
33 23 and the amount shall be transferred to the medical
33 24 assistance fund of the department of human services to
33 25 diminish the effect of intergovernmental transfer
33 26 reductions.

33 27 5. If this Act is enacted, and if the Eighty-first
33 28 General Assembly enacts 2005 Iowa Acts, House File
33 29 816, and 2005 Iowa Acts, House File 816 includes a
33 30 provision relating to medical assistance supplemental
33 31 amounts for disproportionate share hospital and
33 32 indirect medical education, the provision in House
33 33 File 816 shall not take effect.

33 34 6. The department of human services may adopt
33 35 emergency rules pursuant to chapter 17A to implement
33 36 and administer the provisions of this Act.

33 37 7. The department of human services may procure
33 38 sole source contracts to implement any provision of
33 39 this Act.

33 40 8. The provisions of this Act amending 2003 Iowa
33 41 Acts, chapter 112, section 11, and repealing section
33 42 249A.20B, are retroactively applicable to May 2, 2003.

33 43 9. The section of this Act amending 2004 Iowa
33 44 Acts, chapter 1175, section 86, is retroactively
33 45 applicable to May 17, 2004.>

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33 49 COMMITTEE ON WAYS AND MEANS

33 50 J. K. VAN FOSSEN of Scott, Chairperson

34 1 HF 841.307 81

34 2 pf/cf/2060