

Reprinted

MAR 15 1988

APPROPRIATIONS CALENDAR

HOUSE FILE 2447

BY COMMITTEE ON APPROPRIATIONS

Passed House, Date 3/18/88 ⁹⁵⁹ Passed Senate, Date 3/30/87 (p. 1206)
 Vote: Ayes 80 Nays 6 Vote: Ayes 39 Nays 8
 Approved April 14, 1988

A BILL FOR

1 An Act relating to and making appropriations to the department of
 2 human services for the fiscal year beginning July 1, 1988, and
 3 ending June 30, 1989.

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

- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25

HF 2447

1 Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. There
2 is appropriated from the general fund of the state for the
3 fiscal year beginning July 1, 1988, and ending June 30, 1989,
4 to the department of human services, the following amount, or
5 so much thereof as is necessary, to be used:

6 1. For aid to families with dependent children:
7 \$ 45,400,000

8 2. As a condition of this appropriation, the department
9 shall continue to operate the pilot grant diversion program
10 which qualifies for federal financial participation according
11 to federal law for the aid to families with dependent children
12 program. The grant diversion program shall be operated from
13 July 1, 1988, through June 30, 1989, as a component of the
14 work incentive demonstration program in the Des Moines
15 district. Employers who provide jobs shall receive financial
16 compensation in return for training provided. Aid to families
17 with dependent children savings resulting from the
18 participant's employment shall be used to compensate an
19 employer.

20 3. As a condition of this appropriation, the department
21 shall continue to contract for services in developing and
22 monitoring a waiver program with a consortium of other states
23 to facilitate assistance to aid to dependent children families
24 in self-employment. From the funds provided in this section,
25 one hundred twenty-five thousand (125,000) dollars, or so much
26 thereof as is necessary, shall be used to provide technical
27 assistance for aid to dependent children families seeking
28 self-employment. The technical assistance shall be provided
29 either directly or through a contract with the division of job
30 training of the department of economic development and through
31 a contract with the corporation for enterprise development.

32 4. As a condition of this appropriation, the department
33 shall work with the legislative fiscal bureau and the
34 department of management to establish goals and objectives for
35 each new program which commenced on or after July 1, 1987, or

1 thereafter. The goals and objectives shall be submitted to
2 the fiscal committee of the legislative council on or before
3 August 15, 1988.

4 Sec. 2. WORK AND TRAINING PROGRAMS. There is appropriated
5 from the general fund of the state for the fiscal year
6 beginning July 1, 1988, and ending June 30, 1989, to the
7 department of human services, the following amounts, or so
8 much thereof as is necessary, to be used for the purposes
9 designated:

10 1. For work incentive program:

11 \$ 1,202,794

12 It is the intent of the general assembly that the
13 department operate the work incentive demonstration program as
14 it operated in the fiscal year beginning July 1, 1986, unless
15 a replacement program is mandated by federal law.

16 2. For food stamp employment and training program:

17 \$ 246,550

18 Sec. 3. CHILD DEVELOPMENT GRANTS. There is appropriated
19 from the general fund of the state for the fiscal year
20 beginning July 1, 1988, and ending June 30, 1989, to the
21 department of human services, the following amount, or so much
22 thereof as is necessary, to be used for the child development
23 grants under provisions of Senate File 2192 if enacted by the
24 Seventy-second General Assembly, 1988 Session:

25 \$ 885,000

26 Grants shall be awarded on a two-year basis, subject to
27 renewal, and the funds appropriated in this section shall be
28 for support for the first twelve-month period the grant is in
29 effect. Grants shall be awarded not later than January 1,
30 1989. Notwithstanding section 8.33, unexpended or

31 unencumbered funds shall not revert to the general fund, but
32 shall be available for the purposes set forth in this section.

33 Sec. 4. FAMILY DEVELOPMENT GRANTS. There is appropriated
34 from the general fund of the state for the fiscal year
35 beginning July 1, 1988, and ending June 30, 1989, to the

1 department of human services, the following amount, or so much
2 thereof as is necessary, to be used for the family development
3 and self-sufficiency grant program under provisions of Senate
4 File 2225 if enacted by the Seventy-second General Assembly,
5 1988 Session:

6 \$ 590,000

7 A grant shall be awarded on a three-year basis, subject to
8 annual renewal, and the funds appropriated under this section
9 shall be for support for the first twelve-month period the
10 grant is in effect. All grants shall be awarded not later
11 than January 1, 1989. Not more than five percent of the
12 appropriation shall be used for administration of the program.
13 Notwithstanding section 8.33, unexpended or unencumbered funds
14 shall not revert to the general fund, but shall be available
15 for the purposes set forth in this section.

16 Sec. 5. MEDICAL ASSISTANCE. There is appropriated from
17 the general fund of the state for the fiscal year beginning
18 July 1, 1988, and ending June 30, 1989, to the department of
19 human services, the following amount, or so much thereof as is
20 necessary, to be used for medical assistance, on the condition
21 that the basis for establishing the maximum medical assistance
22 rate for intermediate care facilities shall be the sixty-
23 fourth percentile of all facility per diem rates as calculated
24 from the June 30, 1988, unaudited compilation of cost and
25 statistical data, and on the condition that the provider rates
26 specified in section 37 of this Act are enacted into law,
27 including reimbursement for abortion services, which shall be
28 available under the medical assistance program only for those
29 abortions which are medically necessary:

30 1. Medically necessary abortions are those performed under
31 any of the following conditions:

32 a. The attending physician certifies that continuing the
33 pregnancy would endanger the life of the pregnant woman.

34 b. The attending physician certifies that the fetus is
35 physically deformed, mentally deficient, or afflicted with a

1 congenital illness.

2 c. The pregnancy is the result of a rape which is reported
3 within forty-five days of the incident to a law enforcement
4 agency or public or private health agency which may include a
5 family physician.

6 d. The pregnancy is the result of incest which is reported
7 within one hundred fifty days of the incident to a law
8 enforcement agency or public or private health agency which
9 may include a family physician.

10 e. Any spontaneous abortion, commonly known as a mis-
11 carriage, if not all of the products of conception are ex-
12 pelled:

13 \$148,069,142

14 2. Of the funds appropriated in this section, not more
15 than two hundred thousand (200,000) dollars may be transferred
16 to the Iowa department of public health for contingency state
17 assistance for the federal program for women, infants, and
18 children in order to allow the Iowa department of public
19 health to fully use available funds under this program.

20 3. The department may implement mandatory enrollment of
21 eligible clients into licensed health maintenance
22 organizations where appropriate and consistent with federal
23 guidelines. However, clients shall continue to be eligible to
24 use the family planning services and mental health services
25 provided through community mental health centers without
26 obtaining referral from the health maintenance organization.
27 Clients shall not be required to enroll in a health
28 maintenance organization if the health maintenance
29 organization does not provide service that is easily
30 accessible with no more than a minimal transportation expense
31 to the client. The department shall track any savings
32 realized by the use of the health maintenance organizations
33 and shall annually submit to the legislative fiscal bureau the
34 results of the client satisfaction survey required by the
35 federal health care facilities administration. The department

1 shall report at the start of each calendar quarter, beginning
2 on January 1, 1989, to the legislative fiscal bureau regarding
3 cost savings.

4 4. The copayment policy relating to mandatory services
5 shall not require copayment by a recipient on a service or an
6 item where copayment was not required by rules in effect on
7 January 1, 1988.

8 5. Effective October 1, 1988, the department shall extend
9 medical assistance benefits for a maximum of twelve months to
10 those persons who lose assistance through the aid to dependent
11 children program as the result of income obtained from
12 employment. The department shall extend medical assistance
13 benefits for an additional six months, up to a maximum of
14 fifteen months, to those persons who lose assistance under the
15 aid to dependent children program because the earned income
16 disregards are no longer applicable and who would continue to
17 be eligible for aid to dependent children if the disregards
18 were still applicable.

19 6. Payments made to hospitals shall include inpatient and
20 outpatient services. The department shall establish by rule
21 criteria that a hospital provider shall meet in order to
22 receive reimbursement for routine outpatient services and for
23 clinical program services provided on an outpatient basis.
24 Hospital outpatient program services reimbursed under the
25 medical assistance program shall include, but are not limited
26 to, alcoholism and substance abuse, mental health, eating
27 disorders, cardiac rehabilitation, pulmonary rehabilitation,
28 pain management, and outpatient diabetes education.
29 Outpatient diabetes education programs shall be certified by
30 the Iowa department of public health. All other outpatient
31 programs shall meet requirements established by the
32 department. Other clinical outpatient programs may be
33 reimbursed under the medical assistance program upon a
34 determination by the department that such programs are
35 effective in meeting the health care needs of recipients and

1 in avoiding more costly inpatient medical care and that
2 criteria can be developed for those programs to govern
3 admissions to and utilization of those program services
4 consistent with the health care needs of the patient and the
5 fiscal needs of the medical assistance program.

6 7. Effective July 1, 1988, the department of inspections
7 and appeals shall issue provisional licenses to specialized
8 psychiatric hospitals for children and adolescents for those
9 facilities which are providing residential psychiatric
10 services to children and adolescents on July 1, 1988, which
11 are accredited by the joint commission on the accreditation of
12 hospitals, and which are in compliance with all applicable
13 state rules and standards regarding the operation of
14 comprehensive residential facilities for children. Each
15 applicant shall submit a copy of the applicant's accreditation
16 and a statement of approval from the state fire marshal to the
17 department of inspections and appeals. Such facilities are
18 not required to apply for or receive a certificate of need
19 pursuant to section 135.63. Notwithstanding the provisions of
20 section 237.1, subsection 3, paragraph "e", care furnished by
21 these facilities shall continue to be considered foster care.

22 The department of inspections and appeals, with the
23 approval of the state board of health, shall adopt permanent
24 standards for the licensure of specialized psychiatric
25 hospitals for children and adolescents under chapter 135B.
26 The rules shall take effect no later than July 1, 1989.
27 Specialized psychiatric hospitals for children and adolescents
28 licensed prior to July 1, 1989, are not required to apply for
29 or receive a certificate of need pursuant to section 135.63.

30 The department of human services shall adopt rules to
31 expand coverage under the medical assistance program to
32 include services provided by specialized psychiatric hospitals
33 for children and adolescents which are licensed by the
34 department of inspections and appeals. The rules shall take
35 effect no later than July 1, 1988, and contingent upon the

1 facilities meeting the federal requirements for a hospital as
2 outlined in 42 C.F.R., subpart D, shall provide initially that
3 the medical assistance reimbursement rate for such specialized
4 hospitals shall be one hundred twenty dollars per day or
5 actual audited costs, whichever is less. The department shall
6 develop a permanent reimbursement methodology for such
7 specialized hospitals to be effective on or before July 1,
8 1989.

9 8. The department and the Iowa department of public health
10 shall proceed with implementation of enhanced services and
11 targeted case management for pregnant women as recommended in
12 the report entitled "case management and enhanced services for
13 Medicaid eligible pregnant women".

14 9. Effective January 1, 1989, the department shall extend
15 coverage to include caretaker relatives under the medically
16 needy program. The department shall increase resource
17 limitations under the medically needy program to five thousand
18 dollars for a one-person household and seven thousand five
19 hundred dollars for a family of two or more persons. For the
20 medically needy program, the department shall be allowed to
21 set the length of the certification period, as authorized by
22 federal regulations.

23 10. Effective January 1, 1989, the department shall
24 implement a diagnosis related group payment system for
25 adolescents treated in Medicaid certified substance abuse and
26 psychiatric treatment units.

27 11. As a condition of this appropriation, the department
28 shall develop a proposal to convert medical assistance
29 benefits to a private purchase health care plan for certain
30 persons. The proposal shall contain provisions to limit
31 eligibility for the plan to categorically eligible persons who
32 are no longer eligible for the aid to families with dependent
33 children program due to an increase in earned income and who
34 have exhausted medical assistance benefits available under the
35 extended eligibility period. In developing income and

1 resource ceilings, the department shall consider those
2 ceilings recommended under the federal Sixth Omnibus Budget
3 Reconciliation Act. The proposal shall, to the extent
4 possible, provide for the usage of the department's existing
5 medical assistance program delivery system, including the
6 intake functions carried out by the field staff. Benefits
7 shall be limited to primary health care benefits available
8 under the medical assistance program and include a
9 coordination of benefits provision. The proposal shall
10 provide that the health care plan be self-funded with premiums
11 actuarially determined in order to cover the benefit and
12 administrative costs. The proposal shall be submitted to the
13 fiscal committee of the legislative council on or before
14 February 1, 1989.

15 Sec. 6. MEDICAL ASSISTANCE FOR PREGNANT WOMEN, INFANTS,
16 AND CHILDREN. There is appropriated from the general fund of
17 the state for the fiscal year beginning July 1, 1988, and
18 ending June 30, 1989, effective on January 1, 1989, to the
19 department of human services for medical assistance to all
20 pregnant women and infants under one year of age whose income
21 does not exceed one hundred fifty percent of the federal
22 nonfarm poverty level, and for children up to age five on an
23 incremental basis whose income does not exceed one hundred
24 percent of the federal nonfarm poverty level, for salaries,
25 support, and miscellaneous purposes, the following amount, or
26 so much thereof as is necessary:

27 \$ 608,000

28 1. It is the intent of the general assembly that the funds
29 appropriated under this section shall be expended for not more
30 than three full-time equivalent positions in the field at a
31 cost of not more than thirty-seven thousand (37,000) dollars,
32 for salaries and support for not more than four full-time
33 equivalent positions in general administration at a cost of
34 not more than fifty-nine thousand (59,000) dollars, for
35 systems and fiscal agent development at a cost of no more than

1 twenty-five thousand (25,000) dollars, and for payment of
2 medical benefits at a cost of no more than four hundred
3 eighty-seven thousand (487,000) dollars.

4 2. Resource limitations shall be five thousand dollars for
5 a one person household and seven thousand five hundred dollars
6 for a family of two or more persons. Pregnant women shall
7 have resources considered according to the standards for
8 computing resources under the supplemental security income
9 program. Infants and children shall have resources considered
10 in accordance with the standards for computing resources under
11 the aid to families with dependent children program. Pregnant
12 women, infants, and children shall have income considered in
13 accordance with standards under the aid to families with
14 dependent children program. All other medical assistance
15 program requirements shall apply. Upon implementation,
16 phased-in coverage for children shall begin with children up
17 to age two and shall be continued through January 1, 1992.

18 3. For persons who do not have a spend-down requirement
19 under the medically needy program, the department shall set
20 the length of the certification period at the length
21 authorized by federal regulations.

22 4. As a condition of this appropriation, the department
23 shall report, in each month of the fiscal year, to the fiscal
24 committee of the legislative council regarding the expenditure
25 of the funds for the implementation of the medical assistance
26 for pregnant women, infants, and children and the additional
27 full-time equivalent positions authorized for this purpose
28 under this section. The report shall detail the number of
29 additional authorized positions which have been filled,
30 describe problems encountered in filling the positions, and
31 assess the impact of the additional positions upon the quality
32 of services provided to the targeted persons. If the
33 department is caused to reduce expenditures because of an
34 unanticipated reduction in federal funding, or the average
35 base salary and support cost in staffing is greater than

1 anticipated, or the staff vacancy factor is lower than
2 anticipated, the department shall fill the additional full-
3 time equivalent positions by reducing other expenditures.

4 Sec. 7. ORGAN TRANSPLANT SERVICES. There is appropriated
5 from the general fund of the state for the fiscal year
6 beginning July 1, 1988, and ending June 30, 1989, the
7 following amount, or so much thereof as is necessary, to be
8 used for the organ transplant commission, including salaries
9 and support for not more than one full-time equivalent
10 position, maintenance, and miscellaneous purposes:

11 \$ 35,000

12 Sec. 8. MEDICAL CONTRACTS. There is appropriated from the
13 general fund of the state for the fiscal year beginning July
14 1, 1988, and ending June 30, 1989, to the department of human
15 services, the following amount, or so much thereof as is
16 necessary, to be used for medical contracts:

17 \$ 2,471,000

18 The department may expend up to two thousand (2,000)
19 dollars of the funds appropriated in this section for changes
20 in the claims payment and reporting system to support
21 implementation of a program of mandatory enrollment in health
22 maintenance organizations.

23 Sec. 9. COLLECTION SERVICE CENTER. There is appropriated
24 from the general fund of the state for the fiscal year
25 beginning July 1, 1988, and ending June 30, 1989, to the
26 department of human services, the following amount, or so much
27 thereof as is necessary, to be used for the child support
28 clearinghouse, including salaries and support for not more
29 than twenty-eight full-time equivalent positions, maintenance,
30 and miscellaneous purposes:

31 \$ 724,672

32 The department shall report to the legislative
33 council regarding progress in the conversion of child
34 support orders and the related expenditures. If the funds
35 appropriated by this section are expended, or are projected

1 to be expended, before June 30, 1989, the department shall
2 request a supplemental appropriation from the general assembly.

3 Sec. 10. CHILD SUPPORT RECOVERY. There is appropriated
4 from the general fund of the state for the fiscal year
5 beginning July 1, 1988, and ending June 30, 1989, to the
6 department of human services, the following amount, or so much
7 thereof as is necessary, to be used for child support
8 recoveries, including salaries and support for not more than
9 one hundred point forty-two full-time equivalent positions,
10 maintenance, and miscellaneous purposes:

11 \$ 1,012,000

12 1. The commissioner of human services, within the
13 limitations of the funds appropriated in this section, or
14 funds transferred from the aid to families with dependent
15 children program for this purpose, may establish new positions
16 and add additional employees to the child support recovery
17 unit when the commissioner determines that both the current
18 and additional employees together can reasonably be expected
19 to recover for the aid to families with dependent children
20 program and the nonpublic assistance support recovery program
21 more than twice the amount of money required to pay the
22 salaries and support for both the current and additional
23 employees. The department shall demonstrate the cost-
24 effectiveness of the current and additional employees by
25 reporting to the human services appropriations subcommittee
26 the ratio of the total amount of administrative costs for
27 child support recoveries to the total amount of the child
28 support recoveries.

29 2. The department shall extend the child support
30 modification demonstration program to at least fifteen
31 counties in the state. The department may transfer funds from
32 the appropriation to aid to families with dependent children
33 to the extent that is necessary in order to fund the
34 demonstration program. Notwithstanding the number of full-
35 time equivalent positions allowed under this section, the

1 department may exceed the number allowed to the extent the
2 positions are funded by the funds transferred for this purpose
3 from the appropriation to aid to families with dependent
4 children. The department shall report to the legislative
5 fiscal bureau regarding the demonstration program each
6 quarter.

7 Sec. 11. COMMUNITY SERVICES. There is appropriated from
8 the general fund of the state for the fiscal year beginning
9 July 1, 1988, and ending June 30, 1989, to the department of
10 human services the following amount, or so much thereof as is
11 necessary, to be used for community services:

12 1. As a condition of this appropriation for field
13 operations, including salaries and support for not more than
14 two thousand two hundred three point twenty-five full-time
15 equivalent positions, maintenance, and miscellaneous purposes,
16 the department shall provide an extensive orientation program
17 for newly employed social workers in the area of community
18 resource programs and shall provide assistance to each county
19 board of social welfare to identify community resources in
20 counties pursuant to section 234.11:

21 \$ 31,863,000

22 2. The appropriation for community services is based upon
23 an expected federal cost allocation share of fifteen million
24 nine hundred seventy-two thousand nine hundred seventeen
25 (15,972,917) dollars, a federal block grant share of twelve
26 million six hundred sixty-seven thousand two hundred forty-
27 nine (12,667,249) dollars, an average base salary and support
28 cost of twenty-seven thousand five hundred forty-nine (27,549)
29 dollars, and a vacancy factor of four percent. It is the
30 intent of the general assembly that the department seek
31 additional funds through supplemental appropriation if the
32 expected federal cost allocation share is less than expected,
33 the average base salary and support cost is more than
34 expected, or the vacancy factor is lower than expected. The
35 department shall report monthly to the fiscal committee of the

1 legislative council regarding the projections of expenditures
2 under this appropriation, and any changes related to the
3 federal cost allocation, the average base salary and support,
4 and the vacancy factor that occur. The department shall not
5 expend more than two million four hundred fourteen thousand
6 one hundred three (2,414,103) dollars of this appropriation on
7 items not related to salary and benefits without obtaining
8 approval by the legislative council or the general assembly.
9 The department shall maintain an average of two thousand two
10 hundred eighty-nine full-time equivalent positions filled
11 under this appropriation and shall coordinate the P-5 and
12 hiring process to maintain this average.

13 Sec. 12. GENERAL ADMINISTRATION. There is appropriated
14 from the general fund of the state for the fiscal year
15 beginning July 1, 1988, and ending June 30, 1989, to the
16 department of human services, the following amount, or so much
17 thereof as is necessary, for general administration, including
18 salaries and support for not more than three hundred seventeen
19 point forty-four full-time equivalent positions, maintenance,
20 and miscellaneous purposes:

21 \$ 6,691,245

22 1. Full-time equivalent positions which are funded
23 entirely with federal, public, private grants, or the
24 gambler's assistance fund established in section 99E.10 are
25 exempt from the limits on the number of full-time equivalent
26 positions provided in this section, but are approved only for
27 the period of time for which the federal funds or grants are
28 available for the position.

29 2. The appropriation for general administration is based
30 upon an expected federal cost allocation share of seven
31 million one hundred three thousand nine hundred forty-six
32 (7,103,946) dollars, a federal block grant share of one
33 million eight hundred forty-nine thousand three hundred
34 thirty-one (1,849,331) dollars, an average base salary and
35 support of cost of thirty-four thousand two hundred forty-five

1 (34,245) dollars, and a vacancy factor of two point six
2 percent. It is the intent of the general assembly that the
3 department seek additional funds through supplemental
4 appropriation if the expected federal cost allocation share is
5 less than expected, the average base salary and support cost
6 is more than expected, or the vacancy factor is lower than
7 expected. The department shall report monthly to the fiscal
8 committee of the legislative council regarding the projections
9 of expenditures under this appropriation, and regarding any
10 changes related to the federal cost allocation, the average
11 base salary and support, and the vacancy factor that occur.
12 The department shall not expend more than five hundred forty-
13 two thousand and nine hundred twenty (542,920) dollars of this
14 appropriation on items not related to salary and benefits
15 without obtaining approval by the legislative council or the
16 general assembly. The department shall maintain an average of
17 three hundred twenty-four point five full-time equivalent
18 positions filled under this appropriation and shall coordinate
19 the P-5 and hiring process to maintain this average.

20 Of the amount appropriated in this section, eighteen
21 thousand (18,000) dollars, or so much thereof as is necessary,
22 shall be used to fill the zero point five full-time equivalent
23 position for administration of the expanded coverage under the
24 medical assistance program to include specialized psychiatric
25 hospitals. The department shall report, at least quarterly,
26 to the fiscal committee of the legislative council regarding
27 the expenditure of the funds for the administration of the
28 expanded coverage and the additional full-time equivalent
29 position authorized for this purpose under this subsection.
30 The report shall detail when the additional authorized
31 position has been filled, describe problems encountered in
32 filling the position, and assess the impact of the additional
33 position upon the quality of services provided. If the
34 department is caused to reduce expenditures because of an
35 unanticipated reduction in federal funding, or the average

1 base salary and support cost in staffing is greater than
2 anticipated, or the staff vacancy factor is lower than
3 anticipated, the department shall fill the zero point five
4 additional full-time equivalent position by reducing other
5 expenditures.

6 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
7 from the general fund of the state for the fiscal year
8 beginning July 1, 1988, and ending June 30, 1989, to the
9 department of human services the following amount, or so much
10 thereof as is necessary, to be used for the operation of the
11 state training school and the Iowa juvenile home, including
12 salaries and support for not more than three hundred twenty-
13 nine full-time equivalent positions, maintenance, and
14 miscellaneous purposes:

15 \$ 10,062,000

16 1. Of the amount appropriated in this section, eight
17 hundred twelve thousand (812,000) dollars shall be used to
18 implement the recommendations of the governor's foster care
19 task force, including filling thirty-six point seventy-five
20 additional full-time equivalent positions. Of the funds
21 designated in this subsection, one hundred fifty thousand
22 (150,000) dollars shall be used to improve programs and
23 services provided at the juvenile institution at Eldora.
24 Notwithstanding the cap placed on full-time equivalent
25 positions in this section, the positions filled for this
26 purpose shall only be limited to the extent of the funds so
27 designated.

28 2. The funds appropriated in this section shall be used to
29 increase staff in order to improve supervision and services
30 provided to residents, to implement a classification system
31 and a short-term high-impact program for adjudicated
32 delinquents at the state training school, and to establish a
33 diagnostic program and short-term high-impact program for
34 adjudicated female delinquents and adjudicated "child in need
35 of assistance" boys and girls at the state juvenile home.

1 3. As a condition of this appropriation, the department
2 shall report, in each month of the fiscal year, to the fiscal
3 committee of the legislative council regarding the expenditure
4 of the funds for the implementation of the governor's foster
5 care task force and the additional full-time equivalent
6 positions authorized for this purpose under this section. The
7 report shall detail the number of additional authorized
8 positions which have been filled, describe problems
9 encountered in filling the positions, and assess the impact of
10 the additional positions upon the quality of services provided
11 by the juvenile institutions. If the department is caused to
12 reduce expenditures because of an unanticipated reduction in
13 federal funding, or the average base salary and support cost
14 in staffing is greater than anticipated, or the staff vacancy
15 factor is lower than anticipated, the department shall fill
16 the thirty-six point seventy-five additional full-time
17 equivalent positions by reducing other expenditures.

18 Sec. 14. JUVENILE INSTITUTIONS PLAN. There is
19 appropriated from the general fund of the state for the fiscal
20 year beginning July 1, 1988, and ending June 30, 1989, to the
21 department of human services for development of a plan for the
22 future use of the state juvenile institutions at Eldora and
23 Toledo, the following amount, or so much thereof as is
24 necessary:

25 \$ 50,000

26 1. The plan shall address the current and potential use of
27 the institutions and the continuation or modification of the
28 juvenile justice and child welfare service system regarding
29 the use of the juvenile institutions.

30 2. The plan shall be developed by an advisory group
31 composed of representatives of the state child welfare system
32 and by contract with experts in the field of child welfare and
33 juvenile justice who have worked with other states in the
34 development or modification of child welfare systems.

35 3. The plan shall be comprehensive and build upon past

1 studies which deal with out-of-state placement of children,
2 foster care, juvenile institutions, decategorization, and the
3 state mental health institution services for children. The
4 department shall submit the plan to the general assembly or
5 legislative council on or before January 15, 1989.

6 Sec. 15. HOSPITAL-SCHOOLS. There is appropriated from the
7 general fund of the state for the fiscal year beginning July
8 1, 1988, and ending June 30, 1989, to the department of human
9 services for the state hospital-schools, the following amount,
10 or so much thereof as is necessary, to be used for salaries
11 and support for not more than two thousand one hundred
12 seventy-nine point zero two full-time equivalent positions,
13 maintenance, and miscellaneous purposes:

14 \$ 59,918,000

15 Sec. 16. MENTAL HEALTH INSTITUTES. There is appropriated
16 from the general fund of the state for the fiscal year
17 beginning July 1, 1988, and ending June 30, 1989, to the
18 department of human services for the state mental health
19 institutes, the following amount, or so much thereof as is
20 necessary, to be used for salaries and support for not more
21 than one thousand one hundred ninety-one point sixteen full-
22 time equivalent positions, maintenance, and miscellaneous
23 purposes:

24 \$ 38,153,000

25 Sec. 17. IOWA VETERANS HOME. There is appropriated from
26 the general fund of the state for the fiscal year beginning
27 July 1, 1988, and ending June 30, 1989, to the department of
28 human services, the following amount, or so much thereof as is
29 necessary, to be used for operation of the Iowa veterans home,
30 including salaries and support for not more than seven hundred
31 forty-two point thirteen full-time equivalent positions,
32 maintenance, and miscellaneous purposes, on the condition that
33 if federal or private per diem rates paid to the home exceed
34 the rates budgeted for the fiscal year, then the amount of
35 unplanned revenue from the increased rates shall be used, to

1 the extent possible, to phase in and staff new beds at the
2 home, and the number of full-time equivalent positions may
3 exceed the number allowed in this section for this purpose:
4 \$ 22,681,000

5 Sec. 18. MENTAL HEALTH AND RETARDATION SERVICES FUND.

6 There is appropriated from the general fund of the state for
7 the fiscal year beginning July 1, 1988, and ending June 30,
8 1989, to the state community mental health and mental
9 retardation services fund established in section 225C.7 the
10 following amount, or so much thereof as is necessary:

11 \$ 3,330,000

12 Sec. 19. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION --
13 DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated

14 from the general fund of the state for the fiscal year
15 beginning July 1, 1988, and ending June 30, 1989, to the
16 department of human services the following amount, or so much
17 thereof as is necessary, for administrative support and for
18 service coordination and diagnosis and evaluation:

19 \$ 1,000,000

20 1. The funds provided under this section shall be used by
21 the department of human services for the following:

22 a. No more than eighty-eight percent of the funds shall be
23 used for the establishment of service coordination units for
24 persons with mental retardation, developmental disabilities,
25 or chronic mental illness for the provision of specialized
26 service coordination. It is the intent of the general

27 assembly that these units be established no later than October
28 30, 1988, in each of the department's human service districts.

29 The department shall report to the general assembly by October
30 30, 1988, on the establishment of the service coordination

31 units. Priority shall be given to individuals who require
32 service coordination in preventing a placement that would be

33 inconsistent with the person's identified needs. Persons
34 performing service coordination shall be given caseloads no

35 greater than thirty for clients with mental retardation,

1 developmental disabilities, or chronic mental illness.

2 b. No more than twelve percent of the funds shall be used
3 for the provision of diagnosis and evaluation services for
4 persons with mental retardation, developmental disabilities,
5 or chronic mental illness. Priority shall be given to
6 individuals who have not received a diagnosis and evaluation
7 within the past five years.

8 c. The available funds shall be allocated to the department of
9 human service districts based on the bill of rights
10 enumeration study. Within the funds available under this
11 section, case management and diagnosis and evaluation shall be
12 made available proportional to the bill of rights populations
13 within each district as cited in the enumeration study.

14 d. The department shall seek to draw down additional funds
15 through the federal medical assistance program in the
16 provision of these services.

17 e. It is the intent of the general assembly that recognition
18 be given to reducing the cost for potential conversion of
19 residential care facilities for the mentally retarded to
20 intermediate care facilities for the mentally retarded without
21 imposing more restrictive construction and renovation
22 standards than absolutely essential.

23 f. It is the intent of the general assembly that greater use
24 of federal support through vocational rehabilitation funding
25 be provided for the bill of rights population. The department
26 shall work with the department of education in seeking to make
27 greater use of vocational rehabilitation support for the bill
28 of rights population, and shall report to the general assembly
29 by October 30, 1988, on the feasibility of obtaining additional
30 federal assistance.

31 g. The department shall develop a proposal to assist
32 individuals in obtaining Social Security and Title XIX
33 benefits.

34 2. Nothing in this Act is intended by the general assembly
35 to be the provision of a fair and equitable funding formula

1 specified in 1985 Iowa Acts, chapter 249, section 9. Nothing
2 in this Act shall be construed, is intended, or shall imply a
3 claim of entitlement to any programs or services specified in
4 section 225C.28.

5 Sec. 20. STATE SUPPLEMENTARY ASSISTANCE. There is
6 appropriated from the general fund of the state for the fiscal
7 year beginning July 1, 1988, and ending June 30, 1989, to the
8 department of human services, the following amount, or so
9 much thereof as is necessary, to be used for
10 state supplementary assistance,
11 on the condition that
12 the across-the-board cuts currently in effect
13 are eliminated,
14 followed
15 by a three-percent increase in the
16 maximum
17 reimbursement rate paid
18 to residential care facilities and in-home health care
19 providers,
20 as specified in section
21 38 of this Act:

22 \$ 12,208,400

23 The department shall increase the personal needs allowance
24 for residents of residential care facilities by the same
25 percentage and at the same time as federal supplemental
26 security and federal Social Security benefits are increased
27 due to a recognized increase in the cost of living.

28 Sec. 21. BLOCK GRANT SUPPLEMENTATION. There is
29 appropriated from the general fund of the state for the fiscal
30 year beginning July 1, 1988, and ending June 30, 1989, to the
31 department of human services for supplementation of federal
32 social services block grant funds and for allocation to the
33 various counties for the purchase of local services and child
34 day care services for eligible individuals, the following
35 amount, or so much thereof as is necessary, on the condition

1 that the across-the-board cuts currently in effect are
2 eliminated, followed by a three-percent increase in the
3 reimbursement rate paid to service providers funded under this
4 appropriation, as specified in section 38 of this Act:

5 \$ 6,689,000

6 1. The funds appropriated in this section shall be
7 allocated to the counties pursuant to the rules of the
8 department in effect on January 1, 1985. The department shall
9 increase the income guidelines for income eligible persons
10 receiving services funded with federal social services block
11 grant funds for the fiscal year beginning July 1, 1988, by the
12 same percentage and at the same time as federal social
13 security benefits are increased due to a recognized increase
14 in the cost of living.

15 2. Of the funds appropriated in this section, three
16 million one hundred eighty-nine thousand (3,189,000) dollars
17 shall be earmarked for the purchase of local services and
18 three million five hundred thousand (3,500,000) dollars shall
19 be earmarked for child day care services.

20 3. The department shall not require counties to match the
21 state child day care services funds with local funds but shall
22 require that the counties allocate local funds for child day
23 care services in an amount at least equal to the county
24 expenditures for child day care services in the fiscal year
25 ending June 30, 1983. The department shall reallocate state
26 child day care services funds from counties which do not
27 qualify for or do not utilize the funds to counties which do
28 qualify for the funds.

29 4. Any funds allocated for the local purchase of child
30 care services shall be available for purchase of services in
31 any type of child care facility approved under 441 IAC § 170.

32 5. The department shall establish the income eligibility
33 level for recipients of child day care services at the
34 equivalent of one hundred twenty-five percent of the federal
35 office of management and budget poverty guidelines for

1 families of all sizes.

2 6. If the department determines that funds earmarked under
3 this section for child day care services will not be fully
4 expended, the department may increase the income guidelines in
5 order to provide for the expenditure of all funds earmarked
6 under this section for child day care services.

7 Sec. 22. COMMUNITY-BASED PROGRAMS. There is appropriated
8 from the general fund of the state for the fiscal year
9 beginning July 1, 1988, and ending June 30, 1989, to the
10 department of human services, the following amount, or so much
11 thereof as is necessary, to be used for community-based
12 programs on the condition that displaced homemaker programs
13 and the pilot projects relating to adolescent pregnancy under
14 1987 Iowa Acts, chapter 234, section 203, subsection 1,
15 paragraph "i", are funded, and that the across-the-board cuts
16 currently in effect are eliminated, followed by a three-
17 percent increase in the reimbursement rate paid to service
18 providers funded under this appropriation, as specified in
19 section 39 of this Act:

20 \$ 4,227,014

21 The commissioner of human services shall pay from the funds
22 appropriated in this section, as the entitled aid from the
23 state under section 232.142, subsection 4, one-half of one
24 percent of the total cost of the establishment, improvement,
25 operation, and maintenance of approved county or multicounty
26 juvenile homes.

27 Of the funds allocated to the pilot projects relating to
28 adolescent pregnancy, the department shall expend no more than
29 seven percent for administrative costs.

30 Sec. 23. CHILD ABUSE PREVENTION GRANTS. There is
31 appropriated from the general fund of the state for the fiscal
32 year beginning July 1, 1988, and ending June 30, 1989, to the
33 department of human services, the following amount, or so much
34 thereof as is necessary, for child abuse prevention grants:

35 \$ 313,686

1 Sec. 24. SUPPLEMENTAL CHILD CARE ASSISTANCE. There is
2 appropriated from the general fund of the state for the fiscal
3 year beginning July 1, 1988, and ending June 30, 1989, to the
4 department of human services, the following amount, or so much
5 thereof as is necessary, to be used for supplemental payments
6 of the child care costs of persons who qualify for
7 transitional child care assistance under section 239.21
8 because of an increase in earned income beginning on or before
9 October 1, 1988:

10 \$ 1,600,000

11 1. The department shall deliver the supplemental payments
12 through a voucher agreement system which requires the
13 recipient to contribute to the cost of the child care services
14 in accordance with the sliding fee schedule currently utilized
15 by the department for child day care services. Reimbursement
16 for services will be limited to registered or licensed child
17 care providers.

18 2. The department shall work with the legislative fiscal
19 bureau to develop a means to measure the effect of the
20 supplemental child care assistance upon the number of aid to
21 families with dependent children recipients and the economic
22 status of the persons who receive the assistance.

23 Sec. 25. RESOURCE AND REFERRAL PROGRAMS. There is
24 appropriated from the general fund of the state for the fiscal
25 year beginning July 1, 1988, and ending June 30, 1989, to the
26 department of human services the following amount, or so much
27 thereof as is necessary, to be used for allocation in the form
28 of grants to local and private nonprofit corporations or
29 department of human services district offices which provide
30 child and dependent adult care resource and referral programs.
31 Individual grants shall not exceed fifty thousand (50,000)
32 dollars:

33 \$ 250,000

34 A local program which is allocated funding shall match
35 funds appropriated with local funds which may be in the form

1 of private donations or public funding sources including block
2 grant local purchase funds. The department of human services
3 shall adopt rules pursuant to chapter 17A which establish the
4 criteria for allocation of grant funds to local resource and
5 referral programs.

6 Sec. 26. HOME-BASED SERVICES. There is appropriated from
7 the general fund of the state for the fiscal year beginning
8 July 1, 1988, and ending June 30, 1989, to the department of
9 human services, the following amount, or so much thereof as is
10 necessary, to be used for home-based services on the condition
11 that family planning services are funded, and that the across-
12 the-board cuts currently in effect are eliminated, followed by
13 a three-percent increase in the reimbursement rate paid to
14 service providers funded under this appropriation as specified
15 in section 39 of this Act provided that if the department
16 amends the allocation to a program funded under this section,
17 then the department shall promptly notify the fiscal committee
18 of the legislative council of the change:

19 \$ 6,974,800

20 Of the funds appropriated in this section, nine hundred
21 fifty-nine thousand forty (959,040) dollars, or so much
22 thereof as is necessary, shall be used to continue the three-
23 year family preservation pilot services initiative to provide
24 highly intensive in-home family reunification and placement
25 prevention services. These funds shall be used to maintain
26 fiscal year 1988 service levels. The payment system for this
27 project shall be other than an hourly unit-based system and
28 may be based on a cost per family unit with actual payments
29 per family adjusted according to the performance of the
30 provider and the outcome of their services to each family. It
31 is the intent of the general assembly that the three-year
32 evaluation of this initiative and other project monitoring
33 activities be continued to assess service impact and cost-
34 effectiveness.

35 Sec. 27. AID TO INDIANS. There is appropriated from the

1 general fund of the state for the fiscal year beginning July
2 1, 1988, and ending June 30, 1989, to the department of human
3 services, the following amount, or so much thereof as is
4 necessary, to be used for aid to Indians under section 252.43:
5 \$ 34,965

6 The tribal council shall not use more than ten percent of
7 the funds for administration purposes.

8 Sec. 28. VOLUNTEERS. There is appropriated from the
9 general fund of the state for the fiscal year beginning July
10 1, 1988, and ending June 30, 1989, to the department of human
11 services, the following amount, or so much thereof as is
12 necessary, to be used for development and coordination of
13 volunteer services:

14 \$ 67,932

15 Sec. 29. JUVENILE JUSTICE. There is appropriated from the
16 general fund of the state for the fiscal year beginning July
17 1, 1988, and ending June 30, 1989, to the department of human
18 services, the following amount, or so much thereof as is
19 necessary, to be used for juvenile justice reimbursement to
20 counties under section 232.141, subsection 2:

21 \$ 1,752,000

22 Notwithstanding section 232.141, subsection 4, seventy-five
23 percent of all expenses submitted for care and treatment by
24 the counties shall be reimbursed by the state.

25 Sec. 30. FOSTER CARE. There is appropriated from the
26 general fund of the state for the fiscal year beginning July
27 1, 1988, and ending June 30, 1989, to the department of human
28 services, the following amount, or so much thereof as is
29 necessary, to be used for foster care on the condition that
30 the across-the-board cuts currently in effect are eliminated,
31 followed by a three-percent increase in the reimbursement rate
32 paid to foster care providers, as specified in section 38 of
33 this Act:

34 \$ 32,378,800

35 1. The department shall revise the reimbursement formula

1 for foster family special care and emergency care allowances
2 to encourage foster family special care and emergency care
3 placements in lieu of group foster care placements. Beginning
4 December 1, 1988, the formula shall recognize the special
5 needs of children in foster care and the special services that
6 may be required of foster parents.

7 2. Beginning on the effective date of administrative rules
8 governing this section, the department may use a portion of
9 the funds appropriated in this section to provide payments to
10 senior citizens, recipients of assistance under aid to
11 families with dependent children, or other appropriate persons
12 to assist in monitoring certain children in foster family
13 placement, in order to demonstrate whether the monitoring can
14 make family foster care a more viable placement option for
15 delinquent children.

16 3. Beginning on the effective date of administrative rules
17 governing this section, the department may use a portion of
18 the funds appropriated in this section to purchase special
19 services in order to demonstrate whether the services can
20 prevent out-of-home shelter care.

21 4. It is the intent of the general assembly that the
22 department of human services, the state judicial department,
23 the department of education and representatives of service
24 providers shall establish a target problem-child committee.
25 The committee shall be responsible to find placements for
26 children who have exceptional service needs or who have been
27 rejected in previous referrals and who may be at risk of being
28 placed out of state.

29 5. It is the intent of the general assembly that the
30 department of human services and the judicial department shall
31 jointly develop, for submission to the governor and general
32 assembly by December 1, 1988, a plan to eliminate the practice
33 of joint case management and the monitoring of juvenile court
34 cases.

35 6. Of the funds appropriated in this section, thirty

1 thousand (30,000) dollars, or so much thereof as is necessary,
2 may be used by the department to conduct a study to determine
3 the impact of establishing a fee schedule for parental par-
4 ticipation in all child welfare services.

5 7. Beginning August 1, 1988, the funds appropriated in
6 this section shall not be used for "payment only" foster care
7 placements in which the court orders that the custody of a
8 child shall be transferred to an agency or individual other
9 than the department. The department shall cooperate with the
10 court in the transfer of placement responsibilities or in
11 providing for joint placement responsibilities in order to
12 receive federal financial participation for such placements.

13 8. The department shall develop an alternative system for
14 reimbursing foster care providers that provide performance-
15 based payment. The system shall include contract features
16 which provide incentives and penalties based upon outcomes.
17 It is the intent of the legislature that the alternative
18 system shall be made available on a demonstration project
19 basis by December 1, 1988.

