

Senate File 504

S-3333

1 Amend Senate File 504 as follows:

2 1. By striking everything after the enacting clause and
3 inserting:

4 <Section 1. Section 222.73, subsection 2, paragraph b, Code
5 2017, is amended to read as follows:

6 *b.* The per diem costs billed to each mental health and
7 disability services region shall not exceed the per diem costs
8 billed to the county region in the fiscal year beginning July
9 1, ~~1996~~ 2016. ~~However, the per diem costs billed to a county~~
10 ~~may be adjusted for a fiscal year to reflect increased costs~~
11 ~~to the extent of the percentage increase in the statewide per~~
12 ~~capita expenditure target amount, if any per capita growth~~
13 ~~amount is authorized by the general assembly for that fiscal~~
14 ~~year in accordance with section 331.424A.~~

15 Sec. 2. Section 229.11, Code 2017, is amended by adding the
16 following new subsection:

17 NEW SUBSECTION. 1A. If a respondent is detained pursuant to
18 subsection 1, paragraph "b" or "c", the sheriff or the sheriff's
19 deputy that took the respondent into immediate custody may
20 inform the hospital or facility that an arrest warrant has been
21 issued for or charges are pending against the respondent and
22 may request the hospital or facility to notify the sheriff or
23 the sheriff's deputy about the discharge of the respondent
24 prior to discharge.

25 Sec. 3. Section 230.20, subsection 2, paragraph b, Code
26 2017, is amended to read as follows:

27 *b.* The per diem costs billed to each mental health and
28 disability services region shall not exceed the per diem costs
29 billed to the county region in the fiscal year beginning July
30 1, ~~1996~~ 2016. ~~However, the per diem costs billed to a mental~~
31 ~~health and disability services region may be adjusted annually~~
32 ~~to reflect increased costs, to the extent of the percentage~~
33 ~~increase in the statewide per capita expenditure target amount,~~
34 ~~if any per capita growth amount is authorized by the general~~
35 ~~assembly for the fiscal year in accordance with section 426B.3.~~

1 Sec. 4. Section 331.391, subsection 4, Code 2017, is amended
2 by striking the subsection and inserting in lieu thereof the
3 following:

4 4. *a.* If a region is meeting the financial obligations
5 for implementation of its regional service system management
6 plan for a fiscal year and residual funding is anticipated,
7 the regional administrator shall reserve an adequate amount of
8 unobligated and unencumbered funds for cash flow of expenditure
9 obligations in the next fiscal year.

10 *b.* For fiscal years beginning July 1, 2017, July 1, 2018,
11 and July 1, 2019, that portion of each region's cash flow
12 amount either reserved in the combined account or reserved
13 among all separate county accounts under the control of the
14 governing board that exceeds twenty-five percent of the gross
15 expenditures from the combined account or from all separate
16 county accounts under control of the governing board in the
17 fiscal year preceding the fiscal year in progress shall be used
18 in whole or in part to fund the payment of services provided
19 under the regional service system management plan under section
20 331.393.

21 *c.* Each region shall certify to the department of management
22 on or before December 1, 2020, and each December 1 thereafter,
23 the amount of the region's cash flow amount in the combined
24 account that is attributable to each county within the region
25 based upon each county's proportionate amount of funding and
26 contributions to the region or other methodology specified in
27 the regional governance agreement or certify the cash flow
28 amount for each separate county account that is under the
29 control of the governing board at the conclusion of the most
30 recently completed fiscal year.

31 *d.* (1) For fiscal years beginning on or after July 1, 2021,
32 for each region having a population of one hundred thousand or
33 over, the region's cash flow amount shall not exceed twenty
34 percent of the gross expenditures from the combined account
35 or from all separate county accounts under control of the

1 governing board for the fiscal year preceding the fiscal year
2 in progress.

3 (2) For fiscal years beginning on or after July 1, 2021,
4 for each region having a population of less than one hundred
5 thousand, the region's cash flow amount shall not exceed
6 twenty-five percent of the gross expenditures from the combined
7 account or from all separate county accounts under control of
8 the governing board for the fiscal year preceding the fiscal
9 year in progress.

