

# REPRINTED

SENATE FILE 2442  
BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2338)

Passed Senate, Date 3/12/96 <sup>(P. 740)</sup> Passed House, <sup>(p. 980)</sup> Date 3/26/96  
 Vote: Ayes 36 Nays 14 Vote: Ayes 60 Nays 37  
 Approved May 29, 1996

## A BILL FOR

1 An Act relating to appropriations for the department of human  
 2 services and the prevention of disabilities policy council and  
 3 including other provisions and appropriations involving human  
 4 services and health care and providing for effective and  
 5 applicability dates.

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

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S.F. 2442

REPRINTED

1 Section 1. FAMILY INVESTMENT PROGRAM. There is  
2 appropriated from the general fund of the state to the  
3 department of human services for the fiscal year beginning  
4 July 1, 1996, and ending June 30, 1997, the following amount,  
5 or so much thereof as is necessary, to be used for the purpose  
6 designated:

7 For assistance under the family investment program under  
8 chapter 239:

9 ..... \$ 34,780,000

10 1. The department shall continue the special needs program  
11 under the family investment program.

12 2. The department may adopt administrative rules for the  
13 family investment, food stamp, and medical assistance programs  
14 to change or delete welfare reform initiatives that threaten  
15 the integrity or continuation of the program or that are not  
16 cost-effective. Prior to the adoption of rules, the  
17 department shall consult with the welfare reform council,  
18 members of the public involved in development of the policy  
19 established in the 1993 session of the Seventy-fifth General  
20 Assembly, and the chairpersons and ranking members of the  
21 human resources committees of the senate and the house of  
22 representatives.

23 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from  
24 the general fund of the state to the department of human  
25 services for the fiscal year beginning July 1, 1996, and  
26 ending June 30, 1997, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For emergency assistance to families with dependent  
29 children for homeless prevention programs:

30 ..... \$ 1,767,000

31 1. The emergency assistance provided for in this section  
32 shall be available beginning October 1 of the fiscal year and  
33 shall be provided only if all other publicly funded resources  
34 have been exhausted. Specifically, emergency assistance is  
35 the program of last resort and shall not supplant assistance

1 provided by the low-income home energy assistance program  
2 (LIHEAP), county general relief, and veterans affairs  
3 programs. The department shall establish a \$500 maximum  
4 payment, per family, in a twelve-month period. The emergency  
5 assistance includes, but is not limited to, assisting people  
6 who face eviction, potential eviction, or foreclosure, utility  
7 shutoff or fuel shortage, loss of heating energy supply or  
8 equipment, homelessness, utility or rental deposits, or other  
9 specified crisis which threatens family or living  
10 arrangements. The emergency assistance shall be available to  
11 migrant families who would otherwise meet eligibility  
12 criteria. The department may contract for the administration  
13 and delivery of the program. The program shall be terminated  
14 when funds are exhausted.

15 2. For the fiscal year beginning July 1, 1996, the  
16 department shall continue the process for the state to receive  
17 refunds of rent deposits for emergency assistance recipients  
18 which were paid by persons other than the state. The refunds  
19 received by the department under this subsection shall be  
20 deposited with the moneys of the appropriation made in this  
21 section and used as additional funds for the emergency  
22 assistance program. Notwithstanding section 8.33, moneys  
23 received by the department under this subsection which remain  
24 after the emergency assistance program is terminated and state  
25 moneys in the emergency assistance account which remain  
26 unobligated or unexpended at the close of the fiscal year  
27 shall not revert to the general fund of the state but shall  
28 remain available for expenditure when the program resumes  
29 operation on October 1 in the succeeding fiscal year.

30 Sec. 3. MEDICAL ASSISTANCE. There is appropriated from  
31 the general fund of the state to the department of human  
32 services for the fiscal year beginning July 1, 1996, and  
33 ending June 30, 1997, the following amount, or so much thereof  
34 as is necessary, to be used for the purpose designated:

35 For medical assistance, including reimbursement for

1 abortion services, which shall be available under the medical  
2 assistance program only for those abortions which are  
3 medically necessary:

4 ..... \$366,600,000

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

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

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

12 c. The pregnancy is the result of a rape which is reported  
13 within 45 days of the incident to a law enforcement agency or  
14 public or private health agency which may include a family  
15 physician.

16 d. The pregnancy is the result of incest which is reported  
17 within 150 days of the incident to a law enforcement agency or  
18 public or private health agency which may include a family  
19 physician.

20 e. Any spontaneous abortion, commonly known as a  
21 miscarriage, if not all of the products of conception are  
22 expelled.

23 2. Notwithstanding section 8.39, the department may  
24 transfer funds appropriated in this section to a separate  
25 account established in the department's case management unit  
26 for expenditures required to provide case management services  
27 for mental health, mental retardation, and developmental  
28 disabilities services under medical assistance which are  
29 jointly funded by the state and county, pending final  
30 settlement of the expenditures. Funds received by the case  
31 management unit in settlement of the expenditures shall be  
32 used to replace the transferred funds and are available for  
33 the purposes for which the funds were appropriated in this  
34 section.

35 3. If a medical assistance recipient is more than 17 years



1 of age and is receiving care which is reimbursed under a  
2 federally approved home and community-based services waiver  
3 but would otherwise be approved for care in an intermediate  
4 care facility for the mentally retarded, the recipient's  
5 county of legal settlement shall reimburse the department on a  
6 monthly basis for the portion of the recipient's cost of care  
7 which is not paid from federal funds.

8 4. a. The county of legal settlement shall be billed for  
9 50 percent of the nonfederal share of the cost of case  
10 management provided for adults, day treatment, and partial  
11 hospitalization in accordance with sections 249A.26 and  
12 249A.27, and 100 percent of the nonfederal share of the cost  
13 of care for adults which is reimbursed under a federally  
14 approved home and community-based waiver that would otherwise  
15 be approved for provision in an intermediate care facility for  
16 the mentally retarded, provided under the medical assistance  
17 program. The state shall have responsibility for the  
18 remaining 50 percent of the nonfederal share of the cost of  
19 case management provided for adults, day treatment, and  
20 partial hospitalization. For persons without a county of  
21 legal settlement, the state shall have responsibility for 100  
22 percent of the nonfederal share of the cost of case management  
23 provided for adults, day treatment, partial hospitalization,  
24 and the home and community-based waiver services. The case  
25 management services specified in this subsection shall be  
26 billed to a county only if the services are provided outside  
27 of a managed care contract.

28 b. The state shall pay the entire nonfederal share of the  
29 costs for case management services provided to persons 17  
30 years of age and younger who are served in a medical  
31 assistance home and community-based waiver program for persons  
32 with mental retardation.

33 c. Medical assistance funding for case management services  
34 for eligible persons 17 years of age and younger shall also be  
35 provided to persons residing in counties with child welfare

1 decategorization projects implemented in accordance with  
2 section 232.188, provided these projects have included these  
3 persons in their service plan and the decategorization project  
4 county is willing to provide the nonfederal share of costs.

5 d. When paying the necessary and legal expenses of  
6 intermediate care facilities for the mentally retarded  
7 (ICFMR), the cost payment requirements of section 222.60 shall  
8 be considered fulfilled when payment is made in accordance  
9 with the medical assistance payment rates established for  
10 ICFMRs by the department and the state or a county of legal  
11 settlement is not obligated for any amount in excess of the  
12 rates.

13 5. The department may adopt and implement administrative  
14 rules regarding a prepaid mental health services plan for  
15 medical assistance patients. The rules shall include but not  
16 be limited to service provider standards, service  
17 reimbursement, and funding mechanisms. Notwithstanding the  
18 provisions of subsection 4, paragraph "a", of this section and  
19 section 249A.26, requiring counties to pay all or part of the  
20 nonfederal share of certain services provided to persons with  
21 disabilities under the medical assistance program, the state  
22 shall pay 100 percent of the nonfederal share of any services  
23 included in the plan implemented pursuant to this subsection.

24 6. The department shall utilize not more than \$60,000 of  
25 the funds appropriated in this section to continue the  
26 AIDS/HIV health insurance premium payment program as  
27 established in 1992 Iowa Acts, Second Extraordinary Session,  
28 Chapter 1001, section 409, subsection 6. Of the funds  
29 allocated in this subsection, not more than \$5,000 may be  
30 expended for administrative purposes.

31 7. Of the funds appropriated to the Iowa department of  
32 health for substance abuse grants, \$950,000 for the fiscal  
33 year beginning July 1, 1996, shall be transferred to the  
34 department of human services for an integrated substance abuse  
35 managed care system.

1 8. The department shall implement a new medical assistance  
2 home and community-based waiver for persons with physical  
3 disabilities as a means to further develop the personal  
4 assistance services program under section 225C.46. The waiver  
5 shall not be implemented in a manner which would require  
6 additional county or state funding for assistance provided to  
7 an individual served under the waiver.

8 9. The department may expand the drug prior authorization  
9 program to include the therapeutic class of gastrointestinal  
10 drugs known as proton pump inhibitors. The department shall  
11 adopt administrative rules to implement this provision.

12 10. The department of human services shall increase the  
13 department's efforts to administratively pursue reimbursements  
14 for pharmacy services to include all pharmacy claims for which  
15 a recipient of medical assistance also has third-party  
16 coverage.

17 11. The department of human services, in consultation with  
18 the Iowa department of public health and the department of  
19 education, shall develop and implement a proposal to utilize  
20 the early and periodic screening, diagnosis, and treatment  
21 (EPSDT) funding under medical assistance, to the extent  
22 possible, to implement the EPSDT program through the school  
23 system. The department may enter into contracts to utilize  
24 maternal and child health centers, the public health nursing  
25 program, or school nurses in implementing this provision.

26 12. The department of human services shall seek federal  
27 approval on or before August 1, 1996, for the implementation  
28 of a pilot program to allow medical assistance program  
29 reimbursement for payment of services provided by persons who  
30 provide a home and services to a total of seventy-five persons  
31 who currently reside in nursing homes. The department, in  
32 cooperation with the department of elder affairs, shall  
33 develop a program which will result in a cost savings to the  
34 state or in cost neutrality, and shall develop parameters for  
35 the program which shall include but are not limited to all of

1 the following:

2 a. A maximum income eligibility level, established by the  
3 department, which applies to persons providing a home and  
4 services and seeking reimbursement through the medical  
5 assistance program.

6 b. An evaluative component which enables the department to  
7 measure the financial and quality of life aspects of the pilot  
8 program in comparison with placement of a person in a nursing  
9 home.

10 c. A maximum reimbursement rate of \$15,000, annually, for  
11 housing and services provided by the home provider under the  
12 pilot program.

13 d. Any other criteria necessary to implement the pilot  
14 program including but not limited to implementation in a  
15 manner which targets current nursing home residents in both  
16 rural and urban areas of the state.

17 Contingent upon federal approval of a waiver, the  
18 department shall adopt administrative rules to establish the  
19 requirements for the alternative nursing home pilot project  
20 under this subsection.

21 Sec. 4. 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, 1996, and ending June  
24 30, 1997, the following amount, or so much thereof as is  
25 necessary, to be used for the purpose designated:

26 For medical contracts:

27 ..... \$ 6,800,000

28 1. The department shall continue to contract for drug  
29 utilization review under the medical assistance program.

30 2. The department shall negotiate with the department's  
31 contractor for mental health managed care under the medical  
32 assistance program to establish performance benchmarks for  
33 successful outcomes for persons receiving services under the  
34 contract. The benchmarks shall be incorporated into the  
35 contract or shall be made an addendum to the contract which is

1 in effect as of the effective date of this subsection. The  
2 contract revision or addendum shall include sanctions for  
3 failure to achieve the performance benchmarks.

4 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is  
5 appropriated from the general fund of the state to the  
6 department of human services for the fiscal year beginning  
7 July 1, 1996, and ending June 30, 1997, the following amount,  
8 or so much thereof as is necessary, to be used for the purpose  
9 designated:

10 For state supplementary assistance, funeral assistance, and  
11 the mental retardation waiver rent subsidy program:

12 ..... \$ 19,190,000

13 1. The department shall increase the personal needs  
14 allowance for residents of residential care facilities by the  
15 same percentage and at the same time as federal supplemental  
16 security income and federal social security benefits are  
17 increased due to a recognized increase in the cost of living.  
18 The department may adopt emergency rules to implement this  
19 subsection.

20 2. a. If during the fiscal year beginning July 1, 1996,  
21 the department projects that state supplementary assistance  
22 expenditures for a calendar year will not meet the federal  
23 pass-along requirement specified in Title XVI of the federal  
24 Social Security Act, section 1618, as codified in 42 U.S.C. §  
25 1382g, the department may take actions including but not  
26 limited to increasing the personal needs allowance for  
27 residential care facility residents and making programmatic  
28 adjustments or upward adjustments of the residential care  
29 facility or in-home health-related care reimbursement rates  
30 prescribed in this Act to ensure that federal requirements are  
31 met. The department may adopt emergency rules to implement  
32 the provisions of this subsection.

33 b. If during the fiscal year beginning July 1, 1996, the  
34 department projects that state supplementary assistance  
35 expenditures will exceed the amount appropriated, the

1 department may transfer funds appropriated in this Act for  
2 medical assistance for the purposes of the state supplementary  
3 assistance program. However, funds shall only be transferred  
4 from the medical assistance appropriation if the funds  
5 transferred are projected to be in excess of the funds  
6 necessary for the medical assistance program.

7 3. The department may use up to \$75,000 of the funds  
8 appropriated in this section for a rent subsidy program for  
9 adult persons to whom all of the following apply:

10 a. Are receiving assistance under the medical assistance  
11 home and community-based services for persons with mental  
12 retardation (HCBS/MR) program.

13 b. Were discharged from an intermediate care facility for  
14 the mentally retarded (ICFMR) immediately prior to receiving  
15 HCBS/MR services.

16 The goal of the subsidy program shall be to encourage and  
17 assist in enabling persons who currently reside in an ICFMR to  
18 move to a community living arrangement. An eligible person  
19 may receive assistance in meeting their rental expense and, in  
20 the initial two months of eligibility, in purchasing necessary  
21 household furnishings and supplies. The program shall be  
22 implemented so that it does not meet the federal definition of  
23 state supplementary assistance and will not impact the federal  
24 pass-along requirement specified in Title XVI of the federal  
25 Social Security Act, section 1618, as codified in 42 U.S.C. §  
26 1382g.

27 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated  
28 from the general fund of the state to the department of human  
29 services for the fiscal year beginning July 1, 1996, and  
30 ending June 30, 1997, the following amount, or so much thereof  
31 as is necessary, to be used for the purposes designated:

32 For protective child day care assistance and state child  
33 care assistance:

34 ..... \$ 15,940,000

35 1. Of the funds appropriated in this section, \$2,496,286

1 shall be used for protective child day care assistance.

2     2. Of the funds appropriated in this section, \$11,593,789  
3 shall be used for state child care assistance.

4     3. Based upon the availability of the funding provided in  
5 subsection 2 the department shall establish waiting lists for  
6 state child care assistance in descending order of  
7 prioritization as follows:

8     a. Families who are at or below 100 percent of the federal  
9 poverty level and are employed at least 30 hours a week.

10    b. Parents under the age of 21 who are employed full-time  
11 or part-time or who are participating in an approved training  
12 program or who are enrolled in an education program.

13    c. Families who are at or below 155 percent of the federal  
14 poverty level who have a special needs child.

15    d. Families who are at or below 100 percent of the federal  
16 poverty level who are employed part-time at least 20 hours per  
17 week.

18    4. a. For state child care assistance, eligibility shall  
19 be limited to children whose family income is equal to or less  
20 than 100 percent of the United States office of management and  
21 budget poverty guidelines. However, on or after October 1,  
22 1996, the department may increase the income eligibility limit  
23 to be equal to or less than 75 percent of the Iowa median  
24 family income.

25    b. Migrant seasonal farm worker families whose family  
26 income is equal to or less than 100 percent of the United  
27 States office of management and budget poverty guidelines are  
28 eligible for state child care assistance. The monthly family  
29 income shall be determined by calculating the total amount of  
30 family income earned during the 12-month period preceding the  
31 date of application for the assistance and dividing the total  
32 amount by 12.

33    c. Nothing in this section shall be construed or is  
34 intended as, or shall imply, a grant of entitlement for  
35 services to persons who are eligible for assistance due to an

1 income level consistent with the requirements of this section.  
2 Any state obligation to provide services pursuant to this  
3 section is limited to the extent of the funds appropriated in  
4 this section.

5 5. Of the funds appropriated in this section, \$636,641 is  
6 allocated for the statewide program for child day care  
7 resource and referral services under section 237A.26.

8 6. The department may use any of the funds appropriated in  
9 this section as a match to obtain federal funds for use in  
10 expanding child day care assistance and related programs.

11 7. Of the funds appropriated in this section, \$1,178,284  
12 is allocated for transitional child care assistance.

13 8. During the 1996-1997 fiscal year, the department shall  
14 utilize the moneys deposited in the child day care credit fund  
15 created in section 237A.28 for state child care assistance, in  
16 addition to the moneys allocated for that purpose in this  
17 section.

18 9. Of the funds appropriated in this section, the  
19 department shall expend not more than \$50,000 to retain a  
20 consultant to develop a system to be implemented by the  
21 department, in which volunteer evaluation teams are utilized  
22 to review and inspect registered family day care homes on  
23 behalf of the department. The consultant shall also review  
24 the department's requirements for payment of publicly funded  
25 child day care, including but not limited to the effects on  
26 providers and the state budget of paying for child day care on  
27 a daily basis, block-of-hour basis, or hourly basis. The  
28 consultant shall review the policy implications of encouraging  
29 family day care home registration by providing an enhanced  
30 reimbursement for family day care homes that are registered.  
31 In addition, the consultant shall develop a proposal for a  
32 disproportionate share reimbursement adjustment for the child  
33 day care providers for which 75 percent or more of the  
34 children provided care receive public funding for the cost of  
35 their care. The consultant report shall include



1 recommendations concerning the issues required by this  
2 subsection.

3     Sec. 7. JOBS PROGRAM. There is appropriated from the  
4 general fund of the state to the department of human services  
5 for the fiscal year beginning July 1, 1996, and ending June  
6 30, 1997, the following amount, or so much thereof as is  
7 necessary, to be used for the purposes designated:

8     For the federal-state job opportunities and basic skills  
9 (JOBS) program, food stamp employment and training program,  
10 family development and self-sufficiency grants,  
11 entrepreneurial training, and implementing family investment  
12 agreements, in accordance with this section:

13 ..... \$ 13,600,000

14     1. Of the funds appropriated in this section, \$12,690,700  
15 is allocated for the JOBS program.

16     2. The department shall continue to contract for services  
17 in developing, delivering, and monitoring an entrepreneurial  
18 training waiver program to provide technical assistance in  
19 self-employment training to families which receive assistance  
20 under the family investment program, contingent upon federal  
21 approval of waiver renewal requests.

22     3. Of the funds appropriated in this section, \$129,985 is  
23 allocated for the food stamp employment and training program.

24     4. Of the funds appropriated in this section, \$779,315 is  
25 allocated to the family development and self-sufficiency grant  
26 program as provided under section 217.12.

27     a. Not more than 5 percent of the funds allocated in this  
28 subsection shall be used for the administration of the grant  
29 program.

30     b. Federal funding matched by state, county, or other  
31 funding which is not appropriated in this section shall be  
32 deposited in the department's JOBS account. If the match  
33 funding is generated by a family development and self-  
34 sufficiency grantee, the federal funding received shall be  
35 used to expand the family development and self-sufficiency

1 grant program. If the match funding is generated by another  
2 source, the federal funding received shall be used to expand  
3 the grant program or the JOBS program. The department may  
4 adopt rules to implement the provisions of this paragraph.

5 c. Based upon the annual evaluation report concerning each  
6 grantee funded by this allocation, the family development and  
7 self-sufficiency council may use funds allocated to renew  
8 grants.

9 Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated  
10 from the general fund of the state to the department of human  
11 services for the fiscal year beginning July 1, 1996, and  
12 ending June 30, 1997, the following amount, or so much thereof  
13 as is necessary, to be used for the purposes designated:

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

17 .....	\$	6,500,000
18 .....	FTEs	226.22

19 1. The director of human services, within the limitations  
20 of the funds appropriated in this section, or funds  
21 transferred from the family investment program appropriation  
22 for this purpose, shall establish new positions and add  
23 employees to the child support recovery unit if the director  
24 determines that both the current and additional employees  
25 together can reasonably be expected to maintain or increase  
26 net state revenue at or beyond the budgeted level. If the  
27 director adds employees, the department shall demonstrate the  
28 cost-effectiveness of the current and additional employees by  
29 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 recovered.

33 2. Nonpublic assistance application and user fees received  
34 by the child support recovery program are appropriated and  
35 shall be used for the purposes of the child support recovery

1 program. The director of human services may add positions if  
2 fees collected relating to the new positions are sufficient to  
3 pay the salaries and support for the positions. The director  
4 shall report any positions added pursuant to this subsection  
5 to the chairpersons and ranking members of the joint  
6 appropriations subcommittee on human services and the  
7 legislative fiscal bureau.

8 3. The director of human services, in consultation with  
9 the department of management and the legislative fiscal  
10 committee, is authorized to receive and deposit state child  
11 support incentive earnings in the manner specified under  
12 applicable federal requirements.

13 4. The director of human services may establish new  
14 positions and add state employees to the child support  
15 recovery unit if the director determines the employees are  
16 necessary to replace county-funded positions eliminated due to  
17 termination, reduction, or nonrenewal of a chapter 28E  
18 contract. However, the director must also determine that the  
19 resulting increase in the state share of child support  
20 recovery incentives exceeds the cost of the positions, the  
21 positions are necessary to ensure continued federal funding of  
22 the program, or the new positions can reasonably be expected  
23 to recover more than twice the amount of money to pay the  
24 salaries and support for the new positions.

25 5. The child support recovery unit shall continue to work  
26 with the judicial department to determine the feasibility of a  
27 pilot project utilizing a court-appointed referee for judicial  
28 determinations on child support matters. The extent and  
29 location of any pilot project shall be jointly developed by  
30 the judicial department and the child support recovery unit.

31 6. The department shall expend up to \$50,000, including  
32 federal financial participation, for the fiscal year beginning  
33 July 1, 1996, for a child support public awareness campaign.  
34 The public awareness campaign shall emphasize, through a  
35 variety of media activities and through continuation of the

1 publication of names of persons who are delinquent in payment  
2 of child support obligations, the importance of maximum  
3 involvement of both parents in the lives of their children as  
4 well as the importance of payment of child support  
5 obligations.

6 7. The department shall continue the pilot program option  
7 to provide and supervise a community service pilot project for  
8 absent parents who are ordered by the court to perform  
9 community service for failure to pay child support pursuant to  
10 section 598.23A.

11 8. The director of human services may enter a contract  
12 with private collection agencies to collect support payments  
13 for cases which have been identified by the department as  
14 difficult collection cases if the department determines that  
15 this form of collection is more cost effective than  
16 departmental collection methods. The director may use a  
17 portion of the state share of funds collected through this  
18 means to pay the costs of any contracts authorized under this  
19 subsection.

20 9. The department shall employ on or before July 2, 1996,  
21 at least 1.00 FTE to respond to telephone inquiries during all  
22 weekly business hours.

23 10. The department shall develop guidelines to be used in  
24 lieu of the child support guidelines prescribed under section  
25 598.21, subsection 4, for establishing a support obligation  
26 and the amount of the support debt accrued and accruing  
27 pursuant to section 234.39 for the costs of foster care  
28 services. The proposed guidelines shall reflect the public  
29 purpose of establishing a support obligation without causing a  
30 serious disruption of the family of the obligor. The  
31 department shall submit the proposed guidelines to the general  
32 assembly on or before January 15, 1997.

33 Sec. 9. JUVENILE INSTITUTIONS. There is appropriated from  
34 the general fund of the state to the department of human  
35 services for the fiscal year beginning July 1, 1996, and

1 ending June 30, 1997, the following amount, or so much thereof  
2 as is necessary, to be used for the purposes designated:

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

7 For the state juvenile institutions:  
8 ..... \$ 13,720,000  
9 ..... FTEs 319.77

10 1. The following amounts of the funds appropriated and  
11 full-time equivalent positions authorized in this section are  
12 allocated for the Iowa juvenile home at Toledo:

13 ..... \$ 5,090,000  
14 ..... FTEs 117.54

15 2. The following amounts of the funds appropriated and  
16 full-time equivalent positions authorized in this section are  
17 allocated for the state training school at Eldora:

18 ..... \$ 8,630,000  
19 ..... FTEs 202.23

20 3. During the fiscal year beginning July 1, 1996, the  
21 population levels at the state juvenile institutions shall not  
22 exceed the population guidelines established under 1990 Iowa  
23 Acts, chapter 1239, section 21.

24 4. Each state juvenile institution shall apply for  
25 adolescent pregnancy prevention grants for the fiscal year  
26 beginning July 1, 1996.

27 5. Within the funds appropriated in this section, the  
28 department may reallocate funds as necessary to best fulfill  
29 the needs of the institutions provided for in the  
30 appropriation.

31 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated  
32 from the general fund of the state to the department of human  
33 services for the fiscal year beginning July 1, 1996, and  
34 ending June 30, 1997, the following amount, or so much thereof  
35 as is necessary, to be used for the purpose designated:

1 For child and family services:

2 ..... \$ 85,600,000

3 1. The department may transfer moneys appropriated in this  
4 section as necessary to pay the nonfederal costs of services  
5 reimbursed under medical assistance or the family investment  
6 program which are provided to children who would otherwise  
7 receive services paid under the appropriation in this section.  
8 The department may transfer funds appropriated in this section  
9 to the appropriations in this Act for general administration  
10 and for field operations for resources necessary to implement  
11 and operate the services funded in this section.

12 2. a. Of the funds appropriated in this section, up to  
13 \$23,892,280 is allocated for group foster care maintenance and  
14 services.

15 b. The department shall report quarterly to the  
16 legislative fiscal bureau concerning the status of each  
17 region's efforts to limit the number of group foster care  
18 placements in accordance with the regional plan established  
19 pursuant to section 232.143.

20 c. The department shall not certify any additional  
21 enhanced residential treatment beds, unless the director of  
22 human services approves the beds as necessary, based on the  
23 type of children to be served and the location of the enhanced  
24 residential treatment beds.

25 d. (1) Of the funds appropriated in this section, not  
26 more than \$6,538,215 is allocated as the state match funding  
27 for psychiatric medical institutions for children.

28 (2) The department may transfer all or a portion of the  
29 funds appropriated in this section for psychiatric medical  
30 institutions for children (PMICs) to the appropriation in this  
31 Act for medical assistance and may amend the managed mental  
32 health care contract to include PMICs.

33 3. The department shall establish a goal that not more  
34 than 15 percent of the children placed in foster care funded  
35 under the federal Social Security Act, Title IV-E, may be

1 placed in foster care for a period of more than 24 months.

2 4. In accordance with the provisions of section 232.188,  
3 the department shall continue the program to decategorize  
4 child welfare services in additional counties or clusters of  
5 counties.

6 5. Of the funds appropriated in this section, up to  
7 \$96,512 is allocated for continued foster care services to a  
8 child who is 18 years of age or older in accordance with the  
9 provisions of section 234.35, subsection 3, paragraph "c".  
10 However, if funding in this appropriation would remain  
11 unobligated at the end of the fiscal year, the allocation in  
12 this subsection may be exceeded to the extent necessary to  
13 provide the continued foster care services. The department  
14 shall distribute the moneys allocated in this subsection to  
15 the department's regions based on each region's proportion of  
16 the total number of children placed in foster care on March 31  
17 preceding the beginning of the fiscal year, who, during the  
18 fiscal year would no longer be eligible for foster care due to  
19 age.

20 6. Notwithstanding section 232.142, subsection 3, the  
21 financial aid paid by the state for the establishment,  
22 improvements, operation, and maintenance of county or  
23 multicounty juvenile detention homes in the fiscal year  
24 beginning July 1, 1996, shall be limited to \$872,500. Funds  
25 allocated in this subsection shall be prorated among eligible  
26 detention homes.

27 7. The amount of the appropriation made in this section  
28 available for foster care is based upon expansion of the  
29 number of children in foster care who are eligible for federal  
30 supplemental security income (SSI). The department may use up  
31 to \$300,000 of those funds to enter into a performance-based  
32 contract to secure SSI benefits for children placed in foster  
33 care. The contract shall include provisions for training of  
34 department of human services and juvenile court staff,  
35 completion of applications, tracking of application results,

1 and representation during the appeals process whenever an  
2 appeal is necessary to secure SSI benefits. Notwithstanding  
3 section 217.30 and section 232.2, subsection 11, and any other  
4 provision of law to the contrary, the director or the  
5 director's designee on behalf of a child in foster care may  
6 release medical, mental health, substance abuse, or any other  
7 information necessary only to determine the child's  
8 eligibility for SSI benefits, and may sign releases for the  
9 information. In any release of information made pursuant to  
10 this subsection, confidentiality shall be maintained to the  
11 maximum extent possible.

12 8. A portion of the funds appropriated in this section may  
13 be used for emergency family assistance to provide other  
14 resources required for a family participating in a family  
15 preservation or reunification project to stay together or to  
16 be reunified.

17 9. Notwithstanding section 234.35, subsection 1, for the  
18 fiscal year beginning July 1, 1996, state funding for shelter  
19 care paid pursuant to section 234.35, subsection 1, paragraph  
20 "h", shall be limited to \$3,223,732.

21 10. Of the funds appropriated in this section, not more  
22 than \$527,137 may be used to develop and maintain the state's  
23 implementation of the national adoption and foster care  
24 information system pursuant to the requirements of Pub. L. No.  
25 99-509. The department may transfer funds as necessary from  
26 the appropriations in this Act for field operations and  
27 general administration to implement this subsection. Moneys  
28 allocated in accordance with this subsection shall be  
29 considered encumbered for the purposes of section 8.33.

30 11. Of the funds appropriated in this section, up to  
31 \$619,433 may be used as determined by the department for any  
32 of the following purposes:

33 a. For general administration of the department to improve  
34 staff training efforts.

35 b. For oversight of termination of parental rights and



1 permanency planning efforts on a statewide basis.

2 c. For personnel, assigned by the attorney general, to  
3 provide additional services relating to termination of  
4 parental rights and child in need of assistance cases.

5 d. For specialized permanency planning field operations  
6 staff.

7 12. The department may adopt administrative rules  
8 following consultation with child welfare services providers  
9 to implement outcome-based child welfare services pilot  
10 projects. The rules may include, but are not limited to, the  
11 development of program descriptions, provider licensing and  
12 certification standards, reimbursement and payment amounts,  
13 contract requirements, assessment and service necessity  
14 requirements, eligibility criteria, claims submission  
15 procedures, and accountability standards.

16 13. Of the funds appropriated in this section, up to  
17 \$125,340 may be used to develop, in cooperation with providers  
18 of children and family services, a performance-based  
19 monitoring program to evaluate and improve outcomes for  
20 children and families. The department may adopt  
21 administrative rules to implement this subsection.

22 14. The department may develop, within the funds  
23 available, a pilot kinship care project to enhance family  
24 involvement in the development of the permanency plan required  
25 under chapter 232 for children who are removed from their  
26 homes. The project components may include family involvement  
27 before and after removal of the child and shall stress safety  
28 for the child.

29 15. Within the funds appropriated in this section, the  
30 department may develop a subsidized guardianship program to  
31 provide financial assistance to guardians of children who have  
32 a permanency order under section 232.104, subsection 2,  
33 paragraph "d", subparagraph (1), in cases in which all of the  
34 following conditions exist:

35 a. The option of reunification has been eliminated and

1 termination of parental rights is not appropriate.

2 b. The child has lived with the potential guardian for at  
3 least six months.

4 c. The child is either 14 years of age or older or, if  
5 under 14 years of age, is part of a sibling group and cannot  
6 be made available for adoption.

7 d. The placement does not require departmental  
8 supervision.

9 The financial assistance provided shall be in the same  
10 amount as provided for family foster care. For purposes of  
11 medical assistance and child support recovery, these payments  
12 shall be considered foster care payments.

13 16. The department shall continue to make adoption  
14 presubsidy and adoption subsidy payments to adoptive parents  
15 at the beginning of the month for the current month.

16 17. If Title XIX of the federal Social Security Act is  
17 repealed prior to January 17, 1997, or the state is otherwise  
18 authorized to establish requirements for providing health and  
19 rehabilitative services to persons who would be eligible for  
20 medical assistance under chapter 249A, the department shall  
21 eliminate the clinical assessment and consultation teams  
22 operating as part of the medical assistance children's  
23 rehabilitative services initiative. The provisions of this  
24 subsection shall apply through January 16, 1997.

25 18. Federal funds received by the state during the fiscal  
26 years beginning July 1, 1995, and July 1, 1996, as the result  
27 of the expenditure of state funds appropriated during a  
28 previous state fiscal year for a service or activity funded  
29 under this section shall be used as additional funding for  
30 services provided under this section. Moneys received by the  
31 department in accordance with the provisions of this section  
32 shall remain available for the purposes designated until June  
33 30, 1998.

34 Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated  
35 from the general fund of the state to the department of human

1 services for the fiscal year beginning July 1, 1996, and  
2 ending June 30, 1997, the following amount, or so much thereof  
3 as is necessary, to be used for the purpose designated:

4 For community-based programs, on the condition that family  
5 planning services are funded, including salaries, support,  
6 maintenance, and miscellaneous purposes and for not more than  
7 the following full-time equivalent positions:

8 .....	\$	2,520,000
9 .....	FTEs	1.00

10 1. Of the funds appropriated in this section, \$654,146  
11 shall be used for adolescent pregnancy prevention grants,  
12 including not more than \$156,048 for programs to prevent  
13 pregnancies during the adolescent years and to provide support  
14 services for pregnant or parenting adolescents. Funds  
15 allocated in this subsection shall not be used to fund  
16 statewide public service announcements.

17 2. Of the funds appropriated in this section, \$298,000  
18 shall be used for grants to community or regional groups which  
19 demonstrate broad-based representation from community  
20 representatives including but not limited to schools,  
21 churches, human service-related organizations, and businesses.  
22 Priority in the awarding of grants shall be given to groups  
23 which provide services to both urban and rural areas within  
24 the proximity of the community or region and which provide  
25 age-appropriate programs adapted for both male and female  
26 youth at the elementary, middle, and high school levels. A  
27 program shall focus on the prevention of initial pregnancies  
28 during the adolescent years by emphasizing sexual abstinence  
29 as the only completely safe and effective means of avoiding  
30 pregnancy and sexually transmitted diseases and by providing  
31 information regarding the comparative failure rates of  
32 contraceptives, and by emphasizing responsible decision making  
33 in relationships, managing of peer and social pressures,  
34 development of self-esteem, the costs and responsibilities of  
35 parenting, and information regarding the alternative of

1 adoption for placement of a child. The program shall also  
2 include an evaluation and assessment component which includes  
3 evaluation of and recommendations for improvement of the  
4 program by the youth and parents involved. Evaluation and  
5 assessment reports shall be provided to the department of  
6 human services, at a time determined by the department in the  
7 grant award. Community or regional groups interested in  
8 applying for a grant under this subsection may be issued a  
9 planning grant or may utilize grant moneys for the costs of  
10 technical assistance to analyze community needs, match service  
11 providers to needs, negotiate service provision strategies, or  
12 other assistance to focus grant services provided under this  
13 subsection. The technical assistance may be provided by  
14 organizations affiliated with institutions under the authority  
15 of the state board of regents or other organizations  
16 experienced in providing technical assistance concerning  
17 similar services.

18 3. Of the funds appropriated in this section, \$731,014  
19 shall be used by the department for child abuse prevention  
20 grants.

21 4. Of the funds appropriated in this section, \$100,000  
22 shall be used for grants to additional community or regional  
23 groups to provide pregnancy prevention programs in accordance  
24 with the provisions of subsection 2.

25 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.  
26 There is appropriated from the general fund of the state to  
27 the department of human services for the fiscal year beginning  
28 July 1, 1996, and ending June 30, 1997, the following amount,  
29 or so much thereof as is necessary, to be used for the purpose  
30 designated:

31 Payment of the expenses of court-ordered services provided  
32 to juveniles which are a charge upon the state pursuant to  
33 section 232.141, subsection 4:

34 ..... \$ 3,090,000

35 1. Notwithstanding section 232.141 or any other provision

1 of law, the funds appropriated in this section shall be  
2 allocated to the judicial districts as determined by the state  
3 court administrator. The state court administrator shall make  
4 the determination on the allocations on or before June 15.

5 2. a. Each judicial district shall continue the planning  
6 group for the court-ordered services for juveniles provided in  
7 that district which was established pursuant to 1991 Iowa  
8 Acts, chapter 267, section 119. A planning group shall  
9 continue to perform its duties as specified in that law.  
10 Reimbursement rates for providers of court-ordered evaluation  
11 and treatment services paid under section 232.141, subsection  
12 4, shall be negotiated with providers by each judicial  
13 district's planning group.

14 b. Each district planning group shall submit an annual  
15 report in January to the state court administrator and the  
16 department of human services. The report shall cover the  
17 preceding fiscal year and shall include a preliminary report  
18 on the current fiscal year. The administrator and the  
19 department shall compile these reports and submit the reports  
20 to the chairpersons and ranking members of the joint  
21 appropriations subcommittee on human services and the  
22 legislative fiscal bureau.

23 3. The department of human services shall develop policies  
24 and procedures to ensure that the funds appropriated in this  
25 section are spent only after all other reasonable actions have  
26 been taken to utilize other funding sources and community-  
27 based services. The policies and procedures shall be designed  
28 to achieve the following objectives relating to services  
29 provided under chapter 232:

30 a. Maximize the utilization of funds which may be  
31 available from the medical assistance program including usage  
32 of the early and periodic screening, diagnosis, and treatment  
33 (EPSDT) program.

34 b. Recover payments from any third-party insurance carrier  
35 which is liable for coverage of the services, including health

1 insurance coverage.

2 c. Pursue development of agreements with regularly  
3 utilized out-of-state service providers which are intended to  
4 reduce per diem costs paid to those providers.

5 4. The department of human services, in consultation with  
6 the state court administrator and the judicial district  
7 planning groups, shall compile a monthly report describing  
8 spending in the districts for court-ordered services for  
9 juveniles, including the utilization of the medical assistance  
10 program. The reports shall be submitted on or before the  
11 twentieth day of each month to the chairpersons and ranking  
12 members of the joint appropriations subcommittee on human  
13 services and the legislative fiscal bureau.

14 5. Notwithstanding chapter 232 or any other provision of  
15 law, a district or juvenile court in a department of human  
16 services district shall not order any service which is a  
17 charge upon the state pursuant to section 232.141 if there are  
18 insufficient court-ordered services funds available in the  
19 district allocation to pay for the service. The chief  
20 juvenile court officer shall work with the judicial district  
21 planning group to encourage use of the funds appropriated in  
22 this section such that there are sufficient funds to pay for  
23 all court-related services during the entire year. The eight  
24 chief juvenile court officers shall attempt to anticipate  
25 potential surpluses and shortfalls in the allocations and  
26 shall cooperatively request the state court administrator to  
27 transfer funds between the districts' allocations as prudent.

28 6. Notwithstanding any provision of law to the contrary, a  
29 district or juvenile court shall not order a county to pay for  
30 any service provided to a juvenile pursuant to an order  
31 entered under chapter 232 which is a charge upon the state  
32 under section 232.141, subsection 4.

33 7. Of the funds appropriated in this section, not more  
34 than \$100,000 may be used by the judicial department for  
35 administration of the requirements under this section and for

1 travel associated with court-ordered placements which are a  
2 charge upon the state pursuant to section 232.141, subsection  
3 4.

4 8. Of the funds appropriated in this section, not more  
5 than \$400,000 may be transferred to the appropriation in this  
6 Act for child and family services and used to provide school-  
7 based supervision of children adjudicated under chapter 232.

8 Sec. 13. MENTAL HEALTH INSTITUTES. 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, 1996, and  
11 ending June 30, 1997, the following amount, or so much thereof  
12 as is necessary, to be used for the purposes designated:

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

16 ..... \$ 42,226,000  
17 ..... FTEs 927.16

18 1. The funds appropriated and full-time equivalent  
19 positions authorized in this section are allocated as follows:

20 a. State mental health institute at Cherokee:

21 ..... \$ 13,580,000  
22 ..... FTEs 306.04

23 b. State mental health institute at Clarinda:

24 ..... \$ 6,170,000  
25 ..... FTEs 136.82

26 c. State mental health institute at Independence:

27 ..... \$ 17,639,000  
28 ..... FTEs 401.82

29 d. State mental health institute at Mount Pleasant:

30 ..... \$ 4,837,000  
31 ..... FTEs 82.48

32 2. Within the funds appropriated in this section, the  
33 department may reallocate funds as necessary to best fulfill  
34 the needs of the institutions provided for in the  
35 appropriation.

1 3. As part of the discharge planning process at the state  
2 mental health institutes, the department shall provide  
3 assistance in obtaining eligibility for federal supplemental  
4 security income (SSI) to those individuals whose care at a  
5 state mental health institute is the financial responsibility  
6 of the state.

7 Sec. 14. HOSPITAL-SCHOOLS. There is appropriated from the  
8 general fund of the state to the department of human services  
9 for the fiscal year beginning July 1, 1996, and ending June  
10 30, 1997, the following amount, or so much thereof as is  
11 necessary, to be used for the purposes designated:

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

15 ..... \$ 62,020,000  
16 ..... FTEs 1,516.00

17 1. The funds appropriated and full-time equivalent  
18 positions authorized in this section are allocated as follows:

19 a. State hospital-school at Glenwood:  
20 ..... \$ 35,070,000  
21 ..... FTEs 872.50

22 b. State hospital-school at Woodward:  
23 ..... \$ 26,950,000  
24 ..... FTEs 643.50

25 2. Within the funds appropriated in this section, the  
26 department may reallocate funds as necessary to best fulfill  
27 the needs of the institutions provided for in the  
28 appropriation.

29 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. 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, 1996, and ending June 30, 1997, the following amount,  
33 or so much thereof as is necessary, to be used for the purpose  
34 designated:

35 For mental illness special services:



1 ..... \$ 121,200

2 1. The department and the Iowa finance authority shall  
3 develop methods to implement the financing for existing  
4 community-based facilities and to implement financing for the  
5 development of affordable community-based housing facilities.  
6 The department shall assure that clients are referred to the  
7 housing as it is developed.

8 2. The funds appropriated in this section are to provide  
9 funds for construction and start-up costs to develop community  
10 living arrangements to provide for persons with mental illness  
11 who are homeless. These funds may be used to match federal  
12 Stewart B. McKinney Homeless Assistance Act grant funds.

13 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is  
14 appropriated from the general fund of the state to the  
15 department of human services for the fiscal year beginning  
16 July 1, 1996, and ending June 30, 1997, the following amount,  
17 or so much thereof as is necessary, to be used for the purpose  
18 designated:

19 For the family support subsidy program:

20 ..... \$ 1,390,000

21 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from  
22 the general fund of the state to the department of human  
23 services for the fiscal year beginning July 1, 1996, and  
24 ending June 30, 1997, the following amount, or so much thereof  
25 as is necessary, to be used for the purpose designated:

26 To provide special needs grants to families with a family  
27 member at home who has a developmental disability or to a  
28 person with a developmental disability:

29 ..... \$ 53,200

30 Grants must be used by a family to defray special costs of  
31 caring for the family member to prevent out-of-home placement  
32 of the family member or to provide for independent living  
33 costs. The grants may be administered by a private nonprofit  
34 agency which serves people statewide provided that no  
35 administrative costs are received by the agency. Regular

1 reports regarding the special needs grants with the family  
2 support subsidy program and an annual report concerning the  
3 characteristics of the grantees shall be provided to the  
4 legislative fiscal bureau.

5 Sec. 18. MI/MR/DD STATE CASES. 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, 1996, and  
8 ending June 30, 1997, the following amount, or so much thereof  
9 as is necessary, to be used for the purposes designated:

10 For purchase of local services for persons with mental  
11 illness, mental retardation, and developmental disabilities  
12 where the client has no established county of legal  
13 settlement:

14 ..... \$ 5,454,000

15 If a county has a county management plan which is approved  
16 by the director of human services pursuant to section 331.439,  
17 the services paid for under this section are exempt from the  
18 department's purchase of service system requirements. The  
19 department shall adopt rules to implement the provisions of  
20 this paragraph.

21 Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --  
22 COMMUNITY SERVICES FUND. There is appropriated from the  
23 general fund of the state to the mental health and  
24 developmental disabilities community services fund created in  
25 section 225C.7 for the fiscal year beginning July 1, 1996, and  
26 ending June 30, 1997, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For mental health and developmental disabilities community  
29 services in accordance with this Act:

30 ..... \$ 16,230,000

31 1. Of the funds appropriated in this section, \$15,951,138  
32 shall be allocated to counties for funding of community-based  
33 mental health and developmental disabilities services. The  
34 moneys shall be allocated to a county as follows:

35 a. Fifty percent based upon the county's proportion of the

1 state's population of persons with an annual income which is  
2 equal to or less than the poverty guideline established by the  
3 federal office of management and budget.

4 b. Fifty percent based upon the county's proportion of the  
5 state's general population.

6 2. a. A county shall utilize the funding the county  
7 receives pursuant to subsection 1 for services provided to  
8 persons with a disability, as defined in section 225C.2.  
9 However, no more than 50 percent of the funding shall be used  
10 for services provided to any one of the service populations.

11 b. A county shall use at least 50 percent of the funding  
12 the county receives under subsection 1 for contemporary  
13 services provided to persons with a disability.

14 c. The mental health and developmental disabilities  
15 commission shall adopt rules pursuant to chapter 17A  
16 describing the contemporary services. The commission may  
17 adopt administrative rules to implement this subsection.

18 3. Of the funds appropriated in this section, \$30,000  
19 shall be used to support the Iowa compass program providing  
20 computerized information and referral services for Iowans with  
21 disabilities and their families.

22 4. The department shall submit an annual report concerning  
23 each population served and each service funded in this section  
24 to the chairpersons and ranking members of the joint  
25 appropriations subcommittee on human services and the  
26 legislative fiscal bureau.

27 5. a. A mental health and developmental disabilities  
28 regional planning council established pursuant to section  
29 225C.18 shall develop plans for the provision of services for  
30 the fiscal year beginning July 1, 1996, for persons with a  
31 disability in the county or counties comprising the planning  
32 council.

33 b. County expenditure reports for services provided to  
34 persons with a disability for the prior fiscal year are due to  
35 the department on or before October 15, 1996. The county

1 MI/MR/DD/BI plan for the fiscal year beginning July 1, 1996,  
2 is due to the department on or before April 1, 1996.

3 6. Of the funds appropriated in this section, not more  
4 than \$248,862 shall be provided to those counties having  
5 supplemental per diem contracts in effect on June 30, 1995,  
6 which were originally initiated under 1993 Iowa Acts, chapter  
7 172, section 16, subsection 2. The amount provided to each  
8 county shall be equal to the amount the county would be  
9 eligible to receive under the supplemental per diem contracts  
10 in effect on June 30, 1995, if the contracts were continued in  
11 effect for the entire fiscal year beginning July 1, 1996.

12 7. a. Funding from the federal social services block  
13 grant in the amount of \$13,038,763 is allocated for  
14 distribution to counties for local purchase of services for  
15 persons with mental illness or mental retardation or other  
16 developmental disability.

17 b. The funds allocated in this subsection shall be  
18 expended by counties in accordance with eligibility guidelines  
19 established in the department's rules outlining general  
20 provisions for service administration. Services eligible for  
21 payment with funds allocated in this subsection are limited to  
22 any of the following which are provided in accordance with the  
23 department's administrative rules for the services: adult  
24 support, adult day care, administrative support for  
25 volunteers, community supervised apartment living  
26 arrangements, residential services for adults, sheltered work,  
27 supported employment, supported work training, transportation,  
28 and work activity.

29 c. In purchasing services with funds allocated in this  
30 subsection, a county shall designate a person to provide for  
31 eligibility determination and development of a case plan for  
32 individuals for whom the services are purchased. The  
33 designated person shall be a medical assistance case manager  
34 serving the person's county of residence. If an individual  
35 does not have a case manager, the individual's eligibility

1 shall be determined by a social services caseworker of the  
2 department serving the individual's county of residence. The  
3 case plan shall be developed in accordance with the  
4 department's rules outlining general provisions for service  
5 administration.

6 d. Services purchased with funds allocated in this  
7 subsection must be the result of a referral by the person who  
8 identified the services in developing the individual's case  
9 plan.

10 e. Services purchased with funds allocated in this  
11 subsection must be under a purchase of service contract  
12 established in accordance with the department's administrative  
13 rules for purchase of service.

14 f. The funds provided by this subsection shall be  
15 allocated to each county as follows:

16 (1) Fifty percent based upon the county's proportion of  
17 the state's population of persons with an annual income which  
18 is equal to or less than the poverty guideline established by  
19 the federal office of management and budget.

20 (2) Fifty percent based upon the amount provided to the  
21 county for local purchase services in the preceding fiscal  
22 year.

23 g. Each county shall submit to the department a plan for  
24 funding of the services eligible for payment under this  
25 subsection. The plan may provide for allocation of the funds  
26 for one or more of the eligible services. The plan shall  
27 identify the funding amount the county allocates for each  
28 service and the time period for which the funding will be  
29 available. Only those services which have funding allocated  
30 in the plan are eligible for payment with funds provided in  
31 this subsection.

32 h. A county shall provide advance notice to the individual  
33 receiving services, the service provider, and the person  
34 responsible for developing the case plan of the date the  
35 county determines that funding will no longer be available for

1 a service.

2 i. Moneys allocated to a county pursuant to paragraph "f"  
3 shall be provided to the county as claims are submitted to the  
4 state.

5 j. The moneys provided under this subsection do not  
6 establish an entitlement to the services funded under this  
7 subsection.

8 8. If a county has a county management plan which is  
9 approved by the director of human services pursuant to section  
10 331.439, the county shall be considered to have met the  
11 requirements of subsections 2 and 5, and subsection 7,  
12 paragraphs "b", "c", "d", and "g". The department shall adopt  
13 rules to implement the provisions of this subsection.

14 Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. There is  
15 appropriated from the general fund of the state to the  
16 department of human services for the fiscal year beginning  
17 July 1, 1996, and ending June 30, 1997, the following amount  
18 or so much thereof as is necessary, to be used for the purpose  
19 designated:

20 For continuation of a pilot project for the personal  
21 assistance services program in accordance with this section:  
22 ..... \$ 428,000

23 The funds appropriated in this section shall be used by the  
24 division of mental health and developmental disabilities to  
25 continue the pilot project for the personal assistance  
26 services program under section 225C.46 in an urban and a rural  
27 area. A portion of the funds may be used for costs to develop  
28 a federal home and community-based waiver under the medical  
29 assistance program for persons with physical disabilities or  
30 other expenditures necessary to develop the personal  
31 assistance program in the most appropriate and cost-effective  
32 manner. However, not more than \$50,000 shall be used for  
33 administrative costs. The pilot project and the waiver shall  
34 not be implemented in a manner that would require additional  
35 county or state costs for assistance provided to an individual

1 served under the pilot project or the waiver.

2 Sec. 21. FIELD OPERATIONS. There is appropriated from the  
3 general fund of the state to the department of human services  
4 for the fiscal year beginning July 1, 1996, and ending June  
5 30, 1997, the following amount, or so much thereof as is  
6 necessary, to be used for the purpose designated:

7 For field operations, including salaries, support,  
8 maintenance, and miscellaneous purposes and for not more than  
9 the following full-time equivalent positions:

10 ..... \$ 38,480,000  
11 ..... FTEs 2,019.00

12 Sec. 22. GENERAL ADMINISTRATION. There is appropriated  
13 from the general fund of the state to the department of human  
14 services for the fiscal year beginning July 1, 1996, and  
15 ending June 30, 1997, the following amount, or so much thereof  
16 as is necessary, to be used for the purpose designated:

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

20 ..... \$ 11,510,000  
21 ..... FTEs 379.00

22 1. Of the funds appropriated in this section, \$57,090 is  
23 allocated for the prevention of disabilities policy council  
24 established in section 225B.3.

25 2. The department shall establish a task force which  
26 includes experts representative of organizations such as  
27 nonprofit service organizations, health insurers, and human  
28 services-oriented community organizations. The task force  
29 shall assist the department in revising policies, operating  
30 procedures, and training methods as necessary to increase the  
31 department's responsiveness to the public and to improve the  
32 quality of the department's interaction with the public.

33 3. The department shall not implement the options for  
34 service system modification developed by the department's  
35 modification teams in response to proposed federal action and

1 shall not implement other actions in response to enacted  
2 federal changes affecting the programs administered by the  
3 department unless the department is implementing a policy or  
4 action authorized in law by the Seventy-sixth General  
5 Assembly, 1996 Session, or by the Seventy-seventh General  
6 Assembly. The department shall provide for public input  
7 concerning the modification proposals submitted to the joint  
8 appropriations subcommittee on human services in February 1996  
9 by allowing the following work groups to review and revise the  
10 proposals for resubmission to the governor and general  
11 assembly on or before December 16, 1996:

12 a. The legislative council is requested to create a task  
13 force to review the child welfare modification proposal. If  
14 created, the task force shall include representatives of the  
15 juvenile court, service providers, families receiving  
16 services, the attorney general, a department worker, and  
17 legislators.

18 b. The mental health proposal shall be reviewed by the  
19 state-county management committee.

20 c. The family investment program proposal shall be  
21 reviewed by the work group which considered the state human  
22 investment policy proposal and which makes recommendations to  
23 the department concerning the family investment program.

24 d. The medical assistance proposal shall be reviewed by a  
25 group which includes representatives of the medical assistance  
26 advisory council, the long-term care resident's advocate, and  
27 consumer groups such as the Iowa affiliate of the American  
28 association of retired persons.

29 Sec. 23. TRAINING AND TECHNOLOGY. There is appropriated  
30 from the general fund of the state to the department of human  
31 services for the fiscal year beginning July 1, 1996, and  
32 ending June 30, 1997, the following amount, or so much thereof  
33 as is necessary, to be used for the purpose designated:

34 For training, maintenance, and upgrades of computer  
35 software:



1 ..... \$ 818,000

2 Sec. 24. VOLUNTEERS. There is appropriated from the  
3 general fund of the state to the department of human services  
4 for the fiscal year beginning July 1, 1996, and ending June  
5 30, 1997, the following amount, or so much thereof as is  
6 necessary, to be used for the purpose designated:

7 For development and coordination of volunteer services:  
8 ..... \$ 98,900

9 Sec. 25. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY  
10 DETERMINATION SYSTEM. There is appropriated from the general  
11 fund of the state to the department of human services for the  
12 fiscal year beginning July 1, 1996, and ending June 30, 1997,  
13 the following amount, or so much thereof as is necessary, to  
14 be used for the purpose designated:

15 For the development costs of the "X-PERT" knowledge-based  
16 computer software package for public assistance benefit  
17 eligibility determination, including salaries, support,  
18 maintenance, and miscellaneous purposes and for not more than  
19 the following full-time equivalent positions:  
20 ..... \$ 790,000  
21 ..... FTEs 17.00

22 Moneys appropriated in this section shall be considered  
23 encumbered for the purposes of section 8.33.

24 Sec. 26. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
25 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
26 DEPARTMENT OF HUMAN SERVICES.

27 1. a. The department of human services may allocate  
28 increases among items and procedures for durable medical  
29 products and supplies as deemed appropriated in cooperation  
30 with durable medical equipment and supply dealers,  
31 audiologists, and hearing aid dealers.

32 b. For the fiscal year beginning July 1, 1996, skilled  
33 nursing facilities shall remain at the rates in effect on June  
34 30, 1996.

35 c. The dispensing fee for pharmacists shall remain at the

1 rate in effect on June 30, 1996. The reimbursement policy for  
2 drug product costs shall be in accordance with federal  
3 requirements.

4 d. Reimbursement rates for in-patient and outpatient  
5 hospital services shall remain at the rates in effect on June  
6 30, 1996. The department shall continue the outpatient  
7 hospital reimbursement system based upon ambulatory patient  
8 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
9 section 25, subsection 1, paragraph "f". In addition, the  
10 department shall continue the revised medical assistance  
11 payment policy implemented pursuant to that paragraph to  
12 provide reimbursement for costs of screening and treatment  
13 provided in the hospital emergency room is made pursuant to  
14 the prospective payment methodology developed by the  
15 department for the payment of outpatient services provided  
16 under the medical assistance program.

17 e. Reimbursement rates for rural health clinics shall be  
18 increased in accordance with increases under the federal  
19 medicare program.

20 f. Hospice services and acute care mental hospitals shall  
21 be reimbursed for their current federal Medicare audited  
22 costs.

23 g. Reimbursement rates for home health agencies certified  
24 for the federal Medicare program shall be increased by an  
25 average of 3.3 percent over the rates in effect on June 30,  
26 1996.

27 h. The basis for establishing the maximum medical  
28 assistance reimbursement rate for nursing facilities shall be  
29 the 70th percentile of facility costs as calculated from the  
30 June 30, 1996, unaudited compilation of cost and statistical  
31 data. However, to the extent funds are available within the  
32 amount projected for reimbursement of nursing facilities  
33 within the appropriation for medical assistance in this Act,  
34 and within the appropriation for medical assistance as a  
35 whole, the department shall adjust the maximum medical

1 assistance reimbursement for nursing facilities to the 70th  
2 percentile, as calculated on December 31, 1996, unaudited  
3 compilation of cost and statistical data and the adjustment  
4 shall take effect January 1, 1997.

5 i. The department may revise the fee schedule used for  
6 physician reimbursement.

7 j. Federally qualified health centers shall be reimbursed  
8 at 100 percent of reasonable costs as determined by the  
9 department in accordance with federal requirements.

10 k. The department may allocate increases among items and  
11 procedures for dental procedures as deemed appropriate in  
12 cooperation with dentists.

13 2. For the fiscal year beginning July 1, 1996, the maximum  
14 cost reimbursement rate for residential care facilities  
15 reimbursed by the department shall be \$21.54 per day. The  
16 flat reimbursement rate for facilities electing not to file  
17 semiannual cost reports shall be \$15.41 per day. For the  
18 fiscal year beginning July 1, 1996, the maximum reimbursement  
19 rate for providers reimbursed under the in-home health-related  
20 care program shall be \$414.11 per month.

21 3. Unless otherwise directed in this section, when the  
22 department's reimbursement methodology for any provider  
23 reimbursed in accordance with this section includes an  
24 inflation factor, this factor shall not exceed the amount by  
25 which the consumer price index for all urban consumers  
26 increased during the calendar year ending December 31, 1995.

27 4. Notwithstanding section 234.38, in the fiscal year  
28 beginning July 1, 1996, the foster family basic daily  
29 maintenance rate and the maximum adoption subsidy rate for  
30 children ages 0 through 5 years shall be \$12.34, the rate for  
31 children ages 6 through 11 years shall be \$13.06, the rate for  
32 children ages 12 through 15 years shall be \$14.23, and the  
33 rate for children ages 16 and older shall be \$15.12.

34 5. For the fiscal year beginning July 1, 1996, the maximum  
35 reimbursement rates for social service providers shall be the

1 same as the rates in effect on June 30, 1996, except under any  
2 of the following circumstances:

3 a. If a new service was added after June 30, 1996, the  
4 initial reimbursement rate for the service shall be based upon  
5 actual and allowable costs.

6 b. If a social service provider loses a source of income  
7 used to determine the reimbursement rate for the provider, the  
8 provider's reimbursement rate may be adjusted to reflect the  
9 loss of income, provided that the lost income was used to  
10 support actual and allowable costs of a service purchased  
11 under a purchase of service contract.

12 c. The department revises the reimbursement rates due to  
13 implementation of a redesigned purchase of services system.

14 6. The group foster care reimbursement rates paid for  
15 placement of children out-of-state shall be calculated  
16 according to the same rate-setting principles as those used  
17 for in-state providers unless the director determines that  
18 appropriate care cannot be provided within the state. The  
19 payment of the daily rate shall be based on the number of days  
20 in the calendar month in which service is provided.

21 7. For the fiscal year beginning July 1, 1996, the  
22 combined service and maintenance components of the  
23 reimbursement rate paid to a shelter care provider shall be  
24 based on the cost report submitted to the department. The  
25 maximum reimbursement rate shall be \$76.61 per day. If the  
26 department would reimburse the provider at less than the  
27 maximum rate but the provider's cost report justifies a rate  
28 of at least \$76.61, the department shall readjust the  
29 provider's reimbursement rate to the maximum reimbursement  
30 rate. In January 1997, the department shall review the usage  
31 of shelter care and the funding allocated for shelter care, if  
32 the usage is less than anticipated and the existing contracts  
33 for provision of shelter care do not obligate the total amount  
34 of the funds allocated, the department may utilize moneys in  
35 the allocation, which would otherwise be unexpended, for wrap-

1 around services or support to enable group foster care  
2 placement to be prevented or the length of stay reduced.

3 8. The department, in cooperation with the Iowa  
4 pharmacists association, may implement a pilot project for an  
5 alternative payment system, recommended in the study completed  
6 by the drug utilization review commission, for compensation of  
7 pharmacists for pharmaceutical care services under medical  
8 assistance at no cost to the state.

9 9. Beginning on the effective date of this subsection the  
10 department shall calculate reimbursement rates for  
11 intermediate care facilities for the mentally retarded at the  
12 70th percentile and shall implement other cost containment  
13 strategies.

14 10. The department of human services shall adopt rules  
15 applicable to agencies providing services under the  
16 department's rehabilitative treatment program for children and  
17 their families to eliminate reimbursement rate limits on  
18 service components which are within a category of cost which  
19 itself has a reimbursement rate limit.

20 11. The department may adopt emergency rules to implement  
21 the provisions of this section.

22 Sec. 27. RESIDENTIAL CARE FACILITIES -- REIMBURSEMENT RATE  
23 INCREASE. There is appropriated from the general fund of the  
24 state to the department of human services for the fiscal year  
25 beginning July 1, 1996, and ending June 30, 1997, the  
26 following amount, or so much thereof as is necessary, to be  
27 used for the purpose designated:

28 For an increase in the reimbursement rate for residential  
29 care facilities. Beginning July 1, 1996, reimbursement for  
30 residential care facilities reimbursed by the department shall  
31 be increased up to the actual and allowable costs and an  
32 additional amount based upon the cost reports filed as of  
33 April 1, 1996. The increased reimbursement shall not exceed  
34 an increase of \$4.36 per day over the rates in effect on June  
35 30, 1996. If a reimbursement rate existing on or before June

1 30, 1996, is greater than the total of a facility's actual and  
2 allowable costs and the additional amount or if the difference  
3 between the reimbursement rate on June 20, 1996, and the  
4 facility's actual and allowable costs is less than \$.44 per  
5 day, the reimbursement rate for the facility shall be  
6 increased by \$.44 per day:

7 ..... \$ 1,300,000

8 1. Funding appropriated in this section shall be allocated  
9 to counties in accordance with the distribution guidelines for  
10 local purchase of services in accordance with the  
11 appropriation in this Act for the mental health and  
12 developmental disabilities community services fund.

13 2. Of the moneys appropriated in this section, \$130,000  
14 shall be transferred to the appropriation in this Act for  
15 MI/MR/DD state cases and shall be used for payment of the  
16 increased reimbursement rate to residential care facilities  
17 providing services through local purchase of services for  
18 persons under the state cases program, and in accordance with  
19 the guidelines in this Act for local purchase of services.

20 Sec. 28. APPROPRIATION REDUCTIONS. The following  
21 appropriations in this Act for the fiscal year beginning July  
22 1, 1996, and ending June 30, 1997, are reduced by a total of  
23 \$1,000,000: child support recovery, juvenile institutions,  
24 community-based programs, mental health institutes, state  
25 hospital-schools, field operations, general administration,  
26 and the "X-PERT" knowledge-based computer software package.  
27 The department shall accomplish the reduction by not filling  
28 authorized positions which are vacant. The department shall  
29 report the department's plan for accomplishing the reductions  
30 to the department of management and the legislative fiscal  
31 bureau on or before July 1, 1996.

32 Sec. 29. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.  
33 If a state institution administered by the department of human  
34 services is to be closed or reduced in size, prior to the  
35 closing or reduction the department shall initiate and

1 coordinate efforts in cooperation with the Iowa department of  
2 economic development to develop new jobs in the area in which  
3 the state institution is located. In addition, the department  
4 may take other actions to utilize the facilities of an  
5 institution, including but not limited to assisting not-for-  
6 profit users with remodeling and lease costs by forgiving  
7 future rental or lease payments to the extent necessary for a  
8 period not to exceed five years.

9 Sec. 30. STANDARDS FOR CASELOADS AND REIMBURSEMENT.

10 1. The department of human services shall develop a plan  
11 for meeting national standards on caseloads for the  
12 department's social workers.

13 2. The department shall also develop a plan for improving  
14 the adequacy of reimbursement for family foster care. The  
15 foster care reimbursement rate improvement provisions shall  
16 provide for basing the reimbursement rates on at least 75  
17 percent of the United States department of agriculture  
18 estimate of the costs to raise a child in the calendar year  
19 immediately preceding the fiscal year. In addition the family  
20 foster care provisions of the plan shall address additional  
21 reimbursement for respite care, including in-home respite  
22 care, and adequate allowances for clothing and school  
23 expenses. The clothing allowance upon a child's initial  
24 placement shall be at least \$250 and at least \$50 per month  
25 for the remainder of the placement. School expenses shall be  
26 reimbursed for elementary and developmental preschool children  
27 at not more than \$50 per semester and for grades seven through  
28 twelve at not more than \$100 per semester. Driver's education  
29 expenses shall be reimbursed in full.

30 3. The department shall submit the planning provisions  
31 required by this section to the members of the joint  
32 appropriations subcommittee on human services of the senate  
33 and house of representatives on or before January 8, 1996.

34 Sec. 31. Section 135H.6, Code 1995, is amended by adding  
35 the following new subsection:

1 NEW SUBSECTION. 5A. Following initial licensure approval  
2 under subsection 5, a licensee may apply to the Iowa  
3 department of public health under chapter 135 for a revision  
4 in the licensee's certificate of need in accordance with this  
5 subsection. The revision request shall be to utilize beds  
6 previously approved for the purposes described in subsection  
7 5, paragraph "a" or "b", for any of the following purposes:

- 8 a. Mental health treatment.  
9 b. Substance abuse treatment.  
10 c. Mental health and substance abuse treatment.  
11 d. A combination of the purposes in paragraphs "a", "b",  
12 and "c".

13 The Iowa department of public health shall not approve a  
14 request which would result in the number of approved beds  
15 exceeding the state health facilities combined total of beds  
16 authorized under subsection 5.

17 Sec. 32. Section 232.52, subsection 2, paragraph e,  
18 subparagraph (4), Code Supplement 1995, is amended to read as  
19 follows:

20 (4) The child has previously been placed in a treatment  
21 facility outside the child's home or in a supervised community  
22 treatment program established pursuant to section 232.191,  
23 subsection 4.

24 Sec. 33. Section 234.39, Code Supplement 1995, is amended  
25 by adding the following new subsection:

26 NEW SUBSECTION. 4. The support debt for the costs of  
27 services, for which a support obligation is established  
28 pursuant to this section, which accrues prior to the  
29 establishment of the support debt, shall be collected, at a  
30 maximum, in the amount which is the amount of accrued support  
31 debt for the three months preceding the establishment of the  
32 support debt.

33 Sec. 34. NEW SECTION. 239.23 FAMILY INVESTMENT PROGRAM  
34 HOST HOMES.

35 1. As used in this section, unless the context otherwise



1 requires:

2 a. "Host home" means a host home authorized in accordance  
3 with the provisions of this section and licensed by the  
4 department to provide a living arrangement and related  
5 services to minor parents and pregnant minors or an  
6 alternative adult supervised placement approved by the  
7 department.

8 b. "Minor parent" means a recipient of or applicant for  
9 assistance who is less than eighteen years of age and has  
10 never been married.

11 2. The department shall perform a home assessment of a  
12 minor parent who applies for assistance to assess the minor  
13 parent's living arrangement prior to the granting of  
14 assistance. If a minor parent is receiving assistance at the  
15 time the provisions of this section are implemented, the  
16 department shall perform a home assessment as a condition of  
17 continued assistance.

18 3. If the department determines, based upon the home  
19 assessment, that the minor parent is living in an environment  
20 which is conducive to the positive upbringing of the minor  
21 parent's child, the department may allow the minor parent to  
22 continue living in the home with the parent or the legal  
23 guardian of the minor parent or in another current living  
24 arrangement which is approved by the department.

25 4. If the department determines, based upon the home  
26 assessment, that good cause exists for the minor parent to not  
27 live with their parent or legal guardian or in the other  
28 current living arrangement because the home environment is not  
29 conducive to the minor parent's physical, emotional, or mental  
30 well-being, the department shall require the minor parent to  
31 relocate to a host home, as a condition of assistance under  
32 this chapter. If the minor parent does not live in a host  
33 home and the department determines the resulting level of risk  
34 to the minor parent warrants the filing of a child in need of  
35 assistance petition, the department shall file the petition.

1 5. If the department determines, based upon the home  
2 assessment, that remaining in the current living arrangement  
3 is not in the best interest of the minor parent or a child of  
4 the minor parent and the minor parent is placed in a host  
5 home, the parent or legal guardian shall be referred to the  
6 department's child support recovery unit to establish a child  
7 support obligation in accordance with the child support  
8 guidelines prescribed pursuant to section 598.21, subsection  
9 4, not to exceed the cost of the host home placement.

10 However, if a child in need of assistance petition is filed  
11 and the child is placed in a foster care setting, the child  
12 support obligation shall be determined as provided in section  
13 234.39.

14 6. a. The department shall issue a request for proposals  
15 for grants for nonprofit organizations to establish host homes  
16 to provide adult supervision to minor parents and pregnant  
17 minors presumed to be eligible for assistance. A proposal  
18 shall demonstrate the organization's ability to provide  
19 supervision, services, and other support to enable a minor  
20 parent or pregnant minor to develop self-sufficiency.

21 b. Funding for a host home shall be obtained through  
22 assignment of the minor parent's assistance under this  
23 chapter, as permitted under federal law or waiver, through  
24 child support recovered from the parent or legal guardian of  
25 the minor parent, and through appropriations made for the  
26 purposes of reimbursing host homes.

27 c. The department shall adopt rules for licensing of host  
28 homes which are distinct from foster care licensure  
29 requirements.

30 d. Host home services shall include but are not limited to  
31 training in family development, parenting and self-sufficiency  
32 skills, and assistance in completing an education.

33 e. A host home shall not be considered to be a group  
34 foster care facility or to be another licensed facility which  
35 provides care for children. The placement of a minor parent

1 or pregnant minor and the children of a minor parent shall not  
2 be considered a placement which is subject to the statewide  
3 target for the number of group foster care placements under  
4 section 232.143 and associated provisions.

5 7. This section shall not be implemented prior to July 1,  
6 1997, and implementation is contingent upon federal approval  
7 of a waiver authorizing the implementation.

8 Sec. 35. FEDERAL WAIVERS.

9 1. The department of human services shall submit a waiver  
10 request or requests to the United States department of health  
11 and human services as necessary to implement the changes in  
12 the family investment program and host home provisions under  
13 section 239.23 as enacted by this Act. In addition, the  
14 department may submit additional waiver requests to the United  
15 States department of health and human services to make changes  
16 to the medical assistance program under chapter 249A, as  
17 necessary to revise the program in accordance with any waiver  
18 provision implemented pursuant to section 239.23.

19 2. The waiver request or requests submitted by the  
20 department of human services to the United States department  
21 of health and human services shall be to apply the provisions  
22 of section 239.23 statewide. If federal waiver approval of  
23 the provisions is granted, the department of human services  
24 shall implement the provisions in accordance with the federal  
25 approval. If an approved waiver is in conflict with a  
26 provision of state law, the waiver provision shall apply and  
27 the department shall propose an amendment to resolve the  
28 conflict. The proposed amendment shall be submitted in  
29 accordance with the provisions of section 2.16 to the Seventy-  
30 seventh General Assembly.

31 3. The department of human services shall adopt  
32 administrative rules pursuant to chapter 17A to implement the  
33 provisions of an approved waiver. If necessary to conform  
34 with federal waiver terms and conditions or to efficiently  
35 administer the provisions, the rules may apply additional

1 policies and procedures which are consistent with the  
2 provisions of the approved waiver.

3 4. The effective date of a waiver requested under this  
4 section which is granted by the federal government shall be  
5 established by rule but shall not be earlier than July 1,  
6 1997. If federal law is enacted to permit the state to  
7 implement a provision of section 239.23 without a federal  
8 waiver, the department shall proceed to implement the  
9 provisions within the timeframe specified in this subsection.

10 Sec. 36. EMERGENCY RULES. If specifically authorized by a  
11 provision of this Act, the department of human services or the  
12 mental health and mental retardation commission may adopt  
13 administrative rules under section 17A.4, subsection 2, and  
14 section 17A.5, subsection 2, paragraph "b", to implement the  
15 provisions and the rules shall become effective immediately  
16 upon filing, unless a later effective date is specified in the  
17 rules. Any rules adopted in accordance with the provisions of  
18 this section shall also be published as notice of intended  
19 action as provided in section 17A.4.

