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SENATE FILE **538**
BY COMMITTEE ON APPROPRIATIONS

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Vote: Ayes 45 Nays 1 Vote: Ayes 78 Nays 17
Approved Item 6/5/89

A BILL FOR

1 An Act relating to medical and health care, including matters
2 relating to the maternal and child health program; the
3 expansion of medical assistance eligibility for certain
4 persons; physicians' charges for services to beneficiaries of
5 health insurance under Title XVIII of the federal Social
6 Security Act and providing for the collection and analysis of
7 information; health care access; the requirement of the
8 department of human services to collect certain data relating
9 to usage of health maintenance organization services by
10 recipients of medical assistance; the state individual income
11 tax by requiring an evaluation of the medical and health
12 insurance deduction; rural health systems delivery and rural
13 occupational health; requiring the department of human
14 services to adopt rules to conduct studies regarding health
15 care providers which are reimbursed under the medical
16 assistance program; establishing a health care cost
17 containment task force; making appropriations to certian state
18 agencies; and providing for other properly related matters.

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

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1 Section 1. The purpose of this Act is to better provide
2 health care coverage for uninsured and underinsured Iowans, to
3 provide state assistance and support to developing rural
4 health service delivery systems which are appropriate to rural
5 communities, and to establish means to contain health care
6 costs while ensuring access to quality health care for all
7 Iowans.

8 Sec. 2. Divisions I through VI of this Act shall be known
9 as "Serving the Uninsured and Underinsured". Divisions VII
10 and VIII of this Act shall be known as "Rural Health Care
11 Services and Agricultural Occupational Health". Divisions IX
12 and X of this Act shall be known as "Health Care Cost
13 Containment".

14 DIVISION I

15 Sec. 101. This division shall be known as the "Maternal
16 and Child Health Division".

17 Sec. 102. Section 22.7, subsection 2, Code 1989, is
18 amended to read as follows:

19 2. Hospital records, medical records, and professional
20 counselor records of the condition, diagnosis, care, or
21 treatment of a patient or former patient or a counselee or
22 former counselee, including outpatient. However, confidential
23 communications between a victim of sexual assault or domestic
24 violence and the victim's sexual assault or domestic violence
25 counselor are not subject to disclosure except as provided in
26 section 236A.1. However, the Iowa department of public health
27 shall adopt rules which provide for the sharing of information
28 among agencies concerning the maternal and child health
29 program, while maintaining an individual's confidentiality.

30 Sec. 103. Section 135.11, subsection 19, Code 1989, is
31 amended to read as follows:

32 19. Administer the statewide maternal and child health
33 program and the crippled children's program by conducting
34 mobile and regional child health specialty clinics and
35 conducting other activities to improve the health of low-

1 income women and children and to promote the welfare of
2 children with actual or potential handicapping conditions and
3 chronic illnesses in accordance with the requirements of Title
4 V of the federal Social Security Act. The department shall
5 provide technical assistance to encourage the coordination and
6 collaboration of state agencies in developing outreach centers
7 which provide publicly-supported services for pregnant women,
8 infants, and children. The department shall work in
9 cooperation with the legislative fiscal bureau in monitoring
10 the effectiveness of the maternal and child health centers,
11 including the provision of transportation for patient
12 appointments and the keeping of scheduled appointments.

13 Sec. 104. REIMBURSEMENT LEVEL TO MATERNAL AND CHILD HEALTH
14 CENTERS. The department of human services under the medical
15 assistance program shall renegotiate the rates of
16 reimbursement of the full allowable costs to maternal health
17 centers providing services to pregnant women and infants; to
18 child health centers providing early and periodic screening,
19 diagnosis, treatment, and other related services to children;
20 and to community health centers providing services to pregnant
21 women, infants, and children as often as necessary to assure
22 that the rates are commensurate with the providers' full cost
23 of providing the services.

24 DIVISION II

25 Sec. 201. This division shall be known as the "Medicaid
26 Coverage Expansion Division".

27 Sec. 202. Section 249A.3, subsection 1, Code 1989, is
28 amended by adding the following new paragraphs:

29 NEW PARAGRAPH. e. Is a pregnant woman whose pregnancy has
30 been medically verified and who qualifies under either of the
31 following:

32 (1) The woman would be eligible for a cash payment under
33 the aid to dependent children program, or under an aid to
34 dependent children, unemployed parent program, under chapter
35 239, if the child were born and living with the woman in the

1 month of payment.

2 (2) The woman meets the income and resource requirements
3 of the aid to dependent children program under chapter 239,
4 provided the unborn child is considered a member of the
5 household, and the woman's family is treated as though
6 deprivation exists.

7 NEW PARAGRAPH. f. Is a child who is less than six years
8 of age and who meets the income and resource requirements of
9 the aid to dependent children program under chapter 239.

10 NEW PARAGRAPH. g. Is a child who is less than eight years
11 of age as prescribed by the federal Omnibus Budget
12 Reconciliation Act of 1987, Pub. L. No. 100-203 § 4101, whose
13 income is not more than one hundred percent of the federal
14 poverty level as defined by the most recently revised poverty
15 income guidelines published by the United States department of
16 health and human services.

17 NEW PARAGRAPH. h. Is a woman who, while pregnant, meets
18 eligibility requirements for assistance under the federal
19 Social Security Act, § 1902(1) and continues to meet the
20 requirements except for income. The woman is eligible to
21 receive assistance until sixty days after the date pregnancy
22 ends.

23 NEW PARAGRAPH. i. Is a pregnant woman who is determined
24 to be presumptively eligible by a health care provider
25 qualified under the federal Omnibus Budget Reconciliation Act
26 of 1986, Pub. L. No. 99-509, § 9407. The woman is eligible
27 for ambulatory prenatal care assistance for a period of
28 fourteen days following the presumptive eligibility
29 determination. If the department receives the woman's medical
30 assistance application within the fourteen-day period, the
31 woman is eligible for ambulatory prenatal care assistance for
32 forty-five days from the date presumptive eligibility was
33 determined or until the department actually determines the
34 woman's eligibility for medical assistance, whichever occurs
35 first. The costs of services provided during the presumptive

1 eligibility period shall be paid by the medical assistance
2 program for those persons who are determined to be ineligible
3 through the regular eligibility determination process.

4 NEW PARAGRAPH. j. Is a pregnant woman or infant less than
5 one year of age whose income does not exceed the federally
6 prescribed percentage of the poverty level in accordance with
7 the federal Medicare Catastrophic Coverage Act of 1988, Pub.
8 L. No. 100-360, § 302.

9 NEW PARAGRAPH. k. Is a pregnant woman or infant whose
10 income is more than the limit prescribed under the federal
11 Medicare Catastrophic Coverage Act of 1988, Pub. L. No. 100-
12 360 § 302, but not more than one hundred eighty-five percent
13 of the federal poverty level as defined by the most recently
14 revised poverty income guidelines published by the United
15 States department of health and human services.

16 NEW PARAGRAPH. l. Is a child for whom adoption assistance
17 or foster care maintenance payments are paid under Title IV-E
18 of the federal Social Security Act.

19 NEW PARAGRAPH. m. Is an individual or family who is
20 ineligible for aid to dependent children under chapter 239
21 because of requirements that do not apply under Title XIX of
22 the federal Social Security Act.

23 NEW PARAGRAPH. n. Was a federal supplemental security
24 income or a state supplementary assistance recipient, as
25 defined by section 249.1, and a recipient of federal social
26 security benefits at one time since August 1, 1977, and would
27 be eligible for federal supplemental security income or state
28 supplementary assistance but for the increases due to the cost
29 of living in federal social security benefits since the last
30 date of concurrent eligibility.

31 NEW PARAGRAPH. o. Is an individual whose spouse is
32 deceased and who is ineligible for federal supplemental
33 security income or state supplementary assistance, as defined
34 by section 249.1, due to the elimination of the actuarial
35 reduction formula for federal social security benefits under

1 the federal Social Security Act and subsequent cost of living
2 increases.

3 NEW PARAGRAPH. p. Is an individual who is at least sixty
4 years of age and is ineligible for federal supplemental
5 security income or state supplementary assistance, as defined
6 by section 249.1, because of receipt of social security widow
7 or widower benefits and is not eligible for federal Medicare,
8 part A coverage.

9 NEW PARAGRAPH. q. Is a disabled individual, and is at
10 least eighteen years of age, who receives parental social
11 security benefits under the federal Social Security Act and is
12 not eligible for federal supplemental security income or state
13 supplementary assistance, as defined by section 249.1, because
14 of the receipt of the Social Security benefits.

15 Sec. 203. Section 249A.4, Code 1989, is amended by adding
16 the following new subsections:

17 NEW SUBSECTION. 11. In determining the medical assistance
18 eligibility of a pregnant woman, infant, or child under the
19 federal Social Security Act, § 1902(1), resources which are
20 used as tools of the trade shall not be considered.

21 NEW SUBSECTION. 12. In determining the medical assistance
22 eligibility of a pregnant woman, infant, or child under the
23 federal Social Security Act, § 1902(1), the department shall
24 establish resource standards and exclusions not less generous
25 than the resource standards and exclusions adopted pursuant to
26 section 255A.5.

27 Sec. 204. MEDICAL ASSISTANCE ELIGIBILITY -- EXPANSION OF
28 SERVICES.

29 1. The department of human services and the Iowa
30 department of public health shall expand the targeted case
31 management program for pregnant women to extend to all areas
32 of the state.

33 2. The department of human services, under the medical
34 assistance program, shall continue the expansion of the
35 targeted case management program for early and periodic

1 screening, diagnosis, and treatment for children eligible for
2 assistance, with the goal of expanding the program to all
3 areas of the state within a reasonable period of time. The
4 department of human services shall make use of medical
5 information obtained through the medical assistance management
6 information system regarding child usage of primary and
7 preventive health services to identify children in need of
8 early and periodic screening, diagnosis, and treatment
9 services and use models developed in other states to provide
10 the services to the children identified.

11 3. The department of human services in cooperation with
12 the Iowa department of public health and the health data
13 commission shall review and evaluate as a high-risk group,
14 births of medical assistance recipients and shall evaluate the
15 effect of expansion of medical assistance services on reducing
16 the risk.

17 DIVISION III

18 Sec. 301. This division shall be known as the "Medicare
19 Assignment Division".

20 Sec. 302. LEGISLATIVE FINDINGS. Many senior citizens with
21 limited incomes find it difficult or impossible to locate
22 physicians willing to accept Medicare assignments as payment
23 in full for services, and this places these senior citizens at
24 risk of further impoverishment because of medical expenses.
25 The Iowa medical society is to be commended for establishing,
26 with the assistance of the department of elder affairs and
27 area agencies on aging, a voluntary program to encourage
28 physicians to accept Medicare assignments as payment in full
29 for services to low-income Medicare patients. There is a
30 need, however, to track the impact of this program in meeting
31 the needs of low-income Medicare patients to receive
32 affordable health care. This tracking requires the collection
33 and analysis of information on physician practices with
34 respect to Medicare assignments, including breakdowns by
35 geographic region and by medical specialization.

1 Sec. 402. HEALTH CARE ACCESS FOR CHILDREN. The children
2 of Iowa are a precious and valuable resource. The future of
3 Iowa depends upon the continued good health and well-being of
4 Iowa's children. Yet, an estimated twenty-eight thousand
5 children are at risk of ill health for lack of health care
6 services. It is a public purpose of this state to provide
7 access to health care for Iowa's children who are uninsured,
8 including but not limited to those who are not covered by
9 group health care plans, those whose families cannot afford
10 private health insurance, and those who do not qualify for the
11 medical assistance program. This public purpose of providing
12 health care access to Iowa's uninsured children can be
13 fulfilled by state financial support of private nonprofit
14 entities who provide primary health care insurance benefits to
15 children who would otherwise be uninsured.

16 Sec. 403. DEMONSTRATION PROGRAM DEVELOPMENT ESTABLISHED.
17 There is established a working group to develop proposals for
18 demonstration programs to improve the availability,
19 affordability, and use of health insurance coverage for
20 working persons currently not provided health insurance
21 coverage through their employment. The proposals shall be
22 developed by January 1, 1990, and shall be capable of
23 implementation no later than January 1, 1991. Participation
24 by the private insurance industry and health care community
25 shall be encouraged in the development of the proposals.
26 Matching foundation, private, or government support for the
27 demonstration programs shall be explored, and all projects
28 shall have an evaluation component to measure the
29 effectiveness of the program in improving health insurance
30 coverage for the targeted working population. The working
31 group shall consist of a representative from the Iowa
32 department of public health, the department of inspections and
33 appeals, the division of insurance of the department of
34 commerce, the department of human services, the department of
35 employment services, the health policy corporation of Iowa,

1 the department of elder affairs, and the department of human
2 rights. The legislative council shall appoint four members to
3 serve on the working group, and shall designate one member as
4 the chairperson of the group. Other representatives shall be
5 selected by the respective heads of the departments,
6 corporations, or divisions. Demonstration program proposals
7 shall be developed to be capable of implementation on a
8 geographic basis. At a minimum, the working group shall
9 develop the following demonstration program proposals:

- 10 1. A program providing at least primary and preventive
11 health services to children in working families, where the
12 income level of the families does not exceed one hundred
13 eighty-five percent of the federal poverty level.
- 14 2. A program providing state participation in the
15 financing of health insurance coverage for employers of fewer
16 than twenty-five employees who previously have not provided
17 health coverage for their employees and who can demonstrate
18 that the employer cannot otherwise provide such coverage. The
19 program shall include participation by the employer in an
20 amount equal to at least one-third of the cost of the
21 employees' health care coverage.
- 22 3. A program for families previously participating in the
23 aid to dependent children program whose reason for leaving the
24 program was employment earnings, who have exhausted
25 transitional medical assistance coverage, and who are still
26 employed but who have no health care coverage. Such a program
27 shall include a sliding fee schedule for participation.
- 28 4. A program for self-employed persons that provides
29 greater equity in tax treatment of individually obtained
30 health insurance policies.
- 31 5. A program for small employers that establishes a
32 multiple employer trust accessible to employers, with or
33 without state participation, to reduce the premiums charged
34 for such trusts and increase the availability of such trusts.
- 35 6. A program to provide catastrophic health care coverage

1 for employed persons who are currently uninsured or
2 underinsured.

3 7. A program to provide support to uninsured and
4 underinsured working families that recognizes ongoing health
5 care expenditures for chronic conditions and that would
6 provide protection against a requirement to completely spend-
7 down on a monthly basis in order to be eligible for the
8 medically needy program.

9 Sec. 404. Section 99E.31, subsection 2, paragraph b,
10 subparagraph (7), Code 1989, is amended to read as follows:

11 (7) The quality of the jobs to be created. In rating the
12 quality of the jobs the department shall award more points to
13 those jobs that have a higher wage scale, have a lower
14 turnover rate, are full-time or career-type positions, provide
15 comprehensive health benefits, or have other related factors.

16 Sec. 405. HEALTH INSURANCE RECOGNIZED. The Iowa
17 department of economic development shall recognize the value
18 of health insurance benefit packages provided by employers in
19 evaluating grant and loan requests under the programs
20 administered by the department.

21 Sec. 406. TECHNICAL ASSISTANCE -- SMALL EMPLOYERS. The
22 insurance division shall develop a proposal to provide
23 technical assistance to small employers in identifying,
24 accessing, and evaluating multiple employer trusts within the
25 state, and to recommend ways in which the state may assist in
26 overcoming obstacles which deter employers from participating
27 in multiple employer trusts. The insurance division shall
28 present a report to the general assembly regarding the
29 proposal and recommendations by January 1, 1990.

30 DIVISION V

31 Sec. 501. This division shall be known as the "Medicaid
32 Recipients in Health Maintenance Organizations Division".

33 Sec. 502. COLLECTION OF DATA REQUIRED -- MEDICAL
34 ASSISTANCE RECIPIENTS. The department of human services shall
35 collect data regarding the usage of health care services

1 delivered by health maintenance organizations to recipients of
2 medical assistance under chapter 249A. The data collection
3 shall include records of recipient usage of primary care
4 services through health maintenance organizations as
5 contrasted with recipient usage of primary care services for
6 recipients not covered by health maintenance organizations,
7 including but not limited to child immunizations, diagnostic
8 tests for sickle-cell anemia, and complete physicals. The
9 department shall survey recipients regarding difficulty in
10 obtaining access or services, including but not limited to
11 transportation problems and difficulty communicating with
12 health care providers. The department shall provide the data,
13 accompanied by analyses, to the general assembly on or before
14 January 1, 1990.

15 DIVISION VI

16 Sec. 601. This division shall be known as the "Tax Policy
17 for the Self-employed Division".

18 Sec. 602. EVALUATION OF COSTS -- DEDUCTIONS FOR PURCHASERS
19 OF HEALTH INSURANCE.

20 1. The department of revenue and finance shall cooperate
21 with the division of insurance of the department of commerce
22 and the legislative fiscal bureau in evaluating the costs of
23 providing income tax deductions to persons who purchase health
24 insurance and the impact of providing such deductions on a
25 person's choice to purchase insurance.

26 2. In its evaluation, the department of revenue and
27 finance shall consider at a minimum for taxpayers who purchase
28 medical or health care insurance or benefits costing in excess
29 of five hundred dollars, the following options:

30 a. A deduction in the amount of one-half of the insurance
31 premiums paid in excess of five hundred dollars for a single
32 taxpayer with a federal adjusted gross income of ten thousand
33 dollars or less and married persons filing jointly or
34 separately on a combined return with a federal adjusted gross
35 income of twenty thousand dollars or less.

1 b. A deduction in the amount of one-fourth of the
2 insurance premiums paid in excess of five hundred dollars for
3 a single taxpayer with a federal adjusted gross income of more
4 than ten thousand dollars but less than twenty thousand
5 dollars and a married person filing jointly or filing
6 separately on a combined return with a federal adjusted gross
7 income of more than twenty thousand dollars but less than
8 forty thousand dollars.

9 3. The department of revenue and finance shall report the
10 results of its evaluation to the general assembly by January
11 1, 1990.

12 DIVISION VII

13 Sec. 701. This division shall be known as the "Rural
14 Health Service Delivery Division".

15 Sec. 702. NEW SECTION. 135.13 OFFICE OF RURAL HEALTH
16 ESTABLISHED.

17 1. The office of rural health is established within the
18 department. There is established an advisory committee to the
19 office of rural health consisting of one representative,
20 approved by the respective agency, of each of the following
21 agencies: the department of agriculture and land stewardship,
22 the Iowa department of public health, the department of
23 inspections and appeals, the national institute for rural
24 health policy, the rural health resource center, the institute
25 of agricultural medicine and occupational health, the Iowa
26 state association of counties, and the health policy
27 corporation of Iowa. The governor shall appoint a
28 representative of each of two farm organizations active within
29 the state, a representative of an agricultural business in the
30 state, a practicing rural family physician, and a rural health
31 practitioner who is not a physician as members of the advisory
32 committee. Two state senators appointed by the majority
33 leader of the senate, and two state representatives appointed
34 by the speaker of the house of representatives shall also be
35 members of the advisory committee. Of the members appointed

1 by the majority leader of the senate and the speaker of the
2 house of representatives, not more than one from each house
3 shall be a member of the same political party.

4 2. The office of rural health shall do all of the
5 following:

6 a. Provide technical assistance grants to rural
7 communities and counties exploring alternative means of
8 delivering rural health services, including but not limited to
9 hospital conversions, cooperative agreements among hospitals,
10 physician and health practitioner support, public health
11 services, emergency medical services, medical assistance
12 facilities, rural health care clinics, and alternative means
13 which may be included in the long-term community health
14 services and developmental plan developed under this paragraph
15 or in a long-term plan developed through the rural health
16 transition grant program pursuant to the federal Omnibus
17 Budget Reconciliation Act of 1987, Pub. L. No. 100-203, §
18 4005(e). The office of rural health shall encourage the local
19 boards of health and hospital governing boards to adopt a
20 long-term community health services and developmental plan
21 including all of the following:

22 (1) An analysis of demographic trends in the health
23 facility services area, affecting health facility and health-
24 facility-related health care utilizations.

25 (2) A review of inpatient services currently provided, by
26 type of service and the frequency of provision of that
27 service, and the cost-effectiveness of that service.

28 (3) An analysis of resources available in proximate health
29 facilities and services that might be provided through
30 alternative arrangements with such health facilities.

31 (4) An analysis of cooperative arrangements that could be
32 developed with other health facilities in the area that could
33 assist those health facilities in the provision of services.

34 (5) An analysis of community health needs, specifically
35 including long-term care needs, pediatric and maternity

1 services, and the health facilities' potential role in
2 facilitating the provision of services to meet these needs.

3 (6) An analysis of alternative uses for existing health
4 facility space and real property, including use for community
5 health-related and human service-related purposes.

6 (7) An analysis of mechanisms to meet indigent patient
7 care needs and the responsibilities for the care of indigent
8 patients.

9 (8) An analysis of the existing tax levying of the health
10 facilities for patient care, on a per capita basis and per
11 hospital patient basis, and projections on future needs for
12 tax levying to continue for the provision of care.

13 Providers may cooperatively coordinate to develop one long-
14 term community health services and developmental plan for a
15 geographic area, provided the plan addresses the issues
16 enumerated in this section.

17 The health facilities may seek technical assistance or
18 apply for matching grant funds for the plan development. The
19 office of rural health shall require compliance with
20 subparagraphs (1) through (8) when the facility applies for
21 matching grant funds.

22 b. Provide competitive research grants, to be awarded by
23 the advisory committee, to conduct economic analyses of the
24 effects of health care restructuring models on rural
25 communities, including but not limited to the employment
26 effects on the community of redirecting funds to new areas of
27 service, the overall effects of redirection of the funds on
28 the number of health care dollars expended within the rural
29 community, and the benefit to the health of patients of
30 redirecting the funds.

31 c. The office of rural health shall make a report to the
32 general assembly regarding the impact of the current
33 compensation structure under Medicare on rural hospitals and
34 other health care providers, shall provide information
35 regarding the current compensation system to Iowa's

1 congressional delegation, and shall make recommendations to
2 the general assembly regarding recommendations to be made to
3 Iowa's congressional delegation to improve the compensation
4 structure.

5 d. Make recommendations to the department of inspections
6 and appeals and cooperate with the department of inspections
7 and appeals in developing a medical assistance facility
8 licensure standard for primarily infirmary care service. The
9 office of rural health shall make recommendations to the
10 department of inspections and appeals regarding the
11 department's efforts to seek federal waivers and take
12 additional actions which allow continued reimbursement for
13 Medicare payments. For the purpose of this section,
14 "Medicare" means the program of health insurance established
15 under Title XVIII of the federal Social Security Act. For the
16 purpose of this paragraph, "medical assistance facility" means
17 a facility that provides inpatient care to ill or injured
18 persons prior to their transportation to a hospital or
19 provides inpatient medical care to persons requiring that care
20 for a period generally not to exceed ninety-six hours.

21 e. Provide technical assistance to assist rural
22 communities in improving Medicare reimbursements through the
23 establishment of rural health clinics, defined pursuant to 42
24 U.S.C. § 1395(x), and distinct part skilled nursing facility
25 beds.

26 f. Coordinate services to provide research for the
27 following items:

- 28 (1) Examination of the prevalence of rural occupational
29 health injuries in the state.
- 30 (2) Assessment of training and continuing education
31 available through local hospitals and others relating to
32 diagnosis and treatment of diseases associated with rural
33 occupational health hazards.
- 34 (3) Determination of continuing education support
35 necessary for rural health practitioners to diagnose and treat

1 illnesses caused by exposure to rural occupational health
2 hazards.

3 (4) Determination of the types of actions that can help
4 prevent agricultural accidents.

5 (5) Surveillance and reporting of disabilities suffered by
6 persons engaged in agriculture resulting from diseases or
7 injuries, including identifying the amount and severity of
8 agricultural-related injuries and diseases in the state,
9 identifying causal factors associated with agricultural-
10 related injuries and diseases, and indicating the
11 effectiveness of intervention programs designed to reduce
12 injuries and diseases.

13 Sec. 703. Section 10A.104, Code 1989, is amended by adding
14 the following new subsection:

15 NEW SUBSECTION. 9. Cooperate with the office of rural
16 health established pursuant to section 135.13, to develop a
17 medical assistance facility licensure standard for primarily
18 infirmatory care service. The director shall, in cooperation
19 with the office of rural health, seek federal waivers and take
20 additional actions which allow continued reimbursement through
21 payments made pursuant to chapter 249A.

22 Sec. 704. Section 347.7, Code 1989, is amended by adding
23 the following new unnumbered paragraph:

24 NEW UNNUMBERED PARAGRAPH. The tax levied pursuant to this
25 section may be used to enhance rural health care services in
26 the community or county. However, the tax levied may only be
27 expended for enhancement of rural health care services
28 following a local planning process developed under the
29 advisement of county health care providers and the office of
30 rural health. Enhancement of rural medical services may
31 include but is not limited to emergency medical services,
32 health care services shared with other hospitals, rural health
33 clinics, support for rural health care practitioners and
34 public health services, and conversions to medical assistance
35 facilities. The local plan developed for use of funds in a

1 county that currently levies taxes under this chapter, shall
2 be agreed upon by the elected board of trustees of the county
3 hospital, and in a county that does not currently levy taxes
4 under this chapter, shall be agreed upon by the board of
5 supervisors in conjunction with any publicly elected hospital
6 board of trustees within the county.

7 Sec. 705. Section 135B.33, Code 1989, is repealed.

8 DIVISION VIII

9 Sec. 801. This division shall be known as the "Rural
10 Agricultural Occupational Health Division".

11 Sec. 802. AGRICULTURAL HEALTH AND SAFETY PROGRAMS. The
12 state board of regents shall continue, beyond its original
13 two-year time period, the agricultural health and safety ser-
14 vice pilot programs established as part of the college of
15 medicine of the university of Iowa to provide medical and
16 engineering services to any person engaged in farming in
17 cooperation with the office of rural health of the Iowa
18 department of public health, the department of agriculture and
19 land stewardship, and the Iowa state university of science and
20 technology, pursuant to 1987 Iowa Acts, chapter 233, section
21 408, subsection 2, paragraph "a", subparagraph (2).

22 The board of regents shall provide the office of rural
23 health with information concerning the programs so that the
24 office of rural health may serve as a repository of the
25 information.

26 As used in this section, "farming" means the cultivation of
27 land for the production of agricultural crops, the raising of
28 poultry, the production of eggs, the production of milk, the
29 production of fruit or other horticultural crops, grazing, or
30 the production of livestock, spraying, or harvesting. The
31 programs shall be expanded to include the following services
32 and goals:

- 33 1. Involvement of six urban hospitals to participate in
34 networking services with rural area hospitals provided that
35 the two original participant hospitals are provided sufficient

1 funding to continue to develop their programs.

2 2. Development of grants for small hospitals which parti-
3 cipate in the programs.

4 3. Implementation of farmer stipends.

5 4. Employment of an industrial hygienist, a director or
6 coordinator, an evaluator, and support staff.

7 5. Provision for a safety specialist and support staff to
8 be employed at Iowa state university of science and
9 technology.

10 6. Provision for a reporting system of sickness, diseases,
11 and accidents relating to farmers.

12 7. Support for a national coalition for agricultural
13 safety and health by providing travel expenses to facilitate
14 explanation of the pilot programs to interested persons.

15 DIVISION IX

16 Sec. 901. This division shall be known as the "Medicaid
17 Cost Containment Division".

18 Sec. 902. NEW SECTION. 8.7 STATE HEALTH CARE COST
19 CONTAINMENT COORDINATING UNIT ESTABLISHED.

20 A state health care cost containment coordinating unit is
21 established within the department of management. The
22 coordinating unit shall consist of the director of the
23 department of management, the administrator of the state
24 medical assistance program, and the director of the department
25 of personnel. The coordinating unit shall review cost
26 containment strategies regarding state-funded health care
27 coverage.

28 Sec. 903. PHARMACEUTICAL VENDOR SERVICES AND CONSULTANT
29 PHARMACIST SERVICES.

30 The department of human services shall adopt rules which
31 require all intermediate care facilities to execute separate
32 written contracts for pharmaceutical vendor services and
33 consultant pharmacist services. The consultant pharmacist
34 contract shall require monthly drug regimen review reports and
35 shall provide for reimbursement on the basis of fair market

1 value.

2 The board of pharmacy examiners shall conduct a study of
3 consultant pharmacist practices in Iowa and examine the impact
4 of establishing a consultant pharmacist certification process
5 to ensure the delivery of appropriate consultant pharmacist
6 services. A report shall be presented to the general assembly
7 by January 15, 1990.

8 Sec. 904. MEDICAL ASSISTANCE REIMBURSEMENT SCALE

9 DEVELOPED. The department of human services shall study the
10 appropriateness of adopting a resource-based relative value
11 scale for reimbursement of physicians under the medical
12 assistance program. The department shall suggest an
13 appropriate timetable for implementation of a resource-based
14 relative value scale for physician reimbursement, shall review
15 the need for improved reimbursement for primary care services,
16 and shall make recommendations regarding modifications of the
17 current system and interim improvements which might be taken
18 prior to the implementation of a resource-based relative value
19 scale reimbursement system. The results of the study and
20 recommendations of the department shall be reported to the
21 general assembly by January 1, 1991.

22 Sec. 905. SELECTIVE CONTRACTING REVIEW REQUIRED. The
23 department of human services shall review and evaluate for
24 potential usage in Iowa, selective contracting arrangements
25 with health care providers used under the medical assistance
26 program in other states. The department shall report the
27 results of the review and evaluation to the joint human
28 services subcommittee of the senate and house committees on
29 appropriations by January 20, 1991.

30 DIVISION X

31 Sec. 1001. This division shall be known as the "Health
32 Care Utilization Task Force Division".

33 Sec. 1002. NEW SECTION. 145.8 HEALTH CARE UTILIZATION
34 TASK FORCE ESTABLISHED.

35 1. The commission shall establish a health care

1 utilization task force which shall continue until January 1,
2 1993, to review, identify, and address issues related to the
3 utilization of health care services in the state.

4 2. The following persons shall be appointed to the task
5 force:

6 a. The director of public health or the director's
7 designee.

8 b. The director of the Iowa foundation for medical care or
9 the director's designee.

10 c. Two persons skilled in health services research.

11 d. Representatives of the medical community including at
12 least one physician, one hospital administrator, and one
13 representative of a health insurance organization.

