

SENATE FILE 263
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO SSB 184)

Passed Senate, Date 3/27/95 Passed House, Date _____
Vote: Ayes 34 Nays 15 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act requiring licensure of hospice programs and providing a
2 penalty.

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

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S.F. 263

1 Section 1. Section 135J.1, unnumbered paragraph 1, and
2 subsections 1 and 5, Code 1995, are amended to read as
3 follows:

4 For the purposes of this ~~division~~ chapter unless otherwise
5 defined:

6 1. "Core services" means physician services, nursing
7 services, medical social services, counseling services, and
8 volunteer services; ~~---These-core-services,--as-well-as,~~ and
9 others deemed necessary by the hospice in delivering safe and
10 appropriate care to its case load, ~~can~~ which shall be provided
11 ~~through-either-direct-or-indirect-arrangement~~ directly by the
12 hospice.

13 5. "Hospice program" means a centrally coordinated program
14 of home and inpatient care provided directly ~~or-through-an~~
15 ~~agreement under the-direction-of~~ an identifiable hospice
16 administration providing palliative care and supportive
17 medical and other health services to terminally ill patients
18 and their families. A licensed hospice program shall utilize
19 a medically directed interdisciplinary team and provide care
20 to meet the physical, emotional, social, spiritual, and other
21 special needs which are experienced during the final stages of
22 illness, dying, and bereavement. Hospice care shall be
23 available twenty-four hours a day, seven days a week.

24 Sec. 2. Section 135J.2, unnumbered paragraph 1, Code 1995,
25 is amended to read as follows:

26 A person or governmental unit, acting severally or jointly
27 with any other person ~~may~~ shall not establish, conduct, or
28 maintain a hospice program in this state ~~and-receive~~ without a
29 license ~~from~~ issued by the department after meeting the
30 requirements of this ~~division~~ chapter. The application shall
31 be on a form prescribed by the department and shall require
32 information the department deems necessary. ~~Nothing-in-this~~
33 ~~division-shall-prohibit-a-person-or-governmental-unit-from~~
34 ~~establishing,--conducting,--or-maintaining-a-hospice-program~~
35 ~~without-a-license.~~ Each application for license shall be

1 accompanied by a nonrefundable biennial license fee determined
2 by the department. A hospice program which is not licensed
3 and which is operating in this state prior to July 1, 1995,
4 shall be given a reasonable time to comply with the licensure
5 requirements established in this section, as determined by the
6 department. The department may grant extensions of time for
7 compliance if evidence of a good faith attempt to comply is
8 furnished to the department and if the extension will not
9 place patients of the hospice in undue jeopardy.

10 Sec. 3. Section 135J.5, Code 1995, is amended to read as
11 follows:

12 135J.5 DENIAL, SUSPENSION, OR REVOCATION OF LICENSES.

13 The department may deny, suspend, or revoke a license if
14 the department determines there is failure of the program to
15 comply with this division chapter or the rules adopted under
16 this division chapter. The suspension or revocation may be
17 appealed under chapter 17A. The department may reissue a
18 license following a suspension or revocation after the hospice
19 corrects the conditions upon which the suspension or
20 revocation was based.

21 Sec. 4. Section 135J.7, Code 1995, is amended to read as
22 follows:

23 135J.7 RULES.

24 Except as otherwise provided in this division chapter, the
25 department shall adopt rules pursuant to chapter 17A necessary
26 to implement this division chapter, subject to approval of the
27 state board of health. Formulation of the rules shall include
28 consultation with Iowa hospice organization representatives
29 and other persons affected by the division chapter.

30 Sec. 5. NEW SECTION. 135J.8 PENALTY.

31 A person who establishes, operates, or maintains a hospice
32 program without obtaining a license under this chapter commits
33 a serious misdemeanor. Each day of continuing violation
34 following conviction shall be considered a separate offense.

35 EXPLANATION

1 This bill provides for mandatory, rather than the current
2 optional, licensure of hospice programs. The bill redefines
3 "care services" to allow for only direct rather than both
4 indirect and direct provisions of these services by a hospice
5 program. The bill also provides that an unlicensed hospice
6 program operating prior to July 1, 1995, is to be given a
7 reasonable time to meet the requirements for licensure and may
8 be allowed an extension of time for compliance if the hospice
9 program is making a good faith attempt to comply and the
10 extension will not place patients in undue jeopardy. The bill
11 provides that a person who establishes, operates, or maintains
12 a hospice program without a license is guilty of a serious
13 misdemeanor and that each day of violation following
14 conviction is a separate offense. The bill also replaces the
15 reference throughout the chapter to "division" by replacing
16 the word "division" with the word "chapter".

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SENATE FILE 263
FISCAL NOTE

The estimate for Senate File 263 is hereby submitted as a fiscal note pursuant to Joint Rule 17 and as a correctional impact statement pursuant to Section 2.56, Code of Iowa. Data used in developing this fiscal note and correctional impact statement are available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 263 provides for mandatory licensure of Hospice programs. Licensure is currently optional.

Background

There are currently 50 Hospice organizations in the State of Iowa. Of these, 35 are certified under the Medicare Program. Under State law, a Medicare-certified Hospice is deemed for State licensure without inspection.

The inspection cycle for Medicare-certified Hospices is approximately once every seven years based on a 15.0% inspection requirement. The number of Hospices inspected annually for Medicare may remain the same, increase, or decrease based on an annual non-negotiable decision by the Health Care Financing Administration (HCFA).

According to State law, the Department of Inspections and Appeals would be required to inspect the 15 Hospices which are currently not certified once every two years.

Currently, Medicare pays all of the costs of inspecting Medicare-certified hospices. If mandatory State licensure is imposed, the federal government will pay only 50.0% of the costs of inspections and complaint investigations of Medicare-certified Hospices. The State would be responsible for paying all costs related to licensure of the 15 non-certified organizations.

A fee of \$500 is required for State licensure of Hospice programs.

Fiscal Impact FY 1996

Revenue to the General Fund in FY 1995 as a result of the \$500 license fee would be \$7,500.

Costs to the General Fund as a result of inspections, complaint investigations, and license issuance would be \$55,422.

Net cost to the General Fund would be \$47,922.

Enactment of this Bill would result in a loss of \$10,589 in federal funds to the State.

The potential per case cost to the General Fund of a trial and appeals in the

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event of a violation would be \$52,048.

Fiscal Impact FY 1997

Costs to the General Fund as a result of inspections, complaint investigations, and license issuance would be \$13,056.

The potential per case cost to the General Fund of a trial and appeals in the event of a violation would be \$52,048.

Correctional Impact

Enactment of this Bill would have no impact on the correctional system.

Sources

Department of Inspections and Appeals

Judicial Department

Department of Human Rights, Division of Criminal and Juvenile Justice Planning

Parole Board

Department of Corrections

(LSB 2034SV, LDC)

FILED MARCH 21, 1995

BY DENNIS PROUTY, FISCAL DIRECTOR

Szymoniak
Vilsack
Kramer

SSB-184
Human Resources

Succeeded By
SF/HF
SENATE FILE 263
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON SZYMONIAK)

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