



THOMAS J. VILSACK  
GOVERNOR

**OFFICE OF THE GOVERNOR**

SALLY J. PEDERSON  
LT. GOVERNOR

April 19, 2004

The Honorable Chester Culver  
Secretary of State  
State Capitol Building  
L O C A L

Dear Mr. Secretary:

I hereby transmit:

**House File 2537**, an Act addressing redesign of the system for services and other support provided for persons with mental illness, mental retardation or other developmental disabilities, or brain injury.

The above House File is hereby approved this date.

Sincerely,

A handwritten signature in black ink that reads "Thomas J. Vilsack".

Thomas J. Vilsack  
Governor

TJV:jmc

cc: Secretary of the Senate  
Chief Clerk of the House





HOUSE FILE 2537

AN ACT

ADDRESSING REDESIGN OF THE SYSTEM FOR SERVICES AND OTHER  
SUPPORT PROVIDED FOR PERSONS WITH MENTAL ILLNESS, MENTAL  
RETARDATION OR OTHER DEVELOPMENTAL DISABILITIES, OR BRAIN  
INJURY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

COMMISSION -- SINGLE ENTRY POINT PROCESS NAME CHANGES

Section 1. Section 135C.23, subsection 2, unnumbered  
paragraph 2, Code 2003, is amended to read as follows:

This section does not prohibit the admission of a patient with a history of dangerous or disturbing behavior to an intermediate care facility for persons with mental illness, intermediate care facility for persons with mental retardation, nursing facility, or county care facility when the intermediate care facility for persons with mental illness, intermediate care facility for persons with mental retardation, nursing facility, or county care facility has a program which has received prior approval from the department to properly care for and manage the patient. An intermediate care facility for persons with mental illness, intermediate care facility for persons with mental retardation, nursing facility, or county care facility is required to transfer or discharge a resident with dangerous or disturbing behavior when the intermediate care facility for persons with mental illness, intermediate care facility for persons with mental retardation, nursing facility, or county care facility cannot control the resident's dangerous or disturbing behavior. The department, in coordination with the state mental health and, mental retardation, developmental disabilities, and brain

injury commission created in section 225C.5, shall adopt rules pursuant to chapter 17A for programs to be required in intermediate care facilities for persons with mental illness, intermediate care facilities for persons with mental retardation, nursing facilities, and county care facilities that admit patients or have residents with histories of dangerous or disturbing behavior.

Sec. 2. Section 154D.2, subsection 1, paragraph b, Code 2003, is amended to read as follows:

b. Has at least two years of supervised clinical experience or its equivalent as approved by the board in consultation with the mental health and, mental retardation, developmental disabilities, and brain injury commission created in section 225C.5.

Sec. 3. Section 154D.2, subsection 2, paragraph b, Code 2003, is amended to read as follows:

b. Has at least two years of clinical experience, supervised by a licensee, in assessing mental health needs and problems and in providing appropriate mental health services as approved by the board of behavioral science examiners in consultation with the mental health and, mental retardation, developmental disabilities, and brain injury commission created in section 225C.5.

Sec. 4. Section 225C.2, subsection 2, Code 2003, is amended to read as follows:

2. "Commission" means the mental health and, mental retardation, developmental disabilities, and brain injury commission.

Sec. 5. Section 225C.5, subsection 1, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

A mental health and, mental retardation, developmental disabilities, and brain injury commission is created as the state policy-making body for the provision of services to persons with mental illness, mental retardation or other developmental disabilities, or brain injury. The commission shall consist of sixteen voting members appointed to three-year staggered terms by the governor and subject to confirmation by the senate. Commission members shall be appointed on the basis of interest and experience in the fields of mental health, mental retardation or other developmental disabilities, and brain injury, in a manner so

as to ensure adequate representation from persons with disabilities and individuals knowledgeable concerning disability services. The department shall provide staff support to the commission, and the commission may utilize staff support and other assistance provided to the commission by other persons. The commission shall meet at least four times per year. Members of the commission shall include the following persons who, at the time of appointment to the commission, are active members of the indicated groups:

Sec. 6. Section 225C.7, subsection 3, Code 2003, is amended to read as follows:

3. If a county has not established or is not affiliated with a community mental health center under chapter 230A, the county shall expend a portion of the money received under this appropriation to contract with a community mental health center to provide mental health services to the county's residents. If such a contractual relationship is unworkable or undesirable, the ~~mental-health-and-developmental~~ ~~disabilities~~ commission may waive the expenditure requirement. However, if the commission waives the requirement, the commission shall address the specific concerns of the county and shall attempt to facilitate the provision of mental health services to the county's residents through an affiliation agreement or other means.

Sec. 7. Section 227.4, Code 2003, is amended to read as follows:

227.4 STANDARDS FOR CARE OF PERSONS WITH MENTAL ILLNESS OR ~~MENTAL-RETARDATION~~ DEVELOPMENTAL DISABILITIES IN COUNTY CARE FACILITIES.

The administrator, in cooperation with the department of inspections and appeals, shall recommend, and the mental health ~~and~~, mental retardation, developmental disabilities, and brain injury commission created in section 225C.5 shall adopt standards for the care of and services to persons with mental illness or ~~mental-retardation~~ developmental disabilities residing in county care facilities. The standards shall be enforced by the department of inspections and appeals as a part of the licensure inspection conducted pursuant to chapter 135C. The objective of the standards is to ensure that persons with mental illness or ~~mental~~ retardation developmental disabilities who are residents of

county care facilities are not only adequately fed, clothed, and housed, but are also offered reasonable opportunities for productive work and recreational activities suited to their physical and mental abilities and offering both a constructive outlet for their energies and, if possible, therapeutic benefit. When recommending standards under this section, the administrator shall designate an advisory committee representing administrators of county care facilities, county mental health and developmental disabilities regional planning councils, and county care facility resident advocate committees to assist in the establishment of standards.