14 e. The chief of the bureau of medical services of the
15 department of human services or the chief's designee.

16 f. One representative of business interests.

17 g. One representative of labor interests.

18 h. Representatives of other organizations which the
19 commission deems necessary to accomplish the duties assigned
20 to the task force.

21 The task force may consult with and contract with outside
22 entities to accomplish its assigned duties.

23 3. The members of the task force shall choose from its
24 membership a chairperson, a vice chairperson, and other
25 officers as the task force deems necessary. Vacancies on the
26 task force shall be filled by the entity which made the
27 original appointment. The members of the task force shall be
28 reimbursed for actual expenses while engaged in their official
29 duties.

30 4. The task force shall complete all of the following
31 tasks:

32 a. Collect and analyze existing research on the medical
33 efficacy of certain medical procedures and study potential
34 overutilization of the procedures in the state, and annually
35 prepare a summary of procedures for which there is a signifi-

1 cant level of usage in the state and for which substantial
2 evidence from nationwide data suggests there is overutiliza-
3 tion on a national level.

4 b. Evaluate and if necessary develop methods of using
5 information collected by the health data commission to assess
6 variations in the usage of the procedures identified in
7 paragraph "a" and the effects of the variations on the health
8 outcomes of the citizens of the state.

9 c. Use information collected by the health data commission
10 to evaluate variations in the utilization of diagnostic-
11 related groups and assess the effects of the variations on
12 patient outcomes and health care costs.

13 d. Utilize findings developed under this section and
14 analysis of actions taken in other states to make
15 recommendations to appropriate agencies and organizations
16 regarding the development and means of implementation of
17 protocols for the usage of procedures identified as having
18 high coefficients of variation.

19 e. Make recommendations to appropriate agencies and
20 organizations regarding physician education, second opinions
21 for procedures, and reimbursement limitations on procedures
22 which have been identified as subject to overutilization.

23 f. Make recommendations regarding other means of reducing
24 health care costs by utilizing health care services more
25 effectively.

26 5. The task force shall report its action relating to its
27 duties established by this section to the commission, the
28 governor, and the general assembly on or before January 1, in
29 the years 1991, 1992, and 1993.

30 6. This section is repealed effective January 30, 1993.

31 "DIVISION XI

32 Sec. 1101. MEDICAL ASSISTANCE EXPANSION. There is
33 appropriated from the general fund of the state to the
34 department of human services for the fiscal year beginning
35 July 1, 1989, and ending June 30, 1990, the following amount,

1 or so much thereof as is necessary, to be used for the
2 purposes designated:

3 To expand medical assistance coverage and conduct studies
4 pursuant to divisions II and V of this Act, including
5 salaries, support, maintenance, miscellaneous purposes, and
6 for not more than the following full-time equivalent positions
7 in community services:

8 \$ 1,155,000
9 FTEs 9.5

10 Sec. 1102. MATERNAL AND CHILD HEALTH. There is
11 appropriated from the general fund of the state to the Iowa
12 department of public health for the fiscal year beginning July
13 1, 1989, and ending June 30, 1990, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:

16 For salary and support of one full-time equivalent position
17 to develop additional outreach centers for maternal and child
18 health services as provided under section 104 of this Act:

19 \$ 37,000

20 Sec. 1103. OFFICE OF RURAL HEALTH. There is appropriated
21 from the general fund of the state to the Iowa department of
22 public health for the fiscal year beginning July 1, 1989, and
23 ending June 30, 1990, the following amount, or so much thereof
24 as is necessary, to be used for the purposes designated:

25 For the office of rural health:

3043- 26 \$ 150,000

27 1. Of the funds appropriated in this section, \$50,000 is
28 allocated for the establishment of the office of rural health
29 as provided under section 702 of this Act.

30 2. Of the funds appropriated in this section, \$50,000 is
31 allocated to the office of rural health to provide technical
32 assistance grants to rural communities and counties exploring
33 alternative means of delivering rural health services as
34 provided under section 702 of this Act.

35 3. Of the funds appropriated in this section, \$50,000 is

1 allocated to the office of rural health to provide competitive
2 research grants to conduct economic analyses of the effects of
3 health care restructuring models on rural communities as
4 provided under section 702 of this Act.

5 Sec. 1104. AGRICULTURAL HEALTH AND SAFETY -- STATE BOARD
6 OF REGENTS. There is appropriated from the general fund of
7 the state to the state board of regents for the fiscal year
8 beginning July 1, 1989, and ending June 30, 1990, the
9 following amount, or so much thereof as is necessary, to be
10 used for the purpose designated:

11 For continuation and additional responsibilities related to
12 the agricultural health and safety service pilot programs as
13 provided under section 802 of this Act:

14 \$ 205,000

15 1. Of the funds appropriated in this section, \$150,000 is
16 allocated to support agricultural health and safety service
17 programs as established in 1987 Iowa Acts, chapter 233,
18 section 408, subsection 2, paragraph "a", subparagraph (2).
19 Programs funded by this section shall provide medical and
20 engineering services administered by the college of medicine
21 at the university of Iowa to persons engaged in agriculture in
22 cooperation with the Iowa department of public health, the
23 department of agriculture and land stewardship, and the Iowa
24 state university of science and technology. Of the funds
25 appropriated in this section, not more than \$150,000 shall be
26 used for salary and benefits of staff, including an industrial
27 hygienist, director, evaluator, and support staff.

28 2. Of the funds appropriated in this section, \$30,000 is
29 allocated to support the work of a full-time agricultural
30 safety specialist and related staff at Iowa state university
31 of science and technology. The agricultural safety specialist
32 shall provide support to the Iowa agricultural health and
33 safety services program at the university of Iowa and to other
34 farm safety programs in this state.

35 3. Of the funds appropriated in this section, \$10,000 is

1 allocated for a public purpose to support the national
2 coalition for agricultural safety and health. The allocated
3 moneys shall be used for in-state travel, staff support, and
4 dissemination of information, including recommendations, to
5 persons engaged in agriculture in this state.

6 4. Of the funds appropriated in this section, \$15,000 is
7 allocated to the college of medicine at the university of Iowa
8 which in cooperation with the department of agriculture and
9 land stewardship, the Iowa department of public health, and
10 Iowa state university of science and technology shall research
11 issues relating to the following:

12 (a) The current level of skill among rural health
13 professionals in diagnosing rural health occupational
14 diseases.

15 (b) The continuing education support necessary for rural
16 health practitioners to diagnose and treat injuries and
17 diseases caused by exposure to rural occupational health
18 hazards.

19 Sec. 1105. AGRICULTURAL HEALTH AND SAFETY -- IOWA
20 DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the
21 general fund of the state to the Iowa department of public
22 health for the fiscal year beginning July 1, 1989, and ending
23 June 30, 1990, the following amount, or so much thereof as is
24 necessary, for the purposes designated:

25 To support agricultural health and safety programs:
26 \$ 45,000

27 1. Of the funds appropriated in this section, \$15,000
28 shall be used to support the surveillance and reporting of
29 disabilities suffered by persons engaged in agriculture
30 resulting from diseases or injuries, including identifying the
31 amount and severity of agricultural related injuries and
32 diseases in the state, identifying causal factors associated
33 with agricultural related injuries and diseases, and
34 evaluating the effectiveness of intervention programs designed
35 to reduce injuries and diseases. The department shall

1 cooperate with the department of agriculture and land
2 stewardship, Iowa state university of science and technology,
3 and the college of medicine at the university of Iowa.

4 2. Of the funds appropriated in this section, \$30,000 is
5 allocated for a public purpose to provide one-time competitive
6 grants, not to exceed \$10,000 each, to hospitals networking in
7 the Iowa agricultural health and safety services program.
8 Hospitals shall use grant funds to create stipends for persons
9 engaged in agriculture who are without third-party health
10 coverage or who are otherwise unable to pay for services, and
11 to implement the program through training personnel,
12 developing outreach programs and educational materials, and
13 purchasing equipment needed to offer savings.

14 3. As used in this section, "agriculture" means an
15 activity relating to the production, processing, warehousing,
16 or handling of commodities produced from farming, as defined
17 in section 567.1. For purposes of this section, a person is
18 engaged in agriculture if the person is consistently exposed
19 to a related activity described in this subsection.

20 4. Notwithstanding section 8.33, unobligated or
21 unencumbered funds appropriated by this section remaining on
22 or after June 30, 1990, shall not revert to the general fund
23 of the state, but shall be used to support programs as
24 provided in this section.

25 Sec. 1106. STATE HEALTH DATA COMMISSION. There is
26 appropriated from the general fund of the state to the state
27 health data commission for the fiscal year beginning July 1,
28 1989, and ending June 30, 1990, the following amount, or so
29 much thereof as is necessary, to be used for the purposes
30 designated:

31 For a health care utilization task force as provided under
32 section 1002 of this Act:

33 \$ 100,000

34 Sec. 1107. PRIMARY AND PREVENTIVE HEALTH CARE FOR
35 CHILDREN. There is appropriated from the general fund of the

1 state to the Iowa department of public health for the fiscal
2 year beginning July 1, 1989, and ending June 30, 1990, the
3 following amount, or so much thereof as is necessary, to be
4 used for the purposes designated:

5 For the public purpose of providing a grant to a statewide
6 nonprofit health service organization to serve as the funding
7 mechanism for the provision of primary health care and
8 preventive services to children in the state who are uninsured
9 and are not eligible under any government health care program,
10 on the condition that the organization provides a match of two
11 dollars for each state dollar received and the organization's
12 governing board includes in its membership representatives
13 from the executive and legislative branches of state
14 government, consistent with the public purpose established
15 pursuant to section 402 of this Act:

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16 \$ 1,200,000

17 Sec. 1108. RURAL PILOT PROGRAM. There is appropriated
18 from the general fund of the state to the Iowa department of
19 public health for the fiscal year beginning July 1, 1989, and
20 ending June 30, 1990, the following amount, or so much thereof
21 as is necessary, to be used for the purposes designated:

22 For a pilot program established in a rural hospital which
23 serves a designated multicounty area in northwest Iowa for the
24 provision of primary and preventive health care to persons who
25 are uninsured, based upon the same eligibility guidelines as
26 those established for the indigent patient program at the
27 university of Iowa hospitals and clinics and subject to
28 program approval and oversight by the advisory committee to
29 the office of rural health as provided under section 702 of
30 this Act:

31 \$ 666,000

32 Sec. 1109. HEAD INJURIES COUNCIL. There is appropriated
33 from the general fund of the state to the department of human
34 rights for the fiscal year beginning July 1, 1989, and ending
35 June 30, 1990, the following amount, or so much thereof as is

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1 necessary, to be used for the purposes designated:

2 Persons with disabilities division:

3 \$ 50,000

4 It is the intent of the general assembly that the funds
5 appropriated under this subsection be used for payment of
6 expenses of the advisory council on head injuries and for
7 salaries and expenses of the division of persons with
8 disabilities in connection with the advisory council on head
9 injuries.

10 Sec. 1110. DEPARTMENT OF ELDER AFFAIRS. There is
11 appropriated from the general fund of the state to the
12 department of elder affairs for the fiscal year beginning July
13 1, 1989, and ending June 30, 1990, the following amount, or so
14 much thereof as is necessary, to be used for the purposes
15 designated:

16 1. For elderly services programs, to expand mental health
17 outreach activities to rural communities through existing case
18 management programs:

19 \$ 25,000

20 2. To area agencies on aging, to provide funding for
21 support personnel for the long-term care residents' advocate
22 and the care review committees at the local area agency on
23 aging level:

24 \$ 120,000

25 Sec. 1111. PUBLIC HEALTH PROGRAMS EXPANSION. There is
26 appropriated from the general fund of the state to the Iowa
27 department of public health for the fiscal year beginning July
28 1, 1989, and ending June 30, 1990, the following amounts, or
29 so much thereof as is necessary, to be used for the purposes
30 designated:

31 1. To the disease prevention division to provide funding
32 to contract for outside pharmaceutical services:

33 \$ 35,000

34 2. To the disease prevention division to provide
35 competitive grants to acquired immunodeficiency syndrome

1 coalitions in Iowa:

2 \$ 50,000

3 3. To the family and community health division to provide
4 grant moneys to maintain child health services of the mobile
5 and regional child health clinics of the University of Iowa
6 hospitals and clinics:

7 \$ 79,911

8 4. To the family and community health division for grants
9 to local boards of health for the expansion of the public
10 health nursing program:

11 \$ 50,000

12 5. To the family and community health division for grants
13 to county boards of supervisors for expansion of the
14 homemaker-home health aide program:

15 \$ 309,857

16 6. To the family and community health division for
17 expansion of the well-elderly clinics program:

18 \$ 166,000

19 Sec. 1112. Section 99E.10, subsection 1, Code 1989, is
20 amended by adding the following new paragraph:

21 NEW PARAGRAPH. e. Two hundred fifty thousand dollars is
22 appropriated to the Iowa department of public health for the
23 fiscal year beginning July 1, 1989, and ending June 30, 1990,

3934 24 as additional funding for training of emergency medical
25 services personnel at the state, county, and local levels.

26 Sec. 1113. EMERGENCY RULES. The department of human
27 services shall adopt administrative rules under section 17A.4,
28 subsection 2, and section 17A.5, subsection 2, paragraph "b"
29 to implement sections 202 and 203 and section 1101 of this Act
30 and the rules and implementation of the sections shall become
31 effective on July 1, 1989.

32 EXPLANATION

33 Division I of this bill requires the Iowa department of
34 public health to provide technical assistance in coordinating
35 the efforts of state agencies in developing outreach centers

1 for pregnant women, infants, and children. The bill also
2 requires the department of public health to cooperate with the
3 legislative fiscal bureau in monitoring maternal and child
4 health centers, and requires the department to adopt rules for
5 the sharing of confidential information among state agencies
6 which provide services in support of the maternal and child
7 health program. The bill also provides for an increased
8 reimbursement level to maternal and child health centers under
9 the medical assistance program to the maximum allowed by the
10 federal government.

11 Division II of this bill relates to medical assistance
12 eligibility by codifying changes made in federal requirements
13 for mandatory and optional coverage groups. The eligibility
14 section is amended to indicate the basis of federal
15 regulations. The listing of persons who are entitled to
16 medical assistance under specific income and other guidelines
17 is amended to include pregnant women; children under certain
18 ages; women who delivered a child while receiving medical
19 assistance will receive postpregnancy-related services;
20 pregnant women and infants less than one year of age whose
21 family income is less than prescribed by the federal Medicare
22 Catastrophic Coverage Act of 1988; pregnant women or infants
23 whose income is more than that prescribed by the federal
24 Medicare Catastrophic Coverage Act of 1988, but whose income
25 does not exceed one hundred eighty-five percent of the federal
26 poverty level; children who receive adoption or foster care
27 maintenance payments under the federal Social Security Act;
28 individuals or families who are ineligible for aid to
29 dependent children but meet requirements under the federal
30 Social Security Act; persons who received federal supplemental
31 security income (SSI) or state supplementary assistance (SSA),
32 but are no longer eligible due to increases in income under
33 the federal Social Security Act based upon cost of living
34 adjustments; individuals who have a deceased spouse, but are
35 not eligible for SSI or SSA due to an increase in income based

1 upon the elimination of the actuarial reduction formula under
2 the federal Social Security Act; individuals who have a
3 deceased spouse and are not eligible to receive benefits under
4 "part A" of the federal Medicare program, and are not eligible
5 for SSI and SSA due to receipt of widow or widower benefits
6 under the federal Social Security Act; and disabled youth who
7 are at least 18 years old and are not eligible for SSI or SSA
8 due to receipt of parents' social security benefits under the
9 federal Social Security Act. The bill also increases the
10 income eligibility percentage for medical assistance to one
11 hundred eighty-five percent of the federal nonfarm poverty
12 level; excludes "tools of the trade" from the determination of
13 income eligibility computation for medical assistance for
14 pregnant women; requires resource standards and exclusions for
15 medical assistance to be established which are not less
16 generous than those established for the obstetrical and
17 newborn indigent patient care program; requires the expansion
18 of case management programs for pregnant women and for
19 children to all areas of the state; expands medical assistance
20 coverage for children to all children up to age seven who were
21 born on or after October 1, 1983, and who meet the aid to
22 dependent children standards; and requires an evaluation of
23 the expansion of medical assistance services on the births of
24 children to eligible women.

25 Division III of this bill requires the department of elder
26 affairs to collect and analyze information relating to
27 physicians' acceptance of Medicare assignments as payment in
28 full for services provided to Medicare patients.

29 Division IV of this bill provides for the establishment of
30 a working group to develop proposals for demonstration
31 programs to improve access to health care insurance for
32 working persons who are not currently provided health care
33 insurance through their employment; provides for the inclusion
34 of the provision of comprehensive health care benefits to
35 employees in the ranking of jobs for the purpose of

1 applications for funds within the Iowa plan fund; requires the
2 department of economic development to recognize the value of
3 health insurance benefit packages provided by employers in
4 evaluating grant and loan requests under the programs which
5 the department administers; and provides for the development
6 of a proposal by the insurance division to provide technical
7 assistance to small businesses regarding multiple employer
8 trusts.

9 Division V of this bill requires the department of human
10 services to collect certain data regarding recipients of
11 medical assistance receiving services through health
12 maintenance organizations as contrasted with those not
13 receiving services through health maintenance organizations.
14 Types of records and surveys are specified and the department
15 is required to report to the general assembly by January 1,
16 1990.

17 Division VI of this bill allows for an evaluation of an
18 amount paid by certain taxpayers for medical and health care
19 insurance or benefits to be subtracted in computing net income
20 for state individual income tax.

21 Division VII of this bill establishes the division of rural
22 health within the Iowa department of public health and
23 provides for the appointment of an advisory committee to the
24 division. The bill requires the division of rural health to
25 provide technical assistance grants to rural communities and
26 counties for exploration of alternative rural health delivery
27 services; provide competitive research grants to conduct
28 economic analyses of the effects of health care restructuring
29 models; submit a report regarding the current compensation
30 structure under Medicare and make recommendations to the Iowa
31 congressional delegation and to the general assembly
32 concerning the compensation structure; develop a medical
33 assistance facility licensing standard; assist rural
34 communities in maximizing federal funding services by
35 establishing rural health clinics and skilled nursing

1 facilities; and coordinate certain research. The bill also
2 provides for use of county hospital tax levy moneys to enhance
3 rural health care.

4 Division VIII of this bill provides that the Iowa
5 agricultural safety and health pilot programs established in
6 1987 at the college of medicine of the university of Iowa
7 shall continue and be expanded to provide additional medical
8 and engineering services to persons engaged in farming.

9 Division IX of this bill establishes a state health care
10 cost containment coordinating unit within the department of
11 management to evaluate cost containment measures regarding
12 state-funded health care coverage, and requires the department
13 of human services to adopt rules and conduct studies relating
14 to reimbursement of health care providers under the medical
15 assistance program. The department is required to adopt rules
16 which require all intermediate care facilities to execute
17 separate written contracts for pharmaceutical vendor services
18 and consultant pharmacist services. The board of pharmacy
19 examiners is directed to conduct a study of consultant
20 pharmacist practices and submit a report to the general
21 assembly. The department of human services is required to
22 study the appropriateness of the adoption of a resource-based
23 relative value scale for reimbursement of physicians under the
24 medical assistance program. In addition, the department is to
25 suggest an appropriate timetable for implementation of such a
26 scale and evaluate for potential usage in Iowa selective
27 contracting with health care providers used in other states.
28 The department is required to make a report to the general
29 assembly by January 1, 1991.

30 Division X of this bill establishes a health care
31 utilization task force by the health data commission.
32 Members, terms of office, duties of the commission, and
33 reporting requirements are specified. The commission is
34 abolished effective January 30, 1993.

35 Division XI of this bill makes appropriations to the

1 department of human services, the Iowa department of public
2 health, the state board of regents, the department of human
3 rights, and the department of elder affairs for health-related
4 purposes.

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SENATE FILE 538

S-3934

- 1 Amend Senate File 538 as follows:
- 2 1. Page 26, line 9, by striking the words
- 3 "government health care program" and inserting the
- 4 following: "public plan of health insurance".
- 5 2. Page 28, line 24, by striking the word
- 6 "training" and inserting the following: "equipping".

By JOE WELSH

S-3934 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p. 1688)

SENATE FILE 538

S-3937

- 1 Amend Senate File 538 as follows:
- 2 1. Page 26, by striking lines 22 and 23 and
- 3 inserting the following:
- 4 "For a pilot program or programs established in a
- 5 rural hospital or hospitals which serve a designated
- 6 multicounty area in northern Iowa and which do not
- 7 have immediate access to the university of Iowa
- 8 hospitals and clinics for the".

By BERL E. PRIEBE

S-3937 FILED APRIL 26, 1989

RULED OUT OF ORDER 4-26-89 (p. 1698)

SENATE FILE 538

S-3939

- 1 Amend Senate File 538 as follows:
- 2 1. By striking page 24, line 28 through page 25,
- 3 line 3, and inserting the following: "shall be used
- 4 to provide a grant to support and promote programs
- 5 relating to farm safety for children."

By JIM RIORDAN
JOPE WELSH
JIM LIND

S-3939 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p. 1698)

SENATE FILE 538

S-3943

- 1 Amend Senate File 538 as follows:
- 2 1. Page 22, by inserting after line 26 the
- 3 following:
- 4 " FTEs 2.0"

By CHARLES BRUNER

S-3943 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p. 1698)

SENATE FILE 538

S-3917

1 Amend Senate File 538 as follows:

2 1. Page 12, line 26, by inserting after the word
3 "counties," the following: "the center for health
4 services research of the university of Iowa,".

5 2. Page 26, by striking line 22 and inserting the
6 following:

7 "To implement, in consultation with the center for
8 health services research of the university of Iowa, a
9 pilot program established in a rural hospital which".

10 3. Page 26, by inserting after line 31 the fol-
11 lowing:

12 "It is the intent of the general assembly that the
13 aggregate payments to providers of services under the
14 pilot program shall not exceed the aggregate payments
15 that would have been made if the recipients had been
16 eligible for and received services pursuant to the
17 medical assistance program. It is the further intent
18 of the general assembly that the pilot program
19 established pursuant to this section shall not be
20 interpreted to create any entitlement to services on
21 behalf of any eligible individual except to the extent
22 that funding is available pursuant to this section.

23 It is also the intent of the general assembly that
24 the funds appropriated for the pilot program shall be
25 used by the rural hospital selected for additional
26 patient care and not for defraying other costs
27 including but not limited to capital expenditure costs
28 or costs of services which were rendered by the
29 hospital and for which the hospital has not been
30 reimbursed."

By JEAN LLOYD-JONES

S-3917 FILED APRIL 26, 1989

RULED OUT OF ORDER

4-26-89 (p/1698)

SENATE FILE 538

S-3932

1 Amend Senate File 538 as follows:

2 1. Page 26, line 30, by inserting after the word
3 "Act" the following: "on the condition that state
4 funds are not used for capital purposes, to supplant
5 existing funding committed to another purpose, or to
6 fulfill an existing commitment, and that the hospital
7 agrees to provide the same amount of charity care
8 after the program begins as it did before the program
9 began".

By MICHAEL E. GRONSTAL

S-3932 FILED APRIL 26, 1989

RULED OUT OF ORDER

4-26-89 (p/1698)

SENATE FILE 538

S-3944

1 Amend Senate File 538 as follows:

2 1. Page 15, by striking lines 5 through 7 and
3 inserting the following:

4 "d. Make recommendations to the department and
5 obtain the advice of the hospital licensing board in
6 developing a medical assistance facility".

7 2. Page 16, by striking lines 15 through 21 and
8 inserting the following:

9 "NEW SUBSECTION. 9. The director shall, in
10 cooperation with the office of rural health, seek
11 federal waivers and take additional actions which
12 allow continued reimbursement through payments made
13 pursuant to chapter 249A for a medical assistance
14 facility."

15 3. Page 26, by striking lines 22 and 23 and
16 inserting the following:

17 "To implement, in consultation with the center for
18 health services research of the university of Iowa, a
19 pilot program or programs established in a rural

20 1 20 hospital or hospitals serving a designated county or multicounty
21 area in Iowa for the".

22 4. Page 26, by inserting after line 31 the fol-
23 lowing:

24 "It is the intent of the general assembly that the
25 aggregate payments to providers of services under the
26 pilot program shall not exceed the aggregate payments
27 that would have been made if the recipients had been
28 eligible for and received services pursuant to the
29 medical assistance program. It is the further intent
30 of the general assembly that the pilot program
31 established pursuant to this section shall not be
32 interpreted to create any entitlement to services on
33 behalf of any eligible individual except to the extent
34 that funding is available pursuant to this section.

35 It is also the intent of the general assembly that
36 the funds appropriated for the pilot program or programs shall be
37 used by the rural hospital selected for additional
38 patient care and not for defraying other costs
39 including but not limited to capital expenditure costs
40 or costs of services which were rendered by the
41 hospital and for which the hospital has not been
42 reimbursed."

By CHARLES BRUNER
JEAN LLOYD-JONES
BERL E. PRIEBE

S-3944 FILED APRIL 26, 1989

ADOPTED

4-26-89 (p1698)

House Approps
DO PASS + Amend, 5-2-89, per amend. 4381, (p. 2329)

SENATE FILE 538

BY COMMITTEE ON APPROPRIATIONS

(AS AMENDED AND PASSED BY THE SENATE APRIL 26, 1989)

~~_____~~ - New Language by the Senate

Passed Senate, Date 4/26/89 (p. 1099) Passed House, Date 5-3-89 (p. 2375)

Vote: Ayes 45 Nays 1 Vote: Ayes 78 Nays 17

Approved Steve Vastak 6/5/89

Senate Conference Committee appointed 5/6/89

Representatives Jackson (Chair), Peterson, Fey, Hester, & Blawie (p. 2635)
Senators Bruner (Chair), Palmer, Lloyd-Jones, Corning, & Tinsman (p. 2044)
Passed Senate 5/6/89 (p. 2678) A BILL FOR George Jones, Corning, & Tinsman
Passed House 5/7/89 (p. 2753)
61-15 53-34

4381 1 An Act relating to medical and health care, including matters
2 relating to the maternal and child health program; the
3 expansion of medical assistance eligibility for certain
4 persons; physicians' charges for services to beneficiaries of
5 health insurance under Title XVIII of the federal Social
6 Security Act and providing for the collection and analysis of
7 information; health care access; the requirement of the
8 department of human services to collect certain data relating
9 to usage of health maintenance organization services by
10 recipients of medical assistance; the state individual income
11 tax by requiring an evaluation of the medical and health
12 insurance deduction; rural health systems delivery and rural
13 occupational health; requiring the department of human
14 services to adopt rules to conduct studies regarding health
15 care providers which are reimbursed under the medical
16 assistance program; establishing a health care cost
17 containment task force; making appropriations to certain state
4394 18 agencies; and providing for other properly related matters.

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

20 Conference Committee Report appointees
21 Senators - Bruner, Chace, Palmer, Lloyd-Jones, Corning, & Tinsman
22 Rep - Hammond, Chace, Jackson, Fey, Carpenter, & Hester
23

SF 538

pf/cc/26

S.F. 538

1 Section 1. The purpose of this Act is to better provide
2 health care coverage for uninsured and underinsured Iowans, to
3 provide state assistance and support to developing rural
4 health service delivery systems which are appropriate to rural
5 communities, and to establish means to contain health care
6 costs while ensuring access to quality health care for all
7 Iowans.

8 Sec. 2. Divisions I through VI of this Act shall be known
9 as "Serving the Uninsured and Underinsured". Divisions VII
10 and VIII of this Act shall be known as "Rural Health Care
11 Services and Agricultural Occupational Health". Divisions IX
12 and X of this Act shall be known as "Health Care Cost
13 Containment".

14 DIVISION I

15 Sec. 101. This division shall be known as the "Maternal
16 and Child Health Division".

17 Sec. 102. Section 22.7, subsection 2, Code 1989, is
18 amended to read as follows:

19 2. Hospital records, medical records, and professional
20 counselor records of the condition, diagnosis, care, or
21 treatment of a patient or former patient or a counselee or
22 former counselee, including outpatient. However, confidential
23 communications between a victim of sexual assault or domestic
24 violence and the victim's sexual assault or domestic violence
25 counselor are not subject to disclosure except as provided in
26 section 236A.1. However, the Iowa department of public health
27 shall adopt rules which provide for the sharing of information
28 among agencies concerning the maternal and child health
29 program, while maintaining an individual's confidentiality.

30 Sec. 103. Section 135.11, subsection 19, Code 1989, is
31 amended to read as follows:

32 19. Administer the statewide maternal and child health
33 program and the crippled children's program by conducting
34 mobile and regional child health specialty clinics and
35 conducting other activities to improve the health of low-

1 income women and children and to promote the welfare of
2 children with actual or potential handicapping conditions and
3 chronic illnesses in accordance with the requirements of Title
4 V of the federal Social Security Act. The department shall
5 provide technical assistance to encourage the coordination and
6 collaboration of state agencies in developing outreach centers
7 which provide publicly-supported services for pregnant women,
8 infants, and children. The department shall work in
9 cooperation with the legislative fiscal bureau in monitoring
10 the effectiveness of the maternal and child health centers,
11 including the provision of transportation for patients
12 appointments and the keeping of scheduled appointments.

13 Sec. 104. REIMBURSEMENT LEVEL TO MATERNAL AND CHILD HEALTH
14 CENTERS. The department of human services under the medical
15 assistance program shall renegotiate the rates of
16 reimbursement of the full allowable costs to maternal health
17 centers providing services to pregnant women and infants; to
18 child health centers providing early and periodic screening,
19 diagnosis, treatment, and other related services to children;
20 and to community health centers providing services to pregnant
21 women, infants, and children as often as necessary to assure
22 that the rates are commensurate with the providers' full cost
23 of providing the services.

24 DIVISION II

25 Sec. 201. This division shall be known as the "Medicaid
26 Coverage Expansion Division".

27 Sec. 202. Section 249A.3, subsection 1, Code 1989, is
28 amended by adding the following new paragraphs:

29 NEW PARAGRAPH. e. Is a pregnant woman whose pregnancy has
30 been medically verified and who qualifies under either of the
31 following:

32 (1) The woman would be eligible for a cash payment under
33 the aid to dependent children program, or under an aid to
34 dependent children, unemployed parent program, under chapter
35 239, if the child were born and living with the woman in the

1 month of payment.

