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SENATE FILE 541
BY COMMITTEE ON APPROPRIATIONS

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Vote: Ayes 47 Nays 0 Vote: Ayes 100 Nays 0
Approved Jim Utred 6/5/89

A BILL FOR

1 An Act relating to human services and making appropriations to
2 the department of human services, other properly related
3 matters, providing for retroactive applicability, and
4 providing an effective date.

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

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SF 541

DIVISION I

Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. 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:

For aid to families with dependent children:
..... \$ 44,726,207

1. The department may fund the cash bonus program from unspent funds under this appropriation. The department shall develop a methodology with the involvement of the legislative fiscal bureau to evaluate the cash bonus program and include a comparison between characteristics of participants in the program and recipients who do not participate. The evaluation shall assess the period of time between commencement of the program and October 1, 1989, and shall be submitted to the legislative fiscal bureau on or before November 30, 1989.

2. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate providing assistance in self-employment to aid to dependent children families. Of the funds appropriated under this section, up to \$115,761 shall be used to provide technical assistance for aid to dependent children families seeking self-employment. The technical assistance may be provided through the department or through a contract with the division of job training of the department of economic development and through a contract with the corporation for enterprise development.

3. As a condition, qualification, and limitation of the funds appropriated in this section if funds are appropriated by the federal government for the purposes of this subsection, the department shall apply to the federal government for a

1 demonstration waiver to develop a project to provide
2 employment training to child support obligors where the
3 obligees are recipients of aid to dependent children under
4 chapter 239.

5 4. As a condition, qualification, and limitation of the
6 funds appropriated in this section, the department may submit
7 an application to the federal government for a waiver to
8 develop a pilot project of part-time employment available to
9 recipients of aid to dependent children on a voluntary basis.
10 The department shall explore the potential for receiving
11 assistance in preparing the waiver application from outside
12 sources and the potential for receiving federal approval of
13 the waiver. The department shall report to the general
14 assembly on or before January 1, 1990, regarding its efforts
15 to obtain the waiver and providing justification for its
16 actions. The waiver application shall contain all of the
17 following provisions:

18 a. Eligibility is limited to a recipient who is a single-
19 parent head of household whose youngest child is less than
20 three years of age. However, a recipient who is accepted as
21 an eligible participant may continue to participate in the
22 pilot project until the recipient's youngest child is six
23 years of age.

24 b. Child care services shall be provided for a
25 participant's minor dependents during the time the participant
26 is working.

27 c. In determining a participant's eligibility for aid to
28 dependent children under chapter 239, the department shall
29 disregard income in the amount prescribed under the rule
30 adopted pursuant to section 239.5, subsection 2, 441 Iowa
31 administrative code, rule 41.7(2)(c)(2).

32 d. The pilot project shall be offered at several sites
33 around the state.

34 e. The disregard of the participant's income shall
35 continue so long as the participant continues to participate

1 in the pilot project developed under this subsection.

2 5. As a condition, qualification, and limitation of the
3 funds appropriated in this section, the department shall
4 expend up to \$120,000 to conduct a study to determine a new
5 standard of need for eligibility purposes under the aid to
6 dependent children program. The department shall also study
7 the following characteristics of current recipients or former
8 recipients of aid to dependent children:

9 a. Demographic characteristics.

10 b. The employment history of current recipients.

11 c. The employment history of persons who become ineligible
12 for assistance due to earned income.

13 d. Characteristics of recipients who receive assistance
14 for more than five years, in five-year increments, and of
15 recipients who receive assistance for five years or less.

16 6. As a condition, qualification, and limitation of the
17 funds appropriated in this section, the department shall
18 submit an application to the federal government for a waiver
19 to apply the provisions of the self-employment investment
20 demonstration project statewide, provided training is
21 available to a recipient through a recognized self-employment
22 training program.

23 7. As a condition, qualification, and limitation of the
24 funds appropriated in this section, the schedule of basic
25 needs under the aid to dependent children program for the
26 fiscal year beginning July 1, 1989, is established for one
27 person at \$176, for two persons at \$347, for three persons at
28 \$410, for four persons at \$476, for five persons at \$527, for
29 six persons at \$587, for seven persons at \$644, for eight
30 persons at \$703, for nine persons at \$761, for ten persons at
31 \$831, and for each additional person at \$83.

32 8. The schedule of basic needs under the aid to dependent
33 children program for the fiscal year beginning July 1, 1990,
34 is established for one person at \$184, for two persons at
35 \$364, for three persons at \$430, for four persons at \$500, for

1 five persons at \$554, for six persons at \$616, for seven
2 persons at \$676, for eight persons at \$738, for nine persons
3 at \$798, for ten persons at \$873, and for each additional
4 person at \$87.

5 Sec. 2. MEDICAL ASSISTANCE. There is appropriated from
6 the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 1989, and
8 ending June 30, 1990, the following amount, or so much thereof
9 as is necessary, to be used for the purposes designated:

10 For medical assistance, including reimbursement for
11 abortion services, which shall be available under the medical
12 assistance program only for those abortions which are
13 medically necessary:

14 \$182,060,700

15 1. Medically necessary abortions are those performed under
16 any of the following conditions:

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

19 b. The attending physician certifies that the fetus is
20 physically deformed, mentally deficient, or afflicted with a
21 congenital illness.

22 c. The pregnancy is the result of a rape which is reported
23 within forty-five days of the incident to a law enforcement
24 agency or public or private health agency which may include a
25 family physician.

26 d. The pregnancy is the result of incest which is reported
27 within one hundred fifty days of the incident to a law
28 enforcement agency or public or private health agency which
29 may include a family physician.

30 e. Any spontaneous abortion, commonly known as a mis-
31 carriage, if not all of the products of conception are ex-
32 pelled.

33 2. Of the funds appropriated in this section, not more
34 than \$200,000 may be transferred to the Iowa department of
35 public health for contingency state assistance for the federal

1 program for women, infants, and children in order to allow the
2 Iowa department of public health to fully use available funds
3 under this program.

4 3. The department may implement mandatory enrollment of
5 eligible clients into licensed health maintenance
6 organizations where appropriate and consistent with federal
7 guidelines. However, a client in a voluntary county shall not
8 be enrolled in a health maintenance organization unless the
9 client has submitted a signed statement expressing the
10 client's desire to enroll in the health maintenance
11 organization. Clients shall continue to be eligible for the
12 mental health services provided through community mental
13 health centers without obtaining a referral from the health
14 maintenance organization and the cost of the mental health
15 services shall be billed directly to the medical assistance
16 program. The department shall track any savings realized by
17 the use of the health maintenance organizations and shall
18 annually submit to the legislative fiscal bureau the results
19 of the client satisfaction survey required by the federal
20 health care financing administration. The department shall
21 report at the start of each calendar quarter, to the
22 legislative fiscal bureau regarding cost savings.

23 4. As a condition, qualification, and limitation of the
24 funds appropriated in this section, the department, in
25 cooperation with the Iowa department of public health and the
26 department of elder affairs, shall seek federal approval of a
27 home and community-based waiver under Title XIX of the federal
28 Social Security Act to provide cost-effective alternative
29 services for elderly persons who meet criteria for placement
30 in a medical institution.

31 5. Notwithstanding section 8.39, the department may
32 transfer funds appropriated under this section to a separate
33 account established in the division of community services for
34 expenditures required to provide case management services
35 pursuant to section 23 of this Act, pending final settlement

1 of the expenditures. Funds received by the division of
2 community services in settlement of the expenditures shall be
3 used to replace the transferred funds and are available for
4 the purposes for which the funds were appropriated under this
5 section.

6 6. As a condition, qualification, and limitation of the
7 funds appropriated in this section, the department shall
8 provide to an area education agency the verified federal
9 Medicaid number of a child who is eligible for medical
10 assistance under chapter 249A and requires special education
11 services if a special education service for which the child is
12 eligible is provided under a federally funded health care
13 program. If it is permitted under federal confidentiality
14 provisions, an area education agency may view the department's
15 records pertaining to the child or the child's parent or
16 guardian.

17 7. As a condition, qualification, and limitation of the
18 funds appropriated in this section, the department shall
19 continue medical assistance to pregnant women and infants
20 under provisions in effect on March 1, 1989, and shall
21 establish presumptive and continuing eligibility for pregnant
22 women. A signed statement from a maternal health center,
23 family planning agency, physician's office, or other
24 physician-directed qualifying provider as specified under the
25 federal Social Security Act, § 1902, shall serve as
26 verification of pregnancy for the purpose of establishing
27 eligibility for pregnant women under the medical assistance
28 program.

29 8. Of the funds appropriated in this section, \$55,000 is
30 allocated for hospice services which, effective January 1,
31 1990, shall be included as an eligible service under the
32 medical assistance program.

33 9. As a condition, qualification, and limitation of the
34 funds appropriated in this section, effective July 1, 1989, a
35 person, regardless of the source of the person's payment,

1 shall be evaluated prior to admission to an intermediate care
2 facility or a skilled nursing facility to determine whether
3 the person has mental retardation, mental illness, or a
4 related condition. If the evaluation identifies the existence
5 or suspected existence of one of the conditions, the person
6 shall not be admitted to the facility unless the Iowa
7 foundation for medical care, at the direction of the division
8 of mental health, mental retardation, and developmental
9 disabilities, determines that the person was appropriately
10 evaluated and the facility is able to fulfill the person's
11 service needs as identified by the evaluation.

12 10. As a condition, qualification, and limitation of the
13 funds appropriated in this section, the department shall seek
14 federal approval of a home and community-based waiver under
15 Title XIX of the federal Social Security Act to provide cost-
16 effective alternative services to persons with acquired immune
17 deficiency syndrome who meet criteria for placement in a
18 medical institution.

19 11. As a condition, qualification, and limitation of the
20 funds appropriated in this section, the department shall
21 continue developing policies and procedures to implement a
22 physician case management program for selected medical
23 assistance recipients. The program shall be continued for a
24 period of at least twenty-four months subsequent to the date
25 of implementation and if necessary the department may seek
26 approval for extension of any federal waiver related to this
27 program.

28 12. Of the funds appropriated in this section, up to
29 \$18,000 may be used for funding of the three full-time
30 equivalent positions assigned to the bureau of medical
31 assistance under the appropriation for general administration
32 in this Act. Quarterly, the department shall provide the
33 chairpersons and ranking members of the legislative fiscal
34 committee, the members of the joint appropriations
35 subcommittee on human services, and the legislative fiscal

1 bureau with an accounting of the three positions including
2 their cost to the state and the amount of recovery obtained
3 for the state in reduced medical assistance expenditures.

4 13. As a condition, qualification, and limitation of the
5 funds appropriated in this section, the department shall
6 report at least quarterly to the chairpersons and ranking
7 members of the legislative fiscal committee, the members of
8 the joint appropriations subcommittee on human services, and
9 the legislative fiscal bureau regarding medical assistance
10 expenditures. The report shall show actual expenditures
11 according to eligibility groups and service definition and the
12 original expenditure estimates on which the budget was based.
13 Upon request, the department shall provide members of the
14 general assembly with detailed monthly reports regarding
15 expenditures for the medical assistance program and the aid to
16 dependent children program.

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17 Sec. 3. MEDICAL CONTRACTS. There is appropriated from the
18 general fund of the state to the department of human services
19 for the fiscal year beginning July 1, 1989, and ending June
20 30, 1990, the following amount, or so much thereof as is
21 necessary, to be used for the purposes designated:

22 For medical contracts:
23 \$ 4,164,800

24 As a condition, qualification, and limitation of the funds
25 appropriated in this section, up to \$50,000 shall be used to
26 expand the drug utilization review program, up to \$82,500
27 shall be used for presumptive eligibility for pregnant women,
28 and up to \$98,600 shall be used for physician case management.

29 Sec. 4. STATE SUPPLEMENTARY ASSISTANCE. 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 For state supplementary assistance:

1 \$ 17,212,888

2 1. As a condition, qualification, and limitation of the
3 funds appropriated in this section, the department, in
4 cooperation with representatives of advocate organizations,
5 consumers, county government, and provider organizations shall
6 study methods of increasing the flexibility of the state
7 supplementary assistance program by developing new options for
8 promoting and enhancing independent living in less restrictive
9 environments. The new options studied shall include but are
10 not limited to a review of semi-independent living and
11 cooperative housing projects in terms of appropriate care and
12 cost. The department shall report the results of the study to
13 the general assembly by January 1, 1990. Not more than
14 \$30,000 shall be expended on costs related to the study.

15 2. As a condition, qualification, and limitation of the
16 funds appropriated in this section, \$110,000 is allocated to
17 provide supplemental payments to providers of services to
18 persons with mental retardation, a developmental disability,
19 or mental illness who are considered to be "difficult to
20 serve". Providers shall be paid in accordance with criteria
21 established by the department in cooperation with
22 representatives of advocate organizations, consumers, county
23 government, and provider organizations. The department shall
24 report to the chairpersons and ranking members of the fiscal
25 committee of the legislative council, the members of the joint
26 appropriations subcommittee on human services, and the
27 legislative fiscal bureau regarding progress in implementing
28 the provision of the supplemental payments. The reports shall
29 be submitted in 1990 on January 1, March 1, and June 1.

30 3. The department shall increase the personal needs
31 allowance for residents of residential care facilities by the
32 same percentage and at the same time as federal supplemental
33 security and federal Social Security benefits are increased
34 due to a recognized increase in the cost of living.

35 Sec. 5. AID TO INDIANS. There is appropriated from the

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

5 For aid to Indians under section 252.43:
6 \$ 36,365

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

9 DIVISION II

10 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated
11 from the general fund of the state to the department of human
12 services for the fiscal year beginning July 1, 1989, and
13 ending June 30, 1990, the following amount, or so much thereof
14 as is necessary, to be used for the purposes designated:

15 For child day care assistance:

16 1. For grants to public agencies and private nonprofit
17 organizations which provide child day care and dependent adult
18 care resource and referral programs:

19 \$ 250,000

20 2. For protective child care assistance:

21 \$ 2,308,295

22 3. For state child day care assistance:

23 \$ 3,986,108

24 a. Notwithstanding section 237A.13, twenty-five percent of
25 the funds not otherwise allocated in this subsection shall be
26 allocated to counties according to a formula based upon the
27 number of children in a county whose family income is equal to
28 or less than one hundred fifty percent of federal office of
29 management and budget poverty guidelines. Seventy-five
30 percent of the funds not otherwise allocated in this
31 subsection shall be allocated to counties based upon the
32 department's estimate of a county's expenditures for child day
33 care assistance during the fiscal year which ended June 30,
34 1989. The funds allocated to a county shall not be less than
35 the county's allocation of funding for state child day care

1 assistance in the fiscal year which ended June 30, 1989.
2 However, the department may transfer funds which are not used
3 by a county to a county in which there is a demonstrated need.

4 b. Nothing in this subsection shall be construed or is
5 intended as, or shall imply a grant of entitlement for
6 services to persons who are eligible for assistance due to an
7 income level which is equal to or less than one hundred fifty
8 percent of the federal office of management and budget poverty
9 guidelines for families. Any state obligation to provide
10 services pursuant to this section is limited to the extent of
11 the funds appropriated under this section.

12 4. For transitional child care assistance:
13 \$ 2,600,000

14 a. As a condition, qualification, and limitation of the
15 funds appropriated in this section, the department shall work
16 with the legislative fiscal bureau to develop a means to
17 measure the effect of transitional child care assistance upon
18 the number of aid to dependent children recipients and upon
19 the economic status of the persons who receive the assistance.

20 b. As a condition, qualification, and limitation of the
21 funds appropriated in this section, the department shall
22 implement an advertising and marketing program which covers
23 each county in the state and is designed to inform eligible
24 persons and service providers regarding transitional child
25 care assistance. The advertising shall employ electronic and
26 print media and may utilize direct mail.

27 5. For grants to fund costs relating to child day care,
28 start-up, fire safety, equipment, and training:
29 \$ 606,125

30 As a condition, qualification, and limitation of the funds
31 appropriated in this section, the department shall adopt rules
32 to implement this subsection, including a provision that the
33 maximum amount granted to a grantee is \$10,000.

34 6. As a condition, qualification, and limitation of the
35 funds appropriated in this section, the department shall adopt

1 rules relating to the purchase of child day care services
2 which authorize payment for up to four days per month for days
3 an individual child is not in attendance at the child day care
4 facility.

5 7. As a condition, qualification, and limitation of the
6 funds appropriated in this section, the department shall
7 notify the chairpersons and ranking members of the legislative
8 fiscal committee and the members of the joint appropriations
9 subcommittee on human services regarding any changes made to
10 the allocations of funds in this section.

11 Sec. 7. FAMILY DEVELOPMENT AND SELF-SUFFICIENCY GRANT
12 PROGRAM. There is appropriated from the general fund of the
13 state to the department of human services for the fiscal year
14 beginning July 1, 1989, and ending June 30, 1990, the
15 following amount, or so much thereof as is necessary, to be
16 used for the purposes designated:

17 For the family development and self-sufficiency grant
18 program as provided under sections 217.11 and 217.12:
19 \$ 890,000

20 Grants have been awarded on a three-year basis, subject to
21 annual renewal, and the funds appropriated under this section
22 shall be for support for the second twelve-month period a
23 grant is in effect. The family development and self-
24 sufficiency council shall allocate any funds appropriated in
25 addition to the funds required to support the second twelve-
26 month period for existing grants to increase the amounts of
27 existing grants, to fund a grant application received during
28 the initial year of the program which was not funded but which
29 would provide service in a rural setting in the state, and to
30 fund a new project designed as a county government and private
31 sector initiative providing substantial county and private
32 sector financial support. The council shall seek letters of
33 intent for the project designed as a county government and
34 private sector initiative and select a county to work with in
35 the development of a program. In awarding any additional

1 moneys, the council shall give attention to ensuring that the
2 funded projects reflect geographic, urban, rural, and ethnic
3 representation. Any grant renewal, grant addition, or new
4 grant shall be awarded on or before January 1, 1990. The
5 council shall report by January 15, 1990, to the chairpersons
6 and ranking members of the legislative fiscal committee, the
7 members of the joint appropriations subcommittee on human
8 services, and the legislative fiscal bureau regarding the
9 distribution of the grant awards. No more than five percent
10 of the funds appropriated under this section shall be used for
11 administration of the program. Any federal financial
12 participation received by the department for the family
13 development and self-sufficiency grant program shall be used
14 for the purposes designated under the appropriation for aid to
15 dependent children.

16 Sec. 8. WORK AND TRAINING PROGRAMS. There is appropriated
17 from the general fund of the state to the department of human
18 services for the fiscal year beginning July 1, 1989, and
19 ending June 30, 1990, the following amounts, or so much
20 thereof as is necessary, to be used for the purposes
21 designated:

22 1. For the work incentive and JOBS programs:
23 \$ 1,930,636

24 a. As a condition, qualification, and limitation of the
25 funds appropriated in this section, the department shall
26 operate the work incentive program or the job opportunities
27 and basic skills training (JOBS) program pursuant to the
28 federal Family Support Act of 1988, Pub. L. No. 100-485, Title
29 II, in counties in which the work incentive program was
30 operated on July 1, 1988. The major emphases of the program
31 shall be to improve employment skills and maximize
32 participation in the individual education and training plan
33 program or a similar JOBS program component while
34 concentrating efforts on involving persons, who have a history
35 of being difficult to employ, in long-term training and

1 education activities. The individual education and training
2 plan program shall continue to be operated by the department
3 as a special need when the JOBS program is implemented.

4 b. The department may implement the JOBS program for
5 public assistance recipients in additional counties which were
6 not served by the work incentive program on July 1, 1988,
7 following receipt of recommendations from an affected county
8 as to the most appropriate agency to operate the program in
9 the county. The program may then be operated directly by the
10 department or through a contract with the department of
11 employment services and the Iowa department of economic
12 development.

13 c. Notwithstanding any provisions to the contrary under
14 chapters 239 and 249C, the department is authorized to
15 implement the job opportunities and basic skills training
16 program pursuant to the federal Family Support Act of 1988,
17 Pub. L. No. 100-485, Title II, as provided under this
18 subsection and to implement the grant diversion program as
19 provided under 441 Iowa administrative code, ch. 91, in a
20 county to increase job opportunities for recipients of aid to
21 dependent children.

22 d. Notwithstanding any provisions of law to the contrary,
23 beginning October 1, 1989, the department may implement
24 preeligibility fraud detection for the aid to dependent
25 children program in accordance with the federal Family Support
26 Act of 1988, Pub. L. No. 100-485, § 605.

27 e. Notwithstanding section 239.21, beginning April 1,
28 1990, the department shall implement the extended child care
29 program in accordance with the federal Family Support Act of
30 1988, Pub. L. No. 100-485, Title III, § 302.

31 f. Except as otherwise mandated by federal law, a
32 recipient under the aid to dependent children program pursuant
33 to chapter 239 who has a child less than three years of age
34 shall not be required to participate in the JOBS program but
35 shall be given priority if the recipient participates

1 voluntarily. A parent who is less than eighteen years of age
2 and has not completed high school or has not received a
3 graduate equivalency diploma may be required to participate in
4 activity leading to high school completion or a graduate
5 equivalency diploma provided the department determines that
6 the parent is able to successfully complete the activity and
7 the parent is not participating in any other activity related
8 to employment, training for employment, or life skills de-
9 velopment designed to lead to greater self-sufficiency. Other
10 persons who are not mandatory participants under the JOBS
3148-11 program shall not be required to participate.

12 g. The department may exceed the full-time equivalent
13 position limit established for community services and may
14 transfer funds necessary for staff and support to operate the
15 work incentive program and JOBS program in accordance with
3148-16 this subsection.

17 2. For the food stamp employment and training program:
18 \$ 159,053

19 Sec. 9. CHILD SUPPORT RECOVERY. There is appropriated
20 from the general fund of the state to the department of human
21 services for the fiscal year beginning July 1, 1989, and
22 ending June 30, 1990, the following amount, or so much thereof
23 as is necessary, to be used for the purposes designated:

24 For child support recoveries, including salaries, support,
25 maintenance, miscellaneous purposes, and for not more than the
26 following full-time equivalent positions:

27 \$ 956,174
28 FTEs 165.00

29 1. The director of human services, within the limitations
30 of the funds appropriated in this section, or funds
31 transferred from the aid to dependent children program for
32 this purpose, may establish new positions and add additional
33 employees to the child support recovery unit when the director
34 determines that both the current and additional employees
35 together can reasonably be expected to recover for the aid to

1 dependent children program and the nonpublic assistance
2 support recovery program more than twice the amount of money
3 required to pay the salaries and support for both the current
4 and additional employees. The department shall demonstrate
5 the cost-effectiveness of the current and additional employees
6 by reporting to the joint appropriations subcommittee on human
7 services the ratio of the total amount of administrative costs
8 for child support recoveries to the total amount of the child
9 support recoveries.

10 2. The department may enter a cooperative agreement with
11 the judicial department to establish and fund a pilot project
12 of expedited child support orders and modifications. The
13 department may transfer funds appropriated under this section
14 for purposes of implementing the pilot project.

15 3. The department shall develop and implement a public
16 information and awareness plan to inform and educate
17 responsible parents of the obligation to support their
18 dependent children and of methods used to enforce the
19 obligation, to provide information to custodial parents of
20 services available through the child support recovery unit,
21 and to inform parents of procedures to be followed to modify a
22 child support obligation. The department shall invite
23 participation in the development of the plan from public and
24 private agencies, schools, and other organizations with an
25 interest in child support, public information, and education.
26 The department shall utilize existing public and private
27 resource entities to implement the plan.

28 4. As a condition, qualification, and limitation of the
29 funds appropriated in this section, the department shall
30 review existing policies and procedures relating to paternity
31 establishment and develop new procedures as necessary to fully
32 inform a putative father of the implications of voluntarily
33 stipulating to paternity. The procedures shall include the
34 issuance of notices to putative fathers regarding their rights
35 and responsibilities if paternity is legally established, the

1 degree of accuracy of blood testing procedures in determining
2 paternity, rights in requesting or submitting to blood
3 testing, and other legal choices available to putative fathers
4 in the paternity establishment process, including the right to
5 counsel and advice. The department shall involve interested
6 groups and organizations in the development of the procedures.

7 Sec. 10. COLLECTION SERVICES CENTER. There is
8 appropriated from the general fund of the state to the
9 department of human services for the fiscal year beginning
10 July 1, 1989, and ending June 30, 1990, the following amount,
11 or so much thereof as is necessary, to be used for the
12 purposes designated:

13 For the collection services center, including salaries,
14 support, maintenance, miscellaneous purposes, and for not more
15 than the following full-time equivalent positions:

16	\$	285,246
17	FTEs	28.00

18 DIVISION III

19 Sec. 11. JUVENILE INSTITUTIONS. There is appropriated
20 from the general fund of the state to the department of human
21 services for the fiscal year beginning July 1, 1989, and
22 ending June 30, 1990, the following amount, or so much thereof
23 as is necessary, to be used for the purposes designated:

24 For the operation of the state training school and the Iowa
25 juvenile home, including salaries, support, maintenance,
26 miscellaneous purposes, and for not more than the following
27 full-time equivalent positions:

28 1. For the Iowa juvenile home at Toledo:		
29	\$	3,985,480
30	FTEs	123.5
31 2. For the state training school at Eldora:		
32	\$	6,953,834
33	FTEs	224.0

34 3. By October 1, 1989, the department of human services
35 and the judicial department shall set population goals for the

1 number of juveniles which may be placed at one time at the
2 state training school at Eldora and at the Iowa juvenile home
3 at Toledo and shall develop a plan to achieve the goals,
4 including the identification of additional placement services
5 required to achieve the goals.

6 4. The department shall develop a procedure to determine
7 if a juvenile who is ordered to be placed in a state juvenile
8 institution would be more appropriately placed in a program
9 which offers specific services related to the juvenile's
10 substance abuse, mental health, developmental disability, or
11 mental retardation. If the department determines that a more
12 appropriate placement should be made, the department shall
13 seek to obtain a modification of the court order to effect
14 such placement.

15 5. It is the intent of the general assembly that the state
16 training school be used for long-term placement of juveniles;
17 that the length of time which a juvenile is placed at the
18 state training school be based upon the juvenile's educational
19 and training needs and the degree of threat to society caused
20 by the child's presence outside of secure custody.

21 Sec. 12. FOSTER CARE. There is appropriated from the
22 general fund of the state to the department of human services
23 for the fiscal year beginning July 1, 1989, and ending June
24 30, 1990, the following amount, or so much thereof as is
25 necessary, to be used for the purposes designated:

26 For foster care:
27 \$ 42,813,962

28 1. Of the funds appropriated under this section, up to
29 \$564,000 may be used by the department to provide enhanced
30 funding of services to family foster homes to avert placement
31 of children in group care facilities and at least \$450,000
32 shall be used to provide enhanced funding of services to group
33 care facilities to avert placement of children in more
34 expensive, less appropriate, or out-of-state facilities.

35 2. The department may use funds appropriated under this

1 section to develop supplemental per diem or performance-based
2 contracts with private group care providers for programs
3 serving children who would otherwise be placed in a state
4 juvenile institution or an out-of-state program. The
5 department shall give priority to serving children whose
6 placement at the state training school or the Iowa juvenile
7 home would cause the state juvenile institution to exceed the
8 population goal established under section 11 of this Act.

