

Reprinted 4/3/79

MAR 23 1979

HOUSE FILE 725

Place On Calendar

By COMMITTEE ON HUMAN RESOURCES  
(Formerly Study Bill 175)

Passed House, Date 3-29-79 (p.1230) Passed Senate, Date \_\_\_\_\_  
Vote: Ayes 84 Nays 9 Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved June 10, 1979

### A BILL FOR

1 An Act to amend the certificate of need law enacted in 1977,  
2 by increasing the number of members of the state health  
3 facilities council, by permitting partial refund of the  
4 fee for application for a certificate of need upon with-  
5 drawal of the application, by revising the summary review  
6 procedure, by providing for review of the council's final  
7 decision by the commissioner of health, and by delaying  
8 for one additional year the time when hospitals and health  
9 care facilities are required to comply with uniform  
10 financial reporting provisions.

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

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1 Section 1. Section one hundred thirty-five point sixty-  
2 two (135.62), subsection two (2), first unlettered paragraph  
3 and paragraphs a and b, Code 1979, are amended to read as  
4 follows:

5 2. There is established a state health facilities council  
6 consisting of ~~five~~ seven persons appointed by the governor.  
7 The council shall be within the department for administrative  
8 and budgetary purposes.

9 a. QUALIFICATIONS. The members of the council shall be  
10 chosen so that the council as a whole is broadly representative  
11 of various geographical areas of the state, and no more than  
12 ~~three~~ four of its members are affiliated with the same  
13 political party. Each council member shall be a person who  
14 has demonstrated by prior activities an informed concern for  
15 the planning and delivery of health services. No member of  
16 the council, nor any spouse of a member, shall during the  
17 time that member is serving on the council:

18 (1) Be a health care provider nor be otherwise directly  
19 or indirectly engaged in the delivery of health care services  
20 nor have a material financial interest in the providing or  
21 delivery of health services; nor

22 (2) Serve as a member of any board or other policy-making  
23 or advisory body of a health systems agency, an institutional  
24 health facility, a health maintenance organization, or any  
25 health or hospital insurer.

26 b. APPOINTMENTS. Terms of council members shall be six  
27 years, beginning July ± first of the year of appointment.  
28 A member shall be appointed in each odd-numbered year to  
29 succeed each member whose term expires in that year. Vacancies  
30 shall be filled by the governor for the balance of the  
31 unexpired term. Each appointment to the council shall be  
32 subject to confirmation by two-thirds of the members of the  
33 senate. A council member is ineligible for appointment to  
34 a second consecutive term, unless first appointed to an  
35 unexpired term of three years or less.

1 The governor shall designate one of the council members  
2 as chairperson. That designation may be changed not later  
3 than July ± first of any odd-numbered year, effective on the  
4 date of the organizational meeting held in that year under  
5 paragraph "c" of this subsection.

6 Notwithstanding the permanent provisions of paragraph "a",  
7 the initial appointments to the council shall be made as soon  
8 as possible after August 15, 1977. In making those  
9 appointments, the governor shall designate one member to serve  
10 a term ending June 30, 1979, two members to serve terms ending  
11 July 30, 1981, and two members to serve terms ending June  
12 30, 1983. The persons appointed to serve terms ending in  
13 1979 and 1981 may be reappointed to one additional consecutive  
14 term.

15 The governor shall appoint three members to the council  
16 for terms of six years beginning July 1, 1979.

17 Sec. 2. Section one hundred thirty-five point sixty-three  
18 (135.63), subsection one (1), Code 1979, is amended to read  
19 as follows:

20 1. A new institutional health service or changed  
21 institutional health service shall not be offered or developed  
22 in this state without prior application to the department  
23 for and receipt of a certificate of need, pursuant to this  
24 division. The application shall be made upon forms furnished  
25 or prescribed by the department and shall contain such  
26 information as the department may require under this division  
27 after consultation with all health systems agencies serving  
28 the state of Iowa. The application shall be accompanied by  
29 a fee equivalent to two-tenths of one percent of the  
30 anticipated cost of the project, as determined under rules  
31 promulgated by the department. The fee shall be remitted  
32 by the department to the treasurer of state, who shall place  
33 it in the general fund of the state. If an application is  
34 voluntarily withdrawn within thirty calendar days after  
35 submission, seventy-five percent of the application fee shall

1 be refunded; if the application is voluntarily withdrawn more  
2 than thirty but within sixty days after submission, fifty  
3 percent of the application fee shall be refunded; if the  
4 application is withdrawn voluntarily more than sixty days  
5 after submission, twenty-five percent of the application fee  
6 shall be refunded.