2 (2) The woman meets the income and resource requirements
3 of the aid to dependent children program under chapter 239,
4 provided the unborn child is considered a member of the
5 household, and the woman's family is treated as though
6 deprivation exists.

7 NEW PARAGRAPH. f. Is a child who is less than six years
8 of age and who meets the income and resource requirements of
9 the aid to dependent children program under chapter 239.

10 NEW PARAGRAPH. g. Is a child who is less than eight years
11 of age as prescribed by the federal Omnibus Budget
12 Reconciliation Act of 1987, Pub. L. No. 100-203 § 4101, whose
13 income is not more than one hundred percent of the federal
14 poverty level as defined by the most recently revised poverty
15 income guidelines published by the United States department of
16 health and human services.

17 NEW PARAGRAPH. h. Is a woman who, while pregnant, meets
18 eligibility requirements for assistance under the federal
19 Social Security Act, § 1902(1) and continues to meet the
20 requirements except for income. The woman is eligible to
21 receive assistance until sixty days after the date pregnancy
22 ends.

23 NEW PARAGRAPH. i. Is a pregnant woman who is determined
24 to be presumptively eligible by a health care provider
25 qualified under the federal Omnibus Budget Reconciliation Act
26 of 1986, Pub. L. No. 99-509, § 9407. The woman is eligible
27 for ambulatory prenatal care assistance for a period of
28 fourteen days following the presumptive eligibility
29 determination. If the department receives the woman's medical
30 assistance application within the fourteen-day period, the
31 woman is eligible for ambulatory prenatal care assistance for
32 forty-five days from the date presumptive eligibility was
33 determined or until the department actually determines the
34 woman's eligibility for medical assistance, whichever occurs
35 first. The costs of services provided during the presumptive

1 eligibility period shall be paid by the medical assistance
2 program for those persons who are determined to be ineligible
3 through the regular eligibility determination process.

4 NEW PARAGRAPH. j. Is a pregnant woman or infant less than
5 one year of age whose income does not exceed the federally
6 prescribed percentage of the poverty level in accordance with
7 the federal Medicare Catastrophic Coverage Act of 1988, Pub.
8 L. No. 100-360, § 302.

9 NEW PARAGRAPH. k. Is a pregnant woman or infant whose
10 income is more than the limit prescribed under the federal
11 Medicare Catastrophic Coverage Act of 1988, Pub. L. No. 100-
12 360 § 302, but not more than one hundred eighty-five percent
13 of the federal poverty level as defined by the most recently
14 revised poverty income guidelines published by the United
15 States department of health and human services.

16 NEW PARAGRAPH. l. Is a child for whom adoption assistance
17 or foster care maintenance payments are paid under Title IV-E
18 of the federal Social Security Act.

19 NEW PARAGRAPH. m. Is an individual or family who is
20 ineligible for aid to dependent children under chapter 239
21 because of requirements that do not apply under Title XIX of
22 the federal Social Security Act.

23 NEW PARAGRAPH. n. Was a federal supplemental security
24 income or a state supplementary assistance recipient, as
25 defined by section 249.1, and a recipient of federal social
26 security benefits at one time since August 1, 1977, and would
27 be eligible for federal supplemental security income or state
28 supplementary assistance but for the increases due to the cost
29 of living in federal social security benefits since the last
30 date of concurrent eligibility.

31 NEW PARAGRAPH. o. Is an individual whose spouse is
32 deceased and who is ineligible for federal supplemental
33 security income or state supplementary assistance, as defined
34 by section 249.1, due to the elimination of the actuarial
35 reduction formula for federal social security benefits under

1 the federal Social Security Act and subsequent cost of living
2 increases.

3 NEW PARAGRAPH. p. Is an individual who is at least sixty
4 years of age and is ineligible for federal supplemental
5 security income or state supplementary assistance, as defined
6 by section 249.1, because of receipt of social security widow
7 or widower benefits and is not eligible for federal Medicare,
8 part A coverage.

9 NEW PARAGRAPH. q. Is a disabled individual, and is at
10 least eighteen years of age, who receives parental social
11 security benefits under the federal Social Security Act and is
12 not eligible for federal supplemental security income or state
13 supplementary assistance, as defined by section 249.1, because
14 of the receipt of the Social Security benefits.

15 Sec. 203. Section 249A.4, Code 1989, is amended by adding
16 the following new subsections:

17 NEW SUBSECTION. 11. In determining the medical assistance
18 eligibility of a pregnant woman, infant, or child under the
19 federal Social Security Act, § 1902(1), resources which are
20 used as tools of the trade shall not be considered.

21 NEW SUBSECTION. 12. In determining the medical assistance
22 eligibility of a pregnant woman, infant, or child under the
23 federal Social Security Act, § 1902(1), the department shall
24 establish resource standards and exclusions not less generous
25 than the resource standards and exclusions adopted pursuant to
26 section 255A.5.

27 Sec. 204. MEDICAL ASSISTANCE ELIGIBILITY -- EXPANSION OF
28 SERVICES.

29 1. The department of human services and the Iowa
30 department of public health shall expand the targeted case
31 management program for pregnant women to extend to all areas
32 of the state.

33 2. The department of human services, under the medical
34 assistance program, shall continue the expansion of the
35 targeted case management program for early and periodic

1 screening, diagnosis, and treatment for children eligible for
2 assistance, with the goal of expanding the program to all
3 areas of the state within a reasonable period of time. The
4 department of human services shall make use of medical
5 information obtained through the medical assistance management
6 information system regarding child usage of primary and
7 preventive health services to identify children in need of
8 early and periodic screening, diagnosis, and treatment
9 services and use models developed in other states to provide
10 the services to the children identified.

11 3. The department of human services in cooperation with
12 the Iowa department of public health and the health data
13 commission shall review and evaluate as a high-risk group,
14 births of medical assistance recipients and shall evaluate the
15 effect of expansion of medical assistance services on reducing
16 the risk.

17 DIVISION III

18 Sec. 301. This division shall be known as the "Medicare
19 Assignment Division".

20 Sec. 302. LEGISLATIVE FINDINGS. Many senior citizens with
21 limited incomes find it difficult or impossible to locate
22 physicians willing to accept Medicare assignments as payment
23 in full for services, and this places these senior citizens at
24 risk of further impoverishment because of medical expenses.
25 The Iowa medical society is to be commended for establishing,
26 with the assistance of the department of elder affairs and
27 area agencies on aging, a voluntary program to encourage
28 physicians to accept Medicare assignments as payment in full
29 for services to low-income Medicare patients. There is a
30 need, however, to track the impact of this program in meeting
31 the needs of low-income Medicare patients to receive
32 affordable health care. This tracking requires the collection
33 and analysis of information on physician practices with
34 respect to Medicare assignments, including breakdowns by
35 geographic region and by medical specialization.

43011 Sec. 402. HEALTH CARE ACCESS FOR CHILDREN. The children
 2 of Iowa are a precious and valuable resource. The future of
 3 Iowa depends upon the continued good health and well-being of
 4 Iowa's children. Yet, an estimated twenty-eight thousand
 5 children are at risk of ill health for lack of health care
 6 services. It is a public purpose of this state to provide
 7 access to health care for Iowa's children who are uninsured,
 8 including but not limited to those who are not covered by
 9 group health care plans, those whose families cannot afford
 10 private health insurance, and those who do not qualify for the
 11 medical assistance program. This public purpose of providing
 12 health care access to Iowa's uninsured children can be
 13 fulfilled by state financial support of private nonprofit
 14 entities who provide primary health care insurance benefits to
 15 children who would otherwise be uninsured.

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16 Sec. 403. DEMONSTRATION PROGRAM DEVELOPMENT ESTABLISHED.
 17 There is established a working group to develop proposals for
 18 demonstration programs to improve the availability,
 19 affordability, and use of health insurance coverage for
 20 working persons currently not provided health insurance
 21 coverage through their employment. The proposals shall be
 22 developed by January 1, 1990, and shall be capable of
 23 implementation no later than January 1, 1991. Participation
 24 by the private insurance industry and health care community
 25 shall be encouraged in the development of the proposals.
 26 Matching foundation, private, or government support for the
 27 demonstration programs shall be explored, and all projects
 28 shall have an evaluation component to measure the
 29 effectiveness of the program in improving health insurance
 30 coverage for the targeted working population. The working
 31 group shall consist of a representative from the Iowa
 32 department of public health, the department of inspections and
 33 appeals, the division of insurance of the department of
 34 commerce, the department of human services, the department of
 35 employment services, the health policy corporation of Iowa,

1 the department of elder affairs, and the department of human
2 rights. The legislative council shall appoint four members to
3 serve on the working group, and shall designate one member as
4 the chairperson of the group. Other representatives shall be
5 selected by the respective heads of the departments,
6 corporations, or divisions. Demonstration program proposals
7 shall be developed to be capable of implementation on a
8 geographic basis. At a minimum, the working group shall
9 develop the following demonstration program proposals:

10 1. A program providing at least primary and preventive
11 health services to children in working families, where the
12 income level of the families does not exceed one hundred
13 eighty-five percent of the federal poverty level.

14 2. A program providing state participation in the
15 financing of health insurance coverage for employers of fewer
16 than twenty-five employees who previously have not provided
17 health coverage for their employees and who can demonstrate
18 that the employer cannot otherwise provide such coverage. The
19 program shall include participation by the employer in an
20 amount equal to at least one-third of the cost of the
21 employees' health care coverage.

22 3. A program for families previously participating in the
23 aid to dependent children program whose reason for leaving the
24 program was employment earnings, who have exhausted
25 transitional medical assistance coverage, and who are still
26 employed but who have no health care coverage. Such a program
27 shall include a sliding fee schedule for participation.

28 4. A program for self-employed persons that provides
29 greater equity in tax treatment of individually obtained
30 health insurance policies.

31 5. A program for small employers that establishes a
32 multiple employer trust accessible to employers, with or
33 without state participation, to reduce the premiums charged
34 for such trusts and increase the availability of such trusts.

35 6. A program to provide catastrophic health care coverage

1 for employed persons who are currently uninsured or
2 underinsured.

3 7. A program to provide support to uninsured and
4 underinsured working families that recognizes ongoing health
5 care expenditures for chronic conditions and that would
6 provide protection against a requirement to completely spend-
7 down on a monthly basis in order to be eligible for the
8 medically needy program.

9 Sec. 404. Section 99E.31, subsection 2, paragraph b,
10 subparagraph (7), Code 1989, is amended to read as follows:

11 (7) The quality of the jobs to be created. In rating the
12 quality of the jobs the department shall award more points to
13 those jobs that have a higher wage scale, have a lower
14 turnover rate, are full-time or career-type positions, provide
15 comprehensive health benefits, or have other related factors.

16 Sec. 405. HEALTH INSURANCE RECOGNIZED. The Iowa
17 department of economic development shall recognize the value
18 of health insurance benefit packages provided by employers in
19 evaluating grant and loan requests under the programs
20 administered by the department.

21 Sec. 406. TECHNICAL ASSISTANCE -- SMALL EMPLOYERS. The
22 insurance division shall develop a proposal to provide
23 technical assistance to small employers in identifying,
24 accessing, and evaluating multiple employer trusts within the
25 state, and to recommend ways in which the state may assist in
26 overcoming obstacles which deter employers from participating
27 in multiple employer trusts. The insurance division shall
28 present a report to the general assembly regarding the
29 proposal and recommendations by January 1, 1990.

30 DIVISION V

31 Sec. 501. This division shall be known as the "Medicaid
32 Recipients in Health Maintenance Organizations Division".

33 Sec. 502. COLLECTION OF DATA REQUIRED -- MEDICAL
34 ASSISTANCE RECIPIENTS. The department of human services shall
35 collect data regarding the usage of health care services

1 delivered by health maintenance organizations to recipients of
2 medical assistance under chapter 249A. The data collection
3 shall include records of recipient usage of primary care
4 services through health maintenance organizations as
5 contrasted with recipient usage of primary care services for
6 recipients not covered by health maintenance organizations,
7 including but not limited to child immunizations, diagnostic
8 tests for sickle-cell anemia, and complete physicals. The
9 department shall survey recipients regarding difficulty in
10 obtaining access or services, including but not limited to
11 transportation problems and difficulty communicating with
12 health care providers. The department shall provide the data,
13 accompanied by analyses, to the general assembly on or before
14 January 1, 1990.

15 DIVISION VI

4381 16 Sec. 601. This division shall be known as the "Tax Policy
17 for the Self-employed Division".

4381 18 Sec. 602. EVALUATION OF COSTS -- DEDUCTIONS FOR PURCHASERS
19 OF HEALTH INSURANCE.

20 1. The department of revenue and finance shall cooperate
21 with the division of insurance of the department of commerce
22 and the legislative fiscal bureau in evaluating the costs of
23 providing income tax deductions to persons who purchase health
24 insurance and the impact of providing such deductions on a
25 person's choice to purchase insurance.

26 2. In its evaluation, the department of revenue and
27 finance shall consider at a minimum for taxpayers who purchase
28 medical or health care insurance or benefits costing in excess
29 of five hundred dollars, the following options:

30 a. A deduction in the amount of one-half of the insurance
31 premiums paid in excess of five hundred dollars for a single
32 taxpayer with a federal adjusted gross income of ten thousand
33 dollars or less and married persons filing jointly or
34 separately on a combined return with a federal adjusted gross
35 income of twenty thousand dollars or less.

1 b. A deduction in the amount of one-fourth of the
2 insurance premiums paid in excess of five hundred dollars for
3 a single taxpayer with a federal adjusted gross income of more
4 than ten thousand dollars but less than twenty thousand
5 dollars and a married person filing jointly or filing
6 separately on a combined return with a federal adjusted gross
7 income of more than twenty thousand dollars but less than
8 forty thousand dollars.

9 3. The department of revenue and finance shall report the
10 results of its evaluation to the general assembly by January
11 1, 1990.

12 DIVISION VII

13 Sec. 701. This division shall be known as the "Rural
14 Health Service Delivery Division".

15 Sec. 702. NEW SECTION. 135.13 OFFICE OF RURAL HEALTH
16 ESTABLISHED.

17 1. The office of rural health is established within the
18 department. There is established an advisory committee to the
19 office of rural health consisting of one representative,
20 approved by the respective agency, of each of the following
21 agencies: the department of agriculture and land stewardship,
22 the Iowa department of public health, the department of
23 inspections and appeals, the national institute for rural
24 health policy, the rural health resource center, the institute
25 of agricultural medicine and occupational health, the Iowa
26 state association of counties, and the health policy
27 corporation of Iowa. The governor shall appoint a
28 representative of each of two farm organizations active within
29 the state, a representative of an agricultural business in the
30 state, a practicing rural family physician, and a rural health
31 practitioner who is not a physician as members of the advisory
32 committee. Two state senators appointed by the majority
33 leader of the senate, and two state representatives appointed
34 by the speaker of the house of representatives shall also be
35 members of the advisory committee. Of the members appointed

1 by the majority leader of the senate and the speaker of the
2 house of representatives, not more than one from each house
3 shall be a member of the same political party.

4 2. The office of rural health shall do all of the
5 following:

438/6 a. Provide technical assistance grants to rural
7 communities and counties exploring alternative means of
8 delivering rural health services, including but not limited to
9 hospital conversions, cooperative agreements among hospitals,
10 physician and health practitioner support, public health
11 services, emergency medical services, medical assistance
12 facilities, rural health care clinics, and alternative means
13 which may be included in the long-term community health
14 services and developmental plan developed under this paragraph
15 or in a long-term plan developed through the rural health
16 transition grant program pursuant to the federal Omnibus
17 Budget Reconciliation Act of 1987, Pub. L. No. 100-203, §
18 4005(e). The office of rural health shall encourage the local
19 boards of health and hospital governing boards to adopt a
20 long-term community health services and developmental plan
21 including all of the following:

22 (1) An analysis of demographic trends in the health
23 facility services area, affecting health facility and health-
24 facility-related health care utilizations.

25 (2) A review of inpatient services currently provided, by
26 type of service and the frequency of provision of that
27 service, and the cost-effectiveness of that service.

28 (3) An analysis of resources available in proximate health
29 facilities and services that might be provided through
30 alternative arrangements with such health facilities.

31 (4) An analysis of cooperative arrangements that could be
32 developed with other health facilities in the area that could
33 assist those health facilities in the provision of services.

34 (5) An analysis of community health needs, specifically
35 including long-term care needs, pediatric and maternity

1 services, and the health facilities' potential role in
2 facilitating the provision of services to meet these needs.

3 (6) An analysis of alternative uses for existing health
4 facility space and real property, including use for community
5 health-related and human service-related purposes.

6 (7) An analysis of mechanisms to meet indigent patient
7 care needs and the responsibilities for the care of indigent
8 patients.

9 (8) An analysis of the existing tax levying of the health
10 facilities for patient care, on a per capita basis and per
11 hospital patient basis, and projections on future needs for
12 tax levying to continue for the provision of care.

13 Providers may cooperatively coordinate to develop one long-
14 term community health services and developmental plan for a
15 geographic area, provided the plan addresses the issues
16 enumerated in this section.

17 The health facilities may seek technical assistance or
18 apply for matching grant funds for the plan development. The
19 office of rural health shall require compliance with
20 subparagraphs (1) through (8) when the facility applies for
21 matching grant funds.

22 b. Provide competitive research grants, to be awarded by
23 the advisory committee, to conduct economic analyses of the
24 effects of health care restructuring models on rural
25 communities, including but not limited to the employment
26 effects on the community of redirecting funds to new areas of
27 service, the overall effects of redirection of the funds on
28 the number of health care dollars expended within the rural
29 community, and the benefit to the health of patients of
30 redirecting the funds.

31 c. The office of rural health shall make a report to the
32 general assembly regarding the impact of the current
33 compensation structure under Medicare on rural hospitals and
34 other health care providers, shall provide information
35 regarding the current compensation system to Iowa's

1 congressional delegation, and shall make recommendations to
2 the general assembly regarding recommendations to be made to
3 Iowa's congressional delegation to improve the compensation
4 structure.

4390 5 d. Make recommendations to the department and obtain the
6 advice of the hospital licensing board in developing a medical
7 assistance facility licensure standard for primarily infirmary
8 care service. The office of rural health shall make
9 recommendations to the department of inspections and appeals
10 regarding the department's efforts to seek federal waivers and
11 take additional actions which allow continued reimbursement
12 for Medicare payments. For the purpose of this section,
13 "Medicare" means the program of health insurance established
14 under Title XVIII of the federal Social Security Act. For the
15 purpose of this paragraph, "medical assistance facility" means
16 a facility that provides inpatient care to ill or injured
17 persons prior to their transportation to a hospital or
18 provides inpatient medical care to persons requiring that care
19 for a period generally not to exceed ninety-six hours.

20 e. Provide technical assistance to assist rural
21 communities in improving Medicare reimbursements through the
22 establishment of rural health clinics, defined pursuant to 42
23 U.S.C. § 1395(x), and distinct part skilled nursing facility
24 beds.

25 f. Coordinate services to provide research for the
26 following items:

27 (1) Examination of the prevalence of rural occupational
28 health injuries in the state.

29 (2) Assessment of training and continuing education
30 available through local hospitals and others relating to
31 diagnosis and treatment of diseases associated with rural
32 occupational health hazards.

33 (3) Determination of continuing education support
34 necessary for rural health practitioners to diagnose and treat
35 illnesses caused by exposure to rural occupational health

1 hazards.

2 (4) Determination of the types of actions that can help
3 prevent agricultural accidents.

4 (5) Surveillance and reporting of disabilities suffered by
5 persons engaged in agriculture resulting from diseases or
6 injuries, including identifying the amount and severity of
7 agricultural-related injuries and diseases in the state,
8 identifying causal factors associated with agricultural-
9 related injuries and diseases, and indicating the
10 effectiveness of intervention programs designed to reduce
11 injuries and diseases.

429612 Sec. 703. Section 10A.104, Code 1989, is amended by adding
13 the following new subsection:

14 NEW SUBSECTION. 9. The director shall, in cooperation
15 with the office of rural health, seek federal waivers and take
16 additional actions which allow continued reimbursement through
17 payments made pursuant to chapter 249A for a medical
18 assistance facility.

19 Sec. 704. Section 347.7, Code 1989, is amended by adding
20 the following new unnumbered paragraph:

438121 NEW UNNUMBERED PARAGRAPH. The tax levied pursuant to this
22 section may be used to enhance rural health care services in
23 the community or county. However, the tax levied may only be
24 expended for enhancement of rural health care services
25 following a local planning process developed under the
26 advisement of county health care providers and the office of
27 rural health. Enhancement of rural medical services may
28 include but is not limited to emergency medical services,
29 health care services shared with other hospitals, rural health
30 clinics, support for rural health care practitioners and
31 public health services, and conversions to medical assistance
32 facilities. The local plan developed for use of funds in a
33 county that currently levies taxes under this chapter, shall
34 be agreed upon by the elected board of trustees of the county
35 hospital, and in a county that does not currently levy taxes

1 under this chapter, shall be agreed upon by the board of
2 supervisors in conjunction with any publicly elected hospital
3 board of trustees within the county.

438 4 Sec. 705. Section 135B.33, Code 1989, is repealed.

5 DIVISION VIII

6 Sec. 801. This division shall be known as the "Rural
7 Agricultural Occupational Health Division".

8 Sec. 802. AGRICULTURAL HEALTH AND SAFETY PROGRAMS. The
9 state board of regents shall continue, beyond its original
10 two-year time period, the agricultural health and safety ser-
11 vice pilot programs established as part of the college of
12 medicine of the university of Iowa to provide medical and
13 engineering services to any person engaged in farming in
14 cooperation with the office of rural health of the Iowa
15 department of public health, the department of agriculture and
16 land stewardship, and the Iowa state university of science and
17 technology, pursuant to 1987 Iowa Acts, chapter 233, section
18 408, subsection 2, paragraph "a", subparagraph (2).

19 The board of regents shall provide the office of rural
20 health with information concerning the programs so that the
21 office of rural health may serve as a repository of the
22 information.

23 As used in this section, "farming" means the cultivation of
24 land for the production of agricultural crops, the raising of
25 poultry, the production of eggs, the production of milk, the
26 production of fruit or other horticultural crops, grazing, or
27 the production of livestock, spraying, or harvesting. The
28 programs shall be expanded to include the following services
29 and goals:

30 1. Involvement of six urban hospitals to participate in
31 networking services with rural area hospitals provided that
32 the two original participant hospitals are provided sufficient
33 funding to continue to develop their programs.

34 2. Development of grants for small hospitals which parti-
35 cipate in the programs.

1 3. Implementation of farmer stipends.

2 4. Employment of an industrial hygienist, a director or
3 coordinator, an evaluator, and support staff.

4 5. Provision for a safety specialist and support staff to
5 be employed at Iowa state university of science and
6 technology.

7 6. Provision for a reporting system of sickness, diseases,
8 and accidents relating to farmers.

9 7. Support for a national coalition for agricultural
10 safety and health by providing travel expenses to facilitate
11 explanation of the pilot programs to interested persons.

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12 DIVISION IX

13 Sec. 901. This division shall be known as the "Medicaid
14 Cost Containment Division".

15 Sec. 902. NEW SECTION. 8.7 STATE HEALTH CARE COST
16 CONTAINMENT COORDINATING UNIT ESTABLISHED.

17 A state health care cost containment coordinating unit is
18 established within the department of management. The
19 coordinating unit shall consist of the director of the
20 department of management, the administrator of the state
21 medical assistance program, and the director of the department
22 of personnel. The coordinating unit shall review cost
23 containment strategies regarding state-funded health care
24 coverage.

25 Sec. 903. PHARMACEUTICAL VENDOR SERVICES AND CONSULTANT
26 PHARMACIST SERVICES.

27 The department of human services shall adopt rules which
28 require all intermediate care facilities to execute separate
29 written contracts for pharmaceutical vendor services and
30 consultant pharmacist services. The consultant pharmacist
31 contract shall require monthly drug regimen review reports and
32 shall provide for reimbursement on the basis of fair market
33 value.

34 The board of pharmacy examiners shall conduct a study of
35 consultant pharmacist practices in Iowa and examine the impact

1 of establishing a consultant pharmacist certification process
2 to ensure the delivery of appropriate consultant pharmacist
3 services. A report shall be presented to the general assembly
4 by January 15, 1990.

437/5 Sec. 904. MEDICAL ASSISTANCE REIMBURSEMENT SCALE
6 DEVELOPED. The department of human services shall study the
7 appropriateness of adopting a resource-based relative value
8 scale for reimbursement of physicians under the medical
9 assistance program. The department shall suggest an
10 appropriate timetable for implementation of a resource-based
11 relative value scale for physician reimbursement, shall review
12 the need for improved reimbursement for primary care services,
13 and shall make recommendations regarding modifications of the
14 current system and interim improvements which might be taken
15 prior to the implementation of a resource-based relative value
16 scale reimbursement system. The results of the study and
17 recommendations of the department shall be reported to the
438/18 general assembly by January 1, 1991.

19 Sec. 905. SELECTIVE CONTRACTING REVIEW REQUIRED. The
20 department of human services shall review and evaluate for
21 potential usage in Iowa, selective contracting arrangements
22 with health care providers used under the medical assistance
23 program in other states. The department shall report the
24 results of the review and evaluation to the joint human
25 services subcommittee of the senate and house committees on
439/26 appropriations by January 20, 1991.

27 DIVISION X

438/28 Sec. 1001. This division shall be known as the "Health
29 Care Utilization Task Force Division".

439/30 Sec. 1002. NEW SECTION. 145.8 HEALTH CARE UTILIZATION
31 TASK FORCE ESTABLISHED.

32 1. The commission shall establish a health care
33 utilization task force which shall continue until January 1,
34 1993, to review, identify, and address issues related to the
35 utilization of health care services in the state.

1 2. The following persons shall be appointed to the task
2 force:

3 a. The director of public health or the director's
4 designee.

5 b. The director of the Iowa foundation for medical care or
6 the director's designee.

7 c. Two persons skilled in health services research.

8 d. Representatives of the medical community including at
9 least one physician, one hospital administrator, and one
10 representative of a health insurance organization.

11 e. The chief of the bureau of medical services of the
12 department of human services or the chief's designee.

13 f. One representative of business interests.

14 g. One representative of labor interests.

15 h. Representatives of other organizations which the
16 commission deems necessary to accomplish the duties assigned
17 to the task force.

18 The task force may consult with and contract with outside
19 entities to accomplish its assigned duties.

20 3. The members of the task force shall choose from its
21 membership a chairperson, a vice chairperson, and other
22 officers as the task force deems necessary. Vacancies on the
23 task force shall be filled by the entity which made the
24 original appointment. The members of the task force shall be
25 reimbursed for actual expenses while engaged in their official
26 duties.

27 4. The task force shall complete all of the following
28 tasks:

29 a. Collect and analyze existing research on the medical
30 efficacy of certain medical procedures and study potential
31 overutilization of the procedures in the state, and annually
32 prepare a summary of procedures for which there is a signifi-
33 cant level of usage in the state and for which substantial
34 evidence from nationwide data suggests there is overutiliza-
35 tion on a national level.

1 b. Evaluate and if necessary develop methods of using
2 information collected by the health data commission to assess
3 variations in the usage of the procedures identified in
4 paragraph "a" and the effects of the variations on the health
5 outcomes of the citizens of the state.

6 c. Use information collected by the health data commission
7 to evaluate variations in the utilization of diagnostic-
8 related groups and assess the effects of the variations on
9 patient outcomes and health care costs.

10 d. Utilize findings developed under this section and
11 analysis of actions taken in other states to make
12 recommendations to appropriate agencies and organizations
13 regarding the development and means of implementation of
14 protocols for the usage of procedures identified as having
15 high coefficients of variation.

16 e. Make recommendations to appropriate agencies and
17 organizations regarding physician education, second opinions
18 for procedures, and reimbursement limitations on procedures
19 which have been identified as subject to overutilization.

20 f. Make recommendations regarding other means of reducing
21 health care costs by utilizing health care services more
22 effectively.

23 5. The task force shall report its action relating to its
24 duties established by this section to the commission, the
25 governor, and the general assembly on or before January 1, in
26 the years 1991, 1992, and 1993.

27 6. This section is repealed effective January 30, 1993.

28 "DIVISION XI

29 Sec. 1101. MEDICAL ASSISTANCE EXPANSION. There is
30 appropriated from the general fund of the state to the
31 department of human services for the fiscal year beginning
32 July 1, 1989, and ending June 30, 1990, the following amount,
33 or so much thereof as is necessary, to be used for the
34 purposes designated:

35 To expand medical assistance coverage and conduct studies

1 pursuant to divisions II and V of this Act, including
2 salaries, support, maintenance, miscellaneous purposes, and
3 for not more than the following full-time equivalent positions
4 in community services:

5	\$	1,155,000
6	FTEs	9.5

7 Sec. 1102. MATERNAL AND CHILD HEALTH. There is
8 appropriated from the general fund of the state to the Iowa
9 department of public health for the fiscal year beginning July
10 1, 1989, and ending June 30, 1990, the following amount, or so
11 much thereof as is necessary, to be used for the purposes
12 designated:

438/ 13 For salary and support of one full-time equivalent position
14 to develop additional outreach centers for maternal and child
15 health services as provided under section 104 of this Act:

16	\$	37,000
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17 Sec. 1103. OFFICE OF RURAL HEALTH. There is appropriated
18 from the general fund of the state to the Iowa department of
19 public health for the fiscal year beginning July 1, 1989, and
20 ending June 30, 1990, the following amount, or so much thereof
21 as is necessary, to be used for the purposes designated:

22 For the office of rural health:

23	\$	150,000
24	FTEs	2.0

25 1. Of the funds appropriated in this section, \$50,000 is
26 allocated for the establishment of the office of rural health
27 as provided under section 702 of this Act.

28 2. Of the funds appropriated in this section, \$50,000 is
29 allocated to the office of rural health to provide technical
30 assistance grants to rural communities and counties exploring
31 alternative means of delivering rural health services as
32 provided under section 702 of this Act.

33 3. Of the funds appropriated in this section, \$50,000 is
34 allocated to the office of rural health to provide competitive
35 research grants to conduct economic analyses of the effects of

1 health care restructuring models on rural communities as
2 provided under section 702 of this Act.

