Legislative Services Agency

FINAL REPORT

MENTAL HEALTH, MENTAL RETARDATION, DEVELOPMENTAL DISABILITIES, AND BRAIN INJURY (MH/MR/DD/BI) SERVICES FUNDING STUDY COMMITTEE

January 2007

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Authorization and Appointment

The Legislative Council created the Mental Health, Mental Retardation, Developmental Disabilities, and Brain Injury (MH/MR/DD/BI) Services Funding Study Committee for the 2006 Legislative Interim pursuant to a directive contained in 2006 Iowa Acts, chapter 1115 (HF 2780), section 14:

> Sec. 14. ALLOWED GROWTH FUNDING STUDY. A study committee shall be established by the legislative council for the 2006 legislative interim to review the formulas used for distribution of state mental health, mental retardation, and developmental disabilities services allowed growth factor funding to counties and other public funding for the services. The purposes of the review include but are not limited to examining the public sources of the funding and programming for the services and to determine whether the formulas are effective in distributing funds to counties in a manner that best serves Iowans with disabilities while enabling the state and counties to budget effectively for providing the services. The study committee shall hear testimony and provide an opportunity for discussion with counties, advocates for persons with disabilities, and other interested parties. The membership of the study committee shall include at least six members of the senate and five members of the house of representatives. In addition, the membership shall include four ex officio, nonvoting members with two representing the Iowa state association of counties, one representing the department of human services, and one representing the mental health, mental retardation, developmental disabilities, and brain injury commission. It is the intent of the general assembly that the study committee submit a report with findings and recommendations to the governor, the general assembly, and the commission on or before January 1, 2007.

The Legislative Council authorized the Study Committee for two meetings which were held on October 3, 2006, and November 28, 2006.

I. October 3, 2006, Meeting.

Overview. The Committee elected as Co-chairpersons Senator Amanda Ragan, Senator James Seymour, and Representative Dave Heaton. Various panels consisting of staff from the Department of Human Services (DHS), Legislative Services Agency (LSA), Iowa State Association of Counties (ISAC), and county central point of coordination (CPC) offices made presentations regarding the adult mental health, mental retardation, developmental disabilities, and brain injury (MH/MR/DD/BI) service system.

History, Values, and Goals. Presentations were made by Mr. John Pollak, LSA Legal Services Division, Ms. Robyn Wilson, DHS, Ms. Linda Hinton, ISAC, and Mr. Bob Lincoln, CPC Administrator for Black Hawk, Butler, Cerro Gordo, Floyd, and Mitchell Counties. Since 1980, policymakers have sought to address system complexity and disparities. Policy objectives under law include addressing quality services, providing consumer choice and empowerment, focusing services on individual needs, and emphasizing supportive services. Major changes were made in 1993, 1994, and 1995, as laws were enacted to limit county property tax levies for these services to an absolute dollar amount, provide for the state to cover all growth above the county limitations using a distribution formula, and establish the CPC system so professional staff can assist counties in managing service expenditures. Since then, significant effort has been committed to expanding the use of Medicaid funding in this system and targeting the state growth funding to counties who levy at or near the maximum and have low ending fund balances. Some of the service disparity between counties relates to having sufficient population to efficiently deliver a service. Most county service plans provide for a similar array of services. However, the current budget situation has increased the quantity of counties seeking to reduce or eliminate nonmandated services.

Persons Served and Services Provided. Presentations were made by Ms. Jennifer Vermeer, DHS Assistant Medicaid Director, Ms. Deb Schildroth, Committee member and CPC Administrator for Story County, and Ms. Kerri Johanssen, LSA Fiscal Services Division.