Sec. 8. Section 229.24, subsection 3, unnumbered paragraph 1, Code 2003, is amended to read as follows:

If all or part of the costs associated with hospitalization of an individual under this chapter are chargeable to a county of legal settlement, the clerk of the district court shall provide to the county of legal settlement and to the county in which the hospitalization order is entered, in a form prescribed by the mental health and, mental retardation, developmental disabilities, and brain injury commission, the following information pertaining to the individual which would be confidential under subsection 1:

Sec. 9. Section 230A.2, Code 2003, is amended to read as follows:

230A.2 SERVICES OFFERED.

A community mental health center established or operating as authorized by section 230A.1 may offer to residents of the county or counties it serves any or all of the mental health services defined by the mental health and, mental retardation, developmental disabilities, and brain injury commission in the state mental health plan.

Sec. 10. Section 230A.16, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The administrator of the division of mental health and developmental disabilities of the department of human services shall recommend and the mental health and, mental retardation, developmental disabilities, and brain injury commission shall adopt standards for community mental health centers and comprehensive community mental health programs, with the overall objective of ensuring that each center and each affiliate providing services under contract with a center

furnishes high quality mental health services within a framework of accountability to the community it serves. The standards shall be in substantial conformity with those of the psychiatric committee of the joint commission on accreditation of health care organizations and other recognized national standards for evaluation of psychiatric facilities unless in the judgment of the administrator of the division of mental health and developmental disabilities, with approval of the mental health and, mental retardation, developmental disabilities, and brain injury commission, there are sound reasons for departing from the standards. When recommending standards under this section, the administrator of the division shall designate an advisory committee representing boards of directors and professional staff of community mental health centers to assist in the formulation or revision of standards. At least a simple majority of the members of the advisory committee shall be lay representatives of community mental health center boards of directors. At least one member of the advisory committee shall be a member of a county board of supervisors. The standards recommended under this section shall include requirements that each community mental health center established or operating as authorized by section 230A.1 shall:

Sec. 11. Section 230A.17, Code 2003, is amended to read as follows:

230A.17 REVIEW AND EVALUATION.

The administrator of the division of mental health and developmental disabilities of the department of human services may review and evaluate any community mental health center upon the recommendation of the mental health and, mental retardation, developmental disabilities, and brain injury commission, and shall do so upon the written request of the center's board of directors, its chief medical or administrative officer, or the board of supervisors of any county from which the center receives public funds. The cost of the review shall be paid by the division.

Sec. 12. Section 230A.18, Code 2003, is amended to read as follows:

230A.18 REPORT OF REVIEW AND EVALUATION.

Upon completion of a review made pursuant to section 230A.17, the review shall be submitted to the board of

directors and chief medical or administrative officer of the center. If the review concludes that the center fails to meet any of the standards established pursuant to section 230A.16, subsection 1, and that the response of the center to this finding is unsatisfactory, these conclusions shall be reported to the mental health and, mental retardation, developmental disabilities, and brain injury commission which may forward the conclusions to the board of directors of the center and request an appropriate response within thirty days. If no response is received within thirty days, or if the response is unsatisfactory, the commission may call this fact to the attention of the board of supervisors of the county or counties served by the center, and in doing so shall indicate what corrective steps have been recommended to the center's board of directors.

Sec. 13. Section 231.44, subsection 2, Code Supplement 2003, is amended to read as follows:

2. The responsibilities of the resident advocate committee are in accordance with the rules adopted by the commission pursuant to chapter 17A. When adopting the rules, the commission shall consider the needs of residents of elder group homes as defined in section 231B.1 and each category of licensed health care facility as defined in section 135C.1, subsection 6, and the services each facility may render. The commission shall coordinate the development of rules with the mental health and, mental retardation, developmental disabilities, and brain injury commission created in section 225C.5 to the extent the rules would apply to a facility primarily serving persons with mental illness, mental retardation, or a other developmental disability, or brain injury. The commission shall coordinate the development of appropriate rules with other state agencies.

Sec. 14. Section 249A.4, subsection 15, Code Supplement 2003, is amended to read as follows:

15. Establish appropriate reimbursement rates for community mental health centers that are accredited by the mental health and, mental retardation, developmental disabilities, and brain injury commission. ~~The reimbursement rates shall be phased in over the three-year period beginning July 17, 1998, and ending June 30, 2001.~~

Sec. 15. Section 249A.12, subsection 5, paragraph a, unnumbered paragraph 1, Code Supplement 2003, is amended to read as follows:

The mental health and, mental retardation, developmental disabilities, and brain injury commission shall recommend to the department the actions necessary to assist in the transition of individuals being served in an intermediate care facility for persons with mental retardation, who are appropriate for the transition, to services funded under a medical assistance waiver for home and community-based services for persons with mental retardation in a manner which maximizes the use of existing public and private facilities. The actions may include but are not limited to submitting any of the following or a combination of any of the following as a request for a revision of the medical assistance waiver for home and community-based services for persons with mental retardation in effect as of June 30, 1996:

Sec. 16. Section 249A.12, subsection 5, paragraph b, Code Supplement 2003, is amended to read as follows:

b. In implementing the provisions of this subsection, the mental health and, mental retardation, developmental disabilities, and brain injury commission shall consult with other states. The waiver revision request or other action necessary to assist in the transition of service provision from intermediate care facilities for persons with mental retardation to alternative programs shall be implemented by the department in a manner that can appropriately meet the needs of individuals at an overall lower cost to counties, the federal government, and the state. In addition, the department shall take into consideration significant federal changes to the medical assistance program in formulating the department's actions under this subsection. The department shall consult with the mental health and, mental retardation, developmental disabilities, and brain injury commission in adopting rules for oversight of facilities converted pursuant to this subsection. A transition approach described in paragraph "a" may be modified as necessary to obtain federal waiver approval.