3 Sec. 1104. AGRICULTURAL HEALTH AND SAFETY -- STATE BOARD
4 OF REGENTS. There is appropriated from the general fund of
5 the state to the state board of regents for the fiscal year
6 beginning July 1, 1989, and ending June 30, 1990, the
7 following amount, or so much thereof as is necessary, to be
8 used for the purpose designated:

9 For continuation and additional responsibilities related to
10 the agricultural health and safety service pilot programs as
11 provided under section 802 of this Act:

4321 12 \$ 205,000

13 1. Of the funds appropriated in this section, \$150,000 is
14 allocated to support agricultural health and safety service
15 programs as established in 1987 Iowa Acts, chapter 233,
16 section 408, subsection 2, paragraph "a", subparagraph (2).
17 Programs funded by this section shall provide medical and
18 engineering services administered by the college of medicine
19 at the university of Iowa to persons engaged in agriculture in
20 cooperation with the Iowa department of public health, the
21 department of agriculture and land stewardship, and the Iowa
22 state university of science and technology. Of the funds
23 appropriated in this section, not more than \$150,000 shall be
24 used for salary and benefits of staff, including an industrial
25 hygienist, director, evaluator, and support staff.

26 2. Of the funds appropriated in this section, \$30,000 is
27 allocated to support the work of a full-time agricultural
28 safety specialist and related staff at Iowa state university
29 of science and technology. The agricultural safety specialist
30 shall provide support to the Iowa agricultural health and
31 safety services program at the university of Iowa and to other
32 farm safety programs in this state.

33 3. Of the funds appropriated in this section, \$10,000 is
34 allocated for a public purpose to support the national
35 coalition for agricultural safety and health. The allocated

1 moneys shall be used for in-state travel, staff support, and
2 dissemination of information, including recommendations, to
3 persons engaged in agriculture in this state.

4 4. Of the funds appropriated in this section, \$15,000 is
5 allocated to the college of medicine at the university of Iowa
6 which in cooperation with the department of agriculture and
7 land stewardship, the Iowa department of public health, and
8 Iowa state university of science and technology shall research
9 issues relating to the following:

10 (a) The current level of skill among rural health
11 professionals in diagnosing rural health occupational
12 diseases.

13 (b) The continuing education support necessary for rural
14 health practitioners to diagnose and treat injuries and
15 diseases caused by exposure to rural occupational health
16 hazards.

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17 Sec. 1105. AGRICULTURAL HEALTH AND SAFETY -- IOWA
18 DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the
19 general fund of the state to the Iowa department of public
20 health for the fiscal year beginning July 1, 1989, and ending
21 June 30, 1990, the following amount, or so much thereof as is
22 necessary, for the purposes designated:

23 To support agricultural health and safety programs:
24 S 45,000

25 1. Of the funds appropriated in this section, \$15,000
26 shall be used to provide a grant to support and promote
27 programs relating to farm safety for children.

28 2. Of the funds appropriated in this section, \$30,000 is
29 allocated for a public purpose to provide one-time competitive
30 grants, not to exceed \$10,000 each, to hospitals networking in
31 the Iowa agricultural health and safety services program.
32 Hospitals shall use grant funds to create stipends for persons
33 engaged in agriculture who are without third-party health
34 coverage or who are otherwise unable to pay for services, and
35 to implement the program through training personnel,

1 developing outreach programs and educational materials, and
2 purchasing equipment needed to offer savings.

3 3. As used in this section, "agriculture" means an
4 activity relating to the production, processing, warehousing,
5 or handling of commodities produced from farming, as defined
6 in section 567.1. For purposes of this section, a person is
7 engaged in agriculture if the person is consistently exposed
8 to a related activity described in this subsection.

9 4. Notwithstanding section 8.33, unobligated or
10 unencumbered funds appropriated by this section remaining on
11 or after June 30, 1990, shall not revert to the general fund
12 of the state, but shall be used to support programs as
13 provided in this section.

14 Sec. 1106. STATE HEALTH DATA COMMISSION. There is
15 appropriated from the general fund of the state to the state
16 health data commission for the fiscal year beginning July 1,
17 1989, and ending June 30, 1990, the following amount, or so
18 much thereof as is necessary, to be used for the purposes
19 designated:

20 For a health care utilization task force as provided under
21 section 1002 of this Act:

22 \$ 100,000

23 Sec. 1107. PRIMARY AND PREVENTIVE HEALTH CARE FOR
24 CHILDREN. There is appropriated from the general fund of the
25 state to the Iowa department of public health for the fiscal
26 year beginning July 1, 1989, and ending June 30, 1990, the
27 following amount, or so much thereof as is necessary, to be
28 used for the purposes designated:

29 For the public purpose of providing a grant to a statewide
30 nonprofit health service organization to serve as the funding
31 mechanism for the provision of primary health care and
32 preventive services to children in the state who are uninsured
33 and are not eligible under any public plan of health
34 insurance, on the condition that the organization provides a
35 match of two dollars for each state dollar received and the

1 organization's governing board includes in its membership
2 representatives from the executive and legislative branches of
3 state government, consistent with the public purpose
4 established pursuant to section 402 of this Act:

5 S 1,200,000

6 Sec. 1108. RURAL PILOT PROGRAM. There is appropriated
7 from the general fund of the state to the Iowa department of
8 public health for the fiscal year beginning July 1, 1989, and
9 ending June 30, 1990, the following amount, or so much thereof
10 as is necessary, to be used for the purposes designated:

11 To implement, in consultation with the center for health
12 services research of the university of Iowa, a pilot program
13 or programs established in a rural hospital or hospitals
14 serving a designated county or multicounty area in Iowa for
15 the provision of primary and preventive health care to persons
16 who are uninsured, based upon the same eligibility guidelines
17 as those established for the indigent patient program at the
18 university of Iowa hospitals and clinics and subject to
19 program approval and oversight by the advisory committee to
20 the office of rural health as provided under section 702 of
21 this Act:

22 S 666,000

23 It is the intent of the general assembly that the aggregate
24 payments to providers of services under the pilot program
25 shall not exceed the aggregate payments that would have been
26 made if the recipients had been eligible for and received
27 services pursuant to the medical assistance program. It is
28 the further intent of the general assembly that the pilot
29 program established pursuant to this section shall not be
30 interpreted to create any entitlement to services on behalf of
31 any eligible individual except to the extent that funding is
32 available pursuant to this section.

33 It is also the intent of the general assembly that the
34 funds appropriated for the pilot program or programs shall be
35 used by the rural hospital selected for additional patient

1 care and not for defraying other costs including but not
2 limited to capital expenditure costs or costs of services
3 which were rendered by the hospital and for which the hospital
4 has not been reimbursed.

5 Sec. 1109. HEAD INJURIES COUNCIL. There is appropriated
6 from the general fund of the state to the department of human
7 rights for the fiscal year beginning July 1, 1989, and ending
8 June 30, 1990, the following amount, or so much thereof as is
9 necessary, to be used for the purposes designated:

10 Persons with disabilities division:
11 \$ 50,000

12 It is the intent of the general assembly that the funds
13 appropriated under this subsection be used for payment of
14 expenses of the advisory council on head injuries and for
15 salaries and expenses of the division of persons with
16 disabilities in connection with the advisory council on head
17 injuries.

18 Sec. 1110. DEPARTMENT OF ELDER AFFAIRS. There is
19 appropriated from the general fund of the state to the
20 department of elder affairs for the fiscal year beginning July
21 1, 1989, and ending June 30, 1990, the following amount, or so
22 much thereof as is necessary, to be used for the purposes
23 designated:

24 1. For elderly services programs, to expand mental health
25 outreach activities to rural communities through existing case
26 management programs:
27 \$ 25,000

28 2. To area agencies on aging, to provide funding for
29 support personnel for the long-term care residents' advocate
30 and the care review committees at the local area agency on
31 aging level:
32 \$ 120,000

33 Sec. 1111. PUBLIC HEALTH PROGRAMS EXPANSION. There is
34 appropriated from the general fund of the state to the Iowa
35 department of public health for the fiscal year beginning July

1 1, 1989, and ending June 30, 1990, the following amounts, or
2 so much thereof as is necessary, to be used for the purposes
3 designated:

4 1. To the disease prevention division to provide funding
5 to contract for outside pharmaceutical services:

6 \$ 35,000

7 2. To the disease prevention division to provide
8 competitive grants to acquired immunodeficiency syndrome
9 coalitions in Iowa:

10 \$ 50,000

11 3. To the family and community health division to provide
12 grant moneys to maintain child health services of the mobile
13 and regional child health clinics of the University of Iowa
14 hospitals and clinics:

15 \$ 79,911

16 4. To the family and community health division for grants
17 to local boards of health for the expansion of the public
18 health nursing program:

19 \$ 50,000

20 5. To the family and community health division for grants
21 to county boards of supervisors for expansion of the
22 homemaker-home health aide program:

23 \$ 309,857

24 6. To the family and community health division for
25 expansion of the well-elderly clinics program:

26 \$ 166,000

27 Sec. 1112. Section 99E.10, subsection 1, Code 1989, is
28 amended by adding the following new paragraph:

29 NEW PARAGRAPH. e. Two hundred fifty thousand dollars is
30 appropriated to the Iowa department of public health for the
31 fiscal year beginning July 1, 1989, and ending June 30, 1990,
32 as additional funding for equipping of emergency medical
33 services personnel at the state, county, and local levels.

34 Sec. 1113. EMERGENCY RULES. The department of human
35 services shall adopt administrative rules under section 17A.4,

1 subsection 2, and section 17A.5, subsection 2, paragraph "b"
2 to implement sections 202 and 203 and section 1101 of this Act
3 and the rules and implementation of the sections shall become
4 effective on July 1, 1989.

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SENATE FILE 538

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1 Amend Senate File 538, as amended, passed, and
2 reprinted by the Senate, as follows:
3 1. Page 8, by striking lines 11 through 15 and
4 inserting the following: "medical assistance
5 program."
6 2. By striking page 8, line 16 through page 10,
7 line 8 and inserting the following:
8 "Sec. 403. HEALTH CARE INSURANCE STUDY. The
9 legislative council shall contract for a comprehensive
10 study of the state's health insurance needs and
11 implementation of mandatory employer-sponsored health
12 insurance coverage. To monitor the study, the
13 legislative council shall appoint a steering committee
14 which may include representatives of health
15 professions, labor, business, insurance, government,
16 and consumers to administer the study. The study
17 shall provide information and recommendations to the
18 general assembly and the legislative council on or
19 before January 1, 1990, including but not limited to
20 all of the following items:
21 1. Characteristics of employed persons who are
22 uninsured and of unemployed persons who are uninsured.
23 2. The impact upon employers of mandatory
24 employer-subsidized coverage.
25 3. The characteristics of employers who do and do
26 not offer insurance to their employees.
27 4. The cost of covering the unemployed who are not
28 currently eligible for health insurance coverage
29 through any federally financed health insurance
30 program.
31 5. The lack of health insurance provided to
32 farmers and other self-employed persons.
33 6. The impact of the uninsured upon rural
34 hospitals and the university of Iowa hospitals and
35 clinics.
36 7. The potential savings to the state and its
37 political subdivisions as a result of mandatory
38 employer-sponsored health care.
39 8. Provide a schedule to phase in coverage of all
40 employees and every employer in the state.
41 9. At least three options with cost estimates, for
42 a mandatory employer-sponsored primary and preventive
43 health insurance benefit package provided to employees
44 and dependents of employees.
45 10. An additional option with a cost estimate and
46 an analysis of cost-effectiveness for a health in-
47 surance benefit package provided to employees and
48 dependents of employees which includes but is not
49 limited to major medical expenses, inpatient care,
50 outpatient care, maternity and postnatal care,

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1 emergency care, and care for conditions related to
2 nervous disorders, mental health, and substance abuse.
3 11. Options regarding delivery of a health care
4 insurance plan which include consideration of existing
5 public and private insurance delivery systems, health
6 maintenance organizations, preferred provider
7 organizations, and other managed care options.
8 12. A provision that the health care insurance
9 plan operation and coverage issuance does not
10 discriminate based upon sex or marital status.
11 13. A provision to coordinate coverage under the
12 health care insurance plan with the Iowa comprehensive
13 health insurance association established under chapter
14 514E.
15 14. A provision to enhance the coverage of
16 employees who are underinsured.
17 15. A provision regarding the tax treatment under
18 mandatory employer-sponsored health insurance of
19 persons who are self-employed or part of a
20 partnership.
21 16. A provision to minimize the potential for
22 adverse selection under the health care insurance
23 plan.
24 17. A provision under the health care insurance
25 plan for the eligibility of persons who are early
26 retirees.
27 18. Provisions for health care cost containment,
28 coordination of benefits, health maintenance, quality
29 of care, and prevention under the health care
30 insurance plan.
31 19. A provision to discourage employers who are
32 offering health care insurance benefits to employees
33 from reducing or eliminating benefits when health care
34 insurance coverage becomes mandatory.
35 20. A provision for the state to make available
36 technical assistance to small businesses for the
37 implementation of mandatory employer-sponsored health
38 insurance.
39 21. Recommend a participation rate in the costs of
40 health care insurance as a minimum standard for
41 employer compliance with requirements to provide
42 health care insurance coverage to employees.
43 22. A provision to subsidize the purchase of
44 health insurance coverage for employed and unemployed
45 low-income Iowans not covered under a qualifying
46 health care insurance plan.
47 23. Make recommendations regarding methods to
48 finance the health care insurance plan.
49 24. Provide recommendations for a unit of state
50 government to be assigned administrative

1 responsibility for the health care insurance plan.

2 25. The examination of a health insurance tax
3 credit for employers who employ fewer than twenty
4 employees, and for those employers who are self-
5 insured. The employer must provide two-thirds of the
6 premium payment of the health insurance plan for the
7 employees enrolled in the plan. An employee enrolled
8 in the plan must pay one-third of the premium for the
9 individual employee under the health insurance plan.
10 The amount of the tax credit provided shall be one-
11 half of the premium paid by the employer. The tax
12 credit shall be provided to an employer for a maximum
13 of five years. Any tax credit provided in excess of
14 the employer's tax liability during the first taxable
15 year may be credited to the employer's tax liability
16 for the remaining four years or until an excess no
17 longer exists. An employer shall only be eligible for
18 the tax credit provided if the health insurance plan
19 provided has been selected by the insurance division
20 of the department of commerce.

21 Sec. ____ . NEW SECTION. 514.24 PAYMENT OF
22 BENEFITS.

23 If a subscriber makes a written request to a
24 corporation which is organized under this chapter or
25 which is a mutual insurer under section 514.23
26 regarding any health care service benefit provided to
27 the subscriber, the corporation or mutual insurer
28 shall make payments directly to the provider of the
29 service."

30 3. By striking page 11, line 16 through page 12,
31 line 11 and inserting the following:

32 "Sec. 601. This division shall be known as the
33 "Head Injuries Division".

34 Sec. 602. NEW SECTION. 135.22 CENTRAL REGISTRY
35 FOR BRAIN INJURIES.

36 1. As used in this section, section 225C.23, and
37 section 601K.83, "brain injury" means clinically
38 evident brain damage or spinal cord injury resulting
39 directly or indirectly from trauma, infection, anoxia,
40 or vascular lesions not primarily related to
41 degenerative or aging processes, which temporarily or
42 permanently impairs a person's physical or cognitive
43 functions.

44 2. The director shall establish and maintain a
45 central registry of persons with brain injuries in
46 order to facilitate the provision of appropriate
47 rehabilitative services to the persons by the
48 department and other state agencies. For a patient
49 who is not admitted to a hospital but is treated in a
50 physician's office, physicians shall report a brain

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1 injury to the director within seven days after
2 identification of the person sustaining a brain
3 injury. Hospitals shall report a brain injury to the
4 director no later than forty-five days after the close
5 of a quarter in which the patient was discharged. The
6 report shall contain the name, age and residence of
7 the person, the date, type, and cause of the brain
8 injury, and additional information as the director
9 requires, except that where available, physicians and
10 hospitals shall report the Glasgow coma scale. The
11 director shall consult with health care providers
12 concerning the availability of additional relevant
13 information. The department shall maintain the
14 confidentiality of all information which would
15 identify any person named in a report. However, the
16 identifying information may be released for bona fide
17 research purposes if the confidentiality of the
18 identifying information is maintained by the
19 researchers, or the identifying information may be
20 released by the person with the brain injury or by the
21 person's guardian or, if the person is a minor, by the
22 person's parent or guardian.

23 Sec. 603. NEW SECTION. 601K.83 ADVISORY COUNCIL
24 ON HEAD INJURIES.

25 1. For purposes of this section, unless the
26 context otherwise requires:

27 a. "Head injury" means "brain injury" as defined
28 in section 135.22.

29 b. "Council" means the advisory council on head
30 injuries.

31 2. The advisory council on head injuries is
32 established. The following persons or their designees
33 shall serve as ex officio, nonvoting members of the
34 council:

35 a. The director of public health.

36 b. The director of human services and any division
37 administrators of the department of human services so
38 assigned by the director.

39 c. The director of the department of education.

40 d. The chief of the special education bureau of
41 the department of education.

42 e. The administrator of the division of vocational
43 rehabilitation of the department of education.

44 f. The director of the department for the blind.

45 g. The commissioner of insurance.

46 3. The council shall be composed of a minimum of
47 nine members appointed by the governor in addition to
48 the ex officio members, and the governor may appoint
49 additional members. Insofar as practicable, the
50 council shall include persons with head injuries,

1 family members of persons with head injuries,
2 representatives of industry, labor, business, and
3 agriculture, representatives of federal, state, and
4 local government, and representatives of religious,
5 charitable, fraternal, civic, educational, medical,
6 legal, veteran, welfare, and other professional groups
7 and organizations. Members shall be appointed
8 representing every geographic and employment area of
9 the state and shall include members of both sexes.

10 4. Members of the council appointed by the
11 governor shall be appointed for terms of two years.
12 Vacancies on the council shall be filled for the
13 remainder of the term of the original appointment.
14 Members whose terms expire may be reappointed.

15 5. The members of the council shall appoint a
16 chairperson and a vice chairperson and other officers
17 as the council deems necessary. The officers shall
18 serve until their successors are appointed and
19 qualified. Members of the council shall receive
20 actual expenses for their services. Members may also
21 be eligible to receive compensation as provided in
22 section 7E.6. The council shall adopt rules pursuant
23 to chapter 17A.

24 6. The council shall:

25 a. Promote meetings and programs for the
26 discussion of methods to reduce the debilitating
27 effects of head injuries, and disseminate information
28 in cooperation with any other department, agency, or
29 entity on the prevention, evaluation, care, treatment,
30 and rehabilitation of persons affected by head
31 injuries.

32 b. Study and review current prevention,
33 evaluation, care, treatment, and rehabilitation
34 technologies and recommend appropriate preparation,
35 training, retraining, and distribution of manpower and
36 resources in the provision of services to persons with
37 head injuries through private and public residential
38 facilities, day programs, and other specialized
39 services.

40 c. Participate in developing and disseminating
41 criteria and standards which may be required for
42 future funding or licensing of facilities, day
43 programs, and other specialized services for persons
44 with head injuries in this state.

45 d. Make recommendations to the governor for
46 developing and administering a state plan to provide
47 services for persons with head injuries.

48 e. Meet at least quarterly.

49 f. Report on or before February 15 of each year to
50 the governor and the general assembly on council

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1 activities, and submit recommendations believed
2 necessary to promote the welfare of persons with head
3 injuries.

4 7. The council is assigned to the division for
5 administrative purposes. The administrator shall be
6 responsible for budgeting, program coordination, and
7 related management functions.

8 8. The council may receive gifts, grants, or
9 donations made for any of the purposes of its programs
10 and disburse and administer them in accordance with
11 their terms and under the direction of the
12 administrator.

13 Sec. 604. Section 225C.22, Code 1989, is
14 repealed."

15 4. By striking page 13, line 21 through page 14,
16 line 21 and inserting the following: "as provided in
17 section 135B.33 and perform the duties required of the
18 Iowa department of public health in section 135B.33."

19 5. By striking page 16, line 21 through page 17,
20 line 4 and inserting the following:

21 "NEW UNNUMBERED PARAGRAPH. The tax levy authorized
22 by this section for operation and maintenance of the
23 hospital may be available in whole or in part to any
24 county with or without a county hospital organized
25 under this chapter, to be used to enhance rural health
26 services in the county. However, the tax levied may
27 be expended for enhancement of rural health care
28 services only following a local planning process. The
29 Iowa department of public health shall establish
30 guidelines to be followed by counties in implementing
31 the local planning process which shall require legal
32 notice, public hearings, and a referendum in
33 accordance with sections 347.7 and 347.30 prior to the
34 authorization of any new levy or a change in the use
35 of a levy. Enhancement of rural health services for
36 which the tax levy pursuant to this section may be
37 used includes but is not limited to emergency medical
38 services, health care services shared with other
39 hospitals, rural health clinics, and support for rural
40 health care practitioners and public health services.
41 When alternative use of funds from the tax levy
42 authorized by this section is proposed in a county
43 with a county hospital organized under this chapter,
44 use of the funds shall be agreed upon by the elected
45 board of trustees of the county hospital. When
46 alternative use of funds from the tax levy authorized
47 by this section is proposed in a county without a
48 county hospital organized under this chapter, use of
49 the funds shall be agreed upon by the board of
50 supervisors and any publicly elected hospital board of

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1 trustees within the county prior to submission of the
2 question to the voters. Moneys raised from a tax
3 levied in accordance with this paragraph shall be
4 designated and administered by the board of
5 supervisors in a manner consistent with the purposes
6 of the levy."

7 6. Page 18, by inserting after line 11 the
8 following:

9 "8. Support programs to enhance the agriculture-
10 related safety of children."

11 7. Page 19, line 18, by striking the figure "1,"
12 and inserting the following: "21,".

13 8. Page 19, line 26, by striking the figure "20"
14 and inserting the following: "21".

15 9. By striking page 19, line 28 through page 21,
16 line 27 and inserting the following:

17 "Sec. 1001. This division shall be known as the
18 "Health Care Utilization Division".

19 Sec. 1002. HEALTH CARE UTILIZATION INFORMATION.

20 1. The Iowa health data commission shall annually
21 publish all of the following:

22 a. Comparisons between health care providers of
23 charges, length of stay, and numbers of admissions for
24 selected diagnoses or procedures utilized on an
25 inpatient basis.

26 b. Comparisons between health care providers of
27 charges and numbers of encounters for selected
28 diagnoses and procedures utilized on an ambulatory
29 care basis.

30 c. Comparisons across geographic areas of
31 population-based admission or incidence rates for
32 selected diagnoses and procedures.

33 d. Comparisons between health care providers of
34 service effectiveness utilizing state-of-the-art risk-
35 adjusted outcome methodologies.

36 e. Information regarding research published
37 concerning the medical efficacy of certain medical
38 procedures and information regarding numbers of the
39 procedures performed in Iowa.

40 f. A trends analysis which delineates cost
41 increases in different components of the health care
42 industry.

43 g. Recommendations to appropriate organizations
44 and agencies regarding the potential uses of reports
45 published pursuant to this subsection.

46 2. The Iowa health data commission may contract
47 for a health care utilization study to review,
48 identify, and address issues related to the
49 utilization of health care services in the state by
50 comparing national data with Iowa data.

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1 The study shall collect and analyze existing
2 research on the medical efficacy of certain medical
3 procedures and study potential overutilization of the
4 procedures in the state, and prepare a summary of
5 procedures for which there is a significant level of
6 usage in the state and for which substantial evidence
7 from nationwide data suggests there is overutilization
8 on a national level.

9 Sec. _____. Section 514E.1, subsection 2, Code 1989,
10 is amended to read as follows:

11 2. "Association policy" means an individual or
12 group policy issued by the association that provides
13 the coverage specified in section 514E.4.

14 Sec. _____. Section 514E.2, subsection 2, Code 1989,
15 is amended to read as follows:

4405, 4376
4406
16 2. The board of directors of the association shall
17 consist of ~~not less than four nor more than eight~~
18 members selected by the members of the association,
19 ~~subject to approval by the commissioner and a two of~~
20 whom shall be representatives from corporations
21 operating pursuant to chapter 514 on the effective
22 date of this Act or any successors in interest, and
23 two of whom shall be representatives of insurers
24 providing coverage pursuant to chapter 509 or 514A;
25 four public member members selected by the
26 commissioner governor; the commissioner or the
27 commissioner's designee from the division of
28 insurance; and two members of the general assembly,
29 one of whom shall be appointed by the speaker of the
30 house and one of whom shall be appointed by the senate
31 majority leader, who shall be ex officio and nonvoting
32 members. The composition of the board of directors
33 shall be in compliance with sections 69.16 and 69.16A.
34 The governor's appointees shall be chosen from a broad
35 cross-section of the residents of this state.

36 ~~In order to select the initial board of directors~~
37 ~~and organize the association, the commissioner shall~~
38 ~~give notice to all carriers of the time and place of~~
39 ~~the organizational meeting. In determining voting~~
40 ~~rights at the organizational meeting, each carrier~~
41 ~~member is entitled to one vote in person or by proxy.~~
42 ~~If the board of directors is not selected within sixty~~
43 ~~days after the organizational meeting, the~~
44 ~~commissioner shall appoint the initial board. In~~
45 ~~approving or selecting members of the board, the~~
46 ~~commissioner shall consider whether all carriers are~~
47 ~~fairly represented. Members of the board may be~~
48 ~~reimbursed from the moneys of the association for~~
49 ~~expenses incurred by them as members, but shall not be~~
50 ~~otherwise compensated by the association for their~~

1 services.

2 Sec. _____. Section 514E.2, Code 1989, is amended by
3 adding the following new subsection 10 and renumbering
4 the subsequent subsections:

5 NEW SUBSECTION. 10. The association is subject to
6 oversight by the legislative fiscal committee of the
7 legislative council. Not later than April 30 of each
8 year, the board of directors shall submit to the
9 legislative fiscal committee a financial report for
10 the preceding year in a form approved by the
11 committee.

12 Sec. _____. Section 514E.2, subsections 12 and 14,
13 Code 1989, are amended by striking the subsections.

14 Sec. _____. Section 514E.7, subsection 2, Code 1989,
15 is amended to read as follows:

16 2. A person is eligible to apply for an
17 association policy only if that person has been
18 rejected for similar health insurance coverage ~~or is~~
19 ~~only-offered-health-insurance-coverage-at-a-rate~~
20 ~~exceeding-the-association-rate."~~

21 10. Page 22, by striking lines 15 and 16 and
22 inserting the following: "health services as provided
23 under section 104 of this Act and to provide
24 additional prevention services to women and children
25 to decrease problems of pregnancy outcomes, to reduce
26 the incidence of low birth weights, and to assist
27 children with special health care needs:

28 \$ 667,500

29 Sec. _____. CHILD HEALTH CARE SERVICES PROVIDED.

30 There is appropriated from the general fund of the
31 state to the Iowa department of public health for the
32 fiscal year beginning July 1, 1989, and ending June
33 30, 1990, the following amount, or so much thereof as
34 is necessary, to be used for the purposes designated:

35 To provide, within funds appropriated in this
36 section, physician services to children eligible for
37 services provided in child health centers under 641
38 I.A.C. ch. 76:

39 \$ 965,500

40 The physician services shall be subject to managed
41 care and selective contracting provisions and shall be
42 used to provide treatment of the children in a
43 physician's office and shall include coverage of
44 diagnostic procedures and prescription drugs required
45 for the treatment. Services provided under this
46 subsection shall be reimbursed according to Title XIX
47 reimbursement rates."

48 11. Page 23, line 12, by striking the figure
49 "205,000" and inserting the following: "275,000".

50 12. Page 24, by inserting after line 16 the

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1 following:

2 " . Of the funds appropriated in this section,
3 \$15,000 is allocated for a public purpose to support
4 farm family rehabilitation management in continuing
5 the project to develop rehabilitation services and
6 adaptive devices for farmers.

7 . Of the funds appropriated in this section
8 \$15,000 is allocated to the institute of agricultural
9 medicine and occupational health to develop program
10 materials and program activities for farm families.

11 . Of the funds appropriated in this section,
12 \$15,000 is allocated for a public purpose to grant to
13 a nonprofit safety education and disaster services
14 organization located in central Iowa to offer between
15 five and ten courses around the state for farm
16 families and farm workers. The courses shall cover
17 first aid, lifesaving, farm accident prevention
18 behaviors, and proper methods of handling farm
19 chemicals.

20 . Of the funds appropriated in this section,
21 \$25,000 is allocated to support the activities of a
22 nonprofit grass-roots organization emphasizing farm
23 safety for children."

24 13. Page 24, by striking lines 25 through 27 and
25 inserting the following:

26 "1. Of the funds appropriated in this section,
27 \$15,000 is allocated to support the surveillance and
28 reporting of disabilities suffered by persons engaged
29 in agriculture resulting from diseases or injuries,
30 including identifying the amount and severity of
31 agricultural related injuries and diseases in the
32 state, identifying causal factors associated with
33 agricultural related injuries and diseases, and
34 evaluating the effectiveness of intervention programs
35 designed to reduce injuries and diseases. The
36 department shall cooperate with the department of
37 agriculture and land stewardship, Iowa state
38 university of science and technology, and the college
39 of medicine at the university of Iowa."

40 14. Page 25, by striking line 20 and inserting
41 the following:

42 "For health care utilization information as
43 provided under".

44 15. By striking page 25, line 23, through page
45 27, line 4.

46 16. Page 28, by inserting after line 26 the
47 following:

48 "Sec. ____ . HEALTH CARE INSURANCE STUDY -- APPRO-
49 PRIATION. There is appropriated from the general fund
50 of the state to the legislative council for the fiscal

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- 1 year beginning July 1, 1989, and ending June 30, 1990,
- 2 the following amount, or so much thereof as is
- 3 necessary, to be used for the purpose designated:
- 4 To contract with a consultant to implement a health
- 5 care insurance study pursuant to section 403 of this
- 6 Act:
- 7 \$ 200,000".
- 8 17. Title page, line 7, by inserting after the
- 9 word "access" the following: "and a study of health
- 10 care insurance".
- 11 18. Title page, by striking lines 10 through 12,
- 12 and inserting the following: "recipients of medical
- 13 assistance; persons with head injuries; rural health
- 14 systems delivery and related taxation and rural".
- 15 19. Title page, by striking lines 16 and 17, and
- 16 inserting the following: "assistance program; health
- 17 care utilization; operation and tax treatment of the
- 18 Iowa comprehensive health insurance association;
- 19 making appropriations to certain state".
- 20 20. By renumbering as necessary.