7 Sec. 3. Section one hundred thirty-five point sixty-seven  
8 (135.67), unnumbered pragraph one (1), Code 1979, is amended  
9 to read as follows:

10 The department may, with approval of the council, waive  
11 the procedures prescribed by ~~section~~ sections one hundred  
12 thirty-five point sixty-five (135.65) of the Code and 135.66  
13 and substitute a summary review procedure, which shall be  
14 established by rules of the department, when it accepts an  
15 application for a certificate of need for a project which  
16 meets any of the following criteria:

17 Sec. 4. Section one hundred thirty-five point seventy  
18 (135.70), Code 1979, is amended to read as follows:

19 135.70 APPEAL OF CERTIFICATE OF NEED DECISIONS. The  
20 council's final decision on an application for a certificate  
21 of need, when announced pursuant to section 135.69, may be  
22 appealed by any dissatisfied party who is an affected person  
23 with respect to that application, and who participated or  
24 sought unsuccessfully to participate in the formal review  
25 procedure prescribed by section 135.66. The appeal shall  
26 first be made to the commissioner, who shall review the  
27 decision. If the commissioner concludes that the council's  
28 decision was inappropriate on the basis of applicable law,  
29 federal regulations or administrative rules, the commissioner  
30 shall return the matter to the council with a request for  
31 a review of its decision. If the appellant remains dis-  
32 satisfied after the review, an appeal may be taken in the  
33 manner provided by chapter 17A.

34 Sec. 5. Section one hundred thirty-five point seventy-  
35 four (135.74), subsection one (1), Code 1979, is amended to

1 read as follows:

2 1. The department, after study and in consultation with  
3 any advisory committees which may be established pursuant  
4 to law, shall promulgate by rule pursuant to chapter 17A  
5 uniform methods of financial reporting, including such  
6 allocation methods as may be prescribed, by which hospitals  
7 and health care facilities shall respectively record their  
8 revenues, expenses, other income, other outlays, assets and  
9 liabilities, and units of service, according to functional  
10 activity center. These uniform methods of financial reporting  
11 shall not preclude a hospital or health care facility from  
12 using any accounting methods for its own purposes provided  
13 these accounting methods can be reconciled to the uniform  
14 methods of financial reporting prescribed by the department  
15 and can be audited for validity and completeness. Each  
16 hospital and each health care facility shall adopt the  
17 appropriate system for its fiscal year, effective upon such  
18 date as the department shall direct. In determining the  
19 effective date for reporting requirements, the department  
20 shall consider both the immediate need for uniform reporting  
21 of information to effectuate the purposes of this division  
22 and the administrative and economic difficulties which  
23 hospitals and health care facilities may encounter in complying  
24 with the uniform financial reporting requirement, but the  
25 effective date shall not be later than ~~one-year~~ two years  
26 after July 1, 1978.

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#### EXPLANATION

28 This bill amends Iowa's certificate of need law. A facility  
29 which is defined by section 135.61(16) of the Code as an  
30 institutional health facility (hospitals, nursing homes, etc.)  
31 must obtain a certificate of need before undertaking any  
32 construction project, addition, purchase of a major item of  
33 equipment or major change or addition of a health service.

34 Section 1 of the bill increases the number of members of  
35 the state health facilities council from five to seven members.

1 The increase will occur on July 1, 1979 through the appointment  
2 by the governor of three members, rather than one as would  
3 otherwise be required.