Sec. 17. Section 249A.31, subsection 1, Code 2003, is amended to read as follows:



1. Providers of individual case management services for persons with mental retardation, a developmental disability, or chronic mental illness in accordance with standards adopted by the mental health ~~and, mental retardation, developmental disabilities, and brain injury~~ commission pursuant to section 225C.6.

Sec. 18. Section 331.424A, subsection 1, Code Supplement 2003, is amended to read as follows:

1. For the purposes of this chapter, unless the context otherwise requires, "services fund" means the county mental health, mental retardation, and developmental disabilities services fund created in subsection 2. The county finance committee created in section 333A.2 shall consult with the ~~mental-health-and-developmental-disabilities~~ state commission in adopting rules and prescribing forms for administering the services fund.

Sec. 19. Section 331.438, subsection 1, paragraph c, Code 2003, is amended to read as follows:

c. "Qualified mental health, mental retardation, and developmental disabilities services" means the services specified on forms issued by the county finance committee following consultation with the ~~mental-health-and-developmental-disabilities~~ state commission.

Sec. 20. Section 331.438, subsection 1, Code 2003, is amended by adding the following new paragraph:

NEW PARAGRAPH. cc. "State commission" means the mental health, mental retardation, developmental disabilities, and brain injury commission created in section 225C.5.

Sec. 21. Section 331.438, subsection 4, paragraph a, Code 2003, is amended to read as follows:

a. The ~~mental-health-and-developmental-disabilities~~ state commission shall make recommendations and take actions for joint state and county planning, implementing, and funding of mental health, mental retardation, ~~and~~ or other developmental disabilities, and brain injury services, including but not limited to developing and implementing fiscal and accountability controls, establishing management plans, and ensuring that eligible persons have access to appropriate and cost-effective services.

Sec. 22. Section 331.438, subsection 4, paragraph b, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The ~~mental-health-and-developmental-disabilities~~ state commission shall do all of the following:

Sec. 23. Section 331.438, subsection 4, paragraph b, subparagraphs (6) and (9), Code 2003, are amended to read as follows:

(6) Consider provisions and adopt rules for counties to implement a single central point of accountability coordination to plan, budget, and monitor county expenditures for the service system. The provisions shall provide options for counties to implement the single central point of coordination in collaboration with other counties.

(9) Adopt rules for the county single-entry central point of coordination and clinical assessment processes required under section 331.440 and other rules necessary for the implementation of county management plans and expenditure reports required for state payment pursuant to section 331.439.

Sec. 24. Section 331.439, subsection 1, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The state payment to eligible counties under this section shall be made as provided in sections 331.438 and 426B.2. A county is eligible for the state payment, as defined in section 331.438, for ~~the a~~ a fiscal year ~~beginning-July-17-19967~~ beginning ~~and-for-subsequent-fiscal-years~~ if the director of human services, in consultation with the ~~mental-health-and-developmental-disabilities~~ state commission, determines for a specific fiscal year that all of the following conditions are met:

Sec. 25. Section 331.439, subsection 1, paragraph b, unnumbered paragraph 1, Code 2003, is amended to read as follows:

The county developed and implemented a county management plan for the county's mental health, mental retardation, and developmental disabilities services in accordance with the provisions of this paragraph "b". The plan shall comply with the administrative rules adopted for this purpose by the ~~mental-health-and-developmental-disabilities~~ state commission and is subject to the approval of the director of human services in consultation with the commission. The plan shall include a description of the county's service management provision for mental health, mental retardation, and

developmental disabilities services. For mental retardation and developmental disabilities service management, the plan shall describe the county's development and implementation of a managed system of cost-effective individualized services and shall comply with the provisions of paragraph "d". The goal of this part of the plan shall be to assist the individuals served to be as independent, productive, and integrated into the community as possible. The service management provisions for mental health shall comply with the provisions of paragraph "c". A county is subject to all of the following provisions in regard to the county's management plan and planning process:

Sec. 26. Section 331.439, subsection 1, paragraph b, subparagraph (1), Code 2003, is amended to read as follows:

(1) The county shall have in effect an approved policies and procedures manual for the county's services fund. The county management plan shall be defined in the manual. The manual submitted by the county as part of the county's management plan for the fiscal year beginning July 1, 2000, as approved by the director of human services, shall remain in effect, subject to amendment. An amendment to the manual shall be submitted to the department of human services at least forty-five days prior to the date of implementation. Prior to implementation of any amendment to the manual, the amendment must be approved by the director of human services in consultation with the ~~mental-health-and-developmental~~ disabilities state commission.