20 Sec. 37. EFFECTIVE DATE. The following provisions of this  
21 Act, relating to the mental health managed care program  
22 contract, being deemed of immediate importance, take effect  
23 upon enactment:

24 1. Section 3, subsection 12, relating to the alternative  
25 nursing home pilot program.

26 2. Section 4, subsection 2, relating to the mental health  
27 managed care program.

28 3. Section 10, subsection 19, relating to expenditure of  
29 federal funds for child and family services.

30 4. Section 26, subsection 9, relating to ICFMR  
31 reimbursement rates.

32 EXPLANATION

33 This bill makes appropriations for the 1996-1997 fiscal  
34 year to the department of human services for human services  
35 and health care programs, and provides an allocation for the

1 prevention of disabilities council.

2 Section 135H.6, relating to psychiatric medical  
3 institutions for children (PMICs), is amended to provide that  
4 a PMIC may apply to the Iowa department of public health for a  
5 revision in the PMIC's certificate of need concerning the  
6 authorized purposes of the beds in the PMIC.

7 Section 232.52 is amended to provide that one of the  
8 criteria for placement of a child in the state training school  
9 or other facility includes that the child has previously been  
10 placed in a supervised community treatment program.

11 Section 234.39 is amended to provide that the maximum  
12 support debt established for costs of foster care which  
13 accrues prior to the establishment of the support debt is the  
14 amount of accrued support for the three months preceding the  
15 date of establishment of the support debt.

16 Section 239.23 is amended to require the department of  
17 human services to develop a family investment program waiver  
18 request to the federal government and perform other duties  
19 involving the establishment and utilization of "host homes"  
20 for pregnant minors or minor parents.

21 The bill also provides for emergency rulemaking authority  
22 and provides effective dates.

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## SENATE FILE 2442

S-5272

1 Amend Senate File 2442 as follows:

- 2 1. Page 6, line 22, by inserting after the words  
3 "implement the" the following: "screening component  
4 of the".
- 5 2. By striking page 7, line 30, through page 8,  
6 line 3, and inserting the following:  
7 "2. The department shall negotiate with the  
8 department's contractor for mental health managed care  
9 under the medical assistance program to establish  
10 performance standards for successful outcomes for  
11 persons receiving services under the contract. The  
12 performance standards shall be incorporated into the  
13 contract or shall be made an addendum to the contract  
14 which is in effect as of the effective date of this  
15 subsection. The contractor's attainment of these  
16 performance standards shall be a factor in the  
17 department's decision to extend the contract in effect  
18 for managed mental health care or to initiate a new  
19 procurement process. Any future contract shall  
20 contain sanctions for failure to attain the  
21 performance standards."
- 22 3. Page 21, line 17, by striking the word "or"  
23 and inserting the following: "and".
- 24 4. Page 33, by striking lines 2 through 4.
- 25 5. Page 40, by striking line 4, and inserting the  
26 following: "pharmacists association, shall propose a  
27 pilot project for an".
- 28 6. Page 40, line 19, by inserting after the word  
29 "limit." the following: "The change required by this  
30 subsection shall be implemented in a manner which is  
31 cost neutral."
- 32 7. Page 40, by inserting after line 19 the  
33 following:  
34 " . In the event that the department and  
35 providers of services under the department's  
36 rehabilitative treatment program for children and  
37 families mutually agree to revise the department's  
38 rules providing reimbursement rates under the program,  
39 the department may adopt rules implementing the  
40 revision. Prior to adoption of the rules, the  
41 department shall provide a description of the  
42 agreement to the chairpersons and ranking members of  
43 the joint appropriations subcommittee on human  
44 services. The provisions of this subsection shall be  
45 separate from the provisions of subsection 10."
- 46 8. Page 40, by striking line 22 and inserting the  
47 following:  
48 "Sec. 27. RESIDENTIAL SERVICES -- PURCHASE OF  
49 SERVICES -- REIMBURSEMENT RATE".
- 50 9. Page 41, by striking lines 27 and 28 and

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Page 2

- 1 inserting the following: "The department shall".
- 2 10. By renumbering as necessary.

By JOHNIE HAMMOND

S-5272 FILED MARCH 11, 1996

*Adopted 3-12-96 (p.731)*

SENATE FILE 2442

S-5274

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 11, line 27, by striking the words
- 3 "block-of-hour" and inserting the following: "block-
- 4 of-hours".
- 5 2. Page 31, line 5, by striking the figure "1995"
- 6 and inserting the following: "1994".
- 7 3. Page 31, line 10, by striking the figure
- 8 "1995" and inserting the following: "1994".
- 9 4. Page 33, line 12, by inserting after the
- 10 letter "d," the following: "e,".
- 11 5. Page 36, line 29, by striking the word
- 12 "appropriated" and inserting the following:
- 13 "appropriate".
- 14 6. Page 47, line 8, by striking the word "wavier"
- 15 and inserting the following: "waiver".
- 16 7. Page 47, line 28, by striking the figure "19"
- 17 and inserting the following: "18".

By JOHNIE HAMMOND

**WITHDRAWN***3/12/96**(p.732)*

S-5274 FILED MARCH 11, 1996

SENATE FILE 2442

S-5275

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 6, by striking lines 12 and 13, and
- 3 inserting the following:
- 4 "10. The department of human services shall expand
- 5 the program to administratively pursue
- 6 reimbursements".

By JOHNIE HAMMOND

*Adopted 3/12/96 (p.731)*

S-5275 FILED MARCH 11, 1996

SENATE FILE 2442

S-5277

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 22, by striking lines 14 through 16 and
- 3 inserting the following: "services for pregnant or
- 4 parenting adolescents. It is the intent of the
- 5 general assembly that by July 1, 1998, grants awarded
- 6 under this subsection be required to meet the criteria
- 7 under subsection 2 including the provision of
- 8 community-wide services within the proximity of the
- 9 community or region."

By ELAINE SZYMONIAK

S-5277 FILED MARCH 11, 1996

*Adopted 3-12-96 (p.73)*

## SENATE FILE 2442

S-5281

- 1 Amend Senate File 2442 as follows:  
2 1. Page 46, by inserting after line 7, the  
3 following:  
4 "Sec. 101. 1995 Iowa Acts, chapter 115, section  
5 13, is repealed."  
6 2. Page 47, by inserting after line 31 the  
7 following:  
8 "5. Section 101, relating to child support  
9 enforcement fees."

WITHDRAWN

3-12-96 (P. 739)

By JOHNIE HAMMOND

S-5281 FILED MARCH 11, 1996

## SENATE FILE 2442

S-5282

- 1 Amend Senate File 2442 as follows:  
2 1. Page 40, by striking lines 9 through 13 and  
3 inserting the following:  
4 "9. For the fiscal year beginning July 1, 1996,  
5 the department shall calculate reimbursement rates for  
6 intermediate care facilities for the mentally retarded  
7 at the 80th percentile. The department shall report  
8 to the general assembly on or before January 2, 1997,  
9 with proposals for other cost containment strategies  
10 for consideration by the general assembly."  
11 2. Page 47, by striking lines 30 and 31.

By WILMER RENSINK  
JOHN P. KIBBIE

S-5282 FILED MARCH 11, 1996

*Adopted*  
3/12/96

(P. 739)



## SENATE FILE 2442

284

Amend Senate File 2442 as follows:

1. Page 11, line 27, by striking the words "block-of-hour" and inserting the following: "block-of-hours".
2. Page 31, line 5, by striking the figure "1995" and inserting the following: "1994".
3. Page 31, line 10, by striking the figure "1995" and inserting the following: "1994".
4. Page 33, line 12, by inserting after the letter "d," the following: "e,".
5. Page 36, line 29, by striking the word "appropriated" and inserting the following: "appropriate".
6. Page 47, line 8, by striking the word "wavier" and inserting the following: "waiver".
7. Page 47, lines 21 and 22, by striking the words "relating to the mental health managed care program contract,".
8. Page 47, line 28, by striking the figure "19" and inserting the following: "18".

By JOHNIE HAMMOND

S-5284 FILED MARCH 11, 1996

*Adopted 3-12-96  
(p. 732)*

## SENATE FILE 2442

-5256

Amend Senate File 2442 as follows:

1. Page 17, by inserting after line 32 the following:
  - "e. Of the funds allocated in this subsection, not more than \$1,077,995 is allocated as the state match funding for 50 highly structured juvenile program beds."

By PATRICK J. DELUHERY  
MAGGIE TINSMAN  
JOHNIE HAMMOND  
O. GENE MADDOX

ALBERT SORENSEN  
SHELDON RITTMER  
ELAINE SZYMONIAK

S-5256 FILED MARCH 11, 1996

*Adopted 3-12-96 (p. 732)*

## SENATE FILE 2442

S-5271

Amend Senate File 2442 as follows:

1. Page 27, by inserting after line 28 the following:
  - "3. The department shall use moneys appropriated to the department under this Act as necessary to comply with requirements of the state under the consent decree of Conner v. Branstad, No. 4-86-CV-0871 (S.D. Iowa, July 15, 1994)."

By ROBERT E. DVORSKY

S-5271 FILED MARCH 11, 1996

*Adopted 3/12/96  
(p. 732)*

SENATE FILE 2442

5285

Amend Senate File 2442 as follows:

1. Page 6, line 10, by inserting after the word "inhibitors." the following: "The department shall not expand the requirement of drug prior authorization without prior approval of the general assembly except to require prior authorization of an equivalent of a prescription drug which is subject to prior authorization as of June 30, 1996."

2. Page 12, line 15, by inserting after the word "program." the following: "For family investment agreements developed in the fiscal year beginning July 1, 1996, the maximum time period for postsecondary education is limited to two years."

3. Page 16, by striking line 8 and inserting the following:

"..... \$ 13,738,000"

4. Page 16, by striking lines 24 through 26 and inserting the following:

A 4. Of the funds appropriated in this section, \$10,000 shall be used by the state training school and \$8,000 by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1996."

5. Page 22, by striking line 8 and inserting the following:

"..... \$ 2,502,000"

B 6. Page 22, line 10, by striking the figure "654,146" and inserting the following: "636,146".

7. Page 30, line 13, by inserting after the word "disability" the following: ", as described in rules adopted by the department".

8. Page 30, by striking lines 14 through 17.

A 9. By striking page 30, line 27, through page 31, line 2.

10. Page 33, line 11, by striking the words and figures "subsections 2 and 5" and inserting the following: "subsection 2".

11. Page 35, line 35, by inserting after the word "software" the following: "and for not more than the following full-time equivalent positions".

12. Page 36, by inserting after line 1 the following:

"..... FTEs 5.00"

13. Page 37, by striking lines 20 through 26 and inserting the following:

"f. Home health agencies certified for the federal Medicare program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal Medicare audited costs."

S-5285

Page 2

Div  
A

- 1 14. Page 42, line 9, by striking the words "AND
- 2 REIMBURSEMENT".
- 3 15. Page 42, line 10, by striking the figure "1."
- 4 16. Page 42, by striking lines 13 through 29.
- 5 17. Page 42, line 30, by striking the figure "3."
- 6 18. Page 42, line 33, by striking the figure
- 7 "1996" and inserting the following: "1997".
- 8 19. Page 42, by inserting after line 33 the
- 9 following:
- 10 "Sec. \_\_\_\_ . REPORTS. Any reports or information
- 11 required to be compiled and submitted under this Act
- 12 shall be submitted to the chairpersons and ranking
- 13 members of the joint appropriations subcommittee on
- 14 human services, the legislative fiscal bureau, the
- 15 legislative service bureau, and to the caucus staffs
- 16 on or before the dates specified for submission of the
- 17 reports or information."
- 18 20. Page 43, by striking lines 31 and 32 and
- 19 inserting the following: "debt for the three months
- 20 preceding the provision of the notice and reasonable
- 21 opportunity to be heard to the parent or guardian."

By JOHNIE HAMMOND  
MAGGIE TINSMAN

S-5285 FILED MARCH 11, 1996

*Adopted*  
3-12-96  
(P. 731)

*Motion to R/ by Hammond } 3/12/96*  
*Motion prevailed*

*Division Requested 3/12/96*

*A - P. 1 line 2-27 Div. A*  
*30-50*

*A. P. 2 Div. A*

*B - Line 28-29*

*A. Adopted 3/12/96*

*B. Withdrawn 3/12/96*

*(P. 740)*

*(P. 740)*

*(P. 740)*

SENATE FILE 2442

S-5295

1 Amend Senate File 2442 as follows:  
 2 1. Page 10, by inserting after line 9 the  
 3 following:  
 4 "b. Families who are at or between 101 percent and  
 5 110 percent of the federal poverty level and who are  
 6 employed at least 30 hours per week. Assistance  
 7 provided to families pursuant to this paragraph shall  
 8 be provided in accordance with a sliding fee scale  
 9 developed by the department. If an evaluation of  
 10 expenditures for state child care assistance  
 11 determines there is sufficient funding available, the  
 12 department shall implement the provisions of this  
 13 paragraph on or after January 2, 1997."  
 14 2. By renumbering and relettering as necessary.  
 By MAGGIE TINSMAN

S-5295 FILED MARCH 12, 1996  
 ADOPTED (P. 732)

SENATE FILE 2442

S-5298

1 Amend Senate File 2442 as follows:  
 2 1. Page 9, by striking line 34 and inserting the  
 3 following:  
 4 "..... \$ 17,742,145"  
 5 2. Page 10, line 2, by striking the figure  
 6 "11,593,789" and inserting the following:  
 7 "13,395,934".  
 By JACK RIFE

S-5298 FILED MARCH 12, 1996  
 LOST (P. 732)

SENATE FILE 2442

S-5301

1 Amend Senate File 2442 as follows:  
 2 1. By striking page 6, line 26, through page 7,  
 3 line 20.  
 4 2. Page 47, by striking lines 24 and 25.  
 5 3. By renumbering as necessary.  
 By MERLIN E. BARTZ  
 JOHN P. KIBBIE

S-5301 FILED MARCH 12, 1996  
 ADOPTED

(P. 739)

SENATE FILE 2442

S-5302

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 38, by inserting after line 12 the
- 3 following:
- 4 " . For an individual who is dependent upon the
- 5 use of a ventilator for a minimum of eighteen hours
- 6 per day and is able to reside at the individual's home
- 7 with the assistance of a ventilator, the medical
- 8 equipment dealer shall be reimbursed for the actual
- 9 costs of the backup ventilator which is used in the
- 10 individual's home."
- 11 2. By renumbering as necessary.

By JIM LIND  
STEVEN D. HANSEN

S-5302 FILED MARCH 12, 1996  
LOST (P. 739)

SENATE FILE 2442

S-5309

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 29, by striking line 30 and inserting the
- 3 following:
- 4 "..... \$ 17,230,000"
- 5 2. Page 31, by inserting after line 11 the
- 6 following:
- 7 " . Of the funds appropriated in this section,
- 8 \$1,000,000 shall be distributed to counties in
- 9 accordance with the local purchase of service
- 10 provisions of subsection 7 and shall be used to
- 11 increase reimbursement for sheltered workshops."

By BRAD BANKS

S-5309 FILED MARCH 12, 1996  
LOST (P. 738)

SENATE FILE 2442

S-5310

- 1 Amend Senate File 2442 as follows:
- 2 1. Page 22, line 10, by striking the figure
- 3 "654,146" and inserting the following: "736,146".
- 4 2. Page 23, by striking lines 21 through 24.

By ELAINE SZYMONIAK

S-5310 FILED MARCH 12, 1996  
ADOPTED

(P. 739)

## SENATE FILE 2442

S-5319

1 Amend Senate File 2442 as follows:  
2 1. Page 43, by striking lines 1 through 16 and  
3 inserting the following:  
4 "NEW SUBSECTION. 5A. The department of human  
5 services may give approval to conversion of beds  
6 specializing in substance abuse treatment previously  
7 approved under subsection 5, paragraph "b", to beds  
8 which are not specialized as referenced in subsection  
9 5, paragraph "a". Beds converted under this  
10 subsection shall be in addition to the number of beds  
11 authorized under subsection 5, paragraph "a".  
12 However, the total number of beds approved under  
13 subsection 5 shall not exceed four hundred thirty.  
14 Conversion of beds under this subsection shall not  
15 require a revision of the certificate of need issued  
16 for the psychiatric institution making the  
17 conversion."

By MIKE CONNOLLY  
JOHNIE HAMMOND

S-5319 FILED MARCH 12, 1996

ADOPTED

(P.739)

## SENATE FILE 2442

S-5320

1 Amend Senate File 2442 as follows:  
2 1. Page 37, line 9, by inserting before the word  
3 "In" the following: "Reimbursements made between July  
4 1, 1996, and June 30, 1997, under the outpatient  
5 hospital reimbursement system implemented pursuant to  
6 1994 Iowa Acts, chapter 1186, section 25, subsection  
7 1, paragraph "f", shall be retrospectively adjusted so  
8 that the reimbursement made is within a ten percent  
9 deviation of the lower of the cost of the charges for  
10 the services provided during the fiscal year ending  
11 June 30, 1996, as adjusted to reflect actual changes  
12 in inflation, increased insureds, utilization per  
13 insured, and acuity of service."

By ELAINE SZYMONIAK  
MARY NEUHAUSER

S-5320 FILED MARCH 12, 1996

ADOPTED

(P.740)

H. 3/13/96 Approp.  
H. 3/20/96 Amend/Do Pass  
W/H-5478

S. 4/30/96 Motion to R/c Vote by  
Munley

S. 4/30/96 motion w/D

SENATE FILE **2442**

BY COMMITTEE ON APPROPRIATIONS

(SUCCESSOR TO SSB 2338)

(AS AMENDED AND PASSED BY THE SENATE MARCH 12, 1996)

\_\_\_\_\_ - New Language by the Senate

\* - Language Stricken by the Senate

Passed Senate, Date <sup>(P.1547)</sup> 4/30/96 Passed House, Date <sup>(P.980)</sup> 3/26/96  
Vote: Ayes 44 Nays 6 Vote: Ayes 60 Nays 37  
Approved May 29, 1996

Repassed 4/30/96  
Vote 87-5 (P.2043)

A BILL FOR

1 An Act relating to appropriations for the department of human  
2 services and the prevention of disabilities policy council and  
3 including other provisions and appropriations involving human  
4 services and health care and providing for effective and  
5 applicability dates.

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

7 *House Conf. Comm.*  
8 *4-15-96 (P.1633)*

*Senate Conf. Comm.*  
*4-16-96 (P.1405)*

9  
10 *Houser*  
11 *Carroll*  
12 *Arnold*  
13 *Jechum*  
14 *Jallon*

*Hammond*  
*Delukery*  
*Szymonak*  
*Boettger*  
*Jinamon*

15  
16  
17  
18  
19  
20

SF. 2442

1 Section 1. FAMILY INVESTMENT PROGRAM. There is  
2 appropriated from the general fund of the state to the  
3 department of human services for the fiscal year beginning  
4 July 1, 1996, and ending June 30, 1997, the following amount,  
5 or so much thereof as is necessary, to be used for the purpose  
6 designated:

7 For assistance under the family investment program under  
8 chapter 239:

9 ..... \$ 34,780,000

10 1. The department shall continue the special needs program  
11 under the family investment program.

12 2. The department may adopt administrative rules for the  
13 family investment, food stamp, and medical assistance programs  
14 to change or delete welfare reform initiatives that threaten  
15 the integrity or continuation of the program or that are not  
16 cost-effective. Prior to the adoption of rules, the  
17 department shall consult with the welfare reform council,  
18 members of the public involved in development of the policy  
19 established in the 1993 session of the Seventy-fifth General  
20 Assembly, and the chairpersons and ranking members of the  
21 human resources committees of the senate and the house of  
22 representatives.

23 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from  
24 the general fund of the state to the department of human  
25 services for the fiscal year beginning July 1, 1996, and  
26 ending June 30, 1997, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For emergency assistance to families with dependent  
29 children for homeless prevention programs:

30 ..... \$ 1,767,000

31 1. The emergency assistance provided for in this section  
32 shall be available beginning October 1 of the fiscal year and  
33 shall be provided only if all other publicly funded resources  
34 have been exhausted. Specifically, emergency assistance is  
35 the program of last resort and shall not supplant assistance



1 provided by the low-income home energy assistance program  
2 (LIHEAP), county general relief, and veterans affairs  
3 programs. The department shall establish a \$500 maximum  
4 payment, per family, in a twelve-month period. The emergency  
5 assistance includes, but is not limited to, assisting people  
6 who face eviction, potential eviction, or foreclosure, utility  
7 shutoff or fuel shortage, loss of heating energy supply or  
8 equipment, homelessness, utility or rental deposits, or other  
9 specified crisis which threatens family or living  
10 arrangements. The emergency assistance shall be available to  
11 migrant families who would otherwise meet eligibility  
12 criteria. The department may contract for the administration  
13 and delivery of the program. The program shall be terminated  
14 when funds are exhausted.

15 2. For the fiscal year beginning July 1, 1996, the  
16 department shall continue the process for the state to receive  
17 refunds of rent deposits for emergency assistance recipients  
18 which were paid by persons other than the state. The refunds  
19 received by the department under this subsection shall be  
20 deposited with the moneys of the appropriation made in this  
21 section and used as additional funds for the emergency  
22 assistance program. Notwithstanding section 8.33, moneys  
23 received by the department under this subsection which remain  
24 after the emergency assistance program is terminated and state  
25 moneys in the emergency assistance account which remain  
26 unobligated or unexpended at the close of the fiscal year  
27 shall not revert to the general fund of the state but shall  
28 remain available for expenditure when the program resumes  
29 operation on October 1 in the succeeding fiscal year.

30 Sec. 3. MEDICAL ASSISTANCE. There is appropriated from  
31 the general fund of the state to the department of human  
32 services for the fiscal year beginning July 1, 1996, and  
33 ending June 30, 1997, the following amount, or so much thereof  
34 as is necessary, to be used for the purpose designated:

35 For medical assistance, including reimbursement for

1 abortion services, which shall be available under the medical  
2 assistance program only for those abortions which are  
3 medically necessary:

4 ..... \$366,600,000

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

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

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

12 c. The pregnancy is the result of a rape which is reported  
13 within 45 days of the incident to a law enforcement agency or  
14 public or private health agency which may include a family  
15 physician.

16 d. The pregnancy is the result of incest which is reported  
17 within 150 days of the incident to a law enforcement agency or  
18 public or private health agency which may include a family  
19 physician.

20 e. Any spontaneous abortion, commonly known as a  
21 miscarriage, if not all of the products of conception are  
22 expelled.

23 2. Notwithstanding section 8.39, the department may  
24 transfer funds appropriated in this section to a separate  
25 account established in the department's case management unit  
26 for expenditures required to provide case management services  
27 for mental health, mental retardation, and developmental  
28 disabilities services under medical assistance which are  
29 jointly funded by the state and county, pending final  
30 settlement of the expenditures. Funds received by the case  
31 management unit in settlement of the expenditures shall be  
32 used to replace the transferred funds and are available for  
33 the purposes for which the funds were appropriated in this  
34 section.

35 3. If a medical assistance recipient is more than 17 years

1 of age and is receiving care which is reimbursed under a  
2 federally approved home and community-based services waiver  
3 but would otherwise be approved for care in an intermediate  
4 care facility for the mentally retarded, the recipient's  
5 county of legal settlement shall reimburse the department on a  
6 monthly basis for the portion of the recipient's cost of care  
7 which is not paid from federal funds.

8 4. a. The county of legal settlement shall be billed for  
9 50 percent of the nonfederal share of the cost of case  
10 management provided for adults, day treatment, and partial  
11 hospitalization in accordance with sections 249A.26 and  
12 249A.27, and 100 percent of the nonfederal share of the cost  
13 of care for adults which is reimbursed under a federally  
14 approved home and community-based waiver that would otherwise  
15 be approved for provision in an intermediate care facility for  
16 the mentally retarded, provided under the medical assistance  
17 program. The state shall have responsibility for the  
18 remaining 50 percent of the nonfederal share of the cost of  
19 case management provided for adults, day treatment, and  
20 partial hospitalization. For persons without a county of  
21 legal settlement, the state shall have responsibility for 100  
22 percent of the nonfederal share of the cost of case management  
23 provided for adults, day treatment, partial hospitalization,  
24 and the home and community-based waiver services. The case  
25 management services specified in this subsection shall be  
26 billed to a county only if the services are provided outside  
27 of a managed care contract.

28 b. The state shall pay the entire nonfederal share of the  
29 costs for case management services provided to persons 17  
30 years of age and younger who are served in a medical  
31 assistance home and community-based waiver program for persons  
32 with mental retardation.

33 c. Medical assistance funding for case management services  
34 for eligible persons 17 years of age and younger shall also be  
35 provided to persons residing in counties with child welfare

1 decategorization projects implemented in accordance with  
2 section 232.188, provided these projects have included these  
3 persons in their service plan and the decategorization project  
4 county is willing to provide the nonfederal share of costs.

5 d. When paying the necessary and legal expenses of  
6 intermediate care facilities for the mentally retarded  
7 (ICFMR), the cost payment requirements of section 222.60 shall  
8 be considered fulfilled when payment is made in accordance  
9 with the medical assistance payment rates established for  
10 ICFMRs by the department and the state or a county of legal  
11 settlement is not obligated for any amount in excess of the  
12 rates.

13 5. The department may adopt and implement administrative  
14 rules regarding a prepaid mental health services plan for  
15 medical assistance patients. The rules shall include but not  
16 be limited to service provider standards, service  
17 reimbursement, and funding mechanisms. Notwithstanding the  
18 provisions of subsection 4, paragraph "a", of this section and  
19 section 249A.26, requiring counties to pay all or part of the  
20 nonfederal share of certain services provided to persons with  
21 disabilities under the medical assistance program, the state  
22 shall pay 100 percent of the nonfederal share of any services  
23 included in the plan implemented pursuant to this subsection.

24 6. The department shall utilize not more than \$60,000 of  
25 the funds appropriated in this section to continue the  
26 AIDS/HIV health insurance premium payment program as  
27 established in 1992 Iowa Acts, Second Extraordinary Session,  
28 Chapter 1001, section 409, subsection 6. Of the funds  
29 allocated in this subsection, not more than \$5,000 may be  
30 expended for administrative purposes.

31 7. Of the funds appropriated to the Iowa department of  
32 health for substance abuse grants, \$950,000 for the fiscal  
33 year beginning July 1, 1996, shall be transferred to the  
34 department of human services for an integrated substance abuse  
35 managed care system.

1 8. The department shall implement a new medical assistance  
2 home and community-based waiver for persons with physical  
3 disabilities as a means to further develop the personal  
4 assistance services program under section 225C.46. The waiver  
5 shall not be implemented in a manner which would require  
6 additional county or state funding for assistance provided to  
7 an individual served under the waiver.

8 9. The department may expand the drug prior authorization  
9 program to include the therapeutic class of gastrointestinal  
10 drugs known as proton pump inhibitors. The department shall  
11 not expand the requirement of drug prior authorization without  
12 prior approval of the general assembly except to require prior  
13 authorization of an equivalent of a prescription drug which is  
14 subject to prior authorization as of June 30, 1996. The  
15 department shall adopt administrative rules to implement this  
16 provision.

17 10. The department of human services shall expand the  
18 program to administratively pursue reimbursements for pharmacy  
19 services to include all pharmacy claims for which a recipient  
20 of medical assistance also has third-party coverage.

21 11. The department of human services, in consultation with  
22 the Iowa department of public health and the department of  
23 education, shall develop and implement a proposal to utilize  
24 the early and periodic screening, diagnosis, and treatment  
25 (EPSDT) funding under medical assistance, to the extent  
26 possible, to implement the screening component of the EPSDT  
27 program through the school system. The department may enter  
28 into contracts to utilize maternal and child health centers,  
29 the public health nursing program, or school nurses in  
30 implementing this provision.

\*31 Sec. 4. MEDICAL CONTRACTS. 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, 1996, and ending June  
34 30, 1997, the following amount, or so much thereof as is  
35 necessary, to be used for the purpose designated:

1 For medical contracts:

2 ..... \$ 6,800,000

3 1. The department shall continue to contract for drug  
4 utilization review under the medical assistance program.

5 2. The department shall negotiate with the department's  
6 contractor for mental health managed care under the medical  
7 assistance program to establish performance standards for  
8 successful outcomes for persons receiving services under the  
9 contract. The performance standards shall be incorporated  
10 into the contract or shall be made an addendum to the contract  
11 which is in effect as of the effective date of this  
12 subsection. The contractor's attainment of these performance  
13 standards shall be a factor in the department's decision to  
14 extend the contract in effect for managed mental health care  
15 or to initiate a new procurement process. Any future contract  
16 shall contain sanctions for failure to attain the performance  
17 standards.

18 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is  
19 appropriated from the general fund of the state to the  
20 department of human services for the fiscal year beginning  
21 July 1, 1996, and ending June 30, 1997, the following amount,  
22 or so much thereof as is necessary, to be used for the purpose  
23 designated:

24 For state supplementary assistance, funeral assistance, and  
25 the mental retardation waiver rent subsidy program:

26 ..... \$ 19,190,000

27 1. The department shall increase the personal needs  
28 allowance for residents of residential care facilities by the  
29 same percentage and at the same time as federal supplemental  
30 security income and federal social security benefits are  
31 increased due to a recognized increase in the cost of living.  
32 The department may adopt emergency rules to implement this  
33 subsection.

34 2. a. If during the fiscal year beginning July 1, 1996,  
35 the department projects that state supplementary assistance

1 expenditures for a calendar year will not meet the federal  
2 pass-along requirement specified in Title XVI of the federal  
3 Social Security Act, section 1618, as codified in 42 U.S.C. §  
4 1382g, the department may take actions including but not  
5 limited to increasing the personal needs allowance for  
6 residential care facility residents and making programmatic  
7 adjustments or upward adjustments of the residential care  
8 facility or in-home health-related care reimbursement rates  
9 prescribed in this Act to ensure that federal requirements are  
10 met. The department may adopt emergency rules to implement  
11 the provisions of this subsection.

12 b. If during the fiscal year beginning July 1, 1996, the  
13 department projects that state supplementary assistance  
14 expenditures will exceed the amount appropriated, the  
15 department may transfer funds appropriated in this Act for  
16 medical assistance for the purposes of the state supplementary  
17 assistance program. However, funds shall only be transferred  
18 from the medical assistance appropriation if the funds  
19 transferred are projected to be in excess of the funds  
20 necessary for the medical assistance program.

21 3. The department may use up to \$75,000 of the funds  
22 appropriated in this section for a rent subsidy program for  
23 adult persons to whom all of the following apply:

24 a. Are receiving assistance under the medical assistance  
25 home and community-based services for persons with mental  
26 retardation (HCBS/MR) program.

27 b. Were discharged from an intermediate care facility for  
28 the mentally retarded (ICFMR) immediately prior to receiving  
29 HCBS/MR services.

30 The goal of the subsidy program shall be to encourage and  
31 assist in enabling persons who currently reside in an ICFMR to  
32 move to a community living arrangement. An eligible person  
33 may receive assistance in meeting their rental expense and, in  
34 the initial two months of eligibility, in purchasing necessary  
35 household furnishings and supplies. The program shall be

1 implemented so that it does not meet the federal definition of  
2 state supplementary assistance and will not impact the federal  
3 pass-along requirement specified in Title XVI of the federal  
4 Social Security Act, section 1618, as codified in 42 U.S.C. §  
5 1382g.

6 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated  
7 from the general fund of the state to the department of human  
8 services for the fiscal year beginning July 1, 1996, and  
9 ending June 30, 1997, the following amount, or so much thereof  
10 as is necessary, to be used for the purposes designated:

11 For protective child day care assistance and state child  
12 care assistance:  
13 ..... \$ 15,940,000

14 1. Of the funds appropriated in this section, \$2,496,286  
15 shall be used for protective child day care assistance.

16 2. Of the funds appropriated in this section, \$11,593,789  
17 shall be used for state child care assistance.

18 3. Based upon the availability of the funding provided in  
19 subsection 2 the department shall establish waiting lists for  
20 state child care assistance in descending order of  
21 prioritization as follows:

22 a. Families who are at or below 100 percent of the federal  
23 poverty level and are employed at least 30 hours a week.

24 b. Families who are at or between 101 percent and 110  
25 percent of the federal poverty level and who are employed at  
26 least 30 hours per week. Assistance provided to families  
27 pursuant to this paragraph shall be provided in accordance  
28 with a sliding fee scale developed by the department. If an  
29 evaluation of expenditures for state child care assistance  
30 determines there is sufficient funding available, the  
31 department shall implement the provisions of this paragraph on  
32 or after January 2, 1997.

33 c. Parents under the age of 21 who are employed full-time  
34 or part-time or who are participating in an approved training  
35 program or who are enrolled in an education program.



1 d. Families who are at or below 155 percent of the federal  
2 poverty level who have a special needs child.

3 e. Families who are at or below 100 percent of the federal  
4 poverty level who are employed part-time at least 20 hours per  
5 week.

6 4. a. For state child care assistance, eligibility shall  
7 be limited to children whose family income is equal to or less  
8 than 100 percent of the United States office of management and  
9 budget poverty guidelines. However, on or after October 1,  
10 1996, the department may increase the income eligibility limit  
11 to be equal to or less than 75 percent of the Iowa median  
12 family income.

13 b. Migrant seasonal farm worker families whose family  
14 income is equal to or less than 100 percent of the United  
15 States office of management and budget poverty guidelines are  
16 eligible for state child care assistance. The monthly family  
17 income shall be determined by calculating the total amount of  
18 family income earned during the 12-month period preceding the  
19 date of application for the assistance and dividing the total  
20 amount by 12.

21 c. Nothing in this section shall be construed or is  
22 intended as, or shall imply, a grant of entitlement for  
23 services to persons who are eligible for assistance due to an  
24 income level consistent with the requirements of this section.  
25 Any state obligation to provide services pursuant to this  
26 section is limited to the extent of the funds appropriated in  
27 this section.

28 5. Of the funds appropriated in this section, \$636,641 is  
29 allocated for the statewide program for child day care  
30 resource and referral services under section 237A.26.

31 6. The department may use any of the funds appropriated in  
32 this section as a match to obtain federal funds for use in  
33 expanding child day care assistance and related programs.

34 7. Of the funds appropriated in this section, \$1,178,284  
35 is allocated for transitional child care assistance.

1 8. During the 1996-1997 fiscal year, the department shall  
2 utilize the moneys deposited in the child day care credit fund  
3 created in section 237A.28 for state child care assistance, in  
4 addition to the moneys allocated for that purpose in this  
5 section.

6 9. Of the funds appropriated in this section, the  
7 department shall expend not more than \$50,000 to retain a  
8 consultant to develop a system to be implemented by the  
9 department, in which volunteer evaluation teams are utilized  
10 to review and inspect registered family day care homes on  
11 behalf of the department. The consultant shall also review  
12 the department's requirements for payment of publicly funded  
13 child day care, including but not limited to the effects on  
14 providers and the state budget of paying for child day care on  
15 a daily basis, block-of-hours basis, or hourly basis. The  
16 consultant shall review the policy implications of encouraging  
17 family day care home registration by providing an enhanced  
18 reimbursement for family day care homes that are registered.  
19 In addition, the consultant shall develop a proposal for a  
20 disproportionate share reimbursement adjustment for the child  
21 day care providers for which 75 percent or more of the  
22 children provided care receive public funding for the cost of  
23 their care. The consultant report shall include  
24 recommendations concerning the issues required by this  
25 subsection.

26 Sec. 7. JOBS PROGRAM. There is appropriated from the  
27 general fund of the state to the department of human services  
28 for the fiscal year beginning July 1, 1996, and ending June  
29 30, 1997, the following amount, or so much thereof as is  
30 necessary, to be used for the purposes designated:

31 For the federal-state job opportunities and basic skills  
32 (JOBS) program, food stamp employment and training program,  
33 family development and self-sufficiency grants,  
34 entrepreneurial training, and implementing family investment  
35 agreements, in accordance with this section:

1 ..... \$ 13,600,000

2 1. Of the funds appropriated in this section, \$12,690,700  
3 is allocated for the JOBS program. For family investment  
4 agreements developed in the fiscal year beginning July 1,  
5 1996, the maximum time period for postsecondary education is  
6 limited to two years.

7 2. The department shall continue to contract for services  
8 in developing, delivering, and monitoring an entrepreneurial  
9 training waiver program to provide technical assistance in  
10 self-employment training to families which receive assistance  
11 under the family investment program, contingent upon federal  
12 approval of waiver renewal requests.

13 3. Of the funds appropriated in this section, \$129,985 is  
14 allocated for the food stamp employment and training program.

15 4. Of the funds appropriated in this section, \$779,315 is  
16 allocated to the family development and self-sufficiency grant  
17 program as provided under section 217.12.

18 a. Not more than 5 percent of the funds allocated in this  
19 subsection shall be used for the administration of the grant  
20 program.

21 b. Federal funding matched by state, county, or other  
22 funding which is not appropriated in this section shall be  
23 deposited in the department's JOBS account. If the match  
24 funding is generated by a family development and self-  
25 sufficiency grantee, the federal funding received shall be  
26 used to expand the family development and self-sufficiency  
27 grant program. If the match funding is generated by another  
28 source, the federal funding received shall be used to expand  
29 the grant program or the JOBS program. The department may  
30 adopt rules to implement the provisions of this paragraph.

31 c. Based upon the annual evaluation report concerning each  
32 grantee funded by this allocation, the family development and  
33 self-sufficiency council may use funds allocated to renew  
34 grants.

35 Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated

1 from the general fund of the state to the department of human  
2 services for the fiscal year beginning July 1, 1996, and  
3 ending June 30, 1997, the following amount, or so much thereof  
4 as is necessary, to be used for the purposes designated:

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

8 .....	\$	6,500,000
9 .....	FTEs	226.22

10 1. The director of human services, within the limitations  
11 of the funds appropriated in this section, or funds  
12 transferred from the family investment program appropriation  
13 for this purpose, shall establish new positions and add  
14 employees to the child support recovery unit if the director  
15 determines that both the current and additional employees  
16 together can reasonably be expected to maintain or increase  
17 net state revenue at or beyond the budgeted level. If the  
18 director adds employees, the department shall demonstrate the  
19 cost-effectiveness of the current and additional employees by  
20 reporting to the joint appropriations subcommittee on human  
21 services the ratio of the total amount of administrative costs  
22 for child support recoveries to the total amount of the child  
23 support recovered.

24 2. Nonpublic assistance application and user fees received  
25 by the child support recovery program are appropriated and  
26 shall be used for the purposes of the child support recovery  
27 program. The director of human services may add positions if  
28 fees collected relating to the new positions are sufficient to  
29 pay the salaries and support for the positions. The director  
30 shall report any positions added pursuant to this subsection  
31 to the chairpersons and ranking members of the joint  
32 appropriations subcommittee on human services and the  
33 legislative fiscal bureau.

34 3. The director of human services, in consultation with  
35 the department of management and the legislative fiscal

1 committee, is authorized to receive and deposit state child  
2 support incentive earnings in the manner specified under  
3 applicable federal requirements.

4 4. The director of human services may establish new  
5 positions and add state employees to the child support  
6 recovery unit if the director determines the employees are  
7 necessary to replace county-funded positions eliminated due to  
8 termination, reduction, or nonrenewal of a chapter 28E  
9 contract. However, the director must also determine that the  
10 resulting increase in the state share of child support  
11 recovery incentives exceeds the cost of the positions, the  
12 positions are necessary to ensure continued federal funding of  
13 the program, or the new positions can reasonably be expected  
14 to recover more than twice the amount of money to pay the  
15 salaries and support for the new positions.

16 5. The child support recovery unit shall continue to work  
17 with the judicial department to determine the feasibility of a  
18 pilot project utilizing a court-appointed referee for judicial  
19 determinations on child support matters. The extent and  
20 location of any pilot project shall be jointly developed by  
21 the judicial department and the child support recovery unit.

22 6. The department shall expend up to \$50,000, including  
23 federal financial participation, for the fiscal year beginning  
24 July 1, 1996, for a child support public awareness campaign.  
25 The public awareness campaign shall emphasize, through a  
26 variety of media activities and through continuation of the  
27 publication of names of persons who are delinquent in payment  
28 of child support obligations, the importance of maximum  
29 involvement of both parents in the lives of their children as  
30 well as the importance of payment of child support  
31 obligations.

32 7. The department shall continue the pilot program option  
33 to provide and supervise a community service pilot project for  
34 absent parents who are ordered by the court to perform  
35 community service for failure to pay child support pursuant to

1 section 598.23A.

2 8. The director of human services may enter a contract  
3 with private collection agencies to collect support payments  
4 for cases which have been identified by the department as  
5 difficult collection cases if the department determines that  
6 this form of collection is more cost effective than  
7 departmental collection methods. The director may use a  
8 portion of the state share of funds collected through this  
9 means to pay the costs of any contracts authorized under this  
10 subsection.

11 9. The department shall employ on or before July 2, 1996,  
12 at least 1.00 FTE to respond to telephone inquiries during all  
13 weekly business hours.

14 10. The department shall develop guidelines to be used in  
15 lieu of the child support guidelines prescribed under section  
16 598.21, subsection 4, for establishing a support obligation  
17 and the amount of the support debt accrued and accruing  
18 pursuant to section 234.39 for the costs of foster care  
19 services. The proposed guidelines shall reflect the public  
20 purpose of establishing a support obligation without causing a  
21 serious disruption of the family of the obligor. The  
22 department shall submit the proposed guidelines to the general  
23 assembly on or before January 15, 1997.

24 Sec. 9. JUVENILE INSTITUTIONS. 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, 1996, and  
27 ending June 30, 1997, the following amount, or so much thereof  
28 as is necessary, to be used for the purposes designated:

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

33 For the state juvenile institutions:

34	.....	\$ 13,738,000
35	.....	FTEs 319.77

1 1. The following amounts of the funds appropriated and  
2 full-time equivalent positions authorized in this section are  
3 allocated for the Iowa juvenile home at Toledo:

4 ..... \$ 5,090,000  
5 ..... FTES 117.54

6 2. The following amounts of the funds appropriated and  
7 full-time equivalent positions authorized in this section are  
8 allocated for the state training school at Eldora:

9 ..... \$ 8,630,000  
10 ..... FTES 202.23

11 3. During the fiscal year beginning July 1, 1996, the  
12 population levels at the state juvenile institutions shall not  
13 exceed the population guidelines established under 1990 Iowa  
14 Acts, chapter 1239, section 21.

15 4. Of the funds appropriated in this section, \$10,000  
16 shall be used by the state training school and \$8,000 by the  
17 Iowa juvenile home for grants for adolescent pregnancy  
18 prevention activities at the institutions in the fiscal year  
19 beginning July 1, 1996.

20 5. Within the funds appropriated in this section, the  
21 department may reallocate funds as necessary to best fulfill  
22 the needs of the institutions provided for in the  
23 appropriation.

24 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated  
25 from the general fund of the state to the department of human  
26 services for the fiscal year beginning July 1, 1996, and  
27 ending June 30, 1997, the following amount, or so much thereof  
28 as is necessary, to be used for the purpose designated:

29 For child and family services:  
30 ..... \$ 85,600,000

31 1. The department may transfer moneys appropriated in this  
32 section as necessary to pay the nonfederal costs of services  
33 reimbursed under medical assistance or the family investment  
34 program which are provided to children who would otherwise  
35 receive services paid under the appropriation in this section.

1 The department may transfer funds appropriated in this section  
2 to the appropriations in this Act for general administration  
3 and for field operations for resources necessary to implement  
4 and operate the services funded in this section.

5 2. a. Of the funds appropriated in this section, up to  
6 \$23,892,280 is allocated for group foster care maintenance and  
7 services.

8 b. The department shall report quarterly to the  
9 legislative fiscal bureau concerning the status of each  
10 region's efforts to limit the number of group foster care  
11 placements in accordance with the regional plan established  
12 pursuant to section 232.143.

13 c. The department shall not certify any additional  
14 enhanced residential treatment beds, unless the director of  
15 human services approves the beds as necessary, based on the  
16 type of children to be served and the location of the enhanced  
17 residential treatment beds.

18 d. (1) Of the funds appropriated in this section, not  
19 more than \$6,538,215 is allocated as the state match funding  
20 for psychiatric medical institutions for children.

21 (2) The department may transfer all or a portion of the  
22 funds appropriated in this section for psychiatric medical  
23 institutions for children (PMICs) to the appropriation in this  
24 Act for medical assistance and may amend the managed mental  
25 health care contract to include PMICs.

26 e. Of the funds allocated in this subsection, not more  
27 than \$1,077,995 is allocated as the state match funding for 50  
28 highly structured juvenile program beds.

29 3. The department shall establish a goal that not more  
30 than 15 percent of the children placed in foster care funded  
31 under the federal Social Security Act, Title IV-E, may be  
32 placed in foster care for a period of more than 24 months.

33 4. In accordance with the provisions of section 232.188,  
34 the department shall continue the program to decategorize  
35 child welfare services in additional counties or clusters of



1 counties.

2 5. Of the funds appropriated in this section, up to  
3 \$96,512 is allocated for continued foster care services to a  
4 child who is 18 years of age or older in accordance with the  
5 provisions of section 234.35, subsection 3, paragraph "c".  
6 However, if funding in this appropriation would remain  
7 unobligated at the end of the fiscal year, the allocation in  
8 this subsection may be exceeded to the extent necessary to  
9 provide the continued foster care services. The department  
10 shall distribute the moneys allocated in this subsection to  
11 the department's regions based on each region's proportion of  
12 the total number of children placed in foster care on March 31  
13 preceding the beginning of the fiscal year, who, during the  
14 fiscal year would no longer be eligible for foster care due to  
15 age.

16 6. Notwithstanding section 232.142, subsection 3, the  
17 financial aid paid by the state for the establishment,  
18 improvements, operation, and maintenance of county or  
19 multicounty juvenile detention homes in the fiscal year  
20 beginning July 1, 1996, shall be limited to \$872,500. Funds  
21 allocated in this subsection shall be prorated among eligible  
22 detention homes.

23 7. The amount of the appropriation made in this section  
24 available for foster care is based upon expansion of the  
25 number of children in foster care who are eligible for federal  
26 supplemental security income (SSI). The department may use up  
27 to \$300,000 of those funds to enter into a performance-based  
28 contract to secure SSI benefits for children placed in foster  
29 care. The contract shall include provisions for training of  
30 department of human services and juvenile court staff,  
31 completion of applications, tracking of application results,  
32 and representation during the appeals process whenever an  
33 appeal is necessary to secure SSI benefits. Notwithstanding  
34 section 217.30 and section 232.2, subsection 11, and any other  
35 provision of law to the contrary, the director or the

1 director's designee on behalf of a child in foster care may  
2 release medical, mental health, substance abuse, or any other  
3 information necessary only to determine the child's  
4 eligibility for SSI benefits, and may sign releases for the  
5 information. In any release of information made pursuant to  
6 this subsection, confidentiality shall be maintained to the  
7 maximum extent possible.

8 8. A portion of the funds appropriated in this section may  
9 be used for emergency family assistance to provide other  
10 resources required for a family participating in a family  
11 preservation or reunification project to stay together or to  
12 be reunified.

13 9. Notwithstanding section 234.35, subsection 1, for the  
14 fiscal year beginning July 1, 1996, state funding for shelter  
15 care paid pursuant to section 234.35, subsection 1, paragraph  
16 "h", shall be limited to \$3,223,732.

17 10. Of the funds appropriated in this section, not more  
18 than \$527,137 may be used to develop and maintain the state's  
19 implementation of the national adoption and foster care  
20 information system pursuant to the requirements of Pub. L. No.  
21 99-509. The department may transfer funds as necessary from  
22 the appropriations in this Act for field operations and  
23 general administration to implement this subsection. Moneys  
24 allocated in accordance with this subsection shall be  
25 considered encumbered for the purposes of section 8.33.

26 11. Of the funds appropriated in this section, up to  
27 \$619,433 may be used as determined by the department for any  
28 of the following purposes:

29 a. For general administration of the department to improve  
30 staff training efforts.

31 b. For oversight of termination of parental rights and  
32 permanency planning efforts on a statewide basis.

33 c. For personnel, assigned by the attorney general, to  
34 provide additional services relating to termination of  
35 parental rights and child in need of assistance cases.

1 d. For specialized permanency planning field operations  
2 staff.

3 12. The department may adopt administrative rules  
4 following consultation with child welfare services providers  
5 to implement outcome-based child welfare services pilot  
6 projects. The rules may include, but are not limited to, the  
7 development of program descriptions, provider licensing and  
8 certification standards, reimbursement and payment amounts,  
9 contract requirements, assessment and service necessity  
10 requirements, eligibility criteria, claims submission  
11 procedures, and accountability standards.

12 13. Of the funds appropriated in this section, up to  
13 \$125,340 may be used to develop, in cooperation with providers  
14 of children and family services, a performance-based  
15 monitoring program to evaluate and improve outcomes for  
16 children and families. The department may adopt  
17 administrative rules to implement this subsection.

18 14. The department may develop, within the funds  
19 available, a pilot kinship care project to enhance family  
20 involvement in the development of the permanency plan required  
21 under chapter 232 for children who are removed from their  
22 homes. The project components may include family involvement  
23 before and after removal of the child and shall stress safety  
24 for the child.

25 15. Within the funds appropriated in this section, the  
26 department may develop a subsidized guardianship program to  
27 provide financial assistance to guardians of children who have  
28 a permanency order under section 232.104, subsection 2,  
29 paragraph "d", subparagraph (1), in cases in which all of the  
30 following conditions exist:

31 a. The option of reunification has been eliminated and  
32 termination of parental rights is not appropriate.

33 b. The child has lived with the potential guardian for at  
34 least six months.

35 c. The child is either 14 years of age or older or, if

1 under 14 years of age, is part of a sibling group and cannot  
2 be made available for adoption.

3 d. The placement does not require departmental  
4 supervision.

5 The financial assistance provided shall be in the same  
6 amount as provided for family foster care. For purposes of  
7 medical assistance and child support recovery, these payments  
8 shall be considered foster care payments.

9 16. The department shall continue to make adoption  
10 presubsidy and adoption subsidy payments to adoptive parents  
11 at the beginning of the month for the current month.

12 17. If Title XIX of the federal Social Security Act is  
13 repealed prior to January 17, 1997, and the state is otherwise  
14 authorized to establish requirements for providing health and  
15 rehabilitative services to persons who would be eligible for  
16 medical assistance under chapter 249A, the department shall  
17 eliminate the clinical assessment and consultation teams  
18 operating as part of the medical assistance children's  
19 rehabilitative services initiative. The provisions of this  
20 subsection shall apply through January 16, 1997.

21 18. Federal funds received by the state during the fiscal  
22 years beginning July 1, 1995, and July 1, 1996, as the result  
23 of the expenditure of state funds appropriated during a  
24 previous state fiscal year for a service or activity funded  
25 under this section shall be used as additional funding for  
26 services provided under this section. Moneys received by the  
27 department in accordance with the provisions of this section  
28 shall remain available for the purposes designated until June  
29 30, 1998.

30 Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated  
31 from the general fund of the state to the department of human  
32 services for the fiscal year beginning July 1, 1996, and  
33 ending June 30, 1997, the following amount, or so much thereof  
34 as is necessary, to be used for the purpose designated:

35 For community-based programs, on the condition that family

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

4 ..... \$ 2,502,000  
5 ..... FTEs 1.00

6 1. Of the funds appropriated in this section, \$736,146  
7 shall be used for adolescent pregnancy prevention grants,  
8 including not more than \$156,048 for programs to prevent  
9 pregnancies during the adolescent years and to provide support  
10 services for pregnant or parenting adolescents. It is the  
11 intent of the general assembly that by July 1, 1998, grants  
12 awarded under this subsection be required to meet the criteria  
13 under subsection 2 including the provision of community-wide  
14 services within the proximity of the community or region.

15 2. Of the funds appropriated in this section, \$298,000  
16 shall be used for grants to community or regional groups which  
17 demonstrate broad-based representation from community  
18 representatives including but not limited to schools,  
19 churches, human service-related organizations, and businesses.  
20 Priority in the awarding of grants shall be given to groups  
21 which provide services to both urban and rural areas within  
22 the proximity of the community or region and which provide  
23 age-appropriate programs adapted for both male and female  
24 youth at the elementary, middle, and high school levels. A  
25 program shall focus on the prevention of initial pregnancies  
26 during the adolescent years by emphasizing sexual abstinence  
27 as the only completely safe and effective means of avoiding  
28 pregnancy and sexually transmitted diseases and by providing  
29 information regarding the comparative failure rates of  
30 contraceptives, and by emphasizing responsible decision making  
31 in relationships, managing of peer and social pressures,  
32 development of self-esteem, the costs and responsibilities of  
33 parenting, and information regarding the alternative of  
34 adoption for placement of a child. The program shall also  
35 include an evaluation and assessment component which includes

1 evaluation of and recommendations for improvement of the  
2 program by the youth and parents involved. Evaluation and  
3 assessment reports shall be provided to the department of  
4 human services, at a time determined by the department in the  
5 grant award. Community or regional groups interested in  
6 applying for a grant under this subsection may be issued a  
7 planning grant or may utilize grant moneys for the costs of  
8 technical assistance to analyze community needs, match service  
9 providers to needs, negotiate service provision strategies, or  
10 other assistance to focus grant services provided under this  
11 subsection. The technical assistance may be provided by  
12 organizations affiliated with institutions under the authority  
13 of the state board of regents or other organizations  
14 experienced in providing technical assistance concerning  
15 similar services.

16 3. Of the funds appropriated in this section, \$731,014  
17 shall be used by the department for child abuse prevention  
18 grants.

\*19 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

20 There is appropriated from the general fund of the state to  
21 the department of human services for the fiscal year beginning  
22 July 1, 1996, and ending June 30, 1997, the following amount,  
23 or so much thereof as is necessary, to be used for the purpose  
24 designated:

25 Payment of the expenses of court-ordered services provided  
26 to juveniles which are a charge upon the state pursuant to  
27 section 232.141, subsection 4:

28 ..... \$ 3,090,000

29 1. Notwithstanding section 232.141 or any other provision  
30 of law, the funds appropriated in this section shall be  
31 allocated to the judicial districts as determined by the state  
32 court administrator. The state court administrator shall make  
33 the determination on the allocations on or before June 15.

34 2. a. Each judicial district shall continue the planning  
35 group for the court-ordered services for juveniles provided in

1 that district which was established pursuant to 1991 Iowa  
2 Acts, chapter 267, section 119. A planning group shall  
3 continue to perform its duties as specified in that law.  
4 Reimbursement rates for providers of court-ordered evaluation  
5 and treatment services paid under section 232.141, subsection  
6 4, shall be negotiated with providers by each judicial  
7 district's planning group.

8 b. Each district planning group shall submit an annual  
9 report in January to the state court administrator and the  
10 department of human services. The report shall cover the  
11 preceding fiscal year and shall include a preliminary report  
12 on the current fiscal year. The administrator and the  
13 department shall compile these reports and submit the reports  
14 to the chairpersons and ranking members of the joint  
15 appropriations subcommittee on human services and the  
16 legislative fiscal bureau.

17 3. The department of human services shall develop policies  
18 and procedures to ensure that the funds appropriated in this  
19 section are spent only after all other reasonable actions have  
20 been taken to utilize other funding sources and community-  
21 based services. The policies and procedures shall be designed  
22 to achieve the following objectives relating to services  
23 provided under chapter 232:

24 a. Maximize the utilization of funds which may be  
25 available from the medical assistance program including usage  
26 of the early and periodic screening, diagnosis, and treatment  
27 (EPSDT) program.

28 b. Recover payments from any third-party insurance carrier  
29 which is liable for coverage of the services, including health  
30 insurance coverage.

31 c. Pursue development of agreements with regularly  
32 utilized out-of-state service providers which are intended to  
33 reduce per diem costs paid to those providers.

34 4. The department of human services, in consultation with  
35 the state court administrator and the judicial district

1 planning groups, shall compile a monthly report describing  
2 spending in the districts for court-ordered services for  
3 juveniles, including the utilization of the medical assistance  
4 program. The reports shall be submitted on or before the  
5 twentieth day of each month to the chairpersons and ranking  
6 members of the joint appropriations subcommittee on human  
7 services and the legislative fiscal bureau.

8 5. Notwithstanding chapter 232 or any other provision of  
9 law, a district or juvenile court in a department of human  
10 services district shall not order any service which is a  
11 charge upon the state pursuant to section 232.141 if there are  
12 insufficient court-ordered services funds available in the  
13 district allocation to pay for the service. The chief  
14 juvenile court officer shall work with the judicial district  
15 planning group to encourage use of the funds appropriated in  
16 this section such that there are sufficient funds to pay for  
17 all court-related services during the entire year. The eight  
18 chief juvenile court officers shall attempt to anticipate  
19 potential surpluses and shortfalls in the allocations and  
20 shall cooperatively request the state court administrator to  
21 transfer funds between the districts' allocations as prudent.

22 6. Notwithstanding any provision of law to the contrary, a  
23 district or juvenile court shall not order a county to pay for  
24 any service provided to a juvenile pursuant to an order  
25 entered under chapter 232 which is a charge upon the state  
26 under section 232.141, subsection 4.

27 7. Of the funds appropriated in this section, not more  
28 than \$100,000 may be used by the judicial department for  
29 administration of the requirements under this section and for  
30 travel associated with court-ordered placements which are a  
31 charge upon the state pursuant to section 232.141, subsection  
32 4.

33 8. Of the funds appropriated in this section, not more  
34 than \$400,000 may be transferred to the appropriation in this  
35 Act for child and family services and used to provide school-



1 based supervision of children adjudicated under chapter 232.  
2 Sec. 13. MENTAL HEALTH INSTITUTES. There is appropriated  
3 from the general fund of the state to the department of human  
4 services for the fiscal year beginning July 1, 1996, and  
5 ending June 30, 1997, the following amount, or so much thereof  
6 as is necessary, to be used for the purposes designated:

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

10 ..... \$ 42,226,000  
11 ..... FTEs 927.16

12 1. The funds appropriated and full-time equivalent  
13 positions authorized in this section are allocated as follows:

14 a. State mental health institute at Cherokee:  
15 ..... \$ 13,580,000  
16 ..... FTEs 306.04

17 b. State mental health institute at Clarinda:  
18 ..... \$ 6,170,000  
19 ..... FTEs 136.82

20 c. State mental health institute at Independence:  
21 ..... \$ 17,639,000  
22 ..... FTEs 401.82

23 d. State mental health institute at Mount Pleasant:  
24 ..... \$ 4,837,000  
25 ..... FTEs 82.48

26 2. Within the funds appropriated in this section, the  
27 department may reallocate funds as necessary to best fulfill  
28 the needs of the institutions provided for in the  
29 appropriation.

30 3. As part of the discharge planning process at the state  
31 mental health institutes, the department shall provide  
32 assistance in obtaining eligibility for federal supplemental  
33 security income (SSI) to those individuals whose care at a  
34 state mental health institute is the financial responsibility  
35 of the state.

1 Sec. 14. HOSPITAL-SCHOOLS. There is appropriated from the  
2 general fund of the state to the department of human services  
3 for the fiscal year beginning July 1, 1996, and ending June  
4 30, 1997, the following amount, or so much thereof as is  
5 necessary, to be used for the purposes designated:

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

9 ..... \$ 62,020,000  
10 ..... FTEs 1,516.00

11 1. The funds appropriated and full-time equivalent  
12 positions authorized in this section are allocated as follows:

13 a. State hospital-school at Glenwood:

14 ..... \$ 35,070,000  
15 ..... FTEs 872.50

16 b. State hospital-school at Woodward:

17 ..... \$ 26,950,000  
18 ..... FTEs 643.50

19 2. Within the funds appropriated in this section, the  
20 department may reallocate funds as necessary to best fulfill  
21 the needs of the institutions provided for in the  
22 appropriation.

23 3. The department shall use moneys appropriated to the  
24 department under this Act as necessary to comply with  
25 requirements of the state under the consent decree of Conner  
26 v. Branstad, No. 4-86-CV-30871 (S.D. Iowa, July 15, 1994).

27 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is  
28 appropriated from the general fund of the state to the  
29 department of human services for the fiscal year beginning  
30 July 1, 1996, and ending June 30, 1997, the following amount,  
31 or so much thereof as is necessary, to be used for the purpose  
32 designated:

33 For mental illness special services:

34 ..... \$ 121,200

35 1. The department and the Iowa finance authority shall

1 develop methods to implement the financing for existing  
2 community-based facilities and to implement financing for the  
3 development of affordable community-based housing facilities.  
4 The department shall assure that clients are referred to the  
5 housing as it is developed.

6 2. The funds appropriated in this section are to provide  
7 funds for construction and start-up costs to develop community  
8 living arrangements to provide for persons with mental illness  
9 who are homeless. These funds may be used to match federal  
10 Stewart B. McKinney Homeless Assistance Act grant funds.

11 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is  
12 appropriated from the general fund of the state to the  
13 department of human services for the fiscal year beginning  
14 July 1, 1996, and ending June 30, 1997, the following amount,  
15 or so much thereof as is necessary, to be used for the purpose  
16 designated:

17 For the family support subsidy program:

18 ..... \$ 1,390,000

19 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from  
20 the general fund of the state to the department of human  
21 services for the fiscal year beginning July 1, 1996, and  
22 ending June 30, 1997, the following amount, or so much thereof  
23 as is necessary, to be used for the purpose designated:

24 To provide special needs grants to families with a family  
25 member at home who has a developmental disability or to a  
26 person with a developmental disability:

27 ..... \$ 53,200

28 Grants must be used by a family to defray special costs of  
29 caring for the family member to prevent out-of-home placement  
30 of the family member or to provide for independent living  
31 costs. The grants may be administered by a private nonprofit  
32 agency which serves people statewide provided that no  
33 administrative costs are received by the agency. Regular  
34 reports regarding the special needs grants with the family  
35 support subsidy program and an annual report concerning the

1 characteristics of the grantees shall be provided to the  
2 legislative fiscal bureau.

3 Sec. 18. MI/MR/DD STATE CASES. There is appropriated from  
4 the general fund of the state to the department of human  
5 services for the fiscal year beginning July 1, 1996, and  
6 ending June 30, 1997, the following amount, or so much thereof  
7 as is necessary, to be used for the purposes designated:

8 For purchase of local services for persons with mental  
9 illness, mental retardation, and developmental disabilities  
10 where the client has no established county of legal  
11 settlement:

12 ..... \$ 5,454,000

13 If a county has a county management plan which is approved  
14 by the director of human services pursuant to section 331.439,  
15 the services paid for under this section are exempt from the  
16 department's purchase of service system requirements. The  
17 department shall adopt rules to implement the provisions of  
18 this paragraph.

19 Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --  
20 COMMUNITY SERVICES FUND. There is appropriated from the

21 general fund of the state to the mental health and  
22 developmental disabilities community services fund created in  
23 section 225C.7 for the fiscal year beginning July 1, 1996, and  
24 ending June 30, 1997, the following amount, or so much thereof  
25 as is necessary, to be used for the purpose designated:

26 For mental health and developmental disabilities community  
27 services in accordance with this Act:

28 ..... \$ 16,230,000

29 1. Of the funds appropriated in this section, \$15,951,138  
30 shall be allocated to counties for funding of community-based  
31 mental health and developmental disabilities services. The  
32 moneys shall be allocated to a county as follows:

33 a. Fifty percent based upon the county's proportion of the  
34 state's population of persons with an annual income which is  
35 equal to or less than the poverty guideline established by the

1 federal office of management and budget.

2 b. Fifty percent based upon the county's proportion of the  
3 state's general population.

4 2. a. A county shall utilize the funding the county  
5 receives pursuant to subsection 1 for services provided to  
6 persons with a disability, as defined in section 225C.2.

7 However, no more than 50 percent of the funding shall be used  
8 for services provided to any one of the service populations.

9 b. A county shall use at least 50 percent of the funding  
10 the county receives under subsection 1 for contemporary  
11 services provided to persons with a disability, as described  
12 in rules adopted by the department.

\*13 3. Of the funds appropriated in this section, \$30,000  
14 shall be used to support the Iowa compass program providing  
15 computerized information and referral services for Iowans with  
16 disabilities and their families.

17 4. The department shall submit an annual report concerning  
18 each population served and each service funded in this section  
19 to the chairpersons and ranking members of the joint  
20 appropriations subcommittee on human services and the  
21 legislative fiscal bureau.

\*22 5. Of the funds appropriated in this section, not more  
23 than \$248,862 shall be provided to those counties having  
24 supplemental per diem contracts in effect on June 30, 1994,  
25 which were originally initiated under 1993 Iowa Acts, chapter  
26 172, section 16, subsection 2. The amount provided to each  
27 county shall be equal to the amount the county would be  
28 eligible to receive under the supplemental per diem contracts  
29 in effect on June 30, 1994, if the contracts were continued in  
30 effect for the entire fiscal year beginning July 1, 1996.

31 6. a. Funding from the federal social services block  
32 grant in the amount of \$13,038,763 is allocated for  
33 distribution to counties for local purchase of services for  
34 persons with mental illness or mental retardation or other  
35 developmental disability.

1     b. The funds allocated in this subsection shall be  
2 expended by counties in accordance with eligibility guidelines  
3 established in the department's rules outlining general  
4 provisions for service administration. Services eligible for  
5 payment with funds allocated in this subsection are limited to  
6 any of the following which are provided in accordance with the  
7 department's administrative rules for the services: adult  
8 support, adult day care, administrative support for  
9 volunteers, community supervised apartment living  
10 arrangements, residential services for adults, sheltered work,  
11 supported employment, supported work training, transportation,  
12 and work activity.

13     c. In purchasing services with funds allocated in this  
14 subsection, a county shall designate a person to provide for  
15 eligibility determination and development of a case plan for  
16 individuals for whom the services are purchased. The  
17 designated person shall be a medical assistance case manager  
18 serving the person's county of residence. If an individual  
19 does not have a case manager, the individual's eligibility  
20 shall be determined by a social services caseworker of the  
21 department serving the individual's county of residence. The  
22 case plan shall be developed in accordance with the  
23 department's rules outlining general provisions for service  
24 administration.

25     d. Services purchased with funds allocated in this  
26 subsection must be the result of a referral by the person who  
27 identified the services in developing the individual's case  
28 plan.

29     e. Services purchased with funds allocated in this  
30 subsection must be under a purchase of service contract  
31 established in accordance with the department's administrative  
32 rules for purchase of service.

33     f. The funds provided by this subsection shall be  
34 allocated to each county as follows:

35     (1) Fifty percent based upon the county's proportion of

1 the state's population of persons with an annual income which  
2 is equal to or less than the poverty guideline established by  
3 the federal office of management and budget.

4 (2) Fifty percent based upon the amount provided to the  
5 county for local purchase services in the preceding fiscal  
6 year.

7 g. Each county shall submit to the department a plan for  
8 funding of the services eligible for payment under this  
9 subsection. The plan may provide for allocation of the funds  
10 for one or more of the eligible services. The plan shall  
11 identify the funding amount the county allocates for each  
12 service and the time period for which the funding will be  
13 available. Only those services which have funding allocated  
14 in the plan are eligible for payment with funds provided in  
15 this subsection.

16 h. A county shall provide advance notice to the individual  
17 receiving services, the service provider, and the person  
18 responsible for developing the case plan of the date the  
19 county determines that funding will no longer be available for  
20 a service.

\*21 i. The moneys provided under this subsection do not  
22 establish an entitlement to the services funded under this  
23 subsection.

24 7. If a county has a county management plan which is  
25 approved by the director of human services pursuant to section  
26 331.439, the county shall be considered to have met the  
27 requirements of subsection 2, and subsection 7, paragraphs  
28 "b", "c", "d", "e", and "g". The department shall adopt rules  
29 to implement the provisions of this subsection.

30 Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. 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, 1996, and ending June 30, 1997, the following amount  
34 or so much thereof as is necessary, to be used for the purpose  
35 designated:

1 For continuation of a pilot project for the personal  
2 assistance services program in accordance with this section:  
3 ..... \$ 428,000

4 The funds appropriated in this section shall be used by the  
5 division of mental health and developmental disabilities to  
6 continue the pilot project for the personal assistance  
7 services program under section 225C.46 in an urban and a rural  
8 area. A portion of the funds may be used for costs to develop  
9 a federal home and community-based waiver under the medical  
10 assistance program for persons with physical disabilities or  
11 other expenditures necessary to develop the personal  
12 assistance program in the most appropriate and cost-effective  
13 manner. However, not more than \$50,000 shall be used for  
14 administrative costs. The pilot project and the waiver shall  
15 not be implemented in a manner that would require additional  
16 county or state costs for assistance provided to an individual  
17 served under the pilot project or the waiver.

18 Sec. 21. FIELD OPERATIONS. There is appropriated from the  
19 general fund of the state to the department of human services  
20 for the fiscal year beginning July 1, 1996, and ending June  
21 30, 1997, the following amount, or so much thereof as is  
22 necessary, to be used for the purpose designated:

23 For field operations, including salaries, support,  
24 maintenance, and miscellaneous purposes and for not more than  
25 the following full-time equivalent positions:  
26 ..... \$ 38,480,000  
27 ..... FTEs 2,019.00

28 Sec. 22. GENERAL ADMINISTRATION. 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, 1996, and  
31 ending June 30, 1997, the following amount, or so much thereof  
32 as is necessary, to be used for the purpose designated:

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



1 ..... \$ 11,510,000

2 ..... FTEs 379.00

3 1. Of the funds appropriated in this section, \$57,090 is  
4 allocated for the prevention of disabilities policy council  
5 established in section 225B.3.

6 2. The department shall establish a task force which  
7 includes experts representative of organizations such as  
8 nonprofit service organizations, health insurers, and human  
9 services-oriented community organizations. The task force  
10 shall assist the department in revising policies, operating  
11 procedures, and training methods as necessary to increase the  
12 department's responsiveness to the public and to improve the  
13 quality of the department's interaction with the public.

14 3. The department shall not implement the options for  
15 service system modification developed by the department's  
16 modification teams in response to proposed federal action and  
17 shall not implement other actions in response to enacted  
18 federal changes affecting the programs administered by the  
19 department unless the department is implementing a policy or  
20 action authorized in law by the Seventy-sixth General  
21 Assembly, 1996 Session, or by the Seventy-seventh General  
22 Assembly. The department shall provide for public input  
23 concerning the modification proposals submitted to the joint  
24 appropriations subcommittee on human services in February 1996  
25 by allowing the following work groups to review and revise the  
26 proposals for resubmission to the governor and general  
27 assembly on or before December 16, 1996:

28 a. The legislative council is requested to create a task  
29 force to review the child welfare modification proposal. If  
30 created, the task force shall include representatives of the  
31 juvenile court, service providers, families receiving  
32 services, the attorney general, a department worker, and  
33 legislators.

34 b. The mental health proposal shall be reviewed by the  
35 state-county management committee.

1 c. The family investment program proposal shall be  
2 reviewed by the work group which considered the state human  
3 investment policy proposal and which makes recommendations to  
4 the department concerning the family investment program.

5 d. The medical assistance proposal shall be reviewed by a  
6 group which includes representatives of the medical assistance  
7 advisory council, the long-term care resident's advocate, and  
8 consumer groups such as the Iowa affiliate of the American  
9 association of retired persons.

10 Sec. 23. TRAINING AND TECHNOLOGY. 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, 1996, and  
13 ending June 30, 1997, the following amount, or so much thereof  
14 as is necessary, to be used for the purpose designated:

15 For training, maintenance, and upgrades of computer  
16 software and for not more than the following full-time  
17 equivalent positions:

18 .....	\$	818,000
19 .....	FTEs	5.00

20 Sec. 24. VOLUNTEERS. There is appropriated from the  
21 general fund of the state to the department of human services  
22 for the fiscal year beginning July 1, 1996, and ending June  
23 30, 1997, the following amount, or so much thereof as is  
24 necessary, to be used for the purpose designated:

25 For development and coordination of volunteer services:  
26 ..... \$ 98,900

27 Sec. 25. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY  
28 DETERMINATION SYSTEM. There is appropriated from the general  
29 fund of the state to the department of human services for the  
30 fiscal year beginning July 1, 1996, and ending June 30, 1997,  
31 the following amount, or so much thereof as is necessary, to  
32 be used for the purpose designated:

33 For the development costs of the "X-PERT" knowledge-based  
34 computer software package for public assistance benefit  
35 eligibility determination, including salaries, support,

1 maintenance, and miscellaneous purposes and for not more than  
2 the following full-time equivalent positions:

3 .....	\$	790,000
4 .....	FTEs	17.00

5 Moneys appropriated in this section shall be considered  
6 encumbered for the purposes of section 8.33.

7 Sec. 26. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
8 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
9 DEPARTMENT OF HUMAN SERVICES.

10 1. a. The department of human services may allocate  
11 increases among items and procedures for durable medical  
12 products and supplies as deemed appropriate in cooperation  
13 with durable medical equipment and supply dealers,  
14 audiologists, and hearing aid dealers.

15 b. For the fiscal year beginning July 1, 1996, skilled  
16 nursing facilities shall remain at the rates in effect on June  
17 30, 1996.

18 c. The dispensing fee for pharmacists shall remain at the  
19 rate in effect on June 30, 1996. The reimbursement policy for  
20 drug product costs shall be in accordance with federal  
21 requirements.