10 Sec. 5. Section 331.424A, subsection 1, Code 2017, is
11 amended by striking the subsection and inserting in lieu
12 thereof the following:

13 1. For the purposes of part 6 of division III of this
14 chapter, this section, and chapter 426B, unless the context
15 otherwise requires:

16 a. "*Base expenditure amount*" is an amount determined for
17 each county that is the lesser of the following amounts:

18 (1) The county's base year expenditures for mental health
19 and disabilities services, as defined in section 331.424A,
20 subsection 1, paragraph "a", Code 2017.

21 (2) The product of the statewide per capita expenditure
22 target amount multiplied by the county's population for the
23 fiscal year beginning July 1, 2017.

24 b. "*Cash flow reduction amount*" means the amount calculated
25 under subsection 4 and used to reduce a county budgeted amount
26 under subsection 9 for fiscal years beginning on or after July
27 1, 2021.

28 c. "*County budgeted amount*" means the amount calculated
29 under subsection 9 and certified for levy under subsection 6.

30 d. "*County services fund*" means a county mental health and
31 disabilities services fund created pursuant to this section.

32 e. "*Population*" means the population shown by the latest
33 preceding certified federal census or the latest applicable
34 population estimate issued by the federal government, whichever
35 is most recent and available as of July 1 of the fiscal year

1 preceding the fiscal year to which the funding calculations
2 apply.

3 *f.* "Region" means a mental health and disability services
4 region formed in accordance with section 331.389.

5 *g.* "Regional per capita expenditure target amount" means the
6 amount determined in subsection 8 for each region.

7 *h.* "Statewide per capita expenditure target amount" means
8 forty-seven dollars and twenty-eight cents.

9 Sec. 6. Section 331.424A, subsection 4, Code 2017, is
10 amended by striking the subsection and inserting in lieu
11 thereof the following:

12 4. *a.* An amount of unobligated and unencumbered funds,
13 as specified in the regional governance agreement entered
14 into by the county under section 331.392, shall be reserved
15 in the county services fund to address cash flow obligations
16 in the next fiscal year, subject to the limitations of this
17 subsection.

18 *b.* For fiscal years beginning July 1, 2017, July 1, 2018,
19 and July 1, 2019, that portion of each county's cash flow
20 amount reserved in the county services fund that exceeds an
21 amount equal to twenty-five percent of the gross expenditures
22 from the county services fund in the fiscal year preceding
23 the fiscal year in progress shall be used in whole or in part
24 to fund the county's financial obligations for the payment of
25 services provided under the regional service system management
26 plan under section 331.393.

27 *c.* Each county shall, as part of the financial report
28 required under section 331.403, certify the county's cash flow
29 amount in the county services fund at the conclusion of the
30 most recently completed fiscal year.

31 *d.* For each fiscal year beginning on or after July 1,
32 2021, of a county's cash flow amount maintained in the county
33 services fund or of the region's cash flow amount attributable
34 to the county under section 331.391, subsection 4, paragraph
35 "c", an amount equal to the county's cash flow reduction amount

1 shall be used to fund the county's financial obligations for
2 the payment of services provided under the regional service
3 system management plan under section 331.393.

4 e. For each fiscal year beginning on or after July 1, 2021,
5 each county's cash flow reduction amount shall be determined as
6 follows and shall result in a reduction of the county budgeted
7 amount determined pursuant to subsection 9:

8 (1) For each county located in a region having a population
9 of one hundred thousand or over, the county's cash flow
10 reduction amount equals the sum of the county's cash flow
11 amount in the county services fund plus the most recent amount
12 certified by the region for the county under section 331.391,
13 subsection 4, paragraph "c", minus twenty percent of the gross
14 expenditures from the county services fund in the fiscal year
15 preceding the fiscal year in progress. However, the cash flow
16 reduction amount shall not be less than zero and shall not
17 exceed the county budgeted amount determined under subsection 9
18 prior to any reduction resulting from the cash flow reduction
19 amount.