Sec. 27. Section 331.439, subsection 1, paragraph c, subparagraph (2), unnumbered paragraph 1, Code 2003, is amended to read as follows:

A managed care system for mental health proposed by a county shall include but is not limited to all of the following elements which shall be specified in administrative rules adopted by the ~~mental-health-and-developmental~~ disabilities state commission:

Sec. 28. Section 331.439, subsection 1, paragraph d, Code 2003, is amended to read as follows:

d. For mental retardation and developmental disabilities services management, the county must either develop and implement a managed system of care which addresses a full array of appropriate services and cost-effective delivery of

services or contract with a state-approved managed care contractor or contractors. Any system or contract implemented under this paragraph shall incorporate a ~~single-entry~~ central point of coordination and clinical assessment process developed in accordance with the provisions of section 331.440. The elements of the county managed system of care shall be specified in rules developed by the department of human services in consultation with and adopted by the ~~mental health-and-developmental-disabilities~~ state commission.

Sec. 29. Section 331.439, subsection 3, paragraph b, Code 2003, is amended to read as follows:

b. Based upon information contained in county management plans and budgets and proposals made by representatives of counties, the ~~mental-health-and-developmental-disabilities~~ state commission shall recommend an allowed growth factor adjustment to the governor by November 15 for the fiscal year which commences two years from the beginning date of the fiscal year in progress at the time the recommendation is made. The allowed growth factor adjustment shall address costs associated with new consumers of service, service cost inflation, and investments for economy and efficiency. In developing the service cost inflation recommendation, the state commission shall consider the cost trends indicated by the gross expenditure amount reported in the expenditure reports submitted by counties pursuant to subsection 1, paragraph "a". The governor shall consider the state commission's recommendation in developing the governor's recommendation for an allowed growth factor adjustment for such fiscal year. The governor's recommendation shall be submitted at the time the governor's proposed budget for the succeeding fiscal year is submitted in accordance with chapter 8.

Sec. 30. Section 331.440, Code 2003, is amended to read as follows:

331.440 MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES -- ~~SINGLE-ENTRY~~ CENTRAL POINT OF COORDINATION PROCESS.

1. a. For the purposes of this section, unless the context otherwise requires, "~~single-entry~~ central point of coordination process" means a ~~single-entry~~ central point of coordination process established by a county or consortium of

counties for the delivery of mental health, mental retardation, and developmental disabilities services which are paid for in whole or in part by county funds. The single entry central point of coordination process may include but is not limited to reviewing a person's eligibility for services, determining the appropriateness of the type, level, and duration of services, and performing periodic review of the person's continuing eligibility and need for services. Any recommendations developed concerning a person's plan of services shall be consistent with the person's unique strengths, circumstances, priorities, concerns, abilities, and capabilities. For those services funded under the medical assistance program, the single-entry central point of coordination process shall be used to assure that the person is aware of the appropriate service options available to the person.

b. The single-entry central point of coordination process may include a clinical assessment process to identify a person's service needs and to make recommendations regarding the person's plan for services. The clinical assessment process shall utilize qualified mental health professionals and qualified mental retardation professionals.

c. The single-entry central point of coordination and clinical assessment process shall include provision for the county's participation in a management information system developed in accordance with rules adopted pursuant to subsection 3.

2. The department of human services shall seek federal approval as necessary for the single-entry central point of coordination and clinical assessment processes to be eligible for federal financial participation under the medical assistance program. A county may implement the single-entry central point of coordination process as part of a consortium of counties and may implement the process beginning with the fiscal year ending June 30, 1995.

3. An application for services may be made through the single-entry central point of coordination process of a person's county of residence. However, if a person who is subject to a single-entry central point of coordination process has legal settlement in another county or the costs of services or other support provided to the person are the

financial responsibility of the state, an authorization through the single-entry central point of coordination process shall be coordinated with the person's county of legal settlement or with the state, as applicable. The county of residence and county of legal settlement of a person subject to a single-entry central point of coordination process may mutually agree that the single-entry central point of coordination process functions shall be performed by the single-entry central point of coordination process of the person's county of legal settlement.

4. The ~~mental-health-and-developmental-disabilities~~ state commission shall consider the recommendations of county representatives in adopting rules outlining standards and requirements for implementation of the single-entry central point of coordination and clinical assessment processes on the date required by subsection 2. The rules shall permit counties options in implementing the process based upon a county's consumer population and available service delivery system.

Sec. 31. Section 426B.4, Code 2003, is amended to read as follows:

426B.4 RULES.

The mental health ~~and, mental retardation,~~ developmental disabilities, and brain injury commission shall consult with county representatives and the director of human services in prescribing forms and adopting rules pursuant to chapter 17A to administer this chapter.

Sec. 32. Section 426B.5, subsection 2, paragraph c, Code Supplement 2003, is amended to read as follows:

c. A risk pool board is created. The board shall consist of two county supervisors, two county auditors, a member of the mental health ~~and, mental retardation,~~ developmental disabilities, and brain injury commission who is not a member of a county board of supervisors, a member of the county finance committee created in chapter 333A who is not an elected official, a representative of a provider of mental health or developmental disabilities services selected from nominees submitted by the Iowa association of community providers, and two single-entry central point of coordination process administrators, all appointed by the governor, and one member appointed by the director of human services. All

members appointed by the governor shall be subject to confirmation by the senate. Members shall serve for three-year terms. A vacancy shall be filled in the same manner as the original appointment. Expenses and other costs of the risk pool board members representing counties shall be paid by the county of origin. Expenses and other costs of risk pool board members who do not represent counties shall be paid from a source determined by the governor. Staff assistance to the board shall be provided by the department of human services and counties. Actuarial expenses and other direct administrative costs shall be charged to the pool.