22 d. Reimbursement rates for in-patient and outpatient  
23 hospital services shall remain at the rates in effect on June  
24 30, 1996. The department shall continue the outpatient  
25 hospital reimbursement system based upon ambulatory patient  
26 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
27 section 25, subsection 1, paragraph "f". Reimbursements made  
28 between July 1, 1996, and June 30, 1997, under the outpatient  
29 hospital reimbursement system implemented pursuant to 1994  
30 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph  
31 "f", shall be retrospectively adjusted so that the  
32 reimbursement made is within a ten percent deviation of the  
33 lower of the cost or the charges for the services provided  
34 during the fiscal year ending June 30, 1996, as adjusted to  
35 reflect actual changes in inflation, increased insureds,

1 utilization per insured, and acuity of service. In addition,  
2 the department shall continue the revised medical assistance  
3 payment policy implemented pursuant to that paragraph to  
4 provide reimbursement for costs of screening and treatment  
5 provided in the hospital emergency room is made pursuant to  
6 the prospective payment methodology developed by the  
7 department for the payment of outpatient services provided  
8 under the medical assistance program.

9 e. Reimbursement rates for rural health clinics shall be  
10 increased in accordance with increases under the federal  
11 medicare program.

12 f. Home health agencies certified for the federal Medicare  
13 program, hospice services, and acute care mental hospitals  
14 shall be reimbursed for their current federal Medicare audited  
15 costs.

16 g. The basis for establishing the maximum medical  
17 assistance reimbursement rate for nursing facilities shall be  
18 the 70th percentile of facility costs as calculated from the  
19 June 30, 1996, unaudited compilation of cost and statistical  
20 data. However, to the extent funds are available within the  
21 amount projected for reimbursement of nursing facilities  
22 within the appropriation for medical assistance in this Act,  
23 and within the appropriation for medical assistance as a  
24 whole, the department shall adjust the maximum medical  
25 assistance reimbursement for nursing facilities to the 70th  
26 percentile, as calculated on December 31, 1996, unaudited  
27 compilation of cost and statistical data and the adjustment  
28 shall take effect January 1, 1997.

29 h. The department may revise the fee schedule used for  
30 physician reimbursement.

31 i. Federally qualified health centers shall be reimbursed  
32 at 100 percent of reasonable costs as determined by the  
33 department in accordance with federal requirements.

34 j. The department may allocate increases among items and  
35 procedures for dental procedures as deemed appropriate in

1 cooperation with dentists.

2     2. For the fiscal year beginning July 1, 1996, the maximum  
3 cost reimbursement rate for residential care facilities  
4 reimbursed by the department shall be \$21.54 per day. The  
5 flat reimbursement rate for facilities electing not to file  
6 semiannual cost reports shall be \$15.41 per day. For the  
7 fiscal year beginning July 1, 1996, the maximum reimbursement  
8 rate for providers reimbursed under the in-home health-related  
9 care program shall be \$414.11 per month.

10     3. Unless otherwise directed in this section, when the  
11 department's reimbursement methodology for any provider  
12 reimbursed in accordance with this section includes an  
13 inflation factor, this factor shall not exceed the amount by  
14 which the consumer price index for all urban consumers  
15 increased during the calendar year ending December 31, 1995.

16     4. Notwithstanding section 234.38, in the fiscal year  
17 beginning July 1, 1996, the foster family basic daily  
18 maintenance rate and the maximum adoption subsidy rate for  
19 children ages 0 through 5 years shall be \$12.34, the rate for  
20 children ages 6 through 11 years shall be \$13.06, the rate for  
21 children ages 12 through 15 years shall be \$14.23, and the  
22 rate for children ages 16 and older shall be \$15.12.

23     5. For the fiscal year beginning July 1, 1996, the maximum  
24 reimbursement rates for social service providers shall be the  
25 same as the rates in effect on June 30, 1996, except under any  
26 of the following circumstances:

27     a. If a new service was added after June 30, 1996, the  
28 initial reimbursement rate for the service shall be based upon  
29 actual and allowable costs.

30     b. If a social service provider loses a source of income  
31 used to determine the reimbursement rate for the provider, the  
32 provider's reimbursement rate may be adjusted to reflect the  
33 loss of income, provided that the lost income was used to  
34 support actual and allowable costs of a service purchased  
35 under a purchase of service contract.

1 c. The department revises the reimbursement rates due to  
2 implementation of a redesigned purchase of services system.

3 6. The group foster care reimbursement rates paid for  
4 placement of children out-of-state shall be calculated  
5 according to the same rate-setting principles as those used  
6 for in-state providers unless the director determines that  
7 appropriate care cannot be provided within the state. The  
8 payment of the daily rate shall be based on the number of days  
9 in the calendar month in which service is provided.

10 7. For the fiscal year beginning July 1, 1996, the  
11 combined service and maintenance components of the  
12 reimbursement rate paid to a shelter care provider shall be  
13 based on the cost report submitted to the department. The  
14 maximum reimbursement rate shall be \$76.61 per day. If the  
15 department would reimburse the provider at less than the  
16 maximum rate but the provider's cost report justifies a rate  
17 of at least \$76.61, the department shall readjust the  
18 provider's reimbursement rate to the maximum reimbursement  
19 rate. In January 1997, the department shall review the usage  
20 of shelter care and the funding allocated for shelter care, if  
21 the usage is less than anticipated and the existing contracts  
22 for provision of shelter care do not obligate the total amount  
23 of the funds allocated, the department may utilize moneys in  
24 the allocation, which would otherwise be unexpended, for wrap-  
25 around services or support to enable group foster care  
26 placement to be prevented or the length of stay reduced.

27 8. The department, in cooperation with the Iowa  
28 pharmacists association, shall propose a pilot project for an  
29 alternative payment system, recommended in the study completed  
30 by the drug utilization review commission, for compensation of  
31 pharmacists for pharmaceutical care services under medical  
32 assistance at no cost to the state.

33 9. For the fiscal year beginning July 1, 1996, the  
34 department shall calculate reimbursement rates for  
35 intermediate care facilities for the mentally retarded at the

1 80th percentile. The department shall report to the general  
2 assembly on or before January 2, 1997, with proposals for  
3 other cost containment strategies for consideration by the  
4 general assembly.

5 10. The department of human services shall adopt rules  
6 applicable to agencies providing services under the  
7 department's rehabilitative treatment program for children and  
8 their families to eliminate reimbursement rate limits on  
9 service components which are within a category of cost which  
10 itself has a reimbursement rate limit. The change required by  
11 this subsection shall be implemented in a manner which is cost  
12 neutral.

13 11. In the event that the department and providers of  
14 services under the department's rehabilitative treatment  
15 program for children and families mutually agree to revise the  
16 department's rules providing reimbursement rates under the  
17 program, the department may adopt rules implementing the  
18 revision. Prior to adoption of the rules, the department  
19 shall provide a description of the agreement to the  
20 chairpersons and ranking members of the joint appropriations  
21 subcommittee on human services. The provisions of this  
22 subsection shall be separate from the provisions of subsection  
23 10.

24 12. The department may adopt emergency rules to implement  
25 the provisions of this section.

26 Sec. 27. RESIDENTIAL SERVICES -- PURCHASE OF SERVICES --  
27 REIMBURSEMENT RATE INCREASE. There is appropriated from the  
28 general fund of the state to the department of human services  
29 for the fiscal year beginning July 1, 1996, and ending June  
30 30, 1997, the following amount, or so much thereof as is  
31 necessary, to be used for the purpose designated:

32 For an increase in the reimbursement rate for residential  
33 care facilities. Beginning July 1, 1996, reimbursement for  
34 residential care facilities reimbursed by the department shall  
35 be increased up to the actual and allowable costs and an

1 additional amount based upon the cost reports filed as of  
2 April 1, 1996. The increased reimbursement shall not exceed  
3 an increase of \$4.36 per day over the rates in effect on June  
4 30, 1996. If a reimbursement rate existing on or before June  
5 30, 1996, is greater than the total of a facility's actual and  
6 allowable costs and the additional amount or if the difference  
7 between the reimbursement rate on June 20, 1996, and the  
8 facility's actual and allowable costs is less than \$.44 per  
9 day, the reimbursement rate for the facility shall be  
10 increased by \$.44 per day:

11 ..... \$ 1,300,000

12 1. Funding appropriated in this section shall be allocated  
13 to counties in accordance with the distribution guidelines for  
14 local purchase of services in accordance with the  
15 appropriation in this Act for the mental health and  
16 developmental disabilities community services fund.

17 2. Of the moneys appropriated in this section, \$130,000  
18 shall be transferred to the appropriation in this Act for  
19 MI/MR/DD state cases and shall be used for payment of the  
20 increased reimbursement rate to residential care facilities  
21 providing services through local purchase of services for  
22 persons under the state cases program, and in accordance with  
23 the guidelines in this Act for local purchase of services.

24 Sec. 28. APPROPRIATION REDUCTIONS. The following  
25 appropriations in this Act for the fiscal year beginning July  
26 1, 1996, and ending June 30, 1997, are reduced by a total of  
27 \$1,000,000: child support recovery, juvenile institutions,  
28 community-based programs, mental health institutes, state  
29 hospital-schools, field operations, general administration,  
30 and the "X-PERT" knowledge-based computer software package.  
31 The department shall report the department's plan for  
32 accomplishing the reductions to the department of management  
33 and the legislative fiscal bureau on or before July 1, 1996.

34 Sec. 29. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.  
35 If a state institution administered by the department of human



1 services is to be closed or reduced in size, prior to the  
2 closing or reduction the department shall initiate and  
3 coordinate efforts in cooperation with the Iowa department of  
4 economic development to develop new jobs in the area in which  
5 the state institution is located. In addition, the department  
6 may take other actions to utilize the facilities of an  
7 institution, including but not limited to assisting not-for-  
8 profit users with remodeling and lease costs by forgiving  
9 future rental or lease payments to the extent necessary for a  
10 period not to exceed five years.

\* 11 Sec. 30. STANDARDS FOR CASELOADS.

\* 12 The department of human services shall develop a plan for  
13 meeting national standards on caseloads for the department's  
14 social workers.

\* \* 15 The department shall submit the planning provisions  
16 required by this section to the members of the joint  
17 appropriations subcommittee on human services of the senate  
18 and house of representatives on or before January 8, 1997.

19 Sec. 31. REPORTS. Any reports or information required to  
20 be compiled and submitted under this Act shall be submitted to  
21 the chairpersons and ranking members of the joint  
22 appropriations subcommittee on human services, the legislative  
23 fiscal bureau, the legislative service bureau, and to the  
24 caucus staffs on or before the dates specified for submission  
25 of the reports or information.

26 Sec. 32. Section 135H.6, Code 1995, is amended by adding  
27 the following new subsection:

28 NEW SUBSECTION. 5A. The department of human services may  
29 give approval to conversion of beds specializing in substance  
30 abuse treatment previously approved under subsection 5,  
31 paragraph "b", to beds which are not specialized as referenced  
32 in subsection 5, paragraph "a". Beds converted under this  
33 subsection shall be in addition to the number of beds  
34 authorized under subsection 5, paragraph "a". However, the  
35 total number of beds approved under subsection 5 shall not

1 exceed four hundred thirty. Conversion of beds under this  
2 subsection shall not require a revision of the certificate of  
3 need issued for the psychiatric institution making the  
4 conversion.

5 Sec. 33. Section 232.52, subsection 2, paragraph e,  
6 subparagraph (4), Code Supplement 1995, is amended to read as  
7 follows:

8 (4) The child has previously been placed in a treatment  
9 facility outside the child's home or in a supervised community  
10 treatment program established pursuant to section 232.191,  
11 subsection 4.

12 Sec. 34. Section 234.39, Code Supplement 1995, is amended  
13 by adding the following new subsection:

14 NEW SUBSECTION. 4. The support debt for the costs of  
15 services, for which a support obligation is established  
16 pursuant to this section, which accrues prior to the  
17 establishment of the support debt, shall be collected, at a  
18 maximum, in the amount which is the amount of accrued support  
19 debt for the three months preceding the provision of the  
20 notice and reasonable opportunity to be heard to the parent or  
21 guardian.

22 Sec. 35. NEW SECTION. 239.23 FAMILY INVESTMENT PROGRAM  
23 HOST HOMES.

24 1. As used in this section, unless the context otherwise  
25 requires:

26 a. "Host home" means a host home authorized in accordance  
27 with the provisions of this section and licensed by the  
28 department to provide a living arrangement and related  
29 services to minor parents and pregnant minors or an  
30 alternative adult supervised placement approved by the  
31 department.

32 b. "Minor parent" means a recipient of or applicant for  
33 assistance who is less than eighteen years of age and has  
34 never been married.

35 2. The department shall perform a home assessment of a

1 minor parent who applies for assistance to assess the minor  
2 parent's living arrangement prior to the granting of  
3 assistance. If a minor parent is receiving assistance at the  
4 time the provisions of this section are implemented, the  
5 department shall perform a home assessment as a condition of  
6 continued assistance.

7 3. If the department determines, based upon the home  
8 assessment, that the minor parent is living in an environment  
9 which is conducive to the positive upbringing of the minor  
10 parent's child, the department may allow the minor parent to  
11 continue living in the home with the parent or the legal  
12 guardian of the minor parent or in another current living  
13 arrangement which is approved by the department.

14 4. If the department determines, based upon the home  
15 assessment, that good cause exists for the minor parent to not  
16 live with their parent or legal guardian or in the other  
17 current living arrangement because the home environment is not  
18 conducive to the minor parent's physical, emotional, or mental  
19 well-being, the department shall require the minor parent to  
20 relocate to a host home, as a condition of assistance under  
21 this chapter. If the minor parent does not live in a host  
22 home and the department determines the resulting level of risk  
23 to the minor parent warrants the filing of a child in need of  
24 assistance petition, the department shall file the petition.

25 5. If the department determines, based upon the home  
26 assessment, that remaining in the current living arrangement  
27 is not in the best interest of the minor parent or a child of  
28 the minor parent and the minor parent is placed in a host  
29 home, the parent or legal guardian shall be referred to the  
30 department's child support recovery unit to establish a child  
31 support obligation in accordance with the child support  
32 guidelines prescribed pursuant to section 598.21, subsection  
33 4, not to exceed the cost of the host home placement.

34 However, if a child in need of assistance petition is filed  
35 and the child is placed in a foster care setting, the child

1 support obligation shall be determined as provided in section  
2 234.39.

3 6. a. The department shall issue a request for proposals  
4 for grants for nonprofit organizations to establish host homes  
5 to provide adult supervision to minor parents and pregnant  
6 minors presumed to be eligible for assistance. A proposal  
7 shall demonstrate the organization's ability to provide  
8 supervision, services, and other support to enable a minor  
9 parent or pregnant minor to develop self-sufficiency.

10 b. Funding for a host home shall be obtained through  
11 assignment of the minor parent's assistance under this  
12 chapter, as permitted under federal law or waiver, through  
13 child support recovered from the parent or legal guardian of  
14 the minor parent, and through appropriations made for the  
15 purposes of reimbursing host homes.

16 c. The department shall adopt rules for licensing of host  
17 homes which are distinct from foster care licensure  
18 requirements.

19 d. Host home services shall include but are not limited to  
20 training in family development, parenting and self-sufficiency  
21 skills, and assistance in completing an education.

22 e. A host home shall not be considered to be a group  
23 foster care facility or to be another licensed facility which  
24 provides care for children. The placement of a minor parent  
25 or pregnant minor and the children of a minor parent shall not  
26 be considered a placement which is subject to the statewide  
27 target for the number of group foster care placements under  
28 section 232.143 and associated provisions.

29 7. This section shall not be implemented prior to July 1,  
30 1997, and implementation is contingent upon federal approval  
31 of a waiver authorizing the implementation.

32 Sec. 36. FEDERAL WAIVERS.

33 1. The department of human services shall submit a waiver  
34 request or requests to the United States department of health  
35 and human services as necessary to implement the changes in

1 the family investment program and host home provisions under  
2 section 239.23 as enacted by this Act. In addition, the  
3 department may submit additional waiver requests to the United  
4 States department of health and human services to make changes  
5 to the medical assistance program under chapter 249A, as  
6 necessary to revise the program in accordance with any waiver  
7 provision implemented pursuant to section 239.23.

8 2. The waiver request or requests submitted by the  
9 department of human services to the United States department  
10 of health and human services shall be to apply the provisions  
11 of section 239.23 statewide. If federal waiver approval of  
12 the provisions is granted, the department of human services  
13 shall implement the provisions in accordance with the federal  
14 approval. If an approved waiver is in conflict with a  
15 provision of state law, the waiver provision shall apply and  
16 the department shall propose an amendment to resolve the  
17 conflict. The proposed amendment shall be submitted in  
18 accordance with the provisions of section 2.16 to the Seventy-  
19 seventh General Assembly.

20 3. The department of human services shall adopt  
21 administrative rules pursuant to chapter 17A to implement the  
22 provisions of an approved waiver. If necessary to conform  
23 with federal waiver terms and conditions or to efficiently  
24 administer the provisions, the rules may apply additional  
25 policies and procedures which are consistent with the  
26 provisions of the approved waiver.

27 4. The effective date of a waiver requested under this  
28 section which is granted by the federal government shall be  
29 established by rule but shall not be earlier than July 1,  
30 1997. If federal law is enacted to permit the state to  
31 implement a provision of section 239.23 without a federal  
32 waiver, the department shall proceed to implement the  
33 provisions within the timeframe specified in this subsection.

34 Sec. 37. EMERGENCY RULES. If specifically authorized by a  
35 provision of this Act, the department of human services or the

1 mental health and mental retardation commission may adopt  
2 administrative rules under section 17A.4, subsection 2, and  
3 section 17A.5, subsection 2, paragraph "b", to implement the  
4 provisions and the rules shall become effective immediately  
5 upon filing, unless a later effective date is specified in the  
6 rules. Any rules adopted in accordance with the provisions of  
7 this section shall also be published as notice of intended  
8 action as provided in section 17A.4.

9 Sec. 38. EFFECTIVE DATE. The following provisions of this  
\*10 Act, being deemed of immediate importance, take effect upon  
11 enactment:

\*12 1. Section 4, subsection 2, relating to the mental health  
13 managed care program.

14 2. Section 10, subsection 18, relating to expenditure of  
15 federal funds for child and family services.

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SENATE FILE 2442

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1 Amend Senate File 2442, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking line 30 and inserting the  
4 following:

5 "..... \$ 2,000,000"

6 2. Page 6, by inserting after line 30 the  
7 following:

8 "12. The department of human services shall seek  
9 federal approval on or before August 1, 1996, for the  
10 implementation of a pilot program to allow medical  
11 assistance program reimbursement for payment of  
12 services provided by persons who provide a home and  
13 services to a total of seventy-five persons who  
14 currently reside in nursing homes. The department, in  
15 cooperation with the department of elder affairs,  
16 shall develop a program which will result in a cost  
17 savings to the state or in cost neutrality, and shall  
18 develop parameters for the program which shall include  
19 but are not limited to all of the following:

20 a. A maximum income eligibility level, established  
21 by the department, which applies to persons providing  
22 a home and services and seeking reimbursement through  
23 the medical assistance program.

24 b. An evaluative component which enables the  
25 department to measure the financial and quality of  
26 life aspects of the pilot program in comparison with  
27 placement of a person in a nursing home.

28 c. A maximum reimbursement rate of \$15,000,  
29 annually, for housing and services provided by the  
30 home provider under the pilot program.

31 d. Any other criteria necessary to implement the  
32 pilot program including but not limited to  
33 implementation in a manner which targets current  
34 nursing home residents in both rural and urban areas  
35 of the state.

36 Contingent upon federal approval of a waiver, the  
37 department shall adopt administrative rules to  
38 establish the requirements for the alternative nursing  
39 home pilot project under this subsection."

40 3. Page 6, by inserting before line 31 the  
41 following:

42 "\_\_\_\_. If funding is projected to be available  
43 within the amount appropriated in this section, the  
44 department shall implement the case study for outcome-  
45 based performance standards for programs serving  
46 persons with mental retardation or other developmental  
47 disabilities proposed pursuant to 1994 Iowa Acts,  
48 chapter 1170, section 56, and expend not more than  
49 \$75,000 for the research associated with the case  
50 study. The department shall adopt rules applicable to

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1 the programs included in the case study, request a  
2 waiver of applicable federal requirements, and take  
3 other actions deemed necessary by the department to  
4 implement the case study."

5 4. Page 9, by striking line 13 and inserting the  
6 following:

7 "..... \$ 9,940,000"

8 5. Page 9, line 16, by striking the figure

9 "11,593,789" and inserting the following:

10 "5,578,789".

11 6. Page 11, by striking lines 6 through 25.

12 7. Page 12, by striking line 1 and inserting the  
13 following:

14 "..... \$ 12,300,000"

15 8. Page 12, by inserting after line 34, the  
16 following:

17 "5. The department shall revise the administration  
18 of the JOBS program and shall reduce the duplication  
19 of staff efforts in providing orientation and  
20 assessment services to clients."

21 9. By striking page 12, line 35 through page 15,  
22 line 23, and inserting the following:

23 "Sec. 8. CHILD SUPPORT RECOVERY. There is  
24 appropriated from the general fund of the state to the  
25 department of revenue and finance for the fiscal year  
26 beginning July 1, 1996, and ending June 30, 1997, the  
27 following amount, or so much thereof as is necessary,  
28 to be used for the purposes designated:

29 For child support recovery, including salaries,  
30 support, maintenance, and miscellaneous purposes and  
31 for not more than the following full-time equivalent  
32 positions:

33 ..... \$ 6,400,000

34 ..... FTEs 226.22

35 1. The director of revenue and finance, within the  
36 limitations of the funds appropriated in this section,  
37 or funds transferred from the family investment  
38 program appropriation made in this Act for this  
39 purpose, shall establish new positions and add  
40 employees to the child support recovery unit if the  
41 director determines that both the current and  
42 additional employees together can reasonably be  
43 expected to maintain or increase net state revenue at  
44 or beyond the budgeted level. If the director adds  
45 employees, the department shall demonstrate the cost-  
46 effectiveness of the current and additional employees  
47 by reporting to the joint appropriations subcommittee  
48 on human services the ratio of the total amount of  
49 administrative costs for child support recoveries to  
50 the total amount of the child support recovered.

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1 2. Nonpublic assistance application and user fees  
2 received by the child support recovery program are  
3 appropriated and shall be used for the purposes of the  
4 child support recovery program. The director of  
5 revenue and finance may add positions if fees  
6 collected relating to the new positions are sufficient  
7 to pay the salaries and support for the positions.  
8 The director shall report any positions added pursuant  
9 to this subsection to the chairpersons and ranking  
10 members of the joint appropriations subcommittee on  
11 human services and the legislative fiscal bureau.

12 3. The director of revenue and finance, in  
13 consultation with the department of management and the  
14 legislative fiscal committee, is authorized to receive  
15 and deposit state child support incentive earnings in  
16 the manner specified under applicable federal  
17 requirements.

18 4. The director of revenue and finance may  
19 establish new positions and add state employees to the  
20 child support recovery unit if the director determines  
21 the employees are necessary to replace county-funded  
22 positions eliminated due to termination, reduction, or  
23 nonrenewal of a chapter 28E contract. However, the  
24 director must also determine that the resulting  
25 increase in the state share of child support recovery  
26 incentives exceeds the cost of the positions, the  
27 positions are necessary to ensure continued federal  
28 funding of the program, or the new positions can  
29 reasonably be expected to recover more than twice the  
30 amount of money to pay the salaries and support for  
31 the new positions.

32 5. The child support recovery unit shall continue  
33 to work with the judicial department to determine the  
34 feasibility of a pilot project utilizing a court-  
35 appointed referee for judicial determinations on child  
36 support matters. The extent and location of any pilot  
37 project shall be jointly developed by the judicial  
38 department and the child support recovery unit.

39 6. The department shall expend up to \$50,000,  
40 including federal financial participation, for the  
41 fiscal year beginning July 1, 1996, for a child  
42 support public awareness campaign. The department  
43 shall cooperate with the office of the attorney  
44 general in continuation of the campaign. The public  
45 awareness campaign shall emphasize, through a variety  
46 of media activities and through continuation of the  
47 publication of names of persons who are delinquent in  
48 payment of child support obligations, the importance  
49 of maximum involvement of both parents in the lives of  
50 their children as well as the importance of payment of

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1 child support obligations.

2 7. The department shall continue the pilot program  
3 option to provide and supervise a community service  
4 pilot project for absent parents who are ordered by  
5 the court to perform community service for failure to  
6 pay child support pursuant to section 598.23A.

7 8. The director of revenue and finance may enter a  
8 contract with private collection agencies to collect  
9 support payments for cases which have been identified  
10 by the department as difficult collection cases if the  
11 department determines that this form of collection is  
12 more cost effective than departmental collection  
13 methods. The director may use a portion of the state  
14 share of funds collected through this means to pay the  
15 costs of any contracts authorized under this  
16 subsection.

17 9. The department shall employ on or before July  
18 2, 1996, at least 1.00 FTE to respond to telephone  
19 inquiries during all weekly business hours.

20 10. The department shall develop guidelines to be  
21 used in lieu of the child support guidelines  
22 prescribed under section 598.21, subsection 4, for  
23 establishing a support obligation and the amount of  
24 the support debt accrued and accruing pursuant to  
25 section 234.39 for the costs of foster care services.  
26 The proposed guidelines shall reflect the public  
27 purpose of establishing a support obligation without  
28 causing a serious disruption of the family of the  
29 obligor. The department shall submit the proposed  
30 guidelines to the general assembly on or before  
31 January 15, 1997.

32 11. a. The department of human services shall  
33 cooperate with the department of revenue and finance  
34 as necessary to transfer the child support recovery  
35 unit of the department of human services to the  
36 department of revenue and finance on July 1, 1996.  
37 The department of human services and the department of  
38 revenue and finance shall establish a work group to  
39 address, at a minimum, all of the issues listed in  
40 paragraph "b", and the department of revenue and  
41 finance shall submit a proposed legislative bill  
42 pursuant to section 2.16 prior to the convening of the  
43 1997 session of the general assembly which proposes  
44 for the general assembly's consideration all necessary  
45 and conforming amendments to the Code to reflect the  
46 transfer.

47 b. The work group shall address, at a minimum, all  
48 of the following issues and shall take any actions  
49 necessary to implement the transfer of the child  
50 support recovery unit:

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1 (1) Any changes to the state plan relating to the  
2 transfer of child support enforcement and any federal  
3 approval of the changes in the state plan necessary  
4 for compliance with federal requirements.

5 (2) Allocation of funding to continue child  
6 support recovery enforcement services.

7 (3) Staffing changes including the establishment  
8 of new positions or addition of new employees.

9 (4) Proposal and adoption of rules necessary to  
10 implement the transfer.

11 (5) Any other issues necessary to implement the  
12 transfer.

13 c. The transition shall be accomplished without a  
14 change in the physical location of the agency.

15 d. The Code editor is directed to substitute the  
16 words "department of revenue and finance" for the  
17 words "department of human services" and the words  
18 "director of revenue and finance" for the words  
19 "director of human services" when there appears to be  
20 no doubt as to the intent to refer to the child  
21 support recovery unit within the department of human  
22 services as established in section 252B.2 or to the  
23 director of human services in relation to the child  
24 support recovery unit."

25 10. Page 15, by striking lines 34 and 35 and  
26 inserting the following:

27 "..... \$ 13,778,000  
28 ..... FTEs 320.77"

29 11. Page 16, by striking lines 4 and 5, and  
30 inserting the following:

31 "..... \$ 5,130,000  
32 ..... FTEs 118.54"

33 12. Page 16, by striking line 30 and inserting  
34 the following:

35 "..... \$ 86,211,014"

36 13. Page 21, by inserting after line 29 the  
37 following:

38 " . Of the funds appropriated in this section,  
39 \$731,014 shall be used by the department for child  
40 abuse prevention grants."

41 14. Page 22, by striking line 4 and inserting the  
42 following:

43 "..... \$ 1,788,986"

44 15. Page 23, by striking lines 16 through 18 and  
45 inserting the following:

46 "3. The legislative council is requested to  
47 establish a legislative interim committee during the  
48 1996 interim of the general assembly to evaluate the  
49 effectiveness of current and proposed adolescent  
50 pregnancy prevention programs."

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1 16. Page 26, by striking line 10 and inserting  
2 the following:

3 "..... \$ 41,527,000"

4 17. Page 26, by striking line 21 and inserting  
5 the following:

6 "..... \$ 16,940,000"

7 18. Page 27, by inserting before line 27 the  
8 following:

9 " . The department shall work with the  
10 department of management and the legislative fiscal  
11 bureau in reviewing revenues and expenditures  
12 attributable to the state hospital-schools and state  
13 mental health institutes, applicable fiscal  
14 procedures, and other information as necessary to  
15 develop a proposal to revise the manner of making  
16 appropriations to these state institutions and of  
17 accounting for reimbursements and expenditures so that  
18 in future fiscal years the amounts appropriated  
19 reflect the net amount of state funds needed. The  
20 proposal shall be submitted to the general assembly on  
21 or before December 16, 1996.

22 . The superintendents of the state hospital-  
23 schools shall work with the department's  
24 administrative staff in reviewing the manner in which  
25 services and costs are combined for purposes of  
26 billing for medical assistance reimbursement at the  
27 state hospital-schools. Following the review, the  
28 superintendents shall submit a proposal for revising  
29 the state hospital-schools' manner of billing for  
30 medical assistance reimbursement to be more comparable  
31 to other intermediate care facilities for the mentally  
32 retarded. The proposal shall be submitted to the  
33 general assembly on or before December 16, 1996."

34 19. Page 28, by striking line 18 and inserting  
35 the following:

36 "..... \$ 1,144,000"

37 20. Page 33, by striking line 3 and inserting the  
38 following:

39 "..... \$ 300,000"

40 21. Page 34, by striking line 1 and inserting the  
41 following:

42 "..... \$ 8,460,000"

43 22. Page 34, by striking lines 6 through 13.

44 23. Page 34, line 14, by striking the word and  
45 figure "3. The" and inserting the following: "2.  
46 Except as provided under the appropriation in this Act  
47 to the legislative council, the".

48 24. By striking page 34, line 22, through page  
49 35, line 9, and inserting the following: "Assembly.

50 Sec. . DEPARTMENT OF HUMAN SERVICES

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1 RESTRUCTURING STUDY. There is appropriated from the  
2 general fund of the state to the legislative council  
3 for the fiscal year beginning July 1, 1996, and ending  
4 June 30, 1997, the following amount, or so much  
5 thereof as is necessary, to be used for the purpose  
6 designated:

7 For expenses associated with the activities of the  
8 work group for restructuring of the department of  
9 human services in accordance with this section:

10 ..... \$ 100,000

11 1. The interested members of the joint  
12 appropriations subcommittee on human services and  
13 other knowledgeable legislators shall be designated by  
14 the legislative council as a work group to develop a  
15 comprehensive proposal for restructuring of the  
16 department of human services and the functions  
17 performed by the department. The work group may use  
18 the moneys appropriated in this section for technical  
19 assistance. In addition, the work group may consult  
20 with service consumers, experts representative of  
21 organizations such as nonprofit service organizations,  
22 health insurers, and human services-oriented community  
23 organizations, and representatives of local  
24 governments. The work group's report shall be  
25 completed prior to the convening of the Seventy-  
26 seventh General Assembly. The work group may make  
27 recommendations for revising policies, operating  
28 procedures, and training methods as necessary to  
29 increase the department's responsiveness to the public  
30 and to improve the quality of the department's  
31 interaction with the public.

32 The work group shall provide for public input  
33 concerning the four modification proposals developed  
34 by the department in response to proposed federal  
35 actions submitted to the joint appropriations  
36 subcommittee on human services in February 1996.

37 The work group's consideration of the modification  
38 proposals may include the following:

39 a. A review of the child welfare modification  
40 proposal which may include input from representatives  
41 of the juvenile court, service providers, families  
42 receiving services, the attorney general,  
43 representatives of local governments, a department  
44 worker, and other citizens and officials. The  
45 proposal shall also include a recommendation for  
46 transfer of the department of human services  
47 delinquent youth programs to the department of  
48 corrections.

49 b. A review of the mental health and developmental  
50 disabilities proposal which shall incorporate issues

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1 associated with implementation of the funding reform  
2 enacted in Senate File 69; usage of service providers  
3 such as intermediate care facilities for the mentally  
4 retarded, state institutions, and other services for  
5 persons with disabilities; distribution of services  
6 throughout the state; and other issues.

7 c. A review of the family investment program  
8 proposal which may include input from the work group  
9 which considered the state human investment policy  
10 proposal and which makes recommendations to the  
11 department concerning the family investment program.  
12 Consideration of issues associated with the proposal  
13 may include review of the emergency assistance  
14 program.

15 d. A review of the medical assistance proposal  
16 which may include input from representatives of the  
17 medical assistance advisory council, the long-term  
18 care resident's advocate, and consumer groups such as  
19 the Iowa affiliate of the American association of  
20 retired persons.

21 2. If federal law requires the state to make  
22 changes in the programs and services directed to the  
23 populations addressed by the modification proposals  
24 and authorizes the changes to be made without state  
25 legislation, the department shall adopt rules to  
26 implement the changes. The rules shall be submitted  
27 to the work group for review and recommendation prior  
28 to their submission to the administrative rules review  
29 committee."

30 25. Page 35, by striking lines 10 through 19.

31 26. By striking page 35, line 27, through page  
32 36, line 6.

33 27. Page 36, by inserting before line 7 the  
34 following:

35 "Sec. \_\_\_\_ . GAMBLERS ASSISTANCE FUND. There is  
36 appropriated from the gamblers assistance fund to the  
37 department of human services for the fiscal year  
38 beginning July 1, 1996, and ending June 30, 1997, the  
39 following amount, or so much thereof as is necessary,  
40 to be used for the purposes designated:

41 For general administration:

42 ..... \$ 600,000

43 If the general assembly enacts a statute revising  
44 the name of the gamblers assistance fund created  
45 pursuant to section 99E.10, the appropriation in this  
46 section shall be deemed to be made from that fund."

47 28. Page 39, line 32, by inserting after the word  
48 "state." the following: "The department shall submit  
49 the proposal to the members of the joint  
50 appropriations subcommittee on human services on or

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1 before November 30, 1996."  
2 29. Page 40, by striking lines 1 through 4 and  
3 inserting the following: "80th percentile."  
4 30. Page 41, line 27, by striking the figure  
5 "1,000,000" and inserting the following: "1,732,704".  
6 31. Page 41, by striking lines 29 and 30 and  
7 inserting the following: "hospital-schools, field  
8 operations, and general administration."  
9 32. Page 42, line 6, by striking the word "the"  
10 and inserting the following: "any closed units or  
11 other".  
12 33. Page 42, by inserting after line 25 the  
13 following:  
14 "Sec. \_\_\_\_ . REPORTS BY PROVIDERS OF FOSTER CARE  
15 SERVICES -- REVIEW -- PROCESS SIMPLIFICATION. The  
16 department of human services shall consult with  
17 providers of rehabilitation treatment services  
18 relating to the medical assistance child services  
19 initiative in reviewing provider requirements relating  
20 to financial and statistical accountability reporting  
21 and the process for submission of the reports relating  
22 to these requirements. Following this review, and no  
23 later than January 1, 1997, the department of human  
24 services shall implement a process which provides, at  
25 a minimum, for a simplified means of documenting  
26 compliance with federal provider accountability  
27 requirements which shall, at a minimum, include  
28 consolidation of the reports required and which may  
29 provide a means for submission of the reports in an  
30 electronic format."  
31 34. Page 45, by inserting after line 31 the  
32 following:  
33 "Sec. 101. Section 252B.1, subsections 3 and 4,  
34 Code 1995, are amended to read as follows:  
35 3. "Department" means the department of human  
36 services revenue and finance.  
37 4. "Director" means the director of human-services  
38 revenue and finance.  
39 Sec. 102. Section 252B.2, Code 1995, is amended to  
40 read as follows:  
41 252B.2 UNIT ESTABLISHED.  
42 There is created within the department of human  
43 services revenue and finance a child support recovery  
44 unit for the purpose of providing the services  
45 required in sections 252B.3 to 252B.6.  
46 Sec. 103. Section 252B.3, unnumbered paragraph 2,  
47 Code 1995, is amended to read as follows:  
48 The department of human-services revenue and  
49 finance may negotiate a partial payment of a support  
50 obligation with a parent or other person responsible

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-9-

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Page 10

1 for the support of the child, provided that the  
2 negotiation and partial payment are consistent with  
3 applicable federal law and regulation.

4 Sec. 104. Section 252B.5, subsection 4, Code 1995,  
5 is amended to read as follows:

6 4. Assistance to set off against a debtor's income  
7 tax refund or rebate any debt, which is assigned to  
8 the department of human services or which the child  
9 support recovery unit is attempting to collect on  
10 behalf of any individual not eligible as a public  
11 assistance recipient, which has accrued through  
12 written contract, subrogation, or court judgment, and  
13 which is in the form of a liquidated sum due and owing  
14 for the care, support or maintenance of a child. The  
15 department of human-services revenue and finance shall  
16 promulgate adopt rules pursuant to chapter 17A  
17 necessary ~~to assist the department of revenue and~~  
18 ~~finance~~ in the implementation of the child support  
19 setoff as established under section 421.17, subsection  
20 21."

21 35. Page 47, line 5, by inserting after the word  
22 "unless" the following: "the effective date is  
23 delayed by the administrative rules review committee  
24 or".

25 36. Page 47, line 6, by inserting after the word  
26 "rules." the following: "Any rules adopted in  
27 accordance with the provisions of this section shall  
28 not take effect before the rules are reviewed by the  
29 administrative rules review committee."

30 37. Page 47, by inserting after line 11 the  
31 following:

32 "\_\_\_\_. Section 3, subsection 12, relating to the  
33 alternative nursing home pilot program."

34 38. Page 47, by inserting after line 13 the  
35 following:

36 "\_\_\_\_. Section 8, subsection 11, relating to the  
37 transfer of the child support recovery unit from the  
38 department of human services to the department of  
39 revenue and finance."

40 39. By renumbering, relettering, or redesignating  
41 and correcting internal references as necessary.

By COMMITTEE ON APPROPRIATIONS  
MILLAGE of Scott, Chairperson

H-5478 FILED MARCH 20, 1996

*Adopted*  
*3/26/96*  
*(P. 985)*



SENATE FILE 2442

H-5554

1 Amend Senate File 2442 as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 27, by striking lines 23 through 26.

4 2. Page 37, by inserting after line 28 the  
5 following:

6 "\_\_\_\_. The department may modify the reimbursement  
7 methodology for skilled nursing facilities which  
8 participated in the medical assistance program on or  
9 before May 31, 1993, and which met the departmental  
10 disproportionate share payment provisions as of May  
11 31, 1993, if it is possible to demonstrate that the  
12 modification would result in a cost savings to the  
13 medical assistance program."

A

14 3. Page 39, by striking lines 27 and 28 and  
15 inserting the following:

16 "8. The department, in cooperation and in  
17 consultation with the Iowa medical society, the Iowa  
18 osteopathic medical association, and the Iowa  
19 pharmacists association, may propose a pilot project  
20 for an".

B

21 4. Page 43, by striking lines 19 through 21 and  
22 inserting the following: "debt for the three months  
23 preceding the earlier of the following:

24 a. The provision by the child support recovery  
25 unit of the initial notice to the parent or guardian  
26 of the amount of the support obligation.

A

27 b. The date that the written request for a court  
28 hearing is received by the child support recovery unit  
29 as provided in section 252C.3 or 252F.3."

30 5. By renumbering as necessary.

By HOUSER of Pottawattamie

H-5554 FILED MARCH 25, 1996

A. adopted (P.988) 3/26/96

B. adopted (P.989) 3/26/96

SENATE FILE 2442

H-5555

1 Amend Senate File 2442, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 33, by striking lines 26 and 27 and  
4 inserting the following:

5 "..... \$ 39,051,000  
6 ..... FTEs 2,052.00"

By MURPHY of Dubuque

H-5555 FILED MARCH 25, 1996

lost 3/26/96

(P.988)

## SENATE FILE 2442

H-5556

- 1 Amend Senate File 2442, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 40, by striking lines 13 through 18 and  
 4 inserting the following:  
 5 "11. The department shall negotiate with providers  
 6 of services under the department's medical assistance  
 7 rehabilitative treatment program for children and  
 8 families, to revise the department's rules providing  
 9 reimbursement rates under the program, including a  
 10 review of cost principles. The goals for the revision  
 11 are to simplify the reimbursement process, reduce  
 12 paperwork for providers, and provide full payment for  
 13 necessary services provided under contract with the  
 14 department. Prior to adoption of the rules and no  
 15 later than October 1, 1996, the department".  
 16 2. By renumbering as necessary.

By WEIGEL of Chickasaw  
 HARPER of Black Hawk

H-5556 FILED MARCH 25, 1996

*Adopt 3/26/96 (P. 985)*

## SENATE FILE 2442

H-5525

- 1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 9, line 26, by striking the word  
 5 "federal".

By RANTS of Woodbury

H-5525 FILED MARCH 25, 1996

*(P. 981)*

## SENATE FILE 2442

H-5548

- 1 Amend Senate File 2442 as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 43, by striking lines 5 through 11.  
 4 2. By renumbering as necessary.

By KREIMAN of Davis

H-5548 FILED MARCH 25, 1996

*adopted**3/26/96 (P. 989)*

## SENATE FILE 2442

H-5560

- 1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 1, by striking lines 6 through 39.  
 5 2. Page 10, by striking lines 30 through 33.  
 6 3. By renumbering as necessary.

By SALTON of Palo Alto  
 MURPHY of Dubuque  
 VANDE HOEF of Osceola

H-5560 FILED MARCH 25, 1996

*Adopted 3/26/96 (P. 983)*

SENATE FILE 2442

H-5557

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 5, by inserting after line 40 the  
5 following:

6 "\_\_\_\_. Page 21, by striking line 30 and inserting  
7 the following:

8 "Sec. \_\_\_\_ ADOLESCENT PREGNANCY PREVENTION  
9 PROGRAMS. There is appropriated".

10 \_\_\_\_ By striking page 21, line 35, through page  
11 22, line 1, and inserting the following:

12 "For adolescent pregnancy prevention programs  
13 including salaries, support, "."

14 2. Page 5, line 43, by striking the figure  
15 "1,788,986" and inserting the following: "1,034,146".

16 3. Page 5, by inserting after line 43 the  
17 following:

18 "\_\_\_\_. Page 22, line 10, by inserting after the  
19 word "adolescents." the following: "Grant recipients  
20 shall submit information to the department of human  
21 services regarding the pregnancy rate of participants  
22 in small-group activities for which follow-up contact  
23 is practical. Large-group activities are exempt from  
24 this reporting requirement.""

25 4. Page 5, by inserting after line 50 the  
26 following:

27 "Sec. \_\_\_\_ FAMILY PLANNING PROGRAMS. There is  
28 appropriated from the general fund of the state to the  
29 department of human services for the fiscal year  
30 beginning July 1, 1996, and ending June 30, 1997, the  
31 following amount, or so much thereof as is necessary,  
32 to be used for the purpose designated:

33 For family planning programs:  
34 ..... \$ 736,840

35 For the purposes of this section, "family planning  
36 programs" include those programs which provide  
37 clinical care services including those services which  
38 assist a client in obtaining contraceptive devices and  
39 supplies. Clinical care services include but are not  
40 limited to the initial examination, an annual  
41 examination, related services including, but not  
42 limited to, abnormal pap repeats, sexually transmitted  
43 disease testing and treatment, and infection testing  
44 and treatment or referral as indicated, and injectable  
45 contraceptives. "Family planning programs" also  
46 include family planning educational services which  
47 include, but are not limited to, group or individual  
48 discussions with clients informing clients of the  
49 various types of birth control methods available and  
50 where the various types of birth control might be

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Page 2

1 obtained."

By CARROLL of Poweshiek

H-5557 FILED MARCH 25, 1996

WITHDRAWN 3/26/96 (P. 978)

SENATE FILE 2442

H-5558

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 2, line 14, by striking the figure  
5 "12,300,000" and inserting the following:  
6 "13,300,000".

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

9 " ". Page 12, line 2, by striking the figure  
10 "12,690,700" and inserting the following:  
11 "12,390,700"."

By JOCHUM of Dubuque  
SCHRADER of Marion  
CONNORS of Polk  
MURPHY of Dubuque  
TAYLOR of Linn  
WITT of Black Hawk  
HOLVECK of Polk  
O'BRIEN of Boone  
MERTZ of Kossuth  
OSTERHAUS of Jackson

FALLON of Polk  
HARPER of Black Hawk  
BURNETT of Story  
LARKIN of Lee  
COHOON of Des Moines  
BELL of Jasper  
KOENIGS of Mitchell  
MORELAND of Wapello  
BRAND OF Benton  
KREIMAN of Davis  
MYERS of Johnson

H-5558 FILED MARCH 25, 1996

Last 3/26/96 (P. 975)

SENATE FILE 2442

H-5559

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 2, by striking lines 5 through 10.

5 2. By renumbering as necessary.

By FALLON of Polk  
HARPER of Black Hawk  
BURNETT of Story  
MERTZ of Kossuth  
OSTERHAUS of Jackson  
O'BRIEN of Boone  
HOLVECK of Polk  
WITT of Black Hawk  
JOCHUM of Dubuque  
CONNORS of Polk  
MURPHY of Dubuque  
TAYLOR of Linn  
MYERS of Johnson  
BELL of Jasper

COHOON of Des Moines  
KREIMAN of Davis  
LARKIN of Lee  
WISE of Lee  
NELSON of Pottawattamie  
DODERER of Johnson  
BRAMMER of Linn  
McCOY of Polk  
SCHRADER of Marion  
MASCHER of Johnson  
SHOULTZ of Black Hawk  
MORELAND of Wapello  
BRAND of Benton

H-5559 FILED MARCH 25, 1996

Last 3/26/96 (P. 973)

SENATE FILE 2442

H-5561

1 Amend Senate File 2442, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 3, by striking line 4, and inserting the  
 4 following:  
 5 "..... \$367,418,824"  
 6 2. Page 37, line 16, by inserting after the  
 7 letter "g." the following: "(1)".  
 8 3. Page 37, line 17, by inserting after the word  
 9 "for" the following: "administrative, room and board,  
 10 and property cost categories for".  
 11 4. Page 37, by inserting after line 28, the  
 12 following:  
 13 "(2) The basis for establishing the maximum  
 14 medical assistance reimbursement rate for the direct  
 15 health care cost category for nursing facilities shall  
 16 be the 90th percentile of facility costs as calculated  
 17 from the June 30, 1996, unaudited compilation of cost  
 18 and statistical data. However, to the extent funds  
 19 are available within the amount projected for  
 20 reimbursement of nursing facilities within the  
 21 appropriation for medical assistance in this Act, and  
 22 within the appropriation for medical assistance as a  
 23 whole, the department shall adjust the maximum medical  
 24 assistance reimbursement rate for the direct health  
 25 care cost category for nursing facilities to the 90th  
 26 percentile, as calculated on December 31, 1996,  
 27 unaudited compilation of cost and statistical data and  
 28 the adjustment shall take effect January 1, 1997,  
 29 under this subparagraph. Any increased reimbursement  
 30 rate for a facility shall not exceed an increase of  
 31 \$8.00 per day over the rates in effect for the  
 32 facility on June 30, 1996.  
 33 (3) Effective July 1, 1996, the nursing facility  
 34 incentive factor shall only be applicable to nursing  
 35 facilities which meet all of the following criteria:  
 36 (a) Offer health insurance coverage to all  
 37 employees of the nursing facility.  
 38 (b) Pay at least twenty-five percent of the  
 39 premium costs of the health insurance plan of a  
 40 participating employee."

By WITT of Black Hawk HARPER of Black Hawk  
 GRUNDBERG of Polk BRANSTAD of Winnebago

H-5561 FILED MARCH 25, 1996

*adapted 3/26/96 (p. 986)*

SENATE FILE 2442

H-5567

1 Amend Senate File 2442, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 3, by striking line 4 and inserting the  
 4 following:  
 5 "..... \$355,350,000"

By WEIGEL of Chickasaw

E-5567 FILED MARCH 25, 1996

*lost 3/26/96 (p. 987)*

SENATE FILE 2442

H-5574

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 5, by inserting after line 40 the  
5 following:

6 " . Page 21, by striking line 30 and inserting  
7 the following:

8 "Sec. . ADOLESCENT PREGNANCY PREVENTION  
9 PROGRAMS. There is appropriated".

10 . Page 21, line 35, by striking the words "For  
11 community-based programs" and inserting the following:

12 "For adolescent pregnancy prevention programs".

13 2. Page 5, line 43, by striking the figure  
14 "1,788,986" and inserting the following: "1,034,146".

15 3. Page 5, by inserting after line 43 the  
16 following:

17 " . Page 22, line 10, by inserting after the  
18 word "adolescents." the following: "Grant recipients  
19 shall submit information to the department of human  
20 services regarding the pregnancy rate of participants  
21 in small-group activities for which follow-up contact  
22 is practical. Large-group activities are exempt from  
23 this reporting requirement.""

24 4. Page 5, by inserting after line 50 the  
25 following:

26 "Sec. . FAMILY PLANNING PROGRAMS. There is  
27 appropriated from the general fund of the state to the  
28 department of human services for the fiscal year  
29 beginning July 1, 1996, and ending June 30, 1997, the  
30 following amount, or so much thereof as is necessary,  
31 to be used for the purpose designated:

32 For family planning programs:  
33 ..... \$ 736,840

34 For the purposes of this section, "family planning  
35 programs" include those programs which provide  
36 clinical care services including those services which  
37 assist a client in obtaining contraceptive devices and  
38 supplies. Clinical care services include but are not  
39 limited to the initial examination, an annual  
40 examination, related services including, but not  
41 limited to, abnormal pap repeats, sexually transmitted  
42 disease testing and treatment, and infection testing  
43 and treatment or referral as indicated, and injectable  
44 contraceptives. "Family planning programs" also  
45 include family planning educational services which  
46 include, but are not limited to, group or individual  
47 discussions with clients informing clients of the  
48 various types of birth control methods available and  
49 where the various types of birth control might be  
50 obtained."

By CARROLL of Poweshiek

H-5574 FILED MARCH 26, 1996

ADOPTED

(p.979)

SENATE FILE 2442

H-5576

1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 2, by striking line 4 and inserting the  
 5 following: "implement the case study.  
 6 \_\_\_\_\_. The department of human services shall submit  
 7 a report to the general assembly on or before January  
 8 1, 1997, regarding reimbursement for teleconsultive  
 9 services provided by health care providers to  
 10 recipients of medical assistance. The report shall  
 11 include but is not limited to recommendations  
 12 regarding the feasibility of implementation of a pilot  
 13 program, including the adoption and utilization of an  
 14 alternative reimbursement methodology, to determine  
 15 the effect of teleconsultive services on health care  
 16 quality, access, and cost."  
 17 2. By renumbering as necessary.

By BRUNKHORST of Bremer  
 BLODGETT of Cerro Gordo

H-5576 FILED MARCH 26, 1996  
 ADOPTED

(p. 969)

SENATE FILE 2442

H-5583

1 Amend Senate File 2442, as amended, passed, and  
 2 reprinted by the Senate, as follows:  
 3 1. Page 7, by inserting after line 17 the  
 4 following:  
 5 "3. Any future contract entered into by the  
 6 department for mental health managed care under the  
 7 medical assistance program shall include a provision  
 8 which requires the contractor to make public  
 9 information which includes the profit realized by the  
 10 contractor and the amount of funds expended by the  
 11 contractor for administrative purposes under the  
 12 contract."

By JOCHUM of Dubuque

H-5583 FILED MARCH 26, 1996  
 OUT OF ORDER (NOT TIMELY FILED)

(p. 989)

## SENATE FILE 2442

H-5577

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate as  
3 follows:  
4 1. Page 2, by striking line 25 and inserting the  
5 following: "department of human services for the  
6 fiscal year".  
7 2. Page 2, by striking line 35 and inserting the  
8 following:  
9 "1. The director of human services, within the".  
10 3. Page 3, line 5, by striking the words "revenue  
11 and finance" and inserting the following: "human  
12 services".  
13 4. Page 3, by striking line 12 and inserting the  
14 following:  
15 "3. The director of human services, in".  
16 5. Page 3, by striking line 18, and inserting the  
17 following:  
18 "4. The director of human services may".  
19 6. Page 4, by striking line 7 and inserting the  
20 following:  
21 "8. The director of human services may enter a".  
22 7. Page 4, line 36, by striking the words and  
23 figures "on July 1, 1996." and inserting the  
24 following: "by January 1, 1997. The department of  
25 human services shall transfer funds appropriated in  
26 this section to the department of revenue and finance  
27 as necessary to transfer the child support recovery  
28 unit to the department of revenue and finance. The  
29 responsibilities required of the director of human  
30 services and the department of human services shall be  
31 assumed by the director of revenue and finance and the  
32 department of revenue and finance at the time of  
33 transfer."  
34 8. Page 10, by inserting after line 39 the  
35 following:  
36 "Sec. \_\_\_\_ . DELAYED EFFECTIVE DATE. Sections 101,  
37 102, 103, and 104 of this Act, amending chapter 252B,  
38 take effect January 1, 1997."

By OLLIE of Clinton

H-5577 FILED MARCH 26, 1996

OUT OF ORDER

(P. 978)



## SENATE FILE 2442

H-5578

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 2, by inserting after line 4 the  
5 following:  
6 "\_\_\_\_\_. Page 7, by inserting after line 17 the  
7 following:  
8 "3. Any future contract entered into by the  
9 department for mental health managed care under the  
10 medical assistance program shall include a provision  
11 which requires the contractor to make public  
12 information the amount of profit realized by the  
13 contractor and the amount of funds expended by the  
14 contractor for administrative purposes under the  
15 contract.""

By JOCHUM of Dubuque

H-5578 FILED MARCH 26, 1996

ADOPTED (p.970)

## SENATE FILE 2442

H-5579

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 2, by inserting after line 14 the  
5 following:  
6 "\_\_\_\_\_. Page 12, by striking line 2 and inserting  
7 the following:  
8 "1. Of the funds appropriated in this section,  
9 \$11,380,700".  
10 2. Page 2, by inserting after line 20 the  
11 following:  
12 "\_\_\_\_\_. Of the funds appropriated in this section,  
13 \$10,000 is allocated to the community voice mail  
14 program to continue the existing program."

By FALLON of Polk

H-5579 FILED MARCH 26, 1996

WITHDRAWN

(p.976)

## SENATE FILE 2442

H-5580

- 1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 2, by inserting after line 14 the  
5 following:  
6 " . Page 12, by striking line 2 and inserting  
7 the following:  
8 "1. Of the funds appropriated in this section,  
9 \$11,270,700".  
10 2. Page 2, by inserting after line 20 the  
11 following:  
12 " . Of the funds appropriated in this section,  
13 \$120,000 is allocated to the community voice mail  
14 program to expand the program statewide."  
By FALLON of Polk

H-5580 FILED MARCH 26, 1996  
WITHDRAWN (P. 976)

## SENATE FILE 2442

H-5581

- 1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 6, by striking lines 34 through 36.  
5 2. By renumbering as necessary.  
By JOCHUM of Dubuque

H-5581 FILED MARCH 26, 1996  
LOST (P. 980)

## SENATE FILE 2442

H-5582

- 1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 7, line 44, by striking the word "The".  
5 2. Page 7, by striking lines 45 through 48.  
By JOCHUM of Dubuque  
KREIMAN of Davis  
HOLVECK of Polk

H-5582 FILED MARCH 26, 1996  
LOST (P. 981)

SENATE FILE 2442

H-5584

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 2, line 10, by striking the figure  
5 "5,578,789" and inserting the following: "5,628,789".

6 2. Page 2, by inserting after line 14 the  
7 following:

8 "\_\_\_\_\_. Page 12, line 2, by striking the figure  
9 "12,690,700" and inserting the following:  
10 "11,390,700"."

11 3. Page 5, by inserting after line 35 the  
12 following:

13 "\_\_\_\_\_. Page 17, line 6, by striking the figure  
14 "23,892,280" and inserting the following:  
15 "23,792,280"."

16 4. Page 5, line 43, by striking the figure  
17 "1,788,986" and inserting the following: "1,770,986".

18 5. Page 6, by inserting after line 42 the  
19 following:

20 "\_\_\_\_\_. Page 34, line 2, by striking the figure  
21 "379.00" and inserting the following: "376.00"."

22 6. By striking page 6, line 50 through page 7,  
23 line 31 and inserting the following:

24 "Sec. \_\_\_\_\_. DEPARTMENT OF HUMAN SERVICES

25 RESTRUCTURING TASK FORCE ON THE FUTURE OF HUMAN  
26 SERVICES. There is appropriated from the general fund  
27 of the state to the legislative council for the fiscal  
28 year beginning July 1, 1996, and ending June 30, 1997,  
29 the following amount, or so much thereof as is  
30 necessary, to be used for the purpose designated:

31 For expenses associated with the activities of the  
32 task force for assessing the structure and function of  
33 the department of human services and human services  
34 programs in accordance with this section:

35 ..... \$ 100,000

36 1. The legislative council shall establish a task  
37 force to develop a comprehensive proposal for changing  
38 the role and function of the department of human  
39 services and its programs. The purpose of the changes  
40 is to improve services to Iowans through the creation  
41 of new federal, state, and local partnerships. The  
42 task force shall make recommendations regarding  
43 restructuring the department of human services in  
44 order to achieve better human services results, to  
45 improve the quality of service delivery, and to  
46 increase the quality of the department's interaction  
47 with the public. The task force may also assess  
48 program duplication and linkages with other federal,  
49 state, or local programs or funding streams.

50 2. The task force shall be composed of not more

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Page 2

1 than 21 members and shall include not more than five  
2 representatives appointed by the governor and  
3 legislators who are members of the joint  
4 appropriations subcommittee on human services and  
5 other knowledgeable legislators designated by the  
6 legislative council. The task force may use moneys  
7 appropriated in this section for technical assistance.  
8 The task force shall consult with service consumers,  
9 experts who are representative of organizations such  
10 as nonprofit service organizations, health insurers,  
11 and human services-oriented community organizations,  
12 representatives of local governments, representatives  
13 of state agencies, federal officials with expertise or  
14 responsibilities regarding human services in Iowa, and  
15 others, as determined by the task force. The report  
16 shall be completed prior to the convening of the  
17 Seventy-seventh General Assembly."

18 7. Page 7, line 32, by striking the words "work  
19 group" and inserting the following: "task force".

20 8. Page 7, by striking lines 37 and 38 and  
21 inserting the following:

22 "The task force may establish work groups to assist  
23 in the task force's consideration of the modification  
24 proposals which may include the following:"

25 9. Page 7, lines 43 and 44, by striking the words  
26 "a department worker" and inserting the following:  
27 "representatives of state agencies".

28 10. Page 8, line 10, by striking the word "and"  
29 and inserting the following: "or a successor  
30 interagency task force".

31 11. Page 8, line 14, by inserting after the word  
32 "program" the following: ", the family development  
33 and self-sufficiency (FaDSS) program, and child day  
34 care programs, and an assessment of the feasibility of  
35 transferring all or part of the functions of the child  
36 support recovery unit to other agencies of state  
37 government".

38 12. Page 8, line 27, by striking the words "work  
39 group" and inserting the following: "task force".

40 13. Page 8, by striking lines 33 through 46.

41 14. Page 8, by inserting before line 47 the  
42 following:

43 "\_\_\_\_\_. By striking page 36, line 34, through page  
44 37, line 1, and inserting the following: "during the  
45 fiscal year ending June 30, 1996. In addition,".

46 \_\_\_\_\_. Page 39, by striking lines 1 and 2 and  
47 inserting the following:

48 "c. The department revises the reimbursement rates  
49 as part of the changes in the mental health and  
50 developmental disabilities services system initiated

H-5584

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Page 3

1 pursuant to 1995 Iowa Acts, chapter 206 (Senate File  
 2 69), and associated legislation.  
 3 d. The reimbursement rate revision is necessary to  
 4 implement the change required by the appropriation in  
 5 this Act for an increase in the reimbursement for  
 6 residential care facilities."  
 7 15. Page 9, line 3, by inserting after the word  
 8 "percentile." the following: "The department shall  
 9 address any other proposals for containment of  
 10 intermediate care facilities for the mentally retarded  
 11 costs with the work group for restructuring of the  
 12 department of human services created pursuant to this  
 13 Act."  
 14 16. By renumbering as necessary.

By HOUSER of Pottawattamie

H-5584 FILED MARCH 26, 1996

ADOPTED LINES 16 AND 17 OUT OF ORDER (P.979)

(P.972)

## SENATE FILE 2442

H-5585

1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:

A 4 1. Page 2, by inserting after line 14 the  
 5 following:

6 " . Page 12, line 15, by striking the figure  
 7 "779,315" and inserting the following: "1,000,000"."

B 8 2. Page 9, line 8, by inserting after the word  
 9 "administration." the following: "Of the funds  
 10 appropriated to the department of human services in  
 11 1995 Iowa Acts, chapter 205, section 24, and  
 12 encumbered under that section which remain unobligated  
 13 or unexpended on July 1, 1996, \$220,685 shall be  
 14 transferred to the appropriation in this Act for the  
 15 JOBS program and used for funding of the family  
 16 development and self-sufficiency grant program."

17 3. By renumbering as necessary.

By BRAND of Benton

H-5585 FILED MARCH 26, 1996

A-WITHDRAWN B-ADOPTED

(P.984)

(P.984)

SENATE FILE 2442

H-5586

- 1 Amend the amendment, H-5478, to Senate File 2442,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 5, by striking line 35 and inserting the
- 5 following:
- 6 "..... \$ 90,111,014"
- 7 "..... Page 17, line 6, by striking the figure
- 8 "23,892,280" and inserting the following:
- 9 "27,792,280"."

By BRAND of Benton  
KREIMAN of Davis

H-5586 FILED MARCH 26, 1996  
LOST

(p.978)

SENATE FILE 2442

H-5587

- 1 Amend the amendment, H-5478, to Senate File 2442,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 6, by striking lines 37 through 39.
- 5 2. By renumbering as necessary.

By WITT of Black Hawk  
HARRISON of Scott

H-5587 FILED MARCH 26, 1996  
LOST

(p.980)

SENATE FILE 2442

H-5588

- 1 Amend the amendment, H-5478, to Senate File 2442,
- 2 as amended, passed, and reprinted by the Senate, as
- 3 follows:
- 4 1. Page 8, by striking lines 33 through 46.
- 5 2. By renumbering as necessary.

By WITT of Black Hawk  
HOLVECK of Polk

H-5588 FILED MARCH 26, 1996  
OUT OF ORDER

(p.981)

SENATE FILE 2442

H-5592

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 6, by inserting after line 33 the  
5 following:

6 " . The department shall work with counties and  
7 the department's contractor for managed mental health  
8 care under medical assistance, in developing a plan  
9 for community-based placements of those persons who  
10 could no longer be placed at a state institution due  
11 to a reduction of capacity at the institution. The  
12 plan should include provisions for development of  
13 adequate alternatives to institutional placements.  
14 The plan shall be submitted for review to the task  
15 force for restructuring the department of human  
16 services created in this Act and to the state-county  
17 management committee. Prior to any reduction of  
18 capacity at a state institution during the fiscal year  
19 beginning July 1, 1996, from the capacity which  
20 existed during the previous fiscal year, the state-  
21 county management committee must concur that adequate  
22 community-based placements have been developed to  
23 replace the capacity proposed to be reduced at the  
24 state institution."

25 2. By renumbering as necessary.

By JOCHUM of Dubuque

H-5592 FILED MARCH 26, 1996

ADOPTED

(P. 480)

SENATE FILE 2442

H-5593

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

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

6 " . Page 2, by inserting after line 29 the  
7 following:

8 "3. Of the funds appropriated in this section,  
9 \$10,000 is allocated to the community voice mail  
10 program to continue the existing program."

11 2. By renumbering as necessary.

By FALLON of Polk

H-5593 FILED MARCH 26, 1996

ADOPTED

(p. 482)

## SENATE FILE 2442

H-5594

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

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

6 "\_\_\_\_. a. The department of human services, in  
7 cooperation with the department of elder affairs,  
8 shall identify means of increasing coordination of the  
9 services available under the medical assistance and  
10 state supplementary assistance programs to provide a  
11 home living environment and necessary supportive  
12 services to persons currently residing in nursing  
13 facilities when in-home care and services can be  
14 demonstrated to require no additional state or federal  
15 expense.

16 b. The department of human services shall  
17 establish a pilot project in one or more areas of the  
18 state to evaluate the level of consumer response, cost  
19 effectiveness, and the administrative resources  
20 required to implement and expand the provisions of  
21 this subsection. The department of human services  
22 shall submit a report to the general assembly on or  
23 before January 1, 1997, regarding the findings,  
24 progress, and recommendations related to the  
25 provisions of this subsection."

26 2. By renumbering as necessary.

By FALLON of Polk

H-5594 FILED MARCH 26, 1996

LOST (P.983)

## SENATE FILE 2442

H-5595

1 Amend the amendment, H-5567, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 1, by striking lines 3 through 5 and  
5 inserting the following:

6 "\_\_\_\_. Page 6, by inserting after line 30 the  
7 following:

8 "12. Of the funds appropriated in this section,  
9 \$250,000 shall be transferred to the department of  
10 elder affairs to be used for the case management  
11 program.""

By WEIGEL of Chickasaw

H-5595 FILED MARCH 26, 1996

ADOPTED

(P.987)



## SENATE FILE 2442

H-5596

- 1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate as  
 3 follows:  
 4 1. Page 2, by striking line 25 and inserting the  
 5 following: "department of human services for the  
 6 fiscal year".  
 7 2. Page 2, by striking line 35 and inserting the  
 8 following:  
 9 "1. The director of human services, within the".  
 10 3. Page 3, line 5, by striking the words "revenue  
 11 and finance" and inserting the following: "human  
 12 services".  
 13 4. Page 3, by striking line 12 and inserting the  
 14 following:  
 15 "3. The director of human services, in".  
 16 5. Page 3, by striking line 18, and inserting the  
 17 following:  
 18 "4. The director of human services may".  
 19 6. Page 4, by striking line 7 and inserting the  
 20 following:  
 21 "8. The director of human services may enter a".  
 22 7. By striking page 4, line 32, through page 5,  
 23 line 24, and inserting the following:  
 24 "11. The department of human services shall  
 25 cooperate with the restructuring task force on the  
 26 future of human services to assess the feasibility of  
 27 transferring all or part of the functions of the child  
 28 support recovery unit to other agencies of state  
 29 government on or after July 1, 1997."  
 30 8. By striking page 9, line 31, through page 10,  
 31 line 20.  
 32 9. Page 10, by striking lines 34 through 39.

By HOUSER of Pottawattamie

H-5596 FILED MARCH 26, 1996

ADOPTED

(p.978)

## SENATE FILE 2442

H-5597

- 1 Amend the amendment, H-5478, to Senate File 2442,  
 2 as amended, passed, and reprinted by the Senate, as  
 3 follows:  
 4 1. Page 2, line 20, by inserting after the word  
 5 "clients." the following: "The amount of funding  
 6 appropriated in this section has been reduced by  
 7 \$300,000 to reflect action by the department to limit  
 8 its contracting with other state agencies for primary  
 9 functions under the JOBS program to contracting with  
 10 not more than one state agency."

By JOCHUM of Dubuque  
 FALLON of Polk

E-5597 FILED MARCH 26, 1996

ADOPTED

(p.977)

## SENATE FILE 2442

H-5598

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 1, line 12, by striking the word  
5 "persons" and inserting the following: "family  
6 members".  
7 2. Page 1, by inserting after line 35 the  
8 following:  
9 "e. Provision of \$5,000 per person covered under  
10 the pilot project to the department of elder affairs  
11 for inspection and appropriate oversight of the pilot  
12 program.  
13 f. Provision to delay the implementation of the  
14 pilot program until 75 persons are enrolled to  
15 participate in the pilot program.  
16 g. A limitation that not more than one person may  
17 be cared for by a family member under the pilot  
18 program."

By FALLON of Polk

H-5598 FILED MARCH 26, 1996

LOST (P. 982)

## SENATE FILE 2442

H-5599

1 Amend the amendment, H-5554, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 1, line 19, by striking the word "may"  
5 and inserting the following: "shall".

By OSTERHAUS of Jackson

H-5599 FILED MARCH 26, 1996

LOST (P. 989)

## SENATE FILE 2442

H-5619

1 Amend the amendment, H-5561, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 1, by striking lines 3 through 5.  
5 2. Page 1, by striking lines 8 through 10.  
6 3. Page 1, by striking lines 13 through 18 and  
7 inserting the following:  
8 "(2) Notwithstanding subparagraph (1), to the  
9 extent funds".

By WITT of Black Hawk

H-5619 FILED MARCH 26, 1996

ADOPTED

(P. 986)

## SENATE FILE 2442

H-5620

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:

4 1. Page 9, by inserting after line 30 the  
5 following:

6 " . Page 43, by inserting after line 21 the  
7 following:

8 "Sec. . Section 235A.15, subsection 2,  
9 paragraph e, Code Supplement 1995, is amended by  
10 adding the following new subparagraph:

11 NEW SUBPARAGRAPH. (15) To employees of the  
12 department of human services as necessary to perform  
13 child abuse-child care registry duties under chapter  
14 235D.

15 Sec. . Section 235A.17, Code 1995, is amended  
16 by adding the following new subsection:

17 NEW SUBSECTION. 3. An employee of the department  
18 of human services authorized to receive child abuse  
19 information for purposes of the child abuse-child care  
20 registry pursuant to section 235A.15, subsection 2,  
21 paragraph "e", subparagraph (15) may disseminate the  
22 information in accordance with the provisions of  
23 chapter 235D.

24 Sec. . NEW SECTION. 235D.1 DEFINITIONS.

25 As used in this chapter, unless the context  
26 otherwise requires:

27 1. "Central child abuse registry" or "central  
28 registry" means the central child abuse registry  
29 created in chapter 235A.

30 2. "Child abuse-child care registry" means the  
31 central child abuse-child care registry created by the  
32 department pursuant to section 235D.9.

33 3. "Child day care" means the same as defined in  
34 section 237A.1.

35 4. "Department" means the department of human  
36 services.

37 5. "Founded child abuse report" means a child  
38 abuse report determined by the department to be child  
39 abuse and placed in the central child abuse registry  
40 as founded child abuse.

41 Sec. . NEW SECTION. 235D.2 PERSONS REQUIRED  
42 TO REGISTER.

43 1. A person who provides child day care and who is  
44 named as having abused a child in a founded child  
45 abuse report, which is placed in the central registry  
46 on or after July 1, 1996, shall register as provided  
47 in this chapter for a period of time equivalent to the  
48 period of time the report is maintained on the central  
49 child abuse registry.

50 2. The registration requirements of this section

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1 do not apply to any of the following:

2 a. A person for whom the department has performed  
3 an evaluation pursuant to section 237A.5, subsection  
4 2, and has permitted the person to be licensed,  
5 registered, employed, or to reside in a child day care  
6 facility, if the person complies with the department's  
7 conditions established in section 237A.5, subsection  
8 2, paragraph "c".

9 b. A person who was named as having abused a child  
10 in a founded child abuse report in which the  
11 information concerning the person was determined to be  
12 unfounded and was corrected or eliminated pursuant to  
13 section 235A.19, subsection 5.

14 Sec. \_\_\_\_ . NEW SECTION. 235D.3 REGISTRATION  
15 PROCESS.

16 All of the following applies to a person who is  
17 required to register with the department, pursuant to  
18 section 235D.2:

19 1. The person shall register with the child abuse-  
20 child care registry prior to providing child day care.  
21 However, if the person is providing child day care at  
22 the time the founded child abuse report is entered in  
23 the central registry, the person shall register within  
24 ten days of the date the person is notified of the  
25 duty to register under section 235D.5.

26 2. Within ten days of changing residence within  
27 this state, notify the child abuse-child care registry  
28 of the change of address and any changes in the  
29 person's telephone number. The notification shall be  
30 in writing on a form provided by the department.

31 3. Within ten days of changing residence to a  
32 location outside of this state, the person shall  
33 notify the child abuse-child care registry of the new  
34 residence address, and any changes in telephone  
35 number. If the person is required to register under  
36 the laws of the other state, the person shall register  
37 in the other state.

38 Sec. \_\_\_\_ . NEW SECTION. 235D.4 REGISTRATION  
39 RENEWAL.

40 A person required to register with the department  
41 pursuant to section 235D.2 shall annually renew the  
42 person's registration and verify the person's address  
43 using a renewal form developed by the department. The  
44 person shall renew the registration in the month in  
45 which the person was initially required to register.  
46 The renewal form shall be signed by the person.