20 (2) For each county located in a region having a population
21 of less than one hundred thousand, the county's cash flow
22 reduction amount equals the sum of the county's cash flow
23 amount in the county services fund plus the most recent amount
24 certified by the region for the county under section 331.391,
25 subsection 4, paragraph "c", minus twenty-five percent of the
26 gross expenditures budgeted from the county services fund for
27 the fiscal year in progress. However, the cash flow reduction
28 amount shall not be less than zero and shall not exceed the
29 county budgeted amount determined under subsection 9 prior to
30 any reduction resulting from the cash flow reduction amount.

31 Sec. 7. Section 331.424A, subsections 6 and 7, Code 2017,
32 are amended to read as follows:

33 6. For each fiscal year, the county shall certify a levy
34 for payment of services. For each fiscal year, county revenues
35 from taxes imposed by the county credited to the county

1 services fund shall not exceed an amount equal to the county
2 budgeted amount of base year expenditures for mental health
3 and disability services for the fiscal year. A levy certified
4 under this section is not subject to the appeal provisions of
5 section 331.426 or to any other provision in law authorizing
6 a county to exceed, increase, or appeal a property tax levy
7 limit.

8 7. Appropriations specifically authorized to be made from
9 the ~~mental health and disabilities~~ county services fund shall
10 not be made from any other fund of the county.

11 Sec. 8. Section 331.424A, subsection 8, Code 2017, is
12 amended by striking the subsection and inserting in lieu
13 thereof the following:

14 8. For the fiscal year beginning July 1, 2017, the regional
15 per capita expenditure target amount is the sum of the base
16 expenditure amount for all counties in the region divided by
17 the population of the region. However, a regional per capita
18 expenditure target amount shall not exceed the statewide
19 per capita expenditure target amount. For the fiscal year
20 beginning July 1, 2018, and each subsequent fiscal year, the
21 regional per capita expenditure target amount for each region
22 is equal to the regional per capita expenditure target amount
23 for the fiscal year beginning July 1, 2017.

24 Sec. 9. Section 331.424A, Code 2017, is amended by adding
25 the following new subsection:

26 NEW SUBSECTION. 9. For the fiscal year beginning July 1,
27 2017, and each subsequent fiscal year, the county budgeted
28 amount determined for each county shall be the amount necessary
29 to meet the county's financial obligations for the payment
30 of services provided under the regional service system
31 management plan approved pursuant to section 331.393, not to
32 exceed an amount equal to the product of the regional per
33 capita expenditure target amount multiplied by the county's
34 population, and, for fiscal years beginning on or after July 1,
35 2021, reduced by the amount of the county's cash flow reduction

1 amount for the fiscal year calculated under subsection 4, if
2 applicable.

3 Sec. 10. Section 331.432, subsection 3, Code 2017, is
4 amended to read as follows:

5 3. Except as authorized in [section 331.477](#), transfers
6 of moneys between the county ~~mental health and disabilities~~
7 services fund created pursuant to [section 331.424A](#) and any
8 other fund are prohibited. This subsection does not apply to
9 appropriations made or the value of in-kind care and treatment
10 provided pursuant to section 347.7, subsection 1, paragraph
11 "c".

12 Sec. 11. Section 347.7, subsection 1, Code 2017, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. c. For the fiscal years beginning July
15 1, 2017, July 1, 2018, and July 1, 2019, if a county public
16 hospital is located in a county having a population of two
17 hundred twenty-five thousand or over and having a county
18 budgeted amount for the fiscal year under section 331.424A,
19 subsection 9, equal to the product of the regional per
20 capita expenditure target amount multiplied by the county's
21 population, as those terms are defined in section 331.424A, the
22 board of trustees shall appropriate for payment on July 1 of
23 each such fiscal year from the county public hospital fund to
24 the board of supervisors for deposit in the county services
25 fund created pursuant to section 331.424A, two million eight
26 hundred thousand dollars, and the county public hospital shall,
27 in each such fiscal year, contract with the county in which the
28 county public hospital is located to provide care and treatment
29 to patients who are residents of the county and whose costs for
30 such care and treatment would otherwise qualify for payment
31 from the county services fund under section 331.424A, in an
32 amount equal to three million five hundred thousand dollars.