- **Medicaid**. Ms. Vermeer outlined the primary Medicaid services that have county funding participation, indicated the total federal and nonfederal amounts expended, and number of persons served in FY 2005-2006. The services identified were intermediate care facilities for persons with mental retardation (ICF/MR) with $225 million in expenditures serving 2,157 persons; home and community-based waiver services with $218 million in expenditures serving 7,700 persons; targeted case management with $18 million in expenditures serving 11,000 persons; and adult rehabilitation option (ARO), which is in the process of transition to remedial services, with $36 million serving 4,126 persons. The information provided did not include drug coverage under

Medicaid. Approximately one-third of Iowa's Medicaid drug coverage costs, or $200 million, are for psychotropic medications.

- **Non-Medicaid Services**. Ms. Schildroth noted that until the last decade or so Medicaid was used only to cover medical services, but now many other services are covered and Medicaid match consumes an ever larger portion of county budgets. She described the non-Medicaid services provided by counties, including nursing, adult day services, homeless outreach, non-Medicaid case management, psychiatric hospitalizations, rent and utility subsidies, and legal costs and evaluations in connection with civil commitments. A client's case manager has the most significant role in coordinating the services provided for the client, in conjunction with a stakeholder group. The CPC office has had a significant role in determining Medicaid services, but the system is in transition for that role to be borne by a licensed practitioner of the healing arts.
- **Statistical and Inflation Information**. Ms. Johanssen discussed statistical information provided by DHS and service cost inflation. The DHS information addresses the clients who receive services through Medicaid. For FY 2005-2006, the largest age cohort was ages 18-29 and approximately 58 percent overall were females. The waiver for mental retardation had the largest service population at 7,701 persons, followed by ARO services at 4,126 persons, ICF/MR at 2,167 persons, and the brain injury waiver had the smallest number at 524. Significant Medicaid funding is derived from client copayments, amounting to more than $22 million in FY 2005-2006. Medical inflation during the period of FY 2000-2001 through FY 2004-2005 remained relatively constant at approximately 5 percent. Annual inflation rates during that period for MH/MR/DD/BI services were close to that figure, with some significant exceptions.

Service Reimbursement Rate Setting. Ms. Julie Jetter, DHS, moderated this panel consisting of Mr. Jeff Marston, DHS, and Ms. Carol Logan, CPC Administrator for Wapello County. Mr. Marston explained the Medicaid rate setting methodology. In general, rates are established with cost reports. The agreed-upon costs for the prior fiscal year are used as the default rate for the current fiscal year. Adjustments are made on an annual basis once the cost reports are submitted. In response to questions from members, it was explained that a provider can request an exception to policy adjustment prior to the annual adjustment when exceptional circumstances exist.

Ms. Logan explained that 65 counties participate in the County Rate Information System (CRIS) that was implemented by counties to replace the old DHS Purchase of Service System. A common cost report is utilized that provides counties with the information needed to set rates. An effort to develop a unified cost report that could be used by both DHS Medicaid and CRIS was not completed.

Members questioned why the other 34 counties have not joined CRIS. CPC administrators present cited a variety of reasons, including a desire to set rates on a competitive basis other

than cost, and that there is not a significant need for CRIS for smaller counties that do not have many services providers present.

Property Tax Portion of System Financing. Presentations made by Mr. Jay Syverson, ISAC, and Ms. Sue Lerdal, LSA Fiscal Services Division, provided property tax information covering primarily the following fiscal years: FY 1996-1997, FY 2000-2001, and FY 2005-2006. Information provided included:

