

FEB 2 1995

HOUSE FILE 129

BY COMMITTEE ON LOCAL GOVERNMENT

WAYS AND MEANS

(SUCCESSOR TO HSB 20)

(p. 651) WITHDRAWN 2/1/95

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to county expenditures for mental health, mental
2 retardation, and developmental disabilities services by
3 providing for property tax reductions, establishing a county
4 fund for such services, and providing an effective date.

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

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WITHDRAWN

HF 129

DIVISION I

1
2 Section 1. Section 331.438, subsection 1, paragraph b,
3 Code 1995, is amended to read as follows:

4 b. "State payment" means the payment made by the state
5 under section 331.438A to a county determined to be eligible
6 for the payment in accordance with section 331.439. ~~Except as~~
7 ~~modified-based-upon-the-actual-amount-of-the-appropriation-for~~
8 ~~purposes-of-state-payment-under-section-331.439, the amount of~~
9 ~~the-state-payment-for-a-fiscal-year-shall-be-calculated-as~~
10 ~~fifty-percent-of-the-amount-by-which-the-county's-qualified~~
11 ~~expenditures-during-the-immediately-preceding-fiscal-year-were~~
12 ~~in-excess-of-the-amount-of-the-county's-base-year~~
13 ~~expenditures.~~

14 Sec. 2. Section 331.438, Code 1995, is amended by adding
15 the following new subsection:

16 NEW SUBSECTION. 1A. The state of Iowa shall provide
17 funding for the county expenditures for mental health and
18 mental retardation assistance so that over the five-year
19 period beginning July 1, 1995, and ending June 30, 2000, the
20 relative shares of the state and counties for these
21 expenditures shall become either equal or greater for the
22 state.

23 Sec. 3. NEW SECTION. 331.438A STATE AND COUNTY
24 EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION, AND
25 DEVELOPMENTAL DISABILITIES ASSISTANCE -- FUND CREATED.

26 1. The mental health, mental retardation, and
27 developmental disabilities property tax relief fund is created
28 in the office of the treasurer of state under the authority of
29 the department of revenue and finance. The relief fund shall
30 consist of moneys appropriated to the fund.

31 2. The department of revenue and finance shall determine
32 each county's proportion of the state's general population.
33 In each fiscal year, a county shall receive for property tax
34 relief the proportion of the moneys appropriated to the
35 property tax relief fund for that fiscal year equivalent to

1 that county's proportion of the state's general population.
2 However, moneys provided to a county for property tax relief
3 in a fiscal year in accordance with this section shall not be
4 less than the amount provided to the county for property tax
5 relief in the previous fiscal year.

6 3. The director of revenue and finance shall draw warrants
7 on the relief fund, payable to the county treasurer in the
8 amount due a county in accordance with subsection 2, and mail
9 the warrants to county auditors by September 1 and March 1.

10 4. Before June 1 of each fiscal year, the director of
11 revenue and finance shall notify the county auditor of each
12 county of the amount of moneys the county will receive from
13 the relief fund pursuant to subsection 2 in the succeeding
14 fiscal year. The county auditor shall reduce the certified
15 budget amount received from the board of supervisors for the
16 succeeding fiscal year by an amount equal to the amount the
17 county will receive and the auditor shall determine the rate
18 of taxation necessary to raise the reduced amount.

19 5. In addition to moneys received by a county pursuant to
20 subsection 2, the county shall be allowed an inflation factor
21 adjustment for assistance paid from the county's services fund
22 under section 331.424A which is in accordance with the
23 county's management plan implemented pursuant to section
24 331.439. The amount of the inflation factor adjustment shall
25 not exceed the inflation factor amount specified in the
26 appropriation for the adjustment. Payment of the inflation
27 factor adjustment shall be made as provided in the
28 appropriation.

29 6. The director of revenue and finance shall prescribe
30 forms and adopt rules pursuant to chapter 17A to administer
31 this section.

32 Sec. 4. Section 331.439, Code 1995, is amended by striking
33 the section and inserting in lieu thereof the following:

34 331.439 ELIGIBILITY FOR STATE PAYMENT.