4 Section 2 of the bill allows an applicant for a certifi-  
5 cate of need to obtain a partial refund of the application  
6 fee (0.2 percent of the anticipated cost of the project) upon  
7 voluntary withdrawal of the application. The proportion of  
8 the fee refunded declines as the period of time the application  
9 has been on file (and therefore, presumably, under review)  
10 lengthens.

11 Section 3 of the bill permits waiver of the requirement  
12 that a letter of intent be submitted in advance of application  
13 for a certificate of need if the summary review procedure,  
14 permitted in certain cases by Code section 135.67, is used.

15 Section 4 of the bill requires that an appeal of the coun-  
16 cil's final decision by a dissatisfied party must first be  
17 made to the commissioner of health, who is required to return  
18 the decision to the council for review if the commissioner  
19 determines the decision to be inappropriate. The dissatisfied  
20 party may then appeal the decision pursuant to the ad-  
21 ministrative procedure Act.

22 Section 5 of the bill will delay for one year the time  
23 when hospitals and health care facilities are required to  
24 comply with the uniform financial reporting provisions of  
25 section 135.74 of the Code.

26 The bill will become effective July 1, 1979, since a later  
27 effective date would mean the requirement delayed by section  
28 5 would already have taken force.

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H-3642

1 Amend the Maulsby amendment, H-3599, to House File  
2 725 as follows:

3 1. By striking line 2 and inserting in lieu thereof  
4 the following:

5 "1. Page 1, line 3, by striking the words "and  
6 b" and inserting in lieu thereof the words ", b and  
7 c".

8 2. Page 1, by striking lines 15 through 22 and".

9 2. By inserting after line 17 the following:

10 "3. Page 2, by inserting after line 16 the  
11 following:

12 "c. MEETINGS. The council shall hold an  
13 organizational meeting in July of each odd-numbered  
14 year, or as soon thereafter as the new appointee or  
15 appointees are confirmed and have qualified. Other  
16 meetings shall be held at least once each month, and  
17 may be held more frequently if necessary to enable  
18 the council to expeditiously discharge its duties.  
19 Meeting dates shall be set upon adjournment or by  
20 call of the chairperson upon five days' notice to  
21 the other members. Each member of the council shall  
22 receive a salary ~~as-fixed-by-the-general-assembly~~  
23 and reimbursement for necessary travel and expenses  
24 while engaged in his or her official duties. The  
25 administrative budget for the council shall not be  
26 increased by reason of the enlargement of the council  
27 from five to seven members. There shall be withheld  
28 from a council member's salary the equivalent of two  
29 days' salary for each day that member was absent from  
30 a council meeting called in accordance with this  
31 paragraph, unless the absence is due to factors beyond  
32 the council member's control."

H-3642 FILED  
MARCH 29, 1979  
LOST (p. 1230)

BY MAULSBY of Calhoun

H-3599

1 Amend House File 725 as follows:

3642- 2 1. Page 1, by striking lines 15 through 22 and  
3 inserting in lieu thereof the words "the planning  
4 and delivery of health services. At least five members  
5 of the council shall be consumers, and not more than  
6 two members may be health care providers. No consumer  
7 member of the council, nor any spouse of such a member,  
8 shall during the time that member is serving on the  
9 council:

10 ~~(1)~~--Be be a health care provider nor be otherwise  
11 directly or indirectly engaged in the delivery of  
12 health care services nor have a material financial  
13 interest in the providing or delivery of health  
14 services ~~nor~~

15 ~~(2)~~--Serve. A person shall not serve concurrently  
16 as a council member and as a member of any board or  
17 other policy-making".