- Since FY 1996-1997, counties have operated under a levy cap that limits the amount levied for MH/MR/DD services funds to a maximum dollar amount that has not been changed. In the first of the fiscal years, when all counties are averaged, system financing consumed nearly 6 percent of all property tax revenues but has declined to just over 3 percent in the latest of the fiscal years.
- Over the 10-year period, overall county expenditures increased by 7.1 percent and the number of adults receiving services increased by 51.3 percent while the statewide population grew by 3.3 percent.
- Because of differences in property valuation growth between counties and other factors, in the most recent fiscal year the mill rate for counties ranged from a low of 35 cents to a high of $2.69 per $1,000 in valuation.
- Counties have steadily been reducing year-end fund balances. In FY 1999-2000, 75 counties representing 51 percent of the state's population had year-end fund balances equal to or greater than 25 percent of the amount expended for the fiscal year, and six counties representing 4 percent of the state's population had fund balances of less than 10 percent. At the end of FY 2004-2005, the 25-percent-plus-fund-balance group declined to 41 counties representing 35 percent of the population, 26 counties representing 42 percent of the state's population had a fund balance of less than 10 percent, and nine counties had negative fund balances.
- Information was provided concerning the annual allowed growth appropriation intended to cover the growth in system expenditures, the allowed growth recommendations made by the MH/MR/DD/BI Commission, the allowed growth recommendations made by the Governor, and the final allowed growth appropriation enacted. For FY 1999-2000, the final appropriation amounted to $18.1 million. It was reduced to $8.8 million for FY 2001-2002, and grew to $38.9 million for FY 2006-2007. Beginning in FY 2001-2002, the annual state appropriation for MH/MR community services was connected to the allowed growth appropriation distribution. The connected appropriation is $17.7 million.
- A graphic explanation of the allowed growth distribution formula was provided. The formula distributes a zero amount to counties that do not levy at least 70 percent of the maximum allowed or carry an ending balance percentage equal to 25 percent or more of expenditures for the fiscal year, and redistributes the savings to counties that meet the levy requirement and have an ending balance percentage less than 25 percent.

Overall Financing of Service System. Mr. Matt Haubrich, DHS, provided an analysis intended to enumerate all funding from federal, state, county, and client contributions in the system. Because information for the analysis was obtained from uncoordinated information sources, it was not possible to identify an unduplicated or complete count of the persons who received services from the funding and it is likely there are funding sources that were not included. In FY 2004-2005, the analysis indicates that just over $1 billion was expended, with $530 million from federal sources, primarily Medicaid and Supplemental Security Income (SSI), $167 million from mixed state/federal sources, $161 million from state sources, $124 million from county sources, and $22 million from client sources. A rough and incomplete approximation of the number of persons served by that funding indicates that at least 48,000 persons received a service at some point during that fiscal year.

Observations. A panel of staff from DHS, LSA, ISAC, and counties provided a list of observations and perceptions concerning the information presented and responded to member questions. Observations included:

- The overall amount of funding committed to these services, the numbers of persons receiving Medicaid services, and the number of services provided have all substantially increased.
- The Medicaid program expenditures are consuming an increasingly larger portion of overall expenditures.
- The largest proportion of the funding is committed to residential costs.
- The expansion of Medicaid waiver services has not resulted in a significant reduction in expenditures for institutional residential services or institutional beds.
- In general, Medicaid does not provide for all the services needed by an individual; non-Medicaid services are needed as well.
- Services currently receiving significant non-Medicaid funding include activities associated with civil commitment, residential care facilities, transportation, therapy, and sheltered workshops. Although some of these services are not Medicaid mandates, many are mandated by Iowa law or comprise a de facto mandate.
- Utilization of the Medicaid program requires an acceptance of the federal requirements for the program.
- The entitlement nature of the Medicaid program means that once a person becomes eligible, as long as the person's eligibility and need for services continues, the financial commitment for the services continues as well.

Perceptions. The panel also listed perceptions and concerns raised concerning the system. Perceptions included:

- Even though the quantities of funding and services provided have all increased, there is significant concern that the rise in demand will outstrip the ability to provide funding to meet that demand.
- There is a multitude of funding sources used for the services in the system. Each year it seems as though the requirements change for one or more of the funding sources,

causing anxiety and difficulties in this system. Current examples include the upcoming Medicaid changes from the ARO to remedial services, and changes in eligibility provisions for supported employment funding provided by Iowa Vocational Rehabilitation Services.

- Community and consumer expectations for the types and quality level of publicly supported services have risen significantly over the last decade and are likely to continue to increase. Consumers have become much more engaged in determining how services are provided.

