

REPORT TO LEGISLATIVE COUNCIL  
December 17, 1969

- I. The Legislative Council authorized the Subcommittee on Finances of the Social Services Standing Committee to hold six meetings. The members of the Legislative Council felt it would take one to ten meetings to do the job.
- II. Legal Committee -- 3 Senate -- 3 House.  
Senator Ernest Kosek, Chairman      Rept. Leonard C. Andersen  
Senator Minnette Doderer            Rept. Michael T. Blouin  
Senator Richard L. Stephens        Rept. Murray C. Lawson
- III. Definite Recommendations:
  1. House File 610 -- presently the law says that we "shall" contract with private organizations to process the payment of services for medical assistance and the Blue Cross-Blue Shield is now doing this. The word "shall" should be changed to "may" so that the Department could assume this responsibility when computers and personnel are available at a lesser cost than we are being charged for this service.
  2. Overutilization:
    - A. Vendors who furnish our 14 services. The five basic services must be provided (inpatient hospital, outpatient hospital, physician's services, skilled nursing care, diagnostic and laboratory services).
    - B. Recipients or patients -- copy of bill or charges.  
Recipients -- copy of the patient's bill goes to patient and County Welfare Director.
  3. Alcoholism - special tax of 5% of the gross sales of alcohol in the state shall be used for the payment of treatment of alcoholism.
  4. House File 68 - as amended by the Senate. Implemented by allocating an additional 5% of all proceeds spent for ADC.  
Note: At the present time H.F. 68 provides for the first 5% to be used for training people to work and become self-

sufficient and care of the children in Day Centers while the parent is working.

5. Implementation of House File 321. Became a law during the last session and request annual report to the Committees on Social Services and the legislature.
6. If we find that we cannot live within our present budget and cannot raise additional taxes, that the Social Services Department be instructed to cut the number of services that they offer from 14 to the five basic services which HEW require if we are to receive the same amount of federal funds that we now receive.
7. We recommend that legislation be passed authorizing the Social Services Department to negotiate contracts with private insurance companies to provide the services that we offer under Medicaid and any other appropriate services that we can have private enterprise under and service more efficiently and economically than the State of Iowa is doing at the present time. Similar to the Private Insurance Pilot trial of 600 ADC recipients for whom we understand the Social Services Department has requested Federal Government approval and funds.

ERNEST KOSEK