H-3599 FILED *Adopted 2/29 (p. 1230)* BY MAULSBY of Calhoun  
MARCH 27, 1979

Sen. Human Resources 4/3  
Do Pass per 3363 4/3 (p. 1066)

HOUSE FILE 725

By COMMITTEE ON HUMAN RESOURCES  
(As Amended and Passed by the House)

Passed House, Date 5-1-79 (p. 1949) Passed Senate, Date 4-18-79 (p. 1252)

Vote: Ayes 90 Nays 1 Vote: Ayes 119 Nays 0

Approved June 10 1979  
Repassed Senate 5-8-79 (p. 1574)  
44-0

# A BILL FOR

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2 by increasing the number of members of the state health  
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5 drawal of the application, by revising the summary review  
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7 decision by the commissioner of health, and by delaying  
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\_\_\_\_\_ House Amendments

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1 Section 1. Section one hundred thirty-five point sixty-  
2 two (135.62), subsection two (2), first unlettered paragraph  
3 and paragraphs a and b, Code 1979, are amended to read as  
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12 ~~three~~ four of its members are affiliated with the same  
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14 has demonstrated by prior activities an informed concern for  
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18 of the council, nor any spouse of such a member, shall during  
19 the time that member is serving on the council:

20 ~~{1}~~--Be be a health care provider nor be otherwise directly  
21 or indirectly engaged in the delivery of health care services  
22 nor have a material financial interest in the providing or  
23 delivery of health services;--nor

24 ~~{2}~~--Serve. A person shall not serve concurrently as a  
25 council member and as a member of any board or other policy-  
26 making or advisory body of a health systems agency, an  
27 institutional health facility, a health maintenance  
28 organization, or any health or hospital insurer.

29 b. APPOINTMENTS. Terms of council members shall be six  
30 years, beginning July ~~±~~ first of the year of appointment.  
31 A member shall be appointed in each odd-numbered year to  
32 succeed each member whose term expires in that year. Vacancies  
33 shall be filled by the governor for the balance of the  
34 unexpired term. Each appointment to the council shall be  
35 subject to confirmation by two-thirds of the members of the

1 senate. A council member is ineligible for appointment to  
2 a second consecutive term, unless first appointed to an  
3 unexpired term of three years or less.

4 The governor shall designate one of the council members  
5 as chairperson. That designation may be changed not later  
6 than July ~~±~~ first of any odd-numbered year, effective on the  
7 date of the organizational meeting held in that year under  
8 paragraph "c" of this subsection.

9 Notwithstanding the permanent provisions of paragraph "a",  
10 the initial appointments to the council shall be made as soon  
11 as possible after August 15, 1977. In making those  
12 appointments, the governor shall designate one member to serve  
13 a term ending June 30, 1979, two members to serve terms ending  
14 July 30, 1981, and two members to serve terms ending June  
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23 1. A new institutional health service or changed  
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34 promulgated by the department. The fee shall be remitted  
35 by the department to the treasurer of state, who shall place

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3 submission, seventy-five percent of the application fee shall  
4 be refunded; if the application is voluntarily withdrawn more  
5 than thirty but within sixty days after submission, fifty  
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7 application is withdrawn voluntarily more than sixty days  
8 after submission, twenty-five percent of the application fee  
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11 (135.67), unnumbered pragraph one (1), Code 1979, is amended  
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13 The department may, with approval of the council, waive  
14 the procedures prescribed by ~~section~~ sections one hundred  
15 thirty-five point sixty-five (135.65) of the Code and 135.66  
16 and substitute a summary review procedure, which shall be  
17 established by rules of the department, when it accepts an  
18 application for a certificate of need for a project which  
19 meets any of the following criteria:

20 Sec. 4. Section one hundred thirty-five point seventy  
21 (135.70), Code 1979, is amended to read as follows:

22 135.70 APPEAL OF CERTIFICATE OF NEED DECISIONS. The  
23 council's final decision on an application for a certificate  
24 of need, when announced pursuant to section 135.69, may be  
25 appealed by any dissatisfied party who is an affected person  
26 with respect to that application, and who participated or  
27 sought unsuccessfully to participate in the formal review  
28 procedure prescribed by section 135.66. The appeal shall  
29 first be made to the commissioner, who shall review the  
30 decision. If the commissioner concludes that the council's  
31 decision was inappropriate on the basis of applicable law,  
32 federal regulations or administrative rules, the commissioner  
33 shall return the matter to the council with a request for  
34 a review of its decision. If the appellant remains dis-  
35 satisfied after the review, an appeal may be taken in the

336.3  
strike  
Sec. 4

1 manner provided by chapter 17A.