Discussion. Member discussion included the following:

- Various counties and certain service providers anticipate significant cutbacks in services and the expansion of waiting lists due to funding shortfalls.
- It seems as though the number of young adults with disabilities who have severe behavior problems that cannot be managed in community programs is increasing. Some suggest that additional beds in state institutions may be needed for this population.
- It is difficult to find a pattern among the counties that are experiencing significant financial difficulties. Solutions may have to address multiple problems.
- Interest was expressed in methods to expand county participation in the CRIS.
- Some members expressed interest in developing a new service system model rather than building upon the current fragmented system.
- Some members cautioned that extensive system reform could take a long time and expressed interest in solutions to address problems in the near term.
- Some members expressed interest in strengthening the current state/county partnership system.

II. November 28, 2006, Meeting.

Overview: This was the final of the Study Committee's two authorized meetings. The agenda included a wide spectrum of testimony from representatives of DHS, ISAC, services providers, consumers and advocates, and other interested parties.

Financial Information and Data Observations. Mr. Haubrich, DHS, updated financial information distributed at the first meeting. The information indicates that the total of federal, state, county, and client participation funding sources in FY 2004-2005, approximately $1.1 billion, was expended on adult MH/MR/DD/BI services in Iowa. Mr. Pollak reviewed a list of observations and perceptions concerning the system that was developed by a team of staff from DHS, ISAC, and LSA from data and discussions compiled from the Committee's first meeting.

MH/MR/DD/BI System Redesign Report. Mr. Carl Smith, Study Committee member and Chairperson of the MH/MR/DD/BI Commission, provided an overview and update of the commission's system redesign report that was submitted to the Governor and the General

Assembly in 2004. The report recommendations address:

- System values.
- Assuring access to information.
- Emphasizing the need for service coordination and crisis/emergency services.
- Implementing uniform financial eligibility standards.
- Implementing functional/diagnostic eligibility standards.
- Establishing a definition of residency to replace legal settlement for determining financial responsibility.
- Emphasizing the need to identify a minimum set of core services to be available in all areas.
- Emphasizing service consumer choice and involvement.
- Encouraging multicounty service management.
- Reestablishing a separate division in DHS for MH/MR/DD/BI services.
- Implementing strategies for refocusing the services provided through the state resource centers and mental health institutes, including building community capacity.
- Replacing the current county property tax absolute dollar cap with a uniform levy rate range.
- Distributing state and federal block grant funding through a case rate approach.
- Consolidating various state and federal funding streams.
- Proceeding with a redesign of the children's system as recently recommended.

Functional Assessments. Dr. Michael Flaum, University of Iowa, Ms. Susan Koch-Seehase, Opportunity Homes in Decorah, and Ms. Jan Heikes, CPC Administrator for Allamakee and Winneshiek Counties, presented. They discussed the assessment tools selected and now being tested in various counties to improve the connecting of services to an individual using an appropriation provided for FY 2006-2007. There was also discussion of initiatives to identify outcomes and the importance of viewing quality from the consumer point of view. The efforts to implement evidence-based practices are intended to keep local control while applying standardization. The county plans for FY 2007-2008 will be required to address quality assurance provisions.

Assertive Community Treatment. In discussion with the Committee, it was noted that Iowa has a lot of variability between counties in the use of residential care and community-based care. The Assertive Community Treatment (ACT) team approach, being pilot tested in Iowa and statewide in other states, is effective in avoiding the need for the acute level of treatment for persons with mental illness. Some members expressed interest in making the

ACT team approach available statewide. It was noted that much of the cost savings from the approach is in federal funding sources that have not shown interest in investing in this sort of cost avoidance. Others suggested that more work in educating physicians is needed to reduce reliance on institutional placements.

