

# House File 2347 - Enrolled

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HOUSE FILE 2347

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1 3 AN ACT  
1 4 RELATING TO THE MEDICAL ASSISTANCE PROVIDER PAYMENT ADJUSTMENTS,  
1 5 PROVIDING FOR TRANSFER, APPROPRIATION, AND DEPOSIT OF FUNDS,  
1 6 PROVIDING AN EFFECTIVE DATE, AND PROVIDING FOR RETROACTIVE  
1 7 APPLICABILITY.  
1 8  
1 9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
1 10  
1 11 Section 1. Section 249J.23, subsection 1, Code Supplement  
1 12 2005, is amended to read as follows:  
1 13 1. An account for health care transformation is created in  
1 14 the state treasury under the authority of the department.  
1 15 Moneys received through the physician payment adjustment as  
1 16 described in 2003 Iowa Acts, chapter 112, section 11,  
1 17 subsection 1, and through the adjustment to hospital payments  
1 18 to provide an increased base rate to offset the high costs  
1 19 incurred for providing services to medical assistance patients  
1 20 as described in 2004 Iowa Acts, chapter 1175, section 86,  
1 21 subsection 2, paragraph "b", from sources including but not  
1 22 limited to appropriations from the general fund of the state,  
1 23 grants, and contributions shall be deposited in the account.  
1 24 The account shall include a separate premiums subaccount.  
1 25 Revenue generated through payment of premiums by expansion  
1 26 population members as required pursuant to section 249J.8  
1 27 shall be deposited in the separate premiums subaccount within  
1 28 the account.  
1 29 Sec. 2. 2004 Iowa Acts, chapter 1175, section 86,  
1 30 subsection 2, paragraph b, unnumbered paragraph 2, and  
1 31 subparagraphs (1), (2), and (3), as amended by 2005 Iowa Acts,  
1 32 chapter 167, section 35, are amended to read as follows:  
1 33 (1) ~~If the~~ The department of human services ~~adjusts shall~~  
1 34 adjust hospital payments to provide an increased base rate to  
1 35 offset the high cost incurred for providing services to  
2 1 medical assistance patients ~~on or prior to July 1 during the~~  
2 2 fiscal year ending June 30, 2005, a portion of the amount  
2 3 ~~specified in this unnumbered paragraph equal to the increased~~  
2 4 ~~Medicaid payment shall be transferred by the university of~~  
2 5 ~~Iowa hospitals and clinics to the medical assistance fund of~~  
2 6 ~~the department of human services. Of the amount transferred,~~  
2 7 ~~an amount equal to the federal share of the payments shall be~~  
2 8 ~~transferred to the account for health care transformation~~  
2 9 ~~created in section 249J.22. The amount of the payment~~  
2 10 adjustment made pursuant to this subparagraph (1) shall be  
2 11 \$20,216,039.  
2 12 (2) Any incremental increase in the base rate made  
2 13 pursuant to subparagraph (1) shall not be used in determining  
2 14 the university of Iowa ~~hospital~~ hospitals and clinics  
2 15 disproportionate share rate or when determining the statewide  
2 16 average base rate for purposes of calculating indirect medical  
2 17 education rates.  
2 18 Sec. 3. 2003 Iowa Acts, chapter 112, section 11,  
2 19 subsection 1, as amended by 2005 Iowa Acts, chapter 167,  
2 20 section 36, is amended to read as follows:  
2 21 1. For the fiscal years beginning July 1, 2003, and ending  
2 22 June 30, 2004, and beginning July 1, 2004, and ending June 30,  
2 23 2005, the department of human services shall institute a  
2 24 supplemental payment adjustment applicable to physician  
2 25 services provided to medical assistance recipients at ~~publicly~~  
2 26 ~~owned state-owned~~ acute care teaching hospitals. The  
2 27 adjustment shall generate supplemental payments to physicians  
2 28 which are equal to the difference between the physician's  
2 29 ~~charge average reimbursement from nongovernmental payors and~~  
2 30 the physician's fee schedule under the medical assistance  
2 31 program. ~~To the extent of the supplemental payments, a~~  
2 32 ~~qualifying hospital shall, after receipt of the payments,~~  
2 33 ~~transfer to the department of human services an amount equal~~  
2 34 ~~to the actual supplemental payments that were made in that~~  
2 35 ~~month. The department of human services shall deposit these~~  
3 1 ~~payments in the department's medical assistance account. The~~  
3 2 payment adjustment amount made pursuant to this subsection  
3 3 shall equal \$34,423,090. The department of human services

3 4 shall amend the medical assistance state plan as necessary to  
3 5 implement this section. The department may adopt emergency  
3 6 rules to implement this section. The department of human  
3 7 services shall amend the medical assistance state plan to  
3 8 eliminate this provision effective June 30, 2005.