By COMMITTEE ON APPROPRIATIONS
 JOCHUM of Dubuque, Chairperson

H-4381 FILED MAY 2, 1989

Adopted 53-81 (p2375)

SENATE FILE 538

H-4388

- 1 Amend the amendment, H-4381, to Senate File 538, as
- 2 amended, passed, and reprinted by the Senate; as
- 3 follows:
- 4 1. Page 9, by striking lines 12 and 13, and
- 5 inserting the following:
- 6 "Sec. ____ . Section 514E.2, subsection 12, Code
- 7 1989, is amended by striking the subsection."
- 8 2. By renumbering as necessary.

By GRONINGA of Cerro Gordo

H-4388 FILED MAY 2, 1989

Adopted 5-3-89 (p. 2370)

SENATE FILE 538

H-4390

- 1 Amend Senate File 538 as amended, passed, and
- 2 reprinted by the Senate as follows:
- 3 1. Page 15, by striking lines 5 through 19 and
- 4 inserting the following:
- 5 "d. For the purposes of this section, "Medicare"
- 6 means the program of health insurance established
- 7 under Title XVIII of the federal Social Security Act."
- 8 2. Page 16, by striking lines 12 through 18 and
- 9 inserting the following:
- 10 "Sec. ____ . NEW MEDICAL FACILITY LICENSURE CATEGORY
- 11 RECOMMENDATIONS. In cooperation with the advisory
- 12 committee to the office of rural health, the office of
- 13 rural health of the Iowa department of public health
- 14 shall make recommendations to the general assembly on
- 15 or before February 1, 1990, regarding the development
- 16 of a new medical facility licensure category to
- 17 respond to the changing health care needs of rural
- 18 Iowa. The office of rural health through the advisory
- 19 committee shall seek federal waivers and take
- 20 additional action to permit federal reimbursement
- 21 under the federal Medicare program and the medical
- 22 assistance program for services provided in a facility
- 23 licensed under the new category."
- 24 3. By renumbering as necessary.

By HAMMOND of Story

H-4390 FILED MAY 3, 1989

ADOPTED

5-3-89 (p. 2374)

SENATE FILE 538

H-4394

1 Amend Senate File 538, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 8, by inserting before line 16 the
4 following:

5 "Sec. 3000. NEW SECTION. 91E.1 DEFINITIONS.

6 As used in this chapter:

7 1. "Employee" means a person who is not self-
8 employed, is an employee as defined in section 91A.2,
9 and who:

10 a. Beginning July 1, 1991, works an average of at
11 least thirty hours per week and at least six hundred
12 hours in a calendar year.

13 b. Beginning July 1, 1992, works an average of at
14 least twenty-five hours per week and at least five
15 hundred hours per calendar year.

16 c. Beginning July 1, 1993, works an average of at
17 least twenty hours per week and at least four hundred
18 hours per calendar year.

19 2. "Employer" means an employer as defined in
20 section 91A.2 who:

21 a. Beginning July 1, 1991, employs fifty or more
22 employees.

23 b. Beginning July 1, 1992, employs forty or more
24 employees.

25 c. Beginning July 1, 1993, employs twenty or more
26 employees.

27 3. "Enrollee" means a person who purchases health
28 care coverage through use of moneys expended by the
29 state health care insurance plan pool.

30 4. "Self-insurance health plan" means a plan which
31 provides health benefits to the employees of an
32 employer, which is not a health insurance plan, and in
33 which the employer is liable for actual costs of the
34 health care service provided by the plan plus
35 administrative costs.

36 5. "Third-party payor" means an entity, including
37 but not limited to the medical assistance program, the
38 federal Medicare program, or a provider of health
39 insurance or service contracts under chapter 509, 514,
40 or 514A.

41 Sec. 3001. NEW SECTION. 91E.2 HEALTH CARE
42 INSURANCE PLAN ESTABLISHED.

43 1. Effective July 1, 1991, a health care insurance
44 plan is established to provide primary and preventive
45 health care insurance coverage to Iowans who are not
46 otherwise covered by the medical assistance program,
47 the federal Medicare program, a third-party payor
48 plan, or other similar program or plan.

49 2. The plan shall provide for a schedule of
50 premium contributions, copayments, coinsurance, and

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1 deductibles to be paid by enrollees in the health care
2 insurance plan based upon a sliding fee scale which
3 takes into account the enrollee's income, assets, and
4 financial needs.

5 3. Provision of only the benefit package under the
6 health care insurance plan shall not be subject to or
7 considered part of a collective bargaining
8 negotiation.

9 Sec. 3002. NEW SECTION. 91E.3 HEALTH CARE
10 INSURANCE PLAN POOL ESTABLISHED.

11 1. Effective July 1, 1991, a health care insurance
12 pool is established within the state treasury. Moneys
13 within the pool shall be expended to provide health
14 care insurance coverage to those enrollees under the
15 health care insurance plan as established in section
16 91D.2.

17 2. Funds in the pool shall include, but are not
18 limited to, revenues collected from employers who do
19 not provide primary and preventive health care
20 insurance or benefits coverage to their employees.

21 3. Contributions to the pool may come from the
22 financial participation of employers, employees, and
23 other funding sources and shall be used to provide a
24 health care insurance benefit package to cover primary
25 care benefits and hospitalization. Moneys in the pool
26 shall not be expended to provide payment for services
27 for which a person is eligible pursuant to chapter
28 249A, receives coverage through private health care
29 insurance or benefits coverage, or through another
30 responsible party."

31 2. Title page, line 18, by inserting after the
32 word "agencies;" the following: "requiring certain
33 employers to provide health insurance;".

34 3. By renumbering as necessary.

By FEY of Scott
JOCHUM of Dubuque

HAMMOND of Story
HAVERLAND of Polk

H-4394 FILED MAY 3, 1989

ADOPTED 5-389 (p2373)

SENATE FILE 538

H-4403

- 1 Amend amendment, H-4401, to amendment, H-4381, to
- 2 Senate File 538, as amended, passed, and reprinted
- 3 by the Senate, as follows:
- 4 1. Page 1, line 4, by striking the numeral "2" and
- 5 inserting the numerals "21".

By GRONINGA of Cerro Gordo

H-4403 FILED MAY 3, 1989

ADOPTED BY UNANIMOUS CONSENT 5-3-89 (p. 2370)

SENATE FILE 538

H-4405

- 1 Amend amendment, H-4381, to Senate File 538, as
- 2 amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 8, by striking lines 14 through 35, and
- 5 inserting the following:
- 6 "Sec. ____ Section 514E.2, subsection 2,
- 7 unnumbered paragraph 2, Code 1989, is amended to read
- 8 as follows:".

By METCALF of Polk

H-4405 FILED MAY 3, 1989

LOST 5-3-89 (p. 2371)

SENATE FILE 538

H-4406

- 1 Amend the amendment, H-4381, to Senate File 538, as
- 2 amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 8, line 17, by striking the word "four"
- 5 and inserting the following: "~~four~~ six".
- 6 2. Page 8, line 25, by striking the word "four"
- 7 and inserting the following: "six".

By METCALF of Polk

H-4406 FILED MAY 3, 1989

LOST 5-3-89 (p. 2375)

SENATE FILE 538

H-4397

1 Amend Senate File 538 as amended, passed, and
 2 reprinted by the Senate as follows:
 3 1. Page 19, by striking lines 7 through 18 and
 4 inserting the following: "results of the federal
 5 study of a resource-based relative value scale for
 6 reimbursement of physicians under the federal Medicare
 7 program. The department shall make an initial
 8 determination of the value scale's potential for
 9 containment of health care costs if implemented for
 10 reimbursement of physicians under the medical
 11 assistance program. The department shall report
 12 regarding the initial determination and provide
 13 recommendations concerning implementation of the value
 14 scale to the general assembly by January 1, 1990. The
 15 report shall include an estimate of resources required
 16 to study and implement a resource-based relative value
 17 scale for reimbursement of physicians under the
 18 medical assistance program."
 19 2. Page 22, by striking lines 3 and 4 and
 20 inserting the following: "for not more than the
 21 following full-time equivalent positions:"
 22 3. Page 22, by inserting after line 6 the
 23 following:
 24 "Of the full-time equivalent positions authorized
 25 in this section, 8.5 FTEs are allocated to community
 26 services and 1.0 FTE is allocated to general
 27 administration."

By HAMMOND of Story

H-4397 FILED MAY 3, 1989

ADOPTED 5-3-89 (p 2374)

SENATE FILE 538

H-4398

1 Amend amendment, H-4381, to Senate File 538, as
 2 amended, passed, and reprinted by the Senate, as
 3 follows:
 4 1. By striking page 8, line 14, through page 9,
 5 line 1.

By METCALF of Polk

H-4398 FILED MAY 3, 1989

WITHDRAWN 5-3-89 (p 2371)

SENATE FILE 538

H-4401

1 Amend amendment, H-4381, to Senate File 538, as
 2 amended, passed, and reprinted by the Senate, as
 3 follows:

4403 4 1. Page 3, by striking lines 2 through 29.

By GRONINGA of Cerro Gordo

H-4401 FILED MAY 3, 1989

ADOPTED 5-3-89 (p 2370)

HOUSE AMENDMENT TO
SENATE FILE 538

S-4108

1 Amend Senate File 538, as amended, passed, and
2 reprinted by the Senate, as follows:

3 1. Page 8, by striking lines 11 through 15 and
4 inserting the following: "medical assistance
5 program."

6 2. Page 8, by inserting before line 16 the
7 following:

8 "Sec. 3000. NEW SECTION. 91E.1 DEFINITIONS.

9 As used in this chapter:

10 1. "Employee" means a person who is not self-
11 employed, is an employee as defined in section 91A.2,
12 and who:

13 a. Beginning July 1, 1991, works an average of at
14 least thirty hours per week and at least six hundred
15 hours in a calendar year.

16 b. Beginning July 1, 1992, works an average of at
17 least twenty-five hours per week and at least five
18 hundred hours per calendar year.

19 c. Beginning July 1, 1993, works an average of at
20 least twenty hours per week and at least four hundred
21 hours per calendar year.

22 2. "Employer" means an employer as defined in
23 section 91A.2 who:

24 a. Beginning July 1, 1991, employs fifty or more
25 employees.

26 b. Beginning July 1, 1992, employs forty or more
27 employees.

28 c. Beginning July 1, 1993, employs twenty or more
29 employees.

30 3. "Enrollee" means a person who purchases health
31 care coverage through use of moneys expended by the
32 state health care insurance plan pool.

33 4. "Self-insurance health plan" means a plan which
34 provides health benefits to the employees of an
35 employer, which is not a health insurance plan, and in
36 which the employer is liable for actual costs of the
37 health care service provided by the plan plus
38 administrative costs.

39 5. "Third-party payor" means an entity, including
40 but not limited to the medical assistance program, the
41 federal Medicare program, or a provider of health
42 insurance or service contracts under chapter 309, 314,
43 or 514A.

44 Sec. 3001. NEW SECTION. 91E.2 HEALTH CARE
45 INSURANCE PLAN ESTABLISHED.

46 1. Effective July 1, 1991, a health care insurance
47 plan is established to provide primary and preventive
48 health care insurance coverage to Iowans who are not
49 otherwise covered by the medical assistance program,
50 the federal Medicare program, a third-party payor

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1 plan, or other similar program or plan.

2 2. The plan shall provide for a schedule of
3 premium contributions, copayments, coinsurance, and
4 deductibles to be paid by enrollees in the health care
5 insurance plan based upon a sliding fee scale which
6 takes into account the enrollee's income, assets, and
7 financial needs.

8 3. Provision of only the benefit package under the
9 health care insurance plan shall not be subject to or
10 considered part of a collective bargaining
11 negotiation.

12 Sec. 3002. NEW SECTION. 91E.3 HEALTH CARE
13 INSURANCE PLAN POOL ESTABLISHED.

14 1. Effective July 1, 1991, a health care insurance
15 pool is established within the state treasury. Moneys
16 within the pool shall be expended to provide health
17 care insurance coverage to those enrollees under the
18 health care insurance plan as established in section
19 91E.2.

20 2. Funds in the pool shall include, but are not
21 limited to, revenues collected from employers who do
22 not provide primary and preventive health care
23 insurance or benefits coverage to their employees.

24 3. Contributions to the pool may come from the
25 financial participation of employers, employees, and
26 other funding sources and shall be used to provide a
27 health care insurance benefit package to cover primary
28 care benefits and hospitalization. Moneys in the pool
29 shall not be expended to provide payment for services
30 for which a person is eligible pursuant to chapter
31 249A, receives coverage through private health care
32 insurance or benefits coverage, or through another
33 responsible party."

34 3. By striking page 8, line 16 through page 10,
35 line 8 and inserting the following:

36 "Sec. 403. HEALTH CARE INSURANCE STUDY. The
37 legislative council shall contract for a comprehensive
38 study of the state's health insurance needs and
39 implementation of mandatory employer-sponsored health
40 insurance coverage. To monitor the study, the
41 legislative council shall appoint a steering committee
42 which may include representatives of health
43 professions, labor, business, insurance, government,
44 and consumers to administer the study. The study
45 shall provide information and recommendations to the
46 general assembly and the legislative council on or
47 before January 1, 1990, including but not limited to
48 all of the following items:

49 1. Characteristics of employed persons who are
50 uninsured and of unemployed persons who are uninsured.

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- 1 2. The impact upon employers of mandatory
2 employer-subsidized coverage.
- 3 3. The characteristics of employers who do and do
4 not offer insurance to their employees.
- 5 4. The cost of covering the unemployed who are not
6 currently eligible for health insurance coverage
7 through any federally financed health insurance
8 program.
- 9 5. The lack of health insurance provided to
10 farmers and other self-employed persons.
- 11 6. The impact of the uninsured upon rural
12 hospitals and the university of Iowa hospitals and
13 clinics.
- 14 7. The potential savings to the state and its
15 political subdivisions as a result of mandatory
16 employer-sponsored health care.
- 17 8. Provide a schedule to phase in coverage of all
18 employees and every employer in the state.
- 19 9. At least three options with cost estimates, for
20 a mandatory employer-sponsored primary and preventive
21 health insurance benefit package provided to employees
22 and dependents of employees.
- 23 10. An additional option with a cost estimate and
24 an analysis of cost-effectiveness for a health in-
25 surance benefit package provided to employees and
26 dependents of employees which includes but is not
27 limited to major medical expenses, inpatient care,
28 outpatient care, maternity and postnatal care,
29 emergency care, and care for conditions related to
30 nervous disorders, mental health, and substance abuse.
- 31 11. Options regarding delivery of a health care
32 insurance plan which include consideration of existing
33 public and private insurance delivery systems, health
34 maintenance organizations, preferred provider
35 organizations, and other managed care options.
- 36 12. A provision that the health care insurance
37 plan operation and coverage issuance does not
38 discriminate based upon sex or marital status.
- 39 13. A provision to coordinate coverage under the
40 health care insurance plan with the Iowa comprehensive
41 health insurance association established under chapter
42 514E.
- 43 14. A provision to enhance the coverage of
44 employees who are underinsured.
- 45 15. A provision regarding the tax treatment under
46 mandatory employer-sponsored health insurance of
47 persons who are self-employed or part of a
48 partnership.
- 49 16. A provision to minimize the potential for
50 adverse selection under the health care insurance

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1 plan.

2 17. A provision under the health care insurance
3 plan for the eligibility of persons who are early
4 retirees.

5 18. Provisions for health care cost containment,
6 coordination of benefits, health maintenance, quality
7 of care, and prevention under the health care
8 insurance plan.

9 19. A provision to discourage employers who are
10 offering health care insurance benefits to employees
11 from reducing or eliminating benefits when health care
12 insurance coverage becomes mandatory.

13 20. A provision for the state to make available
14 technical assistance to small businesses for the
15 implementation of mandatory employer-sponsored health
16 insurance.

17 21. Recommend a participation rate in the costs of
18 health care insurance as a minimum standard for
19 employer compliance with requirements to provide
20 health care insurance coverage to employees.

21 22. A provision to subsidize the purchase of
22 health insurance coverage for employed and unemployed
23 low-income Iowans not covered under a qualifying
24 health care insurance plan.

25 23. Make recommendations regarding methods to
26 finance the health care insurance plan.

27 24. Provide recommendations for a unit of state
28 government to be assigned administrative
29 responsibility for the health care insurance plan.

30 25. The examination of a health insurance tax
31 credit for employers who employ fewer than twenty
32 employees, and for those employers who are self-
33 insured. The employer must provide two-thirds of the
34 premium payment of the health insurance plan for the
35 employees enrolled in the plan. An employee enrolled
36 in the plan must pay one-third of the premium for the
37 individual employee under the health insurance plan.
38 The amount of the tax credit provided shall be one-
39 half of the premium paid by the employer. The tax
40 credit shall be provided to an employer for a maximum
41 of five years. Any tax credit provided in excess of
42 the employer's tax liability during the first taxable
43 year may be credited to the employer's tax liability
44 for the remaining four years or until an excess no
45 longer exists. An employer shall only be eligible for
46 the tax credit provided if the health insurance plan
47 provided has been selected by the insurance division
48 of the department of commerce."

49 4. By striking page 11, line 16 through page 12,
50 line 11 and inserting the following:

1 "Sec. 601. This division shall be known as the
2 "Head Injuries Division".

3 Sec. 602. NEW SECTION. 135.22 CENTRAL REGISTRY
4 FOR BRAIN INJURIES.

5 1. As used in this section, section 225C.23, and
6 section 601K.83, "brain injury" means clinically
7 evident brain damage or spinal cord injury resulting
8 directly or indirectly from trauma, infection, anoxia,
9 or vascular lesions not primarily related to
10 degenerative or aging processes, which temporarily or
11 permanently impairs a person's physical or cognitive
12 functions.

13 2. The director shall establish and maintain a
14 central registry of persons with brain injuries in
15 order to facilitate the provision of appropriate
16 rehabilitative services to the persons by the
17 department and other state agencies. For a patient
18 who is not admitted to a hospital but is treated in a
19 physician's office, physio and shall report a brain
20 injury to the director within seven days after
21 identification of the person sustaining a brain
22 injury. Hospitals shall report a brain injury to the
23 director no later than forty-five days after the close
24 of a quarter in which the patient was discharged. The
25 report shall contain the name, age and residence of
26 the person, the date, type, and cause of the brain
27 injury, and additional information as the director
28 requires, except that where available, physicians and
29 hospitals shall report the Glasgow coma scale. The
30 director shall consult with health care providers
31 concerning the availability of additional relevant
32 information. The department shall maintain the
33 confidentiality of all information which would
34 identify any person named in a report. However, the
35 identifying information may be released for bona fide
36 research purposes if the confidentiality of the
37 identifying information is maintained by the
38 researchers, or the identifying information may be
39 released by the person with the brain injury or by the
40 person's guardian or, if the person is a minor, by the
41 person's parent or guardian.

42 Sec. 603. NEW SECTION. 601K.83 ADVISORY COUNCIL
43 ON HEAD INJURIES.

44 1. For purposes of this section, unless the
45 context otherwise requires:

46 a. "Head injury" means "brain injury" as defined
47 in section 135.22.

48 b. "Council" means the advisory council on head
49 injuries.

50 2. The advisory council on head injuries is

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1 established. The following persons or their designees
2 shall serve as ex officio, nonvoting members of the
3 council:

- 4 a. The director of public health.
- 5 b. The director of human services and any division
6 administrators of the department of human services so
7 assigned by the director.
- 8 c. The director of the department of education.
- 9 d. The chief of the special education bureau of
10 the department of education.
- 11 e. The administrator of the division of vocational
12 rehabilitation of the department of education.
- 13 f. The director of the department for the blind.
- 14 g. The commissioner of insurance.

15 3. The council shall be composed of a minimum of
16 nine members appointed by the governor in addition to
17 the ex officio members, and the governor may appoint
18 additional members. Insofar as practicable, the
19 council shall include persons with head injuries,
20 family members of persons with head injuries,
21 representatives of industry, labor, business, and
22 agriculture, representatives of federal, state, and
23 local government, and representatives of religious,
24 charitable, fraternal, civic, educational, medical,
25 legal, veteran, welfare, and other professional groups
26 and organizations. Members shall be appointed
27 representing every geographic and employment area of
28 the state and shall include members of both sexes.

29 4. Members of the council appointed by the
30 governor shall be appointed for terms of two years.
31 Vacancies on the council shall be filled for the
32 remainder of the term of the original appointment.
33 Members whose terms expire may be reappointed.

34 5. The members of the council shall appoint a
35 chairperson and a vice chairperson and other officers
36 as the council deems necessary. The officers shall
37 serve until their successors are appointed and
38 qualified. Members of the council shall receive
39 actual expenses for their services. Members may also
40 be eligible to receive compensation as provided in
41 section 7E.6. The council shall adopt rules pursuant
42 to chapter 17A.

43 6. The council shall:

- 44 a. Promote meetings and programs for the
45 discussion of methods to reduce the debilitating
46 effects of head injuries, and disseminate information
47 in cooperation with any other department, agency, or
48 entity on the prevention, evaluation, care, treatment,
49 and rehabilitation of persons affected by head
50 injuries.

1 b. Study and review current prevention,
2 evaluation, care, treatment, and rehabilitation
3 technologies and recommend appropriate preparation,
4 training, retraining, and distribution of manpower and
5 resources in the provision of services to persons with
6 head injuries through private and public residential
7 facilities, day programs, and other specialized
8 services.

9 c. Participate in developing and disseminating
10 criteria and standards which may be required for
11 future funding or licensing of facilities, day
12 programs, and other specialized services for persons
13 with head injuries in this state.

14 d. Make recommendations to the governor for
15 developing and administering a state plan to provide
16 services for persons with head injuries.

17 e. Meet at least quarterly.

18 f. Report on or before February 15 of each year to
19 the governor and the general assembly on council
20 activities, and submit recommendations believed
21 necessary to promote the welfare of persons with head
22 injuries.

23 7. The council is assigned to the division for
24 administrative purposes. The administrator shall be
25 responsible for budgeting, program coordination, and
26 related management functions.

27 8. The council may receive gifts, grants, or
28 donations made for any of the purposes of its programs
29 and disburse and administer them in accordance with
30 their terms and under the direction of the
31 administrator.

32 Sec. 604. Section 225C.22, Code 1989, is
33 repealed."

34 5. By striking page 13, line 21 through page 14,
35 line 21 and inserting the following: "as provided in
36 section 135B.33 and perform the duties required of the
37 Iowa department of public health in section 135B.33."

38 6. Page 15, by striking lines 5 through 19 and
39 inserting the following:

40 "d. For the purposes of this section, "Medicare"
41 means the program of health insurance established
42 under Title XVIII of the federal Social Security Act."

43 7. Page 16, by striking lines 12 through 18 and
44 inserting the following:

45 "Sec. ____ . NEW MEDICAL FACILITY LICENSURE CATEGORY
46 RECOMMENDATIONS. In cooperation with the advisory
47 committee to the office of rural health, the office of
48 rural health of the Iowa department of public health
49 shall make recommendations to the general assembly on
50 or before February 1, 1990, regarding the development

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1 of a new medical facility licensure category to
2 respond to the changing health care needs of rural
3 Iowa. The office of rural health through the advisory
4 committee shall seek federal waivers and take
5 additional action to permit federal reimbursement
6 under the federal Medicare program and the medical
7 assistance program for services provided in a facility
8 licensed under the new category."

9 8. By striking page 16, line 21 through page 17,
10 line 4 and inserting the following:

11 "NEW UNNUMBERED PARAGRAPH. The tax levy authorized
12 by this section for operation and maintenance of the
13 hospital may be available in whole or in part to any
14 county with or without a county hospital organized
15 under this chapter, to be used to enhance rural health
16 services in the county. However, the tax levied may
17 be expended for enhancement of rural health care
18 services only following a local planning process. The
19 Iowa department of public health shall establish
20 guidelines to be followed by counties in implementing
21 the local planning process which shall require legal
22 notice, public hearings, and a referendum in
23 accordance with sections 347.7 and 347.30 prior to the
24 authorization of any new levy or a change in the use
25 of a levy. Enhancement of rural health services for
26 which the tax levy pursuant to this section may be
27 used includes but is not limited to emergency medical
28 services, health care services shared with other
29 hospitals, rural health clinics, and support for rural
30 health care practitioners and public health services.
31 When alternative use of funds from the tax levy
32 authorized by this section is proposed in a county
33 with a county hospital organized under this chapter,
34 use of the funds shall be agreed upon by the elected
35 board of trustees of the county hospital. When
36 alternative use of funds from the tax levy authorized
37 by this section is proposed in a county without a
38 county hospital organized under this chapter, use of
39 the funds shall be agreed upon by the board of
40 supervisors and any publicly elected hospital board of
41 trustees within the county prior to submission of the
42 question to the voters. Moneys raised from a tax
43 levied in accordance with this paragraph shall be
44 designated and administered by the board of
45 supervisors in a manner consistent with the purposes
46 of the levy."

47 9. Page 18, by inserting after line 11 the
48 following:

49 "8. Support programs to enhance the agriculture-
50 related safety of children."

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1 10. Page 19, by striking lines 7 through 18 and
2 inserting the following: "results of the federal
3 study of a resource-based relative value scale for
4 reimbursement of physicians under the federal Medicare
5 program. The department shall make an initial
6 determination of the value scale's potential for
7 containment of health care costs if implemented for
8 reimbursement of physicians under the medical
9 assistance program. The department shall report
10 regarding the initial determination and provide
11 recommendations concerning implementation of the value
12 scale to the general assembly by January 1, 1990. The
13 report shall include an estimate of resources required
14 to study and implement a resource-based relative value
15 scale for reimbursement of physicians under the
16 medical assistance program."

17 11. Page 19, line 26, by striking the figure "20"
18 and inserting the following: "21".

19 12. By striking page 19, line 28 through page 21,
20 line 27 and inserting the following:

21 "Sec. 1001. This division shall be known as the
22 "Health Care Utilization Division".

23 Sec. 1002. HEALTH CARE UTILIZATION INFORMATION.

24 1. The Iowa health data commission shall annually
25 publish all of the following:

26 a. Comparisons between health care providers of
27 charges, length of stay, and numbers of admissions for
28 selected diagnoses or procedures utilized on an
29 inpatient basis.

30 b. Comparisons between health care providers of
31 charges and numbers of encounters for selected
32 diagnoses and procedures utilized on an ambulatory
33 care basis.

34 c. Comparisons across geographic areas of
35 population-based admission or incidence rates for
36 selected diagnoses and procedures.

37 d. Comparisons between health care providers of
38 service effectiveness utilizing state-of-the-art risk-
39 adjusted outcome methodologies.

40 e. Information regarding research published
41 concerning the medical efficacy of certain medical
42 procedures and information regarding numbers of the
43 procedures performed in Iowa.

44 f. A trends analysis which delineates cost
45 increases in different components of the health care
46 industry.

47 g. Recommendations to appropriate organizations
48 and agencies regarding the potential uses of reports
49 published pursuant to this subsection.

50 2. The Iowa health data commission may contract

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1 for a health care utilization study to review,
2 identify, and address issues related to the
3 utilization of health care services in the state by
4 comparing national data with Iowa data.

5 The study shall collect and analyze existing
6 research on the medical efficacy of certain medical
7 procedures and study potential overutilization of the
8 procedures in the state, and prepare a summary of
9 procedures for which there is a significant level of
10 usage in the state and for which substantial evidence
11 from nationwide data suggests there is overutilization
12 on a national level.

13 Sec. ____ . Section 514E.1, subsection 2, Code 1989,
14 is amended to read as follows:

15 2. "Association policy" means an individual or
16 group policy issued by the association that provides
17 the coverage specified in section 514E.4.

18 Sec. ____ . Section 514E.2, subsection 2, Code 1989,
19 is amended to read as follows:

20 2. The board of directors of the association shall
21 consist of ~~not-less-than~~ four ~~nor-more-than-eight~~
22 members selected by the members of the association,
23 ~~subject-to-approval-by-the-commissioner-and-a~~ two of
24 whom shall be representatives from corporations
25 operating pursuant to chapter 514 on the effective
26 date of this Act or any successors in interest, and
27 two of whom shall be representatives of insurers
28 providing coverage pursuant to chapter 509 or 514A;
29 four public member members selected by the
30 commissioner governor; the commissioner or the
31 commissioner's designee from the division of
32 insurance; and two members of the general assembly,
33 one of whom shall be appointed by the speaker of the
34 house and one of whom shall be appointed by the senate
35 majority leader, who shall be ex officio and nonvoting
36 members. The composition of the board of directors
37 shall be in compliance with sections 69.16 and 69.16A.
38 The governor's appointees shall be chosen from a broad
39 cross-section of the residents of this state.

40 ~~In order to select the initial board of directors~~
41 ~~and organize the association, the commissioner shall~~
42 ~~give notice to all carriers of the time and place of~~
43 ~~the organizational meeting,--in determining voting~~
44 ~~rights at the organizational meeting, each carrier~~
45 ~~member is entitled to one vote in person or by proxy.~~
46 ~~If the board of directors is not selected within sixty~~
47 ~~days after the organizational meeting, the~~
48 ~~commissioner shall appoint the initial board.--in~~
49 ~~approving or selecting members of the board, the~~
50 ~~commissioner shall consider whether all carriers are~~

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1 fairly-represented- Members of the board may be
2 reimbursed from the moneys of the association for
3 expenses incurred by them as members, but shall not be
4 otherwise compensated by the association for their
5 services.

6 Sec. _____. Section 514E.2, Code 1989, is amended by
7 adding the following new subsection 10 and renumbering
8 the subsequent subsections:

9 NEW SUBSECTION. 10. The association is subject to
10 oversight by the legislative fiscal committee of the
11 legislative council. Not later than April 30 of each
12 year, the board of directors shall submit to the
13 legislative fiscal committee a financial report for
14 the preceding year in a form approved by the
15 committee.

16 Sec. _____. Section 514E.2, subsection 12, Code
17 1989, is amended by striking the subsection.

18 Sec. _____. Section 514E.7, subsection 2, Code 1989,
19 is amended to read as follows:

20 2. A person is eligible to apply for an
21 association policy only if that person has been
22 rejected for similar health insurance coverage or-is
23 ~~only-offered-health-insurance-coverage-at-a-rate~~
24 ~~exceeding-the-association-rate."~~

25 13. Page 22, by striking lines 3 and 4 and
26 inserting the following: "for not more than the
27 following full-time equivalent positions:".