Case Rates. Mr. Haubrich distributed and discussed an explanation of how case rates may be used as a means of uniformly distributing funding based upon the needs of individual cases. He noted there are four issues to address: investing in good data, finding ways to address financial risk, the frequency with which funding is distributed, and basing distribution on residency rather than legal settlement. Members discussed the need for safeguards to ensure there is no "gaming" of the system.

County Property Tax Levies. Ms. Jane Halliburton, Story County Supervisor and MH/MR/DD/BI Commission member, addressed the property tax provisions in the commission report. She emphasized the commission's goals in this area are to stabilize the system funding and provide a degree of flexibility. Priorities are to consolidate the funding streams into one fund, lift the county absolute dollar caps, and restore the state funding that was removed in FY 2001-2002. Concern was expressed that if the county levy caps are removed, counties will not be consistent about changing those tax provisions leading to increased disparity. Others suggested that there is a belief that the state will not provide the funding needed for these services, so there is significant support among counties to lift the absolute dollar caps in order for needed funding to be provided from property taxes.

Accountability. Ms. Vermeer, DHS Medicaid Assistant Director, Ms. Connie Fett, CPC for Cedar County, and Ms. Shelly Chandler, Iowa Association for Community Providers, all discussed the accountability and quality assurance approaches used in the current system. Each raised concerns about shortcomings in the current system, such as communication between Medicaid and the counties, disparities in the approaches used by the various counties, and multiple reporting requirements. Members inquired about confidentiality restrictions and stressed the need to simplify reporting requirements. Members also commented they are hearing from providers about the need for rate increases and from counties about the lack of financial ability to provide for the increases. Some members expressed preference for cost-based approaches to improve consistency.

Cost Reporting Consistency. Ms. Debbie Johnson, DHS Medicaid, related past discussions between counties and Medicaid concerning differences in cost reports. There are many issues to overcome, including the demands of different funding streams, use of different fiscal years, allowable costs such as the amount allowed for indirect costs, and the changing of cost reports resulting in creation of winners and losers. Ms. Logan, Wapello County CPC Administrator, suggested that these issues can be overcome. Members discussed allowable costs.

Data. Mr. Jim Overland, DHS, distributed data sheets that were recently submitted as part of a federal report. DHS has been using a federal data infrastructure grant to enhance data capabilities. The initial set used to create a new data "warehouse" included data on DHS

billings of counties, DHS billings for Medicaid, state institutions, and the State Payment Program that has now been transferred to county responsibility. The initial set also includes county-only information from 77 of the counties. All counties will be included in the next data set developed after December 2006, when reports are submitted.

Consumers and Advocates. A panel of consumers and advocates made brief presentations. Panel members included Ms. Cherie Clark, Linn County Coordinator for the Conner Center for Independent Living; Mr. Rik Shannon, Governor's DD Council representing the Key Coalition; Ms. Margaret Stout, National Alliance for the Mentally Ill Iowa; Ms. Sylvia Piper, Iowa Protection and Advocacy Services, Inc.; Mr. Casey Westhoff, The ARC – Iowa; and Mr. Jack Holveck, DHS Office of Consumer Affairs. Issues identified and suggestions made include the following:

- The MH/MR/DD/BI Commission redesign report recommendations and reform initiatives of the IowaCare Program should both continue to receive support.
- Accountability measures should support consumers in achieving their outcomes and should enhance consumer choice, control, and community.
- Funding enhancement is needed; the current funding is not adequate and is not distributed fairly.
- The funding system is too complex; it should be simplified.
- Equality and quality of service access needs to be improved.
- Provider documentation requirements are often too medically oriented and not geared to the needs of the consumers.
- Provide an appropriation specifically directed to direct care staff compensation.
- There are many issues with the fairness and consistency of county due process provisions associated with service approvals, denials, and appeals.
- Eliminate the legal settlement process, or remove the barriers caused by it.
- Encourage multicounty approaches, especially with small counties, to improve consistency.
- Address the shortage of mental health professionals by supporting the use of advanced registered nurse practitioners and applying other approaches.
- Revisit the mental health insurance parity laws to better address substance abuse and other needs.
- Improve data systems.
- Make sure that DHS, public health, corrections, counties, and the justice system all work together to better address the needs of persons with mental illness who become involved with criminal justice.
- Move to state funding and administration of the system.

