

January 19, 1970  
Passed on File

SENATE FILE 1081

By COMMITTEE ON SOCIAL SERVICES  
(Radl, Dooley and Andersen)

Passed Senate, Date.....*1-23-70*..... Passed House, Date.....*1-14-70*.....

Vote: Ayes .....*42*..... Nays .....*1*..... Vote: Ayes .....*11*..... Nays .....*2*.....

Approved .....*2-11-70*.....

*1-26 Motion to reconsider filed, withdrawn 1-27*

## A BILL FOR

1 An Act to change the requirement for third-party medical assis-  
2 tance from a mandatory requirement to a permissive require-  
3 ment.

4 *Be It Enacted by the General Assembly of the State of Iowa:*

5 Section 1. Chapter two hundred twenty-three (223), section  
6 five (5), Acts of the Sixty-second General Assembly, is hereby  
7 amended by striking from line twenty-five (25) the word "Shall"  
8 and inserting in lieu thereof the word "May".

### EXPLANATION

Presently the law states that the State Board "shall, to the extent possible, contract with a private organization or organizations whereby such organization will handle the processing and the payment of claims for service, . . .".

At this time the Department of Social Services is spending approximately one million dollars per year for processing and payments of claims and is entirely dependent on outside organizations for processing of claims. Changing "shall" to "may" will contribute materially to the self-sufficiency of the department and should result in considerable savings either through better negotiated contracts or self-processing as computer personnel become available.

1 Amend Senate File 1081, page 1, line 8, by adding after  
2 the period the following sentence: "Further amend said section by  
3 striking from line twenty-nine (29) the second use of the word 'shall'  
4 and inserting in lieu thereof the word 'may'."

Filed and adopted  
January 23, 1970

By KOSEK, STEPHENS and BALLOUN

1 Amend Senate File 1081 as follows:  
2 1. By striking lines 7 and 8 and inserting in lieu thereof the  
3 following:  
4 "amended as follows:  
5 1. By striking from line twenty-five (25) the word 'Shall'  
6 and inserting in lieu thereof the word 'May'.  
7 2. By inserting after the period in line thirty-seven (37)  
8 the following new sentence:  
9 'No private organization or organizations with whom the  
10 department has contracted under this subsection shall include any  
11 portion of the cost of any advertising or promotional material in  
12 any costs which the contract requires the department to pay  
13 directly or indirectly, nor shall such organization or organizations  
14 during the term of the contract refer directly or indirectly to  
15 such contract or in any manner state or imply that the General  
16 Assembly has in any way endorsed such organization or organizations  
17 or assigned thereto any rights, privileges, duties, or responsi-  
18 bilities not available on equal terms to any other private  
19 organization or organizations similarly situated.'  
20 2. By inserting before the period in line 3 the following new  
21 words:  
22 ", and to establish certain requirements for any private  
23 organization contracting with the department of social services  
24 to provide such third-party medical assistance".

Filed *(Bill was not reconsidered after amendment filed)*  
January 28, 1970

By HOUGEN

January 19, 1970  
Passed on File

SENATE FILE 1081

By COMMITTEE ON SOCIAL SERVICES  
(Radl, Dooley and Andersen)

Passed Senate, Date 1-23-70 Passed House, Date 2-4-70

Vote: Ayes 48 Nays 7 Vote: Ayes 112 Nays 0

Approved 2-12-70

*1-26 Motion to reconsider filed, withdrawn 1-29*

## A BILL FOR

1 An Act to change the requirement for third-party medical assis-  
2 tance from a mandatory requirement to a permissive require-  
3 ment.

4 *Be It Enacted by the General Assembly of the State of Iowa:*

5 Section 1. Chapter two hundred twenty-three (223), section  
6 five (5), Acts of the Sixty-second General Assembly, is hereby  
7 amended by striking from line twenty-five (25) the word "Shall"  
8 and inserting in lieu thereof the word "May".

### EXPLANATION

Presently the law states that the State Board "shall, to the extent possible, contract with a private organization or organizations whereby such organization will handle the processing and the payment of claims for service, . . .".

At this time the Department of Social Services is spending approximately one million dollars per year for processing and payments of claims and is entirely dependent on outside organizations for processing of claims. Changing "shall" to "may" will contribute materially to the self-sufficiency of the department and should result in considerable savings either through better negotiated contracts or self-processing as computer personnel become available.