35 1. The state payment to eligible counties under this

1 section shall be made as provided in section 331.438A. A
2 county is eligible for the state payment, as defined in
3 section 331.438, for the fiscal year beginning July 1, 1995,
4 and for subsequent fiscal years if the director of human
5 services determines for a specific fiscal year that all of the
6 following conditions are met:

7 a. The county accurately reported by October 15 the
8 county's expenditures for mental health, mental retardation,
9 and developmental disabilities services for the previous
10 fiscal year on forms prescribed by the department of human
11 services.

12 b. The county developed and implemented a county
13 management plan for the county's mental health and mental
14 retardation services in accordance with the provisions of this
15 paragraph. The plan shall comply with the administrative
16 rules adopted for this purpose by the council on human
17 services and is subject to the approval of the director of
18 human services in consultation with the state-county
19 management committee created in section 331.438. The plan
20 shall include a description of the county's service management
21 provision for mental health, mental retardation, and
22 developmental disabilities services. The plan shall have the
23 following two parts:

24 (1) For mental health service management, the county must
25 contract with a state-approved managed mental health care
26 contractor or provide a comparable system of managed care.
27 For the fiscal year beginning July 1, 1995, this part of the
28 plan shall be implemented on or before October 15, 1995, after
29 approval by the department of human services. For subsequent
30 fiscal years, this part of the plan shall be submitted to the
31 department by April 1 for the succeeding fiscal year.

32 (2) For mental retardation service management, the county
33 shall implement a system of managed care within six months of
34 the date by which the department of human services approves a
35 managed care contractor. The county must either contract with

1 a state-approved mental retardation managed contractor or
2 provide a comparable system of managed care. In fiscal years
3 succeeding the fiscal year of initial implementation, this
4 part of the plan shall be submitted to the department of human
5 services by April 1 for the succeeding fiscal year.

6 c. Changes to the approved plan are submitted sixty days
7 prior to the proposed change and are not to be implemented
8 prior to the director of human services' approval.

9 2. A county may provide assistance to service populations
10 with disabilities to which the county has historically
11 provided assistance but who are not included in the service
12 management provisions required under subsection 1, subject to
13 the availability of funding.

14 3. For the fiscal year beginning July 1, 1995, and
15 succeeding fiscal years, implementation of the county
16 management plan is subject to a fixed budget consisting of the
17 moneys deposited by the state and county in the county mental
18 health, mental retardation, and developmental disabilities
19 services fund created in section 331.424A.

20 4. A county's implementation of the service management
21 provisions required under subsection 1 for mental health and
22 mental retardation shall incorporate the single entry point
23 process described in section 331.440.

24 5. The basis for determining whether a managed care system
25 proposed by a county is comparable to a managed care
26 contractor approved by the department of human services shall
27 include but is not limited to all of the following elements:

28 a. The enrollment and eligibility process.

29 b. The scope of services included.

30 c. The method of plan administration.

31 d. The process for managing utilization and access to
32 services and other assistance.

33 e. The quality assurance process.

34 f. The risk management provisions and fiscal viability of
35 the provisions.

1 6. The director's approval of a county's mental health,
2 mental retardation, and developmental disabilities services
3 management plan shall not be construed to constitute
4 certification of the county's budget.

5 DIVISION II

6 Sec. 5. NEW SECTION. 331.424A MENTAL HEALTH, MENTAL
7 RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES FUND.

8 1. For the purposes of this chapter, unless the context
9 otherwise requires, "services fund" means the county mental
10 health, mental retardation, and developmental disabilities
11 services fund created in subsection 2.

12 2. For the fiscal year beginning July 1, 1995, and
13 succeeding fiscal years, county revenues from taxes and other
14 sources designated for mental health, mental retardation, and
15 developmental disabilities services shall be credited to the
16 mental health, mental retardation, and developmental
17 disabilities services fund of the county. The board shall
18 make appropriations from the fund for payment of services
19 provided under the county management plan approved pursuant to
20 section 331.439.

21 3. For the fiscal year beginning July 1, 1995, and
22 succeeding fiscal years, receipts from the state or federal
23 government for such services shall be credited to the services
24 fund, including moneys allotted to the county from the state
25 payment made pursuant to section 331.439 and moneys allotted
26 to the county for property tax relief pursuant to section
27 331.438A.