Provider Panel. A panel of providers made brief presentations. The panelists included Ms. Shannon Strickler, Iowa Hospital Association, Ms. Chandler, Association of Community Providers, Mr. Don Vonnahme, ISAC, and Ms. Diane Diamond, DHS, representing targeted case management providers. Issues identified and suggestions made include the following:

- Address the shortage of mental health professionals.
- Consider developing a "subacute" care category.
- Substance abuse and mental illness are very often coexisting and should be addressed together.
- Slow down the rate of change in the system.
- Implement measures to address the potential for conflict of interest among funders and providers and those who utilize services.
- Provide an oversight authority which ensures accountability and standardization of systems and processes.
- Consider establishing an independent oversight board and take other measures to provide more incentives and consequences to improve consistency and quality.
- Move from the current absolute dollar cap on county property tax revenue to a levy rate.

Growth Recommendation. Mr. Smith and Ms. Lerdal, LSA Fiscal Services Division, discussed the status of the commission's recommendation for allowed growth for FY 2007-2008 and FY 2008-2009. The commission did not complete its recommendation for FY 2008-2009, but discussed the need to revisit the growth amount enacted for FY 2007-2008 to restore the amount of the reduction applied in FY 2001-2002. Ms. Lerdal supplied a calculation of inflation on the original reduction amount resulting in a figure of $20.4 million to restore the reduction. In addition, late in the 2006 legislative process, $3.1 million was added for FY 2005-2006 that was previously suggested should be included for FY 2006-2007. It was noted that another $2.1 million was added for counties to assume responsibility for state cases in FY 2005-2006.

Small Counties. Mr. Todd Rickert, CPC Administrator for Tama and Grundy Counties, and Ms. Lonnie Maguire, CPC Administrator for Harrison, Monona, and Shelby Counties, discussed the financing issues faced by small counties. Both had experienced challenges with counties that had negative fund balances and related strategies used. Close attention to accounting and extensive communications with providers and consumers was needed to make reductions in order to balance the budgets.

Large Counties. Mr. Lynn Ferrell, CPC Administrator for Polk County and MH/MR/DD/BI Commission member, discussed county fund balance problems and the various Medicaid provisions that allowed counties to maintain services within the tight funding experienced in the last several years. He noted that if a 12 percent cost increase is expected for Medicaid, a 6 percent increase for county MH/MR/DD/BI services will result, since Medicaid is half of the expenditures, but allowed growth has rarely been increased by more than 2 percent per year.

He provided a list of the waiting list and service elimination measures that have been or will be implemented by Polk County to reduce expenditures. Mr. Smith noted that the commission is increasingly receiving service plan amendments from counties to reduce services.

Proposals and Suggestions. Co-chairperson Heaton asked LSA staff to compile the suggestions and recommendations made for the Committee's review. Senator Tinsman provided a number of suggestions. Senator Tinsman and Representative Carroll were recognized for their leadership and efforts to improve MH/MR/DD/BI services.

III. Compilation of Suggestions and Proposals Provided to or Discussed by Committee.

At the close of the November meeting, Co-chairperson Heaton directed staff to compile a list of the suggestions and proposals that were provided to or discussed by the Committee. This list was compiled by LSA Legal Services Division staff from Committee briefings, minutes, and notes. The source of the suggestion or proposal item is provided in bracketed text in each item.