9 3. The department may transfer a portion of the funds
10 appropriated under this section to provide subsidized adoption
11 services or to purchase adoption services, if funds allocated
12 under this section for adoption services are insufficient.

13 4. The department and state court administrator shall work
14 together in implementing an agreement which enables the state
15 to receive funding for eligible cases under the federal Social
16 Security Act, Title IV-E.

17 5. No more than thirty percent of children placed in
18 foster care funded under the federal Social Security Act,
19 Title IV-E, shall be placed in foster care for a period of
20 more than twenty-four months.

21 6. Of the funds appropriated under this section, \$165,000
22 is allocated for the foster home insurance fund.
23 Notwithstanding section 237.13, the department may use funds
24 appropriated under this section to purchase liability
25 insurance for licensed foster parents in lieu of providing
26 payment for claims filed against the foster home insurance
27 fund, if comparable coverage can be obtained through private
28 insurance. Notwithstanding section 8.33, funds remaining in
29 the foster home insurance fund shall not revert to the general
30 fund on June 30, 1990, but shall remain available in the
31 following fiscal year for the purposes designated.

32 7. As a condition, qualification, and limitation of the
33 funds appropriated under this section, \$30,000 may be used by
34 the department to contract for the development of a
35 methodology to purchase foster care services based upon the

1 difficulty of caring for a child and the level of services
2 needed by the child.

3 8. As a condition, qualification, and limitation of the
4 funds appropriated in this section, the department shall
5 continue the demonstration program to decategorize child
6 welfare services in the two counties in which the program has
7 commenced. The department shall implement the demonstration
8 program in Dubuque and Pottawattamie counties, which have
9 submitted letters of intent, if the department, the boards of
10 supervisors in the counties, and the affected judicial
11 districts agree to implement the program. The schedule for
12 implementing the demonstration program in the two additional
13 counties shall provide that the program be implemented on or
14 after June 30, 1990. The department shall establish for the
15 demonstration project counties a child welfare fund composed
16 of all or part of the amount that would otherwise be expected
17 to be used for residents of the counties for foster care,
18 family-centered services, subsidized adoption, day care, local
19 purchase of services, juvenile institutional care, mental
20 health institute care, state hospital-school care, juvenile
21 detention, department-direct services, and juvenile justice
22 county-based reimbursable services and notwithstanding any
23 other provision of law, the fund shall be considered
24 encumbered. With the approval of the department, a
25 demonstration project county may elect to transfer to the
26 child welfare fund other child welfare funding provided for
27 treatment services to youth under Title XIX of the federal
28 Social Security Act, including funding for psychiatric
29 hospital services. Notwithstanding other service funding
30 provisions in law, the department shall establish the fund by
31 transferring funds from the budgets affected, except for the
32 funds appropriated for the state mental health institutes, the
33 state hospital-schools, the state training school, and the
34 Iowa juvenile home which shall remain on account for the
35 county at these institutions. The department and each

1 demonstration project county shall quarterly determine if the
2 county will not draw down the amounts from the county's
3 accounts at the state institutions. If there is an overall
4 surplus in the county's accounts for the quarter, the
5 department shall transfer an amount equal to the surplus to
6 the county's child welfare fund from the state foster care
7 appropriation. The child welfare fund may be used to support
8 services and payment rates not allowable within historical
9 program or service categories. The department shall work with
10 demonstration project county boards of supervisors and
11 judicial districts to provide training for the project, and
12 shall use technical assistance provided by the national
13 conference of state legislatures and the center for the study
14 of social policy. It is the intent of the general assembly
15 that the demonstration program be designed to operate in a
16 county for a three-year period. If a demonstration project
17 county experiences increases in demand for services funded
18 from the county's child welfare fund beyond projected need
19 despite efforts by the county to maintain expenditures within
20 the funds available, the conditions shall be evaluated by the
21 statewide decategorization committee. If the committee
22 determines that a deficit will occur, the department shall
23 request a supplemental appropriation in the amount of the
24 fund's projected deficit.

25 9. The department of human services, the judicial
26 department, the department of education, and representatives
27 of service providers shall continue the committee on children
28 with special service needs. The committee shall be
29 responsible to find placements for children who have
30 exceptional service needs or who have been rejected in
31 previous referrals and who may be at risk of being placed out
32 of state.

33 10. As a condition, qualification, and limitation of the
34 appropriation made under this section, \$30,000 may be used by
35 the department to contract with universities to provide

1 ongoing research and evaluation assistance to programs and
2 initiatives of the department involving family-centered
3 services and foster care. The contracts shall make maximum
4 use of any matching resources available from the universities
5 with which the department contracts.

6 11. Of the funds appropriated in this section, \$30,000 is
7 allocated to provide special needs grants to families with a
8 family member at home who is developmentally disabled. Grants
9 must be used by a family to defray special costs of caring for
10 the family member to prevent out-of-home placement of the
11 family member. The grants may be administered by a private
12 nonprofit agency provided that no administrative costs are
13 received by the agency. Regular reports regarding
14 coordination of the special needs grants with the family
15 support subsidy program shall be provided to the legislative
16 fiscal bureau.

17 12. Of the funds appropriated in this section, \$175,000 is
18 allocated to provide funding for a grant to a private group
19 foster care agency to complete construction of a new group
20 care facility. Notwithstanding section 18.6, the funding
21 shall be provided to a private group foster care agency which
22 received a grant of \$300,000 to begin construction from the
23 department of economic development.

24 13. The department may use a portion of the funds
25 appropriated in this section to purchase special services in
26 order to demonstrate whether the services can prevent out-of-
27 home shelter care.

28 Sec. 13. CHILD PROTECTIVE SYSTEM IMPROVEMENTS. There is
29 appropriated from the general fund of the state to the
30 department of human services for the fiscal year beginning
31 July 1, 1989, and ending June 30, 1990, the following amount,
32 or so much thereof as is necessary, to be used for the
33 purposes designated:

34 For improvements in the state system for child protection:

35 1. For improvements in decategorization counties:

1 \$ 100,000

2 Of the funds appropriated by this subsection, \$65,000 is
3 allocated to Polk county and \$35,000 is allocated to Scott
4 county to develop program innovations consistent with the
5 recommendations contained in the Kempe National Center Report
6 entitled "Study of Four Problem Areas in the Protection of
7 Children in Iowa - 1988" and the counties' efforts in
8 decategorization of child welfare funding.

9 2. For general administration of the department to improve
10 staff training efforts:

11 \$ 420,000

12 3. For funding of a new program manager position to
13 oversee termination of parental rights and permanency planning
14 efforts, and to fund one full-time equivalent position
15 specializing in termination of parental rights cases on a
16 pilot project basis in one district of the department on the
17 condition that regular reports regarding the district's
18 program efforts shall be provided to the legislative fiscal
19 bureau:

20 \$ 75,000

21 4. For use by the department in updating manuals,
22 automating procedures, developing outcome-oriented evaluation
23 systems, and to fund a full-time equivalent position to
24 promote innovative treatment programs, write grants to obtain
25 federal and private funding, and promote public and private
26 efforts to treat and prevent child abuse:

27 \$ 75,000

28 5. For personnel, assigned by the attorney general, to
29 provide additional services with an emphasis on termination of
30 parental rights cases within one district of the department:

31 \$ 75,000

32 6. For transfer to the foster care review board to provide
33 a connecting link with the news media and the public regarding
34 the foster care system and existing foster care cases:

35 \$ 10,000

1 7. For the establishment of a state multidisciplinary team
2 to assist with difficult cases within the foster care system
3 and with respect to child protective investigation and initial
4 case planning and to develop and coordinate local
5 multidisciplinary teams:

6 \$ 75,000

7 8. For additional child abuse prevention grants:

8 \$ 100,000

9 Sec. 14. HOME-BASED SERVICES. There is appropriated from
10 the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 1989, and
12 ending June 30, 1990, the following amount, or so much thereof
13 as is necessary, to be used for the purposes designated:

14 For home-based services on the condition that family
15 planning services are funded, provided that if the department
16 amends the allocation to a program funded under this section,
17 then the department shall promptly notify the legislative
18 fiscal bureau of the change:

19 \$ 8,333,382

20 Of the funds appropriated in this section, \$1,892,800 shall
21 be used for family preservation and reunification services
22 pilot projects. A portion of the funds shall be used to
23 maintain service levels in existing family preservation
24 projects and to expand the projects to provide postplacement
25 reunification services to families participating in the
26 projects. A portion of the funds shall be used to contract
27 for the purchase of family preservation services in up to
28 three additional districts of the department in which the
29 services are not being offered. Following review by the
30 statewide family preservation and decategorization committee,
31 the department may directly provide services in one of the
32 three additional districts. A limited amount of the funds may
33 be used to provide other resources required for a family
34 participating in a project to stay together or to be
35 reunified. Not more than \$50,000 shall be used to provide

1 training for pilot project employees. The payment system for
2 the project shall not be based upon units of time, but may be
3 based upon the cost to serve a family, including adjustments
4 according to the provider's performance and the outcome of the
5 services provided to each family. It is the intent of the
6 general assembly that the three-year evaluation of this
7 initiative be continued to assess impact and cost-
8 effectiveness and that the department seek additional
9 assistance from the division of criminal and juvenile justice
10 planning of the department of human rights in evaluating both
11 this initiative and the decategorization projects. The
12 department shall continue to develop both the family
13 preservation and the decategorization projects in consultation
14 with professionals in the child welfare field and using
15 outside technical assistance from the national conference of
16 state legislatures and the center for the study of social
17 policy. The department shall use the family preservation and
18 decategorization committee to assist in selecting additional
19 projects.

20 Sec. 15. COMMUNITY-BASED PROGRAMS. There is appropriated
21 from the general fund of the state to the department of human
22 services 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 community-based programs on the condition that the
26 prevention grants relating to adolescent pregnancy under
27 subsection 2 of this section are funded:

28 \$ 2,307,907

29 1. As a condition, qualification, and limitation of the
30 funds appropriated by this section, up to \$13,500 shall be
31 used by the department as the entitled aid from the state
32 under section 232.142, subsection 3, for the cost of the
33 establishment, improvement, operation, and maintenance of
34 approved county or multicounty juvenile homes.

35 2. Of the funds appropriated under this section, \$500,000

1 shall be used for adolescent pregnancy prevention grants. At
2 least seventy-five percent of the funds shall be used for
3 programs which incorporate family planning and pregnancy
4 prevention services as the major component of the program.
5 The department shall not expend more than seven percent of the
6 funds for administrative costs. The department shall adopt
7 rules to implement this subsection. A grant may be awarded to
8 a public school corporation, an adolescent services provider,
9 or a nonprofit organization which is involved in adolescent
10 issues. Grants shall be awarded for a one-year period and
11 targeted to provide services in the seven counties with the
12 greatest incidence of adolescent pregnancy. Preference in
13 awarding grants shall be given to projects which utilize a
14 variety of community resources and agencies.

15 a. As used in this subsection, "adolescent" means a person
16 who is less than eighteen years of age or a person who is
17 attending an accredited high school and pursuing a course of
18 study which will lead to a high school diploma or its
19 equivalent. The department shall establish guidelines which
20 permit a grant recipient to continue providing services to a
21 person who receives services under the grant as an adolescent
22 and becomes eighteen years of age or older.

23 b. A grant shall only be awarded to a project which
24 provides one or more of the following services:

25 (1) Workshops and information programs for adolescents and
26 parents of adolescents to improve communication between
27 children and parents regarding human sexuality issues.

28 (2) Development and distribution of informational material
29 designed to discourage adolescent sexual activity and to
30 encourage male and female adolescents to assume responsibility
31 for their sexual activity and parenting.

32 (3) Early pregnancy detection, prenatal services including
33 chlamydia testing, and counseling regarding decision-making
34 options for pregnant adolescents.

35 (4) Case management and child care services provided to

1 male and female adolescent parents.

2 c. Additional services may be offered by a grantee
3 pursuant to a purchase of service contract with the department
4 including any of the following: child day care services;
5 child development and parenting instruction; services to
6 support high school completion, job training, and job
7 placement; prevention of additional pregnancies during
8 adolescence; and other personal services.

9 3. As a condition, qualification, and limitation of the
10 funds appropriated by this section, up to \$350,686 shall be
11 used by the department for child abuse prevention grants.

12 Sec. 16. BLOCK GRANT SUPPLEMENTATION. There is
13 appropriated from the general fund of the state to the
14 department of human services for the fiscal year beginning
15 July 1, 1989, and ending June 30, 1990, the following amount,
16 or so much thereof as is necessary, to be used for the
17 purposes designated:

18 For supplementation of federal social services block grant
19 funds and for allocation to the various counties for the
20 purchase of local services:

21 \$ 3,852,357

22 1. The funds appropriated in this section shall be
23 allocated to the counties pursuant to the rules of the
24 department in effect on January 1, 1985. The department shall
25 increase the income guidelines for income eligible persons
26 receiving services funded with federal social services block
27 grant funds for the fiscal year beginning July 1, 1989, by the
28 same percentage and at the same time as federal social
29 security benefits are increased due to a recognized increase
30 in the cost of living.

31 2. As a condition, qualification, and limitation of the
32 funds appropriated in this section, the department, in
33 cooperation with representatives of advocate organizations,
34 consumers, county government, and provider organizations,
35 shall consider methods for increasing the flexibility of the

1 social services block grant purchase of local services
2 allocation by developing new options to promote greater
3 integration into the community of clients who receive services
4 under the grant. The new options to be considered for
5 inclusion under the social services block grant purchase of
6 local services allocation shall include but are not limited to
7 supported work training and supported employment. The
8 department may implement the recommendations during the fiscal
9 year which begins on July 1, 1989.

10 3. As a condition, qualification, and limitation of the
11 funds appropriated in this section, the state shall adopt
12 rules for standards applied to intermediate care facilities
13 for the mentally retarded which provide for facility standards
14 which are equal to the federal facility standards for this
15 type of facility.

16 Sec. 17. JUVENILE JUSTICE. There is appropriated from the
17 general fund of the state to the department of human services
18 for the fiscal year beginning July 1, 1989, and ending June
19 30, 1990, the following amount, or so much thereof as is
20 necessary, to be used for the purposes designated:

21 For juvenile justice reimbursement to counties under
22 section 232.141, subsection 2:
23 \$ 4,713,200

24 Sec. 18. IOWA VETERANS HOME. There is appropriated from
25 the general fund of the state to the department of human
26 services for the fiscal year beginning July 1, 1989, and
27 ending June 30, 1990, the following amount, or so much thereof
28 as is necessary, to be used for the purposes designated:

29 For operation of the Iowa veterans home, including
30 salaries, support, maintenance, miscellaneous purposes, and
31 for not more than the following full-time equivalent posi-
32 tions:
33 \$ 27,029,775
34 FTEs 832.16

35 The department may use the gifts accepted by the director

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

4 DIVISION IV

5 Sec. 19. MENTAL HEALTH INSTITUTES. There is appropriated
6 from the general fund of the state to the department of human
7 services for the fiscal year beginning July 1, 1989, and
8 ending June 30, 1990, the following amount, or so much thereof
9 as is necessary, to be used for the purposes designated:

10 For the state mental health institutes for salaries,
11 support, maintenance, miscellaneous purposes, and for not more
12 than the following full-time equivalent positions:

13 1. State mental health institute at Cherokee:
14 \$ 13,178,065
15 FTEs 379.4

16 2. State mental health institute at Clarinda:
17 \$ 7,052,997
18 FTEs 194.11

19 3. State mental health institute at Independence:
20 \$ 13,914,096
21 FTEs 417.22

22 4. State mental health institute at Mount Pleasant:
23 \$ 7,640,971
24 FTEs 200.49

25 5. For staff and support relating to fulfilling
26 requirements ordered for certification standards:
27 \$ 200,000

28 6. As a condition, qualification, and limitation of the
29 funds appropriated in subsections 1 and 3, the department
30 shall track the sources of referrals to the secure ward for
31 children developed at the state mental health institute at
32 Independence and of children placed in a secure ward with
33 adults at the state mental health institute at Cherokee. The
34 department shall develop an admission criteria to restrict the
35 number of children who can be placed in a secure ward and

1 collect data on the characteristics of the children placed in
2 the ward including classification of illness. A report shall
3 be submitted to the legislative fiscal bureau on or before
4 January 15, 1990, regarding the data collected during the
5 period beginning July 1, 1989, and ending December 31, 1989.
6 The department shall adopt rules pursuant to chapter 17A which
7 take effect October 1, 1989, and prohibit the placement of a
8 child in a secure ward with adults in the state mental health
9 institute at Independence.

10 Sec. 20. HOSPITAL-SCHOOLS. There is appropriated from the
11 general fund of the state to the department of human services
12 for the fiscal year beginning July 1, 1989, and ending June
13 30, 1990, the following amount, or so much thereof as is
14 necessary, to be used for the purposes designated:

15 For the state hospital-schools, for salaries, support,
16 maintenance, miscellaneous purposes, and for not more than the
17 following full-time equivalent positions:

- 18 1. State hospital-school at Glenwood:
- 19 \$ 36,120,355
- 20 FTEs 1,190.5
- 21 2. State hospital-school at Woodward:
- 22 \$ 28,760,958
- 23 FTEs 946.5

24 As a condition, qualification, and limitation of the funds
25 appropriated in this section, one unit of a state hospital-
26 school which is open on June 30, 1989, shall be closed during
27 the fiscal year which begins July 1, 1989.

28 Sec. 21. MENTAL HEALTH AND RETARDATION SERVICES FUND.

29 There is appropriated from the general fund of the state to
30 the state community mental health and mental retardation
31 services fund established in section 225C.7 for the fiscal
32 year beginning July 1, 1989, and ending June 30, 1990, the
33 following amount, or so much thereof as is necessary:

34 \$ 3,205,000

35 Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. There is

1 appropriated from the general fund of the state to the
2 department of human services for the fiscal year beginning
3 July 1, 1989, and ending June 30, 1990, the following amount,
4 or so much thereof as is necessary, to be used for the
5 purposes designated:

340 6 For transfer to the governor's planning council for
7 developmental disabilities to operate the family support
8 subsidy program:
9 \$ 400,000

341-10 For the fiscal year beginning July 1, 1989, the governor's
11 planning council for developmental disabilities shall conduct
12 the evaluation of the family support subsidy program required
13 of the department pursuant to section 225C.42.

14 Notwithstanding sections 225C.35 through 225C.42, the
15 governor's planning council for developmental disabilities
16 shall operate the family support subsidy program on behalf of
17 the department of human services.

18 Sec. 23. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION --
19 DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated
20 from the general fund of the state to the state candidate
21 services fund for the fiscal year beginning July 1, 1989, and
22 ending June 30, 1990, the following amount, or so much thereof
23 as is necessary to be used by the department of human services
24 for the purposes designated:

25 \$ 4,779,600

26 1. The enhanced mental health, mental retardation, and
27 developmental disabilities services plan oversight committee
28 is continued, as established under 1988 Iowa Acts, chapter
29 1276, section 14, subsection 1, for the fiscal year which
30 begins July 1, 1989, and ends June 30, 1990. The committee
31 shall complete all of the following responsibilities:

32 a. Take action on whether to include behavior management
33 as a candidate service in an amendment to the state Title XIX
34 plan, to develop a federal waiver request for behavior
35 management as a candidate service, or to take no action to

1 include behavior management as a covered service. Decisions
2 shall be based upon a determination of the availability of
3 funds for the nonfederal share of the cost of the service.

4 b. Explore and make recommendations regarding the
5 submission of a request for a Title XIX plan waiver for any
6 candidate services which are not accepted by the federal
7 government as a state plan amendment.

8 c. Review and make recommendations regarding the county
9 case management implementation plan and budget to the state
10 mental health and mental retardation commission.

11 d. Track the expenditures for, and utilization of,
12 candidate services. Report a variance in an approved plan to
13 the governor, the legislative fiscal bureau, and each county.

14 e. Recommend action regarding variations from the
15 budgeted, appropriated, and identified expenditures and
16 projected expenditure offsets to the council on human services
17 and the state mental health and mental retardation commission.

18 f. Submit a report regarding the results of the
19 implementation of the provisions of this section, including
20 the impact upon the institutional populations, to the governor
21 and the general assembly. The report shall contain
22 recommendations regarding continuing the provisions of this
23 section in subsequent budget years.

24 g. Recommend rules, or amendments to existing rules, which
25 implement the provisions of this section, to the council on
26 human services and the state mental health and mental
27 retardation commission.

28 h. Issue a final decision regarding any issue of
29 disagreement between a county and the department relating to
30 expenditures for candidate services or the county's
31 maintenance of effort.

32 2. For purposes of this section, "candidate services"
33 means rehabilitation services, day treatment, partial
34 hospitalization, and case management. Behavior management
35 services shall be included in the state Title XIX plan as a

1 candidate service if recommended by the oversight committee.
2 If recommended by the oversight committee, the department
3 shall seek Title XIX plan waivers for any of the candidate
4 services which are not accepted by the federal government as a
5 state plan amendment.

6 3. a. The county of legal settlement shall be billed for
7 fifty percent of the nonfederal share of the cost of case
8 management provided to adults, rehabilitation services, day
9 treatment, and partial hospitalization provided under the
10 medical assistance program for persons with mental
11 retardation, a developmental disability, or chronic mental
12 illness.

13 b. If the department has contracted with a county or a
14 consortium of counties to be the provider of case management
15 services, the department is responsible for any costs included
16 within the unit rate for case management services which are
17 disallowed for reimbursement pursuant to Title XIX of the
18 federal Social Security Act by the federal health care
19 financing administration. The department shall use funds
20 appropriated under this section to credit a county for the
21 county's share of any amounts overpaid due to the disallowed
22 costs. If certain costs are disallowed due to requirements or
23 preferences of a particular county in the provision of case
24 management services the county shall receive no credit for the
25 amount of the costs. This subsection is retroactive to April
26 1, 1989.

27 4. A county is responsible to continue to expend at least
28 the agreed upon amount expended for candidate services in the
29 fiscal year which ended June 30, 1987, for the fiscal year
30 beginning July 1, 1989, for services to persons with mental
31 retardation, a developmental disability, or chronic mental
32 illness. If a county does not expend the agreed upon amount
33 in the fiscal year, the balance not expended shall not revert
34 to the general fund of the county, but shall be carried over
35 to the next fiscal year to be expended for the provision of

1 services to persons with mental retardation, a developmental
2 disability, or mental illness including, but not limited to,
3 the chronically mentally ill, and shall be used as additional
4 funds. The additional funds shall be used, to the greatest
5 extent possible, to meet unmet needs of persons with mental
6 retardation, a developmental disability, or mental illness.
7 This subsection does not relieve the county from any other
8 funding obligations required by law, including but not limited
9 to the obligations in section 222.60.

10 5. a. Notwithstanding section 8.33, funds appropriated
11 under this section which are not obligated or encumbered shall
12 not revert to the general fund on September 30, 1990, but
13 shall be deposited in the state community mental health and
14 mental retardation services fund for use in the fiscal year
15 beginning July 1, 1990. It is the intent of the general
16 assembly that the funds deposited in the state community
17 mental health and mental retardation services fund for this
18 purpose shall be used in addition to moneys appropriated in
19 the fiscal year beginning July 1, 1989, for this purpose.

20 b. Notwithstanding section 8.39, funds appropriated to the
21 department for the state hospital-schools by section 20 of
22 this Act and to the state mental health institutes by section
23 19 of this Act shall not be subject to transfer, except to the
24 state candidate services fund after January 1, 1990,
25 subsequent to a reevaluation of the institutional budgets for
26 the remainder of the fiscal year.

27 6. The department, in conjunction with the oversight
28 committee, and with the agreement of each county, shall
29 establish the actual amount expended for each candidate
30 service for persons with mental retardation, a developmental
31 disability, or chronic mental illness in the fiscal year which
32 ended June 30, 1987, and this amount shall be deemed each
33 county's base year expenditure for the candidate service. A
34 disagreement between the department and a county as to the
35 actual amount expended shall be decided by the oversight

1 committee.

2 The department, in conjunction with the oversight
3 committee, and with the agreement of each county, shall
4 determine the expenditures in the fiscal year beginning July
5 1, 1989, by each county for the candidate services, including
6 the amount the county contributes under subsection 3. If the
7 expenditures in the fiscal year beginning July 1, 1989, exceed
8 the base year expenditures for candidate services, then the
9 county shall receive from the funds appropriated under this
10 section the least amount of the following:

11 a. The difference between the total expenditures for the
12 candidate services in the fiscal year beginning July 1, 1989,
13 and the base year expenditures.

14 b. The amount expended by the county under subsection 3.

15 c. The amount by which total expenditures for persons with
16 mental retardation, a developmental disability, or chronic
17 mental illness for the fiscal year beginning July 1, 1989,
18 less any carryover amount from the fiscal year which began
19 July 1, 1988, exceed the maintenance of effort expenditures
20 under subsection 4.

21 7. Notwithstanding section 225C.20, case management
22 services shall be provided by the department except when a
23 county or a consortium of counties contracts with the
24 department to provide the services. A county or consortium of
25 counties may contract to be the provider at any time and the
26 department shall agree to the contract so long as the contract
27 meets the standards for case management adopted by the
28 department. The county or consortium of counties may
29 subcontract for the provision of case management services if
30 the subcontract meets the same standards. A mental health,
31 mental retardation, and developmental disabilities
32 coordinating board may change the provider of individual case
33 management services at any time. If the current or proposed
34 contract is with the department, the coordinating board shall
35 provide written notification of a proposed change to the

1 department on or before August 15 and written notification of
2 an approved change on or before October 15 in the fiscal year
3 which precedes the fiscal year in which the change will take
4 effect.

5 8. This section does not relieve the county from any other
6 funding obligations required by law, including but not limited
7 to the obligations in section 222.60.

8 9. Nothing in this Act is intended by the general assembly
9 to be the provision of a fair and equitable funding formula
10 specified in 1985 Iowa Acts, chapter 249, section 9. Nothing
11 in this Act shall be construed, is intended, or shall imply a
12 claim of entitlement to any programs or services specified in
13 section 225C.28.

14 10. For the purposes of this section only, persons with
15 organic mental disorders shall not be considered chronically
16 mentally ill.

17 11. Where the department contracts with a county or
18 consortium of counties to provide case management services,
19 the state shall appear and defend the department's employees
20 and agents acting in an official capacity on the department's
21 behalf and the state shall indemnify the employees and agents
22 for acts within the scope of their employment. The state's
23 duties to defend and indemnify shall not apply if the conduct
24 upon which any claim is based constitutes a willful and wanton
25 act or omission or malfeasance in office.

26 DIVISION V

27 Sec. 24. COMMUNITY SERVICES. There is appropriated from
28 the general fund of the state to the department of human
29 services for the fiscal year beginning July 1, 1989, and
30 ending June 30, 1990, the following amount, or so much thereof
31 as is necessary, to be used for community services:

32 For field operations, including salaries, support,
33 maintenance, miscellaneous purposes, and for not more than the
34 following full-time equivalent positions:

35 \$ 37,807,767

1 FTEs 2,228.50

2 1. As a condition, qualification, and limitation of the
3 funds appropriated in this section, the department shall
4 provide an extensive orientation program for newly employed
5 social workers in the area of community resource programs and
6 shall provide assistance to each county board of social
7 welfare to identify community resources in counties pursuant
8 to section 234.11.