47 Sec. \_\_\_\_ . NEW SECTION. 235D.5 DUTY TO FACILITATE  
48 REGISTRATION.

49 If a founded child abuse report is entered in the  
50 central registry on or after July 1, 1996, which would

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1 cause a person to be required to register with the  
2 department pursuant to section 235D.2, the department  
3 shall do the following at the time a founded child  
4 abuse report is entered in the central registry:  
5 1. Inform the person of the duty to register.  
6 2. Inform the person of the person's duty to  
7 notify the child abuse-child care registry within ten  
8 days of changing residence within this state.  
9 3. Inform the person of the person's duty to  
10 notify the child abuse-child care registry within ten  
11 days of changing residence to a location outside this  
12 state, and inform the person that, if the other state  
13 has a registration requirement, the person is also  
14 required to register in the new state of residence.  
15 4. Require the person to read and sign a form  
16 stating that the duty of the person to register under  
17 this chapter has been explained. If the person cannot  
18 read, is unable to write, or refuses to cooperate, the  
19 duty and the form shall be explained orally and a  
20 written record maintained by the person explaining the  
21 duty and the form.

22 Sec. \_\_\_\_ . NEW SECTION. 235D.6 REGISTRATION FEES  
23 FOR OFFENDERS.

24 At the time of filing an initial registration, or a  
25 renewal of registration with the department, a person  
26 who is required to register pursuant to section 235D.2  
27 shall pay an annual fee of one hundred twenty-five  
28 dollars to the department. If, at the time of  
29 registration, the person who is required to register  
30 is unable to pay the fee, the department may allow the  
31 person time to pay the fee, permit the payment of the  
32 fee in installments, or waive payment of the fee for  
33 good cause. Fees paid to the department shall be used  
34 to defray the costs of duties related to the  
35 registration of persons under this chapter.

36 Sec. \_\_\_\_ . NEW SECTION. 235D.7 FAILURE TO COMPLY  
37 -- PENALTY.

38 A person who willfully fails to register as  
39 required under this chapter commits a serious  
40 misdemeanor for a first offense and an aggravated  
41 misdemeanor for a second or subsequent offense.  
42 However, a person who willfully fails to register as  
43 required under this chapter and who, during the period  
44 in which the person has willfully failed to register,  
45 commits a criminal offense against a child under  
46 chapter 709, 709A, 710, 725, 726, or 728, commits a  
47 class "D" felony. The court shall not defer judgment  
48 or sentence for any violation of the registration  
49 requirements of this chapter.

50 Sec. \_\_\_\_ . NEW SECTION. 235D.8 REGISTRATION AND

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## 1 DISCLOSURE PROCESS.

2 1. The department shall prepare registration  
3 forms. The forms shall include the registrant's name,  
4 social security number, current address, and, if  
5 applicable, telephone number. In addition, the  
6 registration form shall include the names, addresses,  
7 and telephone numbers of the children for which the  
8 registrant is providing child day care as well as this  
9 information for the children's parent, guardian, or  
10 custodian. The forms may provide for the reporting of  
11 additional relevant information, including but not  
12 limited to, residents in the household of the person  
13 required to register, but shall not include  
14 information identifying the victim of the child abuse  
15 which the registrant was found to have committed.  
16 Forms shall be available to any person upon request to  
17 the department.

18 2. a. The department shall prepare disclosure  
19 forms which shall be made available to a registrant.  
20 The disclosure form shall provide for a written  
21 acknowledgment by the parent or guardian of each child  
22 for which the registrant provides child day care that  
23 the registrant is required to register with the child  
24 care-child abuse registry by reason of having been  
25 named as having abused a child in a founded child  
26 abuse report. The form shall also provide  
27 instructions regarding the parent's, guardian's, or  
28 custodian's access to information maintained in the  
29 child abuse-child care registry.

30 b. The disclosure form shall be signed by the  
31 parent or guardian of each child for which the  
32 registrant provides child day care, acknowledging that  
33 the parent or guardian has read the form. A  
34 disclosure form shall be filed with the department for  
35 each child in the registrant's child day care as part  
36 of the registration requirements. The department  
37 shall retain a disclosure form filed in accordance  
38 with this paragraph for a period of three years.

39 Sec. \_\_\_\_ . NEW SECTION. 235D.9 DEPARTMENT DUTIES  
40 -- REGISTRY.

41 The department shall perform all of the following  
42 duties:

43 1. Develop and disseminate the standard forms for  
44 registering persons required to register pursuant to  
45 section 235D.2, and for understanding of registration  
46 requirements by the persons.

47 2. Maintain a central registry of information  
48 collected from persons required to register under this  
49 chapter, which shall be known as the child abuse-child  
50 care registry.

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1 3. Adopt rules under chapter 17A as necessary to  
2 do all of the following:  
3 a. Ensure compliance with registration  
4 requirements of this chapter.  
5 b. Provide guidelines for persons required to  
6 assist in obtaining registry information.  
7 c. Provide a procedure for the dissemination of  
8 information contained in the child abuse-child care  
9 registry. The procedure for the dissemination of  
10 information shall include, but is not limited to,  
11 practical guidelines for use by agencies in  
12 determining when public release of information  
13 contained in the registry is appropriate and a  
14 requirement that if a member of the general public  
15 requests information regarding a specific individual  
16 in the manner provided in section 235D.11, the  
17 information shall be released. The department, in  
18 developing the procedure, shall consult with  
19 associations which represent the interests of law  
20 enforcement officers. Rules adopted shall also  
21 include a procedure for removal of information from  
22 the registry upon a determination that the information  
23 concerning the person in the founded child abuse  
24 report which caused the person to register under this  
25 chapter was unfounded and was corrected or eliminated  
26 pursuant to section 235A.19, subsection 5.

27 Sec. \_\_\_\_ . NEW SECTION. 235D.10 CHILD ABUSE-CHILD  
28 CARE REGISTRY FUND.

29 A child abuse-child care registry fund is  
30 established as a separate fund within the state  
31 treasury under the control of the department. The  
32 fund shall consist of moneys received from fees  
33 received under section 235D.6 and other funds allo-  
34 cated for purposes of establishing and maintaining the  
35 child abuse-child care registry, conducting research  
36 and analysis related to child abuse-child care issues,  
37 and to perform other duties required under this  
38 chapter. Notwithstanding section 8.33, unencumbered  
39 or unobligated moneys and any interest remaining in  
40 the fund on June 30 of any fiscal year shall not  
41 revert to the general fund of the state, but shall  
42 remain available for expenditure in subsequent fiscal  
43 years. Moneys in the fund are appropriated to the  
44 department to be used only for the purposes delineated  
45 in this section and are not subject to transfer  
46 pursuant to section 8.39.

47 Sec. \_\_\_\_ . NEW SECTION. 235D.11 AVAILABILITY OF  
48 RECORDS.

49 Notwithstanding chapter 22, the confidentiality of  
50 information in the child abuse-child care registry

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1 shall be maintained except as specifically provided as  
2 follows:

3 1. As authorized in section 235A.15.

4 2. The department shall release information  
5 regarding a specific person who is required to  
6 register under this chapter to a member of the general  
7 public if the person requesting the information gives  
8 the person's name and address in writing, states the  
9 person's reason for requesting the information, and  
10 provides the department with the name and address of  
11 the person about whom the information is sought. The  
12 department shall maintain a record of persons  
13 requesting information from the registry. The  
14 confidentiality of the record of a person requesting  
15 information from the registry shall be maintained,  
16 unless the person requesting the information from the  
17 registry requests that the record of the information  
18 request be a public record.

19 3. Information shall not be released which would  
20 identify the victim's name or location in the founded  
21 child abuse report which is a part of the child abuse-  
22 child care registry record.

23 Sec. \_\_\_\_ . NEW SECTION. 235D.12 COOPERATION WITH  
24 REGISTRATION.

25 Each agency of state and local government which  
26 possesses information relevant to requirements that a  
27 person register under this chapter shall provide that  
28 information to the department upon request. Any  
29 confidential record provided pursuant to this section  
30 shall only be released pursuant to section 235D.11.

31 Sec. \_\_\_\_ . NEW SECTION. 235D.13 IMMUNITY FOR GOOD  
32 FAITH CONDUCT.

33 A person is immune from civil or criminal liability  
34 for acts or omissions arising from a good faith effort  
35 to comply with this chapter.""

36 2. By renumbering as necessary.

By CATALDO of Polk

HOUSER of Pottawatamie

BODDICKER of Cedar

MORELAND of Wapello

H-5620 FILED MARCH 26, 1996

WITHDRAWN

(p.982)



## SENATE FILE 2442

H-5627

1 Amend the amendment, H-5478, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 8, by inserting after line 29 the  
5 following:  
6 "\_\_\_\_. Page 35, by inserting before line 10 the  
7 following:  
8 "4. The portion of this appropriation which is  
9 attributable to reimbursement of legal services and  
10 support through the office of the attorney general is  
11 exempt from any reduction in the general  
12 administration appropriation otherwise required under  
13 this Act."

By MURPHY of Dubuque

H-5627 FILED MARCH 26, 1996  
LOST

(P. 981)

HOUSE AMENDMENT TO  
SENATE FILE 2442

S-5550

1 Amend Senate File 2442, as amended, passed, and  
2 reprinted by the Senate, as follows:

3 1. Page 1, by striking line 30 and inserting the  
4 following:

5 "..... \$ 2,000,000"

6 2. Page 2, by inserting after line 29 the  
7 following:

8 "3. Of the funds appropriated in this section,  
9 \$10,000 is allocated to the community voice mail  
10 program to continue the existing program."

11 3. Page 6, by inserting before line 31 the  
12 following:

13 " \_\_\_\_\_. If funding is projected to be available  
14 within the amount appropriated in this section, the  
15 department shall implement the case study for outcome-  
16 based performance standards for programs serving  
17 persons with mental retardation or other developmental  
18 disabilities proposed pursuant to 1994 Iowa Acts,  
19 chapter 1170, section 56, and expend not more than  
20 \$75,000 for the research associated with the case  
21 study. The department shall adopt rules applicable to  
22 the programs included in the case study, request a  
23 waiver of applicable federal requirements, and take  
24 other actions deemed necessary by the department to  
25 implement the case study.

26 \_\_\_\_\_. The department of human services shall submit  
27 a report to the general assembly on or before January  
28 1, 1997, regarding reimbursement for teleconsultive  
29 services provided by health care providers to  
30 recipients of medical assistance. The report shall  
31 include but is not limited to recommendations  
32 regarding the feasibility of implementation of a pilot  
33 program, including the adoption and utilization of an  
34 alternative reimbursement methodology, to determine  
35 the effect of teleconsultive services on health care  
36 quality, access, and cost."

37 4. Page 7, by inserting after line 17 the  
38 following:

39 "3. Any future contract entered into by the  
40 department for mental health managed care under the  
41 medical assistance program shall include a provision  
42 which requires the contractor to make public  
43 information the amount of profit realized by the  
44 contractor and the amount of funds expended by the  
45 contractor for administrative purposes under the  
46 contract."

47 5. Page 9, by striking line 13 and inserting the  
48 following:

49 "..... \$ 9,940,000"

50 6. Page 9, line 16, by striking the figure

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1 "11,593,789" and inserting the following:

2 "5,628,789".

3 7. Page 11, by striking lines 6 through 25.

4 8. Page 12, by striking line 1 and inserting the  
5 following:

6 "..... \$ 12,300,000"

7 9. Page 12, line 2, by striking the figure

8 "12,690,700" and inserting the following:

9 "11,390,700".

10 10. Page 12, by inserting after line 34, the  
11 following:

12 "5. The department shall revise the administration  
13 of the JOBS program and shall reduce the duplication  
14 of staff efforts in providing orientation and  
15 assessment services to clients. The amount of funding  
16 appropriated in this section has been reduced by  
17 \$300,000 to reflect action by the department to limit  
18 its contracting with other state agencies for primary  
19 functions under the JOBS program to contracting with  
20 not more than one state agency."

21 11. By striking page 12, line 35 through page 15,  
22 line 23, and inserting the following:

23 "Sec. 8. CHILD SUPPORT RECOVERY. There is  
24 appropriated from the general fund of the state to the  
25 department of human services for the fiscal year  
26 beginning July 1, 1996, and ending June 30, 1997, the  
27 following amount, or so much thereof as is necessary,  
28 to be used for the purposes designated:

29 For child support recovery, including salaries,  
30 support, maintenance, and miscellaneous purposes and  
31 for not more than the following full-time equivalent  
32 positions:

33 ..... \$ 6,400,000

34 ..... FTES 226.22

35 1. The director of human services, within the  
36 limitations of the funds appropriated in this section,  
37 or funds transferred from the family investment  
38 program appropriation made in this Act for this  
39 purpose, shall establish new positions and add  
40 employees to the child support recovery unit if the  
41 director determines that both the current and  
42 additional employees together can reasonably be  
43 expected to maintain or increase net state revenue at  
44 or beyond the budgeted level. If the director adds  
45 employees, the department shall demonstrate the cost-  
46 effectiveness of the current and additional employees  
47 by reporting to the joint appropriations subcommittee  
48 on human services the ratio of the total amount of  
49 administrative costs for child support recoveries to  
50 the total amount of the child support recovered.

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1 2. Nonpublic assistance application and user fees  
2 received by the child support recovery program are  
3 appropriated and shall be used for the purposes of the  
4 child support recovery program. The director of human  
5 services may add positions if fees collected relating  
6 to the new positions are sufficient to pay the  
7 salaries and support for the positions. The director  
8 shall report any positions added pursuant to this  
9 subsection to the chairpersons and ranking members of  
10 the joint appropriations subcommittee on human  
11 services and the legislative fiscal bureau.

12 3. The director of human services, in consultation  
13 with the department of management and the legislative  
14 fiscal committee, is authorized to receive and deposit  
15 state child support incentive earnings in the manner  
16 specified under applicable federal requirements.

17 4. The director of human services may establish  
18 new positions and add state employees to the child  
19 support recovery unit if the director determines the  
20 employees are necessary to replace county-funded  
21 positions eliminated due to termination, reduction, or  
22 nonrenewal of a chapter 28E contract. However, the  
23 director must also determine that the resulting  
24 increase in the state share of child support recovery  
25 incentives exceeds the cost of the positions, the  
26 positions are necessary to ensure continued federal  
27 funding of the program, or the new positions can  
28 reasonably be expected to recover more than twice the  
29 amount of money to pay the salaries and support for  
30 the new positions.

31 5. The child support recovery unit shall continue  
32 to work with the judicial department to determine the  
33 feasibility of a pilot project utilizing a court-  
34 appointed referee for judicial determinations on child  
35 support matters. The extent and location of any pilot  
36 project shall be jointly developed by the judicial  
37 department and the child support recovery unit.

38 6. The department shall expend up to \$50,000,  
39 including federal financial participation, for the  
40 fiscal year beginning July 1, 1996, for a child  
41 support public awareness campaign. The department  
42 shall cooperate with the office of the attorney  
43 general in continuation of the campaign. The public  
44 awareness campaign shall emphasize, through a variety  
45 of media activities and through continuation of the  
46 publication of names of persons who are delinquent in  
47 payment of child support obligations, the importance  
48 of maximum involvement of both parents in the lives of  
49 their children as well as the importance of payment of  
50 child support obligations.

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1 7. The department shall continue the pilot program  
2 option to provide and supervise a community service  
3 pilot project for absent parents who are ordered by  
4 the court to perform community service for failure to  
5 pay child support pursuant to section 598.23A.

6 8. The director of human services may enter a  
7 contract with private collection agencies to collect  
8 support payments for cases which have been identified  
9 by the department as difficult collection cases if the  
10 department determines that this form of collection is  
11 more cost effective than departmental collection  
12 methods. The director may use a portion of the state  
13 share of funds collected through this means to pay the  
14 costs of any contracts authorized under this  
15 subsection.

16 9. The department shall employ on or before July  
17 2, 1996, at least 1.00 FTE to respond to telephone  
18 inquiries during all weekly business hours.

19 10. The department shall develop guidelines to be  
20 used in lieu of the child support guidelines  
21 prescribed under section 598.21, subsection 4, for  
22 establishing a support obligation and the amount of  
23 the support debt accrued and accruing pursuant to  
24 section 234.39 for the costs of foster care services.  
25 The proposed guidelines shall reflect the public  
26 purpose of establishing a support obligation without  
27 causing a serious disruption of the family of the  
28 obligor. The department shall submit the proposed  
29 guidelines to the general assembly on or before  
30 January 15, 1997.

31 11. The department of human services shall  
32 cooperate with the restructuring task force on the  
33 future of human services to assess the feasibility of  
34 transferring all or part of the functions of the child  
35 support recovery unit to other agencies of state  
36 government on or after July 1, 1997."

37 12. Page 15, by striking lines 34 and 35 and  
38 inserting the following:

39 "..... \$ 13,778,000  
40 ..... FTEs 320.77"

41 13. Page 16, by striking lines 4 and 5, and  
42 inserting the following:

43 "..... \$ 5,130,000  
44 ..... FTEs 118.54"

45 14. Page 16, by striking line 30 and inserting  
46 the following:

47 "..... \$ 86,211,014"

48 15. Page 17, line 6, by striking the figure  
49 "23,892,280" and inserting the following:

50 "23,792,280".

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1 16. Page 21, by inserting after line 29 the  
2 following:

3 "\_\_\_\_\_. Of the funds appropriated in this section,  
4 \$731,014 shall be used by the department for child  
5 abuse prevention grants."

6 17. Page 21, by striking line 30 and inserting  
7 the following:

8 "Sec. \_\_\_\_\_. ADOLESCENT PREGNANCY PREVENTION  
9 PROGRAMS. There is appropriated".

10 18. Page 21, line 35, by striking the words "For  
11 community-based programs" and inserting the following:

12 "For adolescent pregnancy prevention programs".

13 19. Page 22, by striking line 4 and inserting the  
14 following:

15 "..... \$ 1,034,146"

16 20. Page 22, line 10, by inserting after the word  
17 "adolescents." the following: "Grant recipients shall  
18 submit information to the department of human services  
19 regarding the pregnancy rate of participants in small-  
20 group activities for which follow-up contact is  
21 practical. Large-group activities are exempt from  
22 this reporting requirement."

23 21. Page 23, by striking lines 16 through 18 and  
24 inserting the following:

25 "3. The legislative council is requested to  
26 establish a legislative interim committee during the  
27 1996 interim of the general assembly to evaluate the  
28 effectiveness of current and proposed adolescent  
29 pregnancy prevention programs.

30 Sec. \_\_\_\_\_. FAMILY PLANNING PROGRAMS. There is  
31 appropriated from the general fund of the state to the  
32 department of human services for the fiscal year  
33 beginning July 1, 1996, and ending June 30, 1997, the  
34 following amount, or so much thereof as is necessary,  
35 to be used for the purpose designated:

36 For family planning programs:  
37 ..... \$ 736,840

38 For the purposes of this section, "family planning  
39 programs" include those programs which provide  
40 clinical care services including those services which  
41 assist a client in obtaining contraceptive devices and  
42 supplies. Clinical care services include but are not  
43 limited to the initial examination, an annual  
44 examination, related services including, but not  
45 limited to, abnormal pap repeats, sexually transmitted  
46 disease testing and treatment, and infection testing  
47 and treatment or referral as indicated, and injectable  
48 contraceptives. "Family planning programs" also  
49 include family planning educational services which  
50 include, but are not limited to, group or individual

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1 discussions with clients informing clients of the  
2 various types of birth control methods available and  
3 where the various types of birth control might be  
4 obtained."

5 22. Page 26, by striking line 10 and inserting  
6 the following:

7 "..... \$ 41,527,000"

8 23. Page 26, by striking line 21 and inserting  
9 the following:

10 "..... \$ 16,940,000"

11 24. Page 27, by striking lines 23 through 26.

12 25. Page 27, by inserting before line 27 the  
13 following:

14 "\_\_\_\_. The department shall work with the  
15 department of management and the legislative fiscal  
16 bureau in reviewing revenues and expenditures  
17 attributable to the state hospital-schools and state  
18 mental health institutes, applicable fiscal  
19 procedures, and other information as necessary to  
20 develop a proposal to revise the manner of making  
21 appropriations to these state institutions and of  
22 accounting for reimbursements and expenditures so that  
23 in future fiscal years the amounts appropriated  
24 reflect the net amount of state funds needed. The  
25 proposal shall be submitted to the general assembly on  
26 or before December 16, 1996.

27 \_\_\_\_\_. The superintendents of the state hospital-  
28 schools shall work with the department's  
29 administrative staff in reviewing the manner in which  
30 services and costs are combined for purposes of  
31 billing for medical assistance reimbursement at the  
32 state hospital-schools. Following the review, the  
33 superintendents shall submit a proposal for revising  
34 the state hospital-schools' manner of billing for  
35 medical assistance reimbursement to be more comparable  
36 to other intermediate care facilities for the mentally  
37 retarded. The proposal shall be submitted to the  
38 general assembly on or before December 16, 1996.

39 \_\_\_\_\_. The department shall work with counties and  
40 the department's contractor for managed mental health  
41 care under medical assistance, in developing a plan  
42 for community-based placements of those persons who  
43 could no longer be placed at a state institution due  
44 to a reduction of capacity at the institution. The  
45 plan should include provisions for development of  
46 adequate alternatives to institutional placements.  
47 The plan shall be submitted for review to the task  
48 force for restructuring the department of human  
49 services created in this Act and to the state-county  
50 management committee. Prior to any reduction of

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1 capacity at a state institution during the fiscal year  
2 beginning July 1, 1996, from the capacity which  
3 existed during the previous fiscal year, the state-  
4 county management committee must concur that adequate  
5 community-based placements have been developed to  
6 replace the capacity proposed to be reduced at the  
7 state institution."

8 26. Page 28, by striking line 18 and inserting  
9 the following:

10 "..... \$ 1,144,000"

11 27. Page 33, by striking line 3 and inserting the  
12 following:

13 "..... \$ 300,000"

14 28. Page 34, by striking line 1 and inserting the  
15 following:

16 "..... \$ 8,460,000"

17 29. Page 34, line 2, by striking the figure  
18 "379.00" and inserting the following: "376.00".

19 30. Page 34, by striking lines 6 through 13.

20 31. Page 34, line 14, by striking the word and  
21 figure "3. The" and inserting the following: "2.  
22 Except as provided under the appropriation in this Act  
23 to the legislative council, the".

24 32. By striking page 34, line 22, through page  
25 35, line 9, and inserting the following: "Assembly.

26 "Sec. \_\_\_\_ . DEPARTMENT OF HUMAN SERVICES

27 RESTRUCTURING TASK FORCE ON THE FUTURE OF HUMAN  
28 SERVICES. There is appropriated from the general fund  
29 of the state to the legislative council for the fiscal  
30 year beginning July 1, 1996, and ending June 30, 1997,  
31 the following amount, or so much thereof as is  
32 necessary, to be used for the purpose designated:

33 For expenses associated with the activities of the  
34 task force for assessing the structure and function of  
35 the department of human services and human services  
36 programs in accordance with this section:

37 ..... \$ 100,000

38 1. The legislative council shall establish a task  
39 force to develop a comprehensive proposal for changing  
40 the role and function of the department of human  
41 services and its programs. The purpose of the changes  
42 is to improve services to Iowans through the creation  
43 of new federal, state, and local partnerships. The  
44 task force shall make recommendations regarding  
45 restructuring the department of human services in  
46 order to achieve better human services results, to  
47 improve the quality of service delivery, and to  
48 increase the quality of the department's interaction  
49 with the public. The task force may also assess  
50 program duplication and linkages with other federal,

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1 state, or local programs or funding streams.

2 2. The task force shall be composed of not more  
3 than 21 members and shall include not more than five  
4 representatives appointed by the governor and  
5 legislators who are members of the joint  
6 appropriations subcommittee on human services and  
7 other knowledgeable legislators designated by the  
8 legislative council. The task force may use moneys  
9 appropriated in this section for technical assistance.  
10 The task force shall consult with service consumers,  
11 experts who are representative of organizations such  
12 as nonprofit service organizations, health insurers,  
13 and human services-oriented community organizations,  
14 representatives of local governments, representatives  
15 of state agencies, federal officials with expertise or  
16 responsibilities regarding human services in Iowa, and  
17 others, as determined by the task force. The report  
18 shall be completed prior to the convening of the  
19 Seventy-seventh General Assembly.

20 The task force shall provide for public input  
21 concerning the four modification proposals developed  
22 by the department in response to proposed federal  
23 actions submitted to the joint appropriations  
24 subcommittee on human services in February 1996.

25 The task force may establish work groups to assist  
26 in the task force's consideration of the modification  
27 proposals which may include the following:

28 a. A review of the child welfare modification  
29 proposal which may include input from representatives  
30 of the juvenile court, service providers, families  
31 receiving services, the attorney general,  
32 representatives of local governments, representatives  
33 of state agencies, and other citizens and officials.  
34 The proposal shall also include a recommendation for  
35 transfer of the department of human services  
36 delinquent youth programs to the department of  
37 corrections.

38 b. A review of the mental health and developmental  
39 disabilities proposal which shall incorporate issues  
40 associated with implementation of the funding reform  
41 enacted in Senate File 69; usage of service providers  
42 such as intermediate care facilities for the mentally  
43 retarded, state institutions, and other services for  
44 persons with disabilities; distribution of services  
45 throughout the state; and other issues.

46 c. A review of the family investment program  
47 proposal which may include input from the work group  
48 which considered the state human investment policy  
49 proposal or a successor interagency task force which  
50 makes recommendations to the department concerning the

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1 family investment program. Consideration of issues  
2 associated with the proposal may include review of the  
3 emergency assistance program, the family development  
4 and self-sufficiency (FaDSS) program, and child day  
5 care programs, and an assessment of the feasibility of  
6 transferring all or part of the functions of the child  
7 support recovery unit to other agencies of state  
8 government.

9 d. A review of the medical assistance proposal  
10 which may include input from representatives of the  
11 medical assistance advisory council, the long-term  
12 care resident's advocate, and consumer groups such as  
13 the Iowa affiliate of the American association of  
14 retired persons.

15 2. If federal law requires the state to make  
16 changes in the programs and services directed to the  
17 populations addressed by the modification proposals  
18 and authorizes the changes to be made without state  
19 legislation, the department shall adopt rules to  
20 implement the changes. The rules shall be submitted  
21 to the task force for review and recommendation prior  
22 to their submission to the administrative rules review  
23 committee."

24 33. Page 35, by striking lines 10 through 19.

25 34. By striking page 35, line 27, through page  
26 36, line 6.

27 35. By striking page 36, line 34, through page  
28 37, line 1, and inserting the following: "during the  
29 fiscal year ending June 30, 1996. In addition,".

30 36. Page 37, line 16, by inserting after the  
31 letter "g." the following: "(1)".

32 37. Page 37, by inserting after line 28 the  
33 following:

34 "\_\_\_\_. The department may modify the reimbursement  
35 methodology for skilled nursing facilities which  
36 participated in the medical assistance program on or  
37 before May 31, 1993, and which met the departmental  
38 disproportionate share payment provisions as of May  
39 31, 1993, if it is possible to demonstrate that the  
40 modification would result in a cost savings to the  
41 medical assistance program."

42 38. Page 37, by inserting after line 28, the  
43 following:

44 (2) Notwithstanding subparagraph (1), to the  
45 extent funds are available within the amount projected  
46 for reimbursement of nursing facilities within the  
47 appropriation for medical assistance in this Act, and  
48 within the appropriation for medical assistance as a  
49 whole, the department shall adjust the maximum medical  
50 assistance reimbursement rate for the direct health

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1 care cost category for nursing facilities to the 90th  
2 percentile, as calculated on December 31, 1996,  
3 unaudited compilation of cost and statistical data and  
4 the adjustment shall take effect January 1, 1997,  
5 under this subparagraph. Any increased reimbursement  
6 rate for a facility shall not exceed an increase of  
7 \$8.00 per day over the rates in effect for the  
8 facility on June 30, 1996.

9 (3) Effective July 1, 1996, the nursing facility  
10 incentive factor shall only be applicable to nursing  
11 facilities which meet all of the following criteria:

12 (a) Offer health insurance coverage to all  
13 employees of the nursing facility.

14 (b) Pay at least twenty-five percent of the  
15 premium costs of the health insurance plan of a  
16 participating employee."

17 39. Page 39, by striking lines 1 and 2 and  
18 inserting the following:

19 "c. The department revises the reimbursement rates  
20 as part of the changes in the mental health and  
21 developmental disabilities services system initiated  
22 pursuant to 1995 Iowa Acts, chapter 206 (Senate File  
23 69), and associated legislation.

24 d. The reimbursement rate revision is necessary to  
25 implement the change required by the appropriation in  
26 this Act for an increase in the reimbursement for  
27 residential care facilities."

28 40. Page 39, by striking lines 27 and 28 and  
29 inserting the following:

30 "8. The department, in cooperation and in  
31 consultation with the Iowa medical society, the Iowa  
32 osteopathic medical association, and the Iowa  
33 pharmacists association, may propose a pilot project  
34 for an".

35 41. Page 39, line 32, by inserting after the word  
36 "state." the following: "The department shall submit  
37 the proposal to the members of the joint  
38 appropriations subcommittee on human services on or  
39 before November 30, 1996."

40 42. Page 40, by striking lines 1 through 4 and  
41 inserting the following: "80th percentile. The  
42 department shall address any other proposals for  
43 containment of intermediate care facilities for the  
44 mentally retarded costs with the work group for  
45 restructuring of the department of human services  
46 created pursuant to this Act."

47 43. Page 41, line 27, by striking the figure  
48 "1,000,000" and inserting the following: "1,732,704".

49 44. Page 41, by striking lines 29 and 30 and  
50 inserting the following: "hospital-schools, field

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1 operations, and general administration. Of the funds  
2 appropriated to the department of human services in  
3 1995 Iowa Acts, chapter 205, section 24, and  
4 encumbered under that section which remain unobligated  
5 or unexpended on July 1, 1996, \$220,685 shall be  
6 transferred to the appropriation in this Act for the  
7 JOBS program and used for funding of the family  
8 development and self-sufficiency grant program."

9 45. Page 42, line 6, by striking the word "the"  
10 and inserting the following: "any closed units or  
11 other".

12 46. Page 42, by inserting after line 25 the  
13 following:

14 "Sec. \_\_\_\_ . REPORTS BY PROVIDERS OF FOSTER CARE  
15 SERVICES -- REVIEW -- PROCESS SIMPLIFICATION. The  
16 department of human services shall consult with  
17 providers of rehabilitation treatment services  
18 relating to the medical assistance child services  
19 initiative in reviewing provider requirements relating  
20 to financial and statistical accountability reporting  
21 and the process for submission of the reports relating  
22 to these requirements. Following this review, and no  
23 later than January 1, 1997, the department of human  
24 services shall implement a process which provides, at  
25 a minimum, for a simplified means of documenting  
26 compliance with provider accountability requirements  
27 which shall, at a minimum, include consolidation of  
28 the reports required and which may provide a means for  
29 submission of the reports in an electronic format."

30 47. Page 43, by striking lines 5 through 11.

31 48. Page 43, by striking lines 19 through 21 and  
32 inserting the following: "debt for the three months  
33 preceding the earlier of the following:

34 a. The provision by the child support recovery  
35 unit of the initial notice to the parent or guardian  
36 of the amount of the support obligation.

37 b. The date that the written request for a court  
38 hearing is received by the child support recovery unit  
39 as provided in section 252C.3 or 252F.3."

40 49. Page 47, line 5, by inserting after the word  
41 "unless" the following: "the effective date is  
42 delayed by the administrative rules review committee  
43 or".

44 50. Page 47, line 6, by inserting after the word  
45 "rules." the following: "Any rules adopted in  
46 accordance with the provisions of this section shall  
47 not take effect before the rules are reviewed by the  
48 administrative rules review committee."

49 51. By renumbering, relettering, or redesignating  
50 and correcting internal references as necessary.

RECEIVED FROM THE HOUSE

S-5550 FILED MARCH 27, 1996

*Senate Refused*  
4-12-96

*House Insists 4/15/96 (P. 1633)*

SENATE FILE 2442

S-5638

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. By striking page 9, line 30, through page 10,  
5 line 16.

6 2. By renumbering as necessary.

By ELAINE SZYMONIAK

SHELDON RITTMER

JOHN P. KIBBIE

MAGGIE TINSMAN

MARY NEUHAUSER

MERLIN E. BARTZ

S-5638 FILED APRIL 2, 1996

4-12-96  
(P. 1360)

SENATE FILE 2442

S-5703

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 10, by inserting after line 16 the  
5 following:

6 " . Page 38, by inserting after line 1 the  
7 following:

8 "k. For an individual who is dependent upon the  
9 use of a ventilator for a minimum of eighteen hours  
10 per day and is able to reside at the individual's home  
11 with the assistance of a ventilator, the medical  
12 equipment dealer shall be reimbursed for the actual  
13 costs of the backup ventilator which is used in the  
14 individual's home."

15 2. By renumbering as necessary.

WITHDRAWN

By JIM LIND

4-12-96 (P. 1360)

S-5703 FILED APRIL 10, 1996

SENATE FILE 2442

S-5689

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 11, by inserting after line 8 the  
5 following:

6 "\_\_\_\_. Page 41, by inserting after line 33 the  
7 following:

8 "Sec. \_\_\_\_ . IOWA HEALTHY KIDS PROGRAM. There is  
9 appropriated from the general fund of the state to the  
10 Iowa healthy kids trust fund for the fiscal year  
11 beginning July 1, 1996, and ending June 30, 1997, the  
12 following amount, or so much thereof as is necessary,  
13 to be used for the purpose designated:

14 For planning, administration, and implementation of  
15 the Iowa healthy kids program:

16 ..... \$ 200,000".

17 2. Page 11, by inserting before line 40 the  
18 following:

19 "\_\_\_\_. Page 45, by inserting before line 32 the  
20 following:

21 "Sec. \_\_\_\_ . NEW SECTION. 514I.1 IOWA HEALTHY KIDS  
22 PROGRAM -- LEGISLATIVE INTENT.

23 1. The general assembly finds that increased  
24 access to health care services could improve  
25 children's health and reduce the incidence and costs  
26 of childhood illness and disabilities among children  
27 in this state. Many children do not have health care  
28 services available or funded, and for those who do,  
29 lack of access is a restriction to obtaining such  
30 services. It is the intent of the general assembly  
31 that a program be implemented to provide health care  
32 services and comprehensive health benefits or insurance  
33 coverage to children. A goal for the program is to  
34 cooperate with any existing programs with similar  
35 purposes funded by either the public or private  
36 sector.

37 2. For the purposes of this chapter, unless the  
38 context otherwise requires:

39 a. "Advisory council" means the advisory council  
40 created by the division under section 514I.4.

41 b. "Division" means the insurance division of the  
42 department of commerce.

43 c. "Program" means the program developed by the  
44 division in accordance with section 514I.3.

45 Sec. \_\_\_\_ . NEW SECTION. 514I.2 IOWA HEALTHY KIDS  
46 PROGRAM AUTHORIZATION.

47 1. The general assembly authorizes the division to  
48 implement the Iowa healthy kids program. The division  
49 shall have all powers necessary to carry out the  
50 purposes of this chapter, including, but not limited

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1 to, the power to receive and accept grants, loans, or  
2 advances of funds from any person and to receive and  
3 accept from any source contributions of money,  
4 property, labor, or any other thing of value, to be  
5 held, used, and applied for the purposes of the  
6 program.

7 2. The program shall operate initially on a pilot  
8 project basis to include urban and rural areas.  
9 Expansion beyond the initial pilot project is subject  
10 to authorization by law.

11 3. Implementation of the program shall be limited  
12 to the extent of the funding appropriated for the  
13 purposes of the program.

14 Sec. \_\_\_\_ . NEW SECTION. 514I.3 IOWA HEALTHY KIDS  
15 PROGRAM OBJECTIVES.

16 The division shall develop a program to attain all  
17 of the following objectives:

18 1. Organize groupings of children for provision of  
19 comprehensive health benefits or insurance coverage.

20 2. Arrange for the collection of any payment or  
21 premium, in an amount to be determined by the  
22 division. The payment or premium shall be collected  
23 from a family of a participating child or other person  
24 to provide for payment for health care services or  
25 premiums for comprehensive health benefits or  
26 insurance coverage and for the actual or estimated  
27 administrative expenses incurred during the period for  
28 which the payments are made. The amount of payment or  
29 premium charged shall be based on the ability of the  
30 family of a child to pay. The division shall provide  
31 for adjustment of the amount charged to reflect  
32 contributions, public subsidy, or other means used to  
33 defray the amount charged.

34 3. Establish administrative and accounting  
35 procedures for the operation of the program.

36 4. Establish, in consultation with appropriate  
37 professional organizations, standards for health care  
38 services, providers, and comprehensive health benefits  
39 or insurance coverage appropriate for children and  
40 their family members.

41 5. Establish eligibility criteria which children  
42 and their family members must meet in order to  
43 participate in the program.

44 6. Establish participation criteria for the  
45 program and, if appropriate, contract with an  
46 authorized insurer, health maintenance organization,  
47 or insurance or benefits administrator to provide  
48 administrative services to the program.

49 7. Contract with authorized insurers, benefits  
50 providers, or any provider of health care services

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1 meeting standards established by the division, for the  
2 provision of comprehensive health benefits or  
3 insurance coverage and health care services to  
4 participants.

5 8. Develop and implement a plan to publicize the  
6 program, eligibility requirements of the program, and  
7 procedures for enrollment in the program and to  
8 maintain public awareness of the program.

9 9. Provide for administration of the program.

10 10. As appropriate, enter into contracts with  
11 local school boards or other agencies to provide on-  
12 site information, enrollment, and other services  
13 necessary to the operation of the program.

14 11. Provide an interim report on or before March  
15 1, 1997, to the governor and general assembly, on the  
16 development of the program to date and an annual  
17 report thereafter until the program is terminated or  
18 extended statewide.

19 Sec. \_\_\_\_ . NEW SECTION. 514I.4 ADVISORY COUNCIL.

20 1. The division may create an advisory council to  
21 assist the division in implementing the program. The  
22 advisory council membership may include, but is not  
23 limited to, the following:

24 a. A school administrator.

25 b. A member of a school board.

26 c. An employee of the state or local government in  
27 public health services.

28 d. A pediatrician who is a member of the American  
29 academy of pediatrics, Iowa chapter.

30 e. The director of human services or the  
31 director's designee.

32 f. A member of the association of Iowa hospitals  
33 and health systems.

34 g. A representative of authorized health care  
35 insurers or health maintenance organizations.

36 h. A representative of a university center for  
37 health issues.

38 i. A family practice physician who is a member of  
39 the Iowa academy of family physicians.

40 j. A school nurse who is a member of the Iowa  
41 nurses association.

42 k. The director of public health or the director's  
43 designee.

44 l. A citizen who is knowledgeable concerning  
45 health care and children's issues.

46 m. A citizen who is a parent with children at home  
47 who is active in a school-parent organization.

48 2. Advisory council members are entitled to  
49 receive, from funds of the division, reimbursement for  
50 actual and necessary expenses incurred in the

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1 performance of their official duties.

2 Sec. \_\_\_\_ . NEW SECTION. 514I.5 LICENSING NOT  
3 REQUIRED -- FISCAL OPERATION.

4 1. Health benefits or insurance coverage obtained  
5 under the program is secondary to any other available  
6 private or public health benefits or insurance  
7 coverage held by the participant child. The division  
8 may establish procedures for coordinating benefits  
9 under this program with benefits under other public  
10 and private coverage.

11 2. The program shall not be deemed to be  
12 insurance. However, the insurance division may  
13 require that any marketing representative utilized and  
14 compensated by the program be appointed as a  
15 representative of the insurers or health benefits  
16 services providers with which the program contracts.

17 Sec. \_\_\_\_ . NEW SECTION. 514I.6 THE IOWA HEALTHY  
18 KIDS TRUST FUND.

19 1. An Iowa healthy kids trust fund is created in  
20 the state treasury under the authority of the  
21 commissioner of insurance, to which all appropriations  
22 shall be deposited and used to carry out the purposes  
23 of this chapter. Other revenues of the program such  
24 as grants, contributions, matching funds, and  
25 participant payments shall not be considered revenue  
26 of the state, but rather shall be funds of the  
27 program. However, the division may designate portions  
28 of grants, contributions, matching funds, and  
29 participant payments as funds of the state and deposit  
30 those funds in the trust fund.

31 2. The trust fund shall be separate from the  
32 general fund of the state and shall not be considered  
33 part of the general fund of the state. The moneys in  
34 the trust fund are not subject to section 8.33 and  
35 shall not be transferred, used, obligated,  
36 appropriated, or otherwise encumbered except as  
37 provided in this section. Notwithstanding section  
38 12C.7, subsection 2, interest or earnings on moneys  
39 deposited in the trust fund shall be credited to the  
40 trust fund.

41 Sec. \_\_\_\_ . NEW SECTION. 514I.7 ACCESS TO RECORDS  
42 -- CONFIDENTIALITY -- PENALTIES.

43 1. Notwithstanding any other law to the contrary,  
44 the program shall have access to the medical records  
45 of a child who is participating or applying to  
46 participate in the program upon receipt of permission  
47 from a parent or guardian of the child, including but  
48 not limited to the medical records maintained by the  
49 state or a political subdivision of the state.  
50 Notwithstanding chapter 22, any identifying

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1 information, including medical records and family  
2 financial information, obtained by the program  
3 pursuant to this subsection is confidential. The  
4 program, the program's employees, and agents of the  
5 program shall not release, without the written consent  
6 of the participant or the parent or guardian of the  
7 participant, to any state or federal agency, to any  
8 private business or person, or to any other entity,  
9 any confidential information received pursuant to this  
10 subsection.

11 2. A violation of the provisions of subsection 1  
12 is a serious misdemeanor."

13 3. By renumbering as necessary.

By ELAINE SZYMONIAK  
JOHNIE HAMMOND  
JIM LIND

S-5689 FILED APRIL 8, 1996

*adopted*  
4-12-96  
(P.1360)

## SENATE FILE 2442

S-5679

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 6, line 11, by striking the figure "26."  
5 and inserting the following: "26 and inserting the  
6 following:

7 "3. The department may use available moneys  
8 appropriated to the department under this Act in  
9 making efforts to comply with the requirements of the  
10 state under the consent decree of Connor v. Branstad,  
11 No. 4-86-CV-30871 (S.D. Iowa, July 15, 1994)."

By ROBERT DVORSKY

S-5679 FILED APRIL 8, 1996

*adopted*  
4-12-96  
(P.1360)

SENATE FILE 2442

S-5657

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

- 4 1. Page 9, by striking lines 30 and 31.
- 5 2. By striking page 9, line 42, through page 10,  
6 line 16.
- 7 3. By renumbering as necessary.

By ELAINE SZYMONIAK  
SHELDON RITTMER

MERLIN E. BARTZ  
JOHN P. KIBBIE

**WITHDRAWN**

S-5657 FILED APRIL 3, 1996 4-12-96 (P.1360)

SENATE FILE 2442

S-5675

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

- 4 1. Page 7, by inserting after line 10 the  
5 following:  
6 "\_\_\_\_. Page 29, by striking line 28 and inserting  
7 the following:  
8 "..... \$ 17,230,000"  
9 \_\_\_\_\_. Page 32, by inserting after line 23 the

10 following:  
11 "6A. Of the funds appropriated in this section,  
12 \$1,000,000 shall be distributed to counties in  
13 accordance with the local purchase of service  
14 provisions of subsection 7 and shall be used to  
15 increase reimbursement for sheltered workshops.""

By BRAD BANKS  
JOHNIE HAMMOND

S-5675 FILED APRIL 3, 1996

*Adopted*  
4-12-96  
(P.1360)

## SENATE FILE 2442

S-5714

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

DIV 4 1. Page 1, line 10, by inserting after the word  
A 5 "program." the following: "The funds shall be  
6 available beginning July 1, 1996."

DV C 7 2. Page 1, by striking lines 26 through 36.

DIV 8 3. Page 1, by inserting before line 37 the  
B 9 following:

10 "\_\_\_\_. A member of the joint appropriations  
11 subcommittee on human services participating during  
12 the 1996 legislative interim in a planning process for  
13 long-term care involving a national foundation held by  
14 the department in the state, is entitled to per diem  
15 and expenses payable as a joint expense under section  
16 2.12.

17 \_\_\_\_\_. The division of medical assistance of the  
18 department of human services shall cooperate with the  
19 attorney general who, notwithstanding chapter 668, is  
20 encouraged to institute or join any civil action on  
21 behalf of the state against any manufacturer of  
22 cigarettes or other tobacco products to recover as one  
23 of the possible remedies the full amount of medical  
24 assistance provided by the state to a resident of the  
25 state which is attributable to the use of cigarettes  
26 or tobacco products."

DIV 27 4. By striking page 1, line 47, through page 2,  
D 28 line 3, and inserting the following:

29 "\_\_\_\_. Page 9, by striking line 24 and inserting  
30 the following:

31 "b. Families with an income which is more than 100  
32 percent but not more than 110".

33 \_\_\_\_\_. Page 10, by inserting after line 27 the  
34 following:

35 "5. If the department projects that funding for  
36 state child care assistance is reasonably adequate to  
37 fund the provisions of subsection 3, paragraphs "a"  
38 and "b", the department may transfer funding  
39 appropriated in this section to the appropriation in  
40 this Act for child and family services to provide  
41 additional funding for family-centered services."

DIV 42 5. Page 2, line 6, by striking the figure  
E 43 "12,300,000" and inserting the following:  
44 "14,350,000".

DIV 45 6. Page 2, line 9, by striking the figure  
F 46 "11,390,700" and inserting the following:  
47 "13,190,700".

DIV 48 7. Page 2, by inserting after line 9 the  
G 49 following:

50 "\_\_\_\_. Page 12, line 15, by striking the figure

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- 1 "779,315" and inserting the following: "1,029,315"."

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- DIV 2 8. By striking page 2, line 10, through page 4,  
H 3 line 36, and inserting the following:  
4 "\_\_\_\_\_. Page 13, by striking line 8 and inserting  
5 the following:  
6 "..... \$ 6,617,000"  
7 \_\_\_\_\_. Page 13, by striking lines 24 through 29 and  
8 inserting the following:  
9 "2. Nonpublic assistance application fees received  
10 by the child support recovery unit are appropriated  
11 and shall be used for the purposes of the child  
12 support recovery program. The director of human  
13 services may add positions within the limitations of  
14 the amount appropriated for salaries and support for  
15 the positions. The director".  
16 \_\_\_\_\_. Page 14, by striking line 14 and inserting  
17 the following: "to recover at least twice the amount  
18 of money necessary to pay the"."

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- DIV 19 9. Page 4, line 47, by striking the figure  
I 20 "86,211,014" and inserting the following:  
21 "86,000,000".

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- DIV 22 10. Page 4, line 50, by striking the figure  
J 23 "23,792,280" and inserting the following:  
24 "24,292,280".

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- DIV 25 11. By striking page 5, line 1, through page 6,  
K 26 line 4, and inserting the following:  
27 "\_\_\_\_\_. Page 22, by striking line 4 and inserting  
28 the following:  
29 "..... \$ 2,752,000"

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- DIV 30 12. Page 6, line 7, by striking the figure  
L 31 "41,527,000" and inserting the following:  
32 "41,927,000".

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- DIV 33 13. Page 6, line 10, by striking the figure  
M 34 "16,940,000" and inserting the following:  
35 "17,340,000".

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- DIV 36 14. Page 6, line 11, by striking the figure "26."  
N 37 and inserting the following: "26 and inserting the  
38 following:  
39 "3. The department may use available moneys  
40 appropriated to the department in this Act in making  
41 efforts to comply with the requirements of the state  
42 under the consent decree of Connor v. Branstad, No. 4-  
43 86-CV-30871 (S.D. Iowa, July 15, 1994)."

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- DIV 44 15. By striking page 6, line 12, through page 7,  
O 45 line 7.

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- DIV 46 16. Page 7, by inserting before line 8 the  
P 47 following:  
48 "\_\_\_\_\_. Page 28, line 15, by inserting after the  
49 word "used" the following: "by the division of  
50 children and family services"."

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DIV 1 17. Page 7, by striking lines 8 through 10 and  
 Q 2 inserting the following:  
 3 "\_\_\_\_\_. Page 28, by inserting after line 18 the  
 4 following:  
 5 "If an enactment by the Seventy-sixth General  
 6 Assembly, 1996 Session, amends section 225C.47 to  
 7 provide a children-at-home component under the  
 8 comprehensive family support program, the division of  
 9 children and family services shall utilize not more  
 10 than \$250,000 of the funds appropriated in this  
 11 section to implement a pilot project of the component  
 12 in at least one rural and one urban county. Not more  
 13 than \$50,000 of the funds allocated in this paragraph  
 14 shall be used for administrative costs."  
 15 \_\_\_\_\_. Page 29, by striking line 28 and inserting  
 16 the following:  
 17 "..... \$ 16,730,000"  
 18 \_\_\_\_\_. Page 32, by inserting after line 23 the  
 19 following:  
 20 "6A. Of the funds appropriated in this section,  
 21 \$500,000 shall be distributed to counties in  
 22 accordance with the local purchase of service  
 23 provisions of subsection 7 and shall be used to  
 24 increase reimbursement for sheltered workshops."

DIV 25 18. Page 7, by striking lines 11 through 16 and  
 R 26 inserting the following:  
 27 "\_\_\_\_\_. Page 33, by striking line 5 and inserting  
 28 the following: "division of children and family  
 29 services to"."

DIV 30 19. Page 7, line 18, by striking the figure  
 S 31 "376.00" and inserting the following: "378.00".

DIV 32 20. Page 7, line 21, by striking the figure "2."  
 T 33 and inserting the following: "2. a."

DIV 34 21. Page 7, line 22, by inserting after the word  
 U 35 "provided" the following: "under this subsection  
 36 and".

DIV 37 22. Page 7, by striking line 26 and inserting the  
 V 38 following:  
 39 ""b. The department may make changes to the  
 40 requirements for periodic reporting by participants  
 41 under the family investment program, food stamp  
 42 program, or medical assistance program if the changes  
 43 would result in a reduction in paperwork for the  
 44 participants and for department staff. If a federal  
 45 waiver is necessary to implement a change, the  
 46 department may submit the waiver request to the United  
 47 States departments of health and human services and  
 48 agriculture, as applicable. If the department elects  
 49 to submit a waiver request or to adopt rules to  
 50 implement a change under this paragraph, the

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1 department shall first consult with a group similar to  
2 the work group that considered the state human  
3 investment policy proposal or with a successor  
4 interagency task force which makes recommendations  
5 concerning the family investment program, and shall  
6 share the proposals with the chairpersons and ranking  
7 members of the committees on human resources of the  
8 senate and house of representatives.

9 c. If implementation of the request would result  
10 in increased federal funding and would permit greater  
11 flexibility in service funding, the department may  
12 submit a waiver request to the United States  
13 department of health and human services for Title IV-E  
14 funding to be provided to the state in a fixed amount.  
15 Prior to submission of the request, the department  
16 shall consult with representatives of the juvenile  
17 court and service providers.

18 Sec. . DEPARTMENT OF HUMAN SERVICES".

DV W19 23. Page 8, by striking lines 34 through 37.

DIV 20 24. Page 8, line 45, by inserting after the word  
X 21 "issues." the following: "In addition, the review  
22 shall consider a proposal to replace the single  
23 contract for managed care under medical assistance  
24 with not more than four regional plans utilizing  
25 collaborations between community mental health centers  
26 as umbrella agencies."

DIV 27 25. Page 9, line 14, by inserting after the word  
Y 28 "persons" the following: ", Iowa citizens' action  
29 network, governor's planning council for developmental  
30 disabilities, and representatives of maternal and  
31 child health centers".

DV Z32 26. Page 9, by striking lines 24 through 26.

DIV 33 27. Page 9, by inserting before line 27 the  
AA 34 following:

35 " . Page 36, by inserting before line 7 the  
36 following:

37 "Sec. . HEALTHY FAMILY PROGRAM. There is  
38 appropriated from the general fund of the state to the  
39 Iowa department of public health for the fiscal year  
40 beginning July 1, 1996, and ending June 30, 1997, the  
41 following amount, or so much thereof as is necessary,  
42 to be used for the purpose designated:

43 For the Iowa healthy family program under section  
44 135.106:

45 ..... \$ 115,000""

DIV 46 28. Page 10, by striking line 13 and inserting

BB 47 the following: "full-time employees of the nursing  
48 facility. For the purposes of this subparagraph  
49 subdivision, a "full-time employee" means an employee  
50 who works thirty hours per week or more."

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DIV 1 29. Page 10, by striking lines 28 through 39 and  
B 2 inserting the following:  
3 " \_\_\_\_\_. Page 39, by striking lines 27 through 32  
4 and inserting the following:  
5 "8. a. A pharmaceutical manufacturer that  
6 provides products eligible for payment or paid for  
7 under the medical assistance program, shall report to  
8 the board of medical examiners on or before January 1,  
9 1997, all income and other benefits with a monetary  
10 value provided by the manufacturer during the previous  
11 year to a person licensed under chapter 148, 150, or  
12 150A which is intended to influence, change, modify,  
13 educate, or otherwise affect the licensee's practice  
14 of the licensee's profession.  
15 b. A pharmaceutical manufacturer that provides  
16 products eligible for payment or paid for under the  
17 medical assistance program, shall report to the board  
18 of pharmacy examiners, on or before January 1, 1997,  
19 all income and other benefits with a monetary value  
20 provided by the manufacturer during the previous year  
21 to a person licensed under chapter 155A that was  
22 intended to influence, change, modify, educate, or  
23 otherwise affect the licensee's practice of the  
24 licensee's profession.  
25 c. A pharmaceutical manufacturer who fails to  
26 submit the reports required under paragraphs "a" and  
27 "b" is subject to loss of participation in the medical  
28 assistance program.  
29 d. A third-party payor, as designated pursuant to  
30 section 514C.6, shall disclose to the commissioner of  
31 insurance on or before January 1, 1997, the total of  
32 all pharmaceutical rebates received by the payor from  
33 any pharmaceutical manufacturer in the previous state  
34 fiscal year."

DIV 35 30. Page 10, by inserting after line 46 the  
CC 36 following:  
37 " \_\_\_\_\_. Page 40, by striking lines 13 through 18  
38 and inserting the following:  
39 "11. The department shall negotiate with providers  
40 of services under the department's medical assistance  
41 rehabilitative treatment program for children and  
42 families, to revise the department's rules providing  
43 reimbursement rates under the program, including a  
44 review of cost principles. The goals for the revision  
45 are to simplify the reimbursement process, reduce  
46 paperwork for providers, and provide full payment for  
47 necessary services provided under contract with the  
48 department. Prior to adoption of the rules and no  
49 later than October 1, 1996, the department".  
50 \_\_\_\_\_. By striking page 40, line 32, through page

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1 41, line 10, and inserting the following:  
 2 "For an increase in the purchase of service  
 3 reimbursement rate for adult residential services  
 4 provided to persons residing in any category of  
 5 licensed residential care facility. Beginning July 1,  
 6 1996, provider service rates for adult residential  
 7 services shall be increased up to the amount of actual  
 8 and allowable costs plus inflation, based upon the  
 9 cost reports on which rates have been established as  
 10 of April 1, 1996. However, a provider service rate  
 11 shall not be increased by more than \$4.36 per day. If  
 12 a provider service rate in effect prior to July 1,  
 13 1996, is greater than the actual and allowable costs  
 14 plus inflation, based upon the cost report, or if the  
 15 difference between the provider service rate and the  
 16 actual and allowable costs is less than \$.44 per day,  
 17 the provider service rate shall be increased by \$.44  
 18 per day:"

19 \_\_\_\_\_. Page 41, line 16, by inserting after the  
 20 word "fund." the following: "Use of the funding is  
 21 restricted to reimbursement of a licensed residential  
 22 care facility provider of adult residential services  
 23 which had a purchase of service contract for those  
 24 services in effect on June 30, 1996, and for which the  
 25 rate negotiated for fiscal year 1996-1997 is greater  
 26 than the rate paid in fiscal year 1995-1996.""

DD 27 31. Page 10, by striking lines 47 and 48.

DIV 28 32. By striking page 10, line 49, through page  
 EE 29 11, line 8.

DIV 30 33. Page 11, by inserting before line 9 the  
 FF 31 following:

32 "\_\_\_\_\_. Page 41, by inserting after line 33 the  
 33 following:

34 "Sec. \_\_\_\_\_. RUNAWAY TREATMENT PLAN GRANTS. There  
 35 is appropriated from the general fund of the state to  
 36 the division of criminal and juvenile justice planning  
 37 of the department of human rights for the fiscal year  
 38 beginning July 1, 1996, and ending June 30, 1997, the  
 39 following amount, or so much thereof as is necessary,  
 40 to be used for the purposes designated:

41 For demonstration grants for implementation of  
 42 runaway treatment plans in accordance with this  
 43 section:

44 ..... \$ 200,000

45 1. The division shall utilize the moneys  
 46 appropriated in this section for grants to develop two  
 47 demonstration programs to implement the provisions of  
 48 sections 232.195 and 232.196, as enacted in this Act,  
 49 with one program in an urban area and one program in a  
 50 rural area. The grantees shall provide up to twelve

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1 assessment and counseling beds and intensive family-  
2 centered services designed to determine the reasons  
3 children run away from home and methods to ameliorate  
4 the reasons so that children may either return home or  
5 receive necessary services. Not more than \$10,000 of  
6 the moneys shall be used for evaluation and other  
7 means for grantees to report on the successes and  
8 failures of the demonstration grants and methods to  
9 improve services to children who run away from home.

10 2. The department of human services and the  
11 division may adopt emergency rules to implement the  
12 provisions of section 232.196, subsection 3, as  
13 enacted by this Act.

14 Sec. \_\_\_\_ . IOWA HEALTHY KIDS PROGRAM. There is  
15 appropriated from the general fund of the state to the  
16 Iowa healthy kids trust fund for the fiscal year  
17 beginning July 1, 1996, and ending June 30, 1997, the  
18 following amount, or so much thereof as is necessary,  
19 to be used for the purpose designated:

20 For planning, administration, and implementation of  
21 the Iowa healthy kids program:

22 ..... \$ 200,000"

23 \_\_\_\_ . Page 41, by striking line 35 and inserting  
24 the following:

25 "1. If a state institution administered by the  
26 department of human".

DIV 27 34. Page 11, by inserting after line 11 the  
GG 28 following:

29 " \_\_\_\_ . Page 42, line 10, by inserting after the  
30 word "years." the following: "The department of human  
31 services and the department of economic development  
32 shall submit a joint report on or before January 2,  
33 1997, regarding any efforts made pursuant to this  
34 subsection.

35 2. For purposes of this section, "institution"  
36 means a state mental health institute or state  
37 hospital-school. If excess capacity exists at a state  
38 institution beyond the capacity required for  
39 placements at the institution under law,  
40 notwithstanding chapter 23A, the department of human  
41 services may enter into a contract with a private  
42 managed care health insurance plan or an organized  
43 delivery system for health care, to provide services  
44 during the fiscal year beginning July 1, 1996, at the  
45 institution for the plan or system."

DIV 46 35. Page 11, by inserting before line 30 the  
HH 47 following:

48 " \_\_\_\_ . Page 42, line 27, by striking the word  
49 "subsection" and inserting the following:  
50 "subsections".

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1 \_\_\_\_\_. Page 43, by inserting after line 4 the  
2 following:

3 "NEW SUBSECTION. 7. A psychiatric institution  
4 licensed prior to January 1, 1996, may exceed the  
5 number of beds authorized under subsections 5 and 5A  
6 if the excess beds are used to provide services funded  
7 from a source other than the medical assistance  
8 program under chapter 249A. Notwithstanding  
9 subsections 4, 5, and 5A, the provision of services  
10 using such excess beds does not require a certificate  
11 of need or a review by the department of human  
12 services.

13 Sec. \_\_\_\_\_. Section 232.2, Code Supplement 1995, is  
14 amended by adding the following new subsection:

15 NEW SUBSECTION. 6A. "Chronic runaway" means a  
16 child who is reported to law enforcement as a runaway  
17 more than once in any month or three or more times in  
18 a year.

19 Sec. \_\_\_\_\_. Section 232.19, subsection 1, paragraph  
20 c, Code 1995, is amended to read as follows:

21 c. ~~By a peace officer for the purpose of reuniting~~  
22 ~~a child with the child's family or removing the child~~  
23 ~~to a shelter care facility or a juvenile court~~  
24 officer, when the peace officer or juvenile court  
25 officer has reasonable grounds to believe the child  
26 has run away from the child's parents, guardian, or  
27 custodian, for the purposes of determining whether the  
28 child shall be reunited with the child's parents,  
29 guardian, or custodian, placed in shelter care, or, if  
30 a chronic runaway, placed in a runaway assessment and  
31 treatment center under section 232.196.

32 Sec. \_\_\_\_\_. NEW SECTION. 232.195 RUNAWAY TREATMENT  
33 PLAN.

34 A county, multicounty, or nonprofit organization  
35 may develop a runaway treatment plan to address  
36 problems with chronic runaway children in the area  
37 served by the organization. The organization shall  
38 submit the plan to the department of human rights,  
39 division of criminal and juvenile justice planning for  
40 approval for funding. The plan shall identify the  
41 problems with chronic runaway children and specific  
42 solutions to be implemented, including the development  
43 of a runaway assessment and treatment center and may  
44 include a request for funding. The division may award  
45 funds appropriated for implementation of the runaway  
46 treatment plan to shelter care homes which are  
47 licensed or approved by the department of human  
48 services.

49 Sec. \_\_\_\_\_. NEW SECTION. 232.196 RUNAWAY  
50 ASSESSMENT AND TREATMENT CENTER.

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1 1. As part of a county, multicounty, or nonprofit  
2 organization's runaway treatment plan under section  
3 232.195, the organization may establish a runaway  
4 assessment and treatment center. A center shall be  
5 operated by an entity which is licensed or approved by  
6 the department to operate a shelter care home. A  
7 center shall provide services to assess a child who is  
8 referred to the center for being a chronic runaway and  
9 intensive family counseling designed to address any  
10 problem causing the child to run away.

11 2. a. If a child is a chronic runaway and is not  
12 sent home with the child's parent, guardian, or  
13 custodian, the child may be placed in a runaway  
14 assessment and treatment center by a peace officer,  
15 juvenile court officer, or the child if the officer,  
16 juvenile court officer, or the child believes it to be  
17 in the child's best interest after consulting with the  
18 child's parent, guardian, or custodian.

19 b. Within forty-eight hours of being placed in the  
20 center the child shall be assessed by a center  
21 counselor to determine the reasons why the child is a  
22 chronic runaway and whether child in need of  
23 assistance or family in need of assistance proceedings  
24 are appropriate. As soon as practicable following the  
25 assessment, the child and the child's parent,  
26 guardian, or custodian shall be provided the  
27 opportunity for counseling sessions to identify the  
28 underlying causes of the runaway behavior and to  
29 develop a plan to address those causes.

30 c. A child shall be released from a runaway  
31 assessment and treatment center to the child's parent,  
32 guardian, or custodian not later than forty-eight  
33 hours after being placed in the center unless the  
34 child is placed in shelter care under section 232.21  
35 or an order is entered under section 232.78. A child  
36 whose parent, guardian, or custodian failed to attend  
37 counseling or who fails to take custody of the child  
38 at the end of placement in the center may be the  
39 subject of a child in need of assistance petition or  
40 such other order as the juvenile court finds to be in  
41 the child's best interest.

42 3. The department of human services may establish  
43 a special category within rules applicable to a  
44 juvenile shelter care home licensed or approved by the  
45 department which provides for operation of a runaway  
46 assessment and treatment center by such a home. Any  
47 rules applicable to the special category shall be  
48 jointly developed by the department of human services  
49 and the division of criminal and juvenile justice  
50 planning of the department of human rights."

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DIV 1 36. Page 11, line 30, by striking the figure  
II 2 "11." and inserting the following: "11 and inserting  
3 the following:  
4 "Sec. \_\_\_\_ . Section 232.143, Code Supplement 1995,  
5 is amended to read as follows:  
6 232.143 REGIONAL GROUP FOSTER CARE ~~TARGET~~ BUDGET  
7 TARGETS.  
8 1. A statewide expenditure target for-the-average  
9 number-of for children in group foster care placements  
10 on-any-day-of in a fiscal year, which placements are a  
11 charge upon or are paid for by the state, shall be  
12 established annually in an appropriation bill by the  
13 general assembly. The department and the judicial  
14 department shall jointly develop a formula for  
15 allocating a portion of the statewide expenditure  
16 target established by the general assembly to each of  
17 the department's regions. The formula shall be based  
18 upon the region's proportion of the state population  
19 of children and of the statewide number-of  
20 expenditures for children placed in group foster care  
21 in the previous five completed fiscal years. The  
22 number expenditure amount determined in accordance  
23 with the formula shall be the group foster care  
24 placement budget target for that region. A region may  
25 exceed its budget target for group foster care by not  
26 more than five percent in a fiscal year, provided the  
27 overall funding allocated by the department for all  
28 child welfare services in the region is not exceeded.  
29 2. For each of the department's regions,  
30 representatives appointed by the department and the  
31 juvenile court shall establish a plan for containing  
32 the number-of expenditures for children placed in  
33 group foster care ordered by the court within the  
34 budget target allocated to that region pursuant to  
35 subsection 1. The plan shall include monthly targets  
36 and strategies for developing alternatives to group  
37 foster care placements in order to contain  
38 expenditures for child welfare services provided-to  
39 children within the amount appropriated by the general  
40 assembly for that purpose. Each regional plan shall  
41 be established in advance of the fiscal year to which  
42 the regional plan applies. To the extent possible,  
43 the department and the juvenile court shall coordinate  
44 the planning required under this subsection with  
45 planning for services paid under section 232.141,  
46 subsection 4. The department's regional administrator  
47 shall communicate regularly, as specified in the  
48 regional plan, with the juvenile courts within that  
49 region concerning the current status of the regional  
50 plan's implementation.

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1 3. State payment for group foster care placements  
 2 shall be limited to those placements which are in  
 3 accordance with the regional plans developed pursuant  
 4 to subsection 2. If a proposed group foster care  
 5 placement in a region would meet the region's plan  
 6 requirements except that the placement would cause a  
 7 monthly or overall budget target to be exceeded and  
 8 the child is eligible for an alternative service which  
 9 is costlier and more restrictive than the proposed  
 10 placement, the director of human services, after  
 11 consultation with appropriate juvenile court  
 12 officials, may allow an exception to policy and  
 13 authorize the placement. At the close of the fiscal  
 14 year, moneys for specific placements authorized by the  
 15 director under this subsection shall be transferred  
 16 from the state appropriation for the alternative  
 17 placement to the appropriation for group foster care  
 18 placements, as necessary to prevent a deficit in the  
 19 appropriation for group foster care."

DIV 20 37. Page 11, by inserting after line 39 the  
 JJ 21 following:

22 "\_\_\_\_. Page 45, by inserting after line 31 the  
 23 following:

24 "Sec. \_\_\_\_ . Section 252B.4, Code 1995, is amended  
 25 to read as follows:

26 252B.4 NONASSISTANCE CASES.

27 The child support and paternity determination  
 28 services established by the department pursuant to  
 29 this chapter and other appropriate services provided  
 30 by law including but not limited to the provisions of  
 31 chapters 239, 252A, 252C, 252D, 252E, 252F, 598, and  
 32 600B shall be made available by the unit to an  
 33 individual not otherwise eligible as a public  
 34 assistance recipient upon application by the  
 35 individual for the services. The application shall be  
 36 filed with the department.

37 1. The director shall require an application fee  
 38 of five dollars.

39 ~~2.--The director may require an additional fee to~~  
 40 ~~cover the costs incurred by the department in~~  
 41 ~~providing the support collection and paternity~~  
 42 ~~determination services.~~

43 ~~---a.--The director shall, by rule, establish and~~  
 44 ~~inform all applicants for support enforcement and~~  
 45 ~~paternity determination services of the fee schedule.~~

46 ~~---b.--The additional fee for services may be deducted~~  
 47 ~~from the amount of the support money recovered by the~~  
 48 ~~department or may be collected from the recipient of~~  
 49 ~~the services following recovery of support money by~~  
 50 ~~the department.~~

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1 3- 2. When the unit intercepts a federal tax  
2 refund of an obligor for payment of delinquent support  
3 and the funds are due to a recipient of services who  
4 is not otherwise eligible for public assistance, the  
5 unit shall deduct a twenty-five dollar fee from the  
6 funds before forwarding the balance to the recipient.

7 a. The unit shall inform the recipient of the fee  
8 under this subsection prior to assessment.

9 b. The fee shall be assessed only to individuals  
10 who receive support from the federal tax refund offset  
11 program. If the tax refund due the recipient is less  
12 than fifty dollars, the fee shall not be assessed.

13 ~~4.--The department may adopt rules to establish~~  
14 ~~fees which provide for recovery of administrative~~  
15 ~~costs of the program in addition to other fees~~  
16 ~~identified.~~

17 5- 3. Fees collected pursuant to this section  
18 shall be retained by the department for use by the  
19 unit. The director or a designee shall keep an  
20 accurate record of funds so retained.

21 6- 4. An application fee paid by a recipient of  
22 services pursuant to subsection 1 may be recovered by  
23 the unit from the person responsible for payment of  
24 support and if recovered, shall be used to reimburse  
25 the recipient of services.

26 a. The fee shall be an automatic judgment against  
27 the person responsible to pay support.

28 b. This subsection shall serve as constructive  
29 notice that the fee is a debt due and owing, is an  
30 automatic judgment against the person responsible for  
31 support, and is assessed as the fee is paid by a  
32 recipient of services. The fee may be collected in  
33 addition to any support payments or support judgment  
34 ordered, and no further notice or hearing is required  
35 prior to collecting the fee.

36 c. Notwithstanding any provision to the contrary,  
37 the unit may collect the fee through any legal means  
38 by which support payments may be collected, including  
39 but not limited to income withholding under chapter  
40 252D or income tax refund offsets, unless prohibited  
41 under federal law.

42 d. The unit is not required to file these  
43 judgments with the clerk of the district court, but  
44 shall maintain an accurate accounting of the fee  
45 assessed, the amount of the fee, and the recovery of  
46 the fee.

47 e. Support payments collected shall not be applied  
48 to the recovery of the fee until all other support  
49 obligations under the support order being enforced,  
50 which have accrued through the end of the current

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1 calendar month, have been paid or satisfied in full.  
2 f. This subsection applies to fees that become due  
3 on or after July 1, 1992."

DIV 4 38. Page 11, by inserting before line 40 the  
KK 5 following:

6 "\_\_\_\_. Page 45, by inserting before line 32 the  
7 following:

8 "Sec. \_\_\_\_ . NEW SECTION. 514I.1 IOWA HEALTHY KIDS  
9 PROGRAM -- LEGISLATIVE INTENT.

10 1. The general assembly finds that increased  
11 access to health care services could improve  
12 children's health and reduce the incidence and costs  
13 of childhood illness and disabilities among children  
14 in this state. Many children do not have health care  
15 services available or funded, and for those who do,  
16 lack of access is a restriction to obtaining such  
17 services. It is the intent of the general assembly  
18 that a program be implemented to provide health care  
19 services and comprehensive health benefits or  
20 insurance coverage to children. A goal for the  
21 program is to cooperate with any existing programs  
22 with similar purposes funded by either the public or  
23 private sector.

24 2. For the purposes of this chapter, unless the  
25 context otherwise requires:

26 a. "Advisory council" means the advisory council  
27 created by the division under section 514I.4.

28 b. "Division" means the insurance division of the  
29 department of commerce.

30 c. "Program" means the program developed by the  
31 division in accordance with section 514I.3.

32 Sec. \_\_\_\_ . NEW SECTION. 514I.2 IOWA HEALTHY KIDS  
33 PROGRAM AUTHORIZATION.

34 1. The general assembly authorizes the division to  
35 implement the Iowa healthy kids program. The division  
36 shall have all powers necessary to carry out the  
37 purposes of this chapter, including, but not limited  
38 to, the power to receive and accept grants, loans, or  
39 advances of funds from any person and to receive and  
40 accept from any source contributions of money,  
41 property, labor, or any other thing of value, to be  
42 held, used, and applied for the purposes of the  
43 program.

44 2. The program shall operate initially on a pilot  
45 project basis to include urban and rural areas.  
46 Expansion beyond the initial pilot project is subject  
47 to authorization by law.

48 3. Implementation of the program shall be limited  
49 to the extent of the funding appropriated for the  
50 purposes of the program.

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1 Sec. \_\_\_\_ . NEW SECTION. 514I.3 IOWA HEALTHY KIDS  
2 PROGRAM OBJECTIVES.

3 The division shall develop a program to attain all  
4 of the following objectives:

5 1. Organize groupings of children for provision of  
6 comprehensive health benefits or insurance coverage.

7 2. Arrange for the collection of any payment or  
8 premium, in an amount to be determined by the  
9 division. The payment or premium shall be collected  
10 from a family of a participating child or other person  
11 to provide for payment for health care services or  
12 premiums for comprehensive health benefits or  
13 insurance coverage and for the actual or estimated  
14 administrative expenses incurred during the period for  
15 which the payments are made. The amount of payment or  
16 premium charged shall be based on the ability of the  
17 family of a child to pay. The division shall provide  
18 for adjustment of the amount charged to reflect  
19 contributions, public subsidy, or other means used to  
20 defray the amount charged.

21 3. Establish administrative and accounting  
22 procedures for the operation of the program.

23 4. Establish, in consultation with appropriate  
24 professional organizations, standards for health care  
25 services, providers, and comprehensive health benefits  
26 or insurance coverage appropriate for children and  
27 their family members.

28 5. Establish eligibility criteria which children  
29 and their family members must meet in order to  
30 participate in the program.