28 14. Page 22, by inserting after line 6 the
29 following:

30 "Of the full-time equivalent positions authorized
31 in this section, 8.5 FTEs are allocated to community
32 services and 1.0 FTE is allocated to general
33 administration."

34 15. Page 22, by striking lines 15 and 16 and
35 inserting the following: "health services as provided
36 under section 104 of this Act and to provide
37 additional prevention services to women and children
38 to decrease problems of pregnancy outcomes, to reduce
39 the incidence of low birth weights, and to assist
40 children with special health care needs:

41 \$ 667,500

42 Sec. _____. CHILD HEALTH CARE SERVICES PROVIDED.

43 There is appropriated from the general fund of the
44 state to the Iowa department of public health for the
45 fiscal year beginning July 1, 1989, and ending June
46 30, 1990, the following amount, or so much thereof as
47 is necessary, to be used for the purposes designated:

48 To provide, within funds appropriated in this
49 section, physician services to children eligible for
50 services provided in child health centers under 641

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1 I.A.C. ch. 76:

2 \$ 965,500

3 The physician services shall be subject to managed
4 care and selective contracting provisions and shall be
5 used to provide treatment of the children in a
6 physician's office and shall include coverage of
7 diagnostic procedures and prescription drugs required
8 for the treatment. Services provided under this
9 subsection shall be reimbursed according to Title XIX
10 reimbursement rates."

11 16. Page 23, line 12, by striking the figure
12 "205,000" and inserting the following: "275,000".

13 17. Page 24, by inserting after line 16 the
14 following:

15 " . Of the funds appropriated in this section,
16 \$15,000 is allocated for a public purpose to support
17 farm family rehabilitation management in continuing
18 the project to develop rehabilitation services and
19 adaptive devices for farmers.

20 . Of the funds appropriated in this section
21 \$15,000 is allocated to the institute of agricultural
22 medicine and occupational health to develop program
23 materials and program activities for farm families.

24 . Of the funds appropriated in this section,
25 \$15,000 is allocated for a public purpose to grant to
26 a nonprofit safety education and disaster services
27 organization located in central Iowa to offer between
28 five and ten courses around the state for farm
29 families and farm workers. The courses shall cover
30 first aid, lifesaving, farm accident prevention
31 behaviors, and proper methods of handling farm
32 chemicals.

33 . Of the funds appropriated in this section,
34 \$25,000 is allocated to support the activities of a
35 nonprofit grass-roots organization emphasizing farm
36 safety for children."

37 18. Page 24, by striking lines 25 through 27 and
38 inserting the following:

39 "1. Of the funds appropriated in this section,
40 \$15,000 is allocated to support the surveillance and
41 reporting of disabilities suffered by persons engaged
42 in agriculture resulting from diseases or injuries,
43 including identifying the amount and severity of
44 agricultural related injuries and diseases in the
45 state, identifying causal factors associated with
46 agricultural related injuries and diseases, and
47 evaluating the effectiveness of intervention programs
48 designed to reduce injuries and diseases. The
49 department shall cooperate with the department of
50 agriculture and land stewardship, Iowa state

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1 university of science and technology, and the college
2 of medicine at the university of Iowa."

3 19. Page 25, by striking line 20 and inserting
4 the following:

5 "For health care utilization information as
6 provided under".

7 20. By striking page 25, line 23, through page
8 27, line 4.

9 21. Page 28, by inserting after line 26 the
10 following:

11 "Sec. ____ . HEALTH CARE INSURANCE STUDY -- APPRO-
12 PRIATION. There is appropriated from the general fund
13 of the state to the legislative council for the fiscal
14 year beginning July 1, 1989, and ending June 30, 1990,
15 the following amount, or so much thereof as is
16 necessary, to be used for the purpose designated:

17 To contract with a consultant to implement a health
18 care insurance study pursuant to section 403 of this
19 Act:

20 S 200,000".

21 22. Title page, line 7, by inserting after the
22 word "access" the following: "and a study of health
23 care insurance".

24 23. Title page, by striking lines 10 through 12,
25 and inserting the following: "recipients of medical
26 assistance; persons with head injuries; rural health
27 systems delivery and related taxation and rural".

28 24. Title page, by striking lines 16 and 17, and
29 inserting the following: "assistance program; health
30 care utilization; operation and tax treatment of the
31 Iowa comprehensive health insurance association;
32 making appropriations to certain state".

33 25. Title page, line 18, by inserting after the
34 word "agencies;" the following: "requiring certain
35 employers to provide health insurance;".

36 26. By renumbering, relettering, or redesignating
37 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-4108 FILED MAY 4, 1989

REFUSED TO CONCUR 5-4-89 (p. 1918)

House Insisted 5-4-89 (p. 2416)

REPORT OF THE SECOND CONFERENCE COMMITTEE
ON SENATE FILE 538

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the second conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 538, a bill for An Act relating to medical and health care, including matters relating to the maternal and child health program; the expansion of medical assistance eligibility for certain persons; physicians' charges for services to beneficiaries of health insurance under Title XVIII of the federal Social Security Act and providing for the collection and analysis of information; health care access; the requirement of the department of human services to collect certain data relating to usage of health maintenance organization services by recipients of medical assistance; the state individual income tax by requiring an evaluation of the medical and health insurance deduction; rural health systems delivery and rural occupational health; requiring the department of human services to adopt rules to conduct studies regarding health care providers which are reimbursed under the medical assistance program; establishing a health care cost containment task force; making appropriations to certain state agencies; and providing for other properly related matters, respectfully make the following report:

1. That the House recedes from its amendment, S-4108.
2. That Senate File 538, as amended, passed, and reprinted by the Senate, is amended as follows:
 1. Page 5, by striking line 23 and inserting the following: "federal Social Security Act, § 1902(1), or pursuant to section 249A.3, subsection 2, paragraph "g", the department shall".
 2. Page 5, by striking line 26 and inserting the following: "section 255A.5, if in compliance with federal

laws and regulations."

3. By striking page 8, line 16 through page 10, line 8, and inserting the following:

"Sec. 3000. NEW SECTION. 91E.1 DEFINITIONS.

As used in this chapter:

1. "Employee" means a person who is not self-employed, is an employee as defined in section 91A.2, and who:

a. Beginning July 1, 1991, works an average of at least thirty hours per week and at least six hundred hours in a calendar year.

b. Beginning July 1, 1992, works an average of at least twenty-five hours per week and at least five hundred hours per calendar year.

c. Beginning July 1, 1993, works an average of at least twenty hours per week and at least four hundred hours per calendar year.

2. "Employer" means an employer as defined in section 91A.2 who:

a. Beginning July 1, 1991, employs fifty or more employees.

b. Beginning July 1, 1992, employs forty or more employees.

c. Beginning July 1, 1993, employs twenty or more employees.

3. "Enrollee" means a person who purchases health care coverage through use of moneys expended by the state health care insurance plan pool.

4. "Self-insurance health plan" means a plan which provides health benefits to the employees of an employer, which is not a health insurance plan, and in which the employer is liable for actual costs of the health care service provided by the plan plus administrative costs.

5. "Third-party payor" means an entity, including but not limited to the medical assistance program, the federal Medicare program, or a provider of health insurance or service

contracts under chapter 509, 514, or 514A.

Sec. 3001. NEW SECTION. 91E.2 HEALTH CARE INSURANCE PLAN ESTABLISHED.

1. Effective July 1, 1991, a health care insurance plan is established to provide primary and preventive health care insurance coverage to Iowans who are not otherwise covered by the medical assistance program, the federal Medicare program, a third-party payor plan, or other similar program or plan.

2. The plan shall provide for a schedule of premium contributions, copayments, coinsurance, and deductibles to be paid by enrollees in the health care insurance plan based upon a sliding fee scale which takes into account the enrollee's income, assets, and financial needs.

3. Provision of only the benefit package under the health care insurance plan shall not be subject to or considered part of a collective bargaining negotiation.

Sec. 3002. NEW SECTION. 91E.3 HEALTH CARE INSURANCE PLAN POOL ESTABLISHED.

1. Effective July 1, 1991, a health care insurance pool is established within the state treasury. Moneys within the pool shall be expended to provide health care insurance coverage to those enrollees under the health care insurance plan as established in section 91E.2.

2. Funds in the pool shall include, but are not limited to, revenues collected from employers who do not provide primary and preventive health care insurance or benefits coverage to their employees.

3. Contributions to the pool may come from the financial participation of employers, employees, and other funding sources and shall be used to provide a health care insurance benefit package to cover primary care benefits and hospitalization. Moneys in the pool shall not be expended to provide payment for services for which a person is eligible pursuant to chapter 249A, receives coverage through private health care insurance or benefits coverage, or through another

responsible party.

Sec. 3003. EFFECTIVE DATE. Sections 3001 through 3002 of this Act take effect only after enactment by the general assembly of a funding mechanism for the health care insurance plan and pool, employer participation, employer responsibilities, and state responsibility for coverage of unemployed and low-income employed persons whose income is less than two hundred percent of the federal poverty level and who are not currently eligible for health insurance coverage through any federally financed health insurance program.

Sec. 3004. HEALTH CARE INSURANCE STUDY. The legislative council shall contract for a comprehensive study of the state's health insurance needs and means to meet Iowans needs for health insurance, including an implementation proposal for mandatory employer-sponsored health insurance coverage. The legislative council shall appoint a steering committee which may include representatives of health professions, labor, business, insurance, government, and consumers to administer, oversee, and monitor the study. The study shall provide preliminary information and recommendations to the general assembly and the legislative council by February 1, 1990, and a final report containing information and recommendations by November 15, 1990, which shall include but not be limited to the following:

1. Collection and assembling of data describing the following:
 - a. Characteristics of employed persons who are uninsured and of unemployed persons who are uninsured.
 - b. Characteristics of employers who do and do not offer insurance to their employees.
 - c. Cost estimates for covering the unemployed who are not currently eligible for health insurance coverage through any federally financed health insurance program.
 - d. Characteristics of health insurance coverage and health insurance needs of farmers and other self-employed persons.

e. The impact of the uninsured population on rural hospitals and the university of Iowa hospitals and clinics and the impact of implementing mandatory, employer-subsidized coverage on those hospitals.

f. The impact upon employers of implementing mandatory, employer-subsidized coverage.

g. The potential savings to the state and its political subdivisions as a result of mandatory employer-sponsored health care.

h. The causes and financial effects of the choice by employees not to accept employer-offered health insurance coverage.

2. Development of a proposal to implement the health care insurance plan established in section 91E.2, including the following elements:

a. A schedule to phase in coverage of all employees and every employer in the state.

b. At least three options, with cost estimates, for a mandatory employer-sponsored primary and preventive health insurance benefit package provided to employees and dependents of employees.

c. An additional option, with a cost estimate and an analysis of cost-effectiveness for a health insurance benefit package provided to employees and dependents of employees which includes but is not limited to major medical expenses, inpatient care, outpatient care, maternity and postnatal care, emergency care, and care for conditions related to nervous disorders, mental health, and substance abuse.

d. Options regarding delivery of a health care insurance plan which include consideration of existing public and private insurance delivery systems, health maintenance organizations, preferred provider organizations, and other managed care options.

e. A provision that the health care insurance plan operation and coverage issuance does not discriminate based

upon sex or marital status.

f. A provision to coordinate coverage under the health care insurance plan with the Iowa comprehensive health insurance association established under chapter 514E.

g. A provision to enhance the coverage of employees who are underinsured.

h. A provision to minimize the potential for adverse selection under the health care insurance plan.

i. A provision for the eligibility of persons who are early retirees.

j. Provisions for health care cost containment, coordination of benefits, health maintenance, quality of care, and prevention under the health care insurance plan.

k. A provision to discourage employers who are offering health care insurance benefits to employees from reducing or eliminating benefits when health care insurance coverage becomes mandatory.

l. A provision for the state to make available technical assistance to small businesses for the implementation of mandatory employer-sponsored health insurance.

m. A provision setting a financial participation rate in the costs of health care coverage for employees as a minimum standard for employer compliance with requirements to provide health care coverage.

n. A provision to subsidize the purchase of health insurance coverage for employed and unemployed low-income Iowans not covered under a qualifying health care insurance plan.

o. Recommendations and options regarding methods to finance the plan.

p. Recommendations regarding program administration, including the unit of state government to be assigned administrative responsibility.

q. Recommendations regarding the coordination of health insurance coverage between two-earner families when both

earners have health insurance coverage available through their employers.

r. A provision which considers an option for state responsibility for insurance premium assistance for employed persons whose income is less than two hundred percent of the federal poverty level.

3. Development of additional program options capable of implementation on a demonstration or statewide basis, including the following:

a. A program providing at least primary and preventive health services to children in working families, where the income level of the families does not exceed one hundred eighty-five percent of the federal poverty level.

b. A program providing state participation in the financing of health insurance coverage for employers of fewer than twenty employees who previously have not provided health coverage for their employees and who can demonstrate that the employer cannot otherwise provide such coverage. The program shall include participation by the employer in an amount equal to at least one-third of the cost of the employees' health care coverage.

c. A program for families previously participating in the aid to dependent children program whose reason for leaving the program was employment earnings, who have exhausted transitional medical assistance coverage, and who are still employed but who have no health care coverage. Such a program shall include a sliding fee schedule for participation.

d. A program for small employers that establishes a multiple employer trust accessible to employers, with or without state participation, to reduce the premiums charged for such trusts and increase the availability of such trusts.

e. A program to provide catastrophic health care coverage for employed persons who are currently uninsured or underinsured.

f. A program to provide support to uninsured and

underinsured working families that recognizes ongoing health care expenditures for chronic conditions and that would provide protection against a requirement to completely spend-down on a monthly basis in order to be eligible for the medically needy program.

g. A program providing health insurance tax credits for employers. The employer must provide two-thirds of the premium payment of the health insurance plan for the employees enrolled in the plan. An employee enrolled in the plan must pay one-third of the premium for the individual employee under the health insurance plan. The amount of the tax credit provided shall be one-half of the premium paid by the employer. The tax credit shall be provided to an employer for a maximum of five years. Any tax credit provided in excess of the employer's tax liability during the first taxable year may be credited to the employer's tax liability for the remaining four years or until an excess no longer exists. An employer shall only be eligible for the tax credit provided if the health insurance plan provided has been selected by the insurance division of the department of commerce.

h. A program providing greater income tax recognition of the costs of health care for employers who are self-employed or part of a partnership, including tax recognition on a sliding scale based upon income.

The department of revenue and finance, the division of insurance of the department of commerce, the Iowa department of public health, and the department of human services, the department of employment services, other executive departments, and the legislative fiscal bureau shall fully cooperate with the study in providing timely information necessary to identify costs and coverage levels related to the study."

4. By striking page 11, line 15, through page 12, line 11, and inserting the following:

DIVISION VI

Sec. _____. This division shall be known as the "Nonprofit Health Organization Division".

Sec. _____. Section 422.45, subsection 22, paragraph b, Code 1989, is amended to read as follows:

b. Residential facilities ~~for-mentally-retarded-children~~ licensed by the department of human services pursuant to chapter 237, other than those maintained by individuals as defined in section 237.1, subsection 7.

Sec. _____. Section 422.45, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 41. The gross receipts from the sale of equipment and supplies if purchased by any of the following nonprofit health organizations which receive federal funds:

- a. Community-based substance abuse treatment and prevention programs, as designated under section 125.12.
- b. Child health clinics; as designated under section 135.11.
- c. Maternal health clinics, as designated under section 135.11.
- d. Well-elderly clinics, as designated under section 135.11.
- e. Family planning clinics, as designated under section 234.21.
- f. Area agencies on aging, as designated under section 249D.32.
- g. Medicare certified hospice programs, as certified by the department of inspections and appeals or as certified under the federal Medicare program."

5. Page 12, line 21, by inserting after the word "agencies:" the following: "the department of human services,".

6. By striking page 13, line 21 through page 14, line 21 and inserting the following: "as provided in section 135B.33 and perform the duties required of the Iowa department of public health in section 135B.33."

7. Page 15, by striking lines 5 through 19 and inserting the following:

"d. For the purposes of this section, "Medicare" means the program of health insurance established under Title XVIII of the federal Social Security Act."

8. Page 16, by striking lines 12 through 18 and inserting the following:

"Sec. ____ . NEW MEDICAL FACILITY LICENSURE CATEGORY RECOMMENDATIONS. In cooperation with the advisory committee to the office of rural health, the office of rural health of the Iowa department of public health shall make recommendations to the general assembly on or before February 1, 1990, regarding the development of a new medical facility licensure category to respond to the changing health care needs of rural Iowa. The office of rural health through the advisory committee shall seek federal waivers and take additional action to permit federal reimbursement under the federal Medicare program and the medical assistance program for services provided in a facility licensed under the new category."

9. By striking page 16, line 21 through page 17, line 4 and inserting the following:

"NEW UNNUMBERED PARAGRAPH. The tax levy authorized by this section for operation and maintenance of the hospital may be available in whole or in part to any county with or without a county hospital organized under this chapter, to be used to enhance rural health services in the county. However, the tax levied may be expended for enhancement of rural health care services only following a local planning process. The Iowa department of public health shall establish guidelines to be followed by counties in implementing the local planning process which shall require legal notice, public hearings, and a referendum in accordance with sections 347.7 and 347.30 prior to the authorization of any new levy or a change in the use of a levy. Enhancement of rural health services for which

the tax levy pursuant to this section may be used includes but is not limited to emergency medical services, health care services shared with other hospitals, rural health clinics, and support for rural health care practitioners and public health services. When alternative use of funds from the tax levy authorized by this section is proposed in a county with a county hospital organized under this chapter, use of the funds shall be agreed upon by the elected board of trustees of the county hospital. When alternative use of funds from the tax levy authorized by this section is proposed in a county without a county hospital organized under this chapter, use of the funds shall be agreed upon by the board of supervisors and any publicly elected hospital board of trustees within the county prior to submission of the question to the voters. Moneys raised from a tax levied in accordance with this paragraph shall be designated and administered by the board of supervisors in a manner consistent with the purposes of the levy."

10. Page 18, by inserting after line 11 the following:

"8. Support programs to enhance the agriculture-related safety of children."

11. Page 19, by striking lines 5 through 18.

12. By striking page 19, line 28 through page 21, line 27 and inserting the following:

"Sec. 1001. This division shall be known as the "Health Care Utilization Division".

Sec. 1002. HEALTH CARE UTILIZATION INFORMATION AND TASK FORCE.

1. The Iowa health data commission shall annually publish all of the following:

a. Comparisons between health care providers of charges, length of stay, and numbers of admissions for selected diagnoses or procedures utilized on an inpatient basis.

b. Comparisons between health care providers of charges and numbers of encounters for selected diagnoses and

procedures utilized on an ambulatory care basis.

c. Comparisons across geographic areas of population-based admission or incidence rates for selected diagnoses and procedures.

d. Comparisons between health care providers using indicators which may include structure, process, and severity-adjusted outcome methodologies.

e. Information regarding research published concerning the medical efficacy of certain medical procedures and information regarding numbers of the procedures performed in Iowa.

f. A trends analysis which delineates cost increases in different components of the health care industry.

g. Recommendations to appropriate organizations and agencies regarding the potential uses of reports published pursuant to this subsection.

2. The Iowa health data commission shall contract for a health care utilization study to review, identify, and address issues related to the utilization of health care services in the state by comparing national data with Iowa data. The commission shall appoint a representative task force to oversee and review the study:

a. The study shall complete all of the following tasks:

(1) Collect and analyze existing research on the medical efficacy of certain medical procedures and study potential overutilization of the procedures in the state, and prepare a summary of procedures for which there is a significant level of usage in the state and for which substantial evidence from nationwide data suggests there is overutilization on a national level.

(2) Use information collected by the health data commission to evaluate variations in the utilization of diagnostic-related groups and assess the effects of the variations on patient outcomes and health care costs.

(3) Utilize findings developed under this section and analysis of actions taken in other states to identify

protocols used in other states for the usage of procedures identified as having high coefficients of variation and as being subject to overutilization.

(4) Make recommendations to the commission and the representative task force regarding the use and potential application of the study findings by health care providers, educators, purchasers, governmental entities, insurers, consumers, and other interested constituencies.

b. The task force shall complete all of the following tasks:

(1) Make recommendations to appropriate agencies and organizations regarding protocol development and implementation, physician education, second opinions for procedures, and reimbursement limitations on procedures which have been identified as subject to overutilization.

(2) Make recommendations regarding other means of reducing health care costs by utilizing health care services more effectively.

(3) Report its findings relating to the duties established by this paragraph to the commission, the governor, and the general assembly on or before January 1, in the years 1991, 1992, and 1993.

3. This section is repealed effective January 30, 1993.

Sec. ____ . Section 514E.1, subsection 2, Code 1989, is amended to read as follows:

2. "Association policy" means an individual or group policy issued by the association that provides the coverage specified in section 514E.4.

Sec. ____ . Section 514E.2, subsection 2, Code 1989, is amended to read as follows:

2. The board of directors of the association shall consist of ~~not-less-than~~ four ~~not-more-than-eight~~ members selected by the members of the association, ~~subject-to-approval-by-the~~ commissioner-and-a two of whom shall be representatives from corporations operating pursuant to chapter 514 on the

effective date of this Act or any successors in interest, and two of whom shall be representatives of insurers providing coverage pursuant to chapter 509 or 514A; four public member members selected by the commissioner governor; the commissioner or the commissioner's designee from the division of insurance; and two members of the general assembly, one of whom shall be appointed by the speaker of the house and one of whom shall be appointed by the senate majority leader, who shall be ex officio and nonvoting members. The composition of the board of directors shall be in compliance with sections 69.16 and 69.16A. The governor's appointees shall be chosen from a broad cross-section of the residents of this state.

~~In order to select the initial board of directors and organize the association, the commissioner shall give notice to all carriers of the time and place of the organizational meeting. In determining voting rights at the organizational meeting, each carrier member is entitled to one vote in person or by proxy. If the board of directors is not selected within sixty days after the organizational meeting, the commissioner shall appoint the initial board. In approving or selecting members of the board, the commissioner shall consider whether all carriers are fairly represented. Members of the board may be reimbursed from the moneys of the association for expenses incurred by them as members, but shall not be otherwise compensated by the association for their services.~~

Sec. ____ . Section 514E.2, Code 1989, is amended by adding the following new subsection 10 and renumbering the subsequent subsections:

NEW SUBSECTION. 10. The association is subject to oversight by the legislative fiscal committee of the legislative council. Not later than April 30 of each year, the board of directors shall submit to the legislative fiscal committee a financial report for the preceding year in a form approved by the committee.

Sec. ____ . Section 514E.2, subsection 12, Code 1989, is

amended by striking the subsection."

13. Page 22, by striking lines 3 and 4 and inserting the following: "for not more than the following full-time equivalent positions:"

14. Page 22, by striking line 6 and inserting the following:

".....FTEs 12.5

Of the full-time equivalent positions authorized in this section, 11.5 FTEs are allocated to community services of which 3 FTEs are allocated to perform responsibilities related to section 249A.4, subsection 12, and 1.0 FTE is allocated to general administration."

15. Page 22, by striking lines 15 and 16 and inserting the following: "health services as provided under section 104 of this Act and to provide additional prevention services to women and children to decrease problems of pregnancy outcomes, to reduce the incidence of low birth weights, and to assist children with special health care needs:

..... \$ 520,000

Sec. 5000. CHILD HEALTH CARE SERVICES PROVIDED. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To provide, within funds appropriated in this section, physician services to children eligible for services provided in child health centers under 641 I.A.C. ch. 75:

..... \$ 400,000

The physician services shall be subject to managed care and selective contracting provisions and shall be used to provide treatment of the children in a physician's office and shall include coverage of diagnostic procedures and prescription drugs required for the treatment. Services provided under this subsection shall be reimbursed according to Title XIX

reimbursement rates."

16. Page 23, line 12, by striking the figure "205,000" and inserting the following: "275,000".

17. Page 24, by inserting after line 16 the following:

"___. Of the funds appropriated in this section, \$15,000 is allocated for a public purpose to support farm family rehabilitation management in continuing the project to develop rehabilitation services and adaptive devices for farmers.

___. Of the funds appropriated in this section \$15,000 is allocated to the institute of agricultural medicine and occupational health to develop program materials and program activities for farm families.

___. Of the funds appropriated in this section, \$15,000 is allocated for a public purpose to grant to a nonprofit safety education and disaster services organization located in central Iowa to offer between five and ten courses around the state for farm families and farm workers. The courses shall cover first aid, lifesaving, farm accident prevention behaviors, and proper methods of handling farm chemicals.

___. Of the funds appropriated in this section, \$25,000 is allocated to support the activities of a nonprofit grass-roots organization emphasizing farm safety for children."

18. Page 24, by striking lines 25 through 27 and inserting the following:

"1. Of the funds appropriated in this section, \$15,000 is allocated to support the surveillance and reporting of disabilities suffered by persons engaged in agriculture resulting from diseases or injuries, including identifying the amount and severity of agricultural related injuries and diseases in the state, identifying causal factors associated with agricultural related injuries and diseases, and evaluating the effectiveness of intervention programs designed to reduce injuries and diseases. The department shall cooperate with the department of agriculture and land stewardship, Iowa state university of science and technology,

and the college of medicine at the university of Iowa."

19. Page 25, by striking line 20 and inserting the following:

"For health care utilization information and a study as provided under".

20. By striking page 25, line 23 through page 27, line 4 and inserting the following:

"Sec. 1107. PRIMARY AND PREVENTIVE HEALTH CARE FOR CHILDREN. If division II and section 1101 of this Act are enacted, there is appropriated from the general fund of the state to the Iowa department of public health for the fiscal period beginning October 1, 1989, and ending June 30, 1990, \$300,000 and in the fiscal years beginning July 1, 1990, and July 1, 1991, \$450,000, or so much thereof as is necessary, to be used for the purposes designated:

For the public purpose of providing a renewable grant, following a request for proposals, to a statewide charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code which was organized prior to April 1, 1989, and has as one of its purposes the sponsorship or support for programs designed to improve the quality, awareness, and availability of health care for the young, to serve as the funding mechanism for the provision of primary health care and preventive services to children in the state who are uninsured and who are not eligible under any public plan of health insurance, provided all of the following conditions are met:

1. The organization shall provide a match in advance of each state dollar provided as follows:
 - a. In the fiscal year beginning July 1, 1989, two dollars.
 - b. In the fiscal year beginning July 1, 1990, three dollars.
 - c. In the fiscal year beginning July 1, 1991, four dollars.
2. The organization coordinates services with new or

existing public programs and services provided by or funded by appropriate state agencies in an effort to avoid inappropriate duplication of services and ensure access to care to the extent as is reasonably possible. The organization shall work with the Iowa department of public health, family and community health division, to ensure duplication is minimized.

3. The organization's governing board includes in its membership representatives from the executive and legislative branches of state government.

4. Grant funds are available as needed to provide services and shall not be used for administrative costs of the department or the grantee.

5. Notwithstanding section 8.33, funds appropriated in this section which are unencumbered or unobligated on June 30, 1990, shall not revert to the general fund but shall remain available to the department for the provision of maternal and child health services.

6. The organization's purpose is consistent with the public policy stated in section 402 of this Act.

Sec. 1108. RURAL PILOT PROGRAM. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To implement, in consultation with the center for health services research of the university of Iowa, a pilot program or programs established in a rural hospital or hospitals serving a designated county or multicounty area in Iowa for the provision of primary and preventive health care and inpatient services to persons who are uninsured, based upon the same eligibility guidelines as those established for the indigent patient program at the university of Iowa hospitals and clinics and subject to program approval and oversight by the advisory committee to the office of rural health as provided under section 702 of this Act and subject to the

following conditions:

1. The aggregate payments to providers of services under the pilot program shall not exceed the aggregate payments that would have been made if the recipients had been eligible for and received services pursuant to the medical assistance program. The pilot program established pursuant to this section shall not be interpreted to create any entitlement to services on behalf of any eligible individual except to the extent that funding is available pursuant to this section.

2. The funds appropriated for the pilot program or programs shall be used by the rural hospital or hospitals selected for additional patient care and not for defraying other costs including but not limited to capital expenditure costs or costs of services which were rendered by the hospital or hospitals and for which the hospital or hospitals have not been reimbursed.

3. The program or programs shall develop cooperative agreements with hospitals in the selected county or multicounty area for the delivery of services.

4. A county in which a program operates shall agree to maintain its existing level of support for indigent and charity health care.

5. The program shall work with the university of Iowa family practice program in the delivery of health care services under the program:

..... \$ 500,000".

21. Page 27, by striking lines 10 and 11 and inserting the following:

"Persons with disabilities division, including not more than the following full-time equivalent positions:

..... \$ 50,000
..... FTEs 1.5".

22. Page 27, line 17, by inserting after the word "injuries." the following: "The advisory council shall conduct a survey designed to register persons who have an

existing brain injury with the central registry for brain injuries, including persons who are institutionalized or in a residence."

23. Page 28, by inserting after line 26 the following:

"Sec. ____ . HEALTH CARE INSURANCE STUDY -- APPROPRIATION.

There is appropriated from the general fund of the state to the legislative council for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To contract with a consultant to implement a health care insurance study pursuant to section 3004 of this Act:
..... \$ 200,000".

24. Page 28, by striking lines 27 through 33 and inserting the following:

"Sec. ____ . PROGRAM EVALUATIONS REQUIRED. The Iowa department of public health shall perform evaluations of each of the pilot programs established pursuant to sections 5000, 1107, and 1108 of this Act. The evaluations shall include quarterly reports which detail program expenditures, services provided, and persons served according to demographic groupings. An evaluation report on each program shall be provided quarterly to the legislative fiscal committee and the legislative fiscal bureau."

25. Title page, line 7, by inserting after the word "access" the following: "and a study of health care insurance".

26. Title page, by striking lines 10 through 12, and inserting the following: "recipients of medical assistance; rural health systems delivery and related taxation and rural".

27. Title page, by striking lines 16 and 17, and inserting the following: "assistance program; health care utilization; operation of the Iowa comprehensive health insurance association; making appropriations to certain state".

28. Title page, line 18, by inserting after the word "agencies;" the following: "requiring certain employers to provide health insurance; providing a sales tax exemption to certain nonprofit health organizations;".