9 2. Staff who are designated as "Title XIX case management
10 staff" are considered to be in addition to the limit for full-
11 time equivalent positions and the funds appropriated for field
12 operations. As a condition, qualification, and limitation of
13 the funds appropriated in this section, the department shall
14 report quarterly to the chairpersons and ranking members of
15 the legislative fiscal committee of the legislative council,
16 the members of the joint appropriations subcommittee on human
17 services, and the legislative fiscal bureau regarding the
18 total number of Title XIX case management staff positions
19 filled, including the number of positions which were filled by
20 persons who were already employed by the department in another
21 capacity.

22 3. As a condition, qualification, and limitation of the
23 funds appropriated in this section, upon the request of a
24 county, the department shall work with the county to develop a
25 funding plan for persons with mental retardation, a
26 developmental disability, or chronic mental illness who are
27 not eligible to receive case management provided under the
28 medical assistance program and are receiving service
29 management. With an agreed upon funding plan, the department
30 is authorized to combine state funds that would otherwise be
31 expended on service management with county funds to upgrade
32 services provided to the persons from service management to
33 case management. Staff required to implement this subsection
34 are not subject to the limitations on full-time equivalent
35 positions and funds appropriated for community services.

1 Sec. 25. GENERAL ADMINISTRATION. There is appropriated
2 from the general fund of the state to the department of human
3 services for the fiscal year beginning July 1, 1989, and
4 ending June 30, 1990, the following amount, or so much thereof
5 as is necessary, to be used for the purposes designated:

6 For general administration, including salaries, support,
7 maintenance, miscellaneous purposes, and for not more than the
8 following full-time equivalent positions:

9	\$	8,339,096
10	FTEs	329.45

11 1. Full-time equivalent positions which are funded
12 entirely with federal, public, or private grants, or the
13 gambler's assistance fund established in section 99E.10 are
14 exempt from the limits on the number of full-time equivalent
15 positions provided in this section, but are approved only for
16 the period of time for which the federal funds or grants are
17 available for the position.

18 2. As a condition, qualification, and limitation of the
19 funds appropriated in this section, one full-time equivalent
20 position shall be filled by a housing specialist who is
21 assigned to attract additional federal funding to increase
22 low-income housing and to work with local governments and
23 private agencies in developing additional housing for persons
24 who are part of special populations, including but not limited
25 to the mentally ill. The department of human services'
26 housing specialist shall coordinate efforts with the Iowa
27 finance authority and the housing specialist in the Iowa
28 department of elder affairs. The department shall review the
29 duties and program for a similar housing specialist position
30 in the state of Oregon.

31 3. As a condition, qualification, and limitation of the
32 funds appropriated in this section, three full-time equivalent
33 positions shall be filled by staff assigned to the bureau of
34 medical assistance to develop policies to improve medical
35 assistance cost containment and increase the amount of federal

1 reimbursement to the state. Other duties shall include but
2 are not limited to improving oversight of health care,
3 implementation of nursing home reform, reducing
4 overutilization of health care services by specific
5 individuals, reducing usage of services identified as high
6 variation procedures, and developing proposals to seek federal
7 reimbursement for services currently available but not
8 reimbursed in the state, including hospice services.

9 4. As a condition, qualification, and limitation of the
10 funds appropriated in this section, if a state institution
11 administered by the department is to be closed or reduced in
12 size, prior to the closing or reduction the department shall
13 initiate and coordinate efforts in cooperation with the
14 department of economic development to develop new jobs in the
15 area in which the state institution is located.

16 5. Of the funds appropriated in this section, \$50,000 is
17 allocated for the lease-purchase of teleconferencing equipment
18 and as a condition, qualification, and limitation of the funds
19 appropriated in this section, the funds allocated by this
20 subsection shall only be used for the purpose stated in this
21 subsection, shall revert to the general fund if not used for
22 the purpose stated, and shall not be subject to transfer for
23 any other purpose. If additional funds are needed for the
24 lease-purchase of teleconferencing equipment, the department
25 may use other funds appropriated in this section.

26 6. Of the funds appropriated in this section, \$25,000 is
27 allocated for salary and support of an additional full-time
28 equivalent position assigned to the department of public
29 safety to process criminal history background checks for
30 service providers related to the department of human services.

31 Sec. 26. VOLUNTEERS. There is appropriated from the
32 general fund of the state to the department of human services
33 for the fiscal year beginning July 1, 1989, and ending June
34 30, 1990, the following amount, or so much thereof as is
35 necessary, to be used for the purposes designated:

1 For development and coordination of volunteer services:
2 \$ 81,758

3 Sec. 27. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
4 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
5 DEPARTMENT OF HUMAN SERVICES.

3490-6 1. The reimbursement rate increases provided in this
7 subsection are conditioned upon the enactment and
8 implementation of subsection 5 of this section and section
9 147.136, as amended by this Act. For the fiscal year
10 beginning July 1, 1989, the following providers shall have
11 their medical assistance reimbursement rates increased by two
12 and twenty-five hundredths percent over the rates in effect on
13 June 30, 1985: optometrists, opticians, physicians,
14 pharmacists, podiatrists, dentists, chiropractors, physical
15 therapists, certified nurse midwives, ambulance services,
16 independent laboratories, area education agencies, clinics,
17 audiologists, rehabilitation agencies, community mental health
18 centers, family planning clinics, psychologists, screening
19 centers, hearing aid dealers, orthopedic shoe dealers,
20 ambulatory surgery centers, and genetic counseling clinics.
21 However, the material costs of drugs, optometric products, and
22 durable medical products and supplies which are reimbursed at
23 the acquisition cost shall not be limited to an increase of
24 two and twenty-five hundredths percent. Maternal health
25 centers shall be reimbursed at the maximum rate permitted
26 under the medical assistance program. However, reimbursement
27 rates for office visits for all medical assistance providers
28 and for all obstetric services shall be increased by four
29 percent over the rates in effect on June 30, 1989.

30 a. Reimbursement rates to hospitals and skilled nursing
31 facilities shall be increased by two and twenty-five
32 hundredths percent over the rates in effect on June 30, 1989.

33 b. Reimbursement rates for rural health clinics shall be
34 increased in accordance with increases under the federal
35 Medicare program.

1 c. Home health agencies certified for the medical
2 assistance program shall be reimbursed for their current
3 federal Medicare audited costs.

4 d. For the fiscal year beginning July 1, 1989, the basis
5 for establishing the maximum medical assistance reimbursement
6 rate for intermediate care facilities shall be the seventy-
7 fourth percentile of all facility per diem rates as calculated
8 from the June 30, 1989, unaudited compilation of cost and
9 statistical data.

10 2. For the fiscal year beginning July 1, 1989, the maximum
11 cost reimbursement rate for residential care facilities
12 reimbursed by the department shall be \$18.51. The flat
13 reimbursement rate for facilities electing not to file cost
14 reports shall be \$13.23. For the fiscal year beginning July
15 1, 1989, the maximum reimbursement rate for providers
16 reimbursed under the in-home health-related care program shall
17 be increased by four percent.

18 3. For services provided by social service providers
19 reimbursed by the department between July 1, 1989, and June
20 30, 1990, rates shall be increased automatically by four
21 percent over the unreduced rates in effect on June 30, 1989,
22 except for family foster care provider rates which shall be
23 increased by an average of four percent. Rates for foster
24 group care and shelter care services shall not exceed \$70.86
25 per day. The reimbursement rate increase for providers whose
26 cost reimbursement is below the maximum rate on July 1, 1989,
27 shall be the maximum increase provided to providers whose cost
28 reimbursement is at the maximum rate on July 1, 1989. This
29 automatic increase is intended to be an exception to policy
30 for the fiscal year beginning July 1, 1989, and ending June
31 30, 1990, and is not intended to eliminate regular submission
32 of cost reports.

33 4. For providers reimbursed under subsection 3 of this
34 section, reimbursement rate increases may be applied to the
35 maximum reimbursement rate a program has received in any of

1 the last five fiscal years, provided that if the program
2 utilizes a reimbursement rate for a year other than the fiscal
3 year beginning July 1, 1988, the program can justify to the
4 department that the costs associated with that reimbursement
5 rate pertain to the fiscal year beginning July 1, 1989.

346-6 5. Moneys recovered pursuant to the medical subrogation
7 rights of the department of human services under section
8 249A.6 shall be used by the department for the medical
9 assistance program. If the department recovers or projects
10 recovery of more than \$1,000,000 in the fiscal year beginning
11 July 1, 1989, the amount by which the recovery exceeds or is
12 projected to exceed \$1,000,000 shall be used to provide
13 additional reimbursement to providers listed in this
14 subsection. The maximum amount of increase in the
15 reimbursement rate for the providers in the fiscal year
16 beginning July 1, 1989, as a result of subsection 1 and this
17 subsection shall not exceed four percent over the rates in
18 effect on June 30, 1989. This subsection applies to all of
19 the following: optometrists, opticians, physicians,
20 pharmacists, podiatrists, dentists, chiropractors, physical
21 therapists, certified nurse midwives, ambulance services,
22 independent laboratories, area education agencies, clinics,
23 audiologists, rehabilitation agencies, community mental health
24 centers, family planning clinics, psychologists, screening
25 centers, hearing aid dealers, orthopedic shoe dealers,
26 ambulatory surgery centers, genetic counseling clinics,
27 hospitals, and skilled nursing facilities.

28 Sec. 28. ASSISTANCE TO GAMBLERS. The department shall use
29 funds deposited in the gamblers assistance fund established in
30 section 99E.10 only for programs to assist gamblers. Any
31 unspent funds shall remain in the fund and shall not be
32 transferred or reverted to the general fund of the state.

33 The department shall use gamblers assistance fund moneys
34 for three full-time equivalent positions to support this
35 program.

3740-1 Sec. 29. Section 147.136, Code 1989, is amended to read as
2 follows:

3 147.136 SCOPE OF RECOVERY.

4 In an action for damages for personal injury against a
5 physician and surgeon, osteopath, osteopathic physician and
6 surgeon, dentist, podiatrist, optometrist, pharmacist,
7 chiropractor, or nurse licensed to practice that profession in
8 this state, or against a hospital licensed for operation in
9 this state, based on the alleged negligence of the
10 practitioner in the practice of the profession or occupation,
11 or upon the alleged negligence of the hospital in patient
12 care, in which liability is admitted or established, the
13 damages awarded shall not include actual economic losses
14 incurred or to be incurred in the future by the claimant by
15 reason of the personal injury, including but not limited to,
16 the cost of reasonable and necessary medical care,
17 rehabilitation services, and custodial care, and the loss of
18 services and loss of earned income, to the extent that those
19 losses are replaced or are indemnified by insurance, or by
20 governmental, employment, or service benefit programs or from
21 any other source except the assets of the claimant or of the
22 members of the claimant's immediate family or from payments
23 made for medical assistance pursuant to chapter 249A.

24 Sec. 30. WAIVER EXPENSE REPORTED. The department of human
25 services shall report to the chairpersons and ranking members
26 of the legislative fiscal committee, the members of the joint
27 appropriations subcommittee on human services, and the
28 legislative fiscal bureau regarding the amount of
29 administrative costs relating to each waiver application
30 submitted to the federal government during the fiscal year
31 beginning July 1, 1989. The reports shall be submitted in
32 1990 on January 1, March 1, and June 1.

33 Sec. 31. RULES. The department of human services may
34 adopt administrative rules under section 17A.4, subsection 2,
35 and section 17A.5, subsection 2, paragraph "b", to implement

1 the sections of this Act enumerated in this section. Rules
2 adopted pursuant to sections 1, 2, 6, 8, 11, 12, 13, 14, 15,
3 16, 17, 19, 23, and 27 of this Act shall become effective
4 immediately upon filing, unless a later effective date is
5 specified in the rules. The rules shall also be published as
6 notice of intended action as provided in section 17A.4.

7 Sec. 32. FEDERAL RECEIPTS. All federal grants to and the
8 federal receipts of the department of human services are
9 appropriated for the purposes set forth in the federal grants
10 or receipts. The veterans per diem payable for veterans at
11 the veterans home and funds received under Title XIX of the
12 federal Social Security Act by the state mental health
13 institutes and state hospital-schools shall be deposited in
14 the general fund of the state.

15 Sec. 33. FULL-TIME EQUIVALENT LIMIT NOTIFICATION. The
16 Iowa veterans home, the state mental health institutes, and
17 the state hospital-schools may exceed the specified number of
18 full-time equivalent positions if the additional positions are
19 specifically related to licensing, certification, or
20 accreditation standards or citations. The department shall
21 notify the co-chairpersons and ranking members of the joint
22 human services appropriations subcommittee of the
23 appropriations committees of the house and senate and the
24 legislative fiscal bureau if the specified number is exceeded.
25 The notification shall include an estimate of the number of
26 full-time equivalent positions added and the fiscal effect of
27 the addition.

28 Sec. 34. NURSING HOME REFORM REQUIREMENTS. The department
29 of human services with the assistance of the department of
30 inspections and appeals shall submit to the fiscal committee
31 of the legislative council and to the members of the joint
32 appropriations subcommittee on human services on or before
33 September 1, 1989, proposed administrative rules for
34 compliance with federal standards for nursing facilities
35 pursuant to the federal Omnibus Budget Reconciliation Act of

1 1987. If a standard in a rule proposed by the department of
2 human services or the department of inspections and appeals
3 exceeds a federal standard under the federal Omnibus Budget
4 Reconciliation Act of 1987 for nursing facilities or the
5 corresponding regulation adopted by the federal health care
6 financing administration, the department of human services or
7 the department of inspections and appeals shall provide the
8 rationale for exceeding the federal standard or the
9 corresponding regulation. When submitted, the proposed
10 administrative rules shall be accompanied by a detailed
11 analysis prepared by the department of human services of the
12 cost to implement each standard including an estimate of the
13 additional cost of a standard which exceeds a federal standard
14 or the corresponding regulation for nursing facilities.

3027

15 Sec. 35. APPLICABILITY. Section 23, subsection 3, of this
16 Act is retroactively applicable to April 1, 1989.

17 Sec. 36. EFFECTIVE DATE. Section 23, subsection 1, of
18 this Act, being deemed of immediate importance, takes effect
19 upon enactment.

20 EXPLANATION

21 This bill appropriates moneys to the department of human
22 services for the fiscal year which begins on July 1, 1989, and
23 ends June 30, 1990.

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SENATE FILE 541

S-335

1 Amend Senate File 541 as follows:

2 1. Page 8, by inserting after line 16 the
3 following:

- 4 " . . . As a condition, qualification, and
5 limitation of the funds appropriated in this section,
6 the department shall reimburse an ambulance service
7 for transporting a medical assistance recipient from a
8 location other than a hospital to a hospital
9 regardless of a determination of medical necessity.
10 However, the department shall develop methods to
11 reduce recipient usage of ambulance services for
12 reasons other than medical necessity, including
13 notification of recipients who have received ambulance
14 services that were not considered to be a medical
15 necessity and ambulance services that have provided
16 such services.

17 2. By renumbering as necessary.

By JIM LIND

CHARLES BRUNER

S-335 FILED APRIL 26, 1989

WITHDRAWN

4-26-89 (p.1700)

SENATE FILE 541

S-340

1 Amend Senate File 541 as follows:

- 2 1. Page 4, line 14, by striking the figure
3 "182,060,700" and inserting the following:
4 "183,060,700".
5 2. Page 40, by striking lines 6 through 9 and in-
6 serting the following:
7 "1. For the fiscal year".
8 3. Page 42, by striking lines 6 through 27.
9 4. Page 43, by striking lines 1 through 23.
10 5. By renumbering as necessary.

By R. J. VARN

RICHARD F. DRAKE

RICHARD V. RUNNING

TOM MANN

JEAN LLOYD-JONES

LINN FUHRMAN

S-3940 FILED APRIL 26, 1989

ADOPTED

4-26-89 (p.1700)

SENATE FILE 541

S-3941

1 Amend Senate File 541 as follows:

- 2 1. Page 31, by striking lines 6 through 8 and
3 inserting the following:
4 "For the family support subsidy program".
5 2. Page 31, by striking lines 14 through 17.

By CHARLES BRUNER

S-3941 FILED APRIL 26, 1989

ADOPTED

4-26-89 (p.1701)

SENATE FILE 541

S-3927

1 Amend Senate File 541 as follows:

2 1. Page 45, by inserting after line 14 the
3 following:4 "Sec. ____ . STAFFING STUDY REQUESTED. The
5 legislative council is requested to establish an
6 interim study committee to assess staffing of the nine
7 state institutions operated by the department of human
8 services. The study committee shall develop specific
9 recommendations regarding staffing patterns and
10 personnel practices at each of the state institutions
11 for action by the general assembly and the department
12 of human services.13 1. In appointing the membership of the study
14 committee, the legislative council shall consider
15 appointing experts in private sector management and
16 staffing analysis, representatives of large private
17 service providers, hospital administrators, and
18 employees of state institutions operated by the
19 department of human services.20 2. The study committee shall review proposals
21 developed by interested parties, including the
22 staffing study of the American federation of state,
23 county, and municipal employees union presented to the
24 human services appropriations subcommittee during the
25 1989 session. The study committee shall interview
26 staff at all levels of the various institutions,
27 including members of the American federation of state,
28 county, and municipal employees and Iowa united
29 professionals unions, department of human services
30 central office staff, and employees of the department
31 of management and the department of personnel.32 3. It is the intent of the general assembly that
33 the legislative council authorize not more than
34 twenty-five thousand dollars to be used to retain
35 private consulting services to assist the study
36 committee. The legislative fiscal bureau shall
37 provide primary staff support to the study committee."

38 2. By renumbering as necessary.

By DON E. GETTINGS

RICHARD RUNNING

CHARLES BRUNER

JOE WELSH

S-3927 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p.1701)

SENATE FILE 541

S-3928

1 Amend Senate File 541 as follows:

2 1. Page 6, line 30, by striking the word
3 "allocated" and inserting the following: "set-aside
4 for the net additional expense to the state".

By CHARLES BRUNER

S-3928 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p.1700)

SENATE FILE 541

S-3948

1 Amend Senate File 541 as follows:

2 1. Page 14, line 3, by inserting after the word
3 "implemented." the following: "The department, in
4 cooperation with recipients of aid to dependent
5 children, human services advocates, and other
6 interested parties, shall establish conciliation
7 procedures for the JOBS program and shall implement
8 the procedures concurrently with the program. The
9 procedures shall be designed to ensure that the JOBS
10 program goals are enhanced and that a dispute is
11 resolved before a sanction is applied."

12 2. Page 15, line 11, by inserting after the word
13 "participate." the following: "An eligible person
14 shall not be required to participate for good cause if
15 the person shows that the person's failure or refusal
16 to participate is reasonable under the circumstances."

17 3. Page 15, by inserting after line 16 the
18 following:

19 "h. As a condition, qualification, and limitation
20 of the funds appropriated in this section, in
21 implementing the JOBS program, the department shall
22 ensure that each participant receives a formal
23 assessment and that an employability plan is completed
24 with each participant. The employability plan shall
25 contain an employment goal and the support services
26 and the specific work or training activities necessary
27 to attain the goal, with job search requirements
28 imposed only if consistent with the participant's
29 employability plan."

By CHARLES BRUNER

S-3948 FILED APRIL 26, 1989

ADOPTED

4-26-89 (p.1701)

SENATE FILE 541

S-3942

- 1 Amend Senate File 541 as follows:
- 2 1. By striking page 3, line 32, through page 4,
- 3 line 4.

By JOE WELSH

S-3942 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p.1699)

SENATE FILE 541

S-3947

- 1 Amend Senate File 541 as follows:
- 2 1. Page 8, by inserting after line 16 the
- 3 following:
- 4 " . As a condition, qualification, and
- 5 limitation of the funds appropriated in this section,
- 6 the department shall reimburse an ambulance service
- 7 for transporting a medical assistance recipient from a
- 8 location other than a medical institution to a
- 9 hospital regardless of a determination of medical
- 10 necessity. However, the department shall develop
- 11 methods to reduce recipient usage of ambulance
- 12 services for reasons other than medical necessity,
- 13 including notification of recipients who have received
- 14 ambulance services that were not considered to be a
- 15 medical necessity and ambulance services that have
- 16 provided such services.
- 17 2. By renumbering as necessary.

By JIM LIND
CHARLES BRUNER

S-3947 FILED APRIL 26, 1989

ADOPTED 4-26-89 (p.1700)

Approps.
DO pass per amend. 4373 (p.2311) 5-2-89

SENATE FILE **541**
BY COMMITTEE ON APPROPRIATIONS

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

- New Language by the Senate

* - Language Stricken by the Senate

RE Passed Senate, Date 5-3-89 (p.1888) Passed House, Date 5-2-89 (p.2319)
Vote: Ayes 49 Nays 0 Vote: Ayes 100 Nays 0
Approved then returned 4/5/89

Repassed by house

A BILL FOR 5-4-89 (p.2402)
Ayes 96 Nays 0

1 An Act relating to human services and making appropriations to
2 the department of human services, other properly related
3 matters, providing for retroactive applicability, and
4 providing an effective date.

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

SENATE FILE 541

H-4386

1 Amend Senate File 541, as amended, passed, and re-
2 printed by the Senate, as follows:

3 1. Page 45, by inserting after line 14 the fol-
4 lowing:

5 "Sec. . . . PROGRAM COSTS. There is appropriated
6 for the fiscal year beginning July 1, 1989, and ending
7 June 30, 1990, out of any funds in the state treasury
8 not otherwise appropriated, a sum sufficient to pay
9 for the unfunded state costs of a program mandated by
10 this Act which is jointly funded by the state and a
11 county."

12 2. By renumbering as necessary.

By HALVORSON of Clayton
HARBOR of Mills

H-4386 FILED MAY 2, 1989

LOST 5-2-89 (p.2319)

S.F. 541

DIVISION I

1
2 Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. There
3 is appropriated from the general fund of the state to the
4 department of human services for the fiscal year beginning
5 July 1, 1989, and ending June 30, 1990, the following amount,
6 or so much thereof as is necessary, to be used for the
7 purposes designated:

8 For aid to families with dependent children:
9 \$ 44,726,207

10 1. The department may fund the cash bonus program from
11 unspent funds under this appropriation. The department shall
12 develop a methodology with the involvement of the legislative
13 fiscal bureau to evaluate the cash bonus program and include a
14 comparison between characteristics of participants in the
15 program and recipients who do not participate. The evaluation
16 shall assess the period of time between commencement of the
17 program and October 1, 1989, and shall be submitted to the
18 legislative fiscal bureau on or before November 30, 1989.

19 2. As a condition, qualification, and limitation of the
20 funds appropriated in this section, the department shall
21 continue to contract for services in developing and monitoring
22 a waiver program with a consortium of other states to
23 facilitate providing assistance in self-employment to aid to
24 dependent children families. Of the funds appropriated under
25 this section, up to \$115,761 shall be used to provide
26 technical assistance for aid to dependent children families
27 seeking self-employment. The technical assistance may be
28 provided through the department or through a contract with the
29 division of job training of the department of economic
30 development and through a contract with the corporation for
31 enterprise development.

32 3. As a condition, qualification, and limitation of the
33 funds appropriated in this section if funds are appropriated
34 by the federal government for the purposes of this subsection,
35 the department shall apply to the federal government for a

1 demonstration waiver to develop a project to provide
2 employment training to child support obligors where the
3 obligees are recipients of aid to dependent children under
4 chapter 239.

5 4. As a condition, qualification, and limitation of the
6 funds appropriated in this section, the department may submit
7 an application to the federal government for a waiver to
8 develop a pilot project of part-time employment available to
9 recipients of aid to dependent children on a voluntary basis.
10 The department shall explore the potential for receiving
11 assistance in preparing the waiver application from outside
12 sources and the potential for receiving federal approval of
13 the waiver. The department shall report to the general
14 assembly on or before January 1, 1990, regarding its efforts
15 to obtain the waiver and providing justification for its
16 actions. The waiver application shall contain all of the
17 following provisions:

18 a. Eligibility is limited to a recipient who is a single-
19 parent head of household whose youngest child is less than
20 three years of age. However, a recipient who is accepted as
21 an eligible participant may continue to participate in the
22 pilot project until the recipient's youngest child is six
23 years of age.

24 b. Child care services shall be provided for a
25 participant's minor dependents during the time the participant
26 is working.

27 c. In determining a participant's eligibility for aid to
28 dependent children under chapter 239, the department shall
29 disregard income in the amount prescribed under the rule
30 adopted pursuant to section 239.5, subsection 2, 441 Iowa
31 administrative code, rule 41.7(2)(c)(2).

32 d. The pilot project shall be offered at several sites
33 around the state.

34 e. The disregard of the participant's income shall
35 continue so long as the participant continues to participate

1 in the pilot project developed under this subsection.

2 5. As a condition, qualification, and limitation of the
3 funds appropriated in this section, the department shall
4 expend up to \$120,000 to conduct a study to determine a new
5 standard of need for eligibility purposes under the aid to
6 dependent children program. The department shall also study
7 the following characteristics of current recipients or former
8 recipients of aid to dependent children:

9 a. Demographic characteristics.

10 b. The employment history of current recipients.

11 c. The employment history of persons who become ineligible
12 for assistance due to earned income.

13 d. Characteristics of recipients who receive assistance
14 for more than five years, in five-year increments, and of
15 recipients who receive assistance for five years or less.

16 6. As a condition, qualification, and limitation of the
17 funds appropriated in this section, the department shall
18 submit an application to the federal government for a waiver
19 to apply the provisions of the self-employment investment
20 demonstration project statewide, provided training is
21 available to a recipient through a recognized self-employment
22 training program.

23 7. As a condition, qualification, and limitation of the
24 funds appropriated in this section, the schedule of basic
25 needs under the aid to dependent children program for the
26 fiscal year beginning July 1, 1989, is established for one
27 person at \$176, for two persons at \$347, for three persons at
28 \$410, for four persons at \$476, for five persons at \$527, for
29 six persons at \$587, for seven persons at \$644, for eight
30 persons at \$703, for nine persons at \$761, for ten persons at
31 \$831, and for each additional person at \$83.

*32 Sec. 2. MEDICAL ASSISTANCE. There is appropriated from
33 the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 1989, and
35 ending June 30, 1990, the following amount, or so much thereof

1 as is necessary, to be used for the purposes designated:

2 For medical assistance, including reimbursement for
3 abortion services, which shall be available under the medical
4 assistance program only for those abortions which are
5 medically necessary:

43796 \$183,060,700

7 1. Medically necessary abortions are those performed under
8 any of the following conditions:

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

11 b. The attending physician certifies that the fetus is
12 physically deformed, mentally deficient, or afflicted with a
13 congenital illness.

14 c. The pregnancy is the result of a rape which is reported
15 within forty-five days of the incident to a law enforcement
16 agency or public or private health agency which may include a
17 family physician.

18 d. The pregnancy is the result of incest which is reported
19 within one hundred fifty days of the incident to a law
20 enforcement agency or public or private health agency which
21 may include a family physician.

22 e. Any spontaneous abortion, commonly known as a mis-
23 carriage, if not all of the products of conception are ex-
24 pelled.

25 2. Of the funds appropriated in this section, not more
26 than \$200,000 may be transferred to the Iowa department of
27 public health for contingency state assistance for the federal
28 program for women, infants, and children in order to allow the
29 Iowa department of public health to fully use available funds
30 under this program.