2 Sec. 5. Section one hundred thirty-five point seventy-  
3 four (135.74), subsection one (1), Code 1979, is amended to  
4 read as follows:

5 1. The department, after study and in consultation with  
6 any advisory committees which may be established pursuant  
7 to law, shall promulgate by rule pursuant to chapter 17A  
8 uniform methods of financial reporting, including such  
9 allocation methods as may be prescribed, by which hospitals  
10 and health care facilities shall respectively record their  
11 revenues, expenses, other income, other outlays, assets and  
12 liabilities, and units of service, according to functional  
13 activity center. These uniform methods of financial reporting  
14 shall not preclude a hospital or health care facility from  
15 using any accounting methods for its own purposes provided  
16 these accounting methods can be reconciled to the uniform  
17 methods of financial reporting prescribed by the department  
18 and can be audited for validity and completeness. Each  
19 hospital and each health care facility shall adopt the  
20 appropriate system for its fiscal year, effective upon such  
21 date as the department shall direct. In determining the  
22 effective date for reporting requirements, the department  
23 shall consider both the immediate need for uniform reporting  
24 of information to effectuate the purposes of this division  
25 and the administrative and economic difficulties which  
26 hospitals and health care facilities may encounter in complying  
27 with the uniform financial reporting requirement, but the  
28 effective date shall not be later than one-year two years  
29 after July 1, 1978.

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HOUSE FILE 725

S-3363

- 1 Amend House File 725 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. By striking page 1, line 1 through page 2,  
 4 line 19.  
 5 2. Page 3, by striking lines 20 through page 4,  
 6 line 1.  
 7 3. Amend the Title, lines 2 and 3 by striking  
 8 the words "by increasing the number of members of the  
 9 state health facilities council".  
 10 4. Amend the Title, lines 6 and 7 by striking  
 11 the words "by providing for review of the council's  
 12 final decision by the commissioner of health".

S-3363 FILED *Adopted* BY COMMITTEE ON HUMAN RESOURCES  
APRIL 3, 1979 *4/18 (p. 1252)* JULIA GENTLEMAN, CHAIRPERSON

HOUSE FILE 725

S-3534

- 1 Amend House File 725 as amended, passed and reprinted  
 2 by the House as follows:  
 3 1. Page 4, lines 28 and 29, by striking the words  
 4 "two years after July 1, 1978" and inserting in lieu  
 5 thereof the words "after-July-1, -1978 January 1, 1980".

S-3534 FILED & ADOPTED (*p. 1252*) BY BOB RUSH  
APRIL 18, 1979 TOM SLATER  
JOHN S. MURRAY

SENATE AMENDMENT TO  
HOUSE FILE 725

H-4029

- 1 Amend House File 725 as amended, passed and  
 2 reprinted by the House as follows:  
 3 1. Striking page 1, line 1 through page 2, line  
 4 19.  
 5 2. Page 3, by striking line 20 through page 4,  
 6 line 1.  
 7 3. Page 4, lines 28 and 29, by striking the words  
 8 "two years after July 1, 1978" and inserting in lieu  
 9 thereof the words "after-July-1, -1978 January 1,  
 10 1980".  
 11 4. Amend the title, lines 2 and 3, by striking  
 12 the words "by increasing the number of members of  
 13 the state health facilities council".  
 14 5. Amend the title, lines 6 and 7, by striking  
 15 the words "by providing for review of the council's  
 16 final decision by the commissioner of health".

H-4029 FILED  
APRIL 20, 1979

RECEIVED FROM THE SENATE  
*House amended (4021, 4153) and concurred 5/1*

H-4061

- 1 Amend the Senate amendment, H-4029, to House  
 2 File 725 as follows:  
 3 1. Page 1, by striking lines 5 and 6.  
 4 2. Page 1, by striking lines 14 through 16.