31 6. Establish participation criteria for the  
32 program and, if appropriate, contract with an  
33 authorized insurer, health maintenance organization,  
34 or insurance or benefits administrator to provide  
35 administrative services to the program.

36 7. Contract with authorized insurers, benefits  
37 providers, or any provider of health care services  
38 meeting standards established by the division, for the  
39 provision of comprehensive health benefits or  
40 insurance coverage and health care services to  
41 participants.

42 8. Develop and implement a plan to publicize the  
43 program, eligibility requirements of the program, and  
44 procedures for enrollment in the program and to  
45 maintain public awareness of the program.

46 9. Provide for administration of the program.

47 10. As appropriate, enter into contracts with  
48 local school boards or other agencies to provide on-  
49 site information, enrollment, and other services  
50 necessary to the operation of the program.

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1 11. Provide an interim report on or before March  
2 1, 1997, to the governor and general assembly, on the  
3 development of the program to date and an annual  
4 report thereafter until the program is terminated or  
5 extended statewide.

6 Sec. \_\_\_\_ . NEW SECTION. 514I.4 ADVISORY COUNCIL.

7 1. The division may create an advisory council to  
8 assist the division in implementing the program. The  
9 advisory council membership may include, but is not  
10 limited to, the following:

11 a. A school administrator.

12 b. A member of a school board.

13 c. An employee of the state or local government in  
14 public health services.

15 d. A pediatrician who is a member of the American  
16 academy of pediatrics, Iowa chapter.

17 e. The director of human services or the  
18 director's designee.

19 f. A member of the association of Iowa hospitals  
20 and health systems.

21 g. A representative of authorized health care  
22 insurers or health maintenance organizations.

23 h. A representative of a university center for  
24 health issues.

25 i. A family practice physician who is a member of  
26 the Iowa academy of family physicians.

27 j. A school nurse who is a member of the Iowa  
28 nurses association.

29 k. The director of public health or the director's  
30 designee.

31 l. A citizen who is knowledgeable concerning  
32 health care and children's issues.

33 m. A citizen who is a parent with children at home  
34 who is active in a school-parent organization.

35 2. Advisory council members are entitled to  
36 receive, from funds of the division, reimbursement for  
37 actual and necessary expenses incurred in the  
38 performance of their official duties.

39 Sec. \_\_\_\_ . NEW SECTION. 514I.5 LICENSING NOT  
40 REQUIRED -- FISCAL OPERATION.

41 1. Health benefits or insurance coverage obtained  
42 under the program is secondary to any other available  
43 private or public health benefits or insurance  
44 coverage held by the participant child. The division  
45 may establish procedures for coordinating benefits  
46 under this program with benefits under other public  
47 and private coverage.

48 2. The program shall not be deemed to be  
49 insurance. However, the insurance division may  
50 require that any marketing representative utilized and

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1 compensated by the program be appointed as a  
2 representative of the insurers or health benefits  
3 services providers with which the program contracts.  
4 Sec. \_\_\_\_ . NEW SECTION. 514I.6 THE IOWA HEALTHY  
5 KIDS TRUST FUND.

6 1. An Iowa healthy kids trust fund is created in  
7 the state treasury under the authority of the  
8 commissioner of insurance, to which all appropriations  
9 shall be deposited and used to carry out the purposes  
10 of this chapter. Other revenues of the program such  
11 as grants, contributions, matching funds, and  
12 participant payments shall not be considered revenue  
13 of the state, but rather shall be funds of the  
14 program. However, the division may designate portions  
15 of grants, contributions, matching funds, and  
16 participant payments as funds of the state and deposit  
17 those funds in the trust fund.

18 2. The trust fund shall be separate from the  
19 general fund of the state and shall not be considered  
20 part of the general fund of the state. The moneys in  
21 the trust fund are not subject to section 8.33 and  
22 shall not be transferred, used, obligated,  
23 appropriated, or otherwise encumbered except as  
24 provided in this section. Notwithstanding section  
25 12C.7, subsection 2, interest or earnings on moneys  
26 deposited in the trust fund shall be credited to the  
27 trust fund.

28 Sec. \_\_\_\_ . NEW SECTION. 514I.7 ACCESS TO RECORDS  
29 -- CONFIDENTIALITY -- PENALTIES.

30 1. Notwithstanding any other law to the contrary,  
31 the program shall have access to the medical records  
32 of a child who is participating or applying to  
33 participate in the program upon receipt of permission  
34 from a parent or guardian of the child, including but  
35 not limited to the medical records maintained by the  
36 state or a political subdivision of the state.  
37 Notwithstanding chapter 22, any identifying  
38 information, including medical records and family  
39 financial information, obtained by the program  
40 pursuant to this subsection is confidential. The  
41 program, the program's employees, and agents of the  
42 program shall not release, without the written consent  
43 of the participant or the parent or guardian of the  
44 participant, to any state or federal agency, to any  
45 private business or person, or to any other entity,  
46 any confidential information received pursuant to this  
47 subsection.

48 2. A violation of the provisions of subsection 1  
49 is a serious misdemeanor.

50 Sec. \_\_\_\_ . Section 710.8, Code 1995, is amended by

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1 adding the following new subsection:

2 NEW SUBSECTION. 4. A person shall not harbor a  
3 runaway child with the intent of allowing the runaway  
4 child to remain away from home against the wishes of  
5 the child's parent, guardian, or custodian. However,  
6 the provisions of this subsection do not apply to a  
7 shelter care home which is licensed or approved by the  
8 department of human services.""

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9 39. By renumbering, relettering, or redesignating  
10 and correcting internal references as necessary.

By JOHNIE HAMMOND

S-5714 FILED APRIL 11, 1996  
DEFERRED

**WITHDRAWN**

4-12-96

(p.1359)

SENATE FILE 2442

S-5733

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. By striking page 1, line 1, through page 11,  
5 line 50, and inserting the following:

6 "Amend Senate File 2442, as amended, passed, and  
7 reprinted by the Senate, as follows:

8 "\_\_\_\_\_. Page 1, by striking line 30 and inserting  
9 the following:

10 "..... \$ 2,000,000"

11 \_\_\_\_\_ Page 2, by inserting after line 29 the  
12 following:

13 "3. Of the funds appropriated in this section,  
14 \$10,000 is allocated to the community voice mail  
15 program to continue the existing program. The funds  
16 shall be available beginning July 1, 1996."

17 \_\_\_\_\_ Page 6, by inserting before line 31 the  
18 following:

19 "\_\_\_\_\_. If funding is projected to be available  
20 within the amount appropriated in this section, the  
21 department shall implement the case study for outcome-  
22 based performance standards for programs serving  
23 persons with mental retardation or other developmental  
24 disabilities proposed pursuant to 1994 Iowa Acts,  
25 chapter 1170, section 56, and expend not more than  
26 \$75,000 for the research associated with the case  
27 study. The department shall adopt rules applicable to  
28 the programs included in the case study, request a  
29 waiver of applicable federal requirements, and take  
30 other actions deemed necessary by the department to  
31 implement the case study.

32 \_\_\_\_\_ A member of the joint appropriations  
33 subcommittee on human services participating during  
34 the 1996 legislative interim in a planning process for  
35 long-term care involving a national foundation held by  
36 the department in the state, is entitled to per diem  
37 and expenses payable as a joint expense under section  
38 2.12.

39 \_\_\_\_\_ The division of medical assistance of the  
40 department of human services shall cooperate with the  
41 attorney general who, notwithstanding chapter 668, is  
42 encouraged to institute or join any civil action on  
43 behalf of the state against any manufacturer of  
44 cigarettes or other tobacco products to recover as one  
45 of the possible remedies the full amount of medical  
46 assistance provided by the state to a resident of the  
47 state which is attributable to the use of cigarettes  
48 or tobacco products."

49 \_\_\_\_\_ Page 7, by inserting after line 17 the  
50 following:

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Page 2

1 "3. Any future contract entered into by the  
2 department for mental health managed care under the  
3 medical assistance program shall include a provision  
4 which requires the contractor to make public  
5 information the amount of profit realized by the  
6 contractor and the amount of funds expended by the  
7 contractor for administrative purposes under the  
8 contract."

9 \_\_\_\_\_. Page 9, by striking line 24 and inserting  
10 the following:

11 "b. Families with an income which is more than 100  
12 percent but not more than 110".

13 \_\_\_\_\_. Page 10, by inserting after line 27 the  
14 following:

15 "5. If the department projects that funding for  
16 state child care assistance is reasonably adequate to  
17 fund the provisions of subsection 3, paragraphs "a"  
18 and "b", the department may transfer funding  
19 appropriated in this section to the appropriation in  
20 this Act for child and family services to provide  
21 additional funding for family-centered services."

22 \_\_\_\_\_. Page 12, by striking line 1 and inserting  
23 the following:

24 "..... \$ 14,350,000"

25 \_\_\_\_\_. Page 12, line 2, by striking the figure

26 "12,690,700" and inserting the following:

27 "13,190,700".

28 \_\_\_\_\_. Page 12, line 15, by striking the figure

29 "779,315" and inserting the following: "1,029,315".

30 \_\_\_\_\_. Page 13, by striking line 8 and inserting

31 the following:

32 "..... \$ 6,617,000"

33 \_\_\_\_\_. Page 13, by striking lines 24 through 29 and  
34 inserting the following:

35 "2. Nonpublic assistance application fees received  
36 by the child support recovery unit are appropriated  
37 and shall be used for the purposes of the child  
38 support recovery program. The director of human  
39 services may add positions within the limitations of  
40 the amount appropriated for salaries and support for  
41 the positions. The director".

42 \_\_\_\_\_. Page 14, by striking line 14 and inserting

43 the following: "to recover at least twice the amount  
44 of money necessary to pay the".

45 \_\_\_\_\_. Page 15, by striking lines 34 and 35 and

46 inserting the following:

47 "..... \$ 13,778,000

48 ..... FTEs 320.77"

49 \_\_\_\_\_. Page 16, by striking lines 4 and 5, and

50 inserting the following:

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Page 3

1 "..... \$ 5,130,000  
2 ..... FTEs 118.54"  
3 \_\_\_\_ Page 16, by striking line 30 and inserting  
4 the following:  
5 "..... \$ 86,000,000"  
6 \_\_\_\_ Page 17, line 6, by striking the figure  
7 "23,892,280" and inserting the following:  
8 "24,292,280".  
9 \_\_\_\_ Page 22, by striking line 4 and inserting  
10 the following:  
11 "..... \$ 2,752,000"  
12 \_\_\_\_ Page 26, by striking line 10 and inserting  
13 the following:  
14 "..... \$ 41,927,000"  
15 \_\_\_\_ Page 26, by striking line 21 and inserting  
16 the following:  
17 "..... \$ 17,340,000"  
18 \_\_\_\_ Page 27, by striking lines 23 through 26 and  
19 inserting the following:  
20 "3. The department may use available moneys  
21 appropriated to the department in this Act in making  
22 efforts to comply with the requirements of the state  
23 under the consent decree of Connor v. Branstad, No. 4-  
24 86-CV-30871 (S.D. Iowa, July 15, 1994)."  
25 \_\_\_\_ Page 28, line 15, by inserting after the  
26 word "used" the following: "by the division of  
27 children and family services".  
28 \_\_\_\_ Page 28, by inserting after line 18 the  
29 following:  
30 "If an enactment by the Seventy-sixth General  
31 Assembly, 1996 Session, amends section 225C.47 to  
32 provide a children-at-home component under the  
33 comprehensive family support program, the division of  
34 children and family services shall utilize not more  
35 than \$250,000 of the funds appropriated in this  
36 section to implement a pilot project of the component  
37 in at least one rural and one urban county. Not more  
38 than \$50,000 of the funds allocated in this paragraph  
39 shall be used for administrative costs."  
40 \_\_\_\_ Page 29, by striking line 28 and inserting  
41 the following:  
42 "..... \$ 16,730,000"  
43 \_\_\_\_ Page 32, by inserting after line 23 the  
44 following:  
45 "6A. Of the funds appropriated in this section,  
46 \$500,000 shall be distributed to counties in  
47 accordance with the local purchase of service  
48 provisions of subsection 7 and shall be used to  
49 increase reimbursement for sheltered workshops."  
50 \_\_\_\_ Page 33, by striking line 5 and inserting

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Page 4

1 the following: "division of children and family  
2 services to".

3 \_\_\_\_\_. Page 34, line 2, by striking the figure  
4 "379.00" and inserting the following: "378.00".

5 \_\_\_\_\_. Page 34, by striking lines 6 through 13.

6 \_\_\_\_\_. Page 34, line 14, by striking the word and  
7 figure "3. The" and inserting the following: "2. a.  
8 Except as provided under this subsection and under the  
9 appropriation in this Act to the legislative council,  
10 the".

11 \_\_\_\_\_. By striking page 34, line 22, through page  
12 35, line 9, and inserting the following: "Assembly.

13 b. The department may make changes to the  
14 requirements for periodic reporting by participants  
15 under the family investment program, food stamp  
16 program, or medical assistance program if the changes  
17 would result in a reduction in paperwork for the  
18 participants and for department staff. If a federal  
19 waiver is necessary to implement a change, the  
20 department may submit the waiver request to the United  
21 States departments of health and human services and  
22 agriculture, as applicable. If the department elects  
23 to submit a waiver request or to adopt rules to  
24 implement a change under this paragraph, the  
25 department shall first consult with a group similar to  
26 the work group that considered the state human  
27 investment policy proposal or with a successor  
28 interagency task force which makes recommendations  
29 concerning the family investment program, and shall  
30 share the proposals with the chairpersons and ranking  
31 members of the committees on human resources of the  
32 senate and house of representatives.

33 c. If implementation of the request would result  
34 in increased federal funding and would permit greater  
35 flexibility in service funding, the department may  
36 submit a waiver request to the United States  
37 department of health and human services for Title IV-E  
38 funding to be provided to the state in a fixed amount.  
39 Prior to submission of the request, the department  
40 shall consult with representatives of the juvenile  
41 court and service providers.

42 Sec. \_\_\_\_\_. DEPARTMENT OF HUMAN SERVICES  
43 RESTRUCTURING TASK FORCE ON THE FUTURE OF HUMAN  
44 SERVICES. There is appropriated from the general fund  
45 of the state to the legislative council for the fiscal  
46 year beginning July 1, 1996, and ending June 30, 1997,  
47 the following amount, or so much thereof as is  
48 necessary, to be used for the purpose designated:

49 For expenses associated with the activities of the  
50 task force for assessing the structure and function of

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1 the department of human services and human services  
2 programs in accordance with this section:

3 ..... \$ 100,000

4 1. The legislative council shall establish a task  
5 force to develop a comprehensive proposal for changing  
6 the role and function of the department of human  
7 services and its programs. The purpose of the changes  
8 is to improve services to Iowans through the creation  
9 of new federal, state, and local partnerships. The  
10 task force shall make recommendations regarding  
11 restructuring the department of human services in  
12 order to achieve better human services results, to  
13 improve the quality of service delivery, and to  
14 increase the quality of the department's interaction  
15 with the public. The task force may also assess  
16 program duplication and linkages with other federal,  
17 state, or local programs or funding streams.

18 2. The task force shall be composed of not more  
19 than 21 members and shall include not more than five  
20 representatives appointed by the governor and  
21 legislators who are members of the joint  
22 appropriations subcommittee on human services and  
23 other knowledgeable legislators designated by the  
24 legislative council. The task force may use moneys  
25 appropriated in this section for technical assistance.  
26 The task force shall consult with service consumers,  
27 experts who are representative of organizations such  
28 as nonprofit service organizations, health insurers,  
29 and human services-oriented community organizations,  
30 representatives of local governments, representatives  
31 of state agencies, federal officials with expertise or  
32 responsibilities regarding human services in Iowa, and  
33 others, as determined by the task force. The report  
34 shall be completed prior to the convening of the  
35 Seventy-seventh General Assembly.

36 The task force shall provide for public input  
37 concerning the four modification proposals developed  
38 by the department in response to proposed federal  
39 actions submitted to the joint appropriations  
40 subcommittee on human services in February 1996.

41 The task force may establish work groups to assist  
42 in the task force's consideration of the modification  
43 proposals which may include the following:

- 44 a. A review of the child welfare modification  
45 proposal which may include input from representatives  
46 of the juvenile court, service providers, families  
47 receiving services, the attorney general,  
48 representatives of local governments, representatives  
49 of state agencies, and other citizens and officials.
- 50 b. A review of the mental health and developmental

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1 disabilities proposal which shall incorporate issues  
2 associated with implementation of the funding reform  
3 enacted in Senate File 69; usage of service providers  
4 such as intermediate care facilities for the mentally  
5 retarded, state institutions, and other services for  
6 persons with disabilities; distribution of services  
7 throughout the state; and other issues. In addition,  
8 the review shall consider a proposal to replace the  
9 single contract for managed care under medical  
10 assistance with not more than four regional plans  
11 utilizing collaborations between community mental  
12 health centers as umbrella agencies.

13 c. A review of the family investment program  
14 proposal which may include input from the work group  
15 which considered the state human investment policy  
16 proposal or a successor interagency task force which  
17 makes recommendations to the department concerning the  
18 family investment program. Consideration of issues  
19 associated with the proposal may include review of the  
20 emergency assistance program, the family development  
21 and self-sufficiency (FaDSS) program, and child day  
22 care programs, and an assessment of the feasibility of  
23 transferring all or part of the functions of the child  
24 support recovery unit to other agencies of state  
25 government.

26 d. A review of the medical assistance proposal  
27 which may include input from representatives of the  
28 medical assistance advisory council, the long-term  
29 care resident's advocate, and consumer groups such as  
30 the Iowa affiliate of the American association of  
31 retired persons, Iowa citizens' action network,  
32 governor's planning council for developmental  
33 disabilities, and representatives of maternal and  
34 child health centers.

35 2. If federal law requires the state to make  
36 changes in the programs and services directed to the  
37 populations addressed by the modification proposals  
38 and authorizes the changes to be made without state  
39 legislation, the department shall adopt rules to  
40 implement the changes. The rules shall be submitted  
41 to the task force for review and recommendation prior  
42 to their submission to the administrative rules review  
43 committee."

44 \_\_\_\_\_. Page 36, by inserting before line 7 the  
45 following:

46 "Sec. \_\_\_\_\_. HEALTHY FAMILY PROGRAM. There is  
47 appropriated from the general fund of the state to the  
48 Iowa department of public health for the fiscal year  
49 beginning July 1, 1996, and ending June 30, 1997, the  
50 following amount, or so much thereof as is necessary,

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1 to be used for the purpose designated:

2 For the Iowa healthy family program under section  
3 135.106:

4 ..... \$ 115,000"

5 By striking page 36, line 34, through page  
6 37, line 1, and inserting the following: "during the  
7 fiscal year ending June 30, 1996. In addition,".

8 Page 37, by inserting after line 28 the  
9 following:

10 " . The department may modify the reimbursement  
11 methodology for skilled nursing facilities which  
12 participated in the medical assistance program on or  
13 before May 31, 1993, and which met the departmental  
14 disproportionate share payment provisions as of May  
15 31, 1993, if it is possible to demonstrate that the  
16 modification would result in a cost savings to the  
17 medical assistance program."

18 Page 39, by striking lines 1 and 2 and  
19 inserting the following:

20 "c. The department revises the reimbursement rates  
21 as part of the changes in the mental health and  
22 developmental disabilities services system initiated  
23 pursuant to 1995 Iowa Acts, chapter 206 (Senate File  
24 69), and associated legislation.

25 d. The reimbursement rate revision is necessary to  
26 implement the change required by the appropriation in  
27 this Act for an increase in the reimbursement for  
28 residential care facilities."

29 Page 39, by inserting after line 32 the  
30 following:

31 " a. A pharmaceutical manufacturer that  
32 provides products eligible for payment or paid for  
33 under the medical assistance program, shall report to  
34 the board of medical examiners on or before January 1,  
35 1997, all income and other benefits with a monetary  
36 value provided by the manufacturer during the previous  
37 year to a person licensed under chapter 148, 150, or  
38 150A which is intended to influence, change, modify,  
39 educate, or otherwise affect the licensee's practice  
40 of the licensee's profession.

41 b. A pharmaceutical manufacturer that provides  
42 products eligible for payment or paid for under the  
43 medical assistance program, shall report to the board  
44 of pharmacy examiners, on or before January 1, 1997,  
45 all income and other benefits with a monetary value  
46 provided by the manufacturer during the previous year  
47 to a person licensed under chapter 155A that was  
48 intended to influence, change, modify, educate, or  
49 otherwise affect the licensee's practice of the  
50 licensee's profession.

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1 c. A pharmaceutical manufacturer who fails to  
2 submit the reports required under paragraphs "a" and  
3 "b" is subject to loss of participation in the medical  
4 assistance program.

5 d. A third-party payor, as designated pursuant to  
6 section 514C.6, shall disclose to the commissioner of  
7 insurance on or before January 1, 1997, the total of  
8 all pharmaceutical rebates received by the payor from  
9 any pharmaceutical manufacturer in the previous state  
10 fiscal year."

11 \_\_\_\_\_. Page 40, by striking lines 1 through 4 and  
12 inserting the following: "80th percentile. The  
13 department shall address any other proposals for  
14 containment of intermediate care facilities for the  
15 mentally retarded costs with the work group for  
16 restructuring of the department of human services  
17 created pursuant to this Act."

18 \_\_\_\_\_. Page 40, by striking lines 13 through 18 and  
19 inserting the following:

20 "11. The department shall negotiate with providers  
21 of services under the department's medical assistance  
22 rehabilitative treatment program for children and  
23 families, to revise the department's rules providing  
24 reimbursement rates under the program, including a  
25 review of cost principles. The goals for the revision  
26 are to simplify the reimbursement process, reduce  
27 paperwork for providers, and provide full payment for  
28 necessary services provided under contract with the  
29 department. Prior to adoption of the rules and no  
30 later than October 1, 1996, the department".

31 \_\_\_\_\_. Page 40, by inserting after line 23 the  
32 following:

33 "\_\_\_\_\_. The department of human services, in  
34 consultation with representatives of nursing  
35 facilities, consumers, and other interested entities,  
36 shall establish definitions for the direct health  
37 care, administrative, room and board, and property  
38 cost categories for reimbursement of nursing  
39 facilities under the medical assistance program and  
40 shall submit the definitions, recommendations for  
41 distribution of reimbursement of costs among the cost  
42 categories, and any other recommendations associated  
43 with reimbursement of nursing facilities developed to  
44 the general assembly on or before December 16, 1996."

45 \_\_\_\_\_. By striking page 40, line 32, through page  
46 41, line 10, and inserting the following:

47 "For an increase in the purchase of service  
48 reimbursement rate for adult residential services  
49 provided to persons residing in any category of  
50 licensed residential care facility. Beginning July 1,

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1 1996, provider service rates for adult residential  
 2 services shall be increased up to the amount of actual  
 3 and allowable costs plus inflation, based upon the  
 4 cost reports on which rates have been established as  
 5 of April 1, 1996. However, a provider service rate  
 6 shall not be increased by more than \$4.36 per day. If  
 7 a provider service rate in effect prior to July 1,  
 8 1996, is greater than the actual and allowable costs  
 9 plus inflation, based upon the cost report, or if the  
 10 difference between the provider service rate and the  
 11 actual and allowable costs is less than \$.44 per day,  
 12 the provider service rate shall be increased by \$.44  
 13 per day:"

14 . Page 41, line 16, by inserting after the  
 15 word "fund." the following: "Use of the funding is  
 16 restricted to reimbursement of a licensed residential  
 17 care facility provider of adult residential services  
 18 which had a purchase of service contract for those  
 19 services in effect on June 30, 1996, and for which the  
 20 rate negotiated for fiscal year 1996-1997 is greater  
 21 than the rate paid in fiscal year 1995-1996."

22 . Page 41, by inserting after line 33 the  
 23 following:

24 "Sec. \_\_\_\_ . RUNAWAY TREATMENT PLAN GRANTS. There  
 25 is appropriated from the general fund of the state to  
 26 the division of criminal and juvenile justice planning  
 27 of the department of human rights for the fiscal year  
 28 beginning July 1, 1996, and ending June 30, 1997, the  
 29 following amount, or so much thereof as is necessary,  
 30 to be used for the purposes designated:

31 For demonstration grants for implementation of  
 32 runaway treatment plans in accordance with this  
 33 section:

34 ..... \$ 200,000

35 1. The division shall utilize the moneys  
 36 appropriated in this section for grants to develop two  
 37 demonstration programs to implement the provisions of  
 38 sections 232.195 and 232.196, as enacted in this Act,  
 39 with one program in an urban area and one program in a  
 40 rural area. The grantees shall provide up to twelve  
 41 assessment and counseling beds and intensive family-  
 42 centered services designed to determine the reasons  
 43 children run away from home and methods to ameliorate  
 44 the reasons so that children may either return home or  
 45 receive necessary services. Not more than \$10,000 of  
 46 the moneys shall be used for evaluation and other  
 47 means for grantees to report on the successes and  
 48 failures of the demonstration grants and methods to  
 49 improve services to children who run away from home.

50 2. The department of human services and the

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1 division may adopt emergency rules to implement the  
2 provisions of section 232.196, subsection 3, as  
3 enacted by this Act.

4 Sec. \_\_\_\_ . IOWA HEALTHY KIDS PROGRAM. There is  
5 appropriated from the general fund of the state to the  
6 Iowa healthy kids trust fund for the fiscal year  
7 beginning July 1, 1996, and ending June 30, 1997, the  
8 following amount, or so much thereof as is necessary,  
9 to be used for the purpose designated:

10 For planning, administration, and implementation of  
11 the Iowa healthy kids program:

12 ..... \$ 200,000"

13 \_\_\_\_ . Page 41, by striking line 35 and inserting  
14 the following:

15 "1. If a state institution administered by the  
16 department of human".

17 \_\_\_\_ . Page 42, line 6, by striking the word "the"  
18 and inserting the following: "any closed units or  
19 other".

20 \_\_\_\_ . Page 42, line 10, by inserting after the  
21 word "years." the following: "The department of human  
22 services and the department of economic development  
23 shall submit a joint report on or before January 2,  
24 1997, regarding any efforts made pursuant to this  
25 subsection.

26 2. For purposes of this section, "institution"  
27 means a state mental health institute or state  
28 hospital-school. If excess capacity exists at a state  
29 institution beyond the capacity required for  
30 placements at the institution under law,  
31 notwithstanding chapter 23A, the department of human  
32 services may enter into a contract with a private  
33 managed care health insurance plan or an organized  
34 delivery system for health care, to provide services  
35 during the fiscal year beginning July 1, 1996, at the  
36 institution for the plan or system."

37 \_\_\_\_ . Page 42, by inserting after line 25 the  
38 following:

39 "Sec. \_\_\_\_ . REPORTS BY PROVIDERS OF FOSTER CARE  
40 SERVICES -- REVIEW -- PROCESS SIMPLIFICATION. The  
41 department of human services shall consult with  
42 providers of rehabilitation treatment services  
43 relating to the medical assistance child services  
44 initiative in reviewing provider requirements relating  
45 to financial and statistical accountability reporting  
46 and the process for submission of the reports relating  
47 to these requirements. Following this review, and no  
48 later than January 1, 1997, the department of human  
49 services shall implement a process which provides, at  
50 a minimum, for a simplified means of documenting

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1 compliance with provider accountability requirements  
2 which shall, at a minimum, include consolidation of  
3 the reports required and which may provide a means for  
4 submission of the reports in an electronic format."

5 \_\_\_\_\_. Page 42, line 27, by striking the word  
6 "subsection" and inserting the following:  
7 "subsections".

8 \_\_\_\_\_. Page 43, by inserting after line 4 the  
9 following:

10 "NEW SUBSECTION. 7. A psychiatric institution  
11 licensed prior to January 1, 1996, may exceed the  
12 number of beds authorized under subsections 5 and 5A  
13 if the excess beds are used to provide services funded  
14 from a source other than the medical assistance  
15 program under chapter 249A. Notwithstanding  
16 subsections 4, 5, and 5A, the provision of services  
17 using such excess beds does not require a certificate  
18 of need or a review by the department of human  
19 services.

20 Sec. \_\_\_\_\_. Section 228.5, subsection 1, Code 1995,  
21 is amended to read as follows:

22 1. An individual or an individual's legal  
23 representative shall be informed that mental health  
24 information relating to the individual may be  
25 disclosed to employees or agents of or for the same  
26 mental health facility or to other providers of  
27 professional services or their employees or agents if  
28 and to the extent necessary to facilitate the  
29 provision of administrative and professional services  
30 to the individual.

31 Sec. \_\_\_\_\_. Section 228.5, Code 1995, is amended by  
32 adding the following new subsection:

33 NEW SUBSECTION. 4. Mental health information  
34 relating to an individual may be disclosed to other  
35 providers of professional services or their employees  
36 or agents if and to the extent necessary to facilitate  
37 the provision of administrative and professional  
38 services to the individual.

39 Sec. \_\_\_\_\_. Section 232.2, Code Supplement 1995, is  
40 amended by adding the following new subsection:

41 NEW SUBSECTION. 6A. "Chronic runaway" means a  
42 child who is reported to law enforcement as a runaway  
43 more than once in any month or three or more times in  
44 a year.

45 Sec. \_\_\_\_\_. Section 232.19, subsection 1, paragraph  
46 c, Code 1995, is amended to read as follows:

47 c. By a peace officer ~~for the purpose of reuniting~~  
48 ~~a child with the child's family or removing the child~~  
49 ~~to a shelter care facility or a juvenile court~~  
50 officer, when the peace officer or juvenile court

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1 officer has reasonable grounds to believe the child  
2 has run away from the child's parents, guardian, or  
3 custodian, for the purposes of determining whether the  
4 child shall be reunited with the child's parents,  
5 guardian, or custodian, placed in shelter care, or, if  
6 a chronic runaway, placed in a runaway assessment and  
7 treatment center under section 232.196."

8 . Page 43, by striking lines 5 through 11 and  
9 inserting the following:

10 "Sec. . Section 232.143, Code Supplement 1995,  
11 is amended to read as follows:

12 232.143 REGIONAL GROUP FOSTER CARE ~~TARGET~~ BUDGET  
13 TARGETS.

14 1. A statewide expenditure target for-the-average  
15 number-of for children in group foster care placements  
16 on-any-day-of in a fiscal year, which placements are a  
17 charge upon or are paid for by the state, shall be  
18 established annually in an appropriation bill by the  
19 general assembly. The department and the judicial  
20 department shall jointly develop a formula for  
21 allocating a portion of the statewide expenditure  
22 target established by the general assembly to each of  
23 the department's regions. The formula shall be based  
24 upon the region's proportion of the state population  
25 of children and of the statewide number-of  
26 expenditures for children placed in group foster care  
27 in the previous five completed fiscal years. The  
28 number expenditure amount determined in accordance  
29 with the formula shall be the group foster care  
30 placement budget target for that region. A region may  
31 exceed its budget target for group foster care by not  
32 more than five percent in a fiscal year, provided the  
33 overall funding allocated by the department for all  
34 child welfare services in the region is not exceeded.

35 2. For each of the department's regions,  
36 representatives appointed by the department and the  
37 juvenile court shall establish a plan for containing  
38 the number-of expenditures for children placed in  
39 group foster care ordered by the court within the  
40 budget target allocated to that region pursuant to  
41 subsection 1. The plan shall include monthly targets  
42 and strategies for developing alternatives to group  
43 foster care placements in order to contain  
44 expenditures for child welfare services provided-to  
45 children within the amount appropriated by the general  
46 assembly for that purpose. Each regional plan shall  
47 be established in advance of the fiscal year to which  
48 the regional plan applies. To the extent possible,  
49 the department and the juvenile court shall coordinate  
50 the planning required under this subsection with

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1 planning for services paid under section 232.141,  
2 subsection 4. The department's regional administrator  
3 shall communicate regularly, as specified in the  
4 regional plan, with the juvenile courts within that  
5 region concerning the current status of the regional  
6 plan's implementation.

7 3. State payment for group foster care placements  
8 shall be limited to those placements which are in  
9 accordance with the regional plans developed pursuant  
10 to subsection 2. If a proposed group foster care  
11 placement in a region would meet the region's plan  
12 requirements except that the placement would cause a  
13 monthly or overall budget target to be exceeded and  
14 the child is eligible for an alternative service which  
15 is costlier and more restrictive than the proposed  
16 placement, the director of human services, after  
17 consultation with appropriate juvenile court  
18 officials, may allow an exception to policy and  
19 authorize the placement. At the close of the fiscal  
20 year, moneys for specific placements authorized by the  
21 director under this subsection shall be transferred  
22 from the state appropriation for the alternative  
23 placement to the appropriation for group foster care  
24 placements, as necessary to prevent a deficit in the  
25 appropriation for group foster care.

26 Sec. \_\_\_\_ . NEW SECTION. 232.195 RUNAWAY TREATMENT  
27 PLAN.

28 A county, multicounty, or nonprofit organization  
29 may develop a runaway treatment plan to address  
30 problems with chronic runaway children in the area  
31 served by the organization. The organization shall  
32 submit the plan to the department of human rights,  
33 division of criminal and juvenile justice planning for  
34 approval for funding. The plan shall identify the  
35 problems with chronic runaway children and specific  
36 solutions to be implemented, including the development  
37 of a runaway assessment and treatment center and may  
38 include a request for funding. The division may award  
39 funds appropriated for implementation of the runaway  
40 treatment plan to shelter care homes which are  
41 licensed or approved by the department of human  
42 services.

43 Sec. \_\_\_\_ . NEW SECTION. 232.196 RUNAWAY  
44 ASSESSMENT AND TREATMENT CENTER.

45 1. As part of a county, multicounty, or nonprofit  
46 organization's runaway treatment plan under section  
47 232.195, the organization may establish a runaway  
48 assessment and treatment center. A center shall be  
49 operated by an entity which is licensed or approved by  
50 the department to operate a shelter care home. A

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1 center shall provide services to assess a child who is  
2 referred to the center for being a chronic runaway and  
3 intensive family counseling designed to address any  
4 problem causing the child to run away.

5 2. a. If a child is a chronic runaway and is not  
6 sent home with the child's parent, guardian, or  
7 custodian, the child may be placed in a runaway  
8 assessment and treatment center by a peace officer,  
9 juvenile court officer, or the child if the officer,  
10 juvenile court officer, or the child believes it to be  
11 in the child's best interest after consulting with the  
12 child's parent, guardian, or custodian.

13 b. Within forty-eight hours of being placed in the  
14 center the child shall be assessed by a center  
15 counselor to determine the reasons why the child is a  
16 chronic runaway and whether child in need of  
17 assistance or family in need of assistance proceedings  
18 are appropriate. As soon as practicable following the  
19 assessment, the child and the child's parent,  
20 guardian, or custodian shall be provided the  
21 opportunity for counseling sessions to identify the  
22 underlying causes of the runaway behavior and to  
23 develop a plan to address those causes.

24 c. A child shall be released from a runaway  
25 assessment and treatment center to the child's parent,  
26 guardian, or custodian not later than forty-eight  
27 hours after being placed in the center unless the  
28 child is placed in shelter care under section 232.21  
29 or an order is entered under section 232.78. A child  
30 whose parent, guardian, or custodian failed to attend  
31 counseling or who fails to take custody of the child  
32 at the end of placement in the center may be the  
33 subject of a child in need of assistance petition or  
34 such other order as the juvenile court finds to be in  
35 the child's best interest.

36 3. The department of human services may establish  
37 a special category within rules applicable to a  
38 juvenile shelter care home licensed or approved by the  
39 department which provides for operation of a runaway  
40 assessment and treatment center by such a home. Any  
41 rules applicable to the special category shall be  
42 jointly developed by the department of human services  
43 and the division of criminal and juvenile justice  
44 planning of the department of human rights."

45 \_\_\_\_\_. Page 43, by striking lines 19 through 21 and  
46 inserting the following: "debt for the three months  
47 preceding the earlier of the following:

48 a. The provision by the child support recovery  
49 unit of the initial notice to the parent or guardian  
50 of the amount of the support obligation.

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1 b. The date that the written request for a court  
2 hearing is received by the child support recovery unit  
3 as provided in section 252C.3 or 252F.3."

4 \_\_\_\_\_. Page 45, by inserting after line 31 the  
5 following:

6 "Sec. \_\_\_\_\_. Section 252B.4, Code 1995, is amended  
7 to read as follows:

8 252B.4 NONASSISTANCE CASES.

9 The child support and paternity determination  
10 services established by the department pursuant to  
11 this chapter and other appropriate services provided  
12 by law including but not limited to the provisions of  
13 chapters 239, 252A, 252C, 252D, 252E, 252F, 598, and  
14 600B shall be made available by the unit to an  
15 individual not otherwise eligible as a public  
16 assistance recipient upon application by the  
17 individual for the services. The application shall be  
18 filed with the department.

19 1. The director shall require an application fee  
20 of five dollars.

21 ~~2.---The director may require an additional fee to~~  
22 ~~cover the costs incurred by the department in~~  
23 ~~providing the support collection and paternity~~  
24 ~~determination services.~~

25 ~~---a.---The director shall, by rule, establish and~~  
26 ~~inform all applicants for support enforcement and~~  
27 ~~paternity determination services of the fee schedule.~~

28 ~~---b.---The additional fee for services may be deducted~~  
29 ~~from the amount of the support money recovered by the~~  
30 ~~department or may be collected from the recipient of~~  
31 ~~the services following recovery of support money by~~  
32 ~~the department.~~

33 3. 2. When the unit intercepts a federal tax  
34 refund of an obligor for payment of delinquent support  
35 and the funds are due to a recipient of services who  
36 is not otherwise eligible for public assistance, the  
37 unit shall deduct a twenty-five dollar fee from the  
38 funds before forwarding the balance to the recipient.

39 a. The unit shall inform the recipient of the fee  
40 under this subsection prior to assessment.

41 b. The fee shall be assessed only to individuals  
42 who receive support from the federal tax refund offset  
43 program. If the tax refund due the recipient is less  
44 than fifty dollars, the fee shall not be assessed.

45 ~~4.---The department may adopt rules to establish~~  
46 ~~fees which provide for recovery of administrative~~  
47 ~~costs of the program in addition to other fees~~  
48 ~~identified.~~

49 5. 3. Fees collected pursuant to this section  
50 shall be retained by the department for use by the

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1 unit. The director or a designee shall keep an  
2 accurate record of funds so retained.

3 ~~6-~~ 4. An application fee paid by a recipient of  
4 services pursuant to subsection 1 may be recovered by  
5 the unit from the person responsible for payment of  
6 support and if recovered, shall be used to reimburse  
7 the recipient of services.

8 a. The fee shall be an automatic judgment against  
9 the person responsible to pay support.

10 b. This subsection shall serve as constructive  
11 notice that the fee is a debt due and owing, is an  
12 automatic judgment against the person responsible for  
13 support, and is assessed as the fee is paid by a  
14 recipient of services. The fee may be collected in  
15 addition to any support payments or support judgment  
16 ordered, and no further notice or hearing is required  
17 prior to collecting the fee.

18 c. Notwithstanding any provision to the contrary,  
19 the unit may collect the fee through any legal means  
20 by which support payments may be collected, including  
21 but not limited to income withholding under chapter  
22 252D or income tax refund offsets, unless prohibited  
23 under federal law.

24 d. The unit is not required to file these  
25 judgments with the clerk of the district court, but  
26 shall maintain an accurate accounting of the fee  
27 assessed, the amount of the fee, and the recovery of  
28 the fee.

29 e. Support payments collected shall not be applied  
30 to the recovery of the fee until all other support  
31 obligations under the support order being enforced,  
32 which have accrued through the end of the current  
33 calendar month, have been paid or satisfied in full.

34 f. This subsection applies to fees that become due  
35 on or after July 1, 1992."

36 \_\_\_\_\_. Page 45, by inserting before line 32 the  
37 following:

38 "Sec. \_\_\_\_\_. NEW SECTION. 514I.1 IOWA HEALTHY KIDS  
39 PROGRAM -- LEGISLATIVE INTENT.

40 1. The general assembly finds that increased  
41 access to health care services could improve  
42 children's health and reduce the incidence and costs  
43 of childhood illness and disabilities among children  
44 in this state. Many children do not have health care  
45 services available or funded, and for those who do,  
46 lack of access is a restriction to obtaining such  
47 services. It is the intent of the general assembly  
48 that a program be implemented to provide health care  
49 services and comprehensive health benefits or  
50 insurance coverage to children. A goal for the

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1 program is to cooperate with any existing programs  
2 with similar purposes funded by either the public or  
3 private sector.

4 2. For the purposes of this chapter, unless the  
5 context otherwise requires:

6 a. "Advisory council" means the advisory council  
7 created by the division under section 514I.4.

8 b. "Division" means the insurance division of the  
9 department of commerce.

10 c. "Program" means the program developed by the  
11 division in accordance with section 514I.3.

12 Sec.     . NEW SECTION. 514I.2 IOWA HEALTHY KIDS  
13 PROGRAM AUTHORIZATION.

14 1. The general assembly authorizes the division to  
15 implement the Iowa healthy kids program. The division  
16 shall have all powers necessary to carry out the  
17 purposes of this chapter, including, but not limited  
18 to, the power to receive and accept grants, loans, or  
19 advances of funds from any person and to receive and  
20 accept from any source contributions of money,  
21 property, labor, or any other thing of value, to be  
22 held, used, and applied for the purposes of the  
23 program.

24 2. The program shall operate initially on a pilot  
25 project basis to include urban and rural areas.  
26 Expansion beyond the initial pilot project is subject  
27 to authorization by law.

28 3. Implementation of the program shall be limited  
29 to the extent of the funding appropriated for the  
30 purposes of the program.

31 Sec.     . NEW SECTION. 514I.3 IOWA HEALTHY KIDS  
32 PROGRAM OBJECTIVES.

33 The division shall develop a program to attain all  
34 of the following objectives:

35 1. Organize groupings of children for provision of  
36 comprehensive health benefits or insurance coverage.

37 2. Arrange for the collection of any payment or  
38 premium, in an amount to be determined by the  
39 division. The payment or premium shall be collected  
40 from a family of a participating child or other person  
41 to provide for payment for health care services or  
42 premiums for comprehensive health benefits or  
43 insurance coverage and for the actual or estimated  
44 administrative expenses incurred during the period for  
45 which the payments are made. The amount of payment or  
46 premium charged shall be based on the ability of the  
47 family of a child to pay. The division shall provide  
48 for adjustment of the amount charged to reflect  
49 contributions, public subsidy, or other means used to  
50 defray the amount charged.

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- 1 3. Establish administrative and accounting
- 2 procedures for the operation of the program.
- 3 4. Establish, in consultation with appropriate
- 4 professional organizations, standards for health care
- 5 services, providers, and comprehensive health benefits
- 6 or insurance coverage appropriate for children and
- 7 their family members.
- 8 5. Establish eligibility criteria which children
- 9 and their family members must meet in order to
- 10 participate in the program.
- 11 6. Establish participation criteria for the
- 12 program and, if appropriate, contract with an
- 13 authorized insurer, health maintenance organization,
- 14 or insurance or benefits administrator to provide
- 15 administrative services to the program.
- 16 7. Contract with authorized insurers, benefits
- 17 providers, or any provider of health care services
- 18 meeting standards established by the division, for the
- 19 provision of comprehensive health benefits or
- 20 insurance coverage and health care services to
- 21 participants.
- 22 8. Develop and implement a plan to publicize the
- 23 program, eligibility requirements of the program, and
- 24 procedures for enrollment in the program and to
- 25 maintain public awareness of the program.
- 26 9. Provide for administration of the program.
- 27 10. As appropriate, enter into contracts with
- 28 local school boards or other agencies to provide on-
- 29 site information, enrollment, and other services
- 30 necessary to the operation of the program.
- 31 11. Provide an interim report on or before March
- 32 1, 1997, to the governor and general assembly, on the
- 33 development of the program to date and an annual
- 34 report thereafter until the program is terminated or
- 35 extended statewide.
- 36 Sec. \_\_\_\_ . NEW SECTION. 514I.4 ADVISORY COUNCIL.
- 37 1. The division may create an advisory council to
- 38 assist the division in implementing the program. The
- 39 advisory council membership may include, but is not
- 40 limited to, the following:
- 41 a. A school administrator.
- 42 b. A member of a school board.
- 43 c. An employee of the state or local government in
- 44 public health services.
- 45 d. A pediatrician who is a member of the American
- 46 academy of pediatrics, Iowa chapter.
- 47 e. The director of human services or the
- 48 director's designee.
- 49 f. A member of the association of Iowa hospitals
- 50 and health systems.

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1 g. A representative of authorized health care  
2 insurers or health maintenance organizations.

3 h. A representative of a university center for  
4 health issues.

5 i. A family practice physician who is a member of  
6 the Iowa academy of family physicians.

7 j. A school nurse who is a member of the Iowa  
8 nurses association.

9 k. The director of public health or the director's  
10 designee.

11 l. A citizen who is knowledgeable concerning  
12 health care and children's issues.

13 m. A citizen who is a parent with children at home  
14 who is active in a school-parent organization.

15 2. Advisory council members are entitled to  
16 receive, from funds of the division, reimbursement for  
17 actual and necessary expenses incurred in the  
18 performance of their official duties.

19 Sec. \_\_\_\_ . NEW SECTION. 514I.5 LICENSING NOT  
20 REQUIRED -- FISCAL OPERATION.

21 1. Health benefits or insurance coverage obtained  
22 under the program is secondary to any other available  
23 private or public health benefits or insurance  
24 coverage held by the participant child. The division  
25 may establish procedures for coordinating benefits  
26 under this program with benefits under other public  
27 and private coverage.

28 2. The program shall not be deemed to be  
29 insurance. However, the insurance division may  
30 require that any marketing representative utilized and  
31 compensated by the program be appointed as a  
32 representative of the insurers or health benefits  
33 services providers with which the program contracts.

34 Sec. \_\_\_\_ . NEW SECTION. 514I.6 THE IOWA HEALTHY  
35 KIDS TRUST FUND.

36 1. An Iowa healthy kids trust fund is created in  
37 the state treasury under the authority of the  
38 commissioner of insurance, to which all appropriations  
39 shall be deposited and used to carry out the purposes  
40 of this chapter. Other revenues of the program such  
41 as grants, contributions, matching funds, and  
42 participant payments shall not be considered revenue  
43 of the state, but rather shall be funds of the  
44 program. However, the division may designate portions  
45 of grants, contributions, matching funds, and  
46 participant payments as funds of the state and deposit  
47 those funds in the trust fund.

48 2. The trust fund shall be separate from the  
49 general fund of the state and shall not be considered  
50 part of the general fund of the state. The moneys in

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1 the trust fund are not subject to section 8.33 and  
2 shall not be transferred, used, obligated,  
3 appropriated, or otherwise encumbered except as  
4 provided in this section. Notwithstanding section  
5 12C.7, subsection 2, interest or earnings on moneys  
6 deposited in the trust fund shall be credited to the  
7 trust fund.

8 Sec. \_\_\_\_\_. NEW SECTION. 514I.7 ACCESS TO RECORDS  
9 -- CONFIDENTIALITY -- PENALTIES.

10 1. Notwithstanding any other law to the contrary,  
11 the program shall have access to the medical records  
12 of a child who is participating or applying to  
13 participate in the program upon receipt of permission  
14 from a parent or guardian of the child, including but  
15 not limited to the medical records maintained by the  
16 state or a political subdivision of the state.  
17 Notwithstanding chapter 22, any identifying  
18 information, including medical records and family  
19 financial information, obtained by the program  
20 pursuant to this subsection is confidential. The  
21 program, the program's employees, and agents of the  
22 program shall not release, without the written consent  
23 of the participant or the parent or guardian of the  
24 participant, to any state or federal agency, to any  
25 private business or person, or to any other entity,  
26 any confidential information received pursuant to this  
27 subsection.

28 2. A violation of the provisions of subsection 1  
29 is a serious misdemeanor.

30 Sec. \_\_\_\_\_. Section 710.8, Code 1995, is amended by  
31 adding the following new subsection:

32 NEW SUBSECTION. 4. A person shall not harbor a  
33 runaway child with the intent of allowing the runaway  
34 child to remain away from home against the wishes of  
35 the child's parent, guardian, or custodian. However,  
36 the provisions of this subsection do not apply to a  
37 shelter care home which is licensed or approved by the  
38 department of human services."

39 \_\_\_\_\_. Page 47, line 5, by inserting after the word  
40 "unless" the following: "the effective date is  
41 delayed by the administrative rules review committee  
42 or".

43 \_\_\_\_\_. Page 47, line 6, by inserting after the word  
44 "rules." the following: "Any rules adopted in  
45 accordance with the provisions of this section shall  
46 not take effect before the rules are reviewed by the  
47 administrative rules review committee."

48 \_\_\_\_\_. By renumbering, relettering, or  
49 redesignating and correcting internal references as  
50 necessary."

By JOHNIE HAMMOND  
LARRY MURPHY

S-5733 FILED APRIL 11, 1996  
RULED OUT OF ORDER

(p. 1349)



SENATE FILE 2442

S-5757

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 10, by inserting before line 46 the  
5 following:

6 "\_\_\_\_. Page 41, by inserting after line 23 the  
7 following:

8 "Sec. \_\_\_\_\_. RUNAWAY TREATMENT PLAN GRANTS. There  
9 is appropriated from the general fund of the state to  
10 the division of criminal and juvenile justice planning  
11 of the department of human rights for the fiscal year  
12 beginning July 1, 1996, and ending June 30, 1997, the  
13 following amount, or so much thereof as is necessary,  
14 to be used for the purposes designated:

15 For demonstration grants for implementation of  
16 runaway treatment plans in accordance with this  
17 section:

18 ..... \$ 200,000

19 1. The division shall utilize the moneys  
20 appropriated in this section for grants to develop two  
21 demonstration programs to implement the provisions of  
22 sections 232.195 and 232.196, as enacted in this Act,  
23 with one program in an urban area and one program in a  
24 rural area. The grantees shall provide up to twelve  
25 assessment and counseling beds and intensive family-  
26 centered services designed to determine the reasons  
27 children run away from home and methods to ameliorate  
28 the reasons so that children may either return home or  
29 receive necessary services. Not more than \$10,000 of  
30 the moneys shall be used for evaluation and other  
31 means for grantees to report on the successes and  
32 failures of the demonstration grants and methods to  
33 improve services to children who run away from home.

34 2. The department of human services and the  
35 division may adopt emergency rules to implement the  
36 provisions of section 232.196, subsection 3, as  
37 enacted by this Act."

38 2. Page 11, by inserting after line 30 the  
39 following:

40 "\_\_\_\_. Page 43, by inserting before line 12 the  
41 following:

42 "Sec. \_\_\_\_\_. Section 232.2, Code Supplement 1995, is  
43 amended by adding the following new subsection:

44 NEW SUBSECTION. 6A. "Chronic runaway" means a  
45 child who is reported to law enforcement as a runaway  
46 more than once in any month or three or more times in  
47 a year.

48 Sec. \_\_\_\_\_. Section 232.19, subsection 1, paragraph  
49 c, Code 1995, is amended to read as follows:

50 c. By a peace officer for the purpose of reuniting

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~~1 a-child-with-the-child's-family-or-removing-the-child~~  
~~2 to-a-shelter-care-facility or a juvenile court~~  
~~3 officer, when the peace officer or juvenile court~~  
~~4 officer has reasonable grounds to believe the child~~  
~~5 has run away from the child's parents, guardian, or~~  
~~6 custodian, for the purposes of determining whether the~~  
~~7 child shall be reunited with the child's parents,~~  
~~8 guardian, or custodian, placed in shelter care, or, if~~  
~~9 a chronic runaway, placed in a runaway assessment and~~  
~~10 treatment center under section 232.196.~~

11 Sec. \_\_\_\_ . NEW SECTION. 232.195 RUNAWAY TREATMENT  
12 PLAN.

13 A county, multicounty, or nonprofit organization  
14 may develop a runaway treatment plan to address  
15 problems with chronic runaway children in the area  
16 served by the organization. The organization shall  
17 submit the plan to the department of human rights,  
18 division of criminal and juvenile justice planning for  
19 approval for funding. The plan shall identify the  
20 problems with chronic runaway children and specific  
21 solutions to be implemented, including the development  
22 of a runaway assessment and treatment center and may  
23 include a request for funding. The division may award  
24 funds appropriated for implementation of the runaway  
25 treatment plan to shelter care homes which are  
26 licensed or approved by the department of human  
27 services.

28 Sec. \_\_\_\_ . NEW SECTION. 232.196 RUNAWAY  
29 ASSESSMENT AND TREATMENT CENTER.

30 1. As part of a county, multicounty, or nonprofit  
31 organization's runaway treatment plan under section  
32 232.195, the organization may establish a runaway  
33 assessment and treatment center. A center shall be  
34 operated by an entity which is licensed or approved by  
35 the department to operate a shelter care home. A  
36 center shall provide services to assess a child who is  
37 referred to the center for being a chronic runaway and  
38 intensive family counseling designed to address any  
39 problem causing the child to run away.

40 2. a. If a child is a chronic runaway and is not  
41 sent home with the child's parent, guardian, or  
42 custodian, the child may be placed in a runaway  
43 assessment and treatment center by a peace officer,  
44 juvenile court officer, or the child if the officer,  
45 juvenile court officer, or the child believes it to be  
46 in the child's best interest after consulting with the  
47 child's parent, guardian, or custodian.

48 b. Within forty-eight hours of being placed in the  
49 center the child shall be assessed by a center  
50 counselor to determine the reasons why the child is a

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1 chronic runaway and whether child in need of  
2 assistance or family in need of assistance proceedings  
3 are appropriate. As soon as practicable following the  
4 assessment, the child and the child's parent,  
5 guardian, or custodian shall be provided the  
6 opportunity for counseling sessions to identify the  
7 underlying causes of the runaway behavior and to  
8 develop a plan to address those causes.

9 c. A child shall be released from a runaway  
10 assessment and treatment center to the child's parent,  
11 guardian, or custodian not later than forty-eight  
12 hours after being placed in the center unless the  
13 child is placed in shelter care under section 232.21  
14 or an order is entered under section 232.78. A child  
15 whose parent, guardian, or custodian failed to attend  
16 counseling or who fails to take custody of the child  
17 at the end of placement in the center may be the  
18 subject of a child in need of assistance petition or  
19 such other order as the juvenile court finds to be in  
20 the child's best interest.

21 3. The department of human services may establish  
22 a special category within rules applicable to a  
23 juvenile shelter care home licensed or approved by the  
24 department which provides for operation of a runaway  
25 assessment and treatment center by such a home. Any  
26 rules applicable to the special category shall be  
27 jointly developed by the department of human services  
28 and the division of criminal and juvenile justice  
29 planning of the department of human rights."

30 3. Page 11, by inserting after line 39 the  
31 following:

32 " . Page 45, by inserting after line 31 the  
33 following:

34 "Sec. . Section 710.8, Code 1995, is amended by  
35 adding the following new subsection:

36 NEW SUBSECTION. 4. A person shall not harbor a  
37 runaway child with the intent of allowing the runaway  
38 child to remain away from home against the wishes of  
39 the child's parent, guardian, or custodian. However,  
40 the provisions of this subsection do not apply to a  
41 shelter care home which is licensed or approved by the  
42 department of human services."

By MARY LUNDBY

S-5757 FILED APRIL 12, 1996

ADOPTED (P. 1365)

SENATE FILE 2442

S-5756

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. Page 9, by striking lines 30 and 31.

5 2. By striking page 9, line 42, through page 10,  
6 line 16.

7 3. By renumbering as necessary.

By SHELDON RITTMER  
MERLIN E. BARTZ

S-5756 FILED APRIL 12, 1996

ADOPTED

(p. 1365)

SENATE FILE 2442

S-5750

1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:

4 1. By striking page 2, line 10, through page 4,  
5 line 36, and inserting the following:

6 "\_\_\_\_\_. Page 13, by striking line 8 and inserting  
7 the following:

8 "..... \$ 6,617,000"

9 \_\_\_\_\_. Page 13, by striking lines 24 through 29 and  
10 inserting the following:

11 "2. Nonpublic assistance application fees received  
12 by the child support recovery unit are appropriated  
13 and shall be used for the purposes of the child  
14 support recovery program. The director of human  
15 services may add positions within the limitations of  
16 the amount appropriated for salaries and support for  
17 the positions. The director".

18 \_\_\_\_\_. Page 14, by striking line 14 and inserting  
19 the following: "to recover at least twice the amount  
20 of money necessary to pay the".

21 2. Page 9, by inserting before line 27 the  
22 following:

23 "\_\_\_\_\_. Page 36, by inserting before line 7 the  
24 following:

25 "Sec. \_\_\_\_\_. HEALTHY FAMILY PROGRAM. There is  
26 appropriated from the general fund of the state to the  
27 Iowa department of public health for the fiscal year  
28 beginning July 1, 1996, and ending June 30, 1997, the  
29 following amount, or so much thereof as is necessary,  
30 to be used for the purpose designated:

31 For the Iowa healthy family program under section  
32 135.106:

33 ..... \$ 115,000"

34 3. Page 11, by inserting before line 30 the  
35 following:

36 "\_\_\_\_\_. Page 42, line 27, by striking the word  
37 "subsection" and inserting the following:  
38 "subsections".

39 \_\_\_\_\_. Page 43, by inserting after line 4 the  
40 following:

41 "NEW SUBSECTION. 7. A psychiatric institution  
42 licensed prior to January 1, 1996, may exceed the  
43 number of beds authorized under subsections 5 and 5A  
44 if the excess beds are used to provide services funded  
45 from a source other than the medical assistance  
46 program under chapter 249A. Notwithstanding  
47 subsections 4, 5, and 5A, the provision of services  
48 using such excess beds does not require a certificate  
49 of need or a review by the department of human  
50 services."

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1 4. Page 11, line 30, by striking the figure "11."  
2 and inserting the following: "11 and inserting the  
3 following:  
4 "Sec. \_\_\_\_\_. Section 232.143, Code Supplement 1995,  
5 is amended to read as follows:  
6 232.143 REGIONAL GROUP FOSTER CARE ~~TARGET~~ BUDGET  
7 TARGETS.  
8 1. A statewide expenditure target for-the-average  
9 number-of for children in group foster care placements  
10 on-any-day-of in a fiscal year, which placements are a  
11 charge upon or are paid for by the state, shall be  
12 established annually in an appropriation bill by the  
13 general assembly. The department and the judicial  
14 department shall jointly develop a formula for  
15 allocating a portion of the statewide expenditure  
16 target established by the general assembly to each of  
17 the department's regions. The formula shall be based  
18 upon the region's proportion of the state population  
19 of children and of the statewide number-of  
20 expenditures for children placed in group foster care  
21 in the previous five completed fiscal years. The  
22 number expenditure amount determined in accordance  
23 with the formula shall be the group foster care  
24 placement budget target for that region. A region may  
25 exceed its budget target for group foster care by not  
26 more than five percent in a fiscal year, provided the  
27 overall funding allocated by the department for all  
28 child welfare services in the region is not exceeded.  
29 2. For each of the department's regions,  
30 representatives appointed by the department and the  
31 juvenile court shall establish a plan for containing  
32 the number-of expenditures for children placed in  
33 group foster care ordered by the court within the  
34 budget target allocated to that region pursuant to  
35 subsection 1. The plan shall include monthly targets  
36 and strategies for developing alternatives to group  
37 foster care placements in order to contain  
38 expenditures for child welfare services provided-to  
39 children within the amount appropriated by the general  
40 assembly for that purpose. Each regional plan shall  
41 be established in advance of the fiscal year to which  
42 the regional plan applies. To the extent possible,  
43 the department and the juvenile court shall coordinate  
44 the planning required under this subsection with  
45 planning for services paid under section 232.141,  
46 subsection 4. The department's regional administrator  
47 shall communicate regularly, as specified in the  
48 regional plan, with the juvenile courts within that  
49 region concerning the current status of the regional  
50 plan's implementation.

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1 3. State payment for group foster care placements  
 2 shall be limited to those placements which are in  
 3 accordance with the regional plans developed pursuant  
 4 to subsection 2. If a proposed group foster care  
 5 placement in a region would meet the region's plan  
 6 requirements except that the placement would cause a  
 7 monthly or overall budget target to be exceeded and  
 8 the child is eligible for an alternative service which  
 9 is costlier and more restrictive than the proposed  
 10 placement, the director of human services, after  
 11 consultation with appropriate juvenile court  
 12 officials, may allow an exception to policy and  
 13 authorize the placement. At the close of the fiscal  
 14 year, moneys for specific placements authorized by the  
 15 director under this subsection shall be transferred  
 16 from the state appropriation for the alternative  
 17 placement to the appropriation for group foster care  
 18 placements, as necessary to prevent a deficit in the  
 19 appropriation for group foster care."

20 5. Page 11, by inserting after line 39 the  
 21 following:

22 "\_\_\_\_. Page 45, by inserting after line 31 the  
 23 following:

24 "Sec. \_\_\_\_ Section 252B.4, Code 1995, is amended  
 25 to read as follows:

26 252B.4 NONASSISTANCE CASES.

27 The child support and paternity determination  
 28 services established by the department pursuant to  
 29 this chapter and other appropriate services provided  
 30 by law including but not limited to the provisions of  
 31 chapters 239, 252A, 252C, 252D, 252E, 252F, 598, and  
 32 600B shall be made available by the unit to an  
 33 individual not otherwise eligible as a public  
 34 assistance recipient upon application by the  
 35 individual for the services. The application shall be  
 36 filed with the department.

37 1. The director shall require an application fee  
 38 of five dollars.

39 ~~2.--The director may require an additional fee to~~  
 40 ~~cover the costs incurred by the department in~~  
 41 ~~providing the support collection and paternity~~  
 42 ~~determination services.~~

43 ~~---a---The director shall, by rule, establish and~~  
 44 ~~inform all applicants for support enforcement and~~  
 45 ~~paternity determination services of the fee schedule.~~

46 ~~---b---The additional fee for services may be deducted~~  
 47 ~~from the amount of the support money recovered by the~~  
 48 ~~department or may be collected from the recipient of~~  
 49 ~~the services following recovery of support money by~~  
 50 ~~the department.~~

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1 3. 2. When the unit intercepts a federal tax  
2 refund of an obligor for payment of delinquent support  
3 and the funds are due to a recipient of services who  
4 is not otherwise eligible for public assistance, the  
5 unit shall deduct a twenty-five dollar fee from the  
6 funds before forwarding the balance to the recipient.

7 a. The unit shall inform the recipient of the fee  
8 under this subsection prior to assessment.

9 b. The fee shall be assessed only to individuals  
10 who receive support from the federal tax refund offset  
11 program. If the tax refund due the recipient is less  
12 than fifty dollars, the fee shall not be assessed.

13 ~~4.--The department may adopt rules to establish~~  
14 ~~fees which provide for recovery of administrative~~  
15 ~~costs of the program in addition to other fees~~  
16 ~~identified.~~

17 5. 3. Fees collected pursuant to this section  
18 shall be retained by the department for use by the  
19 unit. The director or a designee shall keep an  
20 accurate record of funds so retained.

21 6. 4. An application fee paid by a recipient of  
22 services pursuant to subsection 1 may be recovered by  
23 the unit from the person responsible for payment of  
24 support and if recovered, shall be used to reimburse  
25 the recipient of services.

26 a. The fee shall be an automatic judgment against  
27 the person responsible to pay support.

28 b. This subsection shall serve as constructive  
29 notice that the fee is a debt due and owing, is an  
30 automatic judgment against the person responsible for  
31 support, and is assessed as the fee is paid by a  
32 recipient of services. The fee may be collected in  
33 addition to any support payments or support judgment  
34 ordered, and no further notice or hearing is required  
35 prior to collecting the fee.

36 c. Notwithstanding any provision to the contrary,  
37 the unit may collect the fee through any legal means  
38 by which support payments may be collected, including  
39 but not limited to income withholding under chapter  
40 252D or income tax refund offsets, unless prohibited  
41 under federal law.

42 d. The unit is not required to file these  
43 judgments with the clerk of the district court, but  
44 shall maintain an accurate accounting of the fee  
45 assessed, the amount of the fee, and the recovery of  
46 the fee.

47 e. Support payments collected shall not be applied  
48 to the recovery of the fee until all other support  
49 obligations under the support order being enforced,  
50 which have accrued through the end of the current

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- 1 calendar month, have been paid or satisfied in full.  
2 f. This subsection applies to fees that become due  
3 on or after July 1, 1992."  
4 6. By renumbering, relettering, and correcting  
5 internal references, as necessary.

By JOHNIE HAMMOND

S-5750 FILED APRIL 12, 1996

ADOPTED

(P.1359)

## SENATE FILE 2442

S-5754

- 1 Amend the House amendment, S-5550, to Senate File  
2 2442, as amended, passed, and reprinted by the Senate,  
3 as follows:  
4 1. Page 11, by inserting after line 29 the  
5 following:  
6 "\_\_\_\_. Page 43, by inserting after line 4 the  
7 following:  
8 "Sec. \_\_\_\_ . Section 228.5, subsection 1, Code 1995,  
9 is amended to read as follows:  
10 1. An individual or an individual's legal  
11 representative shall be informed that mental health  
12 information relating to the individual may be  
13 disclosed to employees or agents of or for the same  
14 mental health facility or to other providers of  
15 professional services or their employees or agents if  
16 and to the extent necessary to facilitate the  
17 provision of administrative and professional services  
18 to the individual.  
19 Sec. \_\_\_\_ . Section 228.5, Code 1995, is amended by  
20 adding the following new subsection:  
21 NEW SUBSECTION. 4. Mental health information  
22 relating to an individual may be disclosed to other  
23 providers of professional services or their employees  
24 or agents if and to the extent necessary to facilitate  
25 the provision of administrative and professional  
26 services to the individual."

By PATRICK J. DELUHERY

S-5754 FILED APRIL 12, 1996

ADOPTED

(P.1360)

## SENATE FILE 2442

S-5755

- 1 Amend the amendment, S-5550, to Senate File 2442,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 10, by striking lines 28 through 34.

By TOM FLYNN

S-5755 FILED APRIL 12, 1996

WITHDRAWN

4-12-96

(P.1365)



REPORT OF THE CONFERENCE COMMITTEE  
ON SENATE FILE 2442

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

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and the House of Representatives on Senate File 2442, a bill for An Act relating to appropriations for the department of human services and the prevention of disabilities policy council and including other provisions and appropriations involving human services and health care and providing for effective and applicability dates, respectfully make the following report:

- 1. That the House recedes from its amendment, S-5550.
- 2. That Senate File 2442, as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. By striking everything after the enacting clause and inserting the following:

"Section 1. FAMILY INVESTMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For assistance under the family investment program under chapter 239:

..... \$ 34,787,255

- 1. The department shall continue the special needs program under the family investment program.
- 2. The department may adopt administrative rules for the family investment, food stamp, and medical assistance programs to change or delete welfare reform initiatives that threaten

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the integrity or continuation of the program or that are not cost-effective. Prior to the adoption of rules, the department shall consult with the welfare reform council, members of the public involved in development of the policy established in the 1993 session of the Seventy-fifth General Assembly, and the chairpersons and ranking members of the human resources committees of the senate and the house of representatives.

Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For emergency assistance to families with dependent children for homeless prevention programs:

..... \$ 1,967,500

1. The emergency assistance provided for in this section shall be available beginning October 1 of the fiscal year and shall be provided only if all other publicly funded resources have been exhausted. Specifically, emergency assistance is the program of last resort and shall not supplant assistance provided by the low-income home energy assistance program (LIHEAP), county general relief, and veterans affairs programs. The department shall establish a \$500 maximum payment, per family, in a twelve-month period. The emergency assistance includes, but is not limited to, assisting people who face eviction, potential eviction, or foreclosure, utility shutoff or fuel shortage, loss of heating energy supply or equipment, homelessness, utility or rental deposits, or other specified crisis which threatens family or living arrangements. The emergency assistance shall be available to migrant families who would otherwise meet eligibility criteria. The department may contract for the administration and delivery of the program. The program shall be terminated when funds are exhausted.

2. For the fiscal year beginning July 1, 1996, the

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department shall continue the process for the state to receive refunds of rent deposits for emergency assistance recipients which were paid by persons other than the state. The refunds received by the department under this subsection shall be deposited with the moneys of the appropriation made in this section and used as additional funds for the emergency assistance program. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure when the program resumes operation on October 1 in the succeeding fiscal year.

3. Of the funds appropriated in this section, \$10,000 is allocated to the community voice mail program to continue the existing program. The funds shall be made available beginning July 1, 1996.

Sec. 3. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose 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:

..... \$366,687,988

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

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within 45 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 150 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. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit 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 in this section.

3. If a medical assistance recipient is more than 17 years of age and is receiving care which is reimbursed under a federally approved home and community-based services waiver but would otherwise be approved for care in an intermediate care facility for the mentally retarded, the recipient's county of legal settlement shall reimburse the department on a monthly basis for the portion of the recipient's cost of care which is not paid from federal funds.

4. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally

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approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for the mentally retarded, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100 percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for the mentally retarded (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

5. The department may adopt and implement administrative rules regarding a prepaid mental health services plan for

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medical assistance patients. The rules shall include but not be limited to service provider standards, service reimbursement, and funding mechanisms. Notwithstanding the provisions of subsection 4, paragraph "a", of this section and section 249A.26, requiring counties to pay all or part of the nonfederal share of certain services provided to persons with disabilities under the medical assistance program, the state shall pay 100 percent of the nonfederal share of any services included in the plan implemented pursuant to this subsection.

6. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

7. Of the funds appropriated to the Iowa department of health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 1996, shall be transferred to the department of human services for an integrated substance abuse managed care system.

8. The department shall implement a new medical assistance home and community-based waiver for persons with physical disabilities as a means to further develop the personal assistance services program under section 225C.46. The waiver shall not be implemented in a manner which would require additional county or state funding for assistance provided to an individual served under the waiver.

9. The department may expand the drug prior authorization program to include the therapeutic class of gastrointestinal drugs known as proton pump inhibitors. The department shall not expand the requirement of drug prior authorization without prior approval of the general assembly except to require prior authorization of an equivalent of a prescription drug which is subject to prior authorization as of June 30, 1996. The department shall adopt administrative rules to implement this

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provision.

10. The department of human services shall expand the program to administratively pursue reimbursements for pharmacy services to include all pharmacy claims for which a recipient of medical assistance also has third-party coverage.

11. The department of human services, in consultation with the Iowa department of public health and the department of education, shall develop and implement a proposal to utilize the early and periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

12. The department shall implement the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities proposed pursuant to 1994 Iowa Acts, chapter 1170, section 56. The department shall adopt rules applicable to the programs included in the case study, request a waiver of applicable federal requirements, and take other actions deemed necessary by the department to implement the case study.

13. The department of human services shall submit a report to the general assembly on or before January 1, 1997, regarding reimbursement for teleconsultive services provided by health care providers to recipients of medical assistance. The report shall include but is not limited to recommendations regarding the feasibility of implementation of a pilot program, including the adoption and utilization of an alternative reimbursement methodology, to determine the effect of teleconsultive services on health care quality, access, and cost.

14. A member of the joint appropriations subcommittee on human services participating during the 1996 legislative

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interim in a planning process for long-term care provided in nursing facilities and through alternative types of care involving a national foundation held by the department in the state, is entitled to per diem and expenses payable as a joint expense under section 2.12.

Sec. 4. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 6,811,400

1. The department shall continue to contract for drug utilization review under the medical assistance program.

2. The department shall negotiate with the department's contractor for mental health managed care under the medical assistance program to establish performance standards for successful outcomes for persons receiving services under the contract. The performance standards shall be incorporated into the contract or shall be made an addendum to the contract which is in effect as of the effective date of this subsection. The contractor's attainment of these performance standards shall be a factor in the department's decision to extend the contract in effect for managed mental health care or to initiate a new procurement process. Any future contract shall contain sanctions for failure to attain the performance standards. The provisions of section 228.5 as amended in this Act are applicable to the requirements of this subsection.

3. Any future contract entered into by the department for mental health managed care or for other services under the medical assistance program shall include a provision which requires the contractor to make public information the amount of profit realized by the contractor and the amount of funds expended by the contractor for administrative purposes under the contract.

Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is



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appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance, funeral assistance, and the mental retardation waiver rent subsidy program:

..... \$ 19,190,000

1. 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 income and federal social security benefits are increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

2. a. If during the fiscal year beginning July 1, 1996, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this Act to ensure that federal requirements are met. The department may adopt emergency rules to implement the provisions of this subsection.

b. If during the fiscal year beginning July 1, 1996, the department projects that state supplementary assistance expenditures will exceed the amount appropriated, the department may transfer funds appropriated in this Act for medical assistance for the purposes of the state supplementary assistance program. However, funds shall only be transferred from the medical assistance appropriation if the funds transferred are projected to be in excess of the funds

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necessary for the medical assistance program.

3. The department may use up to \$75,000 of the funds appropriated in this section for a rent subsidy program for adult persons to whom all of the following apply:

a. Are receiving assistance under the medical assistance home and community-based services for persons with mental retardation (HCBS/MR) program.

b. Were discharged from an intermediate care facility for the mentally retarded (ICFMR) immediately prior to receiving HCBS/MR services.