31 3. The department may implement mandatory enrollment of
32 eligible clients into licensed health maintenance
33 organizations where appropriate and consistent with federal
34 guidelines. However, a client in a voluntary county shall not
35 be enrolled in a health maintenance organization unless the

1 client has submitted a signed statement expressing the
2 client's desire to enroll in the health maintenance
3 organization. Clients shall continue to be eligible for the
4 mental health services provided through community mental
5 health centers without obtaining a referral from the health
6 maintenance organization and the cost of the mental health
7 services shall be billed directly to the medical assistance
8 program. The department shall track any savings realized by
9 the use of the health maintenance organizations and shall
10 annually submit to the legislative fiscal bureau the results
11 of the client satisfaction survey required by the federal
12 health care financing administration. The department shall
13 report at the start of each calendar quarter, to the
14 legislative fiscal bureau regarding cost savings.

15 4. As a condition, qualification, and limitation of the
16 funds appropriated in this section, the department, in
17 cooperation with the Iowa department of public health and the
18 department of elder affairs, shall seek federal approval of a
19 home and community-based waiver under Title XIX of the federal
20 Social Security Act to provide cost-effective alternative
21 services for elderly persons who meet criteria for placement
22 in a medical institution.

23 5. Notwithstanding section 8.39, the department may
24 transfer funds appropriated under this section to a separate
25 account established in the division of community services for
26 expenditures required to provide case management services
27 pursuant to section 23 of this Act, pending final settlement
28 of the expenditures. Funds received by the division of
29 community services in settlement of the expenditures shall be
30 used to replace the transferred funds and are available for
31 the purposes for which the funds were appropriated under this
32 section.

33 6. As a condition, qualification, and limitation of the
34 funds appropriated in this section, the department shall
35 provide to an area education agency the verified federal

1 Medicaid number of a child who is eligible for medical
2 assistance under chapter 249A and requires special education
3 services if a special education service for which the child is
4 eligible is provided under a federally funded health care
5 program. If it is permitted under federal confidentiality
6 provisions, an area education agency may view the department's
7 records pertaining to the child or the child's parent or
8 guardian.

9 7. As a condition, qualification, and limitation of the
10 funds appropriated in this section, the department shall
11 continue medical assistance to pregnant women and infants
12 under provisions in effect on March 1, 1989, and shall
13 establish presumptive and continuing eligibility for pregnant
14 women. A signed statement from a maternal health center,
15 family planning agency, physician's office, or other
16 physician-directed qualifying provider as specified under the
17 federal Social Security Act, § 1902, shall serve as
18 verification of pregnancy for the purpose of establishing
19 eligibility for pregnant women under the medical assistance
20 program.

21 8. Of the funds appropriated in this section, \$55,000 is
22 set-aside for the net additional expense to the state for
23 hospice services which, effective January 1, 1990, shall be
24 included as an eligible service under the medical assistance
25 program.

26 9. As a condition, qualification, and limitation of the
27 funds appropriated in this section, effective July 1, 1989, a
28 person, regardless of the source of the person's payment,
29 shall be evaluated prior to admission to an intermediate care
30 facility or a skilled nursing facility to determine whether
31 the person has mental retardation, mental illness, or a
32 related condition. If the evaluation identifies the existence
33 or suspected existence of one of the conditions, the person
34 shall not be admitted to the facility unless the Iowa
35 foundation for medical care, at the direction of the division

1 of mental health, mental retardation, and developmental
2 disabilities, determines that the person was appropriately
3 evaluated and the facility is able to fulfill the person's
4 service needs as identified by the evaluation.

5 10. As a condition, qualification, and limitation of the
6 funds appropriated in this section, the department shall seek
7 federal approval of a home and community-based waiver under
8 Title XIX of the federal Social Security Act to provide cost-
9 effective alternative services to persons with acquired immune
10 deficiency syndrome who meet criteria for placement in a
11 medical institution.

12 11. As a condition, qualification, and limitation of the
13 funds appropriated in this section, the department shall
14 continue developing policies and procedures to implement a
15 physician case management program for selected medical
16 assistance recipients. The program shall be continued for a
17 period of at least twenty-four months subsequent to the date
18 of implementation and if necessary the department may seek
19 approval for extension of any federal waiver related to this
20 program.

21 12. Of the funds appropriated in this section, up to
22 \$18,000 may be used for funding of the three full-time
23 equivalent positions assigned to the bureau of medical
24 assistance under the appropriation for general administration
25 in this Act. Quarterly, the department shall provide the
26 chairpersons and ranking members of the legislative fiscal
27 committee, the members of the joint appropriations
28 subcommittee on human services, and the legislative fiscal
29 bureau with an accounting of the three positions including
30 their cost to the state and the amount of recovery obtained
31 for the state in reduced medical assistance expenditures.

32 13. As a condition, qualification, and limitation of the
33 funds appropriated in this section, the department shall
34 report at least quarterly to the chairpersons and ranking
35 members of the legislative fiscal committee, the members of

1 the joint appropriations subcommittee on human services, and
2 the legislative fiscal bureau regarding medical assistance
3 expenditures. The report shall show actual expenditures
4 according to eligibility groups and service definition and the
5 original expenditure estimates on which the budget was based.
6 Upon request, the department shall provide members of the
7 general assembly with detailed monthly reports regarding
8 expenditures for the medical assistance program and the aid to
9 dependent children program.

10 14. As a condition, qualification, and limitation of the
11 funds appropriated in this section, the department shall
12 reimburse an ambulance service for transporting a medical
13 assistance recipient from a location other than a medical
14 institution to a hospital regardless of a determination of
15 medical necessity. However, the department shall develop
16 methods to reduce recipient usage of ambulance services for
17 reasons other than medical necessity, including notification
18 of recipients who have received ambulance services that were
19 not considered to be a medical necessity and ambulance
20 services that have provided such services.

21 Sec. 3. MEDICAL CONTRACTS. There is appropriated from the
22 general fund of the state to the department of human services
23 for the fiscal year beginning July 1, 1989, and ending June
24 30, 1990, the following amount, or so much thereof as is
25 necessary, to be used for the purposes designated:

26 For medical contracts:
27 \$ 4,164,800

28 As a condition, qualification, and limitation of the funds
29 appropriated in this section, up to \$50,000 shall be used to
30 expand the drug utilization review program, up to \$82,500
31 shall be used for presumptive eligibility for pregnant women,
32 and up to \$98,600 shall be used for physician case management.

33 Sec. 4. STATE SUPPLEMENTARY ASSISTANCE. There is
34 appropriated from the general fund of the state to the
35 department of human services for the fiscal year beginning

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

4 For state supplementary assistance:

4379 5 \$ 17,212,888

6 1. As a condition, qualification, and limitation of the
7 funds appropriated in this section, the department, in
8 cooperation with representatives of advocate organizations,
9 consumers, county government, and provider organizations shall
10 study methods of increasing the flexibility of the state
11 supplementary assistance program by developing new options for
12 promoting and enhancing independent living in less restrictive
13 environments. The new options studied shall include but are
14 not limited to a review of semi-independent living and
15 cooperative housing projects in terms of appropriate care and
16 cost. The department shall report the results of the study to
17 the general assembly by January 1, 1990. Not more than
18 \$30,000 shall be expended on costs related to the study.

19 2. As a condition, qualification, and limitation of the
20 funds appropriated in this section, \$110,000 is allocated to
21 provide supplemental payments to providers of services to
22 persons with mental retardation, a developmental disability,
23 or mental illness who are considered to be "difficult to
24 serve". Providers shall be paid in accordance with criteria
25 established by the department in cooperation with
26 representatives of advocate organizations, consumers, county
27 government, and provider organizations. The department shall
28 report to the chairpersons and ranking members of the fiscal
29 committee of the legislative council, the members of the joint
30 appropriations subcommittee on human services, and the
31 legislative fiscal bureau regarding progress in implementing
32 the provision of the supplemental payments. The reports shall
33 be submitted in 1990 on January 1, March 1, and June 1.

34 3. The department shall increase the personal needs
35 allowance for residents of residential care facilities by the

1 same percentage and at the same time as federal supplemental
2 security and federal Social Security benefits are increased
3 due to a recognized increase in the cost of living.

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

9 For aid to Indians under section 252.43:

4379 10 \$ 36,365

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

13 DIVISION II

14 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated
15 from the general fund of the state to the department of human
16 services for the fiscal year beginning July 1, 1989, and
17 ending June 30, 1990, the following amount, or so much thereof
18 as is necessary, to be used for the purposes designated:

19 For child day care assistance:

20 1. For grants to public agencies and private nonprofit
21 organizations which provide child day care and dependent adult
22 care resource and referral programs:

23 \$ 250,000

24 2. For protective child care assistance:

25 \$ 2,308,295

26 3. For state child day care assistance:

4379 27 \$ 3,986,108

28 a. Notwithstanding section 237A.13, twenty-five percent of
29 the funds not otherwise allocated in this subsection shall be
30 allocated to counties according to a formula based upon the
31 number of children in a county whose family income is equal to
32 or less than one hundred fifty percent of federal office of
33 management and budget poverty guidelines. Seventy-five
34 percent of the funds not otherwise allocated in this
35 subsection shall be allocated to counties based upon the

1 department's estimate of a county's expenditures for child day
2 care assistance during the fiscal year which ended June 30,
3 1989. The funds allocated to a county shall not be less than
4 the county's allocation of funding for state child day care
5 assistance in the fiscal year which ended June 30, 1989.

6 However, the department may transfer funds which are not used
7 by a county to a county in which there is a demonstrated need.

8 b. Nothing in this subsection shall be construed or is
9 intended as, or shall imply a grant of entitlement for
10 services to persons who are eligible for assistance due to an
11 income level which is equal to or less than one hundred fifty
12 percent of the federal office of management and budget poverty
13 guidelines for families. Any state obligation to provide
14 services pursuant to this section is limited to the extent of
15 the funds appropriated under this section.

4373 >

16 4. For transitional child care assistance:

17 \$ 2,600,000

18 a. As a condition, qualification, and limitation of the
19 funds appropriated in this section, the department shall work
20 with the legislative fiscal bureau to develop a means to
21 measure the effect of transitional child care assistance upon
22 the number of aid to dependent children recipients and upon
23 the economic status of the persons who receive the assistance.

24 b. As a condition, qualification, and limitation of the
25 funds appropriated in this section, the department shall
26 implement an advertising and marketing program which covers
27 each county in the state and is designed to inform eligible
28 persons and service providers regarding transitional child
29 care assistance. The advertising shall employ electronic and
30 print media and may utilize direct mail.

31 5. For grants to fund costs relating to child day care,
32 start-up, fire safety, equipment, and training:

33 \$ 606,125

34 As a condition, qualification, and limitation of the funds
35 appropriated in this section, the department shall adopt rules

1 to implement this subsection, including a provision that the
2 maximum amount granted to a grantee is \$10,000.

3 6. As a condition, qualification, and limitation of the
4 funds appropriated in this section, the department shall adopt
5 rules relating to the purchase of child day care services
6 which authorize payment for up to four days per month for days
7 an individual child is not in attendance at the child day care
8 facility.

9 7. As a condition, qualification, and limitation of the
10 funds appropriated in this section, the department shall
11 notify the chairpersons and ranking members of the legislative
12 fiscal committee and the members of the joint appropriations
13 subcommittee on human services regarding any changes made to
14 the allocations of funds in this section.

4375 >

15 Sec. 7. FAMILY DEVELOPMENT AND SELF-SUFFICIENCY GRANT
16 PROGRAM. There is appropriated from the general fund of the
17 state to the department of human services for the fiscal year
18 beginning July 1, 1989, and ending June 30, 1990, the
19 following amount, or so much thereof as is necessary, to be
20 used for the purposes designated:

21 For the family development and self-sufficiency grant
22 program as provided under sections 217.11 and 217.12:

23 \$ 890,000

24 Grants have been awarded on a three-year basis, subject to
25 annual renewal, and the funds appropriated under this section
26 shall be for support for the second twelve-month period a
27 grant is in effect. The family development and self-
28 sufficiency council shall allocate any funds appropriated in
29 addition to the funds required to support the second twelve-
30 month period for existing grants to increase the amounts of
31 existing grants, to fund a grant application received during
32 the initial year of the program which was not funded but which
33 would provide service in a rural setting in the state, and to
34 fund a new project designed as a county government and private
35 sector initiative providing substantial county and private

1 sector financial support. The council shall seek letters of
2 intent for the project designed as a county government and
3 private sector initiative and select a county to work with in
4 the development of a program. In awarding any additional
5 moneys, the council shall give attention to ensuring that the
6 funded projects reflect geographic, urban, rural, and ethnic
7 representation. Any grant renewal, grant addition, or new
8 grant shall be awarded on or before January 1, 1990. The
9 council shall report by January 15, 1990, to the chairpersons
10 and ranking members of the legislative fiscal committee, the
11 members of the joint appropriations subcommittee on human
12 services, and the legislative fiscal bureau regarding the
13 distribution of the grant awards. No more than five percent
14 of the funds appropriated under this section shall be used for
15 administration of the program. Any federal financial
16 participation received by the department for the family
17 development and self-sufficiency grant program shall be used
18 for the purposes designated under the appropriation for aid to
19 dependent children.

20 Sec. 8. WORK AND TRAINING PROGRAMS. There is appropriated
21 from the general fund of the state to the department of human
22 services for the fiscal year beginning July 1, 1989, and
23 ending June 30, 1990, the following amounts, or so much
24 thereof as is necessary, to be used for the purposes
25 designated:

26 1. For the work incentive and JOBS programs:
27 \$ 1,930,636

28 a. As a condition, qualification, and limitation of the
29 funds appropriated in this section, the department shall
30 operate the work incentive program or the job opportunities
31 and basic skills training (JOBS) program pursuant to the
32 federal Family Support Act of 1988, Pub. L. No. 100-485, Title
33 II, in counties in which the work incentive program was
34 operated on July 1, 1988. The major emphases of the program
35 shall be to improve employment skills and maximize

1 participation in the individual education and training plan
2 program or a similar JOBS program component while
3 concentrating efforts on involving persons, who have a history
4 of being difficult to employ, in long-term training and
5 education activities. The individual education and training
6 plan program shall continue to be operated by the department
7 as a special need when the JOBS program is implemented. The
8 department, in cooperation with recipients of aid to dependent
9 children, human services advocates, and other interested
10 parties, shall establish conciliation procedures for the JOBS
11 program and shall implement the procedures concurrently with
12 the program. The procedures shall be designed to ensure that
13 the JOBS program goals are enhanced and that a dispute is
14 resolved before a sanction is applied.

15 b. The department may implement the JOBS program for
16 public assistance recipients in additional counties which were
17 not served by the work incentive program on July 1, 1988,
18 following receipt of recommendations from an affected county
19 as to the most appropriate agency to operate the program in
20 the county. The program may then be operated directly by the
21 department or through a contract with the department of
22 employment services and the Iowa department of economic
23 development.

24 c. Notwithstanding any provisions to the contrary under
25 chapters 239 and 249C, the department is authorized to
26 implement the job opportunities and basic skills training
27 program pursuant to the federal Family Support Act of 1988,
28 Pub. L. No. 100-485, Title II, as provided under this
29 subsection and to implement the grant diversion program as
30 provided under 441 Iowa administrative code, ch. 91, in a
31 county to increase job opportunities for recipients of aid to
32 dependent children.

33 d. Notwithstanding any provisions of law to the contrary,
34 beginning October 1, 1989, the department may implement
35 preeligibility fraud detection for the aid to dependent

1 children program in accordance with the federal Family Support
2 Act of 1988, Pub. L. No. 100-485, § 505.

3 e. Notwithstanding section 239.21, beginning April 1,
4 1990, the department shall implement the extended child care
5 program in accordance with the federal Family Support Act of
6 1988, Pub. L. No. 100-485, Title III, § 302.

7 f. Except as otherwise mandated by federal law, a
8 recipient under the aid to dependent children program pursuant
9 to chapter 239 who has a child less than three years of age
10 shall not be required to participate in the JOBS program but
11 shall be given priority if the recipient participates
12 voluntarily. A parent who is less than eighteen years of age
13 and has not completed high school or has not received a
14 graduate equivalency diploma may be required to participate in
15 activity leading to high school completion or a graduate
16 equivalency diploma provided the department determines that
17 the parent is able to successfully complete the activity and
18 the parent is not participating in any other activity related
19 to employment, training for employment, or life skills de-
20 velopment designed to lead to greater self-sufficiency. Other
21 persons who are not mandatory participants under the JOBS
22 program shall not be required to participate. An eligible
23 person shall not be required to participate for good cause if
24 the person shows that the person's failure or refusal to
25 participate is reasonable under the circumstances.

26 g. The department may exceed the full-time equivalent
27 position limit established for community services and may
28 transfer funds necessary for staff and support to operate the
29 work incentive program and JOBS program in accordance with
30 this subsection.

31 n. As a condition, qualification, and limitation of the
32 funds appropriated in this section, in implementing the JOBS
33 program, the department shall ensure that each participant
34 receives a formal assessment and that an employability plan is
35 completed with each participant. The employability plan shall

1 contain an employment goal and the support services and the
2 specific work or training activities necessary to attain the
3 goal, with job search requirements imposed only if consistent
4 with the participant's employability plan.

5 2. For the food stamp employment and training program:
6 \$ 159,053

7 Sec. 9. CHILD SUPPORT RECOVERY. There is appropriated
8 from the general fund of the state to the department of human
9 services for the fiscal year beginning July 1, 1989, and
10 ending June 30, 1990, the following amount, or so much thereof
11 as is necessary, to be used for the purposes designated:

12 For child support recoveries, including salaries, support,
13 maintenance, miscellaneous purposes, and for not more than the
14 following full-time equivalent positions:
15 \$ 956,174
16 FTEs 165.00

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

33 2. The department may enter a cooperative agreement with
34 the judicial department to establish and fund a pilot project
35 of expedited child support orders and modifications. The

1 department may transfer funds appropriated under this section
2 for purposes of implementing the pilot project.

3 3. The department shall develop and implement a public
4 information and awareness plan to inform and educate
5 responsible parents of the obligation to support their
6 dependent children and of methods used to enforce the
7 obligation, to provide information to custodial parents of
8 services available through the child support recovery unit,
9 and to inform parents of procedures to be followed to modify a
10 child support obligation. The department shall invite
11 participation in the development of the plan from public and
12 private agencies, schools, and other organizations with an
13 interest in child support, public information, and education.
14 The department shall utilize existing public and private
15 resource entities to implement the plan.

16 4. As a condition, qualification, and limitation of the
17 funds appropriated in this section, the department shall
18 review existing policies and procedures relating to paternity
19 establishment and develop new procedures as necessary to fully
20 inform a putative father of the implications of voluntarily
21 stipulating to paternity. The procedures shall include the
22 issuance of notices to putative fathers regarding their rights
23 and responsibilities if paternity is legally established, the
24 degree of accuracy of blood testing procedures in determining
25 paternity, rights in requesting or submitting to blood
26 testing, and other legal choices available to putative fathers
27 in the paternity establishment process, including the right to
28 counsel and advice. The department shall involve interested
29 groups and organizations in the development of the procedures.

30 Sec. 10. COLLECTION SERVICES CENTER. There is
31 appropriated from the general fund of the state to the
32 department of human services for the fiscal year beginning
33 July 1, 1989, and ending June 30, 1990, the following amount,
34 or so much thereof as is necessary, to be used for the
35 purposes designated:

1 For the collection services center, including salaries,
2 support, maintenance, miscellaneous purposes, and for not more
3 than the following full-time equivalent positions:

4	\$	285,246
5	FTEs	28.00

6 DIVISION III

7 Sec. 11. JUVENILE INSTITUTIONS. There is appropriated
8 from the general fund of the state to the department of human
9 services for the fiscal year beginning July 1, 1989, and
10 ending June 30, 1990, the following amount, or so much thereof
11 as is necessary, to be used for the purposes designated:

12 For the operation of the state training school and the Iowa
13 juvenile home, including salaries, support, maintenance,
14 miscellaneous purposes, and for not more than the following
15 full-time equivalent positions:

16 1. For the Iowa juvenile home at Toledo:

17	\$	3,985,480
18	FTEs	123.5

19 2. For the state training school at Eldora:

20	\$	6,953,834
21	FTEs	224.0

22 3. By October 1, 1989, the department of human services
23 and the judicial department shall set population goals for the
24 number of juveniles which may be placed at one time at the
25 state training school at Eldora and at the Iowa juvenile home
26 at Toledo and shall develop a plan to achieve the goals,
27 including the identification of additional placement services
28 required to achieve the goals.

29 4. The department shall develop a procedure to determine
30 if a juvenile who is ordered to be placed in a state juvenile
31 institution would be more appropriately placed in a program
32 which offers specific services related to the juvenile's
33 substance abuse, mental health, developmental disability, or
34 mental retardation. If the department determines that a more
35 appropriate placement should be made, the department shall

1 seek to obtain a modification of the court order to effect
2 such placement.

3 5. It is the intent of the general assembly that the state
4 training school be used for long-term placement of juveniles;
5 that the length of time which a juvenile is placed at the
6 state training school be based upon the juvenile's educational
7 and training needs and the degree of threat to society caused
8 by the child's presence outside of secure custody.

9 Sec. 12. FOSTER CARE. There is appropriated from the
10 general fund of the state to the department of human services
11 for the fiscal year beginning July 1, 1989, and ending June
12 30, 1990, the following amount, or so much thereof as is
13 necessary, to be used for the purposes designated:

14 For foster care:

4379 15 \$ 42,813,962

16 1. Of the funds appropriated under this section, up to
17 \$564,000 may be used by the department to provide enhanced
18 funding of services to family foster homes to avert placement
19 of children in group care facilities and at least \$450,000
20 shall be used to provide enhanced funding of services to group
21 care facilities to avert placement of children in more
22 expensive, less appropriate, or out-of-state facilities.

23 2. The department may use funds appropriated under this
24 section to develop supplemental per diem or performance-based
25 contracts with private group care providers for programs
26 serving children who would otherwise be placed in a state
27 juvenile institution or an out-of-state program. The
28 department shall give priority to serving children whose
29 placement at the state training school or the Iowa juvenile
30 home would cause the state juvenile institution to exceed the
31 population goal established under section 11 of this Act.

32 3. The department may transfer a portion of the funds
33 appropriated under this section to provide subsidized adoption
34 services or to purchase adoption services, if funds allocated
35 under this section for adoption services are insufficient.

1 4. The department and state court administrator shall work
2 together in implementing an agreement which enables the state
3 to receive funding for eligible cases under the federal Social
4 Security Act, Title IV-E.

5 5. No more than thirty percent of children placed in
6 foster care funded under the federal Social Security Act,
7 Title IV-E, shall be placed in foster care for a period of
8 more than twenty-four months.

9 6. Of the funds appropriated under this section, \$165,000
10 is allocated for the foster home insurance fund.

11 Notwithstanding section 237.13, the department may use funds
12 appropriated under this section to purchase liability
13 insurance for licensed foster parents in lieu of providing
14 payment for claims filed against the foster home insurance
15 fund, if comparable coverage can be obtained through private
16 insurance. Notwithstanding section 8.33, funds remaining in
17 the foster home insurance fund shall not revert to the general
18 fund on June 30, 1990, but shall remain available in the
19 following fiscal year for the purposes designated.

20 7. As a condition, qualification, and limitation of the
21 funds appropriated under this section, \$30,000 may be used by
22 the department to contract for the development of a
23 methodology to purchase foster care services based upon the
24 difficulty of caring for a child and the level of services
25 needed by the child.

26 8. As a condition, qualification, and limitation of the
27 funds appropriated in this section, the department shall
28 continue the demonstration program to decategorize child
29 welfare services in the two counties in which the program has
30 commenced. The department shall implement the demonstration
31 program in Dubuque and Pottawattamie counties, which have
32 submitted letters of intent, if the department, the boards of
33 supervisors in the counties, and the affected judicial
34 districts agree to implement the program. The schedule for
35 implementing the demonstration program in the two additional

1 counties shall provide that the program be implemented on or
2 after June 30, 1990. The department shall establish for the
3 demonstration project counties a child welfare fund composed
4 of all or part of the amount that would otherwise be expected
5 to be used for residents of the counties for foster care,
6 family-centered services, subsidized adoption, day care, local
7 purchase of services, juvenile institutional care, mental
8 health institute care, state hospital-school care, juvenile
9 detention, department-direct services, and juvenile justice
10 county-based reimbursable services and notwithstanding any
11 other provision of law, the fund shall be considered
12 encumbered. With the approval of the department, a
13 demonstration project county may elect to transfer to the
14 child welfare fund other child welfare funding provided for
15 treatment services to youth under Title XIX of the federal
16 Social Security Act, including funding for psychiatric
17 hospital services. Notwithstanding other service funding
18 provisions in law, the department shall establish the fund by
19 transferring funds from the budgets affected, except for the
20 funds appropriated for the state mental health institutes, the
21 state hospital-schools, the state training school, and the
22 Iowa juvenile home which shall remain on account for the
23 county at these institutions. The department and each
24 demonstration project county shall quarterly determine if the
25 county will not draw down the amounts from the county's
26 accounts at the state institutions. If there is an overall
27 surplus in the county's accounts for the quarter, the
28 department shall transfer an amount equal to the surplus to
29 the county's child welfare fund from the state foster care
30 appropriation. The child welfare fund may be used to support
31 services and payment rates not allowable within historical
32 program or service categories. The department shall work with
33 demonstration project county boards of supervisors and
34 judicial districts to provide training for the project, and
35 shall use technical assistance provided by the national

1 conference of state legislatures and the center for the study
2 of social policy. It is the intent of the general assembly
3 that the demonstration program be designed to operate in a
4 county for a three-year period. If a demonstration project
5 county experiences increases in demand for services funded
6 from the county's child welfare fund beyond projected need
7 despite efforts by the county to maintain expenditures within
8 the funds available, the conditions shall be evaluated by the
9 statewide decategorization committee. If the committee
10 determines that a deficit will occur, the department shall
11 request a supplemental appropriation in the amount of the
12 fund's projected deficit.

13 9. The department of human services, the judicial
14 department, the department of education, and representatives
15 of service providers shall continue the committee on children
16 with special service needs. The committee shall be
17 responsible to find placements for children who have
18 exceptional service needs or who have been rejected in
19 previous referrals and who may be at risk of being placed out
20 of state.

21 10. As a condition, qualification, and limitation of the
22 appropriation made under this section, \$30,000 may be used by
23 the department to contract with universities to provide
24 ongoing research and evaluation assistance to programs and
25 initiatives of the department involving family-centered
26 services and foster care. The contracts shall make maximum
27 use of any matching resources available from the universities
28 with which the department contracts.

29 11. Of the funds appropriated in this section, \$30,000 is
30 allocated to provide special needs grants to families with a
31 family member at home who is developmentally disabled. Grants
32 must be used by a family to defray special costs of caring for
33 the family member to prevent out-of-home placement of the
34 family member. The grants may be administered by a private
35 nonprofit agency provided that no administrative costs are

1 received by the agency. Regular reports regarding
2 coordination of the special needs grants with the family
3 support subsidy program shall be provided to the legislative
4 fiscal bureau.

5 12. Of the funds appropriated in this section, \$175,000 is
6 allocated to provide funding for a grant to a private group
7 foster care agency to complete construction of a new group
8 care facility. Notwithstanding section 18.6, the funding
9 shall be provided to a private group foster care agency which
10 received a grant of \$300,000 to begin construction from the
11 department of economic development.