28 4. For the fiscal year beginning July 1, 1995, and for
29 each subsequent fiscal year, the county may certify a levy for
30 payment of services. Unless otherwise provided by state law,
31 for each fiscal year, county revenues from taxes imposed by
32 the county credited to the services fund shall not exceed an
33 amount equal to the amount of base year expenditures from
34 property taxes imposed by the county and paid for services in
35 the fiscal year beginning July 1, 1993, and ending June 30,

1 1994, as defined in section 331.438, less the amount of
2 property tax relief to be received pursuant to section
3 331.438A in the fiscal year for which the budget is certified.

4 5. Appropriations specifically authorized to be made from
5 the mental health, mental retardation, and disabilities
6 services fund shall not be made from the general fund of the
7 county.

8 DIVISION III

9 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
10 immediate importance, takes effect upon enactment.

11 EXPLANATION

12 This bill relates to county expenditures for mental health,
13 mental retardation, and developmental disabilities services by
14 providing for property tax reductions, establishing a county
15 fund for such services, and providing an effective date.

16 Division I relates to the county expenditures for such
17 services by modifying current law to strike a formula for the
18 state to pay counties for 50 percent of the amount by which
19 those expenditures in the previous fiscal year exceeded a base
20 year expenditure amount. Under the amendment, the state
21 payment is to be provided from the new fund created in new
22 section 331.438A. A county's eligibility for the state
23 payment is contingent upon a county complying with various
24 service management and planning requirements to be
25 administered by the department of human services pursuant to
26 section 331.439. Section 331.439 is stricken and rewritten
27 and time frames for a county to implement managed care of
28 mental health and mental retardation services are revised.

29 A mental health and developmental disabilities property tax
30 relief fund is created in new section 331.438A and moneys
31 appropriated to the fund are to be used to reduce property
32 taxes levied for the costs of such services. Moneys for
33 property tax relief are distributed in proportion to a
34 county's proportion of the state's general population. In
35 addition, counties are to be allowed an inflation factor

1 adjustment which is to be provided in accordance with the
2 appropriation made for payment of the adjustment.

3 Division II provides authorization for counties to certify
4 a levy for a mental health, mental retardation, and
5 developmental disabilities services fund which is to be used
6 for receipts and expenditures for such services.

7 Division III provides that the bill takes effect upon
8 enactment.

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HSB 20

LOCAL GOVERNMENT

Succeeded by

HOUSE FILE 129

BY (PROPOSED COMMITTEE ON
LOCAL GOVERNMENT BILL BY
CHAIRPERSON VANDE HOEF)

Houser, Chair
Carroll
Myers

Passed House, Date _____ Passed Senate, Date _____

Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to county expenditures for mental health, mental
2 retardation, and developmental disabilities services by
3 providing for property tax reductions, establishing a county
4 fund for such services, and providing an effective date.

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

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DIVISION I

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Section 1. Section 331.438, subsection 1, paragraph b, Code 1995, is amended to read as follows:

b. "State payment" means the payment made by the state under section 331.438A to a county determined to be eligible for the payment in accordance with section 331.439. ~~Except as modified based upon the actual amount of the appropriation for purposes of state payment under section 331.439, the amount of the state payment for a fiscal year shall be calculated as fifty percent of the amount by which the county's qualified expenditures during the immediately preceding fiscal year were in excess of the amount of the county's base year expenditures.~~

Sec. 2. Section 331.438, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. It is the public policy of the state of Iowa for the state to increasingly assume responsibility for the nonfederal costs of mental health and mental retardation assistance. It is the goal of the state that over the ten-year period beginning July 1, 1995, and ending June 30, 2005, the relative shares of the state and counties shall become either equal or greater for the state.

Sec. 3. NEW SECTION. 331.438A STATE AND COUNTY EXPENDITURES FOR MENTAL HEALTH, MENTAL RETARDATION, AND DEVELOPMENTAL DISABILITIES ASSISTANCE -- FUND CREATED.