The goal of the subsidy program shall be to encourage and assist in enabling persons who currently reside in an ICFMR to move to a community living arrangement. An eligible person may receive assistance in meeting their rental expense and, in the initial two months of eligibility, in purchasing necessary household furnishings and supplies. The program shall be implemented so that it does not meet the federal definition of state supplementary assistance and will not impact the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g.

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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For protective child day care assistance and state child care assistance:

..... \$ 12,547,100

1. Of the funds appropriated in this section, \$2,496,286 shall be used for protective child day care assistance.

2. Of the funds appropriated in this section, \$8,180,889 shall be used for state child care assistance.

3. For the purposes of this subsection, the term "poverty level" means the poverty level defined by the poverty income guidelines published by the United States department of health

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and human services. Based upon the availability of the funding provided in subsection 2 the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

a. Families with an income at or below 100 percent of the federal poverty level whose members are employed at least 30 hours per week, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

b. Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating, at a satisfactory level, in an approved training program or in an educational program.

c. Families with an income of more than 100 percent but not more than 110 percent of the federal poverty level whose members are employed at least 30 hours per week. Assistance provided to families pursuant to this paragraph shall be provided in accordance with a sliding fee scale developed by the department. If, pursuant to an evaluation of expenditures for state child care assistance it is determined that sufficient funding is available, the department shall implement the provisions of this paragraph on or before January 2, 1997.

d. Families with an income at or below 155 percent of the federal poverty level with a special needs child as a member of the family.

e. Families with an income at or below 100 percent of the federal poverty level whose members are employed part-time at least 20 hours per week.

The department may adopt emergency rules to implement the provisions of this subsection.

4. a. Migrant seasonal farm worker families whose family income is equal to or less than 100 percent of the United States office of management and budget poverty guidelines are eligible for state child care assistance. The monthly family

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income shall be determined by calculating the total amount of family income earned during the 12-month period preceding the date of application for the assistance and dividing the total amount by 12.

b. Nothing in this section 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 consistent with the requirements of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

5. If the department projects that funding for state child care assistance is reasonably adequate to fund the provisions of subsection 3, paragraphs "a", "b", and "c", the department may transfer not more than \$200,000 of the funding appropriated in this section to the appropriation in this Act for child and family services to provide additional funding for family-centered services.

6. Of the funds appropriated in this section, \$636,641 is allocated for the statewide program for child day care resource and referral services under section 237A.26.

7. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child day care assistance and related programs.

8. Of the funds appropriated in this section, \$1,178,284 is allocated for transitional child care assistance.

9. During the 1996-1997 fiscal year, the department shall utilize the moneys deposited in the child day care credit fund created in section 237A.28 for state child care assistance, in addition to the moneys allocated for that purpose in this section.

10. Of the funds appropriated in this section, the department shall expend not more than \$20,000 to develop a system in cooperation with child day care resource and referral services under section 237A.26, in which volunteer evaluation teams are utilized to review and inspect registered

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family day care homes on behalf of the department. The department shall also review requirements for payment of publicly funded child day care, including but not limited to the effects on providers and the state budget of paying for child day care on a daily basis, block-of-hours basis, or hourly basis. The department shall review the policy implications of encouraging family day care home registration by providing an enhanced reimbursement for family day care homes that are registered. In addition, the department shall develop a proposal for a disproportionate share reimbursement adjustment for the child day care providers for which 75 percent or more of the children provided care receive public funding for the cost of their care. The department shall submit a report to the general assembly on or before January 15, 1997, which includes recommendations concerning the issues required by this subsection.

11. Of the funds appropriated in this section, \$35,000 is allocated for use by the united Mexican-American center in Des Moines for the center's child day care program.

12. A family who was eligible for and received state child care assistance during the fiscal year beginning July 1, 1995, shall continue to receive the assistance in the succeeding fiscal year for as long as the family continues to meet the eligibility requirements in effect for the fiscal year beginning July 1, 1995.

13. Notwithstanding section 8.33, moneys appropriated to the department of human services for state child care assistance in 1996 Iowa Acts, House File 2114, section 2, which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year.

Sec. 7. JOBS PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is

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necessary, to be used for the purposes designated:

For the federal-state job opportunities and basic skills (JOBS) program, food stamp employment and training program, family development and self-sufficiency grants, entrepreneurial training, and implementing family investment agreements, in accordance with this section:

..... \$ 12,601,592

1. Of the funds appropriated in this section, \$11,692,292 is allocated for the JOBS program. For family investment agreements developed in the fiscal year beginning July 1, 1996, the maximum time period for postsecondary education is limited to two years.

2. The department shall continue to contract for services in developing, delivering, and monitoring an entrepreneurial training waiver program to provide technical assistance in self-employment training to families which receive assistance under the family investment program, contingent upon federal approval of waiver renewal requests.

3. Of the funds appropriated in this section, \$129,985 is allocated for the food stamp employment and training program.

4. Of the funds appropriated in this section, \$779,315 is allocated to the family development and self-sufficiency grant program as provided under section 217.12.

a. Not more than 5 percent of the funds allocated in this subsection shall be used for the administration of the grant program.

b. Federal funding matched by state, county, or other funding which is not appropriated in this section shall be deposited in the department's JOBS account. If the match funding is generated by a family development and self-sufficiency grantee, the federal funding received shall be used to expand the family development and self-sufficiency grant program. If the match funding is generated by another source, the federal funding received shall be used to expand the grant program or the JOBS program. The department may adopt rules to implement the provisions of this paragraph.

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c. Based upon the annual evaluation report concerning each grantee funded by this allocation, the family development and self-sufficiency council may use funds allocated to renew grants.

Sec. 8. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$	6,517,000
.....	FTEs	226.22

1. The director of human services, within the limitations of the funds appropriated in this section, or funds transferred from the family investment program appropriation for this purpose, shall establish new positions and add employees to the child support recovery unit if the director determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds 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 recovered.

2. Nonpublic assistance application fees and federal tax refund offsets received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions. The director shall report any positions added pursuant to this subsection to the chairpersons and ranking members of the

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joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. The director of human services may establish new positions and add state employees to the child support recovery unit if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions, the positions are necessary to ensure continued federal funding of the program, or the new positions can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions.

5. The child support recovery unit shall continue to work with the judicial department to determine the feasibility of a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial department and the child support recovery unit.

6. The department shall expend up to \$50,000, including federal financial participation, for the fiscal year beginning July 1, 1996, for a child support public awareness campaign. The department shall cooperate with the office of the attorney general in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities and through continuation of the publication of names of persons who are delinquent in payment of child support obligations, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.



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7. The department shall continue the pilot program option to provide and supervise a community service pilot project for absent parents who are ordered by the court to perform community service for failure to pay child support pursuant to section 598.23A.

8. The director of human services may enter a contract with private collection agencies to collect support payments for cases which have been identified by the department as difficult collection cases if the department determines that this form of collection is more cost effective than departmental collection methods. The director may use a portion of the state share of funds collected through this means to pay the costs of any contracts authorized under this subsection.

9. The department shall employ on or before July 2, 1996, at least 1.00 FTE to respond to telephone inquiries during all weekly business hours.

10. The department shall develop guidelines to be used in lieu of the child support guidelines prescribed under section 598.21, subsection 4, for establishing a support obligation and the amount of the support debt accrued and accruing pursuant to section 234.39 for the costs of foster care services. The proposed guidelines shall reflect the public purpose of establishing a support obligation without causing a serious disruption of the family of the obligor. The department shall submit the proposed guidelines to the general assembly on or before January 15, 1997.

Sec. 9. 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, 1996, and ending June 30, 1997, 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, and miscellaneous purposes and for not more than the following full-time equivalent positions:

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For the state juvenile institutions:

.....	\$ 13,769,809
.....	FTEs 320.77

1. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the Iowa juvenile home at Toledo:

.....	\$ 5,130,863
.....	FTEs 118.54

2. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the state training school at Eldora:

.....	\$ 8,638,946
.....	FTEs 202.23

3. During the fiscal year beginning July 1, 1996, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Of the funds appropriated in this section, \$10,000 shall be used by the state training school and \$8,000 by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1996.

5. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

.....	\$ 85,460,607
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1. The department may transfer moneys appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment

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program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

2. a. Of the funds appropriated in this section, up to \$24,601,280 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. The department shall report quarterly to the legislative fiscal bureau concerning the status of each region's efforts to contain expenditures for group foster care placements in accordance with the regional plan established pursuant to section 232.143.

c. The department shall not certify any additional enhanced residential treatment beds, unless the director of human services approves the beds as necessary, based on the type of children to be served and the location of the enhanced residential treatment beds.

d. (1) Of the funds appropriated in this section, not more than \$6,538,215 is allocated as the state match funding for psychiatric medical institutions for children.

(2) The department may transfer all or a portion of the funds appropriated in this section for psychiatric medical institutions for children (PMICs) to the appropriation in this Act for medical assistance and may amend the managed mental health care contract to include PMICs.

e. Of the funds allocated in this subsection, not more than \$1,077,995 is allocated as the state match funding for 50 highly structured juvenile program beds.

3. The department shall establish a goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

4. In accordance with the provisions of section 232.188,

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the department shall continue the program to decategorize child welfare services in additional counties or clusters of counties.

5. Of the funds appropriated in this section, up to \$96,512 is allocated for continued foster care services to a child who is 18 years of age or older in accordance with the provisions of section 234.35, subsection 3, paragraph "c". However, if funding in this appropriation would remain unobligated at the end of the fiscal year, the allocation in this subsection may be exceeded to the extent necessary to provide the continued foster care services. The department shall distribute the moneys allocated in this subsection to the department's regions based on each region's proportion of the total number of children placed in foster care on March 31 preceding the beginning of the fiscal year, who, during the fiscal year would no longer be eligible for foster care due to age.

6. Notwithstanding section 232.142, subsection 3, the financial aid paid by the state for the establishment, improvements, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 1996, shall be limited to \$872,500. Funds allocated in this subsection shall be prorated among eligible detention homes.

7. The amount of the appropriation made in this section available for foster care is based upon expansion of the number of children in foster care who are eligible for federal supplemental security income (SSI). The department may use up to \$300,000 of those funds to enter into a performance-based contract to secure SSI benefits for children placed in foster care. The contract shall include provisions for training of department of human services and juvenile court staff, completion of applications, tracking of application results, and representation during the appeals process whenever an appeal is necessary to secure SSI benefits. Notwithstanding section 217.30 and section 232.2, subsection 11, and any other

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provision of law to the contrary, the director or the director's designee on behalf of a child in foster care may release medical, mental health, substance abuse, or any other information necessary only to determine the child's eligibility for SSI benefits, and may sign releases for the information. In any release of information made pursuant to this subsection, confidentiality shall be maintained to the maximum extent possible.

8. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

9. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 1996, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$3,223,732. The department shall develop a formula in consultation with the shelter care committee created by the department to allocate shelter care funds to the department's regions. The formula shall be based on the region's proportion of the state population of children and historical usage. The department may adopt emergency rules to implement the provisions of this subsection.

10. Of the funds appropriated in this section, not more than \$527,137 may be used to develop and maintain the state's implementation of the national adoption and foster care information system pursuant to the requirements of Pub. L. No. 99-509. The department may transfer funds as necessary from the appropriations in this Act for field operations and general administration to implement this subsection. Moneys allocated in accordance with this subsection shall be considered encumbered for the purposes of section 8.33.

11. Of the funds appropriated in this section, up to \$619,433 may be used as determined by the department for any of the following purposes:

a. For general administration of the department to improve

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staff training efforts.

b. For oversight of termination of parental rights and permanency planning efforts on a statewide basis.

c. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases.

d. For specialized permanency planning field operations staff.

12. The department may adopt administrative rules following consultation with child welfare services providers to implement outcome-based child welfare services pilot projects. The rules may include, but are not limited to, the development of program descriptions, provider licensing and certification standards, reimbursement and payment amounts, contract requirements, assessment and service necessity requirements, eligibility criteria, claims submission procedures, and accountability standards.

13. Of the funds appropriated in this section, up to \$125,340 may be used to develop, in cooperation with providers of children and family services, a performance-based monitoring program to evaluate and improve outcomes for children and families. The department may adopt administrative rules to implement this subsection.

14. The department may develop, within the funds available, a pilot kinship care project to enhance family involvement in the development of the permanency plan required under chapter 232 for children who are removed from their homes. The project components may include family involvement before and after removal of the child and shall stress safety for the child.

15. Within the funds appropriated in this section, the department may develop a subsidized guardianship program to provide financial assistance to guardians of children who have a permanency order under section 232.104, subsection 2, paragraph "d", subparagraph (1), in cases in which all of the following conditions exist:

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a. The option of reunification has been eliminated and termination of parental rights is not appropriate.

b. The child has lived with the potential guardian for at least six months.

c. The child is either 14 years of age or older or, if under 14 years of age, is part of a sibling group and cannot be made available for adoption.

d. The placement does not require departmental supervision.

The financial assistance provided shall be in the same amount as provided for family foster care. For purposes of medical assistance and child support recovery, these payments shall be considered foster care payments.

16. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

17. If Title XIX of the federal Social Security Act is repealed prior to January 17, 1997, and the state is otherwise authorized to establish requirements for providing health and rehabilitative services to persons who would be eligible for medical assistance under chapter 249A, the department shall eliminate the clinical assessment and consultation teams operating as part of the medical assistance children's rehabilitative services initiative. The provisions of this subsection shall apply through January 16, 1997.

18. Federal funds received by the state during the fiscal years beginning July 1, 1995, and July 1, 1996, as the result of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section shall be used as additional funding for services provided under this section. Moneys received by the department in accordance with the provisions of this section shall remain available for the purposes designated until June 30, 1998.

19. The department may adopt emergency rules to revise administrative rules relating to rehabilitative treatment

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services under the child welfare program as necessary to comply with federal requirements to maintain nonstate funding.

20. The department in cooperation with the department of education shall collect data to determine the number of children for whom sheltered workshops and supported employment will be required during the period beginning July 1, 1997, through June 30, 2002. The department shall report the findings of the study to the general assembly by January 2, 1997.

21. Of the funds appropriated in this section, up to \$150,000 shall be transferred to the Iowa healthy kids trust fund for use by the division of insurance of the department of commerce for planning, administration, and implementation of the Iowa healthy kids program as established in chapter 514I as enacted in this Act.

Sec. 11. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY PREVENTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs, on the condition that family planning services are funded, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$	2,635,146
.....	FTEs	1.00

1. Of the funds appropriated in this section, \$736,146 shall be used for adolescent pregnancy prevention grants, including not more than \$156,048 for programs to prevent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. It is the intent of the general assembly that by July 1, 1998, grants awarded under this subsection be required to meet the criteria under subsection 2 including the provision of community-wide services within the proximity of the community or region.



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2. Of the funds appropriated in this section, \$298,000 shall be used for grants to community or regional groups which demonstrate broad-based representation from community representatives including but not limited to schools, churches, human service-related organizations, and businesses. Priority in the awarding of grants shall be given to groups which provide services to both urban and rural areas within the proximity of the community or region and which provide age-appropriate programs adapted for both male and female youth at the elementary, middle, and high school levels. A program shall focus on the prevention of initial pregnancies during the adolescent years by emphasizing sexual abstinence as the only completely safe and effective means of avoiding pregnancy and sexually transmitted diseases and by providing information regarding the comparative failure rates of contraceptives, and by emphasizing responsible decision making in relationships, managing of peer and social pressures, development of self-esteem, the costs and responsibilities of parenting, and information regarding the alternative of adoption for placement of a child. The program shall also include an evaluation and assessment component which includes evaluation of and recommendations for improvement of the program by the youth and parents involved. Evaluation and assessment reports shall be provided to the department of human services, at a time determined by the department in the grant award. Community or regional groups interested in applying for a grant under this subsection may be issued a planning grant or may utilize grant moneys for the costs of technical assistance to analyze community needs, match service providers to needs, negotiate service provision strategies, or other assistance to focus grant services provided under this subsection. The technical assistance may be provided by organizations affiliated with institutions under the authority of the state board of regents or other organizations experienced in providing technical assistance concerning similar services.

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3. The department of human services, in cooperation with the Iowa department of public health, shall determine the criteria to be used in measuring the results of all pregnancy prevention programs for which funds are allocated in this section. The criteria to be used shall be made available to the interim committee established in subsection 4.

4. The legislative council is requested to established a legislative interim committee during the 1996 interim of the general assembly to evaluate the effectiveness of current and proposed adolescent pregnancy prevention programs.

5. Of the funds appropriated in this section, \$846,014 shall be used by the department for child abuse prevention grants. Of the funds allocated in this subsection, \$115,000 shall be transferred to the Iowa department of public health for the Iowa healthy family program under section 135.106, to be expended in accordance with the provisions relating to this program in 1996 Iowa Acts, Senate File 2448.

Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4:  
..... \$ 3,090,000

1. Notwithstanding section 232.141 or any other provision of law, the funds appropriated in this section shall be allocated to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination on the allocations on or before June 15.

2. a. Each judicial district shall continue the planning group for the court-ordered services for juveniles provided in that district which was established pursuant to 1991 Iowa Acts, chapter 267, section 119. A planning group shall

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continue to perform its duties as specified in that law. Reimbursement rates for providers of court-ordered evaluation and treatment services paid under section 232.141, subsection 4, shall be negotiated with providers by each judicial district's planning group.

b. Each district planning group shall submit an annual report in January to the state court administrator and the department of human services. The report shall cover the preceding fiscal year and shall include a preliminary report on the current fiscal year. The administrator and the department shall compile these reports and submit the reports to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The department of human services shall develop policies and procedures to ensure that the funds appropriated in this section are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed to achieve the following objectives relating to services provided under chapter 232:

a. Maximize the utilization of funds which may be available from the medical assistance program including usage of the early and periodic screening, diagnosis, and treatment (EPSDT) program.

b. Recover payments from any third-party insurance carrier which is liable for coverage of the services, including health insurance coverage.

c. Pursue development of agreements with regularly utilized out-of-state service providers which are intended to reduce per diem costs paid to those providers.

4. The department of human services, in consultation with the state court administrator and the judicial district planning groups, shall compile a monthly report describing spending in the districts for court-ordered services for juveniles, including the utilization of the medical assistance

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program. The reports shall be submitted on or before the twentieth day of each month to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Notwithstanding chapter 232 or any other provision of law, a district or juvenile court in a department of human services district shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district allocation to pay for the service. The chief juvenile court officer shall work with the judicial district planning group to encourage use of the funds appropriated in this section such that there are sufficient funds to pay for all court-related services during the entire year. The eight chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the allocations and shall cooperatively request the state court administrator to transfer funds between the districts' allocations as prudent.

6. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

7. Of the funds appropriated in this section, not more than \$100,000 may be used by the judicial department for administration of the requirements under this section and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

8. Of the funds appropriated in this section, not more than \$400,000 may be transferred to the appropriation in this Act for child and family services and used to provide school-based supervision of children adjudicated under chapter 232.

Sec. 13. 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, 1996, and

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ending June 30, 1997, 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, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$ 41,537,333
.....	FTEs 927.16

1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

a. State mental health institute at Cherokee:

.....	\$ 13,581,308
.....	FTEs 306.04

b. State mental health institute at Clarinda:

.....	\$ 6,172,607
.....	FTEs 136.82

c. State mental health institute at Independence:

.....	\$ 16,946,094
.....	FTEs 401.82

d. State mental health institute at Mount Pleasant:

.....	\$ 4,837,324
.....	FTEs 82.48

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state.

Sec. 14. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

.....	\$ 62,029,824
.....	FTEs 1,516.00

1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

a. State hospital-school at Glenwood:

.....	\$ 35,070,700
.....	FTEs 872.50

b. State hospital-school at Woodward:

.....	\$ 26,959,124
.....	FTEs 643.50

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness special services:

.....	\$ 121,220
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1. The department and the Iowa finance authority shall develop methods to implement the financing for existing community-based facilities and to implement financing for the development of affordable community-based housing facilities. The department shall assure that clients are referred to the housing as it is developed.

2. The funds appropriated in this section are to provide funds for construction and start-up costs to develop community living arrangements to provide for persons with mental illness who are homeless. These funds may be used to match federal Stewart B. McKinney Homeless Assistance Act grant funds.

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Sec. 16. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used by the division of children and family services for the purpose designated:

For the family support subsidy program:

..... \$ 1,344,000

The division of children and family services shall utilize not more than \$200,000 of the funds appropriated in this section to implement a pilot project of the children-at-home component under the comprehensive family support program in at least one rural and one urban county. Not more than \$50,000 of the funds allocated in this paragraph shall be used for administrative costs.

Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:

..... \$ 53,212

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 or to provide for independent living costs. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency. Regular reports regarding the special needs grants with the family support subsidy program and an annual report concerning the characteristics of the grantees shall be provided to the legislative fiscal bureau.

Sec. 18. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human

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services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

..... \$ 5,454,000

If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the services paid for under this section are exempt from the department's purchase of service system requirements. The department shall adopt rules to implement the provisions of this paragraph.

Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES -- COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this Act:

..... \$ 16,230,000

1. Of the funds appropriated in this section, \$15,951,138 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to



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persons with a disability, as defined in section 225C.2.

However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. The department shall submit an annual report concerning each population served and each service funded in this section to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Of the funds appropriated in this section, not more than \$248,862 shall be provided to those counties having supplemental per diem contracts in effect on June 30, 1994, which were originally initiated under 1993 Iowa Acts, chapter 172, section 16, subsection 2. The amount provided to each county shall be equal to the amount the county would be eligible to receive under the supplemental per diem contracts in effect on June 30, 1994, if the contracts were continued in effect for the entire fiscal year beginning July 1, 1996.

6. a. Funding from the federal social services block grant in the amount of \$13,038,763 is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with eligibility guidelines established in the department's rules outlining general provisions for service administration. Services eligible for payment with funds allocated in this subsection are limited to any of the following which are provided in accordance with the

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department's administrative rules for the services: adult support, adult day care, administrative support for volunteers, community supervised apartment living arrangements, residential services for adults, sheltered work, supported employment, supported work training, transportation, and work activity.

c. In purchasing services with funds allocated in this subsection, a county shall designate a person to provide for eligibility determination and development of a case plan for individuals for whom the services are purchased. The designated person shall be a medical assistance case manager serving the person's county of residence. If an individual does not have a case manager, the individual's eligibility shall be determined by a social services caseworker of the department serving the individual's county of residence. The case plan shall be developed in accordance with the department's rules outlining general provisions for service administration.

d. Services purchased with funds allocated in this subsection must be the result of a referral by the person who identified the services in developing the individual's case plan.

e. Services purchased with funds allocated in this subsection must be under a purchase of service contract established in accordance with the department's administrative rules for purchase of service.

f. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

g. Each county shall submit to the department a plan for

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funding of the services eligible for payment under this subsection. The plan may provide for allocation of the funds for one or more of the eligible services. The plan shall identify the funding amount the county allocates for each service and the time period for which the funding will be available. Only those services which have funding allocated in the plan are eligible for payment with funds provided in this subsection.

h. A county shall provide advance notice to the individual receiving services, the service provider, and the person responsible for developing the case plan of the date the county determines that funding will no longer be available for a service.

i. The moneys provided under this subsection do not establish an entitlement to the services funded under this subsection.

7. If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the county shall be considered to have met the requirements of subsection 2, and subsection 6, paragraphs "b", "c", "d", "e", and "g". The department shall adopt rules to implement the provisions of this subsection.

Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:  
..... \$ 364,000

The funds appropriated in this section shall be used by the division of children and family services to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area. A portion of the funds may be used for costs to develop a federal home and

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community-based waiver under the medical assistance program for persons with physical disabilities or other expenditures necessary to develop the personal assistance program in the most appropriate and cost-effective manner. However, not more than \$50,000 shall be used for administrative costs. The pilot project and the waiver shall not be implemented in a manner that would require additional county or state costs for assistance provided to an individual served under the pilot project or the waiver.

Sec. 21. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 38,483,998  
..... FTEs 2,019.00

Sec. 22. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

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

..... \$ 11,917,316  
..... FTEs 401.00

1. Of the funds appropriated in this section, \$57,090 is allocated for the prevention of disabilities policy council established in section 225B.3.

2. a. Except as provided under this subsection and under the appropriation in this Act to the legislative council, the department shall not implement the options for service system modification developed by the department's modification teams

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in response to proposed federal action and shall not implement other actions in response to enacted federal changes affecting the programs administered by the department unless the department is implementing a policy or action authorized in law by the Seventy-sixth General Assembly, 1996 Session, or by the Seventy-seventh General Assembly.

b. The department may make changes to the requirements for periodic reporting by participants under the family investment program, food stamp program, or medical assistance program if the changes would result in a reduction in paperwork for the participants and for department staff. If a federal waiver is necessary to implement a change, the department may submit the waiver request to the United States departments of health and human services and agriculture, as applicable. If the department elects to submit a waiver request or to adopt rules to implement a change under this paragraph, the department shall first consult with a group similar to the work group that considered the state human investment policy proposal or with a successor interagency task force which makes recommendations concerning the family investment program, and shall share the proposals with the chairpersons and ranking members of the committees on human resources of the senate and house of representatives.

c. If implementation of the request would result in increased federal funding and would permit greater flexibility in service funding, the department may submit a waiver request to the United States department of health and human services for Title IV-E funding to be provided to the state in a fixed amount. Prior to submission of the request, the department shall consult with representatives of the juvenile court and service providers.

Sec. 23. DEPARTMENT OF HUMAN SERVICES RESTRUCTURING TASK FORCE ON THE FUTURE OF HUMAN SERVICES. There is appropriated from the general fund of the state to the legislative council for the fiscal period beginning July 1, 1996, and ending June 30, 1998, the following amount, or so much thereof as is

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necessary, to be used for the purpose designated:

For expenses associated with the activities of the task force for assessing the structure and function of the department of human services and human services programs in accordance with this section:

..... \$ 75,000

1. The legislative council shall establish a task force to develop a comprehensive proposal for changing the role and function of the department of human services and its programs. The purpose of the changes is to improve services to Iowans through the creation of new federal, state, and local partnerships. The task force shall make recommendations regarding restructuring the department of human services in order to achieve better human services results, to improve the quality of service delivery, and to increase the quality of the department's interaction with the public. The task force may also assess program duplication and linkages with other federal, state, or local programs or funding streams.

2. The task force shall be composed of not more than 21 members appointed by the legislative council and shall include not more than five individuals recommended by the governor and legislators who are members of the joint appropriations subcommittee on human services and other knowledgeable legislators designated by the legislative council. The task force may use moneys appropriated in this section for technical assistance. The task force shall consult with service consumers, experts who are representative of organizations such as nonprofit service organizations, health insurers, and human services-oriented community organizations, representatives of local governments, representatives of state agencies, federal officials with expertise or responsibilities regarding human services in Iowa, and others, as determined by the task force. An interim report shall be completed prior to the convening of the Seventy-seventh General Assembly.

The task force shall provide for public input concerning the four modification proposals developed by the department in

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response to proposed federal actions submitted to the joint appropriations subcommittee on human services in February 1996.

The task force may establish work groups to assist in the task force's consideration of the modification proposals which may include the following:

a. A review of the child welfare modification proposal which may include input from representatives of the juvenile court, service providers, families receiving services, the attorney general, representatives of local governments, representatives of state agencies, and other citizens and officials.

b. A review of the mental health and developmental disabilities proposal which shall incorporate issues associated with implementation of the funding reform enacted in 1995 Iowa Acts, chapter 206; usage of service providers such as intermediate care facilities for the mentally retarded, state institutions, and other services for persons with disabilities; distribution of services throughout the state; and other issues. In addition, the review shall consider a proposal to replace the single contract for managed care under medical assistance with not more than four regional plans utilizing collaborations between community mental health centers as umbrella agencies.

c. A review of the family investment program proposal which may include input from the work group which considered the state human investment policy proposal or a successor interagency task force which makes recommendations to the department concerning the family investment program. Consideration of issues associated with the proposal may include review of the emergency assistance program, the family development and self-sufficiency (FaDSS) program, and child day care programs, and an assessment of the feasibility of transferring all or part of the functions of the child support recovery unit to other agencies of state government.

d. A review of the medical assistance proposal which may

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include input from representatives of the medical assistance advisory council, the long-term care resident's advocate, and consumer groups such as the Iowa affiliate of the American association of retired persons, Iowa citizens' action network, the governor's DD council which was formerly referred to as the governor's planning council for developmental disabilities, and representatives of maternal and child health centers.

3. If federal law requires the state to make changes in the programs and services directed to the populations addressed by the modification proposals and authorizes the changes to be made without state legislation, the department shall adopt rules to implement the changes. The rules shall be submitted to the task force for review and recommendation prior to their submission to the administrative rules review committee.

Sec. 24. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

..... \$ 98,900

Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

1. a. The department of human services may allocate increases among items and procedures for durable medical products and supplies as deemed appropriate in cooperation with durable medical equipment and supply dealers, audiologists, and hearing aid dealers.

b. For the fiscal year beginning July 1, 1996, skilled nursing facilities shall remain at the rates in effect on June 30, 1996.

c. The dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1996. The reimbursement policy for



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drug product costs shall be in accordance with federal requirements.

d. Reimbursement rates for in-patient and outpatient hospital services shall remain at the rates in effect on June 30, 1996. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f". Reimbursements made between July 1, 1996, and June 30, 1997, under the outpatient hospital reimbursement system implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f", shall be retrospectively adjusted so that the reimbursement made is within a ten percent deviation of the lower of the cost or the charges for the services provided during the fiscal year ending June 30, 1996. In addition, the department shall continue the revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

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

f. Home health agencies certified for the federal Medicare program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal Medicare audited costs.

g. The basis for establishing the maximum medical assistance reimbursement rate for nursing facilities shall be the 70th percentile of facility costs as calculated from the June 30, 1996, unaudited compilation of cost and statistical data. However, to the extent funds are available within the amount projected for reimbursement of nursing facilities within the appropriation for medical assistance in this Act,

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and within the appropriation for medical assistance as a whole, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1996, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1997.

h. The department may modify the reimbursement methodology for skilled nursing facilities which participated in the medical assistance program on or before May 31, 1993, and which met the departmental disproportionate share payment provisions as of May 31, 1993, if it is possible to demonstrate that the modification would result in a cost savings to the medical assistance program.

i. The department may revise the fee schedule used for physician reimbursement.

j. Federally qualified health centers shall be reimbursed at 100 percent of reasonable costs as determined by the department in accordance with federal requirements.

k. The department may allocate increases among items and procedures for dental procedures as deemed appropriate in cooperation with dentists.

2. For the fiscal year beginning July 1, 1996, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall be \$21.54 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be \$15.41 per day. For the fiscal year beginning July 1, 1996, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be \$414.11 per month.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 1995.

4. Notwithstanding section 234.38, in the fiscal year

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beginning July 1, 1996, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$12.34, the rate for children ages 6 through 11 years shall be \$13.06, the rate for children ages 12 through 15 years shall be \$14.23, and the rate for children ages 16 and older shall be \$15.12.

5. For the fiscal year beginning July 1, 1996, the maximum reimbursement rates for social service providers shall be the same as the rates in effect on June 30, 1996, except under any of the following circumstances:

a. If a new service was added after June 30, 1996, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

c. The department revises the reimbursement rates as part of the changes in the mental health and developmental disabilities services system initiated pursuant to 1995 Iowa Acts, chapter 206 (Senate File 69), and associated legislation.

d. The reimbursement rate revision is necessary to implement the change required by the appropriation in this Act for an increase in the reimbursement for residential care facilities.

6. The group foster care reimbursement rates paid for placement of children out-of-state shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

7. For the fiscal year beginning July 1, 1996, the

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combined service and maintenance components of the reimbursement rate paid to a shelter care provider shall be based on the cost report submitted to the department. The maximum reimbursement rate shall be \$76.61 per day. If the department would reimburse the provider at less than the maximum rate but the provider's cost report justifies a rate of at least \$76.61, the department shall readjust the provider's reimbursement rate to the maximum reimbursement rate. In January 1997, the department shall review the usage of shelter care and the funding allocated for shelter care, if the usage is less than anticipated and the existing contracts for provision of shelter care do not obligate the total amount of the funds allocated, the department may utilize moneys in the allocation, which would otherwise be unexpended, for wrap-around services or support to enable group foster care placement to be prevented or the length of stay reduced.

8. The department, through the drug utilization review commission, shall propose a pilot project for an alternative payment system, recommended in the study completed by the drug utilization review commission, for compensation of pharmacists for pharmaceutical care services under medical assistance at no cost to the state. The department shall submit the proposal to the members of the joint appropriations subcommittee on human services on or before November 30, 1996.

9. For the fiscal year beginning July 1, 1996, the department shall calculate reimbursement rates for intermediate care facilities for the mentally retarded at the 80th percentile. The department shall address any other proposals for containment of intermediate care facilities for the mentally retarded costs with the work group for restructuring of the department of human services created pursuant to this Act.

10. The department of human services shall adopt rules applicable to agencies providing services under the department's rehabilitative treatment program for children and their families to eliminate reimbursement rate limits on

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service components which are within a category of cost which itself has a reimbursement rate limit. The change required by this subsection shall be implemented in a manner which is cost neutral.

11. The department shall negotiate with providers of services under the department's medical assistance rehabilitative treatment program for children and families, to revise the department's rules providing reimbursement rates under the program, including a review of cost principles. The goals for the revision are to simplify the reimbursement process, reduce paperwork for providers, and provide full payment for necessary services provided under contract with the department. Prior to adoption of the rules and no later than October 1, 1996, the department shall provide a description of the agreement to the chairpersons and ranking members of the joint appropriations subcommittee on human services. The provisions of this subsection shall be separate from the provisions of subsection 10.

12. The department of human services, in consultation with representatives of nursing facilities, consumers, legislators, a representative of the department of management or the governor's designee, and other interested entities, shall do all of the following with the goals of improving the quality of care and improving the recruitment and retention of qualified direct health care providers in nursing facilities:

a. Establish definitions for the direct health care, administrative, room and board, and property cost categories for reimbursement of nursing facilities under the medical assistance program.

b. Analyze and make recommendations for the distribution of costs among the cost categories which may include elimination or replacement of the cost categories.

c. Analyze and make recommendations to eliminate reimbursement rate limits on components which are within a category of cost which itself has a reimbursement rate limit.

d. Conduct a cost-benefit analysis of incentive payments,

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evaluate their impact on quality of care and patient well-being, and make recommendations based upon the analysis and evaluation.

e. Analyze and make recommendations for clarification and simplification of the cost report format, which may include standardization with the county charts of accounts.

f. Analyze and make recommendations regarding the use of a reimbursement allowance for those nursing facilities serving a disproportionate share of medical assistance patients.

g. Analyze and make recommendations regarding effective ways to mediate disputes between a nursing facility and the department of inspections and appeals concerning significant violations, prior to a formal appeal.

h. Submit a report of the definitions, analysis, and recommendations to the general assembly on or before December 16, 1996.

13. The department may adopt emergency rules to implement the provisions of this section.

Sec. 26. RESIDENTIAL SERVICES -- PURCHASE OF SERVICES -- REIMBURSEMENT RATE INCREASE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For an increase in the purchase of service reimbursement rate for adult residential services provided to persons residing in any category of licensed residential care facility. Beginning July 1, 1996, provider service rates for adult residential services shall be increased up to the amount of actual and allowable costs plus inflation, based upon the cost reports on which rates have been established as of April 1, 1996. However, a provider service rate shall not be increased by more than \$4.36 per day. If a provider service rate in effect prior to July 1, 1996, is greater than the actual and allowable costs plus inflation, based upon the cost report, or if the difference between the provider service rate

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and the actual and allowable costs is less than \$.44 per day, the provider service rate shall be increased by \$.44 per day:  
..... \$ 1,300,000

1. Funding appropriated in this section shall be allocated to counties in accordance with the distribution guidelines for local purchase of services in accordance with the appropriation in this Act for the mental health and developmental disabilities community services fund. Use of the funding is restricted to reimbursement of a licensed residential care facility provider of adult residential services which had a purchase of service contract for those services in effect on June 30, 1996, and for which the rate negotiated for fiscal year 1996-1997 is greater than the rate paid in fiscal year 1995-1996.

2. Of the moneys appropriated in this section, \$130,000 shall be transferred to the appropriation in this Act for MI/MR/DD state cases and shall be used for payment of the increased reimbursement rate to residential care facilities providing services through local purchase of services for persons under the state cases program, and in accordance with the guidelines in this Act for local purchase of services.

Sec. 27. APPROPRIATIONS REDUCTIONS. The following appropriations in this Act for the fiscal year beginning July 1, 1996, and ending June 30, 1997, are reduced by a total of \$1,560,000: child support recovery, juvenile institutions, community-based programs, mental health institutes, state hospital-schools, field operations, and general administration. The department shall use the following guidelines in achieving these reductions:

- 1. As the highest priority, avoid disruptions of direct client services.
- 2. To the extent possible, use attrition to reduce the number of positions filled.
- 3. To the extent possible, not disproportionately affect a single job classification.
- 4. Not include in the reduction, the elimination of the

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3.00 FTEs for managed care specialists in the medical services division.

5. Consider reductions in administration, overhead, and program duplication.

The department shall submit the department's plan for accomplishing the reductions to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the department of management, and the legislative fiscal bureau on or before June 15, 1996.

Sec. 28. STATE INSTITUTIONS -- CLOSINGS, REDUCTIONS, AND BILLING PRACTICES.

1. If a state institution administered by the department of human services 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 Iowa department of economic development to develop new jobs in the area in which the state institution is located. In addition, the department may take other actions to utilize any closed unit or other facilities and services of an institution, including but not limited to assisting public or private organizations in utilizing the services and facilities. The actions may also include assisting an organization with remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years. The department of human services and the department of economic development shall submit a joint report to the chairpersons and ranking members of the joint appropriations subcommittee on human services on or before January 2, 1997, regarding any efforts made pursuant to this subsection.

2. For purposes of this section, "state institution" means a state mental health institute, a state hospital-school, the state training school, and the Iowa juvenile home under the authority of the department of human services listed in section 218.1. If excess capacity exists at a state institution beyond the capacity required for placements at the institution under law, the department of human services may



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enter into a contract with a managed care provider or an organized delivery system for health care, to provide services during the fiscal year beginning July 1, 1996, at the institution for the plan or system.

3. The department shall work with administrators of state institutions and the department of management and the legislative fiscal bureau in reviewing revenues and expenditures attributable to state institutions, applicable fiscal procedures, and other information as necessary to develop a proposal to revise the manner of making appropriations to these state institutions and of accounting for reimbursements and expenditures so that in future fiscal years the amounts appropriated reflect the net amount of state funds needed. The proposal shall be submitted to the general assembly on or before December 16, 1996. If deemed feasible by those performing the review, the department of human services and the department of management shall incorporate the proposed revisions in the budget documents for the fiscal year beginning July 1, 1997.

4. The superintendents of the state hospital-schools shall work with the department's administrative staff in studying the manner in which services and costs are combined for purposes of billing for medical assistance reimbursement at the state hospital-schools. Following the study, the superintendents shall submit a report which may include a proposal for revising the state hospital-schools' manner of billing for medical assistance reimbursement to be more comparable to other intermediate care facilities for the mentally retarded. The report shall be submitted to the general assembly on or before December 16, 1996.

5. The superintendent of the state hospital-schools shall work with the department's administrative staff in developing methodologies to bill services, consultation, and other assistance provided by the state hospital-schools in support of community-based services. The department may implement the methodologies in the fiscal year beginning July 1, 1996.

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6. In addition to existing planning efforts for community-based alternatives to placements at a state hospital-school, if the department's budget planning for fiscal year 1997-1998 includes a proposal for reduction of capacity at a state hospital-school or mental health institute, the department shall work with counties, service providers, advocates, and the department's contractor for managed mental health care under medical assistance, in developing a plan for community-based placements in place of the capacity proposed to be reduced. The plan shall be submitted for review to the task force on the future of human services created in this Act and to the state-county management committee. It is the intent of the general assembly that any authorization for any reduction of capacity at a state hospital-school or state mental health institute in fiscal year 1997-1998 is contingent upon development of sufficient community-based placements to replace the reduced capacity.

7. To the extent possible, the department shall consult with the applicable workgroups of the task force on the future of the department of human services created in this Act concerning the activities required of the department pursuant to this section.

Sec. 29. STANDARDS FOR CASELOADS. The department of human services shall develop a plan for meeting national standards on caseloads for the department's social workers.

The department shall submit the planning provisions required by this section to the members of the joint appropriations subcommittee on human services of the senate and house of representatives on or before January 8, 1997.

Sec. 30. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the legislative fiscal bureau, the legislative service bureau, and to the caucus staffs on or before the dates specified for submission of the reports or information.

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Sec. 31. REPORTS BY PROVIDERS OF FOSTER CARE SERVICES -- REVIEW -- PROCESS SIMPLIFICATION. The department of human services shall consult with providers of rehabilitation treatment services relating to the medical assistance child services initiative in reviewing provider requirements relating to financial and statistical accountability reporting and the process for submission of the reports relating to these requirements. Following this review, and no later than January 1, 1997, the department of human services shall implement a process which provides, at a minimum, for a simplified means of documenting compliance with provider accountability requirements which shall, at a minimum, include consolidation of the reports required and which may provide a means for submission of the reports in an electronic format.

Sec. 32. Section 135H.6, Code 1995, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. The department of human services may give approval to conversion of beds specializing in substance abuse treatment previously approved under subsection 5, paragraph "b", to beds which are not specialized as referenced in subsection 5, paragraph "a". Beds converted under this subsection shall be in addition to the number of beds authorized under subsection 5, paragraph "a". However, the total number of beds approved under subsection 5 shall not exceed four hundred thirty. Conversion of beds under this subsection shall not require a revision of the certificate of need issued for the psychiatric institution making the conversion.

NEW SUBSECTION. 7. A psychiatric institution licensed prior to January 1, 1996, may exceed the number of beds authorized under subsections 5 and 5A if the excess beds are used to provide services funded from a source other than the medical assistance program under chapter 249A. Notwithstanding subsections 4, 5, and 5A, the provision of services using such excess beds does not require a certificate of need or a review by the department of human services.

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Sec. 33. Section 228.5, subsection 1, Code 1995, is amended to read as follows:

1. An individual or an individual's legal representative shall be informed that mental health information relating to the individual may be disclosed to employees or agents of or for the same mental health facility or to other providers of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

Sec. 34. Section 228.5, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Mental health information relating to an individual may be disclosed to other providers of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

Sec. 35. Section 232.143, Code Supplement 1995, is amended to read as follows:

232.143 REGIONAL GROUP FOSTER CARE ~~TARGET~~ BUDGET TARGETS.

1. A statewide expenditure target ~~for-the-average-number of~~ for children in group foster care placements ~~on-any-day-of~~ in a fiscal year, which placements are a charge upon or are paid for by the state, shall be established annually in an appropriation bill by the general assembly. The department and the judicial department shall jointly develop a formula for allocating a portion of the statewide expenditure target established by the general assembly to each of the department's regions. The formula shall be based upon the region's proportion of the state population of children and of the statewide ~~number-of-children-placed-in~~ usage of group foster care in the previous five completed fiscal years and other indicators of need. The ~~number~~ expenditure amount determined in accordance with the formula shall be the group foster care placement budget target for that region. A region may exceed its budget target for group foster care by not more than five percent in a fiscal year, provided the overall

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funding allocated by the department for all child welfare services in the region is not exceeded.

2. For each of the department's regions, representatives appointed by the department and the juvenile court shall establish a plan for containing the number-of expenditures for children placed in group foster care ordered by the court within the budget target allocated to that region pursuant to subsection 1. The plan shall include monthly targets and strategies for developing alternatives to group foster care placements in order to contain expenditures for child welfare services provided-to-children within the amount appropriated by the general assembly for that purpose. Each regional plan shall be established in advance of the fiscal year to which the regional plan applies. To the extent possible, the department and the juvenile court shall coordinate the planning required under this subsection with planning for services paid under section 232.141, subsection 4. The department's regional administrator shall communicate regularly, as specified in the regional plan, with the juvenile courts within that region concerning the current status of the regional plan's implementation.

3. State payment for group foster care placements shall be limited to those placements which are in accordance with the regional plans developed pursuant to subsection 2. If a proposed group foster care placement in a region would meet the region's plan requirements except that the placement would cause a monthly or overall budget target to be exceeded and the child is eligible for an alternative service which is costlier and more restrictive than the proposed placement, the director of human services, after consultation with appropriate juvenile court officials, may allow an exception to policy and authorize the placement. At the close of the fiscal year, moneys for specific placements authorized by the director under this subsection shall be transferred from the state appropriation for the alternative placement to the appropriation for group foster care placements, as necessary

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to prevent a deficit in the appropriation for group foster care.

Sec. 36. Section 234.39, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

It is the intent of this chapter that an individual receiving foster care services and the individual's parents or guardians, shall have primary responsibility for paying the cost of the care and services. The support obligation established and adopted under this section shall be consistent with the limitations on legal liability established under sections 222.78 and 230.15, and by any other statute limiting legal responsibility for support which may be imposed on a person for the cost of care and services provided by the department. The department shall notify an individual's parents or guardians at the time of the placement of an individual in foster care, of the responsibility for paying the cost of care and services. Support obligations shall be established as follows:

Sec. 37. Section 234.39, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The support debt for the costs of services, for which a support obligation is established pursuant to this section, which accrues prior to the establishment of the support debt, shall be collected, at a maximum, in the amount which is the amount of accrued support debt for the three months preceding the earlier of the following:

a. The provision by the child support recovery unit of the initial notice to the parent or guardian of the amount of the support obligation.

b. The date that the written request for a court hearing is received by the child support recovery unit as provided in section 252C.3 or 252F.3.

Sec. 38. NEW SECTION. 239.23 FAMILY INVESTMENT PROGRAM HOST HOMES.

1. As used in this section, unless the context otherwise

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requires:

a. "Host home" means a host home authorized in accordance with the provisions of this section and licensed by the department to provide a living arrangement and related services to minor parents and pregnant minors or an alternative adult supervised placement approved by the department.

b. "Minor parent" means a recipient of or applicant for assistance who is less than eighteen years of age and has never been married.

2. The department shall perform a home assessment of a minor parent who applies for assistance to assess the minor parent's living arrangement prior to the granting of assistance. If a minor parent is receiving assistance at the time the provisions of this section are implemented, the department shall perform a home assessment as a condition of continued assistance.

3. If the department determines, based upon the home assessment, that the minor parent is living in an environment which is conducive to the positive upbringing of the minor parent's child, the department may allow the minor parent to continue living in the home with the parent or the legal guardian of the minor parent or in another current living arrangement which is approved by the department.

4. If the department determines, based upon the home assessment, that good cause exists for the minor parent to not live with their parent or legal guardian or in the other current living arrangement because the home environment is not conducive to the minor parent's physical, emotional, or mental well-being, the department shall require the minor parent to relocate to a host home, as a condition of assistance under this chapter. If the minor parent does not live in a host home and the department determines the resulting level of risk to the minor parent warrants the filing of a child in need of assistance petition, the department shall file the petition.

5. If the department determines, based upon the home

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assessment, that remaining in the current living arrangement is not in the best interest of the minor parent or a child of the minor parent and the minor parent is placed in a host home, the parent or legal guardian shall be referred to the department's child support recovery unit to establish a child support obligation in accordance with the child support guidelines prescribed pursuant to section 598.21, subsection 4, not to exceed the cost of the host home placement.

However, if a child in need of assistance petition is filed and the child is placed in a foster care setting, the child support obligation shall be determined as provided in section 234.39.

6. a. The department shall issue a request for proposals for grants for nonprofit organizations to establish host homes to provide adult supervision to minor parents and pregnant minors presumed to be eligible for assistance. A proposal shall demonstrate the organization's ability to provide supervision, services, and other support to enable a minor parent or pregnant minor to develop self-sufficiency.

b. Funding for a host home shall be obtained through assignment of the minor parent's assistance under this chapter, as permitted under federal law or waiver, through child support recovered from the parent or legal guardian of the minor parent, and through appropriations made for the purposes of reimbursing host homes.

c. The department shall adopt rules for licensing of host homes which are distinct from foster care licensure requirements.

d. Host home services shall include but are not limited to training in family development, parenting and self-sufficiency skills, and assistance in completing an education.

e. A host home shall not be considered to be a group foster care facility or to be another licensed facility which provides care for children. The placement of a minor parent or pregnant minor and the children of a minor parent shall not be considered a placement which is subject to the statewide



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target for the number of group foster care placements under section 232.143 and associated provisions.

7. This section shall not be implemented prior to July 1, 1997, and implementation is contingent upon federal approval of a waiver authorizing the implementation.

Sec. 39. Section 252B.4, Code 1995, is amended to read as follows:

252B.4 NONASSISTANCE CASES.

The child support and paternity determination services established by the department pursuant to this chapter and other appropriate services provided by law including but not limited to the provisions of chapters 239, 252A, 252C, 252D, 252E, 252F, 598, and 600B shall be made available by the unit to an individual not otherwise eligible as a public assistance recipient upon application by the individual for the services. The application shall be filed with the department.

1. The director shall require an application fee of five dollars.

2. The director may ~~require an additional~~ collect a fee to cover the costs incurred by the department in providing the support collection and paternity determination services for service of process, genetic testing and court costs if the entity providing the service charges a fee for the services.

~~a. The director shall, by rule, establish and inform all applicants for support enforcement and paternity determination services of the fee schedule.~~

~~b. The additional fee for services may be deducted from the amount of the support money recovered by the department or may be collected from the recipient of the services following recovery of support money by the department.~~

3. When the unit intercepts a federal tax refund of an obligor for payment of delinquent support and the funds are due to a recipient of services who is not otherwise eligible for public assistance, the unit shall deduct a twenty-five dollar fee from the funds before forwarding the balance to the recipient.

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a. The unit shall inform the recipient of the fee under this subsection prior to assessment.

b. The fee shall be assessed only to individuals who receive support from the federal tax refund offset program. If the tax refund due the recipient is less than fifty dollars, the fee shall not be assessed.

~~4. The department may adopt rules to establish fees which provide for recovery of administrative costs of the program in addition to other fees identified.~~

~~5.~~ 4. Fees collected pursuant to this section shall be retained by the department for use by the unit. The director or a designee shall keep an accurate record of funds so retained.

~~6.~~ 5. An application fee paid by a recipient of services pursuant to subsection 1 may be recovered by the unit from the person responsible for payment of support and if recovered, shall be used to reimburse the recipient of services.

a. The fee shall be an automatic judgment against the person responsible to pay support.

b. This subsection shall serve as constructive notice that the fee is a debt due and owing, is an automatic judgment against the person responsible for support, and is assessed as the fee is paid by a recipient of services. The fee may be collected in addition to any support payments or support judgment ordered, and no further notice or hearing is required prior to collecting the fee.

c. Notwithstanding any provision to the contrary, the unit may collect the fee through any legal means by which support payments may be collected, including but not limited to income withholding under chapter 252D or income tax refund offsets, unless prohibited under federal law.

d. The unit is not required to file these judgments with the clerk of the district court, but shall maintain an accurate accounting of the fee assessed, the amount of the fee, and the recovery of the fee.

e. Support payments collected shall not be applied to the

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recovery of the fee until all other support obligations under the support order being enforced, which have accrued through the end of the current calendar month, have been paid or satisfied in full.

f. This subsection applies to fees that become due on or after July 1, 1992.

Sec. 40. Section 426B.2, subsection 5, Code Supplement 1995, is amended to read as follows:

5. The department of human services shall notify the director of revenue and finance of the amounts due a county in accordance with the provisions of this section. The director of revenue and finance shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with subsections 1 and 3 and ~~mail~~ distribute the warrants to the county auditors ~~in-September on July 1~~ and ~~March~~ January 1 of each year. Warrants for the state payment in accordance with subsection 2 shall be ~~mailed~~ distributed in January of each year.

Sec. 41. NEW SECTION. 514I.1 IOWA HEALTHY KIDS PROGRAM  
-- LEGISLATIVE INTENT.

1. The general assembly finds that increased access to health care services could improve children's health and reduce the incidence and costs of childhood illness and disabilities among children in this state. Many children do not have health care services available or funded, and for those who do, lack of access is a restriction to obtaining such services. It is the intent of the general assembly that a program be implemented to provide health care services and comprehensive health benefits or insurance coverage to children. A goal for the program is to cooperate with any existing programs with similar purposes funded by either the public or private sector.

2. For the purposes of this chapter, unless the context otherwise requires:

a. "Advisory council" means the advisory council created by the division under section 514I.4.

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b. "Division" means the insurance division of the department of commerce.

c. "Program" means the program developed by the division in accordance with section 514I.3.

Sec. 42. NEW SECTION. 514I.2 IOWA HEALTHY KIDS PROGRAM AUTHORIZATION.

1. The general assembly authorizes the division to implement the Iowa healthy kids program. The division shall have all powers necessary to carry out the purposes of this chapter, including, but not limited to, the power to receive and accept grants, loans, or advances of funds from any person and to receive and accept from any source contributions of money, property, labor, or any other thing of value, to be held, used, and applied for the purposes of the program.

2. The program shall operate initially on a pilot project basis to include urban and rural areas. Expansion beyond the initial pilot project is subject to authorization by law.

3. Implementation of the program shall be limited to the extent of the funding appropriated for the purposes of the program.

Sec. 43. NEW SECTION. 514I.3 IOWA HEALTHY KIDS PROGRAM OBJECTIVES.

The division shall develop a program to attain all of the following objectives:

1. Organize groupings of children for provision of comprehensive health benefits or insurance coverage.

2. Arrange for the collection of any payment or premium, in an amount to be determined by the division. The payment or premium shall be collected from a family of a participating child or other person to provide for payment for health care services or premiums for comprehensive health benefits or insurance coverage and for the actual or estimated administrative expenses incurred during the period for which the payments are made. The amount of payment or premium charged shall be based on the ability of the family of a child to pay. The division shall provide for adjustment of the

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amount charged to reflect contributions, public subsidy, or other means used to defray the amount charged.

3. Establish administrative and accounting procedures for the operation of the program.

4. Establish, in consultation with appropriate professional organizations, standards for health care services, providers, and comprehensive health benefits or insurance coverage appropriate for children and their family members.

5. Establish eligibility criteria which children and their family members must meet in order to participate in the program.

6. Establish participation criteria for the program and, if appropriate, contract with an authorized insurer, health maintenance organization, or insurance or benefits administrator to provide administrative services to the program.

7. Contract with authorized insurers, benefits providers, or any provider of health care services meeting standards established by the division, for the provision of comprehensive health benefits or insurance coverage and health care services to participants.

8. Develop and implement a plan to publicize the program, eligibility requirements of the program, and procedures for enrollment in the program and to maintain public awareness of the program.

9. Provide for administration of the program.

10. As appropriate, enter into contracts with local school boards or other agencies to provide on-site information, enrollment, and other services necessary to the operation of the program.

11. Provide an interim report on or before March 1, 1997, to the governor and general assembly, on the development of the program to date and an annual report thereafter until the program is terminated or extended statewide.

Sec. 44. NEW SECTION. 514I.4 ADVISORY COUNCIL.

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1. The division may create an advisory council to assist the division in implementing the program. The advisory council membership may include, but is not limited to, the following:

- a. A school administrator.
- b. A member of a school board.
- c. An employee of the state or local government in public health services.
- d. A pediatrician who is a member of the American academy of pediatrics, Iowa chapter.
- e. The director of human services or the director's designee.
- f. A member of the association of Iowa hospitals and health systems.
- g. A representative of authorized health care insurers or health maintenance organizations.
- h. A representative of a university center for health issues.
- i. A family practice physician who is a member of the Iowa academy of family physicians.
- j. A school nurse who is a member of the Iowa nurses association.
- k. The director of public health or the director's designee.

1. A citizen who is knowledgeable concerning health care and children's issues.

m. A citizen who is a parent with children at home who is active in a school-parent organization.

2. Advisory council members are entitled to receive, from funds of the division, reimbursement for actual and necessary expenses incurred in the performance of their official duties.

Sec. 45. NEW SECTION. 514I.5 LICENSING NOT REQUIRED -- FISCAL OPERATION.

1. Health benefits or insurance coverage obtained under the program is secondary to any other available private or public health benefits or insurance coverage held by the

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participant child. The division may establish procedures for coordinating benefits under this program with benefits under other public and private coverage.

2. The program shall not be deemed to be insurance. However, the insurance division may require that any marketing representative utilized and compensated by the program be appointed as a representative of the insurers or health benefits services providers with which the program contracts.

Sec. 46. NEW SECTION. 514I.6 THE IOWA HEALTHY KIDS TRUST FUND.

1. An Iowa healthy kids trust fund is created in the state treasury under the authority of the commissioner of insurance, to which all appropriations shall be deposited and used to carry out the purposes of this chapter. Other revenues of the program such as grants, contributions, matching funds, and participant payments shall not be considered revenue of the state, but rather shall be funds of the program. However, the division may designate portions of grants, contributions, matching funds, and participant payments as funds of the state and deposit those funds in the trust fund.

2. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

Sec. 47. NEW SECTION. 514I.7 ACCESS TO RECORDS -- CONFIDENTIALITY -- PENALTIES.

1. Notwithstanding any other law to the contrary, the program shall have access to the medical records of a child who is participating or applying to participate in the program upon receipt of permission from a parent or guardian of the child, including but not limited to the medical records maintained by the state or a political subdivision of the

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state. Notwithstanding chapter 22, any identifying information, including medical records and family financial information, obtained by the program pursuant to this subsection is confidential. Except as provided in section 252B.9, chapter 252E, or any federal law or regulation to the contrary, the program, the program's employees, and agents of the program shall not release, without the written consent of the participant or the parent or guardian of the participant, to any state or federal agency, to any private business or person, or to any other entity, any confidential information received pursuant to this subsection.

2. A violation of the provisions of subsection 1 is a serious misdemeanor.

#### Sec. 48. FEDERAL WAIVERS.

1. The department of human services shall submit a waiver request or requests to the United States department of health and human services as necessary to implement the changes in the family investment program and host home provisions under section 239.23 as enacted by this Act. In addition, the department may submit additional waiver requests to the United States department of health and human services to make changes to the medical assistance program under chapter 249A, as necessary to revise the program in accordance with any waiver provision implemented pursuant to section 239.23.

2. The waiver request or requests submitted by the department of human services to the United States department of health and human services shall be to apply the provisions of section 239.23 statewide. If federal waiver approval of the provisions is granted, the department of human services shall implement the provisions in accordance with the federal approval. If an approved waiver is in conflict with a provision of state law, the waiver provision shall apply and the department shall propose an amendment to resolve the conflict. The proposed amendment shall be submitted in accordance with the provisions of section 2.16 to the Seventy-seventh General Assembly.



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3. The department of human services shall adopt administrative rules pursuant to chapter 17A to implement the provisions of an approved waiver. If necessary to conform with federal waiver terms and conditions or to efficiently administer the provisions, the rules may apply additional policies and procedures which are consistent with the provisions of the approved waiver.

4. The effective date of a waiver requested under this section which is granted by the federal government shall be established by rule but shall not be earlier than July 1, 1997. If federal law is enacted to permit the state to implement a provision of section 239.23 without a federal waiver, the department shall proceed to implement the provisions within the timeframe specified in this subsection.

Sec. 49. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and mental retardation commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later effective date is specified in the rules. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 50. EFFECTIVE DATE. The following provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. Section 4, subsection 2, relating to the mental health managed care program.

2. Section 6, subsection 13, relating to moneys appropriated in 1996 Iowa Acts, House File 2114.

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3. Section 10, subsection 18, relating to expenditure of federal funds for child and family services.

4. Section 27, relating to appropriations reductions."

ON THE PART OF THE SENATE:

ON THE PART OF THE HOUSE:

JOHNIE HAMMOND, Chairperson

HUBERT HOUSER, Chairperson

PATRICK J. DELUHERY

RICHARD ARNOLD

ELAINE SZYMONIAK

DANNY CARROLL

NANCY BOETTGER

ED FALLON

MAGGIE TINSMAN

PAM JOCHUM

CCS-2442.5 FILED APRIL 30, 1996

ADOPTED (P. 1517)

*Adopted 4/30/96  
(P. 2042)*

Hammond  
Murphy  
Tinsman

SSB. 2338  
Appropriations

Successed By  
SENATE FILE ~~F/10~~ 2442  
BY (PROPOSED COMMITTEE ON  
APPROPRIATIONS BILL BY  
CHAIRPERSON MURPHY)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

A BILL FOR

1 An Act relating to appropriations for the department of human  
2 services and the prevention of disabilities policy council and  
3 including other provisions and appropriations involving human  
4 services and health care and providing for effective and  
5 applicability dates.

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

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Success by 2/11/78

1 Section 1. INVESTMENT PROGRAM. There is  
2 appropriated from the general fund of the state to the  
3 department of human services for the fiscal year beginning  
4 July 1, 1996, and ending June 30, 1997, the following amount,  
5 or so much thereof as is necessary, to be used for the purpose  
6 designated:

7 For assistance under the family investment program under  
8 chapter 239:  
9 ..... \$ 34,780,000

10 1. The department shall continue the special needs program  
11 under the family investment program.

12 2. The department may adopt administrative rules for the  
13 family investment, food stamp, and medical assistance programs  
14 to change or delete welfare reform initiatives that threaten  
15 the integrity or continuation of the program or that are not  
16 cost-effective. Prior to the adoption of rules, the  
17 department shall consult with the welfare reform council,  
18 members of the public involved in development of the policy  
19 established in the 1993 session of the Seventy-fifth General  
20 Assembly, and the chairpersons and ranking members of the  
21 human resources committees of the senate and the house of  
22 representatives.

23 Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from  
24 the general fund of the state to the department of human  
25 services for the fiscal year beginning July 1, 1996, and  
26 ending June 30, 1997, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For emergency assistance to families with dependent  
29 children for homeless prevention programs:  
30 ..... \$ 1,767,000

31 1. The emergency assistance provided for in this section  
32 shall be available beginning October 1 of the fiscal year and  
33 shall be provided only if all other publicly funded resources  
34 have been exhausted. Specifically, emergency assistance is  
35 the program of last resort and shall not supplant assistance

1 abortion services, which shall be available under the medical  
2 assistance program only for those abortions which are  
3 medically necessary:

4 ..... \$366,600,000

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

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

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

12 c. The pregnancy is the result of a rape which is reported  
13 within 45 days of the incident to a law enforcement agency or  
14 public or private health agency which may include a family  
15 physician.

16 d. The pregnancy is the result of incest which is reported  
17 within 150 days of the incident to a law enforcement agency or  
18 public or private health agency which may include a family  
19 physician.

20 e. Any spontaneous abortion, commonly known as a  
21 miscarriage, if not all of the products of conception are  
22 expelled.

23 2. Notwithstanding section 8.39, the department may  
24 transfer funds appropriated in this section to a separate  
25 account established in the department's case management unit  
26 for expenditures required to provide case management services  
27 for mental health, mental retardation, and developmental  
28 disabilities services under medical assistance which are  
29 jointly funded by the state and county, pending final  
30 settlement of the expenditures. Funds received by the case  
31 management unit in settlement of the expenditures shall be  
32 used to replace the transferred funds and are available for  
33 the purposes for which the funds were appropriated in this  
34 section.

35 3. If a medical assistance recipient is more than 17 years

1 of age and is receiving care which is reimbursed under a  
2 federally approved home and community-based services waiver  
3 but would otherwise be approved for care in an intermediate  
4 care facility for the mentally retarded, the recipient's  
5 county of legal settlement shall reimburse the department on a  
6 monthly basis for the portion of the recipient's cost of care  
7 which is not paid from federal funds.

8 4. a. The county of legal settlement shall be billed for  
9 50 percent of the nonfederal share of the cost of case  
10 management provided for adults, day treatment, and partial  
11 hospitalization in accordance with sections 249A.26 and  
12 249A.27, and 100 percent of the nonfederal share of the cost  
13 of care for adults which is reimbursed under a federally  
14 approved home and community-based waiver that would otherwise  
15 be approved for provision in an intermediate care facility for  
16 the mentally retarded, provided under the medical assistance  
17 program. The state shall have responsibility for the  
18 remaining 50 percent of the nonfederal share of the cost of  
19 case management provided for adults, day treatment, and  
20 partial hospitalization. For persons without a county of  
21 legal settlement, the state shall have responsibility for 100  
22 percent of the nonfederal share of the cost of case management  
23 provided for adults, day treatment, partial hospitalization,  
24 and the home and community-based waiver services. The case  
25 management services specified in this subsection shall be  
26 billed to a county only if the services are provided outside  
27 of a managed care contract.

28 b. The state shall pay the entire nonfederal share of the  
29 costs for case management services provided to persons 17  
30 years of age and younger who are served in a medical  
31 assistance home and community-based waiver program for persons  
32 with mental retardation.

33 c. Medical assistance funding for case management services  
34 for eligible persons 17 years of age and younger shall also be  
35 provided to persons residing in counties with child welfare

1 decategorization projects implemented in accordance with  
2 section 232.188, provided these projects have included these  
3 persons in their service plan and the decategorization project  
4 county is willing to provide the nonfederal share of costs.

5 d. When paying the necessary and legal expenses of  
6 intermediate care facilities for the mentally retarded  
7 (ICFMR), the cost payment requirements of section 222.60 shall  
8 be considered fulfilled when payment is made in accordance  
9 with the medical assistance payment rates established for  
10 ICFMRs by the department and the state or a county of legal  
11 settlement is not obligated for any amount in excess of the  
12 rates.

13 5. The department may adopt and implement administrative  
14 rules regarding a prepaid mental health services plan for  
15 medical assistance patients. The rules shall include but not  
16 be limited to service provider standards, service  
17 reimbursement, and funding mechanisms. Notwithstanding the  
18 provisions of subsection 4, paragraph "a", of this section and  
19 section 249A.26, requiring counties to pay all or part of the  
20 nonfederal share of certain services provided to persons with  
21 disabilities under the medical assistance program, the state  
22 shall pay 100 percent of the nonfederal share of any services  
23 included in the plan implemented pursuant to this subsection.

24 6. The department shall utilize not more than \$60,000 of  
25 the funds appropriated in this section to continue the  
26 AIDS/HIV health insurance premium payment program as  
27 established in 1992 Iowa Acts, Second Extraordinary Session,  
28 Chapter 1001, section 409, subsection 6. Of the funds  
29 allocated in this subsection, not more than \$5,000 may be  
30 expended for administrative purposes.

31 7. Of the funds appropriated to the Iowa department of  
32 health for substance abuse grants, \$950,000 for the fiscal  
33 year beginning July 1, 1996, shall be transferred to the  
34 department of human services for an integrated substance abuse  
35 managed care system.

1 8. The department shall implement a new medical assistance  
2 home and community-based waiver for persons with physical  
3 disabilities as a means to further develop the personal  
4 assistance services program under section 225C.46. The waiver  
5 shall not be implemented in a manner which would require  
6 additional county or state funding for assistance provided to  
7 an individual served under the waiver.

8 9. The department may expand the drug prior authorization  
9 program to include the therapeutic class of gastrointestinal  
10 drugs known as proton pump inhibitors. The department shall  
11 adopt administrative rules to implement this provision.

12 10. The department of human services shall increase the  
13 department's efforts to administratively pursue reimbursements  
14 for pharmacy services to include all pharmacy claims for which  
15 a recipient of medical assistance also has third-party  
16 coverage.

17 11. The department of human services, in consultation with  
18 the Iowa department of public health and the department of  
19 education, shall develop and implement a proposal to utilize  
20 the early and periodic screening, diagnosis, and treatment  
21 (EPSDT) funding under medical assistance, to the extent  
22 possible, to implement the EPSDT program through the school  
23 system. The department may enter into contracts to utilize  
24 maternal and child health centers, the public health nursing  
25 program, or school nurses in implementing this provision.

26 12. The department of human services shall seek federal  
27 approval on or before August 1, 1996, for the implementation  
28 of a pilot program to allow medical assistance program  
29 reimbursement for payment of services provided by persons who  
30 provide a home and services to a total of seventy-five persons  
31 who currently reside in nursing homes. The department, in  
32 cooperation with the department of elder affairs, shall  
33 develop a program which will result in a cost savings to the  
34 state or in cost neutrality, and shall develop parameters for  
35 the program which shall include but are not limited to all of



1 the following:

2 a. A maximum income eligibility level, established by the  
3 department, which applies to persons providing a home and  
4 services and seeking reimbursement through the medical  
5 assistance program.

6 b. An evaluative component which enables the department to  
7 measure the financial and quality of life aspects of the pilot  
8 program in comparison with placement of a person in a nursing  
9 home.

10 c. A maximum reimbursement rate of \$15,000, annually, for  
11 housing and services provided by the home provider under the  
12 pilot program.

13 d. Any other criteria necessary to implement the pilot  
14 program including but not limited to implementation in a  
15 manner which targets current nursing home residents in both  
16 rural and urban areas of the state.

17 Contingent upon federal approval of a waiver, the  
18 department shall adopt administrative rules to establish the  
19 requirements for the alternative nursing home pilot project  
20 under this subsection.

21 Sec. 4. 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, 1996, and ending June  
24 30, 1997, the following amount, or so much thereof as is  
25 necessary, to be used for the purpose designated:

26 For medical contracts:

27 ..... \$ 6,800,000

28 1. The department shall continue to contract for drug  
29 utilization review under the medical assistance program.

30 2. The department shall negotiate with the department's  
31 contractor for mental health managed care under the medical  
32 assistance program to establish performance benchmarks for  
33 successful outcomes for persons receiving services under the  
34 contract. The benchmarks shall be incorporated into the  
35 contract or shall be made an addendum to the contract which is

1 in effect as of the effective date of this subsection. The  
2 contract revision or addendum shall include sanctions for  
3 failure to achieve the performance benchmarks.

4 Sec. 5. STATE SUPPLEMENTARY ASSISTANCE. There is  
5 appropriated from the general fund of the state to the  
6 department of human services for the fiscal year beginning  
7 July 1, 1996, and ending June 30, 1997, the following amount,  
8 or so much thereof as is necessary, to be used for the purpose  
9 designated:

10 For state supplementary assistance, funeral assistance, and  
11 the mental retardation waiver rent subsidy program:

12 ..... \$ 19,190,000

13 1. The department shall increase the personal needs  
14 allowance for residents of residential care facilities by the  
15 same percentage and at the same time as federal supplemental  
16 security income and federal social security benefits are  
17 increased due to a recognized increase in the cost of living.  
18 The department may adopt emergency rules to implement this  
19 subsection.

20 2. a. If during the fiscal year beginning July 1, 1996,  
21 the department projects that state supplementary assistance  
22 expenditures for a calendar year will not meet the federal  
23 pass-along requirement specified in Title XVI of the federal  
24 Social Security Act, section 1618, as codified in 42 U.S.C. §  
25 1382g, the department may take actions including but not  
26 limited to increasing the personal needs allowance for  
27 residential care facility residents and making programmatic  
28 adjustments or upward adjustments of the residential care  
29 facility or in-home health-related care reimbursement rates  
30 prescribed in this Act to ensure that federal requirements are  
31 met. The department may adopt emergency rules to implement  
32 the provisions of this subsection.

33 b. If during the fiscal year beginning July 1, 1996, the  
34 department projects that state supplementary assistance  
35 expenditures will exceed the amount appropriated, the

1 department may transfer funds appropriated in this Act for  
2 medical assistance for the purposes of the state supplementary  
3 assistance program. However, funds shall only be transferred  
4 from the medical assistance appropriation if the funds  
5 transferred are projected to be in excess of the funds  
6 necessary for the medical assistance program.

7 3. The department may use up to \$75,000 of the funds  
8 appropriated in this section for a rent subsidy program for  
9 adult persons to whom all of the following apply:

10 a. Are receiving assistance under the medical assistance  
11 home and community-based services for persons with mental  
12 retardation (HCBS/MR) program.

13 b. Were discharged from an intermediate care facility for  
14 the mentally retarded (ICFMR) immediately prior to receiving  
15 HCBS/MR services.

16 The goal of the subsidy program shall be to encourage and  
17 assist in enabling persons who currently reside in an ICFMR to  
18 move to a community living arrangement. An eligible person  
19 may receive assistance in meeting their rental expense and, in  
20 the initial two months of eligibility, in purchasing necessary  
21 household furnishings and supplies. The program shall be  
22 implemented so that it does not meet the federal definition of  
23 state supplementary assistance and will not impact the federal  
24 pass-along requirement specified in Title XVI of the federal  
25 Social Security Act, section 1618, as codified in 42 U.S.C. §  
26 1382g.

27 Sec. 6. CHILD DAY CARE ASSISTANCE. There is appropriated  
28 from the general fund of the state to the department of human  
29 services for the fiscal year beginning July 1, 1996, and  
30 ending June 30, 1997, the following amount, or so much thereof  
31 as is necessary, to be used for the purposes designated:

32 For protective child day care assistance and state child  
33 care assistance:

34 ..... \$ 15,940,000

35 1. Of the funds appropriated in this section, \$2,496,286

1 shall be used for protective child day care assistance.

2 2. Of the funds appropriated in this section, \$11,593,789  
3 shall be used for state child care assistance.

4 3. Based upon the availability of the funding provided in  
5 subsection 2 the department shall establish waiting lists for  
6 state child care assistance in descending order of  
7 prioritization as follows:

8 a. Families who are at or below 100 percent of the federal  
9 poverty level and are employed at least 30 hours a week.

10 b. Parents under the age of 21 who are employed full-time  
11 or part-time or who are participating in an approved training  
12 program or who are enrolled in an education program.