12 13. The department may use a portion of the funds
13 appropriated in this section to purchase special services in
14 order to demonstrate whether the services can prevent out-of-
15 home shelter care.

16 Sec. 13. CHILD PROTECTIVE SYSTEM IMPROVEMENTS. There is
17 appropriated from the general fund of the state to the
18 department of human services for the fiscal year beginning
19 July 1, 1989, and ending June 30, 1990, the following amount,
20 or so much thereof as is necessary, to be used for the
21 purposes designated:

22 For improvements in the state system for child protection:

- 23 1. For improvements in decategorization counties:
- 24 \$ 100,000

25 Of the funds appropriated by this subsection, \$65,000 is
26 allocated to Polk county and \$35,000 is allocated to Scott
27 county to develop program innovations consistent with the
28 recommendations contained in the Kempe National Center Report
29 entitled "Study of Four Problem Areas in the Protection of
30 Children in Iowa - 1988" and the counties' efforts in
31 decategorization of child welfare funding.

- 32 2. For general administration of the department to improve
- 33 staff training efforts:
- 34 \$ 420,000

35 3. For funding of a new program manager position to

1 oversee termination of parental rights and permanency planning
2 efforts, and to fund one full-time equivalent position
3 specializing in termination of parental rights cases on a
4 pilot project basis in one district of the department on the
5 condition that regular reports regarding the district's
6 program efforts shall be provided to the legislative fiscal
7 bureau:

8 \$ 75,000

9 4. For use by the department in updating manuals,
10 automating procedures, developing outcome-oriented evaluation
11 systems, and to fund a full-time equivalent position to
12 promote innovative treatment programs, write grants to obtain
13 federal and private funding, and promote public and private
14 efforts to treat and prevent child abuse:

15 \$ 75,000

16 5. For personnel, assigned by the attorney general, to
17 provide additional services with an emphasis on termination of
18 parental rights cases within one district of the department:

19 \$ 75,000

20 6. For transfer to the foster care review board to provide
21 a connecting link with the news media and the public regarding
22 the foster care system and existing foster care cases:

23 \$ 10,000

24 7. For the establishment of a state multidisciplinary team
25 to assist with difficult cases within the foster care system
26 and with respect to child protective investigation and initial
27 case planning and to develop and coordinate local
28 multidisciplinary teams:

29 \$ 75,000

30 8. For additional child abuse prevention grants:

31 \$ 100,000

32 Sec. 14. HOME-BASED SERVICES. There is appropriated from
33 the general fund of the state to the department of human
34 services for the fiscal year beginning July 1, 1989, and
35 ending June 30, 1990, the following amount, or so much thereof

1 as is necessary, to be used for the purposes designated:

2 For home-based services on the condition that family
3 planning services are funded, provided that if the department
4 amends the allocation to a program funded under this section,
5 then the department shall promptly notify the legislative
6 fiscal bureau of the change:

4377 7 \$ 8,333,382

8 Of the funds appropriated in this section, \$1,892,800 shall
9 be used for family preservation and reunification services
10 pilot projects. A portion of the funds shall be used to
11 maintain service levels in existing family preservation
12 projects and to expand the projects to provide postplacement
13 reunification services to families participating in the
14 projects. A portion of the funds shall be used to contract
15 for the purchase of family preservation services in up to
16 three additional districts of the department in which the
17 services are not being offered. Following review by the
18 statewide family preservation and decategorization committee,
19 the department may directly provide services in one of the
20 three additional districts. A limited amount of the funds may
21 be used to provide other resources required for a family
22 participating in a project to stay together or to be
23 reunified. Not more than \$50,000 shall be used to provide
24 training for pilot project employees. The payment system for
25 the project shall not be based upon units of time, but may be
26 based upon the cost to serve a family, including adjustments
27 according to the provider's performance and the outcome of the
28 services provided to each family. It is the intent of the
29 general assembly that the three-year evaluation of this
30 initiative be continued to assess impact and cost-
31 effectiveness and that the department seek additional
32 assistance from the division of criminal and juvenile justice
33 planning of the department of human rights in evaluating both
34 this initiative and the decategorization projects. The
35 department shall continue to develop both the family

1 preservation and the decategorization projects in consultation
2 with professionals in the child welfare field and using
3 outside technical assistance from the national conference of
4 state legislatures and the center for the study of social
5 policy. The department shall use the family preservation and
6 decategorization committee to assist in selecting additional
7 projects.

8 Sec. 15. COMMUNITY-BASED PROGRAMS. There is appropriated
9 from the general fund of the state to the department of human
10 services for the fiscal year beginning July 1, 1989, and
11 ending June 30, 1990, the following amount, or so much thereof
12 as is necessary, to be used for the purposes designated:

13 For community-based programs on the condition that the
14 prevention grants relating to adolescent pregnancy under
15 subsection 2 of this section are funded:

16 \$ 2,307,907

17 1. As a condition, qualification, and limitation of the
18 funds appropriated by this section, up to \$13,500 shall be
19 used by the department as the entitled aid from the state
20 under section 232.142, subsection 3, for the cost of the
21 establishment, improvement, operation, and maintenance of
22 approved county or multicounty juvenile homes.

23 2. Of the funds appropriated under this section, \$500,000
24 shall be used for adolescent pregnancy prevention grants. At
25 least seventy-five percent of the funds shall be used for
26 programs which incorporate family planning and pregnancy
27 prevention services as the major component of the program.
28 The department shall not expend more than seven percent of the
29 funds for administrative costs. The department shall adopt
30 rules to implement this subsection. A grant may be awarded to
31 a public school corporation, an adolescent services provider,
32 or a nonprofit organization which is involved in adolescent
33 issues. Grants shall be awarded for a one-year period and
43 7334 targeted to provide services in the seven counties with the
35 greatest incidence of adolescent pregnancy. Preference in

1 awarding grants shall be given to projects which utilize a
2 variety of community resources and agencies.

3 a. As used in this subsection, "adolescent" means a person
4 who is less than eighteen years of age or a person who is
5 attending an accredited high school and pursuing a course of
6 study which will lead to a high school diploma or its
7 equivalent. The department shall establish guidelines which
8 permit a grant recipient to continue providing services to a
9 person who receives services under the grant as an adolescent
10 and becomes eighteen years of age or older.

11 b. A grant shall only be awarded to a project which
12 provides one or more of the following services:

13 (1) Workshops and information programs for adolescents and
14 parents of adolescents to improve communication between
15 children and parents regarding human sexuality issues.

16 (2) Development and distribution of informational material
17 designed to discourage adolescent sexual activity and to
18 encourage male and female adolescents to assume responsibility
19 for their sexual activity and parenting.

20 (3) Early pregnancy detection, prenatal services including
21 chlamydia testing, and counseling regarding decision-making
22 options for pregnant adolescents.

23 (4) Case management and child care services provided to
24 male and female adolescent parents.

25 c. Additional services may be offered by a grantee
26 pursuant to a purchase of service contract with the department
27 including any of the following: child day care services;
28 child development and parenting instruction; services to
29 support high school completion, job training, and job
30 placement; prevention of additional pregnancies during
31 adolescence; and other personal services.

32 3. As a condition, qualification, and limitation of the
4373 33 funds appropriated by this section, up to \$350,686 shall be
34 used by the department for child abuse prevention grants.

35 Sec. 16. BLOCK GRANT SUPPLEMENTATION. There is

1 appropriated from the general fund of the state to the
2 department of human services for the fiscal year beginning
3 July 1, 1989, and ending June 30, 1990, the following amount,
4 or so much thereof as is necessary, to be used for the
5 purposes designated:

6 For supplementation of federal social services block grant
7 funds and for allocation to the various counties for the
8 purchase of local services:

43779 \$ 3,852,357

10 1. The funds appropriated in this section shall be
11 allocated to the counties pursuant to the rules of the
12 department in effect on January 1, 1985. The department shall
13 increase the income guidelines for income eligible persons
14 receiving services funded with federal social services block
15 grant funds for the fiscal year beginning July 1, 1989, by the
16 same percentage and at the same time as federal social
17 security benefits are increased due to a recognized increase
18 in the cost of living.

19 2. As a condition, qualification, and limitation of the
20 funds appropriated in this section, the department, in
21 cooperation with representatives of advocate organizations,
22 consumers, county government, and provider organizations,
23 shall consider methods for increasing the flexibility of the
24 social services block grant purchase of local services
25 allocation by developing new options to promote greater
26 integration into the community of clients who receive services
27 under the grant. The new options to be considered for
28 inclusion under the social services block grant purchase of
29 local services allocation shall include but are not limited to
30 supported work training and supported employment. The
31 department may implement the recommendations during the fiscal
32 year which begins on July 1, 1989.

33 3. As a condition, qualification, and limitation of the
34 funds appropriated in this section, the state shall adopt
35 rules for standards applied to intermediate care facilities

1 for the mentally retarded which provide for facility standards
2 which are equal to the federal facility standards for this
3 type of facility.

4 Sec. 17. JUVENILE JUSTICE. There is appropriated from the
5 general fund of the state to the department of human services
6 for the fiscal year beginning July 1, 1989, and ending June
7 30, 1990, the following amount, or so much thereof as is
8 necessary, to be used for the purposes designated:

9 For juvenile justice reimbursement to counties under
10 section 232.141, subsection 2:

11 \$ 4,713,200

12 Sec. 18. IOWA VETERANS HOME. There is appropriated from
13 the general fund of the state to the department of human
14 services for the fiscal year beginning July 1, 1989, and
15 ending June 30, 1990, the following amount, or so much thereof
16 as is necessary, to be used for the purposes designated:

17 For operation of the Iowa veterans home, including
18 salaries, support, maintenance, miscellaneous purposes, and
19 for not more than the following full-time equivalent posi-
20 tions:

21 \$ 27,029,775

22 FTEs 832.16

23 The department may use the gifts accepted by the director
24 of human services pursuant to section 218.96 and other
25 resources available to the department for use at the Iowa
26 veterans home for purposes identified by the department.

27 DIVISION IV

28 Sec. 19. MENTAL HEALTH INSTITUTES. There is appropriated
29 from the general fund of the state to the department of human
30 services for the fiscal year beginning July 1, 1989, and
31 ending June 30, 1990, the following amount, or so much thereof
32 as is necessary, to be used for the purposes designated:

33 For the state mental health institutes for salaries,
34 support, maintenance, miscellaneous purposes, and for not more
35 than the following full-time equivalent positions:

1	1. State mental health institute at Cherokee:	
2	.....	\$ 13,178,065
3	.....	FTEs 379.4
4	2. State mental health institute at Clarinda:	
5	.....	\$ 7,052,997
6	.....	FTEs 194.11
7	3. State mental health institute at Independence:	
8	.....	\$ 13,914,096
9	.....	FTEs 417.22
10	4. State mental health institute at Mount Pleasant:	
11	.....	\$ 7,640,971
12	.....	FTEs 200.49
13	5. For staff and support relating to fulfilling	
14	requirements ordered for certification standards:	
15	.....	\$ 200,000

16 6. As a condition, qualification, and limitation of the
 17 funds appropriated in subsections 1 and 3, the department
 18 shall track the sources of referrals to the secure ward for
 19 children developed at the state mental health institute at
 20 Independence and of children placed in a secure ward with
 21 adults at the state mental health institute at Cherokee. The
 22 department shall develop an admission criteria to restrict the
 23 number of children who can be placed in a secure ward and
 24 collect data on the characteristics of the children placed in
 25 the ward including classification of illness. A report shall
 26 be submitted to the legislative fiscal bureau on or before
 27 January 15, 1990, regarding the data collected during the
 28 period beginning July 1, 1989, and ending December 31, 1989.
 29 The department shall adopt rules pursuant to chapter 17A which
 30 take effect October 1, 1989, and prohibit the placement of a
 31 child in a secure ward with adults in the state mental health
 32 institute at Independence.

33 Sec. 20. HOSPITAL-SCHOOLS. There is appropriated from the
 34 general fund of the state to the department of human services
 35 for the fiscal year beginning July 1, 1989, and ending June

1 30, 1990, the following amount, or so much thereof as is
2 necessary, to be used for the purposes designated:

3 For the state hospital-schools, for salaries, support,
4 maintenance, miscellaneous purposes, and for not more than the
5 following full-time equivalent positions:

- 6 1. State hospital-school at Glenwood:
- 7 \$ 36,120,355
- 8 FTEs 1,190.5
- 9 2. State hospital-school at Woodward:
- 10 \$ 28,760,958
- 11 FTEs 946.5

12 As a condition, qualification, and limitation of the funds
13 appropriated in this section, one unit of a state hospital-
14 school which is open on June 30, 1989, shall be closed during
15 the fiscal year which begins July 1, 1989.

16 Sec. 21. MENTAL HEALTH AND RETARDATION SERVICES FUND.

17 There is appropriated from the general fund of the state to
18 the state community mental health and mental retardation
19 services fund established in section 225C.7 for the fiscal
20 year beginning July 1, 1989, and ending June 30, 1990, the
21 following amount, or so much thereof as is necessary:

22 \$ 3,205,000

23 Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. There is

24 appropriated from the general fund of the state to the
25 department of human services for the fiscal year beginning
26 July 1, 1989, and ending June 30, 1990, the following amount,
27 or so much thereof as is necessary, to be used for the
28 purposes designated:

29 For the family support subsidy program:

30 \$ 400,000

31 For the fiscal year beginning July 1, 1989, the governor's
32 planning council for developmental disabilities shall conduct
33 the evaluation of the family support subsidy program required
34 of the department pursuant to section 225C.42.

* 35 Sec. 23. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION --

1 DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated
2 from the general fund of the state to the state candidate
3 services fund for the fiscal year beginning July 1, 1989, and
4 ending June 30, 1990, the following amount, or so much thereof
5 as is necessary to be used by the department of human services
6 for the purposes designated:

7 S 4,779,600

8 1. The enhanced mental health, mental retardation, and
9 developmental disabilities services plan oversight committee
10 is continued, as established under 1988 Iowa Acts, chapter
11 1276, section 14, subsection 1, for the fiscal year which
12 begins July 1, 1989, and ends June 30, 1990. The committee
13 shall complete all of the following responsibilities:

14 a. Take action on whether to include behavior management
15 as a candidate service in an amendment to the state Title XIX
16 plan, to develop a federal waiver request for behavior
17 management as a candidate service, or to take no action to
18 include behavior management as a covered service. Decisions
19 shall be based upon a determination of the availability of
20 funds for the nonfederal share of the cost of the service.

21 b. Explore and make recommendations regarding the
22 submission of a request for a Title XIX plan waiver for any
23 candidate services which are not accepted by the federal
24 government as a state plan amendment.

25 c. Review and make recommendations regarding the county
26 case management implementation plan and budget to the state
27 mental health and mental retardation commission.

28 d. Track the expenditures for, and utilization of,
29 candidate services. Report a variance in an approved plan to
30 the governor, the legislative fiscal bureau, and each county.

31 e. Recommend action regarding variations from the
32 budgeted, appropriated, and identified expenditures and
33 projected expenditure offsets to the council on human services
34 and the state mental health and mental retardation commission.

35 f. Submit a report regarding the results of the

1 implementation of the provisions of this section, including
2 the impact upon the institutional populations, to the governor
3 and the general assembly. The report shall contain
4 recommendations regarding continuing the provisions of this
5 section in subsequent budget years.

6 g. Recommend rules, or amendments to existing rules, which
7 implement the provisions of this section, to the council on
8 human services and the state mental health and mental
9 retardation commission.

10 h. Issue a final decision regarding any issue of
11 disagreement between a county and the department relating to
12 expenditures for candidate services or the county's
13 maintenance of effort.

14 2. For purposes of this section, "candidate services"
15 means rehabilitation services, day treatment, partial
16 hospitalization, and case management. Behavior management
17 services shall be included in the state Title XIX plan as a
18 candidate service if recommended by the oversight committee.

19 If recommended by the oversight committee, the department
20 shall seek Title XIX plan waivers for any of the candidate
21 services which are not accepted by the federal government as a
22 state plan amendment.

23 3. a. The county of legal settlement shall be billed for
24 fifty percent of the nonfederal share of the cost of case
25 management provided to adults, rehabilitation services, day
26 treatment, and partial hospitalization provided under the
27 medical assistance program for persons with mental
28 retardation, a developmental disability, or chronic mental
29 illness.

30 b. If the department has contracted with a county or a
31 consortium of counties to be the provider of case management
32 services, the department is responsible for any costs included
33 within the unit rate for case management services which are
34 disallowed for reimbursement pursuant to Title XIX of the
35 federal Social Security Act by the federal health care

1 financing administration. The department shall use funds
2 appropriated under this section to credit a county for the
3 county's share of any amounts overpaid due to the disallowed
4 costs. If certain costs are disallowed due to requirements or
5 preferences of a particular county in the provision of case
6 management services the county shall receive no credit for the
7 amount of the costs. This subsection is retroactive to April
8 1, 1989.

9 4. A county is responsible to continue to expend at least
10 the agreed upon amount expended for candidate services in the
11 fiscal year which ended June 30, 1987, for the fiscal year
12 beginning July 1, 1989, for services to persons with mental
13 retardation, a developmental disability, or chronic mental
14 illness. If a county does not expend the agreed upon amount
15 in the fiscal year, the balance not expended shall not revert
16 to the general fund of the county, but shall be carried over
17 to the next fiscal year to be expended for the provision of
18 services to persons with mental retardation, a developmental
19 disability, or mental illness including, but not limited to,
20 the chronically mentally ill, and shall be used as additional
21 funds. The additional funds shall be used, to the greatest
22 extent possible, to meet unmet needs of persons with mental
23 retardation, a developmental disability, or mental illness.
24 This subsection does not relieve the county from any other
25 funding obligations required by law, including but not limited
26 to the obligations in section 222.60.

27 5. a. Notwithstanding section 8.33, funds appropriated
28 under this section which are not obligated or encumbered shall
29 not revert to the general fund on September 30, 1990, but
30 shall be deposited in the state community mental health and
31 mental retardation services fund for use in the fiscal year
32 beginning July 1, 1990. It is the intent of the general
33 assembly that the funds deposited in the state community
34 mental health and mental retardation services fund for this
35 purpose shall be used in addition to moneys appropriated in

1 the fiscal year beginning July 1, 1989, for this purpose.

2 b. Notwithstanding section 8.39, funds appropriated to the
3 department for the state hospital-schools by section 20 of
4 this Act and to the state mental health institutes by section
5 19 of this Act shall not be subject to transfer, except to the
6 state candidate services fund after January 1, 1990,
7 subsequent to a reevaluation of the institutional budgets for
8 the remainder of the fiscal year.

9 6. The department, in conjunction with the oversight
10 committee, and with the agreement of each county, shall
11 establish the actual amount expended for each candidate
12 service for persons with mental retardation, a developmental
13 disability, or chronic mental illness in the fiscal year which
14 ended June 30, 1987, and this amount shall be deemed each
15 county's base year expenditure for the candidate service. A
16 disagreement between the department and a county as to the
17 actual amount expended shall be decided by the oversight
18 committee.

19 The department, in conjunction with the oversight
20 committee, and with the agreement of each county, shall
21 determine the expenditures in the fiscal year beginning July
22 1, 1989, by each county for the candidate services, including
23 the amount the county contributes under subsection 3. If the
24 expenditures in the fiscal year beginning July 1, 1989, exceed
25 the base year expenditures for candidate services, then the
26 county shall receive from the funds appropriated under this
27 section the least amount of the following:

28 a. The difference between the total expenditures for the
29 candidate services in the fiscal year beginning July 1, 1989,
30 and the base year expenditures.

31 b. The amount expended by the county under subsection 3.

32 c. The amount by which total expenditures for persons with
33 mental retardation, a developmental disability, or chronic
34 mental illness for the fiscal year beginning July 1, 1989,
35 less any carryover amount from the fiscal year which began

1 July 1, 1988, exceed the maintenance of effort expenditures
2 under subsection 4.

3 7. Notwithstanding section 225C.20, case management
4 services shall be provided by the department except when a
5 county or a consortium of counties contracts with the
6 department to provide the services. A county or consortium of
7 counties may contract to be the provider at any time and the
8 department shall agree to the contract so long as the contract
9 meets the standards for case management adopted by the
10 department. The county or consortium of counties may
11 subcontract for the provision of case management services if
12 the subcontract meets the same standards. A mental health,
13 mental retardation, and developmental disabilities
14 coordinating board may change the provider of individual case
15 management services at any time. If the current or proposed
16 contract is with the department, the coordinating board shall
17 provide written notification of a proposed change to the
18 department on or before August 15 and written notification of
19 an approved change on or before October 15 in the fiscal year
20 which precedes the fiscal year in which the change will take
21 effect.

22 8. This section does not relieve the county from any other
23 funding obligations required by law, including but not limited
24 to the obligations in section 222.60.

25 9. Nothing in this Act is intended by the general assembly
26 to be the provision of a fair and equitable funding formula
27 specified in 1985 Iowa Acts, chapter 249, section 9. Nothing
28 in this Act shall be construed, is intended, or shall imply a
29 claim of entitlement to any programs or services specified in
30 section 225C.28.

31 10. For the purposes of this section only, persons with
32 organic mental disorders shall not be considered chronically
33 mentally ill.

34 11. Where the department contracts with a county or
35 consortium of counties to provide case management services,

1 the state shall appear and defend the department's employees
2 and agents acting in an official capacity on the department's
3 behalf and the state shall indemnify the employees and agents
4 for acts within the scope of their employment. The state's
5 duties to defend and indemnify shall not apply if the conduct
6 upon which any claim is based constitutes a willful and wanton
7 act or omission or malfeasance in office.

8 DIVISION V

9 Sec. 24. COMMUNITY SERVICES. There is appropriated from
10 the general fund of the state to the department of human
11 services for the fiscal year beginning July 1, 1989, and
12 ending June 30, 1990, the following amount, or so much thereof
13 as is necessary, to be used for community services:

14 For field operations, including salaries, support,
15 maintenance, miscellaneous purposes, and for not more than the
16 following full-time equivalent positions:

17	.....	\$ 37,807,767
18	.....	FTEs 2,228.50

19 1. As a condition, qualification, and limitation of the
20 funds appropriated in this section, the department shall
21 provide an extensive orientation program for newly employed
22 social workers in the area of community resource programs and
23 shall provide assistance to each county board of social
24 welfare to identify community resources in counties pursuant
25 to section 234.11.

26 2. Staff who are designated as "Title XIX case management
27 staff" are considered to be in addition to the limit for full-
28 time equivalent positions and the funds appropriated for field
29 operations. As a condition, qualification, and limitation of
30 the funds appropriated in this section, the department shall
31 report quarterly to the chairpersons and ranking members of
32 the legislative fiscal committee of the legislative council,
33 the members of the joint appropriations subcommittee on human
34 services, and the legislative fiscal bureau regarding the
35 total number of Title XIX case management staff positions

1 filled, including the number of positions which were filled by
2 persons who were already employed by the department in another
3 capacity.

4 3. As a condition, qualification, and limitation of the
5 funds appropriated in this section, upon the request of a
6 county, the department shall work with the county to develop a
7 funding plan for persons with mental retardation, a
8 developmental disability, or chronic mental illness who are
9 not eligible to receive case management provided under the
10 medical assistance program and are receiving service
11 management. With an agreed upon funding plan, the department
12 is authorized to combine state funds that would otherwise be
13 expended on service management with county funds to upgrade
14 services provided to the persons from service management to
15 case management. Staff required to implement this subsection
16 are not subject to the limitations on full-time equivalent
17 positions and funds appropriated for community services.

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18 Sec. 25. GENERAL ADMINISTRATION. There is appropriated
19 from the general fund of the state to the department of human
20 services for the fiscal year beginning July 1, 1989, and
21 ending June 30, 1990, the following amount, or so much thereof
22 as is necessary, to be used for the purposes designated:

23 For general administration, including salaries, support,
24 maintenance, miscellaneous purposes, and for not more than the
25 following full-time equivalent positions:

26	\$	8,339,096
27	FTEs	329.45

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

35 2. As a condition, qualification, and limitation of the

1 funds appropriated in this section, one full-time equivalent
2 position shall be filled by a housing specialist who is
3 assigned to attract additional federal funding to increase
4 low-income housing and to work with local governments and
5 private agencies in developing additional housing for persons
6 who are part of special populations, including but not limited
7 to the mentally ill. The department of human services'
8 housing specialist shall coordinate efforts with the Iowa
9 finance authority and the housing specialist in the Iowa
10 department of elder affairs. The department shall review the
11 duties and program for a similar housing specialist position
12 in the state of Oregon.

13 3. As a condition, qualification, and limitation of the
14 funds appropriated in this section, three full-time equivalent
15 positions shall be filled by staff assigned to the bureau of
16 medical assistance to develop policies to improve medical
17 assistance cost containment and increase the amount of federal
18 reimbursement to the state. Other duties shall include but
19 are not limited to improving oversight of health care,
20 implementation of nursing home reform, reducing
21 overutilization of health care services by specific
22 individuals, reducing usage of services identified as high
23 variation procedures, and developing proposals to seek federal
24 reimbursement for services currently available but not
25 reimbursed in the state, including hospice services.

26 4. As a condition, qualification, and limitation of the
27 funds appropriated in this section, if a state institution
28 administered by the department is to be closed or reduced in
29 size, prior to the closing or reduction the department shall
30 initiate and coordinate efforts in cooperation with the
31 department of economic development to develop new jobs in the
32 area in which the state institution is located.

33 5. Of the funds appropriated in this section, \$50,000 is
34 allocated for the lease-purchase of teleconferencing equipment
35 and as a condition, qualification, and limitation of the funds

1 appropriated in this section, the funds allocated by this
2 subsection shall only be used for the purpose stated in this
3 subsection, shall revert to the general fund if not used for
4 the purpose stated, and shall not be subject to transfer for
5 any other purpose. If additional funds are needed for the
6 lease-purchase of teleconferencing equipment, the department
7 may use other funds appropriated in this section.

8 6. Of the funds appropriated in this section, \$25,000 is
9 allocated for salary and support of an additional full-time
10 equivalent position assigned to the department of public
11 safety to process criminal history background checks for
12 service providers related to the department of human services.

13 Sec. 26. VOLUNTEERS. There is appropriated from the
14 general fund of the state to the department of human services
15 for the fiscal year beginning July 1, 1989, and ending June
16 30, 1990, the following amount, or so much thereof as is
17 necessary, to be used for the purposes designated:

18 For development and coordination of volunteer services:

437919 \$ 81,758

20 Sec. 27. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY
21 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE
22 DEPARTMENT OF HUMAN SERVICES.

437923 1. For the fiscal year beginning July 1, 1989, the
24 following providers shall have their medical assistance
25 reimbursement rates increased by two and twenty-five
26 hundredths percent over the rates in effect on June 30, 1985:
27 optometrists, opticians, physicians, pharmacists, podiatrists,
28 dentists, chiropractors, physical therapists, certified nurse
29 midwives, ambulance services, independent laboratories, area
30 education agencies, clinics, audiologists, rehabilitation
31 agencies, community mental health centers, family planning
32 clinics, psychologists, screening centers, hearing aid
33 dealers, orthopedic shoe dealers, ambulatory surgery centers,
34 and genetic counseling clinics. However, the material costs
35 of drugs, optometric products, and durable medical products

1 and supplies which are reimbursed at the acquisition cost
2 shall not be limited to an increase of two and twenty-five
3 hundredths percent. Maternal health centers shall be
4 reimbursed at the maximum rate permitted under the medical
5 assistance program. However, reimbursement rates for office
6 visits for all medical assistance providers and for all
7 obstetric services shall be increased by four percent over the
8 rates in effect on June 30, 1989.