H-4061 FILED *Adopted 5/1 (p. 1948)*  
 APRIL 23, 1979

BY MAULSBY of Calhoun  
 SPEAR of Lee  
 HORN of Linn

## HOUSE FILE 725

H-4135

- 1 Amend the Senate amendment, H-4029, to House File  
 2 725 as amended, passed and reprinted by the House,  
 3 as follows:  
 4 1. Page 1, line 4, by inserting after the figure  
 5 "19" the words ", and inserting in lieu thereof the  
 6 following:  
 7 "Section 1. Section one hundred thirty-five point  
 8 sixty-two (135.62), subsection two (2), paragraph  
 9 c, Code 1979, is amended to read as follows:  
 10 c. MEETINGS. The council shall hold an  
 11 organizational meeting in July of each odd-numbered  
 12 year, or as soon thereafter as the new appointee or  
 13 appointees are confirmed and have qualified. Other  
 14 meetings shall be held at least once each month, and  
 15 may be held more frequently if necessary to enable  
 16 the council to expeditiously discharge its duties.  
 17 Meeting dates shall be set upon adjournment or by  
 18 call of the chairperson upon five days' notice to  
 19 the other members. Each member of the council shall  
 20 receive a salary as fixed by the general assembly  
 21 ~~compensation of forty dollars per diem and~~  
 22 reimbursement for necessary travel and expenses while  
 23 engaged in his or her official duties".  
 24 2. Page 1, by striking lines 11, 12 and 13 and  
 25 inserting in lieu thereof the following:  
 26 "4. Amend the title, line 2, by striking the words  
 27 "increasing the number of" and inserting in lieu  
 28 thereof the words "changing the manner of  
 29 compensating"."

H-4135 FILED - *Lost 5/1 (p. 1948)*  
 APRIL 26, 1979

BY MAULSBY of Calhoun

## HOUSE FILE 725

H-4140

- 1 Amend amendment H-4135, to the Senate amendment,  
 2 H-4029, to House File 725 as amended, passed and  
 3 reprinted by the House, as follows:  
 4 1. Page 1, line 21, by striking the word "forty"  
 5 and inserting in lieu thereof the word "sixty".

H-4140 *H/Drewn 5/1 (p. 1948)*  
 APRIL 26, 1979

BY SPEAR of Lee

HOUSE FILE 725

H-4153

- 1 Amend the Senate amendment, H-4029, to House
- 2 File 725 as amended, passed and reprinted by the
- 3 House as follows:
- 4 1. Page 1, by inserting after line 16 the
- 5 following:
- 6 "6. Amend the title, line 8, by striking the
- 7 words "for one additional year" and inserting in
- 8 lieu thereof the words "until January 1, 1980"."

H-4153 FILED *Adopted 5/1 (p. 1949)* BY SPEAR of Lee  
APRIL 27, 1979

HOUSE FILE 725

H-4154

- 1 Amend amendment H-4135 to the Senate amendment,
- 2 H-4029, to House File 725 as amended, passed and
- 3 reprinted by the House, as follows:
- 4 1. Page 1, line 21, by striking the word "forty"
- 5 and inserting in lieu thereof the word "two hundred".

H-4154 FILED *Lost 5/1 (p. 1948)* BY SPEAR of Lee  
APRIL 27, 1979

HOUSE AMENDMENT TO SENATE AMENDMENT  
TO HOUSE FILE 725

S-3693

- 1 Amend the Senate amendment, H-4029, to House File
- 2 725 as follows:
- 3 1. Page 1, by striking lines 5 and 6.
- 4 2. Page 1, by striking lines 14 through 16.
- 5 3. Page 1, by inserting after line 16 the
- 6 following:
- 7 "6. Amend the title, line 8, by striking the words
- 8 "for one additional year" and inserting in lieu thereof
- 9 the words "until January 1, 1980"."