Sec. 33. SINGLE ENTRY POINT PROCESS AND COMMISSION TERMINOLOGY CHANGES -- CODE EDITOR'S DIRECTIVE.

1. Sections 218.99, 222.2, 222.13, 222.13A, 222.28, 222.59, 222.60, 222.61, 222.62, 222.64, 222.73, 225.11, 225.15, 225.17, 225C.2, 225C.14, 225C.16, 227.10, 229.1, 229.1B, 229.11, 229.13, 229.14, 229.14A, 229.42, 230.1, 230A.13, 249A.26, 331.439, and 331.440A, Code 2003, and sections 225C.5, 232.2, and 235.7, Code Supplement 2003, are amended by striking the term "single entry point process" and inserting in lieu thereof the term "central point of coordination process".

2. In addition to the name change for the single entry point process, this division of this Act changes the name of the mental health and developmental disabilities commission to the mental health, mental retardation, developmental disabilities, and brain injury commission. The Code editor shall correct any references to the term "single entry point process" or the term "mental health and developmental disabilities commission" anywhere else in the Iowa Code, in any bills awaiting codification, in this Act, and in any bills enacted by the Eightieth General Assembly, 2004 Regular Session or any extraordinary session.

DIVISION II

LEGAL SETTLEMENT DISPUTE RESOLUTION

Sec. 34. NEW SECTION. 225C.6A MENTAL HEALTH, DEVELOPMENTAL DISABILITY, AND BRAIN INJURY SERVICE SYSTEM REDESIGN IMPLEMENTATION.

1. PURPOSE. It is the intent of the general assembly to implement a redesign of the mental health, developmental disability, and brain injury service system over a period of

years in order to transition to a coordinated system for Iowans with mental illness, mental retardation or other developmental disabilities, or brain injury. Because of the significance of the redesign to the persons who may be affected by it and the degree of uncertainty regarding the extent of funding changes necessary for implementation, the department and the commission shall not implement a redesign provision through rulemaking or other means unless specific statutory authority provides for the provision's implementation.

2. INITIAL ACTIVITIES. For the fiscal years beginning July 1, 2004, and July 1, 2005, the commission shall do the following:

a. Identify sources of revenue to support statewide delivery of core disability services to eligible disability populations.

b. Further develop adult disability services system redesign proposals and propose a redesign of the children's disability service system. The redesign of the children's system shall address issues associated with an individual's transition between the two systems.

c. Plan, collect, and analyze data as necessary to issue cost estimates for serving additional populations and providing core disability services statewide.

d. With consumer input, identify and propose standardized functional assessment tools and processes for use in the eligibility determination process when eligibility for a particular disability population group is implemented. The tools and processes shall be integrated with those utilized for the medical assistance program under chapter 249A. For the initial diagnostic criteria, the commission shall consider identifying a qualifying functional assessment score and any of the following diagnoses: mental illness, chronic mental illness, mental retardation, developmental disability, or brain injury.

e. The commission shall adopt a multiyear plan for developing and providing the data, cost projections, revenue requirements, and other information needed to support decision making concerning redesign provisions. The information shall be provided as part of the commission's regular reports to the governor and general assembly or more often as determined to be appropriate by the commission.



f. Propose case rates for disability services.

g. Work with county representatives and other qualified persons to develop an implementation plan for replacing the county of legal settlement approach to determining service system funding responsibilities with an approach based upon residency. The plan shall address a statewide standard for proof of residency, outline a plan for establishing a data system for identifying residency of eligible individuals, address residency issues for individuals who began residing in a county due to a court order or criminal sentence or to obtain services in that county, recommend an approach for contesting a residency determination, and address other implementation issues.

Sec. 35. OTHER REDESIGN ACTIVITIES.

1. The department of human services and the mental health, developmental disabilities, and brain injury commission shall report on the actions taken and proposals made to implement the provisions of section 225C.6A, as enacted by this Act, in the commission's annual report to the governor and general assembly submitted pursuant to section 225C.6 for consideration by the general assemblies meeting in 2005, 2006, and 2007. In addition, the department and commission shall submit a progress report to the governor and general assembly in July 2004, July 2005, and July 2006, on the implementation of the provisions. Any proposal shall include data needed to address the proposal, including the potential impact on counties bordering other states.

2. Subject to funding availability, the department and commission shall address all of the following state-level adult disability service system redesign activities during the fiscal year beginning July 1, 2004, and ending June 30, 2005:

a. Propose a new disability services information technology system.

b. Improve state administration of disability services by consolidating disability services into a new departmental division or other appropriate strategy.

c. Improve the interfaces between departmental administrative units and other state agencies directly or indirectly involved with persons with mental illness, developmental disabilities, or brain injury.

d. Solicit and incorporate input regarding the service system and service system funding from persons receiving services, service providers, and county central point of coordination process administrators.

e. Provide information to the public regarding the service system.

DIVISION III

LEGAL SETTLEMENT DISPUTE RESOLUTION

Sec. 36. NEW SECTION. 225C.8 LEGAL SETTLEMENT DISPUTE RESOLUTION.