43799 a. Reimbursement rates to hospitals and skilled nursing
10 facilities shall be increased by two and twenty-five
11 hundredths percent over the rates in effect on June 30, 1989.

12 b. Reimbursement rates for rural health clinics shall be
13 increased in accordance with increases under the federal
14 Medicare program.

15 c. Home health agencies certified for the medical
16 assistance program shall be reimbursed for their current
17 federal Medicare audited costs.

18 d. For the fiscal year beginning July 1, 1989, the basis
19 for establishing the maximum medical assistance reimbursement
20 rate for intermediate care facilities shall be the seventy-
21 fourth percentile of all facility per diem rates as calculated
22 from the June 30, 1989, unaudited compilation of cost and
23 statistical data.

4379 >
4377 24 2. For the fiscal year beginning July 1, 1989, the maximum
25 cost reimbursement rate for residential care facilities
26 reimbursed by the department shall be \$18.51. The flat
27 reimbursement rate for facilities electing not to file cost
28 reports shall be \$13.23. For the fiscal year beginning July
29 1, 1989, the maximum reimbursement rate for providers
30 reimbursed under the in-home health-related care program shall
437731 be increased by four percent.

437932 3. For services provided by social service providers
33 reimbursed by the department between July 1, 1989, and June
34 30, 1990, rates shall be increased automatically by four
35 percent over the unreduced rates in effect on June 30, 1989,

1 except for family foster care provider rates which shall be
2 increased by an average of four percent. Rates for foster
3 group care and shelter care services shall not exceed \$70.86
4 per day. The reimbursement rate increase for providers whose
5 cost reimbursement is below the maximum rate on July 1, 1989,
6 shall be the maximum increase provided to providers whose cost
7 reimbursement is at the maximum rate on July 1, 1989. This
8 automatic increase is intended to be an exception to policy
9 for the fiscal year beginning July 1, 1989, and ending June
10 30, 1990, and is not intended to eliminate regular submission
4377 11 of cost reports.

12 4. For providers reimbursed under subsection 3 of this
13 section, reimbursement rate increases may be applied to the
14 maximum reimbursement rate a program has received in any of
15 the last five fiscal years, provided that if the program
16 utilizes a reimbursement rate for a year other than the fiscal
17 year beginning July 1, 1988, the program can justify to the
18 department that the costs associated with that reimbursement
19 rate pertain to the fiscal year beginning July 1, 1989.

*20 Sec. 28. ASSISTANCE TO GAMBLERS. The department shall use
21 funds deposited in the gamblers assistance fund established in
22 section 99E.10 only for programs to assist gamblers. Any
23 unspent funds shall remain in the fund and shall not be
24 transferred or reverted to the general fund of the state.

25 The department shall use gamblers assistance fund moneys
26 for three full-time equivalent positions to support this
27 program.

*28 Sec. 29. WAIVER EXPENSE REPORTED. The department of human
29 services shall report to the chairpersons and ranking members
30 of the legislative fiscal committee, the members of the joint
31 appropriations subcommittee on human services, and the
32 legislative fiscal bureau regarding the amount of
33 administrative costs relating to each waiver application
34 submitted to the federal government during the fiscal year
35 beginning July 1, 1989. The reports shall be submitted in

1 1990 on January 1, March 1, and June 1.

2 Sec. 30. RULES. The department of human services may
3 adopt administrative rules under section 17A.4, subsection 2,
4 and section 17A.5, subsection 2, paragraph "b", to implement
5 the sections of this Act enumerated in this section. Rules
43736 adopted pursuant to sections 1, 2, 6, 8, 11, 12, 13, 14, 15,
7 16, 17, 19, 23, and 27 of this Act shall become effective
8 immediately upon filing, unless a later effective date is
9 specified in the rules. The rules shall also be published as
10 notice of intended action as provided in section 17A.4.

11 Sec. 31. FEDERAL RECEIPTS. All federal grants to and the
12 federal receipts of the department of human services are
13 appropriated for the purposes set forth in the federal grants
14 or receipts. The veterans per diem payable for veterans at
15 the veterans home and funds received under Title XIX of the
16 federal Social Security Act by the state mental health
17 institutes and state hospital-schools shall be deposited in
18 the general fund of the state.

19 Sec. 32. FULL-TIME EQUIVALENT LIMIT NOTIFICATION. The
20 Iowa veterans home, the state mental health institutes, and
21 the state hospital-schools may exceed the specified number of
22 full-time equivalent positions if the additional positions are
23 specifically related to licensing, certification, or
24 accreditation standards or citations. The department shall
25 notify the co-chairpersons and ranking members of the joint
26 human services appropriations subcommittee of the
27 appropriations committees of the house and senate and the
28 legislative fiscal bureau if the specified number is exceeded.
29 The notification shall include an estimate of the number of
30 full-time equivalent positions added and the fiscal effect of
31 the addition.

43737 32 Sec. 33. NURSING HOME REFORM REQUIREMENTS. The department
33 of human services with the assistance of the department of
34 inspections and appeals shall submit to the fiscal committee
35 of the legislative council and to the members of the joint

1 appropriations subcommittee on human services on or before
2 September 1, 1989, proposed administrative rules for
3 compliance with federal standards for nursing facilities
4 pursuant to the federal Omnibus Budget Reconciliation Act of
5 1987. If a standard in a rule proposed by the department of
6 human services or the department of inspections and appeals
7 exceeds a federal standard under the federal Omnibus Budget
8 Reconciliation Act of 1987 for nursing facilities or the
9 corresponding regulation adopted by the federal health care
10 financing administration, the department of human services or
11 the department of inspections and appeals shall provide the
12 rationale for exceeding the federal standard or the
13 corresponding regulation. When submitted, the proposed
14 administrative rules shall be accompanied by a detailed
15 analysis prepared by the department of human services of the
16 cost to implement each standard including an estimate of the
17 additional cost of a standard which exceeds a federal standard
18 or the corresponding regulation for nursing facilities.

19 Sec. 34. STAFFING STUDY REQUESTED. The legislative
20 council is requested to establish an interim study committee
21 to assess staffing of the nine state institutions operated by
22 the department of human services. The study committee shall
23 develop specific recommendations regarding staffing patterns
24 and personnel practices at each of the state institutions for
25 action by the general assembly and the department of human
26 services.

27 1. In appointing the membership of the study committee,
28 the legislative council shall consider appointing experts in
29 private sector management and staffing analysis,
30 representatives of large private service providers, hospital
31 administrators, and employees of state institutions operated
32 by the department of human services.

33 2. The study committee shall review proposals developed by
34 interested parties, including the staffing study of the
35 American federation of state, county, and municipal employees

1 union presented to the human services appropriations
2 subcommittee during the 1989 session. The study committee
3 shall interview staff at all levels of the various
4 institutions, including members of the American federation of
5 state, county, and municipal employees and Iowa united
6 professionals unions, department of human services central
7 office staff, and employees of the department of management
8 and the department of personnel.

9 3. It is the intent of the general assembly that the
10 legislative council authorize not more than twenty-five
11 thousand dollars to be used to retain private consulting
12 services to assist the study committee. The legislative
13 fiscal bureau shall provide primary staff support to the study
14 committee.

43867 15 Sec. 35. APPLICABILITY. Section 23, subsection 3, of this
16 Act is retroactively applicable to April 1, 1989.

437917 17 Sec. 36. EFFECTIVE DATE. Section 23, subsection 1, of
18 this Act, being deemed of immediate importance, takes effect
19 upon enactment.

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H-4373

Page 2

1 1, 1989, and ending June 30, 1990, is 155 for income
 2 maintenance workers and 151 for social workers. The
 3 department shall report monthly to the legislative
 4 fiscal bureau regarding caseweight factor computations
 5 in each district, the statewide average caseweight
 6 factor, the existence of a critical vacancy in any
 7 district, and action taken by the department to
 8 address any critical position vacancy problem or
 9 excess caseweight factor."

10 7. Page 43, by striking line 6 and inserting the
 11 following: "adopted pursuant to sections 1, 2, 4, 6,
 12 7, 8, 11, 12, 13, 14, 15,".

13 8. Page 43, by inserting after line 31 the
 14 following:

15 "Sec. 100. Notwithstanding 1988 Iowa Acts, chapter
 16 1276, section 8, subsection 2, the Iowa juvenile home
 17 is not required to establish a diagnostic program and
 18 short-term high-impact program for adjudicated female
 19 delinquents and adjudicated "child in need of
 20 assistance" boys and girls residing at the state
 21 juvenile home until the juvenile home is able to
 22 reduce the juvenile home's population to seventy-two,
 23 which will provide a living unit for the evaluation
 24 program."

25 9. Page 45, by striking lines 17 and 18 and
 26 inserting the following:

27 "Sec. ____ . EFFECTIVE DATE. Section 23, subsection
 28 1, and section 100 of this Act, being deemed of
 29 immediate importance, take effect".

30 10. By renumbering as necessary.

By COMMITTEE ON APPROPRIATIONS
 JOCHUM of Dubuque, Chairperson

H-4373 FILED MAY 2, 1989

ADOPTED 52-89 (p.2315)

SENATE AMENDMENT TO HOUSE AMENDMENT TO SENATE FILE 541

H-4409

1 Amend the House amendment, S-4076, to Senate File
 2 541, as amended, passed, and reprinted by the Senate,
 3 as follows:

4 1. Page 1, by striking lines 9 and 10 and
 5 inserting the following: "homes.""

6 2. Page 1, by striking line 13 and inserting the
 7 following: "" ____ . Funds".

RECEIVED FROM THE SENATE

H-4409 FILED MAY 4, 1989

CONCURRED 5-4-89 (p.2402)

SENATE FILE 541

H-4373

1 Amend Senate File 541 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. Page 11, by inserting after line 15 the
4 following:

5 "c. As a condition, qualification, and limitation
6 of the funds appropriated in this section, the
7 department shall review the reimbursement schedule
8 used for reimbursement of satellite child day care
9 homes and modify the schedule to reflect actual
10 expenses of operating the homes."

11 2. Page 12, by inserting after line 14 the
12 following:

13 "_____. Notwithstanding section 237A.18, funds
14 appropriated under this section may be used for
15 reimbursement of a child day care program established
16 by a school pursuant to section 279.49."

17 3. Page 13, line 4, by inserting after the word
18 "program." the following: "The council shall ensure
19 that the selected program utilizes state funds to
20 supplement and not supplant funds available under the
21 federal Job Training Partnership Act (JTPA) or other
22 existing work and training programs, that the local
23 JTPA program and other local programs are active
24 participants in the selected program, and that the
25 selected program does not duplicate programs that
26 exist within the JTPA service delivery area in which
27 the selected program is located."

28 4. Page 26, line 34, by inserting after the word
29 "services" the following: "primarily".

30 5. Page 27, line 33, by striking the words "up
31 to".

32 6. Page 38, by inserting after line 17 the
33 following:

34 "_____. As a condition, qualification, and
35 limitation of the funds appropriated in this section,
36 if the division of community services staffing level
37 meets the funded full-time equivalent position limit
38 authorized under this section and a district
39 identifies a critical position vacancy or a position
40 with a caseweight factor greater than one hundred
41 twenty percent of the budgeted caseweight factor for
42 the position, the director of human services may
43 exceed the full-time equivalent position limit
44 authorized under this section in the amount necessary
45 to fill the critical position vacancy or to reduce the
46 caseweight factor to the budgeted level. For purposes
47 of this subsection, "critical position vacancy"
48 includes a clerical position in an office limited to a
49 single clerical staff position. The budgeted
50 caseweight factor for the fiscal year beginning July

H-4379

Page 2

1 "13.23" and inserting the following: "13.36".
2 16. Page 41, by striking line 31 and inserting
3 the following: "be increased by five percent. For
4 the fiscal year beginning July 1, 1990, the maximum
5 reimbursement rates for providers under this
6 subsection in effect on June 30, 1990, shall be
7 increased by seven and five-tenths percent."
8 17. Page 41, line 34, by striking the word "four"
9 and inserting the following: "five".
10 18. Page 42, line 2, by striking the word "four"
11 and inserting the following: "five".
12 19. Page 42, line 3, by striking the figure
13 "70.86" and inserting the following: "71.54".
14 20. Page 42, line 11, by inserting after the word
15 "reports." the following: "For the fiscal year
16 beginning July 1, 1990, the maximum reimbursement
17 rates for providers under this subsection in effect on
18 June 30, 1990, shall be increased by seven and five-
19 tenths percent."

By HALVORSON of Clayton
HARBOR of Mills
CORBETT of Linn

H-4379 FILED MAY 2, 1989

LOST

5-2-89 (p. 237)

SENATE FILE 541

H-4377

1 Amend Senate File 541 as amended, passed, and
2 reprinted by the Senate as follows:
3 1. Page 41, by inserting after line 23 the
4 following:
5 "e. For the fiscal year which begins July 1, 1990,
6 the basis for establishing the maximum medical
7 assistance rate for intermediate care facilities shall
8 be the seventy-fourth percentile of all facility per
9 diem rates as calculated from the June 30, 1990,
10 unaudited compilation of cost and statistical data and
11 the reimbursement rates for other providers reimbursed
12 under the medical assistance program by the department
13 of human services shall be increased by five percent."
14 2. Page 41, line 31, by inserting after the word
15 "percent." the following: "For the fiscal year
16 beginning July 1, 1990, the maximum reimbursement
17 rates for providers under this subsection in effect on
18 June 30, 1990, shall be increased by five percent."
19 3. Page 42, line 11, by inserting after the word
20 "reports." the following: "For the fiscal year
21 beginning July 1, 1990, the maximum reimbursement
22 rates for providers under this subsection in effect on
23 June 30, 1990, shall be increased by five percent."

By HALVORSON of Clayton
HARBOR of Mills
CORBETT of Linn

H-4377 FILED MAY 2, 1989

LOST

5-2-89 (p. 237)

SENATE FILE 541

H-4379

- 1 Amend Senate File 541, as amended, passed, and re-
2 printed by the Senate, as follows:
- 3 1. Page 4, line 6, by striking the figure
4 "183,060,700" and inserting the following:
5 "185,598,700".
- 6 2. Page 9, line 5, by striking the figure
7 "17,212,888" and inserting the following:
8 "17,497,610".
- 9 3. Page 10, line 10, by striking the figure
10 "36,365" and inserting the following: "36,715".
- 11 4. Page 10, line 27, by striking the figure
12 "3,986,108" and inserting the following: "4,084,209".
- 13 5. Page 19, line 15, by striking the figure
14 "42,813,962" and inserting the following:
15 "43,356,676".
- 16 6. Page 25, line 7, by striking the figure
17 "8,333,382" and inserting the following: "8,410,677".
- 18 7. Page 28, line 9, by striking the figure
19 "3,852,357" and inserting the following: "3,981,545".
- 20 8. Page 40, line 19, by striking the figure
21 "81,758" and inserting the following: "83,722".
- 22 9. Page 40, by striking lines 25 and 26 and
23 inserting the following: "reimbursement rates
24 increased by five percent over the rates in effect on
25 June 30, 1985:".
- 26 10. Page 41, by striking lines 2 and 3 and
27 inserting the following: "shall not be limited to an
28 increase of five percent. Maternal health centers
29 shall be".
- 30 11. Page 41, line 7, by striking the word "four"
31 and inserting the following: "five".
- 32 12. Page 41, by striking lines 10 and 11 and
33 inserting the following: "facilities shall be
34 increased by five percent over the rates in effect on
35 June 30, 1989."
- 36 13. Page 41, by inserting after line 23 the
37 following:
38 "e. For the fiscal year which begins July 1, 1990,
39 the basis for establishing the maximum medical
40 assistance rate for intermediate care facilities shall
41 be the seventy-fourth percentile of all facility per
42 diem rates as calculated from the June 30, 1990,
43 unaudited compilation of cost and statistical data and
44 the reimbursement rate for other providers reimbursed
45 under the medical assistance program by the department
46 of human services shall be increased by seven and
47 five-tenths percent."
- 48 14. Page 41, line 26, by striking the figure
49 "18.51" and inserting the following: "18.69".
- 50 15. Page 41, line 28, by striking the figure

HOUSE AMENDMENT TO
SENATE FILE 541

S-4076

1 Amend Senate File 541 as amended, passed, and
2 reprinted by the Senate as follows:

3 1. Page 11, by inserting after line 15 the
4 following:

5 "c. As a condition, qualification, and limitation
6 of the funds appropriated in this section, the
7 department shall review the reimbursement schedule
8 used for reimbursement of satellite child day care
9 homes and modify the schedule to reflect actual
10 expenses of operating the homes."

11 2. Page 12, by inserting after line 14 the
12 following:

13 "_____. Notwithstanding section 237A.18, funds
14 appropriated under this section may be used for
15 reimbursement of a child day care program established
16 by a school pursuant to section 279.49."

17 3. Page 13, line 4, by inserting after the word
18 "program." the following: "The council shall ensure
19 that the selected program utilizes state funds to
20 supplement and not supplant funds available under the
21 federal Job Training Partnership Act (JTPA) or other
22 existing work and training programs, that the local
23 JTPA program and other local programs are active
24 participants in the selected program, and that the
25 selected program does not duplicate programs that
26 exist within the JTPA service delivery area in which
27 the selected program is located."

28 4. Page 26, line 34, by inserting after the word
29 "services" the following: "primarily".

30 5. Page 27, line 33, by striking the words "up
31 to".

32 6. Page 38, by inserting after line 17 the
33 following:

34 "_____. As a condition, qualification, and
35 limitation of the funds appropriated in this section,
36 if the division of community services staffing level
37 meets the funded full-time equivalent position limit
38 authorized under this section and a district
39 identifies a critical position vacancy or a position
40 with a caseweight factor greater than one hundred
41 twenty percent of the budgeted caseweight factor for
42 the position, the director of human services may
43 exceed the full-time equivalent position limit
44 authorized under this section in the amount necessary
45 to fill the critical position vacancy or to reduce the
46 caseweight factor to the budgeted level. For purposes
47 of this subsection, "critical position vacancy"
48 includes a clerical position in an office limited to a
49 single clerical staff position. The budgeted
50 caseweight factor for the fiscal year beginning July

S-4076

Page 2

1 1, 1989, and ending June 30, 1990, is 155 for income
 2 maintenance workers and 151 for social workers. The
 3 department shall report monthly to the legislative
 4 fiscal bureau regarding caseweight factor computations
 5 in each district, the statewide average caseweight
 6 factor, the existence of a critical vacancy in any
 7 district, and action taken by the department to
 8 address any critical position vacancy problem or
 9 excess caseweight factor."

10 7. Page 43, by striking line 6 and inserting the
 11 following: "adopted pursuant to sections 1, 2, 4, 6,
 12 7, 8, 11, 12, 13, 14, 15,".

13 8. Page 43, by inserting after line 31 the
 14 following:

15 "Sec. 100. Notwithstanding 1988 Iowa Acts, chapter
 16 1276, section 8, subsection 2, the Iowa juvenile home
 17 is not required to establish a diagnostic program and
 18 short-term high-impact program for adjudicated female
 19 delinquents and adjudicated "child in need of
 20 assistance" boys and girls residing at the state
 21 juvenile home until the juvenile home is able to
 22 reduce the juvenile home's population to seventy-two,
 23 which will provide a living unit for the evaluation
 24 program."

25 9. Page 45, by striking lines 17 and 18 and
 26 inserting the following:

27 "Sec. ____ . EFFECTIVE DATE. Section 23, subsection
 28 1, and section 100 of this Act, being deemed of
 29 immediate importance, take effect".

30 10. By renumbering as necessary.

RECEIVED FROM THE HOUSE

S-4076 FILED MAY 3, 1989

ADOPTED

5-3-89 (p.1887) Concurred

SENATE FILE 541

S-4090

1 Amend the House amendment, S-4076, to Senate File
 2 541, as amended, passed, and reprinted by the Senate,
 3 as follows:

4 1. Page 1, by striking lines 9 and 10 and
 5 inserting the following: "homes.""

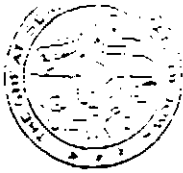
6 2. Page 1, by striking line 13 and inserting the
 7 following: "" ____ . Funds".

By CHARLES BRUNER

S-4090 FILED MAY 3, 1989

ADOPTED

5-3-89 (p.1887)



OFFICE OF THE GOVERNOR

STATE CAPITOL
DES MOINES, IOWA 50319

5:5 29. 8211

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 541, an act relating to human services and making appropriations to the department of human services, other properly related matters, providing for retroactive applicability, and providing an effective date.

Senate File 541 provides substantial additional funding for human services programs. A state appropriations increase of approximately ten percent or approximately \$39 million is provided to the department for Fiscal Year 1990. This substantial increase in funds is used to provide for a four percent increase in AFDC benefits and four percent and 2.25 percent reimbursement increases for social services and Medicaid providers, respectively. Increases for child care, welfare reform, foster care reform and aid to the elderly are also included in the bill. I believe these adjustments are appropriate and I am signing them into law.

However, given the fiscal constraints of the state, particularly in Fiscal Year 1991, I cannot approve every new program that has been authorized in this legislation. Moreover, funding included in this bill to provide further expansion of the Medicaid program is subject to receipt of federal approval. Such approval has not yet been received and is unlikely to be received for some time. In short, funding to ensure a balanced budget in Fiscal Year 1991 must be eliminated from this bill and can be eliminated without adversely impacting current recipients of critical human services in our state.

The Honorable Elaine Baxter
June 5, 1989
Page 2

Senate File 541 is, therefore, approved on this date with the following exceptions which I hereby disapprove.

I am unable to approve the designated portion of Section 2, subsection 3. This provision would hamstring the state's ability to contain costs in the Medicaid program. Currently, the state is moving toward use of contract purchases or HMO's in order to obtain volume discounts for services provided through the Medicaid program. This method of contracting for services is one of the most significant tools needed to contain health care costs. Unfortunately, the language included in this subsection of Senate File 541 would strictly limit the ability of the department to use health maintenance organizations for Medicaid and would also prevent the inclusion of all covered services in the Medicaid program in a contract with an HMO. These restrictions would have the impact of further driving up Medicaid costs and cannot be approved.

I am unable to approve the item designated as Section 4, subsection 2, in its entirety. This provision appropriates \$110,000 and establishes a new program to provide supplemental payments to providers who care for disabled persons considered difficult to serve. There has not been sufficient study done to review the cost effectiveness of such a program. Moreover, I have signed into law a substantial increase in the family support subsidy program which is used by families to care for MH/MR/DD individuals in their homes rather than in institutions. We should carefully monitor the cost effectiveness of that program prior to starting new programs to provide additional funding for similar purposes.

I am unable to approve the items designated as Section 8, subsections a, b, f, g and h. These provisions in Senate File 541 run contrary to the recommendations of the welfare reform council. The council recommends that the training portions of our Project Promise welfare reform model and the federal JOBS program be administered through the Department of Employment Services and the Department of Economic Development. Focusing the training programs in the agencies that administer the remainder of the state's training efforts would provide for a cost effective and comprehensive method of ensuring that welfare recipients receive the training they need to become independent and self-sufficient.

The Honorable Elaine Baxter
June 5, 1989
Page 3

The items vetoed in Senate File 541 would set up a duplicative training structure: the Department of Human Services would continue to operate the individual education and training program and the WIN program in counties where such programs were in operation on July 1, 1988; counties not previously served by the WIN program would have their training programs run by the IDED and DES. Such a duplicative structure would likely cause confusion and would limit the state's ability to provide for a comprehensive and cost effective job training program for individuals who are working to get off welfare.

I understand the concern of some to provide for a smooth transition of the administration of the job training programs from DHS to IDED and DES job training programs. This is particularly important given the fact that federal law requires that these programs be in operation by July 1 of this year. As a result, I have directed our welfare reform council and, most specifically, the effected agencies, to work closely to structure a transition program over the next six months that will minimize the disruption for individuals who receive training services under our welfare reform program and for those who provide such services. The department heads have assured me that a smooth transition can be accomplished.

In addition, I have item vetoed language which would hamper our ability to move individuals from a state of dependency to independence. Specifically, provisions in this bill limit the requirements that all individuals on welfare participate in a job training and education program. The department has filed rules requiring participation in education and training programs. I believe that training and education are absolutely critical to ensuring long term employability for individuals on welfare. Therefore, we should not be taking actions in this bill to restrict the training and education requirements of the Project Promise program.

I am unable to approve the designated portion of Section 12, subsection 6. This provision would prevent the reversion of unused funds in the foster care home insurance program from reverting to the general fund of the state. Such anti-reversion language is fiscally unsound and prevents an annual review of the cost effectiveness of the program.

I am unable to approve the designated portion of Section 12, subsection 8. This subsection of the bill continues the decategorization pilot project for foster care and expands it

The Honorable Elaine Baxter
June 5, 1989
Page 4

into two additional counties. The decategorization project allows foster care recipients to receive services different from those for which the state now pays. However, the program has been designed to be cost neutral. However, the item vetoed provisions in this bill would allow for a transfer of funds from the state's foster care appropriation to a county's child welfare fund. In addition, provisions in this subsection would require the department to request a supplemental appropriation to pick up additional costs that may be incurred as a result of this program. These provisions violate the budget neutrality principals of the decategorization project by threatening the state's general fund with demands beyond the appropriated funding levels. I have approved an additional \$100,000 appropriation to expand this project into two additional counties; but I cannot approve any effort to increase the obligation to the state's general fund beyond that amount.

I am unable to approve the designated portions of Section 23, subsection 2 and subsection 3a; and subsections 5a and b, in their entirety. These provisions in Senate File 541 would authorize the expenditure of an additional \$1.3 million in Fiscal Year 1990 to expand the Medicaid program to include rehabilitation services. In addition, these provisions would require that any funds not spent for enhanced mental health, mental retardation, developmental disabilities services be automatically transferred to the mental health and mental retardation fund. It would also prohibit the transfer of any unencumbered funds from the mental health institutes and the hospital schools to any place but the enhanced services fund.

The Department of Human Services has submitted a waiver request to the federal Department of Health and Human Services to include rehabilitation services in our Medicaid program. That initial request was withdrawn due to concerns that it would be denied and the department is now in the process of modifying the plan. Even with the revisions, we are not assured that the plan will be approved when it is resubmitted. And, it is very likely that should such federal approval be forthcoming, these services would not be available to individuals in Iowa until some time next year. Therefore, it would appear to be unnecessary to set aside \$1.3 million this fiscal year for such services.

Instead, I am asking the Department of Human Services to carefully revise its proposed plan to include rehabilitation services in our Medicaid program and to resubmit the plan.

The Honorable Elaine Baxter
June 5, 1989
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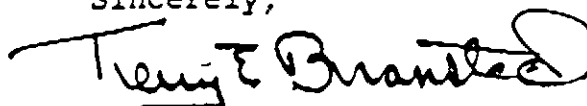
If federal approval is granted, I am willing to work with the department, the General Assembly, and the counties to review ways in which those services can be appropriately funded. Until that time, I cannot approve provisions which prohibit the reversion of those unused funds to the state.