13 c. Families who are at or below 155 percent of the federal  
14 poverty level who have a special needs child.

15 d. Families who are at or below 100 percent of the federal  
16 poverty level who are employed part-time at least 20 hours per  
17 week.

18 4. a. For state child care assistance, eligibility shall  
19 be limited to children whose family income is equal to or less  
20 than 100 percent of the United States office of management and  
21 budget poverty guidelines. However, on or after October 1,  
22 1996, the department may increase the income eligibility limit  
23 to be equal to or less than 75 percent of the Iowa median  
24 family income.

25 b. Migrant seasonal farm worker families whose family  
26 income is equal to or less than 100 percent of the United  
27 States office of management and budget poverty guidelines are  
28 eligible for state child care assistance. The monthly family  
29 income shall be determined by calculating the total amount of  
30 family income earned during the 12-month period preceding the  
31 date of application for the assistance and dividing the total  
32 amount by 12.

33 c. Nothing in this section shall be construed or is  
34 intended as, or shall imply, a grant of entitlement for  
35 services to persons who are eligible for assistance due to an

1 income level consistent with the requirements of this section.  
2 Any state obligation to provide services pursuant to this  
3 section is limited to the extent of the funds appropriated in  
4 this section.

5 5. Of the funds appropriated in this section, \$636,641 is  
6 allocated for the statewide program for child day care  
7 resource and referral services under section 237A.26.

8 6. The department may use any of the funds appropriated in  
9 this section as a match to obtain federal funds for use in  
10 expanding child day care assistance and related programs.

11 7. Of the funds appropriated in this section, \$1,178,284  
12 is allocated for transitional child care assistance.

13 8. During the 1996-1997 fiscal year, the department shall  
14 utilize the moneys deposited in the child day care credit fund  
15 created in section 237A.28 for state child care assistance, in  
16 addition to the moneys allocated for that purpose in this  
17 section.

18 9. Of the funds appropriated in this section, the  
19 department shall expend not more than \$50,000 to retain a  
20 consultant to develop a system to be implemented by the  
21 department, in which volunteer evaluation teams are utilized  
22 to review and inspect registered family day care homes on  
23 behalf of the department. The consultant shall also review  
24 the department's requirements for payment of publicly funded  
25 child day care, including but not limited to the effects on  
26 providers and the state budget of paying for child day care on  
27 a daily basis, block-of-hour basis, or hourly basis. The  
28 consultant shall review the policy implications of encouraging  
29 family day care home registration by providing an enhanced  
30 reimbursement for family day care homes that are registered.  
31 In addition, the consultant shall develop a proposal for a  
32 disproportionate share reimbursement adjustment for the child  
33 day care providers for which 75 percent or more of the  
34 children provided care receive public funding for the cost of  
35 their care. The consultant report shall include

1 recommendations concerning the issues required by this  
2 subsection.

3 Sec. 7. JOBS PROGRAM. There is appropriated from the  
4 general fund of the state to the department of human services  
5 for the fiscal year beginning July 1, 1996, and ending June  
6 30, 1997, the following amount, or so much thereof as is  
7 necessary, to be used for the purposes designated:

8 For the federal-state job opportunities and basic skills  
9 (JOBS) program, food stamp employment and training program,  
10 family development and self-sufficiency grants,  
11 entrepreneurial training, and implementing family investment  
12 agreements, in accordance with this section:

13 ..... \$ 13,600,000

14 1. Of the funds appropriated in this section, \$12,690,700  
15 is allocated for the JOBS program.

16 2. The department shall continue to contract for services  
17 in developing, delivering, and monitoring an entrepreneurial  
18 training waiver program to provide technical assistance in  
19 self-employment training to families which receive assistance  
20 under the family investment program, contingent upon federal  
21 approval of waiver renewal requests.

22 3. Of the funds appropriated in this section, \$129,985 is  
23 allocated for the food stamp employment and training program.

24 4. Of the funds appropriated in this section, \$779,315 is  
25 allocated to the family development and self-sufficiency grant  
26 program as provided under section 217.12.

27 a. Not more than 5 percent of the funds allocated in this  
28 subsection shall be used for the administration of the grant  
29 program.

30 b. Federal funding matched by state, county, or other  
31 funding which is not appropriated in this section shall be  
32 deposited in the department's JOBS account. If the match  
33 funding is generated by a family development and self-  
34 sufficiency grantee, the federal funding received shall be  
35 used to expand the family development and self-sufficiency

1 grant program. If the match funding is generated by another  
2 source, the federal funding received shall be used to expand  
3 the grant program or the JOBS program. The department may  
4 adopt rules to implement the provisions of this paragraph.

5 c. Based upon the annual evaluation report concerning each  
6 grantee funded by this allocation, the family development and  
7 self-sufficiency council may use funds allocated to renew  
8 grants.

9 Sec. 8. CHILD SUPPORT RECOVERY. There is appropriated  
10 from the general fund of the state to the department of human  
11 services for the fiscal year beginning July 1, 1996, and  
12 ending June 30, 1997, the following amount, or so much thereof  
13 as is necessary, to be used for the purposes designated:

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

17 .....	\$	6,500,000
18 .....	FTEs	226.22

19 1. The director of human services, within the limitations  
20 of the funds appropriated in this section, or funds  
21 transferred from the family investment program appropriation  
22 for this purpose, shall establish new positions and add  
23 employees to the child support recovery unit if the director  
24 determines that both the current and additional employees  
25 together can reasonably be expected to maintain or increase  
26 net state revenue at or beyond the budgeted level. If the  
27 director adds employees, the department shall demonstrate the  
28 cost-effectiveness of the current and additional employees by  
29 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 recovered.

33 2. Nonpublic assistance application and user fees received  
34 by the child support recovery program are appropriated and  
35 shall be used for the purposes of the child support recovery

1 program. The director of human services may add positions if  
2 fees collected relating to the new positions are sufficient to  
3 pay the salaries and support for the positions. The director  
4 shall report any positions added pursuant to this subsection  
5 to the chairpersons and ranking members of the joint  
6 appropriations subcommittee on human services and the  
7 legislative fiscal bureau.

8 3. The director of human services, in consultation with  
9 the department of management and the legislative fiscal  
10 committee, is authorized to receive and deposit state child  
11 support incentive earnings in the manner specified under  
12 applicable federal requirements.

13 4. The director of human services may establish new  
14 positions and add state employees to the child support  
15 recovery unit if the director determines the employees are  
16 necessary to replace county-funded positions eliminated due to  
17 termination, reduction, or nonrenewal of a chapter 28E  
18 contract. However, the director must also determine that the  
19 resulting increase in the state share of child support  
20 recovery incentives exceeds the cost of the positions, the  
21 positions are necessary to ensure continued federal funding of  
22 the program, or the new positions can reasonably be expected  
23 to recover more than twice the amount of money to pay the  
24 salaries and support for the new positions.

25 5. The child support recovery unit shall continue to work  
26 with the judicial department to determine the feasibility of a  
27 pilot project utilizing a court-appointed referee for judicial  
28 determinations on child support matters. The extent and  
29 location of any pilot project shall be jointly developed by  
30 the judicial department and the child support recovery unit.

31 6. The department shall expend up to \$50,000, including  
32 federal financial participation, for the fiscal year beginning  
33 July 1, 1996, for a child support public awareness campaign.  
34 The public awareness campaign shall emphasize, through a  
35 variety of media activities and through continuation of the



1 publication of names of persons who are delinquent in payment  
2 of child support obligations, the importance of maximum  
3 involvement of both parents in the lives of their children as  
4 well as the importance of payment of child support  
5 obligations.

6 7. The department shall continue the pilot program option  
7 to provide and supervise a community service pilot project for  
8 absent parents who are ordered by the court to perform  
9 community service for failure to pay child support pursuant to  
10 section 598.23A.

11 8. The director of human services may enter a contract  
12 with private collection agencies to collect support payments  
13 for cases which have been identified by the department as  
14 difficult collection cases if the department determines that  
15 this form of collection is more cost effective than  
16 departmental collection methods. The director may use a  
17 portion of the state share of funds collected through this  
18 means to pay the costs of any contracts authorized under this  
19 subsection.

20 9. The department shall employ on or before July 2, 1996,  
21 at least 1.00 FTE to respond to telephone inquiries during all  
22 weekly business hours.

23 10. The department shall develop guidelines to be used in  
24 lieu of the child support guidelines prescribed under section  
25 598.21, subsection 4, for establishing a support obligation  
26 and the amount of the support debt accrued and accruing  
27 pursuant to section 234.39 for the costs of foster care  
28 services. The proposed guidelines shall reflect the public  
29 purpose of establishing a support obligation without causing a  
30 serious disruption of the family of the obligor. The  
31 department shall submit the proposed guidelines to the general  
32 assembly on or before January 15, 1997.

33 Sec. 9. JUVENILE INSTITUTIONS. There is appropriated from  
34 the general fund of the state to the department of human  
35 services for the fiscal year beginning July 1, 1996, and

1 ending June 30, 1997, the following amount, or so much thereof  
2 as is necessary, to be used for the purposes designated:

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

7 For the state juvenile institutions:

8 ..... \$ 13,720,000  
9 ..... FTEs 319.77

10 1. The following amounts of the funds appropriated and  
11 full-time equivalent positions authorized in this section are  
12 allocated for the Iowa juvenile home at Toledo:

13 ..... \$ 5,090,000  
14 ..... FTEs 117.54

15 2. The following amounts of the funds appropriated and  
16 full-time equivalent positions authorized in this section are  
17 allocated for the state training school at Eldora:

18 ..... \$ 8,630,000  
19 ..... FTEs 202.23

20 3. During the fiscal year beginning July 1, 1996, the  
21 population levels at the state juvenile institutions shall not  
22 exceed the population guidelines established under 1990 Iowa  
23 Acts, chapter 1239, section 21.

24 4. Each state juvenile institution shall apply for  
25 adolescent pregnancy prevention grants for the fiscal year  
26 beginning July 1, 1996.

27 5. Within the funds appropriated in this section, the  
28 department may reallocate funds as necessary to best fulfill  
29 the needs of the institutions provided for in the  
30 appropriation.

31 Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated  
32 from the general fund of the state to the department of human  
33 services for the fiscal year beginning July 1, 1996, and  
34 ending June 30, 1997, the following amount, or so much thereof  
35 as is necessary, to be used for the purpose designated:

1 For child and family services:

2 ..... \$ 85,600,000

3 1. The department may transfer moneys appropriated in this  
4 section as necessary to pay the nonfederal costs of services  
5 reimbursed under medical assistance or the family investment  
6 program which are provided to children who would otherwise  
7 receive services paid under the appropriation in this section.  
8 The department may transfer funds appropriated in this section  
9 to the appropriations in this Act for general administration  
10 and for field operations for resources necessary to implement  
11 and operate the services funded in this section.

12 2. a. Of the funds appropriated in this section, up to  
13 \$23,892,280 is allocated for group foster care maintenance and  
14 services.

15 b. The department shall report quarterly to the  
16 legislative fiscal bureau concerning the status of each  
17 region's efforts to limit the number of group foster care  
18 placements in accordance with the regional plan established  
19 pursuant to section 232.143.

20 c. The department shall not certify any additional  
21 enhanced residential treatment beds, unless the director of  
22 human services approves the beds as necessary, based on the  
23 type of children to be served and the location of the enhanced  
24 residential treatment beds.

25 d. (1) Of the funds appropriated in this section, not  
26 more than \$6,538,215 is allocated as the state match funding  
27 for psychiatric medical institutions for children.

28 (2) The department may transfer all or a portion of the  
29 funds appropriated in this section for psychiatric medical  
30 institutions for children (PMICs) to the appropriation in this  
31 Act for medical assistance and may amend the managed mental  
32 health care contract to include PMICs.

33 3. The department shall establish a goal that not more  
34 than 15 percent of the children placed in foster care funded  
35 under the federal Social Security Act, Title IV-E, may be

1 placed in foster care for a period of more than 24 months.

2 4. In accordance with the provisions of section 232.188,  
3 the department shall continue the program to decategorize  
4 child welfare services in additional counties or clusters of  
5 counties.

6 5. Of the funds appropriated in this section, up to  
7 \$96,512 is allocated for continued foster care services to a  
8 child who is 18 years of age or older in accordance with the  
9 provisions of section 234.35, subsection 3, paragraph "c".  
10 However, if funding in this appropriation would remain  
11 unobligated at the end of the fiscal year, the allocation in  
12 this subsection may be exceeded to the extent necessary to  
13 provide the continued foster care services. The department  
14 shall distribute the moneys allocated in this subsection to  
15 the department's regions based on each region's proportion of  
16 the total number of children placed in foster care on March 31  
17 preceding the beginning of the fiscal year, who, during the  
18 fiscal year would no longer be eligible for foster care due to  
19 age.

20 6. Notwithstanding section 232.142, subsection 3, the  
21 financial aid paid by the state for the establishment,  
22 improvements, operation, and maintenance of county or  
23 multicounty juvenile detention homes in the fiscal year  
24 beginning July 1, 1996, shall be limited to \$872,500. Funds  
25 allocated in this subsection shall be prorated among eligible  
26 detention homes.

27 7. The amount of the appropriation made in this section  
28 available for foster care is based upon expansion of the  
29 number of children in foster care who are eligible for federal  
30 supplemental security income (SSI). The department may use up  
31 to \$300,000 of those funds to enter into a performance-based  
32 contract to secure SSI benefits for children placed in foster  
33 care. The contract shall include provisions for training of  
34 department of human services and juvenile court staff,  
35 completion of applications, tracking of application results,

1 and representation during the appeals process whenever an  
2 appeal is necessary to secure SSI benefits. Notwithstanding  
3 section 217.30 and section 232.2, subsection 11, and any other  
4 provision of law to the contrary, the director or the  
5 director's designee on behalf of a child in foster care may  
6 release medical, mental health, substance abuse, or any other  
7 information necessary only to determine the child's  
8 eligibility for SSI benefits, and may sign releases for the  
9 information. In any release of information made pursuant to  
10 this subsection, confidentiality shall be maintained to the  
11 maximum extent possible.

12 8. A portion of the funds appropriated in this section may  
13 be used for emergency family assistance to provide other  
14 resources required for a family participating in a family  
15 preservation or reunification project to stay together or to  
16 be reunified.

17 9. Notwithstanding section 234.35, subsection 1, for the  
18 fiscal year beginning July 1, 1996, state funding for shelter  
19 care paid pursuant to section 234.35, subsection 1, paragraph  
20 "h", shall be limited to \$3,223,732.

21 10. Of the funds appropriated in this section, not more  
22 than \$527,137 may be used to develop and maintain the state's  
23 implementation of the national adoption and foster care  
24 information system pursuant to the requirements of Pub. L. No.  
25 99-509. The department may transfer funds as necessary from  
26 the appropriations in this Act for field operations and  
27 general administration to implement this subsection. Moneys  
28 allocated in accordance with this subsection shall be  
29 considered encumbered for the purposes of section 8.33.

30 11. Of the funds appropriated in this section, up to  
31 \$619,433 may be used as determined by the department for any  
32 of the following purposes:

33 a. For general administration of the department to improve  
34 staff training efforts.

35 b. For oversight of termination of parental rights and

1 permanency planning efforts on a statewide basis.

2 c. For personnel, assigned by the attorney general, to  
3 provide additional services relating to termination of  
4 parental rights and child in need of assistance cases.

5 d. For specialized permanency planning field operations  
6 staff.

7 12. The department may adopt administrative rules  
8 following consultation with child welfare services providers  
9 to implement outcome-based child welfare services pilot  
10 projects. The rules may include, but are not limited to, the  
11 development of program descriptions, provider licensing and  
12 certification standards, reimbursement and payment amounts,  
13 contract requirements, assessment and service necessity  
14 requirements, eligibility criteria, claims submission  
15 procedures, and accountability standards.

16 13. Of the funds appropriated in this section, up to  
17 \$125,340 may be used to develop, in cooperation with providers  
18 of children and family services, a performance-based  
19 monitoring program to evaluate and improve outcomes for  
20 children and families. The department may adopt  
21 administrative rules to implement this subsection.

22 14. The department may develop, within the funds  
23 available, a pilot kinship care project to enhance family  
24 involvement in the development of the permanency plan required  
25 under chapter 232 for children who are removed from their  
26 homes. The project components may include family involvement  
27 before and after removal of the child and shall stress safety  
28 for the child.

29 15. Within the funds appropriated in this section, the  
30 department may develop a subsidized guardianship program to  
31 provide financial assistance to guardians of children who have  
32 a permanency order under section 232.104, subsection 2,  
33 paragraph "d", subparagraph (1), in cases in which all of the  
34 following conditions exist:

35 a. The option of reunification has been eliminated and

1 termination of parental rights is not appropriate.

2 b. The child has lived with the potential guardian for at  
3 least six months.

4 c. The child is either 14 years of age or older or, if  
5 under 14 years of age, is part of a sibling group and cannot  
6 be made available for adoption.

7 d. The placement does not require departmental  
8 supervision.

9 The financial assistance provided shall be in the same  
10 amount as provided for family foster care. For purposes of  
11 medical assistance and child support recovery, these payments  
12 shall be considered foster care payments.

13 16. The department shall continue to make adoption  
14 presubsidy and adoption subsidy payments to adoptive parents  
15 at the beginning of the month for the current month.

16 17. If Title XIX of the federal Social Security Act is  
17 repealed prior to January 17, 1997, or the state is otherwise  
18 authorized to establish requirements for providing health and  
19 rehabilitative services to persons who would be eligible for  
20 medical assistance under chapter 249A, the department shall  
21 eliminate the clinical assessment and consultation teams  
22 operating as part of the medical assistance children's  
23 rehabilitative services initiative. The provisions of this  
24 subsection shall apply through January 16, 1997.

25 18. Federal funds received by the state during the fiscal  
26 years beginning July 1, 1995, and July 1, 1996, as the result  
27 of the expenditure of state funds appropriated during a  
28 previous state fiscal year for a service or activity funded  
29 under this section shall be used as additional funding for  
30 services provided under this section. Moneys received by the  
31 department in accordance with the provisions of this section  
32 shall remain available for the purposes designated until June  
33 30, 1998.

34 Sec. 11. COMMUNITY-BASED PROGRAMS. There is appropriated  
35 from the general fund of the state to the department of human

1 services for the fiscal year beginning July 1, 1996, and  
2 ending June 30, 1997, the following amount, or so much thereof  
3 as is necessary, to be used for the purpose designated:

4 For community-based programs, on the condition that family  
5 planning services are funded, including salaries, support,  
6 maintenance, and miscellaneous purposes and for not more than  
7 the following full-time equivalent positions:

8 ..... \$ 2,520,000  
9 ..... FTEs 1.00

10 1. Of the funds appropriated in this section, \$654,146  
11 shall be used for adolescent pregnancy prevention grants,  
12 including not more than \$156,048 for programs to prevent  
13 pregnancies during the adolescent years and to provide support  
14 services for pregnant or parenting adolescents. Funds  
15 allocated in this subsection shall not be used to fund  
16 statewide public service announcements.

17 2. Of the funds appropriated in this section, \$298,000  
18 shall be used for grants to community or regional groups which  
19 demonstrate broad-based representation from community  
20 representatives including but not limited to schools,  
21 churches, human service-related organizations, and businesses.  
22 Priority in the awarding of grants shall be given to groups  
23 which provide services to both urban and rural areas within  
24 the proximity of the community or region and which provide  
25 age-appropriate programs adapted for both male and female  
26 youth at the elementary, middle, and high school levels. A  
27 program shall focus on the prevention of initial pregnancies  
28 during the adolescent years by emphasizing sexual abstinence  
29 as the only completely safe and effective means of avoiding  
30 pregnancy and sexually transmitted diseases and by providing  
31 information regarding the comparative failure rates of  
32 contraceptives, and by emphasizing responsible decision making  
33 in relationships, managing of peer and social pressures,  
34 development of self-esteem, the costs and responsibilities of  
35 parenting, and information regarding the alternative of



1 adoption for placement of a child. The program shall also  
2 include an evaluation and assessment component which includes  
3 evaluation of and recommendations for improvement of the  
4 program by the youth and parents involved. Evaluation and  
5 assessment reports shall be provided to the department of  
6 human services, at a time determined by the department in the  
7 grant award. Community or regional groups interested in  
8 applying for a grant under this subsection may be issued a  
9 planning grant or may utilize grant moneys for the costs of  
10 technical assistance to analyze community needs, match service  
11 providers to needs, negotiate service provision strategies, or  
12 other assistance to focus grant services provided under this  
13 subsection. The technical assistance may be provided by  
14 organizations affiliated with institutions under the authority  
15 of the state board of regents or other organizations  
16 experienced in providing technical assistance concerning  
17 similar services.

18 3. Of the funds appropriated in this section, \$731,014  
19 shall be used by the department for child abuse prevention  
20 grants.

21 4. Of the funds appropriated in this section, \$100,000  
22 shall be used for grants to additional community or regional  
23 groups to provide pregnancy prevention programs in accordance  
24 with the provisions of subsection 2.

25 Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.  
26 There is appropriated from the general fund of the state to  
27 the department of human services for the fiscal year beginning  
28 July 1, 1996, and ending June 30, 1997, the following amount,  
29 or so much thereof as is necessary, to be used for the purpose  
30 designated:

31 Payment of the expenses of court-ordered services provided  
32 to juveniles which are a charge upon the state pursuant to  
33 section 232.141, subsection 4:  
34 ..... \$ 3,090,000

35 1. Notwithstanding section 232.141 or any other provision

1 of law, the funds appropriated in this section shall be  
2 allocated to the judicial districts as determined by the state  
3 court administrator. The state court administrator shall make  
4 the determination on the allocations on or before June 15.

5 2. a. Each judicial district shall continue the planning  
6 group for the court-ordered services for juveniles provided in  
7 that district which was established pursuant to 1991 Iowa  
8 Acts, chapter 267, section 119. A planning group shall  
9 continue to perform its duties as specified in that law.  
10 Reimbursement rates for providers of court-ordered evaluation  
11 and treatment services paid under section 232.141, subsection  
12 4, shall be negotiated with providers by each judicial  
13 district's planning group.

14 b. Each district planning group shall submit an annual  
15 report in January to the state court administrator and the  
16 department of human services. The report shall cover the  
17 preceding fiscal year and shall include a preliminary report  
18 on the current fiscal year. The administrator and the  
19 department shall compile these reports and submit the reports  
20 to the chairpersons and ranking members of the joint  
21 appropriations subcommittee on human services and the  
22 legislative fiscal bureau.

23 3. The department of human services shall develop policies  
24 and procedures to ensure that the funds appropriated in this  
25 section are spent only after all other reasonable actions have  
26 been taken to utilize other funding sources and community-  
27 based services. The policies and procedures shall be designed  
28 to achieve the following objectives relating to services  
29 provided under chapter 232:

30 a. Maximize the utilization of funds which may be  
31 available from the medical assistance program including usage  
32 of the early and periodic screening, diagnosis, and treatment  
33 (EPSDT) program.

34 b. Recover payments from any third-party insurance carrier  
35 which is liable for coverage of the services, including health

1 insurance coverage.

2 c. Pursue development of agreements with regularly  
3 utilized out-of-state service providers which are intended to  
4 reduce per diem costs paid to those providers.

5 4. The department of human services, in consultation with  
6 the state court administrator and the judicial district  
7 planning groups, shall compile a monthly report describing  
8 spending in the districts for court-ordered services for  
9 juveniles, including the utilization of the medical assistance  
10 program. The reports shall be submitted on or before the  
11 twentieth day of each month to the chairpersons and ranking  
12 members of the joint appropriations subcommittee on human  
13 services and the legislative fiscal bureau.

14 5. Notwithstanding chapter 232 or any other provision of  
15 law, a district or juvenile court in a department of human  
16 services district shall not order any service which is a  
17 charge upon the state pursuant to section 232.141 if there are  
18 insufficient court-ordered services funds available in the  
19 district allocation to pay for the service. The chief  
20 juvenile court officer shall work with the judicial district  
21 planning group to encourage use of the funds appropriated in  
22 this section such that there are sufficient funds to pay for  
23 all court-related services during the entire year. The eight  
24 chief juvenile court officers shall attempt to anticipate  
25 potential surpluses and shortfalls in the allocations and  
26 shall cooperatively request the state court administrator to  
27 transfer funds between the districts' allocations as prudent.

28 6. Notwithstanding any provision of law to the contrary, a  
29 district or juvenile court shall not order a county to pay for  
30 any service provided to a juvenile pursuant to an order  
31 entered under chapter 232 which is a charge upon the state  
32 under section 232.141, subsection 4.

33 7. Of the funds appropriated in this section, not more  
34 than \$100,000 may be used by the judicial department for  
35 administration of the requirements under this section and for

1 travel associated with court-ordered placements which are a  
2 charge upon the state pursuant to section 232.141, subsection  
3 4.

4 8. Of the funds appropriated in this section, not more  
5 than \$400,000 may be transferred to the appropriation in this  
6 Act for child and family services and used to provide school-  
7 based supervision of children adjudicated under chapter 232.

8 Sec. 13. MENTAL HEALTH INSTITUTES. 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, 1996, and  
11 ending June 30, 1997, the following amount, or so much thereof  
12 as is necessary, to be used for the purposes designated:

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

16 .....	\$ 42,226,000
17 .....	FTEs 927.16

18 1. The funds appropriated and full-time equivalent  
19 positions authorized in this section are allocated as follows:

20 a. State mental health institute at Cherokee:	
21 .....	\$ 13,580,000
22 .....	FTEs 306.04

23 b. State mental health institute at Clarinda:	
24 .....	\$ 6,170,000
25 .....	FTEs 136.82

26 c. State mental health institute at Independence:	
27 .....	\$ 17,639,000
28 .....	FTEs 401.82

29 d. State mental health institute at Mount Pleasant:	
30 .....	\$ 4,837,000
31 .....	FTEs 82.48

32 2. Within the funds appropriated in this section, the  
33 department may reallocate funds as necessary to best fulfill  
34 the needs of the institutions provided for in the  
35 appropriation.

1 3. As part of the discharge planning process at the state  
2 mental health institutes, the department shall provide  
3 assistance in obtaining eligibility for federal supplemental  
4 security income (SSI) to those individuals whose care at a  
5 state mental health institute is the financial responsibility  
6 of the state.

7 Sec. 14. HOSPITAL-SCHOOLS. There is appropriated from the  
8 general fund of the state to the department of human services  
9 for the fiscal year beginning July 1, 1996, and ending June  
10 30, 1997, the following amount, or so much thereof as is  
11 necessary, to be used for the purposes designated:

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

15 ..... \$ 62,020,000  
16 ..... FTEs 1,516.00

17 1. The funds appropriated and full-time equivalent  
18 positions authorized in this section are allocated as follows:

19 a. State hospital-school at Glenwood:

20 ..... \$ 35,070,000  
21 ..... FTEs 872.50

22 b. State hospital-school at Woodward:

23 ..... \$ 26,950,000  
24 ..... FTEs 643.50

25 2. Within the funds appropriated in this section, the  
26 department may reallocate funds as necessary to best fulfill  
27 the needs of the institutions provided for in the  
28 appropriation.

29 Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. 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, 1996, and ending June 30, 1997, the following amount,  
33 or so much thereof as is necessary, to be used for the purpose  
34 designated:

35 For mental illness special services:

1 ..... \$ 121,200

2 1. The department and the Iowa finance authority shall  
3 develop methods to implement the financing for existing  
4 community-based facilities and to implement financing for the  
5 development of affordable community-based housing facilities.  
6 The department shall assure that clients are referred to the  
7 housing as it is developed.

8 2. The funds appropriated in this section are to provide  
9 funds for construction and start-up costs to develop community  
10 living arrangements to provide for persons with mental illness  
11 who are homeless. These funds may be used to match federal  
12 Stewart B. McKinney Homeless Assistance Act grant funds.

13 Sec. 16. FAMILY SUPPORT SUBSIDY PROGRAM. There is  
14 appropriated from the general fund of the state to the  
15 department of human services for the fiscal year beginning  
16 July 1, 1996, and ending June 30, 1997, the following amount,  
17 or so much thereof as is necessary, to be used for the purpose  
18 designated:

19 For the family support subsidy program:

20 ..... \$ 1,390,000

21 Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from  
22 the general fund of the state to the department of human  
23 services for the fiscal year beginning July 1, 1996, and  
24 ending June 30, 1997, the following amount, or so much thereof  
25 as is necessary, to be used for the purpose designated:

26 To provide special needs grants to families with a family  
27 member at home who has a developmental disability or to a  
28 person with a developmental disability:

29 ..... \$ 53,200

30 Grants must be used by a family to defray special costs of  
31 caring for the family member to prevent out-of-home placement  
32 of the family member or to provide for independent living  
33 costs. The grants may be administered by a private nonprofit  
34 agency which serves people statewide provided that no  
35 administrative costs are received by the agency. Regular

1 reports regarding the special needs grants with the family  
2 support subsidy program and an annual report concerning the  
3 characteristics of the grantees shall be provided to the  
4 legislative fiscal bureau.

5 Sec. 18. MI/MR/DD STATE CASES. 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, 1996, and  
8 ending June 30, 1997, the following amount, or so much thereof  
9 as is necessary, to be used for the purposes designated:

10 For purchase of local services for persons with mental  
11 illness, mental retardation, and developmental disabilities  
12 where the client has no established county of legal  
13 settlement:  
14 ..... \$ 5,454,000

15 If a county has a county management plan which is approved  
16 by the director of human services pursuant to section 331.439,  
17 the services paid for under this section are exempt from the  
18 department's purchase of service system requirements. The  
19 department shall adopt rules to implement the provisions of  
20 this paragraph.

21 Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES --  
22 COMMUNITY SERVICES FUND. There is appropriated from the  
23 general fund of the state to the mental health and  
24 developmental disabilities community services fund created in  
25 section 225C.7 for the fiscal year beginning July 1, 1996, and  
26 ending June 30, 1997, the following amount, or so much thereof  
27 as is necessary, to be used for the purpose designated:

28 For mental health and developmental disabilities community  
29 services in accordance with this Act:  
30 ..... \$ 16,230,000

31 1. Of the funds appropriated in this section, \$15,951,138  
32 shall be allocated to counties for funding of community-based  
33 mental health and developmental disabilities services. The  
34 moneys shall be allocated to a county as follows:

35 a. Fifty percent based upon the county's proportion of the

1 state's population of persons with an annual income which is  
2 equal to or less than the poverty guideline established by the  
3 federal office of management and budget.

4 b. Fifty percent based upon the county's proportion of the  
5 state's general population.

6 2. a. A county shall utilize the funding the county  
7 receives pursuant to subsection 1 for services provided to  
8 persons with a disability, as defined in section 225C.2.

9 However, no more than 50 percent of the funding shall be used  
10 for services provided to any one of the service populations.

11 b. A county shall use at least 50 percent of the funding  
12 the county receives under subsection 1 for contemporary  
13 services provided to persons with a disability.

14 c. The mental health and developmental disabilities  
15 commission shall adopt rules pursuant to chapter 17A  
16 describing the contemporary services. The commission may  
17 adopt administrative rules to implement this subsection.

18 3. Of the funds appropriated in this section, \$30,000  
19 shall be used to support the Iowa compass program providing  
20 computerized information and referral services for Iowans with  
21 disabilities and their families.

22 4. The department shall submit an annual report concerning  
23 each population served and each service funded in this section  
24 to the chairpersons and ranking members of the joint  
25 appropriations subcommittee on human services and the  
26 legislative fiscal bureau.

27 5. a. A mental health and developmental disabilities  
28 regional planning council established pursuant to section  
29 225C.18 shall develop plans for the provision of services for  
30 the fiscal year beginning July 1, 1996, for persons with a  
31 disability in the county or counties comprising the planning  
32 council.

33 b. County expenditure reports for services provided to  
34 persons with a disability for the prior fiscal year are due to  
35 the department on or before October 15, 1996. The county



1 MI/MR/DD/BI plan for the fiscal year beginning July 1, 1996,  
2 is due to the department on or before April 1, 1996.

3 6. Of the funds appropriated in this section, not more  
4 than \$248,862 shall be provided to those counties having  
5 supplemental per diem contracts in effect on June 30, 1995,  
6 which were originally initiated under 1993 Iowa Acts, chapter  
7 172, section 16, subsection 2. The amount provided to each  
8 county shall be equal to the amount the county would be  
9 eligible to receive under the supplemental per diem contracts  
10 in effect on June 30, 1995, if the contracts were continued in  
11 effect for the entire fiscal year beginning July 1, 1996.

12 7. a. Funding from the federal social services block  
13 grant in the amount of \$13,038,763 is allocated for  
14 distribution to counties for local purchase of services for  
15 persons with mental illness or mental retardation or other  
16 developmental disability.

17 b. The funds allocated in this subsection shall be  
18 expended by counties in accordance with eligibility guidelines  
19 established in the department's rules outlining general  
20 provisions for service administration. Services eligible for  
21 payment with funds allocated in this subsection are limited to  
22 any of the following which are provided in accordance with the  
23 department's administrative rules for the services: adult  
24 support, adult day care, administrative support for  
25 volunteers, community supervised apartment living  
26 arrangements, residential services for adults, sheltered work,  
27 supported employment, supported work training, transportation,  
28 and work activity.

29 c. In purchasing services with funds allocated in this  
30 subsection, a county shall designate a person to provide for  
31 eligibility determination and development of a case plan for  
32 individuals for whom the services are purchased. The  
33 designated person shall be a medical assistance case manager  
34 serving the person's county of residence. If an individual  
35 does not have a case manager, the individual's eligibility

1 shall be determined by a social services caseworker of the  
2 department serving the individual's county of residence. The  
3 case plan shall be developed in accordance with the  
4 department's rules outlining general provisions for service  
5 administration.

6 d. Services purchased with funds allocated in this  
7 subsection must be the result of a referral by the person who  
8 identified the services in developing the individual's case  
9 plan.

10 e. Services purchased with funds allocated in this  
11 subsection must be under a purchase of service contract  
12 established in accordance with the department's administrative  
13 rules for purchase of service.

14 f. The funds provided by this subsection shall be  
15 allocated to each county as follows:

16 (1) Fifty percent based upon the county's proportion of  
17 the state's population of persons with an annual income which  
18 is equal to or less than the poverty guideline established by  
19 the federal office of management and budget.

20 (2) Fifty percent based upon the amount provided to the  
21 county for local purchase services in the preceding fiscal  
22 year.

23 g. Each county shall submit to the department a plan for  
24 funding of the services eligible for payment under this  
25 subsection. The plan may provide for allocation of the funds  
26 for one or more of the eligible services. The plan shall  
27 identify the funding amount the county allocates for each  
28 service and the time period for which the funding will be  
29 available. Only those services which have funding allocated  
30 in the plan are eligible for payment with funds provided in  
31 this subsection.

32 h. A county shall provide advance notice to the individual  
33 receiving services, the service provider, and the person  
34 responsible for developing the case plan of the date the  
35 county determines that funding will no longer be available for

1 a service.

2 i. Moneys allocated to a county pursuant to paragraph "f"  
3 shall be provided to the county as claims are submitted to the  
4 state.

5 j. The moneys provided under this subsection do not  
6 establish an entitlement to the services funded under this  
7 subsection.

8 8. If a county has a county management plan which is  
9 approved by the director of human services pursuant to section  
10 331.439, the county shall be considered to have met the  
11 requirements of subsections 2 and 5, and subsection 7,  
12 paragraphs "b", "c", "d", and "g". The department shall adopt  
13 rules to implement the provisions of this subsection.

14 Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. There is  
15 appropriated from the general fund of the state to the  
16 department of human services for the fiscal year beginning  
17 July 1, 1996, and ending June 30, 1997, the following amount  
18 or so much thereof as is necessary, to be used for the purpose  
19 designated:

20 For continuation of a pilot project for the personal  
21 assistance services program in accordance with this section:  
22 ..... \$ 428,000

23 The funds appropriated in this section shall be used by the  
24 division of mental health and developmental disabilities to  
25 continue the pilot project for the personal assistance  
26 services program under section 225C.46 in an urban and a rural  
27 area. A portion of the funds may be used for costs to develop  
28 a federal home and community-based waiver under the medical  
29 assistance program for persons with physical disabilities or  
30 other expenditures necessary to develop the personal  
31 assistance program in the most appropriate and cost-effective  
32 manner. However, not more than \$50,000 shall be used for  
33 administrative costs. The pilot project and the waiver shall  
34 not be implemented in a manner that would require additional  
35 county or state costs for assistance provided to an individual

1 served under the pilot project or the waiver.

2 Sec. 21. FIELD OPERATIONS. There is appropriated from the  
3 general fund of the state to the department of human services  
4 for the fiscal year beginning July 1, 1996, and ending June  
5 30, 1997, the following amount, or so much thereof as is  
6 necessary, to be used for the purpose designated:

7 For field operations, including salaries, support,  
8 maintenance, and miscellaneous purposes and for not more than  
9 the following full-time equivalent positions:

10 .....	\$ 38,480,000
11 .....	FTEs 2,019.00

12 Sec. 22. GENERAL ADMINISTRATION. There is appropriated  
13 from the general fund of the state to the department of human  
14 services for the fiscal year beginning July 1, 1996, and  
15 ending June 30, 1997, the following amount, or so much thereof  
16 as is necessary, to be used for the purpose designated:

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

20 .....	\$ 11,510,000
21 .....	FTEs 379.00

22 1. Of the funds appropriated in this section, \$57,090 is  
23 allocated for the prevention of disabilities policy council  
24 established in section 225B.3.

25 2. The department shall establish a task force which  
26 includes experts representative of organizations such as  
27 nonprofit service organizations, health insurers, and human  
28 services-oriented community organizations. The task force  
29 shall assist the department in revising policies, operating  
30 procedures, and training methods as necessary to increase the  
31 department's responsiveness to the public and to improve the  
32 quality of the department's interaction with the public.

33 3. The department shall not implement the options for  
34 service system modification developed by the department's  
35 modification teams in response to proposed federal action and

1 shall not implement other actions in response to enacted  
2 federal changes affecting the programs administered by the  
3 department unless the department is implementing a policy or  
4 action authorized in law by the Seventy-sixth General  
5 Assembly, 1996 Session, or by the Seventy-seventh General  
6 Assembly. The department shall provide for public input  
7 concerning the modification proposals submitted to the joint  
8 appropriations subcommittee on human services in February 1996  
9 by allowing the following work groups to review and revise the  
10 proposals for resubmission to the governor and general  
11 assembly on or before December 16, 1996:

12 a. The legislative council is requested to create a task  
13 force to review the child welfare modification proposal. If  
14 created, the task force shall include representatives of the  
15 juvenile court, service providers, families receiving  
16 services, the attorney general, a department worker, and  
17 legislators.

18 b. The mental health proposal shall be reviewed by the  
19 state-county management committee.

20 c. The family investment program proposal shall be  
21 reviewed by the work group which considered the state human  
22 investment policy proposal and which makes recommendations to  
23 the department concerning the family investment program.

24 d. The medical assistance proposal shall be reviewed by a  
25 group which includes representatives of the medical assistance  
26 advisory council, the long-term care resident's advocate, and  
27 consumer groups such as the Iowa affiliate of the American  
28 association of retired persons.

29 Sec. 23. TRAINING AND TECHNOLOGY. There is appropriated  
30 from the general fund of the state to the department of human  
31 services for the fiscal year beginning July 1, 1996, and  
32 ending June 30, 1997, the following amount, or so much thereof  
33 as is necessary, to be used for the purpose designated:

34 For training, maintenance, and upgrades of computer  
35 software:

1 ..... \$ 818,000

2 Sec. 24. VOLUNTEERS. There is appropriated from the  
3 general fund of the state to the department of human services  
4 for the fiscal year beginning July 1, 1996, and ending June  
5 30, 1997, the following amount, or so much thereof as is  
6 necessary, to be used for the purpose designated:

7 For development and coordination of volunteer services:  
8 ..... \$ 98,900

9 Sec. 25. "X-PERT" PUBLIC ASSISTANCE BENEFIT ELIGIBILITY  
10 DETERMINATION SYSTEM. There is appropriated from the general  
11 fund of the state to the department of human services for the  
12 fiscal year beginning July 1, 1996, and ending June 30, 1997,  
13 the following amount, or so much thereof as is necessary, to  
14 be used for the purpose designated:

15 For the development costs of the "X-PERT" knowledge-based  
16 computer software package for public assistance benefit  
17 eligibility determination, including salaries, support,  
18 maintenance, and miscellaneous purposes and for not more than  
19 the following full-time equivalent positions:

20 ..... \$ 790,000  
21 ..... FTEs 17.00

22 Moneys appropriated in this section shall be considered  
23 encumbered for the purposes of section 8.33.

24 Sec. 26. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY  
25 ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE  
26 DEPARTMENT OF HUMAN SERVICES.

27 1. a. The department of human services may allocate  
28 increases among items and procedures for durable medical  
29 products and supplies as deemed appropriated in cooperation  
30 with durable medical equipment and supply dealers,  
31 audiologists, and hearing aid dealers.

32 b. For the fiscal year beginning July 1, 1996, skilled  
33 nursing facilities shall remain at the rates in effect on June  
34 30, 1996.

35 c. The dispensing fee for pharmacists shall remain at the

1 rate in effect on June 30, 1996. The reimbursement policy for  
2 drug product costs shall be in accordance with federal  
3 requirements.

4 d. Reimbursement rates for in-patient and outpatient  
5 hospital services shall remain at the rates in effect on June  
6 30, 1996. The department shall continue the outpatient  
7 hospital reimbursement system based upon ambulatory patient  
8 groups implemented pursuant to 1994 Iowa Acts, chapter 1186,  
9 section 25, subsection 1, paragraph "f". In addition, the  
10 department shall continue the revised medical assistance  
11 payment policy implemented pursuant to that paragraph to  
12 provide reimbursement for costs of screening and treatment  
13 provided in the hospital emergency room is made pursuant to  
14 the prospective payment methodology developed by the  
15 department for the payment of outpatient services provided  
16 under the medical assistance program.

17 e. Reimbursement rates for rural health clinics shall be  
18 increased in accordance with increases under the federal  
19 medicare program.

20 f. Hospice services and acute care mental hospitals shall  
21 be reimbursed for their current federal Medicare audited  
22 costs.

23 g. Reimbursement rates for home health agencies certified  
24 for the federal Medicare program shall be increased by an  
25 average of 3.3 percent over the rates in effect on June 30,  
26 1996.

27 h. The basis for establishing the maximum medical  
28 assistance reimbursement rate for nursing facilities shall be  
29 the 70th percentile of facility costs as calculated from the  
30 June 30, 1996, unaudited compilation of cost and statistical  
31 data. However, to the extent funds are available within the  
32 amount projected for reimbursement of nursing facilities  
33 within the appropriation for medical assistance in this Act,  
34 and within the appropriation for medical assistance as a  
35 whole, the department shall adjust the maximum medical

1 assistance reimbursement for nursing facilities to the 70th  
2 percentile, as calculated on December 31, 1996, unaudited  
3 compilation of cost and statistical data and the adjustment  
4 shall take effect January 1, 1997.

5 i. The department may revise the fee schedule used for  
6 physician reimbursement.

7 j. Federally qualified health centers shall be reimbursed  
8 at 100 percent of reasonable costs as determined by the  
9 department in accordance with federal requirements.

10 k. The department may allocate increases among items and  
11 procedures for dental procedures as deemed appropriate in  
12 cooperation with dentists.

13 2. For the fiscal year beginning July 1, 1996, the maximum  
14 cost reimbursement rate for residential care facilities  
15 reimbursed by the department shall be \$21.54 per day. The  
16 flat reimbursement rate for facilities electing not to file  
17 semiannual cost reports shall be \$15.41 per day. For the  
18 fiscal year beginning July 1, 1996, the maximum reimbursement  
19 rate for providers reimbursed under the in-home health-related  
20 care program shall be \$414.11 per month.

21 3. Unless otherwise directed in this section, when the  
22 department's reimbursement methodology for any provider  
23 reimbursed in accordance with this section includes an  
24 inflation factor, this factor shall not exceed the amount by  
25 which the consumer price index for all urban consumers  
26 increased during the calendar year ending December 31, 1995.

27 4. Notwithstanding section 234.38, in the fiscal year  
28 beginning July 1, 1996, the foster family basic daily  
29 maintenance rate and the maximum adoption subsidy rate for  
30 children ages 0 through 5 years shall be \$12.34, the rate for  
31 children ages 6 through 11 years shall be \$13.06, the rate for  
32 children ages 12 through 15 years shall be \$14.23, and the  
33 rate for children ages 16 and older shall be \$15.12.

34 5. For the fiscal year beginning July 1, 1996, the maximum  
35 reimbursement rates for social service providers shall be the



1 same as the rates in effect on June 30, 1996, except under any  
2 of the following circumstances:

3 a. If a new service was added after June 30, 1996, the  
4 initial reimbursement rate for the service shall be based upon  
5 actual and allowable costs.

6 b. If a social service provider loses a source of income  
7 used to determine the reimbursement rate for the provider, the  
8 provider's reimbursement rate may be adjusted to reflect the  
9 loss of income, provided that the lost income was used to  
10 support actual and allowable costs of a service purchased  
11 under a purchase of service contract.

12 c. The department revises the reimbursement rates due to  
13 implementation of a redesigned purchase of services system.

14 6. The group foster care reimbursement rates paid for  
15 placement of children out-of-state shall be calculated  
16 according to the same rate-setting principles as those used  
17 for in-state providers unless the director determines that  
18 appropriate care cannot be provided within the state. The  
19 payment of the daily rate shall be based on the number of days  
20 in the calendar month in which service is provided.

21 7. For the fiscal year beginning July 1, 1996, the  
22 combined service and maintenance components of the  
23 reimbursement rate paid to a shelter care provider shall be  
24 based on the cost report submitted to the department. The  
25 maximum reimbursement rate shall be \$76.61 per day. If the  
26 department would reimburse the provider at less than the  
27 maximum rate but the provider's cost report justifies a rate  
28 of at least \$76.61, the department shall readjust the  
29 provider's reimbursement rate to the maximum reimbursement  
30 rate. In January 1997, the department shall review the usage  
31 of shelter care and the funding allocated for shelter care, if  
32 the usage is less than anticipated and the existing contracts  
33 for provision of shelter care do not obligate the total amount  
34 of the funds allocated, the department may utilize moneys in  
35 the allocation, which would otherwise be unexpended, for wrap-

1 around services or support to enable group foster care  
2 placement to be prevented or the length of stay reduced.

3 8. The department, in cooperation with the Iowa  
4 pharmacists association, may implement a pilot project for an  
5 alternative payment system, recommended in the study completed  
6 by the drug utilization review commission, for compensation of  
7 pharmacists for pharmaceutical care services under medical  
8 assistance at no cost to the state.

9 9. Beginning on the effective date of this subsection the  
10 department shall calculate reimbursement rates for  
11 intermediate care facilities for the mentally retarded at the  
12 70th percentile and shall implement other cost containment  
13 strategies.

14 10. The department of human services shall adopt rules  
15 applicable to agencies providing services under the  
16 department's rehabilitative treatment program for children and  
17 their families to eliminate reimbursement rate limits on  
18 service components which are within a category of cost which  
19 itself has a reimbursement rate limit.

20 11. The department may adopt emergency rules to implement  
21 the provisions of this section.

22 Sec. 27. RESIDENTIAL CARE FACILITIES -- REIMBURSEMENT RATE  
23 INCREASE. There is appropriated from the general fund of the  
24 state to the department of human services for the fiscal year  
25 beginning July 1, 1996, and ending June 30, 1997, the  
26 following amount, or so much thereof as is necessary, to be  
27 used for the purpose designated:

28 For an increase in the reimbursement rate for residential  
29 care facilities. Beginning July 1, 1996, reimbursement for  
30 residential care facilities reimbursed by the department shall  
31 be increased up to the actual and allowable costs and an  
32 additional amount based upon the cost reports filed as of  
33 April 1, 1996. The increased reimbursement shall not exceed  
34 an increase of \$4.36 per day over the rates in effect on June  
35 30, 1996. If a reimbursement rate existing on or before June

1 30, 1996, is greater than the total of a facility's actual and  
2 allowable costs and the additional amount or if the difference  
3 between the reimbursement rate on June 20, 1996, and the  
4 facility's actual and allowable costs is less than \$.44 per  
5 day, the reimbursement rate for the facility shall be  
6 increased by \$.44 per day:

7 ..... \$ 1,300,000

8 1. Funding appropriated in this section shall be allocated  
9 to counties in accordance with the distribution guidelines for  
10 local purchase of services in accordance with the  
11 appropriation in this Act for the mental health and  
12 developmental disabilities community services fund.

13 2. Of the moneys appropriated in this section, \$130,000  
14 shall be transferred to the appropriation in this Act for  
15 MI/MR/DD state cases and shall be used for payment of the  
16 increased reimbursement rate to residential care facilities  
17 providing services through local purchase of services for  
18 persons under the state cases program, and in accordance with  
19 the guidelines in this Act for local purchase of services.

20 Sec. 28. APPROPRIATION REDUCTIONS. The following  
21 appropriations in this Act for the fiscal year beginning July  
22 1, 1996, and ending June 30, 1997, are reduced by a total of  
23 \$1,000,000: child support recovery, juvenile institutions,  
24 community-based programs, mental health institutes, state  
25 hospital-schools, field operations, general administration,  
26 and the "X-PERT" knowledge-based computer software package.  
27 The department shall accomplish the reduction by not filling  
28 authorized positions which are vacant. The department shall  
29 report the department's plan for accomplishing the reductions  
30 to the department of management and the legislative fiscal  
31 bureau on or before July 1, 1996.

32 Sec. 29. STATE INSTITUTIONS -- CLOSINGS AND REDUCTIONS.  
33 If a state institution administered by the department of human  
34 services is to be closed or reduced in size, prior to the  
35 closing or reduction the department shall initiate and

1 coordinate efforts in cooperation with the Iowa department of  
2 economic development to develop new jobs in the area in which  
3 the state institution is located. In addition, the department  
4 may take other actions to utilize the facilities of an  
5 institution, including but not limited to assisting not-for-  
6 profit users with remodeling and lease costs by forgiving  
7 future rental or lease payments to the extent necessary for a  
8 period not to exceed five years.

9 Sec. 30. STANDARDS FOR CASELOADS AND REIMBURSEMENT.

10 1. The department of human services shall develop a plan  
11 for meeting national standards on caseloads for the  
12 department's social workers.

13 2. The department shall also develop a plan for improving  
14 the adequacy of reimbursement for family foster care. The  
15 foster care reimbursement rate improvement provisions shall  
16 provide for basing the reimbursement rates on at least 75  
17 percent of the United States department of agriculture  
18 estimate of the costs to raise a child in the calendar year  
19 immediately preceding the fiscal year. In addition the family  
20 foster care provisions of the plan shall address additional  
21 reimbursement for respite care, including in-home respite  
22 care, and adequate allowances for clothing and school  
23 expenses. The clothing allowance upon a child's initial  
24 placement shall be at least \$250 and at least \$50 per month  
25 for the remainder of the placement. School expenses shall be  
26 reimbursed for elementary and developmental preschool children  
27 at not more than \$50 per semester and for grades seven through  
28 twelve at not more than \$100 per semester. Driver's education  
29 expenses shall be reimbursed in full.

30 3. The department shall submit the planning provisions  
31 required by this section to the members of the joint  
32 appropriations subcommittee on human services of the senate  
33 and house of representatives on or before January 8, 1996.

34 Sec. 31. Section 135H.6, Code 1995, is amended by adding  
35 the following new subsection:

1 NEW SUBSECTION. 5A. Following initial licensure approval  
2 under subsection 5, a licensee may apply to the Iowa  
3 department of public health under chapter 135 for a revision  
4 in the licensee's certificate of need in accordance with this  
5 subsection. The revision request shall be to utilize beds  
6 previously approved for the purposes described in subsection  
7 5, paragraph "a" or "b", for any of the following purposes:

- 8 a. Mental health treatment.  
9 b. Substance abuse treatment.  
10 c. Mental health and substance abuse treatment.  
11 d. A combination of the purposes in paragraphs "a", "b",  
12 and "c".

13 The Iowa department of public health shall not approve a  
14 request which would result in the number of approved beds  
15 exceeding the state health facilities combined total of beds  
16 authorized under subsection 5.

17 Sec. 32. Section 232.52, subsection 2, paragraph e,  
18 subparagraph (4), Code Supplement 1995, is amended to read as  
19 follows:

20 (4) The child has previously been placed in a treatment  
21 facility outside the child's home or in a supervised community  
22 treatment program established pursuant to section 232.191,  
23 subsection 4.

24 Sec. 33. Section 234.39, Code Supplement 1995, is amended  
25 by adding the following new subsection:

26 NEW SUBSECTION. 4. The support debt for the costs of  
27 services, for which a support obligation is established  
28 pursuant to this section, which accrues prior to the  
29 establishment of the support debt, shall be collected, at a  
30 maximum, in the amount which is the amount of accrued support  
31 debt for the three months preceding the establishment of the  
32 support debt.

33 Sec. 34. NEW SECTION. 239.23 FAMILY INVESTMENT PROGRAM  
34 HOST HOMES.

35 1. As used in this section, unless the context otherwise

1 requires:

2 a. "Host home" means a host home authorized in accordance  
3 with the provisions of this section and licensed by the  
4 department to provide a living arrangement and related  
5 services to minor parents and pregnant minors or an  
6 alternative adult supervised placement approved by the  
7 department.

8 b. "Minor parent" means a recipient of or applicant for  
9 assistance who is less than eighteen years of age and has  
10 never been married.

11 2. The department shall perform a home assessment of a  
12 minor parent who applies for assistance to assess the minor  
13 parent's living arrangement prior to the granting of  
14 assistance. If a minor parent is receiving assistance at the  
15 time the provisions of this section are implemented, the  
16 department shall perform a home assessment as a condition of  
17 continued assistance.

18 3. If the department determines, based upon the home  
19 assessment, that the minor parent is living in an environment  
20 which is conducive to the positive upbringing of the minor  
21 parent's child, the department may allow the minor parent to  
22 continue living in the home with the parent or the legal  
23 guardian of the minor parent or in another current living  
24 arrangement which is approved by the department.

25 4. If the department determines, based upon the home  
26 assessment, that good cause exists for the minor parent to not  
27 live with their parent or legal guardian or in the other  
28 current living arrangement because the home environment is not  
29 conducive to the minor parent's physical, emotional, or mental  
30 well-being, the department shall require the minor parent to  
31 relocate to a host home, as a condition of assistance under  
32 this chapter. If the minor parent does not live in a host  
33 home and the department determines the resulting level of risk  
34 to the minor parent warrants the filing of a child in need of  
35 assistance petition, the department shall file the petition.

1 5. If the department determines, based upon the home  
2 assessment, that remaining in the current living arrangement  
3 is not in the best interest of the minor parent or a child of  
4 the minor parent and the minor parent is placed in a host  
5 home, the parent or legal guardian shall be referred to the  
6 department's child support recovery unit to establish a child  
7 support obligation in accordance with the child support  
8 guidelines prescribed pursuant to section 598.21, subsection  
9 4, not to exceed the cost of the host home placement.

10 However, if a child in need of assistance petition is filed  
11 and the child is placed in a foster care setting, the child  
12 support obligation shall be determined as provided in section  
13 234.39.

14 6. a. The department shall issue a request for proposals  
15 for grants for nonprofit organizations to establish host homes  
16 to provide adult supervision to minor parents and pregnant  
17 minors presumed to be eligible for assistance. A proposal  
18 shall demonstrate the organization's ability to provide  
19 supervision, services, and other support to enable a minor  
20 parent or pregnant minor to develop self-sufficiency.

21 b. Funding for a host home shall be obtained through  
22 assignment of the minor parent's assistance under this  
23 chapter, as permitted under federal law or waiver, through  
24 child support recovered from the parent or legal guardian of  
25 the minor parent, and through appropriations made for the  
26 purposes of reimbursing host homes.

27 c. The department shall adopt rules for licensing of host  
28 homes which are distinct from foster care licensure  
29 requirements.

30 d. Host home services shall include but are not limited to  
31 training in family development, parenting and self-sufficiency  
32 skills, and assistance in completing an education.

33 e. A host home shall not be considered to be a group  
34 foster care facility or to be another licensed facility which  
35 provides care for children. The placement of a minor parent

1 or pregnant minor and the children of a minor parent shall not  
2 be considered a placement which is subject to the statewide  
3 target for the number of group foster care placements under  
4 section 232.143 and associated provisions.

5 7. This section shall not be implemented prior to July 1,  
6 1997, and implementation is contingent upon federal approval  
7 of a waiver authorizing the implementation.

8 Sec. 35. FEDERAL WAIVERS.

9 1. The department of human services shall submit a waiver  
10 request or requests to the United States department of health  
11 and human services as necessary to implement the changes in  
12 the family investment program and host home provisions under  
13 section 239.23 as enacted by this Act. In addition, the  
14 department may submit additional waiver requests to the United  
15 States department of health and human services to make changes  
16 to the medical assistance program under chapter 249A, as  
17 necessary to revise the program in accordance with any waiver  
18 provision implemented pursuant to section 239.23.

19 2. The waiver request or requests submitted by the  
20 department of human services to the United States department  
21 of health and human services shall be to apply the provisions  
22 of section 239.23 statewide. If federal waiver approval of  
23 the provisions is granted, the department of human services  
24 shall implement the provisions in accordance with the federal  
25 approval. If an approved waiver is in conflict with a  
26 provision of state law, the waiver provision shall apply and  
27 the department shall propose an amendment to resolve the  
28 conflict. The proposed amendment shall be submitted in  
29 accordance with the provisions of section 2.16 to the Seventy-  
30 seventh General Assembly.

31 3. The department of human services shall adopt  
32 administrative rules pursuant to chapter 17A to implement the  
33 provisions of an approved waiver. If necessary to conform  
34 with federal waiver terms and conditions or to efficiently  
35 administer the provisions, the rules may apply additional



1 policies and procedures which are consistent with the  
2 provisions of the approved waiver.

3 4. The effective date of a waiver requested under this  
4 section which is granted by the federal government shall be  
5 established by rule but shall not be earlier than July 1,  
6 1997. If federal law is enacted to permit the state to  
7 implement a provision of section 239.23 without a federal  
8 waiver, the department shall proceed to implement the  
9 provisions within the timeframe specified in this subsection.

10 Sec. 36. EMERGENCY RULES. If specifically authorized by a  
11 provision of this Act, the department of human services or the  
12 mental health and mental retardation commission may adopt  
13 administrative rules under section 17A.4, subsection 2, and  
14 section 17A.5, subsection 2, paragraph "b", to implement the  
15 provisions and the rules shall become effective immediately  
16 upon filing, unless a later effective date is specified in the  
17 rules. Any rules adopted in accordance with the provisions of  
18 this section shall also be published as notice of intended  
19 action as provided in section 17A.4.

20 Sec. 37. EFFECTIVE DATE. The following provisions of this  
21 Act, relating to the mental health managed care program  
22 contract, being deemed of immediate importance, take effect  
23 upon enactment:

24 1. Section 3, subsection 12, relating to the alternative  
25 nursing home pilot program.

26 2. Section 4, subsection 2, relating to the mental health  
27 managed care program.

28 3. Section 10, subsection 19, relating to expenditure of  
29 federal funds for child and family services.

30 4. Section 26, subsection 9, relating to ICFMR  
31 reimbursement rates.

32 EXPLANATION

33 This bill makes appropriations for the 1996-1997 fiscal  
34 year to the department of human services for human services  
35 and health care programs, and provides an allocation for the

1 prevention of disabilities council. The bill also provides  
2 for emergency rulemaking authority and provides effective  
3 dates.

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The Honorable Paul Pate  
Secretary of State  
State Capitol Building  
LOCAL

Dear Mr. Secretary:

I hereby transmit Senate File 2442, an act relating to appropriations for the department of human services and the prevention of disabilities policy council and including other provisions and appropriations involving human services and health care and providing for effective and applicability dates.

Senate File 2442 is, therefore, approved on this date with the following exceptions, which I hereby disapprove.

I am unable to approve the item designated as Section 3, subsection 10, in its entirety. This item would require the Department of Human Services to expand its "pay and chase" policies relating to third-party reimbursements for pharmacy services to include all pharmacy claims involving third-party payors. The projected first year cost for this item is \$345,000 which is not included in any appropriations made to the department for the next fiscal year.

I am unable to approve the item designated as Section 4, subsection 3, in its entirety. This item directs the Department of Human Services to include specific terms and conditions in all future contracts negotiated under the Medicaid program. It is appropriate for the legislature to expect the department to negotiate contracts which provide the needed services at the best price for Iowa taxpayers, and to hold the department accountable for the quality and costs of those services. However, to assure that the goals of quality and cost-effectiveness are accomplished, the department must retain the flexibility necessary to negotiate the specific details of the contracts.

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I am unable to approve the item designated as Section 6, subsection 10, in its entirety. This item appropriates \$20,000 to the Department of Human Services to study child care issues, including the development of "volunteer evaluation teams" to inspect registered family day care homes. The department has adequate resources to review the state's policies relating to child care, including the most appropriate system to evaluate the quality of care provided by registered family day care homes. As a result of this action, this \$20,000 will remain unspent and will revert to the general fund at the end of the fiscal year that begins on July 1, 1996 and ends on June 30, 1997.

I am unable to approve the item designated as Section 6, subsection 12, in its entirety. This item would create an entitlement for certain persons to receive child care assistance. Establishing child care services as an entitlement for certain persons is inconsistent with long-standing state policy and would treat some persons differently than others in the receipt of child care services.

I am unable to approve the item designated as Section 6, subsection 13, in its entirety. This item would roll forward and reappropriate unspent fiscal year 1996 child care dollars to be used in fiscal year 1997. Additional funding in the amount of \$4.6 million is provided for child care in this bill, an amount that doubles current state spending for child care assistance. With this increase, over \$36.2 million will be available in fiscal year 1997 to address the child care needs of low income Iowans.

I am unable to approve the designated portion of Section 11, subsection 5. This item would provide an additional \$115,000 for the Healthy Families program. I included in my budget recommendations an increase of \$285,000 for the Healthy Families program, making a total of \$952,000 available for the program in fiscal year 1997. The additional funding recommended in my budget is included in House File 2448, which I have already approved. As a result of this action, this \$115,000 will remain unspent and will revert to the general fund at the end of the fiscal year that begins July 1, 1996 and ends on June 30, 1997.

I am unable to approve the designated portion of Section 20, unnumbered and unlettered paragraph 2. This item would assign responsibilities to one division within the Department of Human Services under the authority granted to another in the Iowa Code. A veto of this provision will avoid possible confusion and problems in implementing the pilot program funded in this section.

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I am unable to approve the item designated as Section 22, subsection 2, paragraph a, in its entirety. This item would prohibit the Department of Human Services from taking action in response to federal legislation affecting the operation and funding of its programs without specific authority from the legislature to do so. This provision would make it nearly impossible for the department to respond to unanticipated action by Congress at times when the legislature is not in session.

I am unable to approve the designated portion of Section 23. This item would appropriate \$75,000 to the legislative council to study the structure and functions of the Department of Human Services. While a legislative review of the department's organization and responsibilities is appropriate, an appropriation to support the effort is unnecessary.

I am unable to approve the item designated as Section 25, subsection 11, in its entirety. This item would require the Department of Human Services to negotiate with certain service providers revisions to the department's rules relating to reimbursement for their services. While the goals of simplifying the reimbursement process and reducing paperwork for providers are laudable and should be accomplished, the third goal of increasing the reimbursement rate by departmental rule without providing an accompanying appropriation is fiscally irresponsible and can not be approved.

I am unable to approve the designated portion of Section 28, subsection 3. This item would require the Department of Human Service and the Department of Management to include specific recommendations in their fiscal year 1998 budgets. This requirement exceeds the authority of the legislature in the budgeting process and for that reason can not be approved.

I am unable to approve Section 28, subsection 6, in its entirety. This item would impose certain procedural requirements on the Department of Human Services in its planning for the state hospital schools and mental health institutes. The state's practice is to make adjustments at the institutions only after appropriate placements in the community have been found for the residents. Therefore, the procedure provided in this subsection is unnecessary.

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I am unable to approve the item designated as Section 29, in its entirety. This item would direct the Department of Human Services to develop a plan for meeting national standards for social worker caseloads. Social workers' duties vary from state to state and the differences are often related to the technology available to workers in performing their tasks. New technologies are being implemented on a continuous basis to make it possible for Iowa workers to work more efficiently and effectively. Also, services that may be included as part of a social worker's duties in other states are contracted out in Iowa. Given these variances, national standards can not be directly applied to Iowa's experience.

I am unable to approve the item designated as Section 31, in its entirety. This item would require the Department of Human Services to consult with rehabilitation treatment providers in a review of the requirements and process relating to financial and statistical accountability reporting. While I support efforts to simplify and streamline the reporting requirements and process, the time frame for implementation provided in this section is unrealistic and can not be approved.

I am unable to approve the designated portion of Section 35. This item would allow an exception to be granted for group foster care placement when the budget targets would be exceeded if alternative services would be more costly and more restrictive than the proposed placement. While I support the goal of providing appropriate services at the lowest cost for Iowa taxpayers, I am not convinced that the policy change proposed here can be accomplished without creating a deficit situation in the department's budget.

I am unable to approve the item designated as Section 38, in its entirety. This item would create a new program to begin July 1, 1997, having an estimated on-going cost in excess of \$1.75 million. This proposal requires more review by the legislature, with special consideration given to the potential cost of the program, before it can be approved.

I am unable to approve the item designated as Section 40, in its entirety. This item would change the dates mental health property tax relief payments are due, which will result in a cost to the state of \$1 million in lost interest income.

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For the above reasons, I respectfully disapprove these items in accordance with Amendment IV of the Amendments of 1968 to the Constitution of the State of Iowa. All other items in Senate File 2442 are hereby approved as of this date.

Sincerely,

A handwritten signature in black ink, reading "Terry E. Branstad". The signature is written in a cursive style with a large, looping initial "T".

Terry E. Branstad  
Governor

TEB/ps

cc: Secretary of the Senate  
Chief Clerk of the House

SENATE FILE 2442

AN ACT

RELATING TO APPROPRIATIONS FOR THE DEPARTMENT OF HUMAN SERVICES AND THE PREVENTION OF DISABILITIES POLICY COUNCIL AND INCLUDING OTHER PROVISIONS AND APPROPRIATIONS INVOLVING HUMAN SERVICES AND HEALTH CARE AND PROVIDING FOR EFFECTIVE AND APPLICABILITY DATES.

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

Section 1. FAMILY INVESTMENT PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For assistance under the family investment program under chapter 239:

..... \$ 34,787,255

1. The department shall continue the special needs program under the family investment program.

2. The department may adopt administrative rules for the family investment, food stamp, and medical assistance programs to change or delete welfare reform initiatives that threaten the integrity or continuation of the program or that are not cost-effective. Prior to the adoption of rules, the department shall consult with the welfare reform council, members of the public involved in development of the policy established in the 1993 session of the Seventy-fifth General

Assembly, and the chairpersons and ranking members of the human resources committees of the senate and the house of representatives.

Sec. 2. EMERGENCY ASSISTANCE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For emergency assistance to families with dependent children for homeless prevention programs:

..... \$ 1,967,500

1. The emergency assistance provided for in this section shall be available beginning October 1 of the fiscal year and shall be provided only if all other publicly funded resources have been exhausted. Specifically, emergency assistance is the program of last resort and shall not supplant assistance provided by the low-income home energy assistance program (LIHEAP), county general relief, and veterans affairs programs. The department shall establish a \$500 maximum payment, per family, in a twelve-month period. The emergency assistance includes, but is not limited to, assisting people who face eviction, potential eviction, or foreclosure, utility shutoff or fuel shortage, loss of heating energy supply or equipment, homelessness, utility or rental deposits, or other specified crisis which threatens family or living arrangements. The emergency assistance shall be available to migrant families who would otherwise meet eligibility criteria. The department may contract for the administration and delivery of the program. The program shall be terminated when funds are exhausted.

2. For the fiscal year beginning July 1, 1996, the department shall continue the process for the state to receive refunds of rent deposits for emergency assistance recipients which were paid by persons other than the state. The refunds received by the department under this subsection shall be deposited with the moneys of the appropriation made in this section and used as additional funds for the emergency



assistance program. Notwithstanding section 8.33, moneys received by the department under this subsection which remain after the emergency assistance program is terminated and state moneys in the emergency assistance account which remain unobligated or unexpended at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure when the program resumes operation on October 1 in the succeeding fiscal year.

3. Of the funds appropriated in this section, \$10,000 is allocated to the community voice mail program to continue the existing program. The funds shall be made available beginning July 1, 1996.

Sec. 3. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose 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:  
..... \$366,687,988

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 45 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 150 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. Notwithstanding section 8.39, the department may transfer funds appropriated in this section to a separate account established in the department's case management unit for expenditures required to provide case management services for mental health, mental retardation, and developmental disabilities services under medical assistance which are jointly funded by the state and county, pending final settlement of the expenditures. Funds received by the case management unit 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 in this section.

3. If a medical assistance recipient is more than 17 years of age and is receiving care which is reimbursed under a federally approved home and community-based services waiver but would otherwise be approved for care in an intermediate care facility for the mentally retarded, the recipient's county of legal settlement shall reimburse the department on a monthly basis for the portion of the recipient's cost of care which is not paid from federal funds.

4. a. The county of legal settlement shall be billed for 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization in accordance with sections 249A.26 and 249A.27, and 100 percent of the nonfederal share of the cost of care for adults which is reimbursed under a federally approved home and community-based waiver that would otherwise be approved for provision in an intermediate care facility for the mentally retarded, provided under the medical assistance program. The state shall have responsibility for the remaining 50 percent of the nonfederal share of the cost of case management provided for adults, day treatment, and partial hospitalization. For persons without a county of legal settlement, the state shall have responsibility for 100

percent of the nonfederal share of the costs of case management provided for adults, day treatment, partial hospitalization, and the home and community-based waiver services. The case management services specified in this subsection shall be billed to a county only if the services are provided outside of a managed care contract.

b. The state shall pay the entire nonfederal share of the costs for case management services provided to persons 17 years of age and younger who are served in a medical assistance home and community-based waiver program for persons with mental retardation.

c. Medical assistance funding for case management services for eligible persons 17 years of age and younger shall also be provided to persons residing in counties with child welfare decategorization projects implemented in accordance with section 232.188, provided these projects have included these persons in their service plan and the decategorization project county is willing to provide the nonfederal share of costs.

d. When paying the necessary and legal expenses of intermediate care facilities for the mentally retarded (ICFMR), the cost payment requirements of section 222.60 shall be considered fulfilled when payment is made in accordance with the medical assistance payment rates established for ICFMRs by the department and the state or a county of legal settlement is not obligated for any amount in excess of the rates.

5. The department may adopt and implement administrative rules regarding a prepaid mental health services plan for medical assistance patients. The rules shall include but not be limited to service provider standards, service reimbursement, and funding mechanisms. Notwithstanding the provisions of subsection 4, paragraph "a", of this section and section 249A.26, requiring counties to pay all or part of the nonfederal share of certain services provided to persons with disabilities under the medical assistance program, the state shall pay 100 percent of the nonfederal share of any services included in the plan implemented pursuant to this subsection.

6. The department shall utilize not more than \$60,000 of the funds appropriated in this section to continue the AIDS/HIV health insurance premium payment program as established in 1992 Iowa Acts, Second Extraordinary Session, Chapter 1001, section 409, subsection 6. Of the funds allocated in this subsection, not more than \$5,000 may be expended for administrative purposes.

7. Of the funds appropriated to the Iowa department of health for substance abuse grants, \$950,000 for the fiscal year beginning July 1, 1996, shall be transferred to the department of human services for an integrated substance abuse managed care system.

8. The department shall implement a new medical assistance home and community-based waiver for persons with physical disabilities as a means to further develop the personal assistance services program under section 225C.46. The waiver shall not be implemented in a manner which would require additional county or state funding for assistance provided to an individual served under the waiver.

9. The department may expand the drug prior authorization program to include the therapeutic class of gastrointestinal drugs known as proton pump inhibitors. The department shall not expand the requirement of drug prior authorization without prior approval of the general assembly except to require prior authorization of an equivalent of a prescription drug which is subject to prior authorization as of June 30, 1996. The department shall adopt administrative rules to implement this provision.

*Noted*

10. The department of human services shall expand the program to administratively pursue reimbursements for pharmacy services to include all pharmacy claims for which a recipient of medical assistance also has third-party coverage.

11. The department of human services, in consultation with the Iowa department of public health and the department of education, shall develop and implement a proposal to utilize the early and periodic screening, diagnosis, and treatment (EPSDT) funding under medical assistance, to the extent

possible, to implement the screening component of the EPSDT program through the school system. The department may enter into contracts to utilize maternal and child health centers, the public health nursing program, or school nurses in implementing this provision.

12. The department shall implement the case study for outcome-based performance standards for programs serving persons with mental retardation or other developmental disabilities proposed pursuant to 1994 Iowa Acts, chapter 1170, section 56. The department shall adopt rules applicable to the programs included in the case study, request a waiver of applicable federal requirements, and take other actions deemed necessary by the department to implement the case study.