29. By renumbering, relettering, or redesignating and correcting internal references as necessary.

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

CHARLES BRUNER, Chairperson
 JOY CORNING
 JEAN LLOYD-JONES
 WILLIAM PALMER
 MAGGIE TINSMAN
Adopted 5/6/89 (J. 2077)

THOMAS JOCHUM, Chairperson
 THOMAS FEY
 MICHAEL PETERSON
Adopted 5/7/89 (J. 2753)

REPORT OF THE CONFERENCE COMMITTEE
ON SENATE FILE 538

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members appointed to resolve the differences between the Senate and the House of Representatives on Senate File 538, a bill for An Act relating to medical and health care, including matters relating to the maternal and child health program; the expansion of medical assistance eligibility for certain persons; physicians' charges for services to beneficiaries of health insurance under Title XVIII of the federal Social Security Act and providing for the collection and analysis of information; health care access; the requirement of the department of human services to collect certain data relating to usage of health maintenance organization services by recipients of medical assistance; the state individual income tax by requiring an evaluation of the medical and health insurance deduction; rural health systems delivery and rural occupational health; requiring the department of human services to adopt rules to conduct studies regarding health care providers which are reimbursed under the medical assistance program; establishing a health care cost containment task force; making appropriations to certain state agencies; and providing for other properly related matters, respectfully make the following report:

1. That the conference committee is unable to agree.

ON THE PART OF THE SENATE:

CHARLES BRUNER, Chairperson
JOY CORNING
MAGGIE TINSMAN

6 Dept 5/6/89

CCR-1-

ON THE PART OF THE HOUSE:

JOHNIE HAMMOND, Chairperson
DOROTHY CARPENTER
TOM FEY
JOAN HESTER
TOM JOCHUM



OFFICE OF THE GOVERNOR

STATE CAPITOL

DES MOINES, IOWA 50319

515 281-5211

TERRY E. BRANSTAD
GOVERNOR

June 5, 1989

The Honorable Elaine Baxter
Secretary of State
State Capitol Building
L O C A L

Dear Madam Secretary:

I hereby transmit Senate file 538, an act relating to medical and health care, including matters relating to the maternal and child health program; the expansion of medical assistance eligibility for certain persons; physicians' charges for services to beneficiaries of health insurance under title XVIII of the federal social security act and providing for the collection and analysis of information; health care access and a study of health care insurance; the requirement of the department of human services to collect certain data relating to usage of health maintenance organization services by recipients of medical assistance; rural health systems deliver and related taxation and rural occupational health; requiring the department of human services to adopt rules to conduct studies regarding health care providers which are reimbursed under the medical assistance program; health care utilization; operation of the Iowa comprehensive health insurance association; making appropriations to certain state agencies; requiring certain employers to provide health insurance; providing a sales tax exemption to certain nonprofit health health (sic) organizations; and providing for other properly related matters.

Senate File 538 appropriates \$4.5 million for various new health and medical care programs.

Given the fiscal constraints of the state budget, particularly for Fiscal Year 1991, I was required to scrutinize these programs with great care. Without some reduction in the ongoing costs of state government in Fiscal Year 1991, the state would be placed in a deficit position or forced to increase taxes. I cannot accept either option.

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Indeed, a number of the programs included in this bill increase the potential liability of the state's taxpayers for additional expenditures in the future. At the same time, I understand and support reasonable efforts to help provide medical care to the most vulnerable people in our state. And, I understand the important role that government and the private sector must play as partners in that effort. As a result, I have scrutinized this bill very carefully in an effort to make certain that the state is taking appropriate first steps to provide for such care without threatening the state's taxpayers with a major tax increase.

In short, my actions on this bill are designed to be sensitive to the highest priority needs of Iowans who are threatened by the lack of health care insurance, while prudently planning for a longer term solutions to this problem. I also was guided by a desire to avoid major tax increases on our citizens and to keep our small businesses competitive.

Specifically, I am approving a significant expansion of the Medicaid program to cover pregnant women and children under the SOBRA program. Coverage will be provided to pregnant women or infants up to 185 percent of the poverty level; significant additional services are added to the Medicaid program to aid women and children in greatest need. Unfortunately, the General Assembly did not fully fund this Medicaid expansion. As a result, I am required to veto other portions of the bill in order to ensure that this -- the highest priority of our health care plan -- is implemented this year.

I am approving expansions of our maternal and child health care programs, additional funds to provide physicians care for children in dire need of primary and preventive medical assistance; and the establishment of a new public/private partnership to provide additional health care coverage for children and each of these actions represents a significant commitment on the part of the state to provide both preventive and primary medical care to pregnant women and children who are without medical insurance coverage. In addition, we are undertaking a comprehensive study of the uninsured population in our state. I will be developing recommendations to the General Assembly in January for further actions that the state and/or the private sector might take to deal with this problem in both a cost effective and appropriate way.

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Senate File 538 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the item designated as Section 104, in its entirety. This Section requires the Department of Human Services to negotiate with maternal and child health care centers so that the "full cost" of these services is received by the providers. Such a mandate for renegotiation of rates allows for no negotiation at all; with a state mandate to provide "full costs", the state's bargaining position would be substantially weakened. While providers should receive reasonable costs for their services, the General Assembly should allow the Department of Human Services to negotiate the appropriate level of those costs to ensure that the state's funds are being well spent.

I am unable to approve the item designated as Sections 402, 403, 404, 405, and 406, in their entirety. These provisions in Senate File 538 establish a health care insurance plan to provide primary and preventive health care insurance coverage to all Iowans who are not now covered by insurance. A health care insurance pool is established and its specific effective dates and coverage levels are provided for in this section. The pool would presumably be funded through a combination of state and private dollars. But a funding mechanism is noticeably absent from the bill. This division of the bill also requires a comprehensive study of the state's health insurance needs and the means to meet the needs of those not covered by health insurance.

Indeed, I have already commissioned a study on this same issue and the preliminary report of the study indicates that the total costs of providing for those needs could be up to \$251 million. My health care insurance task force is in the process of reviewing those numbers and developing options the state may select in attempting to deal with the most serious needs of uninsured Iowans. We expect that report to be received some time this fall. Obviously, the legislative study committee has not yet even met on this issue.

It would appear that the legislature has put the cart before the horse. Until the studies are completed on appropriate state options for dealing with the uninsured, the legislature should not be putting in statute a time line, eligibility requirements, and a specific pool which would likely require contributions by

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the state, employers and employees for purposes of providing mandatory health insurance for all of Iowa's uninsured. While I understand that these provisions would not become effective until the legislature enacts a funding formula, the specific provisions in these sections of the bill presume a particular outcome of the study before it is even completed. Moreover, it is likely that there will be federal action dealing with this issue within the next two years. Therefore, it would be much wiser for the state to carefully study the options that are available to it, take appropriate first steps to deal with the most vulnerable populations and then work to develop a public/private consensus on the appropriate next step at the state level to provide health care services to those in need. I plan to do just that. After reviewing the recommendations of my task force on health care insurance, I will be making recommendations to that effect for the next session of the General Assembly.

The expansion of SOBRA, the additional funds for M & CH clinics, funding for physician care for children in need of health care services, and the establishment of the public/private partnership to provide medical care for children that I have signed in this bill are all appropriate first steps. However, I am not comfortable committing to major tax increases or major increases in liability for our employers or employees in the state when a full study of this issue has not been completed and appropriate options have yet to be developed.

I am unable to approve the item designated as Section 603, in its entirety. This provision in Senate File 538 provides an exemption from the sales tax for equipment and supplies purchased by a number of health organizations which receive federal funds in the state. The Department of Revenue and Finance has not been able to fully estimate the fiscal impact of these exemptions at this time. Until such a complete fiscal estimate can be conducted, additional sales tax exemptions in this area should not be authorized.

I am unable to approve the item designated as Section 902, in its entirety. This provision in Senate File 538 establishes a health care cost containment coordinating unit composed of the Director of the Department of Management, the administrator of the State Medical Assistance Program, and the Director of the Department of Personnel. An informal state health care costs containment coordinating unit has been established in the executive branch of

The Honorable Elaine Baxter
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state government. Moreover, the leader of that group is, and must be, the Director of the Department of Human Services. The Director of the Department of Personnel and the Director of the Department of Management are also important players as is the Director of the Department of Public Health. These individuals will continue to play a lead role in the state in the development of health care costs containment options for the public and private sectors.

I am unable to approve the item designated as Section 1104, subsections 2 and 3, in their entirety. These provisions in the bill would appropriate \$100,000 to the office of rural health for technical service and competitive research grants. While I have authorized the establishment of an office of rural health and \$50,000 to commence its establishment, I believe it is premature to provide funds to this office for competitive grants or technical assistance until this office is fully operational. I will be willing to review appropriate recommendations from the Department of Health for such purposes in the future.

I am unable to approve the item designated as Section 1105, in its entirety. This provision appropriates \$275,000 of general fund money for the first time to agriculture health and safety pilot programs. I do not question the importance of these programs -- I have maintained language in the bill which strengthens statutory responsibilities for them. Indeed, I believe that the grant funds have been, and may continue to be found for these purposes. Given the fiscal constraints of the state, I cannot approve a substantial increase in the state funding for these new state pilot programs at this time. Moreover, I have provided for \$45,000 to the Department of Public Health for agriculture health and safety programs which can provide some coordination and assistance in this area.

I am unable to approve the item designated as Section 1107, in its entirety. This section of the bill appropriates an additional \$100,000 to the Health Data Commission. The authority granted to the Health Data Commission in Senate File 538 to do additional cost containment analysis is appropriate and has been approved. However, I do not believe that the commission needs an additional \$100,000 to accomplish this function. I have separately approved an additional appropriation of \$149,000 to the Commission to expand its operations. Those funds can and should be used to help meet the statutory requirements included in Senate File 538, as well.

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I am unable to approve the item designated as Section 1109, in its entirety. This section appropriates \$500,000 for the establishment of rural health care pilot program. After consulting with the officials involved in the development of this bill and the Department of Public Health, it appears that this new appropriation has not been fully considered or developed. Given the significant underfunding in the SOBRA program, it would appear that the \$500,00 approved in this new pilot program would be better spent allowing us to expand the SOBRA program to provide care to pregnant women and children. In addition, the substantial additional funds already approved in this bill for primary and preventive care for children also represent an additional commitment by the state in this area.

I am unable to approve the item designated as Section 1112, subsection 2, in its entirety. This subsection provides a new appropriation of \$50,000 for AIDS coalitions throughout the state. Given the fiscal constraints of the state, this new expenditure can not be justified at this time.

I am unable to approve the item designated as Section 1113 in its entirety. This provision in Senate File 538 appropriates \$200,000 to a legislative council to conduct a health care study. As I have indicated previously, such a study is already well underway by my health insurance task force, which includes representatives of the General Assembly. Clearly, the legislative council can, and should, commence efforts to develop options to deal with those who are without health insurance in our state. However, the council can make use of the substantial data and work that has been done by the executive branch's study without the expenditure of an additional \$200,000 for a consultant.

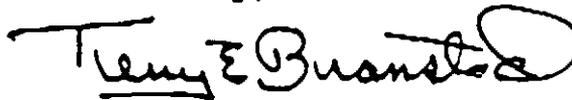
In short, Senate File 538 provides for a substantial expansion of the state's commitment to health care in Iowa. The Medicaid program is significantly expanded to include the coverage for pregnant women and children; additional primary and preventive care is provided to children through a public/private partnership and the Department of Public Health, an office of rural health is established to help coordinate serious health care needs in rural areas, and additional funds are provided for well elderly clinics and to provide additional homemaker/health services for the elderly who wish to stay in their homes. I believe all these are appropriate steps forward.

The Honorable Elaine Baxter
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However, in order to fund these programs, I am required to veto some of the new spending that is included in this bill. Many of the appropriations that have been vetoed are duplicative of expenditures made elsewhere in the budget and for that reason, are unnecessary. I have attempted with my actions in this bill to ensure that the state will take a prudent and sensitive step forward in caring for those who are most in need of health care. We can and must avoid the specter of a major tax increase and still provide for a detailed and comprehensive study of the appropriate next step for state and private action to deal with Iowans in need of health care.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 538 are hereby approved as of this date.

Sincerely,



Terry E. Branstad
Governor

TEB/ps

cc: Secretary of the Senate
Chief Clerk of the House

SENATE FILE 538 ITEM VETO 6/05/89 Section 104. Section 402. Section 403. Section 404. Section 405. Section 406. Section 603. Section 902. Section 1104, subsections 2; and 3. Section 1105. Section 1107. Section 1109. Section 1112, subsection 2. Section 1113.

ACTUAL
ITEMS IN
BRACKETS

Senate File 538, p. 2

SENATE FILE 538

AN ACT

RELATING TO MEDICAL AND HEALTH CARE, INCLUDING MATTERS RELATING TO THE MATERNAL AND CHILD HEALTH PROGRAM; THE EXPANSION OF MEDICAL ASSISTANCE ELIGIBILITY FOR CERTAIN PERSONS; PHYSICIANS' CHARGES FOR SERVICES TO BENEFICIARIES OF HEALTH INSURANCE UNDER TITLE XVIII OF THE FEDERAL SOCIAL SECURITY ACT AND PROVIDING FOR THE COLLECTION AND ANALYSIS OF INFORMATION; HEALTH CARE ACCESS AND A STUDY OF HEALTH CARE INSURANCE; THE REQUIREMENT OF THE DEPARTMENT OF HUMAN SERVICES TO COLLECT CERTAIN DATA RELATING TO USAGE OF HEALTH MAINTENANCE ORGANIZATION SERVICES BY RECIPIENTS OF MEDICAL ASSISTANCE; RURAL HEALTH SYSTEMS DELIVERY AND RELATED TAXATION AND RURAL OCCUPATIONAL HEALTH; REQUIRING THE DEPARTMENT OF HUMAN SERVICES TO ADOPT RULES TO CONDUCT STUDIES REGARDING HEALTH CARE PROVIDERS WHICH ARE REIMBURSED UNDER THE MEDICAL ASSISTANCE PROGRAM; HEALTH CARE UTILIZATION; OPERATION OF THE IOWA COMPREHENSIVE HEALTH INSURANCE ASSOCIATION; MAKING APPROPRIATIONS TO CERTAIN STATE AGENCIES; REQUIRING CERTAIN EMPLOYERS TO PROVIDE HEALTH INSURANCE; PROVIDING A SALES TAX EXEMPTION TO CERTAIN NONPROFIT HEALTH ORGANIZATIONS; AND PROVIDING FOR OTHER PROPERLY RELATED MATTERS.

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

Section 1. The purpose of this Act is to better provide health care coverage for uninsured and underinsured Iowans, to provide state assistance and support to developing rural health service delivery systems which are appropriate to rural communities, and to establish means to contain health care costs while ensuring access to quality health care for all Iowans.

Sec. 2. Divisions I through VI of this Act shall be known as "Serving the Uninsured and Underinsured". Divisions VII and VIII of this Act shall be known as "Rural Health Care Services and Agricultural Occupational Health". Divisions IX and X of this Act shall be known as "Health Care Cost Containment".

DIVISION I

Sec. 101. This division shall be known as the "Maternal and Child Health Division".

Sec. 102. Section 22.7, subsection 2, Code 1989, is amended to read as follows:

2. Hospital records, medical records, and professional counselor records of the condition, diagnosis, care, or treatment of a patient or former patient or a counselee or former counselee, including outpatient. However, confidential communications between a victim of sexual assault or domestic violence and the victim's sexual assault or domestic violence counselor are not subject to disclosure except as provided in section 236A.1. However, the Iowa department of public health shall adopt rules which provide for the sharing of information among agencies concerning the maternal and child health program, while maintaining an individual's confidentiality.

Sec. 103. Section 135.11, subsection 19, Code 1989, is amended to read as follows:

19. Administer the statewide maternal and child health program and the crippled children's program by conducting mobile and regional child health specialty clinics and conducting other activities to improve the health of low-income women and children and to promote the welfare of children with actual or potential handicapping conditions and chronic illnesses in accordance with the requirements of Title V of the federal Social Security Act. The department shall provide technical assistance to encourage the coordination and collaboration of state agencies in developing outreach centers which provide publicly-supported services for pregnant women.

infants, and children. The department shall work in cooperation with the legislative fiscal bureau in monitoring the effectiveness of the maternal and child health centers, including the provision of transportation for patient appointments and the keeping of scheduled appointments.

Sec. 104. REIMBURSEMENT LEVEL TO MATERNAL AND CHILD HEALTH CENTERS. The department of human services under the medical assistance program shall renegotiate the rates of reimbursement of the full allowable costs to maternal health centers providing services to pregnant women and infants; to child health centers providing early and periodic screening, diagnosis, treatment, and other related services to children; and to community health centers providing services to pregnant women, infants, and children as often as necessary to assure that the rates are commensurate with the providers' full cost of providing the services.]

DIVISION II

Sec. 201. This division shall be known as the "Medicaid Coverage Expansion Division".

Sec. 202. Section 249A.3, subsection 1, Code 1989, is amended by adding the following new paragraphs:

NEW PARAGRAPH. e. Is a pregnant woman whose pregnancy has been medically verified and who qualifies under either of the following:

(1) The woman would be eligible for a cash payment under the aid to dependent children program, or under an aid to dependent children, unemployed parent program, under chapter 239, if the child were born and living with the woman in the month of payment.

(2) The woman meets the income and resource requirements of the aid to dependent children program under chapter 239, provided the unborn child is considered a member of the household, and the woman's family is treated as though deprivation exists.

NEW PARAGRAPH. f. Is a child who is less than six years of age and who meets the income and resource requirements of the aid to dependent children program under chapter 239.

NEW PARAGRAPH. g. Is a child who is less than eight years of age as prescribed by the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203 § 4101, whose income is not more than one hundred percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

NEW PARAGRAPH. h. Is a woman who, while pregnant, meets eligibility requirements for assistance under the federal Social Security Act, § 1902(1) and continues to meet the requirements except for income. The woman is eligible to receive assistance until sixty days after the date pregnancy ends.

NEW PARAGRAPH. i. Is a pregnant woman who is determined to be presumptively eligible by a health care provider qualified under the federal Omnibus Budget Reconciliation Act of 1986, Pub. L. No. 99-509, § 9407. The woman is eligible for ambulatory prenatal care assistance for a period of fourteen days following the presumptive eligibility determination. If the department receives the woman's medical assistance application within the fourteen-day period, the woman is eligible for ambulatory prenatal care assistance for forty-five days from the date presumptive eligibility was determined or until the department actually determines the woman's eligibility for medical assistance, whichever occurs first. The costs of services provided during the presumptive eligibility period shall be paid by the medical assistance program for those persons who are determined to be ineligible through the regular eligibility determination process.

NEW PARAGRAPH. j. Is a pregnant woman or infant less than one year of age whose income does not exceed the federally prescribed percentage of the poverty level in accordance with

the federal Medicare Catastrophic Coverage Act of 1980, Pub. L. No. 100-360, § 302.

NEW PARAGRAPH. k. Is a pregnant woman or infant whose income is more than the limit prescribed under the federal Medicare Catastrophic Coverage Act of 1980, Pub. L. No. 100-360 § 302, but not more than one hundred eighty-five percent of the federal poverty level as defined by the most recently revised poverty income guidelines published by the United States department of health and human services.

NEW PARAGRAPH. l. Is a child for whom adoption assistance or foster care maintenance payments are paid under Title IV-E of the federal Social Security Act.

NEW PARAGRAPH. m. Is an individual or family who is ineligible for aid to dependent children under chapter 239 because of requirements that do not apply under Title XIX of the federal Social Security Act.

NEW PARAGRAPH. n. Was a federal supplemental security income or a state supplementary assistance recipient, as defined by section 249.1, and a recipient of federal social security benefits at one time since August 1, 1977, and would be eligible for federal supplemental security income or state supplementary assistance but for the increases due to the cost of living in federal social security benefits since the last date of concurrent eligibility.

NEW PARAGRAPH. o. Is an individual whose spouse is deceased and who is ineligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, due to the elimination of the actuarial reduction formula for federal social security benefits under the federal Social Security Act and subsequent cost of living increases.

NEW PARAGRAPH. p. Is an individual who is at least sixty years of age and is ineligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, because of receipt of social security widow

or widower benefits and is not eligible for federal Medicare, part A coverage.

NEW PARAGRAPH. q. Is a disabled individual, and is at least eighteen years of age, who receives parental social security benefits under the federal Social Security Act and is not eligible for federal supplemental security income or state supplementary assistance, as defined by section 249.1, because of the receipt of the social security benefits.

Sec. 203. Section 249A.4, Code 1989, is amended by adding the following new subsections:

NEW SUBSECTION. 11. In determining the medical assistance eligibility of a pregnant woman, infant, or child under the federal Social Security Act, § 1902(1), resources which are used as tools of the trade shall not be considered.

NEW SUBSECTION. 12. In determining the medical assistance eligibility of a pregnant woman, infant, or child under the federal Social Security Act, § 1902(1), or pursuant to section 249A.3, subsection 2, paragraph "g", the department shall establish resource standards and exclusions not less generous than the resource standards and exclusions adopted pursuant to section 255A.5, if in compliance with federal laws and regulations.

Sec. 204. MEDICAL ASSISTANCE ELIGIBILITY -- EXPANSION OF SERVICES.

1. The department of human services and the Iowa department of public health shall expand the targeted case management program for pregnant women to extend to all areas of the state.

2. The department of human services, under the medical assistance program, shall continue the expansion of the targeted case management program for early and periodic screening, diagnosis, and treatment for children eligible for assistance, with the goal of expanding the program to all areas of the state within a reasonable period of time. The department of human services shall make use of medical

information obtained through the medical assistance management information system regarding child usage of primary and preventive health services to identify children in need of early and periodic screening, diagnosis, and treatment services and use models developed in other states to provide the services to the children identified.

3. The department of human services in cooperation with the Iowa department of public health and the health data commission shall review and evaluate as a high-risk group, births of medical assistance recipients and shall evaluate the effect of expansion of medical assistance services on reducing the risk.

DIVISION III

Sec. 301. This division shall be known as the "Medicare Assignment Division".

Sec. 302. **LEGISLATIVE FINDINGS.** Many senior citizens with limited incomes find it difficult or impossible to locate physicians willing to accept Medicare assignments as payment in full for services, and this places these senior citizens at risk of further impoverishment because of medical expenses. The Iowa medical society is to be commended for establishing, with the assistance of the department of elder affairs and area agencies on aging, a voluntary program to encourage physicians to accept Medicare assignments as payment in full for services to low-income Medicare patients. There is a need, however, to track the impact of this program in meeting the needs of low-income Medicare patients to receive affordable health care. This tracking requires the collection and analysis of information on physician practices with respect to Medicare assignments, including breakdowns by geographic region and by medical specialization.

Sec. 303. **NEW SECTION. 249D.24 INFORMATION ON ACCEPTANCE OF MEDICARE ASSIGNMENTS.**

1. The department, in cooperation with the appropriate professional medical organizations, shall collect and analyze

information on the number of physicians in Iowa in each of the following categories, including breakdowns by geographic region and by medical specialization:

- a. Physicians who accept Medicare assignments as payment in full for all Medicare patients.
- b. Physicians who accept Medicare assignments as payment in full for all Medicare patients with income and resources below the level established by the department.
- c. Physicians who participate in a voluntary Medicare assignment program.

2. The department shall identify any areas of the state and physician specialty areas in which physician participation in any of the categories under subsection 1 is not sufficient to meet the access to care needs of Medicare patients in Iowa and shall recommend activities to improve access in those areas.

3. The information developed by the department shall be provided at least annually to the governor and the general assembly and to other interested persons upon request.

4. As used in this section:

- a. "Medicare" means the program of health insurance established under Title XVIII of the federal Social Security Act.
- b. "Medicare assignment" means payment by Medicare of charges for health care services provided to Medicare patients.
- c. "Medicare patient" means a patient who is a beneficiary under Medicare.

DIVISION IV

Sec. 401. This division shall be known as the "Health Care Access Division".

Sec. 402. **HEALTH CARE ACCESS FOR CHILDREN.** The children of Iowa are a precious and valuable resource. The future of Iowa depends upon the continued good health and well-being of Iowa's children. Yet, an estimated twenty-eight thousand

children are at risk of ill health for lack of health care services. It is a public purpose of this state to provide access to health care for Iowa's children who are uninsured, including but not limited to those who are not covered by group health care plans, those whose families cannot afford private health insurance, and those who do not qualify for the medical assistance program. This public purpose of providing health care access to Iowa's uninsured children can be fulfilled by state financial support of private nonprofit entities who provide primary health care insurance benefits to children who would otherwise be uninsured.

Sec. 403. NEW SECTION. 91E.1 DEFINITIONS.

As used in this chapter:

1. "Employee" means a person who is not self-employed, is an employee as defined in section 91A.2, and who:

- a. Beginning July 1, 1991, works an average of at least thirty hours per week and at least six hundred hours in a calendar year.
- b. Beginning July 1, 1992, works an average of at least twenty-five hours per week and at least five hundred hours per calendar year.
- c. Beginning July 1, 1993, works an average of at least twenty hours per week and at least four hundred hours per calendar year.

2. "Employer" means an employer as defined in section 91A.2 who:

- a. Beginning July 1, 1991, employs fifty or more employees.
- b. Beginning July 1, 1992, employs forty or more employees.
- c. Beginning July 1, 1993, employs twenty or more employees.

3. "Enrollee" means a person who purchases health care coverage through use of moneys expended by the state health care insurance plan pool.

4. "Self-insurance health plan" means a plan which provides health benefits to the employees of an employer, which is not a health insurance plan, and in which the employer is liable for actual costs of the health care service provided by the plan plus administrative costs.

5. "Third-party payor" means an entity, including but not limited to the medical assistance program, the federal Medicare program, or a provider of health insurance or service contracts under chapter 509, 514, or 514A.

Sec. 404. NEW SECTION. 91E.2 HEALTH CARE INSURANCE PLAN ESTABLISHED.

1. Effective July 1, 1991, a health care insurance plan is established to provide primary and preventive health care insurance coverage to Iowans who are not otherwise covered by the medical assistance program, the federal Medicare program, a third-party payor plan, or other similar program or plan.

2. The plan shall provide for a schedule of premium contributions, copayments, coinsurance, and deductibles to be paid by enrollees in the health care insurance plan based upon a sliding fee scale which takes into account the enrollee's income, assets, and financial needs.

3. Provision of only the benefit package under the health care insurance plan shall not be subject to or considered part of a collective bargaining negotiation.

Sec. 405. NEW SECTION. 91E.3 HEALTH CARE INSURANCE PLAN POOL ESTABLISHED.

1. Effective July 1, 1991, a health care insurance pool is established within the state treasury. Moneys within the pool shall be expended to provide health care insurance coverage to those enrollees under the health care insurance plan as established in section 91E.2.

2. Funds in the pool shall include, but are not limited to, revenues collected from employers who do not provide primary and preventive health care insurance or benefits coverage to their employees.

3. Contributions to the pool may come from the financial participation of employers, employees, and other funding sources and shall be used to provide a health care insurance benefit package to cover primary care benefits and hospitalization. Moneys in the pool shall not be expended to provide payment for services for which a person is eligible pursuant to chapter 249A, receives coverage through private health care insurance or benefits coverage, or through another responsible party.

Sec. 406. EFFECTIVE DATE. Sections 404 through 405 of this Act take effect only after enactment by the general assembly of a funding mechanism for the health care insurance plan and pool, employer participation, employer responsibilities, and state responsibility for coverage of unemployed and low-income employed persons whose income is less than two hundred percent of the federal poverty level and who are not currently eligible for health insurance coverage through any federally financed health insurance program.

Sec. 407. HEALTH CARE INSURANCE STUDY. The legislative council shall contract for a comprehensive study of the state's health insurance needs and means to meet Iowans needs for health insurance, including an implementation proposal for mandatory employer-sponsored health insurance coverage. The legislative council shall appoint a steering committee which may include representatives of health professions, labor, business, insurance, government, and consumers to administer, oversee, and monitor the study. The study shall provide preliminary information and recommendations to the general assembly and the legislative council by February 1, 1990, and a final report containing information and recommendations by November 15, 1990, which shall include but not be limited to the following:

1. Collection and assembling of data describing the following:

a. Characteristics of employed persons who are uninsured and of unemployed persons who are uninsured.

b. Characteristics of employers who do and do not offer insurance to their employees.

c. Cost estimates for covering the unemployed who are not currently eligible for health insurance coverage through any federally financed health insurance program.

d. Characteristics of health insurance coverage and health insurance needs of farmers and other self-employed persons.

e. The impact of the uninsured population on rural hospitals and the university of Iowa hospitals and clinics and the impact of implementing mandatory, employer-subsidized coverage on those hospitals.

f. The impact upon employers of implementing mandatory, employer-subsidized coverage.

g. The potential savings to the state and its political subdivisions as a result of mandatory employer-sponsored health care.

h. The causes and financial effects of the choice by employees not to accept employer-offered health insurance coverage.

2. Development of a proposal to implement the health care insurance plan established in section 91E.2, including the following elements:

a. A schedule to phase in coverage of all employees and every employer in the state.

b. At least three options, with cost estimates, for a mandatory employer-sponsored primary and preventive health insurance benefit package provided to employees and dependents of employees.

c. An additional option, with a cost estimate and an analysis of cost-effectiveness for a health insurance benefit package provided to employees and dependents of employees which includes but is not limited to major medical expenses, inpatient care, outpatient care, maternity and postnatal care,

emergency care, and care for conditions related to nervous disorders, mental health, and substance abuse.

d. Options regarding delivery of a health care insurance plan which include consideration of existing public and private insurance delivery systems, health maintenance organizations, preferred provider organizations, and other managed care options.

e. A provision that the health care insurance plan operation and coverage issuance does not discriminate based upon sex or marital status.

f. A provision to coordinate coverage under the health care insurance plan with the Iowa comprehensive health insurance association established under chapter 514E.

g. A provision to enhance the coverage of employees who are underinsured.

h. A provision to minimize the potential for adverse selection under the health care insurance plan.

i. A provision for the eligibility of persons who are early retirees.

j. Provisions for health care cost containment, coordination of benefits, health maintenance, quality of care, and prevention under the health care insurance plan.

k. A provision to discourage employers who are offering health care insurance benefits to employees from reducing or eliminating benefits when health care insurance coverage becomes mandatory.

l. A provision for the state to make available technical assistance to small businesses for the implementation of mandatory employer-sponsored health insurance.

m. A provision setting a financial participation rate in the costs of health care coverage for employees as a minimum standard for employer compliance with requirements to provide health care coverage.

n. A provision to subsidize the purchase of health insurance coverage for employed and unemployed low-income

Iowans not covered under a qualifying health care insurance plan.

o. Recommendations and options regarding methods to finance the plan.

p. Recommendations regarding program administration, including the unit of state government to be assigned administrative responsibility.

q. Recommendations regarding the coordination of health insurance coverage between two-earner families when both earners have health insurance coverage available through their employers.

r. A provision which considers an option for state responsibility for insurance premium assistance for employed persons whose income is less than two hundred percent of the federal poverty level.