In sum, Senate File 541 provides substantial additional funds to programs to assist the elderly; provide child care to needy families; expand the Medicaid program for those who are most in need of health care in our state; and reform our foster care system. This bill also provides increases in the reimbursement levels for AFDC and human services providers. All those provisions have been signed into law.

However, I have vetoed out language which could reduce the effectiveness of our welfare reform program or provide an unnecessary burden on our state's general fund at this time.

For the above reasons, I hereby respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1986 to the Constitution of the State of Iowa. All other items in Senate File 541 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 541 ITEM VETO 6/05/89 Section 2, subsection 3. Section 4, subsection 2. Section 8, subsections a; b; f; g; and h. Section 12, subsection 6; and 8. Section 23, subsections 2; 3a; 5a, and b.

ACTUAL ITEMS
ARE BRACKETED

Senate File 541, p. 2

SENATE FILE 541

AN ACT

RELATING TO HUMAN SERVICES AND MAKING APPROPRIATIONS TO THE DEPARTMENT OF HUMAN SERVICES, OTHER PROPERLY RELATED MATTERS, PROVIDING FOR RETROACTIVE APPLICABILITY, AND PROVIDING AN EFFECTIVE DATE.

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

DIVISION I

Section 1. AID TO FAMILIES WITH DEPENDENT CHILDREN. 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:

For aid to families with dependent children:

..... \$ 44,726,207

1. The department may fund the cash bonus program from unspent funds under this appropriation. The department shall develop a methodology with the involvement of the legislative fiscal bureau to evaluate the cash bonus program and include a comparison between characteristics of participants in the program and recipients who do not participate. The evaluation shall assess the period of time between commencement of the program and October 1, 1989, and shall be submitted to the legislative fiscal bureau on or before November 30, 1989.

2. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue to contract for services in developing and monitoring a waiver program with a consortium of other states to facilitate providing assistance in self-employment to aid to dependent children families. Of the funds appropriated under this section, up to \$115,761 shall be used to provide

technical assistance for aid to dependent children families seeking self-employment. The technical assistance may be provided through the department or through a contract with the division of job training of the department of economic development and through a contract with the corporation for enterprise development.

3. As a condition, qualification, and limitation of the funds appropriated in this section if funds are appropriated by the federal government for the purposes of this subsection, the department shall apply to the federal government for a demonstration waiver to develop a project to provide employment training to child support obligors where the obligees are recipients of aid to dependent children under chapter 239.

4. As a condition, qualification, and limitation of the funds appropriated in this section, the department may submit an application to the federal government for a waiver to develop a pilot project of part-time employment available to recipients of aid to dependent children on a voluntary basis. The department shall explore the potential for receiving assistance in preparing the waiver application from outside sources and the potential for receiving federal approval of the waiver. The department shall report to the general assembly on or before January 1, 1990, regarding its efforts to obtain the waiver and providing justification for its actions. The waiver application shall contain all of the following provisions:

a. Eligibility is limited to a recipient who is a single-parent head of household whose youngest child is less than three years of age. However, a recipient who is accepted as an eligible participant may continue to participate in the pilot project until the recipient's youngest child is six years of age.

b. Child care services shall be provided for a participant's minor dependents during the time the participant is working.

c. In determining a participant's eligibility for aid to dependent children under chapter 239, the department shall disregard income in the amount prescribed under the rule adopted pursuant to section 239.5, subsection 2, 441 Iowa administrative code, rule 41.7(2)(c)(2).

d. The pilot project shall be offered at several sites around the state.

e. The disregard of the participant's income shall continue so long as the participant continues to participate in the pilot project developed under this subsection.

5. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall expend up to \$120,000 to conduct a study to determine a new standard of need for eligibility purposes under the aid to dependent children program. The department shall also study the following characteristics of current recipients or former recipients of aid to dependent children:

- a. Demographic characteristics.
- b. The employment history of current recipients.
- c. The employment history of persons who become ineligible for assistance due to earned income.
- d. Characteristics of recipients who receive assistance for more than five years, in five-year increments, and of recipients who receive assistance for five years or less.

6. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall submit an application to the federal government for a waiver to apply the provisions of the self-employment investment demonstration project statewide, provided training is available to a recipient through a recognized self-employment training program.

7. As a condition, qualification, and limitation of the funds appropriated in this section, the schedule of basic needs under the aid to dependent children program for the fiscal year beginning July 1, 1989, is established for one

person at \$176, for two persons at \$347, for three persons at \$410, for four persons at \$476, for five persons at \$527, for six persons at \$587, for seven persons at \$644, for eight persons at \$703, for nine persons at \$761, for ten persons at \$831, and for each additional person at \$83.

Sec. 2. MEDICAL ASSISTANCE. 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:

For medical assistance, including reimbursement for abortion services, which shall be available under the medical assistance program only for those abortions which are medically necessary:

..... \$183,060,700

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

- a. The attending physician certifies that continuing the pregnancy would endanger the life of the pregnant woman.
- b. The attending physician certifies that the fetus is physically deformed, mentally deficient, or afflicted with a congenital illness.
- c. The pregnancy is the result of a rape which is reported within forty-five days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- d. The pregnancy is the result of incest which is reported within one hundred fifty days of the incident to a law enforcement agency or public or private health agency which may include a family physician.
- e. Any spontaneous abortion, commonly known as a miscarriage, if not all of the products of conception are expelled.

2. Of the funds appropriated in this section, not more than \$200,000 may be transferred to the Iowa department of

public health for contingency state assistance for the federal program for women, infants, and children in order to allow the Iowa department of public health to fully use available funds under this program.

3. The department may implement mandatory enrollment of eligible clients into licensed health maintenance organizations where appropriate and consistent with federal guidelines. [However, a client in a voluntary county shall not be enrolled in a health maintenance organization unless the client has submitted a signed statement expressing the client's desire to enroll in the health maintenance organization. Clients shall continue to be eligible for the mental health services provided through community mental health centers without obtaining a referral from the health maintenance organization and the cost of the mental health services shall be billed directly to the medical assistance program.] The department shall track any savings realized by the use of the health maintenance organizations and shall annually submit to the legislative fiscal bureau the results of the client satisfaction survey required by the federal health care financing administration. The department shall report at the start of each calendar quarter, to the legislative fiscal bureau regarding cost savings.

4. As a condition, qualification, and limitation of the funds appropriated in this section, the department, in cooperation with the Iowa department of public health and the department of elder affairs, shall seek federal approval of a home and community-based waiver under Title XIX of the federal Social Security Act to provide cost-effective alternative services for elderly persons who meet criteria for placement in a medical institution.

5. Notwithstanding section 8.39, the department may transfer funds appropriated under this section to a separate account established in the division of community services for expenditures required to provide case management services

pursuant to section 23 of this Act, pending final settlement of the expenditures. Funds received by the division of community services in settlement of the expenditures shall be used to replace the transferred funds and are available for the purposes for which the funds were appropriated under this section.

6. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall provide to an area education agency the verified federal Medicaid number of a child who is eligible for medical assistance under chapter 249A and requires special education services if a special education service for which the child is eligible is provided under a federally funded health care program. If it is permitted under federal confidentiality provisions, an area education agency may view the department's records pertaining to the child or the child's parent or guardian.

7. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue medical assistance to pregnant women and infants under provisions in effect on March 1, 1989, and shall establish presumptive and continuing eligibility for pregnant women. A signed statement from a maternal health center, family planning agency, physician's office, or other physician-directed qualifying provider as specified under the federal Social Security Act, § 1902, shall serve as verification of pregnancy for the purpose of establishing eligibility for pregnant women under the medical assistance program.

8. Of the funds appropriated in this section, \$55,000 is set aside for the net additional expense to the state for hospice services which, effective January 1, 1990, shall be included as an eligible service under the medical assistance program.

9. As a condition, qualification, and limitation of the funds appropriated in this section, effective July 1, 1989, a person, regardless of the source of the person's payment, shall be evaluated prior to admission to an intermediate care facility or a skilled nursing facility to determine whether the person has mental retardation, mental illness, or a related condition. If the evaluation identifies the existence or suspected existence of one of the conditions, the person shall not be admitted to the facility unless the Iowa foundation for medical care, at the direction of the division of mental health, mental retardation, and developmental disabilities, determines that the person was appropriately evaluated and the facility is able to fulfill the person's service needs as identified by the evaluation.

10. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall seek federal approval of a home and community-based waiver under Title XIX of the federal Social Security Act to provide cost-effective alternative services to persons with acquired immune deficiency syndrome who meet criteria for placement in a medical institution.

11. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue developing policies and procedures to implement a physician case management program for selected medical assistance recipients. The program shall be continued for a period of at least twenty-four months subsequent to the date of implementation and if necessary the department may seek approval for extension of any federal waiver related to this program.

12. Of the funds appropriated in this section, up to \$18,000 may be used for funding of the three full-time equivalent positions assigned to the bureau of medical assistance under the appropriation for general administration in this Act. Quarterly, the department shall provide the

chairpersons and ranking members of the legislative fiscal committee, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau with an accounting of the three positions including their cost to the state and the amount of recovery obtained for the state in reduced medical assistance expenditures.

13. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall report at least quarterly to the chairpersons and ranking members of the legislative fiscal committee, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding medical assistance expenditures. The report shall show actual expenditures according to eligibility groups and service definition and the original expenditure estimates on which the budget was based. Upon request, the department shall provide members of the general assembly with detailed monthly reports regarding expenditures for the medical assistance program and the aid to dependent children program.

14. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall reimburse an ambulance service for transporting a medical assistance recipient from a location other than a medical institution to a hospital regardless of a determination of medical necessity. However, the department shall develop methods to reduce recipient usage of ambulance services for reasons other than medical necessity, including notification of recipients who have received ambulance services that were not considered to be a medical necessity and ambulance services that have provided such services.

Sec. 3. MEDICAL CONTRACTS. 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:

For medical contracts:

..... \$ 4,164,800

As a condition, qualification, and limitation of the funds appropriated in this section, up to \$50,000 shall be used to expand the drug utilization review program, up to \$82,500 shall be used for presumptive eligibility for pregnant women, and up to \$98,600 shall be used for physician case management.

Sec. 4. STATE SUPPLEMENTARY ASSISTANCE. 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:

For state supplementary assistance:

..... \$ 17,212,888

1. As a condition, qualification, and limitation of the funds appropriated in this section, the department, in cooperation with representatives of advocate organizations, consumers, county government, and provider organizations shall study methods of increasing the flexibility of the state supplementary assistance program by developing new options for promoting and enhancing independent living in less restrictive environments. The new options studied shall include but are not limited to a review of semi-independent living and cooperative housing projects in terms of appropriate care and cost. The department shall report the results of the study to the general assembly by January 1, 1990. Not more than \$30,000 shall be expended on costs related to the study.

2. As a condition, qualification, and limitation of the funds appropriated in this section, \$110,000 is allocated to provide supplemental payments to providers of services to persons with mental retardation, a developmental disability, or mental illness who are considered to be "difficult to serve". Providers shall be paid in accordance with criteria established by the department in cooperation with representatives of advocate organizations, consumers, county

government, and provider organizations. The department shall report to the chairpersons and ranking members of the fiscal committee of the legislative council, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding progress in implementing the provision of the supplemental payments. The reports shall be submitted in 1990 on January 1, March 1, and June 1.

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

Sec. 5. AID TO INDIANS. 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:

For aid to Indians under section 252.43:

..... \$ 36,365

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

DIVISION II

Sec. 6. CHILD DAY CARE ASSISTANCE. 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:

For child day care assistance:

- 1. For grants to public agencies and private nonprofit organizations which provide child day care and dependent adult care resource and referral programs:
 - \$ 250,000
- 2. For protective child care assistance:
 - \$ 2,308,295
- 3. For state child day care assistance:

..... \$ 3,986,108

a. Notwithstanding section 237A.13, twenty-five percent of the funds not otherwise allocated in this subsection shall be allocated to counties according to a formula based upon the number of children in a county whose family income is equal to or less than one hundred fifty percent of federal office of management and budget poverty guidelines. Seventy-five percent of the funds not otherwise allocated in this subsection shall be allocated to counties based upon the department's estimate of a county's expenditures for child day care assistance during the fiscal year which ended June 30, 1989. The funds allocated to a county shall not be less than the county's allocation of funding for state child day care assistance in the fiscal year which ended June 30, 1989. However, the department may transfer funds which are not used by a county to a county in which there is a demonstrated need.

b. Nothing in this subsection shall be construed or is intended as, or shall imply a grant of entitlement for services to persons who are eligible for assistance due to an income level which is equal to or less than one hundred fifty percent of the federal office of management and budget poverty guidelines for families. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated under this section.

c. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall review the reimbursement schedule used for reimbursement of satellite child day care homes.

4. For transitional child care assistance:

..... \$ 2,600,000

a. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall work with the legislative fiscal bureau to develop a means to measure the effect of transitional child care assistance upon the number of aid to dependent children recipients and upon the economic status of the persons who receive the assistance.

b. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall implement an advertising and marketing program which covers each county in the state and is designed to inform eligible persons and service providers regarding transitional child care assistance. The advertising shall employ electronic and print media and may utilize direct mail.

5. For grants to fund costs relating to child day care, start-up, fire safety, equipment, and training:

..... \$ 606,125

As a condition, qualification, and limitation of the funds appropriated in this section, the department shall adopt rules to implement this subsection, including a provision that the maximum amount granted to a grantee is \$10,000.

6. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall adopt rules relating to the purchase of child day care services which authorize payment for up to four days per month for days an individual child is not in attendance at the child day care facility.

7. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall notify the chairpersons and ranking members of the legislative fiscal committee and the members of the joint appropriations subcommittee on human services regarding any changes made to the allocations of funds in this section.

8. Funds appropriated under this section may be used for reimbursement of a child day care program established by a school pursuant to section 279.49.

Sec. 7. FAMILY DEVELOPMENT AND SELF-SUFFICIENCY GRANT PROGRAM. 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:

For the family development and self-sufficiency grant program as provided under sections 217.11 and 217.12:

..... \$ 890,000

Grants have been awarded on a three-year basis, subject to annual renewal, and the funds appropriated under this section shall be for support for the second twelve-month period a grant is in effect. The family development and self-sufficiency council shall allocate any funds appropriated in addition to the funds required to support the second twelve-month period for existing grants to increase the amounts of existing grants, to fund a grant application received during the initial year of the program which was not funded but which would provide service in a rural setting in the state, and to fund a new project designed as a county government and private sector initiative providing substantial county and private sector financial support. The council shall seek letters of intent for the project designed as a county government and private sector initiative and select a county to work with in the development of a program. The council shall ensure that the selected program utilizes state funds to supplement and not supplant funds available under the federal Job Training Partnership Act (JTPA) or other existing work and training programs, that the local JTPA program and other local programs are active participants in the selected program, and that the selected program does not duplicate programs that exist within the JTPA service delivery area in which the selected program is located. In awarding any additional moneys, the council shall give attention to ensuring that the funded projects reflect geographic, urban, rural, and ethnic representation. Any grant renewal, grant addition, or new grant shall be awarded on or before January 1, 1990. The council shall report by January 15, 1990, to the chairpersons and ranking members of the legislative fiscal committee, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding the distribution of

the grant awards. No more than five percent of the funds appropriated under this section shall be used for administration of the program. Any federal financial participation received by the department for the family development and self-sufficiency grant program shall be used for the purposes designated under the appropriation for aid to dependent children.

Sec. 8. WORK AND TRAINING PROGRAMS. 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 amounts, or so much thereof as is necessary, to be used for the purposes designated:

1. For the work incentive and JOBS programs:

..... \$ 1,930,636

a. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall operate the work incentive program or the job opportunities and basic skills training (JOBS) program pursuant to the federal Family Support Act of 1988, Pub. L. No. 100-485, Title II, in counties in which the work incentive program was operated on July 1, 1988. The major emphases of the program shall be to improve employment skills and maximize participation in the individual education and training plan program or a similar JOBS program component while concentrating efforts on involving persons, who have a history of being difficult to employ, in long-term training and education activities. The individual education and training plan program shall continue to be operated by the department as a special need when the JOBS program is implemented. The department, in cooperation with recipients of aid to dependent children, human services advocates, and other interested parties, shall establish conciliation procedures for the JOBS program and shall implement the procedures concurrently with the program. The procedures shall be designed to ensure that

the JOBS program goals are enhanced and that a dispute is resolved before a sanction is applied.

b. The department may implement the JOBS program for public assistance recipients in additional counties which were not served by the work incentive program on July 1, 1988, following receipt of recommendations from an affected county as to the most appropriate agency to operate the program in the county. The program may then be operated directly by the department or through a contract with the department of employment services and the Iowa department of economic development.

c. Notwithstanding any provisions to the contrary under chapters 239 and 249C, the department is authorized to implement the job opportunities and basic skills training program pursuant to the federal Family Support Act of 1988, Pub. L. No. 100-485, Title II, as provided under this subsection and to implement the grant diversion program as provided under 441 Iowa administrative code, ch. 91, in a county to increase job opportunities for recipients of aid to dependent children.

d. Notwithstanding any provisions of law to the contrary, beginning October 1, 1989, the department may implement preeligibility fraud detection for the aid to dependent children program in accordance with the federal Family Support Act of 1988, Pub. L. No. 100-485, § 605.

e. Notwithstanding section 239.21, beginning April 1, 1990, the department shall implement the extended child care program in accordance with the federal Family Support Act of 1988, Pub. L. No. 100-485, Title III, § 302.

f. Except as otherwise mandated by federal law, a recipient under the aid to dependent children program pursuant to chapter 239 who has a child less than three years of age shall not be required to participate in the JOBS program but shall be given priority if the recipient participates voluntarily. A parent who is less than eighteen years of age

and has not completed high school or has not received a graduate equivalency diploma may be required to participate in activity leading to high school completion or a graduate equivalency diploma provided the department determines that the parent is able to successfully complete the activity and the parent is not participating in any other activity related to employment, training for employment, or life skills development designed to lead to greater self-sufficiency. Other persons who are not mandatory participants under the JOBS program shall not be required to participate. An eligible person shall not be required to participate for good cause if the person shows that the person's failure or refusal to participate is reasonable under the circumstances.

g. The department may exceed the full-time equivalent position limit established for community services and may transfer funds necessary for staff and support to operate the work incentive program and JOBS program in accordance with this subsection.

h. As a condition, qualification, and limitation of the funds appropriated in this section, in implementing the JOBS program, the department shall ensure that each participant receives a formal assessment and that an employability plan is completed with each participant. The employability plan shall contain an employment goal and the support services and the specific work or training activities necessary to attain the goal, with job search requirements imposed only if consistent with the participant's employability plan.

2. For the food stamp employment and training program:
..... \$ 159,053

Sec. 9. CHILD SUPPORT RECOVERY. 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:

For child support recoveries, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$	956,174
.....	FTEs	165.00

1. The director of human services, within the limitations of the funds appropriated in this section, or funds transferred from the aid to dependent children program for this purpose, may establish new positions and add additional employees to the child support recovery unit when the director determines that both the current and additional employees together can reasonably be expected to recover for the aid to dependent children program and the nonpublic assistance support recovery program more than twice the amount of money required to pay the salaries and support for both the current and additional employees. The department shall demonstrate the cost-effectiveness of the current and additional employees by reporting to the joint appropriations subcommittee on human services the ratio of the total amount of administrative costs for child support recoveries to the total amount of the child support recoveries.

2. The department may enter a cooperative agreement with the judicial department to establish and fund a pilot project of expedited child support orders and modifications. The department may transfer funds appropriated under this section for purposes of implementing the pilot project.

3. The department shall develop and implement a public information and awareness plan to inform and educate responsible parents of the obligation to support their dependent children and of methods used to enforce the obligation, to provide information to custodial parents of services available through the child support recovery unit, and to inform parents of procedures to be followed to modify a child support obligation. The department shall invite participation in the development of the plan from public and

private agencies, schools, and other organizations with an interest in child support, public information, and education. The department shall utilize existing public and private resource entities to implement the plan.

4. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall review existing policies and procedures relating to paternity establishment and develop new procedures as necessary to fully inform a putative father of the implications of voluntarily stipulating to paternity. The procedures shall include the issuance of notices to putative fathers regarding their rights and responsibilities if paternity is legally established, the degree of accuracy of blood testing procedures in determining paternity, rights in requesting or submitting to blood testing, and other legal choices available to putative fathers in the paternity establishment process, including the right to counsel and advice. The department shall involve interested groups and organizations in the development of the procedures.

Sec. 10. COLLECTION SERVICES CENTER. 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:

.....	\$	285,246
.....	FTEs	28.00

DIVISION III

Sec. 11. JUVENILE INSTITUTIONS. 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:

For the operation of the state training school and the Iowa juvenile home, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

1. For the Iowa juvenile home at Toledo:
 \$ 3,985,480
 FTEs 123.5
2. For the state training school at Eldora:
 \$ 6,953,834
 FTEs 224.0

3. By October 1, 1989, the department of human services and the judicial department shall set population goals for the number of juveniles which may be placed at one time at the state training school at Eldora and at the Iowa juvenile home at Toledo and shall develop a plan to achieve the goals, including the identification of additional placement services required to achieve the goals.

4. The department shall develop a procedure to determine if a juvenile who is ordered to be placed in a state juvenile institution would be more appropriately placed in a program which offers specific services related to the juvenile's substance abuse, mental health, developmental disability, or mental retardation. If the department determines that a more appropriate placement should be made, the department shall seek to obtain a modification of the court order to effect such placement.

5. It is the intent of the general assembly that the state training school be used for long-term placement of juveniles; that the length of time which a juvenile is placed at the state training school be based upon the juvenile's educational and training needs and the degree of threat to society caused by the child's presence outside of secure custody.

Sec. 12. FOSTER CARE. 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:

For foster care:

..... \$ 42,813,962

1. Of the funds appropriated under this section, up to \$564,000 may be used by the department to provide enhanced funding of services to family foster homes to avert placement of children in group care facilities and at least \$450,000 shall be used to provide enhanced funding of services to group care facilities to avert placement of children in more expensive, less appropriate, or out-of-state facilities.

2. The department may use funds appropriated under this section to develop supplemental per diem or performance-based contracts with private group care providers for programs serving children who would otherwise be placed in a state juvenile institution or an out-of-state program. The department shall give priority to serving children whose placement at the state training school or the Iowa juvenile home would cause the state juvenile institution to exceed the population goal established under section 11 of this Act.

3. The department may transfer a portion of the funds appropriated under this section to provide subsidized adoption services or to purchase adoption services, if funds allocated under this section for adoption services are insufficient.

4. The department and state court administrator shall work together in implementing an agreement which enables the state to receive funding for eligible cases under the federal Social Security Act, Title IV-E.

5. No more than thirty percent of children placed in foster care funded under the federal Social Security Act, Title IV-E, shall be placed in foster care for a period of more than twenty-four months.

6. Of the funds appropriated under this section, \$165,000 is allocated for the foster home insurance fund.

Notwithstanding section 237.13, the department may use funds

appropriated under this section to purchase liability insurance for licensed foster parents in lieu of providing payment for claims filed against the foster home insurance fund, if comparable coverage can be obtained through private insurance. [Notwithstanding section 8.33, funds remaining in the foster home insurance fund shall not revert to the general fund on June 30, 1990, but shall remain available in the following fiscal year for the purposes designated.]

7. As a condition, qualification, and limitation of the funds appropriated under this section, \$30,000 may be used by the department to contract for the development of a methodology to purchase foster care services based upon the difficulty of caring for a child and the level of services needed by the child.

8. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall continue the demonstration program to decategorize child welfare services in the two counties in which the program has commenced. The department shall implement the demonstration program in Dubuque and Pottawattamie counties, which have submitted letters of intent, if the department, the boards of supervisors in the counties, and the affected judicial districts agree to implement the program. The schedule for implementing the demonstration program in the two additional counties shall provide that the program be implemented on or after June 30, 1990. The department shall establish for the demonstration project counties a child welfare fund composed of all or part of the amount that would otherwise be expected to be used for residents of the counties for foster care, family-centered services, subsidized adoption, day care, local purchase of services, juvenile institutional care, mental health institute care, state hospital-school care, juvenile detention, department-direct services, and juvenile justice county-based reimbursable services and notwithstanding any other provision of law, the fund shall be considered

encumbered. With the approval of the department, a demonstration project county may elect to transfer to the child welfare fund other child welfare funding provided for treatment services to youth under Title XIX of the federal Social Security Act, including funding for psychiatric hospital services. Notwithstanding other service funding provisions in law, the department shall establish the fund by transferring funds from the budgets affected, except for the funds appropriated for the state mental health institutes, the state hospital-schools, the state training school, and the Iowa juvenile home which shall remain on account for the county at these institutions. The department and each demonstration project county shall quarterly determine if the county will not draw down the amounts from the county's accounts at the state institutions. [If there is an overall surplus in the county's accounts for the quarter, the department shall transfer an amount equal to the surplus to the county's child welfare fund from the state foster care appropriation.] The child welfare fund may be used to support services and payment rates not allowable within historical program or service categories. The department shall work with demonstration project county boards of supervisors and judicial districts to provide training for the project, and shall use technical assistance provided by the national conference of state legislatures and the center for the study of social policy. It is the intent of the general assembly that the demonstration program be designed to operate in a county for a three-year period. [If a demonstration project county experiences increases in demand for services funded from the county's child welfare fund beyond projected need despite efforts by the county to maintain expenditures within the funds available, the conditions shall be evaluated by the statewide decategorization committee. If the committee determines that a deficit will occur, the department shall request a supplemental appropriation in the amount of the fund's projected deficit.]

9. The department of human services, the judicial department, the department of education, and representatives of service providers shall continue the committee on children with special service needs. The committee shall be responsible to find placements for children who have exceptional service needs or who have been rejected in previous referrals and who may be at risk of being placed out of state.

10. As a condition, qualification, and limitation of the appropriation made under this section, \$30,000 may be used by the department to contract with universities to provide ongoing research and evaluation assistance to programs and initiatives of the department involving family-centered services and foster care. The contracts shall make maximum use of any matching resources available from the universities with which the department contracts.

11. Of the funds appropriated in this section, \$30,000 is allocated to provide special needs grants to families with a family member at home who is developmentally disabled. Grants must be used by a family to defray special costs of caring for the family member to prevent out-of-home placement of the family member. The grants may be administered by a private nonprofit agency provided that no administrative costs are received by the agency. Regular reports regarding coordination of the special needs grants with the family support subsidy program shall be provided to the legislative fiscal bureau.

12. Of the funds appropriated in this section, \$175,000 is allocated to provide funding for a grant to a private group foster care agency to complete construction of a new group care facility. Notwithstanding section 18.6, the funding shall be provided to a private group foster care agency which received a grant of \$300,000 to begin construction from the department of economic development.

13. The department may use a portion of the funds appropriated in this section to purchase special services in order to demonstrate whether the services can prevent out-of-home shelter care.

Sec. 13. CHILD PROTECTIVE SYSTEM IMPROVEMENTS. 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:

For improvements in the state system for child protection:

- 1. For improvements in decategorization counties:
 \$ 100,000

Of the funds appropriated by this subsection, \$65,000 is allocated to Polk county and \$35,000 is allocated to Scott county to develop program innovations consistent with the recommendations contained in the Kempe National Center Report entitled "Study of Four Problem Areas in the Protection of Children in Iowa - 1988" and the counties' efforts in decategorization of child welfare funding.