A. Funding.

1. Add the additional growth increase approved for FY 2006-2007 into the growth approved for FY 2007-2008. Background: Similar to school aid, the General Assembly enacts the amount of growth for MH/DD two years ahead. Right at the end of the 2006 Legislative Session, additional per capita growth formula funding was provided for FY 2006-2007, but this additional amount was not included in the appropriation made for FY 2007-2008. [The additional amount is $3.1 million.] Plus there was a shift in the $2 million risk pool into the per capita formula instead of to Medicaid, as was the practice in the preceding several fiscal years. [from Committee discussion of growth funding history information provided at the October meeting]
2. Address the current funding problems while work continues on developing long-term system reforms. [Committee discussion at close of October meeting]
3. Encourage the MH/MR/DD/BI Commission to provide options to the General Assembly for distribution of the new incentive pool created in HF 2780 (2006 Iowa Acts, ch. 1115). [Committee discussion during October meeting]
4. Consider options for rebasing county property tax funding for MH/MR/DD/BI services. [Commission Redesign Update–November meeting]
5. Provide a source of funding for service coordination. [Commission Redesign Update–November meeting]
6. Substantially increase the funding available in the system. [various advocates and CPC representatives testifying at the November meeting]
7. Restore to county allowed growth funding beginning in FY 2007-2008 the amount that was removed from allowed growth funding in FY 2001-2002, as adjusted to reflect increases made since then ($20.4 million). [initial commission growth recommendation from commission's November 2006 meeting]

8. Implement the commission recommendation to consolidate the existing state funding distributed to counties into a single stream. [Commission Redesign Update–November meeting]
9. Consider options to replace the current absolute dollar cap on county MH/MR/DD funding with a minimum/maximum levy rate cap as proposed by the commission or some other levy rate limitation. [Commission Redesign Update and various CPCs and advocates at the November meeting]
10. Continue developing options for public funding to be distributed based on residency rather than legal settlement. [Commission Redesign Update and various CPCs and advocates at the November meeting]
11. Provide initial funding to begin implementing the children's system redesign proposed by the commission. [Commission Redesign Update–November meeting]

B. Accountability.

1. Enhance accountability measures applicable to the state, counties, and providers. Background: It was suggested at the October meeting that the state should improve the response to county concerns with Medicaid regarding particular cases. It was suggested at the November meeting that additional sanction options are needed to address counties with deficient service plans or service provision. A similar concern was expressed about service providers. [additional testimony provided from DHS, CPCs, and service providers at the November meeting]
2. Improve the consistency as to how the CRIS system and other reporting processes are used by counties in negotiating with service providers. [Association of Community Providers testimony–November meeting]
3. Make the cost reports consistent that are used with providers by counties and Medicaid. [suggestion at the October meeting and panel presentation at the November meeting]
4. DHS and counties should take additional steps to ensure that counties comply with and improve due process safeguards applicable to service determinations and appeals. [Iowa Protection and Advocacy Paper distributed at the November meeting]
5. Shift responsibility for system administration and funding from the counties to the state. [various persons testifying at the November meeting]

C. System Improvements.

1. Continue developing functional assessments and refine the options for using a case rate approach. Background: These approaches have been advocated by the commission to improve services and as part of the efforts to move to a funding system in which funding follows the person. [Commission Redesign Update, Iowa Hospital Association, DHS staff, Committee discussion at the November meeting]
2. Make the clarifications regarding choice and empowerment offered in the Commission Redesign Update. [Commission Redesign Update–November meeting]

3. Encourage efforts to build good communication between the new Mental Health and Disability Services Division and the Medicaid Enterprise. [Commission Redesign Update–November meeting]
4. Support additional staffing and other resources to improve the data systems for the system. One of the data goals is to be able to track the funding provided for services to individuals. [Commission Redesign Update–November meeting]
5. Continue work on the shift of state cases to county management, on the requirement for the county of legal settlement to fund services based on the county of residence management plan, and on other efforts to address services based upon residency rather than legal settlement. [Commission Redesign Update–November meeting]
6. Apply the principles offered by the Iowa Association of Community Providers in addressing MH/MR/DD/BI services. [Iowa Association of Community Providers testimony–November meeting]
7. Support efforts to improve access to behavioral health professionals such as those offered by the Iowa Hospital Association. [Iowa Hospital Association and Iowa Alliance for the Mentally Ill–testimony at November meeting]
8. Consider the suggestions offered by the Iowa Hospital Association for improving the Iowa Plan. [Iowa Hospital Association testimony–November meeting]
9. Expand Iowa's mental health parity law to include all mental health diagnoses and substance abuse disorders. [Iowa Hospital Association and Iowa Alliance for the Mentally Ill–testimony–November meeting]

