

4/10/95 Referred to Education

FEB 24 1995

Place On Calendar

HOUSE FILE 220
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO HSB 148)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to administrative costs associated with
2 implementation by the area education agencies of the medical
3 assistance reimbursement for eligible special education
4 services.

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

6
7

HOUSE FILE 220

H-3374

1 Amend House File 220 as follows:
2 1. Page 1, by striking lines 8 through 12 and
3 inserting the following: "administrative costs.
4 Funds received under this section shall not be".
By GRUNDBERG of Polk

H-3374 FILED MARCH 21, 1995

HF 220

15
16
17
18
19
20
21
22
23
24

1 Section 1. Section 256B.15, subsection 7, paragraph b,
2 Code 1995, is amended to read as follows:

3 b. The area education agencies shall, after determining
4 the administrative costs associated with the implementation of
5 medical assistance reimbursement for the eligible services, be
6 permitted to retain up to ~~twenty-five~~ fifty percent of the
7 federal portion of the total amount reimbursed to pay for the
8 administrative costs, or if an area education agency is
9 contracting with a school district to provide the eligible
10 services under this section, the contract shall provide that
11 the school district retains the like amount for administrative
12 costs. Funds received under this section shall not be
13 considered or included as part of the area education agencies'
14 budgets when calculating funds that are to be received by area
15 education agencies during a fiscal year.

16 EXPLANATION

17 This bill increases the percentage, from 25 to 50 percent,
18 of the federal portion of the medical assistance reimbursement
19 which area education agencies are allowed to retain to pay for
20 administrative costs associated with the implementation of the
21 medical assistance reimbursement for eligible special
22 education services. The bill also provides that if the area
23 education agency is contracting with a school district to
24 provide the eligible services, the contract is to provide that
25 the school district retains the like amount for administrative
26 costs.

27
28
29
30
31
32
33
34
35

**HOUSE FILE 220
FISCAL NOTE**

A fiscal note for **House File 220** is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 220 increases the percentage, from 25 to 50 percent, of the federal portion of the Medical Assistance reimbursement which area education agencies (AEAs) are allowed to retain to pay for administrative costs associated with the implementation of the medical assistance reimbursement for eligible special education services. The Bill also provides that if an AEA is contracting with a school district to provide the eligible services, the contract is to provide that the school district retains the like amount for administrative costs.

ASSUMPTIONS

In FY 1994, there was approximately \$1.6 million of federal money received by the AEAs and the State for special education services. The State received approximately \$1.2 million (75.0%), and the AEA's received approximately \$0.4 million.

No changes in the Medicaid-eligible special education population have been included in the estimate.

FISCAL IMPACT

House File 220 is expected to result in a decrease in revenues to the General Fund, and a corresponding increase in revenues to the AEAs, of approximately \$0.4 million in FY 1996. These impacts will increase if identification and tracking of the Medicaid eligible population improves in subsequent fiscal years.

SOURCES

Department of Management
Deloitte & Touche, LLP

(LSB 1581hv, JAM)

FILED MARCH 1, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

Gries, Chair
Veenstra
Mascher

EDUCATION

Introduced By

SENATE/HOUSE FILE _____

BY (PROPOSED GOVERNOR'S BILL)

Passed Senate, Date _____

Passed House, Date _____

Vote: Ayes _____ Nays _____

Vote: Ayes _____ Nays _____

Approved _____

A BILL FOR

1 An Act relating to administrative costs associated with
2 implementation by the area education agencies of the medical
3 assistance reimbursement for eligible special education
4 services.

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

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

1 Section 1. Section 256B.15, subsection 7, paragraph b,
2 Code 1995, is amended to read as follows:

3 b. The area education agencies shall, after determining
4 the administrative costs associated with the implementation of
5 medical assistance reimbursement for the eligible services, be
6 permitted to retain up to ~~twenty-five~~ fifty percent of the
7 federal portion of the total amount reimbursed to pay for the
8 administrative costs. Funds received under this section shall
9 not be considered or included as part of the area education
10 agencies' budgets when calculating funds that are to be
11 received by area education agencies during a fiscal year.

12 EXPLANATION

13 This bill increases the percentage, from 25 to 50 percent,
14 of the federal portion of the medical assistance reimbursement
15 which area education agencies are allowed to retain to pay for
16 administrative costs associated with the implementation of the
17 medical assistance reimbursement for eligible special
18 education services.

19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35