3. Development of additional program options capable of implementation on a demonstration or statewide basis, including the following:

a. A program providing at least primary and preventive health services to children in working families, where the income level of the families does not exceed one hundred eighty-five percent of the federal poverty level.

b. A program providing state participation in the financing of health insurance coverage for employers of fewer than twenty employees who previously have not provided health coverage for their employees and who can demonstrate that the employer cannot otherwise provide such coverage. The program shall include participation by the employer in an amount equal to at least one-third of the cost of the employees' health care coverage.

c. A program for families previously participating in the aid to dependent children program whose reason for leaving the program was employment earnings, who have exhausted transitional medical assistance coverage, and who are still employed but who have no health care coverage. Such a program shall include a sliding fee schedule for participation.

d. A program for small employers that establishes a multiple employer trust accessible to employers, with or without state participation, to reduce the premiums charged for such trusts and increase the availability of such trusts.

e. A program to provide catastrophic health care coverage for employed persons who are currently uninsured or underinsured.

f. A program to provide support to uninsured and underinsured working families that recognizes ongoing health care expenditures for chronic conditions and that would provide protection against a requirement to completely spend down on a monthly basis in order to be eligible for the medically needy program.

g. A program providing health insurance tax credits for employers. The employer must provide two-thirds of the premium payment of the health insurance plan for the employees enrolled in the plan. An employee enrolled in the plan must pay one-third of the premium for the individual employee under the health insurance plan. The amount of the tax credit provided shall be one-half of the premium paid by the employer. The tax credit shall be provided to an employer for a maximum of five years. Any tax credit provided in excess of the employer's tax liability during the first taxable year may be credited to the employer's tax liability for the remaining four years or until an excess no longer exists. An employer shall only be eligible for the tax credit provided if the health insurance plan provided has been selected by the insurance division of the department of commerce.

h. A program providing greater income tax recognition of the costs of health care for employers who are self-employed or part of a partnership, including tax recognition on a sliding scale based upon income.

The department of revenue and finance, the division of insurance of the department of commerce, the Iowa department of public health, and the department of human services, the

department of employment services, other executive departments, and the legislative fiscal bureau shall fully cooperate with the study in providing timely information necessary to identify costs and coverage levels related to the study.

Sec. 408. Section 99E.31, subsection 2, paragraph b, subparagraph (7), Code 1989, is amended to read as follows:

(7) The quality of the jobs to be created. In rating the quality of the jobs the department shall award more points to those jobs that have a higher wage scale, have a lower turnover rate, are full-time or career-type positions, provide comprehensive health benefits, or have other related factors.

Sec. 409. HEALTH INSURANCE RECOGNIZED. The Iowa department of economic development shall recognize the value of health insurance benefit packages provided by employers in evaluating grant and loan requests under the programs administered by the department.

Sec. 410. TECHNICAL ASSISTANCE -- SMALL EMPLOYERS. The insurance division shall develop a proposal to provide technical assistance to small employers in identifying, accessing, and evaluating multiple employer trusts within the state, and to recommend ways in which the state may assist in overcoming obstacles which deter employers from participating in multiple employer trusts. The insurance division shall present a report to the general assembly regarding the proposal and recommendations by January 1, 1990.

DIVISION V

Sec. 501. This division shall be known as the "Medicaid Recipients in Health Maintenance Organizations Division".

Sec. 502. COLLECTION OF DATA REQUIRED -- MEDICAL ASSISTANCE RECIPIENTS. The department of human services shall collect data regarding the usage of health care services delivered by health maintenance organizations to recipients of medical assistance under chapter 249A. The data collection shall include records of recipient usage of primary care

services through health maintenance organizations as contrasted with recipient usage of primary care services for recipients not covered by health maintenance organizations, including but not limited to child immunizations, diagnostic tests for sickle-cell anemia, and complete physicals. The department shall survey recipients regarding difficulty in obtaining access or services, including but not limited to transportation problems and difficulty communicating with health care providers. The department shall provide the data, accompanied by analyses, to the general assembly on or before January 1, 1990.

DIVISION VI

Sec. 601. This division shall be known as the "Nonprofit Health Organization Division".

Sec. 602. Section 422.45, subsection 22, paragraph b, Code 1989, is amended to read as follows:

b. Residential facilities for-mentally-retarded-children licensed by the department of human services pursuant to chapter 237, other than those maintained by individuals as defined in section 237.1, subsection 7.

Sec. 603. Section 422.45, Code 1989, is amended by adding the following new subsection:

NEW SUBSECTION. 41. The gross receipts from the sale of equipment and supplies if purchased by any of the following nonprofit health organizations which receive federal funds:

- a. Community-based substance abuse treatment and prevention programs, as designated under section 125.12.
- b. Child health clinics, as designated under section 135.11.
- c. Maternal health clinics, as designated under section 135.11.
- d. Well-elderly clinics, as designated under section 135.11.
- e. Family planning clinics, as designated under section 234.21.

f. Area agencies on aging, as designated under section 249D.32.

g. Medicare certified hospice programs, as certified by the department of inspections and appeals or as certified under the federal Medicare program.]

DIVISION VII

Sec. 701. This division shall be known as the "Rural Health Service Delivery Division".

Sec. 702. NEW SECTION. 135.13 OFFICE OF RURAL HEALTH ESTABLISHED.

1. The office of rural health is established within the department. There is established an advisory committee to the office of rural health consisting of one representative, approved by the respective agency, of each of the following agencies: the department of human services, the department of agriculture and land stewardship, the Iowa department of public health, the department of inspections and appeals, the national institute for rural health policy, the rural health resource center, the institute of agricultural medicine and occupational health, the Iowa state association of counties, and the health policy corporation of Iowa. The governor shall appoint a representative of each of two farm organizations active within the state, a representative of an agricultural business in the state, a practicing rural family physician, and a rural health practitioner who is not a physician as members of the advisory committee. Two state senators appointed by the majority leader of the senate, and two state representatives appointed by the speaker of the house of representatives shall also be members of the advisory committee. Of the members appointed by the majority leader of the senate and the speaker of the house of representatives, not more than one from each house shall be a member of the same political party.

2. The office of rural health shall do all of the following:

a. Provide technical assistance grants to rural communities and counties exploring alternative means of delivering rural health services, including but not limited to hospital conversions, cooperative agreements among hospitals, physician and health practitioner support, public health services, emergency medical services, medical assistance facilities, rural health care clinics, and alternative means which may be included in the long-term community health services and developmental plan developed under this paragraph or in a long-term plan developed through the rural health transition grant program pursuant to the federal Omnibus Budget Reconciliation Act of 1987, Pub. L. No. 100-203, § 4005(e). The office of rural health shall encourage the local boards of health and hospital governing boards to adopt a long-term community health services and developmental plan as provided in section 135B.33 and perform the duties required of the Iowa department of public health in section 135B.33.

b. Provide competitive research grants, to be awarded by the advisory committee, to conduct economic analyses of the effects of health care restructuring models on rural communities, including but not limited to the employment effects on the community of redirecting funds to new areas of service, the overall effects of redirection of the funds on the number of health care dollars expended within the rural community, and the benefit to the health of patients of redirecting the funds.

c. The office of rural health shall make a report to the general assembly regarding the impact of the current compensation structure under Medicare on rural hospitals and other health care providers, shall provide information regarding the current compensation system to Iowa's congressional delegation, and shall make recommendations to the general assembly regarding recommendations to be made to Iowa's congressional delegation to improve the compensation structure.

d. For the purposes of this section, "Medicare" means the program of health insurance established under Title XVIII of the federal Social Security Act.

e. Provide technical assistance to assist rural communities in improving Medicare reimbursements through the establishment of rural health clinics, defined pursuant to 42 U.S.C. § 1395(x), and distinct part skilled nursing facility beds.

f. Coordinate services to provide research for the following items:

(1) Examination of the prevalence of rural occupational health injuries in the state.

(2) Assessment of training and continuing education available through local hospitals and others relating to diagnosis and treatment of diseases associated with rural occupational health hazards.

(3) Determination of continuing education support necessary for rural health practitioners to diagnose and treat illnesses caused by exposure to rural occupational health hazards.

(4) Determination of the types of actions that can help prevent agricultural accidents.

(5) Surveillance and reporting of disabilities suffered by persons engaged in agriculture resulting from diseases or injuries, including identifying the amount and severity of agricultural-related injuries and diseases in the state, identifying causal factors associated with agricultural-related injuries and diseases, and indicating the effectiveness of intervention programs designed to reduce injuries and diseases.

Sec. 703. NEW MEDICAL FACILITY LICENSURE CATEGORY RECOMMENDATIONS. In cooperation with the advisory committee to the office of rural health, the office of rural health of the Iowa department of public health shall make recommendations to the general assembly on or before February

1, 1990, regarding the development of a new medical facility licensure category to respond to the changing health care needs of rural Iowa. The office of rural health through the advisory committee shall seek federal waivers and take additional action to permit federal reimbursement under the federal Medicare program and the medical assistance program for services provided in a facility licensed under the new category.

Sec. 704. Section 347.7, Code 1989, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The tax levy authorized by this section for operation and maintenance of the hospital may be available in whole or in part to any county with or without a county hospital organized under this chapter, to be used to enhance rural health services in the county. However, the tax levied may be expended for enhancement of rural health care services only following a local planning process. The Iowa department of public health shall establish guidelines to be followed by counties in implementing the local planning process which shall require legal notice, public hearings, and a referendum in accordance with sections 347.7 and 347.30 prior to the authorization of any new levy or a change in the use of a levy. Enhancement of rural health services for which the tax levy pursuant to this section may be used includes but is not limited to emergency medical services, health care services shared with other hospitals, rural health clinics, and support for rural health care practitioners and public health services. When alternative use of funds from the tax levy authorized by this section is proposed in a county with a county hospital organized under this chapter, use of the funds shall be agreed upon by the elected board of trustees of the county hospital. When alternative use of funds from the tax levy authorized by this section is proposed in a county without a county hospital organized under this chapter, use of the funds shall be agreed upon by the board of supervisors and

any publicly elected hospital board of trustees within the county prior to submission of the question to the voters. Moneys raised from a tax levied in accordance with this paragraph shall be designated and administered by the board of supervisors in a manner consistent with the purposes of the levy.

DIVISION VIII

Sec. 801. This division shall be known as the "Rural Agricultural Occupational Health Division".

Sec. 802. AGRICULTURAL HEALTH AND SAFETY PROGRAMS. The state board of regents shall continue, beyond its original two-year time period, the agricultural health and safety service pilot programs established as part of the college of medicine of the university of Iowa to provide medical and engineering services to any person engaged in farming in cooperation with the office of rural health of the Iowa department of public health, the department of agriculture and land stewardship, and the Iowa state university of science and technology, pursuant to 1987 Iowa Acts, chapter 233, section 408, subsection 2, paragraph "a", subparagraph (2).

The board of regents shall provide the office of rural health with information concerning the programs so that the office of rural health may serve as a repository of the information.

As used in this section, "farming" means the cultivation of land for the production of agricultural crops, the raising of poultry, the production of eggs, the production of milk, the production of fruit or other horticultural crops, grazing, or the production of livestock, spraying, or harvesting. The programs shall be expanded to include the following services and goals:

1. Involvement of six urban hospitals to participate in networking services with rural area hospitals provided that the two original participant hospitals are provided sufficient funding to continue to develop their programs.

2. Development of grants for small hospitals which participate in the programs.
3. Implementation of farmer stipends.
4. Employment of an industrial hygienist, a director or coordinator, an evaluator, and support staff.
5. Provision for a safety specialist and support staff to be employed at Iowa state university of science and technology.
6. Provision for a reporting system of sickness, diseases, and accidents relating to farmers.
7. Support for a national coalition for agricultural safety and health by providing travel expenses to facilitate explanation of the pilot programs to interested persons.
8. Support programs to enhance the agriculture-related safety of children.

DIVISION IX

Sec. 901. This division shall be known as the "Medicaid Cost Containment Division".

Sec. 902. NEW SECTION. 8.7 STATE HEALTH CARE COST CONTAINMENT COORDINATING UNIT ESTABLISHED.

A state health care cost containment coordinating unit is established within the department of management. The coordinating unit shall consist of the director of the department of management, the administrator of the state medical assistance program, and the director of the department of personnel. The coordinating unit shall review cost containment strategies regarding state-funded health care coverage.

Sec. 903. PHARMACEUTICAL VENDOR SERVICES AND CONSULTANT PHARMACIST SERVICES.

The department of human services shall adopt rules which require all intermediate care facilities to execute separate written contracts for pharmaceutical vendor services and consultant pharmacist services. The consultant pharmacist contract shall require monthly drug regimen review reports and

shall provide for reimbursement on the basis of fair market value.

The board of pharmacy examiners shall conduct a study of consultant pharmacist practices in Iowa and examine the impact of establishing a consultant pharmacist certification process to ensure the delivery of appropriate consultant pharmacist services. A report shall be presented to the general assembly by January 15, 1990.

Sec. 904. SELECTIVE CONTRACTING REVIEW REQUIRED. The department of human services shall review and evaluate for potential usage in Iowa, selective contracting arrangements with health care providers used under the medical assistance program in other states. The department shall report the results of the review and evaluation to the joint human services subcommittee of the senate and house committees on appropriations by January 20, 1991.

DIVISION X

Sec. 1001. This division shall be known as the "Health Care Utilization Division".

Sec. 1002. HEALTH CARE UTILIZATION INFORMATION AND TASK FORCE.

1. The Iowa health data commission shall annually publish all of the following:
 - a. Comparisons between health care providers of charges, length of stay, and numbers of admissions for selected diagnoses or procedures utilized on an inpatient basis.
 - b. Comparisons between health care providers of charges and numbers of encounters for selected diagnoses and procedures utilized on an ambulatory care basis.
 - c. Comparisons across geographic areas of population-based admission or incidence rates for selected diagnoses and procedures.
 - d. Comparisons between health care providers using indicators which may include structure, process, and severity-adjusted outcome methodologies.

e. Information regarding research published concerning the medical efficacy of certain medical procedures and information regarding numbers of the procedures performed in Iowa.

f. A trends analysis which delineates cost increases in different components of the health care industry.

g. Recommendations to appropriate organizations and agencies regarding the potential uses of reports published pursuant to this subsection.

2. The Iowa health data commission shall contract for a health care utilization study to review, identify, and address issues related to the utilization of health care services in the state by comparing national data with Iowa data. The commission shall appoint a representative task force to oversee and review the study:

a. The study shall complete all of the following tasks:

(1) Collect and analyze existing research on the medical efficacy of certain medical procedures and study potential overutilization of the procedures in the state, and prepare a summary of procedures for which there is a significant level of usage in the state and for which substantial evidence from nationwide data suggests there is overutilization on a national level.

(2) Use information collected by the health data commission to evaluate variations in the utilization of diagnostic-related groups and assess the effects of the variations on patient outcomes and health care costs.

(3) Utilize findings developed under this section and analysis of actions taken in other states to identify protocols used in other states for the usage of procedures identified as having high coefficients of variation and as being subject to overutilization.

(4) Make recommendations to the commission and the representative task force regarding the use and potential application of the study findings by health care providers, educators, purchasers, governmental entities, insurers, consumers, and other interested constituencies.

b. The task force shall complete all of the following tasks:

(1) Make recommendations to appropriate agencies and organizations regarding protocol development and implementation, physician education, second opinions for procedures, and reimbursement limitations on procedures which have been identified as subject to overutilization.

(2) Make recommendations regarding other means of reducing health care costs by utilizing health care services more effectively.

(3) Report its findings relating to the duties established by this paragraph to the commission, the governor, and the general assembly on or before January 1, in the years 1991, 1992, and 1993.

3. This section is repealed effective January 30, 1993.

Sec. 1003. Section 514E.1, subsection 2, Code 1989, is amended to read as follows:

2. "Association policy" means an individual or group policy issued by the association that provides the coverage specified in section 514E.4.

Sec. 1004. Section 514E.2, subsection 2, Code 1989, is amended to read as follows:

2. The board of directors of the association shall consist of not-less-than four nor-more-than-eight members selected by the members of the association, subject-to-approval-by-the commissioner-and-a two of whom shall be representatives from corporations operating pursuant to chapter 514 on the effective date of this Act or any successors in interest, and two of whom shall be representatives of insurers providing coverage pursuant to chapter 509 or 514A; four public member members selected by the commissioner governor; the commissioner or the commissioner's designee from the division of insurance; and two members of the general assembly, one of whom shall be appointed by the speaker of the house and one of whom shall be appointed by the senate majority leader, who

shall be ex officio and nonvoting members. The composition of the board of directors shall be in compliance with sections 69.16 and 69.16A. The governor's appointees shall be chosen from a broad cross-section of the residents of this state.

~~In order to select the initial board of directors and organize the association, the commissioner shall give notice to all carriers of the time and place of the organizational meeting; in determining voting rights at the organizational meeting, each carrier member is entitled to one vote in person or by proxy; if the board of directors is not selected within sixty days after the organizational meeting, the commissioner shall appoint the initial board; in approving or selecting members of the board, the commissioner shall consider whether all carriers are fairly represented. Members of the board may be reimbursed from the moneys of the association for expenses incurred by them as members, but shall not be otherwise compensated by the association for their services.~~

Sec. 1005. Section 514E.2, Code 1989, is amended by adding the following new subsection 10 and renumbering the subsequent subsections:

NEW SUBSECTION. 10. The association is subject to oversight by the legislative fiscal committee of the legislative council. Not later than April 30 of each year, the board of directors shall submit to the legislative fiscal committee a financial report for the preceding year in a form approved by the committee.

Sec. 1006. Section 514E.2, subsection 12, Code 1989, is amended by striking the subsection.

DIVISION XI

Sec. 1101. **MEDICAL ASSISTANCE EXPANSION.** There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To expand medical assistance coverage and conduct studies pursuant to divisions II and V of this Act, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 1,155,000
..... FTEs 12.5

Of the full-time equivalent positions authorized in this section, 11.5 FTEs are allocated to community services of which 3 FTEs are allocated to perform responsibilities related to section 249A.4, subsection 12, and 1.0 FTE is allocated to general administration.

Sec. 1102. **MATERNAL AND CHILD HEALTH.** There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For salary and support of one full-time equivalent position to develop additional outreach centers for maternal and child health services as provided under section 104 of this Act and to provide additional prevention services to women and children to decrease problems of pregnancy outcomes, to reduce the incidence of low birth weights, and to assist children with special health care needs:

..... \$ 520,000

Sec. 1103. **CHILD HEALTH CARE SERVICES PROVIDED.** There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To provide, within funds appropriated in this section, physician services to children eligible for services provided in child health centers under 641 I.A.C. ch. 76:

..... \$ 400,000

The physician services shall be subject to managed care and selective contracting provisions and shall be used to provide treatment of the children in a physician's office and shall include coverage of diagnostic procedures and prescription drugs required for the treatment. Services provided under this subsection shall be reimbursed according to Title XIX reimbursement rates.

Sec. 1104. OFFICE OF RURAL HEALTH. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the office of rural health:

..... \$ 150,000
..... PTEs 2.0

1. Of the funds appropriated in this section, \$50,000 is allocated for the establishment of the office of rural health as provided under section 702 of this Act.

[2. Of the funds appropriated in this section, \$50,000 is allocated to the office of rural health to provide technical assistance grants to rural communities and counties exploring alternative means of delivering rural health services as provided under section 702 of this Act.

3. Of the funds appropriated in this section, \$50,000 is allocated to the office of rural health to provide competitive research grants to conduct economic analyses of the effects of health care restructuring models on rural communities as provided under section 702 of this Act.]

[Sec. 1105. AGRICULTURAL HEALTH AND SAFETY -- STATE BOARD OF REGENTS. There is appropriated from the general fund of the state to the state board of regents for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For continuation and additional responsibilities related to the agricultural health and safety service pilot programs as provided under section 802 of this Act:

..... \$ 275,000

1. Of the funds appropriated in this section, \$150,000 is allocated to support agricultural health and safety service programs as established in 1987 Iowa Acts, chapter 233, section 408, subsection 2, paragraph "a", subparagraph (2). Programs funded by this section shall provide medical and engineering services administered by the college of medicine at the university of Iowa to persons engaged in agriculture in cooperation with the Iowa department of public health, the department of agriculture and land stewardship, and the Iowa state university of science and technology. Of the funds appropriated in this section, not more than \$150,000 shall be used for salary and benefits of staff, including an industrial hygienist, director, evaluator, and support staff.

2. Of the funds appropriated in this section, \$30,000 is allocated to support the work of a full-time agricultural safety specialist and related staff at Iowa state university of science and technology. The agricultural safety specialist shall provide support to the Iowa agricultural health and safety services program at the university of Iowa and to other farm safety programs in this state.

3. Of the funds appropriated in this section, \$10,000 is allocated for a public purpose to support the national coalition for agricultural safety and health. The allocated moneys shall be used for in-state travel, staff support, and dissemination of information, including recommendations, to persons engaged in agriculture in this state.

4. Of the funds appropriated in this section, \$15,000 is allocated to the college of medicine at the university of Iowa which in cooperation with the department of agriculture and land stewardship, the Iowa department of public health, and Iowa state university of science and technology shall research issues relating to the following:

(a) The current level of skill among rural health professionals in diagnosing rural health occupational diseases.

(b) The continuing education support necessary for rural health practitioners to diagnose and treat injuries and diseases caused by exposure to rural occupational health hazards.

5. Of the funds appropriated in this section, \$15,000 is allocated for a public purpose to support farm family rehabilitation management in continuing the project to develop rehabilitation services and adaptive devices for farmers.

6. Of the funds appropriated in this section \$15,000 is allocated to the institute of agricultural medicine and occupational health to develop program materials and program activities for farm families.

7. Of the funds appropriated in this section, \$15,000 is allocated for a public purpose to grant to a nonprofit safety education and disaster services organization located in central Iowa to offer between five and ten courses around the state for farm families and farm workers. The courses shall cover first aid, lifesaving, farm accident prevention behaviors, and proper methods of handling farm chemicals.

8. Of the funds appropriated in this section, \$25,000 is allocated to support the activities of a nonprofit grass-roots organization emphasizing farm safety for children.

Sec. 1106. AGRICULTURAL HEALTH AND SAFETY -- IOWA DEPARTMENT OF PUBLIC HEALTH. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, for the purposes designated:

To support agricultural health and safety programs:
..... \$ 45,000

1. Of the funds appropriated in this section, \$15,000 is allocated to support the surveillance and reporting of

disabilities suffered by persons engaged in agriculture resulting from diseases or injuries, including identifying the amount and severity of agricultural related injuries and diseases in the state, identifying causal factors associated with agricultural related injuries and diseases, and evaluating the effectiveness of intervention programs designed to reduce injuries and diseases. The department shall cooperate with the department of agriculture and land stewardship, Iowa state university of science and technology, and the college of medicine at the university of Iowa.

2. Of the funds appropriated in this section, \$30,000 is allocated for a public purpose to provide one-time competitive grants, not to exceed \$10,000 each, to hospitals networking in the Iowa agricultural health and safety services program. Hospitals shall use grant funds to create stipends for persons engaged in agriculture who are without third-party health coverage or who are otherwise unable to pay for services, and to implement the program through training personnel, developing outreach programs and educational materials, and purchasing equipment needed to offer savings.

3. As used in this section, "agriculture" means an activity relating to the production, processing, warehousing, or handling of commodities produced from farming, as defined in section 567.1. For purposes of this section, a person is engaged in agriculture if the person is consistently exposed to a related activity described in this subsection.

4. Notwithstanding section 8.33, unobligated or unencumbered funds appropriated by this section remaining on or after June 30, 1990, shall not revert to the general fund of the state, but shall be used to support programs as provided in this section.

Sec. 1107. STATE HEALTH DATA COMMISSION. There is appropriated from the general fund of the state to the state health data commission for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so

much thereof as is necessary, to be used for the purposes designated:

For health care utilization information and a study as provided under section 1002 of this Act:

..... \$ 100,000]

Sec. 1108. PRIMARY AND PREVENTIVE HEALTH CARE FOR CHILDREN. If division II and section 1101 of this Act are enacted, there is appropriated from the general fund of the state to the Iowa department of public health for the fiscal period beginning October 1, 1989, and ending June 30, 1990, \$300,000 and in the fiscal years beginning July 1, 1990, and July 1, 1991, \$450,000, or so much thereof as is necessary, to be used for the purposes designated:

For the public purpose of providing a renewable grant, following a request for proposals, to a statewide charitable organization within the meaning of section 501(c)(3) of the Internal Revenue Code which was organized prior to April 1, 1989, and has as one of its purposes the sponsorship or support for programs designed to improve the quality, awareness, and availability of health care for the young, to serve as the funding mechanism for the provision of primary health care and preventive services to children in the state who are uninsured and who are not eligible under any public plan of health insurance, provided all of the following conditions are met:

1. The organization shall provide a match in advance of each state dollar provided as follows:
 - a. In the fiscal year beginning July 1, 1989, two dollars.
 - b. In the fiscal year beginning July 1, 1990, three dollars.
 - c. In the fiscal year beginning July 1, 1991, four dollars.
2. The organization coordinates services with new or existing public programs and services provided by or funded by appropriate state agencies in an effort to avoid inappropriate

duplication of services and ensure access to care to the extent as is reasonably possible. The organization shall work with the Iowa department of public health, family and community health division, to ensure duplication is minimized.

3. The organization's governing board includes in its membership representatives from the executive and legislative branches of state government.

4. Grant funds are available as needed to provide services and shall not be used for administrative costs of the department or the grantee.

5. Notwithstanding section 8.33, funds appropriated in this section which are unencumbered or unobligated on June 30, 1990, shall not revert to the general fund but shall remain available to the department for the provision of maternal and child health services.

6. The organization's purpose is consistent with the public policy stated in section 402 of this Act.

Sec. 1109. RURAL PILOT PROGRAM. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

To implement, in consultation with the center for health services research of the university of Iowa, a pilot program or programs established in a rural hospital or hospitals serving a designated county or multicounty area in Iowa for the provision of primary and preventive health care and inpatient services to persons who are uninsured, based upon the same eligibility guidelines as those established for the indigent patient program at the university of Iowa hospitals and clinics and subject to program approval and oversight by the advisory committee to the office of rural health as provided under section 702 of this Act and subject to the following conditions:

1. The aggregate payments to providers of services under the pilot program shall not exceed the aggregate payments that would have been made if the recipients had been eligible for and received services pursuant to the medical assistance program. The pilot program established pursuant to this section shall not be interpreted to create any entitlement to services on behalf of any eligible individual except to the extent that funding is available pursuant to this section.

2. The funds appropriated for the pilot program or programs shall be used by the rural hospital or hospitals selected for additional patient care and not for defraying other costs including but not limited to capital expenditure costs or costs of services which were rendered by the hospital or hospitals and for which the hospital or hospitals have not been reimbursed.

3. The program or programs shall develop cooperative agreements with hospitals in the selected county or multicounty area for the delivery of services.

4. A county in which a program operates shall agree to maintain its existing level of support for indigent and charity health care.

5. The program shall work with the university of Iowa family practice program in the delivery of health care services under the program:

..... \$ 500,000

Sec. 1110. HEAD INJURIES COUNCIL. There is appropriated from the general fund of the state to the department of human rights for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

Persons with disabilities division, including not more than the following full-time equivalent positions:

..... \$ 50,000
..... FTEs 1.5

It is the intent of the general assembly that the funds appropriated under this subsection be used for payment of expenses of the advisory council on head injuries and for salaries and expenses of the division of persons with disabilities in connection with the advisory council on head injuries. The advisory council shall conduct a survey designed to register persons who have an existing brain injury with the central registry for brain injuries, including persons who are institutionalized or in a residence.

Sec. 1111. DEPARTMENT OF ELDER AFFAIRS. There is appropriated from the general fund of the state to the department of elder affairs for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

1. For elderly services programs, to expand mental health outreach activities to rural communities through existing case management programs:

..... \$ 25,000

2. To area agencies on aging, to provide funding for support personnel for the long-term care residents' advocate and the care review committees at the local area agency on aging level:

..... \$ 120,000

Sec. 1112. PUBLIC HEALTH PROGRAMS EXPANSION. There is appropriated from the general fund of the state to the Iowa department of public health for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. To the disease prevention division to provide funding to contract for outside pharmaceutical services:

..... \$ 35,000

2. To the disease prevention division to provide competitive grants to acquired immunodeficiency syndrome coalitions in Iowa:

..... \$ 50,000

3. To the family and community health division to provide grant moneys to maintain child health services of the mobile and regional child health clinics of the University of Iowa hospitals and clinics:

..... \$ 79,911

4. To the family and community health division for grants to local boards of health for the expansion of the public health nursing program:

..... \$ 50,000

5. To the family and community health division for grants to county boards of supervisors for expansion of the homemaker-home health aide program:

..... \$ 309,857

6. To the family and community health division for expansion of the well-elderly clinics program:

..... \$ 166,000

Sec. 1113. HEALTH CARE INSURANCE STUDY -- APPROPRIATION. There is appropriated from the general fund of the state to the legislative council for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To contract with a consultant to implement a health care insurance study pursuant to section 407 of this Act:

..... \$ 200,000

Sec. 1114. PROGRAM EVALUATIONS REQUIRED. The Iowa department of public health shall perform evaluations of each of the pilot programs established pursuant to sections 1103, 1108, and 1109 of this Act. The evaluations shall include quarterly reports which detail program expenditures, services provided, and persons served according to demographic groupings. An evaluation report on each program shall be provided quarterly to the legislative fiscal committee and the legislative fiscal bureau.

Sec. 1115. EMERGENCY RULES. The department of human services shall adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b" to implement sections 202 and 203 and section 1101 of this Act and the rules and implementation of the sections shall become effective on July 1, 1989.

JO ANN ZIMMERMAN
President of the Senate

DONALD D. AVENSON
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 538, Seventy-third General Assembly.

JOHN P. DWYER
Secretary of the Senate

Approved *John P. Dwyer* 6/15, 1989

TERRY E. BRANSTAD
Governor