1. The mental health, mental retardation, and developmental disabilities property tax relief fund is created in the office of the treasurer of state under the authority of the department of revenue and finance. The relief fund shall consist of moneys appropriated to the fund.

2. The department of revenue and finance shall determine each county's proportion of all counties' base year expenditures, as defined in section 331.438. In each fiscal year, a county shall receive for property tax relief the proportion of the moneys appropriated to the relief fund for

1 that fiscal year equivalent to the county's proportion of all
2 counties' base year expenditures.

3 3. The director of revenue and finance shall draw warrants
4 on the relief fund, payable to the county treasurer in the
5 amount due a county in accordance with subsection 2, and mail
6 the warrants to county auditors by September 1 and March 1.

7 4. Before June 1 of each fiscal year, the director of
8 revenue and finance shall notify the county auditor of each
9 county of the amount of moneys the county will receive from
10 the relief fund pursuant to subsection 2 in the succeeding
11 fiscal year. The county auditor shall reduce the certified
12 budget amount received from the board of supervisors for the
13 succeeding fiscal year by an amount equal to the amount the
14 county will receive and the auditor shall determine the rate
15 of taxation necessary to raise the reduced amount.

16 5. In addition to moneys received by a county pursuant to
17 subsection 2, the county shall be allowed an inflation factor
18 adjustment for assistance paid from the county's services fund
19 under section 331.424A which is in accordance with the
20 county's management plan implemented pursuant to section
21 331.439. The amount of the inflation factor adjustment shall
22 not exceed the inflation factor amount specified in the
23 appropriation for the adjustment. Payment of the inflation
24 factor adjustment shall be made as provided in the
25 appropriation.

26 6. The director of revenue and finance shall prescribe
27 forms and adopt rules pursuant to chapter 17A to administer
28 this section.

29 Sec. 4. Section 331.439, Code 1995, is amended by striking
30 the section and inserting in lieu thereof the following:

31 331.439 ELIGIBILITY FOR STATE PAYMENT.

32 1. The state payment to eligible counties under this
33 section shall be made as provided in section 331.438A. A
34 county is eligible for the state payment, as defined in
35 section 331.438, for the fiscal year beginning July 1, 1995,

1 and for subsequent fiscal years if the director of human
2 services determines for a specific fiscal year that all of the
3 following conditions are met:

4 a. The county accurately reported by October 15 the
5 county's expenditures for mental health, mental retardation,
6 and developmental disabilities services for the previous
7 fiscal year on forms prescribed by the department of human
8 services.

9 b. The county developed and implemented a county
10 management plan for the county's mental health and mental
11 retardation services in accordance with the provisions of this
12 paragraph. The plan shall comply with the administrative
13 rules adopted for this purpose by the council on human
14 services and is subject to the approval of the director of
15 human services in consultation with the state-county
16 management committee created in section 331.438. The plan
17 shall include a description of the county's service management
18 provision for mental health, mental retardation, and
19 developmental disabilities services. The plan shall have the
20 following two parts:

21 (1) For mental health service management, the county must
22 contract with a state-approved managed mental health care
23 contractor or provide a comparable system of managed care.
24 For the fiscal year beginning July 1, 1995, this part of the
25 plan shall be implemented in October 1995 after approval by
26 the department of human services. For subsequent fiscal
27 years, this part of the plan shall be submitted to the
28 department by the prior April 1.

29 (2) For mental retardation service management, the county
30 shall implement a system of managed care within six months of
31 the date by which the department of human services approves a
32 managed care contractor. The county must either contract with
33 a state-approved mental retardation managed contractor or
34 provide a comparable system of managed care. In fiscal years
35 succeeding the fiscal year of initial implementation, this

1 part of the plan shall be submitted to the department of human
2 services by the prior April 1.

3 c. Changes to the approved plan are submitted sixty days
4 prior to the proposed change and are not to be implemented
5 prior to the director of human services' approval.

6 2. A county may provide assistance to service populations
7 which are not included in the service management provisions
8 required under subsection 1, subject to the availability of
9 funding.