- 2. For general administration of the department to improve staff training efforts:
 \$ 420,000

3. For funding of a new program manager position to oversee termination of parental rights and permanency planning efforts, and to fund one full-time equivalent position specializing in termination of parental rights cases on a pilot project basis in one district of the department on the condition that regular reports regarding the district's program efforts shall be provided to the legislative fiscal bureau:

- \$ 75,000

- 4. For use by the department in updating manuals, automating procedures, developing outcome-oriented evaluation systems, and to fund a full-time equivalent position to

promote innovative treatment programs, write grants to obtain federal and private funding, and promote public and private efforts to treat and prevent child abuse:

..... \$ 75,000

5. For personnel, assigned by the attorney general, to provide additional services with an emphasis on termination of parental rights cases within one district of the department:

..... \$ 75,000

6. For transfer to the foster care review board to provide a connecting link with the news media and the public regarding the foster care system and existing foster care cases:

..... \$ 10,000

7. For the establishment of a state multidisciplinary team to assist with difficult cases within the foster care system and with respect to child protective investigation and initial case planning and to develop and coordinate local multidisciplinary teams:

..... \$ 75,000

8. For additional child abuse prevention grants:

..... \$ 100,000

Sec. 14. HOME-BASED SERVICES. 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:

For home-based services on the condition that family planning services are funded, provided that if the department amends the allocation to a program funded under this section, then the department shall promptly notify the legislative fiscal bureau of the change:

..... \$ 8,333,382

Of the funds appropriated in this section, \$1,892,800 shall be used for family preservation and reunification services pilot projects. A portion of the funds shall be used to maintain service levels in existing family preservation

projects and to expand the projects to provide postplacement reunification services to families participating in the projects. A portion of the funds shall be used to contract for the purchase of family preservation services in up to three additional districts of the department in which the services are not being offered. Following review by the statewide family preservation and decategorization committee, the department may directly provide services in one of the three additional districts. A limited amount of the funds may be used to provide other resources required for a family participating in a project to stay together or to be reunified. Not more than \$50,000 shall be used to provide training for pilot project employees. The payment system for the project shall not be based upon units of time, but may be based upon the cost to serve a family, including adjustments according to the provider's performance and the outcome of the services provided to each family. It is the intent of the general assembly that the three-year evaluation of this initiative be continued to assess impact and cost-effectiveness and that the department seek additional assistance from the division of criminal and juvenile justice planning of the department of human rights in evaluating both this initiative and the decategorization projects. The department shall continue to develop both the family preservation and the decategorization projects in consultation with professionals in the child welfare field and using outside technical assistance from the national conference of state legislatures and the center for the study of social policy. The department shall use the family preservation and decategorization committee to assist in selecting additional projects.

Sec. 15. COMMUNITY-BASED PROGRAMS. 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:

For community-based programs on the condition that the prevention grants relating to adolescent pregnancy under subsection 2 of this section are funded:

..... \$ 2,307,907

1. As a condition, qualification, and limitation of the funds appropriated by this section, up to \$13,500 shall be used by the department as the entitled aid from the state under section 232.142, subsection 3, for the cost of the establishment, improvement, operation, and maintenance of approved county or multicounty juvenile homes.

2. Of the funds appropriated under this section, \$500,000 shall be used for adolescent pregnancy prevention grants. At least seventy-five percent of the funds shall be used for programs which incorporate family planning and pregnancy prevention services as the major component of the program. The department shall not expend more than seven percent of the funds for administrative costs. The department shall adopt rules to implement this subsection. A grant may be awarded to a public school corporation, an adolescent services provider, or a nonprofit organization which is involved in adolescent issues. Grants shall be awarded for a one-year period and targeted to provide services primarily in the seven counties with the greatest incidence of adolescent pregnancy. Preference in awarding grants shall be given to projects which utilize a variety of community resources and agencies.

a. As used in this subsection, "adolescent" means a person who is less than eighteen years of age or a person who is attending an accredited high school and pursuing a course of study which will lead to a high school diploma or its equivalent. The department shall establish guidelines which permit a grant recipient to continue providing services to a person who receives services under the grant as an adolescent and becomes eighteen years of age or older.

b. A grant shall only be awarded to a project which provides one or more of the following services:

(1) Workshops and information programs for adolescents and parents of adolescents to improve communication between children and parents regarding human sexuality issues.

(2) Development and distribution of informational material designed to discourage adolescent sexual activity and to encourage male and female adolescents to assume responsibility for their sexual activity and parenting.

(3) Early pregnancy detection, prenatal services including chlamydia testing, and counseling regarding decision-making options for pregnant adolescents.

(4) Case management and child care services provided to male and female adolescent parents.

c. Additional services may be offered by a grantee pursuant to a purchase of service contract with the department including any of the following: child day care services; child development and parenting instruction; services to support high school completion, job training, and job placement; prevention of additional pregnancies during adolescence; and other personal services.

3. As a condition, qualification, and limitation of the funds appropriated by this section, \$350,686 shall be used by the department for child abuse prevention grants.

Sec. 16. BLOCK GRANT SUPPLEMENTATION. 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:

For supplementation of federal social services block grant funds and for allocation to the various counties for the purchase of local services:

..... \$ 3,852,357

1. The funds appropriated in this section shall be allocated to the counties pursuant to the rules of the department in effect on January 1, 1985. The department shall

increase the income guidelines for income eligible persons receiving services funded with federal social services block grant funds for the fiscal year beginning July 1, 1989, by the same percentage and at the same time as federal social security benefits are increased due to a recognized increase in the cost of living.

2. As a condition, qualification, and limitation of the funds appropriated in this section, the department, in cooperation with representatives of advocate organizations, consumers, county government, and provider organizations, shall consider methods for increasing the flexibility of the social services block grant purchase of local services allocation by developing new options to promote greater integration into the community of clients who receive services under the grant. The new options to be considered for inclusion under the social services block grant purchase of local services allocation shall include but are not limited to supported work training and supported employment. The department may implement the recommendations during the fiscal year which begins on July 1, 1989.

3. As a condition, qualification, and limitation of the funds appropriated in this section, the state shall adopt rules for standards applied to intermediate care facilities for the mentally retarded which provide for facility standards which are equal to the federal facility standards for this type of facility.

Sec. 17. JUVENILE JUSTICE. 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:

For juvenile justice reimbursement to counties under section 232.141, subsection 2:

..... \$ 4,713,200

Sec. 18. IOWA VETERANS HOME. 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:

For operation of the Iowa veterans home, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

.....	\$ 27,029,775
..... PTEs	832.16

The department may use the gifts accepted by the director of human services pursuant to section 218.96 and other resources available to the department for use at the Iowa veterans home for purposes identified by the department.

DIVISION IV

Sec. 19. MENTAL HEALTH INSTITUTES. 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:

For the state mental health institutes for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

1. State mental health institute at Cherokee:

.....	\$ 13,178,065
..... PTEs	379.4
2. State mental health institute at Clarinda:

.....	\$ 7,052,997
..... PTEs	194.11
3. State mental health institute at Independence:

.....	\$ 13,914,096
..... PTEs	417.22
4. State mental health institute at Mount Pleasant:

.....	\$ 7,640,971
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..... FTEs 200.49

5. For staff and support relating to fulfilling requirements ordered for certification standards:

..... \$ 200,000

6. As a condition, qualification, and limitation of the funds appropriated in subsections 1 and 3, the department shall track the sources of referrals to the secure ward for children developed at the state mental health institute at Independence and of children placed in a secure ward with adults at the state mental health institute at Cherokee. The department shall develop an admission criteria to restrict the number of children who can be placed in a secure ward and collect data on the characteristics of the children placed in the ward including classification of illness. A report shall be submitted to the legislative fiscal bureau on or before January 15, 1990, regarding the data collected during the period beginning July 1, 1989, and ending December 31, 1989. The department shall adopt rules pursuant to chapter 17A which take effect October 1, 1989, and prohibit the placement of a child in a secure ward with adults in the state mental health institute at Independence.

Sec. 20. HOSPITAL-SCHOOLS. 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:

For the state hospital-schools, for salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

- 1. State hospital-school at Glenwood:
 - \$ 36,120,355
 - PTEs 1,190.5
- 2. State hospital-school at Woodward:
 - \$ 28,760,950
 - FTEs 946.5

As a condition, qualification, and limitation of the funds appropriated in this section, one unit of a state hospital-school which is open on June 30, 1989, shall be closed during the fiscal year which begins July 1, 1989.

Sec. 21. MENTAL HEALTH AND RETARDATION SERVICES FUND. There is appropriated from the general fund of the state to the state community mental health and mental retardation services fund established in section 225C.7 for the fiscal year beginning July 1, 1989, and ending June 30, 1990, the following amount, or so much thereof as is necessary:

..... \$ 3,205,000

Sec. 22. FAMILY SUPPORT SUBSIDY PROGRAM. 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:

For the family support subsidy program:
..... \$ 400,000

For the fiscal year beginning July 1, 1989, the governor's planning council for developmental disabilities shall conduct the evaluation of the family support subsidy program required of the department pursuant to section 225C.42.

Sec. 23. ENHANCED MENTAL HEALTH -- MENTAL RETARDATION -- DEVELOPMENTAL DISABILITIES SERVICES. There is appropriated from the general fund of the state to the state candidate services fund 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 by the department of human services for the purposes designated:

..... \$ 4,779,600

1. The enhanced mental health, mental retardation, and developmental disabilities services plan oversight committee is continued, as established under 1988 Iowa Acts, chapter 1276, section 14, subsection 1, for the fiscal year which

begins July 1, 1989, and ends June 30, 1990. The committee shall complete all of the following responsibilities:

a. Take action on whether to include behavior management as a candidate service in an amendment to the state Title XIX plan, to develop a federal waiver request for behavior management as a candidate service, or to take no action to include behavior management as a covered service. Decisions shall be based upon a determination of the availability of funds for the nonfederal share of the cost of the service.

b. Explore and make recommendations regarding the submission of a request for a Title XIX plan waiver for any candidate services which are not accepted by the federal government as a state plan amendment.

c. Review and make recommendations regarding the county case management implementation plan and budget to the state mental health and mental retardation commission.

d. Track the expenditures for, and utilization of, candidate services. Report a variance in an approved plan to the governor, the legislative fiscal bureau, and each county.

e. Recommend action regarding variations from the budgeted, appropriated, and identified expenditures and projected expenditure offsets to the council on human services and the state mental health and mental retardation commission.

f. Submit a report regarding the results of the implementation of the provisions of this section, including the impact upon the institutional populations, to the governor and the general assembly. The report shall contain recommendations regarding continuing the provisions of this section in subsequent budget years.

g. Recommend rules, or amendments to existing rules, which implement the provisions of this section, to the council on human services and the state mental health and mental retardation commission.

h. Issue a final decision regarding any issue of disagreement between a county and the department relating to

expenditures for candidate services or the county's maintenance of effort.

2. For purposes of this section, "candidate services" means [rehabilitation services], day treatment, partial hospitalization, and case management. Behavior management services shall be included in the state Title XIX plan as a candidate service if recommended by the oversight committee.

If recommended by the oversight committee, the department shall seek Title XIX plan waivers for any of the candidate services which are not accepted by the federal government as a state plan amendment.

3. a. The county of legal settlement shall be billed for fifty percent of the nonfederal share of the cost of case management provided to adults, [rehabilitation services], day treatment, and partial hospitalization provided under the medical assistance program for persons with mental retardation, a developmental disability, or chronic mental illness.

b. If the department has contracted with a county or a consortium of counties to be the provider of case management services, the department is responsible for any costs included within the unit rate for case management services which are disallowed for reimbursement pursuant to Title XIX of the federal Social Security Act by the federal health care financing administration. The department shall use funds appropriated under this section to credit a county for the county's share of any amounts overpaid due to the disallowed costs. If certain costs are disallowed due to requirements or preferences of a particular county in the provision of case management services the county shall receive no credit for the amount of the costs. This subsection is retroactive to April 1, 1989.

4. A county is responsible to continue to expend at least the agreed upon amount expended for candidate services in the fiscal year which ended June 30, 1987, for the fiscal year

beginning July 1, 1989, for services to persons with mental retardation, a developmental disability, or chronic mental illness. If a county does not expend the agreed upon amount in the fiscal year, the balance not expended shall not revert to the general fund of the county, but shall be carried over to the next fiscal year to be expended for the provision of services to persons with mental retardation, a developmental disability, or mental illness including, but not limited to, the chronically mentally ill, and shall be used as additional funds. The additional funds shall be used, to the greatest extent possible, to meet unmet needs of persons with mental retardation, a developmental disability, or mental illness. This subsection does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

5. a. Notwithstanding section 8.33, funds appropriated under this section which are not obligated or encumbered shall not revert to the general fund on September 30, 1990, but shall be deposited in the state community mental health and mental retardation services fund for use in the fiscal year beginning July 1, 1990. It is the intent of the general assembly that the funds deposited in the state community mental health and mental retardation services fund for this purpose shall be used in addition to moneys appropriated in the fiscal year beginning July 1, 1989, for this purpose.

b. Notwithstanding section 8.39, funds appropriated to the department for the state hospital-schools by section 20 of this Act and to the state mental health institutes by section 19 of this Act shall not be subject to transfer, except to the state candidate services fund after January 1, 1990, subsequent to a reevaluation of the institutional budgets for the remainder of the fiscal year.]

6. The department, in conjunction with the oversight committee, and with the agreement of each county, shall establish the actual amount expended for each candidate

service for persons with mental retardation, a developmental disability, or chronic mental illness in the fiscal year which ended June 30, 1987, and this amount shall be deemed each county's base year expenditure for the candidate service. A disagreement between the department and a county as to the actual amount expended shall be decided by the oversight committee.

The department, in conjunction with the oversight committee, and with the agreement of each county, shall determine the expenditures in the fiscal year beginning July 1, 1989, by each county for the candidate services, including the amount the county contributes under subsection 3. If the expenditures in the fiscal year beginning July 1, 1989, exceed the base year expenditures for candidate services, then the county shall receive from the funds appropriated under this section the least amount of the following:

a. The difference between the total expenditures for the candidate services in the fiscal year beginning July 1, 1989, and the base year expenditures.

b. The amount expended by the county under subsection 3.

c. The amount by which total expenditures for persons with mental retardation, a developmental disability, or chronic mental illness for the fiscal year beginning July 1, 1989, less any carryover amount from the fiscal year which began July 1, 1988, exceed the maintenance of effort expenditures under subsection 4.

7. Notwithstanding section 225C.20, case management services shall be provided by the department except when a county or a consortium of counties contracts with the department to provide the services. A county or consortium of counties may contract to be the provider at any time and the department shall agree to the contract so long as the contract meets the standards for case management adopted by the department. The county or consortium of counties may subcontract for the provision of case management services if

the subcontract meets the same standards. A mental health, mental retardation, and developmental disabilities coordinating board may change the provider of individual case management services at any time. If the current or proposed contract is with the department, the coordinating board shall provide written notification of a proposed change to the department on or before August 15 and written notification of an approved change on or before October 15 in the fiscal year which precedes the fiscal year in which the change will take effect.

8. This section does not relieve the county from any other funding obligations required by law, including but not limited to the obligations in section 222.60.

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

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

11. Where the department contracts with a county or consortium of counties to provide case management services, the state shall appear and defend the department's employees and agents acting in an official capacity on the department's behalf and the state shall indemnify the employees and agents for acts within the scope of their employment. The state's duties to defend and indemnify shall not apply if the conduct upon which any claim is based constitutes a willful and wanton act or omission or malfeasance in office.

DIVISION V

Sec. 24. COMMUNITY SERVICES. 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 community services:

For field operations, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:
..... \$ 37,807,767
..... FTEs 2,228.50

1. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall provide an extensive orientation program for newly employed social workers in the area of community resource programs and shall provide assistance to each county board of social welfare to identify community resources in counties pursuant to section 234.11.

2. Staff who are designated as "Title XIX case management staff" are considered to be in addition to the limit for full-time equivalent positions and the funds appropriated for field operations. As a condition, qualification, and limitation of the funds appropriated in this section, the department shall report quarterly to the chairpersons and ranking members of the legislative fiscal committee of the legislative council, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding the total number of Title XIX case management staff positions filled, including the number of positions which were filled by persons who were already employed by the department in another capacity.

3. As a condition, qualification, and limitation of the funds appropriated in this section, upon the request of a county, the department shall work with the county to develop a funding plan for persons with mental retardation, a developmental disability, or chronic mental illness who are not eligible to receive case management provided under the medical assistance program and are receiving service management. With an agreed upon funding plan, the department

is authorized to combine state funds that would otherwise be expended on service management with county funds to upgrade services provided to the persons from service management to case management. Staff required to implement this subsection are not subject to the limitations on full-time equivalent positions and funds appropriated for community services.

4. As a condition, qualification, and limitation of the funds appropriated in this section, if the division of community services staffing level meets the funded full-time equivalent position limit authorized under this section and a district identifies a critical position vacancy or a position with a caseweight factor greater than one hundred twenty percent of the budgeted caseweight factor for the position, the director of human services may exceed the full-time equivalent position limit authorized under this section in the amount necessary to fill the critical position vacancy or to reduce the caseweight factor to the budgeted level. For purposes of this subsection, "critical position vacancy" includes a clerical position in an office limited to a single clerical staff position. The budgeted caseweight factor for the fiscal year beginning July 1, 1989, and ending June 30, 1990, is 155 for income maintenance workers and 151 for social workers. The department shall report monthly to the legislative fiscal bureau regarding caseweight factor computations in each district, the statewide average caseweight factor, the existence of a critical vacancy in any district, and action taken by the department to address any critical position vacancy problem or excess caseweight factor.

Sec. 25. GENERAL ADMINISTRATION. 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:

For general administration, including salaries, support, maintenance, miscellaneous purposes, and for not more than the following full-time equivalent positions:

..... \$ 8,339,096
..... FTEs 329.45

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

2. As a condition, qualification, and limitation of the funds appropriated in this section, one full-time equivalent position shall be filled by a housing specialist who is assigned to attract additional federal funding to increase low-income housing and to work with local governments and private agencies in developing additional housing for persons who are part of special populations, including but not limited to the mentally ill. The department of human services' housing specialist shall coordinate efforts with the Iowa finance authority and the housing specialist in the Iowa department of elder affairs. The department shall review the duties and program for a similar housing specialist position in the state of Oregon.

3. As a condition, qualification, and limitation of the funds appropriated in this section, three full-time equivalent positions shall be filled by staff assigned to the bureau of medical assistance to develop policies to improve medical assistance cost containment and increase the amount of federal reimbursement to the state. Other duties shall include but are not limited to improving oversight of health care, implementation of nursing home reform, reducing overutilization of health care services by specific individuals, reducing usage of services identified as high variation procedures, and developing proposals to seek federal reimbursement for services currently available but not reimbursed in the state, including hospice services.

4. As a condition, qualification, and limitation of the funds appropriated in this section, if a state institution administered by the department is to be closed or reduced in size, prior to the closing or reduction the department shall initiate and coordinate efforts in cooperation with the department of economic development to develop new jobs in the area in which the state institution is located.

5. Of the funds appropriated in this section, \$50,000 is allocated for the lease-purchase of teleconferencing equipment and as a condition, qualification, and limitation of the funds appropriated in this section, the funds allocated by this subsection shall only be used for the purpose stated in this subsection, shall revert to the general fund if not used for the purpose stated, and shall not be subject to transfer for any other purpose. If additional funds are needed for the lease-purchase of teleconferencing equipment, the department may use other funds appropriated in this section.

6. Of the funds appropriated in this section, \$25,000 is allocated for salary and support of an additional full-time equivalent position assigned to the department of public safety to process criminal history background checks for service providers related to the department of human services.

Sec. 26. VOLUNTEERS. 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:

For development and coordination of volunteer services:
..... \$ 81,758

Sec. 27. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. For the fiscal year beginning July 1, 1989, the following providers shall have their medical assistance reimbursement rates increased by two and twenty-five

hundredths percent over the rates in effect on June 30, 1985: optometrists, opticians, physicians, pharmacists, podiatrists, dentists, chiropractors, physical therapists, certified nurse midwives, ambulance services, independent laboratories, area education agencies, clinics, audiologists, rehabilitation agencies, community mental health centers, family planning clinics, psychologists, screening centers, hearing aid dealers, orthopedic shoe dealers, ambulatory surgery centers, and genetic counseling clinics. However, the material costs of drugs, optometric products, and durable medical products and supplies which are reimbursed at the acquisition cost shall not be limited to an increase of two and twenty-five hundredths percent. Maternal health centers shall be reimbursed at the maximum rate permitted under the medical assistance program. However, reimbursement rates for office visits for all medical assistance providers and for all obstetric services shall be increased by four percent over the rates in effect on June 30, 1989.

a. Reimbursement rates to hospitals and skilled nursing facilities shall be increased by two and twenty-five hundredths percent over the rates in effect on June 30, 1989.

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

c. Home health agencies certified for the medical assistance program shall be reimbursed for their current federal Medicare audited costs.

d. For the fiscal year beginning July 1, 1989, the basis for establishing the maximum medical assistance reimbursement rate for intermediate care facilities shall be the seventy-fourth percentile of all facility per diem rates as calculated from the June 30, 1989, unaudited compilation of cost and statistical data.

2. For the fiscal year beginning July 1, 1989, the maximum cost reimbursement rate for residential care facilities

reimbursed by the department shall be \$18.51. The flat reimbursement rate for facilities electing not to file cost reports shall be \$13.23. For the fiscal year beginning July 1, 1989, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be increased by four percent.

3. For services provided by social service providers reimbursed by the department between July 1, 1989, and June 30, 1990, rates shall be increased automatically by four percent over the unreduced rates in effect on June 30, 1989, except for family foster care provider rates which shall be increased by an average of four percent. Rates for foster group care and shelter care services shall not exceed \$70.86 per day. The reimbursement rate increase for providers whose cost reimbursement is below the maximum rate on July 1, 1989, shall be the maximum increase provided to providers whose cost reimbursement is at the maximum rate on July 1, 1989. This automatic increase is intended to be an exception to policy for the fiscal year beginning July 1, 1989, and ending June 30, 1990, and is not intended to eliminate regular submission of cost reports.

4. For providers reimbursed under subsection 3 of this section, reimbursement rate increases may be applied to the maximum reimbursement rate a program has received in any of the last five fiscal years, provided that if the program utilizes a reimbursement rate for a year other than the fiscal year beginning July 1, 1988, the program can justify to the department that the costs associated with that reimbursement rate pertain to the fiscal year beginning July 1, 1989.

Sec. 28. ASSISTANCE TO GAMBLERS. The department shall use funds deposited in the gamblers assistance fund established in section 99E.10 only for programs to assist gamblers. Any unspent funds shall remain in the fund and shall not be transferred or reverted to the general fund of the state.

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

Sec. 29. WAIVER EXPENSE REPORTED. The department of human services shall report to the chairpersons and ranking members of the legislative fiscal committee, the members of the joint appropriations subcommittee on human services, and the legislative fiscal bureau regarding the amount of administrative costs relating to each waiver application submitted to the federal government during the fiscal year beginning July 1, 1989. The reports shall be submitted in 1990 on January 1, March 1, and June 1.

Sec. 30. RULES. The department of human services may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the sections of this Act enumerated in this section. Rules adopted pursuant to sections 1, 2, 4, 6, 7, 8, 11, 12, 13, 14, 15, 16, 17, 19, 23, and 27 of this Act shall become effective immediately upon filing, unless a later effective date is specified in the rules. The rules shall also be published as notice of intended action as provided in section 17A.4.

Sec. 31. FEDERAL RECEIPTS. All federal grants to and the federal receipts of the department of human services are appropriated for the purposes set forth in the federal grants or receipts. The veterans per diem payable for veterans at the veterans home and funds received under Title XIX of the federal Social Security Act by the state mental health institutes and state hospital-schools shall be deposited in the general fund of the state.

Sec. 32. FULL-TIME EQUIVALENT LIMIT NOTIFICATION. The Iowa veterans home, the state mental health institutes, and the state hospital-schools may exceed the specified number of full-time equivalent positions if the additional positions are specifically related to licensing, certification, or accreditation standards or citations. The department shall

notify the co-chairpersons and ranking members of the joint human services appropriations subcommittee of the appropriations committees of the house and senate and the legislative fiscal bureau if the specified number is exceeded. The notification shall include an estimate of the number of full-time equivalent positions added and the fiscal effect of the addition.

Sec. 33. Notwithstanding 1988 Iowa Acts, chapter 1276, section 8, subsection 2, the Iowa juvenile home is not required to establish a diagnostic program and short-term high-impact program for adjudicated female delinquents and adjudicated "child in need of assistance" boys and girls residing at the state juvenile home until the juvenile home is able to reduce the juvenile home's population to seventy-two, which will provide a living unit for the evaluation program.

Sec. 34. NURSING HOME REPORT REQUIREMENTS. The department of human services with the assistance of the department of inspections and appeals shall submit to the fiscal committee of the legislative council and to the members of the joint appropriations subcommittee on human services on or before September 1, 1989, proposed administrative rules for compliance with federal standards for nursing facilities pursuant to the federal Omnibus Budget Reconciliation Act of 1987. If a standard in a rule proposed by the department of human services or the department of inspections and appeals exceeds a federal standard under the federal Omnibus Budget Reconciliation Act of 1987 for nursing facilities or the corresponding regulation adopted by the federal health care financing administration, the department of human services or the department of inspections and appeals shall provide the rationale for exceeding the federal standard or the corresponding regulation. When submitted, the proposed administrative rules shall be accompanied by a detailed analysis prepared by the department of human services of the cost to implement each standard including an estimate of the

additional cost of a standard which exceeds a federal standard or the corresponding regulation for nursing facilities.

Sec. 35. STAFFING STUDY REQUESTED. The legislative council is requested to establish an interim study committee to assess staffing of the nine state institutions operated by the department of human services. The study committee shall develop specific recommendations regarding staffing patterns and personnel practices at each of the state institutions for action by the general assembly and the department of human services.

1. In appointing the membership of the study committee, the legislative council shall consider appointing experts in private sector management and staffing analysis, representatives of large private service providers, hospital administrators, and employees of state institutions operated by the department of human services.

2. The study committee shall review proposals developed by interested parties, including the staffing study of the American federation of state, county, and municipal employees union presented to the human services appropriations subcommittee during the 1989 session. The study committee shall interview staff at all levels of the various institutions, including members of the American federation of state, county, and municipal employees and Iowa united professionals unions, department of human services central office staff, and employees of the department of management and the department of personnel.

3. It is the intent of the general assembly that the legislative council authorize not more than twenty-five thousand dollars to be used to retain private consulting services to assist the study committee. The legislative fiscal bureau shall provide primary staff support to the study committee.

Sec. 36. APPLICABILITY. Section 23, subsection 3, of this Act is retroactively applicable to April 1, 1989.

Sec. 37. EFFECTIVE DATE. Section 23, subsection 1, and section 33 of this Act, being deemed of immediate importance, take effect upon enactment.

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 541, Seventy-third General Assembly.

John F. Dwyer
Approved June 5, 1989

JOHN F. DWYER
Secretary of the Senate

TERRY E. BRANSTAD
Governor