IV. Materials Filed with the Legislative Services Agency–Legal Services Division.

The following list of materials was distributed at or in connection with the Committee meetings. The materials may be accessed on the Internet from the <Additional Information> link on the Committee's Internet page:

http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=155

A. October 3, 2006, Meeting.

1. Committee Rules of Procedure.
2. System Descriptions and Objectives in Statute and Previous Reform Recommendations - John Pollak, LSA Legal Services Division.
3. System Milestones and Legislative History - DHS.
4. County Services Overview (from ISAC new officers manual).
5. Inflation Information - Kerri Johannsen, LSA Fiscal Services Division.
6. Current Medicaid clients with county cost share - by age category - DHS.
7. Gender of Medicaid clients with county cost share - DHS.
8. Medicaid utilization - Specific Program/Service clients FY 2001-2006 - DHS.
9. Medicaid clients with county cost share - client copays - DHS.
10. ISAC County Rate Information System (CRIS) - ISAC.

11. Property Tax Portions by Levying Authority - ISAC.
12. County Expenditures and Persons Served Per Capita FY1997-2005 - LSA Fiscal – Sue Lerdal, LSA Fiscal Services Division.
13. County Fund Balances by Percentage of General Population - ISAC.
14. Map of county fund balance percentages for FY 2005 - ISAC.
15. Historical MH/DD Growth - Commission Recommendations/Governor's Rec/Actual - LSA Fiscal – distributed by Sue Lerdal, LSA Fiscal Services Division.
16. Flow chart explanation of allowed growth distribution formulas - distributed by Jay Syverson, ISAC.
17. Estimated Allowed Growth FY 2007 distribution - Sue Lerdal, LSA Fiscal Services Division.
18. DHS Service County Billings & County Expenditures for all Other Services - DHS.
19. Federal share of Medicaid Dollars in County Disability Funding - DHS.
20. Total Mental Health Medicaid Expenditures - DHS.
21. Overall Disability System Funding - DHS.
22. Overall System Funding by General Source - DHS.
23. List of Observations About Overall System Expenditures - distributed by DHS, ISAC, and LSA.
24. Provider Materials Regarding a Crisis in the Current Service System received by Co-chairperson Heaton.

B. November 28, 2006, Meeting.

1. Overall Disability System Funding - Update - distributed by DHS.
2. Previously distributed observations and perceptions from October 3 Meeting.
3. MH/MR/DD/BI Commission System Redesign Report - 2006 Update - MH/MR/DD/BI Commission.
4. Commission Recommendations PowerPoint Slides - Carl Smith, MH/MR/DD/BI Commission Chairperson.
5. DHS Description of Medicaid Program Accountability - Integrity Provisions - Jennifer Vermeer, DHS.
6. DHS Discussion of Consolidating Cost Reports - Debbie Johnson, DHS.
7. DHS Description of How Case Rates Might Work - Jim Overland and Matt Haubrich, DHS.
8. Iowa Protection & Advocacy Services, Inc. White Paper.
9. Iowa Association of Community Providers - Principles for System - Shelly Chandler, Iowa Association of Community Providers.
10. Iowa Hospital Association Issue Review of Behavioral Health Care Access for Iowans - Shannon Strickler, Iowa Hospital Association.
11. Growth Distribution Formula Flowchart and Recap of Commission Growth Recommendation as of 11/16/2006 - Sue Lerdal, LSA Fiscal Services Division.
12. Mental Health Statistics - DHS Report to Federal Government.

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