

**REPORT OF THE FISCAL COMMITTEE TO THE
LEGISLATIVE COUNCIL**

October 24, 1995

The Fiscal Committee met October 24, 1995, in Room 22 of the State Capitol.

The Committee made no recommendations to the Legislative Council.

The Committee discussed:

- Revenue Update
- The ICN Update including the 461 Task Force Report
- Appropriation lease purchase notification by the Computer Support Bureau to update the Unisys Mainframe Computer. The upgrade would include purchasing a Unisys Mainframe 2200/500 to upgrade the computer hardware and renew the software lease contract. The estimated cost is \$1,860,750 for principle and \$350,090 interest for a total of \$2,156,840 over a five-year period. The cost of replacing the current mainframe is less than the cost of maintaining the current system.
- Federal Update:
 - Memo from Jon Neiderbach with an update on Congressional action.
 - Telephone conference call with Phil Smith, State/Federal Office in Washington, D.C. Mr. Smith discussed proposals for welfare reform, workforce development, Medicaid, taxes, Medicare, and the farm bill.
- Welfare Reform:
 - An *Issue Review* entitled "Welfare Reform Update", was presented.
 - Doug Howard from the Department of Human Services (DHS) presented graphs depicting an analysis of the Family Investment Program (FIP) caseload, AFDC/FIP gross monthly payout over a ten-year span, and the key indicators of Iowa's welfare reform.
- Medical Assistance Expenditures:
 - Larry Sigel, LFB, presented the weekly Medical Assistance Expenditures in the Department of Human Services.
 - Don Herman, DHS, discussed federal proposals to change the Medicaid program from an entitlement program to a block grant to the states.
- Managed Mental Health Care (Mental Health Assistance Plan)
 - An *Issue Review* entitled "Update on Managed Mental Health Care", was presented.
 - An *Issue Review* entitled "Substance Abuse Managed Care Contract Status Update" was presented.

- Don Herman, DHS
- The Committee heard presentations from the following individuals including representatives from the departments involved, MBC executives, care providers, and advocates for the mentally ill. Copies of their prepared remarks are on file with the official copy of the minutes.
 - Janet Zwick, Department of Public Health (DPH), and Paul Headquist, National Council on Alcoholism
 - John Easter, Iowa State Association of Counties
 - Margaret Stout, Executive Director, Alliance for Mentally Ill
 - Kirk Norris, Senior Vice-President/Legal Counsel, Iowa Hospitals and Health Systems
 - Dr. P.B. Raju, Covenant Medical Center (Waterloo)
 - Carolyn Leute, Gannon Center for Community Mental Health (Dubuque)
 - Linda Goeldner, Iowa Nurses Association
 - Ralph Rosenberg, Executive Director, Coalition for Family and Children's Services in Iowa
 - Donna Walgren, Executive Director, Children and Families of Iowa
- Phil Micali, Chief Operating Officer, and David Stone, Executive Vice President, and Dr. Chuck Wadley, Medical Director of Merit Behavioral Care Corporation (MBC), formerly known as Medco, presented a response and perspective from MBC. They explained MBC's efforts to address the issues raised by the various parties, and emphasized their commitment to a long relationship with Iowa. They addressed many specific concerns raised by the previous presentations. A copy of their presentation is on file with the official copy of the minutes.
- Iowa Inheritance Tax and Elderly Migration:
 - An *Issue Review* entitled "Iowa Inheritance Tax and Elderly Migration", was presented.
- The next meeting of the Legislative Fiscal Committee is tentatively scheduled for Tuesday, November 21, 1995, in Room 22 of the State Capitol.

Respectfully submitted,

Senator Larry Murphy
Co-chairperson

Representative Dave Millage
Co-chairperson