13. The department of human services shall submit a report to the general assembly on or before January 1, 1997, regarding reimbursement for teleconsultive services provided by health care providers to recipients of medical assistance. The report shall include but is not limited to recommendations regarding the feasibility of implementation of a pilot program, including the adoption and utilization of an alternative reimbursement methodology, to determine the effect of teleconsultive services on health care quality, access, and cost.

14. A member of the joint appropriations subcommittee on human services participating during the 1996 legislative interim in a planning process for long-term care provided in nursing facilities and through alternative types of care involving a national foundation held by the department in the state, is entitled to per diem and expenses payable as a joint expense under section 2.12.

Sec. 4. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For medical contracts:

..... \$ 6,811,400

1. The department shall continue to contract for drug utilization review under the medical assistance program.

2. The department shall negotiate with the department's contractor for mental health managed care under the medical assistance program to establish performance standards for successful outcomes for persons receiving services under the contract. The performance standards shall be incorporated into the contract or shall be made an addendum to the contract which is in effect as of the effective date of this subsection. The contractor's attainment of these performance standards shall be a factor in the department's decision to extend the contract in effect for managed mental health care or to initiate a new procurement process. Any future contract shall contain sanctions for failure to attain the performance standards. The provisions of section 228.5 as amended in this Act are applicable to the requirements of this subsection.

*Added*

3. Any future contract entered into by the department for mental health managed care or for other services under the medical assistance program shall include a provision which requires the contractor to make public information the amount of profit realized by the contractor and the amount of funds expended by the contractor for administrative purposes under the contract.

Sec. 5. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For state supplementary assistance, funeral assistance, and the mental retardation waiver rent subsidy program:

..... \$ 19,190,000

1. 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 income and federal social security benefits are

increased due to a recognized increase in the cost of living. The department may adopt emergency rules to implement this subsection.

2. a. IF during the fiscal year beginning July 1, 1996, the department projects that state supplementary assistance expenditures for a calendar year will not meet the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g, the department may take actions including but not limited to increasing the personal needs allowance for residential care facility residents and making programmatic adjustments or upward adjustments of the residential care facility or in-home health-related care reimbursement rates prescribed in this Act to ensure that federal requirements are met. The department may adopt emergency rules to implement the provisions of this subsection.

b. If during the fiscal year beginning July 1, 1996, the department projects that state supplementary assistance expenditures will exceed the amount appropriated, the department may transfer funds appropriated in this Act for medical assistance for the purposes of the state supplementary assistance program. However, funds shall only be transferred from the medical assistance appropriation if the funds transferred are projected to be in excess of the funds necessary for the medical assistance program.

3. The department may use up to \$75,000 of the funds appropriated in this section for a rent subsidy program for adult persons to whom all of the following apply:

a. Are receiving assistance under the medical assistance home and community-based services for persons with mental retardation (HCBS/MR) program.

b. Were discharged from an intermediate care facility for the mentally retarded (ICFMR) immediately prior to receiving HCBS/MR services.

The goal of the subsidy program shall be to encourage and assist in enabling persons who currently reside in an ICFMR to move to a community living arrangement. An eligible person

may receive assistance in meeting their rental expense and, in the initial two months of eligibility, in purchasing necessary household furnishings and supplies. The program shall be implemented so that it does not meet the federal definition of state supplementary assistance and will not impact the federal pass-along requirement specified in Title XVI of the federal Social Security Act, section 1618, as codified in 42 U.S.C. § 1382g.

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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For protective child day care assistance and state child care assistance:

..... \$ 12,547,100

1. Of the funds appropriated in this section, \$2,496,286 shall be used for protective child day care assistance.

2. Of the funds appropriated in this section, \$8,180,889 shall be used for state child care assistance.

3. For the purposes of this subsection, the term "poverty level" means the poverty level defined by the poverty income guidelines published by the United States department of health and human services. Based upon the availability of the funding provided in subsection 2 the department shall establish waiting lists for state child care assistance in descending order of prioritization as follows:

a. Families with an income at or below 100 percent of the federal poverty level whose members are employed at least 30 hours per week, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

b. Parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating, at a satisfactory level, in an approved training program or in an educational program.

c. Families with an income of more than 100 percent but not more than 110 percent of the federal poverty level whose members are employed at least 30 hours per week. Assistance provided to families pursuant to this paragraph shall be provided in accordance with a sliding fee scale developed by the department. If, pursuant to an evaluation of expenditures for state child care assistance it is determined that sufficient funding is available, the department shall implement the provisions of this paragraph on or before January 2, 1997.

d. Families with an income at or below 155 percent of the federal poverty level with a special needs child as a member of the family.

e. Families with an income at or below 100 percent of the federal poverty level whose members are employed part-time at least 20 hours per week.

The department may adopt emergency rules to implement the provisions of this subsection.

4. a. Migrant seasonal farm worker families whose family income is equal to or less than 100 percent of the United States office of management and budget poverty guidelines are eligible for state child care assistance. The monthly family income shall be determined by calculating the total amount of family income earned during the 12-month period preceding the date of application for the assistance and dividing the total amount by 12.

b. Nothing in this section 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 consistent with the requirements of this section. Any state obligation to provide services pursuant to this section is limited to the extent of the funds appropriated in this section.

5. If the department projects that funding for state child care assistance is reasonably adequate to fund the provisions of subsection 3, paragraphs "a", "b", and "c", the department may transfer not more than \$200,000 of the funding

appropriated in this section to the appropriation in this Act for child and family services to provide additional funding for family-centered services.

6. Of the funds appropriated in this section, \$636,641 is allocated for the statewide program for child day care resource and referral services under section 237A.26.

7. The department may use any of the funds appropriated in this section as a match to obtain federal funds for use in expanding child day care assistance and related programs.

8. Of the funds appropriated in this section, \$1,178,284 is allocated for transitional child care assistance.

9. During the 1996-1997 fiscal year, the department shall utilize the moneys deposited in the child day care credit fund created in section 237A.28 for state child care assistance, in addition to the moneys allocated for that purpose in this section.

10. Of the funds appropriated in this section, the department shall expend not more than \$20,000 to develop a system in cooperation with child day care resource and referral services under section 237A.26, in which volunteer evaluation teams are utilized to review and inspect registered family day care homes on behalf of the department. The department shall also review requirements for payment of publicly funded child day care, including but not limited to the effects on providers and the state budget of paying for child day care on a daily basis, block-of-hours basis, or hourly basis. The department shall review the policy implications of encouraging family day care home registration by providing an enhanced reimbursement for family day care homes that are registered. In addition, the department shall develop a proposal for a disproportionate share reimbursement adjustment for the child day care providers for which 75 percent or more of the children provided care receive public funding for the cost of their care. The department shall submit a report to the general assembly on or before January 15, 1997, which includes recommendations concerning the issues required by this subsection.

*Detached*

11. Of the funds appropriated in this section, \$35,000 is allocated for use by the united Mexican-American center in Des Moines for the center's child day care program.

12. A family who was eligible for and received state child care assistance during the fiscal year beginning July 1, 1995, shall continue to receive the assistance in the succeeding fiscal year for as long as the family continues to meet the eligibility requirements in effect for the fiscal year beginning July 1, 1995.

13. Notwithstanding section 8.33, moneys appropriated to the department of human services for state child care assistance in 1996 Iowa Acts, House File 2114, section 2, which remain unexpended or unobligated at the close of the fiscal year shall not revert to the general fund of the state but shall remain available for expenditure in the succeeding fiscal year.

*Unfunded*

Sec. 7. JOBS PROGRAM. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For the federal-state job opportunities and basic skills (JOBS) program, food stamp employment and training program, family development and self-sufficiency grants, entrepreneurial training, and implementing family investment agreements, in accordance with this section:

..... \$ 12,601,592

1. Of the funds appropriated in this section, \$11,692,292 is allocated for the JOBS program. For family investment agreements developed in the fiscal year beginning July 1, 1996, the maximum time period for postsecondary education is limited to two years.

2. The department shall continue to contract for services in developing, delivering, and monitoring an entrepreneurial training waiver program to provide technical assistance in self-employment training to families which receive assistance under the family investment program, contingent upon federal approval of waiver renewal requests.

3. Of the funds appropriated in this section, \$129,985 is allocated for the food stamp employment and training program.

4. Of the funds appropriated in this section, \$779,315 is allocated to the family development and self-sufficiency grant program as provided under section 217.12.

a. Not more than 5 percent of the funds allocated in this subsection shall be used for the administration of the grant program.

b. Federal funding matched by state, county, or other funding which is not appropriated in this section shall be deposited in the department's JOBS account. If the match funding is generated by a family development and self-sufficiency grantee, the federal funding received shall be used to expand the family development and self-sufficiency grant program. If the match funding is generated by another source, the federal funding received shall be used to expand the grant program or the JOBS program. The department may adopt rules to implement the provisions of this paragraph.

c. Based upon the annual evaluation report concerning each grantee funded by this allocation, the family development and self-sufficiency council may use funds allocated to renew grants.

Sec. 8. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

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

..... \$ 6,517,000  
..... FTEs 226.22

1. The director of human services, within the limitations of the funds appropriated in this section, or funds transferred from the family investment program appropriation for this purpose, shall establish new positions and add employees to the child support recovery unit if the director

determines that both the current and additional employees together can reasonably be expected to maintain or increase net state revenue at or beyond the budgeted level. If the director adds 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 recovered.

2. Nonpublic assistance application fees and federal tax refund offsets received by the child support recovery unit are appropriated and shall be used for the purposes of the child support recovery program. The director of human services may add positions within the limitations of the amount appropriated for salaries and support for the positions. The director shall report any positions added pursuant to this subsection to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The director of human services, in consultation with the department of management and the legislative fiscal committee, is authorized to receive and deposit state child support incentive earnings in the manner specified under applicable federal requirements.

4. The director of human services may establish new positions and add state employees to the child support recovery unit if the director determines the employees are necessary to replace county-funded positions eliminated due to termination, reduction, or nonrenewal of a chapter 28E contract. However, the director must also determine that the resulting increase in the state share of child support recovery incentives exceeds the cost of the positions, the positions are necessary to ensure continued federal funding of the program, or the new positions can reasonably be expected to recover at least twice the amount of money necessary to pay the salaries and support for the new positions.

5. The child support recovery unit shall continue to work with the judicial department to determine the feasibility of a pilot project utilizing a court-appointed referee for judicial determinations on child support matters. The extent and location of any pilot project shall be jointly developed by the judicial department and the child support recovery unit.

6. The department shall expend up to \$50,000, including federal financial participation, for the fiscal year beginning July 1, 1996, for a child support public awareness campaign. The department shall cooperate with the office of the attorney general in continuation of the campaign. The public awareness campaign shall emphasize, through a variety of media activities and through continuation of the publication of names of persons who are delinquent in payment of child support obligations, the importance of maximum involvement of both parents in the lives of their children as well as the importance of payment of child support obligations.

7. The department shall continue the pilot program option to provide and supervise a community service pilot project for absent parents who are ordered by the court to perform community service for failure to pay child support pursuant to section 598.23A.

8. The director of human services may enter a contract with private collection agencies to collect support payments for cases which have been identified by the department as difficult collection cases if the department determines that this form of collection is more cost effective than departmental collection methods. The director may use a portion of the state share of funds collected through this means to pay the costs of any contracts authorized under this subsection.

9. The department shall employ on or before July 2, 1996, at least 1.00 FTE to respond to telephone inquiries during all weekly business hours.

10. The department shall develop guidelines to be used in lieu of the child support guidelines prescribed under section 598.21, subsection 4, for establishing a support obligation

and the amount of the support debt accrued and accruing pursuant to section 234.39 for the costs of foster care services. The proposed guidelines shall reflect the public purpose of establishing a support obligation without causing a serious disruption of the family of the obligor. The department shall submit the proposed guidelines to the general assembly on or before January 15, 1997.

Sec. 9. 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, 1996, and ending June 30, 1997, 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, and miscellaneous purposes and for not more than the following full-time equivalent positions:

For the state juvenile institutions:

..... \$ 13,769,809  
..... FTEs 320.77

1. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the Iowa juvenile home at Toledo:

..... \$ 5,130,863  
..... FTEs 118.54

2. The following amounts of the funds appropriated and full-time equivalent positions authorized in this section are allocated for the state training school at Eldora:

..... \$ 8,638,946  
..... FTEs 202.23

3. During the fiscal year beginning July 1, 1996, the population levels at the state juvenile institutions shall not exceed the population guidelines established under 1990 Iowa Acts, chapter 1239, section 21.

4. Of the funds appropriated in this section, \$10,000 shall be used by the state training school and \$8,000 by the Iowa juvenile home for grants for adolescent pregnancy prevention activities at the institutions in the fiscal year beginning July 1, 1996.

5. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 10. CHILD AND FAMILY SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For child and family services:

..... \$ 85,460,607

1. The department may transfer moneys appropriated in this section as necessary to pay the nonfederal costs of services reimbursed under medical assistance or the family investment program which are provided to children who would otherwise receive services paid under the appropriation in this section. The department may transfer funds appropriated in this section to the appropriations in this Act for general administration and for field operations for resources necessary to implement and operate the services funded in this section.

2. a. Of the funds appropriated in this section, up to \$24,601,280 is allocated as the statewide expenditure target under section 232.143 for group foster care maintenance and services.

b. The department shall report quarterly to the legislative fiscal bureau concerning the status of each region's efforts to contain expenditures for group foster care placements in accordance with the regional plan established pursuant to section 232.143.

c. The department shall not certify any additional enhanced residential treatment beds, unless the director of human services approves the beds as necessary, based on the type of children to be served and the location of the enhanced residential treatment beds.

d. (1) Of the funds appropriated in this section, not more than \$6,538,215 is allocated as the state match funding for psychiatric medical institutions for children.



(2) The department may transfer all or a portion of the funds appropriated in this section for psychiatric medical institutions for children (PMICs) to the appropriation in this Act for medical assistance and may amend the managed mental health care contract to include PMICs.

e. Of the funds allocated in this subsection, not more than \$1,077,995 is allocated as the state match funding for 50 highly structured juvenile program beds.

3. The department shall establish a goal that not more than 15 percent of the children placed in foster care funded under the federal Social Security Act, Title IV-E, may be placed in foster care for a period of more than 24 months.

4. In accordance with the provisions of section 232.188, the department shall continue the program to decategorize child welfare services in additional counties or clusters of counties.

5. Of the funds appropriated in this section, up to \$96,512 is allocated for continued foster care services to a child who is 18 years of age or older in accordance with the provisions of section 234.35, subsection 3, paragraph "c". However, if funding in this appropriation would remain unobligated at the end of the fiscal year, the allocation in this subsection may be exceeded to the extent necessary to provide the continued foster care services. The department shall distribute the moneys allocated in this subsection to the department's regions based on each region's proportion of the total number of children placed in foster care on March 31 preceding the beginning of the fiscal year, who, during the fiscal year would no longer be eligible for foster care due to age.

6. Notwithstanding section 232.142, subsection 3, the financial aid paid by the state for the establishment, improvements, operation, and maintenance of county or multicounty juvenile detention homes in the fiscal year beginning July 1, 1996, shall be limited to \$872,500. Funds allocated in this subsection shall be prorated among eligible detention homes.

7. The amount of the appropriation made in this section available for foster care is based upon expansion of the number of children in foster care who are eligible for federal supplemental security income (SSI). The department may use up to \$300,000 of those funds to enter into a performance-based contract to secure SSI benefits for children placed in foster care. The contract shall include provisions for training of department of human services and juvenile court staff, completion of applications, tracking of application results, and representation during the appeals process whenever an appeal is necessary to secure SSI benefits. Notwithstanding section 217.30 and section 232.2, subsection 11, and any other provision of law to the contrary, the director or the director's designee on behalf of a child in foster care may release medical, mental health, substance abuse, or any other information necessary only to determine the child's eligibility for SSI benefits, and may sign releases for the information. In any release of information made pursuant to this subsection, confidentiality shall be maintained to the maximum extent possible.

8. A portion of the funds appropriated in this section may be used for emergency family assistance to provide other resources required for a family participating in a family preservation or reunification project to stay together or to be reunified.

9. Notwithstanding section 234.35, subsection 1, for the fiscal year beginning July 1, 1996, state funding for shelter care paid pursuant to section 234.35, subsection 1, paragraph "h", shall be limited to \$3,223,732. The department shall develop a formula in consultation with the shelter care committee created by the department to allocate shelter care funds to the department's regions. The formula shall be based on the region's proportion of the state population of children and historical usage. The department may adopt emergency rules to implement the provisions of this subsection.

10. Of the funds appropriated in this section, not more than \$527,137 may be used to develop and maintain the state's

implementation of the national adoption and foster care information system pursuant to the requirements of Pub. L. No. 99-509. The department may transfer funds as necessary from the appropriations in this Act for field operations and general administration to implement this subsection. Moneys allocated in accordance with this subsection shall be considered encumbered for the purposes of section 8.33.

11. Of the funds appropriated in this section, up to \$619,433 may be used as determined by the department for any of the following purposes:

- a. For general administration of the department to improve staff training efforts.
- b. For oversight of termination of parental rights and permanency planning efforts on a statewide basis.
- c. For personnel, assigned by the attorney general, to provide additional services relating to termination of parental rights and child in need of assistance cases.
- d. For specialized permanency planning field operations staff.

12. The department may adopt administrative rules following consultation with child welfare services providers to implement outcome-based child welfare services pilot projects. The rules may include, but are not limited to, the development of program descriptions, provider licensing and certification standards, reimbursement and payment amounts, contract requirements, assessment and service necessity requirements, eligibility criteria, claims submission procedures, and accountability standards.

13. Of the funds appropriated in this section, up to \$125,340 may be used to develop, in cooperation with providers of children and family services, a performance-based monitoring program to evaluate and improve outcomes for children and families. The department may adopt administrative rules to implement this subsection.

14. The department may develop, within the funds available, a pilot kinship care project to enhance family involvement in the development of the permanency plan required

under chapter 232 for children who are removed from their homes. The project components may include family involvement before and after removal of the child and shall stress safety for the child.

15. Within the funds appropriated in this section, the department may develop a subsidized guardianship program to provide financial assistance to guardians of children who have a permanency order under section 232.104, subsection 2, paragraph "d", subparagraph (1), in cases in which all of the following conditions exist:

- a. The option of reunification has been eliminated and termination of parental rights is not appropriate.
- b. The child has lived with the potential guardian for at least six months.
- c. The child is either 14 years of age or older or, if under 14 years of age, is part of a sibling group and cannot be made available for adoption.
- d. The placement does not require departmental supervision.

The financial assistance provided shall be in the same amount as provided for family foster care. For purposes of medical assistance and child support recovery, these payments shall be considered foster care payments.

16. The department shall continue to make adoption presubsidy and adoption subsidy payments to adoptive parents at the beginning of the month for the current month.

17. If Title XIX of the federal Social Security Act is repealed prior to January 17, 1997, and the state is otherwise authorized to establish requirements for providing health and rehabilitative services to persons who would be eligible for medical assistance under chapter 249A, the department shall eliminate the clinical assessment and consultation teams operating as part of the medical assistance children's rehabilitative services initiative. The provisions of this subsection shall apply through January 16, 1997.

18. Federal funds received by the state during the fiscal years beginning July 1, 1995, and July 1, 1996, as the result

of the expenditure of state funds appropriated during a previous state fiscal year for a service or activity funded under this section shall be used as additional funding for services provided under this section. Moneys received by the department in accordance with the provisions of this section shall remain available for the purposes designated until June 30, 1998.

19. The department may adopt emergency rules to revise administrative rules relating to rehabilitative treatment services under the child welfare program as necessary to comply with federal requirements to maintain nonstate funding.

20. The department in cooperation with the department of education shall collect data to determine the number of children for whom sheltered workshops and supported employment will be required during the period beginning July 1, 1997, through June 30, 2002. The department shall report the findings of the study to the general assembly by January 2, 1997.

21. Of the funds appropriated in this section, up to \$150,000 shall be transferred to the Iowa healthy kids trust fund for use by the division of insurance of the department of commerce for planning, administration, and implementation of the Iowa healthy kids program as established in chapter 514I as enacted in this Act.

Sec. 11. COMMUNITY-BASED PROGRAMS -- ADOLESCENT PREGNANCY PREVENTION. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For community-based programs, on the condition that family planning services are funded, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:	
.....	\$ 2,635,146
..... FTEs	1.00

1. Of the funds appropriated in this section, \$736,146 shall be used for adolescent pregnancy prevention grants, including not more than \$156,048 for programs to prevent pregnancies during the adolescent years and to provide support services for pregnant or parenting adolescents. It is the intent of the general assembly that by July 1, 1998, grants awarded under this subsection be required to meet the criteria under subsection 2 including the provision of community-wide services within the proximity of the community or region.

2. Of the funds appropriated in this section, \$298,000 shall be used for grants to community or regional groups which demonstrate broad-based representation from community representatives including but not limited to schools, churches, human service-related organizations, and businesses. Priority in the awarding of grants shall be given to groups which provide services to both urban and rural areas within the proximity of the community or region and which provide age-appropriate programs adapted for both male and female youth at the elementary, middle, and high school levels. A program shall focus on the prevention of initial pregnancies during the adolescent years by emphasizing sexual abstinence as the only completely safe and effective means of avoiding pregnancy and sexually transmitted diseases and by providing information regarding the comparative failure rates of contraceptives, and by emphasizing responsible decision making in relationships, managing of peer and social pressures, development of self-esteem, the costs and responsibilities of parenting, and information regarding the alternative of adoption for placement of a child. The program shall also include an evaluation and assessment component which includes evaluation of and recommendations for improvement of the program by the youth and parents involved. Evaluation and assessment reports shall be provided to the department of human services, at a time determined by the department in the grant award. Community or regional groups interested in applying for a grant under this subsection may be issued a planning grant or may utilize grant moneys for the costs of

technical assistance to analyze community needs, match service providers to needs, negotiate service provision strategies, or other assistance to focus grant services provided under this subsection. The technical assistance may be provided by organizations affiliated with institutions under the authority of the state board of regents or other organizations experienced in providing technical assistance concerning similar services.

3. The department of human services, in cooperation with the Iowa department of public health, shall determine the criteria to be used in measuring the results of all pregnancy prevention programs for which funds are allocated in this section. The criteria to be used shall be made available to the interim committee established in subsection 4.

4. The legislative council is requested to established a legislative interim committee during the 1996 interim of the general assembly to evaluate the effectiveness of current and proposed adolescent pregnancy prevention programs.

5. Of the funds appropriated in this section, \$846,014 shall be used by the department for child abuse prevention grants. Of the funds allocated in this subsection, \$115,000 shall be transferred to the Iowa department of public health for the Iowa healthy family program under section 135.106, to be expended in accordance with the provisions relating to this program in 1996 Iowa Acts, Senate File 2448.

*Withdraw*

Sec. 12. COURT-ORDERED SERVICES PROVIDED TO JUVENILES.

There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

Payment of the expenses of court-ordered services provided to juveniles which are a charge upon the state pursuant to section 232.141, subsection 4:  
..... \$ 3,090,000  
1. Notwithstanding section 232.141 or any other provision of law, the funds appropriated in this section shall be

allocated to the judicial districts as determined by the state court administrator. The state court administrator shall make the determination on the allocations on or before June 15.

2. a. Each judicial district shall continue the planning group for the court-ordered services for juveniles provided in that district which was established pursuant to 1991 Iowa Acts, chapter 267, section 119. A planning group shall continue to perform its duties as specified in that law. Reimbursement rates for providers of court-ordered evaluation and treatment services paid under section 232.141, subsection 4, shall be negotiated with providers by each judicial district's planning group.

b. Each district planning group shall submit an annual report in January to the state court administrator and the department of human services. The report shall cover the preceding fiscal year and shall include a preliminary report on the current fiscal year. The administrator and the department shall compile these reports and submit the reports to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

3. The department of human services shall develop policies and procedures to ensure that the funds appropriated in this section are spent only after all other reasonable actions have been taken to utilize other funding sources and community-based services. The policies and procedures shall be designed to achieve the following objectives relating to services provided under chapter 232:

- a. Maximize the utilization of funds which may be available from the medical assistance program including usage of the early and periodic screening, diagnosis, and treatment (EPSDT) program.
- b. Recover payments from any third-party insurance carrier which is liable for coverage of the services, including health insurance coverage.
- c. Pursue development of agreements with regularly utilized out-of-state service providers which are intended to reduce per diem costs paid to those providers.

4. The department of human services, in consultation with the state court administrator and the judicial district planning groups, shall compile a monthly report describing spending in the districts for court-ordered services for juveniles, including the utilization of the medical assistance program. The reports shall be submitted on or before the twentieth day of each month to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Notwithstanding chapter 232 or any other provision of law, a district or juvenile court in a department of human services district shall not order any service which is a charge upon the state pursuant to section 232.141 if there are insufficient court-ordered services funds available in the district allocation to pay for the service. The chief juvenile court officer shall work with the judicial district planning group to encourage use of the funds appropriated in this section such that there are sufficient funds to pay for all court-related services during the entire year. The eight chief juvenile court officers shall attempt to anticipate potential surpluses and shortfalls in the allocations and shall cooperatively request the state court administrator to transfer funds between the districts' allocations as prudent.

6. Notwithstanding any provision of law to the contrary, a district or juvenile court shall not order a county to pay for any service provided to a juvenile pursuant to an order entered under chapter 232 which is a charge upon the state under section 232.141, subsection 4.

7. Of the funds appropriated in this section, not more than \$100,000 may be used by the judicial department for administration of the requirements under this section and for travel associated with court-ordered placements which are a charge upon the state pursuant to section 232.141, subsection 4.

8. Of the funds appropriated in this section, not more than \$400,000 may be transferred to the appropriation in this Act for child and family services and used to provide school-based supervision of children adjudicated under chapter 232.

Sec. 13. 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, 1996, and ending June 30, 1997, 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, and miscellaneous purposes and for not more than the following full-time equivalent positions:

.....	\$ 41,537,333
..... FTEs	927.16
1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:	
a. State mental health institute at Cherokee:	
.....	\$ 13,581,308
..... FTEs	306.04
b. State mental health institute at Clarinda:	
.....	\$ 6,172,607
..... FTEs	136.82
c. State mental health institute at Independence:	
.....	\$ 16,946,094
..... FTEs	401.82
d. State mental health institute at Mount Pleasant:	
.....	\$ 4,837,324
..... FTEs	82.48

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

3. As part of the discharge planning process at the state mental health institutes, the department shall provide assistance in obtaining eligibility for federal supplemental security income (SSI) to those individuals whose care at a state mental health institute is the financial responsibility of the state.

Sec. 14. 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, 1996, and ending June

30, 1997, 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, and miscellaneous purposes and for not more than the following full-time equivalent positions:

..... \$ 62,029,824  
 ..... FTEs 1,516.00

1. The funds appropriated and full-time equivalent positions authorized in this section are allocated as follows:

a. State hospital-school at Glenwood:

..... \$ 35,070,700  
 ..... FTEs 872.50

b. State hospital-school at Woodward:

..... \$ 26,959,124  
 ..... FTEs 643.50

2. Within the funds appropriated in this section, the department may reallocate funds as necessary to best fulfill the needs of the institutions provided for in the appropriation.

Sec. 15. MENTAL ILLNESS SPECIAL SERVICES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental illness special services:

..... \$ 121,220

1. The department and the Iowa finance authority shall develop methods to implement the financing for existing community-based facilities and to implement financing for the development of affordable community-based housing facilities. The department shall assure that clients are referred to the housing as it is developed.

2. The funds appropriated in this section are to provide funds for construction and start-up costs to develop community living arrangements to provide for persons with mental illness who are homeless. These funds may be used to match federal Stewart B. McKinney Homeless Assistance Act grant funds.

Sec. 16. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used by the division of children and family services for the purpose designated:

For the family support subsidy program:

..... \$ 1,344,000

The division of children and family services shall utilize not more than \$200,000 of the funds appropriated in this section to implement a pilot project of the children-at-home component under the comprehensive family support program in at least one rural and one urban county. Not more than \$50,000 of the funds allocated in this paragraph shall be used for administrative costs.

Sec. 17. SPECIAL NEEDS GRANTS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

To provide special needs grants to families with a family member at home who has a developmental disability or to a person with a developmental disability:

..... \$ 53,212

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 or to provide for independent living costs. The grants may be administered by a private nonprofit agency which serves people statewide provided that no administrative costs are received by the agency. Regular reports regarding the special needs grants with the family support subsidy program and an annual report concerning the characteristics of the grantees shall be provided to the legislative fiscal bureau.

Sec. 18. MI/MR/DD STATE CASES. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and

ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For purchase of local services for persons with mental illness, mental retardation, and developmental disabilities where the client has no established county of legal settlement:

..... \$ 5,454,000

If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the services paid for under this section are exempt from the department's purchase of service system requirements. The department shall adopt rules to implement the provisions of this paragraph.

Sec. 19. MENTAL HEALTH AND DEVELOPMENTAL DISABILITIES -- COMMUNITY SERVICES FUND. There is appropriated from the general fund of the state to the mental health and developmental disabilities community services fund created in section 225C.7 for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For mental health and developmental disabilities community services in accordance with this Act:

..... \$ 16,230,000

1. Of the funds appropriated in this section, \$15,951,138 shall be allocated to counties for funding of community-based mental health and developmental disabilities services. The moneys shall be allocated to a county as follows:

a. Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

b. Fifty percent based upon the county's proportion of the state's general population.

2. a. A county shall utilize the funding the county receives pursuant to subsection 1 for services provided to persons with a disability, as defined in section 225C.2. However, no more than 50 percent of the funding shall be used for services provided to any one of the service populations.

b. A county shall use at least 50 percent of the funding the county receives under subsection 1 for contemporary services provided to persons with a disability, as described in rules adopted by the department.

3. Of the funds appropriated in this section, \$30,000 shall be used to support the Iowa compass program providing computerized information and referral services for Iowans with disabilities and their families.

4. The department shall submit an annual report concerning each population served and each service funded in this section to the chairpersons and ranking members of the joint appropriations subcommittee on human services and the legislative fiscal bureau.

5. Of the funds appropriated in this section, not more than \$248,862 shall be provided to those counties having supplemental per diem contracts in effect on June 30, 1994, which were originally initiated under 1993 Iowa Acts, chapter 172, section 16, subsection 2. The amount provided to each county shall be equal to the amount the county would be eligible to receive under the supplemental per diem contracts in effect on June 30, 1994, if the contracts were continued in effect for the entire fiscal year beginning July 1, 1996.

6. a. Funding from the federal social services block grant in the amount of \$13,038,763 is allocated for distribution to counties for local purchase of services for persons with mental illness or mental retardation or other developmental disability.

b. The funds allocated in this subsection shall be expended by counties in accordance with eligibility guidelines established in the department's rules outlining general provisions for service administration. Services eligible for payment with funds allocated in this subsection are limited to any of the following which are provided in accordance with the department's administrative rules for the services: adult support, adult day care, administrative support for volunteers, community supervised apartment living arrangements, residential services for adults, sheltered work,

supported employment, supported work training, transportation, and work activity.

c. In purchasing services with funds allocated in this subsection, a county shall designate a person to provide for eligibility determination and development of a case plan for individuals for whom the services are purchased. The designated person shall be a medical assistance case manager serving the person's county of residence. If an individual does not have a case manager, the individual's eligibility shall be determined by a social services caseworker of the department serving the individual's county of residence. The case plan shall be developed in accordance with the department's rules outlining general provisions for service administration.

d. Services purchased with funds allocated in this subsection must be the result of a referral by the person who identified the services in developing the individual's case plan.

e. Services purchased with funds allocated in this subsection must be under a purchase of service contract established in accordance with the department's administrative rules for purchase of service.

f. The funds provided by this subsection shall be allocated to each county as follows:

(1) Fifty percent based upon the county's proportion of the state's population of persons with an annual income which is equal to or less than the poverty guideline established by the federal office of management and budget.

(2) Fifty percent based upon the amount provided to the county for local purchase of services in the preceding fiscal year.

g. Each county shall submit to the department a plan for funding of the services eligible for payment under this subsection. The plan may provide for allocation of the funds for one or more of the eligible services. The plan shall identify the funding amount the county allocates for each service and the time period for which the funding will be

available. Only those services which have funding allocated in the plan are eligible for payment with funds provided in this subsection.

h. A county shall provide advance notice to the individual receiving services, the service provider, and the person responsible for developing the case plan of the date the county determines that funding will no longer be available for a service.

i. The moneys provided under this subsection do not establish an entitlement to the services funded under this subsection.

7. If a county has a county management plan which is approved by the director of human services pursuant to section 331.439, the county shall be considered to have met the requirements of subsection 2, and subsection 6, paragraphs "b", "c", "d", "e", and "g". The department shall adopt rules to implement the provisions of this subsection.

Sec. 20. PERSONAL ASSISTANCE -- FAMILY SUPPORT. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount or so much thereof as is necessary, to be used for the purpose designated:

For continuation of a pilot project for the personal assistance services program in accordance with this section:

..... \$ 364,000

*Added*

The funds appropriated in this section shall be used by the division of children and family services to continue the pilot project for the personal assistance services program under section 225C.46 in an urban and a rural area.

A portion of the funds may be used for costs to develop a federal home and community-based waiver under the medical assistance program for persons with physical disabilities or other expenditures necessary to develop the personal assistance program in the most appropriate and cost-effective manner. However, not more than \$50,000 shall be used for administrative costs. The pilot project and the waiver shall not be implemented in a

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manner that would require additional county or state costs for assistance provided to an individual served under the pilot project or the waiver.

Sec. 21. FIELD OPERATIONS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For field operations, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:  
..... \$ 38,483,998  
..... FTEs 2,019.00

Sec. 22. 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, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For general administration, including salaries, support, maintenance, and miscellaneous purposes and for not more than the following full-time equivalent positions:  
..... \$ 11,917,316  
..... FTEs 401.00

1. Of the funds appropriated in this section, \$57,090 is allocated for the prevention of disabilities policy council established in section 225B.3.

2. a. Except as provided under this subsection and under the appropriation in this Act to the legislative council, the department shall not implement the options for service system modification developed by the department's modification teams in response to proposed federal action and shall not implement other actions in response to enacted federal changes affecting the programs administered by the department unless the department is implementing a policy or action authorized in law by the Seventy-sixth General Assembly, 1996 Session, or by the Seventy-seventh General Assembly.

*Vetoed*

*Vetoed*

b. The department may make changes to the requirements for periodic reporting by participants under the family investment program, food stamp program, or medical assistance program if the changes would result in a reduction in paperwork for the participants and for department staff. If a federal waiver is necessary to implement a change, the department may submit the waiver request to the United States departments of health and human services and agriculture, as applicable. If the department elects to submit a waiver request or to adopt rules to implement a change under this paragraph, the department shall first consult with a group similar to the work group that considered the state human investment policy proposal or with a successor interagency task force which makes recommendations concerning the family investment program, and shall share the proposals with the chairpersons and ranking members of the committees on human resources of the senate and house of representatives.

c. If implementation of the request would result in increased federal funding and would permit greater flexibility in service funding, the department may submit a waiver request to the United States department of health and human services for Title IV-E funding to be provided to the state in a fixed amount. Prior to submission of the request, the department shall consult with representatives of the juvenile court and service providers.

Sec. 23. DEPARTMENT OF HUMAN SERVICES RESTRUCTURING TASK FORCE ON THE FUTURE OF HUMAN SERVICES.

There is appropriated from the general fund of the state to the legislative council for the fiscal period beginning July 1, 1996, and ending June 30, 1998, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For expenses associated with the activities of the task force for assessing the structure and function of the department of human services and human services programs in accordance with this section:

..... \$ 75,000

3. If federal law requires the state to make changes in the programs and services directed to the populations addressed by the modification proposals and authorizes the changes to be made without state legislation, the department shall adopt rules to implement the changes. The rules shall be submitted to the task force for review and recommendation prior to their submission to the administrative rules review committee.

Sec. 24. VOLUNTEERS. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For development and coordination of volunteer services:

..... \$ 98,900

Sec. 25. MEDICAL ASSISTANCE, STATE SUPPLEMENTARY ASSISTANCE, AND SOCIAL SERVICE PROVIDERS REIMBURSED UNDER THE DEPARTMENT OF HUMAN SERVICES.

- 1. a. The department of human services may allocate increases among items and procedures for durable medical products and supplies as deemed appropriate in cooperation with durable medical equipment and supply dealers, audiologists, and hearing aid dealers.
- b. For the fiscal year beginning July 1, 1996, skilled nursing facilities shall remain at the rates in effect on June 30, 1996.
- c. The dispensing fee for pharmacists shall remain at the rate in effect on June 30, 1996. The reimbursement policy for drug product costs shall be in accordance with federal requirements.
- d. Reimbursement rates for inpatient and outpatient hospital services shall remain at the rates in effect on June 30, 1996. The department shall continue the outpatient hospital reimbursement system based upon ambulatory patient groups implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f". Reimbursements made between July 1, 1996, and June 30, 1997, under the outpatient

hospital reimbursement system implemented pursuant to 1994 Iowa Acts, chapter 1186, section 25, subsection 1, paragraph "f", shall be retrospectively adjusted so that the reimbursement made is within a ten percent deviation of the lower of the cost or the charges for the services provided during the fiscal year ending June 30, 1996. In addition, the department shall continue the revised medical assistance payment policy implemented pursuant to that paragraph to provide reimbursement for costs of screening and treatment provided in the hospital emergency room if made pursuant to the prospective payment methodology developed by the department for the payment of outpatient services provided under the medical assistance program.

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

f. Home health agencies certified for the federal Medicare program, hospice services, and acute care mental hospitals shall be reimbursed for their current federal Medicare audited costs.

g. The basis for establishing the maximum medical assistance reimbursement rate for nursing facilities shall be the 70th percentile of facility costs as calculated from the June 30, 1996, unaudited compilation of cost and statistical data. However, to the extent funds are available within the amount projected for reimbursement of nursing facilities within the appropriation for medical assistance in this Act, and within the appropriation for medical assistance as a whole, the department shall adjust the maximum medical assistance reimbursement for nursing facilities to the 70th percentile, as calculated on December 31, 1996, unaudited compilation of cost and statistical data and the adjustment shall take effect January 1, 1997.

h. The department may modify the reimbursement methodology for skilled nursing facilities which participated in the medical assistance program on or before May 31, 1993, and which met the departmental disproportionate share payment

1. The legislative council shall establish a task force to develop a comprehensive proposal for changing the role and function of the department of human services and its programs. The purpose of the changes is to improve services to Iowans through the creation of new federal, state, and local partnerships. The task force shall make recommendations regarding restructuring the department of human services in order to achieve better human services results, to improve the quality of service delivery, and to increase the quality of the department's interaction with the public. The task force may also assess program duplication and linkages with other federal, state, or local programs or funding streams.

2. The task force shall be composed of not more than 21 members appointed by the legislative council and shall include not more than five individuals recommended by the governor and legislators who are members of the joint appropriations subcommittee on human services and other knowledgeable legislators designated by the legislative council. The task force may use moneys appropriated in this section for technical assistance. The task force shall consult with service consumers, experts who are representative of organizations such as nonprofit service organizations, health insurers, and human services-oriented community organizations, representatives of local governments, representatives of state agencies, federal officials with expertise or responsibilities regarding human services in Iowa, and others, as determined by the task force. An interim report shall be completed prior to the convening of the Seventy-seventh General Assembly.

The task force shall provide for public input concerning the four modification proposals developed by the department in response to proposed federal actions submitted to the joint appropriations subcommittee on human services in February 1996.

The task force may establish work groups to assist in the task force's consideration of the modification proposals which may include the following:

a. A review of the child welfare modification proposal which may include input from representatives of the juvenile court, service providers, families receiving services, the attorney general, representatives of local governments, representatives of state agencies, and other citizens and officials.

b. A review of the mental health and developmental disabilities proposal which shall incorporate issues associated with implementation of the funding reform enacted in 1995 Iowa Acts, chapter 206; usage of service providers such as intermediate care facilities for the mentally retarded, state institutions, and other services for persons with disabilities; distribution of services throughout the state; and other issues. In addition, the review shall consider a proposal to replace the single contract for managed care under medical assistance with not more than four regional plans utilizing collaborations between community mental health centers as umbrella agencies.

c. A review of the family investment program proposal which may include input from the work group which considered the state human investment policy proposal or a successor interagency task force which makes recommendations to the department concerning the family investment program. Consideration of issues associated with the proposal may include review of the emergency assistance program, the family development and self-sufficiency (FaDSS) program, and child day care programs, and an assessment of the feasibility of transferring all or part of the functions of the child support recovery unit to other agencies of state government.

d. A review of the medical assistance proposal which may include input from representatives of the medical assistance advisory council, the long-term care resident's advocate, and consumer groups such as the Iowa affiliate of the American association of retired persons, Iowa citizens' action network, the governor's DD council which was formerly referred to as the governor's planning council for developmental disabilities, and representatives of maternal and child health centers.

provisions as of May 31, 1993, if it is possible to demonstrate that the modification would result in a cost savings to the medical assistance program.

i. The department may revise the fee schedule used for physician reimbursement.

j. Federally qualified health centers shall be reimbursed at 100 percent of reasonable costs as determined by the department in accordance with federal requirements.

k. The department may allocate increases among items and procedures for dental procedures as deemed appropriate in cooperation with dentists.

2. For the fiscal year beginning July 1, 1996, the maximum cost reimbursement rate for residential care facilities reimbursed by the department shall be \$21.54 per day. The flat reimbursement rate for facilities electing not to file semiannual cost reports shall be \$15.41 per day. For the fiscal year beginning July 1, 1996, the maximum reimbursement rate for providers reimbursed under the in-home health-related care program shall be \$414.11 per month.

3. Unless otherwise directed in this section, when the department's reimbursement methodology for any provider reimbursed in accordance with this section includes an inflation factor, this factor shall not exceed the amount by which the consumer price index for all urban consumers increased during the calendar year ending December 31, 1995.

4. Notwithstanding section 234.38, in the fiscal year beginning July 1, 1996, the foster family basic daily maintenance rate and the maximum adoption subsidy rate for children ages 0 through 5 years shall be \$12.34, the rate for children ages 6 through 11 years shall be \$13.06, the rate for children ages 12 through 15 years shall be \$14.23, and the rate for children ages 16 and older shall be \$15.12.

5. For the fiscal year beginning July 1, 1996, the maximum reimbursement rates for social service providers shall be the same as the rates in effect on June 30, 1996, except under any of the following circumstances:

a. If a new service was added after June 30, 1996, the initial reimbursement rate for the service shall be based upon actual and allowable costs.

b. If a social service provider loses a source of income used to determine the reimbursement rate for the provider, the provider's reimbursement rate may be adjusted to reflect the loss of income, provided that the lost income was used to support actual and allowable costs of a service purchased under a purchase of service contract.

c. The department revises the reimbursement rates as part of the changes in the mental health and developmental disabilities services system initiated pursuant to 1995 Iowa Acts, chapter 206 (Senate File 69), and associated legislation.

d. The reimbursement rate revision is necessary to implement the change required by the appropriation in this Act for an increase in the reimbursement for residential care facilities.

6. The group foster care reimbursement rates paid for placement of children out-of-state shall be calculated according to the same rate-setting principles as those used for in-state providers unless the director determines that appropriate care cannot be provided within the state. The payment of the daily rate shall be based on the number of days in the calendar month in which service is provided.

7. For the fiscal year beginning July 1, 1996, the combined service and maintenance components of the reimbursement rate paid to a shelter care provider shall be based on the cost report submitted to the department. The maximum reimbursement rate shall be \$76.61 per day. If the department would reimburse the provider at less than the maximum rate but the provider's cost report justifies a rate of at least \$76.61, the department shall readjust the provider's reimbursement rate to the maximum reimbursement rate. In January 1997, the department shall review the usage of shelter care and the funding allocated for shelter care, if the usage is less than anticipated and the existing contracts

for provision of shelter care do not obligate the total amount of the funds allocated, the department may utilize moneys in the allocation, which would otherwise be unexpended, for wrap-around services or support to enable group foster care placement to be prevented or the length of stay reduced.

8. The department, through the drug utilization review commission, shall propose a pilot project for an alternative payment system, recommended in the study completed by the drug utilization review commission, for compensation of pharmacists for pharmaceutical care services under medical assistance at no cost to the state. The department shall submit the proposal to the members of the joint appropriations subcommittee on human services on or before November 30, 1996.

9. For the fiscal year beginning July 1, 1996, the department shall calculate reimbursement rates for intermediate care facilities for the mentally retarded at the 80th percentile. The department shall address any other proposals for containment of intermediate care facilities for the mentally retarded costs with the work group for restructuring of the department of human services created pursuant to this Act.

10. The department of human services shall adopt rules applicable to agencies providing services under the department's rehabilitative treatment program for children and their families to eliminate reimbursement rate limits on service components which are within a category of cost which itself has a reimbursement rate limit. The change required by this subsection shall be implemented in a manner which is cost neutral.

11. The department shall negotiate with providers of services under the department's medical assistance rehabilitative treatment program for children and families, to revise the department's rules providing reimbursement rates under the program, including a review of cost principles. The goals for the revision are to simplify the reimbursement process, reduce paperwork for providers, and provide full payment for necessary services provided under contract with

the department. Prior to adoption of the rules and no later than October 1, 1996, the department shall provide a description of the agreement to the chairpersons and ranking members of the joint appropriations subcommittee on human services. The provisions of this subsection shall be separate from the provisions of subsection 10.

12. The department of human services, in consultation with representatives of nursing facilities, consumers, legislators, a representative of the department of management or the governor's designee, and other interested entities, shall do all of the following with the goals of improving the quality of care and improving the recruitment and retention of qualified direct health care providers in nursing facilities:

a. Establish definitions for the direct health care, administrative, room and board, and property cost categories for reimbursement of nursing facilities under the medical assistance program.

b. Analyze and make recommendations for the distribution of costs among the cost categories which may include elimination or replacement of the cost categories.

c. Analyze and make recommendations to eliminate reimbursement rate limits on components which are within a category of cost which itself has a reimbursement rate limit.

d. Conduct a cost-benefit analysis of incentive payments, evaluate their impact on quality of care and patient well-being, and make recommendations based upon the analysis and evaluation.

e. Analyze and make recommendations for clarification and simplification of the cost report format, which may include standardization with the county charts of accounts.

f. Analyze and make recommendations regarding the use of a reimbursement allowance for those nursing facilities serving a disproportionate share of medical assistance patients.

g. Analyze and make recommendations regarding effective ways to mediate disputes between a nursing facility and the department of inspections and appeals concerning significant violations, prior to a formal appeal.

*Retained*

h. Submit a report of the definitions, analysis, and recommendations to the general assembly on or before December 16, 1996.

13. The department may adopt emergency rules to implement the provisions of this section.

Sec. 26. RESIDENTIAL SERVICES -- PURCHASE OF SERVICES -- REIMBURSEMENT RATE INCREASE. There is appropriated from the general fund of the state to the department of human services for the fiscal year beginning July 1, 1996, and ending June 30, 1997, the following amount, or so much thereof as is necessary, to be used for the purpose designated:

For an increase in the purchase of service reimbursement rate for adult residential services provided to persons residing in any category of licensed residential care facility. Beginning July 1, 1996, provider service rates for adult residential services shall be increased up to the amount of actual and allowable costs plus inflation, based upon the cost reports on which rates have been established as of April 1, 1996. However, a provider service rate shall not be increased by more than \$4.36 per day. If a provider service rate in effect prior to July 1, 1996, is greater than the actual and allowable costs plus inflation, based upon the cost report, or if the difference between the provider service rate and the actual and allowable costs is less than \$.44 per day, the provider service rate shall be increased by \$.44 per day:  
..... \$ 1,300,000

1. Funding appropriated in this section shall be allocated to counties in accordance with the distribution guidelines for local purchase of services in accordance with the appropriation in this Act for the mental health and developmental disabilities community services fund. Use of the funding is restricted to reimbursement of a licensed residential care facility provider of adult residential services which had a purchase of service contract for those services in effect on June 30, 1996, and for which the rate negotiated for fiscal year 1996-1997 is greater than the rate paid in fiscal year 1995-1996.

2. Of the moneys appropriated in this section, \$130,000 shall be transferred to the appropriation in this Act for MI/MR/DD state cases and shall be used for payment of the increased reimbursement rate to residential care facilities providing services through local purchase of services for persons under the state cases program, and in accordance with the guidelines in this Act for local purchase of services.

Sec. 27. APPROPRIATIONS REDUCTIONS. The following appropriations in this Act for the fiscal year beginning July 1, 1996, and ending June 30, 1997, are reduced by a total of \$1,560,000: child support recovery, juvenile institutions, community-based programs, mental health institutes, state hospital-schools, field operations, and general administration. The department shall use the following guidelines in achieving these reductions:

1. As the highest priority, avoid disruptions of direct client services.
2. To the extent possible, use attrition to reduce the number of positions filled.
3. To the extent possible, not disproportionately affect a single job classification.
4. Not include in the reduction, the elimination of the 3.00 FTEs for managed care specialists in the medical services division.
5. Consider reductions in administration, overhead, and program duplication.

The department shall submit the department's plan for accomplishing the reductions to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the department of management, and the legislative fiscal bureau on or before June 15, 1996.

Sec. 28. STATE INSTITUTIONS -- CLOSINGS, REDUCTIONS, AND BILLING PRACTICES.

1. If a state institution administered by the department of human services 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 Iowa department of

economic development to develop new jobs in the area in which the state institution is located. In addition, the department may take other actions to utilize any closed unit or other facilities and services of an institution, including but not limited to assisting public or private organizations in utilizing the services and facilities. The actions may also include assisting an organization with remodeling and lease costs by forgiving future rental or lease payments to the extent necessary for a period not to exceed five years. The department of human services and the department of economic development shall submit a joint report to the chairpersons and ranking members of the joint appropriations subcommittee on human services on or before January 2, 1997, regarding any efforts made pursuant to this subsection.

2. For purposes of this section, "state institution" means a state mental health institute, a state hospital-school, the state training school, and the Iowa juvenile home under the authority of the department of human services listed in section 218.1. If excess capacity exists at a state institution beyond the capacity required for placements at the institution under law, the department of human services may enter into a contract with a managed care provider or an organized delivery system for health care, to provide services during the fiscal year beginning July 1, 1996, at the institution for the plan or system.

3. The department shall work with administrators of state institutions and the department of management and the legislative fiscal bureau in reviewing revenues and expenditures attributable to state institutions, applicable fiscal procedures, and other information as necessary to develop a proposal to revise the manner of making appropriations to these state institutions and of accounting for reimbursements and expenditures so that in future fiscal years the amounts appropriated reflect the net amount of state funds needed. The proposal shall be submitted to the general assembly on or before December 16, 1996. If deemed feasible by those performing the review, the department of human

*Retired*

services and the department of management shall incorporate the proposed revisions in the budget documents for the fiscal year beginning July 1, 1997.

*Retired*

4. The superintendents of the state hospital-schools shall work with the department's administrative staff in studying the manner in which services and costs are combined for purposes of billing for medical assistance reimbursement at the state hospital-schools. Following the study, the superintendents shall submit a report which may include a proposal for revising the state hospital-schools' manner of billing for medical assistance reimbursement to be more comparable to other intermediate care facilities for the mentally retarded. The report shall be submitted to the general assembly on or before December 16, 1996.

5. The superintendent of the state hospital-schools shall work with the department's administrative staff in developing methodologies to bill services, consultation, and other assistance provided by the state hospital-schools in support of community-based services. The department may implement the methodologies in the fiscal year beginning July 1, 1996.

6. In addition to existing planning efforts for community-based alternatives to placements at a state hospital-school, if the department's budget planning for fiscal year 1997-1998 includes a proposal for reduction of capacity at a state hospital-school or mental health institute, the department shall work with counties, service providers, advocates, and the department's contractor for managed mental health care under medical assistance, in developing a plan for community-based placements in place of the capacity proposed to be reduced. The plan shall be submitted for review to the task force on the future of human services created in this Act and to the state-county management committee. It is the intent of the general assembly that any authorization for any reduction of capacity at a state hospital-school or state mental health institute in fiscal year 1997-1998 is contingent upon development of sufficient community-based placements to replace the reduced capacity.

*Retired*

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7. To the extent possible, the department shall consult with the applicable workgroups of the task force on the future of the department of human services created in this Act concerning the activities required of the department pursuant to this section.

Sec. 29. STANDARDS FOR CASELOADS. The department of human services shall develop a plan for meeting national standards on caseloads for the department's social workers.

The department shall submit the planning provisions required by this section to the members of the joint appropriations subcommittee on human services of the senate and house of representatives on or before January 8, 1997.

Sec. 30. REPORTS. Any reports or information required to be compiled and submitted under this Act shall be submitted to the chairpersons and ranking members of the joint appropriations subcommittee on human services, the legislative fiscal bureau, the legislative service bureau, and to the caucus staffs on or before the dates specified for submission of the reports or information.

Sec. 31. REPORTS BY PROVIDERS OF FOSTER CARE SERVICES -- REVIEW -- PROCESS SIMPLIFICATION. The department of human services shall consult with providers of rehabilitation treatment services relating to the medical assistance child services initiative in reviewing provider requirements relating to financial and statistical accountability reporting and the process for submission of the reports relating to these requirements. Following this review, and no later than January 1, 1997, the department of human services shall implement a process which provides, at a minimum, for a simplified means of documenting compliance with provider accountability requirements which shall, at a minimum, include consolidation of the reports required and which may provide a means for submission of the reports in an electronic format.

Sec. 32. Section 135H.6, Code 1995, is amended by adding the following new subsections:

NEW SUBSECTION. 5A. The department of human services may give approval to conversion of beds specializing in substance

abuse treatment previously approved under subsection 5, paragraph "b", to beds which are not specialized as referenced in subsection 5, paragraph "a". Beds converted under this subsection shall be in addition to the number of beds authorized under subsection 5, paragraph "a". However, the total number of beds approved under subsection 5 shall not exceed four hundred thirty. Conversion of beds under this subsection shall not require a revision of the certificate of need issued for the psychiatric institution making the conversion.

NEW SUBSECTION. 7. A psychiatric institution licensed prior to January 1, 1996, may exceed the number of beds authorized under subsections 5 and 5A if the excess beds are used to provide services funded from a source other than the medical assistance program under chapter 249A. Notwithstanding subsections 4, 5, and 5A, the provision of services using such excess beds does not require a certificate of need or a review by the department of human services.

Sec. 33. Section 228.5, subsection 1, Code 1995, is amended to read as follows:

1. An individual or an individual's legal representative shall be informed that mental health information relating to the individual may be disclosed to employees or agents of or for the same mental health facility or to other providers of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

Sec. 34. Section 228.5, Code 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 4. Mental health information relating to an individual may be disclosed to other providers of professional services or their employees or agents if and to the extent necessary to facilitate the provision of administrative and professional services to the individual.

Sec. 35. Section 232.143, Code Supplement 1995, is amended to read as follows:

232.143 REGIONAL GROUP FOSTER CARE ~~TARGET~~ BUDGET TARGETS.



1. A statewide expenditure target for the average number of for children in group foster care placements on any day of in a fiscal year, which placements are a charge upon or are paid for by the state, shall be established annually in an appropriation bill by the general assembly. The department and the judicial department shall jointly develop a formula for allocating a portion of the statewide expenditure target established by the general assembly to each of the department's regions. The formula shall be based upon the region's proportion of the state population of children and of the statewide number-of-children-placed-in usage of group foster care in the previous five completed fiscal years and other indicators of need. The number expenditure amount determined in accordance with the formula shall be the group foster care placement budget target for that region. A region may exceed its budget target for group foster care by not more than five percent in a fiscal year, provided the overall funding allocated by the department for all child welfare services in the region is not exceeded.

2. For each of the department's regions, representatives appointed by the department and the juvenile court shall establish a plan for containing the number-of expenditures for children placed in group foster care ordered by the court within the budget target allocated to that region pursuant to subsection 1. The plan shall include monthly targets and strategies for developing alternatives to group foster care placements in order to contain expenditures for child welfare services provided-to-children within the amount appropriated by the general assembly for that purpose. Each regional plan shall be established in advance of the fiscal year to which the regional plan applies. To the extent possible, the department and the juvenile court shall coordinate the planning required under this subsection with planning for services paid under section 232.141, subsection 4. The department's regional administrator shall communicate regularly, as specified in the regional plan, with the juvenile courts within that region concerning the current status of the regional plan's implementation.

3. State payment for group foster care placements shall be limited to those placements which are in accordance with the regional plans developed pursuant to subsection 2. If a proposed group foster care placement in a region would meet the region's plan requirements except that the placement would cause a monthly or overall budget target to be exceeded and the child is eligible for an alternative service which is costlier and more restrictive than the proposed placement, the director of human services, after consultation with appropriate juvenile court officials, may allow an exception to policy and authorize the placement. At the close of the fiscal year, moneys for specific placements authorized by the director under this subsection shall be transferred from the state appropriation for the alternative placement to the appropriation for group foster care placements, as necessary to prevent a deficit in the appropriation for group foster care.

Sec. 36. Section 234.39, unnumbered paragraph 1, Code Supplement 1995, is amended to read as follows:

It is the intent of this chapter that an individual receiving foster care services and the individual's parents or guardians, shall have primary responsibility for paying the cost of the care and services. The support obligation established and adopted under this section shall be consistent with the limitations on legal liability established under sections 222.78 and 230.15, and by any other statute limiting legal responsibility for support which may be imposed on a person for the cost of care and services provided by the department. The department shall notify an individual's parents or guardians at the time of the placement of an individual in foster care, of the responsibility for paying the cost of care and services. Support obligations shall be established as follows:

Sec. 37. Section 234.39, Code Supplement 1995, is amended by adding the following new subsection:

NEW SUBSECTION. 4. The support debt for the costs of services, for which a support obligation is established

pursuant to this section, which accrues prior to the establishment of the support debt, shall be collected, at a maximum, in the amount which is the amount of accrued support debt for the three months preceding the earlier of the following:

a. The provision by the child support recovery unit of the initial notice to the parent or guardian of the amount of the support obligation.

b. The date that the written request for a court hearing is received by the child support recovery unit as provided in section 252C.3 or 252F.3.

Sec. 38. NEW SECTION. 239.23 FAMILY INVESTMENT PROGRAM HOST HOMES.

1. As used in this section, unless the context otherwise requires:

a. "Host home" means a host home authorized in accordance with the provisions of this section and licensed by the department to provide a living arrangement and related services to minor parents and pregnant minors or an alternative adult supervised placement approved by the department.

b. "Minor parent" means a recipient of or applicant for assistance who is less than eighteen years of age and has never been married.

2. The department shall perform a home assessment of a minor parent who applies for assistance to assess the minor parent's living arrangement prior to the granting of assistance. If a minor parent is receiving assistance at the time the provisions of this section are implemented, the department shall perform a home assessment as a condition of continued assistance.

3. If the department determines, based upon the home assessment, that the minor parent is living in an environment which is conducive to the positive upbringing of the minor parent's child, the department may allow the minor parent to continue living in the home with the parent or the legal guardian of the minor parent or in another current living arrangement which is approved by the department.

4. If the department determines, based upon the home assessment, that good cause exists for the minor parent to not live with their parent or legal guardian or in the other current living arrangement because the home environment is not conducive to the minor parent's physical, emotional, or mental well-being, the department shall require the minor parent to relocate to a host home, as a condition of assistance under this chapter. If the minor parent does not live in a host home and the department determines the resulting level of risk to the minor parent warrants the filing of a child in need of assistance petition, the department shall file the petition.

5. If the department determines, based upon the home assessment, that remaining in the current living arrangement is not in the best interest of the minor parent or a child of the minor parent and the minor parent is placed in a host home, the parent or legal guardian shall be referred to the department's child support recovery unit to establish a child support obligation in accordance with the child support guidelines prescribed pursuant to section 598.21, subsection 4, not to exceed the cost of the host home placement. However, if a child in need of assistance petition is filed and the child is placed in a foster care setting, the child support obligation shall be determined as provided in section 234.39.

6. a. The department shall issue a request for proposals for grants for nonprofit organizations to establish host homes to provide adult supervision to minor parents and pregnant minors presumed to be eligible for assistance. A proposal shall demonstrate the organization's ability to provide supervision, services, and other support to enable a minor parent or pregnant minor to develop self-sufficiency.

b. Funding for a host home shall be obtained through assignment of the minor parent's assistance under this chapter, as permitted under federal law or waiver, through child support recovered from the parent or legal guardian of the minor parent, and through appropriations made for the purposes of reimbursing host homes.

*Wets*

c. The department shall adopt rules for licensing of host homes which are distinct from foster care licensure requirements.

d. Host home services shall include but are not limited to training in family development, parenting and self-sufficiency skills, and assistance in completing an education.

e. A host home shall not be considered to be a group foster care facility or to be another licensed facility which provides care for children. The placement of a minor parent or pregnant minor and the children of a minor parent shall not be considered a placement which is subject to the statewide target for the number of group foster care placements under section 232.143 and associated provisions.

7. This section shall not be implemented prior to July 1, 1997, and implementation is contingent upon federal approval of a waiver authorizing the implementation.

Sec. 39. Section 252B.4, Code 1995, is amended to read as follows:

252B.4 NONASSISTANCE CASES.

The child support and paternity determination services established by the department pursuant to this chapter and other appropriate services provided by law including but not limited to the provisions of chapters 239, 252A, 252C, 252D, 252E, 252F, 598, and 600B shall be made available by the unit to an individual not otherwise eligible as a public assistance recipient upon application by the individual for the services. The application shall be filed with the department.

1. The director shall require an application fee of five dollars.

2. The director may ~~require an additional~~ collect a fee to cover the costs incurred by the department in providing the support collection and paternity determination services for service of process, genetic testing and court costs if the entity providing the service charges a fee for the services.

~~a. The director shall, by rule, establish and inform all applicants for support enforcement and paternity determination services of the fee schedule.~~

*Weto*

~~b. The additional fee for services may be deducted from the amount of the support money recovered by the department or may be collected from the recipient of the services following recovery of support money by the department.~~

3. When the unit intercepts a federal tax refund of an obligor for payment of delinquent support and the funds are due to a recipient of services who is not otherwise eligible for public assistance, the unit shall deduct a twenty-five dollar fee from the funds before forwarding the balance to the recipient.

a. The unit shall inform the recipient of the fee under this subsection prior to assessment.

b. The fee shall be assessed only to individuals who receive support from the federal tax refund offset program. If the tax refund due the recipient is less than fifty dollars, the fee shall not be assessed.

~~4. The department may adopt rules to establish fees which provide for recovery of administrative costs of the program in addition to other fees identified.~~

5. 4. Fees collected pursuant to this section shall be retained by the department for use by the unit. The director or a designee shall keep an accurate record of funds so retained.

6. 5. An application fee paid by a recipient of services pursuant to subsection 1 may be recovered by the unit from the person responsible for payment of support and if recovered, shall be used to reimburse the recipient of services.

a. The fee shall be an automatic judgment against the person responsible to pay support.

b. This subsection shall serve as constructive notice that the fee is a debt due and owing, is an automatic judgment against the person responsible for support, and is assessed as the fee is paid by a recipient of services. The fee may be collected in addition to any support payments or support judgment ordered, and no further notice or hearing is required prior to collecting the fee.

c. Notwithstanding any provision to the contrary, the unit may collect the fee through any legal means by which support payments may be collected, including but not limited to income withholding under chapter 252D or income tax refund offsets, unless prohibited under federal law.

d. The unit is not required to file these judgments with the clerk of the district court, but shall maintain an accurate accounting of the fee assessed, the amount of the fee, and the recovery of the fee.

e. Support payments collected shall not be applied to the recovery of the fee until all other support obligations under the support order being enforced, which have accrued through the end of the current calendar month, have been paid or satisfied in full.

f. This subsection applies to fees that become due on or after July 1, 1992.

Sec. 40. Section 426B.2, subsection 5, Code Supplement 1995, is amended to read as follows:

5. The department of human services shall notify the director of revenue and finance of the amounts due a county in accordance with the provisions of this section. The director of revenue and finance shall draw warrants on the property tax relief fund, payable to the county treasurer in the amount due to a county in accordance with subsections 1 and 3 and mail distribute the warrants to the county auditors in-September on July 1 and March January 1 of each year. Warrants for the state payment in accordance with subsection 2 shall be mailed distributed in January of each year.

*Veto*

Sec. 41. NEW SECTION. 514I.1 IOWA HEALTHY KIDS PROGRAM  
-- LEGISLATIVE INTENT.

1. The general assembly finds that increased access to health care services could improve children's health and reduce the incidence and costs of childhood illness and disabilities among children in this state. Many children do not have health care services available or funded, and for those who do, lack of access is a restriction to obtaining such services. It is the intent of the general assembly that

a program be implemented to provide health care services and comprehensive health benefits or insurance coverage to children. A goal for the program is to cooperate with any existing programs with similar purposes funded by either the public or private sector.

2. For the purposes of this chapter, unless the context otherwise requires:

a. "Advisory council" means the advisory council created by the division under section 514I.4.

b. "Division" means the insurance division of the department of commerce.

c. "Program" means the program developed by the division in accordance with section 514I.3.

Sec. 42. NEW SECTION. 514I.2 IOWA HEALTHY KIDS PROGRAM AUTHORIZATION.

1. The general assembly authorizes the division to implement the Iowa healthy kids program. The division shall have all powers necessary to carry out the purposes of this chapter, including, but not limited to, the power to receive and accept grants, loans, or advances of funds from any person and to receive and accept from any source contributions of money, property, labor, or any other thing of value, to be held, used, and applied for the purposes of the program.

2. The program shall operate initially on a pilot project basis to include urban and rural areas. Expansion beyond the initial pilot project is subject to authorization by law.

3. Implementation of the program shall be limited to the extent of the funding appropriated for the purposes of the program.

Sec. 43. NEW SECTION. 514I.3 IOWA HEALTHY KIDS PROGRAM OBJECTIVES.

The division shall develop a program to attain all of the following objectives:

1. Organize groupings of children for provision of comprehensive health benefits or insurance coverage.

2. Arrange for the collection of any payment or premium, in an amount to be determined by the division. The payment or

premium shall be collected from a family of a participating child or other person to provide for payment for health care services or premiums for comprehensive health benefits or insurance coverage and for the actual or estimated administrative expenses incurred during the period for which the payments are made. The amount of payment or premium charged shall be based on the ability of the family of a child to pay. The division shall provide for adjustment of the amount charged to reflect contributions, public subsidy, or other means used to defray the amount charged.

3. Establish administrative and accounting procedures for the operation of the program.

4. Establish, in consultation with appropriate professional organizations, standards for health care services, providers, and comprehensive health benefits or insurance coverage appropriate for children and their family members.

5. Establish eligibility criteria which children and their family members must meet in order to participate in the program.

6. Establish participation criteria for the program and, if appropriate, contract with an authorized insurer, health maintenance organization, or insurance or benefits administrator to provide administrative services to the program.

7. Contract with authorized insurers, benefits providers, or any provider of health care services meeting standards established by the division, for the provision of comprehensive health benefits or insurance coverage and health care services to participants.

8. Develop and implement a plan to publicize the program, eligibility requirements of the program, and procedures for enrollment in the program and to maintain public awareness of the program.

9. Provide for administration of the program.

10. As appropriate, enter into contracts with local school boards or other agencies to provide on-site information,

enrollment, and other services necessary to the operation of the program.

11. Provide an interim report on or before March 1, 1997, to the governor and general assembly, on the development of the program to date and an annual report thereafter until the program is terminated or extended statewide.

Sec. 44. NEW SECTION. 514I.4 ADVISORY COUNCIL.

1. The division may create an advisory council to assist the division in implementing the program. The advisory council membership may include, but is not limited to, the following:

- a. A school administrator.
  - b. A member of a school board.
  - c. An employee of the state or local government in public health services.
  - d. A pediatrician who is a member of the American academy of pediatrics, Iowa chapter.
  - e. The director of human services or the director's designee.
  - f. A member of the association of Iowa hospitals and health systems.
  - g. A representative of authorized health care insurers or health maintenance organizations.
  - h. A representative of a university center for health issues.
  - i. A family practice physician who is a member of the Iowa academy of family physicians.
  - j. A school nurse who is a member of the Iowa nurses association.
  - k. The director of public health or the director's designee.
1. A citizen who is knowledgeable concerning health care and children's issues.
  - m. A citizen who is a parent with children at home who is active in a school-parent organization.
2. Advisory council members are entitled to receive, from funds of the division, reimbursement for actual and necessary expenses incurred in the performance of their official duties.

Sec. 45. NEW SECTION. 514I.5 LICENSING NOT REQUIRED --  
FISCAL OPERATION.

1. Health benefits or insurance coverage obtained under the program is secondary to any other available private or public health benefits or insurance coverage held by the participant child. The division may establish procedures for coordinating benefits under this program with benefits under other public and private coverage.

2. The program shall not be deemed to be insurance. However, the insurance division may require that any marketing representative utilized and compensated by the program be appointed as a representative of the insurers or health benefits services providers with which the program contracts.

Sec. 46. NEW SECTION. 514I.6 THE IOWA HEALTHY KIDS TRUST FUND.

1. An Iowa healthy kids trust fund is created in the state treasury under the authority of the commissioner of insurance, to which all appropriations shall be deposited and used to carry out the purposes of this chapter. Other revenues of the program such as grants, contributions, matching funds, and participant payments shall not be considered revenue of the state, but rather shall be funds of the program. However, the division may designate portions of grants, contributions, matching funds, and participant payments as funds of the state and deposit those funds in the trust fund.

2. The trust fund shall be separate from the general fund of the state and shall not be considered part of the general fund of the state. The moneys in the trust fund are not subject to section 8.33 and shall not be transferred, used, obligated, appropriated, or otherwise encumbered except as provided in this section. Notwithstanding section 12C.7, subsection 2, interest or earnings on moneys deposited in the trust fund shall be credited to the trust fund.

Sec. 47. NEW SECTION. 514I.7 ACCESS TO RECORDS --  
CONFIDENTIALITY -- PENALTIES.

1. Notwithstanding any other law to the contrary, the program shall have access to the medical records of a child

who is participating or applying to participate in the program upon receipt of permission from a parent or guardian of the child, including but not limited to the medical records maintained by the state or a political subdivision of the state. Notwithstanding chapter 22, any identifying information, including medical records and family financial information, obtained by the program pursuant to this subsection is confidential. Except as provided in section 252B.9, chapter 252E, or any federal law or regulation to the contrary, the program, the program's employees, and agents of the program shall not release, without the written consent of the participant or the parent or guardian of the participant, to any state or federal agency, to any private business or person, or to any other entity, any confidential information received pursuant to this subsection.

2. A violation of the provisions of subsection 1 is a serious misdemeanor.

Sec. 48. FEDERAL WAIVERS.

1. The department of human services shall submit a waiver request or requests to the United States department of health and human services as necessary to implement the changes in the family investment program and host home provisions under section 239.23 as enacted by this Act. In addition, the department may submit additional waiver requests to the United States department of health and human services to make changes to the medical assistance program under chapter 249A, as necessary to revise the program in accordance with any waiver provision implemented pursuant to section 239.23.

2. The waiver request or requests submitted by the department of human services to the United States department of health and human services shall be to apply the provisions of section 239.23 statewide. If federal waiver approval of the provisions is granted, the department of human services shall implement the provisions in accordance with the federal approval. If an approved waiver is in conflict with a provision of state law, the waiver provision shall apply and the department shall propose an amendment to resolve the

conflict. The proposed amendment shall be submitted in accordance with the provisions of section 2.16 to the Seventy-seventh General Assembly.

3. The department of human services shall adopt administrative rules pursuant to chapter 17A to implement the provisions of an approved waiver. If necessary to conform with federal waiver terms and conditions or to efficiently administer the provisions, the rules may apply additional policies and procedures which are consistent with the provisions of the approved waiver.

4. The effective date of a waiver requested under this section which is granted by the federal government shall be established by rule but shall not be earlier than July 1, 1997. If federal law is enacted to permit the state to implement a provision of section 239.23 without a federal waiver, the department shall proceed to implement the provisions within the time frame specified in this subsection.

Sec. 49. EMERGENCY RULES. If specifically authorized by a provision of this Act, the department of human services or the mental health and mental retardation commission may adopt administrative rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions and the rules shall become effective immediately upon filing, unless the effective date is delayed by the administrative rules review committee, notwithstanding section 17A.4, subsection 5, and section 17A.8, subsection 9, or a later effective date is specified in the rules. Any rules adopted in accordance with this section shall not take effect before the rules are reviewed by the administrative rules review committee. Any rules adopted in accordance with the provisions of this section shall also be published as notice of intended action as provided in section 17A.4.

Sec. 50. EFFECTIVE DATE. The following provisions of this Act, being deemed of immediate importance, take effect upon enactment:

1. Section 4, subsection 2, relating to the mental health managed care program.

2. Section 6, subsection 13, relating to moneys appropriated in 1996 Iowa Acts, House File 2114.

3. Section 10, subsection 18, relating to expenditure of federal funds for child and family services.

4. Section 27, relating to appropriations reductions.

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LEONARD L. BOSWELL  
President of the Senate

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RON J. CORBETT  
Speaker of the House

I hereby certify that this bill originated in the Senate and is known as Senate File 2442, Seventy-sixth General Assembly.

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JOHN F. DWYER  
Secretary of the Senate

Approved *May 29* 1996

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TERRY E. BRANSTAD  
Governor