3 9 Sec. 4. TRANSFER, APPROPRIATION, AND DEPOSIT OF FUNDS.

3 10 Upon receipt of the supplemental payments described in  
3 11 sections 2 and 3 of this Act, the university of Iowa shall  
3 12 transfer to the general fund of the state, from whatever  
3 13 source available, \$54,639,129, which is an amount equal to the  
3 14 appropriations made pursuant to 2003 Iowa Acts, chapter 182,  
3 15 section 9, subsection 2, paragraph "b", as modified by  
3 16 executive orders 31 and 36, and pursuant to 2004 Iowa Acts,  
3 17 chapter 1175, section 86, subsection 2, paragraph "b". Of the  
3 18 amount transferred to the general fund of the state pursuant  
3 19 to this section, \$19,350,061 is appropriated and shall be  
3 20 deposited in the medical assistance account of the department  
3 21 of human services and \$35,289,068 is appropriated and shall be  
3 22 deposited in the account for health care transformation  
3 23 created in section 249J.23.

3 24 Sec. 5. APPROPRIATION == HEALTH CARE TRANSFORMATION

3 25 ACCOUNT. There is appropriated from the account for health  
3 26 care transformation created in section 249J.23, to the  
3 27 department of human services for the fiscal year beginning  
3 28 July 1, 2005, and ending June 30, 2006, the following amount,  
3 29 or so much thereof as is necessary, for the purposes  
3 30 designated:

3 31 For payments to the university of Iowa hospitals and  
3 32 clinics for provision of services pursuant to and for costs  
3 33 associated with chapter 249J:

3 34 ..... \$ 2,000,000

3 35 Notwithstanding section 8.33, moneys appropriated in this  
4 1 section that remain unencumbered or unobligated at the close  
4 2 of the fiscal year shall not revert, but shall remain  
4 3 available for expenditure for the purposes designated until  
4 4 the close of the succeeding fiscal year.

4 5 Sec. 6. ACTIVITIES SUBSEQUENT TO TRANSFER AND PAYMENTS.

4 6 Subsequent to the transfer of funds by the university of Iowa  
4 7 to the general fund of the state pursuant to section 4 of this  
4 8 Act, the supplemental payments made to the university of Iowa  
4 9 hospitals and clinics and to the carver college of medicine  
4 10 faculty practice plan by the department of human services  
4 11 pursuant to sections 2 and 3 of this Act are irrevocable,  
4 12 notwithstanding any subsequent decision by the centers for  
4 13 Medicare and Medicaid services of the United States department  
4 14 of health and human services or any other state or federal  
4 15 agency. The department of human services is solely  
4 16 responsible for any repayment or payment of any penalty or  
4 17 fine assessed by any state or federal agency on any party  
4 18 relative to the transactions pursuant to sections 2, 3, and 4  
4 19 of this Act.

4 20 Sec. 7. EFFECTIVE AND RETROACTIVE APPLICABILITY DATES.

4 21 1. This Act, being deemed of immediate importance, takes  
4 22 effect upon enactment.

4 23 2. The provision of this Act amending 2003 Iowa Acts,  
4 24 chapter 112, section 11, is retroactively applicable to May 2,  
4 25 2003.

4 26 3. The provision of this Act amending 2004 Iowa Acts,  
4 27 chapter 1175, section 86, is retroactively applicable to May  
4 28 17, 2004.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

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5 5 I hereby certify that this bill originated in the House and  
5 6 is known as House File 2347, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

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5 13 Approved \_\_\_\_\_, 2006  
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5 16 THOMAS J. VILSACK  
5 17 Governor