1. a. The dispute resolution process implemented in accordance with this section applies to legal settlement disputes and is not applicable to disputes involving persons committed to a state facility pursuant to chapter 812 or rule of criminal procedure 2.22, Iowa court rules, or to disputes of service authorization decisions made through the county single entry point process.

b. If a county receives a billing for services provided to a person under chapter 222, 230, or 249A, or objects to a legal settlement determination certified by the department or another county and asserts either that the person has legal settlement in another county or that the person has no legal settlement or the legal settlement is unknown so that the person is deemed to be a state case, the person's legal settlement status shall be determined as provided in this section. The county shall notify the department of the county's assertion within one hundred twenty days of receiving the billing. If the county asserts that the person has legal settlement in another county, that county shall be notified at the same time as the department. If the department disputes a legal settlement determination certification made by a county, the department shall notify the affected counties of the department's assertion.

2. The department or the county that received the notification, as applicable, shall respond to the party that provided the notification within forty-five days of receiving the notification. If the parties cannot agree to a settlement as to the person's legal settlement status within ninety days of the date of notification, on motion of any of the parties, the matter shall be referred to the department of inspections and appeals for a contested case hearing under chapter 17A

before an administrative law judge assigned in accordance with section 10A.801 to determine the person's legal settlement status.

3. a. The administrative law judge's determination of the person's legal settlement status is a final agency action, notwithstanding contrary provisions of section 17A.15. The party that does not prevail in the determination or subsequent judicial review is liable for costs associated with the proceeding, including reimbursement of the department of inspections and appeals' actual costs associated with the administrative proceeding. Judicial review of the determination may be sought in accordance with section 17A.19.

b. If following the determination of a person's legal settlement status in accordance with this section, additional evidence becomes available that merits a change in that determination, the parties affected may change the determination by mutual agreement. Otherwise, a party may move that the matter be reconsidered.

4. Unless a petition is filed for judicial review, the administrative law judge's determination of the person's legal settlement status shall result in one of the following:

a. If a county is determined to be the person's county of legal settlement, the county shall pay the amounts due and shall reimburse any other amounts paid for services provided under chapter 222, 230, or 249A by the county or the department on the person's behalf prior to issuance of the decision. The payment or reimbursement shall be remitted within forty-five days of the date the decision was issued. After the forty-five-day period, a penalty may be applied as authorized under section 222.68, 222.75, or 230.22.

b. If it is determined that the person has no legal settlement or the legal settlement is unknown so that the person is deemed to be a state case, the department shall credit the county for any payment made on behalf of the person by the county prior to issuance of the decision. The credit shall be applied by the department on a county billing no later than the end of the quarter immediately following the date of the decision's issuance.

Sec. 37. Section 222.61, unnumbered paragraph 1, Code 2003, is amended to read as follows:

When a county receives an application on behalf of any person for admission to a resource center or a special unit or when ~~any~~ a court issues an order committing any person to a resource center or a special unit, the board of supervisors shall utilize the single entry point process to determine ~~or the court shall determine~~ and ~~enter as a matter of record whether~~ certify that the legal settlement of the person is in one of the following:

Sec. 38. Section 222.62, Code 2003, is amended to read as follows:

222.62 SETTLEMENT IN ANOTHER COUNTY.

~~Whenever~~ When the board of supervisors ~~utilizes a~~ determines through the single entry point process ~~to determine or the court determines~~ that the legal settlement of the person is other than in the county in which the application is received ~~or the court is located, the board or court shall, as soon as determination is made, certify such finding~~ the determination shall be certified to the superintendent of the resource center or the special unit where the person is a patient. The certification shall be accompanied by a copy of the evidence supporting the determination. The superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of the patient, to the county ~~so certified until the patient's~~ to be the county of legal settlement shall be otherwise determined as provided by this chapter.

Sec. 39. Section 222.63, Code 2003, is amended to read as follows:

222.63 FINDING OF SETTLEMENT -- OBJECTION.

~~Said finding of~~ A board of supervisors' certification utilizing the single entry point process that a person's legal settlement is in another county shall ~~also be certified~~ sent by the board of supervisors ~~or the court~~ to the county auditor of the county of legal settlement. The certification shall be accompanied by a copy of the evidence supporting the determination. ~~Such~~ The auditor of the county of legal settlement shall ~~lay such notification before~~ submit the certification to the board of supervisors of the auditor's county ~~whereupon~~ and it shall be conclusively presumed that the patient has a legal settlement in ~~said~~ that county unless ~~the that~~ that county ~~shall, within six months, in writing, file with the board of supervisors or the court giving such notice,~~

~~dispute-said-legal-settlement~~ disputes the determination of legal settlement as provided in section 225C.8.

Sec. 40. Section 222.64, Code 2003, is amended to read as follows:

222.64 FOREIGN STATE OR COUNTRY OR UNKNOWN LEGAL SETTLEMENT.

If the legal settlement of the person is found determined by the board of supervisors through a the single entry point process ~~or-the-court~~ to be in a foreign state or country or is found determined to be unknown, the board of supervisors ~~or the-court~~ shall ~~immediately-notify~~ certify the determination to the administrator of-the-finding-and-shall-furnish-the administrator-with-a-copy-of-the-evidence-taken-on-the question-of-legal-settlement. The certification shall be accompanied by a copy of the evidence supporting the determination. The care of the person shall be as arranged by the board of supervisors or by an order as the court may enter. Application for admission or order of commitment may be made pending investigation by the administrator.