10 3. For the fiscal year beginning July 1, 1996, and
11 succeeding fiscal years, implementation of the county
12 management plan is subject to a fixed budget consisting of the
13 moneys deposited by the state and county in the county mental
14 health, mental retardation, and developmental disabilities
15 services fund created in section 331.424A.

16 4. A county's implementation of the service management
17 provisions required under subsection 1 for mental health and
18 mental retardation shall incorporate the single point of entry
19 process described in section 331.440.

20 5. The basis for determining whether a managed care system
21 proposed by a county is comparable to a managed care
22 contractor approved by the department of human services shall
23 include but is not limited to all of the following elements:

- 24 a. The enrollment and eligibility process.
- 25 b. The scope of services included.
- 26 c. The method of plan administration.
- 27 d. The process for managing utilization and access to
28 services and other assistance.
- 29 e. The quality assurance process.
- 30 f. The risk management provisions and fiscal viability of
31 the provisions.

32 6. The director's approval of a county's mental health,
33 mental retardation, and developmental disabilities services
34 management plan shall not be construed to constitute
35 certification of the county's budget.

DIVISION II

1
2 Sec. 5. NEW SECTION. 331.424A MENTAL HEALTH, MENTAL
3 RETARDATION, AND DEVELOPMENTAL DISABILITIES SERVICES FUND.

4 1. For the purposes of this chapter, unless the context
5 otherwise requires, "services fund" means the county mental
6 health, mental retardation, and developmental disabilities
7 services fund created in subsection 2.

8 2. For the fiscal year beginning July 1, 1996, and
9 succeeding fiscal years, county revenues from taxes and other
10 sources designated for mental health, mental retardation, and
11 developmental disabilities services shall be credited to the
12 mental health, mental retardation, and developmental
13 disabilities services fund of the county. The board may make
14 appropriations from the fund for payment of services provided
15 under the county management plan approved pursuant to section
16 331.439.

17 3. For the fiscal year beginning July 1, 1996, and
18 succeeding fiscal years, receipts from the state or federal
19 government for such services shall be credited to the services
20 fund, including moneys allotted to the county from the state
21 payment made pursuant to section 331.439 and moneys allotted
22 to the county for property tax relief pursuant to section
23 331.438A.

24 4. For the fiscal year beginning July 1, 1996, and for
25 each subsequent fiscal year, the county may certify a levy for
26 payment of services. Unless otherwise provided by state law,
27 for each fiscal year, county revenues from taxes imposed by
28 the county credited to the services fund shall not exceed an
29 amount equal to the amount of base year expenditures for
30 services in the fiscal year beginning July 1, 1993, and ending
31 June 30, 1994, as defined in section 331.438 less the amount
32 of property tax relief to be received pursuant to section
33 331.438A in the fiscal year for which the budget is certified.

34 5. Appropriations specifically authorized to be made from
35 the mental health, mental retardation, and disabilities

1 services fund shall not be made from the general fund of the
2 county.

3 DIVISION III

4 Sec. 6. EFFECTIVE DATE. This Act, being deemed of
5 immediate importance, takes effect upon enactment.

6 EXPLANATION

7 This bill relates to county expenditures for mental health,
8 mental retardation, and developmental disabilities services by
9 providing for property tax reductions, establishing a county
10 fund for such services, and providing an effective date.

11 Division I relates to the county expenditures such services
12 by modifying current law which provides a formula for the
13 state to pay counties for 50 percent of the amount by which
14 those expenditures in the previous fiscal year exceeded a base
15 year expenditure amount. A county's eligibility for the state
16 payment is contingent upon a county complying with various
17 service management and planning requirements in administrative
18 rules adopted by the department of human services pursuant to
19 section 331.439. Section 331.439 is stricken and rewritten.

20 A mental health and developmental disabilities property tax
21 relief fund is created and moneys appropriated to the fund are
22 to be used to reduce property taxes levied for the costs of
23 such services. Moneys are distributed in proportion to a
24 county's proportion of the total base year expenditures used
25 for the state payment.

26 Division II provides authorization for counties to certify
27 a levy for a mental health, mental retardation, and
28 developmental disabilities services fund which is to be used
29 for receipts and expenditures for such services.

30 Division III provides that the bill takes effect upon
31 enactment.

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