20 9. The department may transfer a portion of the funds
21 appropriated in this section for use in providing subsidized
22 adoption services or for use in purchasing adoption services,
23 if funds allocated for adoption services are insufficient.

24 10. No more than thirty percent of children in foster care
25 funded under Title IV, part E of the federal Social Security
26 Act shall be in foster care for more than twenty-four months.

27 11. Of the funds appropriated in this section, forty-five
28 thousand (45,000) dollars, or so much thereof as is necessary,
29 is allocated for foster parent training prior to the initial
30 licensure of foster parents.

31 12. By September 1, 1988, the department shall designate
32 two counties as the counties in which the demonstration
33 program to decategorize child welfare services will occur.
34 The county boards of supervisors and the judicial districts
35 serving the counties shall agree to those counties serving in

1 the demonstration. The department shall establish a child
2 welfare fund for those counties composed of all or part of the
3 amount that would otherwise be expected to be used for
4 residents of the counties for foster care, family-centered
5 services, subsidized adoption, day care, local purchase
6 services, juvenile institutional care, mental health institute
7 care, state-hospital school care, juvenile detention,
8 department direct services, and juvenile justice county-based
9 reimbursable services. Notwithstanding other service funding
10 provisions in law, the department shall establish this fund by
11 transferring funds from the budgets affected, except for the
12 funds appropriated for juvenile institutions, mental health
13 institutes, and state hospital-schools, which shall be
14 identified in the demonstrations for auditing purposes only.
15 The child welfare fund may be used to support services and
16 payment rates not allowable within historical program or
17 service categories. The department shall work with the county
18 board of supervisors and the judicial districts in providing
19 training for the project, and shall make use of the national
20 conference of state legislatures and the center for the study
21 of social policy for technical assistance. It is the intent
22 of the general assembly that the demonstration program
23 commence not later than April 1, 1989, and be designed to
24 operate for a three year period.

25 13. Of the funds appropriated in this subsection, thirty
26 thousand (30,000) dollars, or so much thereof as is necessary,
27 may be used by the department to contract with universities to
28 provide ongoing research and evaluation assistance to programs
29 and initiatives of the department involving family-centered
30 services and foster care. Such contracts shall make maximum
31 use of any matching resources from the universities with which
32 the department contracts.

33 Sec. 31. FOSTER HOME INSURANCE FUND. There is
34 appropriated from the general fund of the state for the fiscal
35 year beginning July 1, 1988, and ending June 30, 1989, to the

1 department of human services, the following amount, or so much
2 thereof as is necessary, to be used for the foster home
3 insurance fund as required under Senate File 2107, if enacted
4 by the general assembly of the state:

5 \$ 165,000

6 Notwithstanding section 8.33, the funds remaining in the
7 foster home insurance fund shall not revert to the general
8 fund on June 30, 1989.

9 Sec. 32. SUPPLEMENTAL PAYMENTS TO IN-STATE FOSTER CARE

10 PROVIDERS. There is appropriated from the general fund of the
11 state for the fiscal year beginning July 1, 1988, and ending
12 June 30, 1989, to the department of human services, the
13 following amount, or so much thereof as is necessary, to be
14 used to provide supplemental payments to in-state providers of
15 foster care beginning July 1, 1988, in order to reduce the
16 number of out-of-state foster care placements. Payments shall
17 be made according to criteria established by administrative
18 rules and shall be based upon the special needs of individual
19 children:

20 \$ 450,000

21 Sec. 33. ADDITIONAL SERVICES TO SUPPORT FOSTER FAMILY

22 PLACEMENTS. There is appropriated from the general fund of
23 the state for the fiscal year beginning July 1, 1988, and
24 ending June 30, 1989, to the department of human services, the
25 following amount, or so much thereof as is necessary, to be
26 used to provide additional services to support foster family
27 placement commensurate with the needs of the child in order to
28 make the placement a viable alternative to group foster care.
29 The additional services may begin on the effective date of
30 administrative rules governing this section:

31 \$ 240,000

32 Sec. 34. FOSTER PARENT IN-SERVICE TRAINING. There is

33 appropriated from the general fund of the state for the fiscal
34 year beginning July 1, 1988, and ending June 30, 1989, to the
35 department of human services, the following amount, or so much

1 thereof as is necessary, to be used to offer foster parent in-
2 service training in order to meet the requirement for six
3 hours of foster parent training annually to qualify for
4 relicensure:

5 \$ 200,000

6 Sec. 35. TRANSFERS PROHIBITED. As a condition of the
7 appropriations made for aid to families with dependent
8 children, medical assistance, state supplementary assistance,
9 and foster care under sections 1, 5, 19, and 29 the following
10 shall apply:

11 1. Notwithstanding section 8.39, and except as provided in
12 section 5, subsection 7, for the health maintenance
13 organization enrollment, in section 6 for the medical
14 assistance for pregnant women, infants, and children program,
15 in section 9, subsection 1, for the child support recovery
16 unit, funds appropriated for aid to families with dependent
17 children, medical assistance, state supplementary assistance,
18 and foster care shall not be subject to transfer. Department
19 of human services' programs shall not be modified for the
20 purpose of transferring other funds appropriated to the
21 department of human services into the aid to families with
22 dependent children, medical assistance, state supplementary
23 assistance, and foster care accounts.

24 2. Except as provided in subsection 3 of this section, the
25 commissioner of human services shall not modify programs
26 funded under the aid to families with dependent children,
27 medical assistance, state supplementary assistance, and foster
28 care appropriations in order to meet any projected budget
29 shortfalls, but shall request supplemental appropriations from
30 the general assembly to meet those shortfalls.

31 3. Notwithstanding the concept of allotments in section
32 8.31, for the purpose of any across-the-board budget
33 reductions ordered by the governor, the appropriations for the
34 aid to families with dependent children, medical assistance,
35 state supplementary assistance, and foster care shall be

1 deemed to include amounts needed to operate the programs for
2 the entire fiscal year beginning July 1, 1988, and ending June
3 30, 1989, under the July 1988 program guidelines and mandated
4 subsequent changes. The across-the-board budget reductions
5 shall be applied to the appropriations, and the estimate of
6 revenues needed to balance the state's budget shall be made so
7 as to operate the July 1, 1988 programs, as modified by
8 mandated changes for the entire fiscal year.

9 4. Notwithstanding section 8.31, for deficit
10 appropriations, the department shall apply the across-the-
11 board budget reductions to the aid to families with dependent
12 children, medical assistance, state supplementary assistance,
13 and foster care appropriations, and to additional anticipated
14 needs according to the July 1, 1988, guidelines and mandated
15 subsequent changes. For surplus appropriations, the across-
16 the-board budget reductions shall be applied first to the
17 surplus appropriations and then to amounts needed to maintain
18 the July 1, 1988, programs and any mandated subsequent
19 changes.

20 5. The appropriations made to the department of human
21 services for general administration, community services, and
22 the supplemental block grant are based upon receipt of grants
23 to the state from the federal government in the federal fiscal
24 year beginning October 1, 1988, and ending September 30, 1989,
25 in the amount of thirty-two million sixty-eight thousand seven
26 hundred seventy-seven (32,068,777) dollars for the social
27 services block grant. The appropriations are based upon
28 general administration receiving one million eight hundred
29 forty-nine thousand three hundred thirty-one (1,849,331)
30 dollars of the block grant and community services receiving
31 twelve million six hundred sixty-seven thousand two hundred
32 forty-nine (12,667,249) dollars for community services. It is
33 the intent of the general assembly that if the amount provided
34 by the federal grants is less than the amounts listed above,
35 then fiscal adjustments shall be made during the state fiscal

1 year beginning July 1, 1989, and ending June 30, 1990.

2 Sec. 36. GOALS AND OBJECTIVES. The department of human
3 services shall work with the legislative fiscal bureau and the
4 department of management to establish goals and objectives for
5 each program which commenced on July 1, 1988, or thereafter.
6 The goals and objectives shall be submitted to the fiscal
7 committee of the legislative council on or before August 15,
8 1988.

9 Sec. 37. MEDICAID PROVIDERS REIMBURSED UNDER THE
10 DEPARTMENT OF HUMAN SERVICES. The following providers shall
11 have their reimbursement rates frozen at the rates in effect
12 on June 30, 1985: optometrists, opticians, clinics,
13 audiologists, rehabilitation agencies, community mental health
14 centers, family planning clinics, psychologists, screening
15 centers, hearing aid dealers, orthopedic shoe dealers,
16 maternal health centers, ambulatory surgery centers and
17 genetic counseling clinics.

18 However, the material costs of products which are reim-
19 bursed at the acquisition cost shall not be frozen.

20 All across-the-board cuts currently in effect shall be
21 removed effective July 1, 1988.

22 Reimbursement rates to hospitals and skilled nursing
23 facilities shall be increased according to an inflation factor
24 determined by the department.

25 Reimbursement rates for rural health clinics shall be
26 increased in accordance with increases under the federal
27 Medicare program.

28 Home health agencies certified for the medical assistance
29 program shall be reimbursed for their current federal medicare
30 audited costs. The department shall conduct a study of the
31 reimbursement methodology used for home health agencies in
32 order to change from one of retrospectively determined rates
33 to one of prospectively determined rates.

34 Sec. 38. STATE SUPPLEMENTARY ASSISTANCE PROVIDERS
35 REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. Effective

1 July 1, 1988, the across-the-board cuts currently in effect
2 will no longer apply to residential care facilities.
3 Furthermore, the maximum reimbursement rate for residential
4 care facilities shall be increased by three percent making the
5 maximum rate seventeen dollars and ninety-seven cents. The
6 new flat rate for facilities electing not to file cost reports
7 shall be twelve dollars and eighty-four cents.

8 Effective July 1, 1988, the across-the-board cuts currently
9 in effect shall not be applied in the in-home health related
10 care program. Furthermore, the maximum reimbursement rate for
11 the in-home health related care program shall be increased by
12 three percent.

13 Sec. 39. SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
14 DEPARTMENT OF HUMAN SERVICES. For services given by social
15 service providers on or after July 1, 1988, reductions to
16 invoices or rates shall be discontinued. In addition, for
17 services given between July 1, 1988, and June 30, 1989, rates
18 shall be automatically increased by three percent over the
19 unreduced rates in effect on June 30, 1988. Rates for foster
20 group care and shelter care services shall not exceed sixty-
21 eight dollars and thirteen cents per day. This automatic
22 increase is intended to be a one-time exception to policy for
23 the fiscal year beginning July 1, 1988, and ending June 30,
24 1989, only and is not intended to eliminate regular submission
25 of cost reports. The maximum rate in effect on June 30, 1989,
26 shall become the provider's base maximum rate. Future maximum
27 increases shall be calculated on the base maximum rate, except
28 that the maximum rate a provider may charge shall be
29 calculated under the cost-based system. The base maximum rate
30 for service providers not included in a contract on June 30,
31 1989, shall be the first actual cost-based rate determined for
32 the provider.

33 Sec. 40. ASSISTANCE TO GAMBLERS. The department shall use
34 funds deposited in the gamblers assistance fund established in
35 section 99E.10 only for programs to assist gamblers. Any

1 unspent funds shall remain in the fund and shall not be
2 transferred or reverted to the general fund of the state.

3 The department shall use gamblers assistance fund moneys
4 for three full-time equivalent positions to support this
5 program.

6 Sec. 41. RULES. The department of human services may
7 adopt administrative rules under section 17A.4, subsection 2,
8 and section 17A.5, subsection 2, paragraph "b", for the
9 following: Sections 3, 4, 5, 13, 19, 20, 22, 24, 25, 29, and
10 30 of this Act and rules shall become effective immediately
11 upon filing, unless a later effective date is specified in the
12 rules.

13 Sec. 42. Section 142B.1, subsection 1, Code Supplement
14 1987, is amended by striking the subsection and inserting in
15 lieu thereof the following:

16 1. The department of human services and the Iowa
17 department of public health shall appoint an eleven-member
18 organ transplant commission to implement the written state
19 plan for human organ and tissue transplants in this state and
20 to make recommendations to the general assembly regarding
21 appropriate legislation. The commission members shall serve
22 three-year terms. The commission is established for the
23 following purposes:

24 a. Designate centers to perform human organ and tissue
25 transplants in this state. The designation of a center shall
26 be based on the requirements set forth in Title XVIII of the
27 federal Social Security Act and be withdrawn from a center
28 based upon noncompliance with state or federal law. A
29 designated center shall adhere to any minimum transplant
30 procedure volume requirements recommended by the federal
31 department of health and human services.

32 b. Monitor the compliance of centers with the state plan
33 for human organ and tissue transplants reimbursed under Title
34 XIX.

35 c. Determine payment eligibility under Title XIX for

1 performance of nonexperimental human organ and tissue
2 transplantation procedures and services as provided under
3 Title XVIII of the federal Social Security Act. For the
4 purposes of this section, "nonexperimental human organ and
5 tissue transplantation procedures and services" are those so
6 designated by Title XVIII of the federal Social Security Act,
7 and heart transplants and services for patients so long as
8 patient selection policies of the center satisfactorily
9 address the elements of the most recent patient selection
10 guidelines adopted by Title XVIII.

11 d. Conduct policy analysis concerning the human organ
12 transplants eligible for Title XIX reimbursement. The
13 commission shall consider the financial condition of the state
14 treasury, the effect on availability of state moneys
15 traditionally reserved to provide primary health care
16 services, and the cost of the transplant compared to the
17 benefits derived.

18 e. Perform the functions of the state health facilities
19 council under sections 135.61 through 135.83 for decisions on
20 applications for certificates of need for designation of
21 centers.

22 f. Authorize specific transplant procedures to be
23 performed by centers as appropriate under this section.

24 g. Adopt rules under chapter 17A to carry out its
25 functions.

26 Sec. 43. Section 142B.1, subsection 2, Code Supplement
27 1987, is amended to read as follows:

28 2. The ~~state-plan~~ commission shall consider policies and
29 procedures for organ and tissue procurement, registration, and
30 distribution, and the distribution plan shall guarantee equal
31 access and availability to donor organs by each center; organ
32 recipient selection criteria; transplant center designation
33 and eligibility; and informed consent and confidentiality.
34 The ~~plan~~ commission shall also address protocol to be adopted
35 by each licensed hospital for identifying medically suitable

1 organ and tissue donors, for designating and training persons
2 within the hospital to make organ and tissue donor requests,
3 for notifying organ and tissue procurement organizations of
4 donations, and for cooperating in the procurement of the organ
5 and tissue. The plan commission shall recognize the need for
6 protocol which meets the special circumstances of different
7 hospitals throughout the state and encourages reasonable
8 discretion and sensitivity to family circumstances in all
9 discussions regarding donations of organs and tissues.

10 Sec. 44. Section 142B.1, subsection 3, Code Supplement
11 1987, is amended by striking the subsection and inserting in
12 lieu thereof the following:

13 3. The membership of the commission shall include one
14 member from each of the following organizations, who shall be
15 appointed from persons submitted by the insurance industry,
16 health policy corporation of Iowa, Iowa medical society, Iowa
17 osteopathic medical association, and the Iowa nurses
18 association. The Iowa hospital association shall submit the
19 names of a representative from a small hospital and a large
20 hospital, which are not performing transplants and which are
21 not legally affiliated with a hospital which is performing
22 transplants or coordinating transplants. The representative
23 of the large hospital and the representative of the small
24 hospital shall serve alternating terms. The Iowa department
25 of public health and the department of human services shall
26 jointly appoint a representative from one voluntary nonprofit
27 organization interested in organ transplant procedures, one
28 from the bureau of medical services of the department of human
29 services, and three consumer representatives. The consumer
30 representatives may receive actual expenses incurred as
31 commission members, from funds appropriated to the department
32 of human services. The commission shall elect a chairperson
33 from among its membership. The department shall assign a
34 staff person to the commission who shall serve as a nonvoting
35 member.

1 Sec. 45. The members of the commission appointed under
2 section 142B.1 shall be appointed on July 1, 1988, to the
3 following terms: Four of the members of the commission shall
4 be appointed to three-year terms, three to two-year terms, and
5 three to one-year terms. To the extent possible, members of
6 the commission on June 30, 1988, shall be reappointed.

7 Sec. 46. FEDERAL RECEIPTS. All federal grants to and the
8 federal receipts of the department of human services are
9 appropriated for the purposes set forth in the federal grants
10 or receipts. The veterans per diem payable for veterans at
11 the veterans home and funds received under Title XIX of the
12 federal Social Security Act by the state mental health
13 institutes and state hospital-schools shall be deposited in
14 the general fund of the state.

15 Sec. 47. CAPITAL EXPENDITURES EXCLUDED. Funds
16 appropriated by this Act shall not be used for capital
17 acquisitions or improvements.

18 Sec. 48. OUT-OF-STATE TRAVEL PROHIBITED. Funds
19 appropriated by this Act shall not be used by an employee of
20 the department of human services for travel or other expenses
21 related to a training program that takes place outside of this
22 state unless the training is required or it can be
23 demonstrated that out-of-state training is the least expensive
24 alternative.

25 EXPLANATION

26 The bill appropriates moneys to the department of human
27 services for the fiscal year beginning July 1, 1988, and
28 ending June 30, 1989.

29
30
31
32
33
34
35

HOUSE FILE 2447

H-5652

1 Amend House File 2447 as follows:

2 1. Page 15, by inserting after line 35 the
3 following:

4 "3. It is the intent of the general assembly that
5 the juvenile institution at Eldora maintain an average
6 of two hundred juveniles and the juvenile institution
7 at Toledo maintain an average of ninety juveniles
8 during the fiscal year ending June 30, 1989. The
9 plurality of the population at Eldora should consist
10 of older juveniles with a history of serious offenses
11 who are expected to require placement for a period of
12 one year or longer. Eldora may also be used to
13 provide a short-term high-impact placement for
14 juveniles who will be evaluated and provided other
15 services following the placement at Eldora. The
16 department shall review each new and existing
17 placement of a juvenile at the juvenile institutions
18 and determine whether the placement is appropriate for
19 the juvenile. If it is determined that an alternative
20 placement, including, but not limited to, placement
21 for substance abuse and mental health treatment or
22 programming for juveniles with mental retardation,
23 would be more appropriate for the juvenile, the
24 department shall seek modification of the court order
25 for placement."

26 2. Page 16, line 1, by striking the figure "3."
27 and inserting the following: "4."

28 3. Page 16, by striking lines 26 through 34 and
29 inserting the following:

30 "1. The plan shall include all of the following:

31 a. A needs statement, an organizational structure,
32 and a location for an assessment and placement unit
33 for juveniles who are committed directly to the state
34 juvenile institutions at Eldora and Toledo.

35 b. A recommendation regarding the type of juvenile
36 who should be placed at the juvenile institutions, the
37 length of stay which is suitable, the programming
38 required, and the number of beds needed.

39 c. A recommendation regarding the establishment of
40 a short-term high-impact program for juveniles which
41 includes potential locations and an organizational
42 structure for the program.

43 d. A recommendation regarding modifications needed
44 in the juvenile justice system, including the
45 statutory law, responsibilities of the department, and
46 responsibilities of the court, to ensure that a
47 juvenile is appropriately placed.

48 e. A recommendation regarding amending chapters
49 242 and 244 to make statutory language consistent with
50 the responsibilities of the juvenile institutions.

H-5652

Page Two

1 f. A recommendation regarding staff, equipment,
2 and capital improvements needed at the juvenile
3 institutions.
4 g. A recommendation regarding living needs and
5 supervision needs of juveniles following their
6 departure from the institution.
7 h. A recommendation regarding a system for
8 tracking juveniles after release from the juvenile
9 institution.
10 2. The plan shall be developed by an advisory
11 group composed of representatives of the state child
12 welfare and juvenile justice system. The committee
13 may enlist the aid of experts from other states and
14 visit other institutions inside or outside this state
15 in order to obtain information. The plan shall be
16 submitted to the general assembly on or before January
17 1, 1989."

BY HATCH of Polk
JOCHUM of Dubuque
HAVERLAND of Polk

H-5652 FILED MARCH 16, 1988
Adopted 3-18 4p94f

H-5675

1 Amend House File 2447 as follows:

- 2 1. Page 27, by striking lines 5 through 12 and
3 inserting the following:
4 "7. A juvenile court which considers the placement
5 of a child into foster care, when federal financial
6 participation is available to pay for the cost of the
7 placement if the order is for joint placement or for
8 placement with the department, shall contact the
9 department to determine whether joint placement or
10 departmental placement is feasible and in the best
11 interest of the child. The department shall assist
12 the court to identify cases in which federal financial
13 participation is contingent upon an order for joint
14 placement or for departmental placement. The
15 department and the court shall record the cases which
16 would have been eligible for federal financial
17 participation if joint placement or departmental
18 placement had been ordered, but a different
19 disposition was made. The total shall be reported to
20 the legislative fiscal bureau each quarter commencing
21 with the quarter beginning July 1, 1988."

H-5675 FILED MARCH 17, 1988 BY HAVERLAND of Polk
Adopted 3-18 (p 951) HOUSE FILE 2447

H-5678

1 Amend House File 2447 as follows:

- 2 1. Page 2, line 25, by striking the figure
3 "885,000" and inserting the following: "1,175,700".
4 2. Page 4, line 13, by striking the figure
5 "148,069,142" and inserting the following:
6 "148,328,442".
7 3. Page 8, by inserting after line 14, the
8 following:
9 "12. The department shall provide a
10 disproportionate share adjustment of four percent in
11 the reimbursement rate paid to a hospital which
12 provides more than twenty percent of its services to
13 indigent patients."

H-5678 FILED MARCH 17, 1988 BY HAVERLAND of Polk
Adopted 3-18 (p 941) PONCY of Wapello

HOUSE FILE 2447

H-5679

1 Amend House File 2447 as follows:

- 2 1. Page 23, line 28, by striking the word "local"
3 and inserting the following: "public agencies".
4 2. Page 23, lines 28 and 29, by striking the
5 words "or department of human services district
6 offices".
7 3. Page 23, line 34, by striking the word
8 "local".
9 4. Page 23, line 34, by striking the word "shall"
10 and inserting the following: "may".
11 5. Page 24, line 1, by inserting after the word
12 "donations" the following: ", in-kind contributions,".

BY BUHR of Polk
HESTER of Pottawattamie
GRUHN of Dickinson

H-5679 FILED MARCH 17, 1988

Adopted 3-18 (p 949)
Clerk 010 3-18 (p 956) by passage of 5684

FRIDAY, MARCH 18, 1988

HOUSE FILE 2447

H-5661

1 Amend House File 2447 as follows:

- 2 1. Page 1, line 17, by striking the word
3 "resulting" and inserting the following: "which
4 result".
- 5 2. Page 11, line 32, by striking the words "to
6 aid to" and inserting the following: "for aid to".
- 7 3. Page 12, line 3, by striking the word "to aid
8 to" and inserting the following: "for aid to".
- 9 4. Page 14, line 28, by striking the words "full-
10 time equivalent".
- 11 5. Page 15, line 35, by inserting after the word
12 "girls" the following: "residing".
- 13 6. Page 20, line 18, by inserting after the word
14 "health" the following: "related".
- 15 7. Page 23, by striking line 7 and inserting the
16 following: "transitional child care assistance for a
17 period of twelve months due to a loss of eligibility
18 for assistance under chapter 239".
- 19 8. Page 25, line 32, by striking the figure "38"
20 and inserting the following: "39".
- 21 9. Page 29, by striking line 4 and inserting the
22 following: "by the Seventy-second General Assembly,
23 1988 Session:".
- 24 10. Page 30, line 9, by striking the figures and
25 word "19, and 29" and inserting the following: "20,
26 and 30 of this Act".
- 27 11. Page 30, line 12, by striking the figure "7"
28 and inserting the following: "3".
- 29 12. Page 30, by striking line 15, and inserting
30 the following: "in section 10, for the child support
31 recovery".
- 32 13. Page 37, line 4, by striking the words "three
33 to" and inserting the following: "four to".
- 34 14. Title page, line 1, by inserting after
35 "relating to" the following: "human services,".
- 36 15. Title page, line 3, by inserting after the
37 figure "1989" the following: "and providing effective
38 dates".

H-5661 FILED MARCH 17, 1988 BY HAVERLAND of Polk

Adapted 3-18 (p944)

HOUSE FILE 2447

H-5666

1 Amend House File 2447 as follows:

- 2 1. Page 6, line 6, by striking the word
3 "Effective" and inserting the following: "Beginning".
- 4 2. Page 6, line 10, by striking the words and
5 figures "on July 1, 1988".
- 6 3. Page 6, line 35, by striking the word "and".
- 7 4. Page 7, by striking line 2 and inserting the
8 following: "outlined in 42 C.F.R., subpart D.
9 Initially, the rules shall provide that".

Adapted 3-18 (p942)

BY HATCH of Polk

JOCHUM of Dubuque

HAVERLAND of Polk

H-5666 FILED MARCH 17, 1988

HOUSE FILE 2447

H-5688

- 1 Amend House File 2447 as follows:
 2 1. Page 8, by inserting after line 14 the
 3 following:
 4 "12. As a condition of this appropriation, the
 5 department shall develop policies and guidelines to
 6 implement on a pilot basis a physician case management
 7 program for recipients of medical assistance. The
 8 pilot program shall be developed after review of
 9 established programs in other states. The pilot
 10 program shall continue for at least twenty-four months
 11 subsequent to implementation. If necessary, the
 12 department shall request a waiver from the federal
 13 health care financing administration."

H-5688 FILED MARCH 17, 1988 BY JOCHUM of Dubuque
 Adopted 3-18 (p943)

HOUSE FILE 2447

H-5687

- 1 Amend House File 2447 as follows:
 2 1. Page 37, by inserting after line 24 the
 3 following:
 4 "Sec. ____ . STATE FINANCING. Within funds
 5 appropriated, all programs and services authorized by
 6 this Act shall be financed with state or federal
 7 funds. Except as specifically required by statute or
 8 except as specifically required by administrative
 9 rules which are in effect before the effective date of
 10 this Act, the counties shall have no additional
 11 responsibility to support the programs and services
 12 authorized by this Act."
 13 2. By renumbering as necessary.

H-5687 FILED MARCH 17, 1988 BY HALVORSON of Clayton
 Harbor of Mills
 Lost 3-18 (p955)

HOUSE FILE 2447

H-5684

- 1 Amend House File 2447 as follows:
 5750 2 1. Page 25, by striking lines 22 through 24.

BY MUHLBAUER of Crawford
 COOPER of Lucas
 CLARK of Cerro Gordo
 PELLETT of Cass
 RENKEN of Grundy

HERMANN of Scott
 FULLER of Hardin
 VAN CAMP of Scott
 VAN MAANEN of Mahaska
 FOGARTY of Palo Alto

H-5684 FILED MARCH 17, 1988

Adopted
 Withdrawn 3-18 (p 950)

HOUSE FILE 2447

H-5683

- 1 Amend House File 2447 as follows:
- 2 1. Page 5, by striking lines 4 through 7.
- 3 2. By renumbering subsections as necessary.

H-5683 FILED MARCH 17, 1988 BY VAN MAANEN of Mahaska
Lost 3-18 (p 242)

HOUSE FILE 2447

H-5685

- 1 Amend House File 2447 as follows:
- 2 1. Page 1, line 7, by striking the figure
- 3 "45,400,000" and inserting the following:
- 4 "46,521,000".
- 5 2. Page 4, line 13, by striking the figure
- 6 "148,069,142" and inserting the following:
- 7 "151,628,755".

H-5685 FILED MARCH 17, 1988 BY VAN MAANEN of Mahaska
Withdrawn 3/8 (p 956)

HOUSE FILE 2447

H-5686

- 1 Amend House File 2447 as follows:
- 2 1. By striking page 30, line 6 through page 32,
- 3 line 1.

H-5686 FILED MARCH 17, 1988 BY VAN MAANEN of Mahaska
Lost 3-18 (p 953) CARPENTER of Polk

HOUSE FILE 2447

H-5689

1 Amend House File 2447 as follows:

2 1. Page 20, lines 33 and 34, by striking the
3 words "and child day care services".

4 2. Page 21, line 5, by striking the figure
5 "6,689,000" and inserting the following: "2,432,000".

6 3. Page 21, by striking lines 6 through 8 and
7 inserting the following:

8 "The department shall allocate the funds
9 appropriated in this section to a county in proportion
10 to the amount allocated to the county in fiscal year
11 1988-1989 after subtracting the amount the county
12 spent for the local purchase of child day care
13 services. The department shall".

14 4. By striking page 21, line 15 through page 22,
15 line 6 and inserting the following:

16 "Sec. ____ . CHILD CARE ASSISTANCE. There is
17 appropriated from the general fund of the state for
18 the fiscal year beginning July 1, 1988, and ending
19 June 30, 1989, to the department of human services the
20 following amount, or so much thereof as is necessary,
21 to be used for supplemental payments of child care
22 costs:

23 \$ 4,257,000

24 1. The funds appropriated in this section shall be
25 used to deliver child day care assistance through a
26 vendor voucher payment or purchase of service system
27 to persons whose family income is equivalent to or
28 below one hundred twenty-five percent of the current
29 federal office of management and budget poverty
30 guidelines and who require day care assistance for
31 employment or other special need defined by rule. The
32 department shall deliver the supplemental payments
33 through a system which requires the recipient to
34 contribute to the cost of the child care in accordance
35 with the sliding fee schedule currently utilized by
36 the department for child care services. Allowable
37 child care costs shall not exceed the rates paid in
38 accordance with the purchase of service schedule
39 currently utilized by the department for child care
40 service providers. The department, after consultation
41 with consumers and providers of child care, shall
42 adopt rules which prescribe the usage of vendor
43 voucher payments.

44 2. The funds appropriated under this section shall
45 be allocated to the district offices of the
46 department. Fifty percent of the funds shall be
47 allocated according to the expenditures by a county
48 for day care services in the fiscal year ending June
49 30, 1987. Fifty percent of the funds shall be
50 allocated according to the percentage of a county's

H-5689

Page Two

1 population in poverty as determined by the 1980
2 federal bureau of the census.
3 3. The funds appropriated under this section shall
4 be expended for not more than nine full-time
5 equivalent positions in the field at a cost of not
6 more than two hundred sixty-two thousand (262,000)
7 dollars, and for salary and support for not more than
8 one full-time equivalent position in general
9 administration at a cost of not more than twenty-three
10 thousand (23,000) dollars. The positions are in
11 addition to the positions authorized under the
12 appropriations for community services and general
13 administration in this Act."

BY HAVERLAND of Polk

HANSEN of Woodbury

NORRGARD of Des Moines

CLARK of Cerrro Gordo

H-5689 FILED MARCH 17, 1988

TEAFORD of Black Hawk

Adopted as amended 3/18 (p942)

HOUSE FILE 2447

H-5683

1 Amend House File 2447 as follows:
2 1. Page 5, by striking lines 4 through 7.
3 2. By renumbering subsections as necessary.

H-5683 FILED MARCH 17, 1988 BY VAN MAANEN of Mahaska

Lost 3-18 (p942)

HOUSE FILE 2447

H-5685

1 Amend House File 2447 as follows:
2 1. Page 1, line 7, by striking the figure
3 "45,400,000" and inserting the following:
4 "46,521,000".
5 2. Page 4, line 13, by striking the figure
6 "148,069,142" and inserting the following:
7 "151,628,755".

H-5685 FILED MARCH 17, 1988 BY VAN MAANEN of Mahaska

Withdrawn 3-18 (p956)

HOUSE FILE 2447

H-5686

1 Amend House File 2447 as follows:
2 1. By striking page 30, line 6 through page 32,
3 line 1.

BY VAN MAANEN of Mahaska

H-5686 FILED MARCH 17, 1988

CARPENTER of Polk

Lost 3-18 (p953)

HOUSE FILE 2447

H-5718

1 Amend House File 2447 as follows:

2 1. Page 16, by inserting after line 17 the
3 following:

4 "4. As a condition of this appropriation, the
5 department shall repair and remodel a cottage at the
6 juvenile institution at Eldora. The department shall
7 spend not more than two hundred thousand (200,000)
8 dollars for this purpose."

H-5718 FILED MARCH 18, 1988 BY FULLER of Hardin
WITHDRAWN
Withdraw 3-18 (p 946)

HOUSE FILE 2447

H-5719

1 Amend House File 2447 as follows:

2 1. Page 8, by inserting after line 14 the
3 following:

4 "12. The allowance for capital costs in the
5 formula for reimbursement of hospitals under this
6 section, shall be based upon state-wide average
7 capital costs for hospitals."

H-5719 FILED MARCH 18, 1988 BY HAMMOND of Story
WITHDRAWN
Withdraw 3-18 (p 943)

HOUSE FILE 2447

H-5725

1 Amend House File 2447 as follows:

2 1. Page 25, line 34, by striking the figure
3 "32,378,800" and inserting the following:
4 "36,569,800".

5 2. Page 34, by inserting after line 12 the
6 following:

7 "Sec. ____ . Section 123.3, subsections 7 and 10,
8 Code 1987, are amended to read as follows:

9 7. "Wine" means any beverage containing more than
10 five one-half of one percent of alcohol by volume but
11 not more than seventeen percent of alcohol by weight
12 obtained by the fermentation of the natural sugar
13 contents of fruits, fruit extracts, or other
14 agricultural products but excluding any product
15 containing alcohol derived from malt or by the
16 distillation process from grain, cereal, molasses or
17 cactus.

18 10. "Beer" means any liquid capable of being used
19 for beverage purposes made by the fermentation of an
20 infusion in potable water of barley, malt, and hops,
21 with or without unmalted grains or decorticated and
22 degerminated grains or made by the fermentation-of-or
23 by distillation of the fermented products of fruit,
24 fruit extracts, or other agricultural products but
25 which is not wine as defined in subsection 7,

26 containing more than one-half of one percent of
27 alcohol by volume but not more than five percent of
28 alcohol by weight but not including mixed drinks or
29 cocktails mixed on the premises."

30 3. By renumbering as necessary.

H-5725 FILED MARCH 18, 1988 BY HESTER of Pottawattamie

DIVISION A - LOST, DIVISION B - NOT GERMANE

NOT SIGNED 3-18 (p. 51)
5725A Lost 3-18 (p. 51)

HOUSE FILE 2447

H-5694

- 1 Amend House File 2447 as follows:
2 1. Page 37, by inserting after line 24 the
3 following:
4 "Sec. . LAYOFF PROCEDURES. If the department
5 of human services must lay off more than five
6 employees, the ratio of the number of departmental
7 employees below merit classification pay grade twenty-
8 five who are laid off compared to the total number of
9 departmental employees who are laid off shall not
10 exceed the ratio of the total number of departmental
11 employees below merit classification pay grade twenty-
12 five compared to the total number of departmental
13 employees."
14 2. By renumbering as necessary.

H-5694 FILED MARCH 17, 1988 BY PETERSEN of Muscatine
Adopted 3-18 (p950)

HOUSE FILE 2447

H-5698

- 1 Amend House File 2447 as follows:
2 1. Page 7, by striking lines 23 through 26 and
3 inserting the following:
4 "10. No later than January 1, 1989, the department
5 shall modify the diagnosis related group payment
6 system for adolescents treated in Title XIX-certified
7 adolescent substance abuse and adolescent psychiatric
8 treatment units to reflect the treatment needs of
9 Title XIX-eligible adolescents."

H-5698 FILED MARCH 17, 1988 BY HATCH or Polk
Adopted 3-18 (p943)

HOUSE FILE 2447

H-5703

- 1 Amend House File 2447 as follows:
2 1. Page 29, by inserting after line 5 the
3 following:
4 "As a condition of this appropriation, the time
5 limit for an action which affects the fund shall be
6 extended in favor of minors and mentally ill persons
7 for six years from the date of the act or occurrence."

H-5703 FILED MARCH 17, 1988 BY STROMER of Hancock
Lost 3-18 (p952)

HOUSE FILE 2447

5727

Amend House File 2447 as follows:

1. Page 34, by inserting after line 12 the following:
- "Sec. ____ . Section 135.84, Code Supplement 1987, is amended to read as follows:
- 135.84 ORGAN TRANSPLANT SERVICES.
- The Iowa department of public health shall adopt rules which require certificate of need review of organ transplant services which have been or will be performed in or through an institutional health facility at a specific time but which were not performed for that specific organ prior to July 1, 1987. Organ transplant services shall not include transplant services which are routinely performed in the course of ordinary operative procedures in institutional health facilities. Each type of organ transplant shall be considered separately. Decisions on applications submitted pursuant to this section shall be made by the organ transplant commission pursuant to section 142B.1."
2. Page 34, by inserting after line 15 the following:
- "For the purposes of this chapter, "commission" means the Iowa organ and transplant commission and "third-party payor" includes all licensed insurers, health maintenance organizations, medical and hospital service corporations, self-funded employee health plans, the department of human services, as administrator of the medical assistance program pursuant to chapter 249A, and all other similar entities obligated by contract to pay for health care services for another party."
3. Page 34, line 19, by inserting after the word "transplants" the following: "for all third-party payors".
4. Page 34, line 31, by inserting after the word "services." the following: "However, designation of a transplant center shall not preclude recognition of facilities eligible for payment under the terms of a third-party payor contract."
5. Page 34, lines 33 and 34, by striking the words "reimbursed under Title XIX".
6. By striking page 34, line 35 through page 35, line 3 and inserting the following:
- "c. Designate those transplant procedures eligible for reimbursement under Title XIX. It is the policy of the state that Title XIX reimbursement shall be limited to nonexperimental human organ and tissue transplantation procedures and services as provided under Title XVIII of the federal Social Security Act.

H-5727

Page Two

- 1 For the".
- 2 7. Page 35, line 12, by striking the words "Title
3 XIX reimbursement" and inserting the following:
4 "reimbursement in this state".
- 5 8. Page 35, by striking lines 18 through 23 and
6 inserting the following:
7 "e. Assume the responsibilities of the state
8 health facilities council under sections 135.61
9 through 135.83 for decisions regarding certificate of
10 need applications submitted to the Iowa department of
11 public health pursuant to section 135.64.
12 Applications submitted pursuant to section 135.64
13 shall be processed by the Iowa department of public
14 health according to sections 135.61 through 135.83.
15 However, the commission shall make final decisions and
16 issue written findings instead of the health
17 facilities council. The commission shall have the
18 same authority as the health facilities council
19 regarding these decisions."
- 20 9. Page 35, line 24, by striking the letter "g"
21 and inserting the following: "f".
- 22 10. Page 36, by striking lines 33 through 35 and
23 inserting the following: "from among its membership.
24 A representative from the Iowa department of public
25 health shall serve as a nonvoting member."
- 26 11. By renumbering as necessary.

H-5727 FILED MARCH 18, 1988 BY MULLINS of Kossuth
Adopted 3:16 (p 2754)

HOUSE FILE 2447

H-5726

- 1 Amend House File 2447 as follows:
- 2 1. Page 13, line 21, by striking the figure
3 "6,691,245" and inserting the following: "6,841,245".
- 4 2. Page 29, line 20, by striking the figure
5 "450,000" and inserting the following: "300,000".

H-5726 FILED MARCH 18, 1988 BY CLARK of Cerro Gordo
WITHDRAWN
Withdraw 3:18 (p 274)

HOUSE FILE 2447

H-5733

1 Amend House File 2447 as follows:

2 1. Page 8, by inserting after line 14 the
3 following:

4 . Notwithstanding the provisions of section
5 249A.3, for the purpose of determining eligibility for
6 medical assistance for a married individual receiving
7 care in a hospital, or in an intermediate care
8 facility or skilled nursing facility as defined in
9 section 135C.1, the following conditions apply:

10 a. Exempt resources include the residence occupied
11 by either or both spouses, one automobile, all
12 personal effects, and all other resources which may be
13 treated as exempt resources under the medical
14 assistance program under federal or state law.

15 b. A total of twelve thousand dollars in liquid
16 assets may be retained by the married couple in
17 addition to liquid assets which are treated as exempt
18 resources under the medical assistance program
19 pursuant to existing federal or state law.

20 c. A monthly maintenance allowance of one hundred
21 fifty percent of the monthly poverty guideline for a
22 family of two, as determined by the United States
23 department of health and human services, may be
24 retained by the married couple.

25 d. A monthly shelter allowance of not more than
26 one third of the monthly maintenance allowance may be
27 retained by the spouse of the institutionalized
28 individual if the cost of the shelter, including
29 utilities, exceeds one-third of the monthly
30 maintenance allowance."

H-5733 FILED MARCH 18, 1988 BY SHONING of Woodbury

LOST

Lost 3-18 (p. 244)

HOUSE FILE 2447

H-5736

1 Amend House File 2447 as follows:

2 1. Page 4, line 13, by striking the figure
3 "148,069,142" and inserting the following:
4 "148,432,000".

5 2. Page 20, line 22, by striking the figure
6 "12,208,400" and inserting the following:
7 "13,093,000".

8 3. Page 25, line 34, by striking the figure
9 "32,378,800" and inserting the following:
10 "37,809,000".

H-5736 FILED MARCH 18, 1988 BY VAN MAANEN of Mahaska

WITHDRAWN

Withdrawn 3-18 (p 942)

HOUSE FILE 2447

H-5728

1 Amend House File 2447 as follows:

2 1. By striking page 17, line 33 through page 18,
3 line 4 and inserting the following: "the sixty new
4 beds are phased into operation and salary and support
5 is provided for not more than forty-seven additional
6 full-time equivalent positions: \$23,181,000".
7

BY VAN CAMP of Scott
SCHNEKLOTH of Scott

H-5728 FILED MARCH 18, 1988
WITHDRAWN
Withdrawn 3-18 p947

HOUSE FILE 2447

H-5729

1 Amend House File 2447 as follows:

2 1. Page 3, lines 22 and 23, by striking the word
3 "sixty-fourth" and inserting the following: "seventy-
4 fourth".
5 2. Page 4, line 13, by striking the figure
6 "148,069,142" and inserting the following:
7 "151,069,142".

H-5729 FILED MARCH 18, 1988 BY VAN CAMP of Scott
LOST
Lost 3-18 (p942)

HOUSE FILE 2447

H-5730

1 Amend House File 2447 as follows:

2 1. Page 1, line 7, by striking the figure
3 "45,400,000" and inserting the following:
4 "50,900,000".
5 2. Page 2, by inserting after line 3 the
6 following:
7 "5. As a condition of this appropriation, the
8 schedule of basic needs under the aid to families with
9 dependent children program is for one person at one
10 hundred seventy-four dollars, for two persons at three
11 hundred forty-three dollars, for three persons at four
12 hundred six dollars, for four persons at four hundred
13 seventy-two dollars, for five persons at five hundred
14 twenty-two dollars, for six persons at five hundred
15 eighty-one dollars, for seven persons at six hundred
16 thirty-eight dollars, for eight persons at six hundred
17 ninety-six dollars, for nine persons at seven hundred
18 fifty-three dollars, for ten persons at eight hundred
19 twenty-three dollars, and for each additional person
20 eighty-two dollars."