Sec. 41. Section 222.65, Code 2003, is amended to read as follows:

222.65 INVESTIGATION.

~~The~~ If an application is made for placement of a person in a state resource center or special unit, the administrator shall immediately investigate the legal settlement of the person and proceed as follows:

1. If the administrator ~~finds-that-the-decision-of-the board-of-supervisors-or-the-court~~ concurs with a certified determination as to legal settlement of the person ~~is-correct~~ so that the person is deemed a state case, the administrator shall cause the person either to be transferred to a resource center or a special unit ~~and-there-maintained-at-the-expense of-the-state~~ or to be transferred to the place of foreign settlement.

2. If the administrator ~~finds-that-the-decision-of-the board-of-supervisors-or-the-court-is-not-correct~~ disputes a certified determination of legal settlement, the administrator shall order the person transferred to a state resource center or a special unit ~~and-there-maintained-at-the-expense-of-the county-of-legal-settlement-in-this-state~~ until the dispute is resolved.

3. If the administrator disputes a certified determination of legal settlement, the administrator shall utilize the procedure provided in section 225C.8 to resolve the dispute. A determination of the person's legal settlement status made pursuant to section 225C.8 is conclusive.

Sec. 42. Section 222.67, Code 2003, is amended to read as follows:

222.67 CHARGE ON FINDING OF SETTLEMENT.

Where If a person has been received into a resource center or a special unit as a patient whose legal settlement is supposedly outside the state or is unknown and the administrator ~~finds~~ determines that the legal settlement of the patient was at the time of admission or commitment in a county of this state, the administrator shall certify the determination and charge all legal costs and expenses pertaining to the admission or commitment and support of the patient to the county of ~~such~~ legal settlement. The certification shall be sent to the county of legal settlement. The certification shall be accompanied by a copy of the evidence supporting the determination. If the person's legal settlement status has been determined in accordance with section 225C.8, the legal costs and expenses shall be charged to the county or as a state case in accordance with that determination. The costs and expenses shall be collected as provided by law in other cases.

Sec. 43. Section 222.70, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

222.70 LEGAL SETTLEMENT DISPUTES.

If a dispute arises between counties or between the department and a county as to the legal settlement of a person admitted or committed to a resource center, a special unit, or a community-based service, the dispute shall be resolved as provided in section 225C.8.

Sec. 44. Section 230.2, unnumbered paragraph 1, Code 2003, is amended to read as follows:

~~The~~ If a person's legal settlement status is disputed, legal settlement shall be determined in accordance with section 225C.8. Otherwise, the district court shall ~~may~~, when ~~a~~ the person is ordered placed in a hospital for psychiatric examination and appropriate treatment, or as soon thereafter as ~~it~~ the court obtains the proper information, determine and

enter of record whether the legal settlement of said the person is one of the following:

Sec. 45. Section 230.3, Code 2003, is amended to read as follows:

230.3 CERTIFICATION OF SETTLEMENT.

If such a person's legal settlement is found determined through the county's single entry point process to be in another county of this state, the court shall, as soon as said determination is made, the county making the determination shall certify such finding the determination to the superintendent of the hospital to which said-patient the person is admitted or committed, and thereupon said. The certification shall be accompanied by a copy of the evidence supporting the determination. Upon receiving the certification, the superintendent shall charge the expenses already incurred and unadjusted, and all future expenses of such-patient, the person to the county so-certified-until-said determined to be the county of legal settlement shall-be otherwise-determined-as-hereinafter-provided.

Sec. 46. Section 230.4, Code 2003, is amended to read as follows:

230.4 CERTIFICATION TO DEBTOR COUNTY.

Said-finding A determination of a person's legal settlement made in accordance with section 230.2 or 230.3 shall also be certified sent by the court or the county to the county auditor of the county of such legal settlement. The certification shall be accompanied by a copy of the evidence supporting the determination. Such The auditor shall lay-such notification-before provide the certification to the board of supervisors of the auditor's county, and it shall be conclusively presumed that such the person has a legal settlement in said the notified county unless said that county shall-within-sixty-days-give-notice-in-writing-to-the-court that-the-county disputes the finding of legal settlement as provided in section 225C.8.

Sec. 47. Section 230.5, Code 2003, is amended to read as follows:

230.5 NONRESIDENTS.

If such a person's legal settlement is found-by-the-court determined in accordance with section 230.2 or 230.3 to be in some a foreign state or country, or is unknown, the court or

~~the county shall immediately notify the~~ certify the  
~~determination to the~~ administrator ~~of the finding and furnish~~  
~~the administrator with a copy of the evidence taken on the~~  
~~question of legal settlement, and shall in its.~~ The  
certification shall be accompanied by a copy of the evidence  
supporting the determination. A court order issued pursuant  
to section 229.13 shall direct that the patient be  
hospitalized at the appropriate state hospital for persons  
with mental illness.

Sec. 48. Section 230.6, Code 2003, is amended to read as  
follows:

230.6 DETERMINATION INVESTIGATION BY ADMINISTRATOR.

The administrator shall immediately investigate the legal  
settlement of said a patient and proceed as follows:

1. If the administrator ~~finds that the decision of the~~  
~~court as to~~ concurs with a certified determination of legal  
settlement ~~is correct~~ concerning the patient, the  
administrator shall cause said the patient either to be  
transferred to a state hospital for persons with mental  
illness at the expense of the state, or to be transferred,  
with approval of the court as required by chapter 229 to the  
place of foreign settlement.

2. If the administrator ~~finds that the decision of the~~  
~~court is not correct~~ disputes a certified legal settlement  
determination, the administrator shall order said the patient  
to be maintained at a state hospital for persons with mental  
illness at the expense of the state, ~~and shall at once inform~~  
~~the court of such finding and request that the court's order~~  
~~be modified accordingly~~ until the dispute is resolved.