33 Sec. 12. Section 426B.1, subsection 2, Code 2017, is amended
34 to read as follows:

35 2. Moneys shall be distributed from the property tax

1 relief fund to counties for the mental health and disability
2 regional service system for ~~providing county base property tax~~
3 ~~equivalent equalization payments and the per capita growth~~
4 ~~amount established pursuant to section 426B.3 mental health and~~
5 ~~disabilities services, in accordance with the appropriations~~
6 made to the fund and other statutory requirements.

7 Sec. 13. Section 426B.2, Code 2017, is amended to read as
8 follows:

9 **426B.2 Property tax relief fund payments.**

10 ~~1.~~ The director of human services shall draw warrants on the
11 property tax relief fund, payable to the county treasurer in
12 the amount due to a county in accordance with ~~section 426B.3~~
13 ~~statutory requirements~~, and mail the warrants to the county
14 auditors in July and January of each year.

15 ~~2.~~ As used in ~~this chapter~~ and in ~~section 331.424A~~, for
16 ~~purposes of population-based funding calculations, "population"~~
17 ~~means the population shown by the latest preceding certified~~
18 ~~federal census or the latest applicable population estimate~~
19 ~~issued by the federal government, whichever is most recent and~~
20 ~~available as of July 1 of the fiscal year preceding the fiscal~~
21 ~~year to which the funding calculations apply.~~

22 Sec. 14. REPEAL. Section 426B.3, Code 2017, is repealed.

23 Sec. 15. COUNTY BUDGET RECERTIFICATION. If this Act takes
24 effect on or after March 15, 2017, notwithstanding section
25 24.17, for the fiscal year beginning July 1, 2017, a county may
26 recertify the county's budget as necessary to implement the
27 provisions of this Act. A budget recertified pursuant to this
28 section must be recertified in duplicate to the county auditor
29 not later than thirty days after the effective date of this
30 Act, and protests to the budget shall be filed not later than
31 ten days after the county's budget is recertified.

32 Sec. 16. MENTAL HEALTH AND DISABILITY SERVICES FUNDING —
33 FISCAL VIABILITY REVIEW DURING 2018 LEGISLATIVE INTERIM. The
34 legislative council is requested to authorize a study
35 committee to analyze the viability of the mental health and

1 disability services funding provisions in this Act, including
2 the methodology used to calculate and determine the base
3 expenditure amount, the county budgeted amount, the regional
4 per capita expenditure target amount, the statewide per
5 capita expenditure target amount, and the cash flow reduction
6 amount. The study committee shall consist of five members of
7 the senate, three of whom shall be appointed by the majority
8 leader of the senate and two of whom shall be appointed by
9 the minority leader of the senate, and five members of the
10 house of representatives, three of whom shall be appointed by
11 the speaker of the house of representatives and two of whom
12 shall be appointed by the minority leader of the house of
13 representatives. The study committee shall meet during the
14 2018 legislative interim to make appropriate recommendations
15 for consideration during the 2019 legislative session in a
16 report submitted to the general assembly by January 15, 2019.

17 Sec. 17. WORKGROUP — MENTAL HEALTH, DISABILITY, AND
18 SUBSTANCE USE DISORDER SERVICES. The department of human
19 services shall convene a stakeholder workgroup to make
20 recommendations relating to the delivery of, access to, and
21 coordination and continuity of mental health, disability, and
22 substance use disorder services and supports for individuals
23 with mental health, disability, and substance use disorder
24 needs, particularly for individuals with complex mental
25 health, disability, and substance use disorder needs. The
26 workgroup shall be comprised of representatives from community
27 mental health centers, law enforcement agencies, the national
28 alliance on mental illness, the Iowa hospital association,
29 the judicial system, mental health and disability services
30 regions, substance abuse treatment providers, the department
31 of public health, and other entities as appropriate. The
32 report shall incorporate selected strategies from community
33 service plans submitted by the mental health and disability
34 services regions to the department of human services pursuant
35 to this Act to address services and supports for individuals

1 with mental health, disability, and substance use disorder
2 needs, particularly for individuals with complex mental health,
3 disability, and substance use disorder needs. The workgroup
4 shall submit a report with recommendations to the governor and
5 general assembly by December 15, 2017.