H-5730 FILED MARCH 18, 1988 BY VAN CAMP of Scott
LOST
Lost 3-18 (p940)

HOUSE FILE 2447

H-5743

1 Amend the amendment H-5684 to House File 2447, as
2 follows:

3 1. Page 1, by striking line 2 and inserting the
4 following:

5 "1. Page 2, line 25, by striking the figure
6 "885,000" and inserting the following: "642,300".

7 2. Page 25, by striking lines 21 through 24 and
8 inserting the following:

9 \$1,994,700".

BY MUHLBAUER of Crawford
COOPER of Lucas
VAN CAMP of Scott
CHAPMAN of Linn
BEATTY of Warren
FOGARTY of Palo Alto

HERMANN of Scott
DODERER of Johnson
PAVICH of Pottawattamie
COREY of Louisa
PONCY of Wapello
ROYER of Page

H-5743 FILED MARCH 18, 1988

WITHDRAWN

Withdrawn 3-18 (p 949)

HOUSE FILE 2447

H-5742

1 Amend the amendment, H-5739, to House File 2447 as
2 follows:

3 1. Page 1, by striking line 43 and inserting the
4 following:

5 "1. One hundred twenty-five thousand (125,000)
6 dollars".

7 2. Page 1, line 45, by striking the figure "32"
8 and inserting the following: "33".

H-5742 FILED MARCH 18, 1988 BY HAVERLAND of Polk

Adopted 3-18 (p 950)

HOUSE FILE 2447

H-5741

1 Amend the amendment H-5689 to House File 2447 as
2 follows:

3 1. Page 1, line 31, by inserting after the word
4 "rule." the following: "The child care assistance
5 delivered under this section is limited to registered
6 or licensed child care providers."

BY MULLINS of Kossuth
HAVERLAND of Polk

H-5741 FILED MARCH 18, 1988

WITHDRAWN

Adopted 3-18 (p 949)

1 Amend House File 2447 as follows:

2 1. Page 4, line 13, by striking the figure
3 "148,069,142" and inserting the following:
4 "148,094,142".

5 2. Page 13, by striking lines 9 through 12 and
6 inserting the following: "The number of full-time
7 equivalent positions under subsection 1 is the target
8 number to be reached by the department in the fiscal
9 year beginning July 1, 1988, and ending June 30, 1989.
10 The department may fill up to two thousand two hundred
11 ninety-five point twenty-five positions and shall
12 coordinate the P-5 hiring process in order to meet the
13 target number for the fiscal year."

14 3. Page 14, lines 12 and 13, by striking the
15 words and figure "five hundred forty-two thousand and
16 nine hundred twenty (542,920)" and inserting the
17 following: "two million four hundred fifty-six
18 thousand five hundred seventeen (2,456,517)".

19 4. Page 14, by striking lines 16 through 19 and
20 inserting the following: "general assembly. The
21 number of full-time equivalent positions under
22 unnumbered paragraph 1 of this section is the target
23 number to be reached by the department in the fiscal
24 year beginning July 1, 1988, and ending June 30, 1989.
25 The department may fill up three hundred twenty-six
26 point five positions and shall coordinate the P-5
27 hiring process in order to meet the target number for
28 the fiscal year."

29 5. Page 14, line 28, by striking the words "full-
30 time equivalent".

31 6. Page 18, by inserting after line 4 the
32 following:
33 "The department may use the gifts accepted by the
34 commissioner of human services pursuant to section
35 218.96 and other resources available to the department
36 for use at the Iowa veterans home for purposes
37 identified by the department."

38 7. Page 29, by inserting after line 5 the
39 following:

40 "If Senate File 2107 is not enacted, funds
41 appropriated under this section shall be allocated as
42 follows:

43 1. One hundred sixty thousand (160,000) dollars
44 for additional services to support foster family
45 placements under section 32.

46 2. Forty thousand (40,000) dollars, or so much
47 thereof as is necessary, may be used by the department
48 on or after January 1, 1989, to reimburse foster
49 parents for damages caused by a child placed in their
50 care which cannot be reimbursed from another source.

Page Two

1 Funds shall be reimbursed according to criteria
2 established by rule. The criteria shall include the
3 provision that a foster parent who claims damages
4 shall be responsible for one hundred fifty dollars of
5 the claim."

HOUSE FILE 2447

H-5750

1 Amend the amendment H-5684 to House File 2447, as
2 follows:

3 1. Page 1, by striking line 2 and inserting the
4 following:

5 "_____. By striking page 23, line 23 through page
6 24, line 5.

7 _____ Page 25, by striking lines 21 through 24 and
8 inserting the following:

9 "..... \$2,002,000".

H-5750 FILED MARCH 18, 1988 BY MUHLBAUER of Crawford

ADOPTED

Adopted 3-18 (p 250)

1 Amend House File 2447 as follows:

2 1. Page 17, line 14, by striking the figure
3 "59,918,000" and inserting the following:
4 "60,918,000".

5 2. By striking page 18, line 13 through page 19,
6 line 16 and inserting the following: "DEVELOPMENTAL
7 DISABILITIES SERVICES.

8 1. Of the funds appropriated to the department of
9 human services for the state hospital-schools by
10 section 15 of this Act, the department shall allocate
11 up to one million (1,000,000) dollars for the making
12 of low interest loans and for the making of grants, to
13 be matched by an equal amount locally, to community-
14 based providers to develop or modify facilities to
15 meet applicable federal and state standards to qualify
16 for reimbursement of appropriate levels of care for
17 the client populations of the state hospital-schools.
18 Not less than seventy percent of the beds created
19 under this section shall be filled by residents who
20 leave the hospital-schools. As clients are relocated
21 from the hospital-schools to qualifying community-
22 based facilities, the resulting savings at the
23 hospital-schools as identified by the department of
24 management in consultation with the department of
25 human services, as well as the loan repayment
26 proceeds, shall be allocated and deposited in a
27 revolving loan and grant fund dedicated to assuring
28 the provision of more certifiable community-based
29 services, thus facilitating the return of more clients
30 to a less restrictive community setting, consistent
31 with the philosophies set forth in the bill of rights
32 of persons with mental retardation, developmental
33 disabilities, or chronic mental illness. Moneys in
34 the revolving loan and grant fund shall remain
35 available until the client populations at the state
36 hospital-schools have reached their minimum practical
37 levels. Before making a loan or grant with moneys
38 allocated by this section, the department shall
39 consider the need for the facility and the program at
40 the proposed location, and in its consideration shall
41 determine if a population in reasonable proximity to
42 the proposed project is in need of services which are
43 not available at another site in reasonable proximity
44 to the proposed project site, and if at least seventy
45 percent of beds in the proposed project will be filled
46 with former residents of the state hospital-schools,
47 giving priority to projects which will have the
48 greatest impact on reducing the client populations at
49 the state hospital-schools. The maximum number of
50 residents which may be served at the state hospital-

Page Two

1 schools shall be reduced in direct proportion to the
2 number of former residents of the state hospital-
3 schools who are transferred to facilities created by
4 virtue of assistance obtained pursuant to this
5 section."

6 3. By relettering as necessary.

H-5749 FILED MARCH 18, 1988 BY PLASIER of Sioux

LOST
2051 2/18 (P447)

HOUSE FILE 2447
BY COMMITTEE ON APPROPRIATIONS

(As Amended and Passed by the House March 18, 1988)

Passed House, Date 4/12/88 (p. 1758) Passed Senate, Date 3/30/87 (p. 1206)
Vote: Ayes 95 Nays 0 Vote: Ayes 39 Nays 8

Approved April 14, 1988 (Item noted - see enrolled copy)
Motion to override vote lost 4/15 (p. 2074) *Motion to reconsider (p. 1208)*
proceeded 4/7 (p. 1330)

A BILL FOR

Repassed Senate 4/1/88 (p. 1335)
47-0 (p. 1336)
Motion to reconsider (p. 1343) 4/15 4/5 (p. 1074)

1 An Act relating to human services, and making appropriations to
2 the department of human services for the fiscal year beginning
3 July 1, 1988, and ending June 30, 1989 and providing effective
4 dates.

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

6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23

House Amendments _____
Deleted Language * *Repassed Senate 4/12/88 (1452)*
4C-5

1 Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. There
2 is appropriated from the general fund of the state for the
3 fiscal year beginning July 1, 1988, and ending June 30, 1989,
4 to the department of human services, the following amount, or
5 so much thereof as is necessary, to be used:

6 1. For aid to families with dependent children:
7 \$ 45,400,000

8 2. As a condition of this appropriation, the department
9 shall continue to operate the pilot grant diversion program
10 which qualifies for federal financial participation according
11 to federal law for the aid to families with dependent children
12 program. The grant diversion program shall be operated from
13 July 1, 1988, through June 30, 1989, as a component of the
14 work incentive demonstration program in the Des Moines
15 district. Employers who provide jobs shall receive financial
16 compensation in return for training provided. Aid to families
17 with dependent children savings which result from the
18 participant's employment shall be used to compensate an
19 employer.

20 3. As a condition of this appropriation, the department
21 shall continue to contract for services in developing and
22 monitoring a waiver program with a consortium of other states
23 to facilitate assistance to aid to dependent children families
24 in self-employment. From the funds provided in this section,
25 one hundred twenty-five thousand (125,000) dollars, or so much
26 thereof as is necessary, shall be used to provide technical
27 assistance for aid to dependent children families seeking
28 self-employment. The technical assistance shall be provided
29 either directly or through a contract with the division of job
30 training of the department of economic development and through
31 a contract with the corporation for enterprise development.

32 4. As a condition of this appropriation, the department
33 shall work with the legislative fiscal bureau and the
34 department of management to establish goals and objectives for
35 each new program which commenced on or after July 1, 1987, or

1 thereafter. The goals and objectives shall be submitted to
2 the fiscal committee of the legislative council on or before
3 August 15, 1988.

4 Sec. 2. WORK AND TRAINING PROGRAMS. There is appropriated
5 from the general fund of the state for the fiscal year
6 beginning July 1, 1988, and ending June 30, 1989, to the
7 department of human services, the following amounts, or so
8 much thereof as is necessary, to be used for the purposes
9 designated:

- 10 1. For work incentive program:
- 11 \$ 1,202,794

12 It is the intent of the general assembly that the
13 department operate the work incentive demonstration program as
14 it operated in the fiscal year beginning July 1, 1986, unless
15 a replacement program is mandated by federal law.

- 16 2. For food stamp employment and training program:
- 17 \$ 246,550

18 Sec. 3. CHILD DEVELOPMENT GRANTS. There is appropriated
19 from the general fund of the state for the fiscal year
20 beginning July 1, 1988, and ending June 30, 1989, to the
21 department of human services, the following amount, or so much
22 thereof as is necessary, to be used for the child development
23 grants under provisions of Senate File 2192 if enacted by the
24 Seventy-second General Assembly, 1988 Session:

- 25 \$ 1,175,700

26 Grants shall be awarded on a two-year basis, subject to
27 renewal, and the funds appropriated in this section shall be
28 for support for the first twelve-month period the grant is in
29 effect. Grants shall be awarded not later than January 1,
30 1989. Notwithstanding section 8.33, unexpended or
31 unencumbered funds shall not revert to the general fund, but
32 shall be available for the purposes set forth in this section.

33 Sec. 4. FAMILY DEVELOPMENT GRANTS. There is appropriated
34 from the general fund of the state for the fiscal year
35 beginning July 1, 1988, and ending June 30, 1989, to the

1 department of human services, the following amount, or so much
2 thereof as is necessary, to be used for the family development
3 and self-sufficiency grant program under provisions of Senate
4 File 2225 if enacted by the Seventy-second General Assembly,
5 1988 Session:

6 \$ 590,000

7 A grant shall be awarded on a three-year basis, subject to
8 annual renewal, and the funds appropriated under this section
9 shall be for support for the first twelve-month period the
10 grant is in effect. All grants shall be awarded not later
11 than January 1, 1989. Not more than five percent of the
12 appropriation shall be used for administration of the program.
13 Notwithstanding section 8.33, unexpended or unencumbered funds
14 shall not revert to the general fund, but shall be available
15 for the purposes set forth in this section.

16 Sec. 5. MEDICAL ASSISTANCE. There is appropriated from
17 the general fund of the state for the fiscal year beginning
18 July 1, 1988, and ending June 30, 1989, to the department of
19 human services, the following amount, or so much thereof as is
20 necessary, to be used for medical assistance, on the condition
21 that the basis for establishing the maximum medical assistance
22 rate for intermediate care facilities shall be the sixty-
23 fourth percentile of all facility per diem rates as calculated
24 from the June 30, 1988, unaudited compilation of cost and
25 statistical data, and on the condition that the provider rates
26 specified in section 37 of this Act are enacted into law,
27 including reimbursement for abortion services, which shall be
28 available under the medical assistance program only for those
29 abortions which are medically necessary:

30 1. Medically necessary abortions are those performed under
31 any of the following conditions:

32 a. The attending physician certifies that continuing the
33 pregnancy would endanger the life of the pregnant woman.

34 b. The attending physician certifies that the fetus is
35 physically deformed, mentally deficient, or afflicted with a

1 congenital illness.

2 c. The pregnancy is the result of a rape which is reported
3 within forty-five days of the incident to a law enforcement
4 agency or public or private health agency which may include a
5 family physician.

6 d. The pregnancy is the result of incest which is reported
7 within one hundred fifty days of the incident to a law
8 enforcement agency or public or private health agency which
9 may include a family physician.

10 e. Any spontaneous abortion, commonly known as a mis-
11 carriage, if not all of the products of conception are ex-
12 pelled:

13 \$148,328,442

14 2. Of the funds appropriated in this section, not more
15 than two hundred thousand (200,000) dollars may be transferred
16 to the Iowa department of public health for contingency state
17 assistance for the federal program for women, infants, and
18 children in order to allow the Iowa department of public
19 health to fully use available funds under this program.

20 3. The department may implement mandatory enrollment of
21 eligible clients into licensed health maintenance
22 organizations where appropriate and consistent with federal
23 guidelines. However, clients shall continue to be eligible to
24 use the family planning services and mental health services
25 provided through community mental health centers without
26 obtaining referral from the health maintenance organization.
27 Clients shall not be required to enroll in a health
28 maintenance organization if the health maintenance
29 organization does not provide service that is easily
30 accessible with no more than a minimal transportation expense
31 to the client. The department shall track any savings
32 realized by the use of the health maintenance organizations
33 and shall annually submit to the legislative fiscal bureau the
34 results of the client satisfaction survey required by the
35 federal health care facilities administration. The department

1 shall report at the start of each calendar quarter, beginning
2 on January 1, 1989, to the legislative fiscal bureau regarding
3 cost savings.

4 4. The copayment policy relating to mandatory services
5 shall not require copayment by a recipient on a service or an
6 item where copayment was not required by rules in effect on
7 January 1, 1988.

8 5. Effective October 1, 1988, the department shall extend
9 medical assistance benefits for a maximum of twelve months to
10 those persons who lose assistance through the aid to dependent
11 children program as the result of income obtained from
12 employment. The department shall extend medical assistance
13 benefits for an additional six months, up to a maximum of
14 fifteen months, to those persons who lose assistance under the
15 aid to dependent children program because the earned income
16 disregards are no longer applicable and who would continue to
17 be eligible for aid to dependent children if the disregards
18 were still applicable.

19 6. Payments made to hospitals shall include inpatient and
20 outpatient services. The department shall establish by rule
21 criteria that a hospital provider shall meet in order to
22 receive reimbursement for routine outpatient services and for
23 clinical program services provided on an outpatient basis.
24 Hospital outpatient program services reimbursed under the
25 medical assistance program shall include, but are not limited
26 to, alcoholism and substance abuse, mental health, eating
27 disorders, cardiac rehabilitation, pulmonary rehabilitation,
28 pain management, and outpatient diabetes education.
29 Outpatient diabetes education programs shall be certified by
30 the Iowa department of public health. All other outpatient
31 programs shall meet requirements established by the
32 department. Other clinical outpatient programs may be
33 reimbursed under the medical assistance program upon a
34 determination by the department that such programs are
35 effective in meeting the health care needs of recipients and

1 in avoiding more costly inpatient medical care and that
2 criteria can be developed for those programs to govern
3 admissions to and utilization of those program services
4 consistent with the health care needs of the patient and the
5 fiscal needs of the medical assistance program.

* 6 7. Beginning July 1, 1988, the department of inspections
7 and appeals shall issue provisional licenses to specialized
8 psychiatric hospitals for children and adolescents for those
9 facilities which are providing residential psychiatric
* 10 services to children and adolescents, which are accredited by
11 the joint commission on the accreditation of hospitals, and
12 which are in compliance with all applicable state rules and
13 standards regarding the operation of comprehensive residential
14 facilities for children. Each applicant shall submit a copy
15 of the applicant's accreditation and a statement of approval
16 from the state fire marshal to the department of inspections
17 and appeals. Such facilities are not required to apply for or
18 receive a certificate of need pursuant to section 135.63.
19 Notwithstanding the provisions of section 237.1, subsection 3,
20 paragraph "e", care furnished by these facilities shall
21 continue to be considered foster care.

22 The department of inspections and appeals, with the
23 approval of the state board of health, shall adopt permanent
24 standards for the licensure of specialized psychiatric
25 hospitals for children and adolescents under chapter 135B.
26 The rules shall take effect no later than July 1, 1989.
27 Specialized psychiatric hospitals for children and adolescents
28 licensed prior to July 1, 1989, are not required to apply for
29 or receive a certificate of need pursuant to section 135.63.

30 The department of human services shall adopt rules to
31 expand coverage under the medical assistance program to
32 include services provided by specialized psychiatric hospitals
33 for children and adolescents which are licensed by the
34 department of inspections and appeals. The rules shall take
* 35 effect no later than July 1, 1988, contingent upon the

1 facilities meeting the federal requirements for a hospital as
2 outlined in 42 C.F.R., subpart D. Initially, the rules shall
3 provide that the medical assistance reimbursement rate for
4 such specialized hospitals shall be one hundred twenty dollars
5 per day or actual audited costs, whichever is less. The
6 department shall develop a permanent reimbursement methodology
7 for such specialized hospitals to be effective on or before
8 July 1, 1989.

9 8. The department and the Iowa department of public health
10 shall proceed with implementation of enhanced services and
11 targeted case management for pregnant women as recommended in
12 the report entitled "case management and enhanced services for
13 Medicaid eligible pregnant women".

14 9. Effective January 1, 1989, the department shall extend
15 coverage to include caretaker relatives under the medically
16 needy program. The department shall increase resource
17 limitations under the medically needy program to five thousand
18 dollars for a one-person household and seven thousand five
19 hundred dollars for a family of two or more persons. For the
20 medically needy program, the department shall be allowed to
21 set the length of the certification period, as authorized by
22 federal regulations.

23 10. No later than January 1, 1989, the department shall
24 modify the diagnosis related group payment system for
25 adolescents treated in Title XIX-certified adolescent
26 substance abuse and adolescent psychiatric treatment units to
27 reflect the treatment needs of Title XIX-eligible adolescents.

28 11. As a condition of this appropriation, the department
29 shall develop a proposal to convert medical assistance
30 benefits to a private purchase health care plan for certain
31 persons. The proposal shall contain provisions to limit
32 eligibility for the plan to categorically eligible persons who
33 are no longer eligible for the aid to families with dependent
34 children program due to an increase in earned income and who
35 have exhausted medical assistance benefits available under the

1 extended eligibility period. In developing income and
2 resource ceilings, the department shall consider those
3 ceilings recommended under the federal Sixth Omnibus Budget
4 Reconciliation Act. The proposal shall, to the extent
5 possible, provide for the usage of the department's existing
6 medical assistance program delivery system, including the
7 intake functions carried out by the field staff. Benefits
8 shall be limited to primary health care benefits available
9 under the medical assistance program and include a
10 coordination of benefits provision. The proposal shall
11 provide that the health care plan be self-funded with premiums
12 actuarially determined in order to cover the benefit and
13 administrative costs. The proposal shall be submitted to the
14 fiscal committee of the legislative council on or before
15 February 1, 1989.

16 12. The department shall provide a disproportionate share
17 adjustment of four percent in the reimbursement rate paid to a
18 hospital which provides more than twenty percent of its
19 services to indigent patients.

20 13. As a condition of this appropriation, the department
21 shall develop policies and guidelines to implement on a pilot
22 basis a physician case management program for recipients of
23 medical assistance. The pilot program shall be developed
24 after review of established programs in other states. The
25 pilot program shall continue for at least twenty-four months
26 subsequent to implementation. If necessary, the department
27 shall request a waiver from the federal health care financing
28 administration.

29 Sec. 6. MEDICAL ASSISTANCE FOR PREGNANT WOMEN, INFANTS,
30 AND CHILDREN. There is appropriated from the general fund of
31 the state for the fiscal year beginning July 1, 1988, and
32 ending June 30, 1989, effective on January 1, 1989, to the
33 department of human services for medical assistance to all
34 pregnant women and infants under one year of age whose income
35 does not exceed one hundred fifty percent of the federal

1 nonfarm poverty level, and for children up to age five on an
2 incremental basis whose income does not exceed one hundred
3 percent of the federal nonfarm poverty level, for salaries,
4 support, and miscellaneous purposes, the following amount, or
5 so much thereof as is necessary:

6 \$ 608,000

7 1. It is the intent of the general assembly that the funds
8 appropriated under this section shall be expended for not more
9 than three full-time equivalent positions in the field at a
10 cost of not more than thirty-seven thousand (37,000) dollars,
11 for salaries and support for not more than four full-time
12 equivalent positions in general administration at a cost of
13 not more than fifty-nine thousand (59,000) dollars, for
14 systems and fiscal agent development at a cost of no more than
15 twenty-five thousand (25,000) dollars, and for payment of
16 medical benefits at a cost of no more than four hundred
17 eighty-seven thousand (487,000) dollars.

18 2. Resource limitations shall be five thousand dollars for
19 a one person household and seven thousand five hundred dollars
20 for a family of two or more persons. Pregnant women shall
21 have resources considered according to the standards for
22 computing resources under the supplemental security income
23 program. Infants and children shall have resources considered
24 in accordance with the standards for computing resources under
25 the aid to families with dependent children program. Pregnant
26 women, infants, and children shall have income considered in
27 accordance with standards under the aid to families with
28 dependent children program. All other medical assistance
29 program requirements shall apply. Upon implementation,
30 phased-in coverage for children shall begin with children up
31 to age two and shall be continued through January 1, 1992.

32 3. For persons who do not have a spend-down requirement
33 under the medically needy program, the department shall set
34 the length of the certification period at the length
35 authorized by federal regulations.

1 4. As a condition of this appropriation, the department
2 shall report, in each month of the fiscal year, to the fiscal
3 committee of the legislative council regarding the expenditure
4 of the funds for the implementation of the medical assistance
5 for pregnant women, infants, and children and the additional
6 full-time equivalent positions authorized for this purpose
7 under this section. The report shall detail the number of
8 additional authorized positions which have been filled,
9 describe problems encountered in filling the positions, and
10 assess the impact of the additional positions upon the quality
11 of services provided to the targeted persons. If the
12 department is caused to reduce expenditures because of an
13 unanticipated reduction in federal funding, or the average
14 base salary and support cost in staffing is greater than
15 anticipated, or the staff vacancy factor is lower than
16 anticipated, the department shall fill the additional full-
17 time equivalent positions by reducing other expenditures.

18 Sec. 7. ORGAN TRANSPLANT SERVICES. There is appropriated
19 from the general fund of the state for the fiscal year
20 beginning July 1, 1988, and ending June 30, 1989, the
21 following amount, or so much thereof as is necessary, to be
22 used for the organ transplant commission, including salaries
23 and support for not more than one full-time equivalent
24 position, maintenance, and miscellaneous purposes:

25 \$ 35,000

26 Sec. 8. MEDICAL CONTRACTS. There is appropriated from the
27 general fund of the state for the fiscal year beginning July
28 1, 1988, and ending June 30, 1989, to the department of human
29 services, the following amount, or so much thereof as is
30 necessary, to be used for medical contracts:

31 \$ 2,471,000

32 The department may expend up to two thousand (2,000)
33 dollars of the funds appropriated in this section for changes
34 in the claims payment and reporting system to support
35 implementation of a program of mandatory enrollment in health

1 maintenance organizations.

2 Sec. 9. COLLECTION SERVICE CENTER. There is appropriated
3 from the general fund of the state for the fiscal year
4 beginning July 1, 1988, and ending June 30, 1989, to the
5 department of human services, the following amount, or so much
6 thereof as is necessary, to be used for the child support
7 clearinghouse, including salaries and support for not more
8 than twenty-eight full-time equivalent positions, maintenance,
9 and miscellaneous purposes:

10 \$ 724,672

11 The department shall report to the legislative
12 council regarding progress in the conversion of child
13 support orders and the related expenditures. If the funds
14 appropriated by this section are expended, or are projected
15 to be expended, before June 30, 1989, the department shall
16 request a supplemental appropriation from the general assembly.

17 Sec. 10. CHILD SUPPORT RECOVERY. There is appropriated
18 from the general fund of the state for the fiscal year
19 beginning July 1, 1988, and ending June 30, 1989, to the
20 department of human services, the following amount, or so much
21 thereof as is necessary, to be used for child support
22 recoveries, including salaries and support for not more than
23 one hundred point forty-two full-time equivalent positions,
24 maintenance, and miscellaneous purposes:

25 \$ 1,012,000

26 1. The commissioner of human services, within the
27 limitations of the funds appropriated in this section, or
28 funds transferred from the aid to families with dependent
29 children program for this purpose, may establish new positions
30 and add additional employees to the child support recovery
31 unit when the commissioner determines that both the current
32 and additional employees together can reasonably be expected
33 to recover for the aid to families with dependent children
34 program and the nonpublic assistance support recovery program
35 more than twice the amount of money required to pay the

1 salaries and support for both the current and additional
2 employees. The department shall demonstrate the cost-
3 effectiveness of the current and additional employees by
4 reporting to the human services appropriations subcommittee
5 the ratio of the total amount of administrative costs for
6 child support recoveries to the total amount of the child
7 support recoveries.

8 2. The department shall extend the child support
9 modification demonstration program to at least fifteen
10 counties in the state. The department may transfer funds from
11 the appropriation for aid to families with dependent children
12 to the extent that is necessary in order to fund the
13 demonstration program. Notwithstanding the number of full-
14 time equivalent positions allowed under this section, the
15 department may exceed the number allowed to the extent the
16 positions are funded by the funds transferred for this purpose
17 from the appropriation for aid to families with dependent
18 children. The department shall report to the legislative
19 fiscal bureau regarding the demonstration program each
20 quarter.

21 Sec. 11. COMMUNITY SERVICES. There is appropriated from
22 the general fund of the state for the fiscal year beginning
23 July 1, 1988, and ending June 30, 1989, to the department of
24 human services the following amount, or so much thereof as is
25 necessary, to be used for community services:

26 1. As a condition of this appropriation for field
27 operations, including salaries and support for not more than
28 two thousand two hundred three point twenty-five full-time
29 equivalent positions, maintenance, and miscellaneous purposes,
30 the department shall provide an extensive orientation program
31 for newly employed social workers in the area of community
32 resource programs and shall provide assistance to each county
33 board of social welfare to identify community resources in
34 counties pursuant to section 234.11:

35 \$ 31,863,000

6248 1 2. The appropriation for community services is based upon
2 an expected federal cost allocation share of fifteen million
3 nine hundred seventy-two thousand nine hundred seventeen
4 (15,972,917) dollars, a federal block grant share of twelve
5 million six hundred sixty-seven thousand two hundred forty-
6 nine (12,667,249) dollars, an average base salary and support
7 cost of twenty-seven thousand five hundred forty-nine (27,549)
8 dollars, and a vacancy factor of four percent. It is the
9 intent of the general assembly that the department seek
10 additional funds through supplemental appropriation if the
11 expected federal cost allocation share is less than expected,
12 the average base salary and support cost is more than
13 expected, or the vacancy factor is lower than expected. The
14 department shall report monthly to the fiscal committee of the
15 legislative council regarding the projections of expenditures
16 under this appropriation, and any changes related to the
17 federal cost allocation, the average base salary and support,
18 and the vacancy factor that occur. The department shall not
19 expend more than two million four hundred fourteen thousand
20 one hundred three (2,414,103) dollars of this appropriation on
21 items not related to salary and benefits without obtaining
22 approval by the legislative council or the general assembly.
23 The number of full-time equivalent positions under subsection
24 1 is the target number to be reached by the department in the
25 fiscal year beginning July 1, 1988, and ending June 30, 1989.
26 The department may fill up to two thousand two hundred ninety-
27 five point twenty-five positions and shall coordinate the P-5
28 hiring process in order to meet the target number for the
29 fiscal year.

30 Sec. 12. GENERAL ADMINISTRATION. There is appropriated
31 from the general fund of the state for the fiscal year
32 beginning July 1, 1988, and ending June 30, 1989, to the
33 department of human services, the following amount, or so much
34 thereof as is necessary, for general administration, including
35 salaries and support for not more than three hundred seventeen

1 point forty-four full-time equivalent positions, maintenance,
2 and miscellaneous purposes:

3 \$ 6,691,245

4 1. Full-time equivalent positions which are funded
5 entirely with federal, public, private grants, or the
6 gambler's assistance fund established in section 99E.10 are
7 exempt from the limits on the number of full-time equivalent
8 positions provided in this section, but are approved only for
9 the period of time for which the federal funds or grants are
10 available for the position.

11 2. The appropriation for general administration is based
12 upon an expected federal cost allocation share of seven
13 million one hundred three thousand nine hundred forty-six
14 (7,103,946) dollars, a federal block grant share of one
15 million eight hundred forty-nine thousand three hundred
16 thirty-one (1,849,331) dollars, an average base salary and
17 support of cost of thirty-four thousand two hundred forty-five
18 (34,245) dollars, and a vacancy factor of two point six
19 percent. It is the intent of the general assembly that the
20 department seek additional funds through supplemental
21 appropriation if the expected federal cost allocation share is
22 less than expected, the average base salary and support cost
23 is more than expected, or the vacancy factor is lower than
24 expected. The department shall report monthly to the fiscal
25 committee of the legislative council regarding the projections
26 of expenditures under this appropriation, and regarding any
27 changes related to the federal cost allocation, the average
28 base salary and support, and the vacancy factor that occur.
29 The department shall not expend more than two million four
30 hundred fifty-six thousand five hundred seventeen (2,456,517)
31 dollars of this appropriation on items not related to salary
32 and benefits without obtaining approval by the legislative
33 council or the general assembly. The number of full-time
34 equivalent positions under unnumbered paragraph 1 of this
35 section is the target number to be reached by the department

1 in the fiscal year beginning July 1, 1988, and ending June 30,
2 1989. The department may fill up three hundred twenty-six
3 point five positions and shall coordinate the P-5 hiring
4 process in order to meet the target number for the fiscal
5 year.

6 Of the amount appropriated in this section, eighteen
7 thousand (18,000) dollars, or so much thereof as is necessary,
8 shall be used to fill the zero point five full-time equivalent
9 position for administration of the expanded coverage under the
10 medical assistance program to include specialized psychiatric
11 hospitals. The department shall report, at least quarterly,
12 to the fiscal committee of the legislative council regarding
13 the expenditure of the funds for the administration of the
*14 expanded coverage and the additional position authorized for
15 this purpose under this subsection. The report shall detail
16 when the additional authorized position has been filled,
17 describe problems encountered in filling the position, and
18 assess the impact of the additional position upon the quality
19 of services provided. If the department is caused to reduce
20 expenditures because of an unanticipated reduction in federal
21 funding, or the average base salary and support cost in
22 staffing is greater than anticipated, or the staff vacancy
23 factor is lower than anticipated, the department shall fill
24 the zero point five additional full-time equivalent position
25 by reducing other expenditures.

26 Sec. 13. JUVENILE INSTITUTIONS. There is appropriated
27 from the general fund of the state for the fiscal year
28 beginning July 1, 1988, and ending June 30, 1989, to the
29 department of human services the following amount, or so much
30 thereof as is necessary, to be used for the operation of the
31 state training school and the Iowa juvenile home, including
32 salaries and support for not more than three hundred twenty-
33 nine full-time equivalent positions, maintenance, and
34 miscellaneous purposes:

35 \$ 10,062,000

5281 1. Of the amount appropriated in this section, eight
2 hundred twelve thousand (812,000) dollars shall be used to
3 implement the recommendations of the governor's foster care
4 task force, including filling thirty-six point seventy-five
5 additional full-time equivalent positions. Of the funds
6 designated in this subsection, one hundred fifty thousand
7 (150,000) dollars shall be used to improve programs and
8 services provided at the juvenile institution at Eldora.
9 Notwithstanding the cap placed on full-time equivalent
10 positions in this section, the positions filled for this
11 purpose shall only be limited to the extent of the funds so
12 designated.

52813 2. The funds appropriated in this section shall be used to
14 increase staff in order to improve supervision and services
15 provided to residents, to implement a classification system
16 and a short-term high-impact program for adjudicated
17 delinquents at the state training school, and to establish a
18 diagnostic program and short-term high-impact program for
19 adjudicated female delinquents and adjudicated "child in need
20 of assistance" boys and girls residing at the state juvenile
21 home.

5245 22 3. It is the intent of the general assembly that the
23 juvenile institution at Eldora maintain an average of two
24 hundred juveniles and the juvenile institution at Toledo
25 maintain an average of ninety juveniles during the fiscal year
26 ending June 30, 1989. The plurality of the population at
27 Eldora should consist of older juveniles with a history of
28 serious offenses who are expected to require placement for a
29 period of one year or longer. Eldora may also be used to
30 provide a short-term high-impact placement for juveniles who
31 will be evaluated and provided other services following the
32 placement at Eldora. The department shall review each new and
33 existing placement of a juvenile at the juvenile institutions
34 and determine whether the placement is appropriate for the
35 juvenile. If it is determined that an alternative placement,

1 including, but not limited to, placement for substance abuse
2 and mental health treatment or programming for juveniles with
3 mental retardation, would be more appropriate for the
4 juvenile, the department shall seek modification of the court
5 order for placement.

6 4. As a condition of this appropriation, the department
7 shall report, in each month of the fiscal year, to the fiscal
8 committee of the legislative council regarding the expenditure
9 of the funds for the implementation of the governor's foster
10 care task force and the additional full-time equivalent
11 positions authorized for this purpose under this section. The
12 report shall detail the number of additional authorized
13 positions which have been filled, describe problems
14 encountered in filling the positions, and assess the impact of
15 the additional positions upon the quality of services provided
16 by the juvenile institutions. If the department is caused to
17 reduce expenditures because of an unanticipated reduction in
18 federal funding, or the average base salary and support cost
19 in staffing is greater than anticipated, or the staff vacancy
20 factor is lower than anticipated, the department shall fill
21 the thirty-six point seventy-five additional full-time
22 equivalent positions by reducing other expenditures.

23 Sec. 14. JUVENILE INSTITUTIONS PLAN. There is
24 appropriated from the general fund of the state for the fiscal
25 year beginning July 1, 1988, and ending June 30, 1989, to the
26 department of human services for development of a plan for the
27 future use of the state juvenile institutions at Eldora and
28 Toledo, the following amount, or so much thereof as is
29 necessary:

30 \$ 50,000

- 31 1. The plan shall include all of the following:
32 a. A needs statement, an organizational structure, and a
33 location for an assessment and placement unit for juveniles
34 who are committed directly to the state juvenile institutions
35 at Eldora and Toledo.

1 b. A recommendation regarding the type of juvenile who
2 should be placed at the juvenile institutions, the length of
3 stay which is suitable, the programming required, and the
4 number of beds needed.

5 c. A recommendation regarding the establishment of a
6 short-term high-impact program for juveniles which includes
7 potential locations and an organizational structure for the
8 program.

9 d. A recommendation regarding modifications needed in the
10 juvenile justice system, including the statutory law,
11 responsibilities of the department, and responsibilities of
12 the court, to ensure that a juvenile is appropriately placed.

13 e. A recommendation regarding amending chapters 242 and
14 244 to make statutory language consistent with the
15 responsibilities of the juvenile institutions.

16 f. A recommendation regarding staff, equipment, and
17 capital improvements needed at the juvenile institutions.

18 g. A recommendation regarding living needs and supervision
19 needs of juveniles following their departure from the
20 institution.

21 h. A recommendation regarding a system for tracking
22 juveniles after release from the juvenile institution.

23 2. The plan shall be developed by an advisory group
24 composed of representatives of the state child welfare and
25 juvenile justice system. The committee may enlist the aid of
26 experts from other states and visit other institutions inside
27 or outside this state in order to obtain information. The
28 plan shall be submitted to the general assembly on or before
29 January 1, 1989.

30 3. The plan shall be comprehensive and build upon past
31 studies which deal with out-of-state placement of children,
32 foster care, juvenile institutions, decategorization, and the
33 state mental health institution services for children. The
34 department shall submit the plan to the general assembly or
35 legislative council on or before January 15, 1989.

1 Sec. 15. HOSPITAL-SCHOOLS. There is appropriated from the
2 general fund of the state for the fiscal year beginning July
3 1, 1988, and ending June 30, 1989, to the department of human
4 services for the state hospital-schools, the following amount,
5 or so much thereof as is necessary, to be used for salaries
6 and support for not more than two thousand one hundred
7 seventy-nine point zero two full-time equivalent positions,
8 maintenance, and miscellaneous purposes:

9 \$ 59,918,000

50-17

10 Sec. 16. MENTAL HEALTH INSTITUTES. There is appropriated
11 from the general fund of the state for the fiscal year
12 beginning July 1, 1988, and ending June 30, 1989, to the
13 department of human services for the state mental health
14 institutes, the following amount, or so much thereof as is
15 necessary, to be used for salaries and support for not more
16 than one thousand one hundred ninety-one point sixteen full-
17 time equivalent positions, maintenance, and miscellaneous
18 purposes:

19 \$ 38,153,000

50-17
50-18

20 Sec. 17. IOWA VETERANS HOME. There is appropriated from
21 the general fund of the state for the fiscal year beginning
22 July 1, 1988, and ending June 30, 1989, to the department of
23 human services, the following amount, or so much thereof as is
24 necessary, to be used for operation of the Iowa veterans home,
25 including salaries and support for not more than seven hundred
26 forty-two point thirteen full-time equivalent positions,
27 maintenance, and miscellaneous purposes, on the condition that
28 if federal or private per diem rates paid to the home exceed
29 the rates budgeted for the fiscal year, then the amount of
30 unplanned revenue from the increased rates shall be used, to
31 the extent possible, to phase in and staff new beds at the
32 home, and the number of full-time equivalent positions may
33 exceed the number allowed in this section for this purpose:

34 \$ 22,681,000

35 The department may use the gifts accepted by the

1 commissioner of human services pursuant to section 218.96 and
2 other resources available to the department for use at the
3 Iowa veterans home for purposes identified by the department.

4 Sec. 18. MENTAL HEALTH AND RETARDATION SERVICES FUND.

5 There is appropriated from the general fund of the state for
6 the fiscal year beginning July 1, 1988, and ending June 30,
7 1989, to the state community mental health and mental
8 retardation services fund established in section 225C.7 the
9 following amount, or so much thereof as is necessary:

10 \$ 3,330,000

11 Sec. 19. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION --

12 DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated
13 from the general fund of the state for the fiscal year
14 beginning July 1, 1988, and ending June 30, 1989, to the
15 department of human services the following amount, or so much
16 thereof as is necessary, for administrative support and for
17 service coordination and diagnosis and evaluation:

18 \$ 1,000,000

19 1. The funds provided under this section shall be used by
20 the department of human services for the following:

21 a. No more than eighty-eight percent of the funds shall be
22 used for the establishment of service coordination units for
23 persons with mental retardation, developmental disabilities,
24 or chronic mental illness for the provision of specialized
25 service coordination. It is the intent of the general
26 assembly that these units be established no later than October
27 30, 1988, in each of the department's human service districts.
28 The department shall report to the general assembly by October
29 30, 1988, on the establishment of the service coordination
30 units. Priority shall be given to individuals who require
31 service coordination in preventing a placement that would be
32 inconsistent with the person's identified needs. Persons
33 performing service coordination shall be given caseloads no
34 greater than thirty for clients with mental retardation,
35 developmental disabilities, or chronic mental illness.

1 b. No more than twelve percent of the funds shall be used
2 for the provision of diagnosis and evaluation services for
3 persons with mental retardation, developmental disabilities,
4 or chronic mental illness. Priority shall be given to
5 individuals who have not received a diagnosis and evaluation
6 within the past five years.

7 c. The available funds shall be allocated to the
8 department of human service districts based on the bill of
9 rights enumeration study. Within the funds available under
10 this section, case management and diagnosis and evaluation
11 shall be made available proportional to the bill of rights
12 populations within each district as cited in the enumeration
13 study.

14 d. The department shall seek to draw down additional funds
15 through the federal medical assistance program in the
16 provision of these services.

17 e. It is the intent of the general assembly that
18 recognition be given to reducing the cost for potential
19 conversion of residential care facilities for the mentally
20 retarded to intermediate care facilities for the mentally
21 retarded without imposing more restrictive construction and
22 renovation standards than absolutely essential.

23 f. It is the intent of the general assembly that greater
24 use of federal support through vocational rehabilitation
25 funding be provided for the bill of rights population. The
26 department shall work with the department of education in
27 seeking to make greater use of vocational rehabilitation
28 support for the bill of rights population, and shall report to
29 the general assembly by October 30, 1988, on the feasibility
30 of obtaining additional federal assistance.

31 g. The department shall develop a proposal to assist
32 individuals in obtaining Social Security and Title XIX
33 benefits.

34 2. Nothing in this Act is intended by the general assembly
35 to be the provision of a fair and equitable funding formula

1 specified in 1985 Iowa Acts, chapter 249, section 9. Nothing
2 in this Act shall be construed, is intended, or shall imply a
3 claim of entitlement to any programs or services specified in
4 section 225C.28.

5 Sec. 20. STATE SUPPLEMENTARY ASSISTANCE. There is
6 appropriated from the general fund of the state for the fiscal
7 year beginning July 1, 1988, and ending June 30, 1989, to the
8 department of human services, the following amount, or so much
9 thereof as is necessary, to be used for state supplementary
10 assistance, on the condition that the across-the-board cuts
11 currently in effect are eliminated, followed by a three-
12 percent increase in the maximum reimbursement rate paid to
13 residential care facilities and in-home health related care
14 providers, as specified in section 38 of this Act:

15 \$ 12,208,400

16 The department shall increase the personal needs allowance
17 for residents of residential care facilities by the same
18 percentage and at the same time as federal supplemental
19 security and federal Social Security benefits are increased
20 due to a recognized increase in the cost of living.