3. If the administrator disputes a legal settlement  
determination, the administrator shall utilize the procedure  
provided in section 225C.8 to resolve the dispute. A  
determination of the person's legal settlement status made  
pursuant to section 225C.8 is conclusive.

Sec. 49. Section 230.9, Code 2003, is amended to read as  
follows:

230.9 SUBSEQUENT DISCOVERY OF RESIDENCE.

If, after a patient person has been received into by a  
state hospital for persons with mental illness as a state case  
patient whose legal settlement is supposed to be outside this  
state or unknown, the administrator ~~finds~~ determines that the



legal settlement of ~~said-patient~~ the person was, at the time of admission or commitment, in a county of this state, ~~said the administrator shall certify the determination and~~ charge all legal costs and expenses pertaining to the admission or commitment and support of ~~said-patient~~ the person to the county of ~~such~~ legal settlement, ~~and the same.~~ The certification shall be sent to the county of legal settlement. The certification shall be accompanied by a copy of the evidence supporting the determination. The costs and expenses shall be collected as provided by law in other cases. If the person's legal settlement status has been determined in accordance with section 225C.8, the legal costs and expenses shall be charged to the county or as a state case in accordance with that determination.

Sec. 50. Section 230.12, Code 2003, is amended by striking the section and inserting in lieu thereof the following:

230.12 LEGAL SETTLEMENT DISPUTES.

If a dispute arises between different counties or between the administrator and a county as to the legal settlement of a person admitted or committed to a state hospital for persons with mental illness, the dispute shall be resolved as provided in section 225C.8.

Sec. 51. Section 232.141, subsection 8, Code 2003, is amended to read as follows:

8. This subsection applies only to placements in a juvenile shelter care home which is publicly owned, operated as a county or multicounty shelter care home, organized under a chapter 28E agreement, or operated by a private juvenile shelter care home. If the actual and allowable costs of a child's shelter care placement exceed the amount the department is authorized to pay in accordance with law and administrative rule, the unpaid costs may be recovered from the child's county of legal settlement. However, the maximum amount of the unpaid costs which may be recovered under this subsection is limited to the difference between the amount the department is authorized to pay and the statewide average of the actual and allowable rates in effect in May of the preceding fiscal year for reimbursement of juvenile shelter care homes. In no case shall the home be reimbursed for more than the home's actual and allowable costs. The unpaid costs are payable pursuant to filing of verified claims against the

county of legal settlement. A detailed statement of the facts upon which a claim is based shall accompany the claim. Any dispute between counties arising from filings of claims pursuant to this subsection shall be settled in the manner provided to determine legal settlement in section ~~230-12~~ 225C.8.

Sec. 52. Section 249A.26, Code 2003, is amended by adding the following new subsection:

NEW SUBSECTION. 5. If a dispute arises between different counties or between the department and a county as to the legal settlement of a person who receives medical assistance for which the nonfederal share is payable in whole or in part by a county of legal settlement, and cannot be resolved by the parties, the dispute shall be resolved as provided in section 225C.8.

Sec. 53. Section 252.23, Code 2003, is amended to read as follows:

252.23 TRIAL.

If the alleged settlement is disputed, then, within thirty days after notice as provided in section 252.22, a copy of the notices sent and received shall be filed in the office of the clerk of the district court of the county against which claim is made, and a cause docketed without other pleadings, and tried as an ordinary action, in which the county granting the assistance shall be plaintiff, and the other defendant, and the burden of proof shall be upon the county granting the assistance. However, a legal settlement dispute initiated under chapter 222, 230, or 249A shall be resolved as provided in section 225C.8.

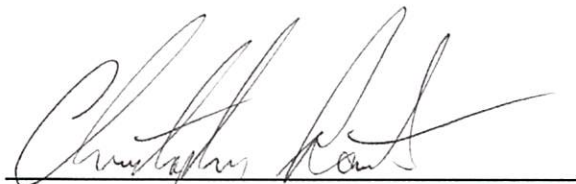
Sec. 54. APPLICABILITY.

1. The timeframes specified in section 225C.8, as enacted by this division of this Act, are applicable to legal settlement disputes involving billings for services provided on or after July 1, 2004.

2. For legal settlement disputes involving billings for services provided prior to July 1, 2004, unless the county disputed the billing prior to July 1, 2004, the person's legal settlement shall be deemed to be in the county that was billed for services provided to the person. However, if a county disputed the billing for a service provided prior to July 1, 2004, and the matter cannot be resolved with the department of

human services or with the other county, in lieu of the forty-five-day period specified in section 225C.8, subsection 2, a party may move for the matter to be resolved in the manner provided in section 225C.8, at any time prior to January 1, 2005. If a party has not made such a motion, effective January 1, 2005, the matter shall be closed and the person's legal settlement shall be in the county that was billed for services provided to the person.

Sec. 55. Sections 222.71, 222.72, 230.13, and 230.14, Code 2003, are repealed.



CHRISTOPHER C. RANTS  
Speaker of the House



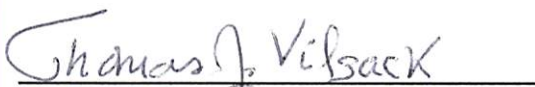
JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2537, Eightieth General Assembly.



MARGARET THOMSON  
Chief Clerk of the House

Approved April 19, 2004



THOMAS J. VILSACK  
Governor