6 Sec. 18. REGIONAL WORKGROUP — MENTAL HEALTH AND DISABILITY
7 REGIONAL SERVICES.

8 1. The regional administrator of each mental health
9 and disability services region shall convene a stakeholder
10 workgroup to meet on a regular basis, beginning July 1, 2017,
11 to create collaborative policies and processes relating to
12 the delivery of, access to, and continuity of services and
13 supports for individuals with mental health, disability, and
14 substance use disorder needs, particularly for individuals with
15 complex mental health, disability, and substance use disorder
16 needs. Each region shall review resources currently available
17 including the reduction of mental health and disability
18 services fund balances and options for combining funding from
19 different sources, particularly funding available pursuant
20 to Tit. XIX of the federal Social Security Act, and shall
21 consider providing additional services and supports in their
22 own region or partnering with one or more regions to provide
23 additional services and supports to serve such individuals.
24 The workgroup shall be comprised of representatives from
25 hospitals, the judicial system, law enforcement agencies,
26 managed care organizations, mental health providers, crisis
27 service providers, substance abuse providers, the national
28 alliance on mental illness, and other entities as appropriate.

29 2. Each mental health and disability services region
30 shall submit a community service plan to the department of
31 human services by October 16, 2017. The plan shall include
32 planning and implementation time frames and assessment tools
33 for determining the effectiveness of the plan in achieving the
34 department's identified outcomes for success in the delivery
35 of, access to, and coordination and continuity of services and

1 supports for individuals with mental health, disability, and
2 substance use disorder needs, particularly for individuals with
3 complex mental health, disability, and substance use disorder
4 needs, and financial strategies to support the plan including
5 combined funding from different sources, particularly funding
6 available pursuant to Tit. XIX of the federal Social Security
7 Act. The plan shall address how mental health and disability
8 services regions will spend down mental health and disabilities
9 services fund balances remaining from the fiscal year ending
10 June 30, 2016.

11 3. The regional administrator of each mental health and
12 disability services region shall enter into a memorandum of
13 understanding with each of Iowa's managed care organizations
14 that delineates the roles and responsibilities of the region
15 and the managed care organizations in relation to the plan
16 developed by the region to address the services and supports
17 necessary to meet the needs of individuals with mental health,
18 disability, and substance use disorder needs, particularly
19 individuals with complex mental health, disability, and
20 substance use disorder needs.

21 4. In addition to the requirements specified in subsections
22 2 and 3, the eastern Iowa mental health and disability
23 services region shall consult with the department to complete
24 an analysis of the region's mental health, disability, and
25 substance use disorder service and support concerns and
26 identify funding opportunities to address such areas of concern
27 in the region, and shall include information in the region's
28 plan that includes the concerns, strategies to address the
29 concerns, and the budget.

30 5. The department shall submit a report to the governor
31 and general assembly by December 3, 2018, providing a summary
32 of services implemented by each mental health and disability
33 services region and an assessment of each region in achieving
34 the department's identified outcomes for success.

35 Sec. 19. SAVINGS PROVISION. This Act, pursuant to section

1 4.13, does not affect the operation of, or prohibit the
2 application of, prior provisions of law amended or repealed
3 by this Act, or rules adopted under chapter 17A to administer
4 prior provisions of law amended or repealed by this Act, for
5 fiscal years beginning before July 1, 2017.

6 Sec. 20. EFFECTIVE UPON ENACTMENT. This Act, being deemed
7 of immediate importance, takes effect upon enactment.

8 Sec. 21. APPLICABILITY. This Act applies to fiscal years
9 beginning on or after July 1, 2017.>

10 2. Title page, by striking lines 1 through 6 and inserting
11 <An Act relating to mental health and disabilities, including
12 the funding of mental health and disability services by
13 modifying the mental health and disability services property
14 tax levy, providing for the expenditure and deposit of certain
15 county hospital property tax revenues, requiring the use
16 of specified excess cash flow funds, including certain law
17 enforcement notification provisions, and including effective
18 date and applicability provisions.>

RANDY FEENSTRA