S-3693 FILED  
MAY 3, 1979

RECEIVED FROM THE HOUSE

*Senate concurred 5/8 (p. 1573)*

HOUSE FILE 725

AN ACT

TO AMEND THE CERTIFICATE OF NEED LAW ENACTED IN 1977, BY PERMITTING PARTIAL REFUND OF THE FEE FOR APPLICATION FOR A CERTIFICATE OF NEED UPON WITHDRAWAL OF THE APPLICATION, BY REVISING THE SUMMARY REVIEW PROCEDURE, BY PROVIDING FOR REVIEW OF THE COUNCIL'S FINAL DECISION BY THE COMMISSIONER OF HEALTH, AND BY DELAYING UNTIL JANUARY 1, 1980 THE TIME WHEN HOSPITALS AND HEALTH CARE FACILITIES ARE REQUIRED TO COMPLY WITH UNIFORM FINANCIAL REPORTING PROVISIONS.

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

Section 1. Section one hundred thirty-five point sixty-three (135.63), subsection one (1), Code 1979, is amended to read as follows:

1. A new institutional health service or changed institutional health service shall not be offered or developed in this state without prior application to the department for and receipt of a certificate of need, pursuant to this

division. The application shall be made upon forms furnished or prescribed by the department and shall contain such information as the department may require under this division after consultation with all health systems agencies serving the state of Iowa. The application shall be accompanied by a fee equivalent to two-tenths of one percent of the anticipated cost of the project, as determined under rules promulgated by the department. The fee shall be remitted by the department to the treasurer of state, who shall place it in the general fund of the state. If an application is voluntarily withdrawn within thirty calendar days after submission, seventy-five percent of the application fee shall be refunded; if the application is voluntarily withdrawn more than thirty but within sixty days after submission, fifty percent of the application fee shall be refunded; if the application is withdrawn voluntarily more than sixty days after submission, twenty-five percent of the application fee shall be refunded.

Sec. 2. Section one hundred thirty-five point sixty-seven (135.67), unnumbered paragraph one (1), Code 1979, is amended to read as follows:

The department may, with approval of the council, waive the procedures prescribed by section sections one hundred thirty-five point sixty-five (135.65) of the Code and 135.66 and substitute a summary review procedure, which shall be established by rules of the department, when it accepts an application for a certificate of need for a project which meets any of the following criteria:

Sec. 3. Section one hundred thirty-five point seventy (135.70), Code 1979, is amended to read as follows:

135.70 APPEAL OF CERTIFICATE OF NEED DECISIONS. The council's final decision on an application for a certificate of need, when announced pursuant to section 135.69, may be appealed by any dissatisfied party who is an affected person with respect to that application, and who participated or

sought unsuccessfully to participate in the formal review procedure prescribed by section 135.66. The appeal shall first be made to the commissioner, who shall review the decision. If the commissioner concludes that the council's decision was inappropriate on the basis of applicable law, federal regulations or administrative rules, the commissioner shall return the matter to the council with a request for a review of its decision. If the appellant remains dissatisfied after the review, an appeal may be taken in the manner provided by chapter 17A.

Sec. 4. Section one hundred thirty-five point seventy-four (135.74), subsection one (1), Code 1979, is amended to read as follows:

1. The department, after study and in consultation with any advisory committees which may be established pursuant to law, shall promulgate by rule pursuant to chapter 17A uniform methods of financial reporting, including such allocation methods as may be prescribed, by which hospitals and health care facilities shall respectively record their revenues, expenses, other income, other outlays, assets and liabilities, and units of service, according to functional activity center. These uniform methods of financial reporting shall not preclude a hospital or health care facility from using any accounting methods for its own purposes provided these accounting methods can be reconciled to the uniform methods of financial reporting prescribed by the department and can be audited for validity and completeness. Each hospital and each health care facility shall adopt the appropriate system for its fiscal year, effective upon such date as the department shall direct. In determining the effective date for reporting requirements, the department shall consider both the immediate need for uniform reporting of information to effectuate the purposes of this division and the administrative and economic difficulties which hospitals and health care facilities may encounter in complying

with the uniform financial reporting requirement, but the effective date shall not be later than ~~one-year-after-July 17-1978~~ January 1, 1980.

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FLOYD H. MILLEN  
Speaker of the House

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TERRY E. BRANSTAD  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 725, Sixty-eighth General Assembly.

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DAVID L. WRAY  
Chief Clerk of the House

Approved June 10, 1979

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ROBERT D. RAY  
Governor