21 Sec. 21. BLOCK GRANT SUPPLEMENTATION. There is
22 appropriated from the general fund of the state for the fiscal
23 year beginning July 1, 1988, and ending June 30, 1989, to the
24 department of human services for supplementation of federal
25 social services block grant funds and for allocation to the
*26 various counties for the purchase of local services for
27 eligible individuals, the following amount, or so much thereof
28 as is necessary, on the condition that the across-the-board
29 cuts currently in effect are eliminated, followed by a three-
30 percent increase in the reimbursement rate paid to service
31 providers funded under this appropriation, as specified in
32 section 38 of this Act:

33 \$ 2,432,000

34 The department shall allocate the funds appropriated in
35 this section to a county in proportion to the amount allocated

1 to the county in fiscal year 1988-1989 after subtracting the
2 amount the county spent for the local purchase of child day
3 care services. The department shall increase the income
4 guidelines for income eligible persons receiving services
5 funded with federal social services block grant funds for the
6 fiscal year beginning July 1, 1988, by the same percentage and
7 at the same time as federal social security benefits are
8 increased due to a recognized increase in the cost of living.

9 Sec. 22. CHILD CARE ASSISTANCE. There is appropriated
10 from the general fund of the state for the fiscal year
11 beginning July 1, 1988, and ending June 30, 1989, to the
12 department of human services the following amount, or so much
13 thereof as is necessary, to be used for supplemental payments
14 of child care costs:

15 \$ 4,257,000

16 1. The funds appropriated in this section shall be used to
17 deliver child day care assistance through a vendor voucher
18 payment or purchase of service system to persons whose family
19 income is equivalent to or below one hundred twenty-five
20 percent of the current federal office of management and budget
21 poverty guidelines and who require day care assistance for
22 employment or other special need defined by rule. The child
23 care assistance delivered under this section is limited to
24 registered or licensed child care providers. The department
25 shall deliver the supplemental payments through a system which
26 requires the recipient to contribute to the cost of the child
27 care in accordance with the sliding fee schedule currently
28 utilized by the department for child care services. Allowable
29 child care costs shall not exceed the rates paid in accordance
30 with the purchase of service schedule currently utilized by
31 the department for child care service providers. The
32 department, after consultation with consumers and providers of
33 child care, shall adopt rules which prescribe the usage of
34 vendor voucher payments.

35 2. The funds appropriated under this section shall be

1 allocated to the district offices of the department. Fifty
2 percent of the funds shall be allocated according to the
3 expenditures by a county for day care services in the fiscal
4 year ending June 30, 1987. Fifty percent of the funds shall
5 be allocated according to the percentage of a county's
6 population in poverty as determined by the 1980 federal bureau
7 of the census.

8 3. The funds appropriated under this section shall be
9 expended for not more than nine full-time equivalent positions
10 in the field at a cost of not more than two hundred sixty-two
11 thousand (262,000) dollars, and for salary and support for not
12 more than one full-time equivalent position in general
13 administration at a cost of not more than twenty-three
14 thousand (23,000) dollars. The positions are in addition to
15 the positions authorized under the appropriations for
16 community services and general administration in this Act.

17 Sec. 23. COMMUNITY-BASED PROGRAMS. There is appropriated
18 from the general fund of the state for the fiscal year
19 beginning July 1, 1988, and ending June 30, 1989, to the
20 department of human services, the following amount, or so much
21 thereof as is necessary, to be used for community-based
22 programs on the condition that displaced homemaker programs
23 and the pilot projects relating to adolescent pregnancy under
24 1987 Iowa Acts, chapter 234, section 203, subsection 1,
25 paragraph "i", are funded, and that the across-the-board cuts
26 currently in effect are eliminated, followed by a three-
27 percent increase in the reimbursement rate paid to service
28 providers funded under this appropriation, as specified in
29 section 39 of this Act:

30 \$ 4,227,014

31 The commissioner of human services shall pay from the funds
32 appropriated in this section, as the entitled aid from the
33 state under section 232.142, subsection 4, one-half of one
34 percent of the total cost of the establishment, improvement,
35 operation, and maintenance of approved county or multicounty

1 juvenile homes.

2 Of the funds allocated to the pilot projects relating to
3 adolescent pregnancy, the department shall expend no more than
4 seven percent for administrative costs.

5 Sec. 24. CHILD ABUSE PREVENTION GRANTS. There is
6 appropriated from the general fund of the state for the fiscal
7 year beginning July 1, 1988, and ending June 30, 1989, to the
8 department of human services, the following amount, or so much
9 thereof as is necessary, for child abuse prevention grants:

10 \$ 313,686

11 Sec. 25. SUPPLEMENTAL CHILD CARE ASSISTANCE. There is
12 appropriated from the general fund of the state for the fiscal
13 year beginning July 1, 1988, and ending June 30, 1989, to the
14 department of human services, the following amount, or so much
15 thereof as is necessary, to be used for supplemental payments
16 of the child care costs of persons who qualify for
17 transitional child care assistance for a period of twelve
18 months due to a loss of eligibility for assistance under
19 chapter 239 because of an increase in earned income beginning
20 on or before October 1, 1988:

21 \$ 1,600,000

22 1. The department shall deliver the supplemental payments
23 through a voucher agreement system which requires the
24 recipient to contribute to the cost of the child care services
25 in accordance with the sliding fee schedule currently utilized
26 by the department for child day care services. Reimbursement
27 for services will be limited to registered or licensed child
28 care providers.

29 2. The department shall work with the legislative fiscal
30 bureau to develop a means to measure the effect of the
31 supplemental child care assistance upon the number of aid to
32 families with dependent children recipients and the economic
33 status of the persons who receive the assistance.

*34 Sec. 26. HOME-BASED SERVICES. There is appropriated from
35 the general fund of the state for the fiscal year beginning

1 July 1, 1988, and ending June 30, 1989, to the department of
2 human services, the following amount, or so much thereof as is
3 necessary, to be used for home-based services on the condition
4 that family planning services are funded, and that the across-
5 the-board cuts currently in effect are eliminated, followed by
6 a three-percent increase in the reimbursement rate paid to
7 service providers funded under this appropriation as specified
8 in section 39 of this Act provided that if the department
9 amends the allocation to a program funded under this section,
10 then the department shall promptly notify the fiscal committee
11 of the legislative council of the change:

12 \$ 6,974,800

13 Of the funds appropriated in this section, nine hundred
14 fifty-nine thousand forty (959,040) dollars, or so much
15 thereof as is necessary, shall be used to continue the three-
16 year family preservation pilot services initiative to provide
17 highly intensive in-home family reunification and placement
18 prevention services. These funds shall be used to maintain
19 fiscal year 1988 service levels. The payment system for this
20 project shall be other than an hourly unit-based system and
21 may be based on a cost per family unit with actual payments
22 per family adjusted according to the performance of the
23 provider and the outcome of their services to each family. It
24 is the intent of the general assembly that the three-year
25 evaluation of this initiative and other project monitoring
26 activities be continued to assess service impact and cost-
27 effectiveness.

28 Sec. 27. AID TO INDIANS. There is appropriated from the
29 general fund of the state for the fiscal year beginning July
30 1, 1988, and ending June 30, 1989, to the department of human
31 services, the following amount, or so much thereof as is
32 necessary, to be used for aid to Indians under section 252.43:
33 \$ 34,965

34 The tribal council shall not use more than ten percent of
35 the funds for administration purposes.

1 Sec. 28. VOLUNTEERS. There is appropriated from the
2 general fund of the state for the fiscal year beginning July
3 1, 1988, and ending June 30, 1989, to the department of human
4 services, the following amount, or so much thereof as is
5 necessary, to be used for development and coordination of
6 volunteer services:

7 \$ 67,932

8 Sec. 29. JUVENILE JUSTICE. There is appropriated from the
9 general fund of the state for the fiscal year beginning July
10 1, 1988, and ending June 30, 1989, to the department of human
11 services, the following amount, or so much thereof as is
12 necessary, to be used for juvenile justice reimbursement to
13 counties under section 232.141, subsection 2:

14 \$2,002,000

* 15 Sec. 30. FOSTER CARE. There is appropriated from the
16 general fund of the state for the fiscal year beginning July
17 1, 1988, and ending June 30, 1989, to the department of human
18 services, the following amount, or so much thereof as is
19 necessary, to be used for foster care on the condition that
20 the across-the-board cuts currently in effect are eliminated,
21 followed by a three-percent increase in the reimbursement rate
22 paid to foster care providers, as specified in section 39 of
23 this Act:

24 \$ 32,378,800

25 1. The department shall revise the reimbursement formula
26 for foster family special care and emergency care allowances
27 to encourage foster family special care and emergency care
28 placements in lieu of group foster care placements. Beginning
29 December 1, 1988, the formula shall recognize the special
30 needs of children in foster care and the special services that
31 may be required of foster parents.

32 2. Beginning on the effective date of administrative rules
33 governing this section, the department may use a portion of
34 the funds appropriated in this section to provide payments to
35 senior citizens, recipients of assistance under aid to

1 families with dependent children, or other appropriate persons
2 to assist in monitoring certain children in foster family
3 placement, in order to demonstrate whether the monitoring can
4 make family foster care a more viable placement option for
5 delinquent children.

6 3. Beginning on the effective date of administrative rules
7 governing this section, the department may use a portion of
8 the funds appropriated in this section to purchase special
9 services in order to demonstrate whether the services can
10 prevent out-of-home shelter care.

11 4. It is the intent of the general assembly that the
12 department of human services, the state judicial department,
13 the department of education and representatives of service
14 providers shall establish a target problem-child committee.
15 The committee shall be responsible to find placements for
16 children who have exceptional service needs or who have been
17 rejected in previous referrals and who may be at risk of being
18 placed out of state.

19 5. It is the intent of the general assembly that the
20 department of human services and the judicial department shall
21 jointly develop, for submission to the governor and general
22 assembly by December 1, 1988, a plan to eliminate the practice
23 of joint case management and the monitoring of juvenile court
24 cases.

25 6. Of the funds appropriated in this section, thirty
26 thousand (30,000) dollars, or so much thereof as is necessary,
27 may be used by the department to conduct a study to determine
28 the impact of establishing a fee schedule for parental par-
29 ticipation in all child welfare services.

30 7. A juvenile court which considers the placement of a
31 child into foster care, when federal financial participation
32 is available to pay for the cost of the placement if the order
33 is for joint placement or for placement with the department,
34 shall contact the department to determine whether joint
35 placement or departmental placement is feasible and in the

1 best interest of the child. The department shall assist the
2 court to identify cases in which federal financial
3 participation is contingent upon an order for joint placement
4 or for departmental placement. The department and the court
5 shall record the cases which would have been eligible for
6 federal financial participation if joint placement or
7 departmental placement had been ordered, but a different
8 disposition was made. The total shall be reported to the
9 legislative fiscal bureau each quarter commencing with the
10 quarter beginning July 1, 1988.

11 8. The department shall develop an alternative system for
12 reimbursing foster care providers that provide performance-
13 based payment. The system shall include contract features
14 which provide incentives and penalties based upon outcomes.
15 It is the intent of the legislature that the alternative
16 system shall be made available on a demonstration project
17 basis by December 1, 1988.

18 9. The department may transfer a portion of the funds
19 appropriated in this section for use in providing subsidized
20 adoption services or for use in purchasing adoption services,
21 if funds allocated for adoption services are insufficient.

22 10. No more than thirty percent of children in foster care
23 funded under Title IV, part E of the federal Social Security
24 Act shall be in foster care for more than twenty-four months.

25 11. Of the funds appropriated in this section, forty-five
26 thousand (45,000) dollars, or so much thereof as is necessary,
27 is allocated for foster parent training prior to the initial
28 licensure of foster parents.

29 12. By September 1, 1988, the department shall designate
30 two counties as the counties in which the demonstration
31 program to decategorize child welfare services will occur.
32 The county boards of supervisors and the judicial districts
33 serving the counties shall agree to those counties serving in
34 the demonstration. The department shall establish a child
35 welfare fund for those counties composed of all or part of the

1 amount that would otherwise be expected to be used for
2 residents of the counties for foster care, family-centered
3 services, subsidized adoption, day care, local purchase
4 services, juvenile institutional care, mental health institute
5 care, state-hospital school care, juvenile detention,
6 department direct services, and juvenile justice county-based
7 reimbursable services. Notwithstanding other service funding
8 provisions in law, the department shall establish this fund by
9 transferring funds from the budgets affected, except for the
10 funds appropriated for juvenile institutions, mental health
11 institutes, and state hospital-schools, which shall be
12 identified in the demonstrations for auditing purposes only.
13 The child welfare fund may be used to support services and
14 payment rates not allowable within historical program or
15 service categories. The department shall work with the county
16 board of supervisors and the judicial districts in providing
17 training for the project, and shall make use of the national
18 conference of state legislatures and the center for the study
19 of social policy for technical assistance. It is the intent
20 of the general assembly that the demonstration program
21 commence not later than April 1, 1989, and be designed to
22 operate for a three year period.

23 13. Of the funds appropriated in this subsection, thirty
24 thousand (30,000) dollars, or so much thereof as is necessary,
25 may be used by the department to contract with universities to
26 provide ongoing research and evaluation assistance to programs
27 and initiatives of the department involving family-centered
28 services and foster care. Such contracts shall make maximum
29 use of any matching resources from the universities with which
30 the department contracts.

31 Sec. 31. FOSTER HOME INSURANCE FUND. There is
32 appropriated from the general fund of the state for the fiscal
33 year beginning July 1, 1988, and ending June 30, 1989, to the
34 department of human services, the following amount, or so much
35 thereof as is necessary, to be used for the foster home

1 insurance fund as required under Senate File 2107, if enacted
2 by the Seventy-second General Assembly, 1988 Session:

3 \$ 165,000

4 If Senate File 2107 is not enacted, funds appropriated
5 under this section shall be allocated as follows:

6 1. One hundred twenty-five thousand (125,000) dollars for
7 additional services to support foster family placements under
8 section 33.

9 2. Forty thousand (40,000) dollars, or so much thereof as
10 is necessary, may be used by the department on or after
11 January 1, 1989, to reimburse foster parents for damages
12 caused by a child placed in their care which cannot be
13 reimbursed from another source. Funds shall be reimbursed
14 according to criteria established by rule. The criteria shall
15 include the provision that a foster parent who claims damages
16 shall be responsible for one hundred fifty dollars of the
17 claim.

18 Notwithstanding section 8.33, the funds remaining in the
19 foster home insurance fund shall not revert to the general
20 fund on June 30, 1989.

21 Sec. 32. SUPPLEMENTAL PAYMENTS TO IN-STATE FOSTER CARE
22 PROVIDERS. There is appropriated from the general fund of the
23 state for the fiscal year beginning July 1, 1988, and ending
24 June 30, 1989, to the department of human services, the
25 following amount, or so much thereof as is necessary, to be
26 used to provide supplemental payments to in-state providers of
27 foster care beginning July 1, 1988, in order to reduce the
28 number of out-of-state foster care placements. Payments shall
29 be made according to criteria established by administrative
30 rules and shall be based upon the special needs of individual
31 children:

32 \$ 450,000

33 Sec. 33. ADDITIONAL SERVICES TO SUPPORT FOSTER FAMILY
34 PLACEMENTS. There is appropriated from the general fund of
35 the state for the fiscal year beginning July 1, 1988, and

1 ending June 30, 1989, to the department of human services, the
2 following amount, or so much thereof as is necessary, to be
3 used to provide additional services to support foster family
4 placement commensurate with the needs of the child in order to
5 make the placement a viable alternative to group foster care.
6 The additional services may begin on the effective date of
7 administrative rules governing this section:

8 \$ 240,000

9 Sec. 34. FOSTER PARENT IN-SERVICE TRAINING. There is
10 appropriated from the general fund of the state for the fiscal
11 year beginning July 1, 1988, and ending June 30, 1989, to the
12 department of human services, the following amount, or so much
13 thereof as is necessary, to be used to offer foster parent in-
14 service training in order to meet the requirement for six
15 hours of foster parent training annually to qualify for
16 relicensure:

17 \$ 200,000

18 Sec. 35. TRANSFERS PROHIBITED. As a condition of the
19 appropriations made for aid to families with dependent
20 children, medical assistance, state supplementary assistance,
21 and foster care under sections 1, 5, 20, and 30 of this Act
22 the following shall apply:

23 1. Notwithstanding section 8.39, and except as provided in
24 section 5, subsection 3, for the health maintenance
25 organization enrollment, in section 6 for the medical
26 assistance for pregnant women, infants, and children program,
27 in section 10, for the child support recovery unit, funds
28 appropriated for aid to families with dependent children,
29 medical assistance, state supplementary assistance, and foster
30 care shall not be subject to transfer. Department of human
31 services' programs shall not be modified for the purpose of
32 transferring other funds appropriated to the department of
33 human services into the aid to families with dependent
34 children, medical assistance, state supplementary assistance,
35 and foster care accounts.

1 2. Except as provided in subsection 3 of this section, the
2 commissioner of human services shall not modify programs
3 funded under the aid to families with dependent children,
4 medical assistance, state supplementary assistance, and foster
5 care appropriations in order to meet any projected budget
6 shortfalls, but shall request supplemental appropriations from
7 the general assembly to meet those shortfalls.

8 3. Notwithstanding the concept of allotments in section
9 8.31, for the purpose of any across-the-board budget
10 reductions ordered by the governor, the appropriations for the
11 aid to families with dependent children, medical assistance,
12 state supplementary assistance, and foster care shall be
13 deemed to include amounts needed to operate the programs for
14 the entire fiscal year beginning July 1, 1988, and ending June
15 30, 1989, under the July 1988 program guidelines and mandated
16 subsequent changes. The across-the-board budget reductions
17 shall be applied to the appropriations, and the estimate of
18 revenues needed to balance the state's budget shall be made so
19 as to operate the July 1, 1988 programs, as modified by
20 mandated changes for the entire fiscal year.

21 4. Notwithstanding section 8.31, for deficit
22 appropriations, the department shall apply the across-the-
23 board budget reductions to the aid to families with dependent
24 children, medical assistance, state supplementary assistance,
25 and foster care appropriations, and to additional anticipated
26 needs according to the July 1, 1988, guidelines and mandated
27 subsequent changes. For surplus appropriations, the across-
28 the-board budget reductions shall be applied first to the
29 surplus appropriations and then to amounts needed to maintain
30 the July 1, 1988, programs and any mandated subsequent
31 changes.

32 5. The appropriations made to the department of human
33 services for general administration, community services, and
34 the supplemental block grant are based upon receipt of grants
35 to the state from the federal government in the federal fiscal

1 year beginning October 1, 1988, and ending September 30, 1989,
2 in the amount of thirty-two million sixty-eight thousand seven
3 hundred seventy-seven (32,068,777) dollars for the social
4 services block grant. The appropriations are based upon
5 general administration receiving one million eight hundred
6 forty-nine thousand three hundred thirty-one (1,849,331)
7 dollars of the block grant and community services receiving
8 twelve million six hundred sixty-seven thousand two hundred
9 forty-nine (12,667,249) dollars for community services. It is
10 the intent of the general assembly that if the amount provided
11 by the federal grants is less than the amounts listed above,
12 then fiscal adjustments shall be made during the state fiscal
13 year beginning July 1, 1989, and ending June 30, 1990.

14 Sec. 36. GOALS AND OBJECTIVES. The department of human
15 services shall work with the legislative fiscal bureau and the
16 department of management to establish goals and objectives for
17 each program which commenced on July 1, 1988, or thereafter.
18 The goals and objectives shall be submitted to the fiscal
19 committee of the legislative council on or before August 15,
20 1988.

21 Sec. 37. MEDICAID PROVIDERS REIMBURSED UNDER THE
22 DEPARTMENT OF HUMAN SERVICES. The following providers shall
23 have their reimbursement rates frozen at the rates in effect
24 on June 30, 1985: optometrists, opticians, clinics,
25 audiologists, rehabilitation agencies, community mental health
26 centers, family planning clinics, psychologists, screening
27 centers, hearing aid dealers, orthopedic shoe dealers,
28 maternal health centers, ambulatory surgery centers and
29 genetic counseling clinics.

30 However, the material costs of products which are reim-
31 bursed at the acquisition cost shall not be frozen.

32 All across-the-board cuts currently in effect shall be
33 removed effective July 1, 1988.

34 Reimbursement rates to hospitals and skilled nursing
35 facilities shall be increased according to an inflation factor

1 determined by the department.

2 Reimbursement rates for rural health clinics shall be
3 increased in accordance with increases under the federal
4 Medicare program.

5 Home health agencies certified for the medical assistance
6 program shall be reimbursed for their current federal medicare
7 audited costs. The department shall conduct a study of the
8 reimbursement methodology used for home health agencies in
9 order to change from one of retrospectively determined rates
10 to one of prospectively determined rates.

11 Sec. 38. STATE SUPPLEMENTARY ASSISTANCE PROVIDERS
12 REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. Effective
13 July 1, 1988, the across-the-board cuts currently in effect
14 will no longer apply to residential care facilities.
15 Furthermore, the maximum reimbursement rate for residential
16 care facilities shall be increased by three percent making the
17 maximum rate seventeen dollars and ninety-seven cents. The
18 new flat rate for facilities electing not to file cost reports
19 shall be twelve dollars and eighty-four cents.

20 Effective July 1, 1988, the across-the-board cuts currently
21 in effect shall not be applied in the in-home health related
22 care program. Furthermore, the maximum reimbursement rate for
23 the in-home health related care program shall be increased by
24 three percent.

25 Sec. 39. SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
26 DEPARTMENT OF HUMAN SERVICES. For services given by social
27 service providers on or after July 1, 1988, reductions to
28 invoices or rates shall be discontinued. In addition, for
29 services given between July 1, 1988, and June 30, 1989, rates
30 shall be automatically increased by three percent over the
31 unreduced rates in effect on June 30, 1988. Rates for foster
32 group care and shelter care services shall not exceed sixty-
33 eight dollars and thirteen cents per day. This automatic
34 increase is intended to be a one-time exception to policy for
35 the fiscal year beginning July 1, 1988, and ending June 30,

1 1989, only and is not intended to eliminate regular submission
2 of cost reports. The maximum rate in effect on June 30, 1989,
3 shall become the provider's base maximum rate. Future maximum
4 increases shall be calculated on the base maximum rate, except
5 that the maximum rate a provider may charge shall be
6 calculated under the cost-based system. The base maximum rate
7 for service providers not included in a contract on June 30,
8 1989, shall be the first actual cost-based rate determined for
9 the provider.

10 Sec. 40. ASSISTANCE TO GAMBLERS. The department shall use
11 funds deposited in the gamblers assistance fund established in
12 section 99E.10 only for programs to assist gamblers. Any
13 unspent funds shall remain in the fund and shall not be
14 transferred or reverted to the general fund of the state.

15 The department shall use gamblers assistance fund moneys
16 for three full-time equivalent positions to support this
17 program.

18 Sec. 41. RULES. The department of human services may
19 adopt administrative rules under section 17A.4, subsection 2,
20 and section 17A.5, subsection 2, paragraph "b", for the
21 following: Sections 3, 4, 5, 13, 19, 20, 23, 25, 29, and 30
22 of this Act and rules shall become effective immediately upon
23 filing, unless a later effective date is specified in the
24 rules.

25 Sec. 42. Section 135.84, Code Supplement 1987, is amended
26 to read as follows:

27 135.84 ORGAN TRANSPLANT SERVICES.

28 The Iowa department of public health shall adopt rules
29 which require certificate of need review of organ transplant
30 services which have been or will be performed in or through an
31 institutional health facility at a specific time but which
32 were not performed for that specific organ prior to July 1,
33 1987. Organ transplant services shall not include transplant
34 services which are routinely performed in the course of
35 ordinary operative procedures in institutional health

1 facilities. Each type of organ transplant shall be considered
2 separately. Decisions on applications submitted pursuant to
3 this section shall be made by the organ transplant commission
4 pursuant to section 142B.1.

52 43 5 Sec. 43. Section 142B.1, subsection 1, Code Supplement
6 1987, is amended by striking the subsection and inserting in
7 lieu thereof the following:

8 For the purposes of this chapter, "commission" means the
9 Iowa organ and transplant commission and "third-party payor"
10 includes all licensed insurers, health maintenance
11 organizations, medical and hospital service corporations,
12 self-funded employee health plans, the department of human
13 services, as administrator of the medical assistance program
14 pursuant to chapter 249A, and all other similar entities
15 obligated by contract to pay for health care services for
16 another party.

17 1. The department of human services and the Iowa
18 department of public health shall appoint an eleven-member
19 organ transplant commission to implement the written state
20 plan for human organ and tissue transplants for all third-
21 party payors in this state and to make recommendations to the
22 general assembly regarding appropriate legislation. The
23 commission members shall serve three-year terms. The
24 commission is established for the following purposes:

25 a. Designate centers to perform human organ and tissue
26 transplants in this state. The designation of a center shall
27 be based on the requirements set forth in Title XVIII of the
28 federal Social Security Act and be withdrawn from a center
29 based upon noncompliance with state or federal law. A
30 designated center shall adhere to any minimum transplant
31 procedure volume requirements recommended by the federal
32 department of health and human services. However, designation
33 of a transplant center shall not preclude recognition of
34 facilities eligible for payment under the terms of a third-
35 party payor contract.

* 1 b. Monitor the compliance of centers with the state plan
2 for human organ and tissue transplants.

3 c. Designate those transplant procedures eligible for
4 reimbursement under Title XIX. It is the policy of the state
5 that Title XIX reimbursement shall be limited to
6 nonexperimental human organ and tissue transplantation
7 procedures and services as provided under Title XVIII of the
8 federal Social Security Act. For the purposes of this
9 section, "nonexperimental human organ and tissue
10 transplantation procedures and services" are those so
11 designated by Title XVIII of the federal Social Security Act,
12 and heart transplants and services for patients so long as
13 patient selection policies of the center satisfactorily
14 address the elements of the most recent patient selection
15 guidelines adopted by Title XVIII.

16 d. Conduct policy analysis concerning the human organ
17 transplants eligible for reimbursement in this state. The
18 commission shall consider the financial condition of the state
19 treasury, the effect on availability of state moneys
20 traditionally reserved to provide primary health care
21 services, and the cost of the transplant compared to the
22 benefits derived.

23 e. Assume the responsibilities of the state health
24 facilities council under sections 135.61 through 135.83 for
25 decisions regarding certificate of need applications submitted
26 to the Iowa department of public health pursuant to section
27 135.64. Applications submitted pursuant to section 135.64
28 shall be processed by the Iowa department of public health
29 according to sections 135.61 through 135.83. However, the
30 commission shall make final decisions and issue written
31 findings instead of the health facilities council. The
32 commission shall have the same authority as the health
33 facilities council regarding these decisions.

34 f. Adopt rules under chapter 17A to carry out its
35 functions.

1 Sec. 44. Section 142B.1, subsection 2, Code Supplement
2 1987, is amended to read as follows:

3 2. The ~~state-plan~~ commission shall consider policies and
4 procedures for organ and tissue procurement, registration, and
5 distribution, and the distribution plan shall guarantee equal
6 access and availability to donor organs by each center; organ
7 recipient selection criteria; transplant center designation
8 and eligibility; and informed consent and confidentiality.

9 The ~~plan~~ commission shall also address protocol to be adopted
10 by each licensed hospital for identifying medically suitable
11 organ and tissue donors, for designating and training persons
12 within the hospital to make organ and tissue donor requests,
13 for notifying organ and tissue procurement organizations of
14 donations, and for cooperating in the procurement of the organ
15 and tissue. The ~~plan~~ commission shall recognize the need for
16 protocol which meets the special circumstances of different
17 hospitals throughout the state and encourages reasonable
18 discretion and sensitivity to family circumstances in all
19 discussions regarding donations of organs and tissues.

20 Sec. 45. Section 142B.1, subsection 3, Code Supplement
21 1987, is amended by striking the subsection and inserting in
22 lieu thereof the following:

23 3. The membership of the commission shall include one
24 member from each of the following organizations, who shall be
25 appointed from persons submitted by the insurance industry,
26 health policy corporation of Iowa, Iowa medical society, Iowa
27 osteopathic medical association, and the Iowa nurses
28 association. The Iowa hospital association shall submit the
29 names of a representative from a small hospital and a large
30 hospital, which are not performing transplants and which are
31 not legally affiliated with a hospital which is performing
32 transplants or coordinating transplants. The representative
33 of the large hospital and the representative of the small
34 hospital shall serve alternating terms. The Iowa department
35 of public health and the department of human services shall

1 jointly appoint a representative from one voluntary nonprofit
2 organization interested in organ transplant procedures, one
3 from the bureau of medical services of the department of human
4 services, and three consumer representatives. The consumer
5 representatives may receive actual expenses incurred as
6 commission members, from funds appropriated to the department
7 of human services. The commission shall elect a chairperson
8 from among its membership. A representative from the Iowa
9 department of public health shall serve as a nonvoting member.

10 Sec. 46. The members of the commission appointed under
11 section 142B.1 shall be appointed on July 1, 1988, to the
12 following terms: Four of the members of the commission shall
13 be appointed to three-year terms, four to two-year terms, and
14 three to one-year terms. To the extent possible, members of
15 the commission on June 30, 1988, shall be reappointed.

16 Sec. 47. FEDERAL RECEIPTS. All federal grants to and the
17 federal receipts of the department of human services are
18 appropriated for the purposes set forth in the federal grants
19 or receipts. The veterans per diem payable for veterans at
20 the veterans home and funds received under Title XIX of the
21 federal Social Security Act by the state mental health
22 institutes and state hospital-schools shall be deposited in
23 the general fund of the state.

24 Sec. 48. CAPITAL EXPENDITURES EXCLUDED. Funds
25 appropriated by this Act shall not be used for capital
26 acquisitions or improvements.

27 Sec. 49. OUT-OF-STATE TRAVEL PROHIBITED. Funds
28 appropriated by this Act shall not be used by an employee of
29 the department of human services for travel or other expenses
30 related to a training program that takes place outside of this
31 state unless the training is required or it can be
32 demonstrated that out-of-state training is the least expensive
33 alternative.

34 Sec. 50. LAYOFF PROCEDURES. If the department of human
35 services must lay off more than five employees, the ratio of

1 the number of departmental employees below merit
2 classification pay grade twenty-five who are laid off compared
3 to the total number of departmental employees who are laid off
4 shall not exceed the ratio of the total number of departmental
5 employees below merit classification pay grade twenty-five
6 compared to the total number of departmental employees.

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

29

30

31

32

33

34

35

HOUSE FILE 2447

S-5648

1 Amend House File 2447 as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 2, by inserting after line 3 the
4 following:

5 "5. As a condition, qualification, and limitation
6 of the appropriation made by this section, there is
7 appropriated from the general fund of the state one
8 million one hundred seventy-five thousand seven
9 hundred (1,175,700) dollars to the department for
10 transfer to the appropriate state agency to be used
11 for the child development grants under Senate File
12 2192 if Senate File 2192 is enacted by the Seventy-
13 second General Assembly, 1988 Session. Grants shall
14 be awarded on a two-year basis, subject to renewal,
15 and the funds appropriated in this subsection shall be
16 for support for the first twelve-month period the
17 grant is in effect. Grants shall be awarded not later
18 than January 1, 1989. Notwithstanding section 8.33,
19 unexpended or unencumbered funds shall not revert to
20 the general fund, but shall be available for the
21 purposes set forth in this subsection.

22 6. As a condition, qualification, and limitation
23 of the appropriation made by this section, there is
24 appropriated from the general fund of the state six
25 hundred ninety thousand (690,000) dollars to be used
26 for the family development and self-sufficiency grant
27 program under Senate File 2225 if Senate File 2225 is
28 enacted by the Seventy-second General Assembly, 1988
29 Session. A grant shall be awarded on a three-year
30 basis, subject to annual renewal, and the funds
31 appropriated under this subsection shall be for
32 support for the first twelve-month period the grant is
33 in effect. All grants shall be awarded not later than
34 January 1, 1989. Not more than five percent of the
35 appropriation shall be used for administration of the
36 program. Notwithstanding section 8.33, unexpended or
37 unencumbered funds shall not revert to the general
38 fund, but shall be available for the purposes set
39 forth in this subsection."

40 2. By striking page 2, line 18 through page 3,
41 line 15.

42 3. Page 4, line 13, by striking the figure
43 "148,328,442" and inserting the following:
44 "148,353,442".

45 4. Page 4, line 20, by striking the word "The"
46 and inserting the following: "As a condition,
47 qualification, and limitation of the funds
48 appropriated under this section, the".

49 5. Page 4, line 26, by inserting after the word
50 "organization" the following: "and the cost of the

1 services shall be billed directly to the medical
2 assistance program".

3 6. Page 5, line 4, by striking the word "The" and
4 inserting the following: "As a condition,
5 qualification, and limitation of the funds
6 appropriated under this section, the".

7 7. Page 5, line 8, by striking the word
8 "Effective" and inserting the following: "As a
9 condition, qualification, and limitation of the funds
10 appropriated under this section, effective".

11 8. Page 5, line 19, by striking the word
12 "Payments" and inserting the following: "As a
13 condition, qualification, and limitation of the funds
14 appropriated under this section, payments".

15 9. Page 6, line 6, by striking the word
16 "Beginning" and inserting the following: "As a
17 condition, qualification, and limitation of the funds
18 appropriated under this section, beginning".

19 10. Page 7, line 9, by striking the word "The"
20 and inserting the following: "As a condition,
21 qualification, and limitation of the funds
22 appropriated under this section, the".

23 11. Page 7, line 14, by striking the word
24 "Effective" and inserting the following: "As a
25 condition, qualification, and limitation of the funds
26 appropriated under this section, effective".

27 12. Page 7, line 23, by striking the word "No"
28 and inserting the following: "As a condition,
29 qualification, and limitation of the funds
30 appropriated under this section, no".

31 13. By striking page 7, line 28 through page 8,
32 line 15, and inserting the following:

33 "11. As a condition, qualification, and limitation
34 of this appropriation, the department, with the
35 approval of the legislative council, may expend not
36 more than twenty thousand (20,000) dollars to obtain
37 technical assistance from the national center for
38 health services research in identifying and examining
39 state approaches for providing health care services to
40 uninsured and underinsured persons in the low-income
41 population."

42 14. Page 8, line 16, by striking the word "The"
43 and inserting the following: "As a condition,
44 qualification, and limitation of the funds
45 appropriated under this section, the".

46 15. Page 8, line 28, by inserting after the word
47 "administration." the following: "Of the funds
48 appropriated under this section, forty-two thousand
49 (42,000) dollars may be used to contract for the
50 development of the policies or guidelines or to add an"

1 additional full-time equivalent position for this
2 purpose. If an additional full-time equivalent
3 position is added, it is in addition to the positions
4 authorized under the appropriation for general
5 administration in this Act."

6 16. By striking page 8, line 29 through page 10,
7 line 17, and inserting the following:

8 "14. As a condition, qualification, and limitation
9 of the appropriation made by this section, there is
10 appropriated from the general fund of the state six
11 hundred eight thousand (608,000) dollars, or so much
12 thereof as is necessary to the department, effective
13 on January 1, 1989, for medical assistance to all
14 pregnant women and infants under one year of age whose
15 income does not exceed one hundred fifty percent of
16 the federal nonfarm poverty level, and for children up
17 to age five on an incremental basis whose income does
18 not exceed one hundred percent of the federal nonfarm
19 poverty level, for salaries, support, and
20 miscellaneous purposes.

21 a. The department shall expend the funds
22 appropriated under this section for not more than
23 three full-time equivalent positions in the field at a
24 cost of not more than thirty-seven thousand (37,000)
25 dollars, for salaries and support for not more than
26 four full-time equivalent positions in general
27 administration at a cost of not more than fifty-nine
28 thousand (59,000) dollars, for systems and fiscal
29 agent development at a cost of no more than twenty-
30 five thousand (25,000) dollars, and for payment of
31 medical benefits at a cost of no more than four
32 hundred eighty-seven thousand (487,000) dollars.
33 These positions are in addition to the positions
34 authorized under the appropriations for community
35 services and general administration in this Act.

36 b. As a condition, qualification, and limitation
37 of the funds appropriated under this section, resource
38 limitations shall be five thousand dollars for a one
39 person household and seven thousand five hundred
40 dollars for a family of two or more persons. Pregnant
41 women shall have resources considered according to the
42 standards for computing resources under the
43 supplemental security income program. Infants and
44 children shall have resources considered in accordance
45 with the standards for computing resources under the
46 aid to families with dependent children program.
47 Pregnant women, infants, and children shall have
48 income considered in accordance with standards under
49 the aid to families with dependent children program.
50 All other medical assistance program requirements

S-5648 Page 4

1 apply. Upon implementation, phased-in coverage for
2 children shall begin with children up to age two and
3 shall be continued through January 1, 1992.

4 c. For persons who do not have a spend-down
5 requirement under the medically needy program, the
6 department shall set the length of the certification
7 period at the length authorized by federal
8 regulations.

9 d. As a condition, qualification, and limitation
10 of the funds appropriated under this section, the
11 department shall report, in each month of the fiscal
12 year, to the fiscal committee of the legislative
13 council regarding the expenditure of the funds for the
14 implementation of the medical assistance program for
15 pregnant women, infants, and children and the
16 additional full-time equivalent positions authorized
17 for this purpose under this section. The report shall
18 detail the number of additional authorized positions
19 which have been filled, describe problems encountered
20 in filling the positions, and assess the impact of the
21 additional positions upon the quality of services
22 provided to the targeted persons. If the department
23 is caused to reduce expenditures because of an
24 unanticipated reduction in federal funding, or the
25 average base salary and support cost in staffing is
26 greater than anticipated, or the staff vacancy factor
27 is lower than anticipated, the department shall fill
28 the additional full-time equivalent positions by
29 reducing other expenditures."

30 17. Page 10, by striking lines 18 through 25.

31 18. Page 11, by striking lines 2 through 16.

32 19. Page 12, line 8, by striking the word "The"
33 and inserting the following: "As a condition,
34 qualification, and limitation of the funds
35 appropriated under this section, the".

36 20. Page 13, line 1, by striking the word "The"
37 and inserting the following: "As a condition,
38 qualification, and limitation of the funds
39 appropriated under this section, the".

40 21. Page 13, by striking lines 8 and 9 and
41 inserting the following: "dollars, and a vacancy
42 factor of four percent. The department shall seek".

43 22. Page 13, by inserting after line 29 the
44 following:

45 "3. As a condition, qualification, and limitation
46 of the funds appropriated under this section, the
47 department shall not place any orders for computer
48 terminals and other hardware related to the family
49 assistance management information system project and
50 shall not take delivery of any terminals or hardware

1 previously ordered.

2 4. As a condition, qualification, and limitation
3 of the funds appropriated under this section, the
4 department shall identify the amount of the state
5 funds and federal block grant funds saved under this
6 appropriation and the amount of additional federal
7 funds gained as a result of the case management
8 provided under section 19, subsection 1, of this Act
9 and transfer the total of the amounts to the funds
10 appropriated under section 19 to provide enhanced
11 mental health, mental retardation, and developmental
12 disabilities services."

13 23. Page 14, line 11, by striking the word "The"
14 and inserting the following: "As a condition,
15 qualification, and limitation of the funds
16 appropriated under this section, the".

17 24. Page 14, by striking lines 19 and 20 and
18 inserting the following: "percent. The department
19 shall seek additional funds through supplemental".

20 25. Page 15, by striking line 6 and inserting the
21 following:

22 "As a condition, qualification, and limitation of
23 the funds appropriated under this section, eighteen".

24 26. Page 15, line 11, by inserting after the word
25 "hospitals." the following: "The position is in
26 addition to the other positions authorized under this
27 section."

28 27. Page 16, by striking line 1 and inserting the
29 following:

30 "1. As a condition, qualification, and limitation
31 of the funds appropriated under this section, eight".

32 28. Page 16, by striking line 13 and inserting
33 the following:

34 "2. As a condition, qualification, and limitation
35 of the funds appropriated under this section, such
36 funds shall be used to".

37 29. Page 16, by striking lines 22 and 23 and
38 inserting the following:

39 "3. As a condition, qualification, and limitation
40 of the funds appropriated under this section, the
41 juvenile institution at Eldora shall maintain an
42 average of two".

43 30. By striking page 17, line 23 through page 18,
44 line 35.

45 31. Page 19, by inserting after line 9 the
46 following:

47 "The state hospital-schools may exceed the
48 specified number of full-time equivalent positions if
49 the additional positions are specifically related to
50 licensing, certification, or accreditation standards,

1 or citations. The department shall notify the
2 legislative fiscal bureau if the specified number is
3 exceeded. The notification shall include an estimate
4 of the number of full-time equivalent positions added
5 and the fiscal effect of the addition."

6 32. Page 19, by inserting after line 19 the
7 following:

8 "The state mental health institutes may exceed the
9 specified number of full-time equivalent positions if
10 the additional positions are specifically related to
11 licensing, certification, or accreditation standards,
12 or citations. The department shall notify the
13 legislative fiscal bureau if the specified number is
14 exceeded. The notification shall include an estimate
15 of the number of full-time equivalent positions added
16 and the fiscal effect of the addition."

17 33. Page 19, line 26, by striking the word
18 "forty-two" and inserting the following: "eighty-
19 nine".

20 34. Page 19, by striking lines 28 through 34 and
21 inserting the following: "the sixty new beds are
22 phased into operation and salary and support is
23 provided for not more than forty-seven full-time
24 equivalent positions for this purpose:

25 \$ 23,181,000".

26 35. Page 20, by inserting after line 3 the
27 following:

28 "The Iowa veterans home may exceed the specified
29 number of full-time equivalent positions if the
30 additional positions are specifically related to
31 licensing, certification, or accreditation standards,
32 or citations. The department shall notify the
33 legislative fiscal bureau if the specified number is
34 exceeded. The notification shall include an estimate
35 of the number of full-time equivalent positions added
36 and the fiscal effect of the addition."

37 36. Page 20, line 10, by striking the figure
38 "3,330,000" and inserting the following: "3,205,000".

39 37. Page 20, line 16, by striking the words
40 "administrative support and for" and inserting the
41 following: "enhanced mental health, mental
42 retardation, and developmental disabilities
43 services:".

44 38. Page 20, by striking line 17.

45 39. Page 20, line 18, by striking the figure
46 "1,000,000" and inserting the following: "1,300,000".

47 40. By striking page 20, line 19 through page 22,
48 line 4 and inserting the following:

49 "1. For purposes of this section, "candidate
50 services" means rehabilitation services, day

1 treatment, partial hospitalization, behavior
2 management, and case management. Case management
3 shall be limited to persons with mental retardation, a
4 developmental disability, or chronic mental illness.

5 Effective October 1, 1988, the department shall add
6 candidate services to the state Title XIX plan.

7 2. The county of legal settlement shall be billed
8 for fifty percent of the nonfederal share of the cost
9 of candidate services provided under the medical
10 assistance program for persons with mental
11 retardation, a developmental disability or chronic
12 mental illness.

13 3. By using the general allocation application for
14 the state community mental health and mental
15 retardation services fund under section 225C.10, the
16 department, with the agreement of each county, shall
17 establish the actual amount expended by each county
18 for persons with mental retardation, a developmental
19 disability, or chronic mental illness in the fiscal
20 year which ended on June 30, 1987, and this amount
21 shall be deemed each county's maintenance of effort.

22 A disagreement between the department and a county as
23 to the actual amount spent in a category shall be
24 decided by the state mental health and mental
25 retardation commission. A county is responsible to
26 continue to pay at least the agreed upon amount in
27 fiscal year 1988-1989 for services to persons with
28 mental retardation, a developmental disability, or
29 chronic mental illness. If a county does not spend
30 the agreed upon amount in a fiscal year, the balance
31 not spent shall not revert to the general fund of the
32 county, but shall be carried over to the next fiscal
33 year to be expended for the provision of services to
34 persons with mental retardation, a developmental
35 disability, or mental illness including, but not
36 limited to, the chronically mentally ill, and shall be
37 used as additional funds. The additional funds shall
38 be used, to the greatest extent possible, to meet
39 unmet needs of persons with mental retardation, a
40 developmental disability, or mental illness. This
41 subsection does not relieve the county from any other
42 funding obligations required by law, including but not
43 limited to the obligations in section 222.60.

44 4. a. Notwithstanding section 8.33, funds
45 appropriated under this section which are not
46 obligated or expended, shall not revert to the general
47 fund on June 30, 1989, but shall be deposited in the
48 state community mental health and mental retardation
49 services fund for use in the next fiscal year. It is
50 the intent of the general assembly that the funds

1 deposited in the fund for this purpose shall be used
2 in addition to moneys appropriated in the next fiscal
3 year for this purpose.

4 b. Notwithstanding section 8.39, funds
5 appropriated to the department for the state hospital-
6 schools by section 15 of this Act and to the state
7 mental health institutes by section 16 of this Act
8 shall not be subject to transfer, except to the state
9 community mental health and mental retardation
10 services fund after January 1, 1989, subsequent to a
11 reevaluation of the institutional budgets for the
12 remainder of the fiscal year.

13 c. Funds deposited in or transferred to the state
14 community mental health and mental retardation
15 services fund pursuant to paragraph "a" or "b" may be
16 allocated by the mental health and mental retardation
17 commission for the provision of services to
18 developmentally disabled persons, notwithstanding
19 contrary provisions of chapter 225C.

20 5. The department, with the agreement of each
21 county, shall establish the actual amount expended for
22 each candidate service for persons with mental
23 retardation, a developmental disability, or chronic
24 mental illness in the fiscal year which ended June 30,
25 1987, and this amount shall be deemed each county's
26 base year expenditure for the candidate service. A
27 disagreement between the department and a county as to
28 the actual amount spent shall be decided by the state
29 mental health and mental retardation commission.

30 The department, with the agreement of each county,
31 shall determine the expenditures in the 1988-1989
32 fiscal year by each county for the candidate services,
33 including the amount the county contributes under
34 subsection 2. If the expenditures in the 1988-1989
35 fiscal year exceed the base year expenditures for
36 candidate services, then the county shall receive from
37 the funds under this appropriation the least amount of
38 the following:

39 a. The difference between the total expenditures
40 for the candidate services in fiscal year 1988-1989
41 and the base year expenditures.

42 b. The amount expended by the county under
43 subsection 2.

44 c. The amount by which the fiscal year 1988-1989
45 total expenditures under subsection 3 exceed the
46 maintenance of effort expenditures.

47 6. Case management shall be provided by the
48 department except when a county or a consortium of
49 counties contracts to be the provider. A county or
50 counties may contract to be the provider at any time

1 within ninety days of the final publication of the
2 standards for case management in the Iowa
3 administrative bulletin. The department shall agree
4 to the contract so long as the contract meets the
5 standards for case management established by the
6 department and the criteria for case management as
7 stated in the state Title XIX plan and rules. The
8 county or consortium of counties may subcontract for
9 the provision of case management services so long as
10 the subcontract meets the same criteria.

11 7. This section does not relieve the county from
12 any other funding obligations required by law,
13 including but not limited to the obligations in
14 section 222.60.

15 8. Nothing in this Act is intended by the general
16 assembly to be the provision of a fair and equitable
17 funding formula specified in 1985 Iowa Acts, chapter
18 249, section 9. Nothing in this Act shall be
19 construed, is intended, or shall imply a claim of
20 entitlement to any programs or services specified in
21 section 225C.28.

22 9. For the purposes of this section only, persons
23 with organic mental disorders shall not be considered
24 chronically mentally ill.

25 10. As a limitation of this appropriation, the
26 funds shall be expended for not more than three full-
27 time equivalent positions in general administration at
28 a cost of not more than seventy thousand (70,000)
29 dollars to administer the analysis of funding amounts
30 and related issues required under this section. The
31 positions are in addition to the positions authorized
32 under the appropriation for general administration in
33 this Act.

34 11. The legislative council is requested to
35 appoint a committee staffed by the legislative fiscal
36 bureau to conduct a study and develop recommendations
37 regarding a fair and equitable funding formula for
38 services provided to persons described in section
39 225C.26. The committee shall study an equitable split
40 in funding between state and counties, providing
41 equitable services between population groups, and
42 providing adequate reimbursement for providers to
43 assure services are provided. The committee shall
44 submit a report of the study on or before December 1,
45 1988."

46 41. By striking page 22, line 21 through page 24,
47 line 16, and inserting the following:

48 "Sec. ____ . BLOCK GRANT SUPPLEMENTATION. There is
49 appropriated from the general fund of the state for
50 the fiscal year beginning July 1, 1988, and ending

1 June 30, 1989, to the department of human services for
2 supplementation of federal social services block grant
3 funds and for allocation to the various counties for
4 the purchase of local services and child day care
5 services for eligible individuals, the following
6 amount, or so much thereof as is necessary, on the
7 condition that the across-the-board cuts currently in
8 effect are eliminated, followed by a three-percent
9 increase in the reimbursement rate paid to service
10 providers funded under this appropriation, as
11 specified in section 39 of this Act:

12 \$ 6,564,000

13 1. The funds appropriated in this section shall be
14 allocated to the counties pursuant to the rules of the
15 department in effect on January 1, 1985. The
16 department shall increase the income guidelines for
17 income eligible persons receiving services funded with
18 federal social services block grant funds for the
19 fiscal year beginning July 1, 1988, by the same
20 percentage and at the same time as federal social
21 security benefits are increased due to a recognized
22 increase in the cost of living.

23 2. Of the funds appropriated in this section,
24 three million sixty-four thousand (3,064,000) dollars
25 shall be for the purchase of local services and three
26 million five hundred thousand (3,500,000) dollars
27 shall be for child day care services.

28 3. The department shall not require counties to
29 match the state child day care services funds with
30 local funds but shall require that the counties
31 allocate local funds for child day care services in an
32 amount at least equal to the county expenditures for
33 child day care services in the fiscal year ending June
34 30, 1983. The department shall reallocate state child
35 day care services funds from counties which do not
36 qualify for or do not utilize the funds to counties
37 which do qualify for the funds.

38 4. Any funds allocated for the local purchase of
39 child care services shall be available for purchase of
40 services in any type of child care facility approved
41 under 441 IAC § 170.

42 5. The department shall establish the income
43 eligibility level for recipients of child day care
44 services at the equivalent of one hundred twenty-five
45 percent of the federal office of management and budget
46 poverty guidelines for families of all sizes.

47 6. If the department determines that funds under
48 this section for child day care services will not be
49 fully expended, the department may increase the income
50 guidelines in order to provide for the expenditure of

1 all funds under this section for child day care
2 services.

3 7. A county may deliver the child care services
4 through a vendor-voucher or purchase of service system
5 which requires the recipient to contribute to the cost
6 of the child care in accordance with the sliding fee
7 schedule currently utilized by the department for
8 child care services. Allowable child care costs shall
9 not exceed the rates paid in accordance with the
10 purchase of service schedule currently utilized by the
11 department for child care service providers. The
12 department, after consultation with consumers and
13 providers of child care, shall adopt rules which
14 prescribe the usage of vendor-voucher payments. The
15 county shall keep records of eligible clients and the
16 services they have received.

17 8. As a condition, qualification, and limitation
18 of this appropriation, the funds appropriated under
19 this section shall be expended for not more than six
20 full-time equivalent positions in the field at a cost
21 of not more than one hundred seventy-five thousand
22 (175,000) dollars, and for salary and support for not
23 more than one full-time equivalent position in general
24 administration at a cost of not more than twenty-three
25 thousand (23,000) dollars. The positions are in
26 addition to the positions authorized under the
27 appropriations for community services and general
28 administration in this Act.

29 Sec. ____ . RESOURCE AND REFERRAL PROGRAMS. There
30 is appropriated from the general fund of the state for
31 the fiscal year beginning July 1, 1988, and ending
32 June 30, 1989, to the department of human services the
33 following amount, or so much thereof as is necessary,
34 to be used for allocation in the form of grants to
35 public agencies and private nonprofit corporations
36 which provide child and dependent adult care resource
37 and referral programs:

38 \$ 150,000

39 Individual grants shall not exceed fifty thousand
40 (50,000) dollars. A program which is allocated
41 funding shall match funds appropriated with local
42 funds which may be in the form of private donations,
43 in-kind contributions, or public funding sources
44 including block grant local purchase funds. The
45 department of human services shall adopt rules
46 pursuant to chapter 17A which establish the criteria
47 for allocation of grant funds to local resource and
48 referral programs."

49 42. Page 25, line 15, by inserting after the word
50 "used" the following: "beginning on or before October

1 1, 1988,".

2 43. Page 25, lines 19 and 20, by striking the
3 words "beginning on or before October 1, 1988".

4 44. Page 25, line 29, by striking the word "The"
5 and inserting the following: "As a condition,
6 qualification, and limitation of the funds
7 appropriated under this section, the".

8 45. By striking page 28, line 30 through page 29,
9 line 10, and inserting the following:

10 "7. For those children who would otherwise be
11 eligible for federal title IV-E funding, when a
12 juvenile court considers ordering a "payment only"
13 foster care placement, the juvenile court and the
14 department shall determine whether departmental
15 custody and placement is feasible. The department
16 shall record the number of cases which were eligible
17 for federal title IV-E funding, but were ordered into
18 "payment only" foster care and report this information
19 to the legislative fiscal bureau every three months
20 beginning October 1, 1988. The department and the
21 state court administrator shall work with the federal
22 department of health and human services to develop an
23 agreement between the department and the state court
24 administrator which would enable the state to receive
25 federal title IV-E funds for "payment only" cases and
26 make recommendations to the general assembly as to
27 legislation required to fulfill the agreement."

28 46. Page 29, line 29, by striking the word "By"
29 and inserting the following: "As a condition,
30 qualification, and limitation of the funds
31 appropriated under this section, by".

32 47. Page 30, by striking line 23 and inserting
33 the following:

34 "13. As a condition, qualification, and limitation
35 of the appropriation made under this section, thirty".

36 48. Page 30, by inserting after line 30 the
37 following:

38 "____. As a condition, qualification, and
39 limitation of the funds appropriated under this
40 section, seventy-five thousand (75,000) dollars, or so
41 much thereof as is necessary, shall be used for grants
42 under the family support subsidy program as provided
43 in Senate File 2018 if enacted by the Seventy-second
44 General Assembly, 1988 Session."

45 49. Page 31, line 4, by striking the word "If"
46 and inserting the following: "As a condition,
47 qualification, and limitation of the funds
48 appropriated under this section, if".

49 50. Page 32, line 27, by inserting after the word
50 "unit," the following: "in section 30 for subsidized

648 Page 13

1 adoption and purchase of adoption services,".

2 51. Page 34, line 14, by striking the word "The"
3 and inserting the following: "As a condition,
4 qualification, and limitation of the appropriation for
5 general administration, the".

6 52. Page 36, by striking line 21 and inserting
7 the following: "following: Sections 3, 4, 5, 20, 21,
8 23, 24, 25, 30, 31, 37, 38, and 39".

9 53. By striking page 36, line 25 through page 40,
10 line 15.

11 54. Page 40, by inserting before line 16 the
12 following:

13 "Sec. ____ . Section 222.73, subsection 2, Code
14 1987, is amended to read as follows:

15 2. The superintendent shall certify to the
16 director of revenue and finance the billings to each
17 county for services provided to patients chargeable to
18 the county during the preceding calendar quarter. The
19 county billings shall be based on the average daily
20 patient charge and outpatient treatment charges
21 computed pursuant to subsection 1, and the number of
22 inpatient days and outpatient treatment service units
23 chargeable to the county. The county billing for a
24 patient shall be reduced by an amount received for the
25 patient's care from any source other than state
26 appropriated funds. The per diem costs billed to each
27 county shall not exceed the per diem costs in effect
28 on July 1, 1988. However, the per diem costs may be
29 adjusted annually to the extent of the adjustment in
30 the consumer price index published annually in the
31 federal register by the federal department of labor,
32 bureau of labor statistics.

33 Sec. ____ . Section 230.20, subsection 2, Code
34 Supplement 1987, is amended to read as follows:

35 2. The superintendent shall certify to the
36 director of revenue and finance the billings to each
37 county for services provided to patients chargeable to
38 the county during the preceding calendar quarter. The
39 county billings shall be based on the average daily
40 patient charge and other service charges computed
41 pursuant to subsection 1, and the number of inpatient
42 days and other service units chargeable to the county.
43 However, a county billing shall be decreased by an
44 amount equal to reimbursement by a third party payor
45 or estimation of such reimbursement from a claim
46 submitted by the superintendent to the third party
47 payor for the preceding calendar quarter. When the
48 actual third party payor reimbursement is greater or
less than estimated, the difference shall be reflected
in the county billing in the calendar quarter the

1 actual third party payor reimbursement is determined.
2 The per diem costs billed to each county shall not
3 exceed the per diem costs in effect on July 1, 1988.
4 However, the per diem costs may be adjusted annually
5 to the extent of the adjustment in the consumer price
6 index published annually in the federal register by
7 the federal department of labor, bureau of labor
8 statistics.

9 Sec. ____ STATE BOARD OF REGENTS REPORT. The
10 state board of regents shall prepare a report
11 regarding the professional training required to ensure
12 there are a sufficient number of qualified staff to
13 deliver the case management services under section 19
14 of this Act in regard to enhanced mental health,
15 mental retardation, and developmental disabilities
16 services. The report shall be submitted to the
17 legislative council on or before December 1, 1988."

18 55. By renumbering as necessary, including
19 renumbering internal references, and renumbering
20 internal references in the section of the Act
21 pertaining to emergency rulemaking. That section is
22 amended by this amendment only to correct internal
23 references in this Act, as the Act was amended,
24 passed, and reprinted by the House of Representatives.

S-5648

Filed March 30, 1988

BY COMMITTEE ON APPROPRIATIONS
JOE WELSH, Chairperson

*Adopted as amended by 5714, 5719, 5723B,
3/30 (p. 1256) 4 5724
Renumbered as 417 (p. 1338) further amended
by 5730, 5822, 5830; and
Readopted 4/7/13/88*

HOUSE FILE 2447

-5717

1 Amend amendment, H-5648, to House File 2447, as
2 amended, passed and reprinted by the House, as
3 follows:

4 1. Page 9, by striking line 45 and inserting the
5 following: "1988.

6 12. As a condition, qualification, and limitation
7 of this appropriation, the department shall institute
8 a demonstration project in the area contained in
9 departmental district one. The demonstration project
10 shall deliver case management services in accordance
11 with standards adopted by the department, as modified
12 to comply with the provisions of this subsection. The
13 case management shall be delivered by a staff person
14 of a service provider who is a qualified mental
15 retardation or mental illness professional under one
16 or more of the following systems of standards:

17 a. Facilities reimbursed under the medical
18 assistance program for candidate services.

19 b. The commission on accreditation of
20 rehabilitation facilities.

21 c. The accreditation council on services for
22 people with developmental disabilities.

23 d. The department of inspections and appeals for a
24 residential care facility for the mentally retarded.

25 e. The department of inspections and appeals for a
26 residential care facility for the mentally ill.

27 f. The department of inspections and appeals for
28 an intermediate care facility for the mentally
29 retarded.

30 g. The department of human services for the care
31 of and services to county care facility residents with
32 mental illness or mental retardation.

33 h. The department of inspections and appeals for
34 community mental health centers.

35 The demonstration project shall require that the
36 program or service provider with which the client
37 spends, or is expected to spend, the greatest number
38 of hours in a calendar year shall provide the case
39 management to the client. The case manager shall
40 annually submit a written description of the case
41 management plan as specified by the department. If
42 the program or service provider does not have a staff
43 person who is qualified under this subsection, the
44 department shall provide the case manager and charge
45 the cost to the program or service provider.

46 The department shall provide two or more full-time
47 equivalent positions in the district office of
48 departmental district one to annually review the case
49 management plan for each client in the district. If
50 the review determines that a case management plan does

S-5717 Page 2

1 not comply with the standards for case management, the
2 department shall notify the author of the plan and the
3 author's employer. The notification shall describe
4 the actions needed to achieve compliance. If a case
5 management plan is not in compliance for sixty days or
6 more following such notification, the department may
7 assume the case management responsibility and charge
8 the provider for the cost of the case management."

S-5717
Filed March 31, 1988 WITHDRAWN BY RICHARD VANDE HOEF

(p. 1201)

HOUSE FILE 2447

S-5656

1 Amend House File 2447 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 40, by inserting after line 33, the
4 following:
5 "Sec. ____ . As a condition, limitation, and
6 qualification of the appropriations made from the
7 general fund and from all other trusts for fiscal year
8 1989, no state department, agency, commission, board,
9 council, committee, or task force shall sponsor
10 general public service announcements or advertisements
11 that contain the personal appearance or representation
12 of, or that involve the broadcast of a live or
13 recorded message by any elected state official.
14 General service announcements and advertisements shall
15 not be construed to include departmental publications
16 or reports available to the general public."

S-5656
Filed March 30, 1988 BY CALVIN O. HULTMAN
w/d 3/30 (p. 1201)

HOUSE FILE 2447

S-5657

1 Amend House File 2447 as amended, passed and
2 reprinted by the House as follows:
3 1. Page 40, by inserting after line 25, the
4 following:
5 "Sec. ____ . As a condition, limitation, and
6 qualification of the appropriations made from the
7 general fund and from all other trusts for fiscal year
8 1989, the general assembly shall approve by resolution
9 all standing appropriations for fiscal year 1989."

S-5657
Filed March 30, 1988 BY CALVIN O. HULTMAN
Ruled not germane 3/30 (p. 1200)

HOUSE FILE 2447

5722

1 Amend amendment, H-5648, to House File 2447, as
2 amended, passed and reprinted by the House, as
3 follows:
4 1. Page 9, by striking line 45 and inserting the
5 following: "1988.
6 12. As a condition, qualification, and limitation
7 of this appropriation, the department shall institute
8 a demonstration project in the area contained in
9 departmental district one. The demonstration project
10 shall deliver case management services in accordance
11 with standards adopted by the department, as modified
12 to comply with the provisions of this subsection. The
13 case management shall be delivered by a staff person
14 of a service provider who is a qualified mental
15 retardation or mental illness professional under one
16 or more of the following systems of standards:
17 a. Facilities reimbursed under the medical
18 assistance program for candidate services.
19 b. The commission on accreditation of
20 rehabilitation facilities.
21 c. The accreditation council on services for
22 people with developmental disabilities.
23 d. The department of inspections and appeals for a
24 residential care facility for the mentally retarded.
25 e. The department of inspections and appeals for a
26 residential care facility for the mentally ill.
27 f. The department of inspections and appeals for
28 an intermediate care facility for the mentally
29 retarded.
30 g. The department of human services for the care
31 of and services to county care facility residents with
32 mental illness or mental retardation.
33 h. The mental health and mental retardation
34 commission for community mental health centers.
35 The demonstration project shall require that the
36 program or service provider with which the client
37 spends, or is expected to spend, the greatest number
38 of hours in a calendar year shall provide the case
39 management to the client. The case manager shall
40 annually submit a written description of the case
41 management plan as specified by the department. If
42 the program or service provider does not have a staff
43 person who is qualified under this subsection, the
44 department shall provide the case manager and charge
45 the cost to the program or service provider.
46 The department shall provide two or more full-time
47 equivalent positions in the district office of
48 departmental district one to annually review the case
49 management plan for each client in the district. If
50 the review determines that a case management plan does

HOUSE FILE 2447

S-5726

1 Amend House File 2447, as amended, passed,
2 and reprinted by the House, as follows:
3 1. Page 7, line 8, by inserting after the
4 period the following:
5 "Notwithstanding any other provisions of this Act,
6 the department may transfer funds from the foster
7 care appropriation to the medical assistance
8 appropriation if necessary for the purposes of
9 this subsection."

S-5726

Filed March 31, 1988 ADOPTED BY CHARLES BRUNER
(p. 1203)

HOUSE FILE 2447

S-5728

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 5, by inserting after line 27 the fol-
5 lowing:
6 " . Page 15, line 35, by striking the figure
7 "10,062,000" and inserting the following:
8 "11,120,200".
9 2. Page 5, by inserting after line 42 the
10 following:
11 " . Page 17, by inserting after line 22, the
12 following:
13 " . As a condition, qualification, and
14 limitation of the funds appropriated under this
15 section, seven hundred seventy-two thousand six
16 hundred (772,600) dollars shall be used for the
17 construction of a new living unit and five hundred
18 seventy-one thousand two hundred (571,200) dollars
19 shall be used for the remodeling of an existing living
20 unit at the state training school at Eldora."

S-5728

Filed March 31, 1988 LOST BY RAY TAYLOR
(p. 1203)

HOUSE FILE 2447

S-5729

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House as
3 follows:
4 1. Page 4, by striking line 30.
5 2. Page 13, by striking lines 9 and 10.
6 3. By renumbering as necessary.

S-5729

Filed March 31, 1988 LOST BY BEVERLY HANNON
(p. 1206) JULIA GENTLEMAN
AL STURGEON
TOM MANN

HOUSE FILE 2447

S-5723

1 Amend amendment, S-5648, to House File 2447 as
2 amended, passed, and reprinted by the House as
3 follows:

DIV
A

4 1. Page 4, line 47, by inserting after the word
5 "department" the following: ", on and after the date
6 of enactment of this Act and retroactive to that
7 date,".

8 2. Page 6, by striking lines 17 through 19 and
9 inserting the following:

DIV
B

10 "___". Page 19, line 26, by striking the words
11 "forty-two point thirteen" and inserting the
12 following: "sixty-one point twenty-eight".

13 3. Page 6, line 23, by striking the word "forty-
14 seven" and inserting the following: "nineteen point
15 fifteen".

DIV A - OUT OF ORDER (p. 1200)

DIV B - ADOPTED (p. 1200)

S-5723

Filed March 31, 1988

BY JOE WELSH

HOUSE FILE 2447

S-5724

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. Page 4, by striking line 29 and inserting the
5 following: "reducing other expenditures.

6 15. As a condition, qualification, and limitation
7 of the funds appropriated under this section, the
8 department, in cooperation with the Iowa department of
9 public health, shall apply for federal waivers for the
10 provision of case management services, homemaker/home
11 health aide services and personal care services, adult
12 day health services, habilitation services, and
13 respite care under the medical assistance program
14 pursuant to provision of the federal Omnibus Budget
15 Reconciliation Act of 1987, Pub. L. No. 100-203."

S-5724

Filed March 31, 1988

ADOPTED (p. 1201) BY BEVERLY A. HANNON

HOUSE FILE 2447

S-5725

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House, as
3 follows:

4 1. By striking page 4, line 45 through page 5,
5 line 1.

6 2. By renumbering as necessary.

S-5725

Filed March 31, 1988

OUT OF ORDER

BY JOY CORNING

JULIA GENTLEMAN

(1203)

HOUSE FILE 2447

S-5802

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House, as
3 follows:

- 4 1. By striking page 4, line 45 through page 5,
5 line 1.
- 6 2. By renumbering as necessary.

S-5802

Filed April 6, 1988

BY AL STURGEON

Placed on 4/7 (p. 1334)

HOUSE FILE 2447

S-5821

1 Amend amendment S-5648 to House File 2447,
2 as amended, passed, and reprinted by the Senate,
3 as follows:

- 4 1. Page 4, by inserting after line 42 the
5 following:
6 "22. Page 13, by inserting after line 29 the
7 following:
8 "3. As a condition, qualification, and limitation
9 of the funds appropriated under this section, the
10 department shall identify the amount of the state
11 funds and federal block grant funds saved under
12 this appropriation and the amount of additional
13 federal funds gained as a result of the case
14 management provided under section 19, subsection 1,
15 of this Act and transfer the total of the amounts to
16 the funds appropriated under section 19 to provide
17 enhanced mental health, mental retardation, and
18 developmental disabilities services."

S-5821

Filed April 6, 1988

BY CHARLES BRUNER

Placed on 4/7 (p. 1334)

HOUSE FILE 2447

S-5836

1 Amend amendment S-5648 to House File 2447,
2 as amended, passed, and reprinted by the House,
3 as follows:
4 1. Page 5, line 1, by inserting after the word
5 "ordered" the following: "when the general
6 assembly is not in session without receiving
7 approval from the legislative council after
8 notification to the fiscal committee and the
9 membership of the human services appropriations
10 subcommittee".

S-5836

Filed April 7, 1988

ADOPTED (p. 1324) BY CHARLES BRJNER

HOUSE FILE 2447

S-5850

1 Amend the amendment, S-5648, to House File 2447, as
2 amended, passed, and reprinted by the House, as
3 follows:
4 1. Page 6, by inserting after line 25 the
5 following:
6 "As a condition, qualification, and limitation of
7 the funds appropriated by this section, five hundred
8 thousand (500,000) dollars, or so much thereof as is
9 necessary, shall be used to phase in and staff new
10 beds at the Iowa veterans home; however, if federal or
11 private per diem rates paid to the home exceed the
12 rates budgeted for the fiscal year, then the amount of
13 unplanned revenue from the increased rates shall be
14 used first."

S-5850

Filed April 7, 1988

ADOPTED (p. 1335) BY WILLIAM W. DIELEMAN

HOUSE FILE 2447

S-5827

1 Amend the amendment, S-5648, to House File 2447 as
2 amended, passed, and reprinted by the House as
3 follows:

4 1. Page 1, by inserting before line 3 the
5 following:

6 "_____. Page 1, line 7, by striking the figure
7 "45,400,000" and inserting the following:
8 "48,328,449"."

9 2. Page 1, by inserting after line 39 the
10 following:

11 "_____. As a condition, qualification, and
12 limitation of the appropriation made by this section,
13 the schedule of basic needs under the aid to families
14 with dependent children program is established for one
15 person at one hundred seventy-four dollars, for two
16 persons at three hundred forty-three dollars, for
17 three persons at four hundred six dollars, for four
18 persons at four hundred seventy-two dollars, for five
19 persons at five hundred twenty-two dollars, for six
20 persons at five hundred eighty-one dollars, for seven
21 persons at six hundred thirty-eight dollars, for eight
22 persons at six hundred ninety-six dollars, for nine
23 persons at seven hundred fifty-three dollars, for ten
24 persons at eight hundred twenty-three dollars, and for
25 each additional person at eighty-two dollars."

26 3. Page 1, by inserting after line 41 the
27 following:

28 "_____. Page 3, line 21 by inserting after the word
29 "that" the following: "effective July 1, 1988,".

30 "_____. Page 3, line 25, by inserting after the word
31 "data," the following: "on the condition that
32 effective January 1, 1989, the basis for establishing
33 and maintaining the maximum medical assistance rate
34 for intermediate care facilities shall be the seventy-
35 fourth percentile of all facility per diems as
36 calculated from the June 30, 1988, unaudited
37 compilation of cost and statistical data and that the
38 minimum number of hours of care per resident of an
39 intermediate care facility shall be two hours per
40 resident per day computed on a seven-day week,".

41 4. Page 1, line 44, by striking the figure
42 "148,353,442" and inserting the following:
43 "163,290,645".

44 5. Page 4, by inserting after line 30 the
45 following:

46 "_____. Page 10, line 31, by striking the figure
47 "2,471,000" and inserting the following:
48 "2,479,045"."

49 6. Page 4, by inserting after line 35 the
50 following:

S-5827 Page 2

1 "_____. Page 12, line 28, by striking the words
2 "three point twenty-five" and inserting the following:
3 "five point five".

4 "_____. Page 12, line 35, by striking the figure
5 "31,863,000" and inserting the following:
6 "31,890,603"."

7 7. Page 4, by inserting after line 42 the
8 following:

9 "_____. Page 13, lines 26 and 27, by striking the
10 words "ninety-five point twenty-five" and inserting
11 the following: "ninety-seven point five"."

12 8. Page 9, by inserting after line 45 the
13 following:

14 "_____. Page 22, line 15, by striking the figure
15 "12,208,400" and inserting the following:
16 "14,995,600"."

17 9. Page 12, by inserting after line 3 the
18 following:

19 "_____. Page 25, line 21, by striking the figure
20 "1,600,000" and inserting the following:
21 "2,100,000"."

22 10. Page 12, by inserting after line 7 the
23 following:

24 "_____. Page 27, line 14, by striking the figure
25 "2,002,000" and inserting the following: "2,502,000".

26 "_____. Page 27, line 24, by striking the figure
27 "32,378,800" and inserting the following:
28 "38,247,000"."

29 11. Page 14, by inserting after line 17 the
30 following:

31 "Sec. 100. SUPPLEMENTAL APPROPRIATION. There is
32 appropriated from the general fund of the state for
33 the fiscal year beginning July 1, 1987, and ending
34 June 30, 1988, to the department of human services,
35 the following amount, or so much thereof as is
36 necessary, to supplement the prior appropriation for
37 medical assistance to be used for the same purposes
38 and to supplement funds appropriated by 1987 Iowa
39 Acts, chapter 234, section 203, subsection 2:
40 \$ 3,600,000".

41 "_____. Page 41, by inserting after line 6 the
42 following:

43 "Sec. _____. EFFECTIVE DATE. Section 100 of this
44 Act takes effect upon enactment."

45 "_____. Title page, line 2, by striking the word
46 "year" and inserting the following: "years".

47 "_____. Title page, by striking line 3 and inserting
48 the following: "July 1, 1987, and July 1, 1988, and
49 providing effective"."

50 12. By renumbering as necessary.

S-5827
Filed April 6, 1988
w/15 4/7 (y. 1333)

BY CHARLES BRUNER
JOE WELSH

HOUSE FILE 2447

S-5838

1 Amend the amendment, S-5648, to House File 2447 as
2 amended, passed, and reprinted by the House as
3 follows:

4 1. Page 1, by inserting before line 3 the
5 following:

6 "_____. Page 1, line 7, by striking the figure
7 "45,400,000" and inserting the following:
8 "48,328,449"."

9 2. Page 1, by inserting after line 39 the
10 following:

11 "_____. As a condition, qualification, and
12 limitation of the appropriation made by this section,
13 the schedule of basic needs under the aid to families
14 with dependent children program is established for one
15 person at one hundred sixty-nine dollars, for two
16 persons at three hundred thirty-three dollars, for
17 three persons at three hundred ninety-four dollars,
18 for four persons at four hundred fifty-eight dollars,
19 for five persons at five hundred seven dollars, for
20 six persons at five hundred sixty-four dollars, for
21 seven persons at six hundred nineteen dollars, for
22 eight persons at six hundred seventy-six dollars, for
23 nine persons at seven hundred thirty-one dollars, for
24 ten persons at seven hundred ninety-nine dollars, and
25 for each additional person at eighty dollars."

26 3. Page 1, by inserting after line 41 the
27 following:

28 "_____. Page 3, line 21 by inserting after the word
29 "that" the following: "effective July 1, 1988,".

30 "_____. Page 3, line 25, by inserting after the word
31 "data," the following: "on the condition that
32 effective January 1, 1989, the basis for establishing
33 and maintaining the maximum medical assistance rate
34 for intermediate care facilities shall be the seventy-
35 fourth percentile of all facility per diems as
36 calculated from the June 30, 1988, unaudited
37 compilation of cost and statistical data and that the
38 minimum number of hours of care per resident of an
39 intermediate care facility shall be two hours per
40 resident per day computed on a seven-day week,"."

41 4. Page 1, line 44, by striking the figure
42 "148,353,442" and inserting the following:
43 "163,290,645".

44 5. Page 4, by inserting after line 30 the
45 following:

46 "_____. Page 10, line 31, by striking the figure
47 "2,471,000" and inserting the following:
48 "2,527,045"."

49 6. Page 4, by inserting after line 35 the
50 following:

1 "_____. Page 12, line 28, by striking the words
2 "three point twenty-five" and inserting the following:
3 "five point five".

4 "_____. Page 12, line 35, by striking the figure
5 "31,863,000" and inserting the following:
6 "31,890,603".

7 7. Page 4, by inserting after line 42 the
8 following:

9 "_____. Page 13, lines 26 and 27, by striking the
10 words "ninety-five point twenty-five" and inserting
11 the following: "ninety-seven point five".

12 8. Page 9, by inserting after line 45 the
13 following:

14 "_____. Page 22, line 15, by striking the figure
15 "12,208,400" and inserting the following:
16 "14,995,600".

17 9. Page 12, by inserting after line 3 the
18 following:

19 "_____. Page 25, line 21, by striking the figure
20 "1,600,000" and inserting the following:
21 "2,100,000".

22 10. Page 12, by inserting after line 7 the
23 following:

24 "_____. Page 27, line 14, by striking the figure
25 "2,002,000" and inserting the following: "2,502,000".

26 "_____. Page 27, line 24, by striking the figure
27 "32,378,800" and inserting the following:
28 "38,247,000".

29 11. Page 14, by inserting after line 17 the
30 following:

31 "Sec. 100. SUPPLEMENTAL APPROPRIATION. There is
32 appropriated from the general fund of the state for
33 the fiscal year beginning July 1, 1987, and ending
34 June 30, 1988, to the department of human services,
35 the following amount, or so much thereof as is
36 necessary, to supplement the prior appropriation for
37 medical assistance to be used for the same purposes
38 and to supplement funds appropriated by 1987 Iowa
39 Acts, chapter 234, section 203, subsection 2:
40 \$ 3,600,000".

41 "_____. Page 41, by inserting after line 6 the
42 following:

43 "Sec. _____. EFFECTIVE DATE. Section 100 of this
44 Act takes effect upon enactment."

45 "_____. Title page, line 2, by striking the word
46 "year" and inserting the following: "years".

47 "_____. Title page, by striking line 3 and inserting
48 the following: "July 1, 1987, and July 1, 1988, and
49 providing effective".

50 12. By renumbering as necessary.

SENATE AMENDMENT TO HOUSE FILE 2447

H-6347

1 Amend House File 2447 as amended, passed, and
2 reprinted by the House, as follows:

3 1. Page 1, line 7, by striking the figure
4 "45,400,000" and inserting the following:
5 "48,328,449".

6 2. Page 2, by inserting after line 3 the
7 following:

8 "5. As a condition, qualification, and limitation
9 of the appropriation made by this section, there is
10 appropriated from the general fund of the state one
11 million one hundred seventy-five thousand seven
12 hundred (1,175,700) dollars to the department for
13 transfer to the appropriate state agency to be used
14 for the child development grants under Senate File
15 2192 if Senate File 2192 is enacted by the Seventy-
16 second General Assembly, 1988 Session. Grants shall
17 be awarded on a two-year basis, subject to renewal,
18 and the funds appropriated in this subsection shall be
19 for support for the first twelve-month period the
20 grant is in effect. Grants shall be awarded not later
21 than January 1, 1989. Notwithstanding section 8.33,
22 unexpended or unencumbered funds shall not revert to
23 the general fund, but shall be available for the
24 purposes set forth in this subsection.

25 6. As a condition, qualification, and limitation
26 of the appropriation made by this section, there is
27 appropriated from the general fund of the state six
28 hundred ninety thousand (690,000) dollars to be used
29 for the family development and self-sufficiency grant
30 program under Senate File 2225 if Senate File 2225 is
31 enacted by the Seventy-second General Assembly, 1988
32 Session. A grant shall be awarded on a three-year
33 basis, subject to annual renewal, and the funds
34 appropriated under this subsection shall be for
35 support for the first twelve-month period the grant is
36 in effect. All grants shall be awarded not later than
37 January 1, 1989. Not more than five percent of the
38 appropriation shall be used for administration of the
39 program. Notwithstanding section 8.33, unexpended or
40 unencumbered funds shall not revert to the general
41 fund, but shall be available for the purposes set
42 forth in this subsection.

43 7. As a condition, qualification, and limitation
44 of the appropriation made by this section, the
45 schedule of basic needs under the aid to families with
46 dependent children program is established for one
47 person at one hundred sixty-nine dollars, for two
48 persons at three hundred thirty-three dollars, for
49 three persons at three hundred ninety-four dollars,
50 for four persons at four hundred fifty-eight dollars,

H-6347

Page 2

1 for five persons at five hundred seven dollars, for
2 six persons at five hundred sixty-four dollars, for
3 seven persons at six hundred nineteen dollars, for
4 eight persons at six hundred seventy-six dollars, for
5 nine persons at seven hundred thirty-one dollars, for
6 ten persons at seven hundred ninety-nine dollars, and
7 for each additional person at eighty dollars."

8 3. By striking page 2, line 18 through page 3,
9 line 15.

10 4. Page 3, line 21 by inserting after the word
11 "that" the following: "effective July 1, 1988,".

12 5. Page 3, line 25, by inserting after the word
13 "data," the following: "on the condition that
14 effective January 1, 1989, the basis for establishing
15 and maintaining the maximum medical assistance rate
16 for intermediate care facilities shall be the seventy-
17 fourth percentile of all facility per diems as
18 calculated from the June 30, 1988, unaudited
19 compilation of cost and statistical data and that the
20 minimum number of hours of care per resident of an
21 intermediate care facility shall be two hours per
22 resident per day computed on a seven-day week,".

23 6. Page 4, line 13, by striking the figure
24 "148,328,442" and inserting the following:
25 "163,290,645".

26 7. Page 4, line 20, by striking the word "The"
27 and inserting the following: "As a condition,
28 qualification, and limitation of the funds
29 appropriated under this section, the".

30 8. Page 4, line 26, by inserting after the word
31 "organization" the following: "and the cost of the
32 services shall be billed directly to the medical
33 assistance program".

34 9. Page 5, line 4, by striking the word "The" and
35 inserting the following: "As a condition,
36 qualification, and limitation of the funds
37 appropriated under this section, the".

38 10. Page 5, line 8, by striking the word
39 "Effective" and inserting the following: "As a
40 condition, qualification, and limitation of the funds
41 appropriated under this section, effective".

42 11. Page 5, line 19, by striking the word
43 "Payments" and inserting the following: "As a
44 condition, qualification, and limitation of the funds
45 appropriated under this section, payments".

46 12. Page 6, line 6, by striking the word
47 "Beginning" and inserting the following: "As a
48 condition, qualification, and limitation of the funds
49 appropriated under this section, beginning".

50 13. Page 7, line 8, by inserting after the period

H-6347

Page 3

1 the following: "Notwithstanding any other provisions
2 of this Act, the department may transfer funds from
3 the foster care appropriation to the medical
4 assistance appropriation if necessary for the purposes
5 of this subsection."

6 14. Page 7, line 9, by striking the word "The"
7 and inserting the following: "As a condition,
8 qualification, and limitation of the funds
9 appropriated under this section, the".

10 15. Page 7, line 14, by striking the word
11 "Effective" and inserting the following: "As a
12 condition, qualification, and limitation of the funds
13 appropriated under this section, effective".

14 16. Page 7, line 23, by striking the word "No"
15 and inserting the following: "As a condition,
16 qualification, and limitation of the funds
17 appropriated under this section, no".

18 17. By striking page 7, line 28 through page 8,
19 line 15, and inserting the following:

20 "11. As a condition, qualification, and limitation
21 of this appropriation, the department, with the
22 approval of the legislative council, may expend not
23 more than twenty thousand (20,000) dollars to obtain
24 technical assistance from the national center for
25 health services research in identifying and examining
26 state approaches for providing health care services to
27 uninsured and underinsured persons in the low-income
28 population."

29 18. Page 8, line 16, by striking the word "The"
30 and inserting the following: "As a condition,
31 qualification, and limitation of the funds
32 appropriated under this section, the".

33 19. Page 8, line 28, by inserting after the word
34 "administration." the following: "Of the funds
35 appropriated under this section, forty-two thousand
36 (42,000) dollars may be used to contract for the
37 development of the policies or guidelines or to add an
38 additional full-time equivalent position for this
39 purpose. If an additional full-time equivalent
40 position is added, it is in addition to the positions
41 authorized under the appropriation for general
42 administration in this Act."

43 20. By striking page 8, line 29 through page 10,
44 line 17, and inserting the following:

45 "14. As a condition, qualification, and limitation
46 of the appropriation made by this section, there is
47 appropriated from the general fund of the state six
48 hundred eight thousand (608,000) dollars, or so much
49 thereof as is necessary to the department, effective
50 on January 1, 1989, for medical assistance to all

H-6347

Page 4

1 pregnant women and infants under one year of age whose
2 income does not exceed one hundred fifty percent of
3 the federal nonfarm poverty level, and for children up
4 to age five on an incremental basis whose income does
5 not exceed one hundred percent of the federal nonfarm
6 poverty level, for salaries, support, and
7 miscellaneous purposes.

8 a. The department shall expend the funds
9 appropriated under this section for not more than
10 three full-time equivalent positions in the field at a
11 cost of not more than thirty-seven thousand (37,000)
12 dollars, for salaries and support for not more than
13 four full-time equivalent positions in general
14 administration at a cost of not more than fifty-nine
15 thousand (59,000) dollars, for systems and fiscal
16 agent development at a cost of no more than twenty-
17 five thousand (25,000) dollars, and for payment of
18 medical benefits at a cost of no more than four
19 hundred eighty-seven thousand (487,000) dollars.
20 These positions are in addition to the positions
21 authorized under the appropriations for community
22 services and general administration in this Act.

23 b. As a condition, qualification, and limitation
24 of the funds appropriated under this section, resource
25 limitations shall be five thousand dollars for a one
26 person household and seven thousand five hundred
27 dollars for a family of two or more persons. Pregnant
28 women shall have resources considered according to the
29 standards for computing resources under the
30 supplemental security income program. Infants and
31 children shall have resources considered in accordance
32 with the standards for computing resources under the
33 aid to families with dependent children program.
34 Pregnant women, infants, and children shall have
35 income considered in accordance with standards under
36 the aid to families with dependent children program.
37 All other medical assistance program requirements
38 apply. Upon implementation, phased-in coverage for
39 children shall begin with children up to age two and
40 shall be continued through January 1, 1992.

41 c. For persons who do not have a spend-down
42 requirement under the medically needy program, the
43 department shall set the length of the certification
44 period at the length authorized by federal
45 regulations.

46 d. As a condition, qualification, and limitation
47 of the funds appropriated under this section, the
48 department shall report, in each month of the fiscal
49 year, to the fiscal committee of the legislative
50 council regarding the expenditure of the funds for the

H-6347

Page 5

1 implementation of the medical assistance program for
2 pregnant women, infants, and children and the
3 additional full-time equivalent positions authorized
4 for this purpose under this section. The report shall
5 detail the number of additional authorized positions
6 which have been filled, describe problems encountered
7 in filling the positions, and assess the impact of the
8 additional positions upon the quality of services
9 provided to the targeted persons. If the department
10 is caused to reduce expenditures because of an
11 unanticipated reduction in federal funding, or the
12 average base salary and support cost in staffing is
13 greater than anticipated, or the staff vacancy factor
14 is lower than anticipated, the department shall fill
15 the additional full-time equivalent positions by
16 reducing other expenditures.

17 15. As a condition, qualification, and limitation
18 of the funds appropriated under this section, the
19 department, in cooperation with the Iowa department of
20 public health, shall apply for federal waivers for the
21 provision of case management services, homemaker/home
22 health aide services and personal care services, adult
23 day health services, habilitation services, and
24 respite care under the medical assistance program
25 pursuant to provision of the federal Omnibus Budget
26 Reconciliation Act of 1987, Pub. L. No. 100-203."

27 21. Page 10, by striking lines 18 through 25.

28 22. Page 10, line 31, by striking the figure
29 "2,471,000" and inserting the following: "2,527,045".

30 23. Page 11, by striking lines 2 through 16.

31 24. Page 12, line 8, by striking the word "The"
32 and inserting the following: "As a condition,
33 qualification, and limitation of the funds
34 appropriated under this section, the".

35 25. Page 12, line 28, by striking the words
36 "three point twenty-five" and inserting the following:
37 "five point five".

38 26. Page 12, line 35, by striking the figure
39 "31,863,000" and inserting the following:
40 "31,890,603".

41 27. Page 13, line 1, by striking the word "The"
42 and inserting the following: "As a condition,
43 qualification, and limitation of the funds
44 appropriated under this section, the".

45 28. Page 13, by striking lines 8 and 9 and
46 inserting the following: "dollars, and a vacancy
47 factor of four percent. The department shall seek".

48 29. Page 13, lines 26 and 27, by striking the
49 words "ninety-five point twenty-five" and inserting
50 the following: "ninety-seven point five".

H-6347

Page 6

1 30. Page 13, by inserting after line 29 the
2 following:

3 "3. As a condition, qualification, and limitation
4 of the funds appropriated under this section, the
5 department shall not place any orders for computer
6 terminals and other hardware related to the family
7 assistance management information system project and
8 shall not take delivery of any terminals or hardware
9 previously ordered when the general assembly is not in
10 session without receiving approval from the
11 legislative council after notification to the fiscal
12 committee and the membership of the human services
13 appropriations subcommittee.

14 4. As a condition, qualification, and limitation
15 of the funds appropriated under this section, the
16 department shall identify the amount of the state
17 funds and federal block grant funds saved under this
18 appropriation and the amount of additional federal
19 funds gained as a result of the case management
20 provided under section 19, subsection 1, of this Act
21 and transfer the total of the amounts to the funds
22 appropriated under section 19 to provide enhanced
23 mental health, mental retardation, and developmental
24 disabilities services."

25 31. Page 14, line 11, by striking the word "The"
26 and inserting the following: "As a condition,
27 qualification, and limitation of the funds
28 appropriated under this section, the".

29 32. Page 14, by striking lines 19 and 20 and
30 inserting the following: "percent. The department
31 shall seek additional funds through supplemental".

32 33. Page 15, by striking line 6 and inserting the
33 following:

34 "As a condition, qualification, and limitation of
35 the funds appropriated under this section, eighteen".

36 34. Page 15, line 11, by inserting after the word
37 "hospitals." the following: "The position is in
38 addition to the other positions authorized under this
39 section."

40 35. Page 16, by striking line 1 and inserting the
41 following:

42 "1. As a condition, qualification, and limitation
43 of the funds appropriated under this section, eight".

44 36. Page 16, by striking line 13 and inserting
45 the following:

46 "2. As a condition, qualification, and limitation
47 of the funds appropriated under this section, such
48 funds shall be used to".

49 37. Page 16, by striking lines 22 and 23 and
50 inserting the following:

H-6347

Page 7

1 "3. As a condition, qualification, and limitation
2 of the funds appropriated under this section, the
3 juvenile institution at Eldora shall maintain an
4 average of two".

5 38. By striking page 17, line 23 through page 18,
6 line 35.

7 39. Page 19, by inserting after line 9 the
8 following:

9 "The state hospital-schools may exceed the
10 specified number of full-time equivalent positions if
11 the additional positions are specifically related to
12 licensing, certification, or accreditation standards,
13 or citations. The department shall notify the
14 legislative fiscal bureau if the specified number is
15 exceeded. The notification shall include an estimate
16 of the number of full-time equivalent positions added
17 and the fiscal effect of the addition."

18 40. Page 19, by inserting after line 19 the
19 following:

20 "The state mental health institutes may exceed the
21 specified number of full-time equivalent positions if
22 the additional positions are specifically related to
23 licensing, certification, or accreditation standards,
24 or citations. The department shall notify the
25 legislative fiscal bureau if the specified number is
26 exceeded. The notification shall include an estimate
27 of the number of full-time equivalent positions added
28 and the fiscal effect of the addition."

29 41. Page 19, line 26, by striking the words
30 "forty-two point thirteen" and inserting the
31 following: "sixty-one point twenty-eight".

32 42. Page 19, by striking lines 28 through 34 and
33 inserting the following: "the sixty new beds are
34 phased into operation and salary and support is
35 provided for not more than nineteen point fifteen
36 full-time equivalent positions for this purpose:

37 \$ 23,181,000.

38 As a condition, qualification, and limitation of
39 the funds appropriated by this section, five hundred
40 thousand (500,000) dollars, or so much thereof as is
41 necessary, shall be used to phase in and staff new
42 beds at the Iowa veterans home; however, if federal or
43 private per diem rates paid to the home exceed the
44 rates budgeted for the fiscal year, then the amount of
45 unplanned revenue from the increased rates shall be
46 used first."

47 43. Page 20, by inserting after line 3 the
48 following:

49 "The Iowa veterans home may exceed the specified
50 number of full-time equivalent positions if the

H-6347

Page 8

1 additional positions are specifically related to
2 licensing, certification, or accreditation standards,
3 or citations. The department shall notify the
4 legislative fiscal bureau if the specified number is
5 exceeded. The notification shall include an estimate
6 of the number of full-time equivalent positions added
7 and the fiscal effect of the addition."

8 44. Page 20, line 10, by striking the figure
9 "3,330,000" and inserting the following: "3,205,000".

637910 45. Page 20, line 16, by striking the words
11 "administrative support and for" and inserting the
12 following: "enhanced mental health, mental
13 retardation, and developmental disabilities
14 services:".

15 46. Page 20, by striking line 17.

16 47. Page 20, line 18, by striking the figure
17 "1,000,000" and inserting the following: "1,300,000".

18 48. By striking page 20, line 19 through page 22,
19 line 4 and inserting the following:

20 "1. For purposes of this section, "candidate
21 services" means rehabilitation services, day
22 treatment, partial hospitalization, behavior
23 management, and case management. Case management
24 shall be limited to persons with mental retardation, a
25 developmental disability, or chronic mental illness.

26 Effective October 1, 1988, the department shall add
27 candidate services to the state Title XIX plan.

28 2. The county of legal settlement shall be billed
29 for fifty percent of the nonfederal share of the cost
30 of candidate services provided under the medical
31 assistance program for persons with mental
32 retardation, a developmental disability or chronic
33 mental illness.

34 3. By using the general allocation application for
35 the state community mental health and mental
36 retardation services fund under section 225C.10, the
37 department, with the agreement of each county, shall
38 establish the actual amount expended by each county
39 for persons with mental retardation, a developmental
40 disability, or chronic mental illness in the fiscal
41 year which ended on June 30, 1987, and this amount
42 shall be deemed each county's maintenance of effort.
43 A disagreement between the department and a county as
44 to the actual amount spent in a category shall be
45 decided by the state mental health and mental
46 retardation commission. A county is responsible to
47 continue to pay at least the agreed upon amount in
48 fiscal year 1988-1989 for services to persons with
49 mental retardation, a developmental disability, or
50 chronic mental illness. If a county does not spend

H-6347

Page 9

1 the agreed upon amount in a fiscal year, the balance
2 not spent shall not revert to the general fund of the
3 county, but shall be carried over to the next fiscal
4 year to be expended for the provision of services to
5 persons with mental retardation, a developmental
6 disability, or mental illness including, but not
7 limited to, the chronically mentally ill, and shall be
8 used as additional funds. The additional funds shall
9 be used, to the greatest extent possible, to meet
10 unmet needs of persons with mental retardation, a
11 developmental disability, or mental illness. This
12 subsection does not relieve the county from any other
13 funding obligations required by law, including but not
14 limited to the obligations in section 222.60.

15 4. a. Notwithstanding section 8.33, funds
16 appropriated under this section which are not
17 obligated or expended, shall not revert to the general
18 fund on June 30, 1989, but shall be deposited in the
19 state community mental health and mental retardation
20 services fund for use in the next fiscal year. It is
21 the intent of the general assembly that the funds
22 deposited in the fund for this purpose shall be used
23 in addition to moneys appropriated in the next fiscal
24 year for this purpose.

25 b. Notwithstanding section 8.39, funds
26 appropriated to the department for the state hospital-
27 schools by section 15 of this Act and to the state
28 mental health institutes by section 16 of this Act
29 shall not be subject to transfer, except to the state
30 community mental health and mental retardation
31 services fund after January 1, 1989, subsequent to a
32 reevaluation of the institutional budgets for the
33 remainder of the fiscal year.

34 c. Funds deposited in or transferred to the state
35 community mental health and mental retardation
36 services fund pursuant to paragraph "a" or "b" may be
37 allocated by the mental health and mental retardation
38 commission for the provision of services to
39 developmentally disabled persons, notwithstanding
40 contrary provisions of chapter 225C.

41 5. The department, with the agreement of each
42 county, shall establish the actual amount expended for
43 each candidate service for persons with mental
44 retardation, a developmental disability, or chronic
45 mental illness in the fiscal year which ended June 30,
46 1987, and this amount shall be deemed each county's
47 base year expenditure for the candidate service. A
48 disagreement between the department and a county as to
49 the actual amount spent shall be decided by the state
50 mental health and mental retardation commission.

H-6347

Page 10

1 The department, with the agreement of each county,
2 shall determine the expenditures in the 1988-1989
3 fiscal year by each county for the candidate services,
4 including the amount the county contributes under
5 subsection 2. If the expenditures in the 1988-1989
6 fiscal year exceed the base year expenditures for
7 candidate services, then the county shall receive from
8 the funds under this appropriation the least amount of
9 the following:

10 a. The difference between the total expenditures
11 for the candidate services in fiscal year 1988-1989
12 and the base year expenditures.

13 b. The amount expended by the county under
14 subsection 2.

15 c. The amount by which the fiscal year 1988-1989
16 total expenditures under subsection 3 exceed the
17 maintenance of effort expenditures.

18 6. Case management shall be provided by the
19 department except when a county or a consortium of
20 counties contracts to be the provider. A county or
21 counties may contract to be the provider at any time
22 within ninety days of the final publication of the
23 standards for case management in the Iowa
24 administrative bulletin. The department shall agree
25 to the contract so long as the contract meets the
26 standards for case management established by the
27 department and the criteria for case management as
28 stated in the state Title XIX plan and rules. The
29 county or consortium of counties may subcontract for
30 the provision of case management services so long as
31 the subcontract meets the same criteria.

32 7. This section does not relieve the county from
33 any other funding obligations required by law,
34 including but not limited to the obligations in
35 section 222.60.

36 8. Nothing in this Act is intended by the general
37 assembly to be the provision of a fair and equitable
38 funding formula specified in 1985 Iowa Acts, chapter
39 249, section 9. Nothing in this Act shall be
40 construed, is intended, or shall imply a claim of
41 entitlement to any programs or services specified in
42 section 225C.28.

43 9. For the purposes of this section only, persons
44 with organic mental disorders shall not be considered
45 chronically mentally ill.

46 10. As a limitation of this appropriation, the
47 funds shall be expended for not more than three full-
48 time equivalent positions in general administration at
49 a cost of not more than seventy thousand (70,000)
50 dollars to administer the analysis of funding amounts

H-6347

Page 11

1 and related issues required under this section. The
2 positions are in addition to the positions authorized
3 under the appropriation for general administration in
4 this Act.

5 11. The legislative council is requested to
6 appoint a committee staffed by the legislative fiscal
7 bureau to conduct a study and develop recommendations
8 regarding a fair and equitable funding formula for
9 services provided to persons described in section
10 225C.26. The committee shall study an equitable split
11 in funding between state and counties, providing
12 equitable services between population groups, and
13 providing adequate reimbursement for providers to
14 assure services are provided. The committee shall
15 submit a report of the study on or before December 1,
16 1988."

17 49. Page 22, line 15, by striking the figure
18 "12,208,400" and inserting the following:
19 "14,995,600".

20 50. By striking page 22, line 21 through page 24,
21 line 16, and inserting the following:

22 "Sec. ____ . BLOCK GRANT SUPPLEMENTATION. There is
23 appropriated from the general fund of the state for
24 the fiscal year beginning July 1, 1988, and ending
25 June 30, 1989, to the department of human services for
26 supplementation of federal social services block grant
27 funds and for allocation to the various counties for
28 the purchase of local services and child day care
29 services for eligible individuals, the following
30 amount, or so much thereof as is necessary, on the
31 condition that the across-the-board cuts currently in
32 effect are eliminated, followed by a three-percent
33 increase in the reimbursement rate paid to service
34 providers funded under this appropriation, as
35 specified in section 39 of this Act:

36 \$ 6,564,000

37 1. The funds appropriated in this section shall be
38 allocated to the counties pursuant to the rules of the
39 department in effect on January 1, 1985. The
40 department shall increase the income guidelines for
41 income eligible persons receiving services funded with
42 federal social services block grant funds for the
43 fiscal year beginning July 1, 1988, by the same
44 percentage and at the same time as federal social
45 security benefits are increased due to a recognized
46 increase in the cost of living.

47 2. Of the funds appropriated in this section,
48 three million sixty-four thousand (3,064,000) dollars
49 shall be for the purchase of local services and three
50 million five hundred thousand (3,500,000) dollars

H-6347

Page 12

1 shall be for child day care services.

2 3. The department shall not require counties to
3 match the state child day care services funds with
4 local funds but shall require that the counties
5 allocate local funds for child day care services in an
6 amount at least equal to the county expenditures for
7 child day care services in the fiscal year ending June
8 30, 1983. The department shall reallocate state child
9 day care services funds from counties which do not
10 qualify for or do not utilize the funds to counties
11 which do qualify for the funds.

12 4. Any funds allocated for the local purchase of
13 child care services shall be available for purchase of
14 services in any type of child care facility approved
15 under 441 IAC } 170.

16 5. The department shall establish the income
17 eligibility level for recipients of child day care
18 services at the equivalent of one hundred twenty-five
19 percent of the federal office of management and budget
20 poverty guidelines for families of all sizes.

21 6. If the department determines that funds under
22 this section for child day care services will not be
23 fully expended, the department may increase the income
24 guidelines in order to provide for the expenditure of
25 all funds under this section for child day care
26 services.

27 7. A county may deliver the child care services
28 through a vendor-voucher or purchase of service system
29 which requires the recipient to contribute to the cost
30 of the child care in accordance with the sliding fee
31 schedule currently utilized by the department for
32 child care services. Allowable child care costs shall
33 not exceed the rates paid in accordance with the
34 purchase of service schedule currently utilized by the
35 department for child care service providers. The
36 department, after consultation with consumers and
37 providers of child care, shall adopt rules which
38 prescribe the usage of vendor-voucher payments. The
39 county shall keep records of eligible clients and the
40 services they have received.

41 8. As a condition, qualification, and limitation
42 of this appropriation, the funds appropriated under
43 this section shall be expended for not more than six
44 full-time equivalent positions in the field at a cost
45 of not more than one hundred seventy-five thousand
46 (175,000) dollars, and for salary and support for not
47 more than one full-time equivalent position in general
48 administration at a cost of not more than twenty-three
49 thousand (23,000) dollars. The positions are in
50 addition to the positions authorized under the

H-6347

Page 13

1 appropriations for community services and general
2 administration in this Act.

3 Sec. ____ . RESOURCE AND REFERRAL PROGRAMS. There
4 is appropriated from the general fund of the state for
5 the fiscal year beginning July 1, 1988, and ending
6 June 30, 1989, to the department of human services the
7 following amount, or so much thereof as is necessary,
8 to be used for allocation in the form of grants to
9 public agencies and private nonprofit corporations
10 which provide child and dependent adult care resource
11 and referral programs:

12 \$ 150,000

13 Individual grants shall not exceed fifty thousand
14 (50,000) dollars. A program which is allocated
15 funding shall match funds appropriated with local
16 funds which may be in the form of private donations,
17 in-kind contributions, or public funding sources
18 including block grant local purchase funds. The
19 department of human services shall adopt rules
20 pursuant to chapter 17A which establish the criteria
21 for allocation of grant funds to local resource and
22 referral programs. Of the funds appropriated in this
23 section, not more than fifteen thousand (15,000)
24 dollars may be used for a computerized information and
25 referral system for children, youth, and families
26 agencies, organizations, and departments within the
27 state."

28 51. Page 25, line 15, by inserting after the word
29 "used" the following: "beginning on or before October
30 1, 1988,".

31 52. Page 25, lines 19 and 20, by striking the
32 words "beginning on or before October 1, 1988".

33 53. Page 25, line 21, by striking the figure
34 "1,600,000" and inserting the following: "2,100,000".

35 54. Page 25, line 29, by striking the word "The"
36 and inserting the following: "As a condition,
37 qualification, and limitation of the funds
38 appropriated under this section, the".

39 55. Page 27, line 14, by striking the figure
40 "2,002,000" and inserting the following: "2,502,000".

41 56. Page 27, line 24, by striking the figure
42 "32,378,800" and inserting the following:
43 "38,247,000".

44 57. By striking page 28, line 30 through page 29,
45 line 10, and inserting the following:

46 "7. For those children who would otherwise be
47 eligible for federal title IV-E funding, when a
48 juvenile court considers ordering a "payment only"
49 foster care placement, the juvenile court and the
50 department shall determine whether departmental

H-6347

Page 14

1 custody and placement is feasible. The department
2 shall record the number of cases which were eligible
3 for federal title IV-E funding, but were ordered into
4 "payment only" foster care and report this information
5 to the legislative fiscal bureau every three months
6 beginning October 1, 1988. The department and the
7 state court administrator shall work with the federal
8 department of health and human services to develop an
9 agreement between the department and the state court
10 administrator which would enable the state to receive
11 federal title IV-E funds for "payment only" cases and
12 make recommendations to the general assembly as to
13 legislation required to fulfill the agreement."

14 58. Page 29, line 29, by striking the word "By"
15 and inserting the following: "As a condition,
16 qualification, and limitation of the funds
17 appropriated under this section, by".

18 59. Page 30, by striking line 23 and inserting
19 the following:

20 "13. As a condition, qualification, and limitation
21 of the appropriation made under this section, thirty".

22 60. Page 30, by inserting after line 30 the
23 following:

24 "_____. As a condition, qualification, and
25 limitation of the funds appropriated under this
26 section, seventy-five thousand (75,000) dollars, or so
27 much thereof as is necessary, shall be used for grants
28 under the family support subsidy program as provided
29 in Senate File 2018 if enacted by the Seventy-second
30 General Assembly, 1988 Session."

31 61. Page 31, line 4, by striking the word "If"
32 and inserting the following: "As a condition,
33 qualification, and limitation of the funds
34 appropriated under this section, if".

35 62. Page 32, line 27, by inserting after the word
36 "unit," the following: "in section 30 for subsidized
37 adoption and purchase of adoption services,".

38 63. Page 34, line 14, by striking the word "The"
39 and inserting the following: "As a condition,
40 qualification, and limitation of the appropriation for
41 general administration, the".

42 64. Page 36, by striking line 21 and inserting
43 the following: "following: Sections 3, 4, 5, 20, 21,
44 23, 24, 25, 30, 31, 37, 38, and 39".

45 65. By striking page 36, line 25 through page 40,
46 line 15.

47 66. Page 40, by inserting before line 16 the
48 following:

49 "Sec. _____. Section 222.73, subsection 2, Code
50 1987, is amended to read as follows:

H-6347

Page 15

1 2. The superintendent shall certify to the
2 director of revenue and finance the billings to each
3 county for services provided to patients chargeable to
4 the county during the preceding calendar quarter. The
5 county billings shall be based on the average daily
6 patient charge and outpatient treatment charges
7 computed pursuant to subsection 1, and the number of
8 inpatient days and outpatient treatment service units
9 chargeable to the county. The county billing for a
10 patient shall be reduced by an amount received for the
11 patient's care from any source other than state
12 appropriated funds. The per diem costs billed to each
13 county shall not exceed the per diem costs in effect
14 on July 1, 1988. However, the per diem costs may be
15 adjusted annually to the extent of the adjustment in
16 the consumer price index published annually in the
17 federal register by the federal department of labor,
18 bureau of labor statistics.

19 Sec. ____ . Section 230.20, subsection 2, Code
20 Supplement 1987, is amended to read as follows:

21 2. The superintendent shall certify to the
22 director of revenue and finance the billings to each
23 county for services provided to patients chargeable to
24 the county during the preceding calendar quarter. The
25 county billings shall be based on the average daily
26 patient charge and other service charges computed
27 pursuant to subsection 1, and the number of inpatient
28 days and other service units chargeable to the county.
29 However, a county billing shall be decreased by an
30 amount equal to reimbursement by a third party payor
31 or estimation of such reimbursement from a claim
32 submitted by the superintendent to the third party
33 payor for the preceding calendar quarter. When the
34 actual third party payor reimbursement is greater or
35 less than estimated, the difference shall be reflected
36 in the county billing in the calendar quarter the
37 actual third party payor reimbursement is determined.
38 The per diem costs billed to each county shall not
39 exceed the per diem costs in effect on July 1, 1988.
40 However, the per diem costs may be adjusted annually
41 to the extent of the adjustment in the consumer price
42 index published annually in the federal register by
43 the federal department of labor, bureau of labor
44 statistics.

45 Sec. ____ . STATE BOARD OF REGENTS REPORT. The
46 state board of regents shall prepare a report
47 regarding the professional training required to ensure
48 there are a sufficient number of qualified staff to
49 deliver the case management services under section 19
50 of this Act in regard to enhanced mental health,

H-6347

Page 16

1 mental retardation, and developmental disabilities
 2 services. The report shall be submitted to the
 3 legislative council on or before December 1, 1988.
 4 Sec. 100. SUPPLEMENTAL APPROPRIATION. There is
 5 appropriated from the general fund of the state for
 6 the fiscal year beginning July 1, 1987, and ending
 7 June 30, 1988, to the department of human services,
 8 the following amount, or so much thereof as is
 9 necessary, to supplement the prior appropriation for
 10 medical assistance to be used for the same purposes
 11 and to supplement funds appropriated by 1987 Iowa
 12 Acts, chapter 234, section 203, subsection 2:
 13 \$ 3,600,000".

14 67. Page 41, by inserting after line 6 the
 15 following:

6368 > 16 "Sec. ____ . Section 11, subsection 3 of this
 17 Act takes effect upon enactment."

18 68. Page 41, by inserting after line 6 the
 19 following:

20 "Sec. ____ . EFFECTIVE DATE. Section 100 of this
 21 Act takes effect upon enactment."

22 69. Title page, line 2, by striking the word
 23 "year" and inserting the following: "years".

24 70. Title page, by striking line 3 and inserting
 25 the following: "July 1, 1987, and July 1, 1988, and
 26 providing effective".

27 71. By renumbering as necessary, including
 28 renumbering internal references, and renumbering
 29 internal references in the section of the Act
 30 pertaining to emergency rulemaking. That section is
 31 amended by this amendment only to correct internal
 32 references in this Act, as the Act was amended,
 33 passed, and reprinted by the House of Representatives.

RECEIVED FROM THE SENATE

H-6347 FILED APRIL 8, 1988

*House amended (6354, 6368, 6379, & 6377)
 & concurred 4/12 (p. 1758)*

HOUSE FILE 2447

H-6379

1 Amend the Senate amendment, H-6347, to House File
2 2447, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 2, line 31, by inserting after the word
5 "and" the following: "effective January 1, 1989,".

6 2. Page 2, by inserting after line 33 the
7 following:

8 " . Page 4, line 35, by striking the word
9 "facilities" and inserting the following:
10 "financing"."

11 3. Page 3, by inserting after line 13 the
12 following:

13 " . Page 7, by striking lines 19 through 22 and
14 inserting the following: "hundred dollars for a
15 family of two or more persons."

16 4. Page 5, line 20, by inserting after the word
17 "health" the following: "and the department of elder
18 affairs".

19 5. Page 5, by inserting after line 50 the
20 following:

21 " . Page 13, line 29, by inserting after the
22 word "year." the following: "However, if the state
23 Title XIX plan amendments for candidate services under
24 section 19 of this Act are approved by the federal
25 government, the department may exceed the specified
26 number of full-time equivalent positions for those
27 full-time equivalent positions which are funded by
28 cost savings and additional funds received by the
29 state pursuant to section 19 of this Act."

30 6. Page 7, by striking lines 5 and 6 and insert-
31 ing the following:

32 " . Page 17, by striking lines 23 through 30
33 and inserting the following:

34 "Sec. . It is the intent of the general
35 assembly that the legislative council establish an
36 advisory committee to develop a plan for the future
37 use of the juvenile institutions at Eldora and
38 Toledo."

39 . Page 18, line 25, by inserting after the
40 word "system" the following: ", including
41 representation of the juvenile court officers, the
42 courts, the department of human services, the
43 coalition for children and family services, and the
44 advisory committees for Toledo and for Eldora"."

45 7. By striking page 8, line 10 through page 11,
46 line 16 and inserting the following:

47 " . By striking page 20, line 11 through page
48 22, line 4, and inserting the following:

49 "Sec. . ENHANCED MENTAL HEALTH -- MENTAL
50 RETARDATION -- DEVELOPMENTAL DISABILITIES SERVICES.

H-6379

Page 2

1 There is appropriated from the general fund of the
 2 state for the fiscal year beginning July 1, 1988, and
 3 ending June 30, 1989, to the state candidate services
 4 fund established in this section, the following
 5 amount, or so much thereof as is necessary:
 6 \$ 1,300,000

7 1. An enhanced mental health, mental retardation,
 8 and developmental disabilities services plan oversight
 9 committee is created to assure the services plan is
 10 implemented within identified, budgeted, and
 11 appropriated funds. For purposes of this section
 12 "oversight committee" means the enhanced mental
 13 health, mental retardation, and developmental dis-
 14 abilities services plan oversight committee.

15 The oversight committee shall have nine members.
 16 Two members shall be designated by the fiscal
 17 committee of the legislative council and subject to
 18 approval by the governor. The commissioner of human
 19 services and the director of the division of mental
 20 health, mental retardation, and developmental
 21 disabilities or their designees shall be members.
 22 Three members shall be designated by the Iowa state
 23 association of counties. One member shall be
 24 designated by the state mental health and mental
 25 retardation commission. One member shall be
 26 designated by the governor's planning council on
 27 developmental disabilities.

28 The oversight committee shall do all of the
 29 following:

30 a. Take action on whether to include behavior
 31 management as a candidate service in the state Title
 32 XIX plan amendment, to develop a federal waiver
 33 request for behavior management as a candidate
 34 service, or to take no action to include behavior
 35 management as a covered service. Decisions shall be
 36 based upon a determination of the availability of
 37 funds for the nonfederal share of the cost of the
 38 service.

39 b. Explore and make recommendations regarding the
 40 submission of a Title XIX plan waiver for any
 41 candidate services which are not accepted by the
 42 federal government as a state plan amendment.

43 c. Review and make recommendations regarding the
 44 county case management implementation plan and budget
 45 to the state mental health and mental retardation
 46 commission.

47 d. Track the expenditures for, and utilization of,
 48 candidate services. Report a variance in an approved
 49 plan to the governor, the legislative fiscal bureau,
 50 and each county.

H-6379

Page 3

1 e. Recommend action regarding variations from the
2 budgeted, appropriated, and identified expenditures
3 and projected expenditure offsets to the council on
4 human services and the state mental health and mental
5 retardation commission.

6 f. Submit a report regarding the results of the
7 implementation of the provisions of this section,
8 including the impact upon the institutional
9 populations, to the governor and the general assembly.
10 The report shall contain recommendations regarding
11 continuing the provisions of this section in
12 subsequent budget years.

13 g. Recommend rules, or amendments to existing
14 rules, which implement the provisions of this section,
15 to the council on human services and the state mental
16 health and mental retardation commission.

17 h. Develop a methodology to determine the base
18 year expenditure for a county maintenance of effort
19 which includes an amount for each of the candidate
20 services described in this section.

21 i. Issue a final decision regarding any issue of
22 disagreement between a county and the department
23 relating to expenditures for candidate services or the
24 county's maintenance of effort.

25 2. For purposes of this section, "candidate
26 services" means rehabilitation services, day
27 treatment, partial hospitalization, and case
28 management. Case management shall be limited to
29 persons with mental retardation, a developmental
30 disability, or chronic mental illness. A state
31 candidate services fund is created in the office of
32 the treasurer of state for the purposes of this
33 section.

34 Effective October 1, 1988, the department shall add
35 candidate services to the state Title XIX plan.
36 Behavior management services shall be included in the
37 plan as a candidate service if recommended by the
38 oversight committee.

39 If recommended by the oversight committee, the
40 department shall seek Title XIX plan waivers for any
41 of the candidate services which are not accepted by
42 the federal government as a state plan amendment.

43 3. The county of legal settlement shall be billed
44 for fifty percent of the nonfederal share of the cost
45 of candidate services provided under the medical
46 assistance program for persons with mental
47 retardation, a developmental disability or chronic
48 mental illness.

49 4. By using the general allocation application for
50 the state community mental health and mental

H-6379

Page 4

1 retardation services fund under section 225C.10, the
2 department, in conjunction with the oversight
3 committee, and with the agreement of each county,
4 shall establish the actual amount expended by each
5 county for persons with mental retardation, a
6 developmental disability, or chronic mental illness in
7 the fiscal year which ended on June 30, 1987, and this
8 amount shall be deemed each county's maintenance of
9 effort. A disagreement between the department and a
10 county as to the actual amount spent in a category
11 shall be decided by the oversight committee. A county
12 is responsible to continue to pay at least the agreed
13 upon amount in fiscal year 1988-1989 for services to
14 persons with mental retardation, a developmental
15 disability, or chronic mental illness. If a county
16 does not spend the agreed upon amount in a fiscal
17 year, the balance not spent shall not revert to the
18 general fund of the county, but shall be carried over
19 to the next fiscal year to be expended for the
20 provision of services to persons with mental
21 retardation, a developmental disability, or mental
22 illness including, but not limited to, the chronically
23 mentally ill, and shall be used as additional funds.
24 The additional funds shall be used, to the greatest
25 extent possible, to meet unmet needs of persons with
26 mental retardation, a developmental disability, or
27 mental illness. This subsection does not relieve the
28 county from any other funding obligations required by
29 law, including but not limited to the obligations in
30 section 222.60.

31 5. a. Notwithstanding section 8.33, funds
32 appropriated under this section which are not
33 obligated or expended, shall not revert to the general
34 fund on June 30, 1989, but shall be deposited in the
35 state community mental health and mental retardation
36 services fund for use in the next fiscal year. It is
37 the intent of the general assembly that the funds
38 deposited in the fund for this purpose shall be used
39 in addition to moneys appropriated in the next fiscal
40 year for this purpose.

41 b. Notwithstanding section 8.39, funds
42 appropriated to the department for the state hospital-
43 schools by section 15 of this Act and to the state
44 mental health institutes by section 16 of this Act
45 shall not be subject to transfer, except to the state
46 candidate services fund after January 1, 1989,
47 subsequent to a reevaluation of the institutional
48 budgets for the remainder of the fiscal year.

49 6. The department, in conjunction with the
50 oversight committee, and with the agreement of each

H-6379

Page 5

1 county, shall establish the actual amount expended for
2 each candidate service for persons with mental
3 retardation, a developmental disability, or chronic
4 mental illness in the fiscal year which ended June 30,
5 1987, and this amount shall be deemed each county's
6 base year expenditure for the candidate service. A
7 disagreement between the department and a county as to
8 the actual amount spent shall be decided by the
9 oversight committee.

10 The department, in conjunction with the oversight
11 committee, and with the agreement of each county,
12 shall determine the expenditures in the 1988-1989
13 fiscal year by each county for the candidate services,
14 including the amount the county contributes under
15 subsection 3. If the expenditures in the 1988-1989
16 fiscal year exceed the base year expenditures for
17 candidate services, then the county shall receive from
18 the funds under this appropriation the least amount of
19 the following:

20 a. The difference between the total expenditures
21 for the candidate services in fiscal year 1988-1989
22 and the base year expenditures.

23 b. The amount expended by the county under
24 subsection 3.

25 c. The amount by which the fiscal year 1988-1989
26 total expenditures under subsection 4 exceed the
27 maintenance of effort expenditures.

7. Case management shall be provided by the
department except when a county or a consortium of
30 counties contracts to be the provider. The criteria
31 for the case management services shall include, but
32 are not limited to, the appropriateness, availability,
33 and accessibility of the services and financial
34 resources. A county or counties may contract to be
35 the provider at any time within ninety days of the
36 final publication of the standards for case management
37 in the Iowa administrative bulletin. The county or
38 consortium of counties may subcontract for the
39 provision of case management services so long as the
40 subcontract meets the same criteria. The department
41 shall agree to the contract so long as the contract
42 meets the standards for case management established by
43 the department and the criteria for case management as
44 stated in the state Title XIX plan and rules.

45 8. This section does not relieve the county from
46 any other funding obligations required by law,
47 including but not limited to the obligations in
48 section 222.60.

49 9. Nothing in this Act is intended by the general
50 assembly to be the provision of a fair and equitable

H-6379

Page 6

1 funding formula specified in 1985 Iowa Acts, chapter
2 249, section 9. Nothing in this Act shall be
3 construed, is intended, or shall imply a claim of
4 entitlement to any programs or services specified in
5 section 225C.28.

6 10. For the purposes of this section only, persons
7 with organic mental disorders shall not be considered
8 chronically mentally ill.

9 11. As a limitation of this appropriation, the
10 funds shall be expended for not more than three full-
11 time equivalent positions in general administration at
12 a cost of not more than seventy thousand (70,000)
13 dollars to administer the analysis of funding amounts
14 and related issues required under this section. The
15 positions are in addition to the positions authorized
16 under the appropriation for general administration in
17 this Act.

18 12. The legislative council is requested to
19 appoint a committee staffed by the legislative fiscal
20 bureau to conduct a study and develop recommendations
21 regarding a fair and equitable funding formula for
22 services provided to persons described in section
23 225C.26. The committee shall study an equitable split
24 in funding between state and counties, providing
25 equitable services between population groups, and
26 providing adequate reimbursement for providers to
27 assure services are provided. The committee shall
28 submit a report of the study on or before December 1,
29 1988."

30 8. By striking page 11, line 22 through page 13,
31 line 2, and inserting the following:

32 "Sec. ____ . BLOCK GRANT SUPPLEMENTATION. There is
33 appropriated from the general fund of the state for
34 the fiscal year beginning July 1, 1988, and ending
35 June 30, 1989, to the department of human services for
36 supplementation of federal social services block grant
37 funds and for allocation to the various counties for
38 the purchase of local services, the following amount,
39 or so much thereof as is necessary, on the condition
40 that the across-the-board cuts currently in effect are
41 eliminated, followed by a three-percent increase in
42 the reimbursement rate paid to service providers
43 funded under this appropriation, as specified in
44 section 39 of this Act:

45 \$ 3,064,000

46 The funds appropriated in this section shall be
47 allocated to the counties pursuant to the rules of the
48 department in effect on January 1, 1985. The
49 department shall increase the income guidelines for
50 income eligible persons receiving services funded with

H-6379

Page 7

1 federal social services block grant funds for the
2 fiscal year beginning July 1, 1988, by the same
3 percentage and at the same time as federal social
4 security benefits are increased due to a recognized
5 increase in the cost of living. A county shall
6 allocate funds for child day care services in an
7 amount at least equal to the amount expended by the
8 county for government-assisted child day care services
9 in the fiscal year ending June 30, 1988.

10 Sec. ____ . STATE CHILD DAY CARE ASSISTANCE. There
11 is appropriated from the general fund of the state for
12 the fiscal year beginning July 1, 1988, and ending
13 June 30, 1989, to the department of human services the
14 following amount, or so much thereof as is necessary,
15 to be used for supplemental payments of child care
16 costs:

17 \$ 3,500,000

18 1. The funds appropriated in this section shall be
19 allocated to counties based upon the number of
20 children living in a county whose family income is
21 equivalent to or below one hundred twenty-five percent
22 of the current federal office of management and budget
23 poverty guidelines as estimated by the department.
24 The department shall not require counties to match the
25 state child day care services funds with local funds
26 but shall require a maintenance of effort. The
27 counties shall allocate local funds for child day care
28 services in an amount at least equal to the county
29 expenditures for child day care services in the fiscal
30 year ending June 30, 1983 and expend at least the same
31 amount of block grant supplemental funds for child day
32 care services as expended for the purpose in the
33 fiscal year ending June 30, 1988. If a county elects
34 not to use the state child day care services funds, an
35 amount equal to the county expenditure for its
36 maintenance of effort and an amount equal to the
37 county expenditure under the provision to use up to
38 four percent of the federal social services block
39 grant fund and supplemental state purchase of local
40 services funds in the fiscal year ending June 30,
41 1983, shall be deducted from the amount allocated to
42 the county for the purchase of local services under
43 this Act. The state day care services funds and the
44 amount deducted from the local services funds for a
45 county shall be administered by the district
46 administrator for child day care services in the
47 county. The department shall transfer the state child
48 day care services funds which a county does not
49 utilize to a county where there is a demonstrated
50 need.

H-6379

Page 8

1 2. The department shall establish the income
2 eligibility level for recipients of child day care
3 services at the equivalent of one hundred twenty-five
4 percent of the federal office of management and budget
5 poverty guidelines for families of all sizes.
6 However, a local office which is allocated funds under
7 this section may manage the funds to assure that child
8 care services are purchased in a system of slots which
9 last for a period of twelve months. The local office
10 shall maintain a list of persons who were eligible,
11 but did not receive the child care services due to a
12 lack of funds.

13 3. Any funds allocated for the local purchase of
14 child care services shall be available for purchase of
15 services in any type of child care facility approved
16 under 441 I.A.C. } 170.

17 4. If the department determines that funds under
18 this section for child day care services will not be
19 fully expended, the department may increase the income
20 guidelines in order to provide for the expenditure of
21 all funds under this section for child day care
22 services.

23 The recipient of child day care services shall
24 contribute to the cost of the child care in accordance
25 with the sliding fee schedule currently utilized by
26 the department for child care services.

27 5. As a condition, qualification, and limitation
28 of this appropriation, the funds appropriated under
29 this section shall be expended for not more than six
30 full-time equivalent positions in the field at a cost
31 of not more than one hundred seventy-five thousand
32 (175,000) dollars, and for salary and support for not
33 more than one full-time equivalent position in general
34 administration at a cost of not more than twenty-three
35 thousand (23,000) dollars. The positions are in
36 addition to the positions authorized under the
37 appropriations for community services and general
38 administration in this Act.

39 6. It is the intent of the general assembly for
40 the fiscal year ending June 30, 1990, that allocations
41 to counties under the appropriation for federal social
42 services block grant supplementation for child day
43 care services and the allocation for this purpose
44 under state child day care assistance will be
45 combined. The allocation to a county for child day
46 care services will be based upon the expenditures by
47 the county for this purpose in the fiscal year ending
48 June 30, 1989."

49 9. Page 13, by inserting after line 27 the
50 following:

Page 9

1 " . Page 25, line 10, by striking the figure
2 "313,686" and inserting the following: "350,686".
3 10. By renumbering as necessary.

By HAVERLAND of Polk

H-6379 FILED APRIL 11, 1988

(Adopted 4/12 (of 1749))

HOUSE FILE 2447

H-6368

- 1 Amend the Senate amendment, H-6347, to House File
- 2 2447, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 16, by inserting after line 15 the
- 5 following:
- 6 "Sec. ____ Sections 135.84 and 142B.1, Code
- 7 Supplement 1987, are repealed."

By MULLINS of Kossuth
HAVERLAND of Polk

H-6368 FILED APRIL 11, 1988

Adopted 4/12 (p. 1750)

HOUSE FILE 2447

H-6377

- 1 Amend the Senate amendment, H-6347, to House File
- 2 2447 as amended, passed, and reprinted by the House as
- 3 follows:
- 4 1. Page 5, by striking line 30 and inserting the
- 5 following:
- 6 " ____ Page 11, by inserting after line 16 the
- 7 following:
- 8 "As a condition, qualification, and limitation of
- 9 the appropriation, if a function or functions of the
- 10 collection service center is transferred to another
- 11 department, the director of the department of
- 12 management pursuant to section 8.39, may transfer the
- 13 necessary funds to the appropriate department or
- 14 departments."

By JOCHUM of Dubuque

H-6377 FILED APRIL 11, 1988

10/25 4/12 (p. 1750)

HOUSE FILE 2447

H-6354

- 1 Amend the Senate amendment, H-6347, to House File
- 2 2447, as amended, passed, and reprinted by the House,
- 3 as follows:
- 4 1. Page 6, by inserting after line 24 the
- 5 following:
- 6 " ____ Page 14, line 3, by striking the figure
- 7 "6,691,245" and inserting the following:
- 8 "6,841,245".
- 9 2. Page 13, by inserting after line 27 the
- 10 following:
- 11 " ____ Page 24, line 25, by inserting after the
- 12 word "funded," the following: "that four hundred
- 13 fifty-five thousand (455,000) dollars of the following
- 14 amount is used for child care assistance pursuant to
- 15 section 237A.13,"
- 16 " ____ Page 24, line 30, by striking the figure
- 17 "4,227,014" and inserting the following:
- 18 "4,682,014".
- 19 3. By renumbering as necessary.

By JOCHUM of Dubuque

H-6354 FILED APRIL 11, 1988

Adopted 4/12 (p. 1750)

HOUSE FILE 2447

H-6397

1 Amend the Senate amendment, H-6347, to House File
2 2447, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 13, by inserting after line 2 the follow-
5 ing:

6 "7. Nothing in this section shall be construed or
7 is intended as, or shall imply a grant of entitlement
8 for services to persons described in subsection 2 of
9 this section. Any state obligation to provide
10 services pursuant to this section is limited to the
11 extent of the funds appropriated under this section."

By HESTER of Pottawattamie

H-6397 FILED APRIL 12, 1988

ADOPTED (p. 1758)

HOUSE AMENDMENT TO
SENATE AMENDMENT TO
HOUSE FILE 2447

949

1 Amend the Senate amendment, H-6347, to House File
2 2447, as amended, passed, and reprinted by the House,
3 as follows:

4 1. Page 2, line 31, by inserting after the word
5 "and" the following: "effective January 1, 1989,".

6 2. Page 2, by inserting after line 33 the
7 following:

8 "_____. Page 4, line 35, by striking the word
9 "facilities" and inserting the following:
10 "financing"."

11 3. Page 3, by inserting after line 13 the
12 following:

13 "_____. Page 7, by striking lines 19 through 22 and
14 inserting the following: "hundred dollars for a
15 family of two or more persons.""

16 4. Page 5, line 20, by inserting after the word
17 "health" the following: "and the department of elder
18 affairs".

19 5. Page 5, by inserting after line 50 the
20 following:

21 "_____. Page 13, line 29, by inserting after the
22 word "year." the following: "However, if the state
23 Title XIX plan amendments for candidate services under
24 section 19 of this Act are approved by the federal
25 government, the department may exceed the specified
26 number of full-time equivalent positions for those
27 full-time equivalent positions which are funded by
28 cost savings and additional funds received by the
29 state pursuant to section 19 of this Act.""

30 6. Page 6, by inserting after line 24 the
31 following:

32 "_____. Page 14, line 3, by striking the figure
33 "6,691,245" and inserting the following:
34 "6,841,245"."

35 7. Page 7, by striking lines 5 and 6 and insert-
36 ing the following:

37 "_____. Page 17, by striking lines 23 through 30
38 and inserting the following:

39 "Sec. _____. It is the intent of the general
40 assembly that the legislative council establish an
41 advisory committee to develop a plan for the future
42 use of the juvenile institutions at Eldora and
43 Toledo."

44 "_____. Page 18, line 25, by inserting after the
45 word "system" the following: ", including
46 representation of the juvenile court officers, the
47 courts, the department of human services, the
48 coalition for children and family services, and the
49 advisory committees for Toledo and for Eldora"."

50 8. By striking page 8, line 10 through page 11,

1 line 16 and inserting the following:

2 "_____. By striking page 20, line 11 through page
3 22, line 4, and inserting the following:

4 "Sec. _____. ENHANCED MENTAL HEALTH -- MENTAL
5 RETARDATION -- DEVELOPMENTAL DISABILITIES SERVICES.

6 There is appropriated from the general fund of the
7 state for the fiscal year beginning July 1, 1988, and
8 ending June 30, 1989, to the state candidate services
9 fund established in this section, the following

10 amount, or so much thereof as is necessary:

11 \$ 1,300,000

12 1. An enhanced mental health, mental retardation,
13 and developmental disabilities services plan oversight
14 committee is created to assure the services plan is
15 implemented within identified, budgeted, and
16 appropriated funds. For purposes of this section
17 "oversight committee" means the enhanced mental
18 health, mental retardation, and developmental dis-
19 abilities services plan oversight committee.

20 The oversight committee shall have nine members.
21 Two members shall be designated by the fiscal
22 committee of the legislative council and subject to
23 approval by the governor. The commissioner of human
24 services and the director of the division of mental
25 health, mental retardation, and developmental
26 disabilities or their designees shall be members.
27 Three members shall be designated by the Iowa state
28 association of counties. One member shall be
29 designated by the state mental health and mental
30 retardation commission. One member shall be
31 designated by the governor's planning council on
32 developmental disabilities.

33 The oversight committee shall do all of the
34 following:

35 a. Take action on whether to include behavior
36 management as a candidate service in the state Title
37 XIX plan amendment, to develop a federal waiver
38 request for behavior management as a candidate
39 service, or to take no action to include behavior
40 management as a covered service. Decisions shall be
41 based upon a determination of the availability of
42 funds for the nonfederal share of the cost of the
43 service.

44 b. Explore and make recommendations regarding the
45 submission of a Title XIX plan waiver for any
46 candidate services which are not accepted by the
47 federal government as a state plan amendment.

48 c. Review and make recommendations regarding the
49 county case management implementation plan and budget
50 to the state mental health and mental retardation

1 commission.
2 d. Track the expenditures for, and utilization of,
3 candidate services. Report a variance in an approved
4 plan to the governor, the legislative fiscal bureau,
5 and each county.
6 e. Recommend action regarding variations from the
7 budgeted, appropriated, and identified expenditures
8 and projected expenditure offsets to the council on
9 human services and the state mental health and mental
10 retardation commission.
11 f. Submit a report regarding the results of the
12 implementation of the provisions of this section,
13 including the impact upon the institutional
14 populations, to the governor and the general assembly.
15 The report shall contain recommendations regarding
16 continuing the provisions of this section in
17 subsequent budget years.
18 g. Recommend rules, or amendments to existing
19 rules, which implement the provisions of this section,
20 to the council on human services and the state mental
21 health and mental retardation commission.
22 h. Develop a methodology to determine the base
23 year expenditure for a county maintenance of effort
24 which includes an amount for each of the candidate
25 services described in this section.
26 i. Issue a final decision regarding any issue of
27 disagreement between a county and the department
28 relating to expenditures for candidate services or the
29 county's maintenance of effort.
30 2. For purposes of this section, "candidate
31 services" means rehabilitation services, day
32 treatment, partial hospitalization, and case
33 management. Case management shall be limited to
34 persons with mental retardation, a developmental
35 disability, or chronic mental illness. A state
36 candidate services fund is created in the office of
37 the treasurer of state for the purposes of this
38 section.
39 Effective October 1, 1988, the department shall add
40 candidate services to the state Title XIX plan.
41 Behavior management services shall be included in the
42 plan as a candidate service if recommended by the
43 oversight committee.
44 If recommended by the oversight committee, the
45 department shall seek Title XIX plan waivers for any
46 of the candidate services which are not accepted by
47 the federal government as a state plan amendment.
48 3. The county of legal settlement shall be billed
49 for fifty percent of the nonfederal share of the cost
50 of candidate services provided under the medical

1 assistance program for persons with mental
2 retardation, a developmental disability or chronic
3 mental illness.

4 4. By using the general allocation application for
5 the state community mental health and mental
6 retardation services fund under section 225C.10, the
7 department, in conjunction with the oversight
8 committee, and with the agreement of each county,
9 shall establish the actual amount expended by each
10 county for persons with mental retardation, a
11 developmental disability, or chronic mental illness in
12 the fiscal year which ended on June 30, 1987, and this
13 amount shall be deemed each county's maintenance of
14 effort. A disagreement between the department and a
15 county as to the actual amount spent in a category
16 shall be decided by the oversight committee. A county
17 is responsible to continue to pay at least the agreed
18 upon amount in fiscal year 1988-1989 for services to
19 persons with mental retardation, a developmental
20 disability, or chronic mental illness. If a county
21 does not spend the agreed upon amount in a fiscal
22 year, the balance not spent shall not revert to the
23 general fund of the county, but shall be carried over
24 to the next fiscal year to be expended for the
25 provision of services to persons with mental
26 retardation, a developmental disability, or mental
27 illness including, but not limited to, the chronically
28 mentally ill, and shall be used as additional funds.
29 The additional funds shall be used, to the greatest
30 extent possible, to meet unmet needs of persons with
31 mental retardation, a developmental disability, or
32 mental illness. This subsection does not relieve the
33 county from any other funding obligations required by
34 law, including but not limited to the obligations in
35 section 222.60.

36 5. a. Notwithstanding section 8.33, funds
37 appropriated under this section which are not
38 obligated or expended, shall not revert to the general
39 fund on June 30, 1989, but shall be deposited in the
40 state community mental health and mental retardation
41 services fund for use in the next fiscal year. It is
42 the intent of the general assembly that the funds
43 deposited in the fund for this purpose shall be used
44 in addition to moneys appropriated in the next fiscal
45 year for this purpose.

46 b. Notwithstanding section 8.39, funds
47 appropriated to the department for the state hospital-
48 schools by section 15 of this Act and to the state
49 mental health institutes by section 16 of this Act
50 shall not be subject to transfer, except to the state

1 candidate services fund after January 1, 1989,
2 subsequent to a reevaluation of the institutional
3 budgets for the remainder of the fiscal year.

4 6. The department, in conjunction with the
5 oversight committee, and with the agreement of each
6 county, shall establish the actual amount expended for
7 each candidate service for persons with mental
8 retardation, a developmental disability, or chronic
9 mental illness in the fiscal year which ended June 30,
10 1987, and this amount shall be deemed each county's
11 base year expenditure for the candidate service. A
12 disagreement between the department and a county as to
13 the actual amount spent shall be decided by the
14 oversight committee.

15 The department, in conjunction with the oversight
16 committee, and with the agreement of each county,
17 shall determine the expenditures in the 1988-1989
18 fiscal year by each county for the candidate services,
19 including the amount the county contributes under
20 subsection 3. If the expenditures in the 1988-1989
21 fiscal year exceed the base year expenditures for
22 candidate services, then the county shall receive from
23 the funds under this appropriation the least amount of
24 the following:

25 a. The difference between the total expenditures
26 for the candidate services in fiscal year 1988-1989
27 and the base year expenditures.

28 b. The amount expended by the county under
29 subsection 3.

30 c. The amount by which the fiscal year 1988-1989
31 total expenditures under subsection 4 exceed the
32 maintenance of effort expenditures.

33 7. Case management shall be provided by the
34 department except when a county or a consortium of
35 counties contracts to be the provider. The criteria
36 for the case management services shall include, but
37 are not limited to, the appropriateness, availability,
38 and accessibility of the services and financial
39 resources. A county or counties may contract to be
40 the provider at any time within ninety days of the
41 final publication of the standards for case management
42 in the Iowa administrative bulletin. The county or
43 consortium of counties may subcontract for the
44 provision of case management services so long as the
45 subcontract meets the same criteria. The department
46 shall agree to the contract so long as the contract
47 meets the standards for case management established by
48 the department and the criteria for case management as
49 stated in the state Title XIX plan and rules.

50 8. This section does not relieve the county from

1 any other funding obligations required by law,
2 including but not limited to the obligations in
3 section 222.60.

4 9. Nothing in this Act is intended by the general
5 assembly to be the provision of a fair and equitable
6 funding formula specified in 1985 Iowa Acts, chapter
7 249, section 9. Nothing in this Act shall be
8 construed, is intended, or shall imply a claim of
9 entitlement to any programs or services specified in
10 section 225C.28.

11 10. For the purposes of this section only, persons
12 with organic mental disorders shall not be considered
13 chronically mentally ill.

14 11. As a limitation of this appropriation, the
15 funds shall be expended for not more than three full-
16 time equivalent positions in general administration at
17 a cost of not more than seventy thousand (70,000)
18 dollars to administer the analysis of funding amounts
19 and related issues required under this section. The
20 positions are in addition to the positions authorized
21 under the appropriation for general administration in
22 this Act.

23 12. The legislative council is requested to
24 appoint a committee staffed by the legislative fiscal
25 bureau to conduct a study and develop recommendations
26 regarding a fair and equitable funding formula for
27 services provided to persons described in section
28 225C.26. The committee shall study an equitable split
29 in funding between state and counties, providing
30 equitable services between population groups, and
31 providing adequate reimbursement for providers to
32 assure services are provided. The committee shall
33 submit a report of the study on or before December 1,
34 1988."

35 9. By striking page 11, line 22 through page 13,
36 line 2, and inserting the following:

37 "Sec. ____ . BLOCK GRANT SUPPLEMENTATION. There is
38 appropriated from the general fund of the state for
39 the fiscal year beginning July 1, 1988, and ending
40 June 30, 1989, to the department of human services for
41 supplementation of federal social services block grant
42 funds and for allocation to the various counties for
43 the purchase of local services, the following amount,
44 or so much thereof as is necessary, on the condition
45 that the across-the-board cuts currently in effect are
46 eliminated, followed by a three-percent increase in
47 the reimbursement rate paid to service providers
48 funded under this appropriation, as specified in
49 section 39 of this Act:

50 \$ 3,064,000

1 The funds appropriated in this section shall be
 2 allocated to the counties pursuant to the rules of the
 3 department in effect on January 1, 1985. The
 4 department shall increase the income guidelines for
 5 income eligible persons receiving services funded with
 6 federal social services block grant funds for the
 7 fiscal year beginning July 1, 1988, by the same
 8 percentage and at the same time as federal social
 9 security benefits are increased due to a recognized
 10 increase in the cost of living. A county shall
 11 allocate funds for child day care services in an
 12 amount at least equal to the amount expended by the
 13 county for government-assisted child day care services
 14 in the fiscal year ending June 30, 1988.

15 Sec. ____ . STATE CHILD DAY CARE ASSISTANCE. There
 16 is appropriated from the general fund of the state for
 17 the fiscal year beginning July 1, 1988, and ending
 18 June 30, 1989, to the department of human services the
 19 following amount, or so much thereof as is necessary,
 20 to be used for supplemental payments of child care
 21 costs:

22 \$ 3,500,000

23 1. The funds appropriated in this section shall be
 24 allocated to counties based upon the number of
 25 children living in a county whose family income is
 26 equivalent to or below one hundred twenty-five percent
 27 of the current federal office of management and budget
 28 poverty guidelines as estimated by the department.
 29 The department shall not require counties to match the
 30 state child day care services funds with local funds
 31 but shall require a maintenance of effort. The
 32 counties shall allocate local funds for child day care
 33 services in an amount at least equal to the county
 34 expenditures for child day care services in the fiscal
 35 year ending June 30, 1983 and expend at least the same
 36 amount of block grant supplemental funds for child day
 37 care services as expended for the purpose in the
 38 fiscal year ending June 30, 1988. If a county elects
 39 not to use the state child day care services funds, an
 40 amount equal to the county expenditure for its
 41 maintenance of effort and an amount equal to the
 42 county expenditure under the provision to use up to
 43 four percent of the federal social services block
 44 grant fund and supplemental state purchase of local
 45 services funds in the fiscal year ending June 30,
 46 1983, shall be deducted from the amount allocated to
 47 the county for the purchase of local services under
 48 this Act. The state day care services funds and the
 49 amount deducted from the local services funds for a
 50 county shall be administered by the district

1 administrator for child day care services in the
2 county. The department shall transfer the state child
3 day care services funds which a county does not
4 utilize to a county where there is a demonstrated
5 need.

6 2. The department shall establish the income
7 eligibility level for recipients of child day care
8 services at the equivalent of one hundred twenty-five
9 percent of the federal office of management and budget
10 poverty guidelines for families of all sizes.
11 However, a local office which is allocated funds under
12 this section may manage the funds to assure that child
13 care services are purchased in a system of slots which
14 last for a period of twelve months. The local office
15 shall maintain a list of persons who were eligible,
16 but did not receive the child care services due to a
17 lack of funds.

18 3. Any funds allocated for the local purchase of
19 child care services shall be available for purchase of
20 services in any type of child care facility approved
21 under 441 I.A.C § 170.

22 4. If the department determines that funds under
23 this section for child day care services will not be
24 fully expended, the department may increase the income
25 guidelines in order to provide for the expenditure of
26 all funds under this section for child day care
27 services.

28 The recipient of child day care services shall
29 contribute to the cost of the child care in accordance
30 with the sliding fee schedule currently utilized by
31 the department for child care services.

32 5. As a condition, qualification, and limitation
33 of this appropriation, the funds appropriated under
34 this section shall be expended for not more than six
35 full-time equivalent positions in the field at a cost
36 of not more than one hundred seventy-five thousand
37 (175,000) dollars, and for salary and support for not
38 more than one full-time equivalent position in general
39 administration at a cost of not more than twenty-three
40 thousand (23,000) dollars. The positions are in
41 addition to the positions authorized under the
42 appropriations for community services and general
43 administration in this Act.

44 6. It is the intent of the general assembly for
45 the fiscal year ending June 30, 1990, that allocations
46 to counties under the appropriation for federal social
47 services block grant supplementation for child day
48 care services and the allocation for this purpose
49 under state child day care assistance will be
50 combined. The allocation to a county for child day

S-5949 Page 9

1 care services will be based upon the expenditures by
2 the county for this purpose in the fiscal year ending
3 June 30, 1989."

4 10. Page 13, by inserting after line 2 the
5 following:

6 "7. Nothing in this section shall be construed or
7 is intended as, or shall imply a grant of entitlement
8 for services to persons described in subsection 2 of
9 this section. Any state obligation to provide
10 services pursuant to this section is limited to the
11 extent of the funds appropriated under this section."

12 11. Page 13, by inserting after line 27 the
13 following:

14 " . Page 24, line 25, by inserting after the
15 word "funded," the following: "that four hundred
16 fifty-five thousand (455,000) dollars of the following
17 amount is used for child care assistance pursuant to
18 section 237A.13,"

19 . Page 24, line 30, by striking the figure
20 "4,227,014" and inserting the following:

21 "4,682,014"."

22 . Page 25, line 10, by striking the figure
23 "313,686" and inserting the following: "350,686"."

24 12. Page 16, by inserting after line 15 the
25 following:

26 "Sec. . Sections 135.84 and 142B.1, Code
27 Supplement 1987, are repealed."

28 13. By renumbering, relettering, or redesignating
29 and correcting internal references as necessary.

S-5949

Filed April 12, 1988

ADOPTED

RECEIVED FROM THE HOUSE

Senate concurred (p. 14.56)



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

SIS 25-521

TERRY E. BRANSTAD
GOVERNOR

April 14, 1988

The Honorable Donald Avenson
Speaker
House of Representatives
State Capitol Building
L O C A L

Dear Mr. Speaker:

I hereby transmit House File 2447, an act relating to human services, and making appropriations to the Department of Human Services for the fiscal years beginning July 1, 1987, and July 1, 1988, and providing effective dates.

House File 2447 provides funding for various human services programs, including important welfare reform initiatives. I am approving the funding provided in this bill since it is consistent with the budget compromise. I am pleased that the bill, for the most part, fully funds these programs within available funds. As a result, we can avoid a supplemental appropriation next year while providing an honest accounting of the expenditures during this fiscal year.

However, items in this bill excessively limit the ability of the executive branch to administer state government and rule out necessary cost-saving options in the event of budget shortfalls. This administrative flexibility is essential if we are to wisely conserve taxpayers money. For that reason, I have item vetoed some of this restrictive language in House File 2447.

Therefore, House File 2447 is approved with the following exceptions which I hereby disapprove.

I am unable to approve the designated portions of Section 1, subsections 5 and 6, of House File 2447.

The Honorable Donald Avenson
April 14, 1988
Page 2

The item vetoed language in subsections 5 and 6 of Section 1 of House File 2447 prevents these appropriations from reverting to the state's general fund at the end of fiscal year 1989. Apparently, these nonreversion clauses were inserted in this legislation to prevent the Department of Human Services from making hasty decisions about awarding grants in the Child Development and Family Development and Self-Sufficiency Grant Programs. However, this legislation also requires that all grant awards be made by January 1, 1989. These confusing signals to the Department should be eliminated by striking the nonreversionary clauses and maintaining the requirement for the department to make these grant awards by January 1 of next year. The grant awards by the department can be multi-year in nature without the threat of a reversion being required in the next fiscal year, since the money is required to be encumbered by January 1.

I am unable to approve the designated portions of Section 3, subsection 3, of House File 2447.

The designated language would greatly hinder the effectiveness of the department's efforts to implement mandatory HMO's to contain Medicaid costs. Medicaid costs are increasing by over fifteen percent a year and mandatory HMO's are needed as a way to contain these costs. While I appreciate the legislature's recognition of the need to implement mandatory HMO's to contain these costs, restrictive language included in this subsection could render these mandatory HMO's ineffective.

Specifically, this item would exempt family planning services, and mental health services provided through community mental health centers from the mandatory HMO's and could exempt anyone with "minimal transportation expense" from the mandatory HMO.

Federal law and the remaining language in Section 3, subsection 3 require that HMO Medicaid services be easily accessible to needy individuals. The minimal transportation requirement would be most difficult to define and could result in a substantial and unnecessary loophole in the HMO requirements.

In addition, exempting community family planning services and mental health services from the HMO would greatly restrict our ability to contain the cost of those services.

The Honorable Donald Avenson
April 14, 1988
Page 3

I am unable to approve the item designated as Section 3, subsection 7, of House File 2447.

This provision of the bill exempts certain specialized psychiatric hospitals for children and adolescents from the certificate of need requirements.

I understand that the rationale for this legislative provision exempting these facilities from the certificate of need process was to attempt to allow the facilities to draw down federal dollars from the Medicaid program. I am certainly willing to consider ways in which to accomplish that effort.

However, there is no assurance that money will actually be saved through this method and the legislative action to set aside the certificate of need requirements could open the door for for-profit institutions to become JCAH-accredited and licensed during the next fourteen months in order to draw down federal Medicaid dollars.

The certificate of need process is designed to provide a technical review of the need for additional beds and to help contain health care costs. Those goals are important to the state and the certificate of need process should not be subverted by this legislative action.

I am unable to approve the designated portion of Section 3, subsection 11, of House File 2447.

This item in House File 2447 requires the approval of Legislative Council before the Department can expend \$20,000 to obtain assistance from the National Center for Health Services Research in examining state approaches to providing health services to uninsured and underinsured persons. Requiring such approval of the Legislative Council before the Department can administer these appropriated funds is an unnecessary intrusion by the legislative branch into the administration of the executive branch and therefore cannot be approved. If the legislature is uncertain about the wisdom of providing these funds for this purpose, the legislature should establish appropriate criteria governing the expenditure of these dollars without granting the Legislative Council de facto administrative power over an executive branch agency.

The Honorable Donald Avenson
April 14, 1988
Page 4

I am unable to approve the designated portions of Section 6, subsection 2, of House File 2447.

The item vetoed language in this section of House File 2447 requires the Department of Human Services to seek additional funds through supplemental appropriation in the event the department discovers a shortfall in expected funds. Thus, by implication, the department is prohibited from putting in place efficiencies or cost savings in order to pick up an unexpected shortfall. It is bad public policy to rule out the possibility of the department achieving cost savings in order to save taxpayers dollars. The efficiency and cost saving options should be the first ones selected by the department and a supplemental appropriation should be used only as a last resort. In addition, this item would require the department to seek Legislative Council approval before spending additional funds on non-salary or benefit items in its budget. Again, this allows the

Legislative Council to, in effect, administer the appropriation made in Section 6 of House File 2447. The legislature does have the authority to appropriately indicate, by statute, the way in which funds should be expended. However, requiring the department to seek Legislative Council approval before certain administrative action is taken is an intrusion on the executive branch's constitutional responsibility to manage state government.

I am unable to approve the item designated as Section 6, subsection 3, of House File 2447.

This section of the bill prohibits the department from placing any orders for computer terminals or other hardware for the family assistance management information system. It also prohibits the department from taking delivery of any terminals or hardware previously ordered without receiving authority of the Legislative Council.

Again, this is an excessive intrusion of the Legislative Council into the administration of state government. Requiring Legislative Council approval before those funds can be administered is an unnecessary and potentially unconstitutional intrusion in the administration of the executive branch of state government. I will ask the Department of Human Services to inform the Legislative Council, the fiscal committees of the

The Honorable Donald Avenson
April 14, 1988
Page 5

legislature and the membership of the Human Services Appropriation Subcommittee as to their plans for the administration of the Family Assistance Management Information System. However, I cannot accept Legislative Council approval before any action can be taken by the department.

I am unable to approve the designated portions of Section 7, subsection 2, of House File 2447.

This item in Section 7, subsection 2, of the bill again requires the department to seek supplemental funds before attempting to cut costs in order to meet the potential budget shortfalls. It also requires Legislative Council approval before the department can spend funds on items other than salary and benefits. For the above reasons, I believe that the department should use cost saving efforts as a first option when dealing with budget shortfalls and requiring Legislative Council approval before certain administrative actions can be taken is an intrusion into the administration of the executive branch of state government.

I am unable to approve the designated portion of Section 8, subsection 3, of House File 2447.

This item requires the department to limit the population of the Eldora juvenile institution to an average of 200 and puts a limit of 90 juveniles at the Toledo institution.

While I generally agree with the intent of this legislation to maintain a manageable level of population at these institutions, I believe it would be wrong for us to strictly hamstring the department and the court's ability to make appropriate decisions in the placement of foster children. Meeting this strict limitation would be most difficult for the department to achieve and the impact of failing to achieve it is not clear.

In addition, we should not limit our ability to appropriately place foster care individuals and if the population increases excessively, all three branches of government should explore options for dealing with that population problem. A strict cap on that population is an inappropriate option to select at this time.

The Honorable Donald Avenson
April 14, 1988
Page 6

I am unable to approve the designated portion of Section 17, subsection 4, of House File 2447.

This item of the bill requires that the department increase the eligibility standards for child day care services in the event the Department is unable to expend all the funds appropriated for this purpose.

The primary purpose of an appropriation should not be to attempt to make certain that all of it is spent. Rather, it should be designed to meet a particular need that has been identified.

In this case, the need has been identified and the department has been provided funds for that purpose. If the General Assembly determines that funds are available and an additional need is in existence, the legislature can review the need for expansion of the eligibility requirements in the future. However, the department should not run this program with an eye toward making certain all funds are spent.

I am unable to approve the item designated as Section 31 of House File 2447.

This item proposes to prohibit the transfer of funds within the Aid to Families with Dependent Children (AFDC), medical assistance, state supplementary assistance, and the foster care programs. This section also prohibits the department from modifying any of these programs in order to meet budget shortfalls. It also prohibits these programs from being affected by any across-the-board cuts required in order to balance the state budget. Finally, this section prevents the Department, in the event that a shortfall of federal funds, occurs from taking action to cut those programs and instead requires a supplemental appropriations to continue funding in a future fiscal year.

This section of the bill, in effect, prohibits the department from looking for ways in which to cut costs in order to meet potential budget shortfalls. Moreover, the department is strictly limited in its ability to meet changing needs that may be identified during the course of the next fiscal year.

It would be my hope that our projections are accurate enough that budget transfer authority would not need to be utilized. In addition, I am confident that we can avoid an across-the-board cut in the coming fiscal year.

The Honorable Donald Avenson
April 14, 1988
Page 7

Nevertheless, the executive branch must maintain these options if we are to make certain that taxpayers' money is efficiently and wisely used. Hamstringing the department and the executive branch in efforts to deal with budget shortfalls would only encourage inefficiency and potential unnecessary expenditures. Existing statutory authority ensures the legislative branch is fully informed before the utilization of these necessary tools in the administration of the state's budget. Those notice requirements will be fully met by the executive branch should any of these options need to be selected in the coming fiscal year.

I am unable to approve the item designated as Section 45 of House File 2447.

This section of the bill sets out a strict methodology for the department to use in the event of the need for layoffs of departmental employees. I generally agree with the intent of the legislation to make certain that line employees are not disproportionately impacted should layoffs be needed.

However, the executive branch needs to maintain flexibility to select individuals affected by programs or administrative reductions for layoff in the event of a budget shortfall. Establishing a strict layoff procedure could limit the ability of the department to flexibly deal with budget shortfalls and to set appropriate priorities.

I am unable to approve the item designated as Section 47 of House File 2447.

This section of the bill makes effective the prohibition on the purchase or delivery of any computer equipment by the department upon enactment of the bill. Since that portion of this bill has been item vetoed, this enactment clause is not necessary.

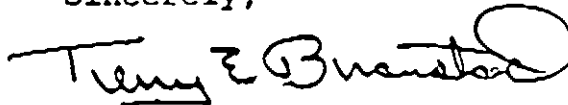
The remainder of House File 2447 is approved in its entirety. Substantial additional funds are provided for child care and medical assistance to help needy Iowans climb the ladder out of poverty. In addition, the bill contains a controlled and manageable state response to the bill of rights. And, the cost estimates for the Medicaid, AFDC, and foster care programs included in this bill are reasonable and should be sufficient to meet the anticipated needs for next fiscal year -- thus making a supplemental appropriation not necessary.

The Honorable Donald Avenson
April 14, 1988
Page 8

I salute the legislature for working with the executive branch to meet these joint goals.

For the above reasons, I hereby respectfully disapprove the designated items in accordance with Amendment IV of the Amendments of the 1968 Constitution of the State of Iowa. All other items in House File 2447 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of State
Secretary of the Senate
Chief Clerk of the House

[ACTUAL ITEM WHICH WAS VETOED
IS IN BRACKETS]

HOUSE FILE 2447

AN ACT

RELATING TO HUMAN SERVICES, AND MAKING APPROPRIATIONS TO
THE DEPARTMENT OF HUMAN SERVICES FOR THE FISCAL YEARS
BEGINNING JULY 1, 1987, AND JULY 1, 1988, AND PROVIDING
EFFECTIVE DATES.

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

Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. There
is appropriated from the general fund of the state for the
fiscal year beginning July 1, 1988, and ending June 30, 1989,
to the department of human services, the following amount, or
so much thereof as is necessary, to be used:

1. For aid to families with dependent children:
..... \$ 48,328,449

2. As a condition of this appropriation, the department
shall continue to operate the pilot grant diversion program
which qualifies for federal financial participation according
to federal law for the aid to families with dependent children
program. The grant diversion program shall be operated from
July 1, 1988, through June 30, 1989, as a component of the
work incentive demonstration program in the Des Moines
district. Employers who provide jobs shall receive financial
compensation in return for training provided. Aid to families
with dependent children savings which result from the
participant's employment shall be used to compensate an
employer.

3. As a condition of this appropriation, the department
shall continue to contract for services in developing and
monitoring a waiver program with a consortium of other states
to facilitate assistance to aid to dependent children families
in self-employment. From the funds provided in this section,
one hundred twenty-five thousand (125,000) dollars, or so much
thereof as is necessary, shall be used to provide technical

assistance for aid to dependent children families seeking
self-employment. The technical assistance shall be provided
either directly or through a contract with the division of job
training of the department of economic development and through
a contract with the corporation for enterprise development.

4. As a condition of this appropriation, the department
shall work with the legislative fiscal bureau and the
department of management to establish goals and objectives for
each new program which commenced on or after July 1, 1987, or
thereafter. The goals and objectives shall be submitted to
the fiscal committee of the legislative council on or before
August 15, 1988.

5. As a condition, qualification, and limitation of the
appropriation made by this section, there is appropriated from
the general fund of the state one million one hundred seventy-
five thousand seven hundred (1,175,700) dollars to the
department for transfer to the appropriate state agency to be
used for the child development grants under Senate File 2192
if Senate File 2192 is enacted by the Seventy-second General
Assembly, 1988 Session. Grants shall be awarded on a two-year
basis, subject to renewal, and the funds appropriated in this
subsection shall be for support for the first twelve-month
period the grant is in effect. Grants shall be awarded not
later than January 1, 1989. [Notwithstanding section 8.33,
unexpended or unencumbered funds shall not revert to the
general fund, but shall be available for the purposes set
forth in this subsection.]

6. As a condition, qualification, and limitation of the
appropriation made by this section, there is appropriated from
the general fund of the state six hundred ninety thousand
(690,000) dollars to be used for the family development and
self-sufficiency grant program under Senate File 2225 if
Senate File 2225 is enacted by the Seventy-second General
Assembly, 1988 Session. A grant shall be awarded on a three-
year basis, subject to annual renewal, and the funds
appropriated under this subsection shall be for support for
the first twelve-month period the grant is in effect. All

Item vetos: Sec. 1 (s 5 & 6) pp. 2 & 3; Sec. 3 ss 3 p. 3; Sec. 3, ss 7 (p. 14, 15, & 16),
Sec. 3, ss 11 (p. 3); Sec. 6, ss 2 (p. p. 10, 14); Sec. 8, ss 3 (p. 14); Sec. 7, ss 2 (p. 14, 15, 16)
Sec. 17, ss 8, (p. 25); Sec. 31 (pp. 33, 35, 40); Sec. 43 (p. 44); Sec. 47 (p. 45)

Noted

HE 2447

grants shall be awarded not later than January 1, 1989. Not more than five percent of the appropriation shall be used for administration of the program. [Notwithstanding section 8.33, unexpended or unencumbered funds shall not revert to the general fund, but shall be available for the purposes set forth in this subsection.]

7. As a condition, qualification, and limitation of the appropriation made by this section, the schedule of basic needs under the aid to families with dependent children program is established for one person at one hundred sixty-nine dollars, for two persons at three hundred thirty-three dollars, for three persons at three hundred ninety-four dollars, for four persons at four hundred fifty-eight dollars, for five persons at five hundred seven dollars, for six persons at five hundred sixty-four dollars, for seven persons at six hundred nineteen dollars, for eight persons at six hundred seventy-six dollars, for nine persons at seven hundred thirty-one dollars, for ten persons at seven hundred ninety-nine dollars, and for each additional person at eighty dollars.

Sec. 2. WORK AND TRAINING PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For work incentive program:

..... \$ 1,202,794

It is the intent of the general assembly that the department operate the work incentive demonstration program as it operated in the fiscal year beginning July 1, 1986, unless a replacement program is mandated by federal law.

2. For food stamp employment and training program:

..... \$ 246,550

Sec. 3. MEDICAL ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of

human services, the following amount, or so much thereof as is necessary, to be used for medical assistance, on the condition that effective July 1, 1988, the basis for establishing the maximum medical assistance rate for intermediate care facilities shall be the sixty-fourth percentile of all facility per diem rates as calculated from the June 30, 1988, unaudited compilation of cost and statistical data, on the condition that effective January 1, 1989, the basis for establishing and maintaining the maximum medical assistance rate for intermediate care facilities shall be the seventy-fourth percentile of all facility per diems as calculated from the June 30, 1988, unaudited compilation of cost and statistical data and that the minimum number of hours of care per resident of an intermediate care facility shall be two hours per resident per day computed on a seven-day week, and on the condition that the provider rates specified in section 33 of this Act are enacted into law, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

1. Medically necessary abortions are those performed under any of the following conditions:

a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.

b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.

c. The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

d. The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.

e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled:

..... \$163,290,645

2. Of the funds appropriated in this section, not more than two hundred thousand (200,000) dollars may be transferred to the Iowa department of public health for contingency state assistance for the federal program for women, infants, and children in order to allow the Iowa department of public health to fully use available funds under this program.

3. As a condition, qualification, and limitation of the funds appropriated under this section, the department may implement mandatory enrollment of eligible clients into licensed health maintenance organizations where appropriate and consistent with federal guidelines. [However, clients shall continue to be eligible to use the family planning services and mental health services provided through community mental health centers without obtaining referral from the health maintenance organization and effective January 1, 1989, the cost of the services shall be billed directly to the medical assistance program.] Clients shall not be required to enroll in a health maintenance organization if the health maintenance organization does not provide service that is easily accessible [with no more than a minimal transportation expense] to the client. The department shall track any savings realized by the use of the health maintenance organizations and shall annually submit to the legislative fiscal bureau the results of the client satisfaction survey required by the federal health care financing administration. The department shall report at the start of each calendar quarter, beginning on January 1, 1989, to the legislative fiscal bureau regarding cost savings.

W. J. ...

4. As a condition, qualification, and limitation of the funds appropriated under this section, the copayment policy relating to mandatory services shall not require copayment by a recipient on a service or an item where copayment was not required by rules in effect on January 1, 1980.

5. As a condition, qualification, and limitation of the funds appropriated under this section, effective October 1, 1988, the department shall extend medical assistance benefits

for a maximum of twelve months to those persons who lose assistance through the aid to dependent children program as the result of income obtained from employment. The department shall extend medical assistance benefits for an additional six months, up to a maximum of fifteen months, to those persons who lose assistance under the aid to dependent children program because the earned income disregards are no longer applicable and who would continue to be eligible for aid to dependent children if the disregards were still applicable.

6. As a condition, qualification, and limitation of the funds appropriated under this section, payments made to hospitals shall include inpatient and outpatient services. The department shall establish by rule criteria that a hospital provider shall meet in order to receive reimbursement for routine outpatient services and for clinical program services provided on an outpatient basis. Hospital outpatient program services reimbursed under the medical assistance program shall include, but are not limited to, alcoholism and substance abuse, mental health, eating disorders, cardiac rehabilitation, pulmonary rehabilitation, pain management, and outpatient diabetes education. Outpatient diabetes education programs shall be certified by the Iowa department of public health. All other outpatient programs shall meet requirements established by the department. Other clinical outpatient programs may be reimbursed under the medical assistance program upon a determination by the department that such programs are effective in meeting the health care needs of recipients and in avoiding more costly inpatient medical care and that criteria can be developed for those programs to govern admissions to and utilization of those program services consistent with the health care needs of the patient and the fiscal needs of the medical assistance program.

7. As a condition, qualification, and limitation of the funds appropriated under this section, beginning July 1, 1988, the department of inspections and appeals shall issue provisional licenses to specialized psychiatric hospitals for children and adolescents for those facilities which are

W. J. ...

HF 2447

providing residential psychiatric services to children and adolescents, which are accredited by the joint commission on the accreditation of hospitals, and which are in compliance with all applicable state rules and standards regarding the operation of comprehensive residential facilities for children. Each applicant shall submit a copy of the applicant's accreditation and a statement of approval from the state fire marshal to the department of inspections and appeals. Such facilities are not required to apply for or receive a certificate of need pursuant to section 135.63. Notwithstanding the provisions of section 237.1, subsection 3, paragraph "e", care furnished by these facilities shall continue to be considered foster care.

The department of inspections and appeals, with the approval of the state board of health, shall adopt permanent standards for the licensure of specialized psychiatric hospitals for children and adolescents under chapter 135B. The rules shall take effect no later than July 1, 1989. Specialized psychiatric hospitals for children and adolescents licensed prior to July 1, 1989, are not required to apply for or receive a certificate of need pursuant to section 135.63.

The department of human services shall adopt rules to expand coverage under the medical assistance program to include services provided by specialized psychiatric hospitals for children and adolescents which are licensed by the department of inspections and appeals. The rules shall take effect no later than July 1, 1988, contingent upon the facilities meeting the federal requirements for a hospital as outlined in 42 C.F.R., subpart D. Initially, the rules shall provide that the medical assistance reimbursement rate for such specialized hospitals shall be one hundred twenty dollars per day or actual audited costs, whichever is less. The department shall develop a permanent reimbursement methodology for such specialized hospitals to be effective on or before July 1, 1989. Notwithstanding any other provisions of this Act, the department may transfer funds from the foster care appropriation to the medical assistance appropriation if necessary for the purposes of this subsection.

8. As a condition, qualification, and limitation of the funds appropriated under this section, the department and the Iowa department of public health shall proceed with implementation of enhanced services and targeted case management for pregnant women as recommended in the report entitled "case management and enhanced services for Medicaid eligible pregnant women".

9. As a condition, qualification, and limitation of the funds appropriated under this section, effective January 1, 1989, the department shall extend coverage to include caretaker relatives under the medically needy program. The department shall increase resource limitations under the medically needy program to five thousand dollars for a one-person household and seven thousand five hundred dollars for a family of two or more persons.

10. As a condition, qualification, and limitation of the funds appropriated under this section, no later than January 1, 1989, the department shall modify the diagnosis related group payment system for adolescents treated in Title XIX-certified adolescent substance abuse and adolescent psychiatric treatment units to reflect the treatment needs of Title XIX-eligible adolescents.

11. As a condition, qualification, and limitation of this appropriation, the department [with the approval of the legislative council,] may expend not more than twenty thousand (20,000) dollars to obtain technical assistance from the national center for health services research in identifying and examining state approaches for providing health care services to uninsured and underinsured persons in the low-income population.

12. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall provide a disproportionate share adjustment of four percent in the reimbursement rate paid to a hospital which provides more than twenty percent of its services to indigent patients.

13. As a condition of this appropriation, the department shall develop policies and guidelines to implement on a pilot

basis a physician case management program for recipients of medical assistance. The pilot program shall be developed after review of established programs in other states. The pilot program shall continue for at least twenty-four months subsequent to implementation. If necessary, the department shall request a waiver from the federal health care financing administration. Of the funds appropriated under this section, forty-two thousand (42,000) dollars may be used to contract for the development of the policies or guidelines or to add an additional full-time equivalent position for this purpose. If an additional full-time equivalent position is added, it is in addition to the positions authorized under the appropriation for general administration in this Act.

14. As a condition, qualification, and limitation of the appropriation made by this section, there is appropriated from the general fund of the state six hundred eight thousand (608,000) dollars, or so much thereof as is necessary to the department, effective on January 1, 1989, for medical assistance to all pregnant women and infants under one year of age whose income does not exceed one hundred fifty percent of the federal nonfarm poverty level, and for children up to age five on an incremental basis whose income does not exceed one hundred percent of the federal nonfarm poverty level, for salaries, support, and miscellaneous purposes.

a. The department shall expend the funds appropriated under this section for not more than three full-time equivalent positions in the field at a cost of not more than thirty-seven thousand (37,000) dollars, for salaries and support for not more than four full-time equivalent positions in general administration at a cost of not more than fifty-nine thousand (59,000) dollars, for systems and fiscal agent development at a cost of no more than twenty-five thousand (25,000) dollars, and for payment of medical benefits at a cost of no more than four hundred eighty-seven thousand (487,000) dollars. These positions are in addition to the positions authorized under the appropriations for community services and general administration in this Act.

b. As a condition, qualification, and limitation of the funds appropriated under this section, resource limitations shall be five thousand dollars for a one person household and seven thousand five hundred dollars for a family of two or more persons. Pregnant women shall have resources considered according to the standards for computing resources under the supplemental security income program. Infants and children shall have resources considered in accordance with the standards for computing resources under the aid to families with dependent children program. Pregnant women, infants, and children shall have income considered in accordance with standards under the aid to families with dependent children program. All other medical assistance program requirements apply. Upon implementation, phased-in coverage for children shall begin with children up to age two and shall be continued through January 1, 1992.

c. For persons who do not have a spend-down requirement under the medically needy program, the department shall set the length of the certification period at the length authorized by federal regulations.

d. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall report, in each month of the fiscal year, to the fiscal committee of the legislative council regarding the expenditure of the funds for the implementation of the medical assistance program for pregnant women, infants, and children and the additional full-time equivalent positions authorized for this purpose under this section. The report shall detail the number of additional authorized positions which have been filled, describe problems encountered in filling the positions, and assess the impact of the additional positions upon the quality of services provided to the targeted persons. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the additional full-time equivalent positions by reducing other expenditures.

15. As a condition, qualification, and limitation of the funds appropriated under this section, the department, in cooperation with the Iowa department of public health and the department of elder affairs, shall apply for federal waivers for the provision of case management services, homemaker/home health aide services and personal care services, adult day health services, habilitation services, and respite care under the medical assistance program pursuant to provision of the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203.

Sec. 4. MEDICAL CONTRACTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for medical contracts:

..... \$ 2,527,045

The department may expend up to two thousand (2,000) dollars of the funds appropriated in this section for changes in the claims payment and reporting system to support implementation of a program of mandatory enrollment in health maintenance organizations.

Sec. 5. CHILD SUPPORT RECOVERY. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for child support recoveries, including salaries and support for not more than one hundred point forty-two full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 1,012,000

1. The commissioner of human services, within the limitations of the funds appropriated in this section, or funds transferred from the aid to families with dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the commissioner determines that both the current and additional employees together can reasonably be expected

to recover for the aid to families with dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the human services appropriations subcommittee the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall extend the child support modification demonstration program to at least fifteen counties in the state. The department may transfer funds from the appropriation for aid to families with dependent children to the extent that is necessary in order to fund the demonstration program. Notwithstanding the number of full-time equivalent positions allowed under this section, the department may exceed the number allowed to the extent the positions are funded by the funds transferred for this purpose from the appropriation for aid to families with dependent children. The department shall report to the legislative fiscal bureau regarding the demonstration program each quarter.

Sec. 6. COMMUNITY SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for community services:

1. As a condition of this appropriation for field operations, including salaries and support for not more than two thousand two hundred five point five full-time equivalent positions, maintenance, and miscellaneous purposes, the department shall provide an extensive orientation program for newly employed social workers in the area of community resource programs and shall provide assistance to each county board of social welfare to identify community resources in counties pursuant to section 234.11:

..... \$ 11,890,603

2. As a condition, qualification, and limitation of the funds appropriated under this section, the appropriation for community services is based upon an expected federal cost allocation share of fifteen million nine hundred seventy-two thousand nine hundred seventeen (15,972,917) dollars, a federal block grant share of twelve million six hundred sixty-seven thousand two hundred forty-nine (12,667,249) dollars, an average base salary and support cost of twenty-seven thousand five hundred forty-nine (27,549) dollars, and a vacancy factor of four percent. [The department shall seek additional funds through supplemental appropriation if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected.] The department shall report monthly to the fiscal committee of the legislative council regarding the projections of expenditures under this appropriation, and any changes related to the federal cost allocation, the average base salary and support, and the vacancy factor that occur. [The department shall not expend more than two million four hundred fourteen thousand one hundred three (2,414,103) dollars of this appropriation on items not related to salary and benefits without obtaining approval by the legislative council or the general assembly.] The number of full-time equivalent positions under subsection 1 is the target number to be reached by the department in the fiscal year beginning July 1, 1988, and ending June 30, 1989. The department may fill up to two thousand two hundred ninety-seven point five positions and shall coordinate the P-5 hiring process in order to meet the target number for the fiscal year. However, if the state Title XIX plan amendments for candidate services under section 14 of this Act are approved by the federal government, the department may exceed the specified number of full-time equivalent positions for those full-time equivalent positions which are funded by cost savings and additional funds received by the state pursuant to section 14 of this Act.

1. 7. 1988

[3. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall not place any orders for computer terminals and other hardware related to the family assistance management information system project and shall not take delivery of any terminals or hardware previously ordered when the general assembly is not in session without receiving approval from the legislative council after notification to the fiscal committee and the membership of the human services appropriations subcommittee.]

4. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall identify the amount of the state funds and federal block grant funds saved under this appropriation and the amount of additional federal funds gained as a result of the case management provided under section 14, subsection 2, of this Act and transfer the total of the amounts to the funds appropriated under section 14 to provide enhanced mental health, mental retardation, and developmental disabilities services.

Sec. 7. GENERAL ADMINISTRATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, for general administration, including salaries and support for not more than three hundred seventeen point forty-four full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 6,841,245

1. Full-time equivalent positions which are funded entirely with federal, public, private grants, or the gambler's assistance fund established in section 99E.10 are exempt from the limits on the number of full-time equivalent positions provided in this section, but are approved only for the period of time for which the federal funds or grants are available for the position.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the appropriation for

HF 2447

general administration is based upon an expected federal cost allocation share of seven million one hundred three thousand nine hundred forty-six (7,103,946) dollars, a federal block grant share of one million eight hundred forty-nine thousand three hundred thirty-one (1,849,331) dollars, an average base salary and support of cost of thirty-four thousand two hundred forty-five (34,245) dollars, and a vacancy factor of two point six percent. [The department shall seek additional funds through supplemental appropriation if the expected federal cost allocation share is less than expected, the average base salary and support cost is more than expected, or the vacancy factor is lower than expected.] The department shall report monthly to the fiscal committee of the legislative council regarding the projections of expenditures under this appropriation, and regarding any changes related to the federal cost allocation, the average base salary and support, and the vacancy factor that occur. [The department shall not expend more than two million four hundred fifty-six thousand five hundred seventeen (2,456,517) dollars of this appropriation on items not related to salary and benefits without obtaining approval by the legislative council or the general assembly.] The number of full-time equivalent positions under unnumbered paragraph 1 of this section is the target number to be reached by the department in the fiscal year beginning July 1, 1988, and ending June 30, 1989. The department may fill up three hundred twenty-six point five positions and shall coordinate the P-5 hiring process in order to meet the target number for the fiscal year.

As a condition, qualification, and limitation of the funds appropriated under this section, eighteen thousand (18,000) dollars, or so much thereof as is necessary, shall be used to fill the zero point five full-time equivalent position for administration of the expanded coverage under the medical assistance program to include specialized psychiatric hospitals. The position is in addition to the other positions authorized under this section. The department shall report, at least quarterly, to the fiscal committee of the legislative

council regarding the expenditure of the funds for the administration of the expanded coverage and the additional position authorized for this purpose under this subsection. The report shall detail when the additional authorized position has been filled, describe problems encountered in filling the position, and assess the impact of the additional position upon the quality of services provided. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the zero point five additional full-time equivalent position by reducing other expenditures.

Sec. 8. JUVENILE INSTITUTIONS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for the operation of the state training school and the Iowa juvenile home, including salaries and support for not more than three hundred twenty-nine full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 10,062,000

1. As a condition, qualification, and limitation of the funds appropriated under this section, eight hundred twelve thousand (812,000) dollars shall be used to implement the recommendations of the governor's foster care task force, including filling thirty-six point seventy-five additional full-time equivalent positions. Of the funds designated in this subsection, one hundred fifty thousand (150,000) dollars shall be used to improve programs and services provided at the juvenile institution at Eldora. Notwithstanding the cap placed on full-time equivalent positions in this section, the positions filled for this purpose shall only be limited to the extent of the funds so designated.

2. As a condition, qualification, and limitation of the funds appropriated under this section, such funds shall be

used to increase staff in order to improve supervision and services provided to residents, to implement a classification system and a short-term high-impact program for adjudicated delinquents at the state training school, and to establish a diagnostic program and short-term high-impact program for adjudicated female delinquents and adjudicated "child in need of assistance" boys and girls residing at the state juvenile home.

3. As a condition, qualification, and limitation of the funds appropriated under this section, the juvenile institution at Eldora shall maintain an average of two hundred juveniles and the juvenile institution at Toledo maintain an average of ninety juveniles during the fiscal year ending June 30, 1989. The plurality of the population at Eldora should consist of older juveniles with a history of serious offenses who are expected to require placement for a period of one year or longer. Eldora may also be used to provide a short-term high-impact placement for juveniles who will be evaluated and provided other services following the placement at Eldora. The department shall review each new and existing placement of a juvenile at the juvenile institutions and determine whether the placement is appropriate for the juvenile. If it is determined that an alternative placement, including, but not limited to, placement for substance abuse and mental health treatment or programming for juveniles with mental retardation, would be more appropriate for the juvenile, the department shall seek modification of the court order for placement.

4. As a condition of this appropriation, the department shall report, in each month of the fiscal year, to the fiscal committee of the legislative council regarding the expenditure of the funds for the implementation of the governor's foster care task force and the additional full-time equivalent positions authorized for this purpose under this section. The report shall detail the number of additional authorized positions which have been filled, describe problems encountered in filling the positions, and assess the impact of

the additional positions upon the quality of services provided by the juvenile institutions. If the department is caused to reduce expenditures because of an unanticipated reduction in federal funding, or the average base salary and support cost in staffing is greater than anticipated, or the staff vacancy factor is lower than anticipated, the department shall fill the thirty-six point seventy-five additional full-time equivalent positions by reducing other expenditures.

Sec. 9. It is the intent of the general assembly that the legislative council establish an advisory committee to develop a plan for the future use of the juvenile institutions at Eldora and Toledo.

1. The plan shall include all of the following:

a. A needs statement, an organizational structure, and a location for an assessment and placement unit for juveniles who are committed directly to the state juvenile institutions at Eldora and Toledo.

b. A recommendation regarding the type of juvenile who should be placed at the juvenile institutions, the length of stay which is suitable, the programming required, and the number of beds needed.

c. A recommendation regarding the establishment of a short-term high-impact program for juveniles which includes potential locations and an organizational structure for the program.

d. A recommendation regarding modifications needed in the juvenile justice system, including the statutory law, responsibilities of the department, and responsibilities of the court, to ensure that a juvenile is appropriately placed.

e. A recommendation regarding amending chapters 242 and 244 to make statutory language consistent with the responsibilities of the juvenile institutions.

f. A recommendation regarding staff, equipment, and capital improvements needed at the juvenile institutions.

g. A recommendation regarding living needs and supervision needs of juveniles following their departure from the institution.

h. A recommendation regarding a system for tracking juveniles after release from the juvenile institution.

2. The plan shall be developed by an advisory group composed of representatives of the state child welfare and juvenile justice system, including representation of the juvenile court officers, the courts, the department of human services, the coalition for children and family services, and the advisory committees for Toledo and for Eldora. The committee may enlist the aid of experts from other states and visit other institutions inside or outside this state in order to obtain information. The plan shall be submitted to the general assembly on or before January 1, 1989.

3. The plan shall be comprehensive and build upon past studies which deal with out-of-state placement of children, foster care, juvenile institutions, decategorization, and the state mental health institution services for children. The department shall submit the plan to the general assembly or legislative council on or before January 15, 1989.

Sec. 10. HOSPITAL-SCHOOLS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services for the state hospital-schools, the following amount, or so much thereof as is necessary, to be used for salaries and support for not more than two thousand one hundred seventy-nine point zero two full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 59,918,000

The state hospital-schools may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 11. MENTAL HEALTH INSTITUTES. There is appropriated from the general fund of the state for the fiscal year

beginning July 1, 1988, and ending June 30, 1989, to the department of human services for the state mental health institutes, the following amount, or so much thereof as is necessary, to be used for salaries and support for not more than one thousand one hundred ninety-one point sixteen full-time equivalent positions, maintenance, and miscellaneous purposes:

..... \$ 38,153,000

The state mental health institutes may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 12. IOWA VETERANS HOME. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for operation of the Iowa veterans home, including salaries and support for not more than seven hundred sixty-one point twenty-eight full-time equivalent positions, maintenance, and miscellaneous purposes, on the condition that the sixty new beds are phased into operation and salary and support is provided for not more than nineteen point fifteen full-time equivalent positions for this purpose:

..... \$ 23,181,000

As a condition, qualification, and limitation of the funds appropriated by this section, five hundred thousand (500,000) dollars, or so much thereof as is necessary, shall be used to phase in and staff new beds at the Iowa veterans home; however, if federal or private per diem rates paid to the home exceed the rates budgeted for the fiscal year, then the amount of unplanned revenue from the increased rates shall be used first.

The department may use the gifts accepted by the commissioner of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

The Iowa veterans home may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards, or citations. The department shall notify the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 13. MENTAL HEALTH AND RETARDATION SERVICES FUND.

There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the state community mental health and mental retardation services fund established in section 225C.7 the following amount, or so much thereof as is necessary:

..... \$ 3,205,000

Sec. 14. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION -- DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the state candidate services fund established in this section, the following amount, or so much thereof as is necessary:

..... \$ 1,300,000

1. An enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee is created to assure the services plan is implemented within identified, budgeted, and appropriated funds. For purposes of this section "oversight committee" means the enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee.

The oversight committee shall have nine members. Two members shall be designated by the fiscal committee of the legislative council and subject to approval by the governor. The commissioner of human services and the director of the

division of mental health, mental retardation, and developmental disabilities or their designees shall be members. Three members shall be designated by the Iowa state association of counties. One member shall be designated by the state mental health and mental retardation commission. One member shall be designated by the governor's planning council on developmental disabilities.

The oversight committee shall do all of the following:

- a. Take action on whether to include behavior management as a candidate service in the state Title XIX plan amendment, to develop a federal waiver request for behavior management as a candidate service, or to take no action to include behavior management as a covered service. Decisions shall be based upon a determination of the availability of funds for the nonfederal share of the cost of the service.
- b. Explore and make recommendations regarding the submission of a Title XIX plan waiver for any candidate services which are not accepted by the federal government as a state plan amendment.
- c. Review and make recommendations regarding the county case management implementation plan and budget to the state mental health and mental retardation commission.
- d. Track the expenditures for, and utilization of, candidate services. Report a variance in an approved plan to the governor, the legislative fiscal bureau, and each county.
- e. Recommend action regarding variations from the budgeted, appropriated, and identified expenditures and projected expenditure offsets to the council on human services and the state mental health and mental retardation commission.
- f. Submit a report regarding the results of the implementation of the provisions of this section, including the impact upon the institutional populations, to the governor and the general assembly. The report shall contain recommendations regarding continuing the provisions of this section in subsequent budget years.
- g. Recommend rules, or amendments to existing rules, which implement the provisions of this section, to the council on

human services and the state mental health and mental retardation commission.

h. Develop a methodology to determine the base year expenditure for a county maintenance of effort which includes an amount for each of the candidate services described in this section.

i. Issue a final decision regarding any issue of disagreement between a county and the department relating to expenditures for candidate services or the county's maintenance of effort.

2. For purposes of this section, "candidate services" means rehabilitation services, day treatment, partial hospitalization, and case management. Case management shall be limited to persons with mental retardation, a developmental disability, or chronic mental illness. A state candidate services fund is created in the office of the treasurer of state for the purposes of this section.

Effective October 1, 1988, the department shall add candidate services to the state Title XIX plan. Behavior management services shall be included in the plan as a candidate service if recommended by the oversight committee.

If recommended by the oversight committee, the department shall seek Title XIX plan waivers for any of the candidate services which are not accepted by the federal government as a state plan amendment.

3. The county of legal settlement shall be billed for fifty percent of the nonfederal share of the cost of candidate services provided under the medical assistance program for persons with mental retardation, a developmental disability or chronic mental illness.

4. By using the general allocation application for the state community mental health and mental retardation services fund under section 225C.10, the department, in conjunction with the oversight committee, and with the agreement of each county, shall establish the actual amount expended by each county for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which

ended on June 30, 1987, and this amount shall be deemed each county's maintenance of effort. A disagreement between the department and a county as to the actual amount spent in a category shall be decided by the oversight committee. A county is responsible to continue to pay at least the agreed upon amount in fiscal year 1988-1989 for services to persons with mental retardation, a developmental disability, or chronic mental illness. If a county does not spend the agreed upon amount in a fiscal year, the balance not spent shall not revert to the general fund of the county, but shall be carried over to the next fiscal year to be expended for the provision of services to persons with mental retardation, a developmental disability, or mental illness including, but not limited to, the chronically mentally ill, and shall be used as additional funds. The additional funds shall be used, to the greatest extent possible, to meet unmet needs of persons with mental retardation, a developmental disability, or mental illness. This subsection does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

5. a. Notwithstanding section 8.33, funds appropriated under this section which are not obligated or expended, shall not revert to the general fund on June 30, 1989, but shall be deposited in the state community mental health and mental retardation services fund for use in the next fiscal year. It is the intent of the general assembly that the funds deposited in the fund for this purpose shall be used in addition to moneys appropriated in the next fiscal year for this purpose.

b. Notwithstanding section 8.39, funds appropriated to the department for the state hospital-schools by section 10 of this Act and to the state mental health institutes by section 11 of this Act shall not be subject to transfer, except to the state candidate services fund after January 1, 1989, subsequent to a reevaluation of the institutional budgets for the remainder of the fiscal year.

6. The department, in conjunction with the oversight committee, and with the agreement of each county, shall

establish the actual amount expended for each candidate service for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which ended June 30, 1987, and this amount shall be deemed each county's base year expenditure for the candidate service. A disagreement between the department and a county as to the actual amount spent shall be decided by the oversight committee.

The department, in conjunction with the oversight committee, and with the agreement of each county, shall determine the expenditures in the 1988-1989 fiscal year by each county for the candidate services, including the amount the county contributes under subsection 3. If the expenditures in the 1988-1989 fiscal year exceed the base year expenditures for candidate services, then the county shall receive from the funds under this appropriation the least amount of the following:

- a. The difference between the total expenditures for the candidate services in fiscal year 1988-1989 and the base year expenditures.
- b. The amount expended by the county under subsection 3.
- c. The amount by which the fiscal year 1988-1989 total expenditures under subsection 4 exceed the maintenance of effort expenditures.

7. Case management shall be provided by the department except when a county or a consortium of counties contracts to be the provider. The criteria for the case management services shall include, but are not limited to, the appropriateness, availability, and accessibility of the services and financial resources. A county or counties may contract to be the provider at any time within ninety days of the final publication of the standards for case management in the Iowa administrative bulletin. The county or consortium of counties may subcontract for the provision of case management services so long as the subcontract meets the same criteria. The department shall agree to the contract so long as the contract meets the standards for case management established

by the department and the criteria for case management as stated in the state Title XIX plan and rules.

8. This section does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

9. Nothing in this Act is intended by the general assembly to be the provision of a fair and equitable funding formula specified in 1985 Iowa Acts, chapter 249, section 9. Nothing in this Act shall be construed, is intended, or shall imply a claim of entitlement to any programs or services specified in section 225C.28.

10. For the purposes of this section only, persons with organic mental disorders shall not be considered chronically mentally ill.

11. As a limitation of this appropriation, the funds shall be expended for not more than three full-time equivalent positions in general administration at a cost of not more than seventy thousand (70,000) dollars to administer the analysis of funding amounts and related issues required under this section. The positions are in addition to the positions authorized under the appropriation for general administration in this Act.

12. The legislative council is requested to appoint a committee staffed by the legislative fiscal bureau to conduct a study and develop recommendations regarding a fair and equitable funding formula for services provided to persons described in section 225C.26. The committee shall study an equitable split in funding between state and counties, providing equitable services between population groups, and providing adequate reimbursement for providers to assure services are provided. The committee shall submit a report of the study on or before December 1, 1988.

Sec. 15. STATE SUPPLEMENTARY ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for state supplementary

assistance, on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the maximum reimbursement rate paid to residential care facilities and in-home health related care providers, as specified in section 34 of this Act:

..... \$ 14,995,600

The department shall increase the personal needs allowance for residents of residential care facilities by the same percentage and at the same time as federal supplemental security and federal social security benefits are increased due to a recognized increase in the cost of living.

Sec. 16. BLOCK GRANT SUPPLEMENTATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services for supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services, the following amount, or so much thereof as is necessary, on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation, as specified in section 35 of this Act:

..... \$ 3,064,000

The funds appropriated in this section shall be allocated to the counties pursuant to the rules of the department in effect on January 1, 1985. The department shall increase the income guidelines for income eligible persons receiving services funded with federal social services block grant funds for the fiscal year beginning July 1, 1988, by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living. A county shall allocate funds for child day care services in an amount at least equal to the amount expended by the county for government-assisted child day care services in the fiscal year ending June 30, 1988.

Sec. 17. STATE CHILD DAY CARE ASSISTANCE. There is appropriated from the general fund of the state for the fiscal

year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for supplemental payments of child care costs:

..... \$ 3,500,000

1. The funds appropriated in this section shall be allocated to counties based upon the number of children living in a county whose family income is equivalent to or below one hundred twenty-five percent of the current federal office of management and budget poverty guidelines as estimated by the department. The department shall not require counties to match the state child day care services funds with local funds but shall require a maintenance of effort. The counties shall allocate local funds for child day care services in an amount at least equal to the county expenditures for child day care services in the fiscal year ending June 30, 1983 and expend at least the same amount of block grant supplemental funds for child day care services as expended for the purpose in the fiscal year ending June 30, 1988. If a county elects not to use the state child day care services funds, an amount equal to the county expenditure for its maintenance of effort and an amount equal to the county expenditure under the provision to use up to four percent of the federal social services block grant fund and supplemental state purchase of local services funds in the fiscal year ending June 30, 1983, shall be deducted from the amount allocated to the county for the purchase of local services under this Act. The state day care services funds and the amount deducted from the local services funds for a county shall be administered by the district administrator for child day care services in the county. The department shall transfer the state child day care services funds which a county does not utilize to a county where there is a demonstrated need.

2. The department shall establish the income eligibility level for recipients of child day care services at the equivalent of one hundred twenty-five percent of the federal office of management and budget poverty guidelines for

families of all sizes. However, a local office which is allocated funds under this section may manage the funds to assure that child care services are purchased in a system of slots which last for a period of twelve months. The local office shall maintain a list of persons who were eligible, but did not receive the child care services due to a lack of funds.

3. Any funds allocated for the local purchase of child care services shall be available for purchase of services in any type of child care facility approved under 441 I.A.C. § 170.

4. [If the department determines that funds under this section for child day care services will not be fully expended, the department may increase the income guidelines in order to provide for the expenditure of all funds under this section for child day care services.]

The recipient of child day care services shall contribute to the cost of the child care in accordance with the sliding fee schedule currently utilized by the department for child care services.

5. As a condition, qualification, and limitation of this appropriation, the funds appropriated under this section shall be expended for not more than six full-time equivalent positions in the field at a cost of not more than one hundred seventy-five thousand (175,000) dollars, and for salary and support for not more than one full-time equivalent position in general administration at a cost of not more than twenty-three thousand (23,000) dollars. The positions are in addition to the positions authorized under the appropriations for community services and general administration in this Act.

6. It is the intent of the general assembly for the fiscal year ending June 30, 1990, that allocations to counties under the appropriation for federal social services block grant supplementation for child day care services and the allocation for this purpose under state child day care assistance will be combined. The allocation to a county for child day care services will be based upon the expenditures by the county for this purpose in the fiscal year ending June 30, 1989.

7. Nothing in this section shall be construed or is intended as, or shall imply a grant of entitlement for services to persons described in subsection 2 of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated under this section.

Sec. 18. RESOURCE AND REFERRAL PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services the following amount, or so much thereof as is necessary, to be used for allocation in the form of grants to public agencies and private nonprofit corporations which provide child and dependent adult care resource and referral programs:

..... \$ 150,000

Individual grants shall not exceed fifty thousand (50,000) dollars. A program which is allocated funding shall match funds appropriated with local funds which may be in the form of private donations, in-kind contributions, or public funding sources including block grant local purchase funds. The department of human services shall adopt rules pursuant to chapter 17A which establish the criteria for allocation of grant funds to local resource and referral programs. Of the funds appropriated in this section, not more than fifteen thousand (15,000) dollars may be used for a computerized information and referral system for children, youth, and families agencies, organizations, and departments within the state.

Sec. 19. COMMUNITY-BASED PROGRAMS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for community-based programs on the condition that displaced homemaker programs and the pilot projects relating to adolescent pregnancy under 1987 Iowa Acts, chapter 234, section 203, subsection 1, paragraph "i", are funded, that four hundred fifty-five

HF 2447

thousand (455,000) dollars of the following amount is used for child care assistance pursuant to section 237A.13, and that the across the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation, as specified in section 35 of this Act:

..... \$ 4,682,014

The commissioner of human services shall pay from the funds appropriated in this section, as the entitled aid from the state under section 232.142, subsection 4, one-half of one percent of the total cost of the establishment, improvement, operation, and maintenance of approved county or multicounty juvenile homes.

Of the funds allocated to the pilot projects relating to adolescent pregnancy, the department shall expend no more than seven percent for administrative costs.

Sec. 20. CHILD ABUSE PREVENTION GRANTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, for child abuse prevention grants:

..... \$ 350,686

Sec. 21. SUPPLEMENTAL CHILD CARE ASSISTANCE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used beginning on or before October 1, 1988, for supplemental payments of the child care costs of persons who qualify for transitional child care assistance for a period of twelve months due to a loss of eligibility for assistance under chapter 239 because of an increase in earned income:

..... \$ 2,100,000

1. The department shall deliver the supplemental payments through a voucher agreement system which requires the recipient to contribute to the cost of the child care services in accordance with the sliding fee schedule currently utilized

by the department for child day care services. Reimbursement for services will be limited to registered or licensed child care providers.

2. As a condition, qualification, and limitation of the funds appropriated under this section, the department shall work with the legislative fiscal bureau to develop a means to measure the effect of the supplemental child care assistance upon the number of aid to families with dependent children recipients and the economic status of the persons who receive the assistance.

Sec. 22. HOME-BASED SERVICES. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for home-based services on the condition that family planning services are funded, and that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to service providers funded under this appropriation as specified in section 35 of this Act provided that if the department amends the allocation to a program funded under this section, then the department shall promptly notify the fiscal committee of the legislative council of the change:

..... \$ 6,974,800

Of the funds appropriated in this section, nine hundred fifty-nine thousand forty (959,040) dollars, or so much thereof as is necessary, shall be used to continue the three-year family preservation pilot services initiative to provide highly intensive in-home family reunification and placement prevention services. These funds shall be used to maintain fiscal year 1988 service levels. The payment system for this project shall be other than an hourly unit-based system and may be based on a cost per family unit with actual payments per family adjusted according to the performance of the provider and the outcome of their services to each family. It is the intent of the general assembly that the three-year evaluation of this initiative and other project monitoring

activities be continued to assess service impact and cost-effectiveness.

Sec. 23. AID TO INDIANS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for aid to Indians under section 252.43:
..... \$ 34,965

The tribal council shall not use more than ten percent of the funds for administration purposes.

Sec. 24. VOLUNTEERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for development and coordination of volunteer services:
..... \$ 67,912

Sec. 25. JUVENILE JUSTICE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for juvenile justice reimbursement to counties under section 232.141, subsection 2:
..... \$ 2,502,000

Sec. 26. FOSTER CARE. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for foster care on the condition that the across-the-board cuts currently in effect are eliminated, followed by a three-percent increase in the reimbursement rate paid to foster care providers, as specified in section 35 of this Act:
..... \$ 38,247,000

1. The department shall revise the reimbursement formula for foster family special care and emergency care allowances to encourage foster family special care and emergency care

placements in lieu of group foster care placements. Beginning December 1, 1988, the formula shall recognize the special needs of children in foster care and the special services that may be required of foster parents.

2. Beginning on the effective date of administrative rules governing this section, the department may use a portion of the funds appropriated in this section to provide payments to senior citizens, recipients of assistance under aid to families with dependent children, or other appropriate persons to assist in monitoring certain children in foster family placement, in order to demonstrate whether the monitoring can make family foster care a more viable placement option for delinquent children.

3. Beginning on the effective date of administrative rules governing this section, the department may use a portion of the funds appropriated in this section to purchase special services in order to demonstrate whether the services can prevent out-of-home shelter care.

4. It is the intent of the general assembly that the department of human services, the state judicial department, the department of education and representatives of service providers shall establish a target problem-child committee. The committee shall be responsible to find placements for children who have exceptional service needs or who have been rejected in previous referrals and who may be at risk of being placed out of state.

5. It is the intent of the general assembly that the department of human services and the judicial department shall jointly develop, for submission to the governor and general assembly by December 1, 1988, a plan to eliminate the practice of joint case management and the monitoring of juvenile court cases.

6. Of the funds appropriated in this section, thirty thousand (30,000) dollars, or so much thereof as is necessary, may be used by the department to conduct a study to determine the impact of establishing a fee schedule for parental participation in all child welfare services.

7. For those children who would otherwise be eligible for federal Title IV-E funding, when a juvenile court considers ordering a "payment only" foster care placement, the juvenile court and the department shall determine whether departmental custody and placement is feasible. The department shall record the number of cases which were eligible for federal Title IV-E funding, but were ordered into "payment only" foster care and report this information to the legislative fiscal bureau every three months beginning October 1, 1988. The department and the state court administrator shall work with the federal department of health and human services to develop an agreement between the department and the state court administrator which would enable the state to receive federal Title IV-E funds for "payment only" cases and make recommendations to the general assembly as to legislation required to fulfill the agreement.

8. The department shall develop an alternative system for reimbursing foster care providers that provide performance-based payment. The system shall include contract features which provide incentives and penalties based upon outcomes. It is the intent of the legislature that the alternative system shall be made available on a demonstration project basis by December 1, 1988.

9. The department may transfer a portion of the funds appropriated in this section for use in providing subsidized adoption services or for use in purchasing adoption services, if funds allocated for adoption services are insufficient.

10. No more than thirty percent of children in foster care funded under Title IV, part E of the Federal Social Security Act shall be in foster care for more than twenty-four months.

11. Of the funds appropriated in this section, forty-five thousand (45,000) dollars, or so much thereof as is necessary, is allocated for foster parent training prior to the initial licensure of foster parents.

12. As a condition, qualification, and limitation of the funds appropriated under this section, by September 1, 1988, the department shall designate two counties as the counties in

which the demonstration program to decategorize child welfare services will occur. The county boards of supervisors and the judicial districts serving the counties shall agree to those counties serving in the demonstration. The department shall establish a child welfare fund for those counties composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, family-centered services, subsidized adoption, day care, local purchase services, juvenile institutional care, mental health institute care, state-hospital school care, juvenile detention, department direct services, and juvenile justice county-based reimbursable services. Notwithstanding other service funding provisions in law, the department shall establish this fund by transferring funds from the budgets affected, except for the funds appropriated for juvenile institutions, mental health institutes, and state hospital-schools, which shall be identified in the demonstrations for auditing purposes only. The child welfare fund may be used to support services and payment rates not allowable within historical program or service categories. The department shall work with the county board of supervisors and the judicial districts in providing training for the project, and shall make use of the national conference of state legislatures and the center for the study of social policy for technical assistance. It is the intent of the general assembly that the demonstration program commence not later than April 1, 1989, and be designed to operate for a three year period.

13. As a condition, qualification, and limitation of the appropriation made under this section, thirty thousand (30,000) dollars, or so much thereof as is necessary, may be used by the department to contract with universities to provide ongoing research and evaluation assistance to programs and initiatives of the department involving family-centered services and foster care. Such contracts shall make maximum use of any matching resources from the universities with which the department contracts.

14. As a condition, qualification, and limitation of the funds appropriated under this section, seventy-five thousand (75,000) dollars, or so much thereof as is necessary, shall be used for grants under the family support subsidy program as provided in Senate File 2018 if enacted by the Seventy-second General Assembly, 1988 Session.

Sec. 27. FOSTER HOME INSURANCE FUND. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used for the foster home insurance fund as required under Senate File 2107, if enacted by the Seventy-second General Assembly, 1988 Session:

..... \$ 165,000

As a condition, qualification, and limitation of the funds appropriated under this section, if Senate File 2107 is not enacted, funds appropriated under this section shall be allocated as follows:

1. One hundred twenty-five thousand (125,000) dollars for additional services to support foster family placements under section 29.

2. Forty thousand (40,000) dollars, or so much thereof as is necessary, may be used by the department on or after January 1, 1989, to reimburse foster parents for damages caused by a child placed in their care which cannot be reimbursed from another source. Funds shall be reimbursed according to criteria established by rule. The criteria shall include the provision that a foster parent who claims damages shall be responsible for one hundred fifty dollars of the claim.

Notwithstanding section 8.33, the funds remaining in the foster home insurance fund shall not revert to the general fund on June 30, 1989.

Sec. 28. SUPPLEMENTAL PAYMENTS TO IN-STATE FOSTER CARE PROVIDERS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the

following amount, or so much thereof as is necessary, to be used to provide supplemental payments to in-state providers of foster care beginning July 1, 1988, in order to reduce the number of out-of-state foster care placements. Payments shall be made according to criteria established by administrative rules and shall be based upon the special needs of individual children:

..... \$ 450,000

Sec. 29. ADDITIONAL SERVICES TO SUPPORT FOSTER FAMILY PLACEMENTS. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used to provide additional services to support foster family placement commensurate with the needs of the child in order to make the placement a viable alternative to group foster care. The additional services may begin on the effective date of administrative rules governing this section:

..... \$ 240,000

Sec. 30. FOSTER PARENT IN-SERVICE TRAINING. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1988, and ending June 30, 1989, to the department of human services, the following amount, or so much thereof as is necessary, to be used to offer foster parent in-service training in order to meet the requirement for six hours of foster parent training annually to qualify for relicensure:

..... \$ 200,000

Sec. 31. TRANSFERS PROHIBITED. As a condition of the appropriations made for aid to families with dependent children, medical assistance, state supplementary assistance, and foster care under sections 1, 3, 15, and 26 of this Act the following shall apply:

1. Notwithstanding section 8.39, and except as provided in section 3, subsection 3, for the health maintenance organization enrollment, in section 3 for the medical assistance for pregnant women, infants, and children program,

Handwritten mark

in section 5, for the child support recovery unit, in section 26 for subsidized adoption and purchase of adoption services, funds appropriated for aid to families with dependent children, medical assistance, state supplementary assistance, and foster care shall not be subject to transfer. Department of human services' programs shall not be modified for the purpose of transferring other funds appropriated to the department of human services into the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care accounts.

2. Except as provided in subsection 3 of this section, the commissioner of human services shall not modify programs funded under the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care appropriations in order to meet any projected budget shortfalls, but shall request supplemental appropriations from the general assembly to meet those shortfalls.

3. Notwithstanding the concept of allotments in section 8.31, for the purpose of any across-the-board budget reductions ordered by the governor, the appropriations for the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care shall be deemed to include amounts needed to operate the programs for the entire fiscal year beginning July 1, 1988, and ending June 30, 1989, under the July 1988 program guidelines and mandated subsequent changes. The across-the-board budget reductions shall be applied to the appropriations, and the estimate of revenues needed to balance the state's budget shall be made so as to operate the July 1, 1988 programs, as modified by mandated changes for the entire fiscal year.

4. Notwithstanding section 8.31, for deficit appropriations, the department shall apply the across-the-board budget reductions to the aid to families with dependent children, medical assistance, state supplementary assistance, and foster care appropriations, and to additional anticipated needs according to the July 1, 1988, guidelines and mandated subsequent changes. For surplus appropriations, the across-

the-board budget reductions shall be applied first to the surplus appropriations and then to amounts needed to maintain the July 1, 1988, programs and any mandated subsequent changes.

5. The appropriations made to the department of human services for general administration, community services, and the supplemental block grant are based upon receipt of grants to the state from the federal government in the federal fiscal year beginning October 1, 1988, and ending September 30, 1989, in the amount of thirty-two million sixty-eight thousand seven hundred seventy-seven (32,068,777) dollars for the social services block grant. The appropriations are based upon general administration receiving one million eight hundred forty-nine thousand three hundred thirty-one (1,849,331) dollars of the block grant and community services receiving twelve million six hundred sixty-seven thousand two hundred forty-nine (12,667,249) dollars for community services. It is the intent of the general assembly that if the amount provided by the federal grants is less than the amounts listed above, then fiscal adjustments shall be made during the state fiscal year beginning July 1, 1989, and ending June 30, 1990.

Sec. 32. GOALS AND OBJECTIVES. As a condition, qualification, and limitation of the appropriation for general administration, the department of human services shall work with the legislative fiscal bureau and the department of management to establish goals and objectives for each program which commenced on July 1, 1988, or thereafter. The goals and objectives shall be submitted to the fiscal committee of the legislative council on or before August 15, 1988.

Sec. 33. MEDICAID PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. The following providers shall have their reimbursement rates frozen at the rates in effect on June 30, 1985: optometrists, opticians, clinics, audiologists, rehabilitation agencies, community mental health centers, family planning clinics, psychologists, screening centers, hearing aid dealers, orthopedic shoe dealers, maternal health centers, ambulatory surgery centers and genetic counseling clinics.

However, the material costs of products which are reimbursed at the acquisition cost shall not be frozen.

All across-the-board cuts currently in effect shall be removed effective July 1, 1988.

Reimbursement rates to hospitals and skilled nursing facilities shall be increased according to an inflation factor determined by the department.

Reimbursement rates for rural health clinics shall be increased in accordance with increases under the federal Medicare program.

Home health agencies certified for the medical assistance program shall be reimbursed for their current federal Medicare audited costs. The department shall conduct a study of the reimbursement methodology used for home health agencies in order to change from one of retrospectively determined rates to one of prospectively determined rates.

Sec. 34. STATE SUPPLEMENTARY ASSISTANCE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. Effective July 1, 1988, the across-the-board cuts currently in effect will no longer apply to residential care facilities. Furthermore, the maximum reimbursement rate for residential care facilities shall be increased by three percent making the maximum rate seventeen dollars and ninety-seven cents. The new flat rate for facilities electing not to file cost reports shall be twelve dollars and eighty-four cents.

Effective July 1, 1988, the across-the-board cuts currently in effect shall not be applied in the in-home health related care program. Furthermore, the maximum reimbursement rate for the in-home health related care program shall be increased by three percent.

Sec. 35. SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES. For services given by social service providers on or after July 1, 1988, reductions to invoices or rates shall be discontinued. In addition, for services given between July 1, 1988, and June 30, 1989, rates shall be automatically increased by three percent over the unreduced rates in effect on June 30, 1988. Rates for foster

group care and shelter care services shall not exceed sixty-eight dollars and thirteen cents per day. This automatic increase is intended to be a one-time exception to policy for the fiscal year beginning July 1, 1988, and ending June 30, 1989, only and is not intended to eliminate regular submission of cost reports. The maximum rate in effect on June 30, 1989, shall become the provider's base maximum rate. Future maximum increases shall be calculated on the base maximum rate, except that the maximum rate a provider may charge shall be calculated under the cost-based system. The base maximum rate for service providers not included in a contract on June 30, 1989, shall be the first actual cost-based rate determined for the provider.

Sec. 36. ASSISTANCE TO GAMBLERS. The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only for programs to assist gamblers. Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund of the state.

The department shall use gamblers assistance fund moneys for three full-time equivalent positions to support this program.

Sec. 37. RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", for the following: Sections 3, 15, 16, 19, 20, 21, 26, 27, 33, 34, and 35 of this Act and rules shall become effective immediately upon filing, unless a later effective date is specified in the rules.

Sec. 38. Section 222.73, subsection 2, Code 1987, is amended to read as follows:

2. The superintendent shall certify to the director of revenue and finance the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and outpatient treatment charges computed pursuant to subsection 1, and the number of inpatient days and outpatient treatment service

units chargeable to the county. The county billing for a patient shall be reduced by an amount received for the patient's care from any source other than state appropriated funds. The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. However, the per diem costs may be adjusted annually to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics.

Sec. 39. Section 230.20, subsection 2, Code Supplement 1987, is amended to read as follows:

2. The superintendent shall certify to the director of revenue and finance the billings to each county for services provided to patients chargeable to the county during the preceding calendar quarter. The county billings shall be based on the average daily patient charge and other service charges computed pursuant to subsection 1, and the number of inpatient days and other service units chargeable to the county. However, a county billing shall be decreased by an amount equal to reimbursement by a third party payor or estimation of such reimbursement from a claim submitted by the superintendent to the third party payor for the preceding calendar quarter. When the actual third party payor reimbursement is greater or less than estimated, the difference shall be reflected in the county billing in the calendar quarter the actual third party payor reimbursement is determined. The per diem costs billed to each county shall not exceed the per diem costs in effect on July 1, 1988. However, the per diem costs may be adjusted annually to the extent of the adjustment in the consumer price index published annually in the federal register by the federal department of labor, bureau of labor statistics.

Sec. 40. STATE BOARD OF REGENTS REPORT. The state board of regents shall prepare a report regarding the professional training required to ensure there are a sufficient number of qualified staff to deliver the case management services under section 14 of this Act in regard to enhanced mental health,

mental retardation, and developmental disabilities services. The report shall be submitted to the legislative council on or before December 1, 1988.

Sec. 41. SUPPLEMENTAL APPROPRIATION. There is appropriated from the general fund of the state for the fiscal year beginning July 1, 1987, and ending June 30, 1988, to the department of human services, the following amount, or so much thereof as is necessary, to supplement the prior appropriation for medical assistance to be used for the same purposes and to supplement funds appropriated by 1987 Iowa Acts, chapter 234, section 203, subsection 2:

..... \$ 3,600,000

Sec. 42. FEDERAL RECEIPTS. All federal grants to and the federal receipts of the department of human services are appropriated for the purposes set forth in the federal grants or receipts. The veterans per diem payable for veterans at the veterans home and funds received under Title XIX of the federal Social Security Act by the state mental health institutes and state hospital-schools shall be deposited in the general fund of the state.

Sec. 43. CAPITAL EXPENDITURES EXCLUDED. Funds appropriated by this Act shall not be used for capital acquisitions or improvements.

Sec. 44. OUT-OF-STATE TRAVEL PROHIBITED. Funds appropriated by this Act shall not be used by an employee of the department of human services for travel or other expenses related to a training program that takes place outside of this state unless the training is required or it can be demonstrated that out-of-state training is the least expensive alternative.

Sec. 45. LAYOFF PROCEDURES. If the department of human services must lay off more than five employees, the ratio of the number of departmental employees below merit classification pay grade twenty-five who are laid off compared to the total number of departmental employees who are laid off shall not exceed the ratio of the total number of departmental employees below merit classification pay grade twenty-five compared to the total number of departmental employees.

Sec. 46. Sections 135.84 and 142B.1, Code Supplement 1987, are repealed.

[Sec. 47. Section 6, subsection 3 of this Act takes effect upon enactment.]

Sec. 48. EFFECTIVE DATE. Section 41 of this Act takes effect upon enactment.

DONALD D. AVENSON
Speaker of the House

JO ANN ZIMMERMAN
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2447, Seventy-second General Assembly.

JOSEPH O'HERN
Chief Clerk of the House

Tom Vils
Approved April 14, 1988

HF 2447

TERRY E